

SERVING THE GOVERNMENT MARKET

**A TIAA-CREF Retirement Plan Presentation to:
The State of Kansas**

November 7, 2011



FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC.

GETTING STARTED

INTRODUCTIONS

Roderick B. Crane
Senior Director, Government Market

TODAY'S DISCUSSION

Who We Are and What We Believe

Trends In the Government Market

What We Offer

- A Range of Government Plans
- Investments
- Plan Sponsor Services
- Communication, Education and Advice

Why TIAA-CREF



TIAA-CREF: WHO WE ARE AND WHAT WE BELIEVE



FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC.

RETIREMENT IN AMERICA IS AT A CROSSROADS

Most Americans are woefully unprepared for retirement.

Numerous studies show that many people fear they have undersaved and will outlive their retirement savings. While over 60% think they will need \$250,000 or more for a secure retirement, 76% report having saved less than \$100,000.*

Lack of objective advice hinders participants from making the right investment decisions.

Workers often lack the knowledge to choose appropriate investments and diversify their savings. Investment and financial education can have a positive impact on participant investment decisions.

The solvency of Social Security remains a continuing worry.**

The Social Security trust fund will be depleted in about 35 years. The largest generation in American history has begun retiring. Some 76 million baby boomers will stop saving for retirement and begin to draw down their accumulated nest eggs.

Poorly diversified portfolios can potentially underperform over the long term.

Portfolios that are too aggressive or too conservative generally don't achieve the desired long-term returns.*

* Source: Employee Benefit Research Institute and Matthew Greenwald & Associates, Inc., Retirement Confidence Survey, 2011.
** www.PublicSquare.net

TIAA-CREF IS WELL POSITIONED TO HELP

We believe that retirement system design should offer flexibility and individual choice and provide genuine financial security. We advocate five key elements:

- **Build sufficient savings in core pension and supplemental plans:** Utilize automatic enrollment and employer and employee incentives that encourage contributions of 10%–14%
- **Help workers manage risk:** Provide a sufficiently diverse menu of 15–20 investment options
- **Provide workers advice and education:** Advice that incorporates each person's goals and tolerance for risk
- **Guarantee a portion of savings as income:** Low-cost fixed annuity option in retirement plans*
- **Encourage savings for health-related expenses:** Offer an incentive to save for retirement healthcare costs

* Guaranteed annuity subject to the claims-paying ability of the issuer.

"A comprehensive and sustainable system that provides genuine retirement security likely will incorporate elements of defined benefit plans and defined contribution plans. It would have to be affordable for employers and give employees a measure of security through guaranteed income that will last a lifetime...."



Roger Ferguson,
TIAA-CREF President and CEO
2010 Martin Feldstein Lecture
National Bureau of Economic Research

FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC.

5

TIAA-CREF: OUR MISSION

TIAA was established in 1918 with one central mission: to aid and strengthen academic, medical, cultural and research institutions and state and local governments by seeking to provide financial security for their employees.

Our mission remains the same today:

- **Commitment:** For more than 90 years, we have been serving the retirement needs of those who serve others, and we exist to serve our clients.
- **Excellence:** We adhere to the highest standards of performance and seek to demonstrate this in every action, from investment performance to our quality of service.
- **Respect:** We demonstrate high regard for our clients, one another, and our partners.
- **Integrity:** We do not compromise our high ethical standards.

