

In-service news

A publication of the
Teachers' Retirement System
of the City of New York



Important Information about TRS' Passport Funds

As of January 1, 2018, the Bond Fund will become the Balanced Fund. Included inside are details about this transition, as well as a special pullout insert providing answers to common questions and a profile of the Balanced Fund.



TRS Celebrates 100 Years!

As we reported in the last issue of *In-Service News*, TRS will mark an historic milestone on August 1, 2017: our 100th birthday! When TRS was established in 1917, we were a relatively small organization, with nearly 21,000 in-service members, 1,400 retirees, and approximately \$750,000 in total assets.

Today, TRS supports 200,000 in-service members, retirees, and beneficiaries and we have \$75 billion across two retirement plans. As remarkable as that growth is, the numbers do not tell the entire story. To meet the evolving needs of our members, TRS introduced a host of benefits and services over the past century. These include a second retirement plan (the Tax-Deferred Annuity Program), flexible loan programs, expanded investment choices, a multifaceted Member Services Center, and a growing series of education programs.

Our focus on quality member services continues today. For example, TRS recently launched a redesigned, mobile-friendly website with expanded capabilities for online transactions, and additional features will be added in the years ahead. We are also modernizing our systems and operations, becoming more efficient and more responsive.

While we proudly commemorate our centennial throughout 2017, we are directing our energies toward "building better tomorrows."

(Continued on page 2)



Spring 2017

Also inside...

TRS Website News: TRS enhances login and registration security / 2

Investing with TDA: Let TDA work for you / 3

Protect Your Loved Ones: Update beneficiary information / 3

Passport Fund News: Bond Fund will become the Balanced Fund / 4

Investment Results: Performance update for our Passport Funds / 5

Planning to Retire Soon?: Start preparing now / 6

Go Green: View your TRS statements online / 6

TRS Member Education Schedule: Sign up today / 7

In every issue...

Publications: A list of updated materials / 8

Calendar: Key dates to remember / 8

New, More Secure Web Login Is Coming Soon

Later this year, TRS will introduce an enhanced login and registration process that will make it even safer for you to access the secure section of our website.

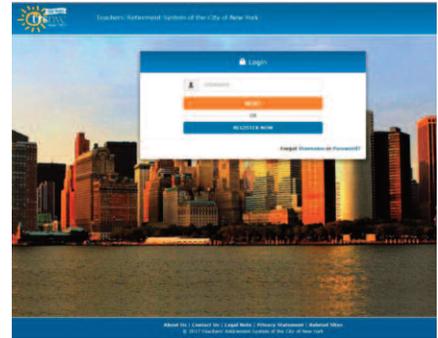
We're adding security images and two-factor identification to help ensure that you are the only one who is able to access your personal account information. If you do business online with your bank or financial services provider, the features we're introducing are probably familiar to you already.

We plan to introduce our changes over the summer, although an exact date is not set. So what's changing?

- ✓ If you already have access to the secure section of our website, you won't have to register all over again. However, the first time you log in under the enhanced system, you'll be asked to select a security image that will be displayed to you upon subsequent logins. We'll also send you a verification code—by text, voice call, or email—whenever you tell us you've forgotten your password or when we don't recognize the computer you're using.
- ✓ If you haven't yet registered for access to the secure section of our website, the new process will take only a few minutes. After providing some account and contact information, you'll create a username and password and you'll choose a security image that you'll see on subsequent logins. To complete your registration, we'll also email you a verification link.

We encourage all members to register on our website in order to have reliable and secure access to account information and online features around the clock. And remember, you can access our website at any time from anywhere you have a reliable internet connection.

We trust you'll appreciate that these enhancements are part of TRS' ongoing effort to implement the industry's best practices and procedures concerning internet security. We'll post a news bulletin when we roll out the enhanced login and registration procedures later this year.



After an upgrade this summer, our website's login/registration screen will look like this.

TRS Celebrates 100 Years

(Continued from page 1)



To make 2017 even more notable, more than 70 TRS retirees will also turn 100 years old this year, joining 150 other retirees who are already in the "century club." In recognition, TRS is mailing a special birthday card to those retirees who turn 100 years old in 2017.

Change was certainly a constant theme at TRS over the past century. The same was true of the world around us. For example, New York City's population grew by nearly half, to 8.5 million! And the price of just about everything increased too. Just for fun, we compared some cost data from 1917 and 2017. Take a look and see for yourself just how much things have changed!

