



University of Virginia  
Retirement Plans

# choosing

investments that are right for you

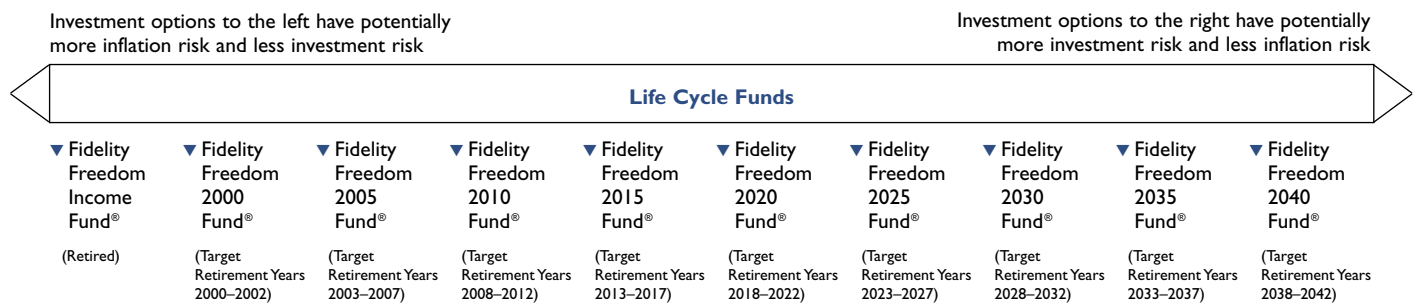
Your University of Virginia Retirement Plans offer a variety of investment options. The question is, how will you know which options best suit your unique financial needs? Here's a simple, two-part strategy to help you make informed choices:

- 1. Review your plans' investment options and how they align with your investment approach**
- 2. Select your investments**

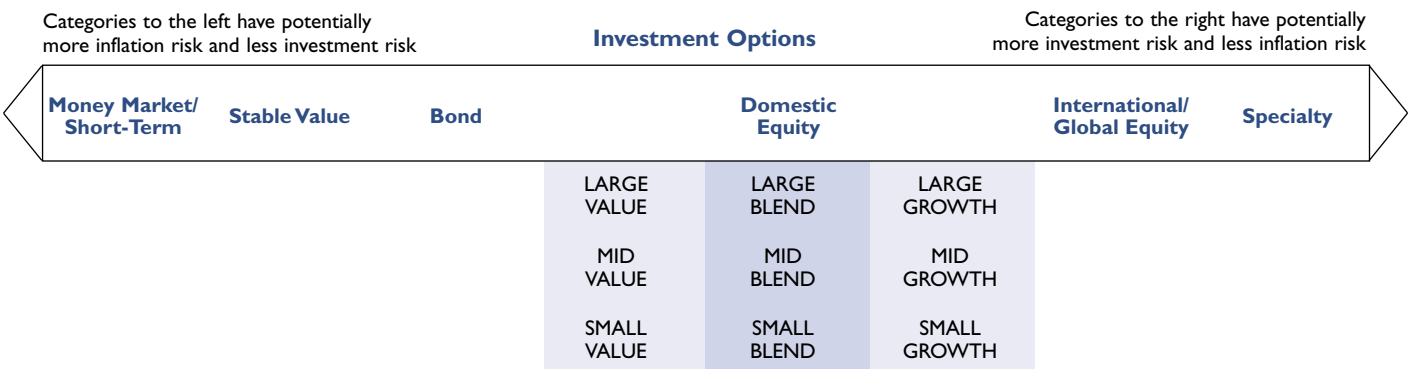
# I. review

## your plans' investment options and how they align with your investment approach

Your plans offer a variety of investment options for you to build your asset allocation strategy. These options represent the three major asset classes (stocks, bonds, and short-term investments). In the pages ahead, you'll find detailed information about all the investment options available to you. Please note that the investment options contained in this brochure are offered through the plans as of the date this brochure is printed, and they are subject to change.



