



TIAA-CREF LIFE GOALS SERIES

INVESTING FOR LIFE'S GOALS

SAVING FOR MAJOR PURCHASES
AND OBJECTIVES



FINANCIAL SERVICES
FOR THE GREATER GOOD®

TIAA-CREF: FINANCIAL SERVICES FOR THE GREATER GOOD

OUR COMMITMENT

TIAA-CREF is dedicated to serving the financial needs of those, like you, who work in the academic, medical, cultural and research fields. With our strong nonprofit heritage, we subscribe to guiding principles that are directly influenced by the people we serve.

We are committed to seeking consistent, long-term performance and solid returns. We aim to provide you the best overall value in a number of ways. To name but a few, we strive to keep our fees low to help you maximize your investable assets and ensure more of your money is working hard for you. We offer personalized, objective advice by noncommissioned consultants* to help ensure that your best interests are always being served. Our consultants will only recommend products that help achieve our clients' goals. And, we leverage our knowledge and expertise, based on more than 90 years in the retirement plan business, to provide retirement-income solutions that guarantee you won't outlive your income when you are retired.**

OUR MISSION

The mission we embarked on in 1918 still rings true today. We are dedicated to serving the financial needs of people, like you, who are serving the greater good. TIAA-CREF not only aims to serve you throughout your career, we are also committed to helping you to and through your retirement years.

* Our consultants receive no commissions. They are compensated through a salary-plus incentive program that emphasizes client service excellence as well as financial results.

** Guarantees are based on the claims-paying ability of the issuer, and apply only to certain annuity products.

CHECK OUT THE ENTIRE TIAA-CREF LIFE GOALS SERIES:

SAVING FOR RETIREMENT

INVESTING AT WORK AND ON YOUR OWN

SAVING FOR EDUCATION

FINDING THE RIGHT WAY TO PAY FOR COLLEGE

INVESTING FOR LIFE'S GOALS

SAVING FOR MAJOR PURCHASES AND OBJECTIVES

PROTECTING AGAINST THE UNEXPECTED

INSURING AND SAFEGUARDING YOUR LOVED ONES

BUILDING YOUR LEGACY

DEVELOPING AN ESTATE PLAN

LIVING WELL IN RETIREMENT

MANAGING YOUR INCOME AND EXPENSES



HOW YOU CAN INVEST FOR LIFE'S GOALS

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Think about what you want to achieve and how much you'll need to save

4 BALANCE TIME AND RISK

Set a target date for each goal and determine how much risk you're comfortable taking on

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Take a balanced approach to help reduce volatility, lower risk and stay on strategy

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We put your interests first

9 YOUR CHECKLIST AND NEXT STEPS

Contact us by phone, e-mail or in person





DREAM...THEN PRIORITIZE

How can you get started saving today for the things you want tomorrow?

Every month, you have a certain amount of income. But you also have dreams, maybe some big ones. How can you reconcile the two?

You start by getting your priorities in order. It's possible to reach all of your goals, but not necessarily at the same time. By prioritizing your goals, you can start making solid plans for how to reach each of them.

Most people have some idea of what they'd like to achieve, experience or acquire over the course of the coming years. You can start by doing some dreaming about where you want to be, not just next year or even the next five to ten years. How do you visualize your life in the near and distant future? If you have a spouse or partner, it's a good idea to factor in his or her goals as well.

CREATE A CONCRETE SAVINGS PLAN

While everyone's financial situation is unique, most people have dreams that cost money and require a plan.

The first step is to define your savings goals. Some typical life goals that require financial planning include:

- Paying off credit cards or other debts
- Down payment on a first home
- Home improvements or renovations
- Wedding or other family event
- Travel

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- Down payment on a vacation or retirement home
- Down payment or purchase of a new car, boat or recreational vehicle
- Charitable gifts or bequests

Of course these goals are in addition to major endeavors like saving for your retirement or your children's education. For detailed information on these topics, please contact us for our informative booklets, *Saving for Retirement* and *Saving for Education*.

OUTLINE THE SPECIFICS

Once you've set some financial goals and prioritized them, your next step is to figure out how much money you'll need for each one.

