



William Hurley  
Managing Consultant  
Institutional Client Services  
2398 E Camelback Rd., Suite 1000  
Phoenix, AZ 85016  
tiaa-cref.org

December 2011

<First Name Last Name>

<Address 1>

<Address 2>

<City, State, Zip>

Dear <First Name Last Name>:

The Arizona University System (AZUS) recently made changes to the Arizona University System Optional Retirement Plan (ORP). We are sending you this letter to remind you of the changes that have taken place to date and to provide additional information on upcoming changes.

#### **What changes have been made?**

- Streamlined vendors to TIAA-CREF and Fidelity for the ORP to reduce your plan costs. VALIC is no longer an active ORP vendor.
- Increased the amount you can transfer from your Retirement Plan to your Self-Directed Brokerage Account from 50% to 100%.
- Redesigned the investment option menu to provide you with low-cost investment choices that are monitored by the AZUS through an independent consultant. Review your current allocations with the investment options that were updated.
- Added retirement year 2055 to the TIAA-CREF Lifecycle Funds.
- You received a new Retirement Choice annuity contract. Your allocations and beneficiaries were carried over and your existing portfolio balances were not affected. Please see the Frequently Asked Questions insert about the new Retirement Choice contracts for more information.

#### **Upcoming Changes**

We are creating a new Large-Cap Stock Fund that will be available on December 13. The fund will provide additional benefits to the ORP including:

- A simplified investment selection process that provides broad coverage of the large-cap stock sector without you having to choose and manage several different funds.
- A more diversified investment that spreads across three different managers with varying strategies.

*(over, please)*

The fund composition follows:

<b>Large-Cap Stock Fund</b>	
<b>Fund Name</b>	<b>Ticker Symbol</b>
American Funds Fundamental Investors, R6 Share Class (33.33%)	RFNGX
T. Rowe Price Growth Stock Fund, Retail Share Class (33.34%)	PRGFX
Vanguard Windsor II Fund, Investor Share Class (33.33%)	VWNFX

*Note:* The enclosed Investment Chart shows which funds will be transferred to the Large-Cap Stock Fund. See the chart for more details. For more information, including the Participant Disclosure Statement, visit [www.tiaa-cref.org/azus](http://www.tiaa-cref.org/azus), which will be available on or about December 9, 2011.

**Also on December 13**, several of your investment options will be restricted or closed and transferred to new replacement funds. Review your portfolio assets and consider the investment options. You may transfer assets held in the closing accounts/funds to one of the new investment options until December 13, 2011. See the enclosed chart for details.

The following funds did not change and remain on the investment menu:

<b>Fund/Account Name</b>	<b>Ticker Symbol</b>
<b>Tier I: Asset Allocation Options</b>	
TIAA-CREF Lifecycle Retirement Income Fund – Premier	TPILX
TIAA-CREF Lifecycle 2010 Fund – Premier	TCTPX
TIAA-CREF Lifecycle 2015 Fund – Premier	TCFPX
TIAA-CREF Lifecycle 2020 Fund – Premier	TCWPX
TIAA-CREF Lifecycle 2025 Fund – Premier	TCQPX
TIAA-CREF Lifecycle 2030 Fund – Premier	TCHPX
TIAA-CREF Lifecycle 2035 Fund – Premier	TCYPX
TIAA-CREF Lifecycle 2040 Fund – Premier	TCZPX
TIAA-CREF Lifecycle 2045 Fund – Premier	TTFPX
TIAA-CREF Lifecycle 2050 Fund – Premier	TCLPX
<b>Tier II: Core Options</b>	
American Funds EuroPacific Growth Fund – R5	RERFX
Eaton Vance Atlanta SMID Cap Fund – Institutional	EISMX
PIMCO Total Return Fund – Institutional	PTRX
Principal Diversified Real Asset Fund – Institutional	PDRDX
Vanguard Institutional Index Fund – Institutional	VINIX
Vanguard Prime Money Market Fund – Institutional	VMRXX
Wells Fargo Galliard Stable Return	N/A
<b>Tier III: Specialty Options</b>	
CREF Money Market Account	Variable Annuity Account
CREF Stock Account	Variable Annuity Account
TIAA Traditional Guaranteed Annuity*	Guaranteed Annuity Account

## Have Questions About the Plan Enhancements? TIAA-CREF Can Help.

*Please note that no action is required by you.* Since your plan has introduced a new investment menu, now is a good time to review your current investment strategy and update your beneficiary information. If you have additional questions about the plan changes, TIAA-CREF is happy to help. Call us at **800 842-2252**, Monday through Friday, 5 a.m. to 7 p.m. and Saturday, 6 a.m. to 3 p.m. (PT) to speak with a TIAA-CREF Consultant. When you call, you can request an advice session for a personalized review of your portfolio.

