

INVESTMENT PLAN

Quarterly Newsletter

Fourth Quarter, October 2022



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Two New Features for FRS Members

Electronic PIN Reminders

FRS members who currently need a **PIN reminder** to access **MyFRS.com** receive the reminder via U.S. mail and the PIN usually takes 5 to 7 business days to arrive. Based upon member feedback, we will be rolling out electronic PIN reminders in late October. You will have the option to receive the PIN reminder either by email, cell phone, or U.S. mail. If you want to receive the PIN via email or cell phone, you will need to verify your identity on the PIN reminder page, successfully answer several security questions, and have your email address or cell phone number verified. If you pass these three items, we will immediately text or email the PIN to you. If you do not pass, the only option will be to receive the PIN via U.S. mail.

Online Chat

In mid-August we rolled out a new online chat service on **MyFRS.com**. The new chat service uses artificial intelligence that can answer most questions quickly and can “learn” better ways to provide responses the more it is used. You will still have the option to chat live with an EY financial planner.

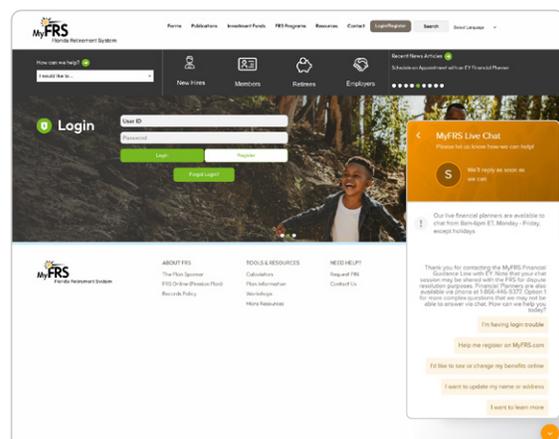
Consider Multi-Factor Authentication

Multi-factor authentication (MFA) is required for all new registrations on **MyFRS.com**. It is also required following any re-registrations (profile resets or PIN reminders). MFA confirms your identity before you access your account by asking you to log in with a random, six-digit code sent via email or text message.

If you're a long-time user of **MyFRS.com**, MFA may be optional, but you are strongly encouraged to use this feature for an added layer of security. If you want to register for MFA, do the following:

- Log in to **MyFRS.com**. If you have never registered for MFA, you will see a popup box alerting you that “MyFRS.com is now offering Multi-Factor Authentication” and to “Click here” to continue.
- Select “Click here” and you will be directed to your MyFRS Profile page.
- Click on “Register for MFA” and follow the steps to enable MFA using your email or cell phone.

If you have any questions, please call the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 2 (TRS 711).



Quarterly Fund Performance Summary

This quarterly fund performance summary gives you a quick update on the performance of the Investment Plan's investment funds. Before you select any investment funds, you should also review the fund profiles, the Investment Fund Summary, and the Annual Fee Disclosure Statement posted in the "Investment Funds" section on MyFRS.com. The asset class descriptions below are general in nature and should not be relied on as your sole source of information regarding these funds.

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: stable value funds, inflation protection 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. Additional information about investing and diversification can be found on the U.S. Department of Labor's website at dol.gov/agencies/ebsa/laws-and-regulations/laws/pension-protection-act/investing-and-diversification.

Stable Value Funds

These funds invest in fixed income securities and wrap contracts offered by banks and insurance companies. Wrap contracts generally provide a protected return even if the underlying investments decline in value. Stable value funds focus on the preservation of capital, retaining the value of your investment regardless of what stock or bond markets are doing. Stable value funds are not FDIC-insured or guaranteed.

Inflation Protection 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, natural resources, 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 FRS 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.

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.

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.

Performance Benchmark (PB)

A performance benchmark allows you to see how well the fund is doing relative to the performance of the market sector it is trying to beat. Note that index funds are designed to approximate the returns of their benchmarks. Benchmarks do not have costs.

Total Index

A total index is a combination of all the market benchmarks in each market sector and is based on the asset amounts of each fund in each market sector.

