Inside you will find:

- A questionnaire to help you decide your allocation strategy
- Information about STRS Ohio investment choices
- Glossary of investment terms

Helping you understand your STRS Ohio benefits
Smart Choices for your secure future.
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**STRS Ohio investment choices**

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STRS Ohio is one of the few teacher pension systems in the country that offers a choice of retirement plans.

As you’ll discover when you review this selection packet, each plan offers unique features. It is vital that you consider what will be most important to you and your family — now and in the future.

If you choose the Defined Contribution Plan, your retirement income will be based on the amount deposited to your account, the performance of investment choices you select and the annuity rates (or interest rate environment) at the time of retirement. If you choose the Combined Plan, you will select investment choices for the defined contribution portion of your account to create a portion of your retirement income.

This Investment Options Guide and the accompanying Investment Performance Report are designed to help you understand the investments you choose to determine the accumulation in your retirement account. This guide will help you:

• Identify your investment style;
• Match your asset allocations to your current investment style;
• Evaluate the investment choices available to you; and
• Understand the tools available to create your portfolio now and manage it in the future.

The materials contained in this selection packet are a summary and are not intended to provide total information about STRS Ohio benefits. STRS Ohio reserves the right to make subsequent changes without prior notification.

Each STRS Ohio member is different and no one plan is right for everyone. You may want to consult with a financial planner or an STRS Ohio benefits counselor before selecting a plan.
The power of asset allocation

Asset allocation is a rational strategy for investment selection. Simply put, it is the process of diversifying your investment dollars across different asset classes. It enables you to optimize your return potential while reducing your risk.

How your investments are diversified depends on your willingness to tolerate risk. In general, the greater the risk, the greater the potential return.

By diversifying a portfolio, you can pursue attractive performance potential while simultaneously spreading out your investment risk.

How important is asset allocation to your investment success?

Industry research has shown that more than 90% of the variation in portfolio return is determined by asset allocation.

In short, while picking specific investments and deciding when to buy and sell those investments can have an impact on your overall return, a well-diversified portfolio may be the critical factor in determining how well your portfolio performs in the long run.

What type of investor are you?

The questionnaire on Pages 3–4 will help you determine your investment style. It was developed by Wilshire Associates, a nationally recognized investment management firm. If you’re not sure whether your investment style is conservative, moderate or aggressive, the questionnaire can help you determine which portfolio model may be right for you. Just complete the questionnaire on the following pages to review your investment style, fund asset classes and investment options. Allocation choices may be listed for reference, but you will have to select the allocation you prefer on your Retirement Plan Selection Form or through your Online Personal Account.

A personal asset allocation strategy is built on two key elements:

Your time horizon

A shorter horizon, for example, would result in a more conservative portfolio strategy.

Your risk tolerance

For example, an aggressive portfolio may not be suitable for a person with a low tolerance for risk, even if he or she has a long-term time horizon.
To complete the questionnaire, circle the number next to the response that most resembles yours. Circle only one number per question.

1. Your current age is:
   
   **Circle one**
   
   1 | Over 70
   4 | 60–70
   8 | 50–59
   12 | 35–49
   16 | 34 or younger

2. When do you anticipate taking regular cash distributions from your account?
   
   **Circle one**
   
   2 | Less than five years
   5 | Five to nine years
   7 | 10 to 15 years
   10 | More than 15 years, or I do not anticipate taking cash distributions

3. In addition to your current employer-sponsored retirement plan, do you have other retirement plan benefits such as a defined benefit pension or defined contribution profit-sharing plan?
   
   **Circle one**
   
   0 | No
   20 | Yes

4. The chart below shows the possible performance range of four different sample portfolios. Let’s say you invested $100,000 at the beginning of the year. Each bar shows the range of potential values at the end of one year. Which portfolio best describes your tolerance for risk?
   
   **Circle one**
   
   1 | Portfolio A ($95,000–$115,000)
   4 | Portfolio B ($90,000–$125,000)
   7 | Portfolio C ($85,000–$140,000)
   10 | Portfolio D ($80,000–$150,000)

---

**Potential Rewards Versus Risk**

![Chart showing potential rewards versus risk for different portfolios]

- Portfolio A: $95,000
- Portfolio B: $90,000
- Portfolio C: $85,000
- Portfolio D: $80,000

---
5. While riskier than bond investments, stock investments offer the potential of higher long-term investment returns. What is your feeling about investing a portion of your money in stock investments?

Circle one
1 | I am concerned that stock investments are too risky and would prefer a higher allocation to bonds
5 | I understand there is additional risk with stock investments and would consider a more balanced allocation to stocks and bonds
9 | I understand there may be some additional risks in stock investing, but the opportunity to achieve long-term growth with a higher allocation to equities is worth a serious consideration
12 | I understand the risks, but recognize there are growth opportunities in stock markets, and would like to maximize those opportunities

6. Given the volatility of the capital markets, your account value will fluctuate over time. The three choices below show potential account value ranges after a three-year investment period. If you were to invest $50,000, which portfolio would you select?

Circle one
2 | Account value range of $48,000–$53,000
6 | Account value range of $45,000–$58,000
10 | Account value range of $40,000–$60,000

Use your questionnaire scores to find your investment style.

<table>
<thead>
<tr>
<th>Calculate Score</th>
<th>Response Point Total</th>
<th>Potential Rewards Versus Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question 1</td>
<td>+</td>
<td>0–16 Conservative</td>
</tr>
<tr>
<td>Question 2</td>
<td>+</td>
<td>17–26 Moderately Conservative</td>
</tr>
<tr>
<td>Question 3</td>
<td>+</td>
<td>27–39 Moderate</td>
</tr>
<tr>
<td>Question 4</td>
<td>+</td>
<td>40–57 Moderately Aggressive</td>
</tr>
<tr>
<td>Question 5</td>
<td>+</td>
<td>58–78 Aggressive</td>
</tr>
<tr>
<td>Question 6</td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Conservative</th>
<th>Moderately Conservative</th>
<th>Moderate</th>
<th>Moderately Aggressive</th>
<th>Aggressive</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Stocks</td>
<td>9%</td>
<td>14%</td>
<td>19%</td>
<td>24%</td>
<td>30%</td>
</tr>
<tr>
<td>Small-cap Stocks</td>
<td>1%</td>
<td>2%</td>
<td>4%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Mid-cap Stocks</td>
<td>4%</td>
<td>6%</td>
<td>7%</td>
<td>9%</td>
<td>11%</td>
</tr>
<tr>
<td>Large-cap Stocks</td>
<td>16%</td>
<td>23%</td>
<td>30%</td>
<td>37%</td>
<td>44%</td>
</tr>
<tr>
<td>Bonds</td>
<td>40%</td>
<td>38%</td>
<td>28%</td>
<td>18%</td>
<td>7%</td>
</tr>
<tr>
<td>Capital Preservation</td>
<td>30%</td>
<td>17%</td>
<td>12%</td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Identifying an allocation strategy for your Defined Contribution or Combined Plan

As explained earlier, asset mix is a critical factor in determining investment success. As this chart illustrates, Wilshire Associates has identified five potential portfolios that spread holdings across six general asset classes. Now that you have determined your investment style, you can match it with an investment portfolio that best fits your needs based on your responses to the questionnaire. This can serve as a guide to you as you pursue your own allocation strategy. If any of the asset classes are unfamiliar to you, refer to the Glossary on Pages 24–25.

