



Date: November 18, 2020

To: UNC Retirement Program Participants

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Subject: Important Information About the CREF Money Market Account

In response to current economic conditions and the COVID-19 pandemic, the Federal Reserve lowered the Federal Funds rate to between 0% and 0.25% on March 15, 2020. This led to very low interest rates across financial markets. Interest paid has been greatly reduced and overall yields on money market funds have been negatively impacted.

As a result, participants who invest in the CREF Money Market Account under the UNC System Optional Retirement Plan (ORP) and the UNC System 403(b) and 457(b) Plans may find themselves in a situation where the yields earned by their account do not cover the expenses associated with it.

The UNC System is committed to helping you continue to meet your retirement and financial goals. As such, we want you to be aware of an important change related to the CREF Money Market Account option.

What's Happening

As previously communicated to you, TIAA has provided a limited waiver of account expenses associated with the CREF Money Market Account to temporarily avoid a situation where yields earned do not cover the expenses associated with the account. The waiver will be in effect until December 31, 2020.

What This Means to You

If you have a balance in the CREF Money Market Account, TIAA waived the expense fees on a limited and short-term basis to help prevent the account from having negative returns through December 31, 2020. However, keep in mind:

- The waiver will not be renewed. If you continue to have a balance in the CREF Money Market Account in 2021, you may have negative returns in this option if the interest rates continue to remain at historic lows.
- Fees waived will be subject to possible recovery by TIAA after the waiver expires on December 31, 2020. If TIAA decides to recoup the fees, it will occur when short-term interest rate levels produce a daily positive yield on a class of the account.

What You Need to Do

Consider if you want to make any changes to your current investment line-up under the UNC Retirement Program. Keep in mind, money market accounts represent a cash-equivalent position and are not guaranteed. These investments may help play a role in your portfolio as they represent an investment that is subject to lower risks than the stock market. However, due to inflation risk and rising prices over time, these investments may not be the best long-term solution for investors

looking to build retirement wealth. To get the most out of your retirement savings strategy, you should invest in a diversified mix of investments.

Questions?

If you would like more information about the CREF Money Market Account or other investment options in your plan, please contact TIAA. Don't forget, you can change your current contribution allocation and current balance asset allocation at any time by contacting TIAA 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	CAPTRUST
By phone: 800-842-2252, Monday through Friday, 8 a.m. to 10 p.m. ET	By phone: 800-967-9948
Online: www.TIAA.org/moneymarketchanges	Online: www.captrustadvice.com

You can also contact your institution's HR/benefits representative.