



Department of Technology,
Management & Budget

Investment Commentary

For State of Michigan 401(k) and 457 Plans

All investments available within the State of Michigan 401(k) and 457 Plan are participant directed. The mutual funds are registered with the Security and Exchange Commission (SEC) and the guaranteed investment contracts (GICs) are regulated by state insurance departments. Three investment tiers have been developed to classify the investments based upon the general investment strategy:

Tier I

This tier is comprised of funds with a passive investment strategy and are managed to mirror investment performance of an established market index. It includes the Stable Value Fund and the following common trust funds: SSgA's Cash Series Treasury Fund – Class G, Bond Market Index Fund, S&P 500 Index Fund, S&P Mid Cap Index Fund, Russell 2000 Index Fund, Global All Cap Equity ex-US Index Fund, Target Retirement Income Fund, and Target Retirement Funds ranging in retirement dates from 2010 to 2055.

Tier II

This tier is comprised of mutual funds that include Voya Small Cap Growth Equity Fund, Dodge & Cox Stock Fund, Oakmark Equity and Income Fund, Jennison Large Cap Growth Fund, T. Rowe Price Mid Cap Value Fund, Ridgeworth Small Cap Value Equity Fund, American EuroPacific Growth Fund (R6), Artisan Mid Cap Fund, PIMCO Total Return Fund, and the Vanguard Emerging Markets Fund. These investments have a more aggressive strategy and are managed with the intent to out-perform an established market index.

Tier III

Individual stocks and bonds and thousands of mutual funds (load, no-load, and no-fee/no-load) from a multitude of fund families are available from the Third Party Administrator (TPA) through a Self-Directed Brokerage Account (SDBA). The various types of investments within Tier III are self-managed by participants and are not separately classified by type of investment.