



**Florida Retirement System  
Investment Plan  
Annual Fee Disclosure Statement  
April 1, 2014**



## Important Information About Your Investment Plan Investment Funds

This information is a change to the participant fee disclosure dated October 1, 2013. You should retain this notice with that document (available online in the “Investment Funds” section of [MyFRS.com](http://MyFRS.com)). The State Board of Administration’s Investment Advisory Council and Trustees (Governor, Chief Financial Officer, and Attorney General) approved changes to the current Investment Plan fund lineup effective July 1, 2014. The purpose of these changes is to simplify the existing fund lineup and offer you the opportunity to grow retirement assets over the long term. Some of the current funds are being combined to create new funds, and a slate of Retirement Date Funds is replacing the FRS Select Balanced Funds. The changes are summarized in the table below:

Affected Funds Prior to July 1, 2014	New Funds as of July 1, 2014
<b>Inflation-Protected Security Fund</b>	<b>Real Assets Fund</b>
<ul style="list-style-type: none"> <li>• FRS Select U.S. Treasury Inflation-Protected Securities Index Fund (T10)</li> </ul>	<ul style="list-style-type: none"> <li>• FRS Real Assets Fund (300)</li> </ul>
<b>Bond Funds</b>	
<ul style="list-style-type: none"> <li>• FRS Select High Yield Fund (B50)</li> <li>• PIMCO Total Return Fund (B20)</li> </ul>	<ul style="list-style-type: none"> <li>• FRS Core Plus Fixed Income Fund (310)</li> </ul>
<b>U.S. Stock Funds</b>	
<ul style="list-style-type: none"> <li>• FRS Select U.S. Large Value Stock Active Fund (S25)</li> <li>• FRS Select U.S. Large Growth Stock Active Fund (S30)</li> <li>• Fidelity Growth Company Fund (S80)</li> </ul>	<ul style="list-style-type: none"> <li>• FRS U.S. Large Cap Equity Fund (320)</li> </ul>
<ul style="list-style-type: none"> <li>• Prudential Mid-Cap Quantitative Core Equity Fund (S40)</li> <li>• American Beacon Small-Cap Value Fund (S99)</li> <li>• T. Rowe Price Small-Cap Stock Fund (S97)</li> <li>• Fidelity Low-Priced Stock Fund (S90) (closed and assets transferred)</li> </ul>	<ul style="list-style-type: none"> <li>• FRS U.S. Small/Mid Cap Equity Fund (330)</li> </ul>
<b>Balanced Funds</b>	<b>Retirement Date Funds</b>
Transferred based on date closest to normal retirement age	
<ul style="list-style-type: none"> <li>• FRS Select Conservative Balanced Fund (A10)</li> <li>• FRS Select Moderate Balanced Fund (A20)</li> <li>• FRS Select Aggressive Balanced Fund (A30)</li> </ul>	<ul style="list-style-type: none"> <li>• FRS Retirement Income Fund (2000)</li> <li>• FRS 2015 Retirement Date Fund (2015)</li> <li>• FRS 2020 Retirement Date Fund (2020)</li> <li>• FRS 2025 Retirement Date Fund (2025)</li> <li>• FRS 2030 Retirement Date Fund (2030)</li> <li>• FRS 2035 Retirement Date Fund (2035)</li> <li>• FRS 2040 Retirement Date Fund (2040)</li> <li>• FRS 2045 Retirement Date Fund (2045)</li> <li>• FRS 2050 Retirement Date Fund (2050)</li> <li>• FRS 2055 Retirement Date Fund (2055)</li> </ul>

