



**THE UNIVERSITY OF  
NORTH CAROLINA SYSTEM**

# You are the greatest investment we hold



**Announcing an enhancement to  
The University of North Carolina Retirement Programs**



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# A new feature to help you plan and save for retirement

The University of North Carolina (The University) is committed to providing you with competitive retirement benefits. You are our greatest investment, and we are making an enhancement to the retirement programs to help you plan and save for a more secure tomorrow, including the option for guaranteed payments for life, beginning in November 2024.



## UNC Target Date Models

This new service automatically manages your investments, making it easier for you to stay on track with your retirement goals. It will also serve as the programs' new default investment option.

Some participants will be automatically enrolled in this service as part of the plan enhancement.



## New account for some participants

You may be enrolled in a new type of plan account with TIAA, depending on how you are currently invested.

## What is staying the same

The basic design of the retirement programs (eligibility, vesting and contribution rates), as well as the University's matching contribution percentages, will not change. You can also continue to receive advice on the investment options from a TIAA financial consultant *at no additional cost to you*.

## Do these updates affect you?

The updates will impact many participants, depending on how you are currently invested.

If you...		Will your account be affected?
Hold <b>any</b> balance in the Vanguard Target Date Funds/Trusts in your account, even if you don't currently contribute to the retirement programs.	✓	Your account will be affected by the updates. See page 8 for more details.
<b>Do not</b> hold a balance in the Vanguard Target Date Funds/Trusts.	✗	These changes won't apply to you, but you may want to consider the benefits of using the UNC Target Date Models.

## No longer employed by The University?

If you are no longer actively contributing to the retirement programs, but have balances in one or more accounts, you are receiving this guide and should review this information to learn how the changes may impact you.



## Key dates

Dates (2024)	What you need to know
October 17 – 18	Informational webinars.
November 7	The UNC Target Date Models are available. Subscription to a UNC Target Date Model for some participants is expected to occur.
All payrolls on or after November 8	Contributions are directed to the UNC Target Date Models, as applicable. See page 8 for more information.
Week of November 11	Eligible balances transfer to the UNC Target Date Models, as applicable. See page 8 for more information.

## UNC Retirement Programs

The UNC Target Date Models will be implemented in the following UNC Retirement Programs:

- UNC Optional Retirement Program – ORP
- UNC Optional Retirement Program – Frozen 403(b) Plan – ORP Frozen 403(b)
- UNC Excess Benefit Arrangement for the ORP – 415(m) for ORP
- University of North Carolina Code Section 403(b) Plan – UNC 403(b)
- University of North Carolina Code Section 457(b) Plan – UNC 457(b)
- UNC Senior Administrative Officer Retirement Program – SAORP
- UNC Excess Benefit Plan for Senior Administrative Officers – 415(m) for SAORP
- UNC Senior Athletic Employee Retirement Program – SAERP
- UNC Excess Benefit Arrangement for Senior Athletic Employees – 415(m) for SAERP

# Introducing the UNC Target Date Models

The UNC Target Date Models make it easier to plan and save for retirement by providing you with a professionally managed model portfolio. It's a convenient alternative to making your own choices from the retirement programs' investment lineup.

## What's a model portfolio?

Each model includes a combination of investments from the retirement programs' lineup, offers a specific balance of financial risk and reward, and takes into account your current age and your projected retirement date. The investment allocation adjusts to become more conservative as you near and enter retirement.

Over time, the UNC Target Date Models automatically rebalance your account to help keep you on track with your retirement goals.

### Benefits to you

Simple to use

Diversified mix of investments

Professionally designed and managed model portfolios

Automatically reduces investment risk as you near retirement

Guaranteed annual returns from the TIAA Traditional Annuity allocation

Considers UNC plan balances in other annuity accounts in the management of your model portfolio

Option for monthly income payments for life once you retire

## Lifetime income benefit of TIAA Traditional

With TIAA Traditional built into the allocations of the UNC Target Date Models, you have the option to receive dependable, guaranteed lifetime income in retirement. TIAA Traditional can offer unique advantages—including lifetime income and a guaranteed rate of return with low volatility—whether you use the UNC Target Date Models or you decide to choose investments from the core lineup and include TIAA Traditional in your investment strategy.



### Guaranteed growth no matter the market

Know that your retirement savings is protected and guaranteed to increase every single day—even in the most volatile markets.



### Guaranteed lifetime income you can count on

Turn your savings into guaranteed retirement income that lasts for life to help cover everyday living expenses—or any expenses you choose.<sup>1</sup>



### Opportunity for more growth and income

Benefit from our sharing profits approach with the opportunity for higher interest and income—above and beyond our guarantees.<sup>1</sup>

## New default investment

The UNC Target Date Models will become the default investment option for all UNC retirement programs. If you have any assets in the Vanguard Target Date Funds/Trusts (the current default option), you will be automatically subscribed to a UNC Target Date Model. See pages 8 – 10 for more details. Each portfolio provides a diversified investment mix.

*continued*

Any guarantees under annuities issued by TIAA are subject to TIAA's claims-paying ability.

<sup>1</sup> TIAA may share profits with TIAA Traditional Annuity owners through declared additional amounts of interest during accumulation, higher initial annuity income, and through further increases in annuity income benefits during retirement. These additional amounts are not guaranteed beyond the period for which they were declared.

# Introducing the UNC Target Date Models (continued)

The following tables list the underlying investment mix for each model portfolio. Locate your birthdate range to identify the model portfolio that will be selected for you. For additional information on the UNC Target Date Models, visit [tiaa.org/unc](https://tiaa.org/unc), beginning November 7, 2024.

