

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE STATE STREET BANK AND TRUST CO.
ERISA LITIGATION

This Document Relates To:
No. 07 Civ. 9319
No. 07 Civ. 9687
No. 08 Civ. 0265

MDL DOCKET No. 1945

Master File No. 07-cv-8488 (RJH)

ECF Case

**NOTICE OF PROPOSED SETTLEMENT OF ERISA CLASS ACTION LITIGATION,
FINAL SETTLEMENT FAIRNESS HEARING, AND APPLICATION FOR ATTORNEYS' FEES
AND REIMBURSEMENT OF EXPENSES**

Based on records maintained by State Street Bank and Trust Co., it appears that the _____ [INCLUDED PLAN] _____ (“Your Plan”) is a member of the proposed Class in the above-captioned consolidated class actions (referred to collectively herein as the “ERISA Class Action”) which assert claims under the Employee Retirement Income Security Act of 1974 (“ERISA”). This Notice provides important information with respect to the ERISA Class Action and a proposed class action settlement (the “Settlement”) that has been preliminarily approved by the Court.

The Settlement applies to a proposed Class of ERISA Plans (the “Included Plans”), including Your Plan, which consists of all ERISA plans (with certain limited exceptions) that: (a) during the period January 1, 2007 through December 31, 2007 inclusive (the “Class Period”) invested in or owned interests in any of the unregistered commingled funds identified in Exhibit A hereto (the “Funds”) that were managed by State Street Bank and Trust Co. (“State Street” or “Defendant”); and (b) incurred Capital Losses as defined in the settlement documents on their Fund investments during the third calendar quarter of 2007. For the sake of clarity, the term “Funds” shall not include any investment portfolio of SSgA Funds, a series mutual fund registered under the Investment Company Act of 1940, as amended. **IF YOU HAVE NO OBJECTION TO THE PROPOSED SETTLEMENT YOU DO NOT HAVE TO TAKE ANY ACTION IN ORDER FOR YOUR PLAN TO PARTICIPATE IN THE SETTLEMENT AND RECEIVE ANY PAYMENT TO WHICH IT IS ENTITLED UNDER THE SETTLEMENT. IF YOU DISAPPROVE OF ANY ASPECT OF THE SETTLEMENT, YOU MAY OBJECT IN ACCORDANCE WITH THE PROCEDURES DESCRIBED BELOW. YOUR PLAN MAY ALSO REQUEST TO EXCLUDE ITSELF FROM THE CLASS AND THE SETTLEMENT IN ACCORDANCE WITH THE PROCEDURES DESCRIBED BELOW. YOU DO NOT HAVE TO APPEAR IN COURT IN CONNECTION WITH THE SETTLEMENT.**

IMPORTANT INSTRUCTION FOR PLAN FIDUCIARIES: IF YOU ARE A NAMED FIDUCIARY OF YOUR PLAN, YOU ARE DIRECTED BY THE COURT TO EITHER POST A COPY OF THE SUMMARY NOTICE ATTACHED TO THIS DOCUMENT ON YOUR PLAN’S WEBSITE, TO INCLUDE THE TEXT OF THE SUMMARY NOTICE IN AN OTHERWISE REGULAR PLAN COMMUNICATION TO ITS PARTICIPANTS OR BENEFICIARIES, OR TO OTHERWISE PROVIDE THE CONTENTS OF THE SUMMARY NOTICE TO YOUR PLAN’S PARTICIPANTS AND BENEFICIARIES NO LATER THAN JANUARY 19, 2010. IF YOU HAVE ANY QUESTIONS REGARDING PROVIDING THE SUMMARY NOTICE TO YOUR PLAN’S PARTICIPANTS AND BENEFICIARIES, PLEASE CONTACT ONE OF PLAINTIFFS’ LEAD COUNSEL (SEE CONTACT INFORMATION ON PAGE 13 BELOW) OR THE CLAIMS ADMINISTRATOR (SEE CONTACT INFORMATION ON PAGE 11 BELOW).

PLEASE READ THIS NOTICE CAREFULLY. A FEDERAL COURT HAS AUTHORIZED THIS NOTICE. THIS IS NOT A SOLICITATION.

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This Notice advises you of a proposed settlement (the “Settlement”) of a consolidated class action lawsuit (the “ERISA Class Action”) brought against State Street by: (a) the Court-appointed Lead Plaintiffs, namely Alan Kober (as Trustee of The Andover Companies Employee Savings and Profit Sharing Plan) (“Andover”); Warren Cohen (as Trustee of the Unisystems, Inc., Employees’ Profit Sharing Plan) (“Unisystems”); and John L. Patenaude and Margaret Callan (as members of the Nashua Corporation Pension Plan Committee) (the “Nashua Plan”), and (b) certain additional plaintiffs, namely Glenn Kingsbury (as Trustee of the New England Electrical Workers Benefit Fund) (“NEEW”); Alan Gordon (Trustee of the AGMA Retirement Plan and AGMA Health Fund (the “AGMA Plans”) (“Plaintiffs” or “Named Plaintiffs”). The ERISA Class Action has been brought by these Named Plaintiffs on behalf of their respective Plans and on behalf of the proposed class (the “Class”), as described herein. The Lead Plaintiffs and State Street are referred to herein as the “Parties.” The United States District Court for the Southern District of New York (the “Court”) has preliminarily approved the Settlement, and has scheduled a hearing (the “Fairness Hearing”) to evaluate the fairness and adequacy of the Settlement, at which the Court will consider Lead Plaintiffs’ motion for final approval of the Settlement and Plan of Allocation, for certification of the proposed Class, and for an award of attorneys’ fees and expenses to plaintiffs’ counsel. The Fairness Hearing has been scheduled to be held before the Hon. Richard J. Holwell, of the United States District Court for the Southern District of New York, on February 17, 2010, at 3 p.m. at the Daniel Patrick Moynihan United State Courthouse, Courtroom 17B, 500 Pearl Street, New York, New York.

