City of Chicago Deferred Compensation Plan Enhancements

Frequently asked questions (FAQs)

What is changing?

Effective August 28, 2026, a new Chicago Deferred Compensation Plan investment lineup will be available, including these updates:

- 3 new mutual funds are being added
- 4 existing mutual funds are being moved to a lower-cost share class
- 6 existing mutual funds are being removed and will be mapped to a similar mutual fund option
- The existing T. Rowe Target Date Series (12 funds) will be removed and mapped to the new State Street GTC Retirement Income Builder Target Date Series (17 funds)

The new lineup also features these enhancements:

- A simplified investment lineup to provide you with easier diversification
- The most cost-efficient share class available for the mutual funds selected in this lineup

Fee structure:

- The new fee structure will provide lower administrative expenses
- The plan is changing how fees are displayed in your account for greater clarity
- This new structure promotes equitable cost sharing

Questions about fees

1. Why is a change to fee structure being made?

The retirement plan industry has evolved significantly over the past several years. While embedded administrative fees paid by revenue sharing from plan investments have historically been the norm, emerging best practices speak to explicit, transparent administrative fees reflected on participant accounts. This move to full transparency regarding the administrative fees you pay allows you to know exactly how much you are paying to help cover the expenses associated with the operation of the Plan.

2. What are administrative fees and how are they used?

Administrative fees are those fees paid by participants to cover the expenses of administering the Deferred Compensation Plan and to protect the Plan's integrity and strength. The largest single Plan expense relates to costs associated with the Plan's third-party administrator and service provider (this is the role currently filled by Nationwide Retirement Solutions). In addition, the Plan pays for other expenses, including those associated with:

- An Investment Consultant
- Fiduciary liability insurance coverage
- Other Plan-related expenses

3. How much am I currently paying in administrative fees?

Depending on your investment option(s), you are currently contributing up to 0.25% annually toward the Plan's costs from embedded revenue sources described in question 5.

4. Under the new approach, what will I pay in administrative fees?

Effective September 1, 2026, the total annualized fee collected from all participants will be 0.0213% of the value of your investments. This equates to $2.13 annually on a $10,000 account balance. The actual fee amount will be based on your account balance on the day the fee is assessed. The first fee will be assessed on September 30, 2026, and on the last business day of each month thereafter. A table reflecting all fees associated with each investment option offered within the Plan, along with the administrative fees, follows these FAQs.

5. How were administrative fees identified and collected in the past?

The Plan's administrative expenses have been covered on an embedded basis, under which Plan expenses were covered by revenue sources that were not readily identifiable to Plan participants. For example, those invested in mutual funds or the Chicago Blended Fixed Option may have had service fee payments or a recordkeeping offset provided to the plan to cover administrative expenses.

6. What are mutual fund service fee payments?

Mutual fund service fee payments are a component of many mutual fund expense ratios. The service fee payments are remitted back to the Plan to help cover the administrative fees of the Plan. This is in recognition of the fact that the mutual fund companies do not have to provide recordkeeping, administration, statements, customer service, distribution and tax reporting for each individual participant because the Plan's recordkeeper performs these functions.

7. What will happen to mutual fund service fee payments going forward?

If any of the current investments provide service fee payments, or a replacement investment is chosen in the future that provides service fee payments, those payments will be refunded and credited proportionally to the Plan accounts of participants who invested in those funds on a quarterly basis. Keep in mind that not all mutual funds provide service fee payments, so it is possible that you may not receive a refund of service fee payments depending upon which mutual funds you hold in your account.

8. How does this change impact my current or future loan(s)?

Loans, both past and present, are not impacted. You should continue to pay the loan per your loan agreement until the loan is paid off.

9. How does this change impact my balance in the Schwab Personal Choice Retirement Account (PCRA)?

Effective September 1, 2026, the 0.0213% Administrative Fee applies to any balances held in the Schwab PCRA. This fee is assessed monthly on the last business day of the month like the core investment options in the Plan. However, because such a fee cannot be assessed directly on PCRA assets, the fee amount for the PCRA assets is deducted on a pro rata basis across your investments in the core investment options. This first fee will be assessed on September 30, 2026.

