



2018
RETIREMENT
CONFERENCE

Investment Series Part 1: Investment Basics and Growing Your Money

Presented by: Debbie Rochester

Today's Agenda

- Why We Save
- Understand Why Investing Matters
- Basics of Investing
- Invest for Different Life Stages
- Cost of Investing
- MERS Structure for Success
- Utilizing MERS Resources

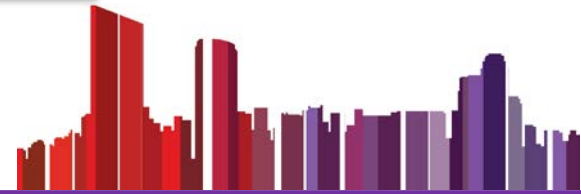


Why We Save



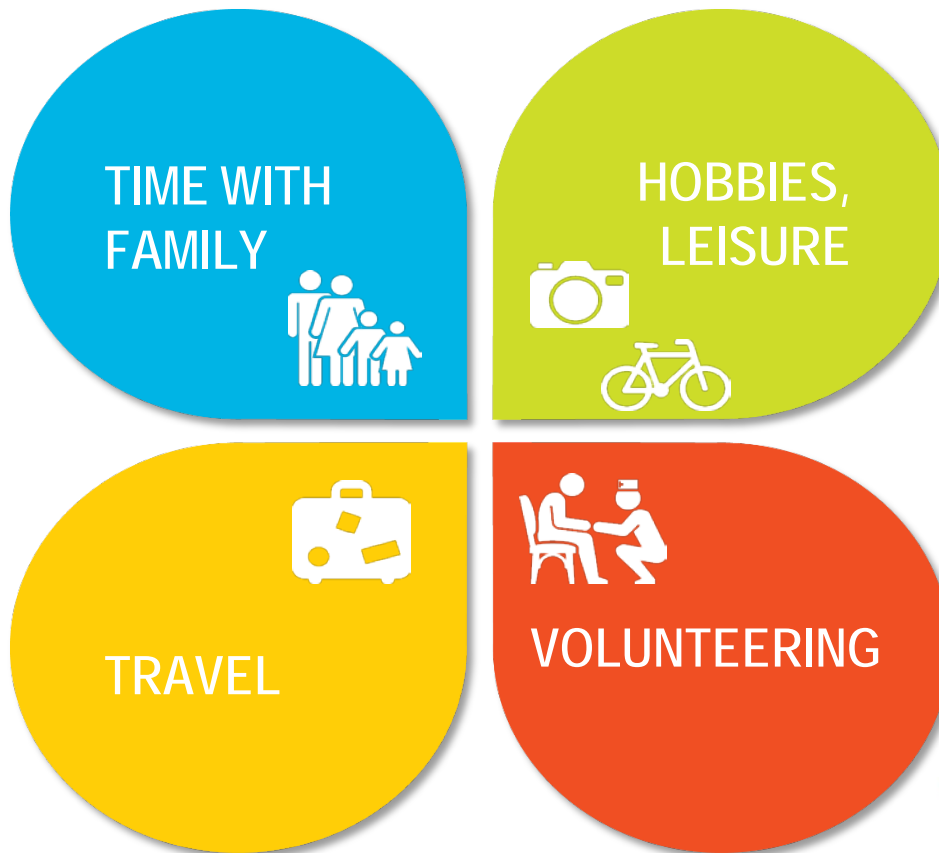
Why We Save

To ultimately reach our financial goals



Retirement Goal

Have enough money set aside at retirement to feel comfortable that you will be able to cover your expected expenses.

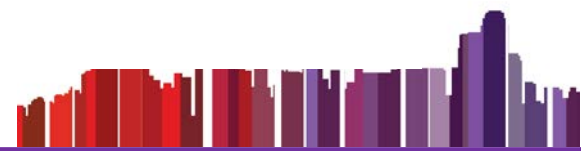
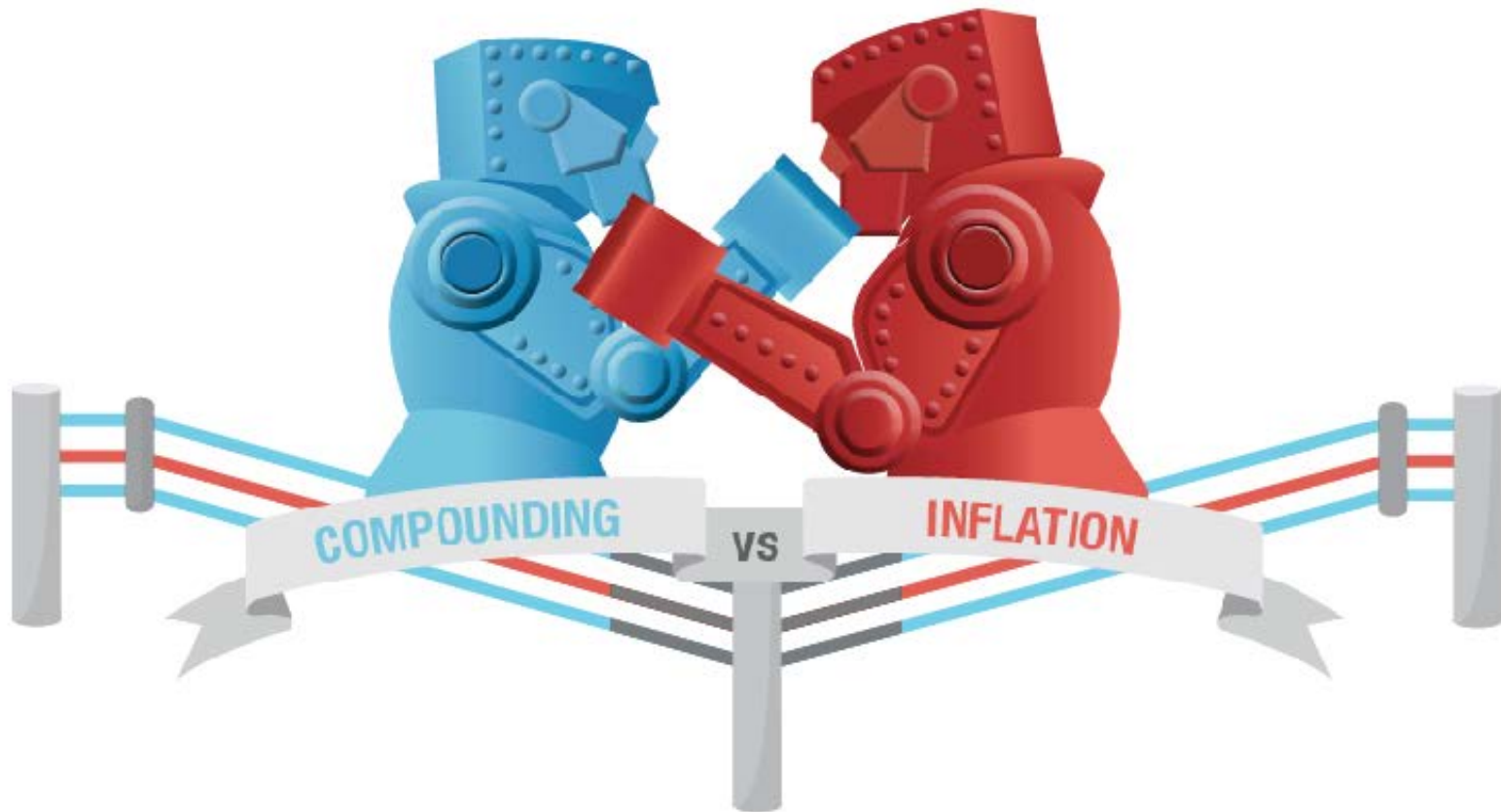


Understand Why Investing Matters

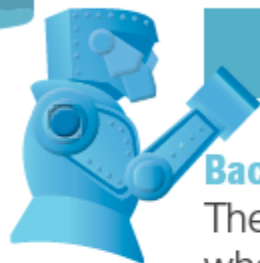


Why Investing Matters

Let's see how the fight between COMPOUNDING and INFLATION impacts your money.



In the blue corner...



COMPOUNDING

Background

The power of compounding is when earnings are generated not only on your initial investment, but also on all previously accumulated earnings — which means interest builds on top of interest.

Fight Record

Average annual investment return:

6.00%

In the red corner...



INFLATION

Background

Inflation is when the value of your money decreases and it costs more to buy the same goods and services than it did yesterday or last year. In just 25 years, inflation can cut the value of your money in half.¹

Fight Record

Average annual inflation rate:

3.22%*

¹25 Years of Inflation (1992-2016) from the Consumer Price Index (CPI)
from the U.S. Bureau of Labor Statistics



★ ROUND ★
1 ★

Impact of Inflation



ANNA - AGE 30

Starts
INVESTING



from her
biweekly paycheck

\$91,000
CONTRIBUTED OVER
35 YEARS



TOM - AGE 30

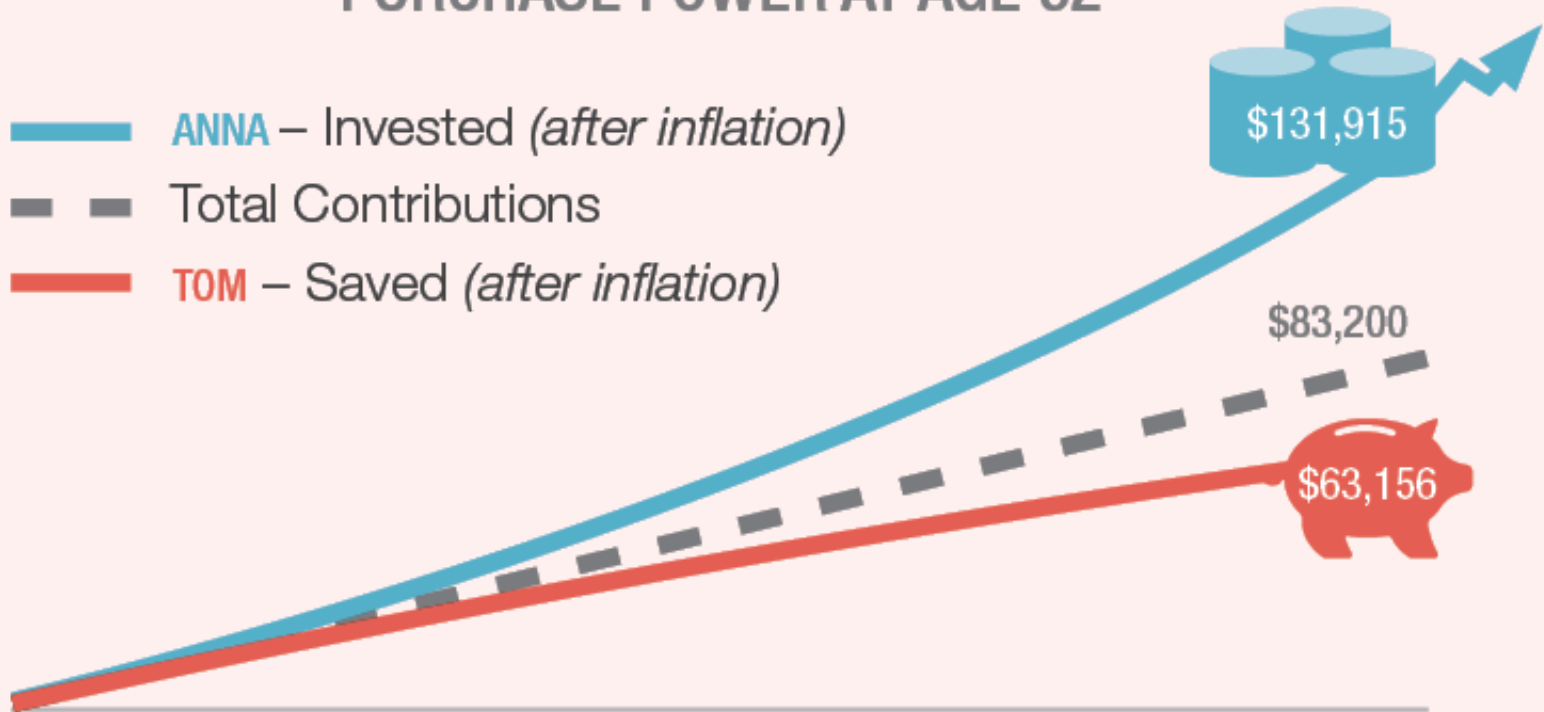
Starts
SAVING



from his
biweekly paycheck

\$91,000
CONTRIBUTED OVER
35 YEARS

PURCHASE POWER AT AGE 62



While both put in the same amount, after accounting for inflation, the purchasing power of **ANNA'S** contributions is more than double what **TOM'S** is because her invested money outgrew inflation while his saved money lost value.²

²Assumes hypothetical 6% annual investment return, 3.22% annual inflation rate and 1.35% annual savings return, which is not representative of the performance of any investment.



