

University of Michigan Investment Funds Update

Total Returns as of December 31, 2006

| Stock Fund Choices | Average Annualized Compound Return (%) | | | | |
|------------------------------------|--|--------|---------|---------|----------|
| | 3 Months | 1 Year | 3 Years | 5 Years | 10 Years |
| Russell 3000 Index*7.13 | 15.74 | 11.21 | 7.17 | 8.64 | - |
| Standard & Poor's 500 Stock Index* | 6.70 | 15.80 | 10.44 | 6.19 | 8.43 |

U.S. Large Capitalization Stock Fund Choices

| | | | | | |
|---|------|-------|-------|-------|-------|
| Russell 1000 Index* | 6.95 | 15.46 | 10.97 | 6.82 | 8.64 |
| CREF Equity Index Account | 7.00 | 15.23 | 10.74 | 6.73 | 8.31 |
| CREF Growth Account | 5.55 | 5.49 | 5.72 | 1.09 | 3.87 |
| TIAA-CREF Growth and Income | 7.95 | 16.86 | 10.63 | - | - |
| TIAA-CREF Large-Cap Growth Index | 5.87 | 8.70 | 6.38 | - | - |
| TIAA-CREF Large-Cap Value Index | 7.88 | 21.81 | 14.56 | - | - |
| TIAA-CREF S&P 500 Index | 6.61 | 15.36 | 9.96 | - | - |
| CREF Stock Account | 7.73 | 17.24 | 12.50 | 8.30 | 8.28 |
| Fidelity | 5.86 | 13.67 | 9.64 | 5.45 | 8.28 |
| Fidelity Asset Manager 85% ¹ | 6.16 | 12.40 | 10.24 | 5.31 | - |
| Fidelity Asset Manager 70% ² | 5.17 | 10.33 | 6.68 | 4.94 | 6.84 |
| Fidelity Blue Chip Growth | 4.14 | 5.54 | 5.27 | 1.69 | 5.61 |
| Fidelity Blue Chip Value | 7.54 | 15.34 | 13.23 | - | - |
| Fidelity Capital Appreciation | 7.22 | 13.80 | 10.24 | 9.85 | 10.08 |
| Fidelity Contrafund | 6.45 | 11.52 | 14.26 | 11.52 | 11.01 |
| Fidelity Convertible Securities | 8.10 | 15.13 | 10.37 | 8.24 | 11.87 |
| Fidelity Disciplined Equity | 6.98 | 14.58 | 12.28 | 7.95 | 9.21 |
| Fidelity Discovery ³ | 4.96 | 13.94 | 8.78 | 5.34 | - |
| Fidelity Dividend Growth | 5.85 | 14.67 | 7.90 | 4.27 | 9.68 |
| Fidelity Equity-Income | 7.44 | 19.81 | 12.13 | 8.70 | 9.39 |
| Fidelity Equity-Income II | 6.45 | 13.73 | 9.35 | 7.95 | 9.09 |
| Fidelity Export & Multinational | 5.75 | 8.43 | 12.40 | 8.90 | 12.89 |
| Fidelity Fifty | 8.02 | 11.13 | 9.84 | 9.86 | 10.75 |
| Fidelity Focused Stock ⁴ | 4.16 | 5.13 | 12.81 | 1.42 | 5.03 |
| Fidelity Four-in-One Index | 6.77 | 15.43 | 11.35 | 8.27 | - |
| Fidelity Growth & Income | 6.80 | 10.71 | 7.69 | 4.02 | 7.15 |
| Fidelity Growth & Income II | 5.75 | 12.84 | 8.65 | 5.55 | - |
| Fidelity Growth Company | 8.46 | 9.56 | 11.72 | 5.58 | 9.56 |
| Fidelity Independence | 6.72 | 12.26 | 11.49 | 7.60 | 9.72 |
| Fidelity Large-Cap Growth ⁵ | 7.85 | 5.67 | 10.76 | 4.07 | - |
| Fidelity Large Cap Stock | 6.93 | 12.96 | 8.90 | 4.46 | 6.84 |
| Fidelity Large-Cap Value ⁶ | 7.01 | 17.11 | 15.31 | 9.85 | - |
| Fidelity Magellan | 5.04 | 7.22 | 7.04 | 3.17 | 6.99 |
| Fidelity NASDAQ Composite Index | 7.05 | 10.03 | 6.78 | - | - |
| Fidelity OTC | 7.96 | 9.45 | 8.83 | 6.07 | 7.11 |
| Fidelity Spartan 500 Index | 6.67 | 15.71 | 10.35 | 6.08 | 8.27 |
| Fidelity Spartan Tot Mkt Index | 7.19 | 15.73 | 11.35 | 7.44 | - |
| Fidelity Spartan U.S. Eq Index | 6.66 | 15.72 | 10.34 | 6.07 | 8.27 |
| Fidelity Stock Selector | 5.71 | 13.14 | 10.65 | 6.32 | 7.27 |
| Fidelity Strategic Dividend & Income | 5.87 | 13.96 | 12.81 | - | - |
| Fidelity Trend | 5.99 | 13.14 | 10.38 | 6.31 | 5.67 |

