

The Texas A&M University System
ORP/TDA Vendor Product and Fee Summary
October 2007

The following information is provided to assist employees in their evaluation and selection of Optional Retirement Program (ORP) and Tax-Deferred Account (TDA) Program vendors and products.

The fees stated below are reported by each vendor as part of our annual disclosure requirement. The fee that appears in each fee category is the highest fee the vendor charges for any authorized investment option that is part of that product line. Other investment options within that product line may have lower fees. Questions regarding products and/or product fees should be directed to the vendor.

The Texas A&M University System has no fiduciary responsibility for the financial stability of the ORP/TDA vendor or the market value of individual investments chosen by the participant. Additional information about the vendors and their products may be accessed through links to the vendors at the System Benefits Administration web site <http://www.tamus.edu/offices/shro/orptda.htm>.

Definitions:

A&M System Maximum Fee Standards: The maximum fees that may be charged by companies that are authorized to market their product(s) under the A&M System retirement programs. These standards were implemented by The Texas A&M University System effective March 1, 2001.

Vendor Name: The name of the company that is authorized to market its products under the A&M System retirement programs.

Product Type: The type of product a vendor is authorized to market under the A&M System retirement programs.

Product Name: The name of the product offered by the vendor is shown beneath the Product Type in parenthesis.

Front-End Sales Load: The fees or commissions that the vendor charges the participant at the time the participant purchases fund shares. A product with a front-end sales load may not charge a surrender fee. A surrender fee is defined below.

Policy Fee: Fees for processing administrative paperwork.

Custodial Fee: Fees that are assessed by a mutual fund for administrative costs. No front-end sales load or surrender fee may be charged on a fund containing custodial and/or asset management fees that are assessed as a percent of assets.

Asset Management Fee: Fees that are assessed for investment assistance, advice and counseling and are paid to the vendor (this does not include the two percent maximum investment advisory fee paid directly to a registered investment advisor as defined in Section 830.107 of the Government Code). No front-end sales load or surrender fee may be charged on a fund containing custodial and/or asset management fees that are assessed as a percent of assets.

Surrender Charge: Fees or commissions incurred when a participant withdraws or transfers fund shares to another vendor. A surrender charge includes a back-end sales load, redemption charge, contingent deferred sales charge, or any other fee that is assessed when a participant accesses his/her funds. A product with a surrender charge may not charge a front-end sales load.

Non-Rolling Surrender Charge: A surrender charge that begins when the first deposit is made and expires after a specified contract anniversary period.

Example:

Contract Year	1	2	3	4	5	6	7
Surrender Charge	7%	6%	5%	4%	3%	2%	1%

During the first contract year, any withdrawal or transfer would be subject to a 7% surrender charge; any withdrawal or transfer during the second contract year would be subject to a 6% surrender charge, etc. After the seventh contract year, no surrender charge would be applicable.

Rolling Surrender Charge: A surrender charge that is based on withdrawal or transfer of funds after the specified period from the date of receipt of each deposit.

Example:

Deposit Year	1	2	3	4	5
Surrender Charge	5%	4%	3%	2%	1%

Rolling surrender charges are based on the length of time the deposit has been in the account. Therefore, a 5% surrender charge will apply to deposits in the account for less than 1 year, a 4% surrender charge will apply to deposits in the account for less than 2 years, etc. In this example, surrender charges will apply to any withdrawal or transfer from an account that has received deposits in the last 5 years. In order for a rolling surrender charge to no longer apply to any account deposits, a withdrawal or transfer could not be requested for 5 years after the date from the last deposit to the account.

The non-rolling or rolling surrender charge percentage and the length of the period to which the charge applies vary by vendor, but the surrender charge and length of the period the charge applies cannot exceed the A&M System surrender charge maximum.

Fund Management Fee: Fees that are deducted from fund assets before earnings are distributed to shareholders. Fund management fees include fees charged by the fund's investment advisor for managing the fund and selecting its portfolio of securities, fund administrative fees, investment fees, mortality and expense fees, 12b-1 fees, operating expenses, and other miscellaneous expenses.

Miscellaneous A&M Fee Maximums:

Internal Transfer Fee: Fees that are charged on transfers between funds or within fund families with the same vendor. Annuity products may not charge transfer fees on internal fund transfers. Mutual fund products may charge transfer fees on internal fund transfers.

External Transfer Fee: Fees that are charged on transfers to a different vendor. There is no restriction on external transfer fees.

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The fee that appears in each fee category is the highest fee the vendor charges for any authorized investment option that is part of that product line. Other investment options within that product line may have lower fees.

