



January 2024

Important information about your UNC System Retirement Program Brokerage Account with Fidelity

Dear UNC System Retirement Program brokerage account participant,

The UNC System recently informed you that TIAA will provide all retirement plan services for the UNC System Retirement Program starting in April, 2024.

With this change, your current brokerage account balances with Fidelity will automatically transfer to a new brokerage account set up for you with TIAA. The balances will transfer in kind (if available), meaning your holdings will not be sold and repurchased; they will remain fully invested during this period. If a fund is not available on the TIAA platform, it will be liquidated and invested in the Vanguard Federal Money Market Fund within the brokerage account. You can make changes to your account at any time. **No action is required to set up your new brokerage account with TIAA.**

Review the details

The enclosed information will help you understand:

- What's happening to your current brokerage account balances
- When and how you can access your new brokerage account with TIAA

Please note that there will be a brief blackout period to facilitate the smooth transfer of existing investment balances from Fidelity to TIAA. You will not have access to your Fidelity brokerage account during this time. **The blackout period is expected to begin on March 25, 2024 at 4 p.m. (ET) and is expected to end the week of April 15, 2024.**¹ For more information about the blackout period, review the notice included with the transition guide sent to your home on January 26, 2024.

Please note: As a reminder, last year, Fidelity changed some of their mutual funds within the brokerage window to exchange-traded funds (ETFs), which are ineligible securities as explained in the Fidelity BrokerageLink Participant Agreement and Account Terms and Conditions. Affected participants were sent a letter from Fidelity explaining if no action was taken by December 29, 2023, these ETF balances would be transferred to the BrokerageLink core position, Fidelity® Government Cash Reserves. Balances in Fidelity® Government Cash Reserves will transfer to TIAA in in-kind. If you prefer to make changes to your Fidelity brokerage account before the transfer to TIAA, you need to take action no later than 4 p.m. (ET) on March 25, 2024.

We're here to help

If you have questions about your new TIAA Brokerage account and how your balances will transfer, please contact TIAA Brokerage at **866-681-0594**, weekdays, 8 a.m. to 7 p.m. (ET).

At TIAA, our goal is to help you plan for your financial future — now, and in the years to come. We look forward to continuing with you on that journey.

¹The date of the transfer/the end of the blackout period depends on the accurate, timely transfer of data and assets from Fidelity to TIAA. If this does not occur, the end of the blackout period could be delayed.

TIAA-CREF Individual & Institutional Services, LLC, Member FINRA and SIPC, distributes securities products. Annuity contracts and certificates are issued by Teachers Insurance and Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF), New York, NY. Each is solely responsible for its own financial condition and contractual obligations.

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REVIEW AND RETAIN – IMPORTANT CHANGES ABOUT YOUR UNIVERSITY OF NORTH CAROLINA RETIREMENT PROGRAMS BROKERAGE ACCOUNT WITH FIDELITY

We are writing to inform you of an important change to your University of North Carolina Brokerage Account with Fidelity (your “Current Brokerage Account”). **It is important that you carefully review this notice and enclosed information.**

What is Happening

TIAA will become the sole record-keeper for the University of North Carolina (the “Plan Sponsor”) Retirement Programs (together, the “Programs”). The following plans under the Programs lets you invest in a number of different investment choices, including a self-directed brokerage account. You can find out more about the Plan in the Summary Plan Description (“SPD”) materials, which can be obtained from your Plan Sponsor.

- University of North Carolina Optional Retirement Program
- UNC Optional Retirement Program – Frozen 403(b) Plan
- University of North Carolina Code Section 403(b) Plan
- University of North Carolina Code Section 457(b) Plan

As part of the move to sole recordkeeping, on April 2, 2024, the brokerage assets held in your Current Brokerage Account will be transferred, in kind, to an individual brokerage account with TIAA-CREF Individual & Institutional Services, LLC, a registered broker-dealer, Member FINRA and SIPC (“TIAA”).

