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| Asset Class and Fund Objective: | Core balanced fund |
| Fund Type: | Blend of other FRS investment funds — both institutional funds and mutual funds |
| Index or Active Strategy: | Active fund that attempts to beat the total return of the Conservative Balanced Agg. Index |
| Management Type: | Actively Managed |

Fees and Fund Expenses

The fund **does not** have sales charges on purchases or dividend reinvestments, deferred sales charges, redemption fees or exchange fees. **Excessive trading restrictions may apply — see *Detailed Fund Operations*.**

| Fund Operating Expenses (deducted from your account as a percent of assets) | | | |
|---|-----------------------------------|------------------------------------|--------------------------------------|
| | FRS Select Conservative Bal Fd | Range of Fees in Balanced Funds | Range of Fees for All Other Funds |
| Annual Fees in Percent of Assets | 0.04% | 0.04% - 0.06% | 0.02% - 0.93% |
| For a \$10,000 Account You Would Pay | | | |
| First Year Fee | \$4 | \$4 - \$6 | \$2 - \$93 |
| Total Fees over 30 Years in Today's Dollars | \$135 | \$135 - \$170 | \$60 - \$3235 |

Fees represent the most current information available and are subject to change without prior notice. Fees are net of any contractual reimbursements to you. Fees and expenses are only one of several factors that should be considered when making investment decisions.

Principal Investment Strategies and Risks of Investing in the Fund

The fund seeks favorable long-term returns by keeping costs low and investing across multiple asset classes to diversify and control risk. The fund invests in other FRS Investment Plan funds and is designed to have the same risk level as a core bond fund. Because the fund is designed to keep its overall level of risk relatively steady over time, the proportions and specific funds included in the balanced fund may change over time. Financial Engines, a federally registered investment advisor and fiduciary to the FRS, will periodically provide updated investment fund mixes to the FRS that they believe will provide the best trade-off between expected risk and return. The fund will be periodically rebalanced.

The fund's total return is expected to fluctuate over a range roughly comparable to a core bond fund, but it may experience greater volatility due to investments in U.S. and foreign stocks. Because it invests in other investment funds, the balanced fund will experience many of the same risks as the funds in which it invests. The fund's strategy for outperforming its benchmark may cause it to lag the benchmark as the strategy relies on predictions and incurring trading costs through security turnover. Your investment in the fund is not a bank deposit and is not insured or guaranteed by the F.D.I.C. or any other government entity. It is possible to lose money investing in the fund and returns may not keep pace with inflation.

| Asset Allocation as of Qtr Ending | 6/30/10 | | |
|-----------------------------------|---------|---------------|--------|
| | 34.00% | Foreign Stock | 9.00% |
| | 22.00% | TIPS | 29.00% |
| | 5.00% | | |

Data gathered from various third-party sources.

| Fund Allocations and Benchmarks of the FRS Select Conservative Bal Fd | | |
|---|---------------------|--|
| Fund Name* | 6/30/10 Allocation* | Fund Performance Benchmark |
| FRS Select Yield Plus Money Market Active Fund | 35% | iMoneyNet Total Institutions-Taxable Index |
| FRS Select Treasury Inflation-Protected Securities | 29% | Barclays Capital TIPS TR (%Total Return) |
| FRS Select U.S. Bond Enhanced Index Fund | 19% | BC Aggregate Bond TR (%Total Return) |
| FRS Select Foreign Stock Index Fund | 8% | MSCI World ex U.S. TR (%Total Return) ** |
| FRS Select U.S. Stock Market Index Fund | 5% | Russell 3000 TR (%Total Return) |

**Component funds and allocation percentages are subject to change over time. Allocations are rounded and will vary over time.*

| Average Annual Returns and Risk for Periods Ending June 30, 2010 | | | |
|--|----------|---------|----------|
| | One Year | 5 Years | 10 Years |
| Average Annual Returns | | | |
| Investment Fund | 7.01% | 4.14% | 3.64% |
| Conservative Balanced Aggregate Bmk | 6.82% | 3.52% | 3.09% |
| Average Annual Risk (Standard Deviation) | | | |
| Investment Fund | 3.57% | 4.70% | 4.66% |
| Conservative Balanced Aggregate Bmk * | 3.43% | 4.74% | 4.61% |
| FRS Select Moderate Balanced Fund | 8.85% | 10.91% | 10.18% |

Prior to July 2002, actual historical performance data has been adjusted for fees and/or designs for multiple manager funds that are specific to the FRS.

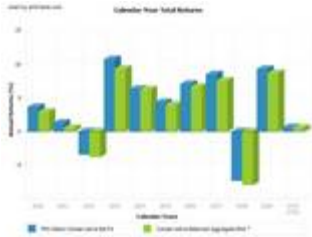
** Effective July 1, 2005 performance benchmarks for certain underlying Funds were changed for all time periods to more closely align with the underlying Fund's investment processes.*

Other Historical Risk Measures: 5 Year Period Ending June 30, 2010

| | FRS Select Conservative Bal Fd | Range of Measure in Balanced Funds | Range of Measure for All Other Funds |
|--------------------------------|-----------------------------------|---------------------------------------|---|
| Beta vs. Benchmark * | 97.14% | 97.14% - 99.63% | 85.00% - 105.67% |
| Tracking Error vs. Benchmark * | 0.45% | 0.45% - 0.90% | 0.08% - 6.74% |
| Highest Quarterly Return | 4.58% | 4.58% - 13.65% | 1.36% - 26.09% |
| Lowest Quarterly Return | -3.73% | -17.17% - -3.73% | -25.63% - 0.00% |
| Performance Alarms | 0 | 0 - 1 | 0 - 3 |

For time periods prior to July 2002, actual historical performance data has been adjusted for fees and/or designs for multiple manager funds that are specific to the FRS. Beta is the average percent change in the fund's return if there is a 1% change in the benchmark's return. Tracking Error is the standard deviation of the statistically unexplained difference between the fund's return and the benchmark return. Performance alarms are a statistical measure of underperformance relative to the benchmark. Multiple alarms may imply a higher risk of future underperformance.

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See how \$1,000 invested in this fund since plan/fund inception would have grown over time (based on unit value) in the [Growth of \\$1,000 Chart on the MyFRS.com website](#).

Fund Management and Marketing

| | |
|------------------------|-------------------------------------|
| Investment Manager(s): | BlackRock, Prudential Investments |
| Portfolio Manager(s): | See Detailed Fund Operations |
| Marketing Company: | None |

Before You Choose a Fund in the FRS Investment Plan

Keep in mind that **past performance does not guarantee future results**. So before choosing, get objective, professional guidance on what specific funds would best fit your needs and the level of risk involved. Call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2 (TRS 711), or visit MyFRS.com for free guidance and additional information on this investment fund, including Financial Engines' *Fund Score Card* and *Detailed Fund Operations*. These reports discuss the investment strategies and other factors that may significantly affect the fund's performance. You can also make daily account transfers or withdrawals through these phone and online resources, unless the fund has transfer restrictions.

This profile is intended for use in connection with the FRS 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, incorporates 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, 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 which results from your exercise of control.