Use this document to review frequently asked questions about the upcoming University of Nebraska Retirement Plan changes happening in 2022.

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University of Nebraska Retirement Plans Investment Lineup Changes

1. **Why is the University making changes to the investment funds now?**
   Recent changes in the legal and regulatory environment provided the opportunity to review the current investment options. As part of the University of Nebraska's goal to be an employer of choice, the University of Nebraska is committed to providing you with a competitive retirement program that helps you plan and invest for your future. During the review the University of Nebraska found the number of options offered through the retirement savings plans makes it increasingly difficult to provide the necessary comprehensive oversight of plan investments.

   The changes are designed to:
   - Allow those who wish to simplify their investment decision-making process easier by focusing on fewer carefully selected investment options and shedding more light on administrative and investment management fees, and
   - Provide a robust array of alternatives to those who wish to have more investment options.

2. **We had nearly 200 investment funds to choose from and now only so few. Why?**
   As plan fiduciaries, the University of Nebraska felt that they needed to simplify investment choices for the less experienced investor yet provide expanded investment choices for those who are more experienced and willing to take additional risks. They created the investment lineup that they believed would cover this wide range of investment needs.

   The new core investment lineup includes each investment category currently offered. If you do not want to be limited to the core investment options, you will have the opportunity of continuing to invest a variety of mutual funds currently offered. In fact, even more mutual fund options will be available through a self-directed brokerage service offered by Fidelity and TIAA.

3. **Why are only Vanguard options available as the core investment options?**
   The University of Nebraska selected the Vanguard options due to their reputation and low costs. Further, utilizing Vanguard options allowed for a harmonized menu across the two plan providers.

4. **Why is the University removing actively managed funds from the investment lineup?**
   The Plan sponsor believes that investment fees for actively managed mutual funds are typically much higher than investment fees for indexed mutual funds and collective investment trusts (CITs) based on the sources below. In addition, many active fund managers fail to beat their benchmark index on a yearly basis.

   Sources:
   - *The Cost of Active Investing*, by Ken French. The Journal of Finance, July 2008.
   - *The Arithmetic of Active Management*, by William Sharpe. The Financial Analsysts' Journal, January/February 1991.
   - *A Random Walk Down Wall Street*, by Burton Malkiel. Published 1973.

   However, if you who would like continued access to variety of mutual funds, you may do so through the self-directed brokerage account option at Fidelity and TIAA.

5. **What if one of my favorite funds will no longer be available?**

The University of Nebraska is going to provide all plan participants with an opportunity to use the self-directed brokerage feature. You can use this feature to continue to invest in any mutual fund that is offered through a self-directed brokerage account. There are many more mutual fund options available within a brokerage account than the current investment lineup in the plans.

6. **Please explain why the University has decided to make these changes in such a volatile economy.**
   The changes to investment choices were the result of an 8-month review of the current 200+ investment options allowed in the University of Nebraska's Retirement Plans. The review was conducted by a university-wide committee. They were assisted in their review by CAPTRUST, an industry leading 3rd party consultant. The committee determined that this course of action will benefit plan participants by offering lower administrative fees, simplifying the investment decision-making process, and making investment and administrative fees easier to understand. The state of the economy should not affect the benefits these changes will bring to plan participants.

7. **If the investment changes aren't effective until November, why are you announcing the changes now?**
   The University of Nebraska wanted to provide you advance notice of the investment changes to give you the opportunity to take advantage of the financial educational resources that are available. We encourage you to use the extra time to review your current investment choices and determine if they will meet your retirement goals and to plan for the changes.

8. **If I am already retired, how do the investment lineup changes affect me?**
   Your investments may be affected by the changes as described in the Plan Changes Guide. Any assets in the investment options that are not in the new core investment lineup will be transferred to a target date retirement fund unless you select an option(s) from the core investment lineup.

9. **What happens with my existing retirement plan balances?**
   For existing account balances that are not in the new core investment lineup or self-directed brokerage account, they will transfer to a target date retirement option based on your age as described in the Plan Changes Guide.

