



Defined Contribution

Internal Revenue Code
(IRC) Section 401(a)

Investment Option Detail Sheet

Daily Government/
Corporate Bond Fund

A fund that attempts to match or exceed the return of the Lehman Brothers Government/Credit Bond Index.

Fund descriptions and the fund's top ten holdings are updated approximately every 6 months. Fund return results are reported quarterly and are included with participant account statements.

For information on available investment options, please visit our Web site at www.state.ak.us/drj. Under "Programs", click on the "Defined Contribution Retirement Plan" line; then on the next page, under "Publications", click on "Investment Options". Please Note: Adobe Acrobat Reader is required to download and view Investment Option Detail Sheets. You can print a copy of any sheet directly from your Web browser; if you are unable to do so, please call DRB at 1-800-821-2251 or 465-4460 from Juneau.

Daily Government/Corporate Bond Fund¹

Investment Objective

To match or exceed the return of the Lehman Brothers Government/Credit Bond Index by employing an enhanced bond indexing strategy which adds consistent value through a disciplined, quantitative investment process.

How the Fund Works

The fund invests only in investment grade securities, and the average credit quality of the fund's holdings is AA. The fund does not use strategies tied to changes in the direction of interest rate movements or illiquid securities. Instead, the fund identifies sources of incremental returns that are repeatable and manages those sources to earn returns above those of the benchmark. Much of the fund's incremental return is derived by opportunistic trading and advantageous issue and sector selection.

Investor Profile

The investor receives exposure to a broad-based, investment-grade fixed income universe through superior portfolio structure and strategies

Fund Benchmark

Lehman Brothers Government/Credit Bond Index. The Lehman Brothers Government/Credit Bond Index is an unmanaged, market-weighted index generally representative of intermediate and long-term government and investment grade corporate debt securities having maturities of greater than one year.

Fund Management

State Street Global Advisors manages the Daily Government/Corporate Bond Fund. State Street Bank and Trust Company, a wholly-owned subsidiary of State Street Boston Corporation, is one of the nation's largest managers of institutional assets with over \$1,500 billion in assets

under management. State Street Global Advisors (SSGA), the institutional investment management area of State Street, was established in 1978.

Since then, their focus has been on providing comprehensive, highly disciplined, risk-controlled investment strategies to the global marketplace. Their customers include corporate, union and public pension plans; endowments; foundations; and other financial institutions in the U.S. and abroad.

The single feature that distinguishes State Street Global Advisors is their extensive experience in applying sophisticated, computerized techniques to portfolio management. These proven methods have been developed in-house and serve as the foundation for all their investment strategies. These strategies are a product of the combined experience of a professional staff, highly skilled in both fundamental and quantitative techniques. By combining computer-driven analysis with professional judgement, they create innovative systems-based investment products. Their portfolio managers work together as a cohesive team to develop and enhance techniques that drive their investment process.

On a weekly basis, portfolio managers meet to formally review portfolios and procedures. Frequent evaluation of their procedures occasionally results in the need for tactical shifts in their approach.

¹ The Daily Government/Corporate Bond Fund is not a mutual fund. It is a common trust fund and its units are exempt from registration under the Securities Act of 1933.

Information provided directly by State Street Global Advisors.

State Street Global Advisors is a bank as defined by the Investment Advisers Act of 1940 and is therefore exempt from registration under the Act.

Alaska PERS/TRS Defined Contribution Retirement Plan

Daily Government/Corporate Bond Fund

(managed by State Street Bank & Trust Company)

Sector Weightings as of 03/31/2007

	% of portfolio
1. U.S. Credit	32.27%
2. Mortgage-Backed	24.95
3. Asset Backed	23.29
4. Government	19.13
5. Commercial MBS	0.36

This investment option is not registered with the Securities and Exchange Commission.

While the information contained herein is believed to be reliable, it is not guaranteed as to completeness or accuracy.

Holdings and composition of holdings are subject to change.

Funds may impose redemption fees, and/or transfer restrictions, on certain transfers, redemptions or exchanges if assets are held less than the period stated in the fund's prospectus or other disclosure documents. For more information, please refer to the fund's prospectus and/or disclosure documents.

Securities, when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company. GWFS Equities, Inc., or one or more of its affiliates, may receive a fee from the investment option provider for providing certain recordkeeping, distribution, and administrative services.

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