

A Guide to Our Investment Process

How We Manage Money

Our unique, active management strategy differs from buy-and-hold methodologies. But we don't pretend to predict the market—that would be foolish. Rather, our proprietary process is based on science and discipline. Stadion's investment strategy seeks to capture most of the market's good times and miss most of its bad times. We do this by actively managing risk through tactical asset allocation.

The Rules We Invest By

1. Invest when we have an edge.

Quantitative Technical Model

- Our model's 12 primary *Weight of the Evidence* indicators determine market risk levels, such as advance/decline measures, new highs/new lows, and changes in interest rate.
- The combination of market risk and indicator data govern our allocation management.



2. Invest only in the leaders.

ETF Selection

- Over 600 ETFs with six months minimum trading.
- Our investment decisions are based on a combination of rankings and scoring systems.
- We invest in leading asset classes.



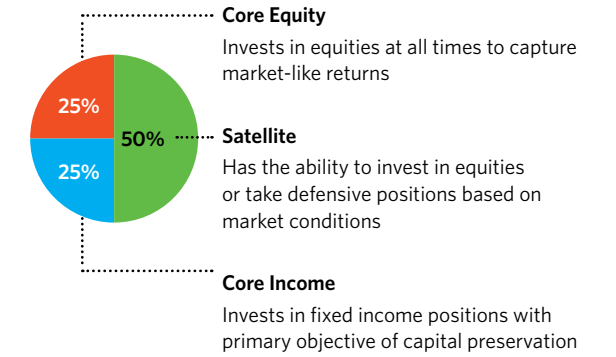
3. Reduce exposure to manage risk.

Sell Criteria

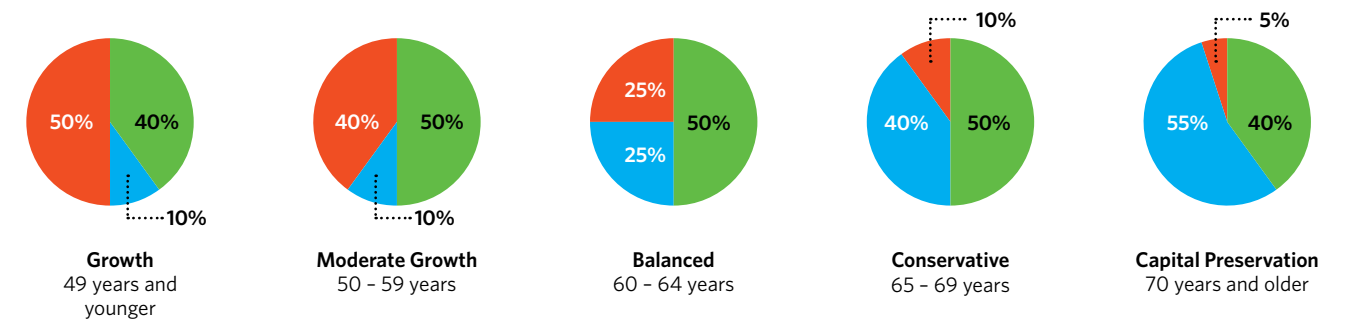
- Positions are managed individually with sell criteria.
- Each of our four market risk levels have their own set of dynamic sell criteria.
- This step differentiates us the most from many other investment managers.

Core-Satellite Approach

In addition to our active account management, we utilize core-satellite portfolio structures. This allows us to keep a portion of the account (the "core") strategically allocated and invested at all times. We then actively manage the remainder of the account (the "satellite") according to market conditions. When our investment decision model indicates that risk levels are high, we reduce our equity exposure. Conversely, when risk levels are low, we increase our equity positions.



