FRS Investment Plan

Investment Fund Changes Workshop

MyFRS
Florida Retirement System

YOUR Money
YOUR Choice
Welcome

• Introductions

• State Board of Administration staff
  • Walter Kelleher, Director of Educational Services
    • walter.kelleher@sbafla.com
    • 850-413-1490
  • Stephen Tabb, Director of Investment Analytics
    • stephen.tabb@sbafla.com
    • 850-413-1486
Agenda

- Overview
- Investment Funds
- Retirement Date Funds
Overview
Summary of Changes

• Effective July 1, 2014
• Approved by Trustees & Investment Advisory Council
  • Why? - Simplify fund lineup
  • Balanced Funds replaced by Retirement Date Funds
  • Some current funds combined to create new funds
  • Fidelity Low-Priced closed
  • Fund name/fund ID changes
# Fund Changes

## Affected Funds Prior to July 1, 2014

<table>
<thead>
<tr>
<th>Inflation-Protected Security Fund</th>
<th>New Funds as of July 1, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>• FRS Select U.S. Treasury Inflation-Protected Securities Index Fund (T10)</td>
<td>• FRS Real Assets Fund (300)</td>
</tr>
</tbody>
</table>

## Bond Funds

<table>
<thead>
<tr>
<th>Bond Funds</th>
<th>New Funds as of July 1, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>• FRS Select High Yield Fund (B50)</td>
<td>• FRS Core Plus Fixed Income Fund (310)</td>
</tr>
<tr>
<td>• PIMCO Total Return Fund (B20)</td>
<td></td>
</tr>
</tbody>
</table>

## U.S. Stock Funds

<table>
<thead>
<tr>
<th>U.S. Stock Funds</th>
<th>New Funds as of July 1, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>• FRS Select U.S. Large Value Stock Active Fund (S25)</td>
<td>• FRS U.S. Large Cap Equity Fund (320)</td>
</tr>
<tr>
<td>• FRS Select U.S. Large Growth Stock Active Fund (S30)</td>
<td></td>
</tr>
<tr>
<td>• Fidelity Growth Company Fund (S80)</td>
<td></td>
</tr>
<tr>
<td>• Prudential Mid-Cap Quantitative Core Equity Fund (S40)</td>
<td>• FRS U.S. Small/Mid Cap Equity Fund (330)</td>
</tr>
<tr>
<td>• American Beacon Small-Cap Value Fund (S99)</td>
<td></td>
</tr>
<tr>
<td>• T. Rowe Price Small-Cap Stock Fund (S97)</td>
<td></td>
</tr>
<tr>
<td>• Fidelity Low-Priced Stock Fund (S90) (closed and assets transferred)</td>
<td></td>
</tr>
</tbody>
</table>
## Fund Changes (cont.)

<table>
<thead>
<tr>
<th>Balanced Funds</th>
<th>Retirement Date Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transferred based on date closest to normal retirement age</strong></td>
<td><strong>None currently</strong></td>
</tr>
<tr>
<td>• FRS Select Conservative Balanced Fund (A10)</td>
<td>• FRS Retirement Income Fund (2000)</td>
</tr>
<tr>
<td>• FRS Select Moderate Balanced Fund (A20)</td>
<td>• FRS 2015 Retirement Date Fund (2015)</td>
</tr>
<tr>
<td>• FRS Select Aggressive Balanced Fund (A30)</td>
<td>• FRS 2020 Retirement Date Fund (2020)</td>
</tr>
<tr>
<td></td>
<td>• FRS 2025 Retirement Date Fund (2025)</td>
</tr>
<tr>
<td></td>
<td>• FRS 2030 Retirement Date Fund (2030)</td>
</tr>
<tr>
<td></td>
<td>• FRS 2035 Retirement Date Fund (2035)</td>
</tr>
<tr>
<td></td>
<td>• FRS 2040 Retirement Date Fund (2040)</td>
</tr>
<tr>
<td></td>
<td>• FRS 2045 Retirement Date Fund (2045)</td>
</tr>
<tr>
<td></td>
<td>• FRS 2050 Retirement Date Fund (2050)</td>
</tr>
<tr>
<td></td>
<td>• FRS 2055 Retirement Date Fund (2055)</td>
</tr>
</tbody>
</table>
What Happens When

**NOW THROUGH JUNE 27, 2014**

- If you like, you can move your existing balances out of the affected funds into a current fund that is not being changed.  

