

# FRS Investment Plan

## Self-Directed Brokerage Account

Access Guide

*For Your Self-Directed Brokerage Account*



## Accessing Your Account

### Online Access: MyFRS.com

With your FRS Investment Plan Self-Directed Brokerage Account (SDBA), you have secure access to your account information when you need it—24 hours a day, seven days a week. You have the ability to review the most up-to-date information on your balances, portfolio holdings, order status, and executions.

You may access your SDBA by logging into MyFRS.com and clicking on Manage Investments. On the landing page, scroll over the FRS Investment Plan tab, and then click on Self-Directed Brokerage Account Direct Access.



## Appropriateness

An SDBA is for experienced investors who want the flexibility to invest in a variety of options beyond those available in the FRS Investment Plan's primary investment funds. It is **not** suitable for all members. Like the Investment Plan's primary investment funds, there are risks associated with the investments in the SDBA and you assume the full risk and responsibility for the investments you select. None of the investments in the SDBA have been reviewed for suitability by the FRS and you are solely responsible for determining the appropriateness of any investments in the SDBA. You will need to select your investment options prudently and monitor your investment decisions carefully and frequently. You agree to fully indemnify and hold harmless your employer, the FRS, State Board of Administration, EY, Financial Engines, Aon Hewitt, Hewitt Financial Services and any and all service providers to the FRS against any claims, damages, or other possible causes of actions resulting from your use of the SDBA.

### Phone Access: 1-866-446-9377, Option 4 (TRS 711)

Hewitt Financial Services representatives are available between 9:00 a.m. and 8:00 p.m. Eastern Standard Time, Monday through Friday.

# Transferring Money into Your Self-Directed Brokerage Account

It is easy to transfer money from your existing Investment Plan primary investment funds into your SDBA. Here's how:

- Log in to MyFRS.com, choose Manage Investments -> Change Investments -> Interact With My Brokerage Account -> Transfer Into Brokerage Account. Select the fund(s) you want to take money from and the amount.<sup>1</sup>
- Initial and subsequent transfers into the SDBA must be at least \$1,000.
- The money transferred to the SDBA will first be deposited in the Federated Government Obligations Fund<sup>2</sup> (usually takes 1 business day).
- Once the money is in the Federated Government Obligations Fund, you can invest this money in any of the available SDBA investment options by placing a trade online or by calling 1-866-446-9377, Option 4, and connect to a Hewitt Financial Services representative<sup>3</sup>. Funds will remain in the money market fund until you make other investment choices. Funds are not automatically invested.

## Making Changes

To change your investments in the SDBA:

- Place a trade online or call 1-866-446-9377, Option 4, and connect to a Hewitt Financial Services representative<sup>3</sup>.
- Excessive trading restrictions may apply to the SDBA investment options you select. Be sure you read the fund's prospectus to determine any restrictions and penalties that may be applicable.
- You are responsible for all trading fees, commissions, administrative expenses, and any other expenses associated with participating in the SDBA<sup>4</sup>.

## Transferring Money Back to the Investment Plan's Primary Investment Funds

You may transfer any amount of money from your SDBA back into your Investment Plan primary funds at any time. Here's how:

- Log in to MyFRS.com, choose Manage Investments -> Self-Directed Brokerage Account Direct Access. Sell the SDBA investments.
- Once the trade(s) settle, the proceeds will be invested in the Federated Government Obligations Fund<sup>2</sup> (usually takes three to five business days depending on the settlement period of the investments liquidated).
- Once the money is in the money market fund, log in to MyFRS.com, choose Manage Investments -> Change Investments -> Interact With My Brokerage Account -> Transfer Out of Brokerage Account. Select the Investment Plan primary fund(s) and either accept your current fund allocations or select the Investment Plan primary funds you want to invest in.

<sup>1</sup> You are required to keep a minimum balance of \$5,000 in the Investment Plan primary investment funds.

<sup>2</sup> This fund is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although the fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in the fund. The fund could change in the future.

<sup>3</sup> Trades placed by a Hewitt Financial Services representative may incur an additional cost. See the Commission and Fee Schedule for additional information.