The terms of the Settlement are contained in a Stipulation and Agreement of Settlement (the “Settlement Agreement”), a copy of which is available at www.statestreetERISAsettlement.com or by contacting Plaintiffs’ Lead Counsel identified below. Capitalized terms used in this Notice and not defined herein have the meanings assigned to them in the Settlement Agreement. The Settlement will provide for payments to the Included Plans in accordance with a Plan of Allocation described below.

Any questions regarding the Settlement should be directed to any of Plaintiffs’ Lead Counsel as follows: Keller Rohrback L.L.P. c/o Derek Loeser at (206) 623-1900, Bernstein Litowitz Berger & Grossmann LLP c/o William C. Fredericks (212) 544-1400, or Berman DeValerio c/o Patrick T. Egan at (617) 542-8300, or by sending an email to info@statestreetERISAsettlement.com. ***Please do not contact the Court, as it will not be able to answer your questions.***

SUMMARY OF ACTIONS THAT MAY BE TAKEN WITH RESPECT

<p><u>NO ACTION IS NECESSARY FOR YOUR PLAN TO RECEIVE PAYMENT.</u></p>	<p>If the Settlement is approved by the Court, Your Plan is not required to do anything to receive a payment. Your Plan's allocable portion of the Net Settlement Fund will be calculated as part of the implementation of the Settlement.</p>
<p><u>YOUR PLAN (ACTING THROUGH ITS NAMED FIDUCIARIES) MAY ASK TO BE EXCLUDED FROM THE SETTLEMENT ("OPT-OUT" OF THE CLASS) UP TO FORTY DAYS BEFORE THE FAIRNESS HEARING, WHICH MEANS ON OR BEFORE JANUARY 8, 2010.</u></p>	<p>Only the named fiduciaries of Your Plan may file, on behalf of Your Plan, a written request to exclude Your Plan ("opt-out") from the Class and the Settlement. Opting out is the only option under which Your Plan, its named fiduciaries, participants, or beneficiaries, could be permitted to bring their own separate lawsuit against State Street or any of the other Released Defendant Parties against State Street or the other Released Defendant Parties asserting any of the "Settled Claims" (as described in the response to Question 7 below). However, if Your Plan excludes itself from the Class, it will <i>not</i> participate in the Settlement and will <i>not</i> receive any portion of the recovery to which it would otherwise be entitled under the Settlement.</p>
<p><u>YOU CAN FILE AN OBJECTION ON OR BEFORE FEBRUARY 10, 2010.</u></p>	<p>If you wish to object to any part of the Settlement, the Plan of Allocation or the request for attorneys' fees and expenses, you can write to the Court and Plaintiffs' Lead Counsel to explain the basis for your objection, as set forth in the response to Question 14 below.</p>
<p><u>YOU CAN GO TO THE HEARING ON FEBRUARY 17, 2010.</u></p>	<p>If you have submitted a written objection to the Court and counsel, you can ask to speak in Court about the fairness of the Settlement, as explained below in the response to Question 18 below.</p>

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SUMMARY OF SETTLEMENT

The term ERISA Class Action (or “Action”) refers to three putative class action lawsuits, originally captioned *Unisystems, Inc. et al. v. State Street Bank and Trust Company, et al.*, No. 07-Civ-9319 (RJH) (S.D.N.Y.), *The Andover Companies Employees Savings and Profit Sharing Plan v. State Street Bank and Trust Co., et al.*, No. 07-Civ-9687 (RJH) (S.D.N.Y.) and *Nashua Corporation Composite Pension Trust, et al. v. State Street Bank and Trust Co., et al.*, No. 08-Civ-0265 (RJH) (S.D.N.Y.), that were filed in the United States District Court for the Southern District of New York (the “Court”) and that were consolidated by the Court. As described in more detail below and in the Amended Class Action Complaint filed August 22, 2008 (“Complaint”), Lead Plaintiffs allege that State Street breached fiduciary duties it owed to the Included Plans and the participants in the Included Plans. Copies of the Complaint and certain other documents filed in the Action are available at www.statestreetERISAsettlement.com.

To settle the Action, a Gross Settlement Fund, consisting of \$89,750,000.00 in cash has been paid by State Street into an account (the “Settlement Account”). The Gross Settlement Fund will also include any interest earned on the funds deposited into the Settlement Account. The Net Settlement Fund, consisting of the Gross Settlement Fund less certain amounts described in the Settlement Agreement (including taxes on any interest earned, costs of notice and administration of the Settlement, and Court-approved awards of attorneys’ fees and expenses), will be allocated among the Included Plans in accordance with the Plan of Allocation to be approved by the Court (*see* response to Question 8 below for additional information concerning the Plan of Allocation).

The Class consists of:

All ERISA plans that, based on State Street’s books and records, (a) invested in any of the Funds managed by State Street that are listed at Exhibit A hereto during the period from January 1, 2007 through and including December 31, 2007 (the “Class Period”) and (b) incurred losses on their investments in any Fund in the third calendar quarter of 2007 (the “Included Plans”), together with the named fiduciaries of the Included Plans. Excluded from the Class are: (i) ERISA Plans with whom State Street has previously executed a binding settlement agreement releasing any and all claims relating to the facts alleged in this litigation, and their named fiduciaries; (ii) the Apogee Enterprises, Inc. 401(k) Retirement Plan and its named fiduciaries; (iii) the ERISA Plans as to which the Prudential Retirement Insurance and Annuity Company (“PRIAC”) filed a Complaint dated October 1, 2007 captioned *Prudential Retirement Insurance and Annuity Company v. State Street Bank and Trust Company, et al.*, 07 civ 8488 (S.D.N.Y) and their named fiduciaries; (iv) the Federal National Mortgage Association Retirement Plan for Employees Not Covered Under Civil Service Retirement Law (“Fannie Mae”) and its named fiduciaries; and (v) any ERISA plan sponsored by State Street and any of its parents, subsidiaries, or affiliates, and its named fiduciaries. For the sake of clarity, the term “Funds” shall not include any investment portfolio of SSgA Funds, a series mutual fund registered under the Investment Company Act of 1940, as amended.

