August 19, 2014

Re: Cornell University Retirement Plans

Questions? Call: Benefit Services 607-255-3936 or Email: benefits@cornell.edu

Dear Plan Participant:

I am writing to make you aware of a number of new features and investments that will be made available to you in the Cornell University Retirement Plans, effective October 1, 2014. You will not be asked to make any changes in your investment funds for October 1. This communication is strictly informational and is being provided in advance of more detailed information you will receive from TIAA-CREF and Fidelity in the next several weeks.

The Board of Trustees created a Retirement Plan Oversight Committee (RPOC) in 2010 (see the box at the end of this letter for a listing of RPOC voting members) to represent the interests of participants in our retirement plans. RPOC, made up of Cornell faculty and staff, was tasked with monitoring and supervising our retirement plan vendors and helping to assure participants that we are providing competitive and cost-effective investment choices. RPOC has engaged CAPTRUST Financial Advisors, an independent investment advisor specializing in investment oversight for higher education and healthcare retirement plans, to help us with this mission.

Partnering with CAPTRUST, we have decided to make a few changes to the retirement plan’s investment choices and how they are organized. The primary goals of these enhancements are to provide you with an array investment choices tailored to your needs, investment experience, and personal circumstances and to make it easier to navigate the plan’s menu of investment choices. The new investment menu will allow you to further diversify and customize your investment strategy and access select low-cost investment choices not necessarily a part of the traditional offerings of TIAA-CREF or Fidelity Investments. CAPTRUST will assist RPOC in monitoring our investment choices over time to make sure we continue to offer competitive and cost-effective choices.

Diversity and Inclusion are a part of Cornell University’s heritage. We’re an employer and educator recognized for valuing AA/EEO, Protected Veterans, and Individuals with Disabilities.
Effective October 1, 2014, the enhanced retirement plan investment menu will be organized into the following tiers:

- **Lifecycle funds.** Also known as target date funds, lifecycle funds are designed to be a one-stop solution for retirement investing. Their investment strategy is linked to the investor’s expected date of retirement and grows more conservative over time. Lifecycle funds will be the default selection for employees who do not make an investment election when they enter the plan. RPOC will actively monitor these funds.

- **Core funds.** Core funds are building blocks for investors interested in creating their own investment strategies. RPOC will actively monitor and review these funds to help ensure they remain competitive and cost-effective. From time to time, RPOC may modify the funds in the core menu based upon the results of these reviews.

- **Non-core funds.** In addition to core funds, which will be actively monitored, the investment menu will contain a number of non-core funds. These funds are currently available to participants for investment but will not be monitored or reviewed by RPOC. It will be the participant’s responsibility to determine if these funds are appropriate for his or her retirement account. From time to time RPOC may modify or remove non-core funds to the fourth tier described below.

- **Self-directed mutual fund brokerage account.** We will be introducing a self-directed brokerage account that will allow confident and knowledgeable investors to build a customized investment strategy using a very broad array of mutual fund choices that are appropriate to retirement plan investing in the wider mutual fund marketplace. These accounts are set up through TIAA-CREF and Fidelity on an individual basis. Investments held in a self-directed brokerage account will not be monitored by RPOC.

Offering high-quality benefits is important to Cornell University. I’m sure you will agree that the enhancements described in this letter and the enclosed Frequently Asked Questions document will make our retirement plan even better.

In the near future you will receive additional information from TIAA-CREF and Fidelity providing you with details on these exciting new options. In the meantime, if you have questions about your benefits, please feel free to contact Benefit Services at 607-255-3936, or send your questions to our email address <benefits@cornell.edu>. TIAA-CREF and Fidelity Investments are ready to fully describe your choices and what impact this new fund line-up may have on your investment allocation plans.
You can view the new fund line-up on the vendor websites, which you can access through [https://www.hr.cornell.edu/benefits/retirement/curp.html](https://www.hr.cornell.edu/benefits/retirement/curp.html)

Mary George Opperman  
Vice President for Human Resources and Safety Services

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<th>Retirement Plan Oversight Committee (RPOC) Members</th>
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FAQS (Frequently Asked Questions)

Why is Cornell University making these changes?

Legislative changes in recent years have dramatically increased the work and complexity involved in the oversight and management of retirement plans like Cornell’s. These increased demands led the Board of Trustees to form the Retirement Plan Oversight Committee (RPOC) in 2010 to represent the interests of participants in the Cornell retirement plans. This group, made up of Cornell faculty and staff, is tasked with monitoring and supervising our retirement plan vendors and helping to ensure that we are providing you with competitive and cost-effective investment choices.

As part of this process, Cornell decided to hire a registered investment advisory firm that specializes in aiding plan committees with their responsibilities as plan sponsor. The committee undertook a search for a firm that is independent, dedicated to providing consulting services to retirement plan committees, willing to serve in a fiduciary capacity alongside the Cornell RPOC, and familiar with the needs of the higher education community. The result of this project was the engagement of CAPTRUST Financial Advisors.