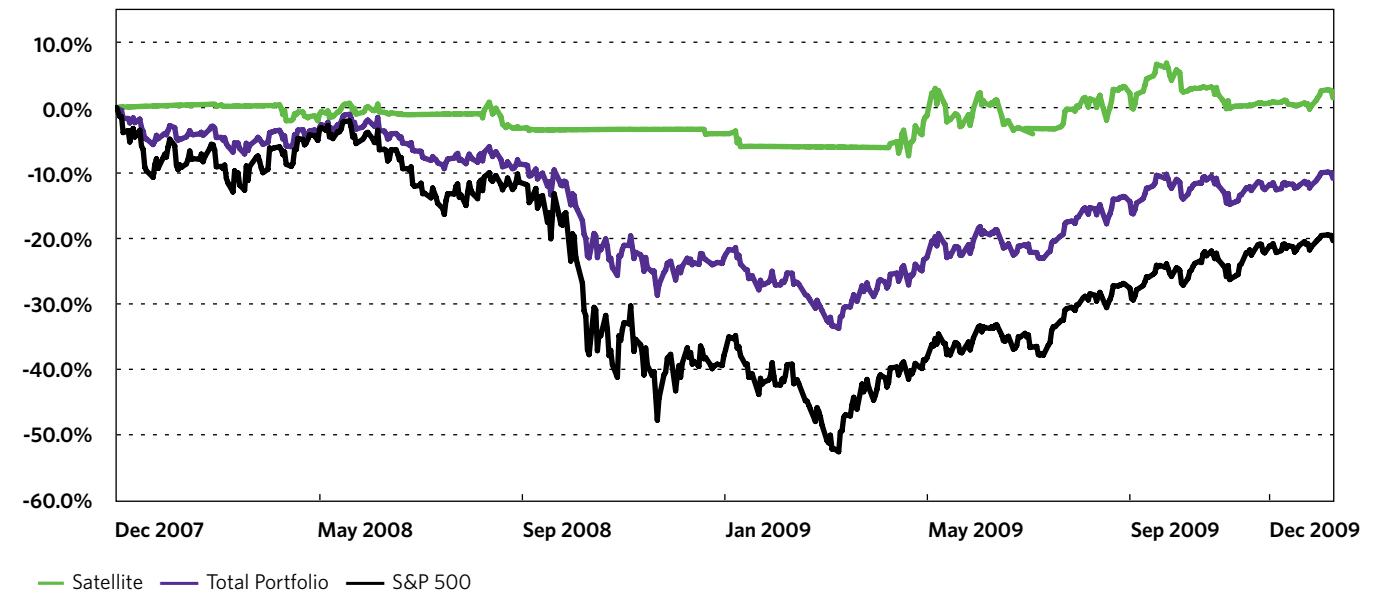
Sample Age-Based Portfolios



Sample of Portfolio Holdings

The chart below demonstrates our management approach in action. It shows how the satellite and total portfolio for our Growth Managed Account performed against the S&P 500 in 2008 and 2009.

Performance Period (12/31/07—12/31/09)



There are additional costs and potential risks associated with investing in domestic and international Exchange-traded Funds (ETFs). Investments in equities, including ETFs, are subject to market risks, sector risks, tracking risks, ETF net asset value and market price risks. Additionally, investors will indirectly bear fees and expenses charged by the underlying ETFs in which a Stadion portfolio invests.

International investing involves certain risks not usually associated with domestic investing, including currency fluctuation, economic and political volatility, foreign taxation and differences in financial standards.

There is no guarantee that this investment strategy will succeed, the strategy is not an indicator of future performance and investment results may vary. The investment strategy presented is not appropriate for every investor and individual clients should review with their financial advisors the terms and conditions and risk involved with specific products or services.

The Active Account Management strategy uses a "Core/Satellite" structure. This strategy maintains a "core" position, or approximately a 50% to 60% blend of equity, fixed, and short term investments with the blend depending on the risk profile of the participant. The remaining percentage, or "satellite," exposure is tactically allocated with the Stadion Satellite Funds. The Satellite funds invest in Exchange Traded Funds (ETFs) and short term investments based upon market conditions and risk levels of the market as determined by Stadion's proprietary risk model as well as the risk profile of the participant.

The equity exposure is typically highest in the Growth profile and lowest in the Capital Preservation profile.

Performance shown is for a representative account funded by Stadion and managed on the one of our vendor partner's recordkeeping platform using the strategy indicated (each a "Representative Account"). Representative Accounts have access to all fund options available under the retirement plan product. Some 401(k) plans offer different funds to select from, and managed 401(k) account performance will vary because of this difference in fund choices. Representative Accounts had no external cash flows (deposits or withdrawals) during the reporting period. Returns for the Representative Accounts are time weighted, total returns and are net of (i) Stadion's investment advisory fees (assumed to be 1.5% per year although actual fees may be less) and (ii) the fees and expenses of underlying funds. Returns for the Representative Accounts and Market Indexes assume reinvestment of all dividends and distributions.

Stadion's Investment strategies are not managed against a benchmark. However, the performance of the S&P 500 is used for comparison purposes. The S&P 500 is a market-weighted index that represents the performance of a group of stocks of 500 companies chosen by Standard & Poor's based on market size, liquidity, and industry group representation. The S&P 500 Index is not available for direct investment and there are no trading expenses associated with the index. Inception dates provided for the market indexes are shown for comparative purposes only. Actual inception dates of each index vary.

Investment management services are provided by Stadion Money Management, Inc., a registered investment advisor. Stadion is neither an affiliate nor a member of the retirement plan provider.



Stadion Money Management
1061 Cliff Dawson Road
Watkinsville, GA 30677
tel 1 800 222 7636
www.stadionmoney.com

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