

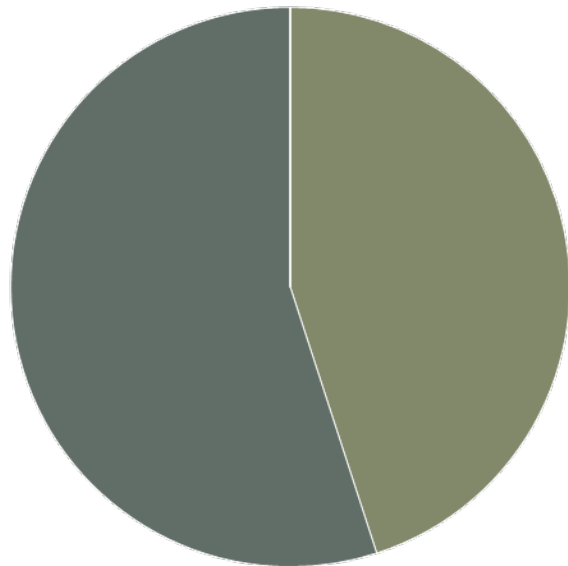


THE BASICS OF INVESTING:

DIVERSIFY YOUR PORTFOLIO

Spreading your risk across
different asset classes

WHAT IS DIVERSIFICATION?



