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IMPORTANT INVESTMENT ADVICE

FROM EMERITI RETIREMENT HEALTH SOLUTIONS

Emeriti Retirement Health Solutions ("Emeriti") recognizes the importance of providing participants and beneficiaries, whose investment decisions will directly affect the value of assets in their plan accounts at retirement, with information designed to assist them in making investment and retiree health-related decisions.

For this purpose, Emeriti is registered as an investment adviser under federal law. As part of its mission, Emeriti provides participants with impersonal investment advice regarding investments under the Emeriti Program. This advice pertains not only to the mutual funds in which participants invest their plan account balances, but also to participant contributions to their Emeriti plan.

Important Note To Participants: Emeriti provides investment-related education and advice of an impersonal nature. Emeriti does not provide personalized advice to individual participants regarding their particular investment choices or give any form of advice other than impersonal advice. Before investing in any of the investment options described in this notice, please carefully consider the investment objectives, risks, charges, and expenses. It is your responsibility to select and monitor your investments to make sure they continue to reflect your financial situation, risk tolerance, and time horizon. Emeriti suggests that you reexamine your investment strategy at least annually or when your situation changes. You should consult with your personal investment, tax or other financial or legal adviser regarding your particular situation.

Description of Plans and Plan Investment Options

Emeriti has designed a retiree healthcare program (the "Emeriti Program") to help colleges, universities, and other higher education-related, tax-exempt organizations ("Member Organizations") and their employees cope with the rising costs of retiree healthcare in the academic world. Under the Emeriti Program, a Member Organization adopts a retiree medical plan (an "Emeriti Retiree Health Plan") and two related, tax-exempt trusts—an employer-contribution trust and an optional employee-contribution trust. Contributions to the trusts are held in accounts designated for each participant. At the direction of each participant, the accounts are invested in federally registered investment options available under the plan.

Member Organizations also have the option of adopting a separate plan and related trust (an "Emeriti Fully-Insured Retiree Health Plan") to serve as a supplemental funding vehicle by Member Organizations for key employees exclusively to pay for retiree health insurance. Under the terms of these separate plans, employer contributions are entered in a notional account for each participant, and

are notionally invested in the federally registered investment options available under the plan at the direction of the participant. Although the actual funding and investment of the funds in this trust, if any, are up to the individual Member Organization, benefits are paid to participants in amounts which will match their notional account balances at retirement. Participants are not eligible to make voluntary contributions to these plans.

For more information about the features of your particular plan, including eligibility, employer contributions, employee contributions, investments, fees, and benefits, you should refer to the Summary Plan Description for your plan.

Emeriti has selected the investment options available for investment of participant and Member Organization contributions in the plans. The investment options are: twelve lifecycle mutual funds (including the Fidelity Freedom Income Fund) and a money-market fund (the Fidelity Retirement Money Market Portfolio), all of which are managed by Fidelity Investments (“Fidelity”). After reviewing information from Fidelity and various other fund providers, Emeriti selected these particular investment options because it felt they offered the right mix of investment flexibility (a broad range of options with varying levels of investment risk) and convenience (the lifecycle funds are adjusted automatically to reflect each fund’s target retirement date). The following description of the investment options is based on information provided by Fidelity.

The Fidelity Freedom Funds, which are lifecycle mutual funds, are each invested in already-established mutual funds which are also managed by Fidelity. Each of the Fidelity Freedom Funds (except for the Fidelity Freedom Income Fund) is targeted to a specific retirement date—2050, 2045, 2040, 2035, 2030, 2025, 2020, 2015, 2010, 2005, and 2000 (plus or minus two years in each case). The asset allocation of each of these funds is automatically adjusted to become more “conservative” as its target retirement date nears. That is, as a retirement date approaches, more and more of the assets in the lifecycle Freedom Fund are allocated to mutual funds which invest in bonds and short-term debt instruments, and less and less are allocated to funds which invest in domestic and international equity instruments (such as stocks). Bonds and short-term debt instruments generally pay a lower return, but are also generally more stable than stock and similar types of investments. This fits the investment model desired by many retirement investors, who can tolerate greater price volatility in pursuit of higher returns when retirement is still far off, and wish to conserve what they’ve grown as retirement nears. (Of course, the Freedom Funds do not guaranty any particular return, and you may have a gain or loss when you sell your shares of any of these funds, including the most conservative Freedom Fund.) Eventually, as the targeted retirement date approaches, each of the lifecycle Freedom Funds approaches the investment allocation maintained by the Fidelity Freedom Income Fund and finally merges with the Fidelity Freedom Income fund at some point after the retirement date arrives. Please remember that these funds are subject to the volatility of the financial markets in the United States and abroad and may be subject to the additional risks associated with investing in high yield, small cap and foreign securities.