WHO WE ARE

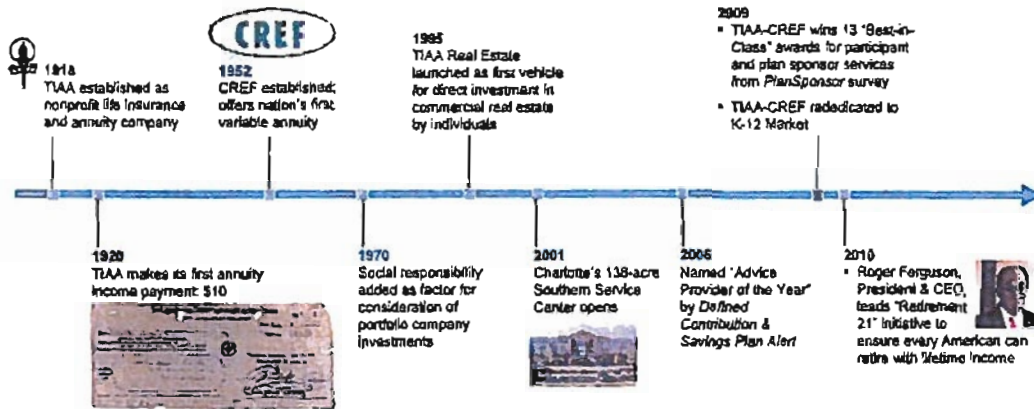
- 7,000 employees and 60 offices nationwide
- 15,000+ retirement plan clients
- \$475 billion in combined assets under management (3/31/2011)
- TIAA's strong capital position and highest rankings*

* Capital position applies to TIAA, the insurance company affiliate which backs TIAA Traditional and our other guaranteed products. TIAA has approximately \$24 billion in financial reserves as of December 31, 2010. For its stability, claims-paying ability and overall financial strength, TIAA currently holds the highest possible ratings from the four leading insurance company rating agencies: Standard & Poor's (AAA as of 4/11), Moody's Investors Service (Aaa as of 7/10), A.M. Best (A++ as of 2/11) and Fitch (AAA as of 4/10). These ratings don't apply to variable annuities, mutual funds or any other product or service not fully backed by TIAA's claims-paying ability. Ratings are subject to change and are not guaranteed.

FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC.

6

HISTORICAL PERSPECTIVE – AN INNOVATOR AND PIONEER



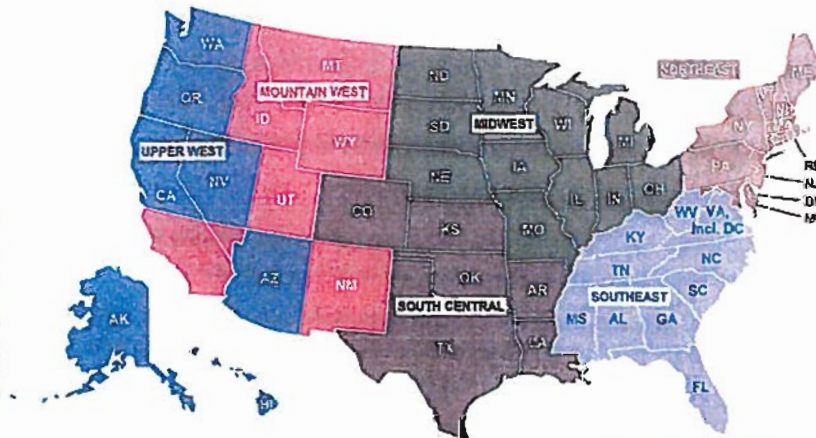
FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC.

7

TIAA-CREF STRATEGIC SALES

Government Segment Head
Rich Miller
Vice President, Government Market
1670 Broadway
Denver, CO 80202
Tel: 303 607-2700
Mobile: 303 748-3971
miller@tiaa-cref.org

Segment Deal Strategist
Rod Crane
Senior Director, Government Market
1670 Broadway
Denver, CO 80202
Tel: 303 607-2898
Mobile: 303 483-1865
rcrane@tiaa-cref.org



