



**Date:** February 19, 2026  
**To:** UNC Retirement Plan Participants  
**From:** Greg Diagonale  
 Associate Vice President for Retirement Plan Administration & Compliance  
**Subject:** Important Information About Your UNC Retirement Program

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 investment options available through the plans and the investment option’s performance and value.

Effective February 1, 2026, if you participate in the UNC System sponsored mandatory retirement plan (e.g., the Optional Retirement Plan) or any of the UNC sponsored supplemental plans (e.g., UNC 403(b) or UNC 457(b) plans), you will once again see a reduction in the expense ratio of several funds offered by Vanguard.

The purpose of this memo is to inform you of these changes. You do not need to take action to take advantage of the lower fees.

***What is an expense ratio?***

An expense ratio reflects how much of a fund’s assets are used for administrative or other operating expenses.

## What Does This Change Mean?

The funds affected will offer participants the same investment strategy and risk as they currently do, but the overall expenses will be lower. By paying less in fees, plan participants will be able to keep more of their investment returns. These reductions represent historic fee cuts, given that Vanguard has reduced expense ratios for two years in a row.

The following chart shows the funds that have lowered their expense ratio as of February 1, 2026.

Current Investment Option	Prior Expense Ratio	Expense Ratio as of 2/1/2026
Vanguard Extended Market Index Inst Plus (VEMPX)*	0.040%	0.035%
Vanguard FTSE Social Index Inst (VFTNX)	0.070%	0.030%
Vanguard Short-Term Bond Index Inst Plus (VBIPX)	0.030%	0.020%
Vanguard Growth Index Fund Institutional Shares (VIGIX)	0.040%	0.030%

*\*This fund is only available in the UNC 403(b) and 415(m) plans.*

## Questions?

If you would like more information about the investment options in your plan, please contact TIAA. Don't forget, you can also 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
<b>By phone:</b> 800-842-2252, Monday through Friday, 8 a.m. to 10 p.m. ET and Saturday, 9 a.m. to 6 p.m. ET  <b>Online:</b> <a href="http://www.tiaa.org/unc">www.tiaa.org/unc</a>	<b>By phone:</b> 800-967-9948  <b>Online:</b> <a href="http://www.captrustadvice.com">www.captrustadvice.com</a>