<sup>4</sup> In addition to fees charged to your SDBA you will also be charged a \$6.25 fee for every quarter you maintain a balance in the SDBA. The fee is deducted pro rata across your Investment Plan primary investment funds.

# Trading in Your Brokerage Account

You can trade online or over the phone by calling 1-866-446-9377, Option 4, and connecting to a Hewitt Financial Services representative any day the stock market is open<sup>1</sup>. (Note: If for any reason the website is not available, a Hewitt Financial Services representative will be available to assist you at no additional cost.)

## Investment Options

The following investment options are available within the SDBA.

- Stocks listed on a Securities Exchange Commission (SEC) regulated national exchange
- Exchange Traded Funds (except Leveraged Exchange Traded Funds)
- Mutual Funds (except for any of the Investment Plan's primary investment funds)
- Fixed Income Products

## Prohibited Investment Options

The following types of trades or investments are not allowed in a Self-Directed Brokerage Account:

- 
- |  |   |
|--|---|
| ▪ Illiquid investments                       | ▪ Derivatives, including but not limited to futures and options contracts on securities, market indexes and commodities |
| ▪ Over the Counter Bulletin Board securities | ▪ Limited Partnerships  |
| ▪ Pink Sheet securities                      | ▪ Private Placements  |
| ▪ Leveraged Exchange Traded Funds            | ▪ Buying or Trading on Margin   |
| ▪ Direct Ownership of Foreign Securities     | ▪ Investment Plan primary investment funds  |
|  | ▪ Any investment that would jeopardize the Investment Plan's tax qualified status                                       |
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## Settlement Periods

Generally, settlement periods are as follows:

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Stocks:	Three business days
Load Mutual Funds:	Three business days
No-Load Mutual Funds:	Next business day <i>(Some funds settle the same day)</i>
Corporate Bonds:	Three business days
Treasury Securities:	Next business day
CDs:	Next business Wednesday following issuance







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<sup>1</sup> Trades placed by a Hewitt Financial Services representative may incur an additional cost. See the Commission and Fee Schedule for additional information.

# Trading Requirements

You must have sufficient cash or money market fund balances in your SDBA account to cover your trade and any applicable transaction fees at the time your order is placed.




## SDBA Holdings Page

SECURITY ID DESCRIPTION ▲	QUANTITY LAST PRICE	MARKET VALUE TODAY'S CHANGE (%)	CHANGE 5 DAY CHART
 <b>CTAS</b> CINTAS CORP	450.00 04:00PM 05/09/16 91.46	41,157.00 +207.00 +0.51%	0.46 
 <b>STZ</b> CONSTELLATION BRANDS INC CL A	300.00 04:02PM 05/09/16 161.11	48,333.00 +456.00 +0.95%	1.52 
 <b>DBLTX</b> DOUBLELINE TOTAL RETURN BOND FUND CLASS I	30,919.309 05/09/16 10.89	336,711.28 +309.19 +0.09%	0.01 

**Note:** You should read a mutual fund prospectus carefully before investing. For complete information about mutual funds, including investment policies, risks, considerations, charges and expenses, a free prospectus may be obtained by contacting Hewitt Financial Services. This includes the Federated Government Obligations Fund prospectus which can also be accessed via the **Knowledge Center** of the SDBA website.

## Viewing Account Information Online

Choose the Accounts tab to view account information, including balances, portfolio holdings, history, and online documents. Choose Statements & Reports to view and print statements and trade confirmations.