David Ray
VP of Strategic Sales
Mobile: 972 768-6432
Office: 214 628-6321

Ken Monahan
Director of Team Selling
Mobile: 781 879-2889
Office: 617 788-9853

UPPER WEST REGION
Michael McAsampy
Mobile: 602 626-6760 Office: 602 655-7707

SOUTH CENTRAL
Tom O'Leary
Mobile: 719 582-9373 Office: 719 582-9298

SALES CONSULTANT (WEST)
Jeanne Jones
Mobile: 214 601-4100 Office: 512 631-7658

MIDWEST
Andy Kelleher
Mobile: 312 854-0338 Office: 312 345-6640

SOUTHEAST
Pete D'Angelo
Mobile: 813 545-3426 Office: 813 632-6103

SALES CONSULTANT (EAST)
Rene Brunton
Mobile: 678 404-4354 Office: 678 728-3293

NORTHEAST
Sara Robinson
Mobile: 617 651-6695 Office: 617 788-6354

MOUNTAIN WEST REGION
Kurt Ruter
Mobile: 623 335-0776 Office: 602 593-7705

SALES CONSULTANT (EAST)
Mike Boyd
Mobile: 703 952-1100 Office: 404 246-4614

FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC.

8



TRENDS IN THE GOVERNMENT MARKET



Financial Services

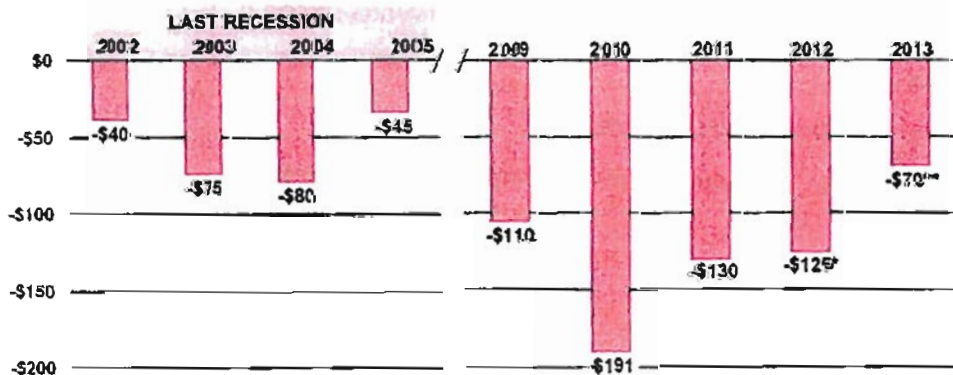
FOR INSTITUTIONAL INVESTOR ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC.

WITH LOWER REVENUES, STATE AND LOCAL GOVERNMENTS FACE BUDGET SHORTFALLS

States continue to struggle to find revenue to cover critical services, an issue that will likely continue beyond 2012.

LARGEST STATE BUDGET SHORTFALLS ON RECORD

Total state budget shortfall in each fiscal year, in billions



* Report to date.

** Preliminary

Source: Center on Budget and Policy Priorities, "States Continue to Feel Recession's Impact," February 2011.

FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC.

COST OF PUBLIC PENSION FUNDING IS INCREASING

Several factors are contributing to the increase of public pension funding expenses:

- With returns lower than expected, market losses are driving up costs
- Delayed funding has not been made up by market returns
- Unfunded benefit increases have not been offset by budget increases
- Pension benefit abuses have a negative impact (i.e.: double-dipping)

CHALLENGES WITH REVISING EXISTING DB PLANS

There are numerous challenges that prevent states from fully addressing the issues associated with traditional DB plans.

- Stakeholder resistance
- Limited financial resources
- Pension liabilities that are large relative to tax revenue base
- Transition costs
- Uncertainty about funding rate risk
- Vigorous debate over pension investment return assumptions



**TIAA-CREF:
WHAT WE OFFER**

- PLAN TYPES
- INVESTMENTS
- PLAN SPONSOR SOLUTIONS
- COMMUNICATION, EDUCATION AND ADVICE

FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC.