<table>
<thead>
<tr>
<th>Investment Style</th>
<th>Asset Classes (allocation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONSERVATIVE</td>
<td>![Pie chart showing CONSERVATIVE allocation]</td>
</tr>
<tr>
<td></td>
<td>- Cash 30%</td>
</tr>
<tr>
<td></td>
<td>- Bonds 40%</td>
</tr>
<tr>
<td></td>
<td>- Large-cap stocks 16%</td>
</tr>
<tr>
<td></td>
<td>- Mid-cap stocks 4%</td>
</tr>
<tr>
<td></td>
<td>- Small-cap stocks 1%</td>
</tr>
<tr>
<td></td>
<td>- International stocks 9%</td>
</tr>
<tr>
<td>MODERATE CONSERVATIVE</td>
<td>![Pie chart showing MODERATE CONSERVATIVE allocation]</td>
</tr>
<tr>
<td></td>
<td>- Cash 17%</td>
</tr>
<tr>
<td></td>
<td>- Bonds 38%</td>
</tr>
<tr>
<td></td>
<td>- Large-cap stocks 23%</td>
</tr>
<tr>
<td></td>
<td>- Mid-cap stocks 6%</td>
</tr>
<tr>
<td></td>
<td>- Small-cap stocks 2%</td>
</tr>
<tr>
<td></td>
<td>- International stocks 14%</td>
</tr>
<tr>
<td>MODERATE</td>
<td>![Pie chart showing MODERATE allocation]</td>
</tr>
<tr>
<td></td>
<td>- Cash 12%</td>
</tr>
<tr>
<td></td>
<td>- Bonds 28%</td>
</tr>
<tr>
<td></td>
<td>- Large-cap stocks 30%</td>
</tr>
<tr>
<td></td>
<td>- Mid-cap stocks 7%</td>
</tr>
<tr>
<td></td>
<td>- Small-cap stocks 4%</td>
</tr>
<tr>
<td></td>
<td>- International stocks 19%</td>
</tr>
<tr>
<td>MODERATELY AGGRESSIVE</td>
<td>![Pie chart showing MODERATELY AGGRESSIVE allocation]</td>
</tr>
<tr>
<td></td>
<td>- Cash 7%</td>
</tr>
<tr>
<td></td>
<td>- Bonds 18%</td>
</tr>
<tr>
<td></td>
<td>- Large-cap stocks 37%</td>
</tr>
<tr>
<td></td>
<td>- Mid-cap stocks 9%</td>
</tr>
<tr>
<td></td>
<td>- Small-cap stocks 5%</td>
</tr>
<tr>
<td></td>
<td>- International stocks 24%</td>
</tr>
<tr>
<td>AGGRESSIVE</td>
<td>![Pie chart showing AGGRESSIVE allocation]</td>
</tr>
<tr>
<td></td>
<td>- Cash 3%</td>
</tr>
<tr>
<td></td>
<td>- Bonds 7%</td>
</tr>
<tr>
<td></td>
<td>- Large-cap stocks 44%</td>
</tr>
<tr>
<td></td>
<td>- Mid-cap stocks 11%</td>
</tr>
<tr>
<td></td>
<td>- Small-cap stocks 5%</td>
</tr>
<tr>
<td></td>
<td>- International stocks 30%</td>
</tr>
</tbody>
</table>

Investment Risk Versus Return

![Diagram showing Investment Risk Versus Return]
Making your own investment choices

STRS Ohio offers 18 choices to determine how your retirement funds will accumulate — all managed by the same STRS Ohio investment professionals who manage the system’s defined benefit assets. These options vary in degrees of risk among different types of stock investments, bonds and cash equivalents.

As you can see in the chart below, STRS Ohio has at least one corresponding choice available in each asset class identified by Wilshire Associates. In addition, STRS Ohio offers a real estate option and target date options.

### Asset Class

<table>
<thead>
<tr>
<th>STRS Ohio Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
</tr>
<tr>
<td>Bonds</td>
</tr>
<tr>
<td>Large-Cap</td>
</tr>
<tr>
<td>Large-Cap</td>
</tr>
<tr>
<td>Mid-Cap</td>
</tr>
<tr>
<td>Small-Cap</td>
</tr>
<tr>
<td>International</td>
</tr>
<tr>
<td>International</td>
</tr>
<tr>
<td>Real Estate</td>
</tr>
<tr>
<td>Blend</td>
</tr>
</tbody>
</table>

STRS Target Choice options

STRS Target Choice options consist of blends of domestic and international equities, fixed income and real estate investments. The investment mix changes over time. More information on these choices is provided on Pages 17–21.

Completing Section 2 on your Retirement Plan Selection Form

If you decide to choose the Defined Contribution or Combined Plan, you will indicate your initial allocations on the Retirement Plan Selection Form enclosed with this packet or through your Online Personal Account.

On the following pages are descriptions of each STRS Ohio investment choice. As you review them, you will gain a better understanding of the potential return and volatility of each one. You can indicate your initial allocations on the Retirement Plan Selection Form or through your Online Personal Account using these approaches:

1. Follow the Wilshire Associates allocation model and develop a corresponding portfolio consisting of the appropriate STRS Ohio options.
2. Select your own combination of STRS Ohio options for your portfolio that you believe meets your personal needs.
3. Choose an STRS Target Choice.

Once this selection information is received by STRS Ohio, your account will be established.

Managing your defined contribution account

You will have several tools to help manage your account. Using the STRS Ohio website and your Online Personal Account, you’ll be able to:

- Obtain your daily account balance (total and by investment choice);
- Obtain current allocation for future contributions;
- Exchange existing balances from one investment choice to another;
- Obtain current unit values of the available investment choices, as well as past performance results;

In addition, you will receive quarterly statements providing details about your account.

For additional assistance

STRS Ohio has contracted with Nationwide Retirement Solutions (NRS) in administering the defined contribution aspects of the STRS Ohio retirement plan options. NRS retirement specialists can discuss your investment choices with you by phone. Just call toll-free 866-332-3342, Monday–Thursday, 8 a.m.–8 p.m., or Friday 8 a.m–6:30 p.m. to talk with an NRS representative. Additional investment information from NRS can also be accessed through the STRS Ohio website (www.strsoh.org). You may also want to consult with a financial planner or adviser concerning your retirement planning needs.
Cash

**Investment Objective**
The primary investment objective of the STRS Money Market Choice is to obtain a level of current income consistent with the preservation of principal and liquidity. The performance objective is to exceed the 90-day U.S. Treasury bill return, before fees, by investing in the highest quality U.S. dollar-denominated short-term securities. This choice will seek to maintain a stable $1.00 net asset value.

**Investment Characteristics**
The STRS Money Market Choice will generally be invested in short-term securities of the highest quality rating (A1/P1 rating). To preserve the principal value, interest rate risk will be low. This choice consists of large marketable issuers in the short-term markets to provide a high level of liquidity. It emphasizes credit quality for preservation of principal and liquidity.

**Risk**
The STRS Money Market Choice is intended as a conservative investment choice to protect principal value. Although there typically is less risk with a money market, the choice is subject to a variety of risks which can adversely affect performance. Some of these include income risk, credit risk and manager risk.

An investment in this choice is not insured or guaranteed by the Federal Deposit Insurance Corporation, the U.S. government or any other government-sponsored enterprises.

**Investment Manager**
STRS Ohio

**Investment Performance**
Please refer to the STRS Ohio *Investment Performance Report* included in this selection packet.

**Annual Asset Management Fee**
The total annual fee for the STRS Money Market Choice is no greater than 0.10%.
**Investment Objective**
This investment choice is intended to closely match the return of the Bloomberg Barclays U.S. Universal Bond Index, before fees.

**Investment Characteristics**
The STRS Bloomberg Barclays U.S. Universal Bond Index Choice consists entirely of U.S. dollar-denominated securities. This choice is intended to be an intermediate-term investment vehicle due to the moderate variability of its returns. It is designed to closely match the returns of the Bloomberg Barclays U.S. Universal Bond Index. A significant portion of the index includes debt issued by the U.S. government and other government-related entities, residential and commercial mortgage-backed securities, and investment-grade corporate bonds. A small portion of the index is high yield debt with ratings below the BBB category. Also included is debt from emerging market countries and other foreign issuers. The value of bonds is sensitive to changes in interest rates. When interest rates fall, bond prices rise and vice versa. Total returns are comprised of changes in principal values plus interest income earned.