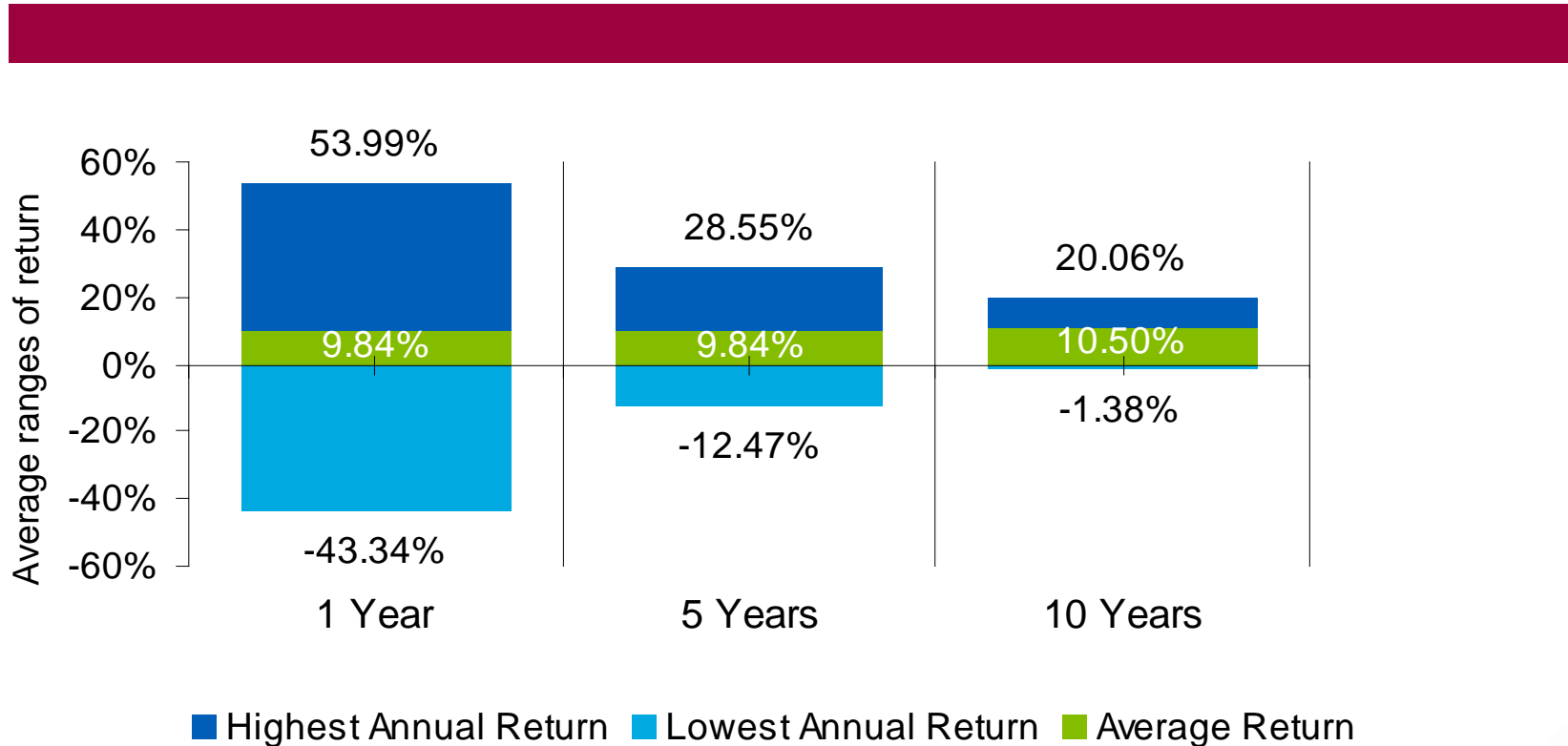
■ Non-Equities
■ Equities

- Spreads risk among different asset classes
- May reduce overall portfolio volatility*
- Asset class performance varies
- Diversify...
 - Across Asset Classes
 - Within Asset Classes

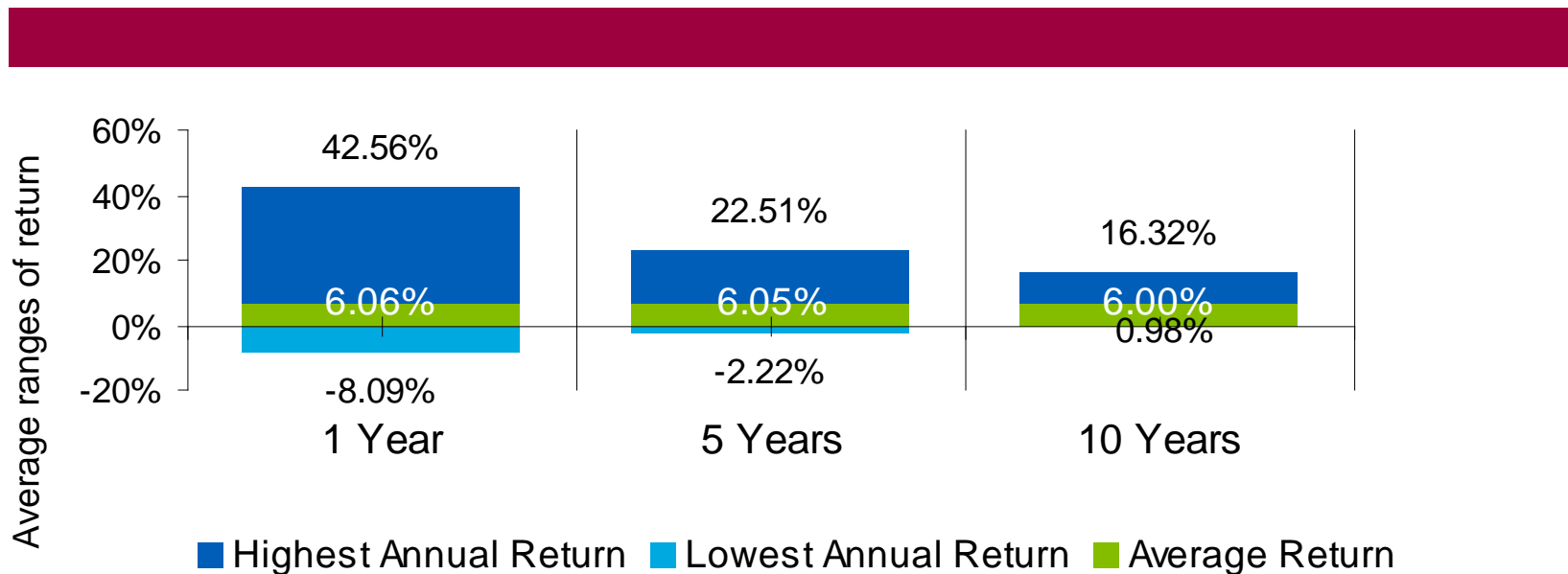
* Diversification is a technique to help reduce risk. There is no absolute guarantee that diversification will protect against a loss of income. Please keep in mind that there are risks associated with investing in securities including loss of principal.