	1917	2017
Loaf of bread	7 cents	\$3.35
Dozen eggs	34 cents	\$3.14
Gallon of milk	18 cents	\$2.39
Subway ride	5 cents	\$2.75
Gallon of gasoline	15 cents	\$2.26
Median home price*	\$5,000	\$730,000
Median household income*	\$700	\$68,000

* New York City

Sources: Nerdwallet.com, US Census Department

CORRECTION: The printed version of this newsletter included incorrect figures about New York City's population growth over the past century. Thank you to our members who noted this error. (6/28/2017)

Let TDA Work for You

If you're not among the more than 82,000 members actively participating in TRS' Tax-Deferred Annuity (TDA) Program, consider joining your peers. Why participate in TDA when you're already automatically enrolled in a pension plan that will provide your future retirement allowance? Because TDA provides members with a rare opportunity to supplement their pension investment and build a more secure retirement future.

Below are some of the benefits you can realize by participating in TDA:

- **Tax Benefits**—Owe less in current taxes
- **Flexibility**—Choose from six diverse investment options
- **Convenience**—Contribute automatically from every paycheck
- **Loan Availability**—Access your funds before retirement without penalty
- **Online Access**—Manage your account from your devices

TRS' TDA Calculator, available on our website, can help you decide how much you want to contribute to your TDA account.

You can also use the funds invested in your TDA account to purchase credit for prior service. Purchasing prior service credit has its own benefits (see sidebar), but using TDA funds for the purchase means you don't have to pay anything out of pocket.

Our *TDA Program Summary* and *Fund Profiles*, both available on our website, provide in-depth information about TDA. Enroll today and your contributions will begin in the new school year.

Claim Your Prior Service Online

If you worked for a public employer anywhere in New York State before joining TRS, you may be eligible to get pension credit in TRS for that service. Purchasing prior service credit (sometimes called a "buyback") helps you become vested sooner and will increase your benefits at retirement. And purchasing credit sooner rather than later is wise because the cost increases over time.

These days, it's easier than ever for members in Tiers III, IV, and VI to claim prior service. Just use the "Record of Prior Service" **e-form** online to start the process:

- Log in to the secure area of our website.
- Click on **Forms**, go to the "Electronic Forms" section, and open the "Record of Prior Service" e-form.
- Complete the fillable form online, and file it by clicking "SUBMIT."

TRS will review your service claim and verify with previous employers. If the service is eligible for credit, you'll receive a letter indicating the cost of purchase and payment options (including a transfer of TDA funds).

For additional information about purchasing service credit, please visit our website.

Check Beneficiary Information Online



You work hard to save for the future and provide for your loved ones by contributing to your pension plan. We want to ensure that your beneficiaries will receive all the benefits due to them. However, incomplete data on file may cause delays and complications. So, it's a good idea to periodically review and update personal and beneficiary information online when possible.

Here's what TRS can do: If we don't have your beneficiary's Social Security number on file with us, we may contact you, requesting that you fill in the missing data online. (If your beneficiary does not have a Social Security number or is a charity or an organization, we would need a taxpayer identification number.)

And here's what you can do: If you receive notification from TRS, please provide the requested information about your beneficiaries after logging in to the secure section of our website. You might also want to consult TRS' *Guide to Death Benefits for Beneficiaries of Non-Retired Members*. The brochure provides general information about TRS death benefits and explains the steps in processing benefit payments.

Bond Fund Will Change in 2018

TRS will be changing our **Bond Fund**, one of the six TRS investment choices known as the Passport Funds. As of January 1, 2018, the **Bond Fund** will become the **Balanced Fund**. This new fund will provide our members with a moderately conservative balanced investment option that includes exposure to stocks and bonds.

What You Need to Know

- ▶ As of January 1, 2018, TRS' Bond Fund will become the Balanced Fund—a moderately conservative investment option with more expected volatility than the Bond Fund—providing greater potential for return. We are informing you now so that you have opportunities to change your TRS investments as you see fit.
- ▶ You do not need to take any action. But if you want to make any changes to your TRS investment portfolio, you may do so on the normal quarterly schedule.
- ▶ A detailed “Q&A” and a profile of the Balanced Fund are included with this newsletter. We encourage you to read this information—especially if you are currently investing in the Bond Fund or are considering any investment changes.