ROUND
2

Power of Compounding



JOHN - AGE 22

Starts
INVESTING



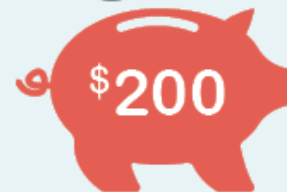
from his
biweekly paycheck

\$104,000
CONTRIBUTED OVER
40 YEARS



CANDICE - AGE 42

Starts
INVESTING



from her
biweekly paycheck

\$104,000
CONTRIBUTED OVER
20 YEARS

ASSETS AT AGE 62

JOHN



\$462,440

CANDICE



\$218,427

While both participants contributed the same amount, **JOHN** ended up with more than double **CANDICE** because he started early and used the power of compounding to his advantage.³

³Assumes hypothetical 6% annual investment return, which is not representative of the performance of any investment.



ROUND 3 Living Longer

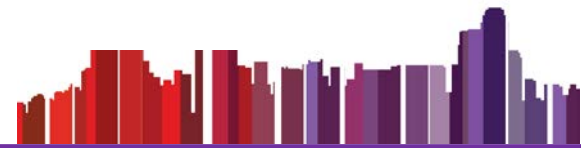
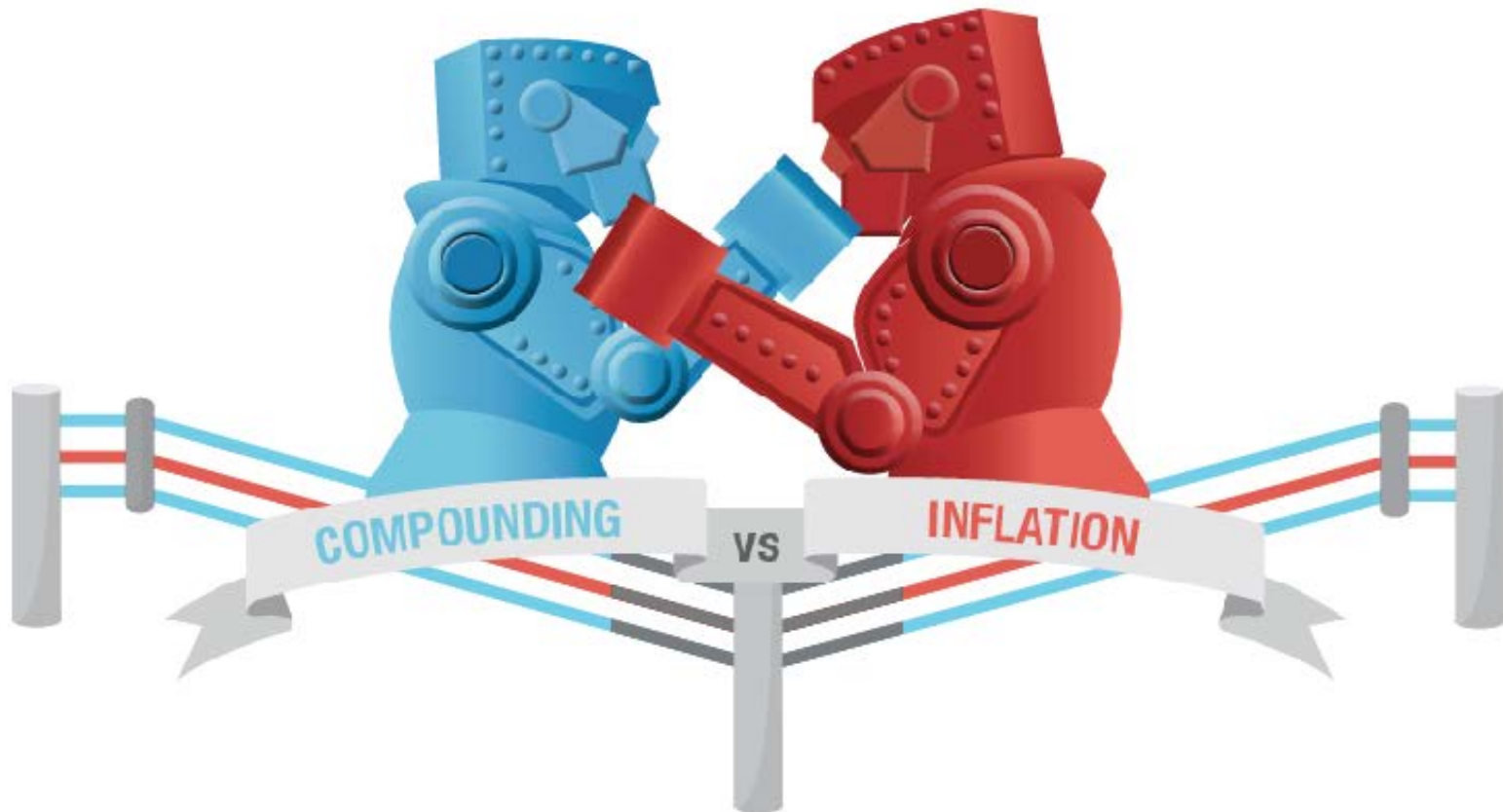
As the life expectancy age increases, do you know if you will be able to support yourself for 10, 20 or even 60 years in retirement?



⁴National Center for Health Statistics, National Vital Statistics Reports. Web: www.cdc.gov/nchs.

⁵Web: https://en.Wikipedia.org/wiki/List_of_the_verified_oldest_people

INFLATION will try to deplete the value of your money whether it's invested or not, so avoid the easy **KNOCK OUT** and get in the ring to fight inflation with the power of **COMPOUNDING** today!

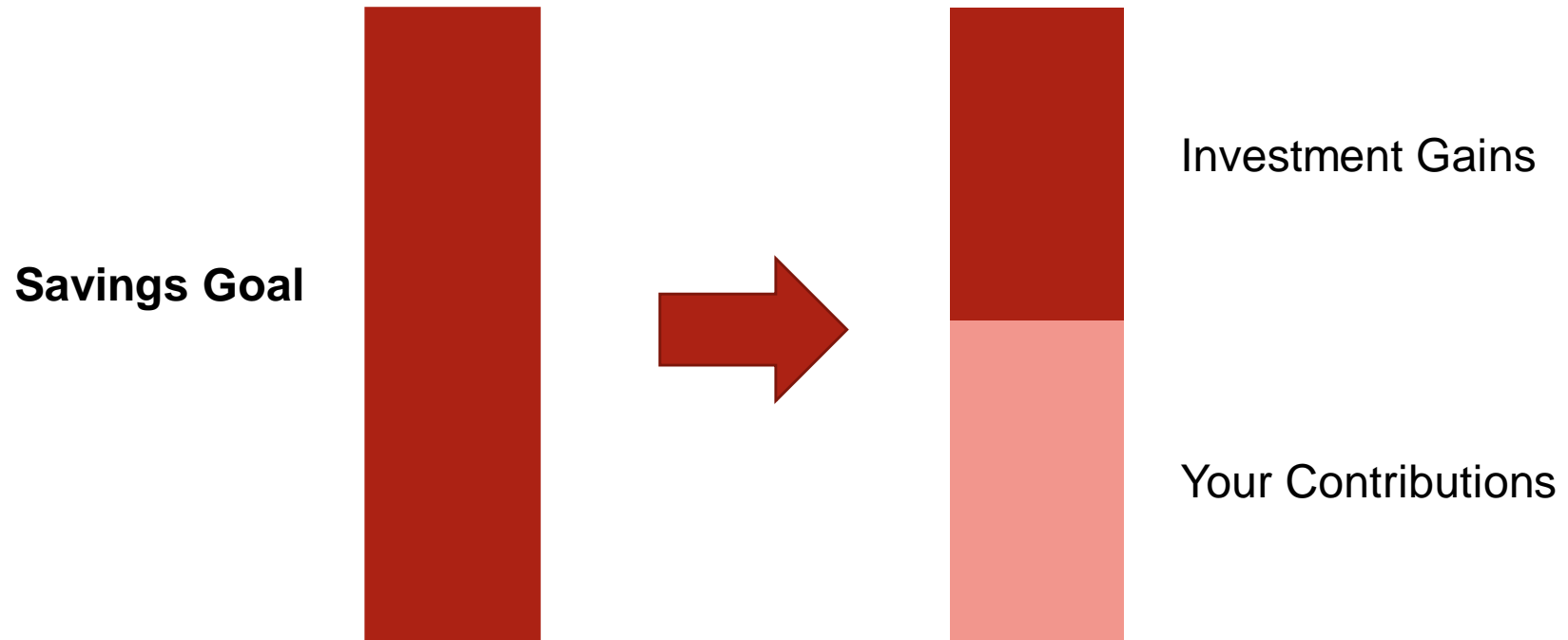


Basics of Investing



Why We Invest

By investing your money in the market, you allow the money that you contribute to work for you and grow.



What Determines Your Investment Returns?

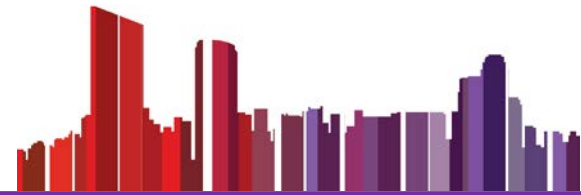
As an investor, your money can be exchanged for a variety of assets.



Types of Asset Classes

Groups of investments that have:

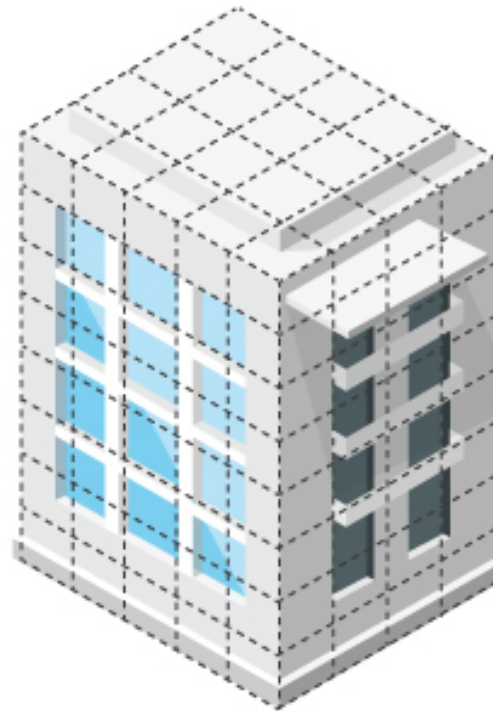
- Similar characteristics
- Behave similarly in the marketplace
- Subject to the same laws and regulations



What are Stocks?



