

Investment Tiers

Fidelity and TIAA-CREF offer a wide variety of investment products. For your convenience, we have categorized your options into four tiers, ranging from more conservative to more aggressive, listed below:

Tier 1 Lifecycle funds

These are professionally managed mutual funds designed for investors who want a simple yet diversified approach to investing. Lifecycle funds have asset allocations that generally become more conservative as they approach their target retirement date. The fund manager periodically rebalances the fund's assets to keep the fund in line with the target asset allocation.

Tier 2 Core investment options

This tier includes a limited menu of annuity accounts and mutual funds that invest primarily in the three major asset classes (stocks, bonds, and short-term investments). These funds were reviewed and selected by UNC based on information provided by the service providers. You may want to consider these options if you are comfortable diversifying your investments on your own or with the assistance of an investment advisor and/or asset allocation tools. The core investment options are monitored by UNC, and may change based on performance measures over time.

Tier 3 Expanded selection

This tier typically includes a much larger menu of additional investment options for more sophisticated investors. You may want to consider investing in these options if you are very comfortable managing your portfolio, either on your own or with the help of your investment advisor, and you understand how to research, evaluate, and monitor a wide variety of investments with different risk and return characteristics.

Tier 4 Self-directed brokerage option

This tier offers you the investment choice and flexibility of a brokerage account. It's a way for you to invest in different options for retirement and to design a portfolio that's uniquely yours. You may want to consider this tier if you are a sophisticated investor who is willing to take on additional risk and you are prepared to assume the responsibility of more closely monitoring this portion of your portfolio. However, if you do not feel comfortable actively managing a portfolio of options beyond those offered through your plan's core investment options, then a self-directed brokerage account may not be appropriate for you.

Fidelity Investment Choices



When it comes to mutual funds, Fidelity has a long-standing commitment to research and performance. By investing your contributions at Fidelity, you have access to hundreds of investment options, all categorized in an easy-to-understand format:

- **Tier 1: Lifecycle:** Fidelity Freedom Funds®—Choose a fund based on your expected retirement date
- **Tier 2: Core Investments:** Select from a concise menu of mutual funds representing the primary asset classes (stocks, bonds, short-term instruments)

Categories to the left have potentially more inflation risk and less investment risk

Categories to the right have potentially less inflation risk and more investment risk

Money Market/Short-Term	Managed Income or Stable Value	Bond	Balanced/Hybrid	Domestic Equity			International/Global Equity	Specialty
Fidelity Retirement Money Market Portfolio	Principal Fixed Annuity	PIMCO Total Return Fund—Administrative Class <u>INFLATION-PROTECTED</u> PIMCO Inflation-Protected Bond Fund	Fidelity Balanced Fund	<u>LARGE VALUE</u> Fidelity Large Cap Value Fund <u>MID VALUE</u> Fidelity Value Fund <u>SMALL VALUE</u> Allianz NFJ Small-Cap Value Fund—Administrative Class Mainstay Small Cap Opportunity Fund—Class I	<u>LARGE BLEND</u> Spartan® U.S. Equity Index Fund—Investor Class <u>MID BLEND</u> <u>SMALL BLEND</u> Fidelity Small Cap Stock Fund	<u>LARGE GROWTH</u> Fidelity Contrafund® Fidelity Large Cap Growth Fund <u>MID GROWTH</u> Morgan Stanley Institutional Fund Trust Mid Cap Growth Portfolio—Class P Shares <u>SMALL GROWTH</u> Columbia Acorn USA Fund—Class Z	Fidelity Diversified International Fund Fidelity International Small Cap Fund Fidelity Worldwide Fund Third Avenue Value Fund	Fidelity Real Estate Investment Portfolio

This spectrum, with the exception of the Domestic Equity category, is based on Fidelity's analysis of the characteristics of the general investment categories and not on the actual investment options and their holdings, which can change frequently. Investment options in the Domestic Equity category are based on the options' Morningstar categories as of 9/30/2008. Morningstar categories are based on a fund's style as measured by its underlying portfolio holdings over the past three years and may change at any time. These style calculations do not represent the investment options' objectives and do not predict the investment options' future styles. Investment options are listed in alphabetical order within each investment category. Risk associated with the investment options can vary significantly within each particular investment category and the relative risk of categories may change under certain economic conditions. For a more complete discussion of risk associated with the mutual fund options, please read the prospectuses before making your investment decisions. The spectrum does not represent actual or implied performance.

- **Tier 3: Expanded Selection**—An offering of hundreds of choices from various fund families, including all Fidelity mutual funds not included in Tier 2 and Funds from American, T. Rowe Price, and Vanguard
- **Tier 4: Fidelity BrokerageLink®**—Offers you the flexibility to select from numerous mutual funds—beyond those you already have in your company's plan

For more information about the complete menu of investments in your plan, including a risk spectrum for levels not shown above, please visit www.fidelity.com/atwork or call 1-800-343-0860.

An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in these funds.