How time helps manage risk



How time helps manage risk



UNDERSTANDING ASSET CLASSES

A group of investments that share common characteristics

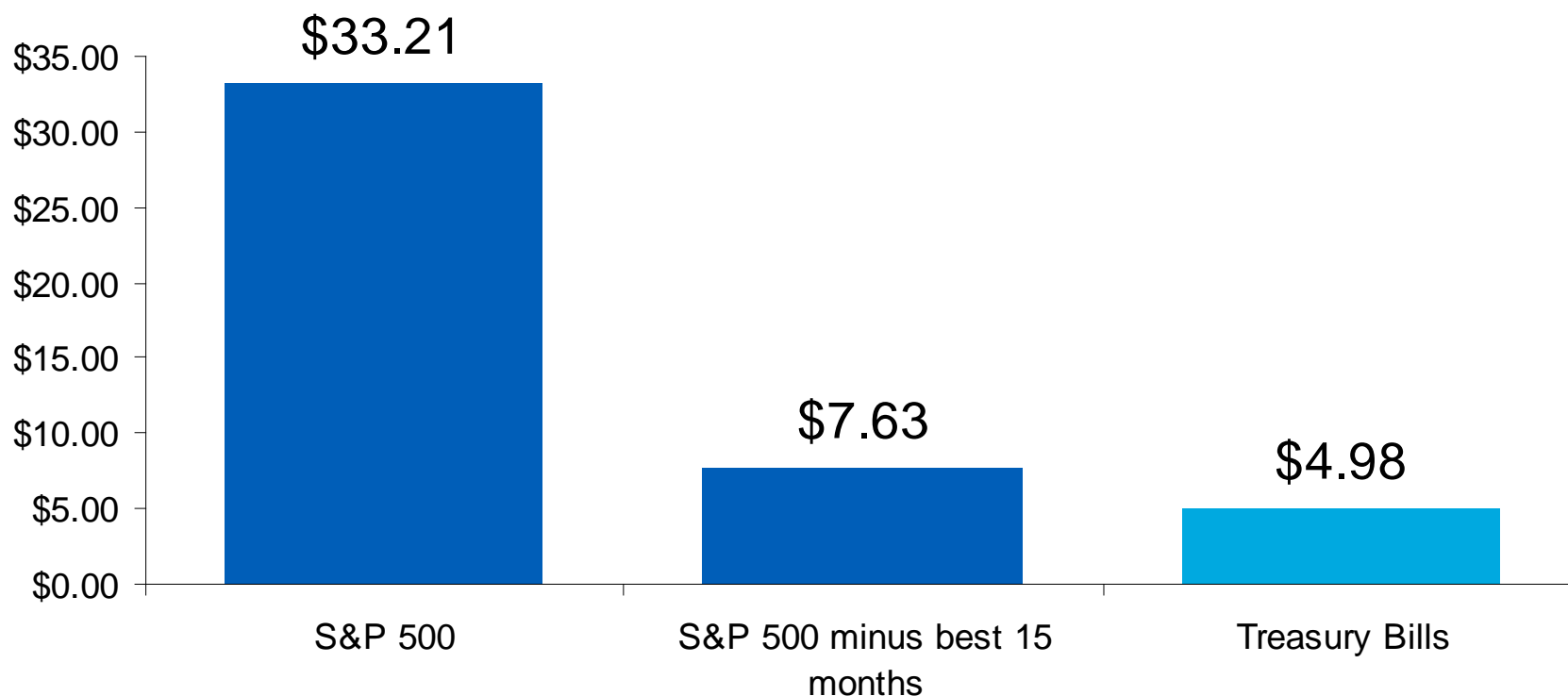
Risk may decrease as the number of asset classes increases

Help manage risk by diversifying holdings among different asset classes



Market timing can be dangerous

Hypothetical value of \$1 invested from 1980-2012



THE BASICS OF INVESTING:

