

---

The State Board of Investment administers the investment options offered through the Health Care Savings Plan (HCSP), Unclassified Retirement Plan (UNCL) and the Hennepin County Supplemental Plan.

You can invest in any combination of the investment options described below. The UNCL Plan also offers Target Retirement Funds. Information regarding these funds can be found at [www.msrs.state.mn.us/target-retirement-funds1](http://www.msrs.state.mn.us/target-retirement-funds1).

Please consider investment objectives, risks, fees and expenses carefully before investing. The prospectus and/or disclosure documents contain this and other important information. To obtain a prospectus or disclosure documents, and to learn more about the performance and expenses of these investment options, please visit [www.msrs.state.mn.us](http://www.msrs.state.mn.us) or contact Minnesota State Retirement System (MSRS) at 651-296-2761 or toll-free at 1-800-657-5757.

---

### Money Market Fund

This fund seeks to maintain the value of a participant's original investment and seeks to earn interest that is competitive with rates available in short-term money markets. The fund owns a range of high-quality, short-term securities. The average maturity of the fund is generally 90 days or less. Since the sole source of return for the fund is the interest income on the securities that it holds, returns will closely track the rise and fall of short-term interest rates. The fund is managed by State Street Global Advisors, an affiliate of State Street Bank and Trust, the organization that manages the cash reserves of retirement assets under the control of the State Board of Investment.

*The Money Market fund is not insured nor guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other governmental agency. Although the fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in the fund.*

### Stable Value Fund

*Note: This investment option is not available to Hennepin County Supplemental Plan participants.*

This fund is designed to maintain the value of a participant's original investment and to provide competitive returns using longer maturing (3-5 years) securities than typically found in a money market-type account. The assets in the fund are invested in a well-diversified portfolio of high quality fixed income securities with strong credit ratings. The fund also invests in contracts issued by highly rated insurance companies and banks which are structured to provide principal protection for the fund's diversified bond portfolios, regardless of daily market changes. The share value reflects the blended crediting rate available from all investments in the fund. Due to the nature of the investments, returns change modestly from period-to-period.

The fund is managed by Galliard Capital Management.

### Bond Fund

This fund seeks returns from interest income and capital appreciation (increases in the market value of its bonds). The fund invests in high-quality government and corporate bonds, and mortgage securities that have intermediate to long-term maturation, between 3 and 20 years. While the majority of the fund is invested in the U.S. bond market, a small portion (no more than ten percent) of the portfolio may be invested in international-bond markets and in below-investment-grade debt.

The fund has multiple investment managers.

*Keep in mind: Any returns from the fund generally will move in the opposite direction of interest rate changes. You must be willing to assume some risk with your investment because the fund could register losses in periods when interest rates are rising.*

### Balanced Fund

This fund seeks returns from both capital appreciation (increases in the market value of its stocks and bonds) and current yield (dividends from stock and interest on bonds). While holdings vary daily, the fund's targeted asset mix is: 60 percent common stock, 35 percent bond and 5 percent cash. Currently, the fund's stock segment is managed passively and indexed to the Russell 3000. The Russell 3000 is a broad stock market index that reflects thousands of publicly traded U.S. stocks.<sup>1</sup> Managed passively means no attempt is made to identify specific stocks that will perform better than others. The bond segment is actively managed by multiple investment managers and includes high-quality corporate bonds and mortgage securities, as well as U.S. Government issues.

<sup>1</sup>*A benchmark index is not actively managed, does not have a defined investment objectives, and do not incur fees or expenses. Therefore, performance of a fund will generally be less than its benchmark index. You cannot invest directly in a benchmark index.*

## U.S. Stock Index Fund

This fund's objective is to generate high returns that track the returns of the U.S. stock market. The fund invests in over 2,000 domestic stocks and is designed to replicate the return produced by the Russell 3000. The Russell 3000 is a broad stock market index that reflects thousands of publicly traded U.S. stocks.

The fund is managed by Black Rock Institutional Trust Co.

## U.S. Stock Actively Managed Fund

This fund seeks returns from capital appreciation (increases in the market value of its stocks) by investing almost exclusively in stocks of U.S. companies. The fund is managed by multiple investment managers retained by the State Board of Investment. As a result, the Account encompasses a variety of investment styles and approaches. One set of managers actively manages portfolios in specific segments of the U.S. stock market. Another set of managers attempts to add incremental value by investing in a broadly diversified portfolio of stocks across a wide range of industries. This structure assures that the fund covers all areas of the broad stock market.

## Broad International Stock Fund

This fund seeks returns by investing in the stock of companies outside the U.S. Typically, a majority of this fund is invested in the largest international stock markets, (United Kingdom, Japan, France, Canada, Germany, and Switzerland). Most of the remainder is invested in other well-established markets in Europe and the Pacific region. In addition, a portion of the fund is invested in developing countries or "emerging markets" around the world, including those in Asia, Latin America, Eastern Europe, the Middle East, and Africa. Approximately half of the fund is actively managed by several international stock managers that use a variety of investment styles and approaches. These managers buy and sell stock in an attempt to maximize market value. The remainder of the fund is passively managed to closely approximate the returns of the international markets and semi-passively managed to add incremental value over the index return by investing in broadly diversified portfolios of stocks in the developed and emerging markets.

*Foreign investments involve special risks, including currency fluctuation, taxation differences and political developments.*

*Equity securities of companies located in emerging markets involve greater risks than investing in more established markets, including currency fluctuations, political developments and share illiquidity.*

---

## Important Note:

**All Minnesota Supplemental Investment Fund investments are not guaranteed and are subject to investment risk including the possible loss of principal. The investment return and principal value of the security will fluctuate so that when redeemed, may be worth more or less than the original investment.**

*Equity securities of small and mid-sized companies may be more volatile than securities of larger, more established companies. Asset allocation and balanced investment options and models are subject to the risks of the underlying funds, which can be a mix of stocks/stock funds and bond/bond funds. A bond fund's yield, share price and total return change daily and are based on changes in interest rates, market conditions, economic and political news, and the quality and maturity of its investments. In general, bond prices fall when interest rates rise and vice versa.*

*Although data is gathered from reliable sources, the completeness of accuracy of the data shown cannot be guaranteed. All information is most current as it is provided by the data source.*



60 Empire Drive | Suite 300 | St. Paul, MN 55103-3000  
Telephone: 651-296-2761 | Toll-free: 1-800-657-5757 | Fax: 651-297-5238  
[www.msrs.state.mn.us](http://www.msrs.state.mn.us)

The Minnesota State Retirement System (MSRS) administers HCSP for the benefit of governmental employees throughout Minnesota. Minnesota State Statutes Chapter 352.98 authorizes MSRS to offer this program to governmental employers in Minnesota.

**Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker dealers.**

GWFS Equities, Inc., Member FINRA/SIPC, is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.