**AFTER 4:00 p.m. ET June 27, 2014**

- The affected funds will not accept any new contributions.

**JUNE 30, 2014**

**AFTER 4:00 p.m. ET**

- All balances in affected funds will automatically be transferred into the new funds as shown in the table on page 1.  
- If you have money in the Balanced Funds as of this date, your balances in those funds will be transferred to the FRS Retirement Date Fund that is closest to the year you will reach normal retirement age as defined by the FRS (age 60 for Special Risk classes and age 65 for all other classes). Former Pension Plan members who rolled their DROP balances into one of the Balanced Funds will have their balances transferred to the FRS Retirement Income Fund.

**JULY 1, 2014**

**New Fund Lineup Is Available**

- Any automatic rebalancing or future contributions that you have directed to be invested into the affected funds will be transferred as of July 1, 2014 into the new funds as shown in the table on page 1.  
- You can direct your existing balances and future contributions to the fund(s) of your choice.
Balanced to Retirement Date Mapping
(based on age on 7-1-14)

<table>
<thead>
<tr>
<th>Regular, Elected Officers’, and Senior Management Service Classes</th>
<th>Special Risk and Special Risk Administrative Support Classes</th>
<th>Your FRS Select Balanced Fund Balances Will Be Transferred To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Age</td>
<td>Current Age</td>
<td></td>
</tr>
<tr>
<td>&gt; 66</td>
<td>&gt; 61</td>
<td>FRS Retirement Income Fund</td>
</tr>
<tr>
<td>62–66</td>
<td>57–61</td>
<td>FRS 2015 Retirement Date Fund</td>
</tr>
<tr>
<td>57–61</td>
<td>52–56</td>
<td>FRS 2020 Retirement Date Fund</td>
</tr>
<tr>
<td>52–56</td>
<td>47–51</td>
<td>FRS 2025 Retirement Date Fund</td>
</tr>
<tr>
<td>47–51</td>
<td>42–46</td>
<td>FRS 2030 Retirement Date Fund</td>
</tr>
<tr>
<td>42–46</td>
<td>37–41</td>
<td>FRS 2035 Retirement Date Fund</td>
</tr>
<tr>
<td>37–41</td>
<td>32–36</td>
<td>FRS 2040 Retirement Date Fund</td>
</tr>
<tr>
<td>32–36</td>
<td>27–31</td>
<td>FRS 2045 Retirement Date Fund</td>
</tr>
<tr>
<td>27–31</td>
<td>22–26</td>
<td>FRS 2050 Retirement Date Fund</td>
</tr>
<tr>
<td>&lt; 27</td>
<td>&lt; 22</td>
<td>FRS 2055 Retirement Date Fund</td>
</tr>
</tbody>
</table>

- DROP rollovers transferred to FRS Retirement Income Fund.
- Default fund for new IP members will be age-appropriate RDF
## Fund Name/Fund ID

<table>
<thead>
<tr>
<th>Long Name</th>
<th>Fund ID</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRS 2055 Retirement Fund</td>
<td>2055</td>
</tr>
<tr>
<td>FRS 2050 Retirement Fund</td>
<td>2050</td>
</tr>
<tr>
<td>FRS 2045 Retirement Fund</td>
<td>2045</td>
</tr>
<tr>
<td>FRS 2040 Retirement Fund</td>
<td>2040</td>
</tr>
<tr>
<td>FRS 2035 Retirement Fund</td>
<td>2035</td>
</tr>
<tr>
<td>FRS 2030 Retirement Fund</td>
<td>2030</td>
</tr>
<tr>
<td>FRS 2025 Retirement Fund</td>
<td>2025</td>
</tr>
<tr>
<td>FRS 2020 Retirement Fund</td>
<td>2020</td>
</tr>
<tr>
<td>FRS 2015 Retirement Fund</td>
<td>2015</td>
</tr>
<tr>
<td>FRS Retirement Income Fund</td>
<td>2000</td>
</tr>
<tr>
<td>FRS Money Market Fund</td>
<td>60</td>
</tr>
<tr>
<td>FRS Real Assets Fund</td>
<td>300</td>
</tr>
<tr>
<td>FRS U.S. Bond Enhanced Index Fund</td>
<td>80</td>
</tr>
<tr>
<td>FRS Core Plus Fixed Income Fund</td>
<td>310</td>
</tr>
<tr>
<td>Pyramis Intermediate Duration Pool Fund</td>
<td>90</td>
</tr>
<tr>
<td>FRS U.S. Stock Market Index Fund</td>
<td>120</td>
</tr>
<tr>
<td>FRS U.S. Large Cap Equity Fund</td>
<td>320</td>
</tr>
<tr>
<td>FRS U.S. Small/Mid Cap Equity Fund</td>
<td>330</td>
</tr>
<tr>
<td>FRS Foreign Stock Index Fund</td>
<td>200</td>
</tr>
<tr>
<td>American Funds EuroPacific Growth Fund</td>
<td>220</td>
</tr>
<tr>
<td>American Funds New Perspective Fund</td>
<td>210</td>
</tr>
</tbody>
</table>
Communicating Fund Changes

