

# A Quick Guide to the Investment Funds YOU Can Choose



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	OBJECTIVE	STRATEGY	RISK	AS OF MARCH 31, 2019				
				FEES PER \$1,000		PERFORMANCE		
				Annual	Long-Term	1 Year	5 Years	10 Years
<b>RETIREMENT DATE FUNDS</b>								
FRS 2060 Retirement Date Fund (2060)	Retirement Date	Active	1 2 3 4 5	\$1.10	\$11	2.49%	6.49%	--
FRS 2055 Retirement Date Fund (2055)	Retirement Date	Active	1 2 3 4 5	\$1.10	\$11	2.44%	6.49%	--
FRS 2050 Retirement Date Fund (2050)	Retirement Date	Active	1 2 3 4 5	\$1.10	\$11	2.44%	6.52%	--
FRS 2045 Retirement Date Fund (2045)	Retirement Date	Active	1 2 3 4 5	\$1.10	\$11	2.55%	6.51%	--
FRS 2040 Retirement Date Fund (2040)	Retirement Date	Active	1 2 3 4 5	\$1.10	\$11	2.71%	6.40%	--
FRS 2035 Retirement Date Fund (2035)	Retirement Date	Active	1 2 3 4 5	\$1.30	\$13	2.99%	6.26%	--
FRS 2030 Retirement Date Fund (2030)	Retirement Date	Active	1 2 3 4 5	\$1.50	\$15	3.21%	5.87%	--
FRS 2025 Retirement Date Fund (2025)	Retirement Date	Active	1 2 3 4 5	\$1.70	\$17	3.40%	5.39%	--
FRS 2020 Retirement Date Fund (2020)	Retirement Date	Active	1 2 3 4 5	\$1.80	\$18	3.53%	4.74%	--
FRS 2015 Retirement Date Fund (2015)	Retirement Date	Active	1 2 3 4 5	\$1.90	\$19	3.51%	4.08%	--
FRS Retirement Fund (2000)	Retirement Date	Active	1 2 3 4 5	\$1.90	\$19	3.51%	3.73%	--
<b>MONEY MARKET FUND</b>								
FRS Money Market Fund (60)	Money Market	Active	1 2 3 4 5	\$0.61	\$6	2.40%	0.99%	0.62%
<b>MULTI-ASSETS FUND</b>								
FRS Inflation Adjusted Multi-Assets Fund (300)	Multi-Assets	Active	1 2 3 4 5	\$4.50	\$46	2.16%	1.22%	--
<b>BOND FUNDS</b>								
FRS U.S. Bond Enhanced Index Fund (80)	Bonds	Passive	1 2 3 4 5	\$0.50	\$5	4.51%	2.84%	3.89%
FRS Intermediate Bond Fund (90)	Bonds	Active	1 2 3 4 5	\$1.20	\$13	3.29%	2.04%	2.04%
FRS Core Plus Bond Fund (310)	Bonds	Active	1 2 3 4 5	\$2.40	\$24	5.02%	3.44%	--
<b>U.S. STOCK FUNDS</b>								
FRS U.S. Stock Market Index Fund (120)	All Cap U.S. Equity	Passive	1 2 3 4 5	\$0.20	\$2	8.84%	10.46%	16.09%
FRS U.S. Large Cap Stock Fund (320)	Large U.S. Equity	Active	1 2 3 4 5	\$2.80	\$28	5.52%	10.49%	--
FRS U.S. Small/Mid Cap Stock Fund (330)	Small/Mid U.S. Equity	Active	1 2 3 4 5	\$5.90	\$61	5.25%	9.22%	--
<b>FOREIGN AND GLOBAL STOCK FUNDS</b>								
FRS Foreign Stock Index Fund (200)	Foreign Stock	Passive	1 2 3 4 5	\$0.30	\$3	-5.02%	2.93%	9.39%
FRS Foreign Stock Fund (220)	Foreign Stock	Active	1 2 3 4 5	\$4.90	\$50	-4.66%	4.26%	9.95%
FRS Global Stock Fund (210)	Global Stock	Active	1 2 3 4 5	\$4.90	\$50	5.32%	9.16%	14.02%

For help reading this table, including the Risk scale, see other side for definitions.

This Quick Guide is intended for use in connection with the Investment Plan, pursuant to Florida law, and is not intended for use by other investors. Sections 121.4501(8)(b)4 and 121.4501(15)(b), Florida Statutes, incorporate the federal law concept of participant control, established by regulations of the U.S. Department of Labor under Section 404(c) of the Employee Retirement Income Security Act of 1974. If you exercise control over the assets in your Investment Plan account, including the self-directed brokerage account, pursuant to Section 404(c) regulations and all applicable laws governing the operation of the Investment Plan, no program fiduciary shall be liable for any loss to your account that results from your exercise of control.