Own a portion of company



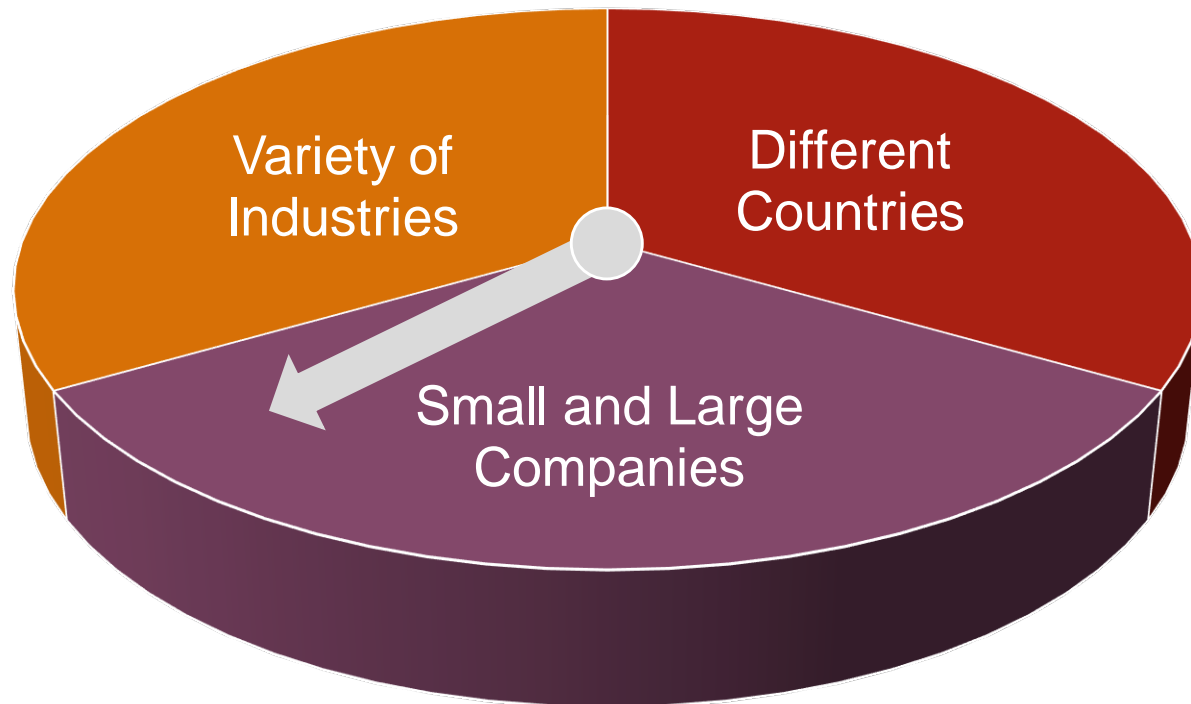
Stock



Assortment of Companies



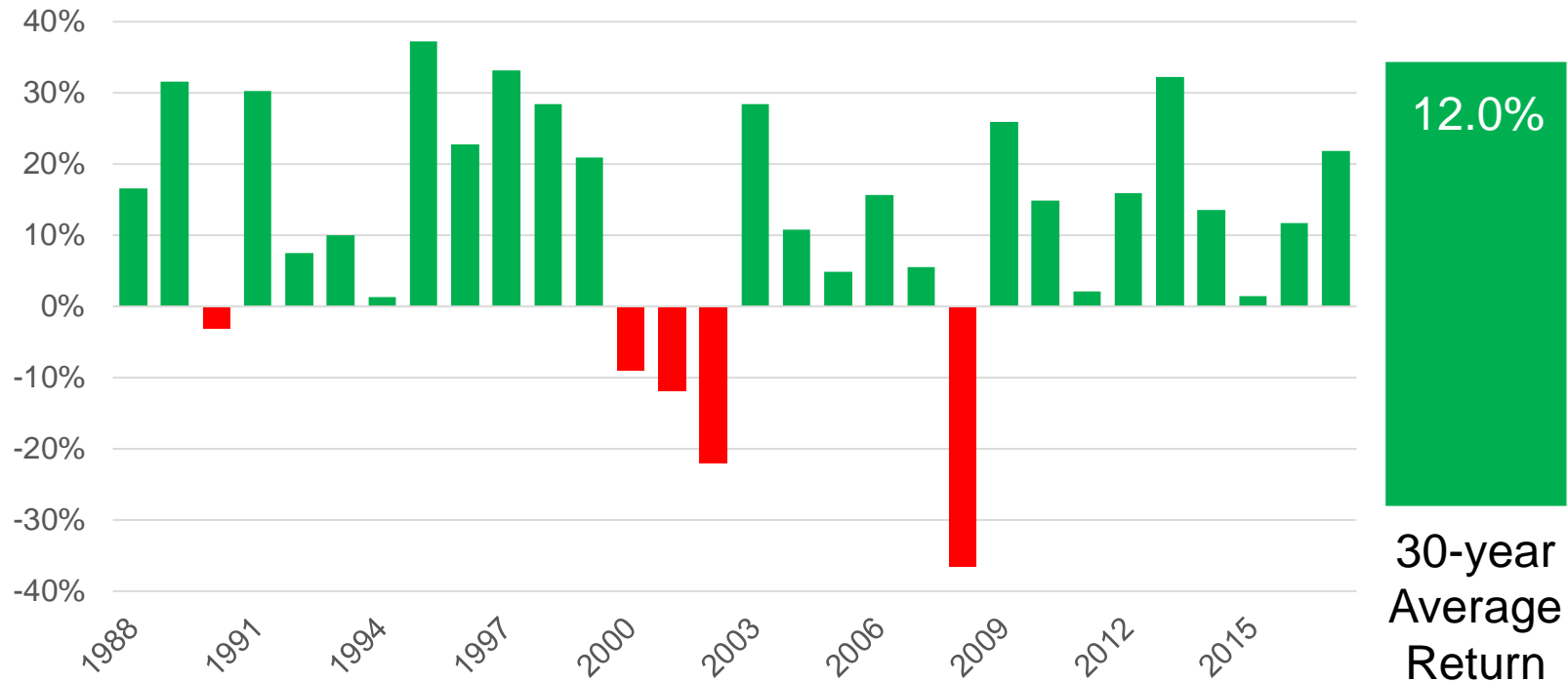
Where you invest your money can give you different opportunities.



Return History of Stocks

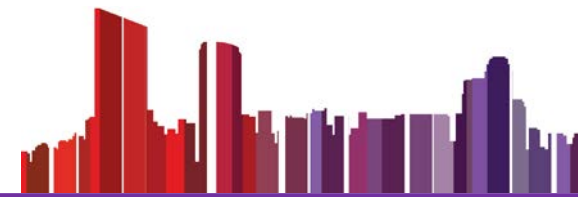


Investment Gains (Reward)

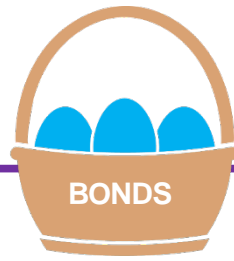


Investment Losses (Risk)

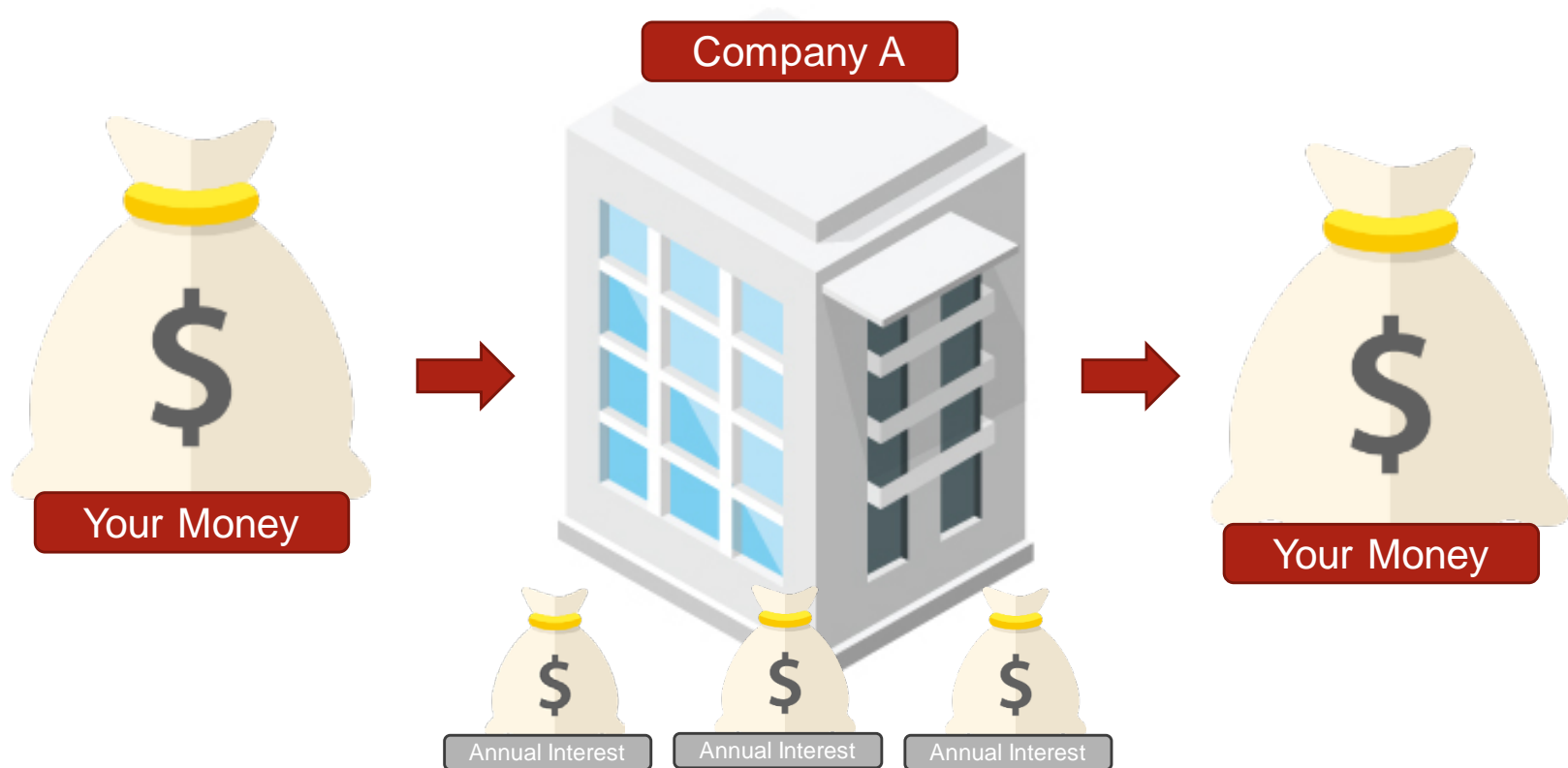
Returns shown are for the S&P 500 Index (1988 - 2017)



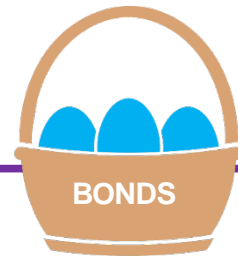
What are Bonds?



Loaning money to a company



Interest Rate Varies



The amount of money a borrower will pay you in interest depends on three key factors.



Short Term



Medium Term



Long Term



Government

Stable Company

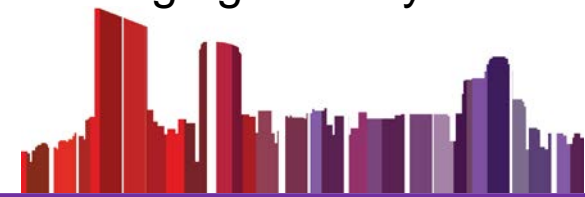
Startup Company



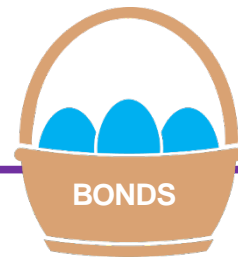
United States

Developed Country

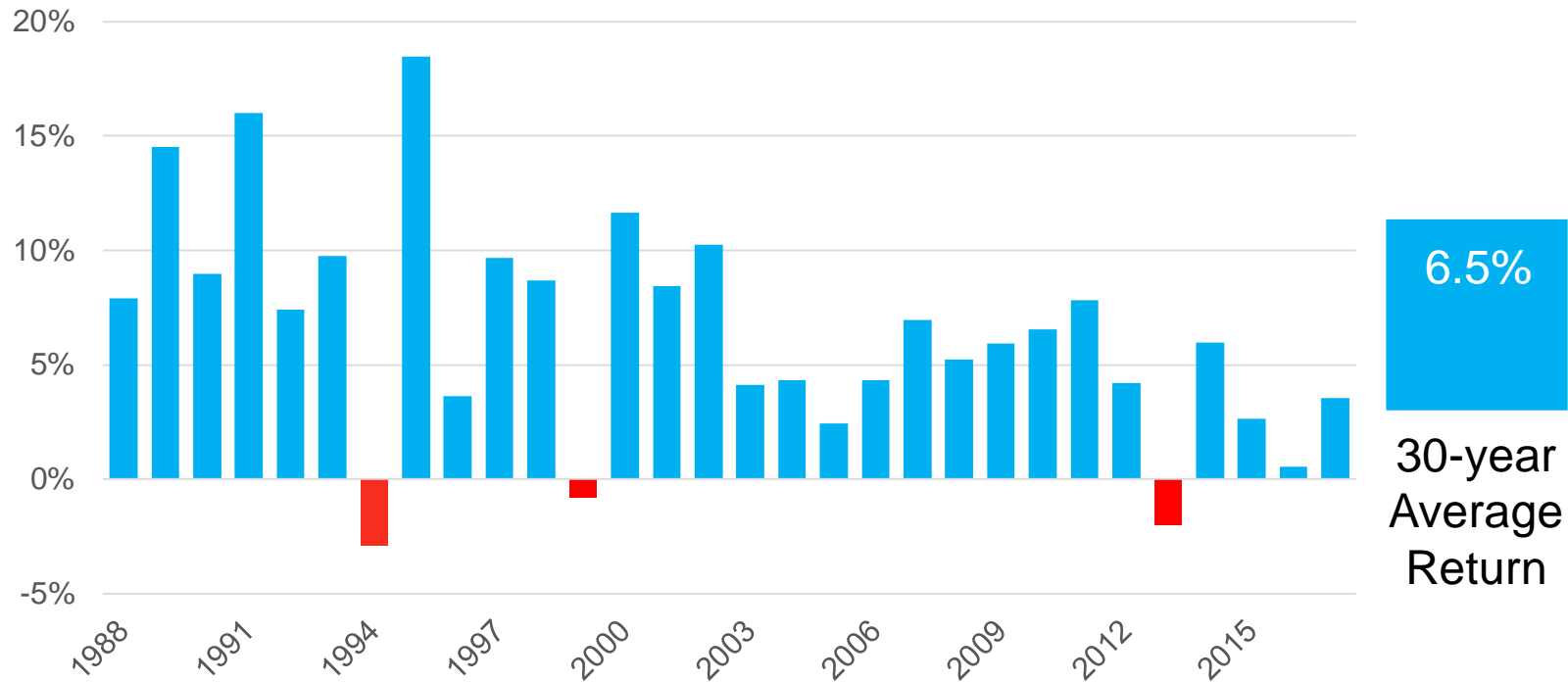
Emerging Country



Return History of Bonds

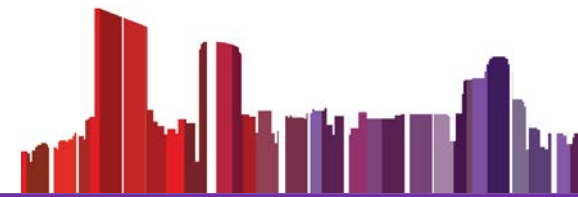


Investment Gains (Reward)



