Use this document to review frequently asked questions about the

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 fundsT40.7 (he)0.7 ( )-5.5 (UP)-7 1 ((ble)01 (m)1.2 (**

The University of Nebraska is going to prov 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 theg regr e6.6 (o)-4 mement of divegt

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)	

13.

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. h. ae.sCID 7 >>BDC gha pestmeeeel fopen 0.6

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