

INVESTMENT PLAN

Quarterly Newsletter

Third Quarter, July 2020



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These Notices Going Electronic Only

Beginning September 1, 2020, the following notices will be sent to your online Secured Participant Mailbox and will no longer be mailed to you:

- Confirmation of Rollover
- Confirmation of Fund Reallocation
- Confirmation of Fund Transfer
- Confirmation of Investment Election Change
- Confirmation of SDBA Transfer IN/OUT (self-directed brokerage account notice)
- Confirmation of SDW Closeout (self-directed brokerage account notice)

This change will reduce the number of documents you are receiving in the mail that are not legally required to be sent by mail. You will always have the option to review your transaction information online. Note that the above notices will be sent electronically regardless of your electronic delivery preference.

To access your Secured Participant Mailbox:

- Log in to MyFRS.com.
- Select "Investment Plan."
- Select "Messages" in the upper right-hand corner.

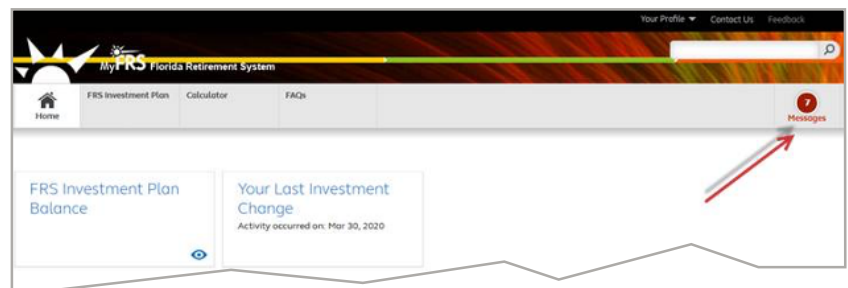
If you have any questions, call the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 4 (TRS 711).

This Statement Reflects Investment Plan Fund Lineup Changes

The last issue of this newsletter covered changes to the Investment Plan's fund lineup, effective July 1, 2020. If you had any balances in funds that were closed, these balances were automatically transferred into new funds after 4:00 p.m. ET on June 30, 2020.

Your enclosed quarterly statement reflects any changes that occurred. Please review your statement carefully and note any new funds you may be invested in. If you want to transfer your existing balances and future contributions to other fund(s), you may do so at any time.

If you have questions or need assistance in making transfers, call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4. Detailed information on the investment funds offered in the Investment Plan is available in the "Investment Funds" section on MyFRS.com.



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: money market funds, multi-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. 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.

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 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 June 30, 2020

	STRATEGY	FEES PER \$1,000		PERFORMANCE ¹			
		Annual ²	Long-Term	Quarterly ³	1 Year	5 Years	10 Years
TOTAL FRS INVESTMENT PLAN	--	--	--	14.31%	2.58%	5.86%	7.55%
<i>PB: Investment Plan Total Index</i>		--	--	13.40%	2.01%	5.55%	7.19%
RETIREMENT DATE FUNDS	--	--	--	13.22%	2.28%	5.60%	--
<i>PB: Total Retirement Custom Index</i>		--	--	13.35%	2.24%	5.44%	--
FRS 2060 Retirement Date Fund (2060) ⁴	Active	\$1.00	\$10	17.30%	1.16%	6.16%	--
<i>PB: 2060 Retirement Custom Index</i>		--	--	17.25%	0.90%	5.97%	--
FRS 2055 Retirement Date Fund (2055)	Active	\$1.00	\$10	17.22%	1.07%	6.16%	--
<i>PB: 2055 Retirement Custom Index</i>		--	--	17.25%	0.90%	5.97%	--
FRS 2050 Retirement Date Fund (2050)	Active	\$1.00	\$10	16.86%	0.94%	6.15%	--
<i>PB: 2050 Retirement Custom Index</i>		--	--	17.15%	0.96%	5.98%	--
FRS 2045 Retirement Date Fund (2045)	Active	\$1.00	\$10	16.32%	1.26%	6.22%	--
<i>PB: 2045 Retirement Custom Index</i>		--	--	16.55%	1.31%	6.07%	--
FRS 2040 Retirement Date Fund (2040)	Active	\$1.10	\$11	15.33%	1.59%	6.16%	--
<i>PB: 2040 Retirement Custom Index</i>		--	--	15.62%	1.68%	5.97%	--
FRS 2035 Retirement Date Fund (2035)	Active	\$1.30	\$13	14.16%	1.91%	6.10%	--
<i>PB: 2035 Retirement Custom Index</i>		--	--	14.44%	1.98%	5.79%	--
FRS 2030 Retirement Date Fund (2030)	Active	\$1.50	\$15	13.02%	2.27%	5.85%	--
<i>PB: 2030 Retirement Custom Index</i>		--	--	13.19%	2.30%	5.66%	--
FRS 2025 Retirement Date Fund (2025)	Active	\$1.70	\$17	11.69%	2.77%	5.58%	--
<i>PB: 2025 Retirement Custom Index</i>		--	--	11.77%	2.66%	5.39%	--
FRS 2020 Retirement Date Fund (2020)	Active	\$1.80	\$18	10.19%	3.09%	5.11%	--
<i>PB: 2020 Retirement Custom Index</i>		--	--	10.14%	3.01%	5.00%	--
FRS 2015 Retirement Date Fund (2015)	Active	\$1.90	\$19	9.25%	3.48%	4.66%	--
<i>PB: 2015 Retirement Custom Index</i>		--	--	9.16%	3.34%	4.59%	--
FRS Retirement Fund (2000)	Active	\$1.90	\$19	9.02%	3.59%	4.38%	--
<i>PB: Retirement Custom Index</i>		--	--	8.98%	3.41%	4.41%	--
MONEY MARKET FUND							
FRS Money Market Fund (60)	Active	\$0.59	\$6	0.17%	1.66%	1.42%	0.82%
<i>PB: iMoneyNet Money Fund Average</i>		--	--	0.19%	1.41%	1.12%	0.58%
MULTI-ASSETS FUND							
FRS Inflation Adjusted Multi-Assets Fund (300)	Active	\$4.50	\$45	8.97%	-1.68%	1.26%	--
<i>PB: FRS Custom Multi-Assets Index</i>		--	--	8.26%	-2.90%	1.70%	--