To a great extent, your ability to plan depends on:

- The size of the goal—how much you'll need to save;
- When you'd like to reach it — whether it is a short-, medium- or long-term goal;
- Your resources today — the amount you can commit to saving on a regular basis.

You have some control over these factors. For example, you might have some flexibility in terms of the target date you set for reaching each goal. If you can't comfortably save enough each month to get there in three years (which would be considered a short-term goal), then change it. You can make it a medium-term goal by moving out your deadline to five or six years to soften the impact that saving will have on your current lifestyle.

Or, you might consider tweaking another factor: Could you reach your goal in three years instead of five if you sacrificed some things today that aren't as important as tomorrow's goal? Or perhaps you could get to your goal sooner by finding a way to generate extra income.

TIAA-CREF CAN HELP YOU PLAN FOR COMPETING GOALS

If you have more than one financial goal to save for, planning gets slightly more complicated, since you need to weigh your competing priorities. A TIAA-CREF consultant can work with you to create a budget, savings schedule and investment strategy that takes all of your goals into account.

TIAA-CREF offers a selection of investment products and services to help you pursue your goals, including:

- Mutual funds
- Brokerage services
- Money market accounts and CDs

See Page 7 for more information.

SAVING FOR LIFE'S SURPRISES

To make sure you have a financial cushion to fall back on in an unexpected event, like an illness or layoff, most financial planners recommend that you have three to six months' worth of basic living expenses in savings or invested in short-term vehicles, such as money market mutual funds.

BALANCE TIME AND RISK

What should you think about when mapping out a plan? Start with your time horizon, the number of years you have to save before you need to use the money.

INVESTING FOR THE SHORT TERM WITH TIAA-CREF

For money that you'll need in less than three years, consider:

- TIAA-CREF's Cash Solutions Account, a comprehensive cash management solution that is available through our Brokerage Services, offers a competitive yield, check writing, a MasterCard® debit card and more*
- TIAA-CREF money market funds and short-term bond funds, which are available with no loads or sales charges
- Certificates of deposit, FDIC-insured offerings from banks, which are conveniently available in a TIAA-CREF Brokerage Services account,* in maturities that match your investment time frame

For assistance determining the best option for you, contact a TIAA-CREF consultant.

A good way to begin planning is to categorize your goals by time horizon. Once you have an idea of how much time you have to save for each, you can choose an investment strategy for each goal. Time horizons are typically divided into three categories:

- Short term (less than three years)
- Medium term (three to nine years)
- Long term (ten or more years)

GAUGE YOUR RISK TOLERANCE

As a rule, the potential return of any investment corresponds to its level of risk. Most experts agree that an appropriate investment strategy strikes a balance between the risk that your investment's value may go up or down, and the amount of time you have before you'll need the money. This "risk vs. reward" strategy generally assumes that if your time horizon is short, you want less volatility at the cost of lower returns. The longer your horizon, the more risk you can take on in exchange for the possibility of a greater reward.

The capacity for tolerating risk varies from person to person. Ultimately, your strategy should include a mix of investments that corresponds with your time horizon, provides the opportunity for the returns you'll need to achieve your goals — but still allows you to sleep comfortably at night.

MATCH INVESTMENTS TO YOUR TIME HORIZON

SHORT TERM: KEEP IT SAFE

For short-term goals, you're looking for safety and liquidity. By safety we mean that the investment offers a stable, predictable return. Returns in short-term investment types are typically modest to moderate, but that's because they are so stable. By liquidity, we mean that you can get at your money quickly, without having to wait until a certain date to withdraw it, or being penalized for withdrawing it early.

Money market investments are often used to "park" money in the short term. Considered the equivalent of cash, they tend to be extremely stable. You earn interest (usually a minimal amount) on the money you invest and you're free to withdraw it at any time, for any reason, without penalty. (While most money market funds seek to maintain a stable value of \$1 per share, most investments in these funds are not guaranteed.)

You might also consider a **mutual fund specializing in short-term bonds**. These fixed-income investments generally have had a higher return than money market funds, but the value of bond funds can vary. Generally, short-term bond funds are less volatile than longer-term bond funds or stock funds.

