

International Stock Fund

FUND FACTS

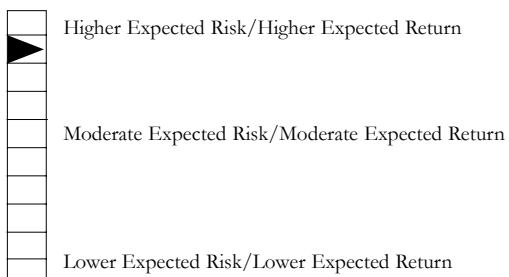
A collective investment fund managed by Barclays Global Investors

WHO SHOULD CONSIDER INVESTING IN THIS FUND?

This Fund is intended for long-term investors seeking to capture high returns and diversification by investing in a broad range of foreign stocks and seeking to further diversify a portfolio of U.S. securities.

Stock funds are appropriate for investors who want to participate in business growth by having an ownership stake in many companies, are seeking the highest potential for growth of capital, are willing to tolerate significant share-price volatility over short-or even long-time periods, are willing to stay invested for at least five years regardless of market fluctuations, and want greater diversification for an investment program that may be overly concentrated in more conservative investments.

RISK/RETURN POTENTIAL



Risk is the possibility that you will lose money—or not make money—on your investment. All investments involve some degree of risk, which is often commensurate with the level of return that could be expected from such investments. Investments with higher/lower expected returns often have higher/lower levels of risk.

While stocks have historically provided the highest returns over the long-term, they have also exhibited the greatest price fluctuations. This is known as market risk, or the possibility that stock prices overall will decline over short or even long periods of time.

This chart is for illustrative purposes only and does not predict future risk or performance.

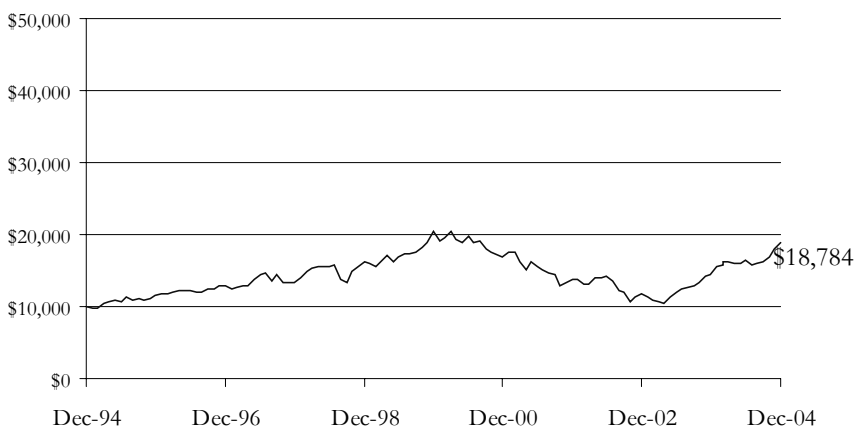
WHAT THE FUND INVESTS IN

The Pentegra International Stock Fund invests in a diversified portfolio of approximately 1,000 foreign stocks representing established companies in approximately 20 countries located in Western Europe and the Pacific Rim providing diversified investment opportunities in foreign markets.

WHY INVEST IN INTERNATIONAL STOCKS?

Foreign markets often move independently of the U.S. market, which can add greater diversification to an investment portfolio. Diversification increases the chances that one investment's strong performance will offset another investment's poor performance. International investing adds an extra dimension to diversification: foreign stocks offer the diversity of not only different companies, but different economies and currencies as well. Changes in the value of the U.S. dollar relative to foreign currencies affect the returns of this Fund. In addition to the performance of the underlying stocks, a weakening dollar can increase the returns of the Fund, and a strengthening dollar can decrease the returns of the Fund.

GROWTH OF \$10,000



This graph represents the growth of a hypothetical investment of \$10,000. It assumes reinvestment of all income. Returns reflected here are those of a fund with a similar investment strategy. Past performance is no guarantee of future results.

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PERFORMANCE

PERFORMANCE NOTES

Fund returns are reported gross of management fees. All income is reinvested in the Fund and reflected in the unit value. Fund inception: July 2, 1997. Returns prior to inception are simulated using the returns of market indices for, or actual funds of, the Fund's investment components, and are net of fees. Past performance does not guarantee future results.

FEEES AND EXPENSES

Expenses charged vary by fund. Please refer to the monthly investment performance summary for specific fee information.

FUND MANAGER

The Fund is managed by Barclays Global Investors (BGI).

FUND STRUCTURE

The Pentegra International Stock Fund invests in underlying collective investment funds which in turn invest in the securities mentioned in the fact sheet. Descriptions of the Fund in some cases refer to the underlying funds. The Fund or underlying funds may also invest in cash and use derivatives (including futures) for non-speculative purposes.

The Fund is a collective investment fund and is privately offered. Prospectuses are not required.

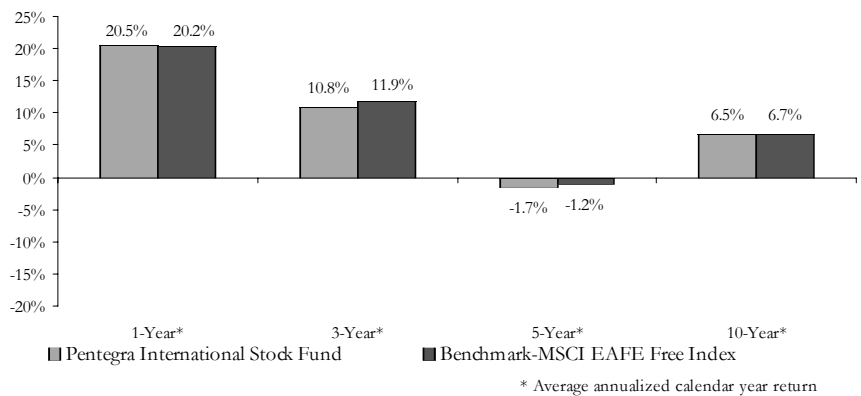
WHAT IS AN INDEX FUND?

Index funds seek to match the performance of a specific index of securities, such as the MSCI EAFE Index. To do that, the Fund invests in many or all of the same stocks than make up the index. Because the Fund manager seeks to track rather than beat the index, the Fund maintains a low turnover rate, which results in minimized trading costs for investors.

WHAT IS THE FUND'S BENCHMARK?

The Fund seeks to track the performance of the Morgan Stanley Capital International Europe, Australia and Far East (MSCI EAFE) Index, a widely used barometer of the performance of international stocks.

PERFORMANCE



TOP 10 HOLDINGS

BP AMOCO	4.0%	Royal Dutch Petroleum	2.3%
HSBC Holdings	3.5%	Novartis	2.3%
Vodafone Airtouch	3.4%	Toyota	2.2%
Glaxo SmithKline	2.6%	Nestle	2.0%
Total Fina Elf	2.4%	Royal Bank of Scotland Grp.	2.0%

COUNTRY WEIGHTINGS

United Kingdom	29.5%	Italy	4.2%
Japan	12.2%	Australia	3.1%
France	10.4%	Sweden	1.3%
Switzerland	9.3%	Finland	1.4%
Germany	8.6%	Belgium	0.6%
Netherlands	5.5%	Hong Kong	0.4%
Spain	5.3%	Other	8.3%

ADDITIONAL INFORMATION

Dividend Yield	2.51%
Number of Holdings	1067