

Trading Restrictions and Redemption Fees

Please read this entire disclosure for information on mutual fund-specific trading restrictions, international equity fund and emerging markets fund restrictions, and mutual fund redemption fees.

Trading restrictions and redemption fees apply to certain investment options in the Plan. Please review the following before making any trades in funds that have trading restrictions or are subject to redemption fees. Where applicable, trading restrictions will limit a participant's right to exchange into an investment option but will not limit a participant's ability to sell or exchange from a fund. If you have any questions concerning these trading restrictions or redemption fees, please contact the HELPLINE at 1-800-422-8463 for assistance.

Mutual Fund-Specific Trading Restrictions

A number of the Plan's mutual funds require the Plan's assistance in enforcing fund-specific guidelines. Fund-specific guidelines are typically included in a fund's prospectus and are subject to change. For purposes of trading restrictions, the following transactions are generally not considered: purchases due to deferrals or rollovers in, dividend reinvestments, plan mapping, or sales due to distributions or fee payments. A "round trip" is defined as an exchange into a fund followed by an exchange out of the fund.

Exchanges in excess of those designated by the mutual fund could result in a warning or a prohibition of future exchanges into the specific fund. The following mutual funds enforce the following specific trading restrictions:

Fund Company	Fund	Restriction imposed following	Restriction: Participant transfers/exchanges to that same fund are
Columbia	Acorn USA	2 round trips in 28 days within the fund	Suspended for 90 days
Hartford	Capital Appreciation	3 round trips in 90 days within the fund	Suspended for 90 days
T. Rowe Price	All T. Rowe Price Funds	2 round trips in 90 days within the fund	Suspended for 90 days
Vanguard	All Vanguard Funds	Any exchange out of a Vanguard fund	Suspended for 60 days
Wells Fargo	Small Cap Value	1 round trip in 30 days within the fund	Suspended for 30 days

Trading that is deemed excessive, including mutual funds not in the above chart, may result in suspension of buy exchange privileges at the request of the mutual fund or by subjective review of the Administrative Service Agency.

Fund prospectuses can be obtained by calling the HELPLINE at 1-800-422-8463 or on the Plan website at www.nysdcp.com. Before investing, carefully consider the fund's investment objectives, risks, and charges and expenses. The fund prospectus contains this and other

important information. Read the prospectuses carefully before investing.

Please contact the **HELPLINE** for the most up-to-date information on those funds that are enforcing trading guidelines and to obtain the specific guidelines.

International Equity Funds and Emerging Markets Fund Restrictions

A 60-day re-purchase restriction is applicable to both of the Plan's developed-market International Equity Funds. Participants are permitted to exchange assets from either of the International Equity options, but are not able to re-purchase shares in these funds during the following 60 calendar-days. Direct transfers are not permitted between the International Equity Fund – Active Portfolio and the International Equity Fund – Index Portfolio and an exchange out of either of these fund options will prohibit an exchange into either fund for a 60-day period.

The 60-day re-purchase restriction also applies to the Morgan Stanley Emerging Markets Portfolio. Participants are permitted to exchange assets out of the Morgan Stanley Emerging Markets Fund, but are not able to re-purchase shares in this fund during the following 60 calendar-days. Please also refer to the redemption fee information below.

Mutual Fund Redemption Fees

A number of mutual fund companies impose mandatory, fund-specific redemption fees. Plan participants should be aware that the Plan is required to administer redemption fees on behalf of the mutual funds that impose them. A redemption fee is assessed when shares in a mutual fund are bought and sold within a specific time frame. The following chart shows those funds that currently impose redemption fees. The mutual funds that impose a redemption fee, the amount of the fee, and the minimum holding period can change at any time.

Fund	Redemption Fee	Ticker	Minimum Holding Period
Vanguard Capital Opportunity	1%	VHCAX	1 year
Vanguard Prime Cap	1%	VPMAX	1 year
MSIF Emerging Markets Portfolio	2%	MGEMX	30 days

Categories of transactions affected vary by fund.