THE THREE CORE ELEMENTS INTEGRAL TO GOVERNMENT RETIREMENT

Each of these three key components plays an important role in helping to ensure retirement sufficiency for government participants:

CORE PENSION PLAN	SOCIAL SECURITY	SUPPLEMENTAL PLANS
Typically offered as a defined benefit plan and intended to help replace income at retirement.	May or may not be available to government employees, depending on local government participation.	Typically a 457(b) plan designed to help employees build personal savings.

TIAA-CREF PROVIDES THREE TYPES OF RETIREMENT PLANS ADDRESSING THE NEEDS OF GOVERNMENT PROGRAMS

We design and manage plans with a holistic view, embracing the necessary elements of a government retirement program:

DEFINED CONTRIBUTION PLANS FOR A CORE PENSION

Designed as either a Hybrid DB/DC plan or a standalone Core DC plan

SUPPLEMENTAL PLANS (457, 401(k), 401(a))

RETIREE HEALTHCARE PROGRAMS

FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC.

15

HYBRID DB/DC AND CORE DC PLANS OFFER TWO OPTIONS FOR MANAGING PENSION FUNDING RISKS

HYBRID DB/DC PLAN	CORE DC PLAN
<ul style="list-style-type: none"> ▪ Features a reduced DB benefit with a new risk-managed DC component, so that the two plans exist side-by-side ▪ Reduces sole reliance on traditional DB plans 	<ul style="list-style-type: none"> ▪ Eliminates sole reliance on traditional DB plans

- Unlike traditional 401(k)-style plans, which focus on asset accumulation, both of these plan models focus on seeking to provide retirement security
- The DB/DC and Core DC plans can be open to new and existing employees, depending on plan structure and local state regulations
- Both plan structures help provide government plan sponsors with more predictable costs and outcomes

FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC.

16

INVESTMENTS: GUIDING PRINCIPLES

We believe effective retirement programs should include:

CHOICES SUITABLE FOR ALL EMPLOYEES

- Majority of employees are advice-dependent or want a simple solution
- Some customize but seek affirmation
- Others will build their own portfolio

COMPETENT FIDUCIARY MECHANISMS

- Benefits and investment policy should address process, prudence and documentation
- Effective process should facilitate and not sacrifice participant outcomes

OFFERINGS DESIGNED TO ACCUMULATE WEALTH AND GENERATE LIFETIME INCOME

- A diversified, low-cost menu is the best strategy for long-term retirement investing

FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC.

17

INVESTMENTS: OUR OPEN ARCHITECTURE PLATFORM

Our recordkeeping platform provides open investment architecture and broad menu discretion with:

- No proprietary fund requirements
- Investment menu neutral pricing
- Access to a variety of risk-managed retirement income products, including annuities and stable value
- Availability of a self-directed brokerage window

FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC.

18

AN APPROACH TO LONG-TERM STABILITY

TIAA-CREF

- **Consistent, Retirement-Focused Investment Approach.** Our skilled money managers focus on strategies designed to help provide financial security in retirement.
- **Broad Claims-Paying Ability.** TIAA-CREF paid out approximately \$10.5 billion to 500,000 participants in 2010.

INDUSTRY ANALYST	RATING/DATE
A.M. Best Company	A++ (2/11)
Fitch	AAA (4/10)
Moody's Investors Service	Aaa (7/10)
Standard & Poor's	AAA (4/11)

TIAA (life insurance company affiliate)

- **Strong Capital Position.** TIAA has approximately \$18 billion in financial reserves as of December 31, 2010.
- **Highest Ratings.** TIAA triple-A ratings – the highest possible – were recently reaffirmed by the nation's four leading ratings agencies.*

* TIAA has received the highest ratings for its stability, claims-paying ability and overall financial strength. These ratings do not apply to variable annuities, mutual funds or any other product or service not fully backed by TIAA's claims-paying ability. Ratings may be affirmed or adjusted at any time. There is no guarantee that current ratings will be maintained.

FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC.