What is Changing

1. *Transfer of Your Brokerage Account to TIAA.* Effective on April 1, 2024, Fidelity will cease to serve as broker-dealer for your Current Brokerage Account. Your Current Brokerage Account will be transferred to TIAA, which will result in a new account number at TIAA (your “TIAA Brokerage Account”).
2. *A New Clearing Firm, Pershing LLC.* As part of moving your Current Brokerage Account to TIAA, Pershing LLC (“Pershing”) will become the clearing agent for your TIAA Brokerage Account and will handle certain recordkeeping and operational services, such as trade executions and settlement.
3. *Changes to Your Money Market Fund Sweep.* Your Current Brokerage Account currently includes a money market sweep feature that automatically transfers available uninvested cash balances in your Current Brokerage Account at the end of each business day to a money market fund. This sweep feature also facilitates the redemption of available shares of any such money market funds to your Current Brokerage Account to cover purchases of securities and other debits in your Current Brokerage Account. On the date your Current Brokerage Account is transferred to TIAA, any balances held in your money market fund will be transferred into your new money market fund, which is the Federated Hermes Trust for U.S. Treasury Obligations Cash II fund (Symbol TTIXX) in your TIAA Brokerage Account.

For your convenience, enclosed is a “Money Market Fund Comparison Fact Sheet” describing the objectives, fees and expense structure of your current and new money market fund. We have also enclosed the appropriate money market fund prospectus for your review.

Please note: Your money market fund and the sweep program may be changed by TIAA in the future, including changes between money market funds and bank deposit products, with prior notification to you.

4. *Account Restrictions for Foreign Customers.* Customers that have foreign addresses will not be able to open a brokerage account with TIAA Brokerage.
5. **Please note:** TIAA will not charge any fees for transferring your Current Brokerage Account to TIAA. The Plan may reimburse any fees charged by Fidelity. Any asset(s) transferred to TIAA will be subject to TIAA’s applicable customer account agreement, a copy of which is enclosed. Once the assets in your Current Brokerage Account have been transferred, TIAA will assume all broker-dealer responsibilities, including providing you with periodic account statements and tax reports.

Blackout Period

- There will be a brief blackout period to facilitate the smooth transfer of existing investment balances from Fidelity to TIAA. During this time, you will be unable to transact in your Current Brokerage Account or your new TIAA Brokerage Account. Any orders pending at this time will be canceled. You will need to resubmit canceled orders through TIAA after the blackout period ends. The blackout period affecting Fidelity is expected to begin on March 25, 2024 at 4 p.m. (ET) and is expected to end during the week of April 15, 2024.

Important note: The date of the transfer and/or the end of the blackout period depends on the accurate, timely transfer of data and assets from Fidelity to TIAA. If this does not occur, the end of the blackout period could be delayed.

How Your Account Balance(s) Will Transfer

Your assets will transfer in kind. An in-kind transfer means your holdings will not be sold and repurchased; your holdings will simply transfer from Fidelity to your new TIAA Brokerage Account and remain fully invested during this period.

Certain securities in your Current Brokerage Account may be liquidated if they are unable to be held at TIAA. The cash proceeds will be transferred to your new TIAA Brokerage Account and be swept into your Brokerage money market fund in your TIAA Brokerage Account. For a list of securities that will be liquidated, see **Appendix B** attached.

Once the blackout period has ended (expected to be during the week of April 15, 2024, your TIAA Brokerage Account will be available for use. To access your new TIAA Brokerage Account, visit **TIAA.org** and log in. Once in your account, select your Plan and click on *Manage brokerage investments*.

If you're new to TIAA, select *Log in*, then *Register for Online Access*. Follow the on-screen directions to access your account.

Both TIAA and the University of North Carolina will consider you to have directed the creation of a TIAA Brokerage Account and the transfer of the assets from your Current Brokerage Account to TIAA in accordance with the terms of this Notice. The information associated with your Current Brokerage Account will be shared with TIAA pursuant to 17 C.F.R. § 248.14 and/or 248.15(a)(6), as applicable. TIAA is compliant with Securities and Exchange Commission Regulation S-P (Privacy of Consumer Financial Information).

