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This enrollment guide provides you with important information about the

Arizona University System Optional Retirement Plan

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Arizona University System Optional Retirement Plan

This guide outlines information about the Arizona University System Optional Retirement Plan (ORP) and its approved investment providers as well as information about the Arizona State Retirement System plan. Decisions about your retirement alternatives are important as your future financial security will, to a great degree, depend upon your actions. To help you make an educated decision, this guide includes some basic financial tools and guidelines.

Your Human Resources Office is available to answer any questions you may have regarding the ORP, with the exception of investment-related questions, which may be addressed to the approved investment companies and their representatives. Contact information is listed below.

ARIZONA STATE UNIVERSITY
Office of Human Resources
University Center
1100 East University Drive, Bldg. A
PO Box 871304
Tempe, Arizona 85287-1304
Employee Services: **855-278-5081**
hresc@asu.edu

NORTHERN ARIZONA UNIVERSITY
Human Resources Department
Centennial Building
PO Box 4113
Flagstaff, Arizona 86011-4113
928-523-2223
NAUHRBenefits@nau.edu

THE UNIVERSITY OF ARIZONA
Division of Human Resources
888 N Euclid Avenue, Suite 217
Tucson, Arizona 85721-0158
520-621-3660
hrsolutions@arizona.edu

ARIZONA BOARD OF REGENTS
2700 N Central Avenue, Suite 400
Phoenix, Arizona 85004
602-229-2500

Investment Providers		
Arizona State Retirement System **602-240-2000** **520-239-3100** **800-621-3778** **www.azasrs.gov**	**Fidelity Investments** **800-343-0860** **www.netbenefits.com/aus**	**TIAA** **800-842-2252** **www.tiaa.org/arizona**

Eligibility

Eligible Arizona University System employees are required to participate in a retirement plan. Some employees, based on the job performed, will have a choice of mandatory plans. These employees (faculty, administrators, and service and academic professionals) are eligible to participate in either the Arizona University System Optional Retirement Plan (ORP) or the Arizona State Retirement System (ASRS). All other University System employees must participate in the ASRS plan.

You have 30 calendar days from your notice of eligibility to make your retirement plan election. If you do not make an election during this 30-day election period, you will be automatically enrolled in the ASRS plan. Your election or your default election is irrevocable and cannot be changed during your continuous employment with the Arizona University System.

ORP deductions will begin on the pay period following the completion of your election process. If you select ASRS or are defaulted into the ASRS plan, your participation will begin on the 27th week of your employment. Exception: ASRS participation begins on the hire/eligibility date for ASRS members with an active account.

Retirement Plan Participation Requirements

If you are employed in an eligible position for at least 20 hours per week and 20 weeks per plan year or more, you are **required** to contribute to a retirement plan. (Exceptions include postdoctoral scholars, graduate assistants, student workers, certain ASRS retirees, and nonresident aliens holding an F-1, J-1, M-1, or Q-1 visa.) Eligible employees have the option to choose either the Arizona State Retirement System or the Optional Retirement Plan.

Comparison of the ORP and ASRS Plan

	Optional Retirement Plan (ORP)	Arizona State Retirement System (ASRS)
Plan Type	Defined Contribution Plan Qualified under Internal Revenue Code 401(a)	Defined Benefit Plan Qualified under Internal Revenue Code 401(a)
Contribution Amount	You and the University each contribute 7% of gross earnings on a pretax basis, up to the maximum amount the IRS allows the plan to consider.	You and the University each contribute a percentage of earnings on a pretax basis as set by Arizona State Statute. This percentage can vary from year to year. Check with the ASRS website at **www.azasrs.gov** for the current year's contribution percentages.
Control of the Investments	You select the investment company and determine the investment allocations.	ASRS controls and monitors investments.
Retirement Benefits	The retirement benefit is based on the performance of investments you select. The ultimate account balance is a result of the amount of contributions invested to your account and the performance of your chosen investments.	Your retirement benefit is determined by the following formula: **Total Credited Service** (The period of your employment during which you are a member making contributions to the ASRS plus any service purchased). *Multiplied by* **Graded Multiplier** (A percentage set by statute that is based on total years of service at retirement). *Multiplied by* **Average Monthly Compensation** (Determined by one of two calculation methods: the 36-month or 60-month calculation).

Comparison of the ORP and ASRS Plan CONTINUED

	Optional Retirement Plan (ORP)	Arizona State Retirement System (ASRS)
Vesting	You are immediately vested in your contributions. To be fully vested in the university's contributions you must have (1) 5 years of participation; (2) attained your Normal Retirement Date; or (3) had your employment ended by death. You may be immediately vested if you have an active contract (monies invested) in a qualified defined benefit or defined contribution retirement program with a college, university, higher education organization, or research organization located anywhere in the United States or in any country or territory other than the United States or with the Arizona State University Foundation, the Northern Arizona University Foundation, or the University of Arizona Foundation. If you are employed in an ORP-eligible position for the first time after your initial employment date, without a break in continuous retirement eligible employment, and you previously participated in the ASRS, your credited years of service under the ASRS will be applied toward your vesting period in the ORP. If prior to becoming vested in the ORP, you separate employment with all University employers, you will forfeit all non-vested University contributions up to the date of separation. If you are later rehired in an ORP-eligible position, and you select the ORP as your retirement plan, the years of credited service may be retained and applied toward your ORP vesting provided you have not commenced receiving benefits or withdrawn any portion of your contributions from your ORP account.	If you choose to withdraw your account balance, you are always 100% vested in your own contributions. The following applies to the university contributions: For ASRS membership prior to July 1, 2011: A vesting schedule applies to your University contributions when your account balance is withdrawn upon termination of employment. Please visit the ASRS website at **www.azasrs.gov** for this vesting schedule. For ASRS membership on or after July 1, 2011: University contributions are forfeited when the account balance is withdrawn upon termination of employment. This does not apply if you are terminated due to a reduction in force or position elimination, in which case the ASRS vesting schedule will apply.
Health Benefits upon Retirement	Health and dental benefit plans are available through the Arizona Department of Administration or the ASRS upon retirement. There is no health insurance premium subsidy upon retirement.	Health and dental benefit plans are available through the Arizona Department of Administration or the ASRS upon retirement. A retiree health insurance premium subsidy is available if you have at least five years of credited service in the ASRS plan. The amount of the premium subsidy is based on your years of service. See the ASRS website for subsidy amounts.
Loans	No loans are available.	No loans are available.
Long-Term Disability	Long-Term Disability (LTD) is insurance coverage that will pay you a monthly benefit when you are disabled and unable to work for an extended period of time, generally six months. LTD coverage will pay up to 66⅔% of your first $15,000 of monthly pre-disability earnings, reduced by deductible income, during your disability. The cost of LTD coverage is paid by the university. This coverage is required as part of ORP participation.	Long-Term Disability (LTD) is insurance coverage that will pay you a monthly benefit when you are disabled and unable to work for an extended period of time, generally six months. LTD coverage will pay up to 66⅔% of your monthly pre-disability earnings during your disability. The cost of LTD coverage is divided between you and the university. This coverage is required as part of ASRS participation and will begin with your ASRS membership.

