Some Purdue faculty and staff like to study and plan and delve into all the possibilities for investing their retirement money. Others among us think a “large cap” fund has something to do with big hats. Whichever end of the spectrum you identify with, or if you’re somewhere in between, we think you’ll find a comfortable place among the options offered by the enhanced TIAA-CREF retirement plan.

“You’ll be seeing the phrase ‘A Great Plan Just Got Even Better’ on publications, banners, and posters,” says Teresa Wesner, Staff Benefits retirement manager. “And it’s true.” TIAA-CREF has always provided a solid and well-managed plan for Purdue faculty and administrative/professional staff. And beginning November 22, TIAA-CREF will take a giant leap forward with its products and service. The excitement centers around more TIAA-CREF funds, plus two brand new offerings: Lifecycle Funds and partner funds.

**Lifecycle Funds Take Advantage of Expert Help**

Does the topic of investing leave you feeling somewhat befuddled? Or perhaps you “get it,” but you just don’t have the time or the interest to give investing much attention. Then you may be delighted with TIAA-CREF’s new Lifecycle Funds. With these funds, you make one decision – what year you plan to retire – and leave the managing of your retirement account to the experts at TIAA-CREF. Please see “Lifecycle Funds: The One-Decision Strategy” on page 2.

**Partner Funds Let You Make New Financial Friends**

In the past, you’ve been able to choose from an expanding array of TIAA-CREF funds when deciding how to invest your Purdue retirement plan money. In fact, TIAA-CREF added nine new mutual funds to its line-up in March and rolls out another five in November. The other news for November 22 is that TIAA-CREF has added mutual funds from other investment companies to your list of choices and refers to them as “partner funds.”

TIAA-CREF used a rigorous research and evaluation process to select outside company funds for its enhanced line-up. Partner funds selected by TIAA-CREF had to meet the following five key criteria:

1. Long term investment time horizon appropriate for retirement funding
2. Strong and consistent long term performance
3. Consistent and disciplined approach to investment management
4. Appropriate product risk profile
5. Expense charges that deliver high value for the type of portfolio in question

(Continued on page 2)
TIAA-CREF Enhancements
(Continued from page 1)

Further, TIAA-CREF chose partner funds that are managed in a more active style than TIAA-CREF uses, thereby offering faculty and staff a wider range of investment management styles from which to choose when making investment decisions. Partner funds will be of interest to faculty and staff who prefer to manage their own accounts instead of using one of the new Lifecycle Funds. Please see “Build Your Own Portfolio: Expanded Choices” on page 3.

Even More in 2005

The November 22 enhancements are just one step toward the grand finale. During the first quarter of 2005, TIAA-CREF plans to introduce its new “advice” service. In the past, TIAA-CREF has provided general investing guidelines to faculty and staff — tips and techniques that are good principles that apply to most all retirement investors. The new advice service will look at your specific retirement situation — including what funds you may have through participation in PERF or through a spouse’s retirement funds — and help you plot a course of action tailored toward your real-life situation.

The final piece will be the opening of a brokerage service window that allows sophisticated investors access to a broad array of mutual funds. But climb through this window at your own risk; people using this service will assume a much greater responsibility for their investment choices.

More information about the advice service and the brokerage service window will be provided later.

Happy With What You Have?

If you want to leave your retirement investment as you currently have it, you may certainly do so. The Lifecycle Funds and partner funds are simply new options for people to consider.

Remember, retirement goals, economic and personal circumstances, and attitude toward risk can change over time. You may need to fine-tune your portfolio to keep it heading in the right direction.

Lifecycle Funds:
The One-Decision Strategy

If you’re more comfortable knowing that professional investment managers will keep your portfolio on track rather than handling it yourself, consider using one of TIAA-CREF’s new Lifecycle Funds.

Lifecycle Funds provide a ready-made diversified portfolio using TIAA-CREF Mutual Funds as their basis. Through these mutual funds, your Lifecycle Fund will include stocks, bonds, and real estate investments. Having diversity in your portfolio is one of the basic guidelines of retirement investing because it smooths out fluctuations in the value of your retirement portfolio. For example, if stocks have not performed well, your bond investments may have done better.

Lifecycle Funds are available for target retirement years of 2010 through 2040 in five-year increments. Experts at TIAA-CREF have determined the investment mix that they believe is appropriate for investors, depending on their retirement date.

The mix for each group includes stock market investments — known as “equities” — and non-stock investments. The mix has been set with a goal of achieving the highest possible return while minimizing potential risks. TIAA-CREF gradually and automatically readjusts your portfolio from a more aggressive to a more conservative mix as your retirement year approaches.

Choosing a Lifecycle Fund

To have your future TIAA-CREF contributions invested in a Lifecycle Fund, follow these steps on or after November 22:

1. Go to www.tiaa-cref.org/purdue and click Log-in Now. Enter your user ID and password. If you don’t have a user ID and password, just click on Create Log-in and follow the step-by-step instructions to register for one.