Important Documents Enclosed

We have enclosed the following documents:

- TIAA's Brokerage Customer Account Agreement, effective as of July 2023, which includes the Commission and Fee Schedule applicable to your TIAA Brokerage Account.
- TIAA's Privacy Policy.
- The summary prospectus for your new money market sweep option. You can access the full prospectus online at TIAA.org/brokerage or can request a paper copy by calling TIAA Brokerage at **800-927-3059**.
- A Money Market Fund Comparison Fact Sheet, which details the objectives and fee structure of your current money market fund and the new money market fund. **See Appendix A for more information.**
- A list of securities to be liquidated at the time of conversion. **See Appendix B for a complete list.**

Questions

We value your business and look forward to assisting you in your continued investment success. If you have any questions about your Current Brokerage Account, please call Fidelity.

- If you have any questions about your Current Brokerage Account, please call Fidelity.
- If you have questions about your new TIAA Brokerage Account and how your balances in your brokerage account will transfer, please contact TIAA Brokerage at **800-927-3059**, weekdays, 8 a.m. to 7 p.m. (ET

Please note that investments in your future TIAA Brokerage Account are:

- NOT FDIC INSURED
- NOT BANK GUARANTEED
- MAY LOSE VALUE
- NOT A DEPOSIT

Appendix A MONEY MARKET FUND COMPARISON FACT SHEET

The following information is intended to help you compare the sweep product associated with your Current Brokerage Account with the sweep product that would be associated with your TIAA Brokerage Account. Please note that this information is only a summary of each product, is subject to change, and is based on the most current available prospectus for each fund, including the most recent prospectus for the applicable TIAA funds, a full copy of which is enclosed for your review.

Expenses and Fees. Expenses shown in the table below are those you pay each year as a percentage of the value of your investment.

For clients invested in Fidelity Cash Reserves

	Fidelity (current default fund) <small>Data as of 1/28/2023 Prospectus</small>	TIAA (new default fund) <small>Data as of 9/28/2023 Prospectus</small>
Sweep Product	Fidelity Cash Reserves	Federated Hermes Trust for US Treasury Obligations Cash II Fund
Ticker Symbol	FDRXX	TTIXX
Adviser	Fidelity	Federated Investment Management Company
Management Fee	0.16%	0.15%
Distribution and/or Other Service Fees	None	0.35%
Other Expenses	0.18%	0.46%
Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements	0.34%	0.90%

Fidelity Government Cash Reserves – FDRXX. The fund seeks a high level of current income as is consistent with the preservation of capital and liquidity. Principal investing strategies include normally investing at least 99.5% of total assets in cash, U.S. Government securities and/or repurchase agreements that are collateralized fully (i.e., collateralized by cash or government securities).

Federated Hermes Trust for U.S. Treasury Obligations Cash II – TTIXX. The fund is a money market fund that seeks to maintain a stable net asset value (NAV) of \$1.00 per share. The fund's investment objective is to provide stability of principal and current income consistent with stability of principal. It invests at least 99.5% of total assets in: (i) cash; (ii) securities issued or guaranteed by the United States or certain U.S. government agencies or instrumentalities; and/or (iii) repurchase agreements that are collateralized fully. The fund will invest its assets so that at least 80% of its net assets (plus any borrowings for investment purposes) are invested in U.S. Treasury investments.

Appendix B SECURITIES TO BE LIQUIDATED

The following securities are unable to be held on the TIAA brokerage platform and will be liquidated at the time of conversion, and proceeds will be held as cash in the TIAA Brokerage Account. This does not constitute a complete list as funds may have been purchased after TIAA review.

- Fidelity® ZERO Large Cap Index Fund (FNILX)
- Fidelity® ZERO International Index Fund (FZILX)
- Fidelity® ZERO Extended Market Index Fund (FZIPX)
- Fidelity® ZERO Total Market Index Fund (FZROX)
- PIMCO Income R (PONRX)
- Principal SmallCap S&P 600 Index Fund (PSSMX)
- Quantified Global Fund (QGBLX)
- FIDELITY TREASURY ONLY MONEY MARKET (FDLXX)
- FIDELITY CASH RESERVES FUND (FDRXX)
- FIDELITY INVESTMENTS MONEY (FMPXX)
- FIDELITY GOVERNMENT MONEY MARKET FUND (FZCXX)
- FIDELITY MONEY MARKET FUND (FZDXX)
- FIDELITY GOVERNMENT MONEY MARKET FUND (SPAXX)
- FIDELITY MONEY MARKET FUND (SPRXX)