YOUR PLAN HAS ALREADY BEEN DETERMINED BY THE PARTIES TO BE A MEMBER OF THE PROPOSED CLASS.

The Court-appointed Lead Plaintiffs and State Street have concluded that it is desirable that this Action be fully and finally settled on the terms and conditions set forth in the Settlement Agreement. As with any litigation, the Parties would face an uncertain outcome if this Action were to continue. Continued litigation of this Action against State Street could result in a judgment or verdict that is greater or less than the recovery under the Settlement Agreement – and could result in no recovery at all. This litigation has been vigorously contested from the outset. Throughout this litigation, Lead Plaintiffs and State Street have disagreed on both liability and damages, and they do not agree on the amount that would be recoverable even if the Lead Plaintiffs were to prevail at trial. State Street, among other things: (1) has denied, and continues to deny, the material allegations of the Complaint, and that the ERISA Action should be certified as a class action; (2) has denied, and continues to deny, any wrongdoing or liability whatsoever; (3) has stated that it believes that it acted at all times reasonably and prudently and in accordance with applicable law with respect to the Included Plans, their participants and beneficiaries; and (4) has asserted counterclaims under ERISA for contribution and indemnity on behalf of itself,

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and certain other claims under ERISA for breach of fiduciary duty on behalf of certain of the Included Plans and their participants and beneficiaries (the “Counterclaims”), against the Named Plaintiffs who have sued State Street (Plaintiffs’ Lead Counsel believe the Counterclaims lack merit and the Named Plaintiffs have moved to dismiss them). State Street also represents that it is entering into the Settlement solely to avoid the cost, disruption, and uncertainty of litigation.

Based on its assessment of the risks of litigation (including the risk that, even if Plaintiffs were to prevail at trial, any recovery could be delayed for years during the pendency of post-trial motions and appeals, with no certainty that any award for Plaintiffs would not be reversed or reduced on appeal), as compared to the significant monetary benefits to the Included Plans under the proposed Settlement, the Court-appointed Lead Plaintiffs and Plaintiffs’ Lead Counsel have determined that the proposed Settlement is in the best interests of the members of the Class, and recommend that it be approved.

A. BASIC INFORMATION

1. Why is This Notice Being Provided?

The Court has directed that this Notice be sent to the named fiduciaries of the Included Plans because they have a right to know about the proposed Settlement with State Street before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and any related objections and appeals are favorably resolved, the Net Settlement Fund will be allocated among the Included Plans according to a court-approved Plan of Allocation, and the Included Plans and their named fiduciaries, participants and beneficiaries of such Included Plans, will release State Street and the other Released Parties (consisting of State Street’s current and former officers, directors, employees and affiliates, as more fully defined in the Settlement Agreement) from all Settled Claims, as set forth in the Settlement Agreement.

This Notice explains the ERISA Action, the Settlement, and the legal rights of the Included Plans and their named fiduciaries, participants, and beneficiaries with respect to the Settlement. The purpose of this Notice is to provide notice of a hearing (the “Fairness Hearing”) to be held by the Court to consider the fairness, reasonableness, and adequacy of the proposed Settlement, and to consider the application of Lead Counsel for their attorneys’ fees and reimbursement of litigation expenses.

The Fairness Hearing has been scheduled to be held at 3 p.m. on February 17, 2010 before the Honorable Richard J. Holwell in the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, Courtroom 17B, 500 Pearl Street, New York, NY 10007, to determine:

- (a) Whether the Settlement should be approved as fair, reasonable, and adequate;
- (b) Whether the Complaint and the Counterclaims should be dismissed with prejudice pursuant to the terms of the Settlement;
- (c) Whether the Class Notice and the means of dissemination thereof pursuant to the Settlement Agreement: (i) are appropriate and reasonable and constituted due, adequate, and sufficient notice to all persons entitled to notice; and (ii) met all applicable requirements of the Federal Rules of Civil Procedure, and any other applicable law;
- (d) Whether the Class should be certified pursuant to Fed. R. Civ. P. 23 for purposes of the Settlement and, with respect thereto, whether Plaintiffs’ Lead Counsel should be appointed as Class Counsel pursuant to Fed. R. Civ. P. 23(g); and
- (e) Whether the application for attorneys’ fees and expenses filed by Plaintiffs’ Lead Counsel should be approved.

The issuance of this Notice is not an expression of the Court’s opinion on the merits of any claim in the ERISA Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the

Settlement, payment to the Included Plans will be made after all related appeals, if any, are favorably resolved and the Settlement has become Effective in accordance with its terms.

2. What is the Lawsuit About? What Has Happened so Far?

In this Action, Plaintiffs allege, among other things, that State Street was a fiduciary of the Included Plans (including Your Plan) and that it violated its fiduciary duties under ERISA by, *inter alia*, causing the Funds, in which the various Included Plans had invested and which State Street managed, to make imprudent investments in subprime asset backed securities and other inappropriate derivative instruments. Plaintiffs sought to recover from State Street the losses that the Plans suffered when the value of the Funds' investments in these securities (and hence the value of the Included Plans' investments in the Funds) declined in the second half of 2007.

