PERS and TRS
Defined Contribution Retirement Plan

Defined Contribution

Internal Revenue Code (IRC) Section 401(a)

Investment Option Detail Sheet

World Government Bond Ex-US Index

The Fund attempts to match the performance of the Citigroup World Government Bond Ex-US Index. The Fund may be suitable for an investor seeking relatively higher potential income, and to balance more aggressive investments with one potentially providing steady income.

Fund descriptions and the fund's top ten holdings are updated approximately every 6 months.

For information on available investment options, please visit our Web site at ***www.state.ak.us/drb.*** Under "Programs", click on the "Defined Contribution Retirement Plan" line; then on the next page, under "Publications", click on "Investment Option Detail Sheets". 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.

World Government Bond Ex-US Index

Investment Objective

To provide income and capital investment and to replicate the returns and characteristics of the Citigroup World Government Bond Ex-US Index while minimizing tracking error.

How The Fund Works

The fund invests in one or more commingled funds managed by SSgA which, in combination, are designed to replicate the return of the Citigroup World Government Bond Ex-US Index while providing for daily liquidity for plan participants. The Fund employs a passive bond indexing strategy, investing in a well diversified portfolio which is representative of the international government bond market. The portfolio is managed by matching duration, quality and the sector of the Index. Individual security selection is based on analysis from their research group. Since full replication is not possible, they utilize their securities analysis and trading capabilities to choose the optimal securities from the eligible universe.

Investor Profile

Bond investments may be most appropriate for someone seeking higher potential income than with a money market investment. The Fund may be appropriate for an investor who may desire to balance more aggressive investments with one providing potentially steady income. A bond fund's yield, share price and total return change daily and are based on changes in interest rates, market conditions, economic and political news and the quality and maturity of its investments. In general, bond prices fall when interest rates rise and vice versa.

Fund Benchmark

The Citigroup World Government Bond Ex-US Index measures the performance of developed countries' global fixed-income markets invested in debt issues of non-US governmental entities.

Fund Management

State Street Global Advisors manages the 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 $1,900 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 US and abroad.

The primary goal of a passive fixed-income index is to minimize tracking error. While complete replication of the Index is not possible, a stratified sampling approach is employed to build a portfolio whose broad characteristics match those of the Index. Individual security holdings may differ from the Index, but tracking error is continually monitored as the Fund seeks to ensure that investors are receiving the Index returns.

The Fund invests in foreign securities which may involve greater volatility and political, economic, and currency risks and differences in accounting methods.

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.

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For more information about the risks of investing, please read your "Plan Information" booklet.

World Government Bond Ex-US Index
(managed by SSgA)

Supplemental Information as of 09/30/2008

Characteristics	
Average Quality	AA+
Yield to Worst	3.1%
Modified Adjusted Duration	6.4
Convexity	0.8

Top 10 Geographic Diversification as of 09/30/2008

		% of portfolio
1.	Japan	37.4%
2.	Germany	11.8
3.	Italy	10.9
4.	France	10.2
5.	United Kingdom	7.2
6.	Spain	3.7
7.	Belgium	3.0
8.	Austria	2.5
9.	Netherlands	2.5
10.	Greece	2.5

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

Securities when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

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IMPORTANT NOTE: Whenever you initiate a trade, there is a possibility the fund company may reject or delay your trade due to a number of circumstances due to extreme market conditions. If a trade is rejected, then the dollar amount will be reinvested in the original fund at the next calculated unit/net asset value after the trade is rejected. This can cause a gain or loss to your account, when units/shares are repurchased on a different day.