- Webcasts
  - Employers – May 1
  - Employees – June 5
- April Investment Plan Newsletter/ER Newsletter
- 1st Notification Letter – May 19
- 2nd Notification Letter – June 16
- Publications
  - IP Fund Lineup Changes
  - Retirement Date Funds
  - Annual Fee Disclosure Statement Supplement
- New Hire Kits
- MyFRS.com
Ernst & Young/Aon Hewitt Key Points

- Affected funds accept assets through 4 pm, 6/27/14
- Affected funds mapped after 4 pm, 6/30/14
  - Balanced to Retirement Date Fund
  - Balanced to Retirement Income Fund (DROP rollovers)
- Not considered a blackout
- Rebalancing/future contribution directions transfer to new funds 7/1/14 (some exceptions)
- June 1 Investment Plan effective date
  - Accounts mapped to new funds on June 30
- Lipper Pages
  - New funds available 7/1/14
  - Affected funds available through 7/30/14
EY/Aon Hewitt Key Points (cont.)

• Investment Plan Excessive Trading Policy
  • Not applicable to funds transferred as a result of mapping
  • All funds subject to policy going forward, including Retirement Date Funds (excludes Money Market and Self-Directed Brokerage Account)

• Old Election Form Received After 7/1/14
  • Confirmation statement will notify of mapping
Investment Funds
Investment Fund Changes – July 1, 2014

Current

- Tier I—10 Core Investment Options
- Tier II—3 Balanced Investment Options
- Tier III—7 Specialty Investment Options
- Tier IV—Retirement Annuity Option
- Tier V—Self-Directed Brokerage Account (available January 1, 2014)

New (effective July 1, 2014)

- Tier I—10 Retirement Date Funds (closing 3 Balanced Funds; mapping assets)
- Tier II—3 Passively-Managed Core Options (currently available)
- Tier III—8 Actively-Managed Core Options (reducing from 13)
- Tier IV—Retirement Annuity Option (moving from Hartford/MassMutual to possibly MetLife)
- Tier V—Self Directed Brokerage Account
Balanced Funds to Target Date Funds

**Current**
- 3 Balanced Risk Based Funds
  - Conservative Balanced Fund
  - Moderate Balanced Fund
  - Aggressive Balanced Fund

**New (effective July 1, 2014)**
- 10 Target Date Funds
  - 5 year increments
  - Retirement Income Fund
  - Diversified
  - More equity early years
  - Less equity later years
Passively-Managed Core Options

**Current**
- FRS Select Enhanced U.S. Bond Index
- FRS Select Stock Market Index Fund
- FRS Select Foreign Stock Index Fund
- FRS Select U.S. Treasury Inflation Protected Securities Fund (TIPS)

**New**
- FRS Enhanced U.S. Bond Index
- FRS Stock Market Index Fund
- FRS Foreign Stock Index Fund
FRS Foreign Stock Index Fund

- Change of underlying index from MSCI World ex U.S. to MSCI ACWI ex US IMI Index.
  - Broader index
  - Includes Emerging Markets
## Actively-Managed Core Options

### Current
- FRS Select Money Market Fund
- Pyramis Intermediate Duration Pool
- FRS Select High Yield Bond Fund
- PIMCO Total Return Fund
- FRS Select Large Value Stock Active Fund
- FRS Select Large Growth Stock Active Fund
- Fidelity Growth Company Fund

### New
- FRS Money Market Fund
- Pyramis Intermediate Duration Pool
- FRS Core Plus Fixed Income Fund
  - 35% FRS High Yield Bond Fund
  - 65% PIMCO Total Return Fund
- FRS Real Assets Fund (new)
  - 20% US TIPS Index Fund
  - 80% PIMCO Inflation Response Multi-Asset Strategy Fund
- U.S. Large Cap Equity Fund
  - 10% BlackRock 1000 Value Index Fund
  - 35% QMA Value Equity Portfolio
  - 10% Jennison Growth Equity Fund
  - 45% Fidelity Growth Company Fund
Actively-Managed Core Options (cont.)

