

Skidmore College Retirement Plan Investment Fund Changes

FREQUENTLY ASKED QUESTIONS

What is changing and when?

On September 30, 2015, the following important changes to the investment funds offered under the Skidmore College Retirement Plan will take effect:

- The funds offered by TIAA-CREF and Vanguard will be consolidated down to a core lineup of funds;
- Three new investment options will be added under the TIAA-CREF investment menu to ensure you will have adequate opportunity to diversify the investment of your account under the Plan, and
- TIAA-CREF and Vanguard will add a new self-directed brokerage option allowing you access to a wide range of mutual funds from well-known fund companies.

If you are currently invested in a TIAA-CREF or Vanguard fund that will no longer be offered, the value of your account and any future contributions to that fund will be transferred automatically—that is, “mapped”—to a similar investment option, if available, or to the age-appropriate Target Date Fund offered under the Plan. (See page 2 for information about Target Date Funds.)

We urge you to review these materials and your current investments, but unless you wish to change, no action is required on your part. For more information, see Section 1 of the Plan document.

Current retirement plan industry research and best practices indicate that participants have a better understanding of the investment options offered by a retirement plan—and make better investment decisions—when there are a relatively limited number of core investment options. Many colleges and universities have already reduced the number of funds available under their retirement plans in the last few years. The Plan’s Investment Manager, Segal

What is a Target Date Fund?

A Target Date Fund is a diversified mutual fund that shifts towards a more conservative mix of investments automatically as a particular year approaches. (For example, a 2025 Target Date Fund will shift its investments towards a more conservative mix automatically as 2025 gets nearer and nearer.) The target date typically coincides with the date a participant would reach retirement—normally at age 65. The managers of the fund make all decisions about asset allocation, diversification, and rebalancing of the fund's investments.

Why will some funds be mapped to a similar investment option and others will be mapped to a Target Date Fund?

The fund mapping strategy was provided by the Plan's Investment Manager. Whenever possible, discontinued funds will be mapped to similar investment options within the existing core lineup. Since TIAA-CREF does not offer a Mid Cap Core option, the Clearbridge Mid Cap Core fund was selected as the best fund for this asset class. This is the only new fund that will receive any "mapped" assets.

For Vanguard, there are a number of funds in the existing lineup that are not similar enough to the options available under the core lineup to allow for mapping. In these cases, the funds will be transferred automatically to the age-appropriate Target Date Fund offered under the Plan. The U.S. Department of Labor allows plans to map investments in this manner for plan participants. Target Date Funds are the default investment option for the College's Plan.

Are additional changes to the investments under the Skidmore College Retirement Plan anticipated?

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At this time, no additional changes are anticipated. However, the Plan's Investment Manager will continue
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