Some examples of the target asset allocations for March 1, 2007, for the lifecycle Freedom Funds are as follows: at the most aggressive end, 90% of the assets of the Fidelity Freedom 2050 Fund are targeted for mutual funds investing in more volatile domestic and international equity, and only 10% for funds investing in more stable bonds. In the middle, 71% of the assets in the Fidelity Freedom 2025 Fund are targeted for funds investing in domestic and international equity, and 29% for funds investing in bonds. At the more conservative end, for the Fidelity Freedom 2000 Fund, 27% percent of the assets are targeted for funds investing in equity instruments, and 73% for funds investing in bonds and short-

term debt instruments. (For more information about each of the Freedom Funds, including their average returns, performance history, and fees, you should consult the fund prospectus.)

The Fidelity Freedom Income Fund is the most conservative of the Freedom Funds and is designed for investors who are already in retirement or who might otherwise desire an income-oriented investment. As of March 1, 2007, 80% of the assets of the Fidelity Freedom Income fund—a higher percentage than in any of the other Freedom Funds—are targeted for mutual funds which invest in debt instruments and bonds (investment-grade, high yield, and short-term).

The Fidelity Retirement Money Market Portfolio invests exclusively in short-term debt instruments and is considered the “safest” investment. The debt instruments in which the fund invests are typically issued by the federal government, corporations, municipalities, and banks, and mature in an average of 90 days or less. The money market fund is managed to maintain a constant \$1.00 net asset value per share. Returns tend to be low, but the conservative asset allocation means that the money market fund is less volatile than the Freedom Funds (particularly the more distant retirement-date Freedom Funds) to offset the effects of market volatility. *An investment in the money-market fund is not insured or guaranteed by the FDIC or any other government agency. Although the money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in these funds.*

Benefits of Plan Participation and Investment Options

In general, there are two types of monetary contributions that can be made to an Emeriti Retiree Health Plan. Employers who have adopted a plan automatically make contributions to the plan on behalf of all eligible employees. In addition, employers can elect to allow participants to make voluntary contributions to the plan themselves. (You should refer to your copy of your plan’s Summary Plan Description to determine whether your plan permits voluntary employee as well as employer contributions. Note that Emeriti Fully-Insured Retiree Health Plans permit employer contributions only.)

There are many benefits associated with both types of contributions to a plan:

- The trusts in which the contributions are deposited have been qualified under the Internal Revenue Code. For this reason, for as long as the trusts remain qualified, you will not pay any taxes on the earnings which accumulate on these contributions while they are invested in your Emeriti Health Account. In comparison, if you invested the same amounts in a typical savings account or shares of stock, you would respectively pay a tax on the interest you earned at your current personal income-tax rate, on the dividends you earned at the current dividend rate, and on capital gains when investment changes are made.
- Your accounts (contributions with any earnings or losses) will be distributed to you during retirement entirely tax-free as payments for medical insurance or reimbursement of medical expenses. In comparison, distributions from other workplace savings programs, such as 401(k) plans, 403(b) plans and traditional employer-sponsored IRAs, are taxable at distribution at your then-current personal income tax rate. Thus, distributions from the Emeriti Health Account can result in significant tax savings, and you may be able to continue to take advantage of these

expected savings by contributing amounts to your Emeriti Health Account even after you have retired or left a participating Member Organization. (You should note, however, that while distributions from other workplace savings programs, including 401(k) and 403(b) plans and IRAs, can be used for any purpose you choose, distributions from the Emeriti Health Accounts can be used for qualified medical expenses only.)