2. After logging in, click on Change Allocations and follow the on-screen instructions to pick the Lifecycle Fund closest to your retirement year.

If you use a Lifecycle Fund, TIAA-CREF recommends that you have all of your retirement money in the fund. To transfer your existing balances to your new Lifecycle Fund, do the following:

Click on Transfer Funds to move your current CREF monies. To transfer money you have in a TIAA Traditional Annuity, call (800) 842-2776 to speak with a TIAA-CREF consultant. Money in a traditional annuity must be transferred out over a 10-year period. The consultant will help you set up the annuity transfer.

Beginning November 22, use the Purdue-dedicated Web site:
www.tiaa-cref.org/purdue
Build Your Own Portfolio: Expanded Choices

If you enjoy learning about investing and like hands-on control of your retirement investment, then you may be a candidate for the build your own portfolio strategy.

When you build your own portfolio, you’ll choose from among your retirement plan’s investment options in different asset classes. You’ll aim to fashion a portfolio that matches your time horizon until retirement and your tolerance for investment risk.

The entire array of TIAA-CREF accounts will be available to you, plus the following new partner funds:

- American Funds Washington Mutual Investors Mutual Fund
- American Funds EuroPacific Growth Mutual Fund
- GMO Growth Strategy Mutual Fund
- Western Asset Core Plus Mutual Fund

When building your own portfolio, you'll want to consider the following:

- Diversification
- Risk and return potential
- Your time horizon before retiring
- Other savings and investments you have
- Readjusting your portfolio over time to keep it in line with your personal situation and goals

Although you’ll be making your own decisions, TIAA-CREF provides a number of tools to help you.

- **Risk tolerance questionnaire**: Six questions help you evaluate how much risk you may be comfortable taking with your retirement investments.
- **Suggested asset allocation models**: TIAA-CREF offers sample portfolios based on the level of risk you want to take with your investments. The samples suggest the mix of asset allocations you may want to consider. If you decide to follow one of the models, you’ll then choose individual funds from the line-up to match the various asset allocation percentages in the model.
- **One-on-one counseling**: TIAA-CREF is offering you more opportunities to schedule an individual counseling session to talk through your plans. See the box on page 4.

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- **One-on-one counseling**: TIAA-CREF is offering you more opportunities to schedule an individual counseling session to talk through your plans. See the box on page 4.

To change your allocations for future TIAA-CREF contributions, follow these steps on or after November 22:

Go to www.tiaa-cref.org/purdue and click on **Secure Access**. Enter your user ID and password. If you don’t have a user ID and password, just click on **Create Log-in** and follow the step-by-step instructions to register for one.

Click on **Change Allocations** and follow the on-screen instructions.

To transfer existing balances, do the following:

Click on **Transfer Funds** to move your current CREF monies. To transfer money you have in a TIAA Traditional Annuity, call (800) 842-2776 to speak with a TIAA-CREF consultant. Money in a traditional annuity must be transferred out over a 10-year period. The consultant will help you set up the annuity transfer.

Purdue University is proud to be the first university to add these new enhancements to its retirement plan.

As the pilot university, Purdue has had the unique opportunity to influence TIAA-CREF’s new initiatives.

Have a TDA through TIAA-CREF?

**Good news!**

All the new features of the enhanced retirement plan are also available for your TIAA-CREF tax deferred annuity.
So Many Ways to Get More Info

Group Meetings

Professionals from TIAA-CREF will be on Purdue's campuses in November to explain enhancements to the retirement plan and answer your questions. Choose a session that works for you and come learn more.

North Central  November 2  2 - 3:30 p.m.  Assembly Hall LSF

Calumet  November 4  10 -11:30 a.m.  The Center, Room 137
2 - 3:30 p.m.  The Center, Room 137

West Lafayette  November 11  10 -11:30 a.m.  Stewart Center, Room 214 AB
2 - 3:30 p.m.  Stewart Center, Room 214 AB

November 16  10 -11:30 a.m.  Stewart Center, Room 218 D
2 - 3:30 p.m.  Stewart Center, Room 218 D

November 17  9-10:30 a.m.  Stewart Center, Room 218 B
1-2:30 p.m.  Stewart Center, Room 218 B

Fort Wayne  November 18  10:30 - Noon  Kettler, Room 108
2 - 3:30 p.m.  Kettler, Room 108

TIAA-CREF Web Site Designed Just for Purdue

Purdue is the very first university to roll out these new TIAA-CREF enhancements, so we currently have options that other universities don't. To take advantage of everything your retirement plan now has to offer, always use the Purdue-dedicated site:

www.tiaa-cref.org/purdue

TIAA-CREF National Contact Center

Speak to a TIAA-CREF consultant, Monday through Friday, 8 a.m. to 10 p.m. ET and Saturday, 9 a.m. to 6 p.m. ET

(800) 842-2776

“A Great Plan Just Got Even Better” brochure

Watch for a letter coming soon from Vice President Jim Almond. The letter will include a handy brochure prepared by TIAA-CREF. The brochure includes a chart showing all funds available for your investments.