



**IMPORTANT NOTICE**  
**MEBT Pooled Fund Pricing Correction**

March 14, 2007

RE: MEBT Pooled Fund Pricing Correction

Dear MEBT Participant:

In early February, a pricing problem of the MEBT Pooled Fund was discovered and corrected on 2/14/2007. The pricing inaccuracy resulted in an understated share price of the MEBT Pooled Fund for the period 1/25/2007 – 2/14/2007.

Frequently Asked Questions:

*What caused this pricing error?*

On 1/25/2007, a special bond was purchased by the MEBT Pooled Fund that had an unusual price structure. The systems of AST Capital Trust (AST serves as Trustee of the MEBT Plan), did not correctly pick up the market value of this bond and therefore understated the share price of the MEBT Pooled Fund from 1/25/2007 through 2/14/2007.

*How does this impact me?*

If you were invested in the MEBT Pooled Fund from 1/25/2007 to 2/14/2007 and looked online to see the daily market value of your account on MEBT.org, you saw a share price and overall market value that was slightly low. The share price was understated by 0.0251. For example, the reported share price on 2/1/2007 was 13.9927. The actual share price should have been 14.0178. As an example, if you owned 100 shares of the MEBT Pooled Fund on March 1, 2007, your account showed a market value of \$1,399.27. The correct value should have been \$1,401.78 or an increased value of \$2.51.

*Do I need to do anything?*

No. As mentioned above, the pricing problem has been corrected and the correct share price for the MEBT Pooled Fund has been included in our online daily system at MEBT.org since 2/14/2007. Thus, the problem that occurred with regard to your MEBT account is that the market value of your account that was shown on MEBT.org from 1/25/2007 through 2/14/2007 was understated.

*Did this result in a loss to my account?*

No. As mentioned above, the pricing problem has been corrected and there has been no loss to your account.



*What about the contributions that were credited to my account?*

Because the share price was understated from 1/25/2007 through 2/14/2007, any contributions (your contributions and city contributions) that posted to your account during this time period bought more shares than would have been the case had the share price been correctly reported. The recordkeeper, Trautmann, Maher & Associates, determined that the total number of additional shares that were purchased and reported to participants came to 127 shares. Because the total value of these 127 shares amounts to about \$1,800, AST Capital Trust has elected to fund the MEBT Pooled with an \$1,800 deposit rather than to go back and repost the prior deposits. Thus, each MEBT participant with a deposit to their account between 1/25/2007 and 2/14/2007 received a slight windfall representing their prorata portion of the \$1,800 deposit.

We apologize for any inconvenience this may have caused you. If you have any questions regarding this pricing problem and how it impacted you, please contact AST Capital Trust at 1-800-458-9269.

Sincerely,

Fadi Khoshaba  
AST Capital Trust