**Current**

- QMA Mid Cap Quantitative Core
  American Beacon Small Cap
  Value Fund
- T Rowe Price Small Cap Stock
  Fund
- American Funds Euro-Pacific
  Growth Fund
- American Funds New Perspective
- Fidelity Low Priced Stock Fund
  (closed)
  - Assets mapped to U.S. Small/Mid Cap
    Equity Fund

**New**

- U.S. Small/Mid Cap Equity Fund
  - 45% QMA Mid Cap Quantitative Core
    Fund
  - 25% American Beacon Small Cap
    Value Fund
  - 30% T. Rowe Price Small Cap
    Stock Fund
- American Funds Euro-Pacific
  Growth Fund
- American Funds New Perspective
  Fund
FRS Real Assets Fund

- 80% PIMCO Inflation Response Multi-Asset Strategy Fund
- 20% BlackRock U.S. TIPS Fund (old FRS U.S. TIPS Fund)
- Objective:
  - Seeks long-term real (net of inflation) returns by investing in a diversified set of assets that may act as a hedge against inflationary pressures.
- Asset Allocation Ranges:
  - TIPS: 46%-76% (current allocation—56%)
  - Commodities: 4%-28% (current allocation—13%)
  - Currencies: 4%-20% (current allocation—15%)
  - REITS: 4%-20% (current allocation—9%)
  - Gold: 4%-20% (current allocation—7%)
FRS Core Plus Fixed Income Fund

• 65% PIMCO Total Return Fund (*active mutual fund*)
• 35% Prudential High Quality High Yield (*active commingled trust*)
  • Current FRS High Yield Fund
  • All managers will accept daily cash flows

• Objective:
  • Seeks high current income and long-term capital growth relative to a custom benchmark blending the Barclay’s U.S. Aggregate Bond Index and the Barclay’s High Yield BA/B 1% Issuer Cap Index. The fund managers utilize both top-down and bottom-up research to seek out best opportunities in fixed income securities, including the upper quality tiers of the high yield market and exposure to foreign bonds while maintaining a disciplined risk control.
FRS Large Cap Equity Fund

- 45% Fidelity Growth Company Fund (*active mutual fund*)
- 35% QMA Value Equity Portfolio (*active separate account*)
- 10% Jennison Growth Equity Fund (*active commingled trust*)
- 10% BlackRock Russell 1000 Value Index Fund (*passive commingled trust*)
  - Will serve as the daily liquidity fund for all member cash flows
  - All active managers will experience only monthly cash flows as needed to keep allocations within a core operating range of target allocations
- **Objective:**
  - Seeks long term capital appreciation and current income primarily through large capitalization stocks from the largest 1000 U.S. companies. Some exposure to the next 500 largest U.S. and international companies.
FRS Small/Mid Cap Equity Fund

- 45% QMA Mid-Cap Quantitative Core Fund (*active commingled trust*)
- 30% T. Rowe Price Small Cap Stock Fund (*active mutual fund*)
- 25% American Beacon Small Cap Value Fund (*active mutual fund*)
  - All managers will accept daily cash flows.

**Objective:**
- Seeks long-term growth of capital and current income by investing in mid and small capitalization stocks as represented by the companies in the Russell 2000 and S&P 400 Mid-Cap Indexes.
## Fee Changes 07-01-2014

