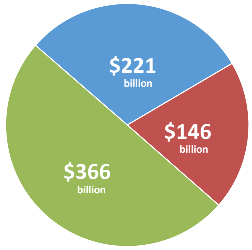
STABLE VALUE MARKET SEGMENTS

SOURCE: SVIA'S STABLE VALUE INVESTMENT & POLICY SURVEY AS OF 12/31/2017

STABLE VALUE ASSETS TOTALED $733 BILLION AS OF 12/31/2017



STABLE VALUE IS A PRINCIPAL PRESERVATION INVESTMENT OPTION USED BY MILLIONS OF PLAN PARTICIPANTS TO ACHIEVE THEIR DESIRED RISK TOLERANCE IN ASSET ALLOCATION. STABLE VALUE INVESTMENT OPTIONS ARE MANAGED IN THREE WAYS: INDIVIDUALLY MANAGED ACCOUNTS, POOLED FUNDS, AND INSURANCE COMPANY GENERAL AND SEPARATE ACCOUNTS. NO MATTER THE TYPE OF MANAGEMENT, ALL HAVE A CONTRACTUAL ELEMENT THAT PROTECTS AGAINST INTEREST RATE VOLATILITY IN ORDER TO PROVIDE PLAN PARTICIPANTS WITH SAFETY, LIQUIDITY, AND ATTRACTIVE RETURNS.

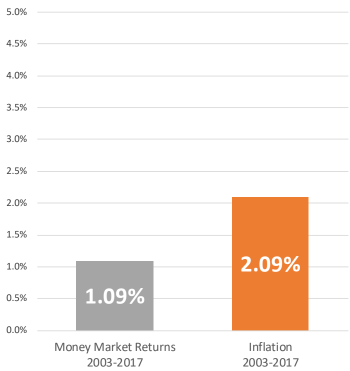
THIS DOCUMENT PROVIDES AN OVERVIEW OF THE THREE DIFFERENT MANAGEMENT TYPES, THEIR PERFORMANCE, AND THE CONTRACT TYPES USED TO DELIVER STABLE VALUE'S GUARANTEE. THE INFORMATION IN THIS DOCUMENT IS NOT EXHAUSTIVE OF THE CHARACTERISTICS OR DIFFERENCES AMONG THESE MARKET SEGMENTS.

	INDIVIDUALLY MANAGED ACCOUNTS	POOLED FUNDS	INSURANCE COMPANY GENERAL AND SEPARATE ACCOUNTS
WHAT IS IT?	Assets owned and managed for a specific plan's participants.	Typically offered by a bank or trust company and combines the assets of unaffiliated plans into one large group.	Offered and guaranteed by a single insurance company.
HOW IS THE PROTECTION PROVIDED?	Synthetic contracts, separate account contracts, and insurance company general account GICs.		A contract offered directly to plans by a single insurance company.
PLAN SPONSOR TERMINATION RIGHTS	Termination at market value at any time. Other wind-down options may also be available.	Termination at book value after a deferral period, often called a put option.	Varies by contract; termination at market value, wind-down and/or put options may be available.

15 YEAR PERFORMANCE

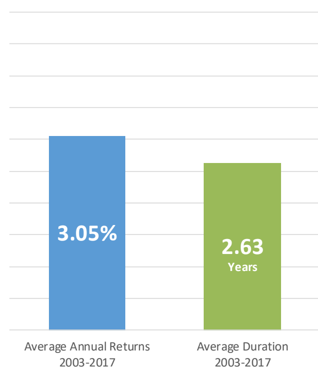
PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS

MONEY MARKET / **INFLATION (CPI)**



INDIVIDUALLY MANAGED ACCOUNTS

POOLED FUNDS



INSURANCE COMPANY GENERAL AND SEPARATE ACCOUNTS

CONTRACT TYPES

TOTAL ALLOCATION ACROSS MARKET SEGMENTS

SYNTHETIC

Assets underlying the contract are owned by the plan

SEPARATE ACCOUNT

Assets owned by the insurance company and held in a segregated account

Plan has right to market value of assets and may have additional protection from general account for any guarantee shortfall

GENERAL ACCOUNT

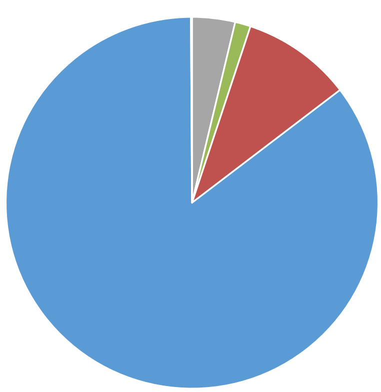
Assets owned by the insurance company and held in their general account

