

Objective

This fund seeks to generate income and to conserve principal. A secondary objective is to achieve long-term capital appreciation. These objectives are pursued by combining financial analysis with environmental, social, and governance analysis. The fund invests approximately 60 percent in stocks and 40 percent in bonds, although these weights can change depending on market conditions.

Strategy

This fund will follow a sustainable investing approach, combining financial analysis with Environmental, Social, and Government (ESG) analysis in order to identify investments. It will normally invest approximately 60 percent of assets in equities and 40 percent of assets in debt securities. The fund will be managed by Pax World (100 percent of the portfolio).

Consider Investing If...

- You want income while conserving principal and achieving long-term appreciation.
- You want investments managed with environmental, social, and governmental criteria considered, as well as financial analysis.

Underlying Fund Information

PAX World Balanced Institutional Fund
Manager: PAX World Mutual Funds

Type: Mutual Fund (PAXIX)

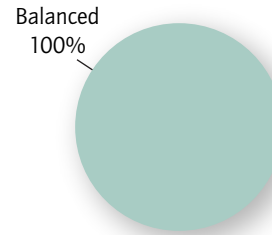
Style: Active Balanced

Manager: Christopher Brown

Manager Location: Portsmouth, NH

Total Strategy Assets Managed (in millions): \$2,064

Investment Strategy Inception: 2007

Strategy Allocation**Benchmark**

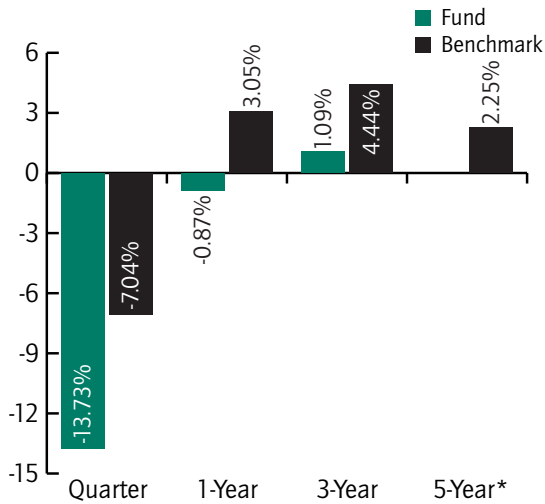
The performance of the fund will be measured against a composite of the following indices:

- S&P 500 Index: 60 percent
- Barclays Capital U.S. Aggregate Bond Index: 40 percent

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, which is covered by revenue sharing provided by the manager. This fund's total asset-based fee will be 0.71 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.

Actual Performance of Fund



* Five-year return for the fund is not applicable.

The performance presented above through September 30, 2011, is intended to provide you with an indication of how the fund performed in the past. The performance is based on the actual performance of the mutual fund that will be utilized by the PERAdvantage fund. This historic performance does not guarantee future results. The historic performance is presented net of investment management fees and Plan administrative fees.

Sources: R. V. Kuhns & Associates and Lipper

Important Facts

What You Own

You will own units of a fund that invests in an SRI fund that screens for various social causes. 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 caused by market conditions affecting the share prices of common stocks and the varying yield and maturities of bond holdings with changes in interest rates and other conditions.

Information Accessibility

Since the PERAdvantage SRI Fund 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

The PERAdvantage SRI 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. A prospectus is only available for the underlying fund.