¹ Formerly known as Fidelity Asset Manager: Aggressive, ² Formerly known as Fidelity Asset Manager: Growth

³ Formerly known as Fidelity Contrafund II, ⁴ Formerly known as Fidelity TechnoQuant Growth, ⁵ Formerly known as Fidelity Structured Large-Cap Growth, ⁶ Formerly known as Fidelity Structured Large-Cap Value.

U.S. Mid-Capitalization Stock Fund Choices

| | | | | | |
|--|------|-------|-------|-------|-------|
| Russell 2500 Index* | 8.70 | 16.17 | 14.10 | 12.19 | 11.26 |
| TIAA-CREF Mid-Cap Blend Index | 7.49 | 14.69 | 15.46 | - | - |
| TIAA-CREF Mid-Cap Growth | 7.63 | 8.79 | 11.07 | - | - |
| TIAA-CREF Mid-Cap Growth Index | 6.82 | 10.22 | 12.21 | - | - |
| TIAA-CREF Mid-Cap Value | 9.06 | 19.95 | 18.71 | - | - |
| TIAA-CREF Mid-Cap Value Index | 8.32 | 19.63 | 18.23 | - | - |
| Fidelity Aggressive Growth | 9.86 | 8.93 | 9.10 | 0.39 | 3.13 |
| Fidelity Leveraged Co Stock | 8.36 | 17.57 | 19.79 | 27.09 | - |
| Fidelity Mid-Cap Growth | 8.72 | 7.94 | 12.52 | 6.84 | - |
| Fidelity Mid-Cap Stock | 4.96 | 14.78 | 13.26 | 6.99 | 12.70 |
| Fidelity Mid-Cap Value ⁷ | 6.72 | 14.50 | 16.63 | 12.87 | - |
| Fidelity New Millennium | 8.08 | 13.53 | 9.23 | 7.48 | 13.87 |
| Fidelity Spartan Extended Market Index | 9.01 | 15.35 | 14.37 | 11.85 | - |
| Fidelity Value | 7.14 | 15.09 | 16.81 | 14.23 | 12.01 |
| Fidelity Value Discovery | 6.30 | 15.60 | 16.28 | - | - |
| Fidelity Value Strategies | 9.07 | 16.08 | 11.06 | 10.36 | 12.21 |