Regarding This Performance Summary

This quarterly performance summary reflects the investment funds available through June 30, 2020. The next quarterly newsletter will incorporate the new investment funds effective July 1, 2020.

INVESTMENT PLAN Quarterly Newsletter

Performance Summary as of June 30, 2020 — 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>		--	--	5.12%	7.28%	4.53%	4.14%
FRS U.S. Bond Enhanced Index Fund (80)	Passive	\$0.50	\$5	3.13%	8.81%	4.39%	3.92%
<i>PB: BBg BARC Aggregate Bond Index</i>		--	--	2.90%	8.74%	4.30%	3.82%
FRS Intermediate Bond Fund (90)	Active	\$1.20	\$12	4.92%	6.95%	3.70%	3.44%
<i>PB: BBg BARC Intermediate Government/Credit Bond Index</i>		--	--	2.81%	7.12%	3.54%	3.21%
FRS Core Plus Bond Fund (310)	Active	\$2.10	\$21	6.39%	6.99%	4.88%	--
<i>PB: FRS Custom Core Plus Bond Index</i>		--	--	4.37%	7.38%	4.46%	--
U.S. STOCK FUNDS							
<i>PB: Investment Plan Total U.S. Equities Index</i>		--	--	22.24%	3.50%	8.91%	13.07%
FRS U.S. Stock Market Index Fund (120)	Passive	\$0.20	\$2	22.07%	6.61%	10.13%	13.80%
<i>PB: Russell 3000 Index</i>		--	--	22.03%	6.53%	10.03%	13.72%
FRS Large Cap Stock Fund (320)	Active	\$2.80	\$28	25.47%	7.69%	9.83%	--
<i>PB: Russell 1000 Index</i>		--	--	21.82%	7.48%	10.47%	--
FRS Small/Mid Cap Stock Fund (330)	Active	\$5.70	\$57	26.08%	-5.21%	6.91%	--
<i>PB: Russell 2500 Index</i>		--	--	26.56%	-4.70%	5.75%	--
FOREIGN AND GLOBAL STOCK FUNDS							
<i>PB: Investment Plan Total Foreign/Global Equities Index</i>		--	--	17.19%	-3.88%	2.87%	6.11%
FRS Foreign Stock Index Fund (200)	Passive	\$0.30	\$3	17.13%	-4.44%	2.56%	6.06%
<i>PB: MSCI ACWI ex US IMI Index</i>		--	--	16.96%	-4.74%	2.30%	5.62%
FRS Foreign Stock Fund (220)	Active	\$4.90	\$50	22.77%	3.17%	4.90%	7.48%
<i>PB: MSCI ACWI ex US Index</i>		--	--	16.12%	-4.80%	2.39%	5.27%
FRS Global Stock Fund (210)	Active	\$4.90	\$50	23.88%	11.17%	10.52%	12.34%
<i>PB: MSCI All Country World Index</i>		--	--	19.22%	2.11%	6.46%	9.35%

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. Past performance shown is for the FRS 2055 Retirement Date Fund, which has the same investment allocations.

All Investment Plan funds (except the FRS Money Market 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.

Free Financial Planning Workshops and Webcasts

Workshops are free and unlimited for FRS members. You can attend in person in Tallahassee or from anywhere by webcast.

October 5	Using the FRS to Plan for Retirement	10:00 a.m. to Noon
October 5	Protecting Yourself and Your Loved Ones	1:00 to 3:00 p.m.
October 6	Nearing Retirement in the FRS	10:00 a.m. to Noon
October 6	Understanding the FRS Investment Plan	1:00 to 3:00 p.m.

