A guide for the road to retirement

Upcoming changes to the Virginia Retirement System Optional Retirement Plan for Higher Education (ORPHE)
Overview of topics we’ll be covering today

- What stays the same
- Plan enhancements/updates
- New TIAA investment lineup
- Open enrollment: What happen to balances and future contributions
- Key dates
- Next steps you can take
Most aspects of your plan remain unchanged:

- Eligibility requirements for participation
- Contribution rates
- TIAA Brokerage
- TIAA assistance
Plan enhancements/updates

- New TIAA fund lineup
- Removal of Fidelity
About TIAA

By the numbers

- **254 offices**
- **25 countries**
- **founded in 1918**
- **17,000 employees**
- **More than 1,100 financial advisors**

Our customers

- **5M individuals**
- **more than 15,000 Institutions**

Assets

- **over $459B**
- **$1.1T**

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1. Includes TIAA-CREF affiliate companies as of 06/30/19.
2. Includes both unique institutional clients with 403(b) Retirement Plans in TIAA and Nuveen Investments, and those with Keogh plans.
3. Through 12/31/18. Other benefits from TIAA and CREF include: Additional amounts paid on TIAA Traditional annuity contracts above the guaranteed rate, surrender benefits and other withdrawals, death benefits, health insurance and disability insurance benefits, and all other policy proceeds paid.
4. Based on assets under management across Nuveen Investments affiliates and TIAA investment management teams as of 06/30/19.
5. As of 06/30/19.
Understanding—and using—the new TIAA investment lineup
How to use your TIAA investment menu

Option 1
Select a diversified, professionally managed portfolio
Choose a target date fund if you want a simple yet diversified approach to investing*

Option 2
Build your own portfolio
Create an investment strategy, based upon your goals, with assistance from TIAA

You are able to invest in both a target date fund and the other available investment options simultaneously.

* Diversification is a technique to help reduce risk. It is not guaranteed to protect against loss.
Option 1: Select a target date fund - A diversified investment in one fund

A suite of 10 target date funds

Each fund consisting of seven different asset classes

Each fund investing in over ten thousand different stocks and bonds

A target date fund is a “fund of funds.” The fund’s investments are adjusted from more aggressive to more conservative over time as the target retirement date approaches. The principal value of a target date fund isn’t guaranteed at any time, including at the target date, and will fluctuate with market changes. The target date represents an approximate date when investors may plan to begin withdrawing from the fund. However, you are not required to withdraw the funds at that target date. Also, please note that the target date fund is selected for you based on your projected retirement date (assuming a retirement age of 65). After the target date has been reached, the fund is transferred into the BlackRock LifePath Index Retirement Fund.

Target date funds share the risks associated with the types of securities held by each of the underlying funds in which they invest. The charts are only visual representations of the target date, fixed income and equity percentages. Please refer to the fund fact sheets for the funds for more details on asset allocation for each of the target-date funds.
# Target date funds at TIAA

<table>
<thead>
<tr>
<th>Investment option</th>
<th>Birth year</th>
<th>Asset class</th>
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</thead>
<tbody>
<tr>
<td>BlackRock LifePath Index Retirement Fund O</td>
<td>Before 1958</td>
<td>Asset Allocation</td>
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<td>BlackRock LifePath Index 2030 Fund O</td>
<td>1963 – 1967</td>
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<td>BlackRock LifePath Index 2035 Fund O</td>
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<td>1983 – 1987</td>
<td>Asset Allocation</td>
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<td>BlackRock LifePath Index 2060 Fund O</td>
<td>1993 – 1997</td>
<td>Asset Allocation</td>
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<tr>
<td>BlackRock LifePath Index 2065 Fund O</td>
<td>1998 and later</td>
<td>Asset Allocation</td>
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If you don’t choose any investment options, your contributions will be invested in the target date fund based on your birth date.

Investing involves risk of loss of principal. Diversification is a technique to help reduce risk. It is not guaranteed to protect against loss.
Option 2: Build your own portfolio

The new TIAA investment lineup includes a broad range of options so you can choose which ones suit your needs.

For more details, see your transition brochure or visit TIAA.org/vrs

* Options offered in the “Guaranteed” asset class are subject to the claims-paying ability of the issuing company.