**Risk**
An investment in the STRS Bloomberg Barclays U.S. Universal Bond Index Choice could lose value over short or even long periods. The choice’s share price will fluctuate in a range similar to the variability of the overall bond market. The choice is subject to a variety of risks which can adversely affect performance. Some of these include a rise in interest rates, issuer impairment or default, early or late redemption of a security’s cash flows and purchasing power risk in the event of high inflation.

An investment in this choice is not insured or guaranteed by the Federal Deposit Insurance Corporation, the U.S. government or any other government-sponsored enterprises.

**Investment Manager**
STRS Ohio

**Index Statistics as of May 31, 2019**

<table>
<thead>
<tr>
<th>Number of Issues</th>
<th>16,619</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Yield</td>
<td>3.09%</td>
</tr>
<tr>
<td>Average Maturity</td>
<td>7.77 Years</td>
</tr>
<tr>
<td>Market Value</td>
<td>$26.30 Trillion</td>
</tr>
</tbody>
</table>

**Index Characteristics as of May 31, 2019**

<table>
<thead>
<tr>
<th>Sector</th>
<th>% of Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury</td>
<td>33%</td>
</tr>
<tr>
<td>Mortgage</td>
<td>25%</td>
</tr>
<tr>
<td>Corporate</td>
<td>24%</td>
</tr>
<tr>
<td>Emerging Market</td>
<td>8%</td>
</tr>
<tr>
<td>Government Related</td>
<td>5%</td>
</tr>
<tr>
<td>High Yield</td>
<td>5%</td>
</tr>
</tbody>
</table>

**Investment Performance**
Please refer to the STRS Ohio Investment Performance Report included in this selection packet.

**Annual Asset Management Fee**
The total annual fee for the STRS Bloomberg Barclays U.S. Universal Bond Index Choice is 0.07%.
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Investment Objective
The primary objective of the STRS Large-Cap Core Choice is long-term capital appreciation. It seeks to achieve long-term returns that are greater than the Russell 1000 Index, before fees.

Investment Characteristics
STRS Large-Cap Core Choice invests in larger companies across a wide spectrum of industries. It will generally be invested in large-cap companies selected from the Russell 1000 Index. The focus is on investing in the best stocks from within each industry group. This choice emphasizes fundamental research, valuation and long-term growth prospects in the decision-making process.

Risk
An investment in the STRS Large-Cap Core Choice could lose value over short or even long periods due to volatility of common stocks. You should expect the choice’s share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The choice is subject to a variety of risks which can adversely affect performance. Some of these include stock market risk, investment style risk and manager risk.

Investment Manager
STRS Ohio

Composition as of May 31, 2019

<table>
<thead>
<tr>
<th>Top 10 Holdings</th>
<th>% of Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apple Inc.</td>
<td>3.9%</td>
</tr>
<tr>
<td>Microsoft Corp.</td>
<td>2.8%</td>
</tr>
<tr>
<td>Worldpay Inc. Class A</td>
<td>2.5%</td>
</tr>
<tr>
<td>Alphabet Inc. Class A</td>
<td>2.4%</td>
</tr>
<tr>
<td>Facebook Inc. Class A</td>
<td>2.2%</td>
</tr>
<tr>
<td>Marvell Technology Group Ltd.</td>
<td>1.9%</td>
</tr>
<tr>
<td>Exxon Mobil Corp.</td>
<td>1.8%</td>
</tr>
<tr>
<td>Broadcom Inc.</td>
<td>1.8%</td>
</tr>
<tr>
<td>Micron Technology Inc.</td>
<td>1.7%</td>
</tr>
<tr>
<td>Berkshire Hathaway Inc. Class B</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

Characteristics

Yield
Intended to approximate that of the Russell 1000 Index.

Price/Earnings
Intended to approximate that of the Russell 1000 Index.

Price/Sales
Intended to approximate that of the Russell 1000 Index.

Price/Book
Intended to approximate that of the Russell 1000 Index.

Investment Performance
Please refer to the STRS Ohio Investment Performance Report included in this selection packet.

Sector Weightings as of May 31, 2019

<table>
<thead>
<tr>
<th>Sector</th>
<th>STRS Large-Cap Core Choice</th>
<th>Russell 1000 Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information</td>
<td>23.0%</td>
<td>21.5%</td>
</tr>
<tr>
<td>Technology</td>
<td>13.3%</td>
<td>13.9%</td>
</tr>
<tr>
<td>Health Care</td>
<td>11.9%</td>
<td>13.3%</td>
</tr>
<tr>
<td>Financials</td>
<td>10.7%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Consumer</td>
<td>10.6%</td>
<td>9.7%</td>
</tr>
<tr>
<td>Discretionary</td>
<td>8.9%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Industrials</td>
<td>8.3%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Communication</td>
<td>6.7%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Services</td>
<td>6.9%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Energy</td>
<td>4.7%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>3.6%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Utilities</td>
<td>3.3%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Materials</td>
<td>2.9%</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

Annual Asset Management Fee
The total annual fee for STRS Large-Cap Core Choice is 0.30%.
STRS Russell 1000 Index Choice

**Investment Objective**
The primary objective of the STRS Russell 1000 Index Choice is long-term capital appreciation. This investment choice is intended to closely match the return of the Russell 1000 Index, before fees.

**Investment Characteristics**
STRS Russell 1000 Index Choice is composed of approximately 1,000 stocks chosen for market size (large-cap), liquidity and industry group representation. The return consists of capital appreciation plus dividend yield.

**Risk**
An investment in the STRS Russell 1000 Index Choice could lose value over short or even long periods due to volatility of common stocks. You should expect the choice’s share price and total return to fluctuate within a wide range like the fluctuations of the overall stock market. The choice is subject to a variety of risks which can adversely affect performance. Some of these include stock market risk and investment style risk.

**Investment Manager**
STRS Ohio

---

**Composition as of May 31, 2019**

<table>
<thead>
<tr>
<th>Top 10 Holdings</th>
<th>% of Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Microsoft Corp.</td>
<td>3.7%</td>
</tr>
<tr>
<td>Apple Inc.</td>
<td>3.3%</td>
</tr>
<tr>
<td>Amazon.com Inc.</td>
<td>2.9%</td>
</tr>
<tr>
<td>Facebook Inc.</td>
<td>1.7%</td>
</tr>
<tr>
<td>Berkshire Hathaway Inc.</td>
<td>1.5%</td>
</tr>
<tr>
<td>Johnson &amp; Johnson</td>
<td>1.4%</td>
</tr>
<tr>
<td>JPMorgan Chase &amp; Co.</td>
<td>1.4%</td>
</tr>
<tr>
<td>Alphabet Inc. Class C</td>
<td>1.3%</td>
</tr>
<tr>
<td>Alphabet Inc. Class A</td>
<td>1.3%</td>
</tr>
<tr>
<td>Exxon Mobil Corp.</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

**Sector Weightings as of May 31, 2019**

| Information Technology  | 21.5% |
| Health Care             | 13.9% |
| Financials              | 13.4% |
| Consumer Discretionary  | 11.7% |
| Industrials             | 9.7%  |
| Communication Services  | 8.3%  |
| Consumer Staples        | 6.9%  |
| Energy                  | 4.7%  |
| Real Estate             | 3.9%  |
| Utilities               | 3.2%  |
| Materials               | 2.8%  |

**Index Characteristics as of May 31, 2019**

- Total Market Value: $25.55 Trillion
- Mean Market Value: $28.45 Billion
- Weighted Avg. Market Value: $207.39 Billion
- Largest Co. Market Value: $950.26 Billion
- Smallest Co. Market Value: $589.34 Million
- Median Share Price: $60.13
- P/E Ratio: 18.85
- Dividend Yield: 1.99%

**Investment Performance**
Please refer to the STRS Ohio Investment Performance Report included in this selection packet.