The Fidelity Freedom Funds<sup>®</sup> are represented on a separate spectrum because each fund (except Fidelity Freedom Income) will gradually adjust its asset allocation to be more conservative as the fund approaches its target date. Approximately 10 to 15 years after the target date, the asset allocation of each fund will match the allocation of the Freedom Income Fund. The spectrum illustrates the relative risk and return of each fund as compared with the other funds in the Freedom family.



Last categorization update 2/28/2006.

This spectrum, with the exception of the Domestic Equity category, is based on Fidelity's analysis of the characteristics of the general investment categories and not on the actual investment options and their holdings, which can change frequently. Investment options in the Domestic Equity category are based on the options' Morningstar categories as of the date indicated. Morningstar categories are based on a fund's style as measured by its underlying portfolio holdings over the past three years and may change at any time. These style calculations do not represent the investment options' objectives and do not predict the investment options' future styles. Investment options are listed in alphabetical order within each investment category. Risk associated with the investment options can vary significantly within each particular investment category, and the relative risk of categories may change under certain economic conditions. For a more complete discussion of risk associated with the mutual fund options, please read the prospectuses and fixed annuity fact sheets before making your investment decisions. The spectrum does not represent actual or implied performance.

## Investment Option Descriptions

### Fidelity Freedom Funds®

**What they are:** The Fidelity Freedom Funds are investment options that allow the investor to select the fund that best matches his or her expected retirement year. The Fidelity Freedom Funds invest in a diversified portfolio of other Fidelity mutual funds to provide moderate asset allocation. They are designed for investors who want a simple yet diversified approach to investing for their retirement. The allocation strategy for the underlying equity, fixed-income, and short-term mutual funds is based on the number of years until the Freedom funds reach their target retirement dates. Each Freedom fund with a target retirement date will gradually adopt a more conservative asset allocation as it approaches its target retirement date. Therefore, each fund's target asset allocation percentages will change over time to become more conservative, by gradually reducing allocations to equity funds and increasing allocations to fixed-income and short-term funds. The Fidelity Freedom Income Fund,® designed for those already in retirement, emphasizes fixed-income and short-term mutual funds and seeks to maintain a stable asset allocation from year to year.

**Goal:** The Fidelity Freedom Funds with target retirement dates seek to provide high total returns until the target retirement date. Thereafter, each fund's goal will be to seek high current income and, as a secondary objective, capital appreciation. The Freedom Income Fund seeks high current income and, secondarily, capital appreciation.

**What they invest in:** Each Freedom fund invests in a diversified portfolio of Fidelity equity, fixed-income, and short-term mutual funds. Fidelity Freedom 2040, with the longest time horizon, invests primarily in equity mutual funds to take advantage of potentially greater growth opportunities. The asset mix of each Freedom fund with a target retirement date (Freedom 2000, 2005, 2010, 2015, 2020, 2025, 2030, 2035, and 2040) will gradually become more conservative over time so investors can stay with the same fund before and during retirement. After reaching the target retirement date, these Freedom funds continue to be managed more conservatively for 10 to 15 more years until their asset mix is approximately the same as Freedom Income Fund. Ultimately, after notifying the funds' investors, the funds will merge into the Freedom Income Fund. The Freedom Income Fund, designed for those already retired, is invested more conservatively, with a larger percentage in fixed-income and short-term funds, and has a smaller percentage of equity mutual funds. The funds' manager must invest in the group of underlying funds named in the prospectus, and will aim for the projected target asset

allocation percentages announced to investors in the funds' annual and semiannual reports. Freedom funds with target retirement dates may invest in domestic and foreign equity funds, high-yield and investment-grade fixed-income funds, and short-term funds. The Freedom Income Fund invests in domestic equity funds, investment-grade fixed-income funds, high-yield bond funds, and short-term funds. These funds are subject to the volatility of the financial markets in the U.S. and abroad, and may be subject to the additional risk associated with investing in high-yield, small-cap, and foreign securities. Share price and return of each Freedom fund will vary.