   Due to investment restrictions, balances in the following investments will not be transferred to a target date retirement option:
   - Any mutual fund in the current 403(b) Supplemental Plan at Fidelity*
   - CREF Bond Market
   - CREF Equity Index
   - CREF Global Equities
   - CREF Growth
   - CREF Inflation-Linked Bond
   - CREF Money Market
   - CREF Social Choice
   - CREF Stock
   - TIAA Real Estate
   - TIAA Traditional

   You will have an opportunity starting in August 2022 to change your investment allocation if you do not want your existing balances or future contributions to be directed to a target date retirement option based on your age. If you do not take any action your existing balances and future contributions transfer to a target date retirement option based on your age.

**A new supplemental 403(b) Plan group contract will be setup at Fidelity for future contributions to be directed the new core investment lineup.*

10. What is a Collective Investment Trust (CIT)? Why are they on the investment menu?

A CIT, also referred to as a "commingled pool," is composed of pooled assets and is maintained by a bank or trust company for the collective investment of qualified retirement plans, such as the 401(a) Basic Plan and 457(b) Deferred Compensation Plan. A CIT often has the same investment objective, underlying investments, manager, and management style as its mutual fund counterpart. However, due to the different ways they are registered and regulated, CITs can have significantly lower costs than the average mutual fund. The lower the expense of a fund, the less money taken out of the overall earnings, which can translate into better returns for investors.

There are a few additional caveats to understand about CIT's:

- Current laws prohibit CIT's from being held in 403b accounts. As a result, your 403b will offer the mutual fund equivalent for each investment option. Legislation is pending to enable CIT's to be held in 403b accounts as well. Once this legislation passes (perhaps as soon as late 2022), the CIT's will be expanded to the 403b plan, enabling investors to save even more in investing fees.
- Conventional mutual funds distribute dividends to investors on a regular basis - either quarterly or annually. Upon receiving the dividend, the mutual fund investor will usually choose to reinvest the dividend, though this process is usually automated in retirement accounts. Rather than go through this two-step process of 1.) distributing the dividend to investors and 2.) having investors reinvest the dividend, the CIT simply reinvests any dividends received directly into the trust without first distributing them to the investors. This internal reinvestment of dividends by the CIT results in a higher Net Asset Value (NAV) of the fund. In other words, the CIT is structured so that you do not have to worry about the reinvestment of dividends. If you are an experienced investor that is used to seeing regular dividends from your mutual funds, you can be assured that the reinvestment of dividends within the CIT is occurring automatically behind the scenes, resulting in a higher NAV of the trust.
- Because CITs are not available to retail investors, you cannot use resources like Morningstar to view their historical performance. For example, you won't be able to research the "Vanguard Target Retirement 2040 ***Trust***" on Morningstar's website.

11. How does a CIT compare to a mutual fund?

CITs are like mutual funds in some ways and different in others. Like mutual funds, CITs pool the money of many investors who own a share of the trust. A fund manager invests assets on behalf of all the shareholders in accordance with the trust's stated investment objectives.

Unlike mutual funds, CITs are only available to investors through their workplace savings plans. Because they are not publicly traded, some information, such as Morningstar ratings, is not available.

CITs are not registered with the Securities and Exchange Commission (SEC). They are generally governed by state banking laws and by federal agencies, such as the Internal Revenue Service and the Department of Labor. Please see the high-level comparison chart below.

	CITs	Mutual Funds
Professionally managed investment vehicles that enable investors to pool assets	Yes	Yes
Regulated by governmental agencies	Yes (Generally governed by banking laws that vary from state to state and by other federal agencies, such as the Internal Revenue Service and the Department of Labor)	Yes (Securities and Exchange Commission)
Ticker symbols, CUSIP numbers, and Morningstar ratings are available to investors	Generally, not available	Yes
Performance information is generally available online	Yes	Yes
Available to all public investors	No (CITs are only available to qualified investors, through a workplace savings plan.)	Yes (A mutual fund sells shares to the public.)
Information/prospectus is available	Yes (A CIT doesn't have a prospectus, but information is available online with your provider)	Yes (Mutual funds are required to have prospectuses.)