## Fidelity Low-Priced Stock Fund Closing:

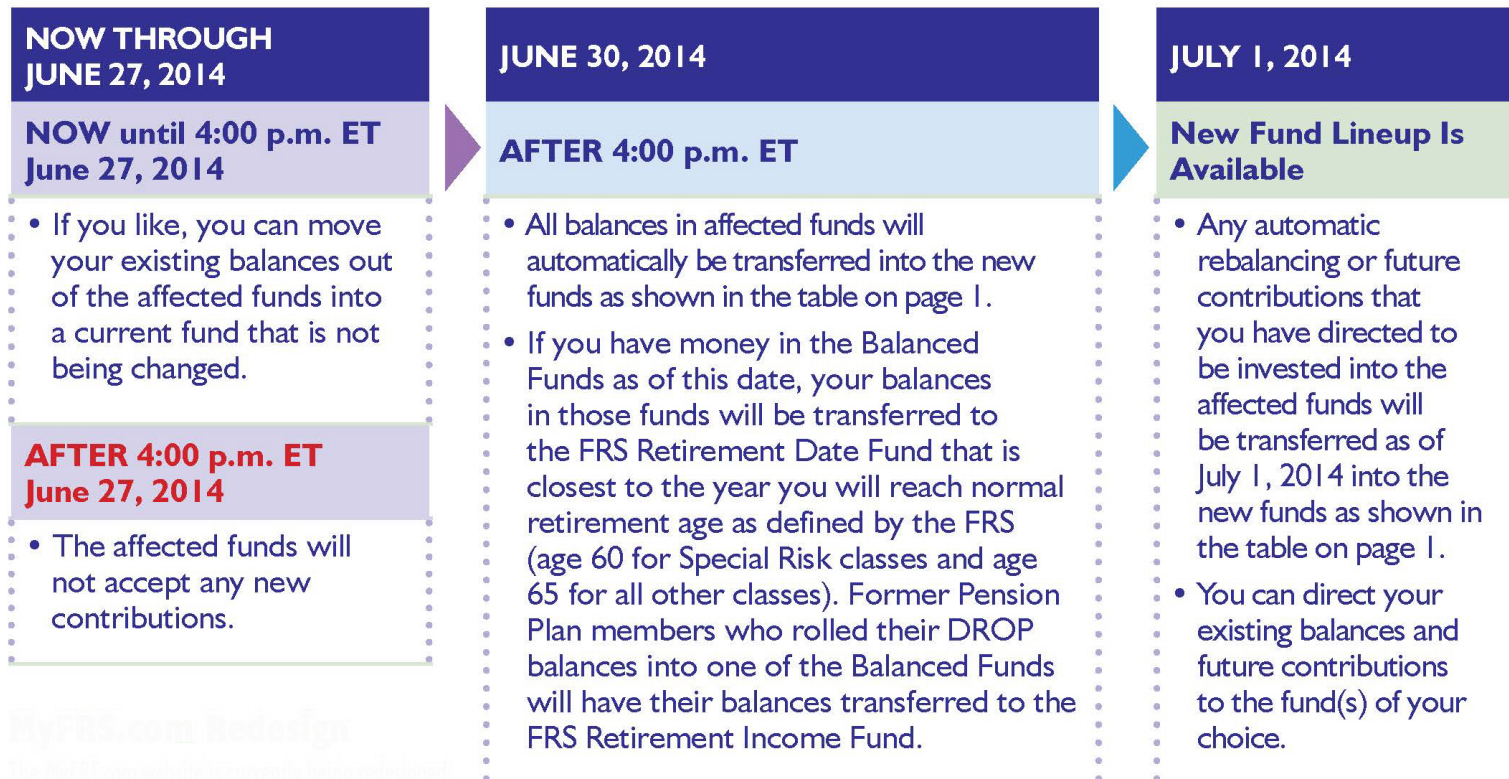
The Fidelity Low-Priced Stock Fund (S90) is being removed as an investment fund within the Investment Plan. This fund has been closed to new contributions since July 2004 and holds less than 0.03% of the total assets in the Investment Plan. If you have a balance in this fund as of June 30, 2014, your balance will automatically be transferred to the new FRS U.S. Small/Mid Cap Equity Fund.

## Other Fund Lineup Changes:

Except for the fund name changes and fund ID changes shown below, no other changes are being made to the Self-Directed Brokerage Account or to the following funds:

- FRS Money Market Fund (60) (formerly FRS Select Yield Plus Money Market Active Fund M10)
- FRS U.S. Bond Enhanced Index Fund (80) (formerly FRS Select U.S. Bond Enhanced Index Fund B15)
- Pyramis Intermediate Duration Pool Fund (90) (formerly B35)
- FRS Foreign Stock Index Fund (200) (formerly FRS Select Foreign Stock Index Fund F10)
- American Funds EuroPacific Growth Fund (220) (formerly F20)
- American Funds New Perspective Fund (210) (formerly F40)
- FRS U.S. Stock Market Index Fund (120) (formerly FRS Select U.S. Stock Market Index Fund S10)

## What Happens When:



## Important fund information:

Review the following table for details about these new funds:

