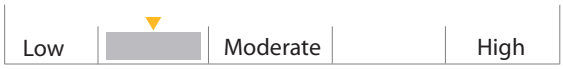
INFLATION LINKED FIXED INCOME FUND

as of 3/31/2011

Benchmark: Barclays U.S. TIPS Index | **Expense ratio: 0.15%**

RISK PROFILE



For illustrative purposes only, for further information regarding risk, read our Risk Disclosure at http://www.in.gov/perf/files/RiskDisclosure.pdf

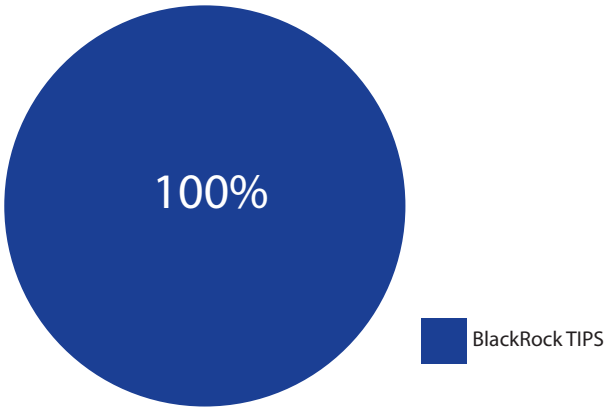
INVESTMENT OBJECTIVE:

The Investment Objective of the Inflation-Linked Fixed Income Fund is to provide investors inflation protection and income consistent with investment in inflation-indexed securities. Principal and interest payments are adjusted in response to changes in inflation.

INVESTMENT MANAGERS:

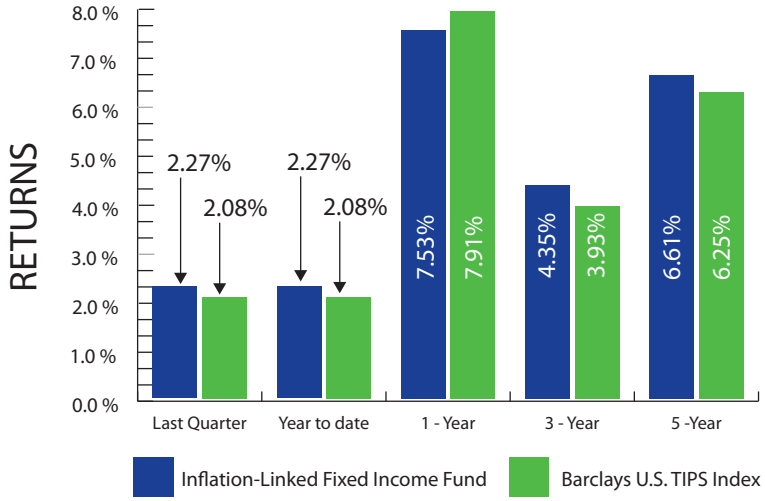
The Inflation-Linked Fixed Income Fund is managed by BlackRock. BlackRock utilizes active management to attempt to maximize real return through investment in a portfolio comprised primarily of U.S. Treasury Inflation Protected Securities (TIPS) and nominal U.S. Treasury bonds. BlackRock applies fundamental bottom-up research in the context of the team's top-down macroeconomic views to construct a portfolio designed to outperform the benchmark through security and sector selection.

COMPOSITION:



INVESTMENT PERFORMANCE:

	TOTAL RETURN		AVERAGE TOTAL ANNUAL RETURN		
	Last Quarter	YTD	1-year	3-year	5-year
Inflation Linked Fixed Income Fund	2.27%	2.27%	7.53%	4.35%	6.61%
Barclays U.S. TIPS Index	2.08%	2.08%	7.91%	3.93%	6.25%



Disclosures:

Past performance is not a guarantee or a reliable indicator of future results. Bond fund values fluctuate in response to changes in interest rates, the financial condition of individual issuers, general market and economic conditions. In general, when interest rates rise, bond fund values fall and investors may lose principal value. Although the fund does not employ leverage, the use of derivatives may reduce returns and/or increase volatility. If the index measuring inflation falls, the principal value of inflation-indexed bonds will be adjusted downward, and consequently the interest payable on these securities (calculated with respect to a smaller principal amount) will be reduced. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of US Treasury inflation-indexed bonds. For bonds that do not provide a similar guarantee, the adjusted principal value of the bond repaid at maturity may be less than the original principal.

Investment returns include both actual performance results and investment manager composite data for historical comparison purposes. Prior to 7/30/2010, all data presented is calculated from manager composite performance. After 7/30/2010, all performance presented consists of actual investment returns experienced by members.

- BlackRock TIPS performance is gross of fees and representative of BlackRock's separate account composite performance.

LINKS TO UNDERLYING MANAGERS:

BlackRock Global Investors TIPS:
http://www.in.gov/perf/files/BlackRockTIPS33111.pdf

Indiana PERF
Public Employees' Retirement Fund