Comparison of the ORP and ASRS Plan CONTINUED

	Optional Retirement Plan (ORP)	Arizona State Retirement System (ASRS)
Purchase of Service Credits	Service credit purchases are not available.	You may be eligible to buy service credit for certain types of forfeited or non-eligible years of service. You may also transfer credit from certain State of Arizona and Charter City Retirement Plans. Contact ASRS for additional information.
Retirement	Normal retirement—Age 65 Phased Retirement Program • Age 62 (minimum) • Fully vested • Enter written agreement with university • Allows for reduced work hours • Phased retirement period can be no longer than three years	Normal Retirement For ASRS membership prior to July 1, 2011: • Total years of credited service plus age equals 80 points; or • Age 62 plus 10 years of credited service; or • Age 65 For ASRS members on July 1, 2011, or after: • Age 55 plus 30 years of credited service; or • Age 60 plus 25 years of credited service; or • Age 62 plus 10 years of credited service; or • Age 65 Early Retirement At least age 50 with five years of credited service qualifies for reduced retirement benefits.
Distribution Options at Retirement*	The following distribution options may be available to ORP retirees: • Full or partial cash withdrawal • Systematic withdrawal • Interest-only payments • Minimum distribution payments • Lifetime annuity option • Life expectancy option The distribution options listed above may not be offered by all approved ORP investment companies. Distribution options should be reviewed with your ORP investment company well in advance of your retirement date. Not all distribution options will meet the requirements necessary for some retiree benefits. Contact your University Human Resources Office for additional information.	The ASRS offers annuity and non-annuity options. The ASRS retirement annuity options listed below provide a monthly benefit for life. When you retire you may choose one of the following annuity options: • Straight Life Annuity • Life Annuity, 5 Year Certain • Life Annuity, 10 Year Certain • Life Annuity, 15 Year Certain • Joint and Survivor, 100% • Joint and Survivor, 66⅔% • Joint and Survivor, 50% Alternatively, you may select from one of the following payment options that may not provide benefits for the rest of your life: • Partial Lump Sum Distribution • Level Income Alternative • Optional Premium Benefit Program
Distribution Options at Termination*	The following distribution options are available upon separation from employment from all Arizona University System employers: • Withdraw all or some of your vested funds; • Roll over your account to an IRA or another qualified retirement account; or • Leave retirement account invested for a future benefit.	The following distribution options are available upon separation from employment from all ASRS employers: • Obtain a refund of the vested portion of your account; • Roll over pretax contributions to an IRA or another qualified retirement account; or • Leave retirement account invested with ASRS in an inactive membership status for a future benefit.

*Distributions may be subject to taxes and IRS penalties.

Approved Providers

The Arizona University System offers two retirement plans—the ASRS plan and the ORP. You can select only one plan, and you cannot change between the ASRS plan and ORP after you make your choice as long as you remain in an ORP-eligible position. This is an irrevocable election. The ORP offers a choice of two investment providers to maintain your account and invest your contributions. The providers are:

Arizona State Retirement System (ASRS)	Optional Retirement Plan (ORP)	
	Fidelity Investments	TIAA

Within the ORP you may contribute to only one provider at a time. You may change ORP providers once in a calendar year.

A summary of the services and investments offered by each ORP provider starts on page 11 of this guide. These summaries were prepared by the applicable ORP provider.

An Overview of the Investment Structure

The Arizona University System ORP providers offer a wide variety of investments through a simplified structure that organizes the Plan's investment options into different tiers, or levels, of investing.

Each tier is named to help you better understand the type of investment it represents and the type of investor who might select a fund in that tier, simplifying the decision-making process. Each option allows you to choose investments based on your desired level of involvement. See the full lineup of ORP investment options beginning on page 15.

Here's how the investment option tiers are organized:

Do It for Me

T. Rowe Price Retirement Funds

These are target date funds and may be a good choice for you if you want to play a less active role in managing your retirement portfolio and prefer the asset allocation expertise of professional investment managers.

Create Your Own Mix

If you know your investment objectives and want to play a more active role in building a diversified portfolio, this tier allows you to create your own mix with the available index and actively managed options.

Core Index Investment Options

These are index funds, also known as passively managed funds.

Extended Actively Managed Options

These are actively managed funds and annuities.

Additional Choices

Self-Directed Brokerage

This option is for those seeking maximum investment flexibility and choice through a brokerage account. It is best suited for individuals who have the time and expertise to manage their own portfolio.

Continue reading to find detailed descriptions of each tier and the investment options available within them.

Need help choosing an investment mix?

Fidelity, TIAA and CAPTRUST have representatives who can meet with you to help you choose investments for your retirement portfolio. In addition, their websites offer online planning tools to help you manage and track your portfolio on your own. To schedule a consultation, contact Fidelity, TIAA or CAPTRUST directly. See provider fact sheets for contact information on pages 12–14.

How to Enroll

Choose between the ORP and the ASRS plan.

ORP Enrollment

There are two easy steps to enroll.

1. Open an account with Fidelity Investments® or TIAA and select your investment allocations.
   - Fidelity Investments: Visit **www.netbenefits.com/aus**
   - TIAA: Visit **www.tiaa.org/arizona** (access codes: ASU—AZQ190; ABOR—AZQ19A; UA—AZQ192; NAU—AZQ193)
2. Enroll with your University.
   - **Arizona State University**—Visit **https://cfo.asu.edu/optional-retirement-plan-enrollment** for enrollment information and instructions.
   - **Northern Arizona University**—Visit **https://in.nau.edu/human-resources/new-to-nau/** for enrollment information and instructions.
   - **University of Arizona**—Visit UAccess Employee at **https://uaccess.arizona.edu/** and select Employee/Manager Self Service. From the UA Employee Main Homepage, select the Benefits tile> Benefits Enrollment
   - **Arizona Board of Regents Office**—Visit **https://cfo.asu.edu/optional-retirement-plan-enrollment** for enrollment information and instructions

The first deduction will be the pay period following completion of enrollment and may include catch-up deductions.

Note: You must complete both steps within 30 calendar days of your hire/eligibility date to be enrolled in the ORP. If you do not complete all the steps prior to the end of your 30-day election window, you will forfeit your option to choose and be automatically enrolled in the Arizona State Retirement System.

Manage Your Investments Directly through Your ORP Provider
Once you have enrolled, you will manage your account directly through your chosen provider.

You will have direct online access to your account information and a toll-free number where you can speak with a representative.

ASRS Enrollment

There are two easy steps to enroll.

1. Enroll in the ASRS plan online at **www.azasrs.gov/web/EnrollOnline.do**

   Codes:
   - Arizona State University—2C700039
   - Northern Arizona University—4UQ00059
   - University of Arizona—69V00040
   - Arizona Board of Regents Office—50A00074
2. Enroll with your University.
   - **Arizona State University**—Visit **https://cfo.asu.edu/asrs-plan-enrollment** for enrollment information and instructions
   - **Northern Arizona University**—Visit **https://in.nau.edu/human-resources** and select Benefits > Retirement > Primary Retirement Plans > Make your primary retirement plan election
   - **University of Arizona**—Visit UAccess Employee at **https://uaccess.arizona.edu/** and select Employee/Manager Self Service. From the UA Employee Main Homepage, select the Benefits tile> Benefits Enrollment
   - **Arizona Board of Regents Office**—Visit **https://cfo.asu.edu/asrs-plan-enrollment** for enrollment information and instructions

Deductions will begin the pay period following the 182-day waiting period for non-ASRS members, or immediately for ASRS members with an active account. The waiting period begins on your hire/eligibility date.

Remember, your selection must be completed within the 30-calendar-day election period. Your election or default election is irrevocable for the duration of your continuous employment with the Arizona University System. If you need assistance with enrollment, please contact your Human Resources Office.

ORP Provider Fact Sheets

The pages that follow give additional information about each approved provider offering products and services for the Optional Retirement Plan.

You'll manage your account directly through the provider once you've enrolled. If you have any questions about the enrollment process or the available investment options, you can contact the provider directly. You'll find information about the following providers on the pages listed below:

For financial and investment advice only:

Each provider is solely responsible for the content on its applicable pages and does not assume any responsibility or liability for the content supplied by any other provider.