Questions about funds

1. What new funds are being added?

Fund being added	Ticker	Expense ratio
Asset allocation		
State Street GTC Retirement Income Builder Series — Class I	N/A	0.045%
Small-cap stocks		
Harbor Small Cap Growth Fund — Retirement Class	HNSGX	0.80%
Mid-cap stocks		
Columbia Select Mid Cap Growth Fund — Institutional Class	CLSPX	0.88%
Large-cap stocks		
Vanguard Growth Index Fund — Institutional Shares	VIGIX	0.03%

2. What funds are being removed?

Fund being removed	Ticker	Expense ratio	→	Mapped to	Ticker	Expense ratio
Asset allocation						
T. Rowe Price Retirement Target Date Funds	Multiple	0.34% - 0.46%	→	Age-appropriate State Street GTC Retirement Income Builder Series — Class I	N/A	0.045%
Small-cap stocks						
Lord Abbett Developing Growth Fund — Class R6	LADVX	0.60%	→	Harbor Small Cap Growth Fund — Retirement Class	HNSGX	0.80%
Mid-cap stocks						
Allspring Special Mid Cap Value Fund — Institutional Class	WFMIX	0.80%	→	Vanguard Mid Cap Index Fund — Institutional Shares	VMCIX	0.03%
Baird Mid Cap Growth Fund — Institutional Class	BMDIX	0.81%	→	Columbia Select Mid Cap Growth Fund — Institutional Class	CLSPX	0.88%
Large-cap stocks						
T. Rowe Price Dividend Growth Fund — I Class	PDGIX	0.50%	→	Vanguard Institutional Index Fund — Institutional Plus Shares	VIIIX	0.02%
T. Rowe Price Growth Stock Fund — I Class	PRUFX	0.52%	→	Vanguard Growth Index Fund — Institutional Shares	VIGIX	0.03%
The Growth Fund of America — Class R6	RGAGX	0.29%	→	Vanguard Growth Index Fund — Institutional Shares	VIGIX	0.03%

3. When will the investment options change?

The new investments will be available on August 28, 2026. The closing investments will be removed after the close of the New York Stock Exchange on August 28, 2026.

4. What will happen to my current investments?

Any assets and/or investment elections remaining in a fund being removed will be mapped as indicated above.

5. Why are the T. Rowe Price Target Date Funds mapping to an age-appropriate fund in the State Street GTC Retirement Income Builder Series?

The existing T. Rowe Price Target Date Funds are being replaced in the plan with the new State Street GTC Retirement Income Builder Series, which means you now have a lifetime income benefit and flexibility on how to take that income. Your date of birth determines your age-appropriate fund, based around the year you would turn 65 (which is when the income feature would begin). You have full flexibility at that time to choose to take the distribution, leave it invested in the fund or move it/reinvest it elsewhere.

6. Do I need to do anything?

No, you do not need to take any action. Any assets and/or investment elections remaining in a fund being removed will be mapped as indicated on the previous page after the close of the New York Stock Exchange on August 28, 2026.

7. Prior to August 28, 2026, can I move out of the funds being removed from the plan?

Yes, although you would want to avoid selecting another fund also being removed.

8. If I don't want to be mapped to the designated replacement fund, what options do I have?

Initiate an online exchange out of the closing fund before the close of the New York Stock Exchange on August 28, 2026, and avoid selecting another fund also being removed.

9. What will happen with my Nationwide ProAccount® assets?

ProAccount will update the portfolios to reflect the investment changes and will submit a transaction to rebalance your assets into the new portfolio. No action is needed by you.

10. What will happen with my self-directed brokerage option assets on August 28, 2026?

Assets held in the self-directed brokerage option are not impacted.

Questions about the State Street GTC Retirement Income Builder Series

1. What happens if I change my retirement date to a later point in time?

This solution has flexibility. At approximately age 65, lifetime income payments will be placed into an in-plan retirement fund automatically on a monthly basis. At any time, you may choose to take action to reallocate the income to another plan investment option or take distributions. Please note that taking distributions is a taxable event and is an action that is initiated by you.

If you choose to retire before that time, you may still direct a portion of your contributions to other investment options available under the plan.

2. Can I split my allocation into multiple lifetime income funds?

You cannot invest in multiple income solution funds. Your lifetime income solution automatically places you into a single age-appropriate fund based closely on the year you would turn 65; however, you always have the option to direct a portion of your contributions to other investment options under the plan at any time.