Claims related to general account contracts are pari-passu with policyholders and ahead of general creditors

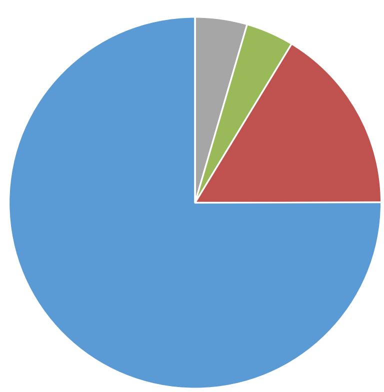
CASH OR EQUIVALENTS

Typically plan includes an unwrapped cash or cash equivalents position for liquidity needs

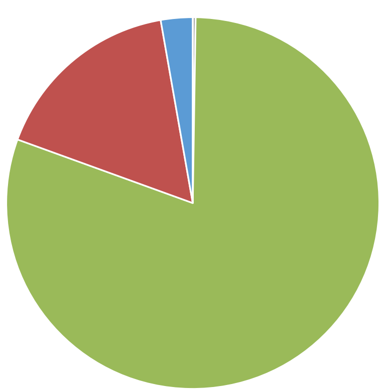
INDIVIDUALLY MANAGED ACCOUNTS



POOLED FUNDS



INSURANCE COMPANY GENERAL AND SEPARATE ACCOUNTS



DISCLAIMER:

The observations and data contained in this fact sheet are intended to be illustrative in nature to give an overview of the stable value industry, as well as to provide relative trend information. These observations and data are reflective of the reporting or survey period only and, as such, are subject to change. This information may not be reflective or applicable to a specific plan's stable value investment option or a specific stable value fund. Further, these observations and data are not intended to constitute nor represent a benchmark. SVIA surveys are an exclusive benefit of membership. Data is confidential. Use of data for external purposes requires the express permission of the association.

STABLE VALUE INVESTMENT ASSOCIATION

202-580-7620 / 1025 CONNECTICUT AVENUE, NW / SUITE 1000 / WASHINGTON DC 20036 / WWW.STABLEVALUE.ORG

Stable value investment options may be offered by investment managers, trust companies or insurance companies in various structures, such as individually managed accounts, commingled funds or insurance company general and separate accounts (also known as guaranteed insurance accounts). Sometimes a stable value investment option will be managed by a plan sponsor. While stable value investment options may be managed or structured in a variety of ways, the important similarity is the use of stable value investment contracts, issued by banks, insurance companies, and other financial institutions, which convey to the investment option the ability to carry certain invested assets at book value.

While all stable value investment options are structured to maintain principal value and minimize return volatility, there may be differences in structure, levels of guarantees, as well as contractual features. The definitions below provide an overview and general characteristics of stable value product segments.

INDIVIDUALLY MANAGED ACCOUNTS

Description
A stable value investment option in which the assets are owned by and managed for a specific plan's participants. These accounts are usually managed by an independent investment management firm or by employees or affiliates of the plan sponsor. Individually managed accounts allow for a higher degree of customization than other stable value investment options.

Types of Stable Value Investment Contracts Used
These accounts may invest in a variety of stable value investment contracts including traditional GICs, separate account GICs , and synthetic GICs. The use of synthetic GICs is predominant in individually managed accounts.

Underlying/Associated Assets
For separate account GICs and synthetic GICs, associated assets typically consist of a diversified, investment grade fixed income portfolio, including but not limited to treasury, government, mortgage, and/or corporate securities of high average credit quality. For traditional GICs, the underlying assets are the same as for guaranteed insurance accounts (described below). The assets backing traditional GICs and separate account GICs are not plan assets, they are owned by the issuing insurance company. For synthetic GICs, associated assets are plan assets.

Crediting Rate Determination
As provided in each investment contract, the crediting rate may remain fixed for the term of the contract (such as with a traditional GIC) or may be reset at predetermined intervals (such as separate account GICs or synthetic GICs) to allow the contract to amortize differences between the book value of the contract and market value of the fixed income investments over time.