If you would like to meet with one of our consultants on campus or in the Phoenix office, please call **800 732-8353** to schedule an appointment.

If you'd like to change your allocation instructions for future contributions, or transfer some or all of your funds to other investments offered under the plan, simply log in to the secure section of our website at **www.tiaa-cref.org/azus** by entering your user ID and password. You can also review prospectus information on the new funds to get more details.

The Arizona University System and TIAA-CREF are committed to making it easy for you to save for the future. We look forward to helping you achieve your retirement savings goals — now and in the years to come.

Sincerely,



William Hurley  
Managing Consultant, TIAA-CREF

\* Any guarantees under annuities issued by TIAA are subject to TIAA's claims-paying ability. TIAA Traditional is a guaranteed insurance contract and not an investment for Federal Securities Law purposes.

No Registration Under the Investment Company Act, the Securities Act or State Securities Laws. The fund is not a mutual fund and will not be registered with the Securities and Exchange Commission (the "SEC") as an investment company under the Investment Company Act of 1940, as amended, in reliance upon the exemptive provision of Section 3(c)(11) of the Investment Company Act. Units of the fund will not be registered with the SEC in reliance upon the exemptive provisions of Section 3(a)(2) of the Securities Act of 1933, as amended, nor will units or the fund be registered with any state securities regulator. Accordingly, the fund is not subject to compliance with the requirements of such acts, nor may investors in the fund avail themselves of the protections thereunder.

No registration with the CFTC. The Fund may purchase, sell or trade exchange-traded futures contracts, options thereon, and other commodity interests; therefore, the Fund may be viewed as subject to regulation as a commodity pool under the U.S. Commodity Exchange Act and the rules of CFTC. However, pursuant to CFTC Rule 4.5, the Trustee is exempt from having to register as a commodity pool operator with respect to the Fund.

The Large-Cap Stock Fund is offered as part of the TIAA-CREF Custom Portfolios Program. The TIAA-CREF Master Investment Trust (the "Trust") has been established to provide for customized investment funds for qualified retirement plans by TIAA-CREF Trust Company, FSB (the "Trustee"), a federal savings bank, and an indirect wholly-owned subsidiary of Teachers Insurance and Annuity Association of America. The Custom Fund was established as a separate trust under the Trust. The Trustee serves as a directed trustee with respect to the Custom Fund.

**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.**

TIAA-CREF products may be subject to market and other risk factors. See the applicable product literature or visit [tiaa-cref.org](http://tiaa-cref.org) for details.

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

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.

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



# Investment Chart

On December 13, 2011, several of your investment options will change

Assets listed under the “Current Account/Fund” column will be transferred to the designated replacement fund in the “New Fund” column as shown in the chart below. Existing balances in the seven annuity accounts denoted with an asterisk (\*) will not be transferred as part of this fund menu change. However, you will not be able to make future contributions to these accounts.

