

Friday, May 5, 2017

Dear Participant,

**Important notice about the McPherson College Retirement Program**

McPherson College will make changes to its retirement plan effective June 12, 2017.

The employers TIAA serves, routinely look for ways to improve the design and operation of the retirement plans they offer to their employees. Changes may be prompted by new regulations, new investment options, and/or research on how participants interact with their retirement plans. This is detailing the fund changes, but also a reduction in the TIAA fee from 41 basis points (0.41%) to 39 basis points. Typically, an employer conducts a review before introducing the kinds of changes described below. Please review the detailed information below regarding the changes and how they may affect you. At this point in time, no action is required from you.

**New investment options**

The following new investment options will be added to your retirement plan.

New Investment Options	Ticker Symbol
Parnassus Core Equity Institutional	PRILX
Eaton Vance Atlanta Capital SMID-Cap R6	ERASX

**Investment Option Replacement**

The current investment options, listed in the left column below, will be replaced by the new options listed to the right.

**Current assets:**

Any existing assets in the current investment options will be automatically transferred to the new replacement investments.

**Future contributions:**

If you're contributing to any of the newly closed investment options (shown on the left), future contributions will be automatically invested in the replacement options listed on the right.

Closed Investment Option	Ticker Symbol	Replacement Investment Option	Ticker Symbol
Ivy Mid Cap Growth I	IYMIX	Eaton Vance Atlanta Capital SMID-Cap R6	ERASX
CREF Stock R1	QCSTRX	Vanguard 500 Index Admiral	VFIAX
TIAA-CREF Social Choice Equity Institutional	TISCX	Parnassus Core Equity Institutional	PRILX

## Important change in how the Retirement Plan's recordkeeping and fund management fees are charged

All variable return investments have operating expenses that you pay for through what is commonly referred to as an expense ratio. Expense ratios are displayed as a percentage of assets, for instance an expense ratio of 0.50% means you'd pay \$5.00 annually for each \$1,000 in accumulations you have. Additional investment information including their expense ratio and other fund-specific fees, such as redemption fees, can be found in the prospectus at TIAA.org/performance.

In addition to investment expenses you pay, there is an annual TIAA Plan Servicing Fee of 0.39% (\$3.90 for each \$1,000 invested). The TIAA Plan Servicing Fee pays for the cost of plan recordkeeping and administrative services. Some investment options may share in the cost of administering the plan. This practice is commonly referred to as "revenue sharing"\* whereby a component of the funds expense ratio is paid to TIAA, the record-keeper. For those investments that revenue share, the TIAA Plan Servicing Fee will be reduced so that the TIAA Plan Servicing Fee plus the investments revenue share equals 0.39%. For those investments that do not revenue share, a Plan Servicing Fee of 0.39% will be assessed.

The TIAA Plan Servicing Fees are deducted in quarterly installments. The amount of the fee is calculated based on your balance in each investment as of business day prior to the end of the quarter. The deductions will be identified as "TIAA Plan Servicing Fee" on your quarterly statement and when you view your account online. The following Table provides TIAA Plan Servicing Fee details for each investment offered under the plan.

*\*Revenue Sharing" is a term that describes the practice when investment providers share in the cost of Plan administration. Please note that TIAA Traditional, TIAA Real Estate and all CREF Annuity accounts do not have an explicit revenue share. Rather they have a "plan services offset" that is applied to your Plan's administrative and recordkeeping costs. Any guarantees under annuities issued by TIAA are subject to TIAA's claims-paying ability. TIAA Traditional is a guaranteed insurance contract and not an investment for federal securities law purposes.*

