

# State of Wyoming

# Investment Options

*at a glance*

## Variable Investment Options and Objectives

### **Pre-Mixed LifePath® Index Portfolios<sup>1</sup>**

Each LifePath® Index Portfolio seeks to provide for retirement outcomes based on quantitatively measured risk. In pursuit of this objective, each Portfolio will be broadly diversified across global asset classes. Each of the LifePath target date portfolios' asset allocations become more conservative over time. The target date in the fund's name is the approximate date an investor plans to start withdrawing money. The principal value of the funds is not guaranteed at any time, including the target date.

**LifePath® Index Retirement**  
**LifePath® Index 2020**  
**LifePath® Index 2025**  
**LifePath® Index 2030**  
**LifePath® Index 2035**  
**LifePath® Index 2040**  
**LifePath® Index 2045**  
**LifePath® Index 2050**  
**LifePath® Index 2055**  
**LifePath® Index 2060**

LifePath® is a registered trademark of BlackRock Institutional Trust Company, N.A.  
The LifePath® funds may also be subject to an administration fee of up to 0.02%.

### **Mix-Your-Own Funds**

#### **WRS Capital Preservation<sup>7</sup>**

**Capital Preservation Fund** – The objective of the Fund is to provide diversified exposure to high quality, shorter maturity bonds issued by domestic corporate and government entities for purposes of capital preservation and modest income generation. The Fund offers an opportunity for higher returns than cash or Certificates of Deposit (CDs). Participants may elect to use the fund as part of a diversified strategic allocation mix specific to their return and risk objectives. The Fund seeks to outperform the Bloomberg US Intermediate Aggregate Bond Index on a market value basis by allocating to a single active investment strategy. The Fund has the ability to implement a “wrap” contract through a third-party insurance company to ensure return stability and participant withdrawal capacity.

#### **Bond Funds<sup>2</sup>**

**WRS Fixed Income Fund** – The objective of the Fund is to provide diversified exposure to bonds issued by domestic corporate and government entities for purposes of income generation and capital preservation. The fund will invest across a range of fixed income sectors with a primary focus on higher credit quality holdings. Participants may elect to use the fund as part of a diversified strategic allocation mix specific to their return and risk objectives. The Fund seeks to outperform the Barclay's U.S. Aggregate Bond Index by allocating assets across three underlying fixed income managers with different, but complementary investment approaches. The objective of this multi-manager diversification is to reduce the potential performance volatility inherent with a single style or management approach.

## **Mix-Your-Own Funds (continued)**

### **Real Asset Funds**

**WRS Real Assets Fund** – The objective of the Fund is to provide participants diversified exposure to asset types that exhibit a positive relationship to rising inflation and/or interest rates for purposes of long-term capital appreciation and income generation. The Fund invests globally using an underlying mix of different asset and sub-asset types including infrastructure, real estate, bank loans, natural resource companies, and government inflation protected bonds (aka “TIPS”). Participants may elect to use the fund as part of a diversified strategic allocation mix specific to their return and risk objectives. The Fund seeks to outperform a custom benchmark comprised of constituent manager primary benchmarks and achieve a return that exceeds the rate of inflation over a market cycle by allocating capital among five investment management strategies. The objective of this multi-manager diversification is two-fold. One is to limit the reliance on a single asset type to provide inflation protection and the second is to minimize potential performance volatility of a single investment manager.

### **Large Company Stock Funds**

**WRS Large Cap U.S. Equity Fund** – (Blend\*\*) The objective of the Fund is to provide participants with diversified exposure to domestic large company equity for purposes of long-term capital appreciation. Participants may elect to use the fund as part of a diversified strategic allocation mix specific to their return and risk objectives. The Fund currently utilizes passive management entirely to minimize fee drag and benchmark relative performance variance. The Fund has a 100% allocation to BlackRock’s Equity Index Fund which seeks to replicate the total return of the S&P 500 index which tracks large company U.S. stocks.

### **International Stock Funds<sup>3</sup>**

**WRS International Equity Fund** – (Blend\*\*) The objective of the Fund is to provide participants diversified exposure to foreign-domiciled company equity across both developed and emerging market countries and regions. The Fund will invest across a range of small, mid, and large capitalization companies for purposes of long-term capital appreciation. Participants may elect to use the fund as part of a diversified strategic allocation mix specific to their return and risk objectives. The Fund seeks to outperform the MSCI ACWI ex-U.S. IMI benchmark by allocating capital among three different active and one passive investment management strategies. The Fund allocates in this manner to capture different manager styles and philosophies and to reduce the potential performance volatility inherent with a single style or investment approach.