<b>Key Values†</b>	<b>Assets</b>														
TOTAL ACCOUNT VALUE <b>1,293,470.69</b>	<table><tr><th>KEY VALUE</th><th>TODAY'S CHANGE</th></tr><tr><td>Long Market Value¹</td><td>741,831.88 1,870.75 (0.25%)</td></tr><tr><td>Short Market Value</td><td>0.00 0.00 (0.00%)</td></tr><tr><td> Cash Management Balances²</td><td>551,501.06 0.00 (0.00%)</td></tr><tr><td>Cash</td><td>137.75 137.75 (0.00%)</td></tr><tr><td>Net Worth</td><td>1,293,470.69 2,008.50 (0.15%)</td></tr><tr><td><b>Total Account Value</b></td><td><b>1,293,470.69</b> <b>2,008.50 (0.15%)</b></td></tr></table>	KEY VALUE	TODAY'S CHANGE	Long Market Value¹	741,831.88 1,870.75 (0.25%)	Short Market Value	0.00 0.00 (0.00%)	 Cash Management Balances²	551,501.06 0.00 (0.00%)	Cash	137.75 137.75 (0.00%)	Net Worth	1,293,470.69 2,008.50 (0.15%)	<b>Total Account Value</b>	<b>1,293,470.69</b> <b>2,008.50 (0.15%)</b>
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Funds Available/Due															
FUNDS AVAILABLE FOR WITHDRAWAL <b>137.75</b>															
FUNDS AVAILABLE TO TRADE FOR NON-MARGINABLE EQUITIES³ <b>551,638.81</b>															
FUNDS DUE AS OF PREVIOUS DAY⁴ <b>0.00</b>															

# Electronic Delivery of Statements and Confirmations

Paperless account documents are good for the environment and you can access them online instead of having to wait for them in the mail.

As long as Hewitt Financial Services has a valid email address you will automatically be enrolled in electronic delivery of brokerage account statements, trade confirmations and other important records. You will receive an email once your documents are ready for viewing.

## Accessing Documents Online

Log into your account:

1. Click the Communications tab.
2. Click Statements and Reports.

## Accessing Additional Self-Directed Brokerage Account Information


Access additional information regarding your SDBA via the **Knowledge Center** of the SDBA website.

**General** - Includes a copy of this guide and trading restrictions.


**Contact HFS** - Information on contacting Hewitt Financial Services by email, mail, phone or fax.

**Fee Schedule** - A copy of the Commission and Fee Schedule.

**Disclosures** - Additional disclosures related to your Self-Directed Brokerage Account.

 Portfolio Transact Research Tools Communications **Knowledge Center**

General Contact Us Fee Schedule Disclosures

**About the Access Guide**  
This guide provides details on how to utilize your brokerage account.  
 [Access Guide](#)

**Prohibited Investment Options**  
The following types of trades or investments are not allowed in a Self-Directed Brokerage Account:

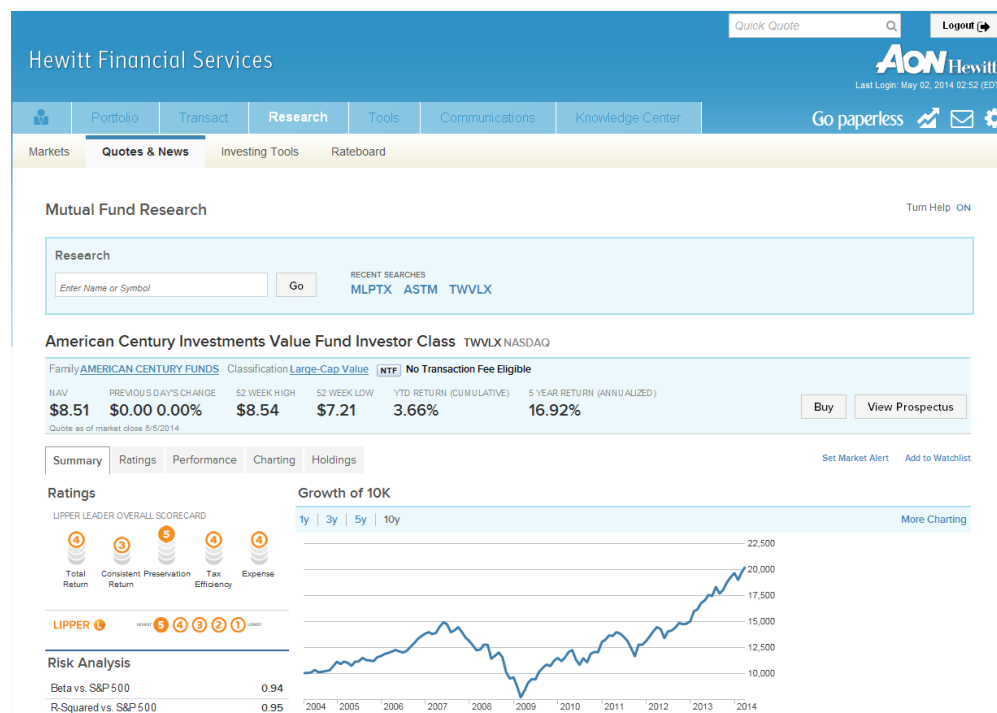
Illiquid Investments	Over the Counter Bulletin Board securities	Pink Sheet securities
Leveraged Exchange Traded Funds	Direct Ownership of Foreign Securities	Derivatives, including but not limited to futures and options contracts on securities, market indexes and commodities
Limited Partnerships	Private Placements	Buying or Trading on Margin
Investment Plan primary investment funds	Any investment that would jeopardize the Investment Plan's tax qualified status	