For additional information and resources, contact your Retirement Specialist or visit chicagodeferredcomp.com/rsc-preauth/campaigns/state-street-gtc-retirement-income-builder.

Fund/Share class information

Fund name	Ticker	Gross expense rato	Net expense ratio (A)	Mutual fund service fee payment* (B)	Administrative fee (C)	Total expense (A-B+C)
Asset allocation						
State Street GTC In-Retirement Fund Institutional — Class I	N/A	0.0450%	0.0450%	0.0000%	0.0213%	0.0663%
State Street GTC 2030 Retirement Income Builder Fund — Class I	N/A	0.0450%	0.0450%	0.0000%	0.0213%	0.0663%
State Street GTC 2033 Retirement Income Builder Fund — Class I	N/A	0.0450%	0.0450%	0.0000%	0.0213%	0.0663%
State Street GTC 2034 Retirement Income Builder Fund — Class I	N/A	0.0450%	0.0450%	0.0000%	0.0213%	0.0663%
State Street GTC 2037 Retirement Income Builder Fund — Class I	N/A	0.0450%	0.0450%	0.0000%	0.0213%	0.0663%
State Street GTC 2040 Retirement Income Builder Fund — Class I	N/A	0.0450%	0.0450%	0.0000%	0.0213%	0.0663%
State Street GTC 2043 Retirement Income Builder Fund — Class I	N/A	0.0450%	0.0450%	0.0000%	0.0213%	0.0663%
State Street GTC 2046 Retirement Income Builder Fund — Class I	N/A	0.0450%	0.0450%	0.0000%	0.0213%	0.0663%
State Street GTC 2049 Retirement Income Builder Fund — Class I	N/A	0.0450%	0.0450%	0.0000%	0.0213%	0.0663%
State Street GTC 2052 Retirement Income Builder Fund — Class I	N/A	0.0450%	0.0450%	0.0000%	0.0213%	0.0663%
State Street GTC 2055 Retirement Income Builder Fund — Class I	N/A	0.0450%	0.0450%	0.0000%	0.0213%	0.0663%
State Street GTC 2058 Retirement Income Builder Fund — Class I	N/A	0.0450%	0.0450%	0.0000%	0.0213%	0.0663%
State Street GTC 2061 Retirement Income Builder Fund — Class I	N/A	0.0450%	0.0450%	0.0000%	0.0213%	0.0663%
State Street GTC 2064 Retirement Income Builder Fund — Class I	N/A	0.0450%	0.0450%	0.0000%	0.0213%	0.0663%
State Street GTC 2067 Retirement Income Builder Fund — Class I	N/A	0.0450%	0.0450%	0.0000%	0.0213%	0.0663%
State Street GTC 2070 Retirement Income Builder Fund — Class I	N/A	0.0450%	0.0450%	0.0000%	0.0213%	0.0663%
State Street GTC 2073 Retirement Income Builder Fund — Class I	N/A	0.0450%	0.0450%	0.0000%	0.0213%	0.0663%
Vanguard LifeStrategy 40/60 Fund (formerly Vanguard LifeStrategy Conservative Growth Fund)	VSCGX	0.1000%	0.1000%	0.0000%	0.0213%	0.1213%
Vanguard LifeStrategy 80/20 Fund (formerly Vanguard LifeStrategy Growth Fund)	VASGX	0.1000%	0.1000%	0.0000%	0.0213%	0.1213%
Vanguard LifeStrategy 60/40 Fund (formerly Vanguard LifeStrategy Moderate Growth Fund)	VSMGX	0.1000%	0.1000%	0.0000%	0.0213%	0.1213%

Fund/Share class information (continued)

