

Effective Date of Notice: November 3, 2014

Southern Methodist University Retirement Plan

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Annual Notice of Automatic Investment of Contributions under the Plan

To help you fund a full retirement, Southern Methodist University 403(b) Retirement Plan provides the Southern Methodist University Retirement Plan. If you enrolled in the plan and did not choose your investments, your contributions have been automatically allocated to the plan's "default" investment. Please see below for details and answers to common questions. For additional information, visit your plan website at smu.trsrretire.com or call Transamerica at **800-755-5801**.

1. How much can I contribute to my account?

You can start contributing to your plan account or change your existing contribution level on your plan website or by contacting your plan service provider, Transamerica Retirement Solutions. Also, if you choose not to contribute to your account, Southern Methodist University 403(b) Retirement Plan may still make contributions on your behalf as long as you remain eligible. If you wish, you may designate some or all of your contributions as "Roth" after-tax. Roth after-tax and traditional pretax contributions offer different tax treatment; information on the website and in your Summary Plan Description can help you decide between them.

Your contributions to the plan are taken out of your compensation and, if designated as traditional pretax, are not subject to federal income tax at that time. Instead, they are contributed to your plan account and may grow over time with earnings. Your account will be subject to federal income tax only when withdrawn. Any Roth related earnings will be tax-free for qualified distributions if you hold the account at least five years and are at least age 59½.

You are in charge of how much you contribute, within annual limits set by the Internal Revenue Service:

Contribution limit 2014	Catch-up Limit 2014	Contribution limit 2015	Catch-up Limit 2015
\$17,500	\$5,500	\$18,000	\$6,000

Your plan limit allows you to contribute up to the maximum allowed by law. If you are eligible to receive an employer contribution the maximum amount of employee compensation that can be considered in calculating employer contributions to the plan is \$260,000 for 2014 (\$265,000 for 2015).

You may save with traditional pretax dollars, after-tax "Roth" dollars, or a combination of both, up to the overall limits noted above.

If you are (or will be) at least age 50 during the calendar year, you may make additional "catch-up" contributions above the regular IRS limit for the year. These limits may be increased for inflation by the IRS each year.

2. How will my plan account be invested?

The plan lets you allocate, or divide contributions among a variety of investment options. You can change how your plan account is invested by contacting your plan service provider, Transamerica Retirement Solutions.

Southern Methodist University 403(b) Retirement Plan has chosen to qualify the plan default investment as a Qualified Plan Default Investment Alternative (QDIA) in accordance with the legal requirements under section 404(c)(5) of ERISA and regulations thereunder. Therefore, unless you choose otherwise, your account will be invested in the QDIA, Vanguard Target Retirement Funds, a single target date fund based on your assumed retirement age of 65. The way contributions are invested in your account is referred to as your "investment allocation."

Fund Family Name	Year in Which You Turn 65
Vanguard Target Retirement Income	2007 or earlier
Vanguard Target Retirement 2010	from 2008 to 2012
Vanguard Target Retirement 2015	from 2013 to 2017
Vanguard Target Retirement 2020	from 2018 to 2022
Vanguard Target Retirement 2025	from 2023 to 2027
Vanguard Target Retirement 2030	from 2028 to 2032
Vanguard Target Retirement 2035	from 2033 to 2037

Vanguard Target Retirement 2040	from 2038 to 2042
Vanguard Target Retirement 2045	from 2043 to 2047
Vanguard Target Retirement 2050	from 2048 to 2052
Vanguard Target Retirement 2055	from 2053 to 2057
Vanguard Target Retirement 2060	2058 or later

Target Date: *These options generally invest in a mix of stocks, bonds, cash equivalents, and potentially other asset classes, either directly or via underlying investments, and may be subject to all of the risks of these asset classes. The allocations become more conservative over time: The percentage of assets allocated to stocks will decrease while the percentage allocated to bonds will increase as the target date approaches. The higher the allocation is to stocks, the greater the risk. The principal value of the investment option is never guaranteed, including at and after the target date.*

For more information about the plan default investment, additional details and individual fund profiles are available on your plan website.

3. When will my plan account be vested and available to me?

Vesting refers to your "ownership" of your account—the portion to which you are entitled even if you leave the plan. You are always 100% vested in your own contributions plus any earnings on them (including any rollover or transfer contributions you have made).

You are always 100% vested in the Mandatory Contribution.

Even if you are fully vested in your plan account, there are restrictions on when you may withdraw your funds. Based on your plan rules, all or a portion of your vested money may be withdrawn after you:

- Are at least age 59½
- Rolled over balances from outside accounts (may be withdrawn at any time)
- Experience financial hardship as defined in your Summary Plan Description
- Retire at plan's normal retirement age 65
- Terminate employment
- Become disabled
- Die (Your designated beneficiaries will receive any vested amount remaining in your account.)

In addition, if you're no longer actively working as of April 1 of the year after you reach age 70 1/2, you are required to begin taking required minimum distributions (RMDs) from your account.

Also, there may be an extra 10% IRS penalty on distributions before age 59½. You can learn more about the 10% early-withdrawal penalty in IRS Publication 575, "Pension and Annuity Income." In addition, you may borrow against your account. You can also learn more about the plan's withdrawal and loan rules by contacting your plan service provider, Transamerica Retirement Solutions or reviewing your Summary Plan Description.

4. What amounts will Southern Methodist University 403(b) Retirement Plan contribute to my account?

Please refer to your Summary Plan Description for more information on all contributions Southern Methodist University 403(b) Retirement Plan may choose to make to your plan account.

For more information on any registered fund, please call 800-755-5801 for a free summary prospectus (if available) and/or prospectus. You should consider the objectives, risks, charges, and expenses of an investment carefully before investing. The summary prospectus and prospectus contain this and other information. Read them carefully before you invest.

Securities offered by Transamerica Investors Securities Corporation (TISC), 440 Mamaroneck Avenue, Harrison, NY 10528. Southern Methodist University 403(b) Retirement Plan has selected Transamerica Retirement Solutions (Transamerica) as your retirement plan provider, but there are no other affiliations between Southern Methodist University 403(b) Retirement Plan and Transamerica or its affiliate, TISC.

If you have any questions about how the plan works or your rights and obligations under the plan, please call **800-755-5801**. We can also assist in providing you a copy of your Summary Plan Description.

Si necesita aclaraciones en español, llame al número gratuito de Transamerica **1-800-755-5801**, diga "Español" para continuar en su idioma. Después de suministrar su información, inmediatamente diga "Servicio al cliente" y uno de nuestros representantes contestará sus preguntas.

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