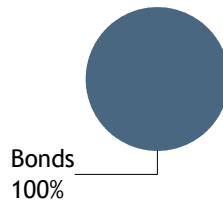


Intermediate Government/Credit Bond Index Fund F

What the fund invests in:

This is an index fund that seeks to match the performance of the Barclays Capital Intermediate Government/Credit Bond Index by investing in a diversified sample of the bonds that make up the index. The index is comprised of US Treasury notes, federal agency bonds, US corporate debentures and dollar denominated foreign issues with maturities ranging between one and ten years.



Performance Returns (%)

	FUND	BENCHMARK ¹
Second Quarter	1.70	1.67
Year to Date	1.65	1.62
One Year	5.33	5.27
Three Year*	6.24	6.13
Five Year*	4.65	4.57
Ten Year*	5.72	5.66

*Average annualized return

¹Source - Barclays Capital Intermediate Government Credit Bond Index

Why invest in bonds?

Bond investments are an important part of a well-planned investment strategy. Called fixed income securities because they make specified payments on a regular basis, bonds can act as a moderating force in an investment portfolio by sheltering investors from fluctuations in other assets such as stocks.

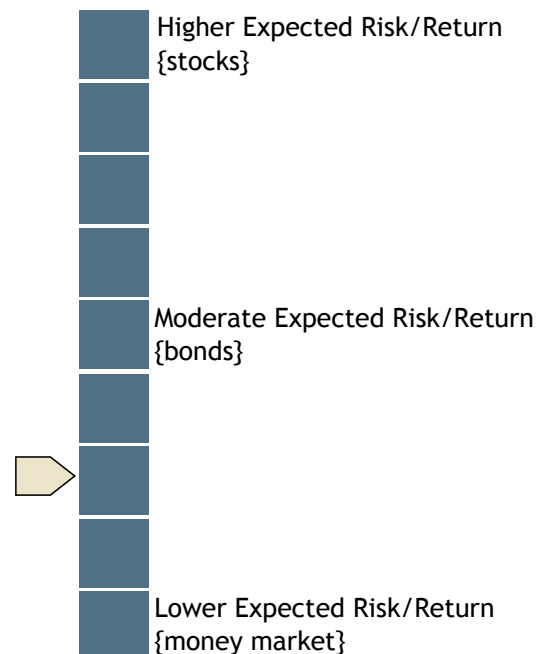
Who should consider investing in this fund?

This fund is intended for intermediate-term investors seeking moderate returns by investing in a diversified portfolio of high-quality fixed income securities. As with any security, an investment in bonds is subject to risk.

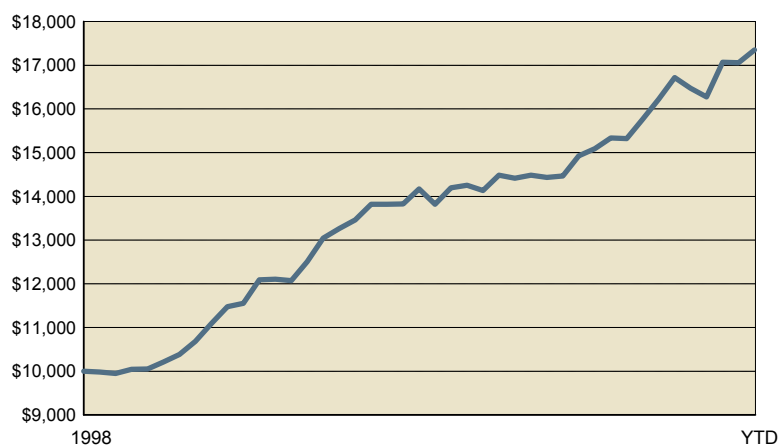
Holdings (%)

US Treasuries	44.78
US Agencies	18.59
Industrial	15.10
Finance	11.90
Non-US Credit	6.51
Utility	2.98
Taxable Muni	0.13
Cash	0.00

Risk/Return Potential



This chart is for illustrative purposes only and does not predict future risk or performance.

BARCLAYS GLOBAL INVESTORS *Intermediate Government/Credit Bond Index Fund F*
Growth of \$10,000


This graph represents the growth of a hypothetical investment of \$10,000. It assumes reinvestment of all income, and does not take into consideration any management fees. Past performance is no guarantee of future results.

Performance Notes

All values are unaudited and subject to revision. All income is reinvested in the fund. Fund returns are reported before management fees and certain transaction costs and expenses charged to the fund. Returns would be lower if such costs and fees were included. The fund's inception is 3/31/97. Returns prior to inception are those of a fund with similar investment strategy. The Barclays Capital Intermediate Government Credit Index returns do not reflect any management fees, transaction costs or other expenses. Past performance does not guarantee future results. Any returns shown as less than one year are cumulative returns.

Index Provider Notes

The index is maintained by Barclays Capital Inc. ("Barclays Capital"), which is an affiliate of, but a separate legal entity from Barclays Global Investors. Barclays Global Investors has no role in maintaining the index.

The fund is not sponsored, endorsed, sold or promoted by Barclays Capital. Barclays Capital makes no representation or warranty, express or implied, to the owners of the fund or any member of the public regarding the advisability of investing in securities generally or in fund particularly or the ability of the Barclays Capital index to track general bond market performance. Barclays Capital has no obligation to take the needs of Barclays Global Investors and the fund or the owners of the fund into consideration in determining, composing or calculating the Barclays Capital index. Barclays Capital is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the fund to be issued. Barclays Capital has no obligation or liability in connection with the administration, marketing or trading of the fund.

Barclays Capital does not guarantee the accuracy and/or the completeness of the Barclays Capital index or any data included therein. Barclays Capital shall have no liability for any errors, omissions or interruptions therein. Barclays Capital makes no warranty, express or implied, as to the results to be obtained by Barclays Global Investors and the fund or owners of the fund, or any other person or entity, from the use of the Barclays Capital index or any data included therein. Barclays Capital makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Barclays Capital index or any data included therein. Without limiting any of the foregoing, in no event shall Barclays Capital have any liability for any lost profits or special, punitive, direct, indirect, or consequential damages even if notified thereof.

Additional Information

Avg Current Yield	4.20%
Avg Coupon	4.34%
Wtd Avg Life	4.45 yrs
Effective Duration	3.77 yrs
Number of Holdings	2,549

Quality Breakdown (%)

AAA or above	67.02
AA	5.83
A	15.36
BBB	11.78
Below BBB	0.01
Cash	0.00

Fees and Expenses

Please contact your service provider for management fee information.

The fund is subject to an accrual for administrative costs, including, but not limited to accounting, custody and audit fees. The amount is capped at 2 basis points (0.02%) per year in order to limit the impact on fund performance.

Fund Manager

Barclays Global Investors helps companies and individuals by providing solutions to some of the most difficult investment problems. Our record of success has helped us become one of the world's largest investment managers. From our introduction of the world's first index strategy to our development of more than 150 exchange traded funds in the US alone, we've led investment innovation to help provide a secure financial future for the millions of people we serve. For more information on Barclays Global Investors, please visit www.barclaysglobal.com.

Disclaimers

The fund is NOT FDIC insured, is NOT an obligation or deposit of, or guaranteed by, Barclays Global Investors or its affiliates and involves investment risk, including possible loss of principal.

The fund is a collective investment fund and is privately offered. Prospectuses are not required and prices are not available in local publications. To obtain pricing information, please contact your service representative.

Please note that many collective funds maintained by BGI, including certain Underlying Funds, engage in securities lending.

www.barclaysglobal.com