### Fidelity Freedom Income Fund® (00369)

**What it is:** An asset allocation mutual fund.

**Goal:** Seeks to provide high current income and, as a secondary objective, some capital appreciation for those already in retirement.

**What it invests in:** Primarily invests approximately 20% in domestic equity funds, 38% in investment-grade fixed-income funds, 2% in high-yield fixed-income funds, and 40% in short-term funds. Beginning May 29, 2005, Freedom Income Fund will gradually move toward its stable target asset allocation of 20% domestic equity funds, 35% investment-grade fixed-income funds, 5% high-yield fixed-income funds, and 40% short-term funds. Share price and return will vary.

### Fidelity Freedom 2000 Fund® (00370)

**What it is:** An asset allocation mutual fund.

**Goal:** Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

**What it invests in:** Primarily invests approximately 26% in domestic equity funds, 1% in international equity funds, 33% in investment-grade fixed-income funds, 2% in high-yield fixed-income funds, and 38% in Fidelity short-term mutual funds. The mix of underlying Fidelity mutual funds will gradually become more conservative over time. Share price and return will vary.

## Fidelity Freedom Funds,<sup>®</sup> continued

### Fidelity Freedom 2005 Fund<sup>®</sup> (01312)

**What it is:** An asset allocation mutual fund.

**Goal:** Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

**What it invests in:** Primarily invests approximately 40% in domestic equity funds, 7% in international equity funds, 36% in investment-grade fixed-income funds, 5% in high-yield fixed-income funds, and 12% in Fidelity short-term mutual funds. The mix of underlying Fidelity mutual funds will gradually become more conservative over time. Share price and return will vary.

### Fidelity Freedom 2010 Fund<sup>®</sup> (00371)

**What it is:** An asset allocation mutual fund.

**Goal:** Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

**What it invests in:** Primarily invests approximately 41% in domestic equity funds, 8% in international equity funds, 37% in investment-grade fixed-income funds, 5% in high-yield fixed-income funds, and 9% in Fidelity short-term mutual funds. The mix of underlying Fidelity mutual funds will gradually become more conservative over time. Share price and return will vary.

### Fidelity Freedom 2015 Fund<sup>®</sup> (01313)

**What it is:** An asset allocation mutual fund.

**Goal:** Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

**What it invests in:** Primarily invests approximately 49% in domestic equity funds, 10% in international equity funds, 30% in investment-grade fixed-income funds, 7% in high-yield fixed-income funds, and 4% in Fidelity short-term mutual funds. The mix of underlying Fidelity mutual funds will gradually become more conservative over time. Share price and return will vary.

### Fidelity Freedom 2020 Fund<sup>®</sup> (00372)

**What it is:** An asset allocation mutual fund.

**Goal:** Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

**What it invests in:** Primarily invests approximately 57% in domestic equity funds, 12% in international equity funds, 23% in investment-grade fixed-income funds, and 8% in high-yield fixed-income funds. The mix of underlying Fidelity mutual funds will gradually become more conservative over time. Share price and return will vary.

### Fidelity Freedom 2025 Fund<sup>®</sup> (01314)

**What it is:** An asset allocation mutual fund.

**Goal:** Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

**What it invests in:** Primarily invests approximately 61% in domestic equity funds, 13% in international equity funds, 19% in investment-grade fixed-income funds, and 7% in high-yield fixed-income funds. The mix of underlying Fidelity mutual funds will gradually become more conservative over time. Share price and return will vary.

### Fidelity Freedom 2030 Fund<sup>®</sup> (00373)

**What it is:** An asset allocation mutual fund.

**Goal:** Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

**What it invests in:** Primarily invests approximately 68% in domestic equity funds, 15% in international equity funds, 10% in investment-grade fixed-income funds, and 7% in high-yield fixed-income funds. The mix of underlying Fidelity mutual funds will gradually become more conservative over time. Share price and return will vary.