Fidelity Investments®

Choose a retirement leader to help you make the most of your workplace savings.

If you're like most people, you want your hard-earned retirement savings to be in good hands. Fidelity Investments is one of the world's largest providers of financial services. Take advantage of our experience to help you build a more rewarding future.

Service excellence you can count on.
Chances are, you already know Fidelity by reputation. Founded in 1946, Fidelity has always been committed to accuracy, top technologies, and the highest ethical standards. We are here when it matters, providing precise information, dependable assistance, and timely support to help you make informed decisions.

Experience to meet your needs.
Fidelity Investments is the No. 1 provider of workplace retirement savings plans in the U.S.[1] and we bring this experience to help you manage your priorities at every stage of your life. Because we service plans for thousands of tax-exempt organizations, we understand how employees like you can make the most of your retirement program.

Help how and when you need it.
To help you make knowledgeable and confident decisions about your money, Fidelity offers a broad range of assistance including:

- Complimentary one-on-one consultants with a Fidelity Workplace Financial Consultant virtually, by phone or in-person
- Create a plan for saving and investing for your retirement
- Get help taking your next best step for your financial wellness with resources to help you with budgeting, debt, emergency and short-term savings, your credit score and more
- Learn how to build your income stream for retirement
- Learn about distribution options you have for old workplace plans

Open an Account with Fidelity

Visit **www.netbenefits.com/aus** and click *Enroll Now.* (67444)
You must also enroll with the University.

To open a brokerage account with Fidelity, log on to **www.netbenefits.com/aus** or call **800-343-0860**.

Once you have opened an account, you may access, monitor, or change investments in your BrokerageLink® account by contacting Fidelity.

Let Fidelity help you today.

Call: 800-343-0860
Visit: www.netbenefits.com/aus
Schedule a virtual, phone or in-person consultation:
800-642-7131 or visit **www.fidelity.com/schedule^**

^When scheduling online, select *Schedule a time to meet, enter Arizona University System* as the employer name and select an appointment type.

BrokerageLink includes investments beyond those in your plan's lineup. You should compare investments and share classes that are available in your plan's lineup with those available through BrokerageLink, and determine the available investment and share class that is appropriate for your situation. The plan fiduciary neither evaluates nor monitors the investments available through BrokerageLink. It is your responsibility to ensure that the investments you select are suitable for your situation, including your goals, time horizon, and risk tolerance.

[1]This statement is based on PLANSPONSOR 2024 Recordkeeping Survey. Fidelity ranked first in total recordkeeping assets and participants as of June 3, 2024.

TIAA

Live boldly. Retire confidently.

As you journey through life pursuing the things you're passionate about, we're here to help make planning for what's ahead as simple and straightforward as possible. For 100+ years, we've provided solutions and guidance to help clients like you live the life they deserve in retirement. Your retirement plan offers an array of investment options that focus on long-term outcomes, like lifetime income.

TIAA offers the following services:

- **Personalized advice*:** As part of your retirement plan benefits, you can meet with a TIAA Financial Consultant from wherever you are—in person, at work or virtually on your phone or computer, at no additional charge.
- **Financial education:** We actively engage employees with meaningful content delivered in the right way at the right time, driving action through a robust, multichannel approach.
- **Income that never runs out:** With our annuities, such as TIAA Traditional, you can turn your savings into monthly payouts, guaranteed for life.[1]

Open an Account with TIAA

Visit **www.tiaa.org/arizona** (access codes: ASU—AZQ190; ABOR—AZQ19A; UA—AZQ192; NAU—AZQ193). You must also enroll with the University.

Open a Brokerage Account with TIAA on your TIAA account home page.**

How to contact TIAA
Call: 800-842-2252
Visit: www.tiaa.org/arizona
You can schedule personalized help from TIAA, call us at **800-732-8353**, or go online at **www.tiaa.org/schedulenow.**

TIAA

[1] Any guarantees under annuities issued by TIAA are subject to TIAA's claims-paying ability. TIAA Traditional is a fixed annuity issued by Teachers Insurance and Annuity Association of America (TIAA), 730 Third Avenue, New York, NY.

*Advice is obtained using an advice methodology from an independent third party.

** If you open 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. Please review the TIAA Brokerage Account Customer Agreement using the following link: TIAA.org/public/pdf/forms/SDA_Customer_Account_Agreement.pdf. The Agreement contains important information about the brokerage account as well as the TIAA Commission and Fee Schedule. Other fees and expenses that apply to a continued investment in the funds are described in the fund's current prospectus. Please note: Advice is not provided on brokerage assets.

TIAA-CREF Individual & Institutional Services, LLC, Member FINRA, distributes securities products. Annuity contracts and certificates are issued by Teachers Insurance and Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF), New York, NY. Each is solely responsible for its own financial condition and contractual obligations

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CAPTRUST

Enhance Your Financial Wellness with CAPTRUST.

CAPTRUST is a retirement plan advisory firm that provides investment advice to Arizona Board of Regents/Arizona University System's Plan Investment Committee and plan participants. Employees who need help navigating their retirement benefits and other financial priorities (e.g., budgeting, debt, credit, college savings) can rely on CAPTRUST's participant advice program. They have no investment products and have been helping individual participants like you for over 30 years, by providing personalized advice. To learn more about the firm, visit **www.captrustatwork.com**.

CAPTRUST is available to provide you with access to professional, unbiased advice. CAPTRUST will not sell you any products—their services are made available by Arizona Board of Regents/Arizona University System to you as a benefit, at no cost. They will help guide you through the decision-making process and provide you with individual advice such as to how much you need to save, how to invest your retirement assets and how to integrate your savings alongside your spouse's accounts and /or other investments.

Appointments can be scheduled through the website anytime Monday–Thursday from 5:30 a.m. to 5 p.m. Pacific time and Friday from 5:30 a.m. to 3 p.m. Pacific time (**www.captrustatwork.com**). You can also simply call the Advice Desk at **800-967-9948** to speak to a Retirement Counselor at any time during the above hours.

CAPTRUST will also be on campus periodically for seminars and in-person appointments. These will be announced by the Human Resources department several weeks in advance.

We look forward to offering this benefit to you and encourage you to engage CAPTRUST.

Your Investment Options

Arizona University System (AUS) streamlined your investment options into different tiers, each offering unique advantages. Simply select the fund or funds in the categories that match your preferred level of involvement.

The Plan's investment options in the **Do It for Me** and **Create Your Own Mix** tiers have been carefully selected by AUS after a thorough review and are professionally managed and regularly monitored.

