

Building for Your Retirement

Your future's already taking shape.



The Nevada System of Higher Education (NSHE) believes in transparency regarding your investment management fees and administrative expenses. To help you make informed decisions, this document provides you with explanations of the various types of asset-based and transaction-based fees paid by participants.

Investment Management Fees

Each of the investment options within the NSHE retirement plans has an associated total “expense ratio,” which is the percentage of assets an investment manager charges each year in exchange for its services. These total expense ratios are different for each investment option you may choose to invest in. Your total return is net of these investment management fees. In other words, performance is calculated after these fees have been deducted from the investment. This allows you to compare the performance of investments that have different fees.

An investment option’s total expense ratio covers the costs of managing the portfolio of securities, along with other fees that cover items such as accounting and legal fees, shareholder servicing fees, and marketing expenses.

An expense ratio of 1.0% means that for every \$1,000 you have invested, the fund will collect \$10 from your account to cover its costs. For the investment options currently in the NSHE investment lineup, the expense ratios range from 0.02% to 1.11% (as of June 30, 2023). You can find the expense ratios for each of the investment options available under the NSHE retirement plans at [TIAA.org/NSHE](https://www.tiaa.org/NSHE) or in the prospectuses/fact sheets.

Plan Servicing Fees

In addition to the investment management fees described above, you will be assessed an annual per-participant fee of \$12 (\$3 per quarter) regardless of the total number of plans in which you participate.

Additionally, an annual Plan Servicing Fee of 0.023% of assets on the first \$300,000 (\$0.23 for every \$1,000 invested)¹ will be divided into four quarterly payments and deducted from your account(s) as of the last business day of each calendar quarter. This fee will be prorated across the investment options in your account(s) and is based upon the average daily balance of your account(s) within the Plans’ Tier I, II, and III investment options, which is then prorated across your investment options in Tiers I and II. On statements, this fee is listed as a “*TIAA Plan Servicing Fee*” and appears as a debit for each investment option that you hold in your account(s) as of the last day of each quarter.



The non-plan specific annual plan servicing fee is calculated based upon your average daily balance during the assessment period multiplied by the fee factor. The fee factor is determined by dividing the fee amount by the number of days in the year and then multiplying by the number of days in the assessment period. For example, based on the September 30th assessment period, the fee factor is approximately 0.00005781 $((.00023 / 365) \times 92)$. Assuming an average daily balance of \$100,000, the quarterly fee would be \$5.79 $(\$100,000 \times 0.00005797)$. This fee will be deducted proportionally from each of your investments in TIAA's RC/RCP contracts, up to a maximum account balance cap of \$300,000.

The Plan Servicing Fees cover numerous services that are necessary for the day-to-day operation of the plans. It includes a 0.01165% fee paid to TIAA for administrative recordkeeping services and up to 0.01135% for other direct, reasonable, and necessary expenses that NSHE incurs in administering its retirement program.

TIAA's portion of the Plan Servicing Fees covers the expenses associated with administrative recordkeeping, participant advice, quarterly statements, participant communications, and customer service. NSHE's portion of the Plan Servicing Fees covers the expenses associated with consulting services, auditing services, and the salary of the Director of Retirement Plan Administration. As the Plan Sponsor, NSHE is responsible for evaluating the plans' investment options and administrative service providers on a regular basis to ensure that they are meeting NSHE's objectives and performing within the established guidelines. NSHE contracts with various advisors who provide expert advice to the Director of Retirement Plan Administration, the Chancellor and the Retirement Plan Advisory Committee (RPAC) regarding the management of the NSHE Retirement Program. For example, NSHE's investment consultant assists the RPAC in evaluating and monitoring the investment options within Tiers I and II. NSHE may also contract with auditors to ensure that participant contributions or other regulatory requirements are being managed properly.

It is important to note that investment performance shown at [TIAA.org/NSHE](https://www.tiaa.org/NSHE) and elsewhere on the TIAA website is gross of all Plan Servicing Fees. That is, the Plan Servicing Fees should be subtracted from the listed annual returns in order to obtain your actual net-of-fee performance.

Plan Servicing Credits

NSHE intends to return to participants any revenue from its portion of the Plan Servicing Fees that is more than the actual expenses NSHE incurs for administering the plans. These reimbursements are expected to occur at least annually after a reconciliation of all administrative expenses has been completed.