Introducing the Balanced Fund

The Balanced Fund is the new name for the Bond Fund, effective January 1, 2018. The new name reflects the investment makeup of the new fund; it will invest in a generally balanced and static mix of 70% primarily in bonds and 30% stocks. The Fund will be rebalanced periodically.

The Balanced Fund's performance may fluctuate over a wide range in response to a variety of factors across U.S. and non-U.S. stock and bond markets, and the resulting returns of the Balanced Fund may be

higher or lower than the Bond Fund's returns have been. As with the Bond Fund, the Balanced Fund does not provide any type of guaranteed principal protection or guaranteed return, and it is possible to lose money by investing in the Balanced Fund. While some degree of volatility is expected in the market value of the Fund, the Fund is expected to be less volatile than equities over a full market cycle (typically multiple years) and therefore may also have less return potential over longer periods of time than equities.

All member investments in the Bond Fund as of December 31, 2017 will be invested automatically in the Balanced Fund in 2018.

Investing in the Passport Funds

As a reminder, TRS' lineup of investment choices is known as the Passport Funds: six diverse choices to help you on the journey of a lifetime. All participants in our Tax-Deferred Annuity (TDA) Program may invest their TDA accounts in any combination of the Passport Funds. And all Tiers I/II members may invest a portion of their Qualified Pension Plan (QPP) accounts in any combination of the Passport Funds.

If you're investing in the Passport Funds, you may make changes to your investment portfolio on a quarterly basis. You can file a change at any time, and it will take effect at the start of the next available quarter (July 1, October 1, etc.). Just remember that TRS must receive your investment change request at least 30 days before the quarterly start date. Please see our website for details on filing periods and forms to file.

Semiannual Investment Results: 12/31/2016

TRS Passport Funds

TRS' six Passport Funds are available to all Tax-Deferred Annuity (TDA) Program participants and members in Tier I or II for a portion of their funds in the Qualified Pension Plan (QPP).

TRS publishes investment results twice each year in this newsletter. For more recent investment results, please visit our website. For more details about the Passport Funds, please review our annual *Fund Profiles* booklet.

Annualized Investment Returns

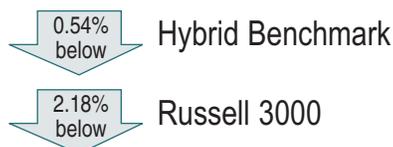
	1 Year	3 Years	5 Years	10 Years
Fixed Return Fund (TDA/UFT)*	7.00%	7.00%	7.00%	7.37%
Fixed Return Fund (All Others)*	8.25%	8.25%	8.25%	8.25%
Diversified Equity Fund	10.13%	6.06%	12.49%	5.64%
Bond Fund**	1.78%	1.28%	1.20%	N/A
International Equity Fund**	4.77%	-0.43%	7.05%	N/A
Inflation Protection Fund**	9.12%	1.08%	3.65%	N/A
Socially Responsive Equity Fund**	10.38%	6.80%	13.14%	N/A

* Returns for the Fixed Return Fund are set by New York State Law. Currently, members affiliated with the United Federation of Teachers are credited with 7% annually on TDA investments in the Fund. Other members' TDA investments in the Fund, and any member's QPP investments in the Fund, are currently credited with 8.25% annually. Historical rates are published on our website. For retirees and annuitants who have Fixed Return Fund investments, the guaranteed return is factored into their monthly payments. Funds that members allocate to the Fixed Return Fund are invested with the Pension Fund.

** Annualized investment performance is not available for all periods because of the fund's inception date. Please see the *Fund Profiles* booklet on our website for details.

Five-Year Performance vs. Benchmarks

Diversified Equity Fund:



Bond Fund:



International Equity Fund:



Inflation Protection Fund:



Socially Responsive Equity Fund:



TRS Plans

TRS offers two plans to members.

All members participate in the Qualified Pension Plan (QPP), a defined-benefit plan that is funded by employer contributions and member contributions. TRS also administers a Tax-Deferred Annuity (TDA) Program, a supplemental defined-contribution plan available to members. The TDA Program is funded by member contributions.

QPP Total Investments*

\$46.1 Billion

TDA Total Investments*

\$29.2 Billion

* As of 12/31/2016 (unaudited)

Retiring This Year? Be Sure You're Ready!

If you're planning to retire after the school year, this article is for you! Taking the following steps and preparing now will put you ahead of those who wait until the last minute.