Do It for Me

T. Rowe Price Retirement Funds

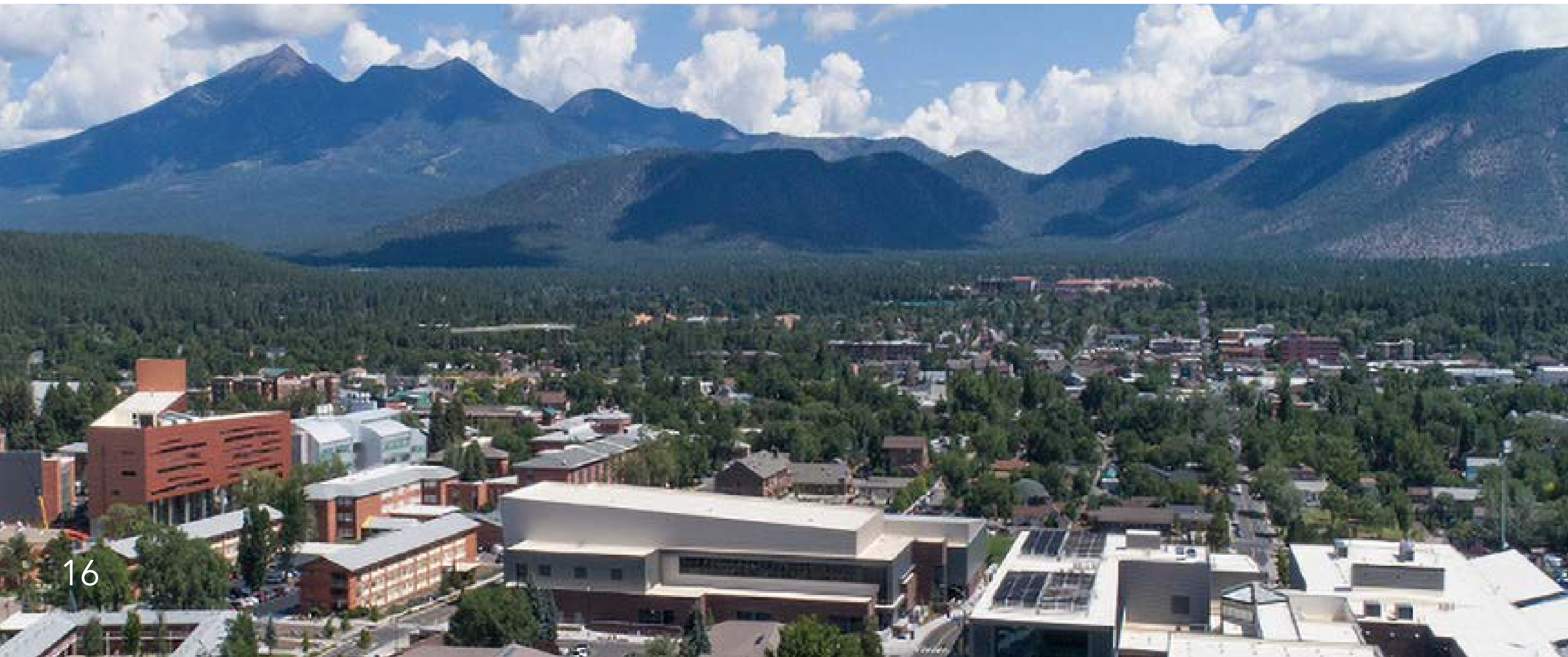
The T. Rowe Price Retirement Funds may be a good choice for you if you want to play a less active role in managing your retirement portfolio and want the asset allocation expertise of professional investment managers. T. Rowe Price Retirement Funds are low-cost "Target Retirement Funds" that correspond to a range of target retirement years or the year in which investors will turn 65, and automatically rebalance between stocks and bonds to become more conservative as you approach retirement (as shown in the table on the following page). Many employees may find this option is best for them.

T. Rowe Price Retirement Funds are designed for investors expecting to retire around the year indicated in each fund's name. Each fund is managed to gradually become more conservative over time as it approaches its target date. The investment risk of each T. Rowe Price Retirement Fund changes over time as the fund's asset allocation changes. The funds are subject to the volatility of the financial markets, including that of equity and fixed-income investments in the United States and abroad, and may be subject to risks associated with investing in high-yield, small-cap, commodity-linked, and foreign securities. The principal invested is not guaranteed at any time, including at or after the target dates.

Do It for Me

PROVIDER(S)	DATE OF BIRTH	T. ROWE PRICE RETIREMENT FUNDS IN THE ORP	TICKER*
Fidelity & TIAA	**Before 1943**	T. Rowe Price Retirement 2005 Trust Class C	N/A
Fidelity & TIAA	**1/1/1943– 12/31/1947**	T. Rowe Price Retirement 2010 Trust Class C	N/A
Fidelity & TIAA	**1/1/1948–12/31/1952**	T. Rowe Price Retirement 2015 Trust Class C	N/A
Fidelity & TIAA	**1/1/1953–12/31/1957**	T. Rowe Price Retirement 2020 Trust Class C	N/A
Fidelity & TIAA	**1/1/1958–12/31/1962**	T. Rowe Price Retirement 2025 Trust Class C	N/A
Fidelity & TIAA	**1/1/1963–12/31/1967**	T. Rowe Price Retirement 2030 Trust Class C	N/A
Fidelity & TIAA	**1/1/1968–12/31/1972**	T. Rowe Price Retirement 2035 Trust Class C	N/A
Fidelity & TIAA	**1/1/1973–12/31/1977**	T. Rowe Price Retirement 2040 Trust Class C	N/A
Fidelity & TIAA	**1/1/1978–12/31/1982**	T. Rowe Price Retirement 2045 Trust Class C	N/A
Fidelity & TIAA	**1/1/1983–12/31/1987**	T. Rowe Price Retirement 2050 Trust Class C	N/A
Fidelity & TIAA	**1/1/1988–12/31/1992**	T. Rowe Price Retirement 2055 Trust Class C	N/A
Fidelity & TIAA	**1/1/1993–12/31/1997**	T. Rowe Price Retirement 2060 Trust Class C	N/A
Fidelity & TIAA	**1/1/1998 or later**	T. Rowe Price Retirement 2065 Trust Class C	N/A

Timeline was selected by the plan sponsor.



Create Your Own Mix

Participants seeking a specific asset allocation or to complement their overall investment portfolio may choose from among the **Core Index Investment Options** and the **Extended Actively Managed Options**, as detailed below and on the following page. These options have been carefully selected by AUS after a thorough review and are professionally managed and regularly monitored.

Core Index Investment Options

The Plan's Core Index Investment Options, also known as passively managed funds, aim to match their benchmark's performance rather than beat it. Because the objective is to simply mirror the holdings and return of a particular index, less research is needed, transactions occur less frequently, and expenses are generally lower than those of actively managed funds. Ultimately, index funds are designed to provide exposure to a broad selection of securities at a relatively low cost. While these funds typically perform very similarly to the index they track, it's important to note that index funds cannot be expected to meet or beat the index's performance.

PROVIDER(S)	CORE INDEX INVESTMENT OPTIONS	TICKER
Fidelity	Fidelity® Large Cap Growth Index Fund	FSPGX
Fidelity	Fidelity® Large Cap Value Index Fund	FLCOX
Fidelity	Fidelity® Mid Cap Growth Index Fund	FMDGX
Fidelity	Fidelity® Mid Cap Value Index Fund	FIMVX
Fidelity	Fidelity® Real Estate Index Fund	FSRNX
Fidelity	Fidelity® Small Cap Growth Index Fund	FECGX
Fidelity	Vanguard FTSE Social Index Fund Institutional Shares	VFTNX
Fidelity	Vanguard Institutional Index Fund Institutional Plus Shares	VIIIX
Fidelity & TIAA	Vanguard Institutional 500 Index Trust	N/A
Fidelity & TIAA	Vanguard Institutional Extended Market Index Trust	N/A
Fidelity & TIAA	Vanguard Institutional Total Bond Market Index Trust	N/A
Fidelity & TIAA	Vanguard Institutional Total International Stock Market Index Trust	N/A
Fidelity & TIAA	Vanguard Small-Cap Value Index Fund Institutional Shares	VSIIX
TIAA	Vanguard Growth Index Fund Admiral Shares	VIGAX
TIAA	Vanguard Mid-Cap Growth Index Fund Admiral Shares	VMGMX
TIAA	Vanguard Mid-Cap Value Index Fund Admiral Shares	VMVAX
TIAA	Vanguard Real Estate Index Fund Admiral Shares	VGSLX
TIAA	Vanguard Small-Cap Growth Index Fund Admiral Shares	VSGAX
TIAA	Vanguard Value Index Fund Admiral Shares	VVIAX

Create Your Own Mix

Extended Actively Managed Options

The Extended Actively Managed Options seek to beat, or exceed, their benchmarks. The fund managers have flexibility to actively seek out investments that they believe will beat, or exceed, the performance of a particular index. Since actively managed strategies often involve a great deal of research, transactions within these funds tend to occur more frequently and expenses tend to be higher than those of passively managed funds.