Participants may also receive a Plan Servicing Credit from the plans' investment options (these credits are attributable to revenue sharing arrangements, Plan Service Expense Offsets, Rule 12b-1 fees, and/or sub-transfer agent fees). These Plan Servicing Credits are reimbursed only to those participants who have assets invested in funds that provide revenue sharing to TIAA in order to prevent duplicate administrative charges for administrative services. NSHE has directed TIAA to allocate these revenue sharing reimbursements back to participants' accounts on a quarterly basis, based upon the participants' average daily balances within each of the funds that provide revenue sharing reimbursements back to TIAA.



For the current investment lineup, the annual revenue sharing reimbursement rates are as follows:

- William Blair Small/Mid-Cap Growth Fund = 0.15%
- TIAA Traditional Annuity (RC and RCP contracts) = 0.15%
- Vanguard and all other mutual funds in the investment lineup = 0.0%

Legacy TIAA contracts established prior to January 1, 2014

If you have assets invested in legacy TIAA annuity contracts (NSHE retirement plan assets accumulated prior to January 1, 2014, that have not been transferred into TIAA's current contracts), the annual Plan Servicing Fee will not be deducted from your account. Instead, the annual Plan Servicing Fee will be subtracted from the Plan Services Expense Offsets provided by TIAA.

If an excess amount exists after deducting the Plan Servicing Fee from the Plan Services Expense Offset, the excess amount will be credited to your account(s). If any credits are made, they will appear as a "Plan Servicing Credit" for each investment option that you hold as of the last business day of each quarter when you view your quarterly account statement or log in to your account online.

Brokerage Account Fees

If you open a self-directed brokerage account, TIAA Brokerage Services has agreed to waive the annual account maintenance fee and all transaction fees for NSHE participants until further notice.

Each mutual fund available in the self-directed brokerage window has a published total expense ratio. Any revenue TIAA Brokerage Services receives through their sales agreements with the mutual fund companies or from participant transaction fees is retained by TIAA or its affiliated brokerage service providers. Please review the TIAA Brokerage Account Customer Agreement at TIAA.org/sda_caa. The Agreement contains important information about the plans' self-directed brokerage account.

It is important to note that NSHE neither monitors the performance nor the fees of the mutual funds available through the plans' self-directed brokerage window.

Transaction-Based Fees

There are other miscellaneous transaction fees associated with the plans, such as loan application and servicing fees. These fees are paid directly by the individual participant who requests these services.



What is the Impact of Fees on your Retirement Savings?

The chart below compares a participant investment of \$10,000 with the same investment return to two different expense ratios—illustrating the effect of fees on retirement savings. As shown, even small differences in fees can translate into large differences in savings over time.

Example of expense ratios and impact on savings ²		
	Fund A	Fund B
Amount invested	\$10,000	\$10,000
Rate of return	5.0%	5.0%
Expense ratio	0.20%	1.30%
Amount after ten years	\$15,981	\$14,381

Keep in mind that fees do not necessarily correlate with performance; that is, for actively managed investments, a higher expense ratio does not guarantee better performance. For passively managed index funds, a lower expense ratio does guarantee a higher return compared with the index.

All Things Considered

Fees are important, but they should be just one factor in your decision-making process. In addition to fees and expenses, you should be sure your investment choices reflect your personal risk tolerance, the time frame until your retirement, and the appropriate asset allocation to suit your investment needs. You may also wish to consider an investment manager's past performance compared to a market benchmark; however, past performance is no guarantee of future results.

Learn More

Choosing the right mix of investments is one of the most important decisions you can make to help you live comfortably in retirement. Visit [TIAA.org/NSHE](https://www.tiaa.org/nshe), or call **800-842-2252** to speak with a TIAA consultant to learn more about developing an effective retirement strategy.

The investment fund expense ratios, plan servicing fees and credits, and other fees are subject to change in the future.

¹ Rate effective December 21, 2022.

² This is a hypothetical example and is for illustrative purposes only. It is not intended to predict or project investment results/future values. The calculations assume no withdrawals during the period indicated and do not reflect any redemption fees. Total returns and the principal value of investments will fluctuate and results will vary.

