



401(k)

New Trust to replace Equity Index 500 Fund

Costco periodically reviews the investment choices it makes available to employees via its 401(k) plan to ensure that they provide a broad spectrum of investment opportunities at competitive prices.

The company has decided to replace the T. Rowe Price Equity Index 500 Fund with the T. Rowe Price Equity Index Trust, effective November 11, 2005. The investment objectives of the new Trust are comparable to those of the Fund, in that they both seek to match the performance of the S&P 500 Index.

However, the Trust has lower overall fees for employees – currently a .20 percent fee compared to a .35 percent fee for the Fund. Even though this is a small difference, this expense can add up over time and make a difference in the total return.

What does this mean for you?

- If you are not currently participating in the Equity Index 500 Fund, this will not impact you at all, although you will be free to change your investments into the new Trust if you desire.
- If you have a balance in the Fund on November 8, it will be automatically exchanged for shares of the Trust on November 10.
- There will be a brief “blackout” period for all transactions involving the Fund, extending from November 8–10, 2005. During this time, T. Rowe Price will not permit new transactions involving the Fund.
- New contributions previously directed to the Fund will be directed to the Trust beginning November 11.

You received more complete information on this change in your 3rd quarter 401(k) statement. If you have additional questions, please call T. Rowe Price at 1-800-922-9945.