U.S. Small Capitalization Stock Fund Choices

| | | | | | |
|--|-------|-------|-------|-------|-------|
| Russell 2000 Index* | 8.90 | 18.35 | 13.55 | 11.39 | 9.43 |
| TIAA-CREF Small-Cap Blend Index | 8.78 | 17.94 | 13.08 | - | - |
| TIAA-CREF Small-Cap Growth Index | 8.69 | 12.96 | 12.11 | - | - |
| TIAA-CREF Small-Cap Value Index | 8.91 | 22.93 | 16.06 | - | - |
| Fidelity Low-Priced Stock | 9.78 | 17.76 | 16.08 | 15.63 | 15.34 |
| Fidelity Small Cap Growth | 8.55 | 13.20 | - | - | - |
| Fidelity Small Cap Independence ⁸ | 11.80 | 14.59 | 13.51 | 9.32 | 8.97 |
| Fidelity Small Cap Retirement | 6.44 | 9.45 | 11.17 | 7.84 | - |
| Fidelity Small Cap Stock | 6.83 | 12.37 | 11.64 | 11.21 | - |
| Fidelity Small Cap Value | 8.94 | 15.65 | - | - | - |

⁷ Formerly known as Fidelity Structured Mid-Cap Value, ⁸ Formerly known as Fidelity Small Cap Selector.

International Stock Fund Choices

| | | | | | |
|--|-------|--------|-------|-------|-------|
| S&P/Citigroup Broad Market Ex-US Index* ⁹ | 10.11 | 25.74 | 21.75 | 17.20 | 9.18 |
| IFC Investible (Emerging Mkts) Index* | 17.68 | 34.96 | 32.71 | 28.67 | 10.46 |
| CREF Global Equities Account | 8.68 | 19.09 | 13.99 | 9.14 | 7.14 |
| CREF International Equity Index | 10.17 | 25.87 | 19.36 | - | - |
| Fidelity Aggressive Int'l | 10.38 | 15.44 | 13.18 | 12.99 | 8.29 |
| Fidelity Canada | 4.74 | 15.04 | 22.16 | 21.53 | 13.07 |
| Fidelity China Region | 11.87 | 29.67 | 18.30 | 15.39 | 7.49 |
| Fidelity Diversified Int'l | 9.80 | 22.52 | 19.78 | 17.27 | 13.16 |
| Fidelity Emerging Markets | 17.74 | 33.39 | 33.26 | 26.80 | 4.74 |
| Fidelity Europe | 10.42 | 25.18 | 24.02 | 15.87 | 10.87 |
| Fidelity Europe Capital Appreciation | 12.01 | 35.45 | 22.37 | 16.34 | 12.62 |
| Fidelity Global Balanced | 6.28 | 13.70 | 12.10 | 11.42 | 9.23 |
| Fidelity Int'l Discovery | 9.80 | 22.52 | 19.78 | 17.27 | 13.16 |
| Fidelity Int'l Small Cap Fund | 9.20 | 14.22 | 24.16 | - | - |
| Fidelity International Small Cap Opportunities | 15.34 | 25.72 | - | - | - |
| Fidelity Japan | 3.56 | -5.02 | 14.55 | 13.79 | 7.14 |
| Fidelity Japan Smaller Companies | -1.07 | -21.54 | 10.69 | 17.11 | 10.45 |
| Fidelity Latin America | 19.85 | 44.33 | 46.75 | 32.90 | 15.10 |
| Fidelity Nordic | 18.61 | 36.67 | 29.06 | 19.52 | 14.06 |
| Fidelity Overseas | 10.65 | 20.49 | 17.73 | 13.66 | 8.25 |
| Fidelity Pacific Basin | 11.89 | 16.16 | 20.65 | 17.54 | 8.91 |
| Fidelity Southeast Asia | 17.85 | 37.19 | 27.68 | 22.96 | 7.58 |
| Fidelity Spartan Int'l Index | 10.39 | 26.15 | 19.81 | 14.85 | - |
| Fidelity Worldwide | 9.27 | 17.42 | 14.39 | 10.96 | 8.59 |