### **Fidelity Freedom 2035 Fund® (01315)**

**What it is:** An asset allocation mutual fund.

**Goal:** Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

**What it invests in:** Primarily invests approximately 68% in domestic equity funds, 15% in international equity funds, 9% in investment-grade fixed-income funds, and 8% in high-yield fixed-income funds. The mix of underlying Fidelity mutual funds will gradually become more conservative over time. Share price and return will vary.

### **Fidelity Freedom 2040 Fund® (00718)**

**What it is:** An asset allocation mutual fund.

**Goal:** Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

**What it invests in:** Primarily invests approximately 69% in domestic equity funds, 16% in international equity funds, 5% in investment-grade fixed-income funds, and 10% in high-yield fixed-income funds. The mix of underlying Fidelity mutual funds will gradually become more conservative over time. Share price and return will vary.

*Strategic Advisers, Inc., a subsidiary of FMR Corp., manages the Fidelity Freedom Funds.®*

*The percentages represent anticipated target asset allocation at March 31, 2006.*

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## **Money Market/Short-Term**

### **Fidelity Retirement Money Market Portfolio (00630)**

**What it is:** A money market mutual fund.

**Goal:** Seeks to provide as high a level of current income as is consistent with the preservation of principal and liquidity.

**What it invests in:** Primarily invests in U.S. dollar-denominated money market securities and repurchase agreements for those securities. The fund may also enter into reverse repurchase agreements. The fund also invests more than 25% of its assets in the financial services industry. *An investment in this portfolio is not guaranteed or insured by the FDIC or any other government agency. Although this money market fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in this fund.* Yield will vary.

## **Stable Value**

### **MetLife Fixed—New (97628 )**

**What it is:** The MetLife Fixed Account\* is the MetLife Guaranteed Annuity Contract, which is an annuity contract issued by Metropolitan Life Insurance Company, New York, New York (MetLife).

**Goal:** Seeks to provide a competitive fixed interest rate while offering a guarantee of principal and interest.

**What it invests in:** The MetLife Fixed Account is backed by the General Account of Metropolitan Life Insurance Company. This General Account portfolio consists primarily of public and private securities, commercial and residential mortgages, and U.S. agency securities. Guarantees are subject to the claims-paying ability of the issuing insurance company. Like most annuity contracts, MetLife contracts contain withdrawal charges and terms for keeping it in force. Please call for information.

*\*Restrictions and charges may apply to exchanges or withdrawals. The MetLife Fixed Account is not a mutual fund and is an annuity contract issued by Metropolitan Life Insurance Company, which guarantees your principal and interest. Information on the MetLife Fixed Account provided through the MetLife Guaranteed Annuity Contract was furnished by MetLife. Fidelity Investments Institutional Services Company, Inc., and Metropolitan Life Insurance Company are not affiliated.*

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## **Bond**

### **Fidelity U.S. Bond Index Fund (00651)**

**What it is:** An income mutual fund.

**Goal:** Seeks to provide investment results that correspond to the total return of the bonds in the Lehman Brothers Aggregate Bond Index.

**What it invests in:** Primarily invests at least 80% of its assets in bonds included in the Lehman Brothers Aggregate Bond Index. In general, bond prices rise when interest rates fall, and vice versa. This effect is usually more pronounced for longer-term securities. Share price and return will vary.

*The Lehman Brothers Aggregate Bond Index is an unmanaged market value-weighted index of investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of one year or more.*

## Domestic Equity

### Large Value

#### **American Century Large Company Value Fund—Investor Class (47031)**

**What it is:** A domestic equity mutual fund.

**Goal:** Seeks to provide long-term capital growth. Income is a secondary objective.

**What it invests in:** In selecting stocks for Large Company Value, the fund managers look for companies whose stock price may not adequately reflect the companies' values. Value stocks tend to be inexpensive relative to their earnings or assets compared to other types of stocks. However, value stocks can continue to be inexpensive for long periods of time and may not ever realize their full value. Share price and return will vary.

