Retirement Savings Program

Fund Menu Management Project

Project Status Update
UCRS Advisory Board
February 22, 2013

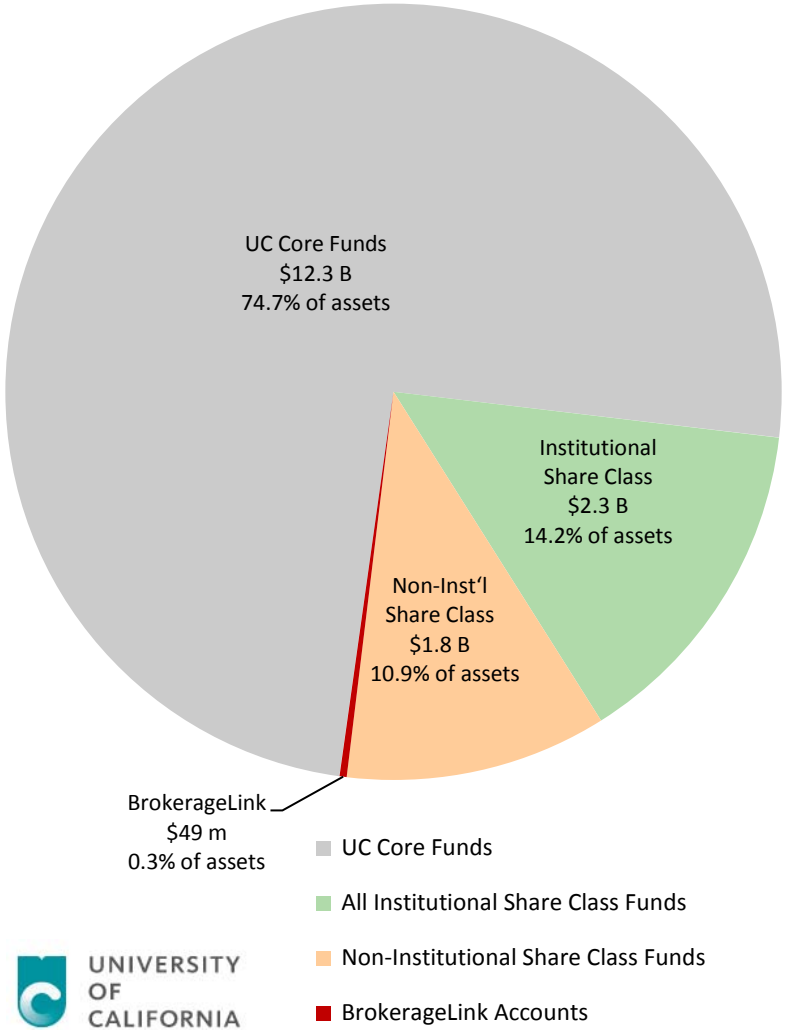
RSP Fund Menu Management: Project Goals

- Enhance value for participants
  - Fee control / reduction
- Reinforce oversight & monitoring
  - Smaller menu allows more efficient monitoring
- Improve participant experience and plan effectiveness
  - Simpler menus are easier to understand and use; less duplication
  - A smaller number of choices can alleviate confusion
    - Studies have shown that too much choice can prevent participants from making appropriate decisions

Where Retirement Savings Program (RSP) Assets Are Invested

UC Retirement Savings Program

Total Assets – Market Value as of 6/30/12



Fund Category	Market Value	% of Total Assets	Unique Participant Count	# of Funds Offered
UC Core Funds	$ 12,262,899,243	74.7%	272,671	24
All Institutional Share Class Funds	$ 2,324,628,007	14.2%	45,498	62
Non-Institutional Share Class Funds	$ 1,789,142,588	10.9%	42,806	128
BrokerageLink Accounts	$ 48,550,103	0.3%	265	thousands
Total	$ 16,425,219,941	100.0%		

All Institutional Share Class Funds includes:
Fidelity K Shares, Spartan Institutional & Calvert Institutional share class funds.

Unique count = number of participants with a balance in any fund in the category.

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RSP Fund Menu Management: Phase 1 (Complete)

- Menu management applied using pricing guidelines
  - Pricing is the most objective form of monitoring
  - Institutional fund pricing demonstrates stewardship and objectively benefits participants

- RSP fund menu modifications
  - Fund additions are controlled at plan sponsor level
  - Converted 49 Fidelity-managed mutual funds to “institutional” class shares: 3/28/2012
  - Converted 8 Calvert-managed mutual funds to “institutional” class shares: 7/31/2012

RSP Menu Management: Phase II

Reduce number of choices on platform to exclusively "UC Core" and "Institutional" class funds

March 28, 2013: Freeze non-menu funds to prevent short-term trading fees

- no new contributions
- no transfers in
- fund information still viewable
- balances still available for transfers out

June 28, 2013: In-kind transfers for BrokerageLink account holders and mapping of non-menu fund balances

- no buys/sells involved for in-kind transfers
- no fees for in-kind transfers or mapping

RSP Phase II Communications Timeline

1) ***Our University* newsletter** – *Complete.* Published 1/22
2) ***New Dimensions* newsletter article** – *Complete.* Published February 2012
3) **Announcement Letter** - *Complete*. Mailed on 1/29
4) **Website Content** (*ucfocusonyourfuture.com & NetBenefits*)*Complete*. Posted 2/14
5) **Decision Guide** - Will begin mailing on 2/26
6) **Personal Mapping Statement** - Will mail with the Decision Guide on 2/26
7) ***Understanding Fund Menu Changes* Workshop** - *Complete*. Recorded version is posted online; onsite workshops begin in March.
8) **Reminder 1 Postcard** – scheduled to mail mid-March
9) **Reminder 2 Postcard** – scheduled to mail early June
10) **Confirmation Postcard** – scheduled to mail following fund action