

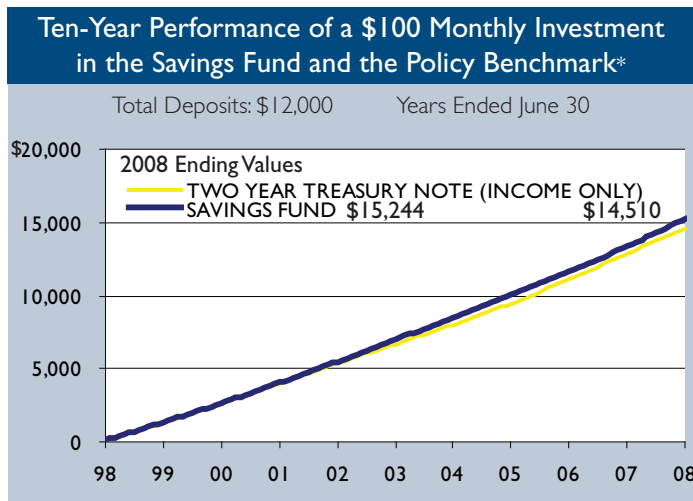


UC Savings Fund

Investment Objective: The Fund seeks to maximize interest income returns, while protecting principal, in order to provide a stable, low-risk investment, with attractive returns.

Quick Stats	1 Year Return (6/30/2008)	4.87%
	NAV (6/30/2008)	\$1.00
	Investment Category	Fixed Income
	Net Assets (\$M)	\$3,330
	Inception	July 1, 1967

The Savings Fund is part of the UC Retirement Savings Program's Core Funds, which include a full range of asset classes designed to help meet participant needs. Participants in the Program should consider their unique needs and goals, along with any savings held outside of the Program, when building an appropriately diversified asset allocation of funds.



* Policy Benchmark is Two-Year U.S. Treasury Notes Income Return.

Risks to You

The Savings Fund is designed to maintain a constant per-unit value of \$1.00, although it is not guaranteed. Risks, while relatively low overall, include credit risk, interest rate risk, and concentration risk.

The Savings Fund may be appropriate for investors seeking a stable investment with greater interest income than that normally offered by a money market fund. The Savings Fund may be appropriate for investors with shorter-term investment horizons and those near to or in retirement. The Savings Fund may be appropriate for investors with longer time horizons as one component of a portfolio containing other assets with potential for principal growth. The Savings Fund may not be appropriate as the sole investment for investors with longer time horizons.

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

Average Annual Total Returns

as of 06/30/2008

Returns (%)	1 Year	5 Years	10 Years
Savings Fund	4.87	4.19	4.92
Two-Year U.S. Treasury Note			
Income Return	3.30	3.45	3.90
Inflation (CPI Index)	5.03	3.56	2.99

Returns are based on interest income. Over the years, the fund has consistently out-performed its benchmark consisting of two-year U.S. Treasury Notes.

How We Invest

The Treasurer's Office manages the Savings Fund according to policies established by The Regents of the University of California.

The Fund invests in fixed-income securities issued by the U.S. Treasury and U.S. government agencies, most of which are backed by the full faith and credit of the U.S. government. The Fund also invests in fixed income securities issued by U.S. government-sponsored enterprises (GSEs) such as Fannie Mae, Freddie Mac and the Federal Home Loan Banks. The principal and interest payments of GSE obligations are guaranteed solely by the issuer. The maturity of all investments must be five years or less.

The Fund strives to exceed the income returns of two-year U.S. Treasury Notes and to outpace inflation. The portfolio is optimized by adjusting the average maturity to respond to expected changes in interest rates. The Fund seeks to be fully invested at all times, although a modest cash level may exist until invested.

The Fund is managed by Investment Officer Alice Yee, who also manages the University's Short-Term Investment Pool (STIP). Alice has over 31 years of experience, 27 with the University, in managing short-term investment 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.

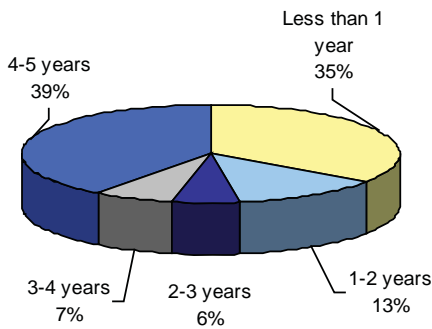


UC Savings Fund *continued*

Maturities

as of 06/30/2008

The maturity of bonds in the Fund can be an important determinant of its performance in different interest rate cycles. Although the average maturity of the Fund is currently similar to its benchmark, the Fund managers diversify maturities in order to mitigate risk and capture attractive spreads along the yield curve.



Asset Class Overview

as of 06/30/2008

Fixed-income investments within the Savings Fund include U.S. Treasuries and federal agencies with maturities less than five years.

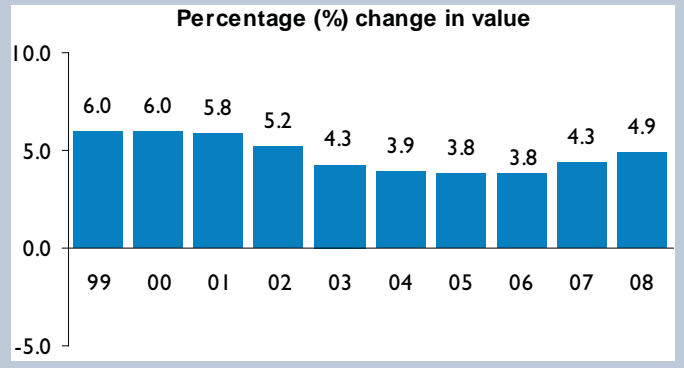
While the Fund is limited in the types of securities it can hold, the percentage invested in U.S. Treasuries vs. other U.S. governmental agencies and GSEs will vary depending on their relative yield advantage. At 06/30/2008, the Fund was composed of 47% U.S. Treasuries, 53% GSEs, and 0% U.S. government agencies.

Month-End Interest Factors

most recent 12 months ending 6/30/2008

July 2007	0.0039082
August 2007	0.0040047
September 2007	0.0038747
October 2007	0.0039978
November 2007	0.0040325
December 2007	0.0041183
January 2008	0.0041320
February 2008	0.0040474
March 2008	0.0040867
April 2008	0.0039645
May 2008	0.0038655
June 2008	0.0036498

Year-by-Year Performance



Keep in mind that investing involves risk. The value of your investment may 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.