## UNC ORP, SAORP, SAERP and 457(b) Plans

		UNC Target Date Model Plus						
		2070	2065	2060	2055	2050	2045	2040
Birthdate range		2003 to present	2002 – 1998	1997 – 1993	1992 – 1988	1987 – 1983	1982 – 1978	1977 – 1973
Fund/Account	Ticker							
TIAA Traditional Annuity (guaranteed annuity)	N/A	1%	1%	1%	2%	5%	9%	14%
Vanguard Extended Market Index Trust	N/A	23%	23%	23%	22%	21%	20%	18%
Vanguard Institutional 500 Index Trust	N/A	37%	37%	37%	38%	37%	35%	32%
Vanguard Total Bond Market Index Trust	N/A	2%	2%	2%	3%	5%	8%	12%
Vanguard Total International Stock Index Trust	N/A	37%	37%	37%	35%	32%	28%	24%
<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

		UNC Target Date Model Plus						
		2035	2030	2025	2020	2015	2010	Retirement income
Birthdate range		1972 – 1968	1967 – 1963	1962 – 1958	1957 – 1953	1952 – 1948	1947 – 1943	Prior to 1943
Fund/Account	Ticker							
TIAA Traditional Annuity (guaranteed annuity)	N/A	20%	26%	32%	34%	40%	45%	46%
Vanguard Extended Market Index Trust	N/A	15%	13%	11%	11%	10%	9%	8%
Vanguard Institutional 500 Index Trust	N/A	29%	26%	24%	23%	22%	21%	21%
Vanguard Total Bond Market Index Trust	N/A	15%	18%	19%	19%	17%	15%	15%
Vanguard Total International Stock Index Trust	N/A	21%	17%	14%	13%	11%	10%	10%
<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

# Introducing the UNC Target Date Models (continued)

## UNC 403(b), ORP Frozen 403(b), 415(m) for ORP, SAORP and SEARP Plans

		UNC Target Date Model						
		2070	2065	2060	2055	2050	2045	2040
Birthdate range		2003 to present	2002 – 1998	1997 – 1993	1992 – 1988	1987 – 1983	1982 – 1978	1977 – 1973
Fund/Account	Ticker							
TIAA Traditional Annuity (guaranteed annuity)	N/A	1%	1%	1%	2%	5%	9%	14%
Vanguard Extended Market Index Fund Institutional Plus Shares	VEMPX	23%	23%	23%	22%	21%	20%	18%
Vanguard Institutional Index Fund Institutional Plus Shares	VIIIIX	37%	37%	37%	38%	37%	35%	32%
Vanguard Total Bond Market Index Fund Institutional Plus Shares	VBMPX	2%	2%	2%	3%	5%	8%	12%
Vanguard Total International Stock Index Fund Institutional Plus Shares	VTPSX	37%	37%	37%	35%	32%	28%	24%
<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

		UNC Target Date Model						
		2035	2030	2025	2020	2015	2010	Retirement income
Birthdate range		1972 – 1968	1967 – 1963	1962 – 1958	1957 – 1953	1952 – 1948	1947 – 1943	Prior to 1943
Fund/Account	Ticker							
TIAA Traditional Annuity (guaranteed annuity)	N/A	20%	26%	32%	34%	40%	45%	46%
Vanguard Extended Market Index Fund Institutional Plus Shares	VEMPX	15%	13%	11%	11%	10%	9%	8%
Vanguard Institutional Index Fund Institutional Plus Shares	VIIIIX	29%	26%	24%	23%	22%	21%	21%
Vanguard Total Bond Market Index Fund Institutional Plus Shares	VBMPX	15%	18%	19%	19%	17%	15%	15%
Vanguard Total International Stock Index Fund Institutional Plus Shares	VTPSX	21%	17%	14%	13%	11%	10%	10%
<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

continued

# Introducing the UNC Target Date Models (continued)

## If you use the UNC Target Date Models

The University's long-term advisor, CAPTRUST, has been engaged to professionally manage the UNC Target Date Models.<sup>1</sup> If you select the UNC Target Date Models, you will be charged a fee for CAPTRUST's Investment Management Services. It's estimated the CAPTRUST fee will be **approximately** 0.02% (\$0.20 per \$1,000 invested) of your assets in each plan that you use a UNC Target Date Model. Pricing for the models is listed below for each UNC retirement program.

The total annual CAPTRUST fee will be divided proportionately across all participant accounts using the UNC Target Date Models. Meaning, the fee will be collected based on your account balance in each plan as a portion of the overall assets in the UNC Target Date Models. Depending on the number of participants using the service, market movements and total assets in the UNC Target Date Models each quarter, the amount of your specific fee could vary, but it's estimated to be **approximately** 0.02% (\$0.20 per \$1,000 invested).

**Only participants who use the models will be assessed this fee.** This fee should be considered alongside the expenses associated with the portfolios' underlying investments, as well as any other fees you may pay.

