

CENTRAL TEXAS COLLEGE
EMPLOYEES' PENSION PLAN AND TRUST ("QPP") AND
EMPLOYEES' SUPPLEMENTAL PLAN AND TRUST ("SPP")

Message to Plan Members Regarding Pension Operating Expenses:

There have always been operating expenses involved in maintaining CTC's pension plans, and those expenses have always been absorbed by our accounts, on a pro rata basis. In the past, you may not have realized that expenses were being paid, because the earnings distributions on your quarterly statements were "net of expenses" (after expenses were paid). Our new quarterly statements from AIG-Valic allow for more detail, so you now will be able to see the pension operating expenses that are being paid.

We believe that our move to our new account administrator, AIG-Valic, has allowed us to reduce our operating expenses, due to improved technology and consolidation of services. We will always work to keep our operating expenses at a minimum.

You may see two types of operating expenses on your pension statement:

1. "Administration Fees": These relate to AIG-Valic's costs of administering our accounts, including their pension professionals, advanced technology, legal and tax specialists, investment advisors, Client Care Center, quarterly statements, etc.
2. "Quarterly Fees": These relate to CTC's pension operating expenses, including the costs of our Pension Plan Administration Office on the CTC campus, the daily coordination of all pension matters, advocacy for all our plan members, monitoring our service providers, support of our Trustees, and our independent auditors and attorney.