General Information			Fee Information			Historical Performance		
Fund Name	Investment Manager(s)	Asset Class	Total Asset-Based Fees <sup>1</sup>	Annual Cost Per \$1,000 Investment	Investment Restrictions	Average Annual Total Return as of 09/30/13 <sup>2</sup> Fund and Benchmark(s) (in italics)		
1 yr. 5 yr. 10 yr.								
Retirement Date Funds								
FRS 2055 Retirement Fund (2055)	Multimanager <sup>3</sup>	Retirement Date	0.11%	\$1.10	Yes <sup>4</sup>	17.12%	N.A.	N.A.
						16.97%	N.A.	N.A.
						2055 Retirement Custom Index <sup>5</sup>		
						19.34%	10.02%	7.57%
						S&P 500 Index		
FRS 2050 Retirement Fund (2050)	Multimanager <sup>3</sup>	Retirement Date	0.11%	\$1.10	Yes <sup>4</sup>	17.12%	10.43%	N.A.
						16.97%	10.02%	N.A.
						2050 Retirement Custom Index <sup>5</sup>		
						19.34%	10.02%	7.57%
						S&P 500 Index		
FRS 2045 Retirement Fund (2045)	Multimanager <sup>3</sup>	Retirement Date	0.11%	\$1.10	Yes <sup>4</sup>	17.12%	10.43%	N.A.
						16.97%	10.02%	N.A.
						2045 Retirement Custom Index <sup>5</sup>		
						19.34%	10.02%	7.57%
						S&P 500 Index		
FRS 2040 Retirement Fund (2040)	Multimanager <sup>3</sup>	Retirement Date	0.11%	\$1.10	Yes <sup>4</sup>	17.12%	10.43%	N.A.
						16.97%	10.02%	N.A.
						2040 Retirement Custom Index <sup>5</sup>		
						19.34%	10.02%	7.57%
						S&P 500 Index		
FRS 2035 Retirement Fund (2035)	Multimanager <sup>3</sup>	Retirement Date	0.11%	\$1.10	Yes <sup>4</sup>	16.94%	10.39%	N.A.
						16.78%	9.98%	N.A.
						2035 Retirement Custom Index <sup>5</sup>		
						19.34%	10.02%	7.57%
						S&P 500 Index		

General Information			Fee Information			Historical Performance		
Fund Name	Investment Manager(s)	Asset Class	Total Asset-Based Fees <sup>1</sup>	Annual Cost Per \$1,000 Investment	Investment Restrictions	Average Annual Total Return as of 09/30/13 <sup>2</sup>		
						Fund and Benchmark(s) (in italics)		
						1 yr.	5 yr.	10 yr.
FRS 2030 Retirement Fund (2030)	Multimanager <sup>3</sup>	Retirement Date	0.14%	\$1.40	Yes <sup>4</sup>	14.27%	9.65%	N.A.
						13.98%	9.36%	N.A.
						<i>2030 Retirement Custom Index<sup>5</sup></i>		
						19.34%	10.02%	7.57%
						<i>S&amp;P 500 Index</i>		
						-1.68%	5.41%	4.59%
						<i>Barclays Capital Aggregate Bond Index</i>		
FRS 2025 Retirement Fund (2025)	Multimanager <sup>3</sup>	Retirement Date	0.20%	\$2.00	Yes <sup>4</sup>	11.04%	8.98%	N.A.
						10.85%	8.52%	N.A.
						<i>2025 Retirement Custom Index<sup>5</sup></i>		
						19.34%	10.02%	7.57%
						<i>S&amp;P 500 Index</i>		
						-1.68%	5.41%	4.59%
						<i>Barclays Capital Aggregate Bond Index</i>		
FRS 2020 Retirement Fund (2020)	Multimanager <sup>3</sup>	Retirement Date	0.26%	\$2.60	Yes <sup>4</sup>	7.92%	8.22%	N.A.
						7.73%	7.78%	N.A.
						<i>2020 Retirement Custom Index<sup>5</sup></i>		
						19.34%	10.02%	7.57%
						<i>S&amp;P 500 Index</i>		
						-1.68%	5.41%	4.59%
						<i>Barclays Capital Aggregate Bond Index</i>		
FRS 2015 Retirement Fund (2015)	Multimanager <sup>3</sup>	Retirement Date	0.32%	\$3.20	Yes <sup>4</sup>	4.82%	7.46%	N.A.
						4.62%	7.04%	N.A.
						<i>2015 Retirement Custom Index<sup>5</sup></i>		
						19.34%	10.02%	7.57%
						<i>S&amp;P 500 Index</i>		
						-1.68%	5.41%	4.59%
						<i>Barclays Capital Aggregate Bond Index</i>		