Investments in smaller companies may involve greater risk than those in larger, more well-known companies.

Because of their narrow focus, sector funds may be more volatile than funds that diversify across many sectors.

Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation.

In general, bond prices rise when interest rates fall, and vice versa. This effect is usually more pronounced for longer-term securities.

Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, call or write Fidelity for a free prospectus. Read it carefully before you invest.

TIAA-CREF Investment Choices



TIAA-CREF's long-term investment philosophy and expertise position our mutual funds and annuities to help you achieve your financial goals. Our broad range of investment choices allows you to build a portfolio that's right for your unique savings needs. For full descriptions of all these account/fund choices, please visit <http://enroll.tiaa-cref.org/unc403b>

- **Tier 1:** *TIAA-CREF Lifecycle Funds*—Asset class and fund weightings automatically adjusted based on your age; choose a fund based on your expected retirement date.¹
- **Tier 2:** *Core Investments*—Proprietary and non proprietary accounts and funds representing the major asset classes—fixed income, money market, stocks, and real estate.

Categories to the left have potentially more inflation risk and less investment risk

Categories to the right have potentially less inflation risk and more investment risk

GUARAN-TEED	MONEY MARKET	BOND	MODERATE ALLOCATION	Domestic Equity			INT'L EQUITY ⁵	REAL ESTATE
TIAA Traditional Retirement Account ²	CREF Money Market Account ³	CREF Bond Market Account INFLATION-PROTECTED CREF Inflation-Linked Bond Account	CREF Social Choice Account	LARGE-CAP VALUE TIAA-CREF Institutional Large-Cap Value Retirement	LARGE-CAP CORE TIAA-CREF S&P 500 Fund CREF Stock Account	LARGE-CAP GROWTH T. Rowe Price Institutional Large-Cap Growth Fund TIAA-CREF Large-Cap Growth Index Fund	American Funds® EuroPacific Growth Fund®—Class R5 CREF Global Equities Account	TIAA Real Estate Account ⁶
				MID-CAP VALUE ⁴ TIAA-CREF Institutional Mid-Cap Value Retirement	MID-CAP CORE ⁴ TIAA-CREF Mid-Cap Blend Index Fund	MID-CAP GROWTH ⁴ TIAA-CREF Institutional Mid-Cap Growth Retirement		
				SMALL-CAP VALUE ⁴ TIAA-CREF Small-Cap Value Index Fund	SMALL-CAP CORE ⁴ Royce Pennsylvania Mutual Fund—Investment Class	SMALL-CAP GROWTH ⁴ TIAA-CREF Small-Cap Growth Index Fund		

- **Tier 3:** *Expanded Selection*—A broader menu of annuity accounts and mutual funds offered by TIAA-CREF, representing a broad array of asset classes and investment styles.
- **Tier 4:** *TIAA-CREF Brokerage Services*—Allows you to build and manage a portfolio by providing you with access to numerous mutual funds, beyond those available within Tiers 1, 2, and 3 of the plan.

For more information about the complete menu of investment options available in your plan, visit www.tiaa-cref.org or call 1-800-842-2888.

¹TIAA-CREF Lifecycle Funds share the risks associated with the types of securities held by each of the underlying funds in which they invest. In addition to the fees and expenses associated with the Lifecycle Funds, there is exposure to the fees and expenses associated with the underlying mutual funds as well.

²Any guarantees under annuities issued by TIAA are subject to TIAA's claims-paying ability. TIAA Traditional Annuity is a guaranteed insurance contract and not an investment for federal securities law purposes.

³An investment in the CREF Money Market Account is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

⁴Small-cap and mid-cap stocks may have limited marketability and may be subject to more abrupt or erratic market movements than large-cap stocks.

⁵Funds that invest in foreign securities are subject to special risks, including currency fluctuation and political and economic instability.

⁶Real estate securities are subject to various risks, including fluctuations in property values, higher expenses or lower income than expected, and potential environmental problems and liability.

Annuity account options are available through contracts issued by TIAA or CREF. These contracts are designed for retirement or other long-term goals, and offer a variety of income options, including lifetime income. Payments from the variable annuity accounts are not guaranteed and will rise or fall based on investment performance. Mutual funds do not offer the range of income options available through annuities.

Investing in securities involves market risks.

Investment products are not FDIC insured, may lose value, and are not bank guaranteed. You should consider the investment objectives, risks, charges, and expenses carefully before investing. Please call 800-842-2776 or visit www.tiaa-cref.org for a prospectus that contains this and other information.

Please read the prospectus carefully before investing.

TIAA-CREF Individual & Institutional Services, LLC and Teachers Personal Investors Services, Inc., members FINRA, distribute securities products. Annuity products are issued by TIAA (Teachers Insurance and Annuity Association), New York, N.Y.

© 2008 Teachers Insurance and Annuity Association—College Retirement Equities Fund (TIAA-CREF), New York, NY 10017

The information contained on this page has been provided by TIAA-CREF and is solely the responsibility of TIAA-CREF.

C43235