**Annual Asset Management Fee**
The total annual fee for STRS Russell 1000 Index Choice is 0.05%.

---

The Russell Indices are a trademark of FTSE International Limited (FTSE) and Frank Russell Company (Russell) and their respective subsidiary undertakings, which are members of the London Stock Exchange Group plc group.
Investment Objective
The primary objective of the STRS Russell Midcap Index Choice is long-term capital appreciation. This investment choice is intended to closely match the return of the Russell Midcap Index, before fees.

Investment Characteristics
STRS Russell Midcap Index Choice is composed of approximately 800 stocks chosen for market size (mid-cap), liquidity and industry group representation. The return consists of capital appreciation plus dividend yield.

Risk
An investment in the STRS Russell Midcap Index Choice could lose value over short or even long periods due to volatility of common stocks. You should expect the choice’s share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The choice is subject to a variety of risks which can adversely affect performance. Some of these include stock market risk and investment style risk.

Investment Manager
STRS Ohio

Composition as of May 31, 2019

<table>
<thead>
<tr>
<th>Top 10 Holdings</th>
<th>% of Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>ServiceNow Inc</td>
<td>0.65%</td>
</tr>
<tr>
<td>Fidelity National Information</td>
<td>0.55%</td>
</tr>
<tr>
<td>Sempra Energy</td>
<td>0.50%</td>
</tr>
<tr>
<td>Analog Devices Inc</td>
<td>0.50%</td>
</tr>
<tr>
<td>Autodesk Inc</td>
<td>0.49%</td>
</tr>
<tr>
<td>Roper Technologies Inc</td>
<td>0.49%</td>
</tr>
<tr>
<td>Fiserv Inc</td>
<td>0.48%</td>
</tr>
<tr>
<td>Ross Stores Inc</td>
<td>0.48%</td>
</tr>
</tbody>
</table>

Sector Weightings as of May 31, 2019

<table>
<thead>
<tr>
<th>Sector</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Technology</td>
<td>19.0%</td>
</tr>
<tr>
<td>Industrials</td>
<td>13.7%</td>
</tr>
<tr>
<td>Consumer Discretionary</td>
<td>13.3%</td>
</tr>
<tr>
<td>Financials</td>
<td>13.2%</td>
</tr>
<tr>
<td>Health Care</td>
<td>10.0%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>9.5%</td>
</tr>
<tr>
<td>Utilities</td>
<td>6.7%</td>
</tr>
<tr>
<td>Materials</td>
<td>4.8%</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>4.1%</td>
</tr>
<tr>
<td>Energy</td>
<td>3.7%</td>
</tr>
<tr>
<td>Communication Services</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

Index Characteristics as of May 31, 2019

- Total Market Value: $7.12 Trillion
- Mean Market Value: $10.10 Billion
- Weighted Avg. Market Value: $16.01 Billion
- Largest Co. Market Value: $46.96 Billion
- Smallest Co. Market Value: $589.34 Million
- Median Share Price: $53.66
- P/E Ratio: 19.21
- Dividend Yield: 1.79%

Investment Performance
Please refer to the STRS Ohio Investment Performance Report included in this selection packet.

Annual Asset Management Fee
The total annual fee for STRS Russell Midcap Index Choice is 0.07%.

The Russell Indices are a trademark of FTSE International Limited (FTSE) and Frank Russell Company (Russell) and their respective subsidiary undertakings, which are members of the London Stock Exchange Group plc group.
STRS Russell 2000 Index Choice

Investment Objective
The primary objective of the STRS Russell 2000 Index Choice is long-term capital appreciation. This investment choice is intended to closely match the return of the Russell 2000 Index, before fees.

Investment Characteristics
STRS Russell 2000 Index Choice is composed of approximately 2,000 stocks chosen for market size (small-cap), liquidity and industry group representation. The return consists of capital appreciation plus dividend yield.

Risk
An investment in the STRS Russell 2000 Index Choice could lose value over short or even long periods due to volatility of common stocks. You should expect the choice’s share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The choice is subject to a variety of risks which can adversely affect performance. Some of these include stock market risk and investment style risk.

Investment Manager
STRS Ohio

Composition as of May 31, 2019

<table>
<thead>
<tr>
<th>Top 10 Holdings</th>
<th>% of Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Etsy Inc.</td>
<td>0.39%</td>
</tr>
<tr>
<td>Five Below Inc.</td>
<td>0.37%</td>
</tr>
<tr>
<td>Planet Fitness Inc.</td>
<td>0.35%</td>
</tr>
<tr>
<td>The Trade Desk Inc.</td>
<td>0.35%</td>
</tr>
<tr>
<td>HubSpot Inc.</td>
<td>0.33%</td>
</tr>
<tr>
<td>Coupa Software Inc.</td>
<td>0.32%</td>
</tr>
<tr>
<td>Woodward Inc.</td>
<td>0.30%</td>
</tr>
<tr>
<td>Cree Inc.</td>
<td>0.30%</td>
</tr>
<tr>
<td>Array BioPharma Inc.</td>
<td>0.29%</td>
</tr>
<tr>
<td>Medidata Solutions Inc.</td>
<td>0.27%</td>
</tr>
</tbody>
</table>

Sector Weightings as of May 31, 2019

- Financials: 17.8%
- Health Care: 15.5%
- Information Technology: 15.3%
- Industrials: 14.9%
- Consumer Discretionary: 13.6%
- Real Estate: 7.9%
- Utilities: 4.0%
- Materials: 3.5%
- Energy: 3.2%
- Consumer Staples: 2.7%
- Communication Services: 1.6%

Index Characteristics as of May 31, 2019

- Total Market Value: $1.90 Trillion
- Mean Market Value: $1.16 Billion
- Weighted Avg. Market Value: $2.41 Billion
- Largest Co. Market Value: $9.87 Billion
- Smallest Co. Market Value: $9.96 Million
- Median Share Price: $19.75
- P/E Ratio: 18.05
- Dividend Yield: 1.49%

Investment Performance
Please refer to the STRS Ohio Investment Performance Report included in this selection packet.

Annual Asset Management Fee
The total annual fee for STRS Russell 2000 Index Choice is 0.07%.

The Russell Indices are a trademark of FTSE International Limited (FTSE) and Frank Russell Company (Russell) and their respective subsidiary undertakings, which are members of the London Stock Exchange Group plc group.
Investment Objective
The primary objective of the STRS MSCI World ex USA Index Choice is long-term capital appreciation. This investment choice is intended to closely match the return of the Morgan Stanley Capital International (MSCI) World ex USA Index, before fees.

Investment Characteristics
STRS MSCI World ex USA Index Choice is based on the share price of approximately 1,000 companies listed on stock exchanges in 22 different developed countries. The return is comprised of capital appreciation plus dividend yield.

Risk
An investment in the STRS MSCI World ex USA Index Choice could lose value over short or even long periods due to volatility of common stocks. You should expect the choice’s share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The choice is subject to a variety of risks which can adversely affect performance. Some of these include stock market risk, country risk and currency risk.

Investment Manager
STRS Ohio

Investment Performance
Please refer to the STRS Ohio Investment Performance Report included in this selection packet.

Annual Asset Management Fee
The total annual fee for STRS MSCI World ex USA Index Choice is 0.10%.

