

S&P 500/Value Stock Fund

FUND FACTS

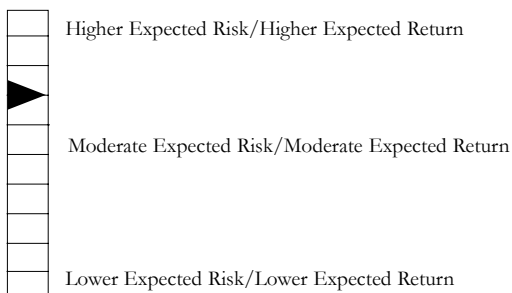
A collective investment fund managed by Barclays Global Investors

WHO SHOULD CONSIDER INVESTING IN THIS FUND?

This Fund is intended for long-term investors seeking a diversified portfolio of large-capitalization value stocks.

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 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.

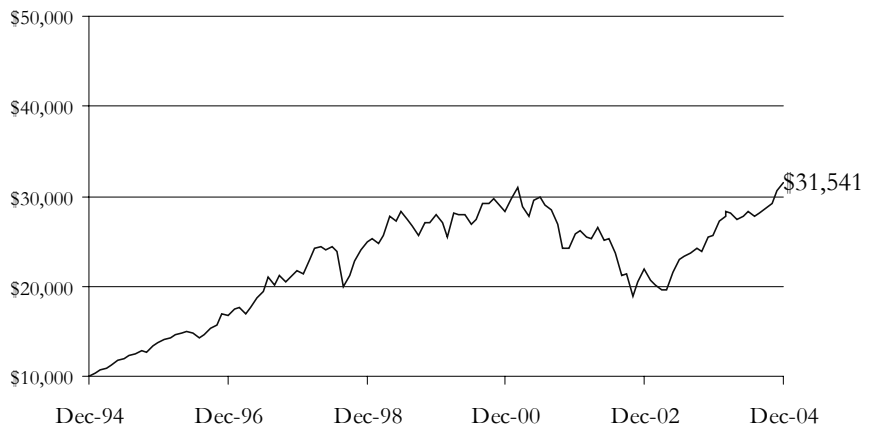
WHAT THE FUND INVESTS IN

The Pentegra S&P 500/Value Stock Fund invests in a portfolio of stocks of large established U.S. companies that make up the S&P/ BARRA Value Index. Because it is a value fund, the investment style focuses on stocks that have relatively high dividend yields and low prices relative to their earnings or book value. The fund invests in most or all of the same stocks that make up the S&P/BARRA Value Index. This index represents approximately 50% of the market capitalization of the S&P 500 Stock Index. The S&P/BARRA Value and Growth indexes are constructed by ranking the stocks in the S&P 500 by a single attribute: market price to book value ratio. The Value Index includes companies with lower market price to book ratios.

WHY INVEST IN A VALUE FUND?

Value and Growth investing are two of the predominant investment styles in the U.S. equity market. Value stock investing focuses on stable long-term gains through a portfolio of established stocks that experience lower volatility than higher growth stocks. These companies generally exhibit lower price-to-earnings ratios, higher dividend yields, and lower expected future earnings growth. Energy, Utility, and Financial Services companies generally possess these "value" characteristics. This type of investing may be appropriate for conservative investors seeking risk-controlled dividend income, particularly for their retirement years.

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.

S&P 500/Value Stock Fund

PERFORMANCE

PERFORMANCE NOTES

Fund returns are reported gross of management fees. All income is reinvested in the Fund and reflected in the unit value. Returns prior to inception are hypothetical and are based on investment in the current underlying funds managed by BGI. Past performance does not guarantee future results.

FEES 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 S&P 500/Value Stock Fund may 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.

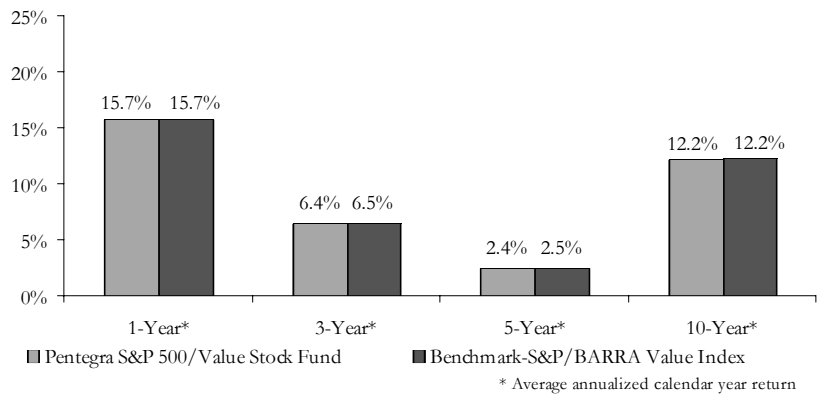
WHAT IS AN INDEX FUND?

Index funds seek to match the performance of a specific index of securities, such as the S&P/BARRA Value Index. To do that, the Fund invests in many or all of the same stocks that 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 investment returns of the S&P/BARRA Value Index, a subset of the S&P 500 Index. These companies have below-average price/book and price/earnings ratios.

PERFORMANCE



TOP 10 HOLDINGS

Citigroup	4.4%	ChevronTexaco Corp.	2.0%
Pfizer Inc.	3.6%	Verizon Communications	2.0%
Bank of America	3.4%	Wells Fargo	1.9%
American Int'l Group, Inc.	3.0%	Time Warner Inc.	1.6%
JP Morgan Chase	2.4%	SBC Communications	1.5%

SECTOR DIVERSIFICATION

Financial	38.5%
Communications	13.5%
Consumer, Non-Cyclical	10.1%
Industrial	8.5%
Consumer, Cyclical	6.9%
Energy	6.8%
Technology	5.9%
Utilities	5.3%
Basic Materials	3.3%
Other	1.2%

ADDITIONAL INFORMATION

Dividend Yield	2.22%
Number of Holdings	333