19

PARTNERING WITH YOU TO DELIVER QUALITY PLAN SPONSOR SOLUTIONS

Serving plan sponsors is one of our most important jobs as a plan provider.

We aim to **SIMPLIFY THEIR ADMINISTRATIVE BURDEN** and provide a suite of plan management and fiduciary services that can help to **MAKE THEIR JOBS EASIER**, and at the same time **PROVIDE A SMOOTH EXPERIENCE** for their employees.

In September 2010, CEFEX, Centre for Fiduciary Excellence, awarded TIAA-CREF the American Society of Pension Professionals and Actuaries (ASPPA) Retirement Plan Service Provider Certification for our adherence to excellence in retirement plan recordkeeping.

FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC.

20

PLAN SPONSOR SERVICES: FULL SUITE OF COMPLIANCE & FIDUCIARY SUPPORT SERVICES

TIAA-CREF's recordkeeping platform, processing standards and specially trained teams ensure compliance needs are met

Plan Financial Reporting Services	Compliance Services	Plan Document Services	Fee and Revenue Transparency
<ul style="list-style-type: none"> • Summary Annual Reports • Schedule of Assets Held • Electronic Filing • Audit Services • SAS 70 	<p>Limits</p> <ul style="list-style-type: none"> ▪ 402(g) ▪ 457(b) ▪ 457(b) 3-Year Catch-up ▪ Age 50 catch-up <p>Loan and hardship monitoring</p>	<ul style="list-style-type: none"> ▪ 401(a) prototype ▪ 401(k) prototype ▪ 457(b) specimen 	<p>Fully disclose all fees and revenue-sharing arrangements at or above regulatory requirements</p>

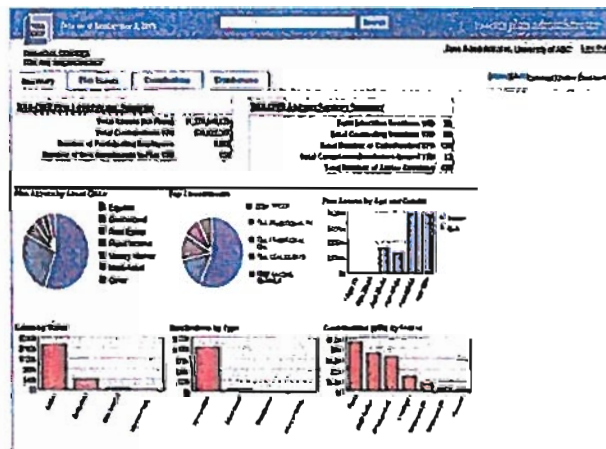
FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC

21

PLAN SPONSOR SOLUTIONS: EFFICIENT, CENTRALIZED PLAN MANAGEMENT

TIAA-CREF's secure plan administrator website provides convenient access to data and plan administration services

- Employee Account Information
- Contribution Data and Remittances
- Individual and Group Employee Enrollment
- Salary Reduction Agreements
- Compliance Reports
- Plan-Level Report Templates
- Report Run Scheduling and Alerts



FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC

22

COMMUNICATION, EDUCATION AND ADVICE: THE BUSINESS CASE

TIAA-CREF is committed to helping people think about their futures and how they must plan to achieve their retirement goals. That's why **QUALITY** and **DISTINCTIVENESS** in our **COMMUNICATION**, **EDUCATION** and **ADVICE** programs have been an ongoing focus of ours.

In September 2010, TIAA-CREF was recognized by The Profit Sharing 401(k) Council of America (PSCA) by winning an Education Award for our robust Advice Program.

FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC.

23

COMMUNICATION, EDUCATION & ADVICE: MULTIPLE CHANNELS TO SUIT EMPLOYEE PREFERENCES



FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC.

24

COMMUNICATION, EDUCATION AND ADVICE: MULTIPLE CHANNELS TO MAXIMIZE ENGAGEMENT

We believe financial literacy is the primary driver of financial security in retirement. Our messages, delivered through a variety of mediums, are educational and objective.

