New Investment Option in Northwestern Retirement Plans

Dear Northwestern Faculty, Staff and Retirees,

I am writing to announce that a new fund is being added to the retirement investment menu of the Northwestern Retirement and Voluntary Savings 403(b) Plans. Attached you will find a description of the new Vanguard Federal Money Market Fund Investor Shares investment option that is being added, as well as details on how your current assets and future contributions will be impacted under the Plans administered at Fidelity and TIAA.

For those who have 403(b) Plan accounts at Fidelity, the Vanguard Money Market fund will be a new investment option as of the market close (3:00 p.m. Central time) on Friday, March 24, 2017.

For those who have 403(b) Plan accounts at TIAA, any assets in the CREF Money Market Account as of the market close on March 27, 2017, will remain in the current Retirement Annuity and Group Retirement Annuity contracts under the Retirement Plan, and in the Group Supplemental Retirement Annuity contract under the Voluntary Savings Plan. However, any CREF Money Market Account future contributions in both the Retirement and Voluntary Savings Plans will be changed to the new Vanguard Money Market fund as of the market close on March 27, 2017.

One of the reasons for adding this new fund is in response to a change in expense charges that TIAA has announced relative to the CREF Money Market Account. Since 2009, TIAA has voluntarily waived expenses on the CREF Money Market Account to help avoid negative yields in the persistent low interest rate environment. TIAA has notified us that they will end the expense waiver by April 14, 2017. In response to the expiration of this expense waiver, the Vanguard Federal Money Market Fund Investor Shares investment option is being added to the investment fund menus of both TIAA and Fidelity. This new Vanguard fund will be added under the Tier 3 Actively Managed Core Menu.

Please carefully review these materials to determine the impact of this change, if any, on your retirement investments. If you prefer a different investment choice, then I encourage you to take action at this time. Both TIAA and Fidelity are available to provide guidance on this matter, as well as answer questions you may have about your retirement investment decisions. You may personally visit a local Fidelity or TIAA office, or contact them at:

- Fidelity: (800) 642-7131 or visit netbenefits.com/nu and select Contact Us
- TIAA: (800) 732-8353 or visit tiaa.org/northwestern and select Contact Us

If you have any questions regarding this change, please contact your investment provider listed above, or feel free to contact:

- Anne Fish, Executive Director of Benefits & Work/Life Resources at a-fish@northwestern.edu or (847) 491-8588; or
- Scott Speidel, Retirement Plans Manager at rscott.speidel@northwestern.edu or (847) 467-6424.

Sincerely,

Pamela S. Beemer
Vice President and Chief Human Resource Officer
Chair, Northwestern University Retirement Investment Committee
p-beemer@northwestern.edu
847-491-7505
Before investing in any fund, consider the investment objectives, risks, charges, and expenses. Contact Fidelity or TIAA for a prospectus or, if available, a summary prospectus containing this information. Please read it carefully.

Vanguard Federal Money Market Fund Investor Shares
Ticker: VMFXX
Gross Expense Ratio: 0.11% as of 12/14/2015
Objective: The investment seeks to provide current income while maintaining liquidity and a stable share price of $1.00.
Strategy: The fund invests primarily in high-quality, short-term money market instruments issued by the U.S. government and its agencies and instrumentalities. Under the new money market reforms, government money market funds are required to invest at least 99.5% of their total assets in cash, government securities, and/or repurchase agreements that are collateralized solely by government securities or cash (collectively, government securities).
Risk: 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 insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to money market funds and you should not expect that the sponsor will provide financial support to the fund at any time. Additional risk information for this product may be found in the prospectus or other product materials, if available.
Short-term Redemption Fee Note: None
Footnotes: This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund.

How does this change affect participant accounts at FIDELITY?

Effective as of the market close (3:00 p.m. Central time) on Friday, March 24, 2017, the Vanguard Federal Money Market Fund Investor Shares (VMFXX) will be available in your Northwestern Retirement Plans. You will be able to make new elections into this fund beginning Monday, March 27. The impact on your current assets and future contributions in each retirement Plan is described below.