State Street denies that it has any liability to any of the Included Plans (including Your Plan), or to any of the Plans' participants or beneficiaries. If the litigation were to continue, State Street would raise numerous defenses to liability, including the following:

- State Street prudently managed the Funds and thus did not violate ERISA; and
- The Included Plans' losses were primarily attributable to (i) unprecedented market events during 2007, and (ii) decisions made by other fiduciaries of those plans.

In addition, State Street has asserted Counterclaims for contribution and indemnity under ERISA, as well as claims for breach of fiduciary duty under ERISA, against certain of the Named Plaintiffs who are plan fiduciaries. If this Action were to continue be litigated through summary judgment and a trial, it is possible that State Street would have attempted to interpose similar counterclaims against other named fiduciaries of the Included Plans in connection with the matters alleged in the Complaint, and which would have alleged, *inter alia*, that the named fiduciaries of other Included Plans also breached their fiduciary duties under ERISA by allowing their Plan's assets to be or continue to be invested in the Funds, and/or that they should have taken steps earlier to cause their Plans to sell their interests in the Funds. As noted above, the Named Plaintiffs who were named as defendants in State Street's Counterclaims have moved to dismiss the Counterclaims for failure to state a claim upon which relief may be granted, and this motion was fully briefed at the time the Settlement was reached. Under the proposed Settlement, the Counterclaims will be dismissed and State Street (on behalf of itself and the Released Parties) will release all named fiduciaries and Included Plans that are members of the Class from any similar claims relating to any of the facts, circumstances or claims asserted in the Counterclaims.

Plaintiffs' Lead Counsel have conducted extensive discovery regarding the facts and claims in the Action. This discovery has included: (a) obtaining and reviewing approximately 966,000 documents produced by State Street (comprising more than 13 million pages), as well a smaller number of documents produced by other entities; (b) reviewing publicly available copies of State Street's press releases, public statements, news articles, filings with the Securities and Exchange Commission ("SEC"), and other public statements; (c) deposing over 30 current and former State Street officers and employees concerning the matters alleged in the Complaint; and (d) defending the depositions of the Named Plaintiffs and collecting and reviewing their documents. In addition, although the Settlement was reached before the completion of expert discovery, Plaintiffs' Lead Counsel also consulted extensively with various experts having significant expertise in matters relating to: (i) subprime asset-backed and other securities and derivatives of the type that the State Street managed Funds invested in; (ii) prudent investment management practices and industry-standard portfolio and risk management systems and practices; and (iii) fiduciary duty standards under ERISA. In addition, Lead Counsel also sought and obtained access to and reviewed certain additional discovery (including transcripts of depositions) that was obtained by certain government regulators. Although discovery was ongoing at the time the Settlement was reached, Plaintiffs' Lead Counsel believe they had acquired ample information concerning the strengths and weaknesses of Plaintiffs' case to make an informed decision concerning the desirability of entering into the Settlement at the time it was negotiated.

The Settlement is the product of extensive arm's-length negotiations between Plaintiffs' Lead Counsel and counsel for defendant State Street. These negotiations were conducted under the supervision of the Hon. Nicholas H. Politan, a retired federal district court judge with extensive experience in mediating complex class

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actions. Initial settlement discussions, which took place over a two day mediation in October 2008, were unsuccessful. After approximately seven months of additional document and deposition discovery conducted by Plaintiffs' Lead Counsel, the Parties agreed to resume settlement discussions, resulting in the Settlement described here. Even then, the terms of the Settlement were only reached after additional meetings and numerous additional telephone conferences that extended over more than a month, during which the terms of the Settlement were extensively debated and negotiated under the auspices of Judge Politan.

3. SEC Investigation

On June 25, 2009, the Securities and Exchange Commission ("SEC") sent State Street what is known as a "Wells Notice" informing it that the SEC is considering instituting civil charges against State Street based on the same facts alleged in the Complaint. State Street has advised Plaintiffs' Co-Lead Counsel that it is in ongoing negotiations with the SEC about the potential charges.

4. Why is This Case a Class Action?

In a class action, one or more plaintiffs, called "named" and/or "lead" plaintiffs, sue on behalf of persons or entities who have similar claims. All of the Included Plans (including their respective named fiduciaries) on whose behalf Lead Plaintiffs in this Action are suing are members of the "Class" referred to in this Notice, and Lead Plaintiffs allege that their claims against State Street are similar to, and typical of, the claims of the other Included Plans who are members of the Class. By bringing this case as a class action, the Court is able to resolve the claims of all Class members, without requiring each individual Class member to incur the time and expense of bringing its own separate action.

5. Why is There a Settlement?

The Court has not expressed any opinions or reached any decisions whatsoever on the merits of Plaintiffs' claims against State Street. Instead, the Lead Plaintiffs and State Street have agreed to a settlement to resolve the Action. In reaching the Settlement, they have avoided the time and expense of continued litigation, including: (a) the costs of completing additional fact discovery; (b) the costs of preparing multiple expert reports and completing expert discovery; (c) the likely costs of briefing complex summary judgment motions on liability and damages; (d) the costs of trial; (e) the likely costs of post-trial motions; and (f) the likely costs of litigating subsequent appeals by whichever side lost at trial. As with any litigation, Plaintiffs would face an uncertain outcome if this case proceeded, including the risk of not prevailing at trial. On the one hand, pursuing the case against State Street could result in a verdict that would provide a greater recovery than the Settlement. On the other hand, continuing the case against State Street could result in a verdict for less money than Lead Plaintiffs have obtained in this Settlement -- or no recovery at all. For example, were this case to go to trial, State Street would likely offer the testimony of expert witnesses that its portfolio and risk management systems were adequate, and that State Street exercised the appropriate level of care in managing the Funds' assets, and that State Street is not responsible for all (or at least most) of the Class's damages, which State Street may claim were the result of unprecedented unforeseen and sudden changes in financial markets, and the conduct of other fiduciaries of the Included Plans. Although Plaintiffs' Lead Counsel believe that their experts would have had persuasive responses to such arguments, the outcomes in cases involving competing expert testimony on complex financial issues are largely dependent on perceptions of the competing experts' credibility, and are particularly difficult to predict with any certainty. Based on the foregoing considerations and their analysis of the totality of the particular risks and circumstances presented by this case, Lead Plaintiffs and Lead Counsel have concluded that the proposed Settlement is in the best interests of the Class.