- Emeriti Health Accounts compare favorably to Health Savings Accounts (HSAs) as well. To use an HSA, you need to be covered by a “high deductible health plan” and cannot be covered under any other kind of health insurance. These requirements do not apply to Emeriti Health Accounts. In addition, there are statutory limits on the amounts that you and your employer can contribute to an HSA. Contributions to Emeriti Health Accounts are currently not subject to any limit, although a limit may be imposed in the future to comply with any applicable Internal Revenue Code requirements.
- After your retirement or death, your spouse and eligible dependents are entitled to use the contributions for payments of medical insurance or reimbursement of medical expenses as well. After you and your eligible dependents have died (or ceased to be eligible), however, any remaining balance in your plan account (including amounts attributable to voluntary employee contributions) is forfeited. In addition, amounts attributable to employer contributions may be forfeited during your and your eligible dependents’ lifetimes. See your copy of the Summary Plan Description for details.

If you are an eligible plan participant, your plan account balance will automatically be credited with employer contributions. If offered, you should consider taking advantage of the voluntary employee-contribution feature as well. Making voluntary contributions in addition to employer contributions will help you save more and faster for your healthcare needs in retirement. Because earnings in your accounts are reinvested and compounded, the more and the earlier you begin to save, the more you are likely to have in your Emeriti Health Account to pay for qualified medical expenses when retirement arrives.

In addition, the Freedom Funds can offer several benefits. The Freedom Funds are designed to simplify your investment decisions by automatically adjusting their asset allocations to become more conservative as the fund approaches its target retirement date. Since the underlying mutual funds in which the Freedom Funds invest are diversified and since the Freedom Funds invest in mutual funds of various types, including foreign and domestic stocks and various types of long-term and short-term bonds, the Freedom Funds also combine the benefits associated with portfolio diversification (over the long term, diversification has historically shown to help reduce the impact of investment risk) with the simplicity and convenience of only having to monitor a single fund. Finally, each of the Freedom Funds offers the advantage of two distinct levels of professional investment management—Fidelity professionals manage both the underlying mutual funds as well as the Freedom Funds themselves. These funds are subject to the volatility of the financial markets in the United States and abroad and may be subject to the additional risks associated with investing in high-yield, small-cap, and foreign securities. *Neither diversification nor asset allocation ensures a profit or guarantees against loss.*

Factors Relevant To Allocating Your Contributions

How you want to direct the investment of your plan account balance from among the investment options available under your plan is ultimately up to you. You can choose whether to invest your plan account balance in just one of the available investment options or in any combination of funds. If you do not select a particular investment option, the default option is the Freedom Fund with the targeted retirement date that most closely approximates your own projected retirement date.

Emeriti's general advice is that most participants should invest their plan account balances in the Freedom Fund which reflects their particular retirement date, while this date is still several years in the future. This way, participants can access the potentially higher rates of investment return to potentially grow their retirement healthcare savings at a faster pace than with a more conservative, less volatile investment. Although there is a greater risk of investment losses associated with the more distant retirement-date Freedom Funds, the more distant the retirement date of the participant, the more likely as well that participants will be able to weather the inevitable downturns in the market.

For instance, Emeriti recommends that a participant who expects to retire in the year 2033 invest his or her account balance in the Fidelity Freedom 2035 Fund. The asset allocation in the Fidelity Freedom 2035 Fund offers a balance of investment risk versus opportunity for growth designed for an investor expecting to retire anywhere between the years 2033 and 2037.

As your retirement date nears or passes, Emeriti's advice is that participants should take stock of their individual circumstances and make an allocation of their plan account balances that most clearly reflects these circumstances. In general, either leaving your account balance invested in the Freedom Fund which reflects your particular retirement date (since the Freedom Funds will automatically readjust to more conservative asset allocations as their target retirement dates approach), or, if resource stability is a primary concern, directing a gradually increasing percentage of your plan account balance to the money market-fund option or the income-fund option, is recommended as retirement approaches or is passed. In either of these ways, participants can focus on conserving their assets and are less likely to be significantly harmed if there is a sudden downturn in the market just prior to or during retirement.