Investment Losses (Risk)

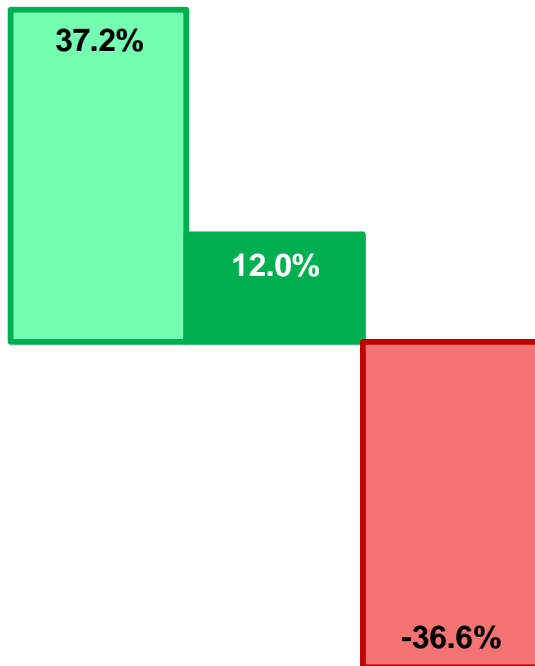
Returns shown are for the Bloomberg Barclays US Aggregate Bond Index (1988 – 2017)



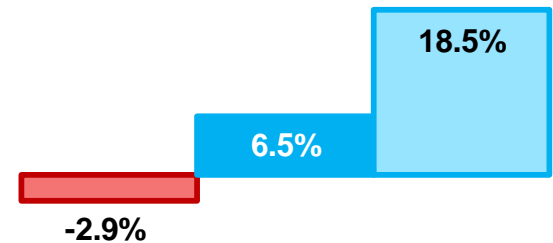
Risk Tolerance

How comfortable are you with risk?

Stocks



Bonds

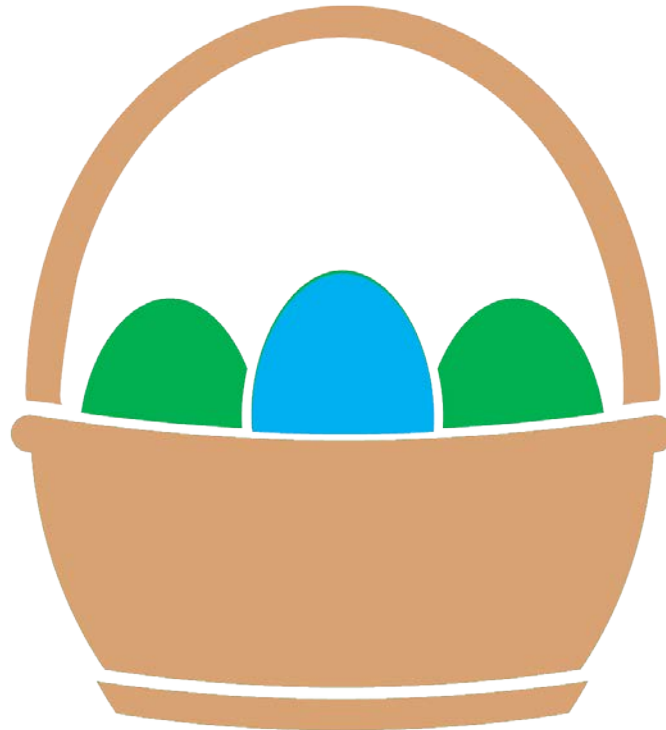


Returns over last 30 Years (1988 - 2017)

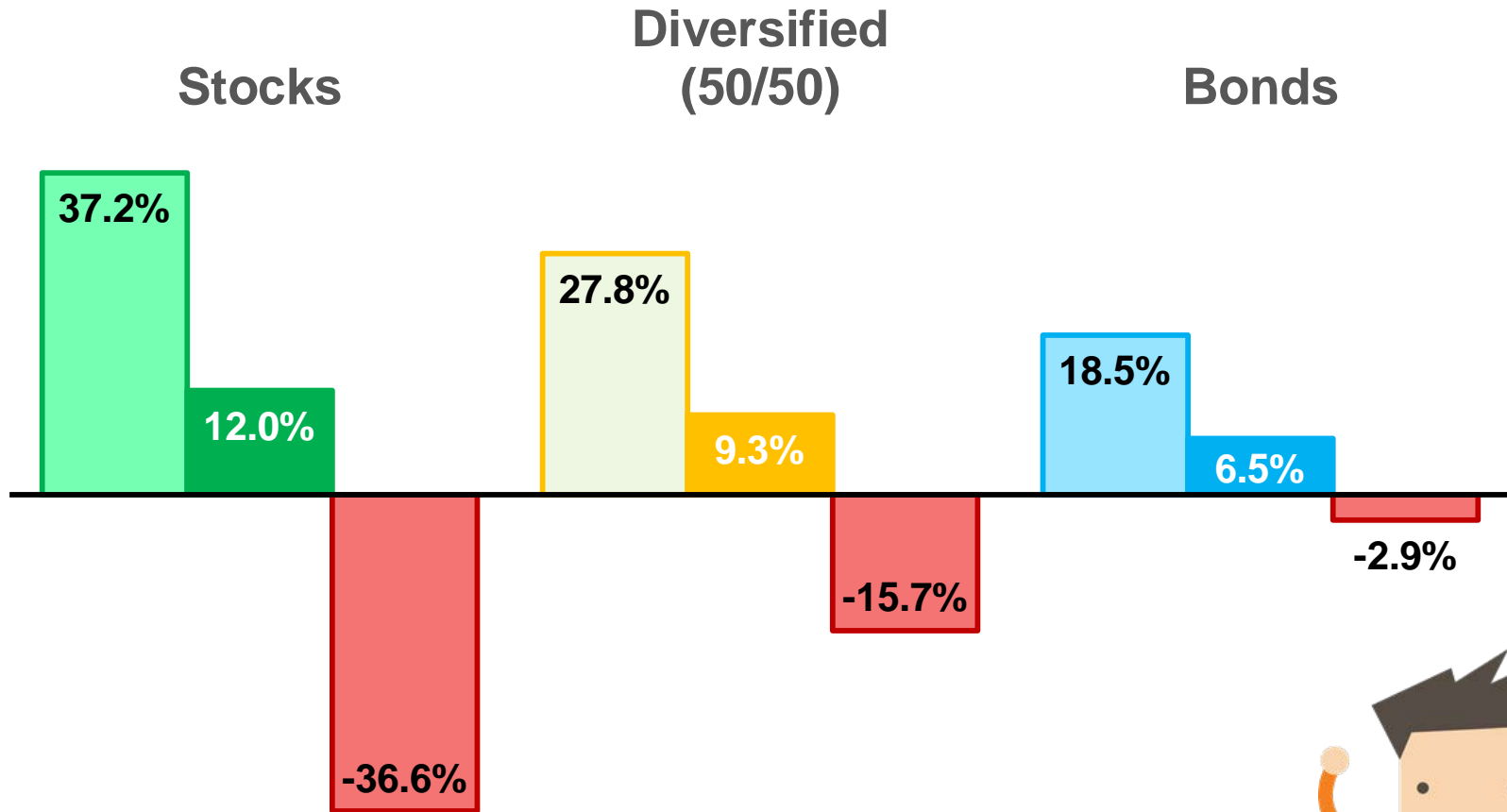


Diversification

An investor can lower their risk, while still reaching higher returns, by diversifying their portfolio of investment funds.



Return Comparison



Returns over last 30 Years (1988 - 2017)

Take our free Risk Tolerance Quiz
in your myMERS account.



Invest for Different Life Stages: Working Career

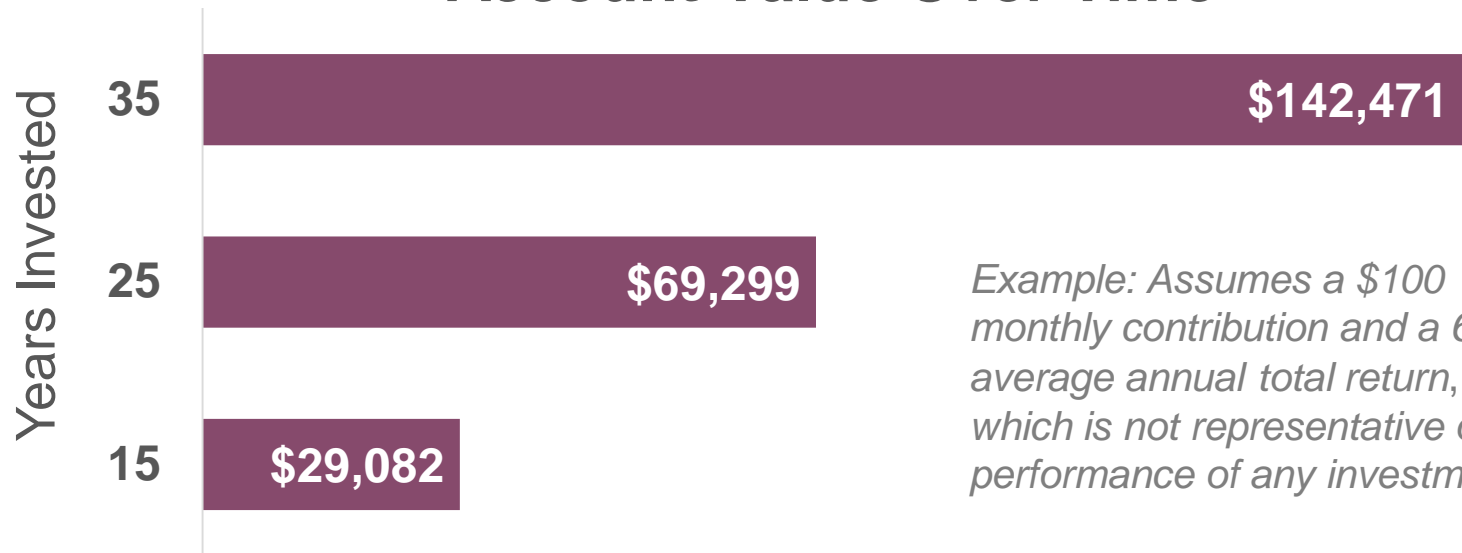


Tip #1

START SMALL

Cut your spending by about \$25 a week (\$100 a month) and invest that money.

Account Value Over Time



Example: Assumes a \$100 monthly contribution and a 6% average annual total return, which is not representative of the performance of any investment.



Tip #2

COMPARE TAX BENEFITS

Consider making contributions before taxes are withdrawn.

<i>Sample Bi-Weekly Paycheck</i>	No Contribution	Roth 457	Pre-Tax 457
Gross Wages:	\$2,000.00	\$2,000.00	\$2,000.00
Contributions:			
Pre-Tax 457	\$0.00	\$0.00	\$50.00
Roth 457	\$0.00	\$50.00	\$0.00
Taxes:			
Federal Income Tax	\$252.52	\$252.52	\$239.32
State Income Tax	\$85.00	\$85.00	\$82.46
Social Security Tax	\$124.00	\$124.00	\$124.00
Medicare Tax	\$29.00	\$29.00	\$29.00
Net Pay (take-home pay):	\$1,509.48	\$1,459.48	\$1,465.22
Net Change to Take-Home	N/A	-\$50.00	-\$44.26



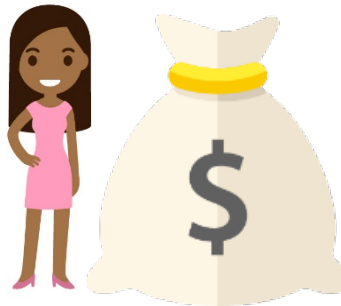
Tip #3

START EARLY

The age you start saving will determine how big your contributions will be each paycheck.



