

Contact:

Amy Blumenthal/Karen Myers
Blumenthal & Associates
617-879-1511

Peter Ellsworth
KLD Research & Analytics, Inc.
617-426-5270 x218

KLD Indexes Updates, Reconstitutes Broad Market Social Index (BMSI) series; Adds New Sub-Indexes

***Agilent Technologies; Genentech; General Mills; First Solar;
Flowers Foods and Energy Conversion Devices among
Top Environmental, Social, Governance (ESG) Performers of the
3,000 Largest U.S. Equities***

BOSTON, MA – July 9, 2008 - KLD Research & Analytics, Inc. today announced the reconstitution of its KLD Broad Market SocialSM Index (BMSI) series. This annual process keeps pace with changes in the index's eligible universe of companies and reflects changes in each company's environmental, social, and governance (ESG) performance.

On June 23, 2008, the BMSI series added two new sub-indexes and two composite indexes:

- KLD Mid Cap Social Index (MCSI)
- KLD Small Cap Social Index (SCSI)
- KLD Large-Mid Cap Social Index (LMSI)
- KLD Small-Mid Cap Social Index (SMSI)

“By offering a broader range of indexes, the BMSI series now enables more flexible asset allocation,” said Thomas Kuh, Managing Director of KLD Indexes. “We’ve also refined the BMSI series methodology to be more selective, so constituents have, on average, higher ESG scores,” said Kuh.

The BMSI series draws its constituent companies from the 3,000 largest U.S. equities. It defines a universe of companies appropriate for sustainable investment strategies; acts as a benchmark for evaluating the financial performance of ESG-reviewed portfolios; and serves as a basis for several investment products, including the CREF Social Choice Account and the TIAA-CREF Social Choice Equity Fund.

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KLD BMSI Series: Definition, Component Indexes and Top Ten Holdings

The BMSI series is comprised of U.S. companies with the highest ESG ratings in ten business sectors, across three market capitalization segments: large cap, mid cap and small cap. The BMSI series includes a benchmark index, three sub-indexes and two composite indexes.

BMSI Series: Component Indexes

Benchmark
KLD Broad Market Social SM Index (BMSI)

Sub Indexes	Composite Indexes
KLD Large Cap Social SM Index (LCSI)	KLD Large-Mid Cap Social SM Index (LMSI)
KLD Mid Cap Social SM Index (MCSI)	
KLD Small Cap Social SM Index (SCSI)	KLD Small-Mid Cap Social SM Index (SMSI)

BMSI Series: Top Ten Holdings in Each Market Cap Segment

BMSI, LCSI, & LMSI	MCSI & SMSI	SCSI
Microsoft Corp.	Petrohawk Energy Corp.	Dril-Quip, Inc.
Procter & Gamble Co.	NYMEX Holdings, Inc.	Delta Petroleum Corp.
Johnson & Johnson	Helmerich & Payne, Inc.	ADC Telecommunications, Inc.
IBM	Steel Dynamics, Inc.	Nicor, Inc.
Cisco Systems	SandRidge Energy, Inc.	Swift Energy Company
Google Inc.	BMC Software, Inc.	Complete Production Services, Inc.
Intel	The Estee Lauder Co's Inc.	Potlatch Corp.
Bank of America	Mattel, Inc.	EMCOR Group, Inc.
Hewlett-Packard Co.	Cabot Oil & Gas Corp.	American Superconductor Corp.
Pepsico	Embarq Corp.	Goodrich Petroleum Corp.

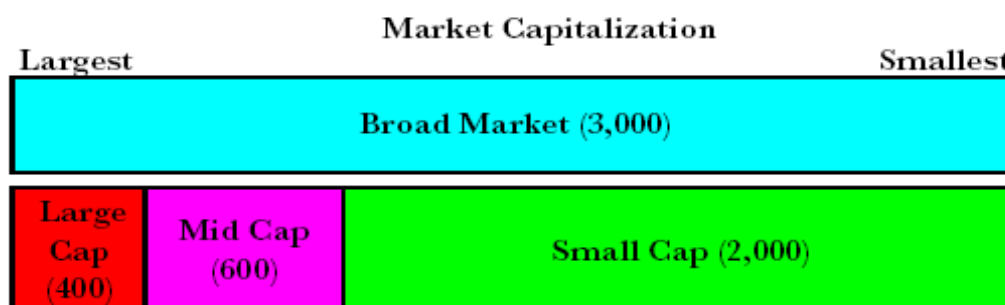
BMSI Series: Eligible Universe and Index Constituents

Index	Eligible Universe	Index Constituents
BMSI	3,000	1,875
<i>Sub Indexes</i>		
LCSI	400	247
MCSI	600	384
SCSI	2,000	1,244
<i>Composite Indexes</i>		
LMSI	1,000	631
SMSI	2,600	1,628

KLD BMSI Series: The Reconstitution Process

KLD employs a 5-step process for the reconstitution of the BMSI series. KLD designed this process to capture the best ESG performers in each sector while approximating the sector diversification of the underlying equity market.

