

Fund Facts

Tier III:
**Actively
Managed Fund¹**

Fund Type:
Stable Value

Inception Date:
2/1/1995

Total Net Assets:
\$450.4 million

Expense Ratio:
0.25%

Number of Holdings:
4,463

Underlying Securities
Average Quality:
AA+

Underlying Securities
Average Maturity:
2.2 years

Duration:
2.2 years

Interest Rate Risk:
Below Average

Yield:
2.56%

Trading Restriction:

A trading restriction will be imposed on transfers out of the Stable Value Fund into the Money Market Fund, the Active Inflation-Protected Bond Fund, or Self-Directed Brokerage Account (considered "competing funds"). This means participants cannot transfer dollars directly from the Stable Value Fund to the Money Market Fund, the Active Inflation-Protected Bond Fund, or Self-Directed Brokerage Account. To comply with the restriction, dollars must first be exchanged into stock or other bond funds and remain there for a 90-day period before they can be exchanged into the Money Market Fund, the Active Inflation-Protected Bond Fund, or Self-Directed Brokerage Account.

Investment Objective

The Fund seeks to provide safety of principal while earning a reasonable level of interest income consistent with an underlying portfolio of short to intermediate duration high-quality fixed-income (bond) securities, and liquidity to accommodate participant transactions. There is no assurance that the Fund will achieve its objective. Refer to "Risks" section.

Manager

The Fund is managed by a team of professionals at Galliard Capital Management. Galliard, a wholly owned subsidiary of Wells Fargo & Company, focuses exclusively on providing stable value and fixed income investment management to the institutional marketplace.

Investor Profile

Stable value investments may be appropriate for someone seeking to safeguard principal, earn current income, or balance a portfolio having more aggressive investments. The Fund may be suitable for the investor who is nearing retirement and desires to minimize the volatility associated with other invested assets.

Strategy

This daily valued Fund may invest in a variety of investments. The Fund invests primarily in bank-trusted collective trust funds consisting of high quality, broadly diversified portfolios of fixed income securities. The Fund then enters into wrap contracts with some of the world's leading financial institutions. The purpose of these wrap contracts is to assure principal protection for participant accounts, regardless of the daily market changes within the fixed income portfolios. These contracts are designed to permit participants to transact at book value (principal plus credited interest). However, the Fund is not immune from conditions that impact financial markets and principal stability could be impacted should issuing entities experience financial difficulties. The underlying fixed income portfolios together with the wrap contracts are known as security backed contracts. The Fund may also hold guaranteed investment contracts, bank investment contracts, cash or cash equivalents, bonds, and shares or units in stable value and/or bond collective trust funds. The underlying fixed income securities that the Fund holds may include but are not limited to U.S. government securities, collateralized obligations such as mortgage backed or asset backed securities, corporate debt obligations and derivative investments including futures, options

and swaps. All bonds in the underlying portfolios are rated investment grade by one of the major rating agencies (Moody's, S&P) at the time of purchase. Although the Fund does not participate in securities lending activities, the Fund does have ability to do so as opportunities present themselves. Participants should read the Stable Value Disclosure Document for more detailed information about the Fund's composition.

Risks

The Fund is designed to allow participants to transact at book value (principal plus credited interest). There are a number of risks and events that may positively or adversely affect future yields of the portfolio. The Stable Value Fund faces various types of risk such as default risk, interest rate risk, liquidity risk and event risk. **Default risk** is the risk of an issuer default on principal or interest payments at either a contract issuer (e.g. wrap provider) or underlying security level. This risk is mitigated by investing in high quality assets and contracting with high quality contract issuers as well as focusing on very broad diversification of the underlying securities. **Interest rate risk** in stable value investing is primarily a function of reinvestment of cash flows. Like all fixed income investment options, the Fund is subject to reinvestment rate risk, meaning cash flows are reinvested as received at prevailing interest rates which may be more or less than the current yield of the overall Fund. Additionally, the effect of fluctuating interest rates in the financial markets can impact the Fund's market value. Over time, stable value yields should track the general movements of interest rates with a lag. Participants should expect that when overall interest rates are falling, stable value yields generally do not fall as quickly. Furthermore, when overall interest rates are rising, stable value yields may not rise as quickly. **Liquidity risk** is reflected when the liquidation of securities is necessary to meet the liquidity demands on the portfolio. This risk is mitigated through the structure of the portfolio by allowing for adequate daily liquidity. **Event risk** is the risk of an event that may result in the termination of a wrap contract. Termination of a wrap contract may result in participant transactions occurring at market value, which may be higher or lower than book value. However, due to the nature of public plans and certain contract provisions, the probability of a wrap termination is extremely low. In addition, wrap providers will typically work with the investment manager and the plan sponsor to retain book value coverage, if at all possible, although future crediting rates may be impacted as a result of the event. Participants should read the Stable Value Disclosure Document for more detailed information about risks.