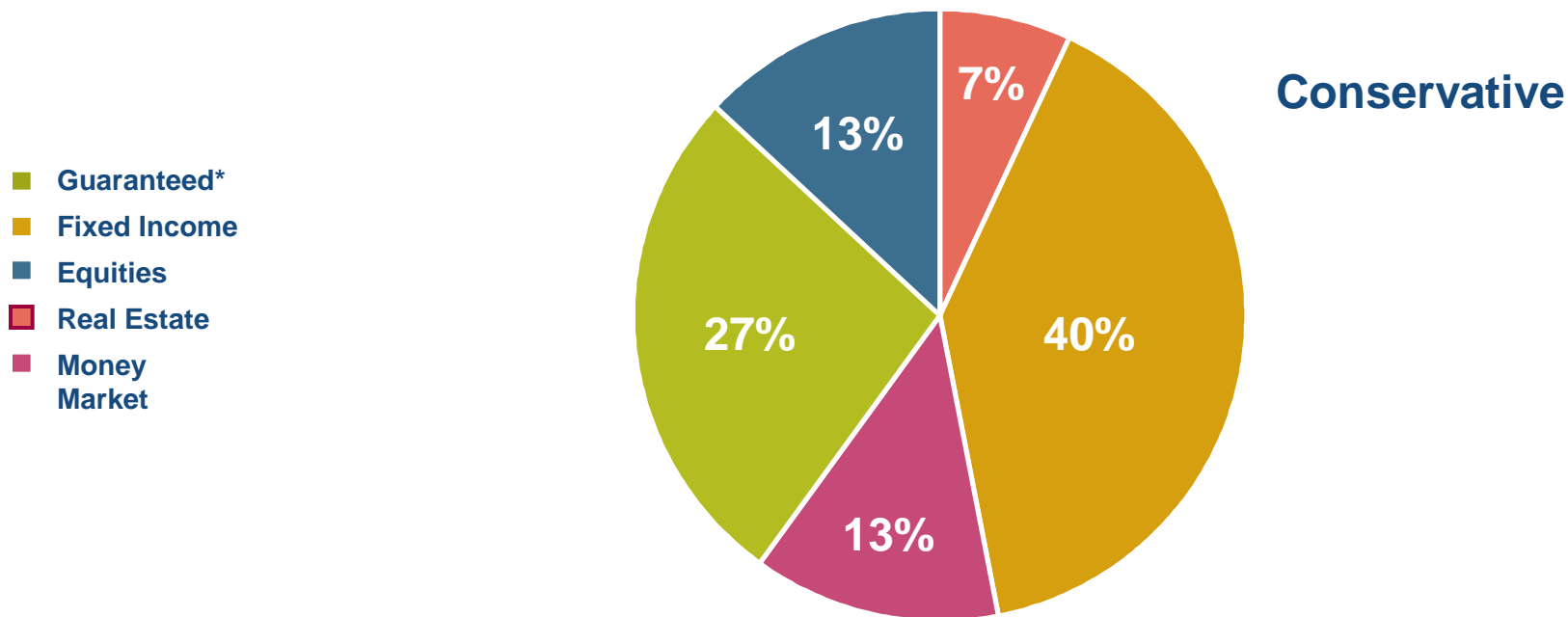
WHAT'S THE BEST ASSET ALLOCATION MIX FOR YOU?

Based on your risk tolerance,
what category of investor are you?



THE BASICS OF INVESTING:

ASSET ALLOCATION IS IMPORTANT



*Based on the claims-paying ability of TIAA.

The specific asset allocations shown in the model portfolios were generated by Ibbotson Associates, one of the nation's leading financial advisors. They are based on well-known optimization techniques, using historical return, volatility and correlation data from indices like the Russell 1000 stock index. This optimization procedure is based on assumptions about historical market data, and future market conditions may vary from these assumptions.