Country Weightings as of May 31, 2019

<table>
<thead>
<tr>
<th>Country</th>
<th>% of Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>21.90%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>15.35%</td>
</tr>
<tr>
<td>France</td>
<td>10.11%</td>
</tr>
<tr>
<td>Canada</td>
<td>9.26%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>8.32%</td>
</tr>
<tr>
<td>Germany</td>
<td>7.88%</td>
</tr>
<tr>
<td>Australia</td>
<td>6.56%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>3.57%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>3.24%</td>
</tr>
<tr>
<td>Spain</td>
<td>2.72%</td>
</tr>
<tr>
<td>Sweden</td>
<td>2.32%</td>
</tr>
<tr>
<td>Italy</td>
<td>2.03%</td>
</tr>
<tr>
<td>Denmark</td>
<td>1.56%</td>
</tr>
<tr>
<td>Singapore</td>
<td>1.17%</td>
</tr>
<tr>
<td>Finland</td>
<td>0.91%</td>
</tr>
<tr>
<td>Belgium</td>
<td>0.88%</td>
</tr>
<tr>
<td>Norway</td>
<td>0.61%</td>
</tr>
<tr>
<td>Israel</td>
<td>0.54%</td>
</tr>
<tr>
<td>Ireland</td>
<td>0.49%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>0.23%</td>
</tr>
<tr>
<td>Austria</td>
<td>0.21%</td>
</tr>
<tr>
<td>Portugal</td>
<td>0.14%</td>
</tr>
</tbody>
</table>
**Investment Objective**
The primary objective of the STRS MSCI ACWI ex USA Index Choice is intended to closely match the return of the Morgan Stanley Capital International (MSCI) ACWI ex USA Index, before fees.

**Investment Characteristics**
STRS MSCI ACWI ex USA Index Choice is based on the share price of approximately 1,900 companies listed on stock exchanges in 22 developed and 26 emerging countries. The return is comprised of capital appreciation plus dividend yield.

**Risk**
An investment in the STRS MSCI ACWI ex USA Index Choice could lose value over short or even long periods due to volatility of common stocks. You should expect the choice’s share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The choice is subject to a variety of risks which can adversely affect performance. Some of these include stock market risk, country risk and currency risk.

**Investment Manager**
STRS Ohio

**Investment Performance**
Please refer to the STRS Ohio Investment Performance Report included in this selection packet.

**Annual Asset Management Fee**
The total annual fee for STRS ACWI ex USA Index Choice is 0.14%.

---

**Country Weightings as of May 31, 2019**

<table>
<thead>
<tr>
<th>Country</th>
<th>% of Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>16.13%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>11.30%</td>
</tr>
<tr>
<td>China</td>
<td>8.20%</td>
</tr>
<tr>
<td>France</td>
<td>7.45%</td>
</tr>
<tr>
<td>Canada</td>
<td>6.82%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>6.13%</td>
</tr>
<tr>
<td>Germany</td>
<td>5.80%</td>
</tr>
<tr>
<td>Australia</td>
<td>4.83%</td>
</tr>
<tr>
<td>Korea</td>
<td>3.18%</td>
</tr>
<tr>
<td>Taiwan</td>
<td>2.90%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>2.63%</td>
</tr>
<tr>
<td>India</td>
<td>2.51%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2.39%</td>
</tr>
<tr>
<td>Spain</td>
<td>2.01%</td>
</tr>
<tr>
<td>Brazil</td>
<td>2.00%</td>
</tr>
<tr>
<td>Sweden</td>
<td>1.71%</td>
</tr>
<tr>
<td>South Africa</td>
<td>1.56%</td>
</tr>
<tr>
<td>Italy</td>
<td>1.49%</td>
</tr>
<tr>
<td>Denmark</td>
<td>1.15%</td>
</tr>
<tr>
<td>Russia</td>
<td>1.05%</td>
</tr>
<tr>
<td>Singapore</td>
<td>0.86%</td>
</tr>
<tr>
<td>Thailand</td>
<td>0.76%</td>
</tr>
<tr>
<td>Mexico</td>
<td>0.69%</td>
</tr>
<tr>
<td>Finland</td>
<td>0.67%</td>
</tr>
<tr>
<td>Belgium</td>
<td>0.65%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>0.58%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>0.56%</td>
</tr>
<tr>
<td>Norway</td>
<td>0.45%</td>
</tr>
<tr>
<td>Israel</td>
<td>0.40%</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>0.38%</td>
</tr>
<tr>
<td>Ireland</td>
<td>0.36%</td>
</tr>
<tr>
<td>Philippines</td>
<td>0.30%</td>
</tr>
<tr>
<td>Poland</td>
<td>0.29%</td>
</tr>
<tr>
<td>Qatar</td>
<td>0.27%</td>
</tr>
<tr>
<td>Chile</td>
<td>0.24%</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>0.20%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>0.17%</td>
</tr>
<tr>
<td>Austria</td>
<td>0.15%</td>
</tr>
<tr>
<td>Turkey</td>
<td>0.13%</td>
</tr>
<tr>
<td>Colombia</td>
<td>0.11%</td>
</tr>
<tr>
<td>Peru</td>
<td>0.11%</td>
</tr>
<tr>
<td>Portugal</td>
<td>0.10%</td>
</tr>
<tr>
<td>Argentina</td>
<td>0.08%</td>
</tr>
<tr>
<td>Hungary</td>
<td>0.08%</td>
</tr>
<tr>
<td>Greece</td>
<td>0.08%</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>0.04%</td>
</tr>
<tr>
<td>Egypt</td>
<td>0.04%</td>
</tr>
<tr>
<td>Pakistan</td>
<td>0.01%</td>
</tr>
</tbody>
</table>
STRS REIT Index Choice

Real Estate

Investment Objective
The STRS REIT Index Choice is intended to closely match the return of the FTSE NAREIT Equity REITS Index, before fees.

Investment Characteristics
STRS REIT Index Choice invests in the securities of public real estate companies, primarily Real Estate Investment Trusts (REITs). The focus is on leading large- to medium-capitalization real estate stocks. These securities, however, tend to be small-capitalization stocks in relation to the broad U.S. stock market. REITs generally provide a high dividend income component with a potential for capital appreciation. This choice seeks to provide geographic and property-type diversification.

Risk
Because the STRS REIT Index Choice represents a narrow segment of the overall U.S. stock market, it may be more susceptible than a broadly diversified option to adverse economic or regulatory occurrences and may experience increased volatility. The choice is subject to a variety of risks which can adversely affect performance. Some of these include industry concentration risk, stock market risk, investment style risk and interest rate risk.

Investment Manager
STRS Ohio

Characteristics

<table>
<thead>
<tr>
<th>Yield</th>
<th>Generally consistent with the yield of the FTSE NAREIT Equity REITS Index.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price/Earnings</td>
<td>Generally consistent with the P/E of the FTSE NAREIT Equity REITS Index.</td>
</tr>
</tbody>
</table>

Composition as of May 31, 2019

Top 10 Holdings % of Total Choice
Simon Property Group Inc.......................... 5.5%
Prologis Inc...................................... 5.1%
Equinix Inc...................................... 4.5%
Public Storage..................................... 3.9%
Welltower Inc..................................... 3.3%
AvalonBay Communities Inc........................ 3.1%
Equity Residential................................ 3.0%
Digital Realty Trust............................... 2.7%
Ventas Inc......................................... 2.5%
Realty Income Corp................................ 2.3%

Investment Performance
Please refer to the STRS Ohio Investment Performance Report included in this selection packet.

Composition as of May 31, 2019

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apartments</td>
<td>14.0%</td>
</tr>
<tr>
<td>Health Care</td>
<td>12.2%</td>
</tr>
<tr>
<td>Office</td>
<td>10.4%</td>
</tr>
<tr>
<td>Industrial</td>
<td>10.1%</td>
</tr>
<tr>
<td>Data Centers</td>
<td>8.5%</td>
</tr>
<tr>
<td>Regional Malls</td>
<td>6.8%</td>
</tr>
<tr>
<td>Self Storage</td>
<td>6.7%</td>
</tr>
<tr>
<td>Diversified</td>
<td>5.8%</td>
</tr>
<tr>
<td>Shopping Centers</td>
<td>5.7%</td>
</tr>
<tr>
<td>Lodging/Resorts</td>
<td>5.5%</td>
</tr>
<tr>
<td>Specialty</td>
<td>5.2%</td>
</tr>
<tr>
<td>Free Standing</td>
<td>5.0%</td>
</tr>
<tr>
<td>Manufactured Homes</td>
<td>2.4%</td>
</tr>
<tr>
<td>Single Family Homes</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

Annual Asset Management Fee
The total annual fee for STRS REIT Index Choice is 0.10%.
STRS Target Choice Options

In addition to the individual asset class choices, STRS Ohio offers blended portfolios with a mix of fixed income, international equities, domestic equities and real estate. These options are designed as single, comprehensive investment solutions for participants who plan to retire during the specified date ranges. Asset allocations are adjusted over time in accordance with each target choice’s glidepath, becoming more conservative as it approaches the target year.