- ◆ **Review your service credit** to ensure you are eligible to retire under the plan you want.
- ◆ **Purchase any outstanding service credit.** Tiers III/IV members can make a lump sum payment at retirement to purchase service credit before their retirement allowance is calculated. Purchasing credit for your prior service will increase your prospective service retirement allowance.
- ◆ **Decide whether you want to receive a distribution** of your Tax-Deferred Annuity (TDA) Program funds or defer them instead.
- ◆ **Choose a payment option for your retirement allowance.**
The maximum payment option provides you with the greatest benefit that you're entitled to receive. However, you may instead choose an option that reduces your payments in order to provide a benefit for beneficiaries after your death.
- ◆ **Consider taking a loan or (if applicable) an excess withdrawal.**
Retirement is the last opportunity to take a Qualified Pension Plan loan or an excess withdrawal (Tiers I/II members only). Just remember that a loan or excess withdrawal will reduce the amount of your retirement allowance.
- ◆ **Complete the retirement application and related paperwork.**
TRS must receive your application at least one day before but no earlier than 90 days prior to your effective retirement date.
- ◆ **File for retirement in person at TRS' Member Services Center.** (Appointments are not necessary, but please arrive before 4:30p.m.). Although you may submit your retirement application by mail, we strongly recommend that you meet with a Member Services Representative. Please be sure to complete the retirement application and **have the application and related forms notarized ahead of time.** And if at all possible, do not wait until the end of June to visit TRS. You are sure to have a lot of company if you do!



→ **Don't forget to submit an application for health benefits** after you receive written verification of your retirement date from TRS. For more information or to download an application, please visit the Office of Labor Relations website at www.nyc.gov/html/olr/html/home/home.shtml.



Pick Paperless for TRS Statements!

Did you know you can stop receiving printed statements in the mail?

If you log in to the secure section of our website, you can manage how you would like to receive your TRS statements and communications by selecting a "Paper" or "Paperless" option. If you elect Paperless, you will be able to access your TRS statements and communications online at any time. And you may update your preference at any time in the **Profile** section after you are logged in.

Member Education Is Year-Round!

Even though you may be on vacation in July and August, TRS' Member Education team is at work offering presentations this summer on retirement and the benefits of TRS membership. All programs are held at our 55 Water Street location in lower Manhattan, at the dates and times indicated below.

While most retiring TRS members belong to Tier IV, our Tier VI members will benefit from our newest offering, "Tier VI – Planning for Tomorrow." Other popular sessions being offered pertain to retirement planning for all tiers, the Tax-Deferred Annuity Program, and a guide to TRS benefits and services.

Please see the schedule below or visit our website for more information. From the homepage, click on RESOURCES and then EDUCATIONAL PROGRAMS.

Upcoming Programs for July - August 2017			
"Getting Ready for Retirement" Tier IV 9:30 a.m. to 1:30 p.m.	• Thursday, July 6	• Thursday, July 20	• Thursday, August 10
	• Tuesday, July 11	• Monday, July 31	• Monday, August 21
	• Thursday, July 13	• Tuesday, August 1	• Thursday, August 24
	• Monday, July 17	• Thursday, August 3	
	• Tuesday, July 18	• Tuesday, August 8	
		• Monday, August 14	
"Getting Ready for Retirement" Tier II 9:30 a.m. to 1:30 p.m.			
"Getting Ready for Retirement" Tier I 9:30 a.m. to 1:30 p.m.		• Tuesday, August 15	
"Introduction to the TDA Program" 9:30 a.m. to 12:00 p.m.		• Thursday, August 17	
"Your TRS Benefits and Services" 9:30 a.m. to 12:00 p.m.		• Tuesday, August 22	
"Tier VI—Planning for Tomorrow" 1:00 p.m. to 3:00 p.m.		• Tuesday, August 22	

To sign up for a session online, log in to the secure area of our website. Alternatively, you may contact TRS or fill out the registration form below and mail it (postmarked by **June 22, 2017**) to TRS, Attn: Member Education. TRS will provide confirmation of your enrollment prior to the date of the session.

Registration Form for TRS' Education Programs

Name: _____

TRS Membership Number: **OOT** _____

Address: _____

Phone Number: _____

Email address (Please Print): _____

Please indicate a second choice of date, if available.

Please note that spaces are limited for education programs.

I would like to attend:

"Getting Ready for Retirement"

Tier I Tier II Tier IV

"Introduction to the TDA Program"

"Your TRS Benefits and Services"

"Tier VI—Planning for Tomorrow"

on _____ (date of your 1st choice)

OR _____ (date of your 2nd choice).