* Brokerage fees apply

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If you're willing to commit your money for a set period of time (such as three months, six months or a year or more), **certificates of deposit (CDs)** provide a guaranteed return on investment in the form of an interest payment at maturity. They can be a good choice if you're sure of your investment time frame. However, if you liquidate your CD early, you will pay a penalty in the form of forfeiting some of your interest.

MEDIUM TERM: FOCUS ON BONDS

If you can invest for three to nine years, you can afford to exchange some predictability for the potential for better returns over time. While cash may be king in terms of predictability and liquidity, fixed-income investments, such as bonds, can be considered a close second.

Bond mutual funds come in all shapes and sizes, each focusing on a different slice of the bond market, such as municipal bonds, high-yield bonds and inflation-linked bonds. A broad bond fund might also invest across the entire bond market. Managers buy and sell bonds, and you have the opportunity to receive dividends on your investments. You can buy or sell shares of the fund as you wish, without regard to the maturity dates of the bonds that the fund manager purchases on behalf of the fund's shareholders.

Although each fund is different, general bond funds are considered moderately risky in terms of volatility and the potential for investment returns. With bonds, it's generally a good idea to invest money that you can leave in the fund for three years or more. Funds that invest in fixed-income securities are not guaranteed and are subject to interest rate, inflation and credit risks.

LONG TERM: GO FOR POTENTIAL GROWTH

If you've got 10 or more years to invest, you may have the opportunity to ride out and recover from most downturns in the stock market in exchange for the potential for greater gains.

For long-term goals, you may want to consider **stocks** and/or **real estate**. While historical returns are no guarantee of future performance, investors have tended to consistently earn larger gains over the long term by investing in stocks. Of course, with the potential for greater gains comes greater risk.

INVESTING FOR MEDIUM-TERM GOALS WITH TIAA-CREF

For money that you'll need in three to nine years, consider:

- TIAA-CREF fixed-income (bond) funds, outlined on Page 7, which are available without loads or sales charges
- Individual bonds (such as tax-free municipal bonds from your state) and bond funds from many leading mutual fund families, which can be held in a TIAA-CREF Brokerage Services account
- Balanced mutual funds or mixed portfolios of individual stocks and bonds, also available through a TIAA-CREF Brokerage Services account

A TIAA-CREF consultant can provide you with guidance to help you make the right choices.

DETERMINE YOUR RISK TOLERANCE

Try to imagine how you would react if there was a big drop in the value of your investments. Would you panic and sell them? Or would you be able to stay focused on your goal and stick to your strategy? When you think about risk, be honest with yourself. That way, you can find an investment strategy that is appropriate for your personal tolerance for risk.

DIVERSIFY YOUR INVESTMENTS

What's the most effective way to invest? Particularly for longer-term goals, most financial experts agree: Put your money into different baskets representing a variety of asset types (or "classes"). This is also referred to as diversification.

INVESTING FOR LONG-TERM GOALS WITH TIAA-CREF

For money that you'll need in 10 or more years, consider:

- TIAA-CREF's various equity (stock) funds listed on the opposite page
- Individual stocks and ETFs, which can be purchased and held in a TIAA-CREF Brokerage Services account

TIAA-CREF Brokerage Services allows you to buy, sell and hold U.S. stocks, taxable and municipal bonds, and ETFs. You may trade online, over the phone or with assistance from a consultant.

WHAT ARE ASSET CLASSES?

When you see the phrase "asset classes," that's referring to a standard set of investment types, which typically include:

- Equities (stocks)
- Fixed Income (bonds)
- Money Market
- Real Estate
- Guaranteed

DIVERSIFY YOUR INVESTMENTS — AND STICK TO YOUR PLAN

Diversifying your investments across a variety of asset classes (such as stocks, bonds, money market, real estate and guaranteed), can help to reduce the volatility of your portfolio and lower your overall risk.

If you include several asset classes in your portfolio, the upward movement of one asset class may help offset the downward movement of another as market conditions change over time. But keep in mind that there are always inherent risks associated with investing, and diversification does not protect you against loss or guarantee that you will meet your goals.