12. What happens to my investment options if I do nothing?

You are encouraged to take an active role in your retirement plans and choose investment options that best suit your goals, time horizon, and risk tolerance. The Vanguard Target Date Options have been selected as the "default" investment option. This means that if you do not select specific investment options in the new core investment lineup prior to 3 p.m. CT on November 7, your future contributions will be invested in the Vanguard Target Date Option with the target retirement date closest to the year you might retire, based on your current age and assuming a retirement age of 65, at the direction of the University of Nebraska. This also applies to existing balances not in the new core investment lineup.

Target Date Funds are an asset mix of stocks, bonds and other investments that automatically becomes more conservative as the fund approaches its target retirement date and beyond. Principal invested is not guaranteed.

The table below summarizes the mapping that will occur in your existing and future contributions on the night of November 7th:

What Happens to My Existing Account Balances:

Plan Provider	Account Type	What holdings will transfer to the age-based Vanguard Target Date Options?	What if I want to maintain my existing holdings?
Fidelity	401(a), 457(b), and pre-90 403(b)	***All holdings*** unless you take action.	You may participate in the one-time "transfer in-kind" to move existing balances to a self-directed brokerage account.
	403(b)	***No*** transfer of assets will occur.	No action is required.
TIAA	401(a), 403(b), 457(b), or pre-90 403(b)	Annuities (including variable annuities): ***No*** transfer of annuity assets will occur. Non-Annuities: ***All non-annuity holdings*** will transfer unless you take action.	Annuities (including variable annuities): No action is required. Non-Annuities: You have the opportunity to individually transfer a portion of your account balances to a self-directed brokerage account.

What Happens to My Future Contributions:

Plan Provider	Account Type	Where will my future contributions be directed?	How do I opt out of having my future contributions "defaulting" to the age-based Vanguard Target Date Options?
Fidelity & TIAA	401(a), 403(b), or 457(b)	Unless you take action, future contributions will be directed to the age-based Vanguard Target Date Options.	Make an investment election for your desired contributions in the new core investment lineup at Fidelity starting August 15, and/or at TIAA starting on or about September 15. This will ensure that future contributions will be allocated according to your desires. You may change your investment elections at any time.

13. Why is the University of Nebraska telling me what to do with my retirement plan account?

The choice of how to invest your account is yours. However, the plan fiduciaries select and update the investment options available under the plans in accordance with their fiduciary duties. Plan fiduciaries have a fiduciary responsibility to monitor plans and to make changes they determine are in the best interest of plan participants. Although, your current investment funds may not be listed in the new lineup, you could possibly continue to invest in these funds through the self-directed brokerage service.

Vanguard Target Date Options

14. How do target date options work?

With target date options, the investment mix of stocks and bonds automatically becomes more conservative as the target retirement date approaches. Principal invested is not guaranteed at any time, including at or after the fund's target date. If the idea of getting professional help to manage your investments appeals to you, simply choose the fund that represents your anticipated year of retirement.

15. Why did the University select the Vanguard Target Date Options as the default?

Target date options provide an investment allocation based on a participant's age. They offer an easy way to own a diversified portfolio by making a single mutual fund selection. Each of the Vanguard Target Date Options invests in Vanguard's broadest index funds, giving you access to thousands of U.S. and international stocks and bonds. The funds' managers gradually shift each fund's asset allocation to fewer stocks and more bonds, so the fund becomes more conservative as you get closer to retirement.

16. Do I need to work with a Vanguard financial consultant for retirement advice?

Although the University of Nebraska Retirement Plans will utilize Vanguard investments, plan participants will continue to contact Fidelity or TIAA for all questions regarding the University of Nebraska Retirement Plans investment options, managing your account and services they provide.