AGE 25
\$50 per pay



AGE 35
\$100 per pay



AGE 45
\$225 per pay

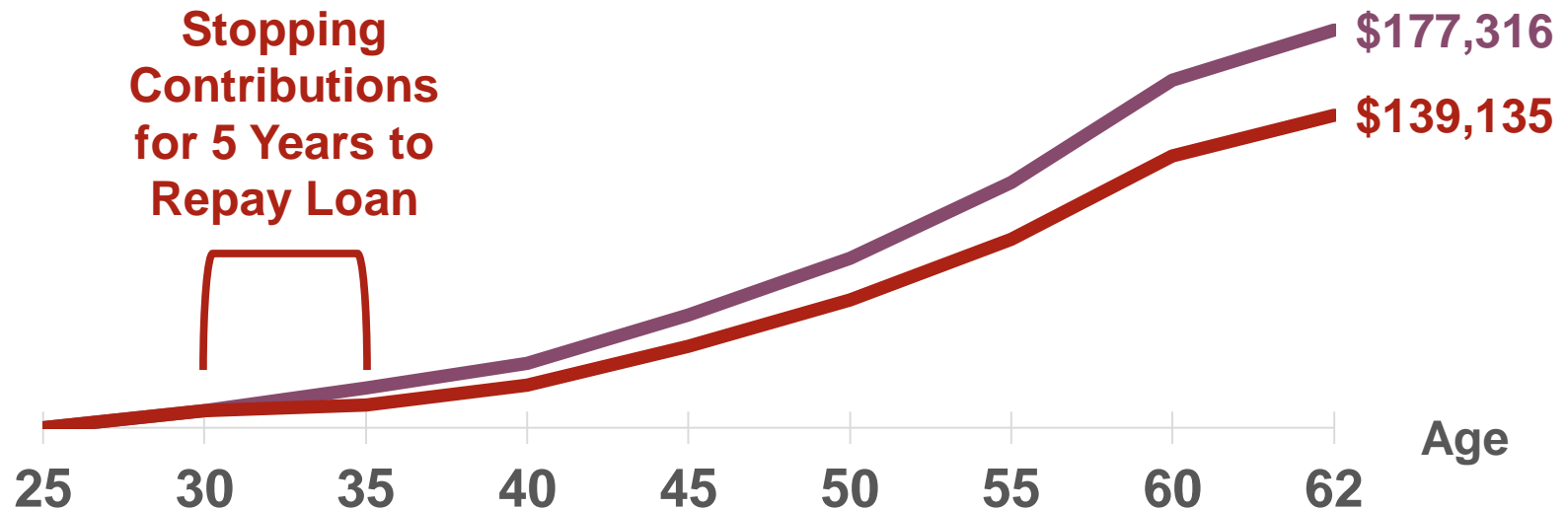
Example: People at different ages trying to reach \$175,000 by the time they retire at age 62 with an investment return of 6% and biweekly pay periods, which is not representative of the performance of any investment.



Tip #4

CREATE AN EMERGENCY SAVINGS

Build up a savings fund to use for emergencies to avoid stopping contributions to your retirement in the future.



This hypothetical example illustrates the effect of stopping contributions for 5 years. Contributions are \$50 bi-weekly, with investment earnings of 6%, which is not representative of the performance of any investment.

Tip #5

EVALUATE HOW YOU CONTRIBUTE

Consider starting your contributions as a percentage-of-pay instead of a straight dollar amount



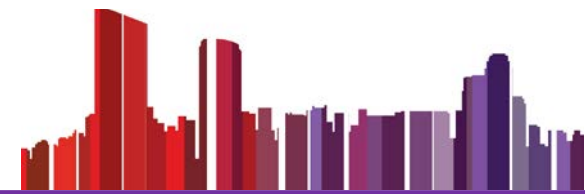
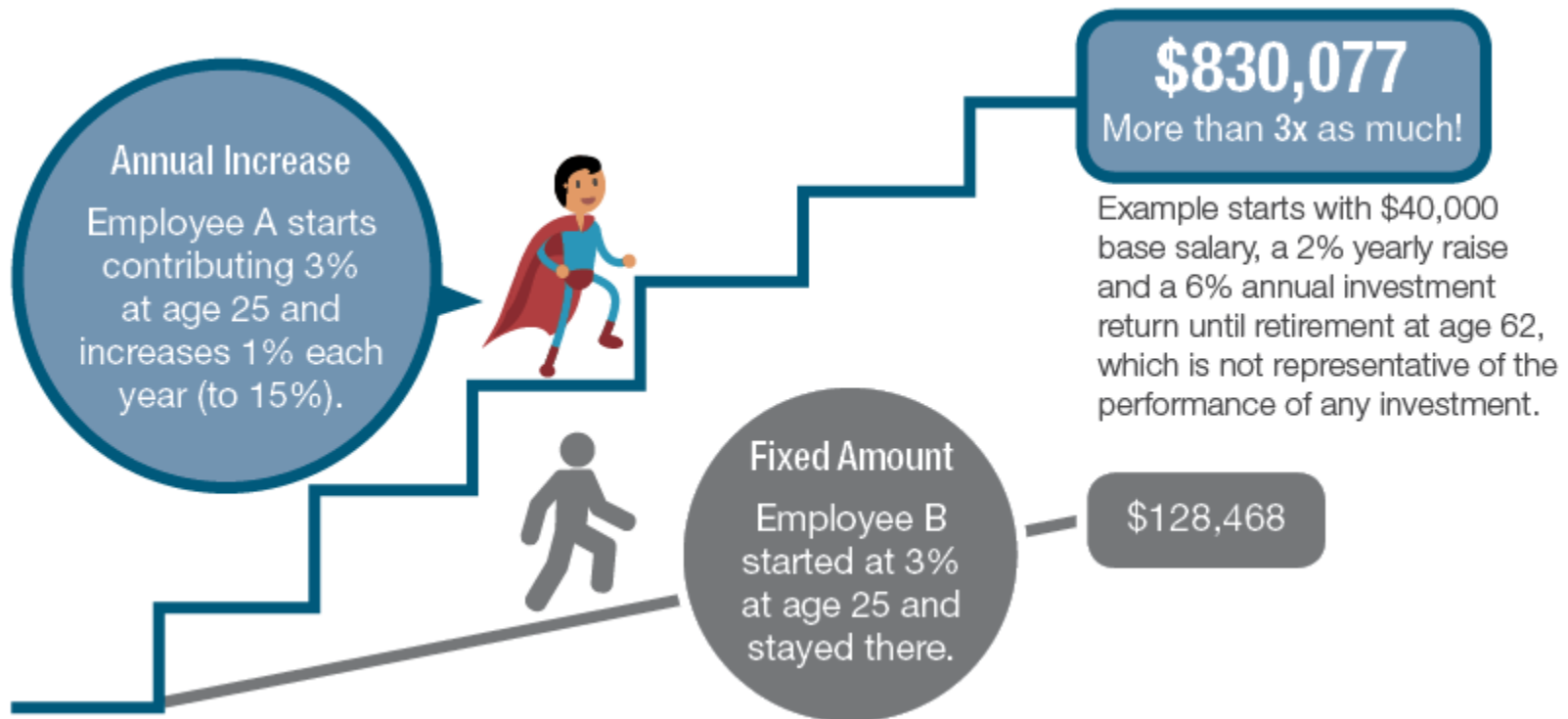
Example: 25 Year old participant making \$40,000, salary growth rate of 2%, retiring at age 62, and investment returns of 6%, which is not representative of the performance of any investment.

Retirement Savings at 62

Tip #6

INCREASE YOUR CONTRIBUTIONS

Consider increasing your percentage of contributions by 1% each year.



Invest for Different Life Stages: Personal Life



Tip #1

GATHER INFORMATION

Take a look at your goals, income, savings and risk profile.



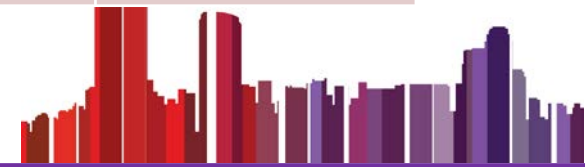
John's Profile

Current Age	33
Retirement Age	62
Income	\$38,000
Savings	\$11,000
Contribution Rate	3%
Employer Match	Up to 5%
Risk Profile	Aggressive



Mary's Profile

Current Age	30
Retirement Age	62
Income	\$46,000
Savings	\$42,500
Contribution Rate	10%
Employer Match	Up to 5%
Risk Profile	Conservative



Tip #2

DEVELOP A NEW PLAN

After reviewing you and your spouse's retirement profile and making a list of action items, implement them.



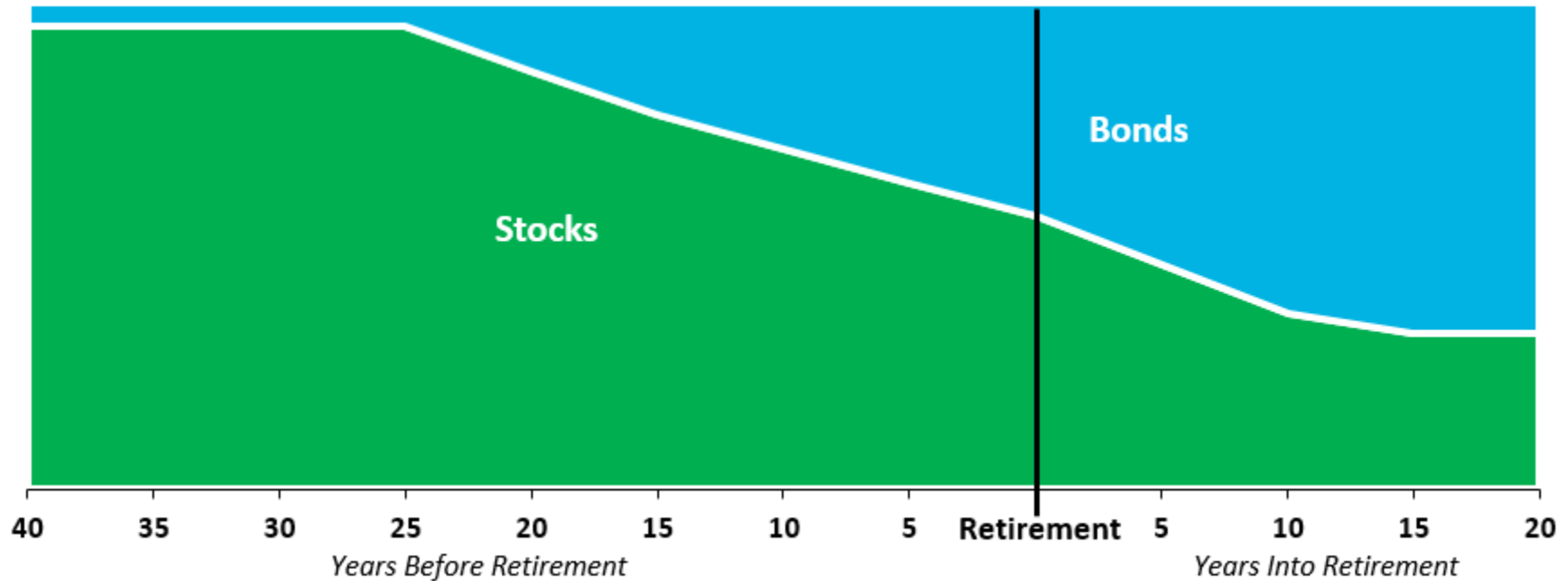
John and Mary's Profile	
Current Ages	33 & 30
Retirement Age	65 & 62
Combined Income	\$84,000
Combined Savings	\$53,500
Combined Contribution Rate	8%
Employer Match	5%
Risk Profile	Moderate



Tip #3

ADJUST ASSET ALLOCATION

Protect the assets you have accumulated by investing more conservatively.