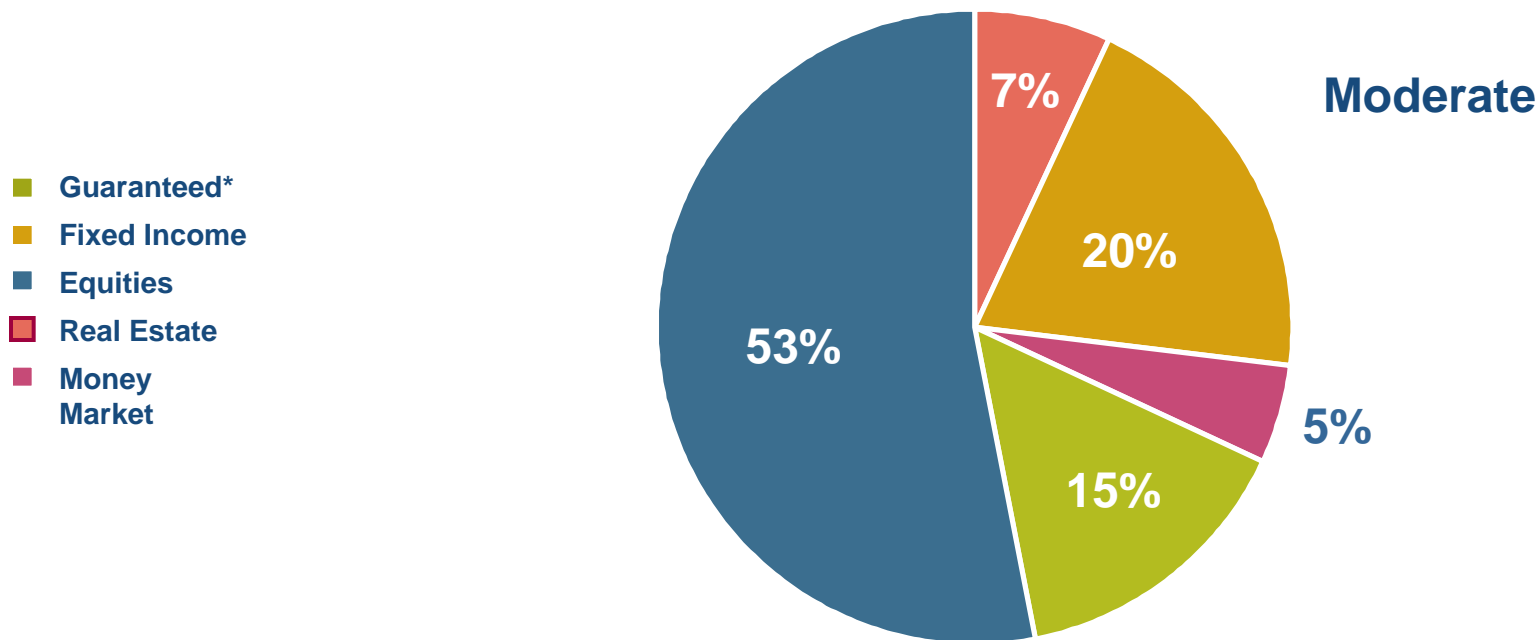


Financial Services



THE BASICS OF INVESTING:

ASSET ALLOCATION IS IMPORTANT



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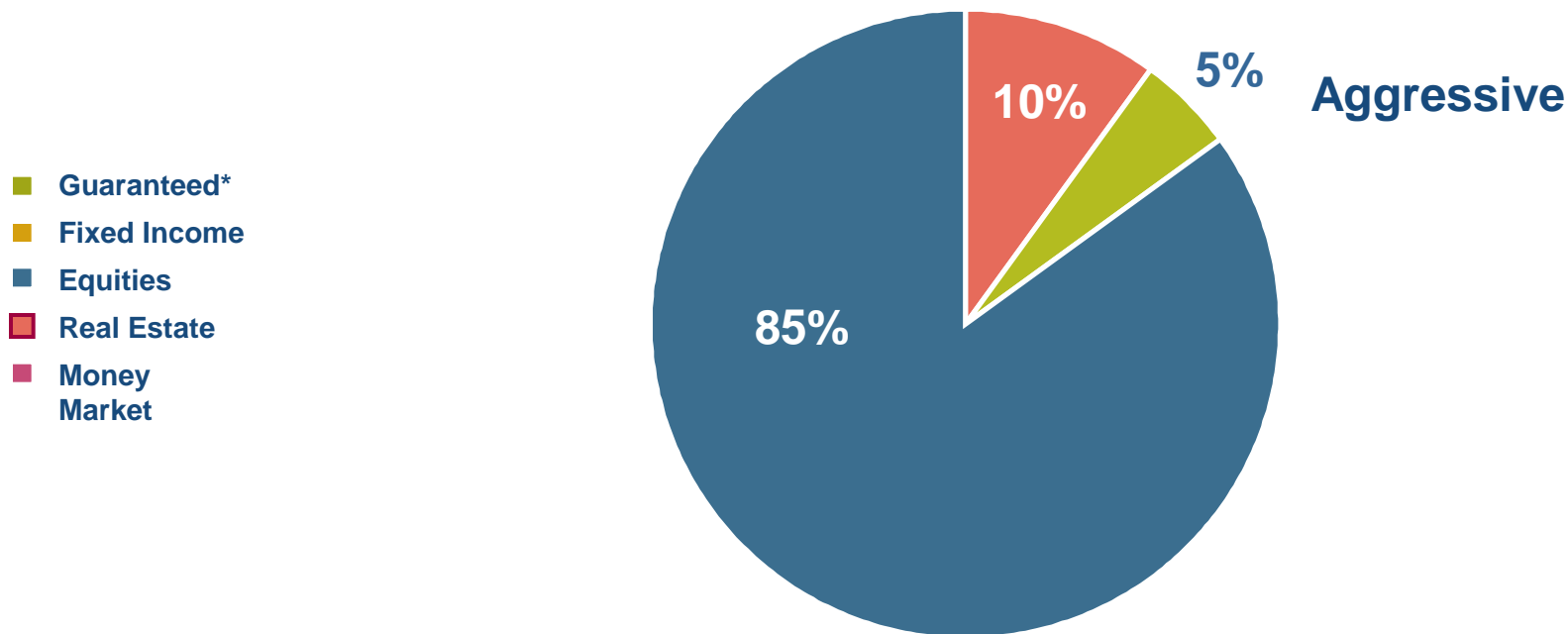


