

Government/Credit Bond Fund

Benchmark

BarCap US Govt/Credit TR USD

Investment Information

Investment Strategy from the Management Company

The Government/Credit Bond Fund seeks to replicate the return and risk characteristics of the Barclays Capital U.S. Government/Credit Bond® Index.

The Barclays Capital U.S. Government/Credit Bond® Index measures the performance of U.S. government, government-related and investment grade U.S. corporate securities. The fund is managed using a "passive" or "indexing" investment approach which attempts to match, before expenses, the performance of the index. In some cases, it may not be possible or practicable to purchase all of the securities in the index, or to hold them in the same weightings. Sampling or optimization techniques may be employed to construct the portfolio while limiting the transaction costs associated with the trading of securities in the portfolio. The Fund's returns may vary from the returns of the Index.

Operations and Management

Expense Ratio	0.03
Fund Inception Date	12-31-10
Total Fund Assets (\$mil)	379.04
Management Company	State Street Global Advisors
Telephone	800-243-8135, follow the Retirement & Investments prompts
Web Site	www.mydirectory.com/utc

Category Description: Intermediate-Term Bond

Intermediate-term bond funds have average durations that are greater than 3.5 years and less than six years. Most of the funds rotate among a variety of sectors in the bond market, based upon which appear to offer better values. Whatever types of bonds they hold, these funds are less sensitive to interest rates, and therefore less volatile, than funds that have longer durations.

Volatility Analysis



In the past, this investment has shown a relatively small range of price fluctuations relative to other investments. Based on this measure, currently more than two-thirds of all investments have shown higher levels of risk. Consequently, this investment may appeal to investors looking for a conservative investment strategy.

Notes

Performance prior to 12/31/2010 illustrated here is included for informational purposes only. This information is based on the portfolio of a collective investment trust managed by State Street Global Advisors with substantially similar investment objectives and benchmark to the Government/Credit Bond Fund.

Performance



Performance History

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	12-12
Total Return %	—	—	—	2.36	3.80	7.29	6.01	4.76	6.73	7.90	4.69
+/- Benchmark	—	—	—	-0.01	0.02	0.07	0.30	0.24	0.14	-0.84	-0.13

Fund Rank Percentile

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	12-12
Fund Rank Percentile	—	—	—	20	60	7	5	95	66	9	78

Out of # of funds

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	12-12
Out of # of funds	—	—	—	1043	1092	1097	1135	1123	1164	1195	1165

Performance Quartile

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	12-12
Performance Quartile (within category)	—	—	—	III							

Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For more current information including month-end performance, please call AccessDirect at 1-800-243-8135 and follow the Retirement & Investments prompts or visit www.mydirectory.com/utc. Please refer to the performance section of the disclosure page for more information.

Portfolio Analysis

Composition as of 12-31-12



Morningstar Style Box™ as of 12-31-12



Top 10 Holdings as of 12-31-12

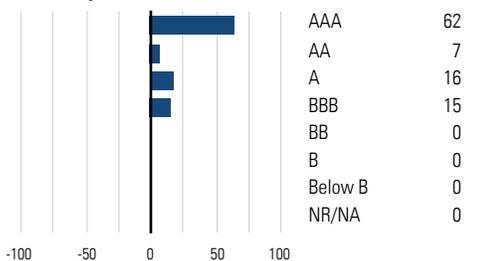
	% Assets
US Treasury Note 0.125% 07-31-14	0.95
US Treasury Note 2.625% 08-15-20	0.71
US Treasury Note 0.25% 08-31-14	0.63
US Treasury Note 0.625% 08-31-17	0.63
US Treasury Note 3.375% 11-15-19	0.63
US Treasury Note 0.5% 07-31-17	0.58
US Treasury Note 2.375% 02-28-15	0.58
US Treasury Note 2.125% 08-15-21	0.57
US Treasury Note 1.5% 07-31-16	0.56
US Treasury Note 2% 11-15-21	0.56

	% Assets
Total Number of Stock Holdings	0
Total Number of Bond Holdings	3221
Annual Turnover Ratio %	10

Morningstar F-I Sectors as of 12-31-12

	% Fund	% Category
Government	65.06	22.12
Corporate	31.24	33.03
Securitized	0.30	27.15
Municipal	1.38	1.71
Cash & Equivalents	2.01	10.68
Other	0.00	5.29

Credit Analysis as of 12-31-12



Disclosure

The UTC Savings Plans are "participant directed individual account plans" within the meaning of Section 404(c) of ERISA. As a result, the fiduciaries of the plans shall not be liable for any losses that result from an individual participant's investment decisions.

Performance data represents past performance and should not be considered indicative of future results. Principal value and investment return will fluctuate, so that an investor's shares when redeemed may be worth more or less than the original investment. Portfolio statistics change over time. The investment options offered through the UTC Savings Plans are not FDIC-insured, may lose value and are not guaranteed by a bank or other financial institution. Principal balances in the Income Fund are guaranteed by insurance company contracts. However, the stated interest rate of the Income Fund may fluctuate over time and is subject to periodic adjustment.

Performance

Total return reflects performance without adjusting for sales charges or the effects of taxation, but is adjusted to reflect all actual ongoing investment option expenses and assumes reinvestment of dividends and capital gains.

The investment option's performance may be compared with that of an index. The index is an unmanaged portfolio of specified securities and the index does not reflect any initial or ongoing expenses. An investment option's portfolio may differ significantly from the securities in the index.