RPOC works with CAPTRUST on a regular basis reviewing our retirement plan investment choices. We utilize an Investment Policy Statement, which serves as a guide for the review, selection, and evaluation of investment choices offered in the retirement plans. Based upon these reviews, we have decided to pursue several initiatives to enhance the Cornell University retirement plans. One initiative that you may be familiar with resulted in significant fee reductions from our vendors, resulting in savings to you as a plan participant.

Our goal with the upcoming changes is to provide you with an array of investment choices tailored to your needs, investment experience, and personal circumstances, and to make it easier to navigate the plan’s menu of investment choices. The new investment menu will allow you to further diversify and customize your investment strategy and access additional low-cost investment choices with minimal disruption. CAPTRUST will assist RPOC in monitoring our investment choices over time to make sure we continue to offer competitive and cost-effective choices. As a result of the ongoing review of our plans, RPOC and CAPTRUST may periodically decide to make additional enhancements or changes to the plan’s investment structure.

Who is CAPTRUST Financial Advisors?

CAPTRUST Financial Advisors is an independent registered investment advisory firm specializing in working with retirement plan committees such as the Cornell RPOC. CAPTRUST provides these services to over 1,000 clients with over $120 billion in plan assets. CAPTRUST is a fee-for-service advisor and works alongside Cornell as a fiduciary to the retirement plan. This means that CAPTRUST cannot have any conflicts of interest and must, among other things, help Cornell make fiduciary decisions that are in the best interest of the people the plans are designed to benefit. CAPTRUST has been providing these services for 25 years and works with a number of higher education institutions, both public and private.

If you would like to learn more about CAPTRUST, please visit http://www.captrustadvisors.com
What action do I have to take for my account?

There is no action required of you as a result of this information. This letter and the FAQ are being provided to describe the upcoming enhancements and introduce you to the tiered investment menu and self-directed brokerage options.

Will I be receiving additional information?

Yes. You will receive a transition guide from each of the vendors with whom you hold an account. These guides will contain detailed information about the enhancements, new fund additions, and the self-directed brokerage account.

If I have accounts with both of the vendors will I be contacted by each of them?

Yes. You will receive a transition guide from each of the vendors who maintains an account on your behalf.

Where can I locate additional information on my benefits?

You can find more information about Cornell University benefits at: https://www.hr.cornell.edu/benefits/

Where can I locate additional information for my accounts?

Additional information about the new investment options is available at the vendor websites you currently use to access your account balances and other retirement plan information.

TIAA-CREF: http://www1.tiaa-cref.org/tcm/cornell/
Fidelity: https://nb.fidelity.com/public/nb/cornell/home

When will the enhancements to the investment options be effective?

You will be able to utilize the new investment options beginning on October 1, 2014.

Will I still be able to work with my advisor representative?

Yes. You will continue to have access to your personal investment advisors or those offered through our vendor partners. You can contact your advisors directly and share this information with them so that they can assist you with your planning.

TIAA-CREF and Fidelity are available for personal consultations on campus.

To make an appointment, call:

TIAA-CREF: 800-732-8353
Fidelity: 800-642-7131
What is the difference between our current investment offerings and the enhanced investment menu?

There are several key points to consider as you learn about these updates to the investment offerings:

- Participants will continue to have access to lifecycle funds that are designed to provide an appropriate investment strategy based on the year they plan to retire. Cornell will provide oversight for these funds.
- Cornell’s RPOC has decided to organize the investment into tiers so you can clearly identify those investments receiving oversight and monitoring in the core fund menu.
- Cornell’s RPOC wants you to know that it is not providing oversight or monitoring for those funds that have been determined to be “non-core.”
- Cornell’s RPOC is introducing a self-directed brokerage account to the plan as a way for employees to invest in investment options that have not previously been offered. Cornell and CAPTRUST will not monitor investment funds accessed through the brokerage account.

What is a self-directed brokerage account?

A self-directed brokerage account is an individual investment account opened at one of our retirement plan vendors. Experienced investors may wish to use this feature as a way to access investments that are not available via the core and non-core fund menus. Although there are a large number of investments offered through the self-directed brokerage account, the individual also assumes responsibility for any fees associated with these accounts, along with the risk in choosing these investments; the RPOC will not be monitoring these funds.

Can I access the new funds prior to October 1?

Federal compliance rules will not allow retirement fund companies to offer new funds prior to a 30-day participant notification period, essentially in this instance the month of September. You cannot invest in the new funds until October 1, 2014. However, you can access additional information about them today via the vendor websites you currently use to access account information.

Those sites are:

TIAA-CREF:  http://www1.tiaa-cref.org/tcm/cornell/
Fidelity Investments:  https://nb.fidelity.com/public/nb/cornell/home

Are there any other enhancements or changes expected for the plan?

RPOC reviews the retirement plan and its investment menu on a regular basis to determine that Cornell is offering a well-designed benefit with investment choices that will help faculty and staff meet their retirement planning needs and goals. Therefore, you should expect that the RPOC will periodically modify or refine the plan’s investment menu as part of its effort to meet its responsibilities as a good steward of the retirement plans offered.