Investment Objective
These allocation options target a year in the future that would roughly match a participant’s retirement date. As the target date approaches, the more conservative the investment mix becomes — moving from a substantial allocation to stocks in the early years (for greater growth opportunities) toward a more balanced mix of stocks and bonds (to reduce volatility) as the target date nears. When the Target Choice reaches its target date, participants who are not going to annuitize the account for retirement must transfer the accumulated value to other STRS Ohio investment options. If no other option is chosen, the accumulated value of the choice automatically rolls into the nearest Target Choice option. For example, if a member has contributions placed in the Target Choice 2020 option and he or she has not provided new allocation instructions by Dec. 31, 2020, the accumulated value in the Target Choice 2020 option will roll into the Target Choice 2025 option.

Investment Characteristics
Target Choice options will consist of blends of domestic and international equities, fixed income and real estate investments. Allocations are based on the following indices:
- Domestic Equities — Russell 3000 Index (includes large-, mid- and small-cap)
- International Equities — MSCI World ex USA Index
- Fixed Income — Bloomberg Barclays U.S. Universal Bond Index
- Real Estate — FTSE NAREIT Equity REITs Index

Risk
STRS Target Choice options are intended as long-term investment vehicles due to the volatility of returns on common stocks over short time periods. These options do not provide guaranteed income or payouts. The asset allocations for these choices will be geared toward the average investor. Since the choice currently invests more of its assets in stocks, the choice’s overall risk will be greater than a fund that invests a majority of assets in bonds; however, the level of risk should be lower than that of a fund investing entirely in stocks. The choice is subject to a variety of risks which can adversely affect performance. Some of these include stock market risk, country risk, currency risk, interest rate risk, purchasing power risk and investment style risk. To take on less (or more) risk, participants can do so by selecting a target choice with a date earlier (or later) than their expected retirement date.

Investment Manager
STRS Ohio

Annual Asset Management Fee
The total annual fee for STRS Target Choice options is 0.10%.

STRS Target Choice 2020
The STRS Target Choice 2020 is intended to provide a diversified investment that is appropriate for a participant with a projected retirement date of 2019–2022.

<table>
<thead>
<tr>
<th>Composition as of July 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>48.0% Fixed Income</td>
</tr>
<tr>
<td>21.0% International Equities</td>
</tr>
<tr>
<td>26.0% Domestic Equities</td>
</tr>
<tr>
<td>5.0% Real Estate</td>
</tr>
</tbody>
</table>

STRS Target Choice 2020 Glidepath
This chart indicates how STRS Ohio expects the asset allocations to change over time.
**STRS Target Choice 2025**

The STRS Target Choice 2025 is intended to provide a diversified investment that is appropriate for a participant with a projected retirement date of 2023–2027.

Composition as of July 1, 2019

- 38.5% Fixed Income
- 24.5% International Equities
- 32.0% Domestic Equities
- 5.0% Real Estate

**STRS Target Choice 2030**

The STRS Target Choice 2030 is intended to provide a diversified investment that is appropriate for a participant with a projected retirement date of 2028–2032.

Composition as of July 1, 2019

- 31.0% Fixed Income
- 27.5% International Equities
- 36.5% Domestic Equities
- 5.0% Real Estate
STRS Target Choice 2035
The STRS Target Choice 2035 is intended to provide a diversified investment that is appropriate for a participant with a projected retirement date of 2033–2037.

Composition as of July 1, 2019

- 23.5% Fixed Income
- 30.5% International Equities
- 41.0% Domestic Equities
- 5.0% Real Estate

STRS Target Choice 2035 Glidepath
This chart indicates how STRS Ohio expects the asset allocations to change over time.

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STRS Target Choice 2040
The STRS Target Choice 2040 is intended to provide a diversified investment that is appropriate for a participant with a projected retirement date of 2038–2042.

Composition as of July 1, 2019

- 16.0% Fixed Income
- 33.5% International Equities
- 45.5% Domestic Equities
- 5.0% Real Estate

STRS Target Choice 2040 Glidepath
This chart indicates how STRS Ohio expects the asset allocations to change over time.
**STRS Target Choice 2045**

The STRS Target Choice 2045 is intended to provide a diversified investment that is appropriate for a participant with a projected retirement date of 2043–2047.

**Composition as of July 1, 2019**

- 10.0% Fixed Income
- 36.0% International Equities
- 49.0% Domestic Equities
- 5.0% Real Estate

**STRS Target Choice 2045 Glidepath**

This chart indicates how STRS Ohio expects the asset allocations to change over time.

**STRS Target Choice 2050**

The STRS Target Choice 2050 is intended to provide a diversified investment that is appropriate for a participant with a projected retirement date of 2048–2052.

**Composition as of July 1, 2019**

- 10.0% Fixed Income
- 36.0% International Equities
- 49.0% Domestic Equities
- 5.0% Real Estate

**STRS Target Choice 2050 Glidepath**

This chart indicates how STRS Ohio expects the asset allocations to change over time.
STRS Target Choice 2055

The STRS Target Choice 2055 is intended to provide a diversified investment that is appropriate for a participant with a projected retirement date of 2053–2057.

Composition as of July 1, 2019

- 10.0% Fixed Income
- 36.0% International Equities
- 49.0% Domestic Equities
- 5.0% Real Estate

STRS Target Choice 2055 Glidepath

This chart indicates how STRS Ohio expects the asset allocations to change over time.

STRS Target Choice 2060

The STRS Target Choice 2060 is intended to provide a diversified investment that is appropriate for a participant with a projected retirement date of 2058–2062.

Composition as of July 1, 2019

- 10.0% Fixed Income
- 36.0% International Equities
- 49.0% Domestic Equities
- 5.0% Real Estate

STRS Target Choice 2060 Glidepath

This chart indicates how STRS Ohio expects the asset allocations to change over time.
STRS Ohio allocation choices are not publicly traded mutual funds. They are available only through participation in the STRS Ohio Defined Contribution and Combined Plans.

**Asset Management Fee Example:**

Members who participate in the STRS Ohio Defined Contribution or Combined Plan are charged asset management fees annually. The following table provides an example of the annual fees you would incur on a hypothetical investment of $1,000 in each STRS Ohio allocation choice. The fees are taken from the net asset value of each choice each valuation day. For the purpose of this example, to calculate annual fees, the total fee is multiplied by the year-end account balance in that option.

The table assumes (a) continuation into future years of the applicable STRS Ohio fee; (b) a 5% annual return; and (c) disbursement at each time period shown. This example should not be considered a representation of past or future expenses. Actual expenses may be greater or lesser than shown, depending upon factors such as actual performance.

