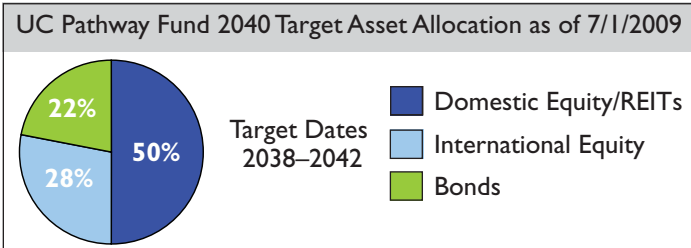




UC Pathway Fund 2040

Investment Objective: The Fund seeks to provide capital appreciation and current income consistent with its asset allocation, which will increasingly emphasize income as the target date approaches.



Quick Stats	1 Year Return (06/30/2009)	-20.98%
	NAV (06/30/2009)	\$9.70
	Investment Category	Lifecycle
	Net Assets (\$M)	\$59
	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. As the Fund moves toward its target date, its asset allocation becomes more conservative. Once the target date is met, the asset mix will be similar to the UC Pathway Income Fund and the two Funds will merge. This UC Pathway Fund 2040 may be appropriate for those investors planning to begin drawing income from their 403(b), 457(b), or DC accounts between 2038 and 2042.

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 7/1/2009

Underlying Funds:

UC Domestic Equity Index Fund	38%
Vanguard Small Cap Index Fund	9
UC International Equity Index Fund	28
UC Bond Fund	10
Vanguard REIT	3
UC TIPS Fund	12
Total	100%

Asset Allocation:

Domestic Equity/REITs	50%
International Equity	28
Bonds	22
Total	100%

Average Annual Total Returns

as of (06/30/2009)

The UC Pathway Fund 2040 became available on July 1, 2005; therefore, long-term performance information is not yet available.

Returns (%)	1 Year	3 Years
Pathway Fund 2040	-20.98	-4.40
Policy Benchmark	-22.50	-5.09

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.

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

The investment risks of each Pathway Fund change over time as the Fund's asset allocation changes. Assets held in the Funds are subject to the volatility of the financial markets, including equity and fixed income investments in the U.S. and abroad and may be subject to risks associated with investing in high yield, small cap and foreign securities. Principal invested is not guaranteed at any time, including at or after their target dates.



UC Pathway Fund 2040 *continued*

Month-End Values

most recent 12 months ending **06/30/2009**

July 2008	12.13145
August 2008	12.13282
September 2008	11.02888
October 2008	9.22403
November 2008	8.71610
December 2008	9.07736
January 2009	8.46936
February 2009	7.76611
March 2009	8.27884
April 2009	9.11471
May 2009	9.70247
June 2009	9.70214

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Investor's share price of this Fund is based on the combined market values of its underlying funds at close of business on the day of a transaction. Due to existing operational deadlines, the Fund manager's trade execution of only the underlying Vanguard portions of this Pathway Fund will be lagged by one business day. Should the market fluctuate on that day, any impact (positive or negative) would be minimized by being spread across the entire Fund.

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.