



Gain from Expanded Horizons

MERS Diversified Bond Fund

Investment Profile | June 30, 2009

MERS Diversified Bond Fund seeks current income and growth of capital by investing in a wide spectrum of fixed income securities both in the U.S. and abroad. *The objective is to outperform the Barclays U.S. Aggregate Bond Index.*



Fund Summary

Returns for periods longer than one year are annualized as of June 30, 2009 (Gross of Fees)

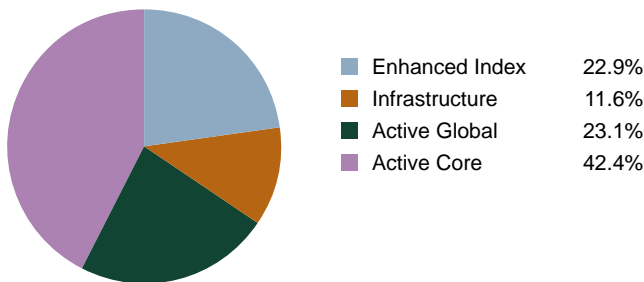
Assets as of June 30, 2009: **\$ \$1,148,309,168**

| | 2 nd QTR | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|---|---------------------|--------------|---------------|---------------|--------------|--------------|
| MERS Diversified Bond Fund | 7.01% | 5.71% | 2.74% | 5.73% | 5.22% | 6.30% |
| Benchmark: Barclays US Aggregate Bond Index | 1.78% | 1.90% | 6.05% | 6.43% | 5.01% | 5.98% |
| Excess Return | 5.23% | 3.81% | -3.31% | -0.70% | 0.21% | 0.32% |

Past performance is no guarantee of future results. Investment returns and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data illustrated.

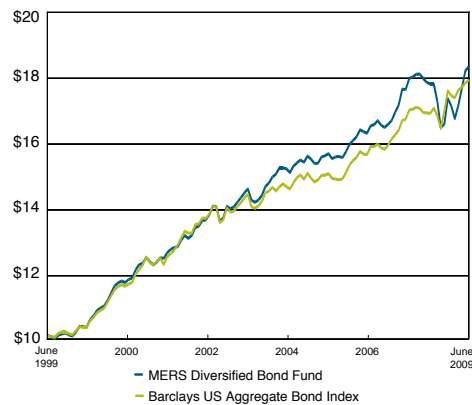
Asset Allocation

As of June 30, 2009



Growth of \$10,000

June 1999 - June 2009 | (Dollars in 1000s)



Historical Risk

Measured using standard deviation; measures an investment's return volatility over time. Illustrates the chance that an investment's return will be different than expected.

| | 2 nd QTR | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|---|---------------------|-------|--------|--------|--------|---------|
| Historical Risk: Diversified Bond Fund | 2.30% | 5.65% | 9.66% | 6.03% | 4.96% | 4.36% |
| Historical Risk: Barclays US Aggregate Bond Index | 0.22% | 2.00% | 6.06% | 4.04% | 3.63% | 3.78% |

This publication contains a summary description of MERS benefits, policies or procedures. MERS has made every effort to ensure that the information provided is accurate and up to date. Where the publication conflicts with the relevant Plan Document, the Plan Document controls. MERS, as a governmental plan, is exempted by federal and state law from registration with the SEC. However, it employs registered investment advisors to manage the trust fund in compliance with Michigan Public Employee Retirement System Investment Act. Past performance is not a guarantee of future returns.