6. Who is Included in the Class?

The Court has preliminarily certified this Action as a class action. The Class consists of:

All ERISA plans that, based on State Street's books and records, (a) invested in any of the Funds managed by Defendant that are listed at Schedule A attached hereto during the period from January 1, 2007 through and including December 31, 2007 (the "Class Period") and (b) incurred losses on their investments in any Fund in the third calendar quarter of 2007 (the "Included Plans"), together with the

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named fiduciaries of the Included Plans. Excluded from the Class are: (i) ERISA plans with whom State Street has previously executed a binding settlement agreement releasing any and all claims relating to the facts alleged in this litigation, and their named fiduciaries; (ii) the Apogee Enterprises, Inc. 401(k) Retirement Plan and its named fiduciaries; (iii) the ERISA Plans as to which the Prudential Retirement Insurance and Annuity Company (“PRIAC”) filed a Complaint dated October 1, 2007 captioned Prudential Retirement Insurance and Annuity Company v. State Street Bank and Trust Company, et al., 07 civ 8488 (S.D.N.Y) and their named fiduciaries; (iv) the Federal National Mortgage Association Retirement Plan for Employees Not Covered Under Civil Service Retirement Law (“Fannie Mae”) and its named fiduciaries; and (v) any ERISA plan sponsored by State Street and any of its parents, subsidiaries, or affiliates, and its named fiduciaries. For the sake of clarity, the term “Funds” shall not include any investment portfolio of SSgA Funds, a series mutual fund registered under the Investment Company Act of 1940, as amended.

YOUR PLAN HAS ALREADY BEEN DETERMINED BY THE PARTIES TO BE A MEMBER OF THE PROPOSED CLASS.

7. What Does the Settlement Provide?

The Settlement provides for the payment by State Street of \$89,750,000.00 in cash into a Settlement Account. This amount, plus any interest earned thereon, will comprise the Gross Settlement Fund. The Settlement further provides that the Net Settlement Fund (consisting of the Gross Settlement Fund less taxes, costs of notice and administration, and Court-approved attorneys’ fees and expenses) will be distributed to the Included Plans according to the Plan of Allocation. The Plan of Allocation is described in further detail in the response to Question 8 below. Disbursement of each Included Plan’s share of the Net Settlement Fund will be made once the Settlement has become Final and Effective, which will not occur until, *inter alia*, the Court has approved the Settlement and the Plan of Allocation, and any appeals relating to the Settlement are favorably decided (or the time for any appeals have expired).

The Settlement further provides that each Included Plan and its named fiduciaries, participants and beneficiaries of such Included Plan, will release all “Settled Claims” against State Street and the other Released Defendant Parties.

The Released Defendant Parties consist of State Street, its past and present trustees, directors, officers, employees, contractors, auditors, principals, agents, attorneys, predecessors and successors in interest, parents (including, but not limited to, State Street Corporation), subsidiaries, divisions, and State Street Global Advisors, Inc. The Settled Claims, which are more fully defined in the Settlement Agreement, consist of all claims and causes of action of every nature and description, whether known or unknown, whether arising under federal, state, common, or foreign law, that Lead Plaintiffs or any other member of the Class: (a) asserted in the Complaint, or (b) could have asserted in any forum that arise or arose out of, or are based upon the allegations, transactions, facts, matters or occurrences, acts or omissions involved, set forth, or referred to in the Complaint, and that relate to the purchase or holding of any Fund by any Included Plan during the Class Period (except for claims relating to enforcement of the Settlement). The final order and judgment to be entered in this Action shall provide for the dismissal with prejudice of all claims asserted in the Complaint, for the release of all Released Claims as against the defendant State Street and the other Released Defendant Parties, and shall permanently enjoin all Included Plans and their named fiduciaries, participants and beneficiaries from asserting any Released Claim against State Street or any Released Defendant Party.

In addition, State Street, on behalf of itself and the other Released Parties, will release all “Released Defendants’ Claims” that they may have against each of the Lead Plaintiffs and each member of the Class and the other Released Plaintiff Parties. The Released Plaintiff Parties consist of the Named Plaintiffs, each of the Included Plans and the named fiduciaries thereof, and any of these persons’ or entities’ past and present trustees, named fiduciaries, directors, officers, employees, auditors, principals, attorneys, predecessors, successors, parents, subsidiaries, divisions, participants, and beneficiaries. The Released Defendants’ Claims consist of all claims and causes of action of every nature and description whether known or unknown, whether arising under federal, state, common, or foreign law, (a) that State Street or any of the Released Defendant Parties asserted in State Street’s