Self-directed Brokerage

17. What is a self-directed brokerage account and how does it work?

A self-directed brokerage account combines the convenience of your retirement plan with the additional flexibility of an individual brokerage account. It gives you expanded mutual fund investment choices and the opportunity to manage your retirement contributions. A self-directed brokerage account offers investments beyond those in your plan's lineup. The University of Nebraska System neither evaluates nor monitors the investments available through self-directed brokerage. It is your responsibility to ensure that the investments you select are suitable for your situation, including your goals, time horizon, and risk tolerance.

18. What steps do I need to take to open a self-directed brokerage account?

You can open a BrokerageLink® account online in Fidelity NetBenefits (NetBenefits > Quick Links > BrokerageLink) or by completing a paper form. For assistance establishing a BrokerageLink account online or via paper form, or to schedule a one-on-one consultation, call Fidelity at 800-343-0860. You can open a self-directed brokerage account with TIAA by logging on to your retirement plan account at www.tiaa.org/nebraska or by calling TIAA at 800-842-2252 weekdays, from 7 a.m. to 9 p.m. CT.

19. Will I pay a higher fee in a self-directed brokerage account for the same investments I have today?

If you select investment options within a self-directed brokerage account, you may pay a higher fee. The funds offered through a self-directed brokerage account do not offer discounted fees normally given to large plan sponsors like the University of Nebraska.

To determine what the fees are for investment options within a self-directed brokerage account, contact your investment provider, Fidelity or TIAA.

20. My current investment options are only available through the brokerage service, but I don't want to enroll in that. Since I no longer work for the University of Nebraska, do I have any other options?

If you no longer work for the University of Nebraska, you can request a distribution and rollover your retirement account into another employer's plan or an IRA that offers the investment funds you want. You can contact Fidelity (800) 642-7131 or TIAA (800) 842-2252 for distribution forms. Be sure to consider all your available options and the applicable fees and features of each before moving your retirement assets.

New Transparent Recordkeeping Fees

21. I see there will now be a fixed recordkeeping fee for my retirement plan account. Is this a new fee?

The University of Nebraska has worked with each provider, Fidelity and TIAA, to establish a simple and more transparent fixed-dollar recordkeeping fee. Recordkeeping fees are charged to you by each provider for recordkeeping balances, investment tools and resources, and other administrative fees and expenses associated with maintaining the plan. The fees are generally deducted from your account on a quarterly basis. The University of Nebraska System believes the move to a fixed fee will provide significant savings in recordkeeping fees for many plan participants and will ensure continued excellent service for faculty and staff.

22. What are the new recordkeeping fees?

If you have a Fidelity account balance, your recordkeeping fee will be $29 per year. If you have a TIAA account balance under the new contracts, your recordkeeping fee will be $38 per year. If you have account balances with both TIAA (under the new contracts) and Fidelity, you will be charged $67 per year for recordkeeping expenses ($29 Fidelity plus $38 TIAA). How the fees are deducted may vary for participants with balances in TIAA legacy contracts. Watch for additional details to be provided by TIAA. Regardless of how many University of Nebraska plan accounts you have (i.e., 403(b) and 401(a) plan accounts), you will see only one recordkeeping fee per each provider you have an account with.

23. How do I know what administrative fees and investment fees I am currently paying?

Administrative fees typically appear on your quarterly account statement from your provider, Fidelity or TIAA. To determine your current investment fees, you can either request a fund prospectus from your provider which will list the types of fees charged for a particular fund or call your provider and ask about fund fees. You may also find investment fees when you log on to your account with your provider.

Additional Questions

24. How do I transfer my existing investment balance from TIAA or Fidelity?

Call the investment company you want to transfer your funds into (e.g., TIAA and Fidelity) and they will provide a transfer form for you to complete and tell you of any restrictions they impose.