<table>
<thead>
<tr>
<th>Current Investment Fund Categories</th>
<th>Range of Current FRS IP Fund Fees</th>
<th>New Investment Fund Categories</th>
<th>Range of New FRS IP Fund Fees</th>
<th>Range of Average Mutual Fund Fees*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Market Fund</td>
<td>$0.58</td>
<td>Money Market Fund</td>
<td>$0.58</td>
<td>$4.30</td>
</tr>
<tr>
<td>TIPS Fund</td>
<td>$0.20</td>
<td>Real Assets Fund</td>
<td>$7.20</td>
<td>$7.00-$30.00</td>
</tr>
<tr>
<td>Fixed Income Funds</td>
<td>$0.50-$5.70</td>
<td>Fixed Income Funds</td>
<td>$0.50-$5.30</td>
<td>$5.60 - $8.30</td>
</tr>
<tr>
<td>U.S.Stock Funds</td>
<td>$0.20-$9.20</td>
<td>U.S.Stock Funds</td>
<td>$0.20-$6.60</td>
<td>$8.60-$13.60</td>
</tr>
<tr>
<td>Foreign Stock Funds</td>
<td>$0.20 - $5.00</td>
<td>Foreign Stock Funds</td>
<td>$0.30 - $5.00</td>
<td>$8.70-$11.20</td>
</tr>
<tr>
<td>Balanced Funds</td>
<td>$0.42-$0.56</td>
<td>Retirement Date Funds</td>
<td>$1.10-$3.50</td>
<td>$6.70-$10.00</td>
</tr>
</tbody>
</table>

* Per Morningstar as of 01-01-2014
Retirement Date Funds
Retirement Date Funds

- 10 RDFs, 5 year increments
- Balanced Fund assets mapped to “Normal Retirement Age” RDF
- Diversified based on FRS demographics
- Designed for FRS IP members who wish to let professionals decide how their assets should be allocated
- More equity early career/less equity late career
- No need for members to “rebalance” or change investment options as they age.
- Allocations in all RDFs will eventually mirror the allocations in the Retirement Income Fund 5 years after the “Year” in the date has passed.
Retirement Date Funds - Glidepath

- Early Career
- Mid Career
- Transition
- Post-Retirement

Years to Retirement

- US Equity
- Int’l Equity
- Bonds
- Real Assets

Years to "Normal"

Early Career
Mid Career
Transition
Post-Retirement
Glide Path Model

Glide Path Performance – Model Participant – Pre-retirement - Age 45

- PRE-RETIREMENT metric of 50th percentile account balance at retirement age 65 (as a multiple of age 65 pay) vs. 95th percentile (bad) account balance at retirement age 65 (as a multiple of age 65 pay)
- Hire age 45

Increase Reward

Reduce Risk

HEK Benchmarks
FRS Alternatives

Hewitt ennisknupp
An Aon Company
RDF Allocations - 7-1-2020

- New 2060 Fund, 2015 Fund deleted – assets moved to Ret. Income Fund
- Existing funds reducing equity exposure as near RDF “Year”
Online Retirement Date Fund Tool

- Available soon on Retirement Date Funds page in “Investment Funds” section on MyFRS.com

| Original RDF Calculation | Other ways to choose an RDF |

Choose a Retirement Date Fund
[Complete boxes highlighted in yellow.]

To determine which Retirement Date Fund (RDF) may be appropriate for you, complete the information in the applicable boxes highlighted in yellow and your suggested RDF will be displayed in the box highlighted in blue.

Note that there are a number of other ways to choose a RDF. Click on the link "Other ways to choose an RDF" for other alternatives. If you need assistance in using the calculator or in determining which RDF may be best for you, an Ernst & Young financial planner can assist you via the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2 (TRS 711).

Are you in the Special Risk or Special Risk Administrative Support Class?¹

Date of birth (mm/dd/yyyy)  
1/5/1975

We have calculated your age to be 40 as of 07/01/2014.

RDF based on Current Age
The suggested RDF is based on the FRS normal retirement age for your class of membership (60 for Special Risk and Special Risk Administrative Support, 65 for all other classes).

Default/Suggested Retirement Date Fund
FRS 2035 Retirement Fund
Appendix
FRS 2055 Retirement Fund

- **Objective:**
  - Seeks capital appreciation
  - Designed for members with over 40 years remaining until “normal retirement age”

- **Risk Profile:**
  - Aggressive (81% equities)

- **Fees:**
  - 0.11% annually
  - $1.10 per $1000 in assets

- **Future Allocation:**
  - In the year 2020 the fund will have the same allocation as the 2050 Retirement Fund
  - In 2060, the fund will have the same allocation as the Retirement Income Fund
FRS 2050 Retirement Fund