*Managed by American Century Investment Management, Inc., which provided the description for this fund.*

### Large Blend

#### **Spartan® U.S. Equity Index Fund—Investor Class (00650)**

**What it is:** An index mutual fund.

**Goal:** Seeks to provide investment results that correspond to the total return (i.e., the combination of capital changes and income) performance of common stocks publicly traded in the United States.

**What it invests in:** Normally invests at least 80% of its assets in common stocks included in the S&P 500® Index, which broadly represents the performance of common stocks publicly traded in the United States. Share price and return will vary.

*The S&P 500® Index is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks that includes the reinvestment of dividends.*

### Large Growth

#### **Fidelity Contrafund® (00022)**

**What it is:** A growth mutual fund.

**Goal:** Seeks to provide capital appreciation.

**What it invests in:** Primarily invests in common stocks. The fund may invest in securities of domestic and foreign issuers whose value the fund's manager believes is not fully recognized by the public. The fund may invest in "growth" or "value" stocks, or both. Share price and return will vary.

#### **Janus Adviser Forty Fund—Class S (91217)**

**What it is:** A domestic equities mutual fund.

**Goal:** Seeks to increase the value of your investment over the long term through capital growth.

**What it invests in:** Primarily in common stocks of all types of companies, from larger, more established companies to smaller, emerging growth companies. Smaller companies may have more abrupt or erratic price changes and may involve greater risk than larger, more established companies. Share price and return will vary.

*Managed by Janus Capital, which provided the description for this fund.*

*The fund changed its name from Janus Adviser Forty Fund—Class I on 11/25/2005.*

### Mid Blend

#### **Fidelity Low-Priced Stock Fund (00316)**

**What it is:** A growth mutual fund.

**Goal:** Seeks to provide capital appreciation.

**What it invests in:** Primarily invests at least 80% of its assets in low-priced stocks (those priced at or below \$35 per share), which can lead to investments in small and medium-sized companies. The fund may potentially invest in stocks not considered low priced. Investments in smaller companies may involve greater risk than those of larger, more well known companies. The fund may invest in securities of domestic and foreign issuers. The fund may invest in "growth" or "value" stocks, or both. If you sell any of your shares after holding them for less than 90 days, the fund will deduct a short-term trading fee from your account equal to 1.5% of the value of the shares sold. Share price and return will vary.

*Effective 7/30/04, the Low-Priced Stock Fund was closed to new investors.*

## Small Value

### **American Beacon Small Cap Value Fund— PlanAhead Class (47008)**

**What it is:** A small cap value mutual fund.

**Goal:** Seeks to provide long-term capital appreciation and current income.

**What it invests in:** Primarily invests at least 80% of the total assets of the fund in equity securities of U.S. companies with market capitalizations of \$2.6 billion or less at the time of investment. The fund's investments may include common stocks, preferred stocks, securities convertible into common stocks, and U.S. dollar-denominated American Depository Receipts. Investments in smaller companies may involve greater risks than those in larger, more well known companies. Share price and return will vary.

*Managed by American Beacon Advisors, which provided the description for this fund.*

*The manager currently allocates the fund's assets among eight investment advisers: Barrow, Hanley, Mewhinney & Strauss, Inc.; Brandywine Asset Management, LLC; The Boston Company Asset Management, LLC; Hotchkis and Wiley Capital Management, LLC; Opus Capital Management, Inc.; Dreman Value Management, LLC; Metropolitan West Capital Management, LLC; and SSgA Funds Management, Inc.*

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## International/Global Equity

### **Fidelity Diversified International Fund (00325)**

**What it is:** A growth mutual fund that invests internationally.

**Goal:** Seeks to provide capital growth.

**What it invests in:** Primarily invests in common stocks of foreign companies. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. If you sell any of your shares after holding them for less than 30 days, the fund will deduct a short-term trading fee from your account equal to 1% of the value of the shares sold. Share price and return will vary.