For certain participants, it may be a good idea to invest their plan account balances in a mix of investment options, not simply the Freedom Fund that is consistent with their particular retirement date. Some participants, for instance, will have characteristics that support weighting the allocation of their account balances to the more aggressive investment options with more distant target retirement dates. Other participants will have characteristics that support weighting the allocation of their account balances to less aggressive options with more proximate target retirement dates. Characteristics for a participant to consider would include, for instance, the participant's anticipated life expectancy and healthcare costs, the amount of contributions the participant has already made and/or the amount of other resources the participant has available to pay for healthcare needs in retirement. Less risk-averse participants, for instance, with higher-than-average anticipated life expectancies or healthcare costs, may prefer the opportunity to grow their account balances at a faster rate by investing in the more aggressive investment options, even though this will increase the likelihood of investment losses. More risk-averse participants, on the other hand, may prefer to weight their account balances toward the more conservative investment options, especially if retirement healthcare costs are anticipated to be small.

The specific amount of weight to give to these and other factors will depend on your individual situation. You should consult with a personal investment adviser regarding how these factors would apply to your particular circumstances.

Investment of Your Accounts After You Retire

You may continue to invest your Emeriti Health Accounts in the Fidelity Freedom Funds and the Fidelity Retirement Money Market Portfolio even after you retire. In that case, the balance in your accounts will remain subject to the performance of those funds. Under this “declining balance” approach, insurance premiums or other qualified medical expenses will be paid directly from your Emeriti Health Account assets invested in the Freedom Fund(s) and other investment options you have selected until your account balance is exhausted or you and your dependents have died

However, once you (or your spouse, or dependent domestic partner, in the event of your death) become eligible for reimbursement of qualified medical expenses, you may elect that all or a portion of an account (in any increments of \$25,000 or more) be invested in an annuity contract offered through Fidelity Investments Life Insurance Company.* You may choose this investment method for one or both of your accounts, subject to the \$25,000 minimum. The annuity will make periodic payments to your account(s) to be used for reimbursement of qualified medical expenses and/or to pay health insurance premiums. You may invest any unexpended annuity payments made to your account(s) in any of the available investment funds. Based upon your specific selection of annuity contracts, the annuity payments will continue either until your death or until the last to die of you and your spouse (or dependent domestic partner).

The amount of the annuity payment will depend on a number of factors, including long-term interest rates and the type of annuity contract that you choose. An annuity may be an appropriate choice if you are looking for a secure and steady payment stream from some or all of your retirement health-account assets, whereas the declining balance approach is better suited for those who anticipate that their healthcare expenses may arise suddenly or be for large amounts.

* In New York, Empire Fidelity Investments Life Insurance Company.

Further Information

For further information about the your particular plan, the Freedom Funds and other investment options offered under your plan, or anything else relating to the Emeriti Program, please refer to your Summary Plan Description or your fund prospectuses, or logon to www.emeritihealth.org.

ALL OF THE INVESTMENT OPTIONS IN THE PLANS ARE MUTUAL FUNDS REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED AND THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED, BUT THE RIGHT TO MAKE EMPLOYEE AFTER-TAX CONTRIBUTIONS HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED AND THE EMPLOYEE AFTER-TAX CONTRIBUTION TRUST HAS NOT BEEN REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

Before investing in any investment option, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, please call 1-866-EMERITI for a free prospectus. Read it carefully before you invest.

It is your responsibility to select and monitor your investments to make sure they continue to reflect your financial situation, risk tolerance and time horizon. Emeriti suggests that you reexamine your investment strategy at least annually or when your situation changes. In addition, you may want to consult a personal investment adviser regarding your specific situation.

An investment in the investment options available under the Emeriti Program, including the money market fund, is not insured or guaranteed by the FDIC or any other government agency. Although a money market fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in the money market fund and any of the other investment options.

Emeriti Retirement Health Solutions is a registered investment adviser for purposes of selecting the range of investment options for the Emeriti Program, selecting the investment manager for employer and voluntary employee contributions, and providing these and other impersonal educational materials to plan participants. Emeriti does not provide personalized advice to participants about their individual investment selections.

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The participation interests in the voluntary employee contribution VEBA trusts associated with the Emeriti plans (the "Interests") may be treated as securities under various state securities laws. The offering of these Interests is subject to compliance with any applicable state law. For residents of Georgia, the Interests are being offered in reliance on paragraph 13 of Code Section 10-5-9 of the Georgia Securities Act of 1973, as amended (the "Georgia Act"). The Interests may not be sold or transferred except in a transaction which is exempt under the Georgia Act or pursuant to an effective registration under the Georgia Act.