## UNC ORP, SAORP, SAERP and 457(b) Plans

	UNC Target Date Model Plus						
	2070	2065	2060	2055	2050	2045	2040
<b>Birthdate range</b>	<b>2003 to present</b>	<b>2002 – 1998</b>	<b>1997 – 1993</b>	<b>1992 – 1988</b>	<b>1987 – 1983</b>	<b>1982 – 1978</b>	<b>1977 – 1973</b>
Estimated investment expense	0.026%	0.026%	0.026%	0.025%	0.023%	0.022%	0.020%
CAPTRUST cost	0.020%	0.020%	0.020%	0.020%	0.020%	0.020%	0.020%
<b>Total estimated investment expense for the UNC Target Date Models</b>	<b>0.046%</b>	<b>0.046%</b>	<b>0.046%</b>	<b>0.045%</b>	<b>0.043%</b>	<b>0.042%</b>	<b>0.040%</b>
<b>Vanguard Target Date Trusts birth years</b>	<b>2003 to present</b>	<b>2002 – 1998</b>	<b>1997 – 1993</b>	<b>1992 – 1988</b>	<b>1987 – 1983</b>	<b>1982 – 1978</b>	<b>1977 – 1973</b>
Net expense ratio of current Vanguard Target Date Trusts*	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%

	UNC Target Date Model Plus						
	2035	2030	2025	2020	2015	2010	Retirement income
<b>Birthdate range</b>	<b>1972 – 1968</b>	<b>1967 – 1963</b>	<b>1962 – 1958</b>	<b>1957 – 1953</b>	<b>1952 – 1948</b>	<b>1947 – 1943</b>	<b>Prior to 1943</b>
Estimated investment expense	0.018%	0.016%	0.014%	0.014%	0.012%	0.011%	0.011%
CAPTRUST cost	0.020%	0.020%	0.020%	0.020%	0.020%	0.020%	0.020%
<b>Total estimated investment expense for the UNC Target Date Models</b>	<b>0.038%</b>	<b>0.036%</b>	<b>0.034%</b>	<b>0.034%</b>	<b>0.032%</b>	<b>0.031%</b>	<b>0.031%</b>
<b>Vanguard Target Date Trusts birth years</b>	<b>1972 – 1968</b>	<b>1967 – 1963</b>	<b>1962 – 1958</b>	<b>1957 – 1953</b>	<b>N/A</b>	<b>N/A</b>	<b>Prior to 1953</b>
Net expense ratio of current Vanguard Target Date Trusts*	0.05%	0.05%	0.05%	0.05%	N/A	N/A	0.05%

\* Expense ratios listed are as of September 9, 2024.

<sup>1</sup> CAPTRUST is an independent registered investment advisor that has been chosen by your employer. The University has delegated the responsibility for managing and adjusting the UNC Target Date Models to CAPTRUST. For employees enrolled in the UNC Target Date Models, this is done on a discretionary basis, meaning CAPTRUST, in consultation with The University, will adjust the asset allocation strategy over time to follow the long-term investment strategy of the model.



# Introducing the UNC Target Date Models (continued)

## UNC 403(b), ORP Frozen 403(b), 415(m) for ORP, SAORP and SEARP Plans

	UNC Target Date Model						
	2070	2065	2060	2055	2050	2045	2040
<b>Birthdate range</b>	<b>2003 to present</b>	<b>2002 – 1998</b>	<b>1997 – 1993</b>	<b>1992 – 1988</b>	<b>1987 – 1983</b>	<b>1982 – 1978</b>	<b>1977 – 1973</b>
Estimated investment expense	0.043%	0.043%	0.043%	0.042%	0.040%	0.037%	0.034%
CAPTRUST cost	0.020%	0.020%	0.020%	0.020%	0.020%	0.020%	0.020%
<b>Total estimated investment expense for the UNC Target Date Models</b>	<b>0.063%</b>	<b>0.063%</b>	<b>0.063%</b>	<b>0.062%</b>	<b>0.060%</b>	<b>0.057%</b>	<b>0.054%</b>
<b>Vanguard Target Date Funds birth years</b>	<b>2003 to present</b>	<b>2002 – 1998</b>	<b>1997 – 1993</b>	<b>1992 – 1988</b>	<b>1987 – 1983</b>	<b>1982 – 1978</b>	<b>1977 – 1973</b>
Net expense ratio of current Vanguard Target Date Funds*	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%

	UNC Target Date Model						
	2035	2030	2025	2020	2015	2010	Retirement income
<b>Birthdate range</b>	<b>1968 – 1972</b>	<b>1963 – 1967</b>	<b>1958 – 1962</b>	<b>1953 – 1957</b>	<b>1948 – 1952</b>	<b>1943 – 1947</b>	<b>Prior to 1943</b>
Estimated investment expense	0.031%	0.028%	0.025%	0.024%	0.021%	0.019%	0.019%
CAPTRUST cost	0.020%	0.020%	0.020%	0.020%	0.020%	0.020%	0.020%
<b>Total estimated investment expense for the UNC Target Date Models</b>	<b>0.051%</b>	<b>0.048%</b>	<b>0.045%</b>	<b>0.044%</b>	<b>0.041%</b>	<b>0.039%</b>	<b>0.039%</b>
<b>Vanguard Target Date Funds birth years</b>	<b>1972 – 1968</b>	<b>1967 – 1963</b>	<b>1962 – 1958</b>	<b>1957 – 1953</b>	<b>N/A</b>	<b>N/A</b>	<b>Prior to 1953</b>
Net expense ratio of current Vanguard Target Date Funds*	0.08%	0.08%	0.08%	0.08%	N/A	N/A	0.08%

\* Expense ratios listed are as of September 9, 2024.

See *Disclosures* beginning on page 16 for important details on *UNC Target Date Models* and *Investment, insurance and annuity products*.

