



OFFICE OF THE PRESIDENT  
1111 Franklin Street, 12th Floor  
Oakland, California 94607-5200

April 25, 2005

Dear Participant:

Starting next month, you will receive detailed information about changes in account services for participants in the University's Defined Contribution Plan (DC Plan) and Tax-Deferred 403(b) Plan (403(b) Plan), and about expansion of UC funds and other investment options for those plans and the UC 457(b) Deferred Compensation Plan (457(b) Plan).

**You do not have to take any action at this time, but please read this letter and its enclosure to gain an overview of key dates and steps you may wish to take in the coming weeks.**

#### **NEW ACCOUNT AND RECORDKEEPING SERVICES**

In July, account and recordkeeping services for the DC Plan and the 403(b) Plan will be transitioned to Fidelity Investments Tax-Exempt Services Company (FITSCO), which is part of the Fidelity Employer Services Company. FITSCO already provides recordkeeping services for the University's 457(b) Plan, which was implemented in September 2004. Together, the three plans will be known as the **University of California Retirement Savings Program**. The new FITSCO services arrangement will provide you with:

- A toll-free number and a customer service call center, with representatives available to assist you 16 hours a day on business days
- Single-account access to all three plans
- A streamlined process for managing your money
- Timely transfers between investment options (same day, subject to daily deadlines)
- A consolidated quarterly statement

The change in our Retirement Savings Program account services and recordkeeping system will not affect services for the UC Retirement Plan, which provides pension benefits.

**The transition of accounts and services will begin next month and will be completed this summer. During the transition period, certain account activities will be temporarily suspended, as shown on the attached "Calendar of Key Dates," including making transfers between funds and receiving distributions.**

## EXPANSION OF UC FUNDS AND OTHER INVESTMENT OPTIONS EXPECTED

The UC Office of the Treasurer will provide oversight responsibility for the following investment options within the UC Retirement Savings Program, collectively referred to as the Core funds:

- UC Savings Fund
- UC ICC (Insurance Company Contract) Fund
- UC Equity Fund
- UC Bond Fund
- UC Balanced Growth Fund
- UC TIPS (Treasury Inflation-Protected Securities) Fund
- UC Domestic Equity Index Fund (new and available in July)
- UC International Equity Index Fund (new and available in July)
- UC Pathway Funds (new and available in July)—a series of life cycle funds that are managed to adjust the risk level as each approaches a target date
- a small capitalization equity index fund (available in July)
- an emerging markets equity fund (available in July)
- a REIT (Real Estate Investment Trust) fund (available in July)
- a socially responsible index fund (available in July)

The UC Office of the Treasurer will monitor the Core funds on an ongoing basis, and all communication and financial education efforts will focus on the Core funds. Details about the new UC funds and other investment options are not yet available, but they will be included in a Transition Information kit that you will receive from FITSCO in late May.

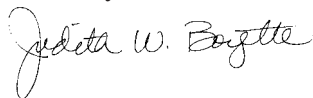
If you have a UC balance in Fidelity Investments Funds and the Calvert Group Socially Responsible Funds, you can continue to maintain your Fidelity and Calvert group account(s) after the conversion and to make transfers into or out of Fidelity and Calvert. In addition, other mutual funds will be available for fund transfers through a self-directed brokerage window. These options will not be monitored by the UC Office of the Treasurer.

## MORE INFORMATION COMING

Look for the detailed Transition Information kit from FITSCO in your home mail in late May. In addition, information will be posted on the University's At Your Service web site (<http://atyourservice.ucop.edu>) and announced in the *New Dimensions* newsletter.

The new service and recordkeeping arrangement with FITSCO seeks to both simplify and enhance your ongoing account management for the DC Plan, 403(b) Plan, and 457(b) Plan. The wider range of UC funds and other investment options that UC is selecting will offer additional opportunities for any investment transfers you wish to make. Thank you for your continued participation in the University's Retirement Savings Program.

Sincerely,



Judith W. Boyette  
Associate Vice President  
Human Resources and Benefits



David H. Russ  
Treasurer of The Regents and  
Vice President for Investments

<b>CALENDAR OF KEY DATES</b>		
<b>Actions</b>	<b>Deadline/Date</b>	<b>What You Should Do or Know</b>
<b>Distribution requests and rollovers</b>	<b>May 25, 2005</b>	Last day to request distributions and rollovers until the end of the transition period.
<b>Transfers between current funds*</b>	<b>May 25, 2005</b>	Last day to request transfers between current funds until the end of the transition period.
<b>End of transition period—target date</b>	<b>Mid-July 2005</b>	Services will be available at FITSCO.

\*Savings, ICC, Equity, Bond, Balanced Growth, and TIPS Funds; Fidelity funds; Calvert funds

*The effective date of the Retirement Savings Program changes and the end of the transition period depend upon the successful transfer of data. If this does not occur as scheduled, the delivery of services and availability of investment fund choices described in this letter could be delayed. You will be notified as soon as possible of any delay.*

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