

# PLAN 3 REPORT

October  
2000

Visit ICMA-RC on the Internet at: <http://www.icmarc.org/trs3>

## DRS and ICMA-RC unveil expanded Plan 3 Web site

In late August, ICMA-RC launched a new Plan 3 Web site. The site, <http://www.icmarc.org/plan3/>, provides entry into both the new School Employees' Retirement System (SERS) site and the expanded and improved Plan 3 site.

The site is a place where you can take care of business, expand your investment knowledge, and actively plan your life in retirement.

## Your Account

Using a password, you can securely access your account information and initiate a variety of transactions such as transferring funds between investment options. You can apply for a password from the "Your Account" section of the site.

## Investment Options

You can quickly and easily review fund descriptions and performance, or visit the "Asset Allocation Tool" where answering a short questionnaire can help you devise a sound investment strategy.

## Retirement Planning

This section of the site is designed to help you evaluate your retirement goals and plot a course that will make them obtainable. You'll find a variety of interactive tools and information on the subject of retirement planning. For instance, there is a calculator that factors your retirement income sources against your retirement income goals and then produces a table that illustrates your potential income short falls. If necessary, the calculator will also provide the monthly amount that you will need to save

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

AS OF 6/30/2000

	AVERAGE ANNUAL RETURNS			
	2nd Qtr 2000	1-Year	3-Year	5-Year
<b>TOTAL ALLOCATION PORTFOLIO</b>	-0.78%	13.56%	14.12%	15.78%

<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 9/30/2000

	3rd Qtr 2000	1-Year	3-Year	5-Year
<b>MONEY MARKET FUND</b>	1.7%	6.0%	5.6%	5.5%
<b>WASHINGTON STATE BOND FUND</b>	N/A	N/A	N/A	N/A
<b>U.S. LARGE STOCK INDEX FUND</b>	-1.0%	13.0%	16.2%	21.4%
<b>U.S. STOCK MARKET INDEX FUND</b>	0.8%	18.1%	15.9%	N/A
<b>U.S. SMALL STOCK INDEX FUND</b>	1.1%	23.2%	5.2%	12.0%
<b>INTERNATIONAL STOCK INDEX FUND</b>	-8.4%	2.4%	7.0%	8.2%
<b>SHORT-HORIZON FUND</b>	N/A	N/A	N/A	N/A
<b>MID-HORIZON FUND</b>	N/A	N/A	N/A	N/A
<b>LONG-HORIZON FUND</b>	N/A	N/A	N/A	N/A

The Washington State Bond Fund and the Short, Mid and Long-Horizon funds commenced in September 2000 and have no performance history for this quarter. Performance data for these funds will be provided in the 4th quarter *Plan 3 Report*.

The Plan 3 Self-Directed Index and Money Market Funds' inception dates were in May 1997. Investment returns for periods prior to that date were constructed using the underlying 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. Please refer to the *Plan 3 Investment Guide* or the Web site <http://www.icmarc.org/trs/investing> for additional fund information and estimated long-term performance.

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 *Plan 3 Investment Guide*.

Returns on the TAP Fund cover the period ending June 30, 2000. Returns for the Self-Directed Funds cover the period ending September 30, 2000.

N/A - Not Applicable

to reach your retirement income goals.

Other tools in the Retirement Planning Section include a calculator that measures the effect of contribution rates on take-home pay, and another that estimates your life expectancy based on actuarial statistics.

## Learning Center

You can obtain a better understanding of your investment choices by learning basic terminology and the

different types of "funds" available in the marketplace. After taking a pre-test you are provided a "Personal Course Page" that suggests which of the 6 parts of the program you should focus on. The Learning Center even tracks your progress so you can return at a later date and continue from where you left off.

## Publications and Forms

You can access Plan 3 publications and forms in pdf format and print them from your PC.

## **Requests for payment of funds should be directed to ICMA Retirement Corporation**

All Requests for Payment of Defined Contributions should be mailed directly to ICMA-RC. In the past, these forms were sent to DRS.

Requests for payment will be processed as soon as the employer notifies DRS that the member has separated from service. Plan 3 members who terminate employment can obtain the Request for Payment form and the accompanying payment option and federal tax information from their employers, or from ICMA-RC. This publication is also available in the Publications and Forms section of the Plan 3 Web site. Please mail the form to:

ICMA Retirement Corporation  
Plan 3  
PO Box 96220  
Washington DC 20090-6220

While at the Plan 3 Web site you can visit the Retirement Planning Section and use a feature called the Defined Contribution Disbursement Schedule. This tool creates an estimate of payments that you can anticipate following separation from service.

## **New Horizon Funds designed to fit the needs of Plan 3 investors**

The Horizon Funds are provided by the Washington State Investment Board and managed by professional investment companies specializing in a diverse assortment of investment types. The Horizon Funds are specifically designed to fit Plan 3 investor needs during different phases of their careers. For instance, early in their careers, Plan 3 members may find that they prefer a higher risk fund with its increased capacity for returns. Later, when retirement nears, they may choose to move to a more conservative fund that limits volatility. All three Horizon Funds are

rebalanced routinely to maintain their target mixes.

**The Short-Horizon Fund** seeks to provide a unique portfolio for members who want a multi-class portfolio but do not want to manage it themselves. The Fund is a balanced portfolio primarily invested in fixed income securities with a focus on income growth over capital appreciation.

This portfolio has a relatively low risk factor that corresponds to a lower expected return and volatility. It is intended for investors who have a lower risk profile and want a diversified portfolio.

**The Mid-Horizon Fund** seeks to provide a unique portfolio for members who want a multi-class portfolio but do not want to manage it themselves. The Fund is a balanced portfolio that is split almost evenly between stocks and fixed income securities with a focus on capital appreciation and a lesser emphasis on income growth.

This portfolio slightly moderates short-term market volatility by the allocation to bonds and has a relatively moderate risk and return potential. It is intended for investors who have a medium risk profile and want a diversified portfolio.

**The Long-Horizon Fund** seeks to provide a unique portfolio for members who want a multi-class portfolio but do not want to manage it themselves. The Fund is a balanced portfolio that is primarily invested in stocks with a focus on long-term capital appreciation and very little income growth.

This portfolio has a relatively high level of risk and a higher corresponding rate of return. It is intended for investors who have a higher risk profile and want a diversified portfolio.