

BOND MARKET INDEX FUND

As of December 31, 2007

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	Fund*	Lehman
Thru 12/31/07:		<u>Aggregate Index</u>
One Year	7.1%	7.0%
Three Years	4.6	4.6
Five Years	4.5	4.4

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

Quality

Diversification:	AAA	79.4%	BBB	7.2%
	AA	5.2		
	A	8.2		

Sector Weightings:	Mortgage-Backed	38.7%
	Government	32.2
	Corporate Bonds	19.4
	Commercial MBS	5.6
	Non-US Credit	3.1
	Asset Backed	0.8
	Taxable Municipals	0.2

Characteristics:	Portfolio Assets	\$2.3 B
	Average Quality	AAA
	Average Yield	5.3%
	Adjusted Duration	4.5

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

Annual Investment Fee: Approximately 0.06%