PROVIDER(S)	EXTENDED ACTIVELY MANAGED OPTIONS	TICKER
Fidelity	Fidelity® Contrafund® Commingled Pool Class A	N/A
Fidelity	New York Life Anchor Account	N/A
Fidelity	Principal Real Estate Securities Institutional Class R-6	PFRSX
Fidelity & TIAA	JPMCB Core Plus Bond Fund CF Class	N/A
Fidelity & TIAA	JPMorgan Mid Cap Value Fund Class R6	JMVYX
Fidelity & TIAA	MassMutual Select Mid Cap Growth Fund Class I	MEFZX
Fidelity & TIAA	MFS Large Cap Value CIT Class CT	N/A
Fidelity & TIAA	Vanguard Explorer Fund Admiral Shares	VEXRX
Fidelity & TIAA	Vanguard Federal Money Market Fund Investor Shares[1]	VMFXX
TIAA	American Funds EuroPacific Growth Fund Class R6	RERGX
TIAA	CREF Social Choice Account R4	QSCCFX
TIAA	CREF Stock Account R4	QCSTFX
TIAA	JPMorgan Large Cap Growth Fund Class R6	JLGMX
TIAA	TIAA Real Estate	QREARX
TIAA	TIAA Stable Value	N/A
TIAA	TIAA Traditional Annuity[2]	N/A

[1] You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. An investment in the fund is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor is not required to reimburse the fund for losses, and you should not expect that the sponsor will provide financial support to the fund at any time, including during periods of market stress.

[2] Any guarantees under annuities issued by TIAA are subject to TIAA's claims-paying ability.

Additional Choices

Self-Directed Brokerage

The self-directed brokerage account, or brokerage window, provides you with an opportunity to invest in a broad range of mutual fund investment options beyond those offered directly through the Plan at a retail cost. The investments available through a brokerage window are not evaluated nor monitored by the Plan. It is your responsibility to ensure the investments you select are suitable for your situation, including your goals, time horizon, and risk tolerance. Contact Fidelity Investments or TIAA for available mutual funds, applicable fees and associated risks.

Fidelity disclosure: Fidelity BrokerageLink® includes investments beyond those in your Plan's lineup. You should compare investments and share classes that are available in your Plan's lineup with those available through BrokerageLink and determine the available investment and share class that is appropriate for your situation. The Plan fiduciary neither evaluates nor monitors the investments available through BrokerageLink. It is your responsibility to ensure that the investments you select are suitable for your situation, including your goals, time horizon and risk tolerance. See the fact sheet and commission schedule for applicable fees and risks.

Need help choosing an investment mix?

Fidelity, TIAA and CAPTRUST have representatives who can meet with you to help you choose investments for your retirement portfolio. In addition, their websites offer online planning tools to help you manage and track your portfolio on your own. To schedule a consultation, contact Fidelity, TIAA or CAPTRUST directly. See provider fact sheets for contact information on pages 12–14.

Understanding Fees and Expenses

The following information provides a basic overview of ORP fees and expenses. It's intended to be educational in nature.

Fees and expenses vary among investment providers and investments. An informed participant in a defined contribution plan reviews these costs as a routine part of managing a retirement account. The fund prospectus and the investment provider's online materials offer significant information to help you in this review.

Generally, these costs are not itemized on your statement and are deducted from your investment account before returns (loss or gain) are posted to it.

Plan Administration

The daily operation of a retirement plan involves expenses for basic administrative services, such as recordkeeping (account activity) and custodial (establishing and maintaining the plan) fees. Investment providers may charge an asset-based fee, a percentage of your total assets the company manages for you. The ORP has been designed to minimize these fees.

Mutual Funds

Mutual funds may charge a front-end load (sales charge on your fund purchase), a back-end load/ redemption fee (sales charge on your fund sale), and in-service transfer fees (transferring assets between different approved investment providers). Mutual funds also may charge 12b-1 fees, which are defined under the Investment Company Act of 1940 and are ongoing fees paid out of your assets to pay sales commissions, advertising, and other promotional costs.

Variable Annuities

A variable annuity is an insurance product that is funded by variable investments. Variable annuities may carry insurance-related charges, including the insurance component; mortality risk charges; and the cost of issuing and administering contracts. An insurance company may charge withdrawal/surrender and transfer fees when a participant terminates a contract or makes a withdrawal before the contract term expires.

Basis Points (BPs)

Basis points are used in calculating the costs (such as expense ratios, administrative fees, etc.) for a financial instrument. Basis points may also be used to indicate the change in the value of a financial instrument. A basis point is a unit equal to 1/100th of 1%.

The relationship between costs or percentage changes and basis points can be summarized as follows: *Example:* 0.01% cost = 1 basis point or 1% change = 100 basis points.

For fee and expense details for each provider, go to:

Fidelity Investments - www.netbenefits.com/aus > Log In >*Quick Links* menu > *Plan Information and Documents* > *Disclosure Information*

TIAA - www.tiaa.org/arizona > *View plan details* > *What are the fees?*

Understanding the Prospectus

Before you purchase shares of any mutual fund, make sure you are equipped with information about that fund's goals, strategies, fees, expenses, and level of risk. This information and more is available to you in a single document—the fund prospectus.

It's no secret that the size of a prospectus and the type of information inside can be hard to tackle. But don't be too overwhelmed. Here is a brief overview of a prospectus, why it is important, and the items you may want to carefully review. It is recommended that you review the full prospectus before making an investment decision.

Know the Basics

A prospectus is a formal document, required by the Securities and Exchange Commission (SEC), that describes the details of a fund. The prospectus is a legally binding contract between the fund and the fund holder. It's easy to get lost in the legal jargon and miss the information that matters most.

- **Investment objectives.** The prospectus outlines the fund's goals and it describes the types of securities the fund will purchase in order to achieve its goals. With this information, you can determine whether the fund is in line with your personal investment strategy.
- **Level of risk.** This section assesses the risks associated with the securities a fund holds. This information will help you determine if you are comfortable with these risks.
- **Cost of the fund.** This section is extremely important to consider because fees and expenses reduce your total investment return. In this section of the prospectus, you will find information on any sales load charges, 12b-1 fees, and the expense ratios.
- **Past performance.** The prospectus reports the fund's performance for the past 10 years, or since its inception date if the fund is less than 10 years old. This information can be used to compare the fund's performance with that of its index. The fund's past performance is no guarantee of future results.
- **Fund management.** The prospectus provides information about the current fund manager's investment strategy. You may consider how the fund's management will affect fees and returns, the length of time the fund manager has been managing the fund, and how long the fund has been in operation.
- **Withdrawal, transfer, and distribution restrictions.** Some funds may impose restrictions on transfers, withdrawals, and distributions. These restrictions are disclosed in the prospectus.

Do all investment options in the ORP have a prospectus?

No. Some investments found in the ORP are Collective Investment Trusts (CITs) and do not have a prospectus.

What Is a Collective Investment Trust?

Collective Investment Trusts (CITs)—also known as collective trusts, trusts, commingled funds, or common trust funds—are institutional investment vehicles and are only accessible to qualified investors through an employer-sponsored retirement plan. CITs will offer you similar investment strategy and risk to mutual funds, but the overall expense ratios will be lower. Expense ratios represent the percentage of your balances in each fund that will go toward paying for investment management.

