

Fixed Income Fund

Investment Objective

This fund seeks to provide a high level of income with guaranteed rates of return. The fund will invest substantially all funds in high-quality investment grade issues focusing on public bonds, private placements, and commercial mortgages. Investments will be diversified by type, industry, and geographic region in order to spread risk. The fund will target investments with five to seven year maturities for yield and one to five year maturities for liquidity purposes.

The Fixed Income Fund offers guaranteed annual interest rates throughout the life of the contract. Window rates for participant directed plans are provided to give consistent, stable returns throughout the year. Two additional provisions of the FIF make it unique:

The Rollout Provision (trustee & participant directed plans)

After the end of the second calendar year, we contractually guarantee to "roll out" no less than 10% of the principal and interest at book value. This amount can be invested elsewhere or redeposited in the current interest cell. The latter option causes the FIF to constantly move toward current rates, keeping rates fresh and consistent with market conditions.

Book Value Transfers (participant directed plans)

Participants may transfer their funds to other non-competing investments at book value. This is available whether it is a Provident Mutual investment or a non-competing investment outside the Provident Mutual investment mix. A prohibited transfer would include the movement of assets from the Fixed Income Fund to:

- Other stable value funds
- Money market funds
- Short-term bond funds

Investment Advisors

Provident Mutual's Investment & Actuarial Departments