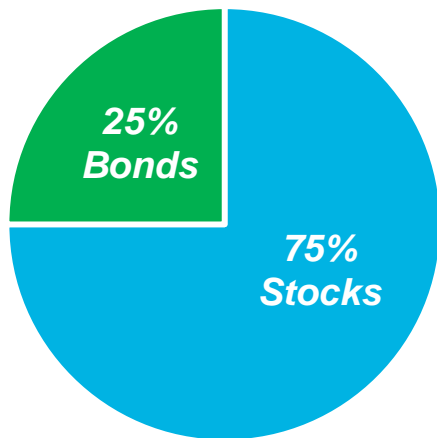


Tip #4

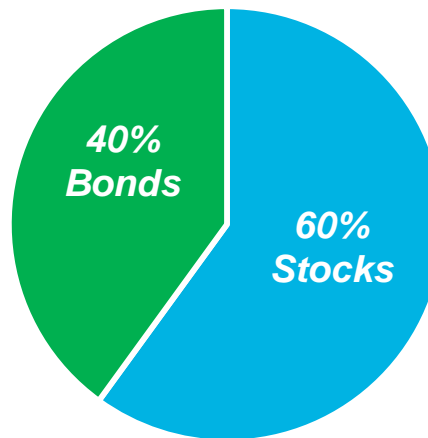
EVALUATE YOUR ASSET ALLOCATION

Subtract your age from 100 to find out what percentage of your investments should be allocated to stocks.

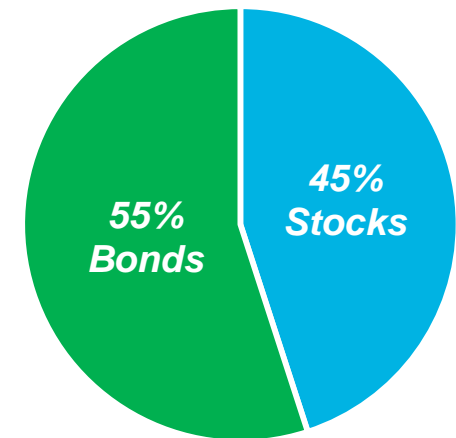
Age 25



Age 40



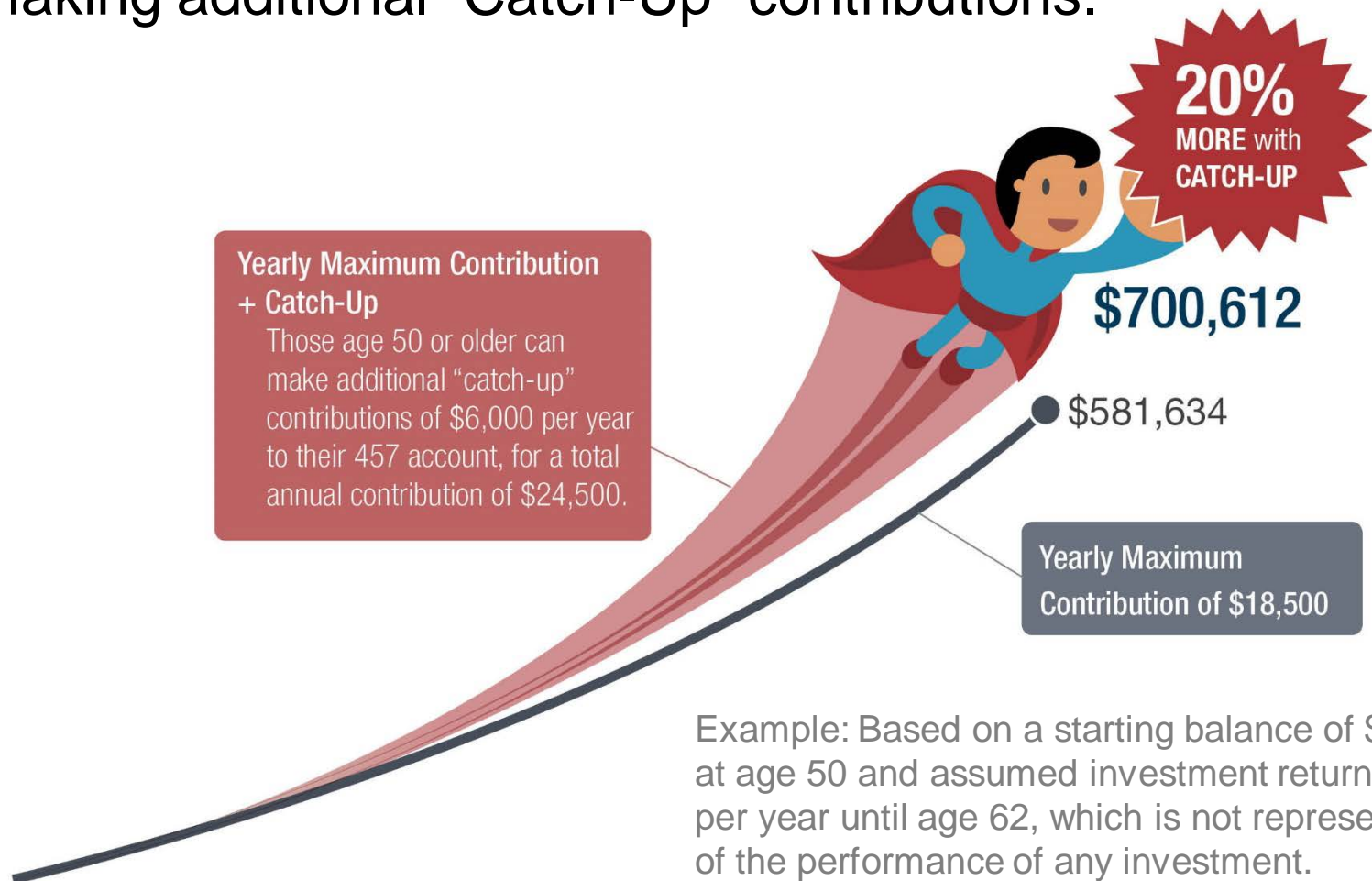
Age 55



Tip #5

MAKE ADDITIONAL CONTRIBUTIONS

After maxing out your annual contributions, consider making additional “Catch-Up” contributions.



Cost of Investing



Types of Investment Costs



Administration



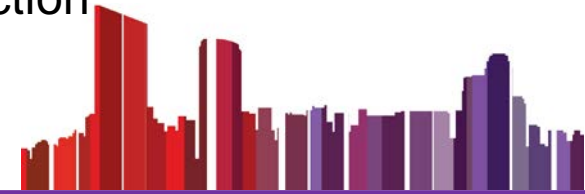
Investment Management



Recordkeeping



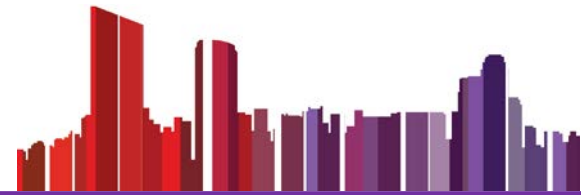
Transaction



How Fees Are Charged



Account Balance	\$1,000	\$10,000	\$100,000
Account Fee	\$50	\$50	\$50
Per-Service Fee	N/A	Divorce \$150	Loan \$100
% of Assets <i>(this example uses 1% of assets)</i>	\$10	\$100	\$1,000




What Are My Plan Fees?

Investment information is available at *mersofmich.com*

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Investment Menu Summary
 1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | www.mersofmich.com


 Municipal Employees' Retirement System

Performance & Fees –
 Defined Contribution Plan, Hybrid Plan (Part II), Health Care Savings Program, and 457 Program

Online users can click on any fund name below for more detailed information.

Fund Name	Proportion of Stocks <div style="width: 100%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>	Returns						Total Annual Operating Expense	
		Quarter-to-date	Year-to-date	1 yr.	3 yr.	5 yr.	10 yr.	As a %	Per \$1,000
Retirement Strategies: "Do it for me"									
2005 Retirement Strategy	<div style="width: 61%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>	0.61%	-0.23%	3.51%	3.12%	3.70%	-	0.42%	\$4.20
2010 Retirement Strategy	<div style="width: 65%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>	0.65%	-0.21%	4.32%	3.79%	4.56%	-	0.42%	\$4.20
2015 Retirement Strategy	<div style="width: 82%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>	0.82%	-0.14%	5.52%	4.66%	5.47%	-	0.42%	\$4.20
2020 Retirement Strategy	<div style="width: 92%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>	0.92%	0.00%	6.54%	5.33%	6.16%	-	0.43%	\$4.30
2025 Retirement Strategy	<div style="width: 102%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>	1.02%	0.13%	7.35%	5.94%	6.89%	-	0.43%	\$4.30
2030 Retirement Strategy	<div style="width: 110%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>	1.10%	0.18%	8.19%	6.57%	7.57%	-	0.43%	\$4.30
2035 Retirement Strategy	<div style="width: 119%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>	1.19%	0.29%	9.07%	7.09%	8.20%	-	0.43%	\$4.30
2040 Retirement Strategy	<div style="width: 127%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>	1.27%	0.40%	10.14%	7.67%	8.81%	-	0.43%	\$4.30
2045 Retirement Strategy	<div style="width: 130%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>	1.30%	0.51%	10.71%	7.98%	9.00%	-	0.42%	\$4.20
2050 Retirement Strategy	<div style="width: 131%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>	1.31%	0.51%	10.70%	7.97%	8.98%	-	0.42%	\$4.20
2055 Retirement Strategy	<div style="width: 133%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>	1.33%	0.52%	10.74%	8.02%	9.01%	-	0.42%	\$4.20
2060 Retirement Strategy	<div style="width: 128%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>	1.28%	0.48%	10.73%	8.01%	-	-	0.42%	\$4.20
Premium Select Options: "It's my choice"									
Portfolios Built for You (Stocks/Bonds)									
MERS Total Market Portfolio	<div style="width: 100%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>	-0.33%	-2.02%	-1.05%	1.10%	1.88%	-	0.45%	\$4.50
MERS Global Stock Portfolio (100%)	<div style="width: 100%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>	0.42%	-1.11%	0.83%	4.36%	4.62%	-	0.85%	\$8.50
MERS Capital Appreciation Portfolio	<div style="width: 100%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>	0.17%	0.16%	0.13%	0.26%	0.34%	1.03%	0.35%	\$3.50
MERS Established Market Portfolio	<div style="width: 100%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>	0.48%	0.95%	1.86%	1.84%	1.86%	-	0.60%	\$6.00
MERS Balanced Income Portfolio	<div style="width: 100%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>								
MERS Capital Preservation Portfolio	<div style="width: 100%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>								
MERS Diversified Bond Portfolio (100%)	<div style="width: 100%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>								
Funds to Build Your Own Portfolio									
Large Cap Stock Index	<div style="width: 100%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>								
Mid Cap Stock Index	<div style="width: 100%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>								
Small Cap Stock Index	<div style="width: 100%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>								
International Stock Index	<div style="width: 100%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>								
Emerging Market Stock	<div style="width: 100%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>								
Real Estate Stock	<div style="width: 100%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>								
Bond Index	<div style="width: 100%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>								
High Yield Bond	<div style="width: 100%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>								
Short-Term Income	<div style="width: 100%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>								
Stable Value (not available for HCSP)	<div style="width: 100%; height: 10px; background: linear-gradient(to right, #00728f, #fff);"></div>								

Note: Annualized returns may not be true return to the MERS Short-Term Managed Income Fund for 90 days.

Disclaimer

Returns: Returns are presented after the Total Annual Operating Expense. Returns for the MERS Retirement Strategies are provided by AllianceInvestment, all other fund return information is provided by their StreetView and Trust, or via the MERS Funds. Returns for periods greater than one year are annualized. Past performance is no guarantee of future results. Current performance may be higher or lower. Funds are subject to investment risk from a number of factors, including the investment style of the fund and market volatility. Markets are volatile and can rise or decline significantly in response to company, political, regulatory, market, or economic developments. A fund's total return, like securities prices generally, will fluctuate within a wide range. As a result, you could lose money over short or even long periods. Funds are also subject to investment-related risk, which is the chance that returns from companies invested in by the fund will fall below those from other assets classes or the overall market.




What Are My Plan Fees? (cont'd)

Investment information for participants is available at mersofmich.com

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06/30/18

Investment Menu Summary
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MERS
Municipal Employees' Retirement System

Other Fees and Expenses – Defined Contribution Plan, Hybrid Plan (DC portion), and 457 Program

Description of Fees/ Expenses	Service Charges	Custody and Record-keeping Costs	Total Annual Operating Expense		Shareholder-Type Fees and Other Restrictions
			As a %	Per \$1,000	As a %
Self Directed Brokerage Account (SDBA)	\$50.00 (annual)	-	-	-	0.30% annualized administrative fee is charged against the assets within SDBA and pro-rated monthly. Based on avg. daily balance, charge is deducted from amount in MERS standard line-up.
Loan	\$150.00 (one time)	-	-	-	
Terminated participants with \$1,000 or less account balance	\$15.00 (annual)	-	-	-	

Other Fees and Expenses – Health Care Savings Program

Health Care Savings Program Fee
Administrative fee of \$2 per month is applied to the account.

Other Fees and Expenses –

Description of Fees/ Expenses	Service Charges
Self Directed Brokerage Account (SDBA)	\$50.00 (annual)
Loan	\$150.00 (one time)
Terminated participants with \$1,000 or less account balance	\$15.00 (annual)

Other Fees and Expenses –

Health Care Savings Program Fee
Administrative fee of \$2 per month is applied to the account.