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Counterclaims, or (b) that could have been asserted in any forum that arise or arose out of or are based upon the allegations, transactions, facts, matters or occurrences, acts or omissions involved, set forth, or referred to in the Complaint or the Counterclaims, and that relate to the purchase or holding of any Fund by any Included Plan (except for claims relating to the enforcement of the Settlement). The final order and judgment to be entered in this action shall provide for the dismissal with prejudice of all claims asserted in the Counterclaim, and shall permanently enjoin State Street and the other Released Defendant Parties from asserting any Released Defendants' Claims against any Lead Plaintiff, Class Member, or other Released Plaintiff Party. Pursuant to certain supplemental agreements entered into by the Parties, (a) under certain circumstances the Settlement may be terminated by State Street in the event that Included Plans (subject to certain exclusions) with Capital Losses (*see* response to question 8 below) exceeding a certain threshold level submit timely and valid opt-out requests (*see* response to question 10 below); (b) under certain circumstances State Street agrees to increase the Settlement Amount if one or more Included Plans opts out of the Settlement and State Street were to thereafter enter into a separate settlement agreement with one or more of such opt-outs; (c) under certain circumstances a portion of the Settlement Amount may be returned to State Street (in which case any such return of funds will not result in a reduction of any Included Plan's *pro rata* share of the Gross Settlement Fund before payment of such Included Plan's *pro rata* share of taxes, Notice and Administration Costs and attorneys' fees and expenses); and (d) State Street has provided certain representations and warranties with respect to the Included Plans that invested in and incurred losses in any Fund during any part of the third calendar quarter of 2007 and the amount of the Capital Loss of each Included Plan, as reflected on State Street's books and records.

8. How Will the Settlement Fund Be Allocated?

The Plan of Allocation provides for the allocation of the Net Settlement Fund among the Included Plans on a *pro rata* basis based on their respective "Capital Losses." For this purpose, an Included Plan's Capital Loss is defined as the difference between: (1) the value of the Included Plan's total investments in State Street-managed Funds as of the close of business on June 30, 2007 and (2) the value of the Included Plan's investments in that Fund as of the earlier of (a) the close of business on September 30, 2007, or (b) the date the Included Plan's investment in that Fund was redeemed, as reflected by (i) State Street's books and records and (ii) statements provided by State Street to its clients. Under the Plan of Allocation, each Included Plan will receive approximately 58.05% of its total Capital Losses, less that Plan's *pro rata* share of (x) taxes on interest earned on the Gross Settlement Fund, (y) costs of notice and administration, and (z) Court-awarded attorneys' fees and expenses.

The transmittal letter that accompanies the copies of this Notice that have been mailed to named fiduciaries sets forth the calculation of Your Plan's total Capital Losses based on State Street's books and records. Each Included Plan has the right to submit evidence that its actual Capital Loss, calculated based on account statements provided to it by State Street, is higher than the number provided to it. Because State Street has warranted to Lead Plaintiffs that it has provided complete and accurate information to Lead Plaintiffs concerning: (1) the total value of each Included Plan's (including Your Plan's) investments in State Street-managed Funds as of the close of business on June 30, 2007, and (2) the value of each Included Plan's (including Your Plan's) investments in those Funds as of the earlier of (a) the close of business on September 30, 2007, or (b) the date the plan's investment in that Fund was redeemed, Lead Plaintiffs do not expect that there will be any challenges to the correctness of any Included Plan's Capital Loss as calculated based on State Street's books and records. Nonetheless, the Settlement provides that, in the event of any disputes concerning which Capital Loss number should be used for any given Included Plan, the dispute shall be submitted to retired United States District Court Judge Nicholas H. Politan (or a substitute arbitrator appointed by the Court, if Judge Politan is unable to hear the dispute) for binding, final and non-appealable resolution of the matter. If one or more Included Plans were to establish that the more appropriate Capital Loss figure for their Plan is higher than the Capital Loss figure originally calculated for their Plan based on State Street's books and records, it is possible that each other Included Plan's share of the Gross Settlement Fund will be reduced, on a *pro rata* basis, to less than 58.05% of its Capital Loss.

In the event that you are a named fiduciary and you believe that Your Plan's Capital Loss is not correctly set forth on the transmittal letter accompanying this Notice and that Your Plan's Capital Loss amount would be

higher if calculated based on information contained in the account statements that Your Plan received from State Street, you must submit a letter to the Claims Administrator by First Class Mail (preferably Certified First Class Mail, return receipt requested), stating what you believe Your Plan's Capital Loss figure is based on account statements provided to Your Plan by State Street, together with copies of such account statements and any other supporting documentation, by December 29, 2009, at the following address:

State Street Bank and Trust Co. ERISA Litigation
c/o The Garden City Group, Inc.
P.O. Box 9526
Dublin, OH 43017-4826

Do not send originals of any supporting documentation to the Claims Administrator. If you are a named fiduciary, unless you have reason to believe that Your Plan's Capital Loss amount (which has been calculated for Your Plan based on State Street's books and records and verified by State Street) is in error, you do NOT need to take any further action to establish Your Plan's Capital Loss, and Your Plan's pro rata share of the Net Settlement Fund will be calculated based on the Capital Loss number set forth in the transmittal letter.

9. When Will My Plan Receive Payment?

Payment to the Included Plans under the Settlement is conditioned on several matters, including (a) entry of an order by the Court approving the Settlement; and (b) affirmation of that order on all subsequent appeals or requests for appellate review, or the expiration of time for any appeals of such order. For a fuller description of all conditions required to be satisfied for the Settlement to become final and effective, see the Settlement Agreement, available at www.statestreetERISAsettlement.com. As soon as reasonably practicable after the Settlement becomes Final and Effective as defined herein, the Net Settlement Fund will be allocated and distributed to the Included Plans in accordance with the Plan of Allocation described above. If the Settlement is not approved by the Court, or the Court's approval order is overturned on appeal, or the Settlement is otherwise terminated in accordance with its terms, the Parties will return to their respective positions as they existed as of early June 2009, the ERISA Action will proceed as if the Settlement had not been reached, and the existence of the proposed Settlement may not be introduced as evidence for any purpose in the subsequent litigation.