Life Cycle Funds

| | | | | | |
|-------------------------------|------|-------|------|------|------|
| TIAA-CREF Lifecycle Fund 2010 | 3.36 | 8.39 | - | - | - |
| TIAA-CREF Lifecycle Fund 2015 | 4.06 | 9.40 | - | - | - |
| TIAA-CREF Lifecycle Fund 2020 | 4.44 | 10.26 | - | - | - |
| TIAA-CREF Lifecycle Fund 2025 | 4.87 | 10.78 | - | - | - |
| TIAA-CREF Lifecycle Fund 2030 | 5.29 | 11.72 | - | - | - |
| TIAA-CREF Lifecycle Fund 2035 | 5.65 | 12.47 | - | - | - |
| TIAA-CREF Lifecycle Fund 2040 | 6.01 | 13.12 | - | - | - |
| Fidelity Freedom 2000 | 2.95 | 6.76 | 5.08 | 4.47 | 6.77 |
| Fidelity Freedom 2005 | 4.44 | 9.23 | 7.28 | - | - |
| Fidelity Freedom 2010 | 4.55 | 9.46 | 7.53 | 6.29 | 8.26 |
| Fidelity Freedom 2015 | 5.00 | 10.36 | 8.61 | - | - |
| Fidelity Freedom 2020 | 5.77 | 11.61 | 9.63 | 7.26 | 8.75 |
| Fidelity Freedom 2025 | 5.94 | 11.84 | 9.97 | - | - |

| Stock Fund Choices | Average Annualized Compound Return (%) | | | | |
|--------------------|--|--------|---------|---------|----------|
| | 3 Months | 1 Year | 3 Years | 5 Years | 10 Years |

Life Cycle Funds (cont'd.)

| | | | | | |
|-----------------------|------|-------|-------|------|------|
| Fidelity Freedom 2030 | 6.58 | 12.90 | 10.71 | 7.58 | 8.68 |
| Fidelity Freedom 2035 | 6.57 | 12.94 | 10.95 | - | - |
| Fidelity Freedom 2040 | 6.84 | 13.50 | 11.28 | 7.74 | - |

⁹ Formerly known as Salomon Broad Market Ex-US Index. For information only.

CREF Social Choice Account

| | | | | | |
|------------------------------|------|-------|-------|------|-------|
| Fidelity Asset Manager 50%10 | 4.52 | 10.15 | 8.02 | 6.48 | 7.91 |
| Fidelity Asset Manager 20%11 | 4.08 | 9.19 | 6.18 | 5.22 | 7.42 |
| Fidelity Balanced | 2.40 | 7.32 | 6.64 | 6.66 | 6.63 |
| Fidelity Freedom Income | 5.21 | 11.65 | 11.09 | 9.98 | 10.84 |
| Fidelity Puritan | 2.53 | 6.37 | 4.67 | 4.19 | 5.83 |
| | 5.55 | 14.78 | 9.50 | 8.12 | 8.74 |

U.S. Bond Funds

| | | | | | |
|--|-------|-------|-------|-------|------|
| Lehman Aggregate Index* | 1.24 | 4.34 | 3.70 | 5.06 | 6.24 |
| CREF Bond Market Account | 1.21 | 4.12 | 3.51 | 4.95 | 6.09 |
| CREF Inflation Linked Bond Account | -1.45 | -0.01 | 3.45 | 6.74 | 6.41 |
| TIAA Traditional Annuity ¹² | 1.24 | 4.75 | 4.52 | 5.89 | 6.64 |
| Fidelity Capital & Income | 5.35 | 13.04 | 10.16 | 13.12 | 8.09 |
| Fidelity Focused High Income | 3.63 | 8.50 | - | - | - |
| Fidelity Floating Rate High Income | 1.94 | 6.37 | 5.02 | 4.65 | - |
| Fidelity Ginnie Mae | 1.52 | 4.13 | 3.67 | 4.35 | 5.58 |
| Fidelity Government Income ¹³ | 0.86 | 3.53 | 3.18 | 4.49 | 5.64 |
| Fidelity High-Income | 4.16 | 10.74 | 7.91 | 10.21 | 5.64 |
| Fidelity Inflation-Protected Bond | -1.31 | 0.23 | 3.49 | - | - |
| Fidelity Institutional Short-Int Gov't | 0.78 | 3.65 | 2.13 | 3.21 | 4.89 |
| Fidelity Intermediate Bond | 1.06 | 4.26 | 3.07 | 4.64 | 5.73 |
| Fidelity Intermediate Govt | 0.86 | 3.64 | 2.49 | 3.88 | 5.31 |
| Fidelity Investment Grade Bond | 1.30 | 4.82 | 4.03 | 5.21 | 6.08 |
| Fidelity Mortgage Securities | 1.43 | 4.84 | 3.92 | 4.87 | 5.97 |
| Fidelity Short-Term Bond | 1.19 | 4.58 | 2.86 | 3.76 | 4.98 |
| Fidelity Strategic Income | 2.69 | 8.15 | 6.87 | 9.63 | - |
| Fidelity Total Bond Fund | 1.44 | 5.12 | 4.34 | - | - |
| Fidelity Ultra-Short Bond | 1.23 | 4.90 | 3.05 | - | - |
| Fidelity U.S. Bond Index | 1.09 | 4.33 | 3.65 | 5.18 | 6.24 |