Fund name	Ticker	Gross expense rato	Net expense ratio (A)	Mutual fund service fee payment* (B)	Administrative fee (C)	Total expense (A—B+C)
International stocks						
American Funds Capital World Growth & Income — Class R6	RWIGX	0.4100%	0.4100%	0.0000%	0.0213%	0.4313%
American Funds EUPAC Fund — Class R6	RERGX	0.4700%	0.4700%	0.0000%	0.0213%	0.4913%
Small-cap stocks						
Harbor Small Cap Growth Fund — Retirement Class	HNSGX	0.8000%	0.8000%	0.0000%	0.0213%	0.8213%
Invesco Small Cap Value Fund — Class R6	SMVSX	0.7200%	0.7200%	0.0000%	0.0213%	0.7413%
Vanguard Small-Cap Index Fund — Institutional Shares	VSCIX	0.0300%	0.0300%	0.0000%	0.0213%	0.0513%
Mid-cap stocks						
Ariel Appreciation Fund — Institutional Class	CAAIX	0.8400%	0.8400%	0.0000%	0.0213%	0.8613%
Columbia Select Mid Cap Growth Fund — Institutional Class	CLSPX	0.8800%	0.8700%	0.2500%	0.0213%	0.6413%
JPMorgan Mid Cap Value Fund — Class R6	JMVYX	0.7000%	0.6000%	0.0000%	0.0213%	0.6213%
Vanguard Mid-Cap Index Fund — Institutional Shares	VMCIX	0.0300%	0.0300%	0.0000%	0.0213%	0.0513%
Large-cap stocks						
Dodge & Cox Stock Fund — Class X	DOXGX	0.4600%	0.4100%	0.0000%	0.0213%	0.4313%
Fidelity Contrafund® K6	FLCNX	0.4500%	0.4500%	0.0000%	0.0213%	0.4713%
Vanguard Growth Index Fund — Institutional Shares	VIGIX	0.0300%	0.0300%	0.0000%	0.0213%	0.0513%
Vanguard Total Stock Market Index Fund — Institutional Plus Shares	VSMPX	0.0200%	0.0200%	0.0000%	0.0213%	0.0413%
Vanguard Institutional Index Fund — Institutional Plus Shares	VIIIX	0.0200%	0.0200%	0.0000%	0.0213%	0.0413%
Bonds						
Dodge & Cox Income Fund — Class X	DOXIX	0.3600%	0.3300%	0.0000%	0.0213%	0.3513%
Stable-value investments						
Chicago Blended Fixed Option	N/A	N/A	N/A	0.0000%	0.0213%	0.0213%

Before investing, carefully read the fund prospectus and consider the fund's investment objectives, risks, charges and expenses. The underlying fund prospectuses contain this and other important information, and are available to download at chicagodeferredcomp.com or by calling 1-855-457-2489, Option 1.

Expense ratio, mutual fund service fee payment and administrative fee percentages are subject to change without notice. This information is accurate as of 6/30/2026. Please contact Nationwide at 1-855-457-2489, Option 1 or log in to chicagodeferredcomp.com for the most up-to-date information.

* Mutual fund service fee payments may be offered when a company, such as Nationwide, provides marketing, recordkeeping and other services for the mutual fund companies by making the investment funds available to Nationwide's clients.

Target date funds are designed for people who plan to withdraw funds during or near a specific year. They are rebalanced over time to become more conservative as the target date approaches. Like all investments, they are subject to market risk, including possible loss of principal. Loss of principal can occur before, at or after the target date, and there is no guarantee these funds will provide enough income for retirement.

Expense ratios represent the fund's total operating expenses expressed as a percentage of the assets held in the fund. Gross expense ratios do not reflect any fund management expense waivers or reimbursements (which, if reflected, would give you a net expense ratio). For more information about management expense waivers or reimbursements, refer to the fund's prospectus.

Information provided by Retirement Specialists is for educational purposes only and not intended as investment advice. Retirement Specialists are registered representatives of Nationwide Investment Services Corporation, member FINRA, Columbus, Ohio.

There is an annual fee for Nationwide ProAccount. The fee is listed in the Participant Agreement and is calculated daily, based on the market value of your assets, and deducted from your account at the end of each quarter. A 90-day trial period allows you to enroll in the service with no upfront fee. Your account is charged only if you continue the service beyond the trial period.

Nationwide ProAccount neither guarantees to make a profit nor to eliminate risk.

Nationwide Investment Advisors LLC (NIA) provides investment advice to account holders enrolled in Nationwide ProAccount. NIA is an SEC-registered investment adviser and a Nationwide affiliate. NIA has retained Wilshire® as an independent financial expert for Nationwide ProAccount. Wilshire provides investment allocation portfolios based on participant ages and their personal tolerance for investment risk. Wilshire is a registered service mark of Wilshire Associates, which is not an affiliate of Nationwide or NIA.

NRM-22727IL-CH (07/26)