

Get Ready  
for Investment  
Changes on

**July 1, 2019**



Check out the **NEW** investment lineup!  
Investment options **CHANGE**

**July 1, 2019**



# Time to CHANGE



## Investment Options

Effective **July 1, 2019**, Minnesota State Retirement System (MSRS) will change the investment lineup available in certain plans. The funds will be similar to those currently available in the Minnesota Deferred Compensation Plan (MNDCP). The following plans will change investment options:

- **Health Care Savings Plan (HCSP)**
- **Unclassified Retirement Plan**
- **Hennepin County Supplemental Plan**

### ► What is changing?

- Mutual Funds will replace the existing Supplemental Investment Fund (SIF) options.
- Money invested in existing SIF options (excluding Money Market and Stable Value Funds) will transfer to mutual funds with similar objectives and risk levels.
- Additional mutual funds will be added to the investment lineup providing more options for you to choose from.

### ► What is staying the same?

- The SIF Money Market and SIF Stable Value Funds are still available and will not be affected.
- The Minnesota Deferred Compensation Plan (MNDCP) will not be affected by this change.
- Administrative fees will remain the same.

### ► How will you be notified of the changes?

- **Online:** Starting **July 1**, log into your account to view your new investment options.
- **Quarterly Statements:** The transfer of your account balances and new investment options will appear on your July quarterly statement.

### ► What do you need to do?

Not a thing! Your current account balance and future contributions will transfer automatically to the new funds.




Review the updated  
investment lineup





# Investment Option Changes

The table below reflects how your current investments will transfer to the new funds. Now may be a good time to review your existing investment elections to ensure your money is invested in the funds that most closely align with your savings goals.

EXISTING Investment Options		CHANGE	NEW Investment Options	
SIF Fund Name	Investment Management Fee		Mutual Fund Name	Investment Management Fee
SIF Broad International Stock Fund	0.23%	Transfers to	Vanguard Total International Stock Index Fund	0.07%
SIF U.S. Stock Actively Managed Fund SIF U.S. Stock Index Fund	0.19% 0.01%	Transfers to	Vanguard Total Stock Market Index Fund	0.02%
SIF Balanced Fund	0.04%	Transfers to	Vanguard Balanced Index Fund	0.06%
SIF Bond Fund	0.09%	Transfers to	Vanguard Total Bond Market Index Fund	0.03%
SIF Stable Value Fund	0.23%	None	SIF Stable Value Fund	0.23%
SIF Money Market Fund	0.01%	None	SIF Money Market Fund	0.01%
Minnesota Target Retirement Funds (Available in the Unclassified Retirement Plan only)	0.10%	None	Minnesota Target Retirement Funds (Available in the Unclassified Retirement Plan only)	0.10%
 Review fund information online: <a href="http://www.msrs.state.mn.us/funds-2019">www.msrs.state.mn.us/funds-2019</a>		NEW	T. Rowe Price Small Cap Stock Fund	0.66%
		NEW	Vanguard Mid Cap Stock Fund	0.03%
		NEW	Vanguard Dividend Growth Fund	0.26%
		NEW	Dodge & Cox Income Fund	0.43%

Carefully consider the investment option's objectives, risks, fees and expenses. Call 1.800.657.5757 or visit [www.msrs.state.mn.us](http://www.msrs.state.mn.us) for a prospectus, summary prospectus or disclosure document, as available, containing this information. Read them carefully before investing.

You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at \$1 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

Investing involves risk, including loss of principal. Equity securities of small and mid-sized companies may be more volatile than securities of larger, more established companies. Foreign investments involve special risks, including currency fluctuations, taxation differences and political developments. The date in a target date fund's name represents an approximate date when an investor is expected to retire. The principal value of the funds is not guaranteed at any time, including the target date. 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. Asset allocation and balanced investment options and models are subject to the risks of the underlying funds, which can be a mix of stock/stock funds and bonds/bond funds. There is no guarantee that companies that can issue dividends will declare, continue to pay or increase dividends. Stable Value Funds are not federally guaranteed and may lose value.

Stable Value funds have interest rate, inflation and credit risks associated with the underlying assets owned by the fund. A guaranteed separate account stable value fund is offered through an insurance company group annuity contract or funding agreement. The strength of the guarantee is dependent on the financial strength of the insurance company issuing the contracts.

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## Important Dates

### ► Friday, June 28 BEFORE 3 P.M. Central Time

- Any investment changes you initiate will occur in the **EXISTING** SIF investment options.
- Your SIF investments will automatically transfer to the new mutual funds and the transaction will appear on your July quarterly statement.

### ► Friday, June 28 AFTER 3 P.M. Central Time

- Any investment changes you initiate will occur in the **NEW** mutual funds and will appear on your future quarterly statements.



## HCSP Participants

Contributions to your HCSP are automatically invested in the Money Market Fund until you elect other investment options. If you haven't changed your investment allocation, 100% of your account balance is in the Money Market Fund. Consider choosing a mix of funds including stocks, bonds and cash to help manage risks associated with investing.



Questions? Contact Us! 1.800.657.5757 or 651.296.2761 | [www.msrs.state.mn.us](http://www.msrs.state.mn.us)