How Do CITs Differ from Mutual Funds?

Like mutual funds, CITs combine the money of many investors who own a share of the pool and/or trust. A fund manager invests assets on behalf of all the shareholders in accordance with the pool's stated investment objectives. Because they are not publicly traded, some information, such as a prospectus, ticker symbol, and Morningstar ratings, is generally not available. However, you can find information about CITs at **www.netbenefits.com/aus** or **www.tiaa.org/arizona**. 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 (IRS) and the Department of Labor (DOL).

Frequently Asked Questions

New Eligibility and Enrollment

1. **Q.** How long do I have to elect participation in the ORP or ASRS?

   A. You have 30 days from the date you are notified of your eligibility to make your irrevocable election. Generally, this is 30 days from your initial employment date with the Arizona University System. If you are employed in an ORP-eligible position for the first time after your initial employment date, the 30-day election period begins on the day you are notified of your eligibility.

2. **Q.** What happens if I don't make an election within the 30-day period?

   A. You forfeit your option to choose, and you will automatically be enrolled in the ASRS plan. This is an irrevocable default election that you cannot change while continuously employed with the Arizona University System.

3. **Q.** Where may I obtain additional information about the ASRS plan and the ORP?

   A. Arizona State Retirement System:
   www.azasrs.gov

Phoenix	**602-240-2000**
Tucson	**520-239-3100**
Outside the Phoenix or Tucson area	**800-621-3778**

   ORP:
   Fidelity Investments
   www.netbenefits.com/aus (plan number 67444)

Retirement Services Representative	**800-343-0860**
Schedule a consultation	**800-642-7131**

   TIAA
   www.tiaa.org/arizona
   (access codes: ASU—AZQ190; NAU—AZQ193; UA—AZQ192; ABOR—AZQ19A)

National Contact Center	**800-842-2252**
Schedule a consultation	**800-732-8353**

IMPORTANT NOTE:
Opening an account with an ORP provider DOES NOT satisfy all the requirements for election of the ORP. You must also elect the ORP with your university.

4. **Q.** If I become dissatisfied with the retirement plan (ASRS and ORP) I am participating in, can I change to the other one?

   A. No. You have 30 calendar days from the date you are notified of your eligibility to make your irrevocable retirement election. Your election is irrevocable for as long as you remain in an ORP-eligible position with the Arizona University System.

Frequently Asked Questions CONTINUED

5. Q. Are the ORP providers on the list the same?

A. Both providers have their own individual strengths. You have the opportunity to select the one that most closely meets your individual investment goals and service needs. The information included in this guide is provided to assist you in making your choice. The choice of which ORP provider you select is totally yours.

6. Q. Am I responsible for making sure the ORP provider or investment allocations I select perform well?

A. You have the ultimate responsibility for monitoring your ORP investment performance. The ORP providers offer resources to assist you with your investment decisions. You may choose to obtain advice through an independent financial advisor but may pay additional fees for this service.

7. Q. I have investments with a company that is not an approved ORP provider. May I direct my ORP contributions or account balance to this company?

A. No. As long as you are employed with the Arizona University System, you may direct ORP contributions only to an approved ORP provider, currently Fidelity Investments and TIAA.

8. Q. May I select more than one ORP provider and thereby "split" my payroll contributions?

A. No. You may direct your current payroll deductions to only one ORP provider at a time.

9. Q. Can I withdraw my funds at any time?

A. No. Funds can only be withdrawn by ORP Phased Retirement Program participants, those who retire from the Arizona University System, or those who have separated from employment with all employers under the Plan.

Current ORP Participant

1. Q. May I change ORP providers any time I wish?

A. No. You may change ORP providers once in a calendar year. Changes may only be made to one of the two approved ORP providers. To redirect current contributions, you must complete the University Retirement Plan Election change form (paper or electronic) and set up your new account online for the ORP provider of your choice. You may transfer your account balance to your new provider, although some restrictions may apply. Contact your provider for more information.

2. Q. My position is based on the academic year and I don't qualify for immediate vesting. Will I be vested after five years of participation or five academic years?

A. You would be vested at the conclusion of the fifth year of your academic contract.

3. Q. What happens to the ORP contributions the university is making on my behalf prior to my vesting date?

A. The university contributions are held in trust and invested by the university until you are fully vested, at which time the university contributions and related interest are transferred in a lump sum to the ORP provider you have selected for your current payroll deductions. If you terminate your employment with the Arizona University System prior to your vesting date, you will forfeit the university contributions and related interest.

Frequently Asked Questions CONTINUED

4. Q. May I borrow money by using my ORP account as collateral?

A. No. Funds in your ORP account are not available for withdrawal until your Arizona University System employment is terminated, your retirement date, or your death. A lending organization will not consider your ORP account as collateral since the funds are not available for loans.

5. Q. May I direct future contributions to one of the approved ORP providers without transferring funds held by my present company?

A. Yes. You may keep funds invested with your current approved ORP provider even if you want to direct future payroll contributions to another approved ORP provider.

6. Q. I am recently divorced and have a Domestic Relations Order (DRO) to be processed. Whom should I contact?

A. Contact the ORP provider(s) holding your ORP account balance(s).

7. Q. I have returned to work after being called to active military duty. I am interested in making up the contributions I missed while on unpaid military leave from my job at the university. May I do this?

A. Yes. Under the provisions of the Uniformed Services Employment and Reemployment Rights Act (USERRA), you have the right to make after-tax contributions to the ORP to make up the 7% of compensation contributions that you would have made during the period of your unpaid military leave. The make-up contributions must be made during the grace period, which begins on the date of your reemployment and ends at the earlier of (1) three times the period of your military leave or (2) five years.

8. Q. Will the university match my unpaid military leave make-up contributions?

A. Yes. The university is obligated to match the contributions you choose to make up for unpaid military service. The matching contributions will be in the same amount and will be made at the same time that you make your contributions, provided that the university contributions do not exceed the contributions that would have been required to be made during your period of military leave.

9. Q. Will the time I was on unpaid military leave count toward my five-year vesting period?

A. Yes. Upon your reemployment, the length of time you were on unpaid military leave will be credited toward your ORP vesting time whether or not you choose to pay any make-up employee contributions to the ORP.

10. Q. May I make up contributions upon returning from an unpaid leave of absence?

A. No, with the exception of unpaid military leave, as explained in question 7 above.

11. Q. May I take a loan from my ORP account?

A. No. Loans are not available in the ORP.

12. Q. I have a retirement account with a former employer. May I roll over these funds into my ORP account?

A. You may be able to roll over the account into your ORP account. Contact your current ORP provider to discuss your options.

Frequently Asked Questions CONTINUED

13. Q. May I move any portion of my account balance from one approved ORP provider to another approved ORP provider without changing where I am directing my current contributions?

A. Yes. You may move any portion of your ORP account balance from one approved ORP provider to another within the limitations of your provider and investment selections. This transfer will not affect your current investment provider selection.

14. Q. May I withdraw my ORP funds when I transfer from one university to another university within the Arizona University System?

A. No. For purposes of withdrawals, Arizona State University, Northern Arizona University, the University of Arizona, and the Arizona Board of Regents are considered one employer.

Phased Retirement

1. Q. What is the Phased Retirement Program?

A. The Phased Retirement Program enables eligible ORP participants to reduce their workload and hours while remaining employed for a period no longer than three years and to concurrently take distributions from their ORP account. This is a voluntary program that is subject to negotiation and approval by your dean/vice president.

2. Q. Who is eligible to participate in the Phased Retirement Program?

A. This program is available to ORP participants who:

- Are at least 62 years old; and
- Are fully vested in the ORP; and
- Sign the irrevocable written Phased Retirement Agreement with the university.

