



**Date:** January 14, 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

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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 2, 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 see slight changes in the underlying asset allocation targets for the UNC Target Date Models.

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

## What's Changing?

While the underlying asset allocation components of the UNC Target Date Models will remain essentially the same, the asset allocation or "glidepath" for most models will experience slight adjustments to manage investment risk:

- **UNC Target Date Models 2040, 2045, 2050, 2055, 2060, and 2065:** The global equity allocation will be slightly reduced.
- **Retirement Income, 2010, 2015, 2020, 2025 and 2030 Target Date Models:** The global equity allocation will be increased.

For global equities, the weighting between U.S. and non-U.S. equity allocations will not exceed 2% for any individual Target Date Model.

The effective date for these updates will be February 2, 2026.

**Note:** The target equity allocation will not change for the 2070 and 2035 Target Date Models.

### **What are the UNC Target Date Models?**

UNC Target Date Models are professionally managed funds which include a combination of investment options from the retirement plans' Core Lineup. The mix of investments offers a specific balance of financial risk and reward and considers your current age and your projected retirement date. The funds are regularly rebalanced and, as you move through your career toward retirement, automatically shifts to become more conservative over time.

### **What is a glidepath?**

A glidepath is a strategy for adjusting a portfolio's asset allocation over time from more aggressive types of investments (i.e., stock funds) to more conservative types of investments (i.e., bonds and guaranteed investments) as an individual gets closer to a normal retirement age.

## What Does This Change Mean to Me?

It is important to note that these changes will impact each individual participant differently, as the inclusion of legacy annuities and corresponding considered assets will be factored into the rebalancing activity.

As part of annual Target Date Model update, you may receive trade notification confirmations from TIAA. These confirmations will outline any adjustments made to your individual account. The details of the trades will depend on which Target Date Fund you are invested in and the amount of considered assets (if any) included in your overall portfolio allocation.

## Questions?

If you would like more information or to discuss your specific changes, please contact CAPTRUST, the UNC System's investment advisor, to schedule an appointment with a Retirement Counselor at no cost to you. 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.

CAPTRUST	TIAA
<b>By phone:</b> 800-967-9948	<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.captrustadvice.com">www.captrustadvice.com</a>	<b>Online:</b> <a href="http://www.tiaa.org/unc">www.tiaa.org/unc</a>