As with all securities, your accumulations can increase or decrease, depending on how well the underlying investments perform over time. TIAA-CREF does not guarantee the performance of the underlying investments.

KEEP ON COURSE BY REBALANCING REGULARLY

To keep your strategy on track, it's a good idea to periodically review the mix of investments in your portfolio. Since the value of assets can change over time, the amount of your portfolio in a particular asset class can change too. For example, say your strategy is to allocate no more than 50% of your portfolio to stocks. If stocks have done really well in the last year or two, they may have grown to be 70% of your portfolio, requiring an adjustment for you to stay true to your strategy.

To bring your investments back into balance, you could sell some of your stock investments and use the proceeds to purchase more of your other asset classes. Or you could add more money to your portfolio, buying assets other than stocks (such as bonds, money market or real estate) to re-establish your original asset allocation mix and return your portfolio to a comfortable level of risk.

Rebalancing is important not only for keeping your current strategy in place, but also in the event that there is a change in your investment goals, time horizon, tolerance for risk or other personal circumstances.

EXPLORE TIAA-CREF'S FINANCIAL SOLUTIONS

You can invest for almost any goal using TIAA-CREF mutual funds or Brokerage Services. At TIAA-CREF, our aim is to provide you with the best overall value. That's one of the reasons our funds have some of the lowest expense ratios in the industry.* TIAA-CREF Brokerage Services provides you with access to a full spectrum of investments including stocks, bonds and mutual funds from TIAA-CREF and other leading fund families, many with no loads or transaction fees.**

To invest for your life's goals, consider:

SHORT-TERM GOALS (LESS THAN 3 YEARS)

TIAA-CREF Retail Share Class Mutual Funds

- Money Market Fund
- Short-Term Bond Fund

Brokerage Services

- Cash Management Account
- Certificates of Deposit
- FDIC-Insured Money Market
- Money Market and Short-Term Bond Funds from a variety of fund families
- Taxable and Tax-Exempt Money Market securities

MEDIUM-TERM GOALS (3 TO 9 YEARS)

TIAA-CREF Retail Share Class Mutual Funds

- Bond Fund
- Bond Plus Fund
- High-Yield Fund
- Inflation-Linked Bond Fund
- Tax-Exempt Bond Fund

Brokerage Services

- Fixed-income (bond) funds from a variety of fund families
- Certificates of Deposit
- Individual taxable and tax-exempt bonds
- Balanced funds (mixtures of stocks and bonds) from a variety of fund families

LONG-TERM GOALS (10 OR MORE YEARS)

TIAA-CREF Retail Share Class Mutual Funds

- Equity Index Fund
- Growth & Income Fund
- Large-Cap Growth Fund
- Large-Cap Value Fund
- Mid-Cap Growth Fund
- Mid-Cap Value Fund
- Small-Cap Equity Fund
- Social Choice Equity Fund
- International Equity Fund
- Real Estate Securities Fund

Brokerage Services

- Equity (stock) funds from a variety of fund families
- Individual stocks and ETFs
- Options

TIAA-CREF also offers Private Asset Management for our participants with \$750,000 or more to invest. With this service, your assigned portfolio manager constructs and manages a portfolio of individual securities and mutual funds, paying close attention to the tax effects of purchases and sales made on your behalf.

* Morningstar Direct (June 2009) based on Morningstar expense comparisons by category.

** Fees apply to Brokerage Accounts.

WHAT MAKES TIAA-CREF DIFFERENT

OUR INTEREST IS TO SERVE YOUR INTERESTS

We understand the importance of helping you reach your financial goals. That's why we're steadfast in our belief that prudent investment selection, disciplined asset and risk management, effective diversification and maintaining low costs are the best strategies for success. We always stay focused on the best interests of our participants, with:

- **HONEST, OBJECTIVE ADVICE.** We offer personalized, objective advice, which *Forbes* calls "...the most extensive personal workplace advice" in the industry.¹ The advice sessions are delivered by noncommissioned consultants² to help ensure your best interests always come first. And, we leverage our knowledge and expertise to provide retirement income solutions that guarantee you won't outlive your income – even in challenging economic times.³
- **LOW FEES.** We keep operating costs low, charging fees that are less than half the industry average, as measured by Morningstar Direct (June, 2009, based on Morningstar expense comparisons by category). TIAA-CREF annuities and mutual funds come with no sales charges, and you won't pay a fee to transfer between investments.
- **A WIDE ARRAY OF INVESTMENTS WITH PROVEN TRACK RECORDS.**⁴ Among them, the TIAA-CREF variable annuity accounts and mutual funds. Having invented the variable annuity in 1952, TIAA-CREF has long pioneered its use in funding retirement investing. TIAA-CREF mutual funds have appeared frequently near the top of investment lists, such as *Barron's*, *The Wall Street Journal* and Lipper.
- **A COMMITMENT TO CONSISTENT GROWTH OVER THE LONG TERM.** TIAA-CREF's investment philosophy and competitive historical returns⁴ over the long run reflect a program designed to help you achieve your long-term financial goals. Our track record of consistent, long-term investment performance is supported by prudent risk management built on years of experience.
- **LEADERSHIP YOU CAN TRUST — SINCE 1918.** Through more than 90 years of evolving markets, what has never changed is TIAA-CREF's dedication to serving the needs of those in the academic, medical, cultural and research fields — an extraordinary group that deserves an extraordinary financial services organization. In fact, TIAA-CREF has paid out \$252 billion in annuity payments and other benefits since 1918.⁵

¹ *Forbes 2009 Retirement Guide*, "Playing the Numbers" (10/08). This claim should not be seen as an endorsement by *Forbes*.

² Our consultants receive no commissions. They are compensated through a salary-plus-incentive program that emphasizes client service excellence as well as financial results.

³ Guarantees are backed by TIAA's claims-paying ability.

⁴ Past performance cannot guarantee future results.

⁵ As of 12/31/08. Other benefits from TIAA and CREF include: Additional amounts paid on TIAA Traditional annuity contracts above the guaranteed rate, surrender benefits and other withdrawals, death benefits, health insurance and disability insurance benefits, and all other policy proceeds paid.



YOUR CHECKLIST

- ✓ **Get help defining your goals**

- ✓ **Determine the time frame you want to set for each goal**

- ✓ **For short-term goals, consider money market funds, short-term bonds, and CDs**

- ✓ **For medium-term goals, consider bond funds, individual bonds, balanced mutual funds, or a mixed portfolio of stocks and bonds**

- ✓ **For long-term goals, consider stock funds, individual stocks and ETFs**

- ✓ **Seek objective advice to build and manage your portfolio**

TAKE THE NEXT STEP

CONTACT US TODAY FOR MORE INFORMATION, ADVICE OR HELP OPENING AN ACCOUNT. IT'S EASY TO REACH US:

BY PHONE

Call us at **800 TIAA-CREF** (800 842-2273) to speak with one of our experienced consultants. They are available Monday to Friday, 8 a.m. to 10 p.m., and Saturday, 9 a.m. to 6 p.m. (ET).

ONLINE

Visit us at **tiaa-cref.org** to explore the many ways that we can serve your financial needs. To send an e-mail message to us, just click **Contact Us** at the top of the home page.

FINANCIAL EDUCATION SEMINARS AND INDIVIDUAL COUNSELING

At TIAA-CREF, as part of our commitment to providing you with the best overall value, we want to give you all the education and information you need to help you accomplish your financial goals. If you're participating in a TIAA-CREF retirement plan, we may offer a series of financial education seminars through your employer or at various locations in your local area. You may also be able to sign up and meet with a TIAA-CREF investment professional to assess your financial situation.

To schedule a meeting or locate a seminar in your area, visit **www.tiaa-cref.org/events** or call us at **800 TIAA-CREF (800 842-2273)**.

Money Market funds are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although these funds seek to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in these funds.

You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 877 518-9161, or go to tiaa-cref.org for a current prospectus that contains this and other information. Please read the prospectus carefully before investing.

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