- **Objective:**
  - Seeks capital appreciation
  - Designed for members with 35 to 40 years remaining until “normal retirement age”

- **Risk Profile:**
  - Aggressive (81% equities)

- **Fees:**
  - 0.11% annually
  - $1.10 per $1000 in assets

- **Future Allocation:**
  - In the year 2020 the fund will have the same allocation as the 2045 Retirement Fund
  - In 2055, the fund will have the same allocation as the Retirement Income Fund
FRS 2045 Retirement Fund

- **Objective:**
  - Seeks capital appreciation
  - Designed for members with 30 to 35 years remaining until “normal retirement age”

- **Risk Profile:**
  - Aggressive (81% equities)

- **Fees:**
  - 0.11% annually
  - $1.10 per $1000 in assets

- **Future Allocation:**
  - In the year 2020 the fund will have the same allocation as the 2040 Retirement Fund
  - In 2050, the fund will have the same allocation as the Retirement Income Fund
FRS 2040 Retirement Fund

- **Objective:**
  - Seeks capital appreciation
  - Designed for members with 25 to 30 years remaining until “normal retirement age”

- **Risk Profile:**
  - Aggressive (81% equities)

- **Fees:**
  - 0.11% annually
  - $1.10 per $1000 in assets

- **Future Allocation:**
  - In the year 2020 the fund will have the same allocation as the 2035 Retirement Fund
  - In 2045, the fund will have the same allocation as the Retirement Income Fund
FRS 2035 Retirement Fund

- **Objective:**
  - Seeks capital appreciation along with some current income
  - Designed for members with 20 to 25 years remaining until “normal retirement age”

- **Risk Profile:**
  - Aggressive (79% equities)

- **Fees:**
  - 0.11% annually
  - $1.10 per $1000 in assets

- **Future Allocation:**
  - In the year 2020 the fund will have the same allocation as the 2030 Retirement Fund
  - In 2040, the fund will have the same allocation as the Retirement Income Fund
FRS 2030 Retirement Fund

• **Objective:**
  - Seeks capital appreciation along with some current income and potential protection against future inflation
  - Designed for members with 15 to 20 years remaining until “normal retirement age”

• **Risk Profile:**
  - Moderately Aggressive (67% equities)

• **Fees:**
  - 0.14% annually
  - $1.40 per $1000 in assets

• **Future Allocation:**
  - In the year 2020 the fund will have the same allocation as the 2025 Retirement Fund
  - In 2035, the fund will have the same allocation as the Retirement Income Fund
FRS 2025 Retirement Fund

- **Objective:**
  - Seeks capital appreciation along with some current income and potential protection against future inflation
  - Designed for members with 10 to 15 years remaining until “normal retirement age”

- **Risk Profile:**
  - Moderate (55% equities)

- **Fees:**
  - 0.20% annually
  - $2.00 per $1000 in assets

- **Future Allocation:**
  - In the year 2020 the fund will have the same allocation as the 2020 Retirement Fund
  - In 2030, the fund will have the same allocation as the Retirement Income Fund
FRS 2020 Retirement Fund

- **Objective:**
  - Seeks some capital appreciation along with current income and potential protection against future inflation
  - Designed for members with 5 to 10 years remaining until “normal retirement age”

- **Risk Profile:**
  - Moderate (44% equities)

- **Fees:**
  - 0.26% annually
  - $2.60 per $1000 in assets

- **Future Allocation:**
  - In the year 2020 the fund will have the same allocation as the 2015 Retirement Fund
  - In 2025, the fund will have the same allocation as the Retirement Income Fund
FRS 2015 Retirement Fund

- **Objective:**
  - Seeks some capital appreciation along with current income and potential protection against future inflation
  - Designed for members nearing their “normal retirement age”

- **Risk Profile:**
  - Low to Moderate (33% equities)

- **Fees:**
  - 0.32% annually
  - $3.20 per $1000 in assets

- **Future Allocation:**
  - In the year 2020 the fund will have the same allocation as the Retirement Income Fund and assets will be mapped
FRS Retirement Income Fund

- **Objective:**
  - Seeks current income and potential protection against future inflation while still maintaining some capital appreciation
  - Designed for members past their “normal retirement age”
  - DROP

- **Risk Profile:**
  - Low to moderate (27% equities)

- **Fees:**
  - 0.35% annually
  - $3.50 per $1000 in assets