

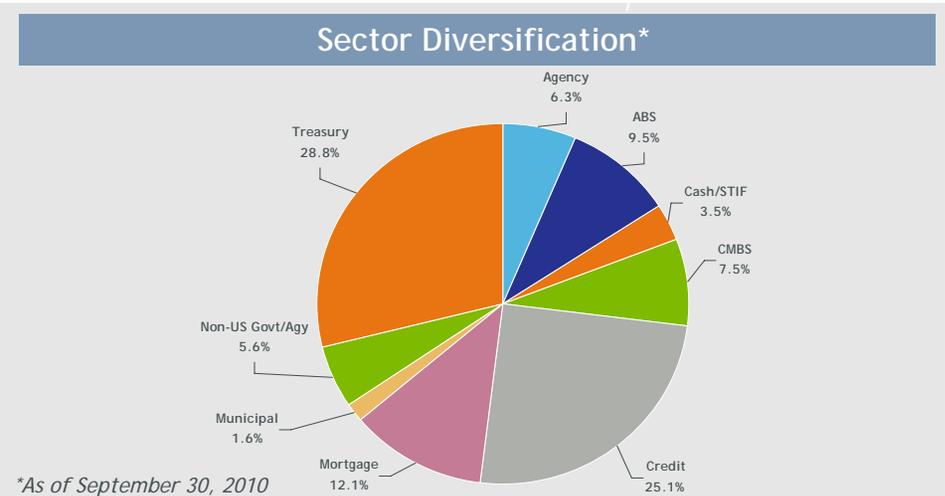
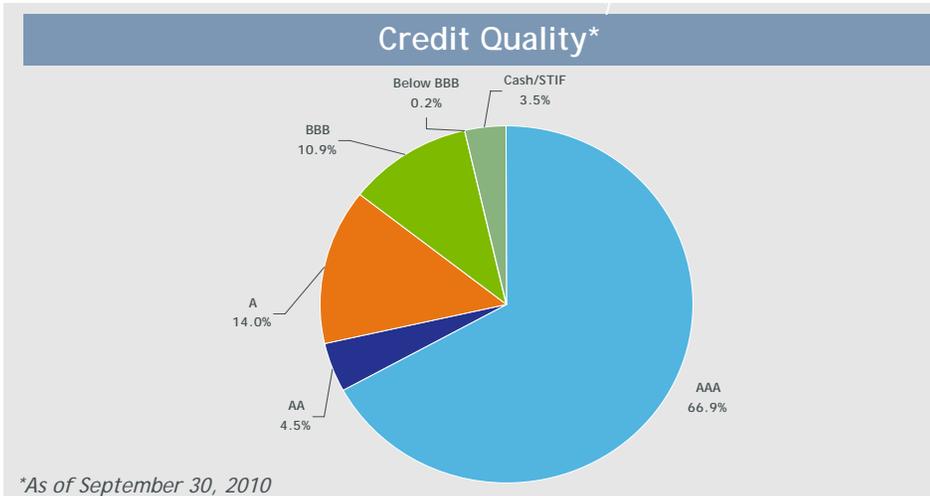
Commonwealth of Massachusetts Stable Value Income Fund

As July gave way to August, economic data suggesting anemic growth caused the optimism of “Recovery Summer” to give way to the pessimism of a potential “double dip.” However, the Federal Reserve quickly began to communicate that it was prepared to provide additional monetary stimulus if necessary, likely via a new program of quantitative easing. The prospect of a dovish Fed and “QE2” proved to be supportive to a broad range of financial assets. For the quarter, the S&P 500 Index returned 11.3%, the Barclays Capital Aggregate Corporate Index returned 4.7%, and the Barclays Capital Treasury Index returned 2.7%.

The Income Fund is a conservatively managed, high quality portfolio, and has maintained its investment objective of providing shareholders preservation of principal, liquidity and competitive returns relative to other low risk investment alternatives. As of September 30th, 2010, the average credit quality of the portfolio was AA+. The portfolio has significant allocations to Treasuries, agency mortgages, and high-quality credit, commercial mortgage backed securities and asset backed securities.

The underlying securities held in the Income Fund are protected with a book value wrapper. These wrap contracts are provided by insurance companies and are intended to insure no loss of principal for participant-directed withdrawals. As part of BlackRock’s ongoing investment process, we monitor the credit fundamentals of all our wrap providers to ensure the portfolio’s investment objectives continue to be achieved. Currently, the portfolio has wrappers from four financial institutions, which are ING, MetLife, Monumental and Pacific Life.

The portfolio management team responsible for overseeing the Income Fund is supported by the full resources of BlackRock, which manages assets on behalf of institutions and individuals worldwide. BlackRock’s extensive experience through multiple interest rate cycles and market events, our rigorous credit analysis and our consistent focus on risk management have enabled us to deliver on our fundamental objectives. Recent market events have not necessitated a reevaluation of our methods for managing stable value assets; rather, they have reinforced our commitment to the approach we have taken for over 20 years.



1. Views expressed are as of November 2nd, 2010 and are subject to change at any time based on market and economic conditions and other factors. Portfolio characteristics are shown above for the Commonwealth of Massachusetts Stable Value Income Fund. These characteristics represent in aggregate the credit quality and sector diversification of the underlying investments, managed by BlackRock, Income Research and Management and Wells Capital Management. BlackRock is responsible for oversight of the Income Fund. Mellon acts as the Plan Trustee of the Income Fund. Information is as of September 30th, 2010 and is subject to change. Past performance is no guarantee of future results. Although designed to do so, there is no guarantee that participant-directed withdrawals will not be subject to loss. Investments in The Commonwealth of Massachusetts Stable Value Income Fund are neither insured nor guaranteed by the FDIC or any other government agency.