Private Funds: Some of the returns and Morningstar proprietary calculations may be based on pre-inception returns and are hypothetical. Morningstar may use the performance of the underlying investment vehicle for the prior periods, making adjustments to those returns for any difference in fee structure. The evaluation of this investment does not affect the retail mutual fund data published by Morningstar. This investment's metrics are compared against the retail mutual fund universe breakpoints to determine its hypothetical category related statistics.

Expense Ratio

This is the percentage of fund assets paid for operating expenses and management fees on an annual basis. The expense ratio typically includes the following types of fees where applicable: accounting, administrator, advisor, auditor, custodial, legal, organizational, professional, registration, shareholder reporting, sub-advisor, transfer agency and trustee. The expense ratio does not reflect the fund's brokerage commissions or other transaction costs nor would it include any form of sales charges if applicable.

Risk Measures

Standard deviation is a statistical measure of the volatility of the fund's returns. Based on historical results, an investment with a higher standard deviation indicates a wider range of investment returns than an investment with a lower standard deviation.

Morningstar Volatility Analysis

Morningstar classifies investment portfolios as having one of three volatility levels relative to all types of mutual funds: Low, Moderate, and High. Investments with wider ranges of historical returns are labeled "high" as they are considered riskier than "low" volatility investments, which have had smaller ranges of returns over time. Morningstar also shows where a portfolio's category lands. For portfolios that have not been in existence for three years, Morningstar only illustrates a category average.

Morningstar Style Box™

The Morningstar Style Box reveals a fund's investment strategy as of the date noted on this report. For equity funds the vertical axis shows the market capitalization of the long stocks owned and the horizontal axis shows investment style

(value, blend, or growth). For fixed-income funds, the vertical axis shows the credit quality of the bonds owned and the horizontal axis shows interest rate sensitivity as measured by a bond's effective duration. For corporate and municipal bonds, Morningstar surveys credit rating information from fund companies on a periodic basis (e.g., quarterly). In compiling credit rating information, Morningstar instructs fund companies to only use ratings that have been assigned by a Nationally Recognized Statistical Rating Organization (NRSRO). If two NRSROs have rated a security, fund companies are to report the lowest rating to Morningstar. If a rating is unavailable or unpublished, then the security or issuer is categorized as Not Rated/Not Available. US Government Securities issued by the US Treasury or US Government Agencies are included in the US Government category. PLEASE NOTE: Morningstar, Inc. is not itself an NRSRO nor does it issue a credit rating on the fund. An NRSRO rating on a fixed-income security can change from time-to-time.

Investment Risk

Foreign Securities Funds/Emerging Market Funds: The investor should note that investments in foreign securities involve special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

Non-Diversified Portfolios: The investor should note that investments in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investments. The UTC Common Stock Fund is one example of a non-diversified portfolio.

Small & Mid Cap Stocks: The investor should note that investments in stocks of small and mid-sized companies involve additional risks. Small and mid-sized companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, small and mid-sized company stocks have experienced a greater degree of market volatility than the overall market average. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

Fund of Funds: The investor should note that investment options with mutual funds or other commingled investment vehicles in its portfolio may be subject to the expenses of those vehicles in addition to those of the investment option itself.

Active Management: The investor should note that active investment management may involve additional risks. These include, but are not limited to asset allocation, security selection, and timing risk. Actively managed investment options are often subject to higher expenses than passively managed investment options. Actively managed investment options may not outperform passive investment options on a net-of-fee basis. Investment options offered through the UTC Employee Savings Plan include a mix of actively and passively managed portfolios subject to a range of fees and expenses. Please refer to the documentation available on these investment options for more details.

Securities Lending: Investment options offered through the UTC Employee Savings Plan may or may not participate in securities lending programs. As a participant in a program, a portfolio lends individual securities to financial institutions against receipt of collateral. Cash collateral pledged by borrowers may be re-invested in short-term investment vehicles. Re-investment of cash collateral carries with it investment risk and in limited circumstances the potential loss of principal.

Target Retirement Fund Benchmarks

The benchmark for a Target Retirement Fund is a customized benchmark that has the same asset allocation as the Fund's target asset allocation and uses index returns to represent performance of the asset classes. The benchmark returns were calculated by weighting the monthly index returns of

each asset class by the Fund's monthly target allocation for each asset class. Target allocations adjust quarterly in accordance with the Fund's standard glide path. The S&P 500 Index was used to represent US large cap equities, Russell Small Cap Completeness to represent US small/mid cap, MSCI EAFE to represent Non-US equities, MSCI Emerging Markets Index to represent Emerging Market equities, Barclays Capital US Government & Credit Index to represent Intermediate Duration Bonds, Barclays Capital US TIPS to represent Inflation Protected Securities and Barclays Capital US Treasury (1-3 Y) to represent Short Duration bonds. Third-party, trademarks and service marks belong to their respective owners. AllianceBernstein provided the information on its custom benchmark.

Additional Information

For more information about investment options offered through the UTC Savings Plan, visit www.mydirectory.com/utc, or call AccessDirect at 1-800-243-8135 and follow the Retirement & Investments prompts. Investment objectives, risks, charges, expenses, and other important information about an investment option are contained in the supporting documentation available for each investment option; read it carefully before investing and consider seeking independent investment advice if appropriate.