Financial Services



THE BASICS OF RETIREMENT:

ASSET ALLOCATION IS IMPORTANT



*Based on the claims-paying ability of TIAA.

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THE BASICS OF INVESTING:

PORTFOLIO ADJUSTMENTS ARE NOT TIMING OF THE MARKET

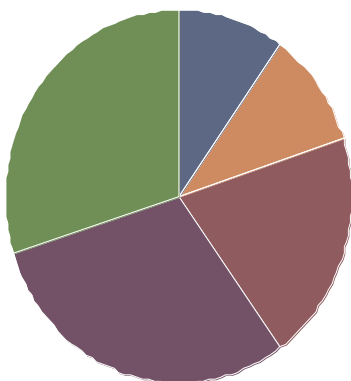
Rebalancing and Reallocation are asset allocation strategies used to methodically restore your portfolio targets



WHAT IS REALLOCATION?

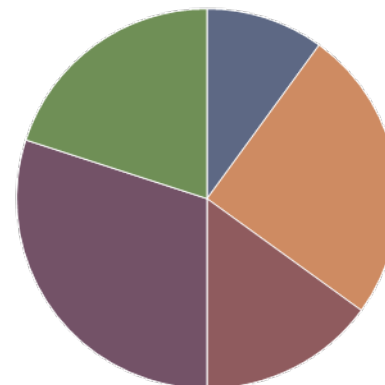
Making **new** contributions to accounts that are different from those you originally selected.

ORIGINAL ALLOCATION*



20% Fixed
80% Equity

NEW ALLOCATION*



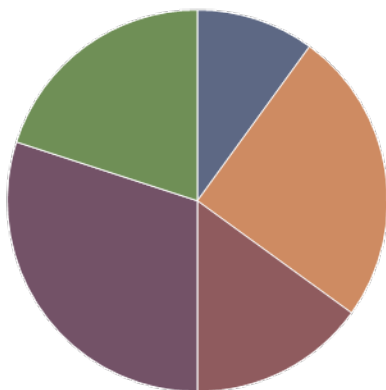
35% Fixed
65% Equity

New Account
Premiums

WHAT IS REBALANCING?

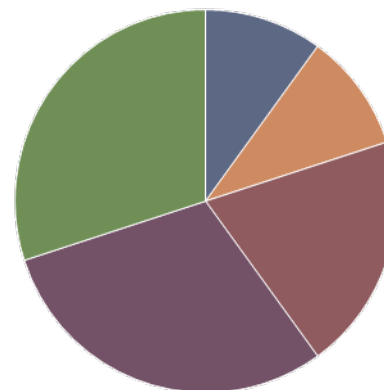
Adjusting the **current** assets in your portfolio to restore your original target

ORIGINAL ALLOCATION*



35% Fixed
65% Equity

NEW ALLOCATION*



20% Fixed
80% Equity

New Account
Premiums

Rebalance
Your Accounts



ASSET ALLOCATION SUMMARY

Avoid market timing

Include several different asset classes

Rebalance your portfolio

Reallocate your contributions when needed



Questions and Answers



Important Information

Investment, insurance and annuity products are not FDIC insured, are not bank guaranteed, are not bank deposits, are not insured by any federal government agency, are not a condition to any banking service or activity and may lose value.

Investment products may be subject to market and other risk factors. See the applicable product literature or visit www.tiaa-cref.org/ndpers for details.

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

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