To start your retirement plan, you'll need to allocate your investment dollars. TIAA-CREF recommends that you consider the following when determining your asset allocation: 

Q: What are the benefits of TIAA-CREF Investment Solutions? 
A: TIAA-CREF Investment Solutions offers a broad and diversified menu to appeal to different types of investors. With TIAA-CREF Investment Solutions, you will be able to satisfy your needs for diversification through investment in our broad-based accounts, or exercise more specific control by emphasizing certain types of asset classes.

Q: Why did TIAA-CREF decide to make this new offering available? 
A: Because every investor is different in relation to risk tolerance, and has for her own needs. Also, the many evolution of the marketplace, investment consultants is interested in creating their mutual fund and equities, as well as each class from a wide range of funds.

Q: What are the advantages of the new mutual fund offerings? 
A: TIAA-CREF's new mutual fund offerings focus on specific market segments, such as international companies, large, medium and small capitalization* companies, growth-oriented companies and value companies. The funds employ the same principles used in managing our more broadly diversified funds.

- They are low cost. 
- They will be fully invested in the designated sector. 
- They will employ benchmark strategies that keep their returns relatively close to their respective benchmarks.

Q: Which investors will be most interested in these new accounts? 
A: We understand that every investor's risk comfort level will be different; therefore, TIAA-CREF offers new risk alternatives for investors other than equities and fixed income in their long-term portfolios. In general, TIAA-CREF model portfolios are diversified at least across three of our five asset classes.

Can I still participate in TIAA-CREF's new assets? 
Yes, you will continue to have access to TIAA-CREF's broadened diversified accounts that have been meeting the needs of investors. Now you can also participate in your choice of new asset classes, as well as each class from a wide range of funds.

Can you explain the difference between a fixed annuity, a variable annuity and a mutual fund? 
An annuity is a contract by which an insurance company agrees to make regular payments to someone for life or for a fixed period. Annuities are generally for the long-term participant and hold liquidity risks. There are two types of annuities, fixed and variable. A fixed annuity guarantees principal and a specified interest rate and may also offer dividends—based on the claims-paying ability of the issuing company. A variable annuity does not make any guarantees. Its return and the value of your retirement accumulation are dependent on the investment performance of the underlying securities in its portfolio.

For the purposes of a retirement plan, the main difference between variable annuities and mutual funds is that variable annuities are intended for investors with a specific need for income over the long-term, whereas mutual funds are intended for those who wish for receiving income in the same manner as an annuity.

Continued on next page
Q: How does this new process differ from the current one?

A: The difference is that it will now be a two-step process.

Q: What kind of support will TIAA-CREF provide me with?

A: There is no product advantage to investing in our fixed and variable annuity accounts – are used in this proposed model. If you want to go further and receive guidance that reflects your individual investment preferences, step two of the process offers five additional asset allocation guidance for these new choices.

A: Yes, you can have future premiums directed to an annuity account in order to elect the lifetime payment feature that annuity contracts provide.

Q: What about taxes on mutual funds in my retirement plan?

A: No. Mutual funds do not offer the option of guaranteed lifetime income. Systematic withdrawals or lump-sum payments are the only options available through mutual funds. You must transfer the accumulations in your mutual fund investments to an annuity account in order to elect the lifetime payment feature that annuity contracts provide.

Q: May I own both mutual funds and annuities in my retirement portfolio?

A: Yes, to maintain a level of diversification that’s right for you, you may want to consider owning a combination of both annuities and mutual funds.

Q: Is there an advantage to owning one or the other?

A: Since both annuities and mutual funds are within your TIAA-CREF-funded retirement plan, your beneficiaries are covered under the terms of the plan. If you had after-tax annuities and mutual funds, the rules would be different, since annuities are insurance contracts.

Q: Will I be able to make the same kinds of retirement income withdrawals from mutual funds that I can with my TIAA-CREF guaranteed and variable annuities?

A: No. Funds do not offer the payout advantage of an annuity. Mutual funds do not include such lifetime payout provisions, but mutual funds offered by TIAA-CREF Investment Solutions may be transferred into an annuity.

Q: How does the new process differ from the current one?

A: The difference is that it will now be a two-step process. The first step assesses your risk tolerance and provides a proposed model portfolio based on that risk tolerance. The first step offers five additional asset allocation choices. One payout advantage of an annuity is that it already includes a provision through which payments can be made over your lifetime or for a specific period of time. Mutual funds do not include such lifetime payout provisions, but mutual funds offered by TIAA-CREF Investment Solutions may be transferred into an annuity.

Q: What kind of support will TIAA-CREF provide me with in terms of asset allocation guidance for these new choices?

A: Asset allocation guidance for our “core” investment menu (ten annuity accounts and nine mutual funds) will be provided just like we do now for your annuity accounts. You will be asked to answer a questionnaire; the answers will yield a proposed model portfolio for your consideration.

Q: Are the rules for beneficiaries different for mutual funds than they are for fixed and variable annuities?

A: Yes, to maintain a level of diversification that’s right for you, you may want to consider owning a combination of both annuities and mutual funds.

Q: If I’m reallocating my portfolio, can I have future contributions directed to mutual funds in the same way that I can with my guaranteed and variable annuities, and can I transfer funds as well?

A: Yes, you can have future premiums directed to the mutual funds in your retirement plan (if eligible). You can also transfer funds from your annuity accounts to the mutual funds. You can transfer funds at any time through the TIAA-CREF Web Center (www.tiaa-cref.org) and through the Automated Telephone System (ATS) at 800 842-2252. Transfers may also be made by speaking with a TIAA-CREF Consultant at our toll-free phone network at 800 842-2318, 8 am to 10 pm ET weekdays, and 9 am to 6 pm ET Saturdays.

Q: Will I be able to make the same kinds of retirement income withdrawals from mutual funds that I can with my TIAA-CREF guaranteed and variable annuities?

A: No. Funds do not offer the option of guaranteed lifetime income. Systematic withdrawals or lump-sum payments are the only options available through mutual funds. You must transfer the accumulations in your mutual fund investments to an annuity account in order to elect the lifetime payment feature that annuity contracts provide.

Q: What about taxes on mutual funds in my retirement plan, are they taxed differently than variable annuities?

A: TIAA-CREF Mutual Funds held in your retirement plan are tax-deferred investments. That means contributions and investment earnings in your account are not taxed for capital gains. You pay taxes when you receive income during retirement.

Q: Are the rules for beneficiaries different for mutual funds than they are for fixed and variable annuities?

A: Yes, to maintain a level of diversification that’s right for you, you may want to consider owning a combination of both annuities and mutual funds.