Performance

	1 Year	3 Years*	5 Years*	10 Years*
Stable Value Fund ²	2.62%	2.92%	3.83%	4.56%

Top Bond Holdings

U.S. Treasury Note/Bond, 7/31/2018, 2.25%	1.0%
Fannie Mae Pool 4/1/2016, 4.76%	1.0
U.S. Treasury Inflation Indexed Bonds 4/15/2016, 0.13%	0.9
U.S. Treasury Inflation Indexed Bonds 7/15/2021, 0.63%	0.8
U.S. Treasury Inflation Indexed Bonds 1/15/2021, 1.13%	0.8
Fannie Mae Pool 12/25/2021, 3.00%	0.7
U.S. Treasury Inflation Indexed Bonds 7/15/2019, 1.88%	0.7
Ginnie Mae II Pool, 4/20/2059, 5.64%	0.6
Freddie Mac Gold Pool 8/1/2038, 6.00%	0.6
Fannie Mae Pool 9/1/2025, 4.00%	0.6

Portfolio Structure**

Security Backed Contracts (Wrap Providers)	74.2%
JP Morgan Chase Bank (A+)	22.1%
State Street Bank and Trust (AA-)	20.3%
Royal Bank of Canada (AA-)	15.9%
ING Life Insurance and Annuity Co. (A-)	15.9%
Stable Value Funds	25.8%
Wells Fargo Stable Return Fund (AA-)	25.8%

Underlying Sector Weightings**

Agency MBS	32.2%
Corporates	18.4
U.S. Treasury/Agency	15.6
Asset Backed	7.9
Cash/Equivalents	7.4
Other U.S. Gov't	6.8
CMBS	5.5
Intl. Gov't/Agency	2.5
Taxable Municipal	2.4
GICs	0.8
Municipal MBS	0.5
Non-Agency MBS	0.1

Underlying Portfolio Quality

Distribution**

AAA	79.3%
AA	8.7
A	10.0
BBB	1.9

Glossary

Security backed contracts (SBC): A contract issued by a bank or insurance company in which the contract holder owns an underlying portfolio of fixed income securities backing the contract. A SBC consists of two components: a broadly diversified fixed income (bond) portfolio and an investment contract (commonly referred to as a “wrap contract”). The wrap contract is structured to provide safety of principal and assure participants can transact at book value.

Guaranteed investment contracts (GIC): A contract in which an insurance company guarantees to return the principal amount to the contract holder on a specified date and at a specified rate of interest.

Quality Ratings: Represents bond issuers’ ability to make interest payments and repay principal over time. Rating organizations such as Moody’s and Standard & Poor’s evaluate the credit worthiness of bonds and assign ratings accordingly. Because the financial condition of an issuer can change, rating organizations may downgrade or upgrade ratings over time. The chart to the right serves as a reference.

Duration: Measures a bond or bond portfolio’s price sensitivity to changes in interest rates. The higher the duration number (expressed in years) the greater the interest rate risk.

Yield: The annualized weighted average of the Fund’s current income as of the last day of the month.

*Annualized

**Due to rounding, weightings may not equal 100%.

1 An actively-managed fund tries to produce higher returns than the benchmark index. A professional portfolio manager, typically with one or more analysts, engages in regular in-depth research on the individual securities within a particular area of focus. Actively-managed investment options tend to have higher fees than those that are passively-managed because you are paying the investment manager for his or her expertise and research in deciding which securities to buy or sell and for the potential of achieving higher returns. Actively-managed investment options may also have higher fees due to more frequent trading of securities within the investment option than with a passively-managed one.

2 The performance returns shown reflect all fund management fees and expenses, but does not reflect the Plan administrative fee, which would further reduce the returns shown. All calculations assume reinvestment of dividends and capital gains. All returns are calculated in U.S. dollars.

Plan Administrative Fee - ING Institutional Plan Services (“ING”), the Plans’ record keeper, will deduct an annual record keeping and communication services fee of 18 basis points (0.18%) capped at \$130,000 from your combined account balance on a quarterly basis (0.045% per quarter).

NOT FDIC INSURED - MAY LOSE VALUE - NO BANK GUARANTEE

	Moody’s [†]	Standard & Poor’s ^{††}
Investment Grade		
Highest Quality	Aaa	AAA
High Quality (very strong)	Aa	AA
Upper-Medium Grade Quality (strong)	A	A
Medium Grade Quality	Baa	BBB
Not Investment Grade		
Lower Medium Grade Quality (somewhat speculative)	Ba	BB
Low Grade Quality (speculative)	B	B
Poor Quality	Caa	CCC
Most Speculative	Ca	CC
Imminent Default or Default	C	C, D

[†] The ratings from Aa to Caa by Moody’s may be modified by the addition of 1, 2 or 3 to show relative standing within the category with 1 ranking in the higher end and 3 ranking in the lower end of the category.

^{††} The ratings from AA to CCC by Standard & Poor’s may be modified by the addition of a plus or minus sign to show relative standing within the category.