

Frequently Asked Questions: Investment Changes (Effective May 26, 2026)

1. What is changing in the retirement plan?

NSHE is updating the plan's default investments (Vanguard Target Retirement funds) to a **lower-cost share class**. The underlying investments remain the same, but expenses are reduced.

A new investment option—**Vanguard Target Retirement Income & Growth Trust Select**—is also being added.

2. Do I need to take any action?

No.

If you currently invest in the Target Retirement funds, your account will automatically transition to the lower-cost share class.

You may change your investments at any time if you prefer a different allocation.

3. When will this change happen?

The transition will occur on or about **Effective May 26, 2026**, generally after market close (approximately 1 p.m. PT).

4. Will this affect my account balance?

No.

Your account balance will not be reduced as a result of this change. The transition is a **mapping to a lower-cost version of the same investment strategy**.

5. How does the share class change affect the investment fee and expense ratio?

The Vanguard Target Retirement funds will move from:

- **0.055% → 0.045%**

This is a reduction of 0.01% (1 basis point), which lowers your ongoing investment costs.

6. What is a Collective Investment Trust (CIT)?

Collective Investment Trusts (CITs) are investment vehicles designed specifically for retirement plans.

They are similar to mutual funds but often have **lower operating costs**, which can benefit participants over time. CITs are regulated by banking authorities and retirement plan regulations.

7. Will this change affect how my investments are managed?

No.

The investment strategy, asset allocation, and management approach of the Target Retirement funds remain the same. Only the **share class (cost structure)** is changing.

8. Can I opt out of this change?

Yes.

You may change your investment elections at any time before or after the transition date.

9. Are there any changes to plan administrative fees?

No.

This investment change does **not affect the plan's administrative or servicing fee structure**. The fees support plan administrative services including recordkeeping, legal and consulting services, investment advisory services, and participant support.

If you participate in TIAA's Retirement Choice (RC)/Retirement Choice Plus (RCP) contracts, your fees are assessed as follows:

- Annual servicing fee of 1.72 basis points (0.0172%) capped at a maximum account balance of \$300,000 across all Plans. This equals \$0.172 per \$1,000 invested and is deducted proportionally from your investments.
- Annual \$12 per-participant fee (\$3 per quarter).

Fee examples:

- Participant A with a \$50,000 balance pays approximately \$20.60 annually (\$8.60 plan servicing fee + \$12 flat fee).
 - Participant B with a \$150,000 balance pays approximately \$37.80 annually (\$25.80 plan servicing fee + \$12 flat fee).
 - Participant C with a \$300,000 or higher balance pays the capped maximum of \$63.60 annually (\$51.60 plan servicing fee + \$12 flat fee).
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10. Where can I get more information or help?

- Visit: [tiaa.org/nshe](https://www.tiaa.org/nshe)
- Call: **800-842-2252**
- Schedule advice: [tiaa.org/schedulenow](https://www.tiaa.org/schedulenow)

You may also review detailed fund information, including expenses and performance, on the plan website.

IMPORTANT: Investment restrictions for participants with a foreign address—non-United States address.

TIAA may be restricted from processing certain transactions (including the purchase of, and rollovers and transfers to, mutual funds) on your behalf. Your options for these types of transactions on the TIAA platform may be limited to TIAA group annuity options available under your plan on the new investment menu. If you have a legitimate U.S. mailing address, including an address in Puerto Rico, or an Army Post Office (APO), Diplomatic Post Office (DPO) or Fleet Post Office (FPO) box, these restrictions may not apply to you. Please contact TIAA for assistance: International, **+001 212-490-9000**; U.S., **800-842-2252**.

Disclosure

Advice (legal, tax, investment) or education

The TIAA group of companies does not provide legal or tax advice. Please consult your legal or tax advisor.

Retirement plan asset allocation advice or education provided by TIAA Financial Consultants is obtained using a methodology from an independent third party. Advice services are not available if you are a participant with a foreign address.

Collective investment Trusts (CITs)

Collective investment Trusts (CITs) are created by grouping assets from individuals and organizations to create a diversified portfolio. The pooled funds are grouped into a master trust account that is typically controlled by a bank or trust company. They're exclusively for investment by qualified retirement plans. Participants don't own any specific asset in the trust but have an interest in the aggregated assets. By combining various assets into a single account, it's often possible to decrease the operational and administrative expenses while attempting to maximize investment performance. CITs are subject to regulation by a combination of regulators - Federal or state banking authority that directly regulates the trust company, Internal Revenue Code, and Department of Labor (ERISA). CITs are unregistered investments and have no associated tickers.

Fees and expenses

Plan servicing fees can be deducted from investment options in Retirement Choice and Retirement Choice Plus contracts. However, plan servicing fees cannot be deducted from annuities in Retirement Annuity, Group Retirement Annuity, Supplemental Retirement Annuity and Group Supplemental Retirement Annuity contracts. Gross expense ratio includes all of an investment's expenses. Net expense ratio takes into account any investment fee waivers and expense reductions, giving an indication of what is currently being charged.

Annuity contracts may contain terms for keeping them in force. For full details, including costs, call TIAA at **877-518-9161**.

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Investment, insurance, and annuity products are not FDIC insured, are not bank guaranteed, are not 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. Please call 877-518-9161 or go to tiaa.org/nshe for current product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.

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