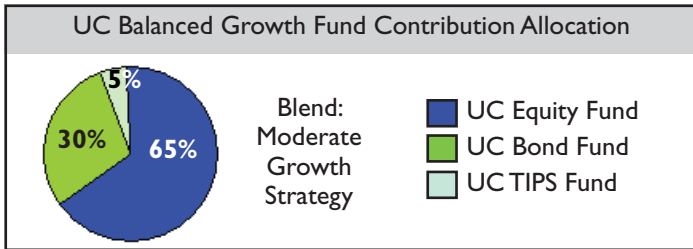




UC Balanced Growth Fund

Investment Objective: The Fund seeks to provide long-term growth and income through a balanced portfolio of equity and fixed income securities held within UC Funds.



Quick Stats

1 Year Return (6/30/2008)	-5.24%
NAV (6/30/2008)	\$12.93
Investment Category	Blend
Net Assets (\$M)	\$1,060
Inception	April 1, 2004

Average Annual Total Returns

as of 6/30/2008

Overall total return is a function of the investment performance of the component funds. The UC Balanced Growth Fund started operations on April 1, 2004. Therefore, long-term performance information is not yet available. See Quick Stats for more information.

Returns (%)	1 Year	3 Years
Balanced Growth Fund	-5.24	5.81
Policy Benchmark	-5.05	5.65

Risks to You

Please refer to the Equity Fund, Bond Fund and TIPS Fund profiles for further information on the specific investment objectives, strategies, returns and risks associated with those Funds.

Risks include market risk, credit risk, interest rate risk, individual company risk and foreign security risk. TIPS offers investors some protection against the loss of value due to inflation; however, these securities may lose value during periods of deflation. When you redeem your units, they may be worth more or less than the amount you had invested in them, which means you could lose money.

The Balanced Growth Fund may be appropriate for investors, at all points in their careers, who are seeking growth with moderate market risks. Investors with longer time horizons looking to maximize principal growth to fund retirement may want to use this Fund.

For more information on risk, see the "Investment Risk Factor Guide," available online at www.netbenefits.com.

How We Invest

Contributions are invested according to a fixed ratio: 65% Equity Fund, 30% Bond Fund and 5% TIPS (Treasury Inflation-Protected Securities) Fund. The Balanced Growth Fund's asset allocation is similar to the broad asset allocation of the University of California Retirement Plan (UCRP).

The Fund is rebalanced as needed. This prevents the three component funds from growing outside their allocation percentage. The Treasurer's Office manages the component funds according to the investment objectives and strategies of those funds.

Fees and Expenses

Investor expenses are limited to 0.15% (or \$1.50 per \$1,000 invested) of the Fund's average market value per year, assessed on a daily basis (1/365th per day invested). These expenses are not billed to participants, but are netted against the investment experience of the fund. These expenses are comprised of approximately 0.03% for investment management, 0.02% for investor education and 0.10% for administration (including accounting, audit, legal, custodial and recordkeeping services). The total administrative expenses are estimated and could actually be lower in some periods. If actual administrative expenses are less than estimated, any accumulation will be returned to the Fund each quarter, on a prorated basis, thereby lowering the effective expense ratio for participants. There are no front-end or deferred-sales loads or other marketing expenses.



UC Balanced Growth Fund *continued*

Asset Class Overview

as of **6/30/2008**

Total market value of the Balanced Growth Fund as of June 30, 2008, was \$1,060 million. Market values of the underlying fund components as of June 30, 2008, were Equity Fund \$669 million, Bond Fund \$334 million and TIPS Fund \$57 million. Please refer to the Equity Fund, Bond Fund, and TIPS Fund profiles for further information on the specific investment characteristics associated with those Funds.

Month-End Values

most recent 12 months ending **6/30/2008**

July 2007	13.42448
August 2007	13.55791
September 2007	13.93871
October 2007	14.17858
November 2007	13.86892
December 2007	13.82410
January 2008	13.35270
February 2008	13.19686
March 2008	13.14141
April 2008	13.52261
May 2008	13.66062
June 2008	12.92874

Keep in mind that investing involves risk. The value of your investment will fluctuate over time and you may gain or lose money.

The information contained herein regarding the UC Funds has been provided by the University of California Office of the Treasurer and is solely the responsibility of the University of California Office of the Treasurer.