## Specialty

### **Fidelity Real Estate Investment Portfolio (00303)**

**What it is:** A growth and income mutual fund.

**Goal:** Seeks to provide above-average income and long-term capital growth, consistent with reasonable investment risk. The fund seeks to provide a yield that exceeds the composite yield of the S&P 500® Index.

**What it invests in:** Primarily invests at least 80% of its assets in equity securities of companies principally engaged in the real estate industry. The fund may invest in securities of domestic and foreign issuers. The fund is considered non-diversified and can invest a greater portion of its assets in securities of individual issuers than a diversified fund might, which may cause greater share price fluctuation. Because of their narrow focus, sector funds may be more volatile than funds that diversify across many sectors. Changes in real estate values or economic conditions can have a positive or negative effect on issuers in the real estate industry, which may affect the fund. If you sell any of your shares after holding them for less than 90 days, the fund will deduct a short-term trading fee from your account equal to 0.75% of the value of the shares sold. Share price and return will vary.

*The S&P 500® Index is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks that includes the reinvestment of dividends.*

## 2. **select**

### your investments

After you have reviewed your investment choices, choose the options that best meet your investment objectives and strategies. Follow the instructions on “How to Enroll” provided by your workplace savings plan. When you contact Fidelity to choose your investment options, be sure to use the investment option codes listed in this brochure that correspond to the options you want to invest in.

#### **Additional Help**

**Need additional help determining your investment strategy?** Mutual fund prospectuses and annual and semiannual reports and fixed annuity fact sheets are available if you're looking for investment objectives and strategies, fees and expenses, holdings, historical performance, and benchmark indexes. Annual and semiannual reports issued by investment options contain important information about an investment option's investment objective, historical performance, and expenses, as well as the portfolio manager's investment outlook. You have the option of reviewing reports for the Fidelity and non-Fidelity investment options you own at [www.fidelity.com/atwork](http://www.fidelity.com/atwork), or you can receive paper copies by mail. If you don't already receive paper copies and would like to, or to request an individual report or prospectus, please call a Fidelity Retirement Services Specialist at **1-800-343-0860**.

Visit Fidelity's Web site at [www.fidelity.com/atwork](http://www.fidelity.com/atwork) to utilize Fidelity's interactive planning tools and calculators, or visit the Fidelity e-Learning<sup>®</sup> section for self-paced interactive workshops to help you make the most of your retirement plan.

#### **Changing Investments**

You may request exchanges between investment options any business day as determined by the New York Stock Exchange. Request exchanges in your account on NetBenefits<sup>SM</sup> at [www.fidelity.com/atwork](http://www.fidelity.com/atwork) or by calling a Fidelity Retirement Services Specialist at **1-800-343-0860**, Monday through Friday, from 8:00 A.M. to midnight ET. TTY service for the hearing impaired can be accessed at 1-800-259-9743, Monday through Friday, from 8:00 A.M. to midnight ET.

#### **Questions?**

If you need more assistance, a Fidelity Retirement Services Specialist can help. Call **1-800-343-0860**, Monday through Friday, from 8:00 A.M. to midnight ET. TTY service for the hearing impaired can be accessed at 1-800-259-9743, Monday through Friday, from 8:00 A.M. to midnight ET.

#### **Need help?**

**We've got answers.**

**Call 1-800-343-0860**

**or visit**

**[www.fidelity.com/atwork](http://www.fidelity.com/atwork).**

**Before investing in any investment option, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, call Fidelity at 1-800-343-0860 or visit [www.fidelity.com](http://www.fidelity.com) for a free mutual fund prospectus. For information on fixed annuities, contact Fidelity to request fact sheets. Read them carefully before you invest.**

*Unless otherwise noted, transaction requests confirmed after the close of the market, normally 4:00 P.M. ET, or on weekends or holidays, will receive the next available closing prices.*

*The investment options available through the plan reserve the right to modify or withdraw the exchange privilege.*

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