3. Q. May the terms of an executed Phased Retirement Agreement be changed?

A. Generally, the terms of a Phased Retirement Agreement are irrevocable. However, if a participant and his or her dean/vice president mutually agree to accelerate retirement or amend the reduced work schedule, the agreement may be altered. This allows for unforeseen circumstances such as a change in health or ability to fulfill the responsibilities of the negotiated phased retirement period.

4. Q. How do phased retirement participants begin withdrawing from their ORP account?

A. Submit your investment company withdrawal paperwork to your Human Resources Office for signature. Allow at least 15 business days for your paperwork to be processed by your Human Resources Office. You may then contact your provider to begin withdrawals. It normally takes up to 15 business days for your distribution to be processed.

Contact information:

Fidelity Investments—**800-343-0860**

TIAA—**800-842-2252**

Frequently Asked Questions CONTINUED

5. **Q.** Do I have to participate in mandatory retirement during my phased retirement period?

   A. Yes. You have to participate if time worked is 50% (20 hours/week) or greater. Both employee and employer contributions continue until your retirement date in accordance with Arizona Revised Statutes § 15-1628C. Employee and employer contributions will be based on your reduced salary.

6. **Q.** Am I allowed to return to work after the phased retirement period ends?

   A. There is no guarantee of future employment after your formal retirement date; however, the program allows participants to return to work when the phased retirement period is over. This program has been designed to help you transition into retirement; therefore, you are not eligible for tenure or continuing status if you do return to work.

Ending Employment with the Arizona University System

1. **Q.** If I retire under the ORP, may I return to work at a later date within the Arizona University System?

   A. Yes. However, at the time of your retirement, you may not have a prearranged verbal or written agreement to return to work. If you return to an ORP-eligible position within the Arizona University System, you may have a new retirement election period and may make a new retirement plan election to participate in the ORP or ASRS. Prior to accepting a reemployment offer, you are advised to speak with the hiring University's Human Resources Office. Returning to work after your retirement may have an effect on retirement benefits you are receiving from your ORP account and other retiree benefits for which you are currently eligible.

2. **Q.** When I leave the Arizona University System, may I take my ORP retirement contributions in a lump sum?

   A. Yes. Upon separation from service from the Arizona University System, you may withdraw any or all of your ORP account. Distributions may be restricted based on your investment choices and restrictions imposed by your ORP provider. However, it may be considered a forfeiture of your retirement, and you will be ineligible for the Retiree Accumulated Sick Leave payment. Also, upon taking a full distribution from the ORP, you will forfeit your rights to any future retirement benefits under the plan. The distribution will be subject to federal and state income tax, and it may also be subject to IRS early withdrawal penalties if not rolled over to another eligible plan.

3. **Q.** Will I lose the university's contributions if I leave the University System prior to my vesting date?

   A. Yes. The university's contributions will be made available to you only after you have reached your vesting date.

Glossary of Investment Terms

12b-1 Fees
Ongoing fees paid out of fund assets that may be used to pay commissions to brokers or other salespersons, to pay costs of promoting the funds, and to pay for advertising, including the printing and mailing of prospectuses.

Administrative Expenses
The cost of operating the plan, including, but not limited to, marketing expenses. This expense is usually subtracted prior to the calculation of the fund performance.

Advisory Service Fee
The fee charged by an investment company for online, in-person, and/or third-party investment guidance.

Annuity
A type of contract usually issued by an insurance company that provides income for a specified period of time or for the remainder of the holder's life.

Asset-Based Fee
Administration fee charged by an investment company based on the assets in the participant's account at a given point in time.

Balanced Fund
A fund that provides total return by investing in a combination of equity and fixed-income securities.

Basis Point (BP)
A basis point is a unit that is equal to 1/100th of 1% and is commonly used to express the change in a financial instrument.

Bond
A debt investment with which the investor loans money to an entity (company or government) that borrows the funds for a defined period of time at a specified interest rate.

Capital
Assets of a business. Also refers to claims on the corporation's assets represented by its outstanding securities.

Capital Growth
Increase in market value of securities.

Cash Equivalent
Includes receivables, U.S. government securities, short-term paper, short-term municipal bonds, and corporate bonds and notes.

Commercial Paper
Short-term, unsecured promissory notes issued by corporations to finance short-term credit needs.

Common Stock
A security representing ownership of a corporation's assets.

Common Stock Premium
Percentage above asset value at which the stock sells.

Conversion
The exchange of a convertible type of asset into another type of asset, usually at the predetermined price, on or before a predetermined date. The conversion feature is a derivative and is valued separately from the underlying security and added to the overall value of the security.

Custodial Fee
A fee charged annually and used to establish and maintain the plan.

Custodian
Bank or trust company holding all securities and cash owned by an investment company.

Debenture
Bond secured only by the general credit of a corporation.

Deferred Sales Charge (Back-End Fee or Load)
Fee charged at the time the fund is sold. The rates are usually calculated on a declining scale based on the length of time the funds have been held.

Deferred Variable Annuity
Insurance contract providing for variable annuity payments to commence at some future date based on stocks or a fluctuating bond portfolio.

Glossary of Investment Terms CONTINUED

Defined Benefit Plan
A retirement plan that provides a benefit based on a formula. *Example:* Years of Service x Multiplier Factor x Average Salary = Benefit.

Defined Contribution Plan
A retirement plan that provides a benefit based on account balance at the time of retirement. During the years of employment, the employee makes payments (contributions) of a specific amount.

Distribution
A removal of assets from a retirement account that is paid to the retirement account owner or beneficiary.

Dividend
Distribution of a portion of a company's earnings, decided by the board of directors, to a class of its shareholders.

Earnings
Per common share equals net income after all charges, divided by number of common shares outstanding.

Equity
Stock or any other security representing an ownership interest.

Exchange-Traded Fund (ETF)
A fund that is similar to an index fund in that it will invest primarily in securities that are included in a particular market index.

Expense Ratio
Percentage of total fund assets used to cover expenses associated with the operation of a mutual fund.

Fixed Annuity
Insurance contract guaranteeing the owner/beneficiary a specified monthly amount, even if the insured outlives his or her life expectancy.

Fixed-Income Fund
A fund that seeks current income and preservation of capital with slightly higher risk levels compared with stable value funds.

Front-End Fee (Sales Charge or Load)
Fee charged at the time the fund is purchased.

Global Equity Fund
A fund that seeks capital appreciation primarily in equities of issuers located around the world, including the United States.

Growth Stock
Stock that is intended to show better-than-average growth in earnings and whose growth is expected to continue.

Income
Gross income is the total amount of dividends, interest, etc. (but not capital gains), before deduction of expenses. Net income is the balance after deduction of expenses, fixed charges, and taxes.

Income Fund
A fund that seeks current income as the primary objective.

Index Fund
A type of mutual fund whose objective is to achieve the same return as a certain market index, such as the S&P 500® Index.

International Equity Fund
A fund that seeks capital appreciation through investment, primarily in equities, of issuers located outside the United States.

Joint and Survivor Option
A type of annuity that makes payments for the lifetime of two or more beneficiaries.

Large Cap Blend Fund
A fund that provides long-term growth of capital by investing in large capitalization portfolios that may invest in value-oriented and growth-oriented equities.

Large Cap Growth Fund
A fund that provides long-term growth of capital by investing in large capitalization portfolios that primarily invest in growth-oriented equities.

Glossary of Investment Terms CONTINUED

Large Cap Value Fund
A fund that provides long-term growth of capital by investing in equities believed to be trading below their fundamental worth.

