

The University of North Carolina

Annual Investment Fund Notice – September 2011

UNC Optional Retirement Program

UNC Section 403(b) Plan

The UNC Investment Advisory Committee, assisted by a national benefits consulting firm, has conducted its annual review of the Optional Retirement Program (ORP) and the UNC Section 403(b) plan, which has been approved by the President of the University. This notice is to inform you about the elimination of funds, changes to fund share classes with lower expenses, and new funds being offered under the core fund line up of the ORP and 403(b) Programs.

Funds to Be Eliminated – closed to new contributions

Carrier	UNC Plan	Fund to Be Closed	Effective Date
FIDELITY	ORP & 403(b) Programs	Fidelity Value Fund	December 31, 2011
VALIC	ORP Only	Allianz NFJ Small Cap Value Fund	July 29, 2011

If you are currently directing contributions to any of these funds, please be aware that these fund options will no longer be available after the effective date listed above. Existing money invested in these funds may be transferred to any available core fund at any time. However, since these closed funds will no longer be included in the core investment fund lineup, you will not be able to transfer money from other investment funds into these closed funds after the effective date.

As a result of the removal of these funds from the core investment lineup, the UNC Investment Advisory Committee will no longer monitor the performance, objectives, and returns of these funds.

New Share Classes

Mutual fund companies generally offer more than one “class” of shares to investors. Each class represents the same interest in the mutual fund’s portfolio, but has different fees and expenses. Fidelity, Lincoln Financial, TIAA-CREF and VALIC are now offering share classes for certain mutual funds with lower fees. Assets from existing funds will automatically be transferred into the new share class.

Carrier	UNC Plan	Fund Share Class From →	To Fund Share Class
FIDELITY	ORP & 403(b) Programs	Spartan 500 Index Investor Class	Spartan 500 Index Institutional Class
FIDELITY	ORP & 403(b) Programs	Spartan U.S. Bond Index Fund - Investor Class	Spartan U.S. Bond Index Fund – Institutional Class

Carrier	UNC Plan	Fund Share Class From →	To Fund Share Class
LINCOLN	ORP ONLY	PIMCO Total Return Administrative Class	PIMCO Total Return Class P
LINCOLN	ORP ONLY	American Beacon Large Cap Value Investor Class	American Beacon Large Cap Value Fund Class Y
LINCOLN	ORP ONLY	Neuberger Berman Socially Responsible Fund Trust Class	Neuberger Berman Socially Responsible Fund Investor Class
LINCOLN	ORP ONLY	American Funds Growth Fund of America Class 4	American Funds Growth Fund of America Class 6
LINCOLN	ORP ONLY	Allianz NFJ Small Cap Value Administrative Class	Allianz NFJ Small Cap Value Institutional Class
LINCOLN	ORP ONLY	Nuveen Real Estate Securities Class A	Nuveen Real Estate Securities Class I
LINCOLN	ORP ONLY	American Funds Capital World Growth and Income Fund Class R-4	American Funds Capital World Growth and Income Fund Class R-6
LINCOLN	ORP ONLY	American Funds Euro Pacific Growth Fund Class R-4	American Funds Euro Pacific Growth Fund Class R-6
TIAA-CREF	ORP & 403(b) Programs	TIAA-CREF Large Cap Growth Index Fund Retirement Class	TIAA-CREF Large Cap Growth Index Fund Institutional Class
TIAA-CREF	ORP & 403(b) Programs	TIAA-CREF Large Cap Value Fund Retirement Class	TIAA-CREF Large Cap Value Fund Institutional Class
TIAA-CREF	ORP & 403(b) Programs	TIAA-CREF Lifecycle Retirement Income Fund Premier Class	TIAA-CREF Lifecycle Retirement Income Fund Institutional Class
TIAA-CREF	ORP & 403(b) Programs	TIAA-CREF Mid Cap Growth Fund Premier Class	TIAA-CREF Mid Cap Growth Fund Institutional Class
TIAA-CREF	ORP & 403(b) Programs	TIAA-CREF Mid-Cap Value Fund Premier Class	TIAA-CREF Mid-Cap Value Fund Institutional Class
TIAA-CREF	ORP & 403(b) Programs	TIAA-CREF S&P 500 Index Fund Retirement Class	TIAA-CREF S&P 500 Index Fund Institutional Class
TIAA-CREF	ORP & 403(b) Programs	TIAA-CREF Small-Cap Blend Index Retirement Class	TIAA-CREF Small-Cap Blend Index Institutional Class
TIAA-CREF	ORP & 403(b) Programs	TIAA-CREF Lifecycle 2010, 2015, 2020, 2025, 2030, 2035, 2040, 2045, 2050 Premier Class	TIAA-CREF Lifecycle 2010, 2015, 2020, 2025, 2030, 2035, 2040, 2045, 2050 Institutional Class
TIAA-CREF	ORP & 403(b) Programs	American Funds EuroPacific Growth Fund Class R5	American Funds EuroPacific Growth Fund Class R6

Carrier	UNC Plan	Fund Share Class From →	To Fund Share Class
VALIC	ORP ONLY	Legg Mason Clearbridge Small Cap Growth I	Legg Mason Clearbridge Small Cap Growth A
VALIC	ORP ONLY	Oppenheimer Global Y	Oppenheimer Global A

The fees associated with these new share classes are lower than the current share classes your funds have been invested in. If you are currently investing in any of these funds impacted by the change in share class, you do not need to take any action since these funds will be automatically transferred (mapped) to the new share class and you will receive notification from your carrier once this transaction has been completed.

New Funds Available

Listed below are the new funds available:

Carrier	UNC Plan	Fund Name	Effective Date
Fidelity	ORP & 403(b) Programs	Ridgeworth Mid-Cap Value Fund Class I	September 1, 2011
VALIC	ORP ONLY	Heartland Value Plus Institutional Fund	August 1, 2011

While the investment objective of each of these new funds is similar to the respective fund in the same asset class being eliminated, we encourage you to review the revised fund lineup and consider how the new funds might affect your investment strategy. For your long-term retirement security, you should give careful consideration to the importance of a well-balanced and diversified investment portfolio, taking into account all your assets, income, and investments.

Carriers

Carrier	UNC Plan	Web Site	Contact Information
Fidelity	UNC ORP UNC403(b)	www.mysavingsatwork.com/uncorp www.mysavingsatwork.com/atwork/unc403b.htm	1-800-343-0860
Lincoln Financial	UNC ORP Only	www.lfg.com/unc	1-800-454-6265
TIAA-CREF	UNC ORP UNC 403(b)	www.tiaa-cref.org/uncorp www://enroll.tiaa-cref.org/unc403b/	1-800 842-2273
VALIC	UNC ORP Only	www.valic.com/uncorp	1-800-448-2542

For More Information

You may also wish to visit the UNC system-wide benefits website for more detailed information at: <http://www.northcarolina.edu/content.php/hr/benefits/retirement/orp/UnivWideORPMain.htm>.