

FRS Investment Plan Detailed Fund Operations

ING Stable Value Fund (B45)

Asset Class and Objective	Specialty book-valued intermediate bond fund																									
Fund Benchmark	Hueler Analytics Stable Value Pooled Fund Universe Monthly Returns Index																									
Investment Manager	Dwight Asset Management, Inc., 100 Bank Street, P.O. Box 1590, Burlington, VT 05402-1590																									
Marketing Company	ING																									
Restrictions on Transfers	<p>You will face the following transfer/withdrawal (“withdrawal”) restriction:</p> <ul style="list-style-type: none"> If more than 20% of the value of the fund is withdrawn (net of deposits and withdrawals) within any one-year period by FRS participants, then for the next year an “equity wash” restriction on participant transfers will be in effect. When the equity wash is in effect, you would not be able to transfer your money to a competing fund (money market fund or bond fund), without transferring that money first to a non-competing fund where it must remain for at least 90 days. Competing Funds include: FRS Select Yield Plus Money Market Active Fund (M10), Fidelity Retirement Money Market Portfolio (M20), Prudential Stable Value Fund (B25), Invesco Stable Value Fund (B30), Fidelity Intermediate Duration Pool Fund (B35), and Wells Fargo Stable Return Fund (B40). 																									
Investment Philosophy	The ING Stable Value Fund (“ING Fund”) is a broadly diversified commingled fund that invests in stable value investments including GICs and Collateralized/Synthetic GICs. A portion of the underlying collateral for Separate Accounts and Collateralized/Synthetic GICs will be actively managed in order to enhance the returns of the Fund.																									
Research Process																										
Security Selection	<p>The ING Stable Value Fund shall invest in the following:</p> <p>(1) Guaranteed Investment Contracts (GICs) and Bank Investment Contracts (BICs) issued by approved issuers Separate Account Contracts issued by approved issuers</p> <p>(3) Collateralized GICs backed by the following fixed income securities:</p> <p>(a) U.S. Treasuries and other securities having the full faith and credit of the U.S. Government.</p> <p>(b) AAA securities issued by U.S. Government Sponsored Entities</p> <p>(c) AAA securities issued by supranational organizations.</p> <p>(d) Mortgage-backed securities, asset-backed securities, collateralized mortgage obligations, having a credit rating of AAA.</p> <p>(e) Units of CITs, or a separately managed account having credit rating of AAA. Units of CITs having at least an average credit rating of AA.</p> <p>Cash or cash equivalents, including Trustee’s short-term reserve funds.</p>																									
Portfolio Construction	<p>Diversification Guidelines</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Sector</th> <th style="text-align: center;">Target Allocation</th> <th style="text-align: center;">Min/Max Allocation</th> </tr> </thead> <tbody> <tr> <td>GICs/BICs</td> <td style="text-align: center;">10%</td> <td style="text-align: center;">0%/30%</td> </tr> <tr> <td>Separate Accounts</td> <td style="text-align: center;">10%</td> <td style="text-align: center;">0%/30%</td> </tr> <tr> <td>Collateralized GICs:</td> <td style="text-align: center;">75%</td> <td style="text-align: center;">35% / 95%</td> </tr> <tr> <td style="padding-left: 20px;">Passively Managed</td> <td style="text-align: center;">(60%)</td> <td style="text-align: center;">(0%/75%)</td> </tr> <tr> <td style="padding-left: 20px;">Actively Managed</td> <td style="text-align: center;">(15%)</td> <td style="text-align: center;">(0%/50%)</td> </tr> <tr> <td>Cash</td> <td style="text-align: center;">5%</td> <td style="text-align: center;">3% / 7%</td> </tr> </tbody> </table> <p>Per Issuer Limits: (At the time of purchase)</p> <table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 70%;">GICs/BICs</td> <td style="text-align: center;">5%</td> </tr> <tr> <td>Separate Accounts</td> <td style="text-align: center;">10%</td> </tr> </tbody> </table>	Sector	Target Allocation	Min/Max Allocation	GICs/BICs	10%	0%/30%	Separate Accounts	10%	0%/30%	Collateralized GICs:	75%	35% / 95%	Passively Managed	(60%)	(0%/75%)	Actively Managed	(15%)	(0%/50%)	Cash	5%	3% / 7%	GICs/BICs	5%	Separate Accounts	10%
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IMPORTANT NOTE: The information on investment philosophy, research process, security selection, portfolio construction, sell discipline and personnel was provided to the FRS by product marketing companies or investment managers. The FRS has taken this information as given for the purposes of this document.

	U.S. Government or Agency securities	No limit
	Asset-backed securities	5%
	Mortgage-backed securities	
	U.S. Treasury or Agency issued	No limit
	Privately issued	5%
	Minimum Credit Quality: (At the time of purchase)	
	The ING fund may invest in contracts issued by companies approved for new purchases. The underlying securities for Collateralized GICs must be rated AAA by S&P and/or Aaa by Moody's.	
	Duration The target duration of the ING Fund shall be 2.75 years plus or minus 0.5 years.	
	Liquidity The cash position of the ING Fund will be maintained at approximately 5% of assets. All contracts will be benefit responsive on a LIFO basis for Plan Participant initiated events, and will contain a "12 month put" for Plan Sponsor initiated events.	
Sell Discipline	Any security not in compliance with these guidelines will be liquidated as expeditiously as market conditions allow, but in no event over a period exceeding 30 days.	
Portfolio Manager(s)	Investment Experience	Investment Experience
David Richardson, CFA	16 years	Portfolio Manager. He has managed Stable Value portfolios at Dwight since 1987.