### **Small/Mid Cap U.S. Stock Funds<sup>4</sup>**

**WRS Small/Mid Cap U.S. Equity Fund** – (Blend\*\*) The objective of the Fund is to provide participants diversified exposure to domestic small and mid-capitalization company equity for purposes of long-term capital appreciation. Participants may elect to use the fund as part of a diversified strategic allocation mix specific to their return and risk objectives. The Fund seeks to exceed the return of the Russell 2500 Index by allocating capital between two different active investment managers and one passive manager, each with a different style and philosophy. The objective of this multi-manager diversification is to reduce the potential performance volatility inherent with a single style or management approach.

**\*\*Blend Fund:** may contain growth stocks and value stocks that exhibit both characteristics.

*Education Counselors are not registered investment advisers, and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax adviser as needed.*

- 1 Asset allocation investment options are subject to the risks of the underlying funds, which can be a mix of stocks/stock funds and bonds/bond funds. For more information, see the prospectus and/or disclosure documents.
- 2 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.
- 3 Foreign investments involve special risks, including currency fluctuations and political developments.
- 4 Equity securities of small- and medium-sized companies may be more volatile than securities of larger, more established companies.
- 5 The average annual and calendar year returns for the mutual funds reflect actual total returns for each fund, net of fund operating expenses. Administrative fees of 0.27% of account balance will reduce the overall rate of return. These returns are historical and reflect the fund operating expenses. If returns are shown prior to the inception date of the current share class, they are hypothetical, and based on the initial share class (adjusted to reflect the fees and charges associated with the current share class).
- 6 The LifePath® funds may be subject to an administration fee of up to 0.02%.
- 7 For 4th quarter 2018, the WRS Capital Preservation Fund (SVF) earned an annualized interest rate of 1.77%. The expense ratio of 0.33% includes 0.18% for portfolio management and the remainder is investment contract fees.
- 8 The Gross and Net expense ratio reflect the most current data available. The Net expense ratio shown is net of any fee waivers or expense reimbursements from the fund passed on to the account holder.

## Investment Option Performance for State of Wyoming

Current performance may be lower or higher than performance data shown. Performance data quoted represents past performance and is not a guarantee or prediction of future results. For performance data current to the most recent month-end, please visit [www.wrsdcp.com](http://www.wrsdcp.com). The investment return and principal value of an investment will fluctuate so that, when redeemed, shares/units may be worth more or less than their original cost. Funds may impose redemption fees, and/or transfer restrictions, on certain transfers, redemptions or exchanges if assets are held less than the period stated in the fund's prospectus or other disclosure documents. For more information, please refer to the fund's prospectus and/or disclosure documents.

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information you may obtain mutual fund prospectuses and disclosure documents from the Plan's web site. Read them carefully before investing.

