

Duke University
Frequently Asked Questions & Answers
New Mutual Fund Program

Why did Duke University add the new mutual fund based program? Duke University, in a continuing effort to provide its employees with the best 403(b) plans available, chose to add the new mutual fund based program to the VALIC fund lineup to provide participants with the most competitive investment options and to reduce participant administrative and investment fees.

What factors should I consider when deciding on whether to stay in the annuity program or switch to the new mutual fund based program? Every individual has unique circumstances and goals that need to be considered when making retirement investment choices and determining which product offering best suits their needs. Following are a few points you should consider:

- Investment fees under annuity products are typically higher than that of mutual fund programs.
- Your VALIC annuity product may afford you enhanced death benefits not available in the mutual fund based program. This death benefit may pay your beneficiary an amount greater than your account value if your account value is less than the sum of your deposits less withdrawals, if any.
- Historical rates of return of the underlying investments available for either the annuity program or the mutual fund based program should not be used to predict future performance.

We strongly encourage you to meet with your VALIC financial advisor to review your circumstances to assist in determining which program, or combination of programs is best suited to your particular situation.

How will my future contributions be invested? You have the option to continue your future contributions to the annuity program or you may invest in the new mutual fund based program. If you choose to direct your future contributions to the mutual fund based program, your future contributions will be deposited the next available payroll period after your enrollment in the mutual fund based program has been processed. **If you choose to direct your future contributions to mutual funds, you will not be able to re-direct your contributions to the annuity program.**

How do I enroll into the mutual fund based program? To enroll into the mutual fund based program, contact your VALIC financial advisor and complete a mutual fund enrollment form. You may also enroll online by visiting the custom Duke website at www.valic.com/duke. Your VALIC financial advisor will be available to assist you and answer any questions you might have. You may reach your VALIC financial advisor by either of the following:

Direct: 919-401-3252

Duke Custom Website: www.valic.com/Duke

Client Care Center: 1-877-375-2424 (available Monday through Friday from 8:00 a.m. to 9:00 p.m. (ET))

What will happen to my existing annuity account balance? Existing annuity account balances will remain in the annuity program until you make the election to transfer your existing annuity assets to the new mutual fund program.

What will be the procedure for transferring existing annuity assets to the new mutual fund based program?

In order to transfer your existing annuity assets to the mutual fund based program, you must complete an Asset Conversion Form available from your VALIC financial advisor or by contacting our Client Care Center at 1-877-375-2424. Transfers of your existing VALIC annuity assets will be processed as soon as administratively feasible after receipt of the signed Asset Conversion Form.

If I transfer my annuity assets to mutual funds, can I transfer them back at a later date to the annuity plan?

No, the mutual funds are an upgrade to your current plan. Once you have moved your annuity assets to mutual funds, you will not be able to transfer them back.

Will re-hired employees have the option to participate in the annuity program or the mutual fund based program? Only re-hired employees with an active annuity account with VALIC can choose to participate in either the annuity program or mutual fund program. Otherwise, rehires must enroll in the mutual fund based program.

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Do I have to make the decision now to transfer my annuity account balances to the new mutual fund options? No, you have a choice to leave your existing annuity balances in the current annuity program **or** you may transfer the annuity balances to the new mutual fund based program. However, if you choose to transfer your existing annuity balances to the mutual fund based program, you must move **all** of your annuity account value; partial transfers will not be allowed.

If I currently have a balance in the annuity Fixed Account Plus, will my 20% restriction apply after my funds transfer to the mutual fund program? Yes. Fixed Account Plus balances will map to the Fixed-Interest Option in the mutual fund program which also has a 20% restriction. Please consult with your local VALIC financial advisor for more information.

Are there any restrictions on withdrawals or transfers from the Fixed- Interest Option under the mutual fund based program? Yes. You may withdraw or transfer 20% of the assets in the Fixed-Interest Option under the mutual fund based program each year. Please consult with your local VALIC financial advisor for more information.

How can I access my account with VALIC?

You can access your account 24 hours a day, 7 days a week at:

- VALIC Online at www.valic.com/Duke
- VALIC by Phone at 1-877-375-2424

VALIC by Phone can also connect you with a Client Service Professional Monday through Friday, between the hours of 8:00 a.m. and 9:00 p.m. (ET). In addition, account questions may be directed to your financial advisor. You may reach your VALIC financial advisor by calling 919-401-3252.

Will loans be available with the VALIC mutual fund based program? Yes. A fee of \$50.00 will be charged as an initial set-up cost with a \$50.00 annual fee for administration. The method of repaying your loans will be by ACH debit (automated withdrawal from your bank account), which you can establish through a financial institution of your choosing. All loan interest repaid will be credited to the participant's account. In addition, the interest rate charged for participant loans under the mutual fund based program is different from the interest rate charged under the annuity program. Please consult with your VALIC financial advisor for more information.

Is there a loan fee under the existing annuity program? Yes, there is a one time set-up fee of \$60 charged to new loans under the existing annuity program.

Can I transfer to the mutual fund based program if I currently have an annuity loan? Yes, all available annuity account balances, except outstanding loan balances will be available to transfer to the new mutual fund based program. Outstanding annuity loans will not be transferred to the mutual fund based program. Your loan repayments will continue to be paid via coupon under the annuity program. Once annuity loans are paid in full, you will need to submit an Asset Conversion Form if you choose to transfer the remaining loan payments received by the annuity account to the mutual fund based program.

Who can I contact if I have questions about mutual funds or this process? Your VALIC financial advisor is available to assist you with any questions you may have. Feel free to call the local VALIC office at 919-401-3252 or our Client Care Center at 1-877-375-2424.

How can I learn more about the new mutual funds available under the Plan? VALIC has created a custom web site just for the employees at Duke University. Go to www.valic.com/duke for information on plan investments, financial planning information and more. To see current fund fact sheets and prospectuses of the mutual funds, click on the ePrint link and then click on Funds.