# What to expect

Please review the following information carefully, as it relates to each UNC retirement program that you are invested in separately.

## If you hold a balance in the Vanguard Target Date Funds/Trusts

The following changes only apply to participants who hold a balance in the Vanguard Target Date Funds/Trusts. If this does not apply to you, there will be no changes to your account.

### Automatic subscription to the UNC Target Date Models

If you currently hold a balance in the Vanguard Target Date Funds/Trusts, on or about November 7, 2024, you will be automatically subscribed to a UNC Target Date Model based on the year you turn age 65 (unless you choose alternate investment options).<sup>1</sup> Please review the details in this guide carefully. You will automatically be subscribed to a UNC Target Date Model under **each** UNC retirement program account in which you currently have balance(s) in Vanguard Target Date Funds/Trusts, even if only a portion of your balance is allocated to a Vanguard Target Date Fund/Trust.

If you do not already have a Retirement Choice Plus (RCP) account with TIAA, one will be issued to you for purposes of investing in the model. Once the new account is issued, you will receive an enrollment confirmation with additional information from TIAA. **Please note:** If you already have an RCP account, you will not receive a new one.

### What happens to future contributions?

Beginning with all payrolls on or after November 8, 2024, all contributions to your account (including any percentage of contributions previously directed to a brokerage account) will be directed to a UNC Target Date Model based on the year you turn age 65 unless you choose alternate investment options.<sup>1</sup>

### What happens to existing balances?

Balances in existing Retirement Choice (RC)/Retirement Choice Plus (RCP) accounts	During the week of November 11, 2024, your <b>entire</b> balance in that UNC retirement plan, with a few exceptions, will be transferred to the UNC Target Date Model portfolio based on the year you turn age 65. This includes all variable annuities in RC account(s) and all mutual funds/collective investment trusts in any account type. Your balances will be held in your RCP account unless you chose alternate investment options. <sup>1</sup> <b>Please note:</b> If you decide to opt out of the UNC Target Date Models and make your own investment elections during the week of November 11, 2024, it can take up to three days for your account to accurately display your desired intentions.
TIAA Traditional and TIAA Stable Value annuity balances in RC accounts, and any annuity balances in legacy accounts	These balances are not affected and will remain in your current account(s). <sup>2</sup>
TIAA Brokerage accounts	If you will be subscribed to a UNC Target Date Model <b>and</b> will be receiving a new account, any existing brokerage account will be re-linked to your new account. Your brokerage assets will not be liquidated, and there will be no impact to your balance in the brokerage account from this transfer. If you <b>are not</b> automatically subscribed to a UNC Target Date Model, your brokerage account will not be moved.

**Please note:** If you hold a balance in any other investments available under the UNC retirement programs, you should review the appropriate section in the table above to understand how those account balance(s) and/or any future contributions (including allocations directed to your brokerage account) may be affected.

<sup>1</sup> See the *Updating your investment choices* section on the following page for more information.

<sup>2</sup> For any balances that remain in existing accounts, you can transfer those balances to your new account by contacting TIAA for more information.



## What to expect (continued)

### Updating your investment choices

You can use the UNC Target Date Model portfolio based on the year you turn age 65 or personalize your model by providing additional information about your financial situation and preferences to initiate a recommendation.

Beginning November 7, 2024, you can log in to your TIAA account and select *Personalize it*. You can choose the recommended model or select from the other models shown.

If you don't want to use a model portfolio, you have the option to opt out and build your own portfolio from the Tier 2 core investment lineup (see Q&A 5 on page 12 for more information on how to opt out of the UNC Target Date Models). To view the Tier 2 core investment lineups, visit [tiaa.org/unc](https://tiaa.org/unc). Select *Investment options*, then *View all investments*.

You can make updates to your account at any time, including changing your investment choices or opting back in to a UNC Target Date Model.

### If you *do not* hold a balance in the Vanguard Target Date Funds/Trusts

You **will not** be subscribed to a UNC Target Date Model in that UNC retirement plan. However, you may want to consider opting in to the service. Beginning November 7, 2024, you can log in to your account and follow the online instructions to learn more about the models. See pages 3 – 7 for more information on the UNC Target Date Models, including any applicable fees.

Your future contributions will not be affected and your balances will remain in your current account(s). Any brokerage account(s) will not be moved.

*continued*

# What to expect (continued)

## For all participants

### Investment lineup update

The Vanguard Target Date Funds/Trusts will be replaced by the UNC Target Date Models and UNC Target Date Models Plus as the Tier 1 investment for all UNC retirement programs, effective November 7, 2024, as shown below. **Please note: The UNC Target Date Model/UNC Target Date Model Plus you are defaulted to is based on the year you will turn age 65 and may not directly correspond to the Vanguard Target Retirement Fund/Trust(s) you are currently invested in.**

Vanguard Target Retirement Income Fund/Trust	▶	UNC Target Date Retirement Income Model
		UNC Target Date 2010 Model
		UNC Target Date 2015 Model
Vanguard Target Retirement 2020 Fund/Trust	▶	UNC Target Date 2020 Model
Vanguard Target Retirement 2025 Fund/Trust	▶	UNC Target Date 2025 Model
Vanguard Target Retirement 2030 Fund/Trust	▶	UNC Target Date 2030 Model
Vanguard Target Retirement 2035 Fund/Trust	▶	UNC Target Date 2035 Model
Vanguard Target Retirement 2040 Fund/Trust	▶	UNC Target Date 2040 Model
Vanguard Target Retirement 2045 Fund/Trust	▶	UNC Target Date 2045 Model
Vanguard Target Retirement 2050 Fund/Trust	▶	UNC Target Date 2050 Model
Vanguard Target Retirement 2055 Fund/Trust	▶	UNC Target Date 2055 Model
Vanguard Target Retirement 2060 Fund/Trust	▶	UNC Target Date 2060 Model
Vanguard Target Retirement 2065 Fund/Trust	▶	UNC Target Date 2065 Model
Vanguard Target Retirement 2070 Fund/Trust	▶	UNC Target Date 2070 Model

### Additional information



#### Beneficiary

If you are issued a new RCP account, your current beneficiary designation(s) will be applied to any new account(s). We encourage you to review your designations and make updates as needed.