- 1. Evaluation.** KLD analysts evaluate the ESG performance of companies in the BMSI-eligible universe of 3,000 companies, using KLD's environmental, social and governance ratings framework.
- 2. Market Cap Segmentation.** KLD divides the BMSI-eligible universe of 3,000 companies into three segments based on market capitalization: large cap, mid cap and small cap. *See table below.*



- 3. Ranking.** KLD ranks companies in each segment by sector peer group, based on overall ESG performance.
- 4. Selection.** KLD selects the highest-ranked companies, targeting 65% of the market capitalization of each sector, in each market cap segment. This process provides the constituents for the three sub-indexes: LCSi, MCSi and SCSi.
- 5. Aggregation.** KLD aggregates the three sub-indexes (LCSi, MCSi and SCSi) to create the BMSI. To form the composite indexes, KLD aggregates the LCSi and MCSi for the LMSi and the MCSi and SCSi for the SMSi.

KLD BMSI Series: Summary of 2008 Enhancements

Reconstitution provides an opportunity to incorporate changes to KLD's research methodology, as well as adjustments to the Index series itself. In 2008, KLD expanded its analytical framework to better account for the social and environmental impact of a company's involvement in certain business activities, such as the manufacture of alcohol, tobacco products or weapons.

New Indexes: For 2008, KLD introduced two new sub-indexes and two composite indexes:

- KLD Mid Cap Social Index
- KLD Small Cap Social Index
- KLD Large-Mid Cap Social Index
- KLD Small-Mid Cap Social Index

The KLD Large Cap Social Index, which previously drew from an eligible universe of 1000 companies, is now divided into the KLD Large Cap Social Index (which now draws from a universe of the largest 400 companies) and the KLD Mid Cap Social Index (the next 600 companies).

New Eligible Universe: The BMSI eligible universe is the 3,000 largest US equities by market capitalization.

New Market Cap Targets: The BMSI series has a target of 65% of the market capitalization of each sector in the large-, mid- and small-cap eligible universes. This replaces a target range of 65-75% of the sector market cap in each market cap segment.

Methodological Enhancements: KLD has expanded its ESG analytical framework so that its rating system reflects the social and environmental impact of the production and sale of alcohol, tobacco products, military and civilian weapons, nuclear power and gambling products and services. Previously, KLD automatically excluded companies that derived substantial revenues from such products, or from gambling or nuclear power. The new system quantifies the social and environmental impact of corporate activity and incorporates it into the measurement of a company's overall ESG performance.

Impact of Changes: Due to the introduction of new indexes and a lowering of the market capitalization targets, the total number of companies in the BMSI series of indexes has decreased. However, due to the modification of exclusionary screens, KLD has a larger pool of companies to select from in sectors such as industrials (previously subject to military weapons exclusions), utilities (nuclear power), consumer staples (alcohol) and consumer discretionary (gambling). This expansion of the pool of eligible companies has led to an increase in the average ESG performance of companies in the BMSI series.

“Companies with strong ESG performance are no longer automatically excluded for minor involvement in a screened activity,” said Thomas Kuh. “As more investors consider ESG factors, the KLD Broad Market Social Index series enables investment managers to provide their clients with greater market cap segmentation and holdings with higher ESG performance.”

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About KLD Indexes

KLD Indexes is a unit of KLD Research & Analytics, Inc., the leading provider of environmental, social and governance (ESG) research for institutional investors. KLD Indexes develops and licenses benchmark, strategy and custom indexes, which investment managers use to integrate ESG criteria into their investment decisions. KLD Indexes are designed to be transparent, representative and investable. Products based on KLD Indexes include:

Mutual Funds

ETFs

Separately Managed Accounts

Unit Investment Trusts

Variable Annuities

Structured Products

More than \$10 billion is invested in vehicles based on KLD Indexes.

For more information about KLD’s indexes visit <http://www.kld.com/indexes>

For information about licensing a KLD index for the creation of an investment product, please email indexes@kld.com

KLD Broad Market Social Index is a service mark of KLD Research & Analytics, Inc.