Performance Summary as of September 30, 2022

	STRATEGY	FEES PER \$1,000		PERFORMANCE ¹			
		Annual ²	Long-Term	Quarterly ³	1 Year	5 Years	10 Years
TOTAL FRS INVESTMENT PLAN	--	--	--	-4.87%	-16.38%	4.07%	5.99%
<i>PB: Investment Plan Total Index</i>		--	--	-4.65%	-14.99%	3.97%	5.79%
RETIREMENT DATE FUNDS	--	--	--	-5.95%	-16.20%	3.67%	--
<i>PB: Total Retirement Custom Index</i>		--	--	-5.63%	-16.02%	3.52%	--
FRS 2060 Retirement Date Fund (2060) ⁴	Active	\$1.10	\$11	-6.49%	-18.77%	4.18%	--
<i>PB: 2060 Retirement Custom Index</i>		--	--	-6.12%	-18.44%	4.09%	--
FRS 2055 Retirement Date Fund (2055)	Active	\$1.10	\$11	-6.51%	-18.82%	4.18%	--
<i>PB: 2055 Retirement Custom Index</i>		--	--	-6.12%	-18.44%	4.09%	--
FRS 2050 Retirement Date Fund (2050)	Active	\$1.10	\$11	-6.42%	-18.63%	4.13%	--
<i>PB: 2050 Retirement Custom Index</i>		--	--	-6.10%	-18.41%	4.06%	--
FRS 2045 Retirement Date Fund (2045)	Active	\$1.10	\$11	-6.33%	-18.41%	4.02%	--
<i>PB: 2045 Retirement Custom Index</i>		--	--	-6.03%	-18.19%	3.97%	--
FRS 2040 Retirement Date Fund (2040)	Active	\$1.30	\$13	-6.12%	-17.49%	3.99%	--
<i>PB: 2040 Retirement Custom Index</i>		--	--	-5.84%	-17.49%	3.86%	--
FRS 2035 Retirement Date Fund (2035)	Active	\$1.50	\$15	-5.91%	-16.47%	3.92%	--
<i>PB: 2035 Retirement Custom Index</i>		--	--	-5.61%	-16.41%	3.76%	--
FRS 2030 Retirement Date Fund (2030)	Active	\$1.60	\$16	-5.74%	-15.42%	3.79%	--
<i>PB: 2030 Retirement Custom Index</i>		--	--	-5.41%	-15.35%	3.61%	--
FRS 2025 Retirement Date Fund (2025)	Active	\$1.80	\$18	-5.59%	-14.36%	3.62%	--
<i>PB: 2025 Retirement Custom Index</i>		--	--	-5.27%	-14.28%	3.39%	--
FRS 2020 Retirement Date Fund (2020)	Active	\$1.90	\$19	-5.54%	-13.37%	3.27%	--
<i>PB: 2020 Retirement Custom Index</i>		--	--	-5.21%	-13.17%	3.08%	--
FRS Retirement Fund (2000)	Active	\$1.90	\$19	-5.51%	-13.18%	2.90%	--
<i>PB: Retirement Custom Index</i>		--	--	-5.19%	-12.66%	2.72%	--
STABLE VALUE FUND							
FRS Stable Value Fund (350)*	Active	\$1.90	\$19	0.48%	1.69%	2.05%	--
<i>PB: ICE BofA 1-3 Year Treasury Index</i>		--	--	-1.56%	-4.86%	0.57%	--
INFLATION PROTECTION FUND							
FRS Inflation Sensitive Fund (300)	Active	\$3.60	\$37	-6.06%	-7.58%	2.60%	--
<i>PB: FRS Custom Multi-Assets Index</i>		--	--	-5.64%	-6.77%	2.41%	--

* The FRS Stable Value Fund was initially open for investments on July 1, 2021. Past performance shown is based on the investment allocations as if they were held over the past five years prior to July 1, 2021.

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Performance Summary as of September 30, 2022 – continued

	STRATEGY	FEES PER \$1,000		PERFORMANCE ¹			
		Annual ²	Long-Term	Quarterly ³	1 Year	5 Years	10 Years
BOND FUNDS							
<i>PB: Investment Plan Total Bond Index</i>							
		--	--	-4.04%	-14.27%	0.31%	1.46%
FRS U.S. Bond Enhanced Index Fund (80)	Passive	\$0.50	\$5	-4.79%	-14.78%	-0.26%	0.95%
<i>PB: Bloomberg Aggregate Bond Index</i>							
		--	--	-4.75%	-14.60%	-0.27%	0.89%
FRS Core Plus Bond Fund (310)	Active	\$1.90	\$19	-4.10%	-15.00%	0.45%	--
<i>PB: FRS Custom Core Plus Fixed Income Index</i>							
		--	--	-3.93%	-14.40%	0.16%	--
U.S. STOCK FUNDS							
<i>PB: Investment Plan Total U.S. Equities Index</i>							
		--	--	-4.36%	-17.71%	7.79%	10.91%
FRS U.S. Stock Market Index Fund (120)	Passive	\$0.20	\$2	-4.46%	-17.61%	8.66%	11.45%
<i>PB: Russell 3000 Index</i>							
		--	--	-4.46%	-17.63%	8.62%	11.39%
FRS U.S. Stock Fund (340) ⁵	Active	\$3.50	\$36	-4.15%	-23.09%	5.84%	--
<i>PB: Russell 3000 Index</i>							
		--	--	-4.46%	-17.63%	8.62%	--
FOREIGN AND GLOBAL STOCK FUNDS							
<i>PB: Investment Plan Total Foreign/Global Equities Index</i>							
		--	--	-9.87%	-26.49%	0.42%	4.74%
FRS Foreign Stock Index Fund (200)	Passive	\$0.30	\$3	-10.48%	-25.92%	-0.62%	3.86%
<i>PB: MSCI ACWI ex US IMI Index</i>							
		--	--	-9.69%	-25.72%	-0.78%	3.63%
FRS Foreign Stock Fund (220)	Active	\$4.60	\$47	-9.33%	-32.85%	-0.23%	4.53%
<i>PB: MSCI ACWI ex US Index</i>							
		--	--	-9.91%	-25.17%	-0.81%	3.20%
FRS Global Stock Fund (210)	Active	\$4.70	\$48	-6.03%	-26.86%	6.91%	9.83%
<i>PB: MSCI All Country World Index</i>							
		--	--	-6.82%	-20.66%	4.44%	7.28%

¹ The performance information presented reflects past performance, net of fees, which is not necessarily an indication of future performance. The most recent quarter, 1-, 5-, and 10-year performance returns are shown, if available.