#### Updating your investments

You may update your investment choices anytime. If you would like to move balances from the Vanguard Target Date Funds/Trusts before you are subscribed to a UNC Target Date Model, you may do so by 4 p.m. ET on November 8, 2024.



#### How plan changes may affect your account transactions

If you currently receive retirement plan distributions, have automatic account rebalancing and/or have loans, and will be enrolled in a new account, you will receive additional communications with more information on how your account is affected.



#### Annuity balances

Regardless of whether or not you hold a balance in the Vanguard Target Date Funds/Trusts, **any annuity balances** in your current account type(s) will remain in those accounts and will not be impacted by the updates. If you are investing in a UNC Target Date Model, these balances will be considered in your allocation to the model's target investment mix. You have the option to transfer these annuity balances to the models. To learn more, contact TIAA at 800-842-2252, weekdays, 8 a.m. to 10 p.m. ET.

**See Disclosures beginning on page 16 for important details on *UNC Target Date Models and Investment, insurance and annuity products.***

# Retirement planning resources

The University provides many resources to help you choose the right investment options or plan for retirement. These resources are provided by our partners, TIAA and CAPTRUST.

## TIAA resources



### Getting the investment advice you need — when and how you need it

As a participant in the UNC Retirement Programs, you have access to personalized advice on the retirement programs' investment options from a TIAA financial consultant. Whether you're just starting out or close to retirement, you can meet online, by phone or in person to discuss your specific financial goals and how to plan for them. This service is available as part of your retirement program *at no additional cost to you*. Schedule a session online by visiting [tiaa.org/schedulenow](https://tiaa.org/schedulenow) or calling 800-732-8353, weekdays, 8 a.m. to 8 p.m. ET.



### Dedicated Advisory Services — a comprehensive plan for reaching your financial goals

If your financial circumstances require highly specialized solutions and a more customized and detailed approach to addressing complex planning needs, consider TIAA's Dedicated Advisory Services. TIAA's Dedicated Advisory Services is designed for clients who have accumulated significant assets in their TIAA retirement plans. To learn more, call 844-567-9077 or visit [tiaa.org/advisoryservices](https://tiaa.org/advisoryservices).



### Online tools

You can also visit [tiaa.org/tools](https://tiaa.org/tools) for convenient resources that can help you on the path to retirement. You supply the information, and the tools do the rest.

## CAPTRUST resources



### Personalized financial wellness and advice

All participants in the UNC Retirement Programs have access to independent financial advisors through CAPTRUST, The University System's Registered Investment Advisor (RIA). CAPTRUST provides unbiased financial guidance and advice to help you feel financially confident *at no additional cost to you*.

Call or schedule an appointment with the **CAPTRUST Advice Desk** to get answers to your financial questions and leave with clear action steps to help you achieve your retirement goals. Call 800-967-9948 to speak directly to a CAPTRUST financial advisor or visit [captrustatwork.com](https://captrustatwork.com) to schedule an appointment.

For more information around CAPTRUST's financial wellness and advice, visit [captrustatwork.com](https://captrustatwork.com).

See **Disclosures** beginning on page 16 for important details on **Advice (legal, tax, investment)**.

# Q&A

## 1. Why is The University updating the retirement programs?

The University is committed to providing you with competitive retirement benefits. The updates to the retirement plans are designed to offer the UNC Target Date Models that automatically manage your investments, making it easier for you to stay on track with your retirement goals.

## 2. What are the UNC Target Date Models?

The UNC Target Date Models have been designed specifically by The University and its investment advisor, CAPTRUST, for your retirement plans using the TIAA RetirePlus Pro® service. Each model portfolio consists of a professionally selected and managed mix of investments and takes into account your anticipated retirement date and considers other annuity assets in the same plan.

## 3. Why do participants consider the UNC Target Date Models?

The UNC Target Date Models provide a simplified approach to investing. This service uses information about you, your risk tolerance and financial goals to recommend a model portfolio. You can use the UNC Target Date Models as an alternative to choosing your own investments from the retirement plans' investment options.