Investing involves risk of loss of principal. Diversification is a technique to help reduce risk. It is not guaranteed to protect against loss.
**Investment option** | **Asset Class**
--- | ---
**More Conservative**
TIAA Traditional Annuity | Fixed Annuity (Guaranteed)
BlackRock Short-Term Investment Fund W | Cash Equivalent/Money Market
BlackRock U.S. Debt Index Fund M | Core U.S. Bonds
BlackRock U.S. Treasury Inflation-Protected Securities Fund M | U.S. Treasury Inflation-Protected Securities
TIAA Real Estate Account | Real Estate
**More Aggressive**
BlackRock Equity Index Fund J | U.S. Large Cap Stocks
BlackRock MSCI ACWI ex-U.S. IMI Index Fund M | International Stocks
BlackRock MSCI ACWI IMI Index Non-Lendable Fund M | Global Stocks
BlackRock Russell 2500 Index Fund M | U.S. Small/Mid-Cap Stocks

Investing involves risk of loss of principal. Diversification is a technique to help reduce risk. It is not guaranteed to protect against loss.

Upon separation from service or retirement, participants can convert their TIAA Traditional accumulation dollars amount to a lifetime income option or withdraw funds through a fixed period annuity ranging from 5 to 30 years or a Transfer Payout Annuity, which enables participants to move funds out of the TIAA Traditional Annuity in 7 annual installments for the Retirement Choice (RC) contract.
**Features:**

- Designed for knowledgeable investors
- You can choose your own investments
- Access thousands of funds
- Buy, sell or transfer funds online or by phone
- Minimum $2,500 initial transfer, $1,000 on subsequent transfers
- Brokerage service fees for transactions may apply

**Reminder:**

- VRS will not monitor performance of brokerage services investment options
- TIAA does not offer assistance for brokerage investment options

Some securities may not be suitable for all investors.

By opening a brokerage account, you will be charged a commission on all transactions and other account-related fees in accordance with the TIAA Commission and Fee Schedule. Visit [TIAA.org/SDA_CAA](http://TIAA.org/SDA_CAA) and click on *Learn about fees* for a complete list of commissions and fees. Other fees and expenses apply to a continued investment in the funds and are described in the fund’s current prospectus. The brokerage account option is available to participants who maintain both a legitimate U.S. residential address and a legitimate U.S. mailing address.
Fee structure
It’s important to know there are fees associated with the plan’s services and investments.

- With the new TIAA lineup that is effective on or about January 3, 2020, the record keeping and administrative fee in the Retirement Choice (RC) contract is $66 per participant.
- This fee will be deducted quarterly ($16.50 per quarter) and taken pro rata from the investment options in your account. The record keeping and administration fee may be reduced by revenue credits applied to certain investment options in the plan.
- The deductions will be identified as “TIAA Plan Servicing Fee*” on your statement and when you view your account online.
- Additional fees are assessed to the investments you choose within the plan.
- Fees in the Retirement Annuity (RA) and Group Retirement Annuity (GRA) contracts are embedded in those funds’ expense ratios and are in addition to the annual $66 fee under the Retirement Choice (RC) contract, if applicable.

For more information on fees, see the Annual Fee Disclosure available at orphe.varetire.org by selecting Performance & Fees under Investments.

* Plan servicing fees can be deducted from Retirement Choice contracts. However, plan servicing fees cannot be deducted from Retirement Annuity and Group Retirement Annuity contracts.
Open enrollment is October 1 through November 15

What happens to future contributions and existing balances?
Whether you are with TIAA, DCP, or Fidelity

- You can choose between TIAA and DCP as your new provider in 2020.

If you are with TIAA and want to stay with TIAA

- No action is necessary

If you want to change providers

- Sign in at myVRS.varetire.org by November 15

For more details, see your transition brochure.
With TIAA and staying with TIAA?

Existing balance

- On or about January 3, 2020, fund balances in a Retirement Choice (RC) contract transfer to the new investment options.

- Retirement Annuity (RA) and Group Retirement Annuity (GRA) balances will not transfer. You may choose to transfer those balances to the Retirement Choice (RC) contract.

