August 2015

Announcing Lower Costs for Retirement Plans Participants: Vanguard Target Retirement Funds change for the University of Rochester Retirement 403(b) Program and Deferred Compensation 457(b) Plan

Dear University of Rochester Retirement Plans Participant,

Good news! The University is pleased to announce an investment option update for the University of Rochester Retirement 403(b) Program and Deferred Compensation 457(b) Plan (the “Plans”). The Plans will soon offer a less expensive way for you to invest for retirement. On September 18, 2015, after 4 p.m., (ET), the Plans will replace its lineup of Vanguard Target Retirement Funds with Vanguard Institutional Target Retirement Funds.

Balances and contributions invested in any of the Vanguard Target Retirement Funds will move to the corresponding Vanguard Institutional Target Retirement Fund automatically.

Vanguard Institutional Target Retirement Funds work the same way as the Vanguard Target Retirement Funds, but cost less to own. The Vanguard Target Retirement Funds have an average expense ratio of approximately 17 basis points, or 0.17%. The average Vanguard Institutional Target Retirement Fund expense ratio is currently 10 basis points, or 0.10%. While the Vanguard Institutional Target Retirement Funds share the same investment strategy and glide path as the Vanguard Target Retirement Funds, they are separate mutual funds with their own ticker symbol, performance history and investment requirements.

This represents a potential cost savings of more than 40% for you, and those savings can really add up over time. An investment’s costs can reduce its net returns. An investment with lower costs can pass more of its returns on to investors.

The Qualified Default Investment Alternative (QDIA) for the Plans is the Vanguard Target Retirement Funds. As a result of this change, the Vanguard Institutional Target Retirement Funds will become the “default” fund for the Plans.

What you need to do

No action is required. If you are invested in a Vanguard Target Retirement Fund on September 18, 2015, your money will move automatically to the corresponding Vanguard Institutional Target Retirement Fund. However, this may be a good time to check your investment mix at www.tiaa-cref.org/rochester to make sure it’s still in line with your goals and tolerance for risk.

Detailed information about the Plans’ investment options are available at www.tiaa-cref.org/rochester, including fund fact sheets and prospectuses. A paper copy of the fund fact sheet for the Vanguard Institutional Target Retirement Funds, as well as all the funds available under the Plans, is available at no additional cost from the Benefits Office by calling 585 275-2084.

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A note about risk

All investing is subject to risk, including the possible loss of the money you invest. Investments in Vanguard Institutional Target Retirement Funds are subject to the risks of their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund would retire and leave the workforce. The fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in a Vanguard Institutional Target Retirement Fund is not guaranteed at any time, including on or after the target date. Prices of mid- and small-cap stocks often fluctuate more than those of large-company stocks.

What if you need help?

You can get guidance on the Plans’ investment options from a TIAA-CREF Financial Consultant. To schedule a One-on-One Advice Session, call 800 410-6497, Monday to Friday, 8 a.m. to 10 p.m. or Saturday, 9 a.m. to 6 p.m. (ET). You can also schedule your session online at www.tiaa-cref.org/schedulenow.

How to make investment changes:

Online:

To update your retirement portfolio online, visit www.tiaa-cref.org/rochester and log in to your account. To transfer current assets, go to the Manage My Portfolio tab and then select Change Investments and follow the directions. To change the allocation of future contributions, go to the Manage My Portfolio tab and then select Change Allocation of Contributions and follow the directions.

By phone:

To update your retirement portfolio by phone, call TIAA-CREF at 800 410-6497, Monday to Friday, 8 a.m. to 10 p.m. or Saturday, 9 a.m. to 6 p.m. (ET).

Sincerely,

Michele R. Hill
Director, University Benefits