

## Weathering volatile financial times

Many employees are concerned about recent developments in the financial services industry and the long-term health and viability of some firms. They are particularly interested in how these events affect their own retirement plan investments.

These recent events — including distressed mergers, acquisitions and government bailouts — are extremely unusual but not unprecedented historically. And while some firms clearly have been struggling, others have stood out as better equipped to meet these cyclical challenges. TIAA-CREF, for one, has issued several statements this week affirming its financial strength and stability. If you're invested with TIAA-CREF, how safe is your money?

The guarantees of the **TIAA Traditional Annuity** are backed by the claims-paying ability of TIAA.<sup>1</sup> TIAA is the *only* company dedicated to serving the academic, research, medical and cultural fields to receive AAA ratings — the highest — from Standard & Poor's, as well as the highest ratings from the three other major rating agencies.<sup>2</sup> These independent assessments of financial strength underscore TIAA's ability to meet the lifetime financial needs of its participants, in keeping with the organization's 90-year mission.

While investments in the **CREF Accounts**, the **TIAA Real Estate Account** and the **TIAA-CREF Institutional Mutual Funds** are not guaranteed, the amount of money in these funds and accounts will rise and fall each day as the value of the investments changes in the marketplace. In order to help minimize the effect that any one investment can have on a single fund or account, each fund or account holds many investments. When one investment loses value, that loss can often be offset by another investment's rising value.

While many people monitor daily and even hourly developments on Wall Street these days, TIAA-CREF continues to remind its participants of its investment philosophy of seeking competitive returns over the long term. Even in turbulent times, you are best served by sticking with your long-term investment game plan and diversifying your holdings across a variety of asset classes.<sup>3</sup> To that end, TIAA-CREF is available to help you through its Telephone Counseling Center at 800 842-2776. Additional information about market volatility and TIAA-CREF's strength, including its holdings in various financial firms in the news, can be found on the organization's website, [ttaa-cref.org](http://ttaa-cref.org).

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<sup>1</sup> A guaranteed annuity backed by TIAA's claims-paying ability, TIAA Traditional Annuity guarantees your principal and a 3% minimum annual interest rate. The account also offers the opportunity for additional amounts in excess of the guaranteed rate. When and if declared, additional amounts remain in effect for the 12-month period that begins each March 1. The TIAA Board of Trustees has declared additional amounts of interest for its Retirement Annuities (RAs), beyond the guaranteed minimum, every year since 1948.

<sup>2</sup> A++, A.M. Best Company (as of 9/08); AAA, Fitch Ratings (as of 8/08); Aaa, Moody's Investors Service (as of 7/08); AAA, Standard & Poor's (as of 8/08) - the highest possible ratings from these independent analysts. These ratings do not apply to variable annuities,

mutual funds, or any other product or service not fully backed by TIAA's/TIAA-CREF Life Insurance Company's claims-paying ability.

<sup>3</sup> Diversification is a technique to help reduce risk. There is no absolute guarantee that diversification will protect against a loss of income.

All TIAA-CREF investment products are subject to market risk and other risk factors.

The CREF Accounts and TIAA Real Estate Account are variable annuity account options available through contracts issued by TIAA or CREF. These contracts are designed for retirement or other long-term goals, and offer a variety of income options, including lifetime income. Payments from the variable annuity accounts and mutual funds are not guaranteed and will rise or fall based on investment performance. Mutual funds do not offer the range of income options available through annuities.

Certain securities may not be suitable for all investors.

**You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 1 877 518-9161, or go to [www.tiaa-cref.org](http://www.tiaa-cref.org) for a current prospectus that contains this and other information. Please read the prospectus carefully before investing.**

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