10. Can a Plan Opt Out of the Settlement? What is the Procedure for Opting Out?

The Settlement provides that only a named fiduciary of an Included Plan may cause that Included Plan to exclude itself ("opt out") from the Settlement. To do so, a named fiduciary must send a letter signed by the named fiduciary or an authorized representative thereof clearly manifesting an intent that the subject Included Plan requests exclusion from the Class in the State Street ERISA Litigation. The letter must include the full legal name of the Plan, the name, telephone number and address of the named fiduciary or other duly authorized person(s) executing the opt-out request on behalf of an Included Plan. The written opt out request must also state the title or position of each person submitting the exclusion request on behalf of an Included Plan, and include a statement that the person(s) executing the request is authorized to do so on behalf of the Included Plan. Any requests for exclusion must be mailed by First Class Mail (preferably by Certified First Class Mail, Return Receipt Requested) postmarked no later than forty days before the Fairness Hearing, or January 8, 2010, to the Claims Administrator at the following address:

State Street Bank and Trust Co. ERISA Litigation
c/o The Garden City Group, Inc.
P.O. Box 9526
Dublin, OH 43017-4826

11. What is the Effect of Opting Out?

An Included Plan that opts out of the Settlement will not receive any share of the Gross or Net Settlement Fund, or any other proceeds under the Settlement. Further, any Included Plan that opts out of the Settlement (including its named fiduciaries) will not be bound by the provisions of the Settlement that prevent any Class

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Member from suing State Street based on any of the Settled Claims. Therefore, if an Included Plan's named fiduciaries would prefer to bring their own suit against State Street for any of the Settled Claims -- instead of having that Included Plan receive its *pro rata* share of the Net Settlement Fund -- the Plan's named fiduciaries must submit a request to opt out of the Settlement on behalf of the Plan. In addition, if an Included Plan opts out of the Settlement, neither State Street nor the other Defendant Released Parties will be barred from asserting any of the Released Defendants' Claims against any of the Included Plans, the Included Plans' named fiduciaries, participants or beneficiaries, or any of the other Released Plaintiff Parties.

B. THE LAWYERS REPRESENTING THE CLASS

12. Who Are the Lawyers for the Class in This Case?

The Court has appointed the law firms of Bernstein Litowitz Berger & Grossmann LLP, Keller Rohrback L.L.P., and Berman DeValerio, the lawyers for the Lead and Named Plaintiffs, to serve as co-lead counsel ("Lead Counsel") for the proposed Class. Your Plan will not be charged directly by these lawyers, who have brought this Action entirely on a contingent fee basis. If you or Your Plan want to be represented by your own lawyer, you may hire one, but at your own expense.

13. How Will the Lawyers be Paid?

Plaintiffs' Lead Counsel will apply for an award of attorneys' fees of not more than 25% of the Gross Settlement Fund, and for reimbursement of their expenses incurred in connection with their prosecution of this litigation (most of which consist of expert fees, document management costs, and court reporter and travel expenses incurred in connection with Lead Counsel's role in deposing over thirty witnesses in various locations across the country) in an amount not to exceed \$3 million. Any award of fees and additional expenses will be paid from the Gross Settlement Fund prior to allocation and payment to the Included Plans that are members of the Class. Plaintiffs' Lead Counsel's written application for fees and expenses will be filed by January 27, 2010, and the Court will consider the reasonableness of this application at the Fairness Hearing. A copy of the application will be available at www.statestreetERISAsettlement.com, or by a requesting a copy from Lead Counsel.

To date, Plaintiffs' Lead Counsel have received no payment for any of their services in prosecuting the Action on behalf of the Class, nor have they been reimbursed for any of their out-of-pocket expenses. The attorneys' fee award to be requested by Plaintiffs' Lead Counsel will compensate them for their efforts in achieving the Settlement for the benefit of the Class, taking into account (among other factors) the results achieved and the risks that Plaintiffs' Lead Counsel assumed in undertaking this representation on a purely contingent fee basis. The Court will determine the actual amount of any award of attorneys' fees and expenses.

C. OBJECTING TO THE SETTLEMENT OR THE ATTORNEYS' FEES

14. How Do I Tell the Court if I Don't Like the Settlement or the Proposed Request for Attorneys' Fees or Expenses?

A named fiduciary of an Included Plan that is a member of the Class, or a participant or beneficiary of an Included Plan, may appear at the Fairness Hearing and explain: (i) why they think the proposed Settlement of this Action should not be approved as fair, reasonable and adequate; (ii) why they think that a judgment and order granting final approval of the settlement should not be entered; and/or (iii) why any requested application for an award of attorneys' fees and expenses should not be granted in whole or in part; PROVIDED, however, that no such person shall be heard or entitled to contest such matters unless they or it have timely filed with the Court their objections in writing. Such written objections must: (a) state all the supporting bases and reasons for the objection; (b) set forth proof of their membership in the Class; (c) clearly identify any and all witnesses, documents and any other evidence of any kind that they may wish to present at the Fairness Hearing in connection with such objections; and (d) provide a summary description of the substance of any testimony that they may wish to offer themselves or through any supporting witnesses in support of their objections.

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To object, you must send a letter or other written statement saying that you object to the Settlement and/or the application for an award of attorneys' fees and expenses in *In re State Street Bank & Trust Co. ERISA Litigation*, Master File No. 07-civ-8488 (RJH). Be sure to include your name, address, telephone number, signature, and all of the information required to be submitted listed in items (a) through (d) in the preceding paragraph. **Your written objection, together with all required supporting documents, must be BOTH (a) filed with the Clerk of Court c/o of the address listed below, and (b) served upon both of the counsel listed below, by no later than February 10, 2010:**

Address for filing copies of written objections (including supporting documentation) with the Clerk of the Court (copies MUST be filed with the Court by February 10, 2010.):

Clerk of the Court
United States District Court for the Southern District of New York
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street, New York, NY 10007-1312
Re: Case No. 07-civ-8488 (RJH)

Addresses for serving a copies of written objections (including supporting documentation) on Counsel (copies MUST be received by February 10, 2010.):

**BERNSTEIN LITOWITZ BERGER
& GROSSMANN LLP**
Attn: William C. Fredericks
1285 Avenue of the Americas
New York, New York 10019
Telephone: (212) 554-1400
Facsimile: (212) 554-1444
(on behalf of Plaintiffs)

ROPES & GRAY LLP
Attn: Harvey J. Wolkoff
One International Place
Boston, MA 02110
Telephone: (617)-951-7000
Facsimile: (617)-951-7050
(on behalf of Defendants)

15. What Is The Difference Between Objecting And Opting Out of The Class?

Objecting is simply telling the Court that you disapprove of some aspect of the Settlement. You can object only if Your Plan stays in the Class. If an Included Plan opts out of the Class, it will no longer be part of the Class or participate in the Settlement.