² Fees are only one of several factors that you should consider when making investment decisions.

³ Not annualized.

⁴ The FRS 2060 Retirement Date Fund was initially open for investments on July 1, 2017. Five-year performance shown is for the FRS 2055 Retirement Date Fund, which has the same investment allocations.

⁵ The following applies to the FRS U.S. Stock Fund with an inception date of July 1, 2020: 1.) the five-year history, if available, is considered the return since inception; and 2.) one-year and five-year historical performance is based on the target weight of the underlying managers/funds that would have been in place if the funds had been in place during these time periods.

All Investment Plan funds (except the FRS Stable Value Fund) are subject to the Excessive Fund Trading Guidelines, which may limit your ability to make investment changes. The guidelines are available on the "Investment Funds" page of MyFRS.com.

This performance summary 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, 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.

Turn Your Retirement Savings Into Retirement Income

As you get closer to retirement, how you think about your Investment Plan account will change. You'll still want to earn investment performance, but you'll also need to protect your money from the ups and downs of the market. You'll start spending some of the money you saved, but you'll need to make it last.

The Retirement Income Solution, available from the Advisor Service by GuidedChoice, is here to help. The Retirement Income Solution picks up right where the Advisor Service leaves off, using the same data about you, your goals, and your assets. It's the same powerful advice technology, and the same easy-to-use interface.

You don't pay any fees for the advice you receive as an active member of the Investment Plan and/or the Pension Plan. Your employer has taken care of that on your behalf.

To get started:

- **If you are within three years of retiring or already retired**, when you log in to the Advisor Service, you'll see a new home page. To confirm that you are retired, switch your piggy bank (money going in) to the upside-down piggy bank (money coming out).
- **If you're not yet retired**, click the "Spend-down modeling" button to get started.

To learn more, log in to [MyFRS.com](https://www.myfrs.com) and click the "ADVISOR" button. If you have any questions, call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2.



Deadline for Requesting 2022 Tax Year Distributions

The deadline for requesting an Investment Plan distribution that will be considered a 2022 tax year distribution is 4:00 p.m. ET on December 23, 2022. Any distribution requested after this deadline will be processed for the 2023 tax year.



Online Security Tips

To reduce the risk of fraud and loss to your retirement account, check out the Department of Labor's "Online Security Tips" available in the "Recent News Articles" section on [MyFRS.com](https://www.myfrs.com).

Two Ways to Protect Your Retirement Income

Two solutions from MetLife – lifetime income guarantees and qualified longevity annuity contracts (QLACs) – allow you to convert some or all of your Investment Plan balance into payments to you for your lifetime and, if you choose, to your survivor after your death.

The quotes below are based on a \$100,000 Investment Plan balance as of September 30, 2022, for a female aged 65. Joint & Survivor payments assume the chosen survivor is a spouse aged 65. Your actual quotes may vary based on your individual data and other circumstances. Please note that other payment options and features are available. A QLAC is subject to IRS limits and the amount needed to purchase a QLAC will be different than your total available balance.

	Lifetime Income Guarantee Payments begin at age 65	QLAC Payments begin at age 75
Single Life – lifetime payments to you	\$591	\$1,332
Joint & Survivor – lifetime payments to you that continue to your survivor after your death	\$507	\$989

To learn more about these options, or to purchase one, call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2. Or, visit [myfrs.com/MakeYourMoneyLastaLifetime.htm](https://www.myfrs.com/MakeYourMoneyLastaLifetime.htm) for additional resources, including an online quoting tool.

Keep Your Beneficiaries Current

Please be sure to keep your beneficiaries current so your benefits (if any) are passed to your named beneficiaries upon your death. You have four options for submitting your beneficiary information:

1. Online FRS Investment Plan Beneficiary Designation form (<https://www.myfrs.com/imageserver/IPBForm.htm>) (accessible without login).
2. Logging in to [MyFRS.com](https://www.myfrs.com) and clicking Investment Plan, then clicking on the “profile” icon  on the top right of the page, then selecting “Beneficiaries” from the drop-down menu.
3. Mailing or faxing an FRS Investment Plan Beneficiary Designation form (IPBEN-1) (https://www.myfrs.com/pdf/forms/ip_beneficiary.pdf), to the Investment Plan Administrator.
4. Calling the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4.