Current Account/Fund	Ticker Symbol	New Fund	Ticker Symbol
TIAA Real Estate Account Variable Annuity*	Variable Annuity Account	No Change	Variable Annuity Account
CREF Social Choice Account Variable Annuity*	Variable Annuity Account	No Change	Variable Annuity Account
CREF Bond Market Account Variable Annuity*	Variable Annuity Account	No Change	Variable Annuity Account
CREF Global Equities Account Variable Annuity*	Variable Annuity Account	No Change	Variable Annuity Account
CREF Growth Account Variable Annuity*	Variable Annuity Account	No Change	Variable Annuity Account
CREF Equity Index Account Variable Annuity*	Variable Annuity Account	No Change	Variable Annuity Account
CREF Inflation-Linked Bond Account Variable Annuity*	Variable Annuity Account	No Change	Variable Annuity Account
TIAA-CREF Managed Allocation Fund – Retirement	TITRX	Age-Appropriate TIAA-CREF Lifecycle Fund (See table below)	See table below
T. Rowe Price Capital Appreciation Fund	PRWCX	Age-Appropriate TIAA-CREF Lifecycle Fund (See table below)	See table below
TIAA-CREF International Equity Fund – Premier	TREPX	American Funds EuroPacific Growth Fund R5	RERFX
TIAA-CREF International Equity Index Fund – Premier	TRIPX	American Funds EuroPacific Growth Fund R5	RERFX
American Funds Cap World Growth and Income Fund	RWIFX	50% Vanguard Institutional Index / 50% American EuroPacific Growth Fund R5	VINIX / RERFX
TIAA-CREF Equity Index Fund – Premier	TCEPX	80% Vanguard Institutional Index / 20% Eaton Vance Atlanta SMID	VINIX / EISMX
Royce Premier Fund	RPFIX	Eaton Vance Atlanta SMID Cap Fund I	EISMX
Vanguard Small Cap Growth Index Fund	VISGX	Eaton Vance Atlanta SMID Cap Fund I	EISMX
Vanguard Selected Value Fund	VASVX	Eaton Vance Atlanta SMID Cap Fund I	EISMX
Vanguard Strategic Equity Fund	VSEQX	Eaton Vance Atlanta SMID Cap Fund I	EISMX
Vanguard Explorer Fund Admiral	VEXRX	Eaton Vance Atlanta SMID Cap Fund I	EISMX
Legg Mason Capital Management Opportunity Trust I	LMNOX	Eaton Vance Atlanta SMID Cap Fund I	EISMX
Lord Abbett Small-Cap Blend Fund	LSBYX	Eaton Vance Atlanta SMID Cap Fund I	EISMX
TIAA-CREF Small-Cap Blend Index Fund – Retirement	TRBIX	Eaton Vance Atlanta SMID Cap Fund I	EISMX
TIAA-CREF Mid-Cap Growth Fund – Premier	TRGPX	Eaton Vance Atlanta SMID Cap Fund I	EISMX
TIAA-CREF Mid-Cap Value Fund – Premier	TRVPX	Eaton Vance Atlanta SMID Cap Fund I	EISMX
TIAA-CREF Small-Cap Equity Fund – Premier	TSRPX	Eaton Vance Atlanta SMID Cap Fund I	EISMX
Nuveen Mid Cap Growth Opportunity I	FISGX	Eaton Vance Atlanta SMID Cap Fund I	EISMX
Goldman Sachs Growth Opportunities	GGOIX	Eaton Vance Atlanta SMID Cap Fund I	EISMX
Keeley Small Cap Value Fund Class I	KSCIX	Eaton Vance Atlanta SMID Cap Fund I	EISMX
Royce Opportunity Fund	ROFIX	Eaton Vance Atlanta SMID Cap Fund I	EISMX
Legg Mason ClearBridge Small Cap Value I Fund	SMCYX	Eaton Vance Atlanta SMID Cap Fund I	EISMX
TIAA-CREF Bond Fund – Premier	TIDPX	PIMCO Total Return	PTTRX
TIAA-CREF High-Yield Fund – Premier	TIHPX	PIMCO Total Return	PTTRX
TIAA-CREF Bond Plus Fund – Premier	TBPPX	PIMCO Total Return	PTTRX
Western Asset Core Plus	WACPX	PIMCO Total Return	PTTRX
Goldman Sachs Government Income Fund	GSOIX	PIMCO Total Return	PTTRX
TIAA-CREF Real Estate Securities Fund – Premier	TRRPX	Principal Diversified Real Asset	PDRDX
TIAA-CREF Inflation-Linked Bond Fund – Premier	TIKPX	Principal Diversified Real Asset	PDRDX

(continued next page)

Current Account/Fund	Ticker Symbol	New Fund	Ticker Symbol
Vanguard 500 Index Fund Signal	VIFSX	Vanguard Institutional Index	VINIX
TIAA-CREF S&P 500 Index Fund - Retirement	TRSPX	Vanguard Institutional Index	VINIX
SSgA S&P 500 Index Fund	SVSPX	Vanguard Institutional Index	VINIX
TIAA-CREF Money Market Fund - Premier	TPPX	Vanguard Prime Money Market	VMRXX
TIAA-CREF Short-Term Bond Fund - Premier	TSTPX	Wells Fargo Stable Value for the 401(a) ORP / Vanguard Prime Money Market for the 