UNLESS OTHERWISE ORDERED BY THE COURT, ANY CLASS MEMBER WHO DOES NOT OBJECT IN THE MANNER DESCRIBED HEREIN WILL BE DEEMED TO HAVE WAIVED ANY OBJECTION AND SHALL BE FOREVER FORECLOSED FROM MAKING ANY OBJECTION TO THE PROPOSED SETTLEMENT AND THE REQUEST FOR AN AWARD OF ATTORNEYS' FEES AND EXPENSES.

D. THE COURT'S FAIRNESS HEARING

16. When and Where Will the Court Decide Whether to Approve the Settlement?

The Court is scheduled to hold a Fairness Hearing at 3 p.m. on February 17, 2010, at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, Courtroom 17B, 500 Pearl Street, New York, New York 10007-1312.

IF YOU DO NOT WISH TO OBJECT TO THE PROPOSED SETTLEMENT OR THE APPLICATION FOR ATTORNEYS' FEES AND EXPENSES, YOU NEED NOT ATTEND THE FAIRNESS HEARING.

At the hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. After the Fairness Hearing, the Court will decide whether to approve the Settlement and Plan of Allocation, and to certify the Class. The Court will also consider the motions for attorneys' fees and expenses, as well as the proposed Plan of Allocation.

17. Do I Have to Come to the Hearing?

Plaintiffs' Lead Counsel will answer any questions that the Court may have at the Fairness Hearing. You are welcome to come at your own expense. If you send an objection to the Court in writing, you do not have to come to Court to talk about it. As long as you mailed your written objection on or before the deadline set forth above for submitting objections, it will be before the Court when the Court considers whether to approve the Settlement and Plan of Allocation as fair, reasonable, and adequate, and whether to approve the request for an award of attorneys' fees and expenses as fair, reasonable and appropriate. You may also have your own lawyer attend the Fairness Hearing at your expense, but such attendance is not required.

18. May I Speak at the Hearing?

If you are a Named Fiduciary or another duly authorized representative of an Included Plan that is a member of the Class, or if you are a participant or beneficiary of an Included Plan, and you have filed a timely objection, and if you wish to speak, present evidence or present testimony at the Fairness Hearing, you must ask the Court for permission to speak in your written objection and identify any witnesses whom you intend to call or evidence you intend to present. See response to Question 14, above.

The Fairness Hearing may be rescheduled by the Court without further notice to the Class. If you wish to attend the Fairness Hearing, you should confirm the date and time with one of Plaintiffs' Lead Counsel.

E. WHAT HAPPENS IF YOU DO NOTHING

19. What Happens if I Do Nothing?

It is not necessary for plan participants or beneficiaries to take any action for Your Plan to participate in the Settlement and receive a portion of the Settlement Amount as described above in this Notice (provided that the Settlement is approved and becomes Final and Effective in accordance with the terms of the Settlement Agreement), nor is any action required from any named fiduciary of Your Plan to receive a portion of the Settlement Amount. In addition, (a) you and Your Plan and its named fiduciaries, participants and beneficiaries, will be deemed to have released and will be enjoined from asserting any and all Settled Claims against State Street and any of the other Released Defendant Parties; and (b) State Street, on behalf of itself and the other Released Defendants Parties, will be deemed to have released and be enjoined from asserting any and all Released Defendants' Claims against the Released Plaintiff Parties. Please note, however, that if you are a named fiduciary of Your Plan, the Court has directed you to provide a summary notice to Your Plan's participants and beneficiaries as described in the preamble, above.

GETTING MORE INFORMATION

This Notice summarizes the terms of the Settlement, but it is only a summary. For a fuller description of the terms of the Settlement, please refer to the text of the Settlement Agreement. You may obtain a copy of the Settlement Agreement by contacting the Claims Administrator at the address listed on page 11 above. Copies of the Settlement Agreement and various other court filings relating to this Action can also be viewed at www.statestreetERISAsettlement.com.

DATED: October 28, 2009.

BY ORDER OF THE COURT

SCHEDULE A:
LIST OF STATE STREET FUNDS

- Balanced Growth Active SL Fund
- Intermediate Bond Fund SL
- Short Term Bond SL
- Mortgage Fund
- Bond Market Fund
- Libor Plus
- Enhanced Dow Jones-AIG Commodities CTF
- Government Bond CTF
- Core Bond II SL CTF
- Equities Plus CM512
- Absolute Return Mortgage Fund
- Government Credit Bond Fund
- Balanced SL Series Fund -Class A
- Bond Market Fund CTF
- Bond Market Non-Lending Series Fund Class A
- Government Credit Bond Fund Series A
- Government Credit Bond Fund -ERISA -Class C
- Intermediate Bond SL Series Fund Class A
- Short Term Bond Fund CTF
- High Yield Bond CTF
- Intermediate Bond CTF
- Asset Backed/CMBS Fund
- Government Fund
- Limited Duration Bond Fund
- Credit Bond CTF
- Mortgage Backed Securities CTF
- Limited Duration Bond CTF
- Global Fixed Income Opportunities SL Fund