The Texas A&M University System Maximum Fee Standards (effective 3/1/2001)		5.75%	Annual Policy Fee \$35; Custodial Fee/Asset Mgmt. Fee \$100 or 1%	Non-rolling 7% over 7 yrs Rolling 5% over 5 yrs		2.75%
				<i>Surrender Charge</i>		
<i>Vendor Name</i>	<i>Product Type (Product Name)</i>	<i>Maximum Front-End Sales Load</i>	<i>Maximum Annual Policy Fee (PF)/ Annual Custodial Fee (CF)</i>	<i>Maximum</i>	<i>Rolling or Non-rolling</i>	<i>Maximum Fund Mgmt. Fee</i>
AIG/VALIC ORP & TDA (Roth option)	VA – ORP (Portfolio Director)	None	None	None	N/A	2.43%
	FA – ORP	None	None	None	N/A	None
	VA – TDA (Portfolio Director)	None	None	None	N/A	2.43%
	FA – TDA	None	None	None	N/A	None
CitiStreet/Metlife ORP & TDA	VA (Universal Annuity)	None	PF-\$30	5% over 5 yrs	Rolling	2.60%
Fidelity Investments ORP & TDA (Roth option)	MF (Multiple fund family provider)	None	None	None *Short term redemption fees may apply on certain funds to deter market timing	N/A	1.53%
ING Financial Services ORP & TDA (Roth option)	VA – ORP	None	None	None	N/A	2.34%
	FA – ORP	None	None	None	N/A	None
	VA – TDA	None	None	5% over 6 yrs	Non-rolling	2.59%
	FA – TDA	None	None	5% over 6 yrs	Non-rolling	None
Lincoln Financial Group ORP & TDA (Roth Option)	VA – ORP	None	None	None	N/A	2.09%
	VA – TDA	None	None	6% over 7 yrs (waived for qualified event)	Non-rolling	2.09%
	MF – ORP/TDA (Alliance Program)	None	None	None	N/A	1.50%
Merrill Lynch ORP & TDA	MF – Class A	5.75%	CF-\$50	None	N/A	1.13%
	MF – Class B	None	CF-\$50	4% over 4 yrs	Rolling	2.30%
	MF – Class C	None	CF-\$50	1% over 1 yr \$50 termina- tion fee*	Rolling	2.59%

**The A&M System does not limit these fees.*

The Texas A&M University System Maximum Fee Standards (effective 3/1/2001)		5.75%	Annual Policy Fee \$35; Custodial Fee/Asset Mgmt. Fee \$100 or 1%	Non-rolling 7% over 7 yrs Rolling 5% over 5 yrs		2.75%
				Surrender Charge		
Vendor Name	Product Type (Product Name)	Maximum Front-End Sales Load	Maximum Annual Policy Fee (PF)/ Annual Custodial Fee (CF)	Maximum	Rolling or Non-rolling	Maximum Fund Mgmt. Fee
Security Benefit Life Insurance Co. ORP & TDA (Roth option)	VA (Variflex LS)	None	CF-0.15% during accumulation phase	None	N/A	2.74%
	VA (Variflex)	None	PF-\$30	7% over 7 yrs	Non-rolling	2.59%
	VA (Variflex Signature)	None	CF-0.15% during accumulation phase	6% over 6 yrs	Non-rolling	2.74%
	VA (Secure Designs)	None	PF-\$30	7% over 7 yrs	Non-rolling	2.24%
	MF – Class A	5.75%	PF-\$25	N/A	N/A	2.10%
	MF – Class B	None	PF-\$25	5% over 5 yrs	Rolling	2.48%
	MF – Class C	None	PF-\$25	1% over 1 yr	Rolling	2.48%
RS Group ORP & TDA	MF – Class A	None	CF-1/12 of 1% per month	None 2% redemp- tion fee held < 30 days	N/A	2.07%
TIAA-CREF ORP & TDA	VA	None	None	None	N/A	0.63%
	FA	None	None	None	N/A	None
	MF	None	None	N/A	N/A	0.80%
USAA Life Ins./Investment Management Co. ORP & TDA	FA (Flex. Retirement Annuity)	None	None	7% over 7 yrs	Non-rolling	None
	FA (Personal Pension Annuity)	None	None	Contract is nonsurrender- able	N/A	None
	MF	None	None	\$20 redemp- tion fee*	N/A	1.61%

*The A&M System does not limit these fees.

Key

AV=Account value

CF=Annual custodial fee

FA=Fixed annuity

MF=Mutual fund

ORP=Optional Retirement Program

PF=Annual policy fee

TDA=Tax-Deferred Account

VA=Variable annuity