

BOND MARKET INDEX FUND

As of December 31, 2008

Investment

Objective: The Bond Market Index Fund seeks to replicate the returns and characteristics of the Lehman Brothers U.S. Aggregate Index. Contributions to the Fund are invested in the Barclays Global Investors Bond Index Fund.

Investment Style: The Fund employs a passive bond index strategy that is invested in a diversified portfolio and is representative of the broad U.S. bond market. Since complete replication of the Index is not economically practical, a stratified sampling approach is employed to build the Fund portfolio. The portfolio's characteristics closely resemble those of the Index.

Performance		<u>Fund*</u>	<u>Barclays</u>
Thru 12/31/08:			<u>Aggregate Index</u>
	One Year	5.4%	5.2%
	Three Years	5.6	5.5
	Five Years	4.7	4.7

*Time-weighted rates of return, net of investment fees.

Quality

Diversification:	AAA	80.9%	BBB	6.7%
	AA	3.1	Below BBB	0.0
	A	9.3		

Sector Weightings:	Mortgage-Backed	39.7%
	Government	34.6
	Corporate Bonds	17.7
	Non-US Credit	3.6
	Commercial MBS	3.6
	Asset Backed	0.6
	Taxable Municipals	0.2

Characteristics:	Portfolio Assets	\$2.4 B
	Average Quality	AAA
	Average Yield	5.1%
	Effective Duration	4.11 years

Manager: Barclays Global Investors is located in San Francisco, California.

Annual

Investment Fee: Approximately 0.06%