

# TRS PLAN 3 REPORT November 1999

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## Teachers To Receive Annual Statements In November

Annual statements for all teachers' retirement plans will be shipped to employers in November. The annual statements, which are produced and distributed by DRS, incorporate a member's defined benefit account information with a summary description of the system and plan to which he or she belongs.

TRS Plan 3 has a dual benefit structure. Your contributions are invested in your personal retirement account, and employer contributions are invested in a separate defined benefit account. The annual statement represents only the defined benefit portion of your plan and therefore provides only a total of service credit earned. Financial statements outlining your contributions and earnings are processed by ICMA Retirement Corporation (RC) and accompany this newsletter.

Annual statements are automatically generated for all members who are currently employed in TRS-covered positions. Members who leave TRS-covered employment, but choose to keep their contributions in their TRS account can obtain an annual statement by contacting DRS.

You can contact DRS by telephone at 1-800-547-6657, from the Olympia area call 664-7000. You can also reach DRS via e-mail: [recep@drs.wa.gov](mailto:recep@drs.wa.gov), or by writing DRS, PO Box 48380, Olympia, WA 98504-8380.

## Investment Board Implements Declared Unit Values

Legislation passed last Spring provided the Washington State Investment Board (WSIB) authority to declare a unit value for the TRS Plan 3 Total Allocation Portfolio (TAP) on a monthly basis. The legislation affirms WSIB's responsibility for determining the monthly unit value of TAP and clarifies that the declared value is an approximation of the portfolio or fund values.

## TRS PLAN 3 WSIB TOTAL ALLOCATION PORTFOLIO (TAP)<sup>1</sup>

AS OF 9/30/1999

AVERAGE ANNUAL RETURNS

	3rd Qtr 1999	1-Year	3-Year	5-Year
TOTAL ALLOCATION PORTFOLIO	-1.89%	16.62%	15.25%	15.76%

<sup>1</sup> The Washington State Investment Board (WSIB) periodically reviews and adjusts the TAP Fund's asset allocation. Over the last five years, the TAP Fund has shifted to a more aggressive asset mix. These returns reflect the actual asset mixes during the time periods shown.

## TRS PLAN 3 SELF-DIRECTED FUNDS

AS OF 9/30/1999

	3rd Qtr 1999	1-Year	3-Year	5-Year
TRS PLAN 3 SMALL STOCK INDEX	-6.7%	17.7%	8.1%	11.9%
TRS PLAN 3 U.S. STOCK MARKET INDEX	-6.4%	27.2%	21.9%	N/A%
TRS PLAN 3 LARGE STOCK INDEX	-6.3%	27.6%	24.8%	24.7%
TRS PLAN 3 INTERNATIONAL STOCK INDEX	4.0%	31.3%	10.1%	8.9%
TRS PLAN 3 MONEY MARKET	1.3%	5.1%	5.4%	5.4%
TRS PLAN 3 BOND MARKET	0.4%	-1.2%	6.4%	7.5%

The TRS Plan 3 Self-Directed Funds' inception dates were in May 1997. Investment returns for periods prior to that date were constructed using the underlying State Street Global Advisors Funds' gross return and deducting current fees and expenses associated with each fund as if the fund had been in existence for the respective three and five year periods. The U.S. Stock Market Index Fund commenced September 1996 and has no investment performance history prior to that date.

All returns are net of fees. Self-Directed funds are valued daily; your account balance and rate of return will vary accordingly. Past performance is no guarantee of future results. For more information about the funds please see the *TRS Plan 3 Investment Guide*.

Returns on the TAP Fund cover the period ending 6/30/1999. Returns for the Self-Directed Funds cover the period ending 9/30/1999.

The TAP contains assets that are valued on a monthly or quarterly basis. The unit value for TAP, as determined by the Washington State Investment Board, is declared on a monthly basis. The declared unit value is an approximate value, not an actual market value.

The TAP contains both liquid (stocks and bonds) and illiquid (real estate, private equity, private debt) assets within the portfolio. The illiquid assets provide increased diversification for the portfolio, but the values of these assets can only be estimated on a lagged quarterly basis. For illiquid assets, the value declared for

a specific month is the estimated value from the end of the previous lagged quarter, adjusted for subsequent cash flows. For example, the unit value declared for July is based on: 1) market values as of the end of July for liquid assets, and 2) estimated values as of the end of March, adjusted for cash flows between April and July, for illiquid assets. In accordance with statute, the WSIB declares the monthly unit values for the portfolio. The declared unit value is an approximate value of the total portfolio. When unit values are declared by WSIB, DRS adjusts the member's account to reflect the new declared value.

## **Manage Your Retirement Account Using The TRS Plan 3 Web Site**

TRS Plan 3 members have a powerful tool for helping in the management of their retirement account. On the TRS Plan 3 web site, [www.icmarc.org/trs3](http://www.icmarc.org/trs3), you will have access to valuable retirement planning and investment information.

Logon to the web site to take advantage of the following tools:

- **Account Information** - This area provides timely information on daily share prices, fund performance and other investment data. You'll also find online investing features such as the TRS Plan 3 Report and statement related articles such as "A Guide to Your Quarterly Statement."
- **Education Schedule** - This is an important source for learning when investment seminars are offered by ICMA-RC. You'll find a complete seminar schedule for ICMA-RC's Financial Education Specialists, including times, locations and contact information.
- **Washington State DRS** - This link offers comprehensive information on the Department of Retirement Services, including descriptions of the plans it offers. You'll also find on this site information for retirees, deferred compensation and information on updates to the DRS Web site. Also included are a number of TRS 3 publications, legislative updates and plan-related forms.

Managing your TRS Plan 3 retirement account has never been easier. Logon today to take advantage of the wide range of account management tools available on the TRS Plan 3 Web site.