<table>
<thead>
<tr>
<th>Allocation Choice</th>
<th>1 Year</th>
<th>3 Years</th>
<th>5 Years</th>
<th>10 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>STRS Money Market Choice</td>
<td>$1</td>
<td>$3</td>
<td>$6</td>
<td>$13</td>
</tr>
<tr>
<td>STRS Bloomberg Barclays U.S. Universal Bond Index Choice</td>
<td>$1</td>
<td>$2</td>
<td>$4</td>
<td>$9</td>
</tr>
<tr>
<td>STRS Large-Cap Core Choice</td>
<td>$3</td>
<td>$10</td>
<td>$17</td>
<td>$40</td>
</tr>
<tr>
<td>STRS Russell 1000 Index Choice</td>
<td>$1</td>
<td>$2</td>
<td>$3</td>
<td>$9</td>
</tr>
<tr>
<td>STRS Russell Midcap Index Choice</td>
<td>$1</td>
<td>$2</td>
<td>$4</td>
<td>$9</td>
</tr>
<tr>
<td>STRS Russell 2000 Index Choice</td>
<td>$1</td>
<td>$2</td>
<td>$4</td>
<td>$9</td>
</tr>
<tr>
<td>STRS MSCI World ex USA Index Choice</td>
<td>$1</td>
<td>$3</td>
<td>$6</td>
<td>$13</td>
</tr>
<tr>
<td>STRS MSCI ACWI ex USA Index Choice</td>
<td>$1</td>
<td>$5</td>
<td>$8</td>
<td>$18</td>
</tr>
<tr>
<td>STRS REIT Index Choice</td>
<td>$1</td>
<td>$3</td>
<td>$6</td>
<td>$13</td>
</tr>
<tr>
<td>Target Choice Options</td>
<td>$1</td>
<td>$3</td>
<td>$6</td>
<td>$13</td>
</tr>
</tbody>
</table>

**Account Fee:**

In addition to the fees listed above, a quarterly account fee of $10 is charged to each participant in a Defined Contribution or Combined Plan. The fee is taken proportionately from the member’s account balance on the first business day of the quarter.

**Maintenance Fee for Inactive Accounts Less Than $5,000:**

Members who have not contributed to the Defined Contribution Plan or the defined contribution portion of the Combined Plan for a period of 120 consecutive days are deemed inactive. Inactive members with account balances of less than $5,000 are assessed a $10 monthly fee taken proportionately from the balance of their account. If this fee is charged, the $10 quarterly account fee is waived.

**Contributions:**

The State Teachers Retirement System of Ohio (STRS Ohio) is a statewide pension plan for Ohio educators that operates by the authority of the Ohio General Assembly, and benefits are provided under Chapter 3307 of the Ohio Revised Code. Employers submit member and employer contributions to STRS Ohio after each payroll. For members enrolled in the STRS Ohio Defined Contribution or Combined Plan, member and employer contributions are deposited in each member’s account according to plan design and invested according to the member’s current contribution allocation within five days of receipt.

**Allocation Option Composition:**

The top 10 holdings, asset allocation, major market sectors and geographical diversification included for some allocation options are presented to illustrate examples of the diversity of the available choices. The illustrations may not be representative of the choices’ current or future investments. The figures presented are as of date shown and may change at any time.

**Value of Assets/Account Value:**

The performance of the allocation choices made by members is used upon distribution to determine funds accumulated. Each allocation option is valued each valuation day. Each option is determined by unit values. The unit value reflects performance and expenses. The account value is based on the unit value, at the end of each valuation day and the number of accumulated units of each allocation option. STRS Ohio will use market quotations, amortized cost or “fair value” to determine the unit value of each allocation option. Investment return and principal value will fluctuate so that a member’s units, when redeemed, may be worth more or less than their original cost.

**Internet Capabilities:**

Nationwide Retirement Solutions (NRS) will maintain an Internet website accessible through www.strsoh.org for the benefit of STRS Ohio members participating in the STRS Ohio Defined Contribution Plan or the defined contribution portion of the Combined Plan. Services and information available to participants include access to account balance, current contribution allocation, allocation option information and education materials. Members will also be able to change future contribution allocations and perform exchanges among available allocation choices. Written confirmations will normally be mailed to members within two business days of conducting transactions. Members should verify the accuracy of Internet transactions immediately upon receipt of the confirmation. While the website is typically available 24 hours a day, seven days a week for these services, NRS cannot guarantee availability. NRS is not responsible for any gain or loss attributable to these website services being unavailable. Members must accept the NRS Electronic Service Agreement in order to use the site.
Transfers and Allocation Changes Among Investment Options:

Members may conduct exchanges daily by phone or via the Internet unless exchange restrictions apply. Verbal instructions will be accepted upon verification of member identity and will be recorded to verify accuracy.

Exchange instructions completed by 4 p.m. Eastern Standard Time on a business day are posted to a member’s account at the closing price that day or, if the day of the exchange is not a business day, at the closing price on the next business day.

Members may change their future contribution allocation and make exchanges among available allocation options without charge.

Members are permitted 20 trade events each calendar year. A trade event is defined as any trade or combination of trades occurring on a given valuation day. NRS also provides these additional safeguards to protect STRS Ohio from illegal late-day trading and improper market-timing trading.

• If six or more trade events occur in one calendar quarter, NRS will notify the participant by U.S. mail that he or she has been identified as engaging in potentially harmful trading practices.

• Following this notification, if more than 11 trade events occur in two consecutive calendar quarters, NRS will require the participant to submit all future trade requests in paper form only via regular U.S. mail for the remainder of the calendar year.

• If 20 trade events occur in a calendar year, NRS will require the participant to submit all future trade requests in paper form via U.S. mail for the remainder of the calendar year.

Member Reporting:

Members in the Defined Contribution Plan and the Combined Plan will receive a quarterly statement of their account. Statements are mailed to members by the 20th business day of the month following the end of a quarter. Statements include beginning and ending balances, deposits, gains and losses, transactions, fees, contribution election and asset allocation information. Contributions posted to your account after the close of a quarter will not appear on that quarter’s statement. Each fall, members in the Combined Plan will also receive an Annual Statement of Account from STRS Ohio that includes their projected retirement, survivor benefit and disability benefit assuming the member meets or will meet the eligibility requirements for the defined benefit portion of the account. A record of service credit is also provided. Please review all quarterly statements carefully and inform NRS of any discrepancies within 120 days of the close of the calendar quarter in which the discrepancy occurs. Failure to do so may result in the inability to adjust your account.

Disbursements:

In accordance with state law, disbursements to members may be made only if the member has terminated STRS Ohio contributing service. Additionally, disbursements may be made only at the times and under the circumstances allowable by the Internal Revenue Code. The Defined Contribution and the Combined Plans do not allow loans or hardship withdrawals.

Members may take payment from the Defined Contribution Plan or the defined contribution portion of the Combined Plan through a rollover, a lump-sum withdrawal or a variety of annuities. Units will be redeemed from allocation choices on the business day after processing of the payment request is complete. Disbursements can be sent to the member or to the member’s financial institution. Members may request additional information or forms for disbursement by calling an STRS Ohio member service representative toll-free at 888-227-7877 or going to www.strsoh.org.

Members who request disbursement should be aware that the unit values of their account will remain subject to changing market conditions pending the receipt and processing of the disbursement.

Members who receive distributions will receive applicable tax statements. Members should file this tax statement with their income tax return. Members should always consult their accountant, lawyer or tax adviser for individual guidance.

Inability to Conduct Business:

NRS is available to execute transactions 24 hours a day, seven days a week through its Internet website during normal working conditions. Although NRS has a comprehensive contingency plan for both power failures and phone service interruption, abnormal circumstances could occur due to events such as severe weather conditions, natural disasters or inevitable accidents such that NRS may not be able to execute investment transactions. During this time of emergency, NRS will strive to restore normal business functions in a timely manner.
Glossary

**benchmark** — A standard, usually an unmanaged index, used for comparative purposes in assessing a fund’s performance.

**Bloomberg Barclays U.S. Universal Bond Index** — The Bloomberg Barclays U.S. Universal Bond Index measures publicly issued U.S. dollar-denominated, fixed-rate taxable bonds on a total return basis. It consists of approximately 14,000 different issues and includes fixed-income securities that are rated either investment grade or below investment grade. Municipal debt, private placements and nondollar issues are excluded from the index.

**bond** — A debt instrument issued by a company, city or state, or the U.S. government or its agencies, with a promise to pay regular interest and return the principal on a specified date.

**bond credit rating** — Independent evaluation of a bond’s credit-worthiness. This measurement is usually calculated through an index compiled by companies such as Standard & Poor’s (S&P) or Moody’s. Bonds with a credit rating of BBB or higher by S&P or Baa or higher by Moody’s are generally considered investment grade.