## 4. How do I modify my subscription to a UNC Target Date Model?

Log in to your account at [tiaa.org/unc](https://tiaa.org/unc) starting on or about November 7, 2024, and choose *Personalize it* below your retirement plan account. Then, you can complete the brief questionnaire to initiate a model recommendation. Once you review it, you can simply select and approve it. **All of your eligible plan assets and future contributions will be invested in the model you choose.**

## 5. How do I opt out of the UNC Target Date Models?

You can log in to your account at [tiaa.org/unc](https://tiaa.org/unc) starting on or about November 7, 2024, and choose *Personalize it* below your retirement plan account. Then, scroll down and select *Stop using* to choose your own investments. If you opt out of the UNC Target Date Models, please note:

- If you are in the UNC ORP Plan, upon opting out of the models, you will be directed to select your own investment options. All future contributions that had been directed to a model portfolio (or any balances managed by a model portfolio) in that plan will transfer to the investments you select, in your Retirement Choice (RC) account. If you do not already have an RC account, one will be issued to you at that time, and you will be sent an enrollment confirmation. You will need to designate a beneficiary for this new account(s)—your existing beneficiary will not transfer. All other plans will remain in the Retirement Choice Plus (RCP) account type if you opt out of the models, and all future contributions that had been directed to a model portfolio (or any balances managed by a model portfolio) in that plan will transfer to the investments you select in your RCP account.
- If you have a balance in the TIAA Traditional Annuity that you choose to transfer as a result of opting out of the UNC Target Date Models, it will offer the current TIAA Traditional rate. Please contact a TIAA financial consultant for more information.

If you would like to change how your future contributions are invested in your new account prior to the first payroll contribution, do so by 4 p.m. ET on the day prior to payroll. To make a change prior to the transfer of mutual funds, please do so by 4 p.m. ET on November 8, 2024. You can make changes at any time.

**Please note: If you decide to opt out of the UNC Target Date Models and make your own investment elections during the week of November 11, 2024, it can take up to three days until your account settles to accurately display your desired intentions.**

# Q&A (continued)

## 6. With the UNC Target Date Models, which assets are considered in the management of my retirement account?

The UNC Target Date Models can take into consideration the model portfolio balance along with any annuity balances held outside of the models (TIAA legacy annuities that no longer accept contributions) you may have and/or lifetime annuity income within the plans to maintain the target asset mix. This can provide a more complete picture for determining an appropriate asset allocation. While non-model annuities can be considered in the asset allocation of your model portfolio, they are not actively managed by the UNC Target Date Models.

Beginning November 7, 2024, you can modify your subscription to a UNC Target Date Model Portfolio, including whether any non-model annuities are considered in your portfolio's asset allocation. To get started, log in to your account at [tiaa.org/unc](https://tiaa.org/unc) and choose *Personalize it* below your retirement plan account.

## 7. Will my model be automatically rebalanced?

Yes. Over time, the value of each asset within your model portfolio may change due to market fluctuations and varying returns. To keep the level of investment risk in your model portfolio aligned with its intended goal, it will be rebalanced quarterly based on your date of birth.

## 8. What if my goals or financial situation change?

You can log in to your account and update the online questionnaire to provide any new information. Your responses may prompt a new model portfolio recommendation. You may also opt out of the UNC Target Date Models and choose your own investments from the retirement plans' investment options.

## 9. How do I know what type of investments I have in my account?

You can find this information by visiting [tiaa.org/unc](https://tiaa.org/unc). Select *Investment options*, then *View all investments*. The product type is listed next to each investment.

## 10. What are annuities?

There are different types of annuities, but they are typically designed to potentially grow your money while you're working and provide you with the option to receive income for life when you retire. In fact, annuities are the only retirement products that can guarantee to pay you (or you and a spouse or partner) income for life.

**Guaranteed annuities** (also known as fixed annuities) allow you to earn a minimum guaranteed interest rate on your contributions. Some guaranteed annuities, such as TIAA Traditional, also offer the potential for additional amounts of interest. In retirement, guaranteed annuities can offer you income for life that will never fall below a certain guaranteed level and provide income that is guaranteed to last for your lifetime. Guarantees are based on the claims-paying ability of the issuing company.

**Variable annuities** allow you to invest in a variety of asset classes, and account values will fluctuate based on the performance of the investments in the accounts. It's possible to lose money in variable annuities. In retirement, variable annuities can provide an income stream guaranteed to last for your lifetime. The amount of a variable annuity income payment, however, will rise or fall based on investment performance.

## 11. What happens to my current outstanding loan, systematic withdrawal, transfer payout annuity or required minimum distribution?

You will receive separate communications if you need to take any action.

## 12. What should I expect from a one-on-one investment advice session?

You can expect a thorough review of your retirement plan account and an action plan for moving forward. Advice sessions last approximately one hour. Bring all your investment account statements, including any retirement investments outside of the retirement plans and your most recent Social Security statement, if available. A TIAA financial consultant will use this information to understand your current financial situation and develop an action plan. You may bring anyone you like to the session with you. See page 15 for scheduling information.



## Action steps to consider

### Before the updates begin

- Review this guide to understand the plan enhancement.
- Attend an informational webinar to get answers to your questions. See page 15 to learn more.
- Review your beneficiary information and update as needed.

### Starting November 7, 2024

#### If you hold a balance in the Vanguard Target Date Funds/Trusts

##### Decide if you want to:

- **Keep it simple with the UNC Target Date Models**

You may consider the UNC Target Date Models. In some cases, a model will be chosen for you—you can keep this model, personalize and choose a new model, or choose your own investments (review this guide for more details).

- **Manage your own investment strategy**

Choose from the options in the core investment lineup to create your own portfolio.

- **Additional investments available through a self-directed brokerage account**

Whether you choose the UNC Target Date Models or options from the investment lineup, you can also use a self-directed brokerage account for access to thousands of additional mutual funds. The University neither selects nor monitors funds available through the brokerage account, and TIAA does not offer investment advice for assets in a brokerage account. Fees may apply.

#### If you *do not* hold a balance in the Vanguard Target Date Funds/Trusts

If you would like to opt in to a UNC Target Date Model, you may log in to your account any time after November 7, 2024, to opt in and personalize the service.

