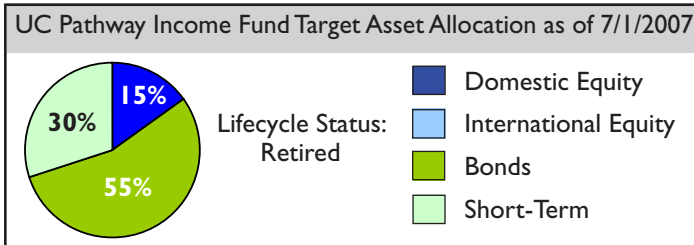




UC Pathway Income Fund

Investment Objective: The Fund seeks to maximize income.



Quick Stats

1 Year Return (12/31/2007)	3.85%
NAV (12/31/2007)	\$11.35
Investment Category	Lifecycle
Net Assets (\$M)	\$21
Inception	July 1, 2005

How We Invest

The Fund invests in a combination of Core Funds and allocates its assets among these Funds according to an asset allocation strategy. This UC Pathway Income Fund is appropriate for those investors who are retired.

The Fund's benchmark is a blend of the benchmarks of the individual underlying Core Funds based on the holdings percentages shown below.

Holdings as of 7/1/2007

Underlying Funds:

UC Bond Fund	25.0%
Vanguard REIT Index Fund	15.0%
UC Savings Fund	30.0%
UC TIPS Fund	30.0%
Total	100.0%

Asset Allocation:

Domestic Equity	15.0%
Bonds	55.0%
Short-Term	30.0%
Total	100.0%

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.

Average Annual Total Returns

as of 12/31/2007

The UC Pathway Funds became available on July 1, 2005. Therefore, long-term performance information is not yet available.

Returns (%)	1 Year
Pathway Income Fund	3.85
Policy Benchmark	3.89

Risks to You

The UC Pathway Funds are comprised of a variety of Core Funds. Please refer to the individual Core Fund profiles for further information on the specific investment objectives, strategies, returns and risks associated with those funds. The value of the Fund may fluctuate from day to day, depending on market changes.

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

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.

Note: This Fund's share price and performance are based on the combined market value and performance of its underlying funds. Due to existing operational deadlines, trade execution of *only* the underlying Vanguard portion of this Pathway Fund will be lagged by one business day.



UC Pathway Income Fund *continued*

Month-End Values

most recent 12 months ending 12/31/2007

January 2007	11.09490
February 2007	11.16890
March 2007	11.14745
April 2007	11.19980
May 2007	11.14838
June 2007	10.97693
July 2007	10.95607
August 2007	11.12680
September 2007	11.27786
October 2007	11.37453
November 2007	11.40866
December 2007	11.34654

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

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