Mailed registration forms must be postmarked by Thursday, June 22, 2017.

Publications

The following TRS publications have been updated since our last issue. For your convenience, forms and publications are available on our website.

- *Investment Portfolios*
- *TDA Program Summary*

Calendar

July 1, 2017: Effective date of investment election changes that members filed by May 31, 2017.

August 2017: Distribution of Quarterly Account Statements for the second quarter of 2017.

October 1, 2017: Effective date of investment election changes that members file by August 31, 2017.

Please remember that TRS' offices will be closed on the official New York City holidays occurring **July 4, September 4, and October 9, 2017**. On Fridays from July 7 through September 8, we will close at 1:00 p.m.

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TEACHERS' RETIREMENT BOARD

Volume XXII, Number 2

IN-SERVICE NEWS

Teachers' Retirement System of the City of New York
Public Information Office
55 Water Street, New York, NY 10041





Fund Profile: *Balanced Fund*

Inception Date

January 1, 2018 (Bond Fund from 2012-2017; Stable-Value Fund from 1983-2011)

Total Fund Market Value¹

Approximately \$400 Million

Fund Profile: Balanced Fund Objective

The investment objective of the Balanced Fund will be primarily to seek current income and some capital appreciation.

Strategy

The Balanced Fund invests in both stocks and bonds and targets a conservative mix of approximately 70% bonds and 30% stocks.

The Fund's bond allocation includes U.S. Treasuries, Agencies, and short-term investment-grade Corporate Bonds. The Fund's bond allocation is passively managed and is benchmarked to the Bloomberg Barclays U.S. Intermediate Bond Index.

The Fund's stock allocation is comprised of U.S. and non-U.S. companies located in developed and emerging markets, traded on a variety of stock exchanges and denominated in a variety of currencies around the world. The Fund's stock allocation is passively managed against the MSCI All Country World Index Net Index.

The Fund's benchmark is the Balanced Fund Composite Benchmark, which is composed of 70% Bloomberg Barclays U.S. Intermediate Aggregate Bond Index and 30% MSCI All Country World Index Net Index.

Investment Managers

The Fund is invested by investment managers selected by the Teachers' Retirement Board.

Risks

The Fund does not provide any type of principal protection or guaranteed level of income, and it is possible to lose money by investing in the fund. The value of an investment in this Fund may fluctuate over a wide range in response to a variety of factors across U.S. and non-U.S. stock and bond markets. The Fund is subject to a variety of risks, including but not limited to equity risk, interest rate risk, inflation risk, currency exchange rate, economic risk, political risk, and active management risk.

Fees and Expenses

Administrative expenses for all Passport Funds (except the Fixed Return Fund) are set at 0.18% and are reflected in the unit value of each fund. Investment management and custodial fees for the Balanced Fund are projected to be less than 0.10% per year. These fees are subject to change over time.

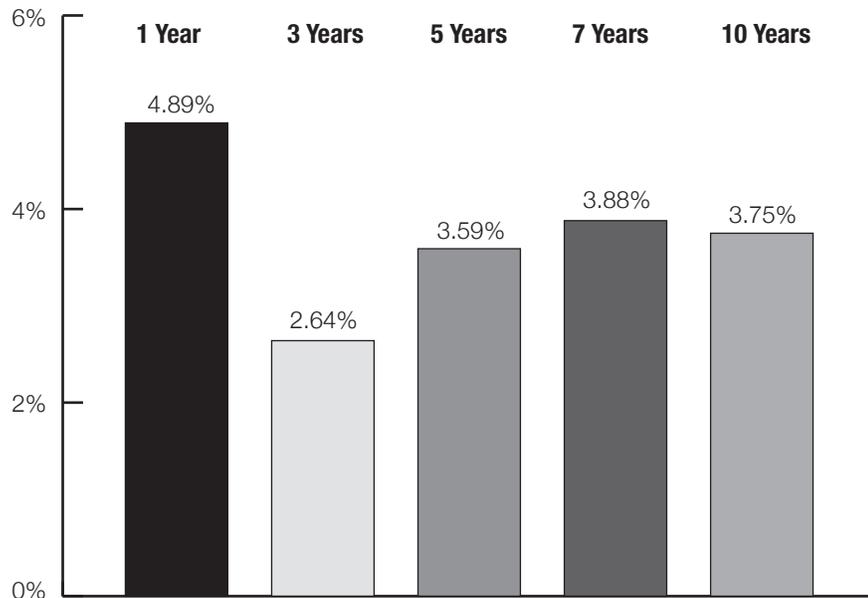
¹ This fact sheet is an illustration that was constructed using estimates based on recent data to approximate the composition of the Balanced Fund on or around January 1, 2018. Actual data may vary.

