Fixed Income Fund

Objective & Structure
The Fixed Income Fund (the “Fund”) is a stable value fund designed for the Cigna Plan that seeks to provide stable crediting rates, while providing the safety of invested assets through the guarantees of the underlying contracts.

The Fund Offers
• A competitive rate of return coupled with a full guarantee of principal and accumulated interest
• Intermediate-term fixed income returns
• Full fee transparency

Description
The Fixed Income Fund is an investment option available under the Cigna 401(k) Plan. The investment option is comprised of the Prudential Guaranteed Long Term Fund (GLTF) issued by Prudential Retirement Insurance and Annuity Company (PRIAC), the Prudential Stable Value Fund (PSVF) issued by The Prudential Insurance Company of America (PICA), Cigna Stable Value issued by Voya Retirement Insurance and Annuity Company (VRIAC) and the MassMutual SYNGIC issued by Massachusetts Mutual Life Insurance Company (MassMutual).

The Fixed Income Fund declared crediting rate represents a blend of the interest rates credited under the contracts that constitute the Fixed Income Fund. Interest is credited at a declared rate of interest that is subject to change annually. Effective January 1st, 2017 to December 31st, 2017, the declared crediting rate on balances in the Fixed Income Fund is 3.00%. This rate is net of a blended expense ratio of 0.47%, inclusive of management and risk charges, as well as custody fees. The blended expense ratio is based on allocation percentages below and the balances in each contract as of the date of this Fact Sheet and is subject to change if the allocation percentages or balances change.

Allocation of the Fixed Income Fund
While the allocations can fluctuate, contributions to and withdrawals from the Fixed Income Fund initially will be allocated 100% to GLTF. Beginning 8/1/17, contributions to and withdrawals from the Fixed Income Fund will be allocated on a pro rata basis to the contracts comprising the Fixed Income Fund.

Beginning with an initial transfer on 8/1/16 and two additional annual transfers in 2017 and 2018, approximately 75% of the assets of the GLTF will be transferred to contracts issued by PICA, VRIAC, and MassMutual, resulting in the following allocations: 25% to GLTF, 25% to PSVF, 33.3% to Cigna Stable Value, and 16.7% to the MassMutual SYNGIC.

The GLTF is a general account group annuity contract. Principal and interest are guaranteed by PRIAC. GLTF invests in a broadly diversified fixed income portfolio within PRIAC’s general account. The portfolio is primarily invested in public bonds, commercial mortgages and private placement bonds. The fund offers a competitive rate of return coupled with a guarantee of principal and accumulated interest, intermediate-term fixed income returns, returns guaranteed not to fall below a stated minimum and full fee transparency.

The PSVF is a combination of a group annuity contract issued by PICA, and an investment in certain underlying funds which consist of public bonds, commercial mortgages and private placement bonds. The fund offers a competitive rate of return coupled with a guarantee of principal and accumulated interest, intermediate-term fixed income returns, returns guaranteed not to fall below a stated minimum and full fee transparency.

Cigna Stable Value is a separate account contract that combines an underlying fixed income investment strategy with a group annuity insurance contract, issued by VRIAC, a member of the Voya Financial™ family of companies. The insurance contract provides a guarantee of principal and accumulated interest. Deposits made to Cigna Stable Value and existing assets are credited with a stated rate of interest that is announced periodically and may vary from period to period, but will never fall below the minimum guaranteed rate of 0.0%. Cigna Stable Value investment funds are allocated to a separate account established by VRIAC in accordance with the insurance statutes of Connecticut, its state of domicile. The separate account is managed by Voya Investment Management Co. LLC, an affiliate of VRIAC, and primarily invests in a diversified portfolio of fixed income assets. This diversified fixed income portfolio seeks to maintain a high overall average credit quality.

The MassMutual SYNGIC is made available through an investment arrangement known as a synthetic guaranteed investment contract. The arrangement consists of a custodial account owned by the plan that invests in a broadly diversified portfolio of fixed income securities and a MassMutual synthetic GIC contract that wraps the custodial account portfolio to provide guarantees of principal and credited interest to the Fixed Income Fund. Babson Capital Management, LLC, an affiliate of MassMutual, is the investment adviser to the custodial account. The MassMutual SYNGIC is designed to provide a credited interest rate that, over time, reflects the performance of the assets in the custodial account portfolio. Amounts allocated by the plan to the MassMutual SYNGIC are credited with a guaranteed interest rate that is reset at least annually. Guarantees are contingent upon the claims paying ability of Massachusetts Mutual Life Insurance Company. The interest rate reset process is structured to provide alignment between the MassMutual SYNGIC contract’s book value account balance (which reflects MassMutual’s portion of plan participant balances in the Fixed Income Fund) and the market value of the custodial account assets, over a period equal to the duration of the assets in the custodial account. In no instance will the book value account interest rate fall below 0%.

See reverse side for important disclosure information.
Cigna Stable Value is offered through a group annuity contract issued by Voya Retirement Insurance and Annuity Company (VRIAC). Stability of principal is the primary objective of this investment option. VRIAC guarantees a minimum rate of interest and may credit a higher interest rate from period to period. The credited interest rate is subject to change, up or down, but will never fall below the guaranteed minimum. The guarantees provided by the contract are based on the claims-paying ability of VRIAC. The assets are held in a separate account and are "insulated" from claims arising out of any other business conducted by VRIAC and can be used only for the benefit of plan participants. Withdrawals resulting from employer-initiated events, such as withdrawals following mass layoffs, employer bankruptcy or full or partial plan termination may be restricted. Your stable value account balance is not guaranteed by the Federal Deposit Insurance Corporation (FDIC), by any other federal government agency or by your plan. This portfolio is not a registered investment under the 1940 Act and has not been registered with the Securities and Exchange Commission.

Under the MassMutual SYNGIC arrangement the portfolio of investments in the custodial account are owned by the plan’s trustee and are not subject to investment risk related to MassMutual’s general investment account or claims arising from any other business of MassMutual. Withdrawals resulting from employer-initiated events, such as withdrawals following significant layoffs, employer bankruptcy or full or partial plan termination may be paid based on the market value of custodial account assets. Also, if the MassMutual SYNGIC arrangement is terminated (totally or partially), and the market value of the custodial account portfolio is removed from the MassMutual SYNGIC arrangement, the plan may elect to reflect any difference between the value of custodial account assets and the MassMutual SYNGIC book value account balance that is reflected in participants’ Fixed Income Fund balances. These events could cause a decrease or increase in participant account balances. Under these events it is possible to lose money. Guarantees are based on the claims paying ability of Massachusetts Mutual Life Insurance Company and are not insured by the Federal Deposit Insurance Corporation (FDIC) or any other federal government agency.

Frequent exchanging between plan investment options may harm long-term investors. Your plan or the plan’s investment funds may have provisions to deter exchanges that may be abusive. These policies may require us to modify, restrict or suspend purchase or exchange privileges and/or impose redemption fees.

While the Fixed Income Fund is an investment option under the Cigna 401(k) Plan, it is not a mutual fund or any other discrete legal entity. Rather, the Fixed Income Fund is simply a mechanism by which the crediting rates under the contracts constituting the Fixed Income Fund are blended. That blending is done according to percentages established by the Cigna 401(k) plan.

Guarantees are based on the claims-paying ability of the issuing company.

The Fixed Income Fund under the Plan is operated by the Cigna Retirement Plan Committee who has claimed an exemption from the definition of the term "commodity pool operator" under the Commodity Exchange Act and who, therefore, is not subject to registration or regulation as a pool operator under the Commodity Exchange Act.

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