

# Self-Managed Account (Mutual Fund Window)



## What is The Self-Managed Account?

The Self-Managed Account (SMA) is a brokerage option offered through your CalPERS 457 Plan (the "Plan"). It affords you more flexibility in choosing your own retirement savings investments by allowing you to invest in thousands of different mutual funds from hundreds of fund families. Investments are limited to mutual funds made available by State Street, direct investments in stocks, bonds, etc. are not permitted. The mutual funds available under the SMA option are not selected, reviewed, or monitored by CalPERS. The SMA account is not designed for all investors. It is designed for participants who are experienced investors that can make informed decisions and understand the risks associated with the investment decisions made. CalPERS is not responsible for losses that result from the participant's investment selections.

## How do I open an SMA?

To start the process of opening an SMA:

1. Contact your employer to obtain a Self-Managed Account Application.
2. Complete and mail application to:  
State Street Global Markets, LLC  
P.O. Box 5517  
Boston, MA 02206-5517
3. Within a few weeks, you'll receive a Welcome Letter from State Street Global Markets, LLC.
4. Your User Identification/ Personal Identification Number are mailed separately. Use these numbers to access the On-Line Trading and Telephone systems.

The minimum initial transfer amount is \$1,000 and you must maintain a minimum Plan account balance of \$1,000. The minimum amount for subsequent transfers is \$250. You may transfer a portion of your Plan account to the SMA all at once or from time to time, subject to the following restrictions.

## Fees and Costs

### Annual Fee

The following annual fees are deducted pro rata on a monthly basis from your core fund investments in your CalPERS 457 account:

- An annual plan administration fee of 26 basis points; and
- \$50 annual maintenance fee.

### Mutual Fund Trade(s)

In addition to the Annual SMA fee, fees associated with the respective Mutual Fund will be charged. These types of fees may include:

- No-Load, No Transaction Fee Funds: No charge for purchases or sales.
- No Load Mutual Funds: The service fee per transaction is \$34.00. This fee applies to the purchase and redemption of

each individual mutual fund transaction processed through an SMA brokerage representative, the Telephone Trading system or the On-Line Trading system.

- Load Mutual Funds: Please refer to specific fund prospectus for all sales loads and/or redemption fees.

### Transfer Fee

The cost is \$50.00 if transferring entire account to another firm. Additional fees: \$1.50 Postage and Handling fee (ALL Non-Mutual Fund Executed Trades).

### Termination of Account

If you wish to no longer participate in the Self-Managed Account, send a notification requesting to terminate enrollment, to:

ING  
CalPERS Supplemental Income 457 Plan  
P.O. Box 5166  
Boston, MA 02206-5166

or fax to 888.228.6185

Your plan account will be charged the annual \$50 fee until your request is received and processed.

## Managing your SMA

You can transact within your SMA through a registered representative, the Automated Telephone Trading and On-Line Trading Systems.

- **Telephone Trading system** – through the Quote & Order Entry system you can access account information, obtain quotes, place orders, and review your order status by touchtone or speech command. You can also access State Street Global Markets brokerage representatives who can answer questions and place trades, weekdays excluding New York Stock Exchange holidays between 8:30 a.m. and 5:00 p.m. (ET)
- **On-Line Trading** offered by State Street Global Markets, LLC, allows you to enter your orders, retrieve account information, including balances, positions, account history and the current status of your orders via the Internet..

All SMA brokerage accounts must have funds available prior to placing an order or your requested trade may be cancelled. Presently, monies transferred from your Plan funds to brokerage (prior to cut-off times) are available for investment with a registered broker the following business day. No trades should be placed through the On-Line Trading system until your account displays the cash transferred from your Plan funds. It is imperative that you check the balance screen prior to placing a brokerage transaction.

## Here's How it Works

With your SMA User Identification Number and PIN, you will be cleared to transfer money from your Plan account into your SMA so you can purchase the specific mutual funds you choose. You may transfer money from your Plan to your SMA or from your SMA into your Plan as often as you like on any business day, subject to any Plan limitations.

**Money moves from your payroll deductions into your CalPERS 457 Plan core fund investments, and then into your Self-Managed Account.**



Once the money is in your SMA brokerage account, you can call State Street Global Markets and speak with a representative to invest in certain mutual funds. You can also invest by accessing the Telephone Trading system or by logging on to the On-Line Trading system. Please note that all accounts must be fully funded before a trade can be placed.

- Transfers completed before 4:00 p.m. Eastern Time (ET) will be processed the same business day and your money generally will be available in your brokerage account the following day.
- Transfers completed after 4:00 p.m. (ET) will be processed the next business day and your money generally will be available in your brokerage account on the second business day thereafter.

All balances in your SMA that you do not direct to invest in a specific mutual fund will automatically be invested by default in the SSgA Money Market Fund<sup>1</sup> linked to your SMA brokerage account. The SSgA Money Market Fund is managed by SSgA Funds Management, Inc. a registered investment advisor and affiliate of State Street Bank and Trust Company.

All cash dividends and interest paid on your SMA investments automatically will be invested in the SSgA Money Market Fund. All dividends paid by your equities and mutual fund investments will automatically be reinvested in the equity or mutual fund which issued said dividend, unless objected to in writing and received by State Street Global Markets, LLC before the dividend is reinvested.

### For More Information:

Visit your Plan Web site at <https://calpers.ingplans.com> or call 1-800-260-0659

To transfer money out of the SMA, you must call State Street Global Markets, access the Telephone Trading system or On-Line Trading system and place a sell order. Sell trades are subject to a trade settlement period.

- If your purchase/trade is completed before 4:00 p.m. (ET), your money typically will be available for a transfer into your core investment funds following the trade settlement period (generally three business days).
- If your purchase/trade is completed after 4:00 p.m. (ET), it will be processed the next business day and then your money typically will be available following the trade settlement period (generally three business days).

Loans, withdrawals and distributions cannot be made directly from the SMA. You must first sell your mutual fund holdings and transfer the money into your core investment funds in the Plan to complete these transactions.

### Confirmations and Statements

You will receive transaction confirmations by mail for all activity as well as quarterly brokerage statements. If you have activity during a given month, you will receive a brokerage statement for that month.

### To Order Participant Enrollment Kits:

Please contact your employer to obtain Self-Managed Account applications.

<sup>1</sup> An investment in a money market fund, mutual fund, and other securities is not a bank deposit and not insured or guaranteed by the Federal Deposit Corporation (FDIC), any other government agency, State Street Corporation and affiliates, State Street Bank & Trust Company, State Street Global Markets or the Plan. Purchases of Mutual Funds and other securities involve investment risks, including the possible loss of the principal amount invested and there is no guarantee of future performance with respect to any investment. Mutual Funds can fluctuate in value and the price at which you redeem may be more or less than the price you paid. For most mutual funds, the minimum transaction size is \$250.00. For more information and a fund prospectus, you may call State Street Global Markets at 1-866-544-0700. Investors should read the prospectus carefully before making an investment.