



The University of North Carolina (UNC) System is committed to periodically reviewing its retirement programs to make sure they continue to help you meet your retirement and financial goals. Among the things considered are the range of investment options available through the plans, investment option performance and value, and whether the Plans give you access to services that complement your accounts.

As a result of a recent review, the UNC System has decided to make some changes to the UNC System Optional Retirement Plan (ORP) and the UNC System 403(b) and 457(b) Plans. The purpose of this notice is to inform you of these changes and how you may be affected.

You do not need to take action unless you have funds invested in an option that is being replaced and do NOT want your funds to be transferred to the replacement option.

WHAT'S CHANGING

New Investment Options

Beginning February 18, 2020, the UNC System will replace several funds currently offered in the ORP, 403(b) and 457(b) plans with new investment fund options. The following fund will no longer be offered under the plans. If you currently invest in this option, your existing balance and future contributions will be transferred to a new investment option as shown below.

CURRENT			REPLACEMENT	
Investment Option and Share Class	Ticker		Investment Option and Share Class	Ticker
Carillon Eagle Small Cap Growth Fund Class R5 <i>Gross Expense Ratio: 0.75%</i>	HSRSX	>>	T. Rowe Price QM U.S. Small-Cap Growth Equity Fund I Class <i>Gross Expense Ratio: 0.66%</i>	TQAIX

As part of our ongoing effort to provide you with best in class funds at a lower cost, the share classes of three investment options currently offered under the plans will change. The new share class will offer you the same investment strategy and risk, but the overall expenses will be lower. The chart below shows how the current investment options will map to the new investment fund options.

CURRENT			REPLACEMENT	
Investment Option and Share Class	Ticker		Investment Option and Share Class	Ticker
Vanguard Total Bond Market Index Fund Institutional Shares <i>Gross Expense Ratio: 0.035%</i>	VBTIX	>>	Vanguard Total Bond Market Index Fund Institutional Plus Shares <i>Gross Expense Ratio: 0.030%</i>	VBMPX
John Hancock Funds Disciplined Value Fund Class R5 <i>Gross Expense Ratio: 0.76%</i>	JDV VX	>>	John Hancock Funds Disciplined Value Fund Class R6* <i>Gross Expense Ratio: 0.71%</i>	JDV WX
Vanguard Short-Term Bond Index Fund Institutional Shares <i>Gross Expense Ratio: 0.05%</i>	VBITX	>>	Vanguard Short-Term Bond Index Fund Institutional Plus Shares <i>Gross Expense Ratio: 0.04%</i>	VBIPX

Gross Expense Ratios as of January 2, 2020

**This replacement only applies to Fidelity participants, as this share class is already available with TIAA.*

Administration of Loans Under the UNC System 403(b) and 457(b) Plans for TIAA & Fidelity participants

The UNC System is changing the way supplemental retirement plan loans are offered and administered under the UNC System 403(b) and 457(b) plans with TIAA. Starting March 2, 2020:

- Loans will be offered with a fixed rate of interest and funded directly from your retirement account.
- The loan amount will be deducted from your account balances, and subsequent loan payments, including interest, will be credited to your account.
- If you take out a loan, you will be charged a one-time origination fee. The fee is \$75 for general purpose loans and \$125 for primary residence loans. Additionally, there’s an annual loan maintenance fee of \$25.
- You may have a maximum of three outstanding loans at any one time. If you currently have more than three loans, you will not be eligible to request a new loan until one loan is repaid.
- If you are no longer an employee, you will not be eligible to request a new loan (both TIAA and Fidelity participants).

WHAT YOU NEED TO DO

Regarding Investment Lineup Changes	Regarding Changes Related to Administration of Loans
<p>If you do not want your existing balances and future contributions to transfer as shown above, you must contact your investment carrier directly before 4:00 p.m. ET on February 18, 2020, and request a change.</p> <p>If you don’t contact your carrier by the deadline, when the market closes on February 18, 2020:</p> <ul style="list-style-type: none"> • All existing balances in the current fund will be automatically transferred to the new investment options as indicated in the charts above. • Any future contributions will be invested in the new investment trust as shown above, unless you contact TIAA or Fidelity to change your contributions. <p>You will receive a confirmation statement from your retirement carrier. Changes to your account(s) will also be noted online and on your next statement.</p>	<p>Nothing. If you currently have an outstanding loan, it will not be affected by this change. There will be no interruption to your repayment schedule, and the terms of your loan will continue as issued. You can access your retirement account to view your detailed loan information at TIAA.org/unc.</p> <p>If you request a new loan prior to March 2, 2020, any additional required documents must be completed and received by TIAA by 4 p.m. (ET) on February 27, 2020. If your request isn't completed by this date, you may need to reapply according to the new loan process.</p>

QUESTIONS?

If you would like more information about the new investment options or existing investment options in your plan, please contact your carrier directly. Don’t forget, you can change your current contribution allocation and current balance asset allocation at any time by contacting TIAA or Fidelity directly. And, if you need help choosing the right investment options for you or planning for retirement, you also can contact CAPTRUST, the UNC System’s investment advisor, to schedule an appointment with a Retirement Counselor at no cost to you.

TIAA	Fidelity	CAPTRUST
<p>By phone: 800-842-2252, Monday through Friday, 8 a.m. to 10 p.m. and Saturday, 9 a.m. to 6 p.m., ET</p> <p>Online: www.tiaa.org/unc</p>	<p>By phone: 877-862-4032, Monday through Friday, 8:30 a.m. to 8:00 p.m. ET</p> <p>Online: http://www.netbenefits.com/unc</p>	<p>By phone: 800-967-9948</p> <p>Online: www.captrustadvice.com</p>

You can also contact your campus HR/benefits representative.