

As of September 30, 2011

Objective

This fund will seek to generate income, preserve capital, and provide long-term capital appreciation by investing in a diversified portfolio of fixed-income instruments of varying maturities. The fund will invest primarily in investment grade debt securities, but may invest a portion of its assets in high-yield securities. The fund may invest in derivative instruments or in mortgage- or asset-backed securities.

Strategy

The fund combines actively managed core plus and passive core styles, thereby providing management style diversification. The fund will be managed by PIMCO (targeted at 75 percent of the portfolio) and BlackRock (targeted at 25 percent of the portfolio). At any given point in time, actual allocations among the managers may vary somewhat due to factors including market movements and portfolio cash flows.

Consider Investing If...

You are an investor with a longer-term horizon seeking total returns of the broad bond market who is comfortable with some volatility in prices and yields.

Underlying Fund Information

PIMCO Total Return Fund

Manager: PIMCO

Type: Mutual Fund

Style: Active Core Plus

Management Team: Chris Dialynas, Mohamed El-Erian, William Gross, Mark Kiesel, Curtis Mewbourne, Saumil Parikh, and Marc Seidner

Manager Location: Newport Beach, CA

Total Strategy Assets Managed (in millions): \$427,106

Investment Strategy Inception Date: 1989

BlackRock U.S. Debt Index Fund

Manager: BlackRock Institutional Trust Company N.A.

Type: Commingled Fund

Style: Passive Core

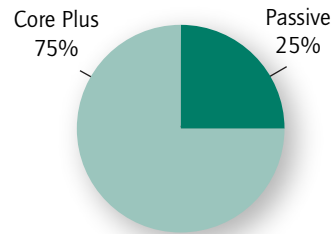
Management Team: BlackRock Model Based Fixed-Income Portfolio Management Team

Manager Location: New York, NY

Total Strategy Assets Managed (in millions): \$44,635

Investment Strategy Inception: 1986

Strategy Allocation



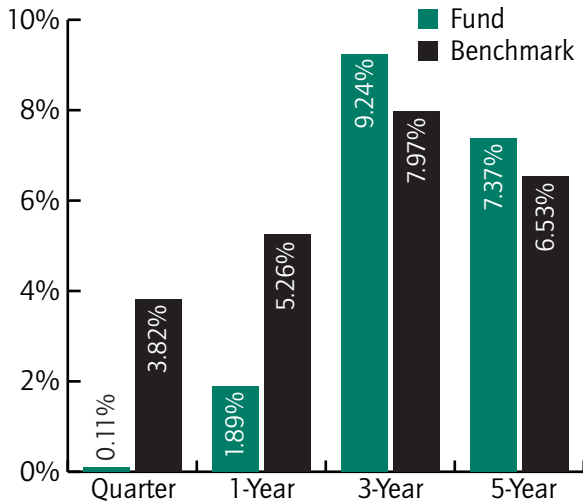
Benchmark

The performance of the fund will be measured against the performance of the Barclays Capital Aggregate Bond Index.

Fees

No transaction fees will be charged for investment in the fund. Instead, the underlying fund managers charge an investment management fee which varies among the managers and PERA charges a Plan administration asset-based fee of 0.14 percent. This fund's total asset-based fee will be 0.50 percent. Fees will be netted out of the performance of the fund. These fee amounts are as of September 30, 2011, and may change at any time.

Simulated Performance of Composite Fund



This fund commenced as of October 1, 2011. Actual historic performance for the fund does not exist through September 30, 2011. The simulated performance presented above through September 30, 2011, is intended to provide you with an indication of how the fund may have performed in the past. The simulated performance is based on the composite performance of institutional accounts managed by the managers with investment strategies similar to those expected to be implemented by the managers in the fund or on the actual historical returns of the mutual fund that will be utilized by the fund. The managers' experience in managing such strategies has been previously described. To produce the simulated returns, the managers' composite returns are combined in a 75 percent PIMCO Total Return Fund/ 25 percent BlackRock U.S. Debt Index Fund mix and are rebalanced monthly. At any given point in time, the actual allocation among the managers may vary due to market movements and the fund's cashflows. The simulated returns reflect the managers' past performance for investment strategies similar to those expected to be implemented in the fund and do not represent expected future performance or experience. This simulated historic performance does not guarantee future results. The simulated historic performance is presented net of investment management fees and Plan administrative fees.

Information on performance was compiled by R.V. Kuhns & Associates using data provided by Lipper and eVestment Alliance.

Important Facts

What You Own

You will own units of a fund that invests primarily in fixed-income securities. You will not have direct ownership of the securities in the fund.

Price

The unit value of the fund will change daily, based upon the market value of the underlying securities. The fund will be subject to fluctuations in unit value because it holds bonds with varying yields and maturities that change based on fluctuations in interest rates and market conditions.

Information Accessibility

Since this is not a mutual fund, information will not be available from a newspaper or other public information sources. The Plan's recordkeeper will provide your account information over the Internet and through an automated telephone system.

Prospectus Information

This fund will be a portfolio of assets managed specifically for your Plan. Unlike a mutual fund, only the participants of your Plan can invest in the fund. Therefore, because it is not a mutual fund, a prospectus is not available. This summary is designed to provide descriptive information.