ALL TIMES ARE ET

To Register

By phone: 1-866-446-9377, Option 2

Online: Log in to the workshop registration page at <https://myfrs.ezsoftco.com/ClientApp/NewClientPage.aspx>

- Select “Attend a Workshop.”
- Click “County.”
- In the drop-down menu, select either “EMPLOYEE Webcast – Live Stream” (to attend online) or “EMPLOYEE Workshop” (to attend in person). DO NOT SELECT THE COUNTY YOU LIVE/WORK IN.
- Click “Workshop.”
- In the drop-down menu, select the workshop you want to attend.
- Click “Next.”
- Select the date you want to attend.

Creating a Retirement Plan Is Getting Easier

The GuidedChoice Advisor Service can already help make your retirement dreams possible by giving you unbiased advice on how much to save and where to invest. The service is free to FRS members and you can create your plan in about 30 minutes online. Beginning in July, the Advisor Service will make creating a comprehensive plan even easier by letting you link to all of your retirement accounts, including non-FRS plans. Known as account aggregation, this is another feature designed to help FRS members achieve financial freedom in the easiest way possible. To learn more about the Advisor Service, log in to [MyFRS.com](https://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.

Annual Fee Disclosure Statement Updated

The Annual Fee Disclosure Statement for the Investment Plan (updated July 1, 2020) provides information about the Investment Plan’s structure, administrative and individual expenses, and investment funds. It is written in simple terms to help you make better investment decisions.

You can find the statement in the “Investment Funds” section on [MyFRS.com](https://www.myfrs.com/pdf/forms/Annual_Fee_Disclosure_Statement.pdf) (https://www.myfrs.com/pdf/forms/Annual_Fee_Disclosure_Statement.pdf).

You also can request electronic delivery to your [MyFRS.com](https://myfrs.com) Secured Participant Mailbox or have a printed copy mailed at no cost by calling the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4.

Be Sure to Use the Latest Web Browsers

When accessing [MyFRS.com](https://myfrs.com), we recommend that you use the latest version of Edge, Chrome, Firefox, or Safari. Beginning June 10, 2020, you are no longer able to view your Investment Plan account (log in to [MyFRS.com](https://myfrs.com) and click “Investment Plan”) using Internet Explorer. Microsoft has officially ended its support for Internet Explorer and is advising users not to use it and instead use other modern browsers.

New MyFRS Financial Guidance Line Operating Hours

8:00 a.m. to 6:00 p.m. ET (effective July 1, 2020)

These new hours (formerly 9:00 a.m. to 8:00 p.m. ET) align with the opening time of the Division of Retirement’s call center (8:00 a.m. to 5:00 p.m. ET) and eliminate little-used hours in the evening.

Two Ways to Protect Your Retirement Income

Lifetime Income Guarantee

A lifetime income guarantee (offered by MetLife) lets you convert some or all of your Investment Plan balance into a stream of future payments that could last your lifetime.

Qualified Longevity Annuity Contract

A qualified longevity annuity contract (QLAC), also from MetLife, lets you defer receipt of your guaranteed monthly payments to a later age. QLACs are limited to \$135,000 or 25% of your Investment Plan balance (whichever is less).

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 www.myfrs.com/MakeYourMoneyLastaLifetime.htm for additional resources.

	Lifetime Income Guarantee	QLAC
For example, if purchased at age 65 with \$100,000 of your Investment Plan balance, each option would pay you:	<p>Single Life \$487¹ monthly payments for life beginning at age 65; upon death, payments would cease</p> <p>— OR —</p> <p>Joint & Survivor \$412¹ monthly payments for life beginning at age 65; upon death, payments of \$412¹ would continue to your survivor for life</p>	<p>Single Life \$978¹ monthly payments for life beginning at age 75; upon death, payments would cease</p> <p>— OR —</p> <p>Joint & Survivor \$724¹ monthly payments for life beginning at age 75; upon death, payments of \$724¹ would continue to your survivor for life</p>

¹ Quotes are based on \$100,000 premium as of June 30, 2020 for a female aged 65. Joint & Survivor assumes 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.

Keep Your SDBA Secure

1. Be cautious about providing a third party direct access to your self-directed brokerage account (SDBA). This can involve sharing your MyFRS.com PIN, user ID, and password. It might also give someone the ability to buy and sell investments on your behalf. These are security risks, and you would be solely responsible should you opt to share this highly sensitive information.
2. Closely monitor your Investment Plan account. Review trades made on your behalf, check for any unauthorized distributions, and keep an eye on management fees.

If you're interested in the SDBA or have questions, download the Self-Directed Brokerage Account Summary (https://myfrs.com/pdf/investmentfunds/Brokerage_Window_Summary.pdf) or call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2.

Online FRS Investment Plan Beneficiary Designation Form

A new online FRS Investment Plan Beneficiary Designation form (<https://www.myfrs.com/imageserver/IPBForm.htm>) gives you an easy way to name your beneficiary(ies) and submit this information in one simple step.

You still have the option to change your beneficiaries by:

- Logging in to MyFRS.com and clicking Investment Plan > Your Profile > Beneficiaries.
- Mailing or faxing an FRS Investment Plan Beneficiary Designation form (IPBEN-1), available online, to the Investment Plan Administrator.
- Calling the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4.