Disclaimer

Fees: The Total Annual Operating Expense cost is the total annual operating expense for the plan.

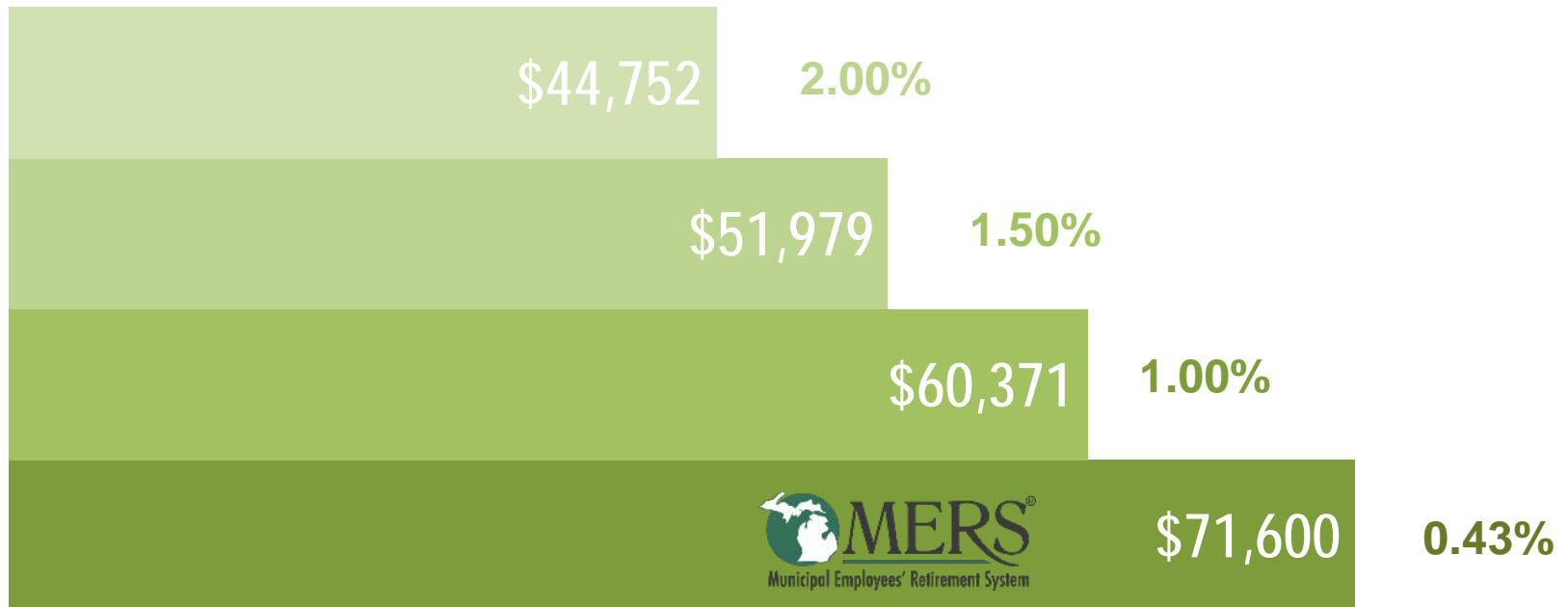
Diversification: To help achieve a long-term investment strategy, different types of investments are included in the plan. Diversification is a strategy that helps reduce the risk of loss by spreading investments across various asset classes. Diversification does not ensure a profit or protect against a loss. It is important to periodically review your investments and adjust your investment goals. In deciding how to invest, it is important to consider your investment goals and risk tolerance. Please make independent investment decisions. MERS has made every effort to ensure that the information provided is accurate and complete.

PUP 2802 20190712



How Costs Impact Your Account Balance

Growth of \$10,000 over 30 Years



This hypothetical example illustrates the effect fees can have on \$10,000 growing for 30 years, at an annual return of 7%, before the different investment costs are considered which is not representative of the performance of any investment.



MERS Structure for Success

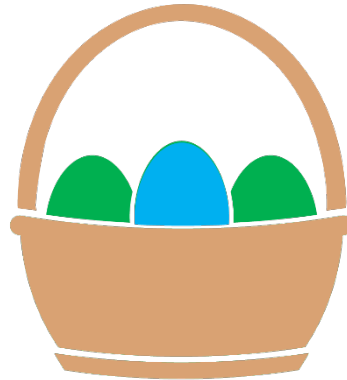


Your Investment Choices

You're returns will be based on the choices you make.



Risk Tolerance



Diversification



Costs



Which Investment Would You Choose?

**International
Stocks**

**Real-Estate
Stocks**

**Financial
Industry
Stocks**

**Foreign
Bonds**

**Energy
Industry
Stocks**

**Utility
Industry
Stocks**

**Technology
Industry
Stocks**

**Long-Term
Bonds**

**Large-Size
Company
Stocks**

**Small-Size
Company
Stocks**

**Mortgage-
Backed
Bonds**

**Fixed
Accounts**

**Energy
Industry
Stocks**

**Health-Care
Industry
Stocks**

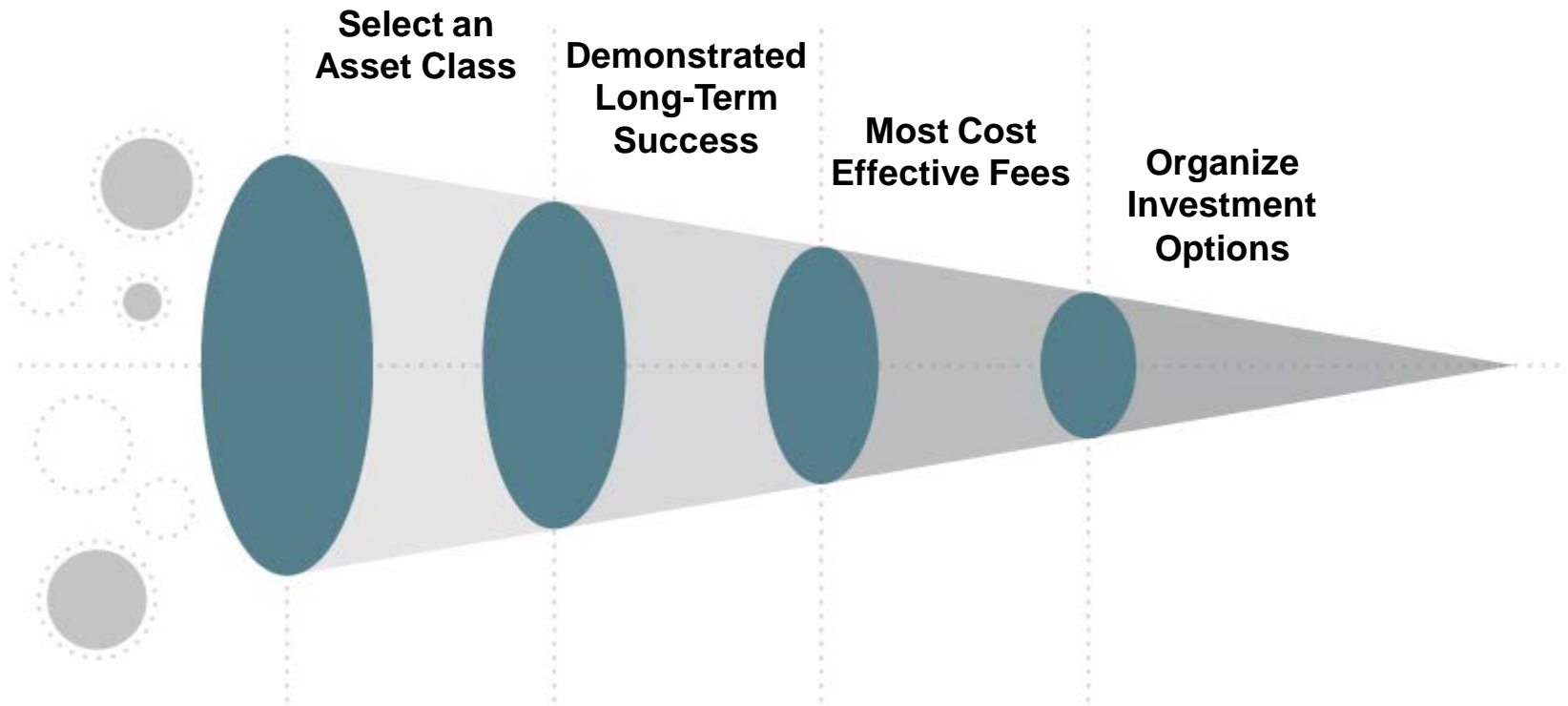
**Money
Market**

**Short-Term
Bonds**



Choosing Where to Invest Your Money

As an investor, you have **many different options** of where you can invest your savings.



Review Asset Classes

**International
Stocks**

**Real-Estate
Stocks**

**Financial
Industry
Stocks**

**Foreign
Bonds**

**Energy
Industry
Stocks**

**Utility
Industry
Stocks**

**Technology
Industry
Stocks**

**Long-Term
Bonds**

**Large-Size
Company
Stocks**

**Small-Size
Company
Stocks**

**Mortgage-
Backed
Bonds**

**Fixed
Accounts**

**Energy
Industry
Stocks**

**Health-Care
Industry
Stocks**

**Money
Market**

**Short-Term
Bonds**



Step 1: Select an Asset Class

Manager A
Rating: 6
\$\$

Manager B
Rating: 9
\$\$\$

Manager C
Rating: 4
\$\$

International Stocks

Manager D
Rating: 9
\$

Manager E
Rating: 8
\$

Manager F
Rating: 9
\$\$

Manager A
Rating: 6
\$\$

Manager B
Rating: 9
\$\$\$

Manager C
Rating: 4
\$\$

Real Estate Stocks

Manager D
Rating: 9
\$

Manager E
Rating: 8
\$

Manager F
Rating: 9
\$\$

Manager A
Rating: 6
\$\$

Manager B
Rating: 9
\$\$\$

Manager C
Rating: 4
\$\$

Long-Term Bonds

Manager D
Rating: 9
\$

Manager E
Rating: 8
\$

Manager F
Rating: 9
\$\$

Manager A
Rating: 6
\$\$

Manager B
Rating: 9
\$\$\$

Manager C
Rating: 4
\$\$

Large-Size Company Stocks

Manager D
Rating: 9
\$

Manager E
Rating: 8
\$

Manager F
Rating: 9
\$\$

Manager A
Rating: 6
\$\$

Manager B
Rating: 9
\$\$\$

Manager C
Rating: 4
\$\$

Small-Size Company Stocks

Manager D
Rating: 9
\$

Manager E
Rating: 8
\$

Manager F
Rating: 9
\$\$

Manager A
Rating: 6
\$\$

Manager B
Rating: 9
\$\$\$

Manager C
Rating: 4
\$\$

Short-Term Bonds

Manager D
Rating: 9
\$

Manager E
Rating: 8
\$

Manager F
Rating: 9
\$\$



Step 2: Determine Who's Successful

Manager A

Rating: 6

\$\$

Manager B

Rating: 9

\$\$\$

Manager C

Rating: 4

\$\$

Real Estate Stocks

Manager D

Rating: 9

\$

Manager E

Rating: 8

\$

Manager F

Rating: 9

\$\$



Step 3: Determine Who's Cost Effective

Manager B

Rating: 9

\$\$\$

Real Estate Stocks

Manager D

Rating: 9

\$

Manager F

Rating: 9

\$\$



Step 4: Simplify Investment Name

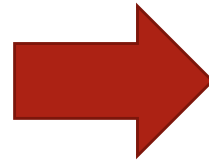


Manager D

Rating: 9

\$

*“Cohen & Steers
Realty Shares”*



**Real Estate
Stock**



Investment Menu Summary

1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | www.mersofmich.com



Performance & Fees –

Defined Contribution Plan, Hybrid Plan (Part II), Health Care Savings Program, and 457 Program

Online users can click on any fund name below for more detailed information.