Life Expectancy Option
A payout option available at termination of employment at an age earlier than the minimum distribution age. The payment is calculated by dividing the accumulation by the life expectancy of the individual. Life expectancy may incorporate a second person and is recalculated on an annual basis.

Lifetime Annuity
Monthly payments for the life of the owner, regardless of how long he or she lives.

Liquid
Easily converted into cash or exchangeable for other values.

Load
Sales charge paid by the investor.

Management Company
Organization that, directly or through subsidiaries, provides management and/or distribution facilities for mutual funds.

Management Fee
Payment made to an investment company for the supervision of its portfolio. Also known as investment management fee.

Mid-Cap Blend Fund
A fund that seeks capital appreciation by investing in medium-capitalization portfolios that may invest in value-oriented and growth-oriented equities.

Mid-Cap Growth Fund
A fund that seeks capital appreciation by investing in medium-capitalization portfolios that invest in stocks believed to have above-average potential for growth.

Mid-Cap Value Fund
A fund that seeks capital appreciation by investing in medium-capitalization stocks believed to be trading below their fundamental worth.

Minimum Distribution Age
The age at which the IRS requires the beginning of tax-deferred accumulation distributions. The distribution must begin by April 1 of the calendar year following the year in which the participant turns age 70½, retires, or separates from service, whichever is later.

Minimum Distribution Payment
A payout option available at the minimum distribution age, 70½, and after termination of employment. This payment is calculated by dividing the accumulation by the life expectancy of the individual. Life expectancy may incorporate a second person and is recalculated on an annual basis.

Money Market Fund
A fund that seeks to invest in fixed-income securities with relatively little risk. Funds in this category typically invest in Treasury bills, commercial paper, banker's acceptances, negotiable certificates of deposit, repurchase agreements, and short-term debts of U.S. government agencies.

Mutual Fund
A fund that is an open-end investment that invests money of its shareholders in a usually diversified group of securities of other corporations.

Net Asset Value
The total value of the fund's portfolio less liabilities, usually calculated on a daily basis.

No-Load Fund
A mutual fund or annuity that does not assess a sales charge.

Portfolio
The group of assets, such as stocks, bonds, and mutual funds, held by an investor.

Preferred Stock
A stock entitled to receive earnings and assets before common stock is entitled to receive earnings and assets.

Glossary of Investment Terms CONTINUED

Proprietary Fund
Generally, a mutual fund made available exclusively by the issuing investment company.

Prospectus
An official document describing the shares of a security issue. Applies to mutual funds, variable annuities, and closed-end companies only when new capital is raised. It must be supplied to each investor.

Redemption Fee
A fee charged by some funds to shareholders when they sell their shares. Although a redemption fee is deducted from redemption proceeds just like a deferred sales load, it is not considered to be a sales load. A redemption fee is typically used to defray fund costs associated with a shareholder's redemption and is paid directly to the fund.

Reinvestment Privilege
Special service offered by most mutual funds through which dividends from investment income may be invested automatically in additional full and fractional shares.

Rollover
A method of transferring tax-deferred funds from one tax-deferred program to another. The funds remain tax deferred.

Self-Directed Brokerage Account (SDBA)
Investment option that allows the participant more control over the investments selected. This option makes thousands of mutual funds and exchange-traded funds available for investment.

Short-Term Trading Fee
A fee that is charged for holding funds for a short period of time, often less than 30 days.

Small Cap Blend Fund
A fund that seeks capital appreciation by investing in small capitalization portfolios that may invest in value-oriented and growth-oriented equities.

Small Cap Growth Fund
A fund that seeks capital appreciation by investing in small capitalization portfolios that invest in stocks believed to have above-average potential for growth.

Small Cap Value Fund
A fund that seeks capital appreciation by investing in medium-capitalization stocks believed to be trading below their fundamental worth.

Socially Responsible Equity Fund
A fund that seeks capital appreciation by investing in companies and industries identified for having qualities that meet certain "socially responsible" criteria. Funds in this category typically do not invest in companies engaged in the production of tobacco, weapons, nuclear energy, and other products deemed to be hazardous to the greater society.

Stable Value Fund
A fund that seeks to invest in a diversified portfolio of fixed-income securities and investment contracts through a strategy to achieve returns in excess of money market rates, but with low levels of risk.

Standard & Poor's (S&P) 500 Index Fund
A fund that seeks to provide long-term growth of capital by approximating the return and risk profile of the S&P 500® Index.

Stock
A type of security that signifies ownership in a corporation and represents a claim on part of the corporation's assets and earnings.

Straight Life Annuity
An insurance product that makes periodic payments to the annuitant until his or her death, at which point the payments stop completely. These products do not allow annuitants to designate a beneficiary.

Surrender or Withdrawal Charge (Back-End Load)
A fee charged at the time the fund is sold. The rates are usually calculated on a declining scale based on the length of time the funds have been in the account.

Systematic Withdrawal
A payment option that allows the recipient to designate the payment amount to be received and the frequency of the payments.

Glossary of Investment Terms CONTINUED

Tax-Free Exchange Fund
A fund held by an investment company organized to permit investors holding individual securities, selling at appreciated prices, to exchange such securities for the shares of the fund without payment of capital gains tax.

Tier 1: Target Retirement Date Funds
Target Retirement Date funds are offered in this tier. They have asset allocations that generally become more conservative as they approach their target retirement date.

Tier 2: Passively Managed Investment Options
A variety of passively managed funds—commonly known as "index funds"—seek to match their benchmark's performance, rather than beat their benchmark.

Tier 3: Actively Managed Investment Options
A variety of actively managed funds seek to beat, or exceed, their benchmarks. The fund managers have flexibility to actively seek out investments that they believe will beat, or exceed, the performance of a particular index.

Tier 4: Brokerage Window Option
The brokerage window provides you with an opportunity to invest in a broad range of mutual fund investment options beyond those offered directly through the Plan.

Total Return
The actual rate of return of an investment or a pool of investments over a given evaluation period. Total return includes interest, capital gains, dividends, and distributions realized over a given period of time.

Treasury Bill
Non-interest-bearing discount security issued by the U.S. Treasury to finance the national debt.

U.S. Government Securities
Bills, notes, and bonds issued by the U.S. Treasury at a discount.

U.S. Treasury Bond Fund
A marketable, fixed-interest U.S. government debt security with a maturity over 10 years.

Variable Annuity
An annuity contract under which payments are not fixed but fluctuate with common stock or bond prices.

Vested/Vesting
The process by which employees accrue nonforfeitable rights over employer contributions that are made to the employee's qualified retirement plan account.

Volatility
The relative rate at which a security or fund share tends to move up or down in price.

Yield
Income received from an investment, expressed as a percentage of market price.

Yield to Maturity
Rate of return on a debt security held to maturity. Both interest and capital gains/losses are included.

ARIZONA BOARD OF REGENTS

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Before investing in any mutual fund, consider the investment objectives, risks, charges, and expenses. Contact Fidelity for a prospectus or, if available, a summary prospectus containing this information. Read it carefully. Contact TIAA for a fact sheet or variable annuity prospectus or, if available, a summary prospectus containing this information. Read it carefully.

Investing involves risk, including risk of loss.

The Arizona University System and the Optional Retirement Plan (ORP) providers prepared the information contained in this guide. It is intended to provide a brief overview of the plan and summary of services provided by the approved ORP providers. The ORP is further defined in applicable federal and state statutes and regulations. Benefits derived from the ORP are dependent upon certain factors beyond the control and jurisdiction of the Arizona University System. Liability for benefits to be obtained through participation in the ORP rests solely with the participant.

This guide provides only a summary of the main features of the Arizona University System, and the plan document(s) will govern in the event of any discrepancy.

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