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STATE OF NEVADA DEPARTMENT OF ADMINISTRATION

PUBLIC EMPLOYEES' DEFERRED COMPENSATION PROGRAM

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MEMORANDUM

To: All State Agencies, the Nevada System of Higher Education, the Court System, Legislative Counsel Bureau, and all Political Subdivisions within the State of Nevada

From: Robert R. Boehmer, Executive Officer

Subject: Coronavirus (COVID-19) Effects on Participant Service of your NDC Account

Date: March 18, 2020

Over the past few weeks, the growing concern of the coronavirus (COVID-19) has had all our attention. As this situation continues to have an increased impact on financial markets and communities, I wanted to connect with all employees statewide, especially participants in the State of Nevada Public Employees' Deferred Compensation Program (NDC) to help make sense of what is surely an emotional time for families and an anxious time for investors. Please know that the NDC Administration is here for you during this challenging and stressful time.

As a result of Governor Sisolak's emergency declarations thus far, I have requested that all one-on-one meetings, group meetings/presentations, and/or retirement workshops be suspended until further notice for the safety of all involved. Effective immediately, I have instructed Voya Financial personnel assigned and authorized by the NDC Executive Officer to work with government employees across the state, to cease public access at each of the dedicated Nevada Voya office locations (Carson City and Las Vegas Offices), and that site visits scheduled at all State of Nevada locations, participating political subdivision locations, and Nevada of System of Higher Education locations be canceled immediately. I have encouraged NDC administrative staff and Voya representatives to utilize technology wherever possible to maintain service to NDC participants and, if a person-to-person meeting or interaction is needed, to maintain social distancing protocols identified in the Governor's emergency proclamation. If NDC participants must meet with NDC staff members or Voya representatives/staff assigned to the NDC Plan, please pre-arrange to conduct an individual appointment either by phone, email, in-home, or at a safe mutual public location, albeit being mindful of the direction given by Governor Sisolak with regard to non-essential public contact, social distancing, and person-to-person interactions.

Putting Things Into Perspective

Negative market response to a health crisis is not new. In fact, since 2003, there have been several different epidemics that caused short-term disruption and panic in the financial markets. The good news is that in nearly every case they were relatively short-lived and, as you can see from the chart below, the S&P 500 experienced sizable gains over the months immediately following the downturns. While there is no guarantee the market will rebound in this current situation, historically, negative market responses to these types of healthcare crises have been temporary dips.

Historical view of market performance during epidemics*

Epidemic	Month-End*	6-Month Performance, S&P 500	12-Month Performance, S&P 500
SARS	April 2003	14.59%	20.76%
Avian (Bird) Flu	June 2006	11.66%	18.36%
Swine Flu (H1N1)	April 2009	18.72%	35.96%

MERS	May 2013	10.74%	17.96%
Ebola	March 2014	5.34%	10.44%
Measles/Rubeola	December 2014	0.20%	-0.73%
Zika	January 2016	12.03%	17.45%

*Source: Dow Jones Market Data, as cited on foxbusiness.com, January 27, 2020. Stocks are represented by the Standard & Poor's 500 price index. Returns reflect the change in price, but not the reinvestment of dividends. The S&P 500 is an unmanaged index that is generally considered to be representative of the U.S. stock market. Returns shown do not reflect taxes, fees, brokerage commissions, or other expenses typically associated with investing. The performance of an unmanaged index is not indicative of the performance of any particular investment. Individuals cannot invest directly in any index. Actual results will vary. Past performance does not indicate future results.

*End of month during which early incidents of outbreak were reported.

**H1N1 occurred during the financial crisis, when, as during other periods, many different factors influenced by market performance.

Strategies That Can Help You Stay Calm Through the Storm

Market volatility can be unsettling and increase anxiety. While no one can predict what the market will do, making decisions based on panic rarely plays out well in the long term. In these challenging times, it is important to find a balance in the way we live and invest to take advantage of the inevitable progress of science and in financial markets while managing the probability of short-term disruptions. That's why it's important to focus on your long-term goals as well as asset allocation and rebalancing based on goals, time frame, and risk tolerance. To learn more about staying calm in rough markets, read this "[Shook up by Market Volatility](#)" article.

History and time have shown that volatility often has an upside, especially when you use strategies like dollar-cost averaging. When you dollar-cost average, you invest equal dollar amounts at regular intervals of time – for example, investing \$100 in your NDC savings plan at the same time each month. Rather than trying to time the market's ups and downs, you buy at a range of difference prices. To learn more, read this "[Navigating Market Volatility](#)" article. Keep in mind that dollar-cost averaging does not ensure a profit nor guarantee against loss. Participants should consider their financial ability to continue their purchases through periods of low-price levels.

I have worked with the NDC's Voya Financial's Communication and Education team to develop and provide some live and on-demand videos to assist participants. I encourage you to educate yourself on investing basics, as well as how to navigate the current markets. Visit voya.com/voyalearn to sign up for live or on-demand videos, including a new featured video "[Stay the Course: Navigating Market Volatility](#)" – designed to help you work toward the financial future you envision.

For NDC participants, this is a great time to register your retirement accounts online. When you register online, not only is your account more secure, but you can sign-up for e-Delivery and access Voya's robust financial wellness programs, which are completely **FREE** for you to use.

We Are Here to Help

Although the situation remains fluid, Our NDC administrative team and authorized Voya Financial staff are here to guide you through these turbulent times. PLEASE CALL AT ANY TIME. We want to make sure your decisions are in line with your long-term goals. Should anyone have questions or concerns regarding their NDC Account, participants may reach out to the NDC administrative team at deferredcomp@defcomp.nv.gov, the NDC contracted recordkeeper, Voya Financial, at their dedicated office located here in Carson City at 775-886-2400, the Voya National Call Center at 800-584-6001, or you may contact the NDC Executive Officer, Rob Boehmer, directly with questions or concerns via email at: rboehmer@defcomp.nv.gov.

Safest and best regards to you and your family during these difficult times,

Rob Boehmer

Executive Officer

State of Nevada Public Employees'

Deferred Compensation Program

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