**book/price ratio** — The current book value of a stock divided by its current market price.

**book value** — The net worth or liquidating value of a business. This is calculated by subtracting all liabilities, including debt and preferred stocks, from total assets.

**bottom-up approach** — The search for outstanding performance of individual stocks before considering the impact of economic trends. Such companies may be identified from research reports, stock screens or personal knowledge of the products and services.

**business day/valuation day** — A day when market exchanges are open for business.

**capital appreciation** — The increase in the share price and value of an investment.

**diversification** — The strategy of investing in a wide range of companies, industries or investment products to reduce the risk if an individual company or sector suffers losses.

**dividend yield** — The current or estimated annual dividend divided by the market price per share of a security.

**Economic sectors**

**Communication Services** — Contains companies involved in communication services, including wireless, cellular and high-bandwidth networks.

**Consumer Discretionary** — Includes industries likely to be most sensitive to economic cycles, including automotive, apparel, household durable goods, hotels, restaurants and consumer retailing.

**Consumer Staples** — This sector includes industries that are less sensitive to economic cycles, including food, beverage and tobacco manufacturers, producers of nondurable household goods, and food and drug retailing companies.

**Energy** — Contains companies involved in producing, marketing or refining gas and oil products.

**Financials** — Includes companies engaged in finance, banking, investment banking and brokerage, insurance, corporate lending and real estate.

**Health Care** — Includes manufacturers of health care equipment and supplies, providers of health care services and producers of pharmaceuticals.

**Industrials** — This sector includes companies involved in construction, engineering and building, aerospace and defense, industrial equipment and machinery, and transportation services and infrastructure.

**Information Technology** — Contains companies primarily involved in technology software and services, hardware and equipment, and manufacturers of semiconductors.

**Materials** — Includes companies that manufacture chemicals; construction materials; glass; paper products; and metals, minerals and mining companies.

**Utilities** — Includes gas, water and electric utilities, as well as companies that operate as independent producers or distributors of power.

**float** — The number of shares of a corporation that are outstanding and available for trading by the public. A small float means the stock will be volatile, since a large order to buy or sell shares can influence the stock’s price dramatically. A larger float means the stock will be less volatile.

**index return** — An investment choice designed to closely match performance and composition of a particular market benchmark, such as the Russell 1000 Index.

**interest rate** — The rate of interest charged for the use of money, usually expressed as an annual rate.

**liquidity** — The ability to easily turn assets into cash. An investor should be able to sell a liquid asset quickly with little effect on the price. Liquidity is a central objective of money market funds.

**market capitalization (large-cap, mid-cap, small-cap)** — The market price of a company’s shares multiplied by the number of shares outstanding. Large capitalization (large-cap) companies generally have more than $5 billion in market capitalization; mid-cap companies between $1.5 billion and $5 billion; and small-cap companies less than $1.5 billion. These capitalization figures may vary depending upon the index being used and/or the guidelines used by the portfolio manager.

**market value** — The price at which a security is trading and could presumably be purchased or sold. This also refers to what investors believe a firm is worth, calculated by multiplying the number of shares outstanding by the current market price of a firm’s shares.
**market value-mean** — The market value of a group of securities computed by calculating the arithmetic average of a sample.

**market value-weighted** — The market value of a group of securities computed by calculating a weighted average of the returns on each security in the group, where the weights are proportional to outstanding market value.

**maturity** — The final date on which the payment of a debt instrument (e.g., bonds, notes, repurchase agreements) becomes due and payable. Short-term bonds generally have maturities of up to five years, intermediate-term bonds between five and 15 years, and long-term bonds more than 15 years.

**MSCI ACWI ex USA Index** — The MSCI (Morgan Stanley Capital International) ACWI (All Country World Index) ex USA Index captures large- and mid-cap representation across 22 developed markets and 26 emerging market countries with approximately 1,900 foreign companies. The index covers about 85% of the global opportunity set outside of the United States.

**MSCI World ex USA Index** — The MSCI (Morgan Stanley Capital International) World ex USA Index is a free float-adjusted market capitalization index of approximately 1,000 foreign companies that is designed to measure developed market equity performance, excluding the United States.

**net asset value (NAV)** — The market value of one unit of an investment option on any given day. It is determined by dividing an investment option’s total net assets by the number of units outstanding.

**price/book ratio** — The current market price of a stock divided by its book value or net asset value.

**price/earnings ratio (P/E)** — The current market price of a stock divided by its earnings per share. Also known as the “multiple,” the price-to-earnings ratio gives investors an idea of how much they are paying for a company’s earning power and is a useful tool for evaluating the costs of different securities.

**price/sales ratio** — The current market price of a stock divided by total sales.

**Risk**

**country risk** — The possibility that world events, such as political instability, financial troubles or natural disasters, will adversely affect the value of securities issued by companies in foreign countries.

**credit risk** — A loss in value due to a bond issuer’s failure to make timely interest and principal payments or adverse perception of the issuer’s ability to make such payment.

**currency risk** — The possibility an investment’s value will change due to changes in currency exchange rates.

**income risk** — The possibility income will decline because of falling interest rates.

**industry concentration risk** — Investments concentrated heavily in specific industries could trail the overall market.

**interest rate risk** — The risk that values will fall with changes in interest rates.

**investment style risk** — The chance that returns from a designated investment style will trail returns from the overall stock market.

**manager risk** — The possibility that poor security selection will cause underperformance relative to the benchmark.

**purchasing power risk** — The possibility principal and interest won’t be worth as much in the future because of erosion in value due to inflation.

**stock market risk** — The possibility that stocks will experience losses due to factors that affect the overall performance of the financial markets.

**risk tolerance** — How sensitive you are to market losses.

**Russell Indexes** — These indexes are used as standards for measuring U.S. stock market performance. An example would be the Russell 3000, which is the most widely used broad market index for U.S. institutional investors. It is comprised of the largest 3,000 U.S. stocks, representing 98% of investable U.S. equity.

**stock** — An ownership share in a corporation. Each share of stock is a proportional stake in the corporation’s assets and profits, and purchasing a stock should be thought of as owning a proportional share of the successes and failures of that business.

**top-down approach** — The method in which an investor first looks at trends in the general economy, selects attractive industries and then companies in those industries that should benefit from those trends.

**tracking error** — A portfolio volatility measurement that compares the variation (measured by the standard deviation) of the difference between the performance of the benchmark and a particular fund.

**Treasury securities** — Negotiable debt obligations of the U.S. government, secured by its full faith and credit. The income from Treasury securities is exempt from state and local income taxes, but not from federal income taxes. There are three types of Treasuries: bills (maturity of three–12 months), notes (maturity of one–10 years) and bonds (maturity of 10–30 years).

**volatility** — The general variability of a portfolio’s value resulting from price fluctuations of its investments. In most cases, the more diversified a portfolio is, the less volatile it will be.

**yield** — The annual rate of return on an investment, as paid in dividends or interest. It is expressed as a percentage obtained by dividing the market price for a stock or bond into the dividend or interest paid in the preceding 12 months.
Your guide to smart choices begins inside

The first step to any investment strategy is understanding what your choices are and how they may affect your long-term objectives. STRS Ohio recognizes the individuality of its members and that no single investment strategy is right for everyone.

STRS Ohio has contracted with Nationwide Retirement Solutions (NRS) to administer the defined contribution aspects of the STRS Ohio retirement plan options. NRS retirement specialists are available to help you understand the various choices you have for setting up your defined contribution account to provide retirement income. You may also want to consult with a financial planner before selecting a plan that is right for you.

For more information, log on to the STRS Ohio website at www.strsoh.org or call toll-free 888-227-7877.

STRS Ohio has contracted with Nationwide Retirement Solutions (NRS) as administrative service provider for the defined contribution aspects of STRS Ohio benefits. NRS has a successful history of providing quality service and is committed to achieving the highest quality standards in service for STRS Ohio members.