Non-U.S. Bond Fund Choices

| | | | | | |
|--------------------------------|------|-------|-------|-------|-------|
| J.P. Morgan Non-US Bond Index* | 1.92 | 8.46 | 3.32 | 9.82 | 4.84 |
| Fidelity New Markets Income | 3.89 | 11.89 | 11.83 | 15.61 | 12.13 |

Money Market Fund Choices

| | | | | | |
|---|------|------|------|------|------|
| Treasury Bill* | 1.24 | 4.81 | 3.06 | 2.43 | 3.81 |
| CREF Money Market Account | 1.25 | 4.73 | 2.87 | 2.17 | 3.70 |
| Fidelity Cash Reserves ¹⁴ | 1.26 | 4.75 | 2.90 | 2.24 | 3.70 |
| Fidelity Retirement Gov't Money Market | 1.25 | 4.74 | 2.87 | 2.19 | 3.67 |
| Fidelity Retirement Money Market | 1.27 | 4.82 | 2.94 | 2.25 | 3.73 |
| Fidelity Select Money Market | 1.27 | 4.82 | 2.95 | 2.27 | 3.67 |
| Fidelity Spartan Money Market | 1.27 | 4.79 | 2.92 | 2.25 | 3.71 |
| Fidelity Spartan U.S. Gov't Money Market | 1.25 | 4.70 | 2.85 | 2.19 | 3.64 |
| Fidelity Spartan U.S. Treasury Money Market | 1.18 | 4.42 | 2.65 | 2.03 | 3.41 |
| Fidelity U.S. Gov't Reserves | 1.26 | 4.77 | 2.92 | 2.26 | 3.68 |

¹⁰ Formerly known as Fidelity Asset Manager, ¹¹ Formerly known as Fidelity Asset Manager: Income, ¹² Traditional annuity returns consist of interest rates, 3 percent of which are guaranteed for current premiums, plus dividends. Dividends, when declared, remain in effect through the dividend year, which begins each March 1. ¹³ Fidelity Spartan Government Income merged into Fidelity Government Income. ¹⁴ As of June 21, 2001, Fidelity Daily Income Trust merged into Fidelity Cash Reserve. *For information only.

Specialty Fund Choices

| | | | | | |
|------------------------------------|-------|-------|-------|-------|-------|
| TIAA Real Estate | 2.04 | 14.04 | 13.53 | 10.22 | 9.43 |
| Fidelity International Real Estate | 18.94 | 42.87 | - | - | - |
| Fidelity Real Estate Income | 3.92 | 11.72 | 9.45 | - | - |
| Fidelity Real Estate Investment | 9.36 | 32.84 | 26.97 | 23.70 | 15.09 |
| Fidelity Strategic Real Return | 2.35 | 4.89 | - | - | - |
| Fidelity Utilities | 9.29 | 30.52 | 20.22 | 9.03 | 8.34 |
| Fidelity Select Air Transport | 12.27 | 22.46 | 19.42 | 11.31 | 14.30 |
| Fidelity | | | | | |