Constructed Performance of the Balanced Fund^{1,2}

12 Months Ended									
3/31/17	3/31/16	3/31/15	3/31/14	3/31/13	3/31/12	3/31/11	3/31/10	3/31/09	3/31/08
4.89%	0.04%	3.06%	5.33%	4.72%	2.61%	6.62%	18.76%	-12.30%	6.35%

Annualized Returns as of 3/31/2017

CORRECTION: The printed version of this newsletter included incorrect values in this Annualized Returns chart. We regret the error. (6/28/2017)



Performance data represents past performance and is not a guarantee of future results. The investment return and principal value of an investment are not guaranteed.

Additional Information

The July 1, 2017 edition of TRS’ annual *Fund Profiles* publication will include updated information about the Balanced Fund. Additional information, including a statement of investments and a listing of investment managers, will be available in future editions of TRS’ *Investment Portfolios* publication. *Investment Portfolios* is published annually as of June 30, the end of TRS’ fiscal year, and may be obtained by accessing our website at www.trsnyc.org.

¹ This fact sheet is an illustration that was constructed using estimates based on recent data to approximate the composition of the Balanced Fund on or around January 1, 2018. Actual data may vary.

² Characteristics and performance shown for the Balanced Fund are those of the Barclays Capital 1-5 Year Government/Credit Index. This index represents the major markets in which the Balanced Fund is expected to invest. Actual data may vary.

This publication should not be solely relied upon, as it is based on currently available information that is subject to change. TRS suggests that you consult with a registered financial advisor if you have any technical questions concerning this information. In all cases, the specific provisions of the governing laws, rules, and regulations prevail.



Q & A: Bond Fund Becomes the Balanced Fund

Below are answers to common questions about the upcoming changes to TRS' Bond Fund. If you have additional questions, you may contact a Member Services Representative at 1 (888) 8-NYC-TRS. However, you may wish to consult with a registered financial advisor if you have more technical questions; TRS representatives are not investment professionals and cannot give investment advice.

Q1) What is happening to the Bond Fund?

A1) As of January 1, 2018, TRS will be changing the investment guidelines and the name of the Bond Fund. The Fund will be transitioning to a new investment approach and will be renamed the Balanced Fund.

TRS members' investments that are in the Bond Fund as of December 31, 2017 will become investments in the Balanced Fund effective January 1, 2018, unless members have provided TRS with other instructions about their specific accounts. This change applies to investments in both the Qualified Pension Plan (QPP) and the Tax-Deferred Annuity (TDA) Program, for both retired and non-retired members.

Q2) Why is the Bond Fund changing?

A2) TRS is committed to providing a broad and diverse array of investment choices, and that includes a conservative option—with lower risk and lower potential return. Since 2012, this conservative option has been the Bond Fund. However, given the investment profile of all the other Passport Funds, the Teachers' Retirement Board has decided that TRS' conservative option needed some more return potential in order to be competitive. That is why the Balanced Fund, with some exposure to global equities, will replace the Bond Fund.

Q3) How will the Balanced Fund be different from the Bond Fund?

A3) The investment objective of the Balanced Fund will be primarily to seek current income and some capital appreciation. Whereas the Bond Fund invests primarily in high-quality bonds, the Balanced Fund will invest in both stocks and bonds. The Fund will generally target a conservative mix of approximately 70% bonds and 30% stocks.

The Balanced Fund's bond allocation includes U.S. Treasuries, Agencies, and short-term investment-grade Corporate Bonds. In addition, the Fund's stock allocation is comprised of U.S. and non-U.S. companies located in

developed and emerging markets, traded on a variety of stock exchanges and denominated on a variety of currencies around the world.

The Balanced Fund, like the Bond Fund, is expected to continue providing members with a conservative investment option. The difference is that the Bond Fund carries lower risk and lower potential return over longer time periods than the Balanced Fund, which may have more exposure to equity and some more return potential.

