

Washington State Bond Fund

Characteristics

	Fund	Benchmark ⁽¹⁾
Average Maturity	5.3 years	5.0 years
Yield to Maturity	0.03%	2.55%
Effective Duration	4.65	4.38
Average Coupon	3.86%	4.65%
Number of Holdings	228	3,307

Top Ten Credit Issuers

Asian Development Bank	1.74%
International Finance Corp.	1.74%
Ontario, Province Of	1.28%
The Coca-Cola Co.	1.27%
Inter-American Development Bank	1.20%
Hutchison Whamp International Ltd.	1.19%
EQT Corp.	1.16%
BHP Billiton Finance (USA) Ltd.	1.10%
U.S. Bancorp	1.10%
Colgate-Palmolive Co.	1.08%

Investment Objective

The Washington State Bond Fund seeks to provide returns while controlling risk by investing in high-quality corporate bonds. The fund's performance objective is to match or exceed the return of the Barclays Capital Intermediate Credit Index.

Investment strategy

The Washington State Bond Fund employs an active strategy that seeks to add incremental value over the index. The fund normally invests in a diversified portfolio of investment-grade corporate securities. The portfolio intends to earn additional returns through security selection, but will be allowed to deviate from the index's duration by plus or minus 15 percent.

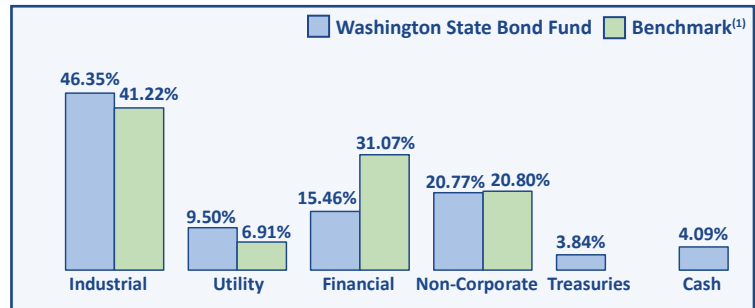
Investment risk

The Washington State Bond Fund is intended for participants who want an investment designed to match or modestly exceed the returns of the Barclays Capital Intermediate Credit Index. It is intended as an intermediate-term investment vehicle due to the moderate level of returns on fixed income instruments over short time periods.

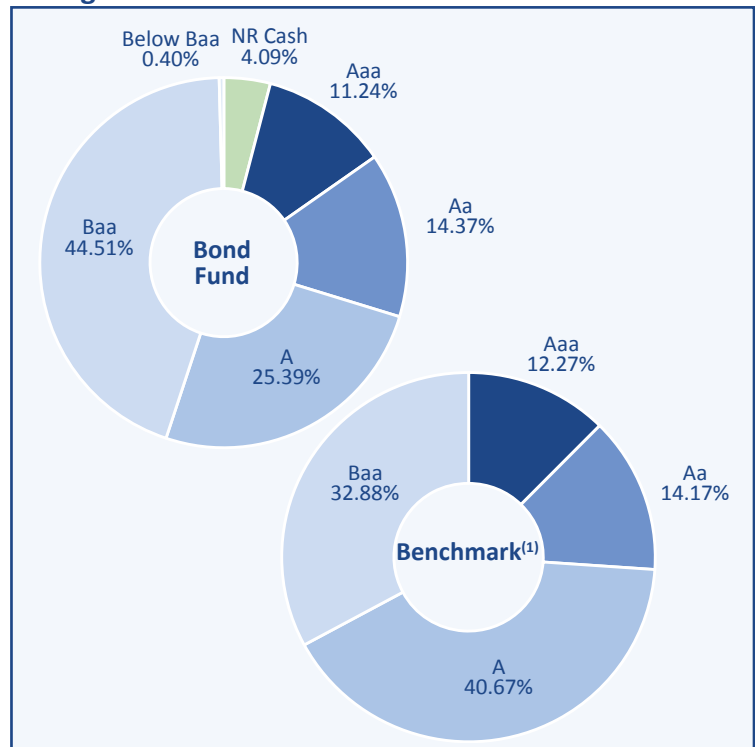
Performance

	Fund	Benchmark ⁽¹⁾
Quarter	1.87%	2.50%
1 Year	7.12%	6.95%
3 Year	10.55%	10.52%
5 Year	7.70%	6.38%
10 Year	6.45%	6.07%

Industry Distribution



Rating Distribution



Moody's Equivalent Quality Ratings

- Aaa+, Aaa Highest ratings.
- Aa Rated very strong. Only slightly less secure than the highest rating.
- A Rating is slightly more susceptible to adverse economic conditions.
- Baa Rating is adequate.
- Below Baa Below investment grade having speculative characteristics.
- NR No rating.

(1) Barclays Capital Intermediate Credit Index