Investment Options	Average Annual Performance as of 12/31/2018 <sup>5</sup>						Gross/Net Expense Ratio <sup>8</sup>
	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	
LifePath <sup>®</sup> Index Retirement Q <sup>1,6</sup>	-3.51%	-3.51%	4.08%	3.26%	6.21%	4.74%	0.10/0.10
LifePath <sup>®</sup> Index 2020 Q <sup>1,6</sup>	-3.91%	-3.91%	4.61%	3.60%	7.40%	4.90%	0.10/0.10
LifePath <sup>®</sup> Index 2025 Q <sup>1,6</sup>	-4.90%	-4.90%	5.12%	3.89%	8.04%	4.95%	0.10/0.10
LifePath <sup>®</sup> Index 2030 Q <sup>1,6</sup>	-5.73%	-5.73%	5.59%	4.16%	8.57%	5.25%	0.10/0.10
LifePath <sup>®</sup> Index 2035 Q <sup>1,6</sup>	-6.53%	-6.53%	6.03%	4.40%	9.07%	4.26%	0.10/0.10
LifePath <sup>®</sup> Index 2040 Q <sup>1,6</sup>	-7.26%	-7.26%	6.40%	4.60%	9.49%	5.46%	0.10/0.10
LifePath <sup>®</sup> Index 2045 Q <sup>1,6</sup>	-7.87%	-7.87%	6.59%	4.70%	9.83%	5.24%	0.10/0.10
LifePath <sup>®</sup> Index 2050 Q <sup>1,6</sup>	-8.15%	-8.15%	6.62%	4.72%	10.17%	3.97%	0.10/0.10
LifePath <sup>®</sup> Index 2055 Q <sup>1,6</sup>	-8.17%	-8.17%	6.59%	4.71%	N/A	8.50%	0.10/0.10
LifePath <sup>®</sup> Index 2060 Q <sup>1,6</sup>	-8.17%	-8.17%	6.59%	N/A	N/A	4.14%	0.10/0.10
WRS Capital Preservation Fund <sup>7</sup>	1.65%	1.65%	1.38%	1.31%	1.66%	3.35%	0.33/0.33
WRS Fixed Income Fund <sup>2</sup>	0.00%	0.00%	N/A	N/A	N/A	0.86%	0.44/0.42
WRS Real Assets Fund	-6.45%	-6.45%	N/A	N/A	N/A	0.26%	0.62/0.53
WRS Large Cap U.S. Equity Fund	-4.36%	-4.36%	9.28%	8.52%	N/A	7.41%	0.02/0.02
WRS International Equity Fund <sup>3</sup>	-15.60%	-15.60%	N/A	N/A	N/A	2.40%	0.63/0.62
WRS Small/Mid Cap U.S. Equity Fund <sup>4</sup>	-5.79%	-5.79%	N/A	N/A	N/A	6.92%	0.57/0.57

## Investment Option Performance for State of Wyoming

Investment Option	Calendar Year <sup>5</sup>					Inception Date of Fund
	2018	2017	2016	2015	2014	
LifePath <sup>®</sup> Index Retirement Q <sup>1,6</sup>	-3.51%	10.15%	6.07%	-1.15%	5.34%	01-02-08
LifePath <sup>®</sup> Index 2020 Q <sup>1,6</sup>	-3.91%	11.75%	6.61%	-1.28%	5.60%	01-02-08
LifePath <sup>®</sup> Index 2025 Q <sup>1,6</sup>	-4.90%	13.88%	7.26%	-1.46%	5.73%	01-02-08
LifePath <sup>®</sup> Index 2030 Q <sup>1,6</sup>	-5.73%	15.80%	7.85%	-1.63%	5.88%	01-02-08
LifePath <sup>®</sup> Index 2035 Q <sup>1,6</sup>	-6.53%	17.67%	8.39%	-1.82%	5.98%	01-02-08
LifePath <sup>®</sup> Index 2040 Q <sup>1,6</sup>	-7.26%	19.35%	8.84%	-2.02%	6.09%	01-02-08
LifePath <sup>®</sup> Index 2045 Q <sup>1,6</sup>	-7.87%	20.43%	9.15%	-2.17%	6.19%	01-02-08
LifePath <sup>®</sup> Index 2050 Q <sup>1,6</sup>	-8.15%	20.81%	9.22%	-2.21%	6.24%	01-02-08
LifePath <sup>®</sup> Index 2055 Q <sup>1,6</sup>	-8.17%	20.79%	9.19%	-2.20%	6.27%	01-03-11
LifePath <sup>®</sup> Index 2060 Q <sup>1,6</sup>	-8.17%	20.74%	9.21%	-2.17%	-0.22%	11-17-14
WRS Capital Preservation Fund <sup>7</sup>	1.65%	1.25%	1.23%	1.31%	1.10%	12-03-07
WRS Fixed Income Fund <sup>2</sup>	0.00%	4.28%	N/A	N/A	N/A	09-30-16
WRS Real Assets Fund	-6.45%	9.49%	N/A	N/A	N/A	09-30-16
WRS Large Cap U.S. Equity Fund	-4.36%	21.86%	11.97%	1.43%	13.72%	03-15-12
WRS International Equity Fund <sup>3</sup>	-15.60%	28.31%	N/A	N/A	N/A	09-30-16
WRS Small/Mid Cap U.S. Equity Fund <sup>4</sup>	-5.79%	19.02%	N/A	N/A	N/A	09-30-16

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