Future contributions

- Starting January 16, 2020, your future contributions transfer to the new investment options.

Choosing different investment options with TIAA

- You may change the way contributions and balances are allocated under the new TIAA lineup beginning on or about January 3, 2020.

If you are a current TIAA participant and take no action, you will continue with TIAA.

For more details, see your transition brochure.
If you are a TIAA participant, VRS will direct your future contributions and existing balance under the Retirement Choice (RC) contract to the new TIAA lineup.

See your transition brochure for details.
With Fidelity and switching to TIAA?

A new TIAA account
- You will be enrolled in a new TIAA account on or about January 3, 2020.

Future contributions
- Starting January 16, 2020, your future contributions will be directed to the investments you have chosen for your new TIAA account.
- If you have not chosen investments, your contributions will be invested in a target date fund based on your date of birth.

Existing balance
- On or about February 7, 2020, your existing balance with Fidelity will transfer to your new TIAA account.
- You can keep your balance with Fidelity by completing the Fidelity election form and returning to VRS by November 30, 2019.

Choosing different investment options with TIAA
- You may change the way contributions are allocated with TIAA beginning on or about January 3, 2020.
- You may change the way balances are invested with TIAA once the transfer is complete.

For more details, see the Fidelity insert.
If you are a Fidelity participant and choose TIAA, your existing balance will transfer to the new TIAA lineup. You can also choose to keep your balance at Fidelity by completing the Fidelity election form by November 30, 2019.

See the Fidelity insert for details.
With DCP and switching to TIAA?

A new TIAA account
- You will be enrolled in a new TIAA account on or about January 3, 2020.

Future contributions
- Starting January 16, 2020, your future contributions will be directed to the investments you have chosen for your new TIAA account.
- If you have not chosen investments, your contributions will be invested in a target date fund based on your date of birth.

Existing balance
- Your existing balance with DCP will not transfer to TIAA automatically.
- You can choose to transfer your balance to TIAA. Email orphe@varetire.org for assistance.

Choosing different investment options with TIAA
- You may change the way contributions are allocated with TIAA beginning on or about January 3, 2020.

For more details, see your transition brochure.
Next steps you can take
Next steps you can take

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<tr>
<th></th>
<th>Review the transition brochure, TIAA investment lineup and transfer charts</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Checklist]</td>
<td>Open enrollment: Decide if you want to change providers at <a href="http://myVRS.varetire.org">myVRS.varetire.org</a></td>
</tr>
<tr>
<td>![Information]</td>
<td>Understand ORPHE fees: See Annual Fee Disclosure. Visit <a href="http://orphe.varetire.org">orphe.varetire.org</a> and select <em>Performance &amp; Fees</em> under <em>Investments</em>.</td>
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<tr>
<td>![Review]</td>
<td>Review your beneficiary designation to ensure it’s up to date</td>
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<tr>
<td>![Tools]</td>
<td>Use the available tools at <a href="http://TIAA.org/tools">TIAA.org/tools</a></td>
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</tbody>
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Next steps you can take

Get assistance from TIAA

- Available at no additional cost to you
- Sessions available in person or by phone

The ORPHE updates may be a good time to take a fresh look at your account.

Sign up at a TIAA seminar

TIAA.org/schedulenow

Call TIAA at 800-732-8353
Weekdays, 8 a.m to 8 p.m (ET)
The TIAA app

With the TIAA app, you can:

- See account details at a glance
- Monitor your contributions and asset allocations
- Contact your advisor or get in touch with a TIAA financial consultant anytime, anywhere
- Manage your account anytime, wherever you are

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Investment products may be subject to market and other risk factors. See the applicable product literature or visit TIAA.org/[microsite]. Distributions from 403(b) plans before age 59½, severance from employment, death, or disability may be prohibited, limited, and/or subject to substantial tax penalties. Different restrictions may apply to other types of plans.

Investment, insurance, and annuity products are not FDIC insured, are not bank guaranteed, are not bank deposits, are not insured by any federal government agency, are not a condition to any banking service or activity, and may lose value.

You should consider the investment objectives, risks, charges, and expenses carefully before investing. Go to TIAA.org/vrs for current product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.

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