



Defined Contribution

Internal Revenue Code
(IRC) Section 401(a)

Investment Option Detail Sheet

Government/Credit
Bond Index 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.

Government/Credit Bond Index Fund¹

Investment Objective

To provide high current income and some potential for capital appreciation while minimizing risk through a highly diversified portfolio of high-quality U.S. fixed income securities.

How the Fund Works

The Government/Credit Bond Fund buys and holds portfolios of the securities included in the Lehman Brothers Government/Credit Bond Index. The fund seeks to closely match the Index's total rate of return.

Investor Profile

Those who seek a higher rate of return than a money market fund, with moderate risk. This fund may not be able to provide the long-term growth potential of an all-stock investment.

Fund Benchmark

The Lehman Brothers Government/Credit Bond Index is composed of high-quality, investment grade U.S. Government and corporate fixed income securities with maturities greater than one year.

Fund Management

The Government/Credit Bond Fund is a passively managed, modular fund that buys and holds representative portfolios of the securities included in the Lehman Brothers Government/Credit Bond Index. The fund holds 2,966 of the 3,532 issues in the Index, in order to match the Index's important risk/return characteristics such as quality, industrial sectors, cash flow structure and callability. Securities are not traded based on subjective opinions about interest rates, individual issues or industries.

The Government/Credit Bond Fund holds intermediate and long-term debt obligations with more than \$150 million outstanding. The fund had an average maturity of 5.11 years. Since intermediate and long-term debt securities tend to pay higher rates of interest than short-term debt securities, the average yield to maturity of the fund's securities is somewhat higher than that of a shorter term bond fund.

The Government/Credit Bond Fund may appreciate in price when interest rates decline, and this price appreciation can add to the fund's total rate of return. Coupon rates of debt securities are tied to interest rates. When interest rates decline, debt securities with higher coupons than those that are currently being issued become more attractive to investors. As a result, their prices increase and a portfolio of debt securities such as the Government/Credit Bond Fund can appreciate in value. Conversely, the Fund may depreciate in price when interest rates rise, and this price depreciation can subtract from the Fund's total rate of return.

Registration with the Securities and Exchange Commission is not required for the State of Alaska Deferred Compensation Plan

Past performance is never a guarantee of future results.

Barclays Global Advisors, NA is registered as an investment adviser under the Investment Advisers Act of 1940. Barclays manages over \$1,500 billion for investors around the world.

Alaska PERS/TRS Defined Contribution Retirement Plan

Government/Credit Bond Index Fund

(managed by Barclays Global Investors)

Top 10 Holdings as of 09/30/2007

	% of portfolio
1. Treasury Note	2.3%
2. Treasury Note	2.0
3. Treasury Note	1.8
4. US TREASURY N/B 4.375% Nov 15, 2008	1.7
5. US TREASURY N/B 4.25% Nov 15, 2013	1.6
6. US TREASURY N/B 4.625% Aug 31, 2011	1.6
7. Treasury Note	1.6
8. Treasury Note	1.6
9. US TREASURY 8% 15/11/2021	1.6
10. Treasury Note	1.5

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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