

# S&P MidCap Stock Fund

## FUND FACTS

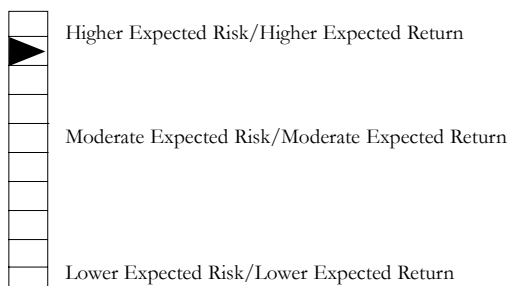
A collective investment fund managed by Barclays Global Investors

### WHO SHOULD CONSIDER INVESTING IN THIS FUND?

This Fund is intended for long-term investors seeking high returns that reflect the growth potential of mid-sized U.S. companies.

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.

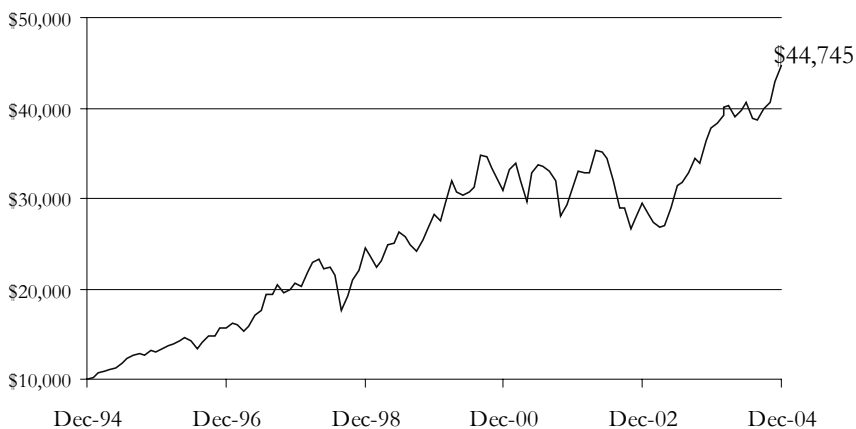
### WHAT THE FUND INVESTS IN

The Pentegra S&P MidCap Stock Fund invests in most or all of the same stocks that make up the S&P MidCap 400 Index. These 400 medium-sized U.S. stocks represent the middle tier of the U.S. stock market, providing investment opportunity in a diversified group of mid-cap companies.

### WHY INVEST IN MID-CAPITALIZATION U.S. STOCKS?

Because of their growth potential, investing in medium-sized companies can offer higher potential returns than investing in more established companies. However, with this growth potential comes a higher risk level. The Fund attempts to manage this risk by diversifying its investments among mid-capitalization stocks from all sectors of the U.S. economy.

### 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. Barclays Global Investors (BGI) began management of this Fund on June 17, 1997. Returns prior to June 17, 1997, 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 MidCap 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.

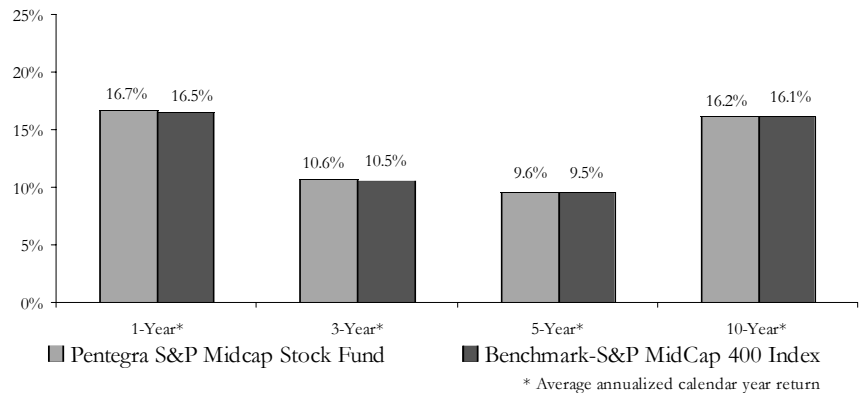
### WHAT IS AN INDEX FUND?

Index funds seek to match the performance of a specific index of securities, such as the S&P MidCap 400 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 return of the S&P MidCap 400 Index, a widely used barometer of the performance of mid-capitalization U.S. stocks.

### PERFORMANCE



### TOP 10 HOLDINGS

Washington Post	0.9%	Murphy Oil Corp.	0.7%
D.R. Horton Inc.	0.9%	Fidelity National Fin'l Inc.	0.7%
Harman International	0.8%	Weatherford Int'l Ltd.	0.7%
Lennar Corp.	0.8%	Legg Mason Inc.	0.7%
Lyondell Chemical Co.	0.7%	Tyson Foods Inc.	0.6%

### SECTOR DIVERSIFICATION

Consumer, Non-Cyclical	19.2%
Consumer, Cyclical	18.5%
Financial	17.4%
Industrial	11.7%
Technology	9.6%
Energy	8.3%
Communications	6.0%
Utilities	5.9%
Basic Materials	3.4%

### ADDITIONAL INFORMATION

Dividend Yield	1.27%
Number of Holdings	400