



Notice on Money Market Investment Option June 2009

The Money Market Investment Option currently uses the JP Morgan US Government Money Market Fund as the investment asset. This fund was chosen because the safety and stability of the underlying assets are supported by the full faith and credit of the US Government.

Recent events in the financial markets have led the Federal Reserve to drop interest rates to all-time lows. With short-term treasury yields hovering near 0% the interest rate in the Money Market Investment Option has been directly affected. The underlying investments in government securities are yielding a positive return on a monthly basis however the return is so low that when the OMRF expense ratio is applied, the fund has a small negative return. For example, in March the investment's returned a +.01%. But with the OMRF expense ratio the net return was -.01%.

The OMRF staff and trustees along with our investment consultant worked diligently over the last couple of months to address this issue. On May 29th, in consultation with the investment consultant, the OMRF trustees approved the addition of another money market fund for the Money Market Investment Option. Effective immediately 50% of the assets will remain in the existing US Government Money Market Fund and 50% of the assets will be invested in the Goldman Sachs Financial Square Prime Obligations Fund. This will help participants retain the safety and stability of US Government issued securities while obtaining a higher yield from the Goldman Sachs Financial Square Prime Obligations Fund. The Goldman Sachs fund invests in short-term notes, commercial paper, and CDs issued by the US Government and corporations. The new fund maintains the highest credit quality possible and over 95% of the issues mature within 1 year. However this fund should incrementally improve the Money Market Investment Option's yield.

Participants in the Money Market Investment Option will not need to make any kind of election or complete any forms. This change just affects the underlying assets of this investment option. As always, OMRF appreciates the opportunity to serve our member cities and towns and the plan participants. If there any questions regarding the Trustee's action, please feel free to call the OMRF offices at 1-888-394-6673.