##### Get advice at any time

Schedule a retirement advice and education session with TIAA or CAPTRUST. See page 11 for more information.



# Informational webinars

Attend a one-hour virtual session to learn about the changes and enhancement to the retirement programs. Visit [webinars.on24.com/client/UNCfall2024](https://webinars.on24.com/client/UNCfall2024) or scan the QR code below. Sessions will be recorded for those who cannot attend or who would like to review later, and will be accessible through the same link.

Date (2024)	Time (ET)	Link
Thursday, October 17	2 p.m.	
Friday, October 18	10 a.m.	

## We're here to help

Not sure where to begin? Let us help you!

### TIAA

#### Manage your account

##### Online

Visit [tiaa.org/unc](https://tiaa.org/unc) and log in. If you're new to TIAA, select *Log in*, then *Need online access?* Follow the on-screen directions to access your account.

##### Phone

Call TIAA at 800-842-2252, weekdays, 8 a.m. to 10 p.m. ET.

#### Schedule an investment advice session

##### Online

Visit [tiaa.org/schedulenow](https://tiaa.org/schedulenow).

If you're new to TIAA, select *Register for TIAA access*. Follow the on-screen instructions to log in.

##### Phone

Call TIAA at 800-732-8353, weekdays, 8 a.m. to 8 p.m. ET.

### CAPTRUST

#### Financial Wellness Resources

##### Online

Visit [captrustatwork.com](https://captrustatwork.com).

#### Schedule a financial advice session

##### Online

Visit [captrustatwork.com](https://captrustatwork.com).

##### Phone

Call 800-967-9948, Monday – Thursday, 8:30 a.m. to 5:30 p.m. ET; Friday, 8:30 a.m. to 4 p.m. ET.

# Disclosures

## Advice (legal, tax, investment)

The TIAA group of companies does not provide legal or tax advice. Please consult your legal or tax advisor.

Advice provided by our Field Consulting Group is obtained using an advice methodology from an independent third party. Advice services provided by our Individual Advisory Services Group are provided by Advice & Planning Services, a division of TIAA-CREF Individual & Institutional Services, LLC, a registered investment adviser.

Individual Advisory Services may not be available to all participants. Advisory services through Individual Advisory Services are a fee-for-services charge to the employee.

TIAA and CAPTRUST, and any of their affiliates or subsidiaries, are not affiliated with or in any way related to each other. TIAA acts as recordkeeper for the plan and, in that capacity, is not a fiduciary to the plan. TIAA and CAPTRUST may also provide advice and education to plan participants. When TIAA provides advice on how to allocate investments, it takes fiduciary responsibility for that advice. TIAA is not responsible for the advice and education provided by CAPTRUST. CAPTRUST is not responsible for the advice and education provided by TIAA.

Advice is provided on your employer-sponsored retirement plans administered by TIAA. TIAA does not monitor your retirement assets on an ongoing basis, nor does TIAA update your information on the Retirement Advisor tool to reflect changes in your personal circumstances. You should periodically monitor your retirement strategy as your needs and personal circumstances change. Results are not guaranteed and do not reflect actual returns on any investment. The TIAA Retirement Advisor is not a substitute for tax, legal or comprehensive financial planning advice. The TIAA Retirement Advisor is a brokerage service provided by TIAA-CREF Individual & Institutional Services, LLC, a registered broker-dealer, Member FINRA, SIPC.

The projections or other information generated by TIAA's online tools regarding the likelihood of various investment outcomes, investment allocations and retirement income are hypothetical in nature, do not reflect actual results and are not guarantees of future results. Results may vary with each use and over time.

## Distributions and withdrawals

Subject to plan terms, employer contributions invested in custodial accounts (mutual funds) and elective deferrals may not be paid to a participant before the participant has a severance of employment, dies, becomes disabled, attains age 59½ or experiences a hardship. Employer contributions invested in annuity contracts may generally be distributed upon severance of employment or upon occurrence of a stated event in the plan.

## Fees and expenses

Plan servicing fees can be deducted from investment options in Retirement Choice and Retirement Choice Plus contracts. However, plan servicing fees cannot be deducted from annuities in Retirement Annuity, Group Retirement Annuity, Supplemental Retirement Annuity and Group Supplemental Retirement Annuity contracts.

Your guaranteed options are fixed annuities that pay you interest at competitive crediting rates that are announced in advance. There is no explicit expense ratio because these are fixed annuities.

Gross expense ratio includes all of an investment's expenses. Net expense ratio takes into account any investment fee waivers and expense reductions, giving an indication of what is currently being charged.

## Investment, insurance and annuity products

Investment products may be subject to market and other risk factors. See the applicable product literature, or visit [tiaa.org](http://tiaa.org) and enter the ticker in the site's search feature for details.

Some investment options may have redemption and other fees. **See the fund's prospectus for details.**

Stable value investment options may be subject to equity wash restrictions. In order to provide the performance, stability and liquidity attributes of a stable value option, transfers from stable value options are subject to an industry-standard 90-day "equity wash" rule. The rule prohibits transfers from TIAA Stable Value directly to "competing funds." Competing funds are plan investment options that exhibit a pattern of performance consistent with stability and include the Money Market Funds and the Short-Term Bond Funds. If you want to transfer amounts from TIAA Stable Value to competing funds, you must first transfer to noncompeting funds where the amount originally transferred must remain for 90 days before you can transfer the amount to one or more competing funds. In addition, to minimize the negative effects of frequent trading, transfers into TIAA Stable Value are restricted for 30 days following a transfer out.