Retirement and Voluntary Savings Northwestern 403(b) Plans
No current assets or future contributions in the Northwestern 403(b) Plans will be directed into this new fund, unless you actively change your investment elections. However, now is a good time to review your current investments. You may decide to transfer your balances to different investments at any time by contacting Fidelity at (800) 343-0860 or logging in to your account at www.netbenefits.com/nu.
How does this change affect participant accounts at TIAA?

Effective as of the market close (3:00 p.m. Central time) on Monday, March 27, 2017, the Vanguard Federal Money Market Fund Investor Shares (VMFXX) will be available in your Northwestern Retirement Plans. You will be able to make new elections into this fund beginning Tuesday, March 28, 2017. See below for details on how current assets and future contributions will be affected in each retirement Plan.

Retirement and Voluntary Savings 403(b) Plans

After the market closes on Monday, March 27, 2017, all future contributions in the Northwestern 403(b) Plans that are currently directed into the CREF Money Market Account Class R3 (Variable Annuity) will be invested in the Vanguard Federal Money Market Fund Investor Shares. Changes to your future contributions will be effective on Tuesday, March 28, 2017, unless directed elsewhere.

<table>
<thead>
<tr>
<th>Current Investment Option</th>
<th>Ticker Symbol</th>
<th>Replacement Investment Option</th>
<th>Ticker Symbol</th>
</tr>
</thead>
<tbody>
<tr>
<td>CREF Money Market Account Class R3 (Variable Annuity)</td>
<td>QCMMIX</td>
<td>Vanguard Federal Money Market Fund Investor Shares</td>
<td>VMFXX</td>
</tr>
</tbody>
</table>

Any current assets you have in the CREF Money Market Account Class R3 at the market close on Monday, March 27, 2017, will remain in the current TIAA Retirement Annuity and Group Retirement Annuity contracts under the Retirement Plan, and in the Group Supplemental Retirement Annuity contract under the Voluntary Savings Plan.

Be advised that TIAA has been voluntarily waiving the expenses on the CREF Money Market Account Class R3 (Variable Annuity) since 2009 to help avoid negative yields in the persistent low interest rate environment. TIAA will end this expense waiver by April 14, 2017. This means possible negative yields on the CREF Money Market Account Class R3 if interest rates remain low.¹

Additionally, to help provide greater protection for investors, the Securities and Exchange Commission (SEC) has made rule changes that require all money market funds to be designated as “government,” “institutional” or “retail” by October 14, 2016. TIAA’s funds have been designated as government type funds.²

Now is a good time to review your current investments in the CREF Money Market Account to avoid potential negative yields after April 14, 2017. You may choose to transfer your current assets to different investments at any time by contacting TIAA at (800) 842-2776 or logging in to your account at www.tiaa.org. You may receive a call from a TIAA representative to help you understand how these changes may impact your retirement savings. For more details, please visit www.TIAA.org/public/land/moneymarketchanges.

¹One or more classes of the CREF Money Market Account may have negative yields unless interest rates go up.
²A government money market fund is defined by the SEC as any money market fund that invests 99.5% or more of its total assets in short-term government securities, cash and repurchase agreements that are collateralized fully by cash or government securities. Government class funds generally are able to maintain a stable Net Asset Value (NAV)—price per share—of $1 and are not required to impose liquidity fees and withdrawal restrictions in times of economic stress.

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 https://www.tiaa.org/public/tnm/northwestern/home for details.

TIAA-CREF Individual & Institutional Services, LLC, Teachers Personal Investors Services, Inc., and Nuveen Securities, LLC, Members FINRA and SIPC, distribute 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. Although this communication was prepared for Northwestern by Fidelity Investments for the convenience of Plan participants, certain pages in it were supplied by non-Fidelity investment providers. Each provider offering products and services to the Plan or its participants is solely responsible for the content in its applicable pages and does not assume any responsibility or liability for the content supplied by any other provider.

TIAA and Fidelity Investments are independent entities and are not legally affiliated.

This document provides only a summary of the main features of the Northwestern Retirement Plans and the Plan document will govern in the event of any discrepancies.

Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917
© 2017 FMR LLC. All rights reserved
781469.1.0

February 2017