## New Investment Menu & Fee Structure

Fund Name	TICKER SYMBOL	ANNUAL FUND OPERATING EXPENSES		PLAN SERVICING FEE COMPONENTS		
		Gross Expense Ratio	Net Expense Ratio	Revenue Share	Plan Servicing Fee	Total Administrative Fee
American Funds Europacific Growth R6	REGX	0.50%	0.50%	0.00%	0.39%	0.39%
DFA Emerging Markets Core Equity I	DFCEX	0.62%	0.62%	0.00%	0.39%	0.39%
DFA Inflation-Protected Securities I	DIPSX	0.12%	0.12%	0.00%	0.39%	0.39%
Eaton Vance Atlanta Capital SMID-Cap R6	ERASX	0.88%	0.88%	0.00%	0.39%	0.39%
Goldman Sachs Small Cap Value Instl	GSSIX	0.99%	0.94%	0.15%	0.24%	0.39%
Invesco Comstock R6	ICSFX	0.41%	0.40%	0.00%	0.39%	0.39%
MFS Growth R4	MFEJX	0.76%	0.72%	0.15%	0.24%	0.39%
Parnassus Core Equity Institutional	PRILX	0.67%	0.67%	0.10%	0.29%	0.39%
Prudential Total Return Bond Q	PTRQX	0.43%	0.43%	0.00%	0.39%	0.39%
Templeton Global Bond R6	FBNRX	0.53%	0.51%	0.00%	0.39%	0.39%
TIAA Real Estate Account	QREARX	0.89%	0.89%	0.24%	0.15%	0.39%
TIAA Stable Value	TSVX#	N/A	N/A	0.00%	0.39%	0.39%
TIAA Traditional Annuity	TIAA#	N/A	N/A	0.15%	0.24%	0.39%
TIAA-CREF Lifecycle Index 2010 Institutional	TLTIX	0.27%	0.10%	0.00%	0.39%	0.39%
TIAA-CREF Lifecycle Index 2015 Institutional	TLFIX	0.25%	0.10%	0.00%	0.39%	0.39%
TIAA-CREF Lifecycle Index 2020 Institutional	TLWIX	0.22%	0.10%	0.00%	0.39%	0.39%
TIAA-CREF Lifecycle Index 2025 Institutional	TLQIX	0.22%	0.10%	0.00%	0.39%	0.39%
TIAA-CREF Lifecycle Index 2030 Institutional	TLHIX	0.21%	0.10%	0.00%	0.39%	0.39%
TIAA-CREF Lifecycle Index 2035 Institutional	TLYIX	0.21%	0.10%	0.00%	0.39%	0.39%
TIAA-CREF Lifecycle Index 2040 Institutional	TLZIX	0.20%	0.10%	0.00%	0.39%	0.39%
TIAA-CREF Lifecycle Index 2045 Institutional	TLXIX	0.22%	0.10%	0.00%	0.39%	0.39%

TIAA-CREF Lifecycle Index 2050 Institutional	TLLIX	0.23%	0.10%	0.00%	0.39%	0.39%
TIAA-CREF Lifecycle Index 2055 Institutional	TTIIX	0.40%	0.10%	0.00%	0.39%	0.39%
TIAA-CREF Lifecycle Index 2060 Institutional	TVIIX	1.27%	0.10%	0.00%	0.39%	0.39%
TIAA-CREF Lifecycle Index Ret Income Institutional	TRILX	0.41%	0.10%	0.00%	0.39%	0.39%
Vanguard 500 Index Admiral	VFIAX	0.05%	0.05%	0.00%	0.39%	0.39%
Vanguard Mid Cap Index Adm	VIMAX	0.08%	0.08%	0.00%	0.39%	0.39%
Vanguard Small Cap Index Adm	VSMAX	0.08%	0.08%	0.00%	0.39%	0.39%
Vanguard Total Intl Stock Index Admiral	VTIAX	0.12%	0.12%	0.00%	0.39%	0.39%
Victory Sycamore Established Value I	VEVIX	0.63%	0.63%	0.10%	0.29%	0.39%
Wasatch Small Cap Growth	WAAEX	1.22%	1.22%	0.30%	0.09%	0.39%

1 Any 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.

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

3 Equity Wash Restriction. In order to provide the performance, stability, and liquidity attributes of a stable value option, participant transfers from stable value options are subject to an industry standard 90-day equity wash rule. This means participants are prohibited from transferring from TIAA Stable Value directly to competing funds. Competing funds are plan investment options that exhibit a pattern of performance consistent with stability and include money market funds, short-term bond funds, the TIAA Real Estate Account, and the TIAA Brokerage Services Account. The TIAA Brokerage Services Account option is considered a competing fund since it offers access to competing funds. Participants wishing to transfer amounts from TIAA Stable Value to competing funds must first transfer to non-competing funds, where the amount originally transferred must remain for 90 days before the participant can then transfer the amount to one or more competing funds. In addition, to minimize the negative effects of frequent trading, transfers into TIAA Stable Value are restricted for 30 days following a transfer out.

**Investment, insurance and annuity products are not FDIC, insured are not bank guaranteed, are not bank deposits, are not insured by any federal government agency, are not a condition to any banking service or activity, and may lose value.**

Investment products may be subject to market and other risk factors. See the applicable product literature or visit [TIAA.org/mcpherson](https://www.tiaa.org/mcpherson) for details.

**You should consider the investment objectives, risks, charges and expenses carefully before investing.**

**Plan investment options for current product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.**

**Please call 877-518-9161 or go to [TIAA.org/mcpherson](https://www.tiaa.org/mcpherson).**