SBA:tab1

## Quotes & News

Get quotes for stocks, options or mutual funds. Obtain the latest news headlines for each stock, as well as detailed information—including last bid, ask and volume numbers. You can also view charts for each security and modify the time series to track its price movement over time (up to ten years). You will have access to consensus research ratings for equities, insider ownership, earnings, annual reports<sup>1</sup> and SEC filings for the company you are researching. You can put your knowledge to work by creating watchlists of securities to track quotes and price performance.

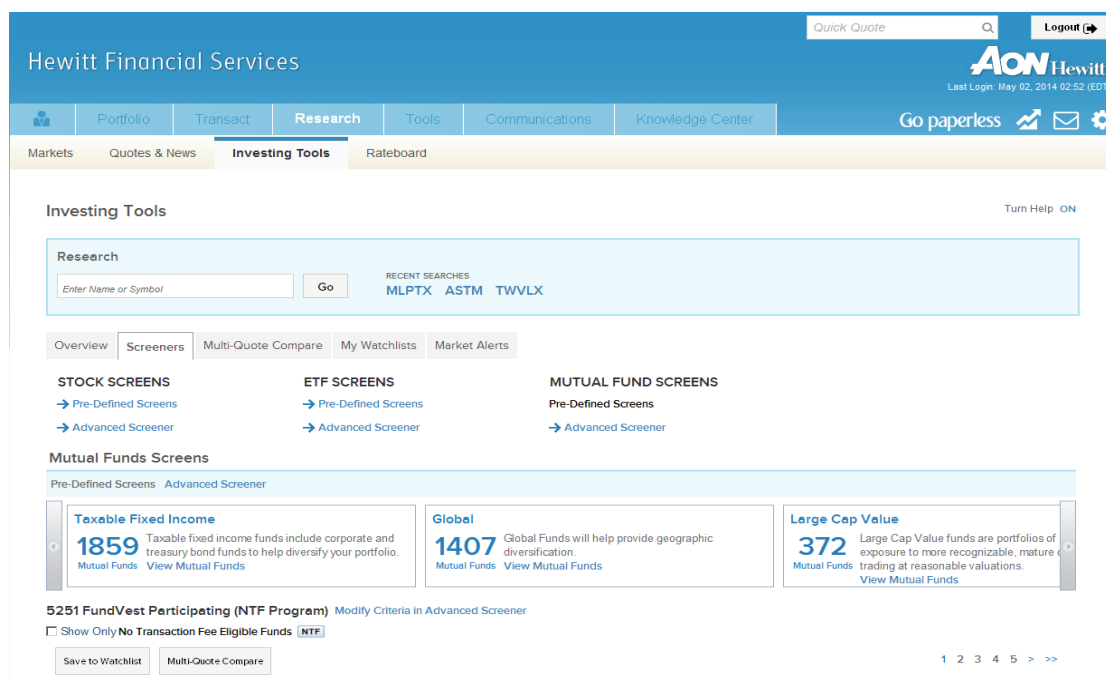
**You should carefully consider the investment objectives, risks, charges and expenses of mutual funds before investing,** and also know that they may not be available in all jurisdictions. Please request the prospectus and, if available, the summary prospectus of each individual mutual fund and read carefully before investing. Information and content available on hewittfs.com is not intended as and does not constitute an offer, solicitation or recommendation to purchase or sell any security. Past performance is not indicative of and is not a guarantee of future performance.