- Investment education
- Monitoring and rebalancing concepts
- Asset allocation and diversification principles
- Income needs and distribution options
- Planning and investment strategies
- Integrating life's other goals



WEBSITE TOOLS AND RESOURCES



APPS AND DOWNLOADS



SOCIAL MEDIA



E-NEWSLETTERS, TARGETED MAILINGS



PLANNING BROCHURES



QUARTERLY STATEMENTS

FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC.

25

TIAA-CREF PARTICIPANT WEBSITE (tiaa-cref.org) EMPLOYEES PLAN, MANAGE AND TRANSACT WITH EASE

REVIEW

- Account balances and plan contributions
- Transaction confirmations
- Quarterly statement information

PLAN

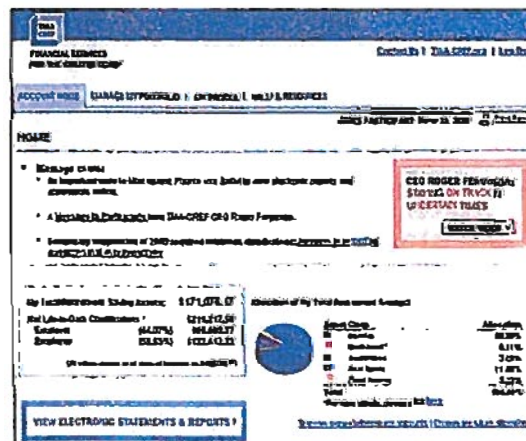
- Retirement illustrations
- Planning tools and calculators
- Financial planning help and resources

TRANSACT

- Fund transfers
- Asset allocation changes
- Loans and withdrawals, if available

UPDATE PROFILE

- Personal information, beneficiary elections
- Banking and tax withholding information
- Edelivery preferences



FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC.

26



**WHY TIAA-CREF?
HELPING YOU MEET
THE NEEDS OF YOUR
EMPLOYEES**



Financial Services

FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC.

**THE TIAA-CREF DIFFERENCE
EXPERTISE, STABILITY AND STRENGTH**



* Source: LIMRA, Not-for-Profit Market Survey, fourth-quarter 2010 results. Average assets per participant based on full-service business. Survey findings are likely the result of a number of factors and are not necessarily indicative of management capabilities or investment performance. Investing in securities involves the risk of loss of principal.

** Applies to TIAA, the insurance company affiliate which backs TIAA Traditional and our other guaranteed products.

*** TIAA has approximately \$24 billion in financial reserves as of December 31, 2010.

† For its stability, claims-paying ability and overall financial strength, TIAA currently holds the highest possible ratings from the four leading insurance company rating agencies: Standard & Poor's (AAA as of 4/11), Moody's Investors Service (Aaa as of 7/10), A.M. Best (A++ as of 2/11) and Fitch (AAA as of 4/10). These ratings don't apply to variable annuities, mutual funds or any other product or service not fully backed by TIAA's claims-paying ability.

FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC.

IMPORTANT INFORMATION

TIAA-CREF Individual & Institutional Services, LLC and Teachers Personal Investors Services, Inc., members FINRA, distribute securities products. Annuity contracts and certificates are issued by Teachers Insurance and Annuity Association (TIAA) and College Retirement Equities Fund (CREF), New York, NY.

TIAA-CREF products may be subject to market and other risk factors. See the applicable product literature, or visit tiaa-cref.org for details.

You should consider the investment objectives, risks, charges and expenses carefully before investing. Go to tiaa-cref.org for a prospectus that contains this and other information. Please read the prospectus carefully before investing.

©2011 Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF), 730 Third Avenue, New York, NY 10017

C50893

FOR INSTITUTIONAL INVESTOR USE ONLY. NOT FOR USE WITH OR DISTRIBUTION TO THE PUBLIC.

29