TIAA Traditional Annuity and TIAA Stable Value are guaranteed insurance contracts and not investments for federal securities law purposes. Any guarantees under annuities issued by Teachers Insurance and Annuity Association of America (TIAA) are subject to its claims-paying ability. Interest credited includes a guaranteed rate plus additional amounts as may be established by the TIAA Board of Trustees. Such additional amounts, when declared, remain in effect for the "declaration year," which begins each March 1 for accumulating TIAA Traditional annuities and January 1 for payout annuities. Declared crediting rates for TIAA Stable Value accumulating amounts are reviewed and may be reset every six months (on January 1 and July 1). Additional amounts are not guaranteed for periods other than the period for which they were declared.

Annuity account options are available through annuity contracts issued by TIAA or CREF. These contracts are designed for retirement or other long-term goals and offer a variety of income options, including lifetime income. Payments from the variable annuity accounts are not guaranteed and will rise or fall based on investment performance.

Annuity contracts may contain terms for keeping them in force. For full details, including costs, call TIAA at 877-518-9161.

# Disclosures (continued)

## UNC Target Date Models

The TIAA RetirePlus Pro® models are asset allocation recommendations developed in one of three ways, depending on your plan structure: i) by your plan sponsor, ii) by your plan sponsor in consultation with consultants and other investment advisors designated by the plan sponsor, or iii) exclusively by consultants and other investment advisors selected by your plan sponsor whereby assets are allocated to underlying mutual funds and annuities that are permissible investments under the plan. Model-based accounts will be managed on the basis of the plan participant's personal financial situation and investment objectives (for example, taking into account factors such as participant age and risk capacity as determined by a risk tolerance questionnaire).

This material is for informational, educational or non-fiduciary sales opportunities and/or activities only and does not constitute investment advice (e.g., fiduciary advice under ERISA or otherwise), a securities recommendation under all securities laws, or an insurance product recommendation under state insurance laws or regulations to invest through a model or to purchase any security or advice about investing or managing retirement savings. It does not take into account any specific objectives or circumstances of any particular customer, or suggest any specific course of action.

**You should consider the investment objectives, principal strategies, principal risks, portfolio turnover rate, performance data, and fee and expense information of each underlying investment carefully before directing an investment based on the model. For a free copy of the program description and the prospectus or other offering documents for each of the underlying investments (containing this and other information), call TIAA at 877-518-9161. Please read the program description and the prospectuses or other offering documents for the underlying investments carefully before investing.**

The Plan Fiduciary and the Plan Advisor may determine that an underlying investment(s) is appropriate for a model portfolio, but not appropriate as a stand-alone investment for a participant who is not participating in the program. In such case, participants who elect to unsubscribe from the program while holding an underlying investment(s) in their model-based account that has been deemed inappropriate as a stand-alone investment option by the Plan Fiduciary and/or the Plan Advisor will be prohibited from allocating future contributions to that investment option(s).

Established Restrictions: Each plan participant may, but need not, propose restrictions for his or her model-based account, which will further customize such plan participant's own portfolio of underlying investments. The Plan Fiduciary is responsible for considering any restrictions proposed by a plan participant, and for determining (together with Plan Advisor(s)) whether the proposed restriction is "reasonable" in each case.

No registration under the Investment Company Act, the Securities Act or state securities laws—The model is not a mutual fund or other type of security and will not be registered with the Securities and Exchange Commission as an investment company under the Investment Company Act of 1940, as amended, and no units or shares of the model will be registered under the Securities Act of 1933, as amended, nor will they be registered with any state securities regulator. Accordingly, the model is not subject to compliance with the requirements of such acts, nor may plan participants investing in underlying investments based on the model avail themselves of the protections thereunder, except to the extent that one or more underlying investments or interests therein are registered under such acts.

No guarantee—Investments based on the model are not deposits of, or obligations of, or guaranteed or endorsed by TIAA, the Investment Advisor, the Plan or their affiliates, and are not insured by the Federal Deposit Insurance Corporation, or any other agency. An investment based on the model is not guaranteed, and you may experience losses, including losses near, at, or after the target date. There is no guarantee that investments based on the model will provide adequate income at and through your retirement. Investors should not allocate their retirement savings based on the model unless they can readily bear the consequences of such loss.

TIAA RetirePlus Pro is administered by Teachers Insurance and Annuity Association of America ("TIAA") as plan recordkeeper. TIAA-CREF Individual & Institutional Services LLC, Member FINRA, distributes securities products. If offered under your plan, TIAA and CREF annuity contracts and certificates are issued by Teachers Insurance and Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF), New York, NY, respectively. Each is solely responsible for its own financial condition and contractual obligations. Transactions in the underlying investments invested in based on the model on behalf of the plan participants are executed through TIAA-CREF Individual & Institutional Services, LLC, Member FINRA.

TIAA RetirePlus Pro® is a registered trademark of Teachers Insurance and Annuity Association of America-College Retirement Equities Fund, 730 Third Avenue, New York, NY 10017.



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**Investment, insurance, and annuity products are not FDIC insured, are not bank guaranteed, are not deposits, are not insured by any federal government agency, are not a condition to any banking service or activity, and may lose value.**

**You should consider the investment objectives, risks, charges, and expenses carefully before investing. Please call 877-518-9161 or go to [tiaa.org/unc](https://tiaa.org/unc) for current product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.**

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