Plan Sponsor Contract Termination Rights
For separate account GICs and synthetic GICs, termination at market value is typically allowed at any time. If market value is less than book value, contract termination at book value typically occurs once market valuation equals the book value obligation after a wind-down period, typically over the duration of the bond portfolio. For contracts with a stated maturity (such as a traditional GIC) a surrender charge may be assessed if plan-initiated withdrawal or a termination is made prior to maturity.

POOLED FUNDS

Description
Also known as commingled investment trusts or CITs, a fund that is typically offered by a bank or trust company and combines the assets of unaffiliated plans into one large group. With respect to a stable value investment option that is a pooled fund, the fund would purchase stable value investment contracts and other investments on behalf of the invested, unaffiliated plans. The pooled fund may be offered on a bundled, full-service basis (wherein the manager's affiliates are providing additional services, such as record-keeping, to the invested plan) or an investment-only basis.

Types of Stable Value Investment Contracts Used
These accounts may invest in a variety of stable value investment contracts including traditional GICs, separate account GICs , and synthetic GICs. The use of synthetic GICs is predominant in commingled funds.

Underlying/Associated Assets
For separate account GICs and synthetic GICs, associated assets typically consist of a diversified, investment grade fixed income portfolio, including but not limited to treasury, government, mortgage, and/or corporate securities of high average credit quality. For traditional GICs, the underlying assets are the same as for guaranteed insurance accounts (described below). The assets backing traditional GICs and separate account GICs are not plan assets, they are owned by the issuing insurance company. For synthetic GICs, associated assets are trust assets.

Crediting Rate Determination
As provided in each of the trust's investment contracts, the crediting rate may remain fixed for the term of the contract (such as with a traditional GIC) or may be reset at predetermined intervals (such as separate account GICs or synthetic GICs) to allow the contract to amortize differences between the book value of the contract and market value of the fixed income investments over time.

Plan Sponsor Contract Termination Rights
Participating plans have termination rights detailed under the terms of the trust documents. The fund's trustee typically negotiates plan-initiated termination coverage with the fund's investment contract issuers at book value after a deferral period, often called a put option. Such deferral periods are typically 12-months (i.e., a "12-month put") or 24-months. During any deferral period participant-initiated withdrawals will continue to be made at book value.

INSURANCE COMPANY GENERAL AND SEPARATE ACCOUNTS

Description
Also known as guaranteed insurance accounts, a stable value investment option entirely offered and guaranteed by a single insurance company, with the underlying assets managed by the insurance company, or an unaffiliated investment manager. These investment options are typically offered on a bundled, full-service basis but also can be offered unbundled.

Types of Stable Value Investment Contracts Used
Insurance company general and separate account products may be provided via a group annuity contract or a funding agreement that can be issued either from the insurer's general account or from an insurance company separate account.

Underlying/Associated Assets
Guaranteed insurance account group annuity contracts are usually issued from the insurance company's general account, which is the primary part of an insurance company's balance sheet containing the assets, capital and surplus, and reserves for guaranteed liabilities. The typical investment profile of the general account includes investment grade and high yield fixed income, private placements, derivatives, equities, currencies, and real estate. Other group annuity contracts can be issued from insurance company separate accounts, in which case the investment is first supported by the assets in the segregated separate account and then, to the extent necessary, by the insurer's general account. For guaranteed insurance accounts, underlying assets are insurance company assets. The invested plan owns a group annuity contract, with the obligation to the contract-holder backed by the full financial strength and credit of the issuer. For separate accounts, the assets are owned by the insurance company but set aside for the exclusive benefit of the plan(s) in the separate account.

Crediting Rate Determination
As provided in the investment contract, the crediting rate may be reset at predetermined intervals but, particularly for general account contracts, may not be specifically based on the performance of identifiable underlying assets or it may be indexed. Insurance separate account contract crediting rates are typically reset to allow the contract to amortize differences between the book value of the contract and market value of the fixed income investments over time.

Plan Sponsor Contract Termination Rights
Participating plans have termination rights detailed under the terms of the investment contract. Plan-initiated withdrawals from some insurance company guaranteed insurance accounts may be subject to a deferral period (also known as a put option) to receive book value. Other contracts may offer a series of book value payments over a period of time or have no deferral period and instead offer a lesser of book or market payment option. With some contracts a surrender charge may be assessed. Insurance separate account contracts typically allow a plan-initiated withdrawal to occur at market value at any time; however, if market value is less than book value, contract termination at book value generally occurs once market valuation equals the book value obligation after a wind-down period (i.e., over the duration of the bond portfolio). During any deferral period participant-initiated withdrawals will continue to be made at book value.