**As an Investment Plan member, you get to choose how your account balance is invested. This Quick Guide can help by making it easy for you to understand and compare the Investment Plan funds available to you. The asset class descriptions below are general in nature and should not be relied on as your sole source of information regarding a specific fund(s).**

## Asset Class

An asset class is a group of similar investments whose values react in the same basic way to changes in the economy. The Investment Plan's funds are spread across five asset classes: money market funds, real assets funds, bond funds, U.S. stock funds, and foreign and global stock funds. There can be a risk in holding a large portion of your account balance in a single fund or asset class. According to investment experts, a good mix of investments (a strategy known as "diversifying") can help you control your risk and improve your returns.

### Money Market Funds

These funds invest in short-term securities (financial instruments or obligations) that are high-quality and can be sold quickly with little loss of value. The funds have limited risk of declining in value; however, over the long term, returns have been modest and may not keep pace with inflation. Money market funds are not FDIC-insured or guaranteed.

### Multi-Assets Funds

These funds invest in a diversified array of assets that may help offset inflationary pressures. These assets include but are not limited to U.S. Treasury inflation-linked securities, commodities, real estate investment trusts, gold, and other securities. The funds seek long-term real (net of inflation) returns to preserve the future purchasing power of accumulated assets. You could lose money over short or long periods by investing in this fund, and returns may not keep pace with inflation.

### Bond Funds

These funds invest primarily in bonds, which are like IOUs: a company or government agency borrows money and pays it back with interest to the bondholder (the entity making the loan). The quality of a bond is reflected in

the credit rating of the company or agency that issues the bond.

The short-term risk of bond funds is relatively low; however, over time, the value of a bond is affected by interest rates, inflation, and other factors. When inflation or interest rates go up, the value of bonds goes down because they pay a fixed rate of interest and the market may see other investments as being more attractive. Therefore, bonds and bond funds don't always protect the value of your retirement savings against inflation.

### U.S. Stock Funds

These funds invest primarily in equity shares or stocks issued by U.S. companies. The short-term risk of stocks has been much higher than bonds. However, over longer periods of time, stocks have generally experienced higher returns than bonds, which is one of the main reasons that stocks are typically recommended for retirement investing. Some risk is necessary to achieve long-term investment growth.

### Foreign and Global (Foreign and U.S.) Stock Funds

Foreign stock funds invest primarily in equity shares or stocks issued by foreign companies in stock markets outside the U.S. Compared to U.S. stocks, foreign stocks are affected by additional risk factors, such as foreign laws and regulations, differences in accounting practices, political risk (foreign governments are sometimes unstable), and currency risk (differences in the relative value of domestic and foreign money). Global stock funds invest in both U.S. and foreign stocks. Over the long term, foreign and global stocks have not experienced as high a return as U.S. stocks, but they have provided diversification benefits.

### Retirement Date Funds

Each Retirement Date Fund is a diversified portfolio of Investment Plan investment managers and uses an asset allocation concept called "target date funds." The mix of funds in each Retirement Date Fund is based on the amount of time you have before retirement, and the mix gradually changes as you approach retirement. This gradual change follows a careful investment strategy called a "glide path." Each Retirement Date Fund's glide path was developed for the FRS by a global

investment consulting firm and a fiduciary to the FRS. Retirement Date Funds don't fall into just one asset class. They invest in multiple asset classes, which makes them good for "one-stop shopping."

### Self-Directed Brokerage Account

The self-directed brokerage account (SDBA) does not fall into any single asset class. That's because the SDBA allows you to invest in thousands of different investments in addition to the Investment Plan's primary investment funds. The SDBA is not suitable for all members, and you assume the full risk and responsibility for the investments you select. Additional information on the SDBA is available in the "Investment Funds" section on MyFRS.com.

## Objective

The objective tells you what the fund invests in. Retirement Date Funds cover multiple asset classes.

## Strategy

*Passively managed* funds try to match the returns of a market index (such as the Russell 3000 index) by buying and holding the same securities as the index they're trying to match. *Actively managed* funds try to beat a market index.

## Risk

Risk indicates the potential for the fund's value to fluctuate. Greater risk of fluctuation typically indicates more potential for growth. Each fund's risk is rated from 1 (conservative) to 5 (aggressive).

## Annual Fees

These are the current fees the fund charges to cover its management, operating, and marketing expenses. These fees are based on a percentage of your account balance and they are deducted from your account balance. The fees shown are based on a \$1,000 investment in that fund.

## Long-Term Fees

The total fees that would be charged for a \$1,000 investment held for 10 years, based on current annual fees.

## Get Free Help Choosing Investments

Call the MyFRS Financial Guidance Line to speak with an experienced EY financial planner. Choose Option 2 for detailed information about all the investment funds.

## MyFRS Financial Guidance Line

1-866-446-9377 (TRS 711)  
9:00 a.m. to 8:00 p.m. ET  
Monday through Friday, except holidays  
Visit MyFRS.com

## Fund Profiles and Annual Fee Disclosure Statement Are Available Online

Before you select any investment funds or make an election, you should review the fund profiles and the Annual Fee Disclosure Statement, which are available in the "Investment Funds" section on MyFRS.com. To request a printed copy at no cost, call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4 (TRS 711).

## Excessive Fund Trading

The Investment Plan is not designed to facilitate short-term, excessive fund trading. Be sure to review the Excessive Fund Trading Guidelines available in the "Investment Funds" section on MyFRS.com.