General Information			Fee Information			Historical Performance		
Fund Name	Investment Manager(s)	Asset Class	Total Asset-Based Fees <sup>1</sup>	Annual Cost Per \$1,000 Investment	Investment Restrictions	Average Annual Total Return as of 09/30/13 <sup>2</sup> Fund and Benchmark(s) (in italics)		
						1 yr.	5 yr.	10 yr.
FRS Retirement Income Fund (2000)	Multimanager <sup>3</sup>	Retirement Date	0.35%	\$3.50	Yes <sup>4</sup>	3.14%	7.06%	N.A.
						2.73%	6.59%	N.A.
						Retirement Income Custom Index <sup>5</sup>		
						-1.68%	5.41%	4.59%
						Barclays Capital Aggregate Bond Index		
Bond Funds								
FRS Core Plus Fixed Income Fund (310)	PIMCO, Prudential	Bond	0.53%	\$5.30	Yes <sup>4</sup>	1.45%	9.80%	N.A.
						1.04%	9.79%	N.A.
						FRS Custom Core-Plus Fixed Income Index		
						-1.68%	5.41%	4.59%
						Barclays Capital Aggregate Bond Index		
Real Assets Funds								
FRS Real Assets Fund (300)	PIMCO, BlackRock	Real Assets	0.72%	\$7.20	Yes <sup>4</sup>	-6.37%	5.09%	N.A.
						-7.53%	4.05%	N.A.
						FRS Custom Real Assets Index		
						-6.10%	5.31%	5.23%
						Barclays Capital U.S. Treasury Inflation Protected Securities Index		
U.S. Stock Funds								
FRS U.S. Large Cap Equity Fund (320)	QMA, Jennison, Fidelity, BlackRock	Large U.S. Equity	0.41% <sup>6</sup>	\$4.10	Yes <sup>4</sup>	22.53%	13.76%	N.A.
						20.91%	10.53%	N.A.
						Russell 1000 Index		
FRS U.S. Small/Mid Cap Equity Fund (330)	QMA, American Beacon, T. Rowe Price	Small-Mid U.S. Equity	0.66%	\$6.60	Yes <sup>4</sup>	27.41%	16.27%	N.A.
						17.30%	11.53%	N.A.
						FRS Custom Small/Mid Cap Index		
						29.79%	22.45%	N.A.
						Russell 2500 Index		

<sup>1</sup>Total asset-based fees reflect the total fees paid from the fund's assets for investment management plus any other operating costs of the investment fund (such as, for mutual funds, custody and administrative services incurred in operating the fund). Rounded to nearest 1/100%.

<sup>2</sup>In general, a 1-year, 5-year, and 10-year performance is shown. If a full 10-year history is not available, a return since inception is provided instead. For the purposes of new FRS Investment Funds, the 5-year history, if available, is considered to be the since inception history. Historical performance for multiple managers and retirement date funds has been adjusted for fees and/or designs that would have been in place if the respective investment options were available.

<sup>3</sup>The Retirement Date Funds (RDF) are managed by multiple investment managers. The following managers manage some of the assets in the RDF's: American Beacon, BlackRock, PIMCO, Prudential, Pyramis, Quantitative Management Associates, and T. Rowe Price.

<sup>4</sup>This fund is subject to an Excessive Fund Trading Policy, which may limit your ability to make investment changes involving this fund. The policy is available on the "Investment Funds" page of MyFRS.com.

<sup>5</sup>Retirement Date Funds (RDF) are comprised of a mix of equity, fixed income, and real asset investments. In addition to a broad-based securities market index, a "custom" benchmark is provided for each of the RDF's. The "custom" benchmark for each RDF blends the returns of equity, fixed income, and real asset securities indices proportionately to reflect the actual equity, fixed income, and real assets holdings of the RDF. For example, where an RDF's equity-to-bond-to-real-assets ratio is 50:40:10, the returns of an appropriate equity index, an appropriate bond index, and an appropriate real assets index would be blended in the same ratio.

<sup>6</sup>Although many mutual funds charge fees called 12b-1 fees, which are used to pay for sales and marketing services provided by financial advisors and recordkeepers, no 12b-1 fees may go to the FRS or to any FRS Investment Plan vendor, including the Plan Administrator, Education Provider, and Custodian. Where possible, mutual funds that do not pay 12b-1 fees are used for the FRS Investment Plan. If a mutual fund used in the FRS Investment Plan has a 12b-1 fee, the mutual fund credits the 12b-1 fee directly to the Investment Plan, and the Plan in turn distributes the fee to member's accounts through the fund's daily NAV pricing. An underlying manager in the FRS U.S. Large Cap Equity Fund does use a 12b-1 fee and that fee's credit is reflected in the net fees shown on this table.

## **How to find the latest fund information:**

The fees and expenses associated with the Investment Plan's investment funds may change periodically. Be sure to visit the "Investment Funds" section on MyFRS.com for the most up-to-date information about the funds and the applicable fees and expenses. You can also receive more information about the funds, including paper copies of the information that is provided online, by calling the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2.

## **Questions?**

If you have questions or would like information about the upcoming fund changes, call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2.