Although the Balanced Fund's returns may be more competitive than the Bond Fund's returns, it should be noted that neither fund provides any type of principal protection or guaranteed level of income. The value of an investment in the Balanced Fund may fluctuate over a wide range in response to a variety of factors across stocks and bonds markets. Please note that past performance is not a guarantee of future results.

Q4) What do I have to do?

A4) *You are not required to take any action.* If you do nothing, any investment you have in the Bond Fund will become an investment in the Balanced Fund automatically as of January 1, 2018. If you do not have any investments in the Bond Fund, this change will not affect you directly.

We are providing this information in advance so that you may make informed decisions about any TRS investments you may have in the Bond Fund or other Passport Funds.

Q5) What will happen to my Bond Fund balance if I do nothing?

A5) As mentioned above, if you do nothing, any investment that you have in the Bond Fund will become an investment in the Balanced Fund automatically as of January 1, 2018. However, if you wish to change your TRS investment portfolio (e.g., to move funds out of or into your Bond account), you may do so by filing an investment election with TRS at any time. Investment elections would take effect on the next available quarterly start date; see Q8 for more information.

Q6) Should I move my investment in the Bond Fund to one of the other Passport Funds? Or should I let my Bond balance be invested in the Balanced Fund?

A6) The answer depends on your own financial circumstances. A registered financial advisor may be helpful in determining what choices are best for your individual situation. TRS cannot provide financial advice.

Q7) Can I still invest money in the Bond Fund?

A7) Yes. The Bond Fund is still available to accept new contributions (from in-service members) and funds converted from the other Passport Funds. Any balance you have in the Bond Fund at the end of 2017 will be invested in the Balanced Fund as of January 1, 2018.

Similarly, any conversions of funds into the Bond Fund that are still in progress as of January 1, 2018 will continue into the Balanced Fund. For example, you may elect a conversion from one of the other Passport Funds into the Bond Fund, over six months starting October 1, 2017. In this example, you would be purchasing units of the Bond Fund in October, November, and December. Those units would become Balanced Fund units as of January 1, 2018; then, in January, February, and March, you would be purchasing Balanced Fund units to complete your conversion of funds.

Q8) Do I need to make a decision now?

A8) No. However, TRS is notifying you about the changes to the Bond Fund now, so that you have sufficient time to consider how these changes will affect you.

If you wish, you can file to change your investment elections at any time, and your changes would take effect on the next available quarterly start date: July 1, October 1, January 1, or April 1. But please keep in mind the following:

- *All fund conversions occur gradually*—in 1, 3, 6, 9, or 12 monthly installments, depending on the duration you elect.
- *You must file for investment election changes well before the quarterly start dates.* For retirees and TDA annuitants, TRS must receive investment elections at least 60 days before the quarterly start date. For in-service members and members with TDA Deferral status, TRS must receive investment elections at least 30 days before the quarterly start date.

Specific filing deadlines and investment election change forms are available on our website at www.trsnyc.org. Please note that, if you have a balance in the Bond Fund, TRS will contact you by letter later this year; this mailing will include the necessary forms to change your investments.

Q9) Are there any changes to the other investment choices?

A9) No. At this time, the other five Passport Funds remain the same.

Q10) What will be the opening unit value for the Balanced Fund?

A10) The January 2018 unit value will be determined based on the December 2017 unit value for the Bond Fund and the December 2017 performance of the Bond Fund.

Q11) What will be the fees and expenses for the Balanced Fund?

A11) Administrative expenses for all Passport Funds (except the Fixed Return Fund) are set at 0.18% and are reflected in the unit value of each fund. Each fund (except the Fixed Return Fund) also bears investment management and custodial fees, which are reflected in the unit value of each fund. The average annual fee for the Balanced Fund is estimated to be less than 0.10% and is subject to change over time for a variety of reasons, such as a change in the size of the Fund. Information on fees and expenses is provided annually in TRS' *Fund Profiles* publication.

Q12) Where can I get more information about the Balanced Fund and the other Passport Funds?

A12) Please read the profile for the Balanced Fund that is included with this Q&A. This profile includes information about the objective, strategy, investment managers, and investment risks for the Balanced Fund, and other illustrative information. The July 1, 2017 edition of *Fund Profiles* is expected to include updated information about the Balanced Fund. Additional information, including a statement of investments and a listing of investment managers, will be available in future editions of TRS' *Investment Portfolios* publication. *Investment Portfolios* is published annually as of June 30, the end of TRS' fiscal year.

All publications are available from our website.



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