Fund Name	Proportion of Stocks <div><div>Stocks</div><div>Bonds</div></div>	Returns						Total Annual Operating Expense	
		Quarter-to-date	Year-to-date	1 yr.	3 yr.	5 yr.	10 yr.	As a %	Per \$1,000
1 Retirement Strategies: "Do it for me"									
2005 Retirement Strategy	<div><div></div><div></div></div>	1.91%	7.42%	7.42%	3.51%	3.83%	-	0.41%	\$4.10
2010 Retirement Strategy	<div><div></div><div></div></div>	2.33%	9.10%	9.10%	4.29%	4.85%	-	0.42%	\$4.20
2015 Retirement Strategy	<div><div></div><div></div></div>	2.93%	11.16%	11.16%	5.20%	5.97%	-	0.42%	\$4.20
2020 Retirement Strategy	<div><div></div><div></div></div>	3.37%	12.90%	12.90%	5.90%	6.83%	-	0.42%	\$4.20
2025 Retirement Strategy	<div><div></div><div></div></div>	3.72%	14.39%	14.39%	6.53%	7.73%	-	0.43%	\$4.30
2030 Retirement Strategy	<div><div></div><div></div></div>	4.17%	15.96%	15.96%	7.19%	8.61%	-	0.43%	\$4.30
2035 Retirement Strategy	<div><div></div><div></div></div>	4.61%	17.54%	17.54%	7.79%	9.42%	-	0.43%	\$4.30
2040 Retirement Strategy	<div><div></div><div></div></div>	5.16%	19.33%	19.33%	8.43%	10.11%	-	0.42%	\$4.20
2045 Retirement Strategy	<div><div></div><div></div></div>	5.39%	20.20%	20.20%	8.70%	10.27%	-	0.42%	\$4.20
2050 Retirement Strategy	<div><div></div><div></div></div>	5.35%	20.15%	20.15%	8.70%	10.28%	-	0.42%	\$4.20
2055 Retirement Strategy	<div><div></div><div></div></div>	5.44%	20.19%	20.19%	8.72%	10.28%	-	0.42%	\$4.20
2060 Retirement Strategy	<div><div></div><div></div></div>	5.43%	20.17%	20.17%	8.71%	-	-	0.42%	\$4.20
2 Premium Select Options: "Help me do it"									
Portfolios Built for You (Stocks/Bonds)									
MERS Total Market Portfolio	<div><div></div><div></div></div>	4.46%	14.17%	14.17%	7.51%	8.62%	5.29%	0.58%	\$5.80
Note: 2.00% charge from amounts withdrawn/transferred within 90 days of each contribution									
MERS Global Stock Portfolio (100/0)	<div><div></div><div></div></div>	8.87%	25.80%	25.80%	11.03%	-	-	0.68%	\$6.80
MERS Capital Appreciation Portfolio (80/20)	<div><div></div><div></div></div>	6.85%	19.84%	19.84%	9.82%	11.10%	-	0.56%	\$5.60
MERS Established Market Portfolio (60/40)	<div><div></div><div></div></div>	5.09%	15.90%	15.90%	8.13%	8.91%	6.03%	0.55%	\$5.50
MERS Balanced Income Portfolio (40/60)	<div><div></div><div></div></div>	3.38%	12.09%	12.09%	6.47%	6.64%	-	0.53%	\$5.30
MERS Capital Preservation Portfolio (20/80)	<div><div></div><div></div></div>	1.81%	8.16%	8.16%	5.05%	4.67%	-	0.48%	\$4.80
MERS Diversified Bond Portfolio (0/100)	<div><div></div><div></div></div>	-0.10%	3.98%	3.98%	2.62%	1.84%	4.34%	0.50%	\$5.00
Funds to Build Your Own Portfolio									
Large Cap Stock Index	<div><div></div><div></div></div>	9.80%	24.97%	24.97%	11.96%	16.01%	8.72%	0.35%	\$3.50
Mid Cap Stock Index	<div><div></div><div></div></div>	10.20%	20.18%	20.18%	12.21%	15.60%	10.18%	0.35%	\$3.50
Small Cap Stock Index	<div><div></div><div></div></div>	7.38%	16.95%	16.95%	12.89%	-	-	0.35%	\$3.50
International Stock Index	<div><div></div><div></div></div>	5.19%	23.80%	23.80%	7.19%	6.89%	-	0.39%	\$3.90
Emerging Market Stock	<div><div></div><div></div></div>	7.31%	33.89%	33.89%	8.64%	-	-	1.21%	\$12.10
Real Estate Stock	<div><div></div><div></div></div>	3.63%	7.19%	7.19%	5.79%	9.27%	-	0.81%	\$8.10
Bond Index	<div><div></div><div></div></div>	0.35%	3.04%	3.04%	1.69%	1.52%	-	0.45%	\$4.50
High Yield Bond	<div><div></div><div></div></div>	0.10%	6.75%	6.75%	5.48%	4.93%	-	0.85%	\$8.50
Short-Term Income	<div><div></div><div></div></div>	-0.35%	0.26%	0.26%	0.30%	0.25%	1.35%	0.35%	\$3.50
Stable Value (not available for HCSP)	<div><div></div><div></div></div>	0.46%	1.87%	1.87%	1.84%	1.88%	-	0.60%	\$6.00

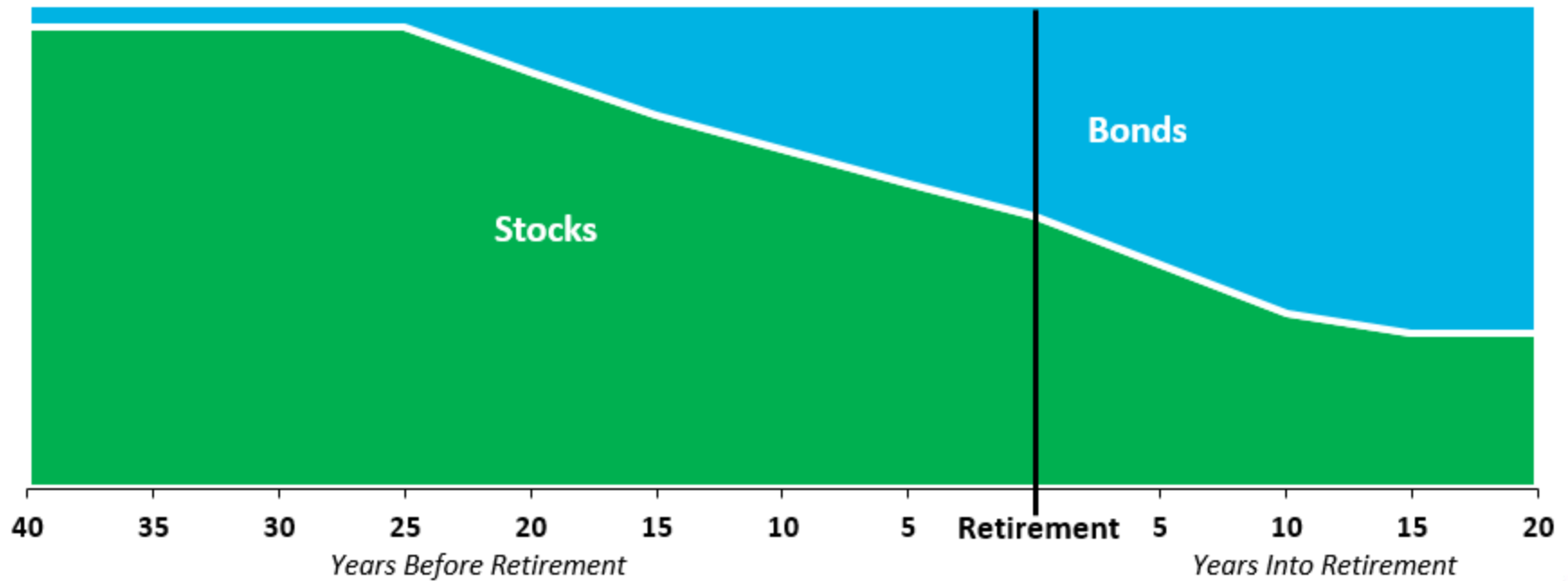
Note: Amounts withdrawn may not be transferred to the MERS Short-Term Managed Income Fund for 90 days



Retirement Strategies



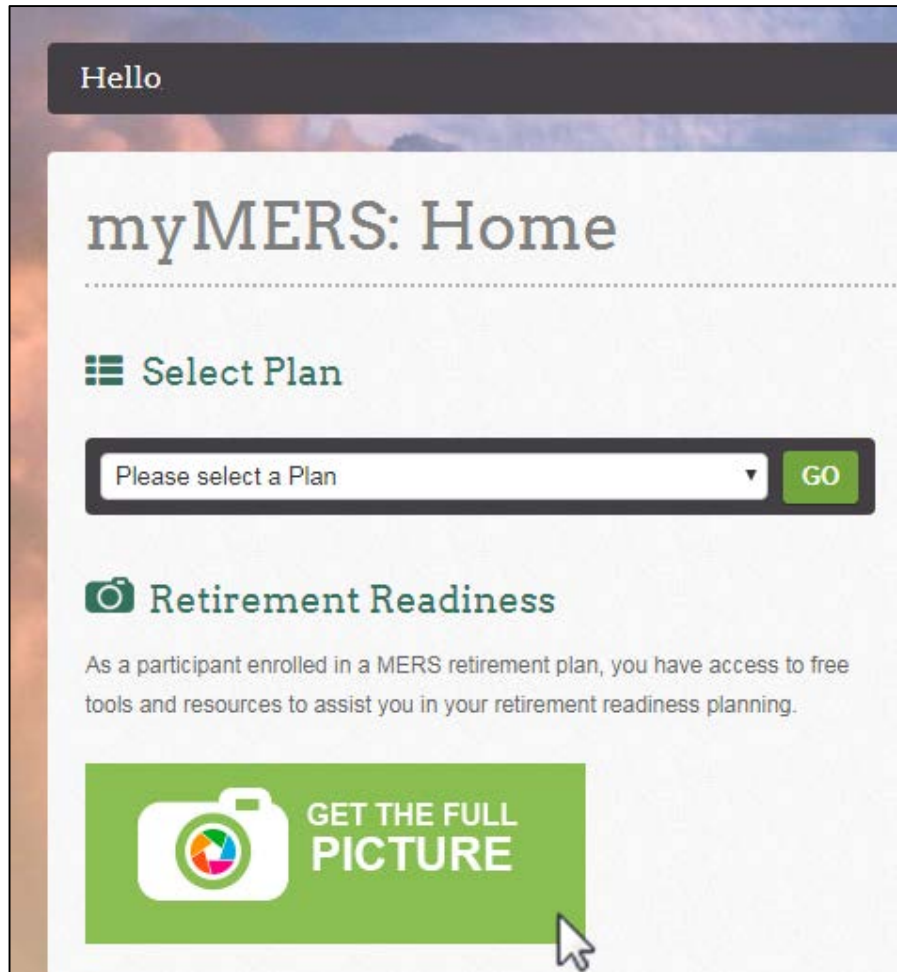
A one-stop investment strategy based on your expected retirement date.



Utilize MERS
Resources



Building Your Retirement Picture



Calculating Your Retirement Picture—Made Easy

Information already entered:

- Age
- Income
- MERS Benefits


Information you may add:

- Spouse's Information
- Outside Accounts
- Other Contributions




Your Retirement Picture

WELCOME TO YOUR RETIREMENT READINESS FULL PICTURE REPORT!



Test Participant
xxx
Lansing, MI 55555



Your Retirement Readiness Full Picture Report can help you decide how much to save for retirement and how to invest your plan account. The sections below provide an analysis of your current savings and investments, offer some suggestions to help you reach your goals, and show you how to make changes to your retirement account.

In this retirement plan analysis you will receive:

1. A personalized assessment of your current retirement savings and investments.
2. An indication if you are on track to meet your retirement goals.
3. Suggestions on how to improve the probability of achieving your retirement objectives.
4. Simple steps to implement your new strategy.

Assumptions used for this analysis:

Participant:

Current age	34
Retirement year (age)	2048 (Age 65)
Years in retirement	30
Annual salary	\$50,000

Assumptions have been made to create this personal projector. Assumptions are not guaranteed. For example, your salary may or may not increase at the stated rate, your employer contribution may change or be eliminated, and/or inflation may or may not grow at the assumed rate of 2%. Also, the personal projector is only based on limited information your record keeper has about your retirement account services.


Full Personalized Report

- Determines your retirement income needs
- Calculates your retirement savings target
- Evaluates your investment mix based on your risk tolerance




Your Retirement Picture, cont'd.

WELCOME TO YOUR RETIREMENT READINESS FULL PICTURE REPORT!



Test Participant
xxx
Lansing, MI 55555



Your Retirement Readiness Full Picture Report can help you decide how much to save for retirement and how to invest your plan account. The sections below provide an analysis of your current savings and investments, offer some suggestions to help you reach your goals, and show you how to make changes to your retirement account.

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Suggested strategies

- Change investment mix
- Change contribution rate
- Change retirement age
- Change income replacement ratio



Contacting MERS of Michigan

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

1134 Municipal Way
Lansing, MI 48917

800.767.MERS (6377)

www.mersofmich.com



This presentation contains a summary description of MERS benefits, policies or procedures. MERS has made every effort to ensure that the information provided is accurate and up to date. Where the publication conflicts with the relevant Plan Document, the Plan Document controls.