<sup>1</sup>Not all companies' annual reports are made available via this service.

# Tools

The Tools section provides robust investment screening tools for equities and mutual funds. You can evaluate all available mutual funds from many different fund families, and evaluate funds that participate in the no-transaction-fee program. These straightforward screeners include pre-defined screens in which the criteria is preset and more advanced screens if you wish to filter your list of criteria (including fund family, profile, performance, risk, portfolio, and analyst rating categories).



## Watchlists

Create customized watchlists of your preferred equities or mutual funds. . Price, news, volume and watchlist alerts are among the available features.

Set price, news, volume, and watchlist alerts on the securities you are most interested in following. It is easy to set up delivery to an e-mail address of your choice. You can even put a hold on alerts while on vacation and resume them when you return.

Hewitt Financial Services provides top-quality, timely information from a variety of leading sources. The information we provide can help you make better informed investment decisions.



# Closing Your Self-Directed Brokerage Account

To close your SDBA you must liquidate all the investments in your SDBA and wait for the proceeds to be deposited in the Federated Government Obligations Fund.

Once the money is in the Federated Government Obligations Fund, you can invest this money back into any of the Investment Plan's primary investment funds by logging in to MyFRS.com -> Manage Investments -> Change Investments -> Interact With My Brokerage Account -> Close Brokerage Account and either accept your current fund allocations or select the Investment Plan primary funds you want to invest in. Subsequently, two additional automatic transfers will be made to move any residual money (dividends, interest, etc.) to your Investment Plan primary investment funds.

Once your SDBA has a zero balance you can close the account by calling the Investment Plan Administrator and connecting to HFS.

After 18 months with a zero balance and no activity, your SDBA will be removed from the HFS system. If you decide you want to reactivate an account, you will need to complete a new SDBA enrollment form.

## Withdrawals

If you terminate employment and meet the Investment Plan eligibility requirements for a distribution, you may contact the FRS Investment Plan Administrator at 1-866-446-9377, Option 4, to request a withdrawal from your Investment Plan primary investment funds. Distributions **cannot** be made directly from the SDBA. You must first transfer money from the SDBA back to your Investment Plan primary investment funds.

If your Investment Plan account is subject to a federally mandated required distribution (e.g., a Required Minimum Distribution) and you have insufficient money in your Investment Plan primary investment funds, the Plan Administrator will automatically transfer funds from your SDBA back to the primary investment funds in order to process this distribution. If you have any questions about a Required Minimum Distribution, please call the Investment Plan Administrator at 1-866-446-9377, Option 4.

## Account Statements

You will continue to receive a quarterly statement from the Investment Plan and your SDBA total balance will be reflected on this statement. You will also receive a separate brokerage statement detailing your SDBA balances, holdings and activity. If any activity occurs in your SDBA you will receive a monthly statement. If there is no activity in your SDBA you will receive a quarterly statement. You will also receive a trade confirmation for any purchases or liquidations in your SDBA.

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## How to Contact Hewitt Financial Services

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**Client Services**—For assistance with trading, account information, or general investment questions

1.866.446-9377, Option 4 (TRS 711)

9am - 8pm EST, Monday through Friday

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**Correspondence Via Fax**

1.847.554-1444

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**Correspondence Via Regular Mail**

Hewitt Financial Services  
P.O. Box 563901  
Charlotte, NC 28256-9953

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**Overnight, Certified, and Signature Required Customer Correspondence**

Hewitt Financial Services  
7201 Hewitt Associates Drive  
Charlotte, NC 28262

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**Securities: •Not FDIC Insured • No Bank Guarantee • May Lose Value**