25. Are there any taxes involved in moving funds between TIAA or Fidelity account?

No. If your account balance stays within the University of Nebraska retirement plans you will not be taxed for moving funds between investments or investment providers. You will only be taxed if you take a distribution and do not rollover your money to an IRA or another employer plan. Be sure to contact the provider you wish to transfer from to confirm is there are restrictions or surrender fees.

26. Are there any changes to the 401(a) Basic Retirement Plan matching contribution?

There will be no changes to the matching contributions rates or the tier elections.

27. What is happening to my existing balances and investment elections at Fidelity?

Your current investments in the 401(a) Basic Plan, 457(b) Deferred Compensation Plan, and the Frozen Pre-90 Basic will continue to be available until 3 p.m. CT on November 7, 2022. At that time, if your account balances or investment allocations for future contributions are not invested in or directed to a new core investment option or you have not established a brokerage account, your future contributions and balances will be directed to a target date retirement option based on your age.

If you are active employee and currently participating in the 403(b) Supplemental Plan, your balances will remain unchanged, and you will continue to manage your account as you do currently. However, a new 403(b) Supplemental Plan group contract will be established for you beginning August 15, 2022, and you may make investment elections in the new 403(b) Supplemental Plan group contract for contributions made after November 8, 2022. If you do not make any investment elections in the new 403(b) Supplemental Plan (group contract), your contributions made after November 8 will be directed to a target date retirement option based on your age.

28. Could I move my investments into the new core investment lineup now?

You can move your investments to the new core investment lineup or to a self-directed brokerage account at any time. Keep in mind, that investment options not in the new core investment lineup will be closed to new contributions or removed.

29. Will there be a blackout period for the plan changes?

No, there is no blackout period for the investment option changes.

30. Can I transfer the former 403(b) Supplemental Plan account at Fidelity to the new 403(b) Plan?

After the plan changes are complete and the new 403(b) Supplemental Plan (group contract) at Fidelity is live on November 8, you can request to do a transfer of balances from the former 403(b) Supplemental Plan (individual custodial account) to the new 403(b) Supplemental Plan group contract. To initiate a transfer, please call 800-343-0860 or schedule an appointment to speak with a Fidelity representative.

31. Where can I get more help with the Plan Changes?

Plan Changes webpage	www.netbenefits.com/universityofnebraska
Fidelity NetBenefits account log on	www.netbenefits.com/universityofnebraska
Fidelity Retirement Service Center phone number	800-343-0860 Monday through Friday from 7:30 a.m. to 11 p.m. CT
Schedule 1-1 appointments or register for a workshop	fidelity.com/schedule or call 800-642-7131
TIAA account log on	www.tiaa.org/nebraska
TIAA Call Center phone number	800-842-2252 weekdays, 7 a.m. to 9 p.m. CT
Schedule 1-1 appointments or register for a workshop	www.tiaa.org/schedulenow or call 800-842-2252

Before investing in any investment option, consider the investment objectives, risks, charges, and expenses. Contact Fidelity for a mutual fund prospectus or, if available, a summary prospectus containing this information. Read it carefully.

Investing involves risk, including risk of loss.

Fidelity does not provide legal or tax advice. The information herein is general in nature and should not be considered legal or tax advice. Consult an attorney or tax professional regarding your specific situation.

The dates shown are based on the timing and accuracy of a variety of factors, including the transfer of data, receipt of instructions, and receipt of assets. Changes in any of these factors may result in changes to the dates and timing, including the dates on which, and thus the prices at which, assets in your account are sold and/or reinvested.

BrokerageLink includes investments beyond those in your plan's lineup. You should compare investments and share classes that are available in your plan's lineup with those available through BrokerageLink and determine the available investment and share class that is appropriate for your situation. The plan fiduciary neither evaluates nor monitors the investments available through BrokerageLink. It is your responsibility to ensure that the investments you select are suitable for your situation, including your goals, time horizon, and risk tolerance.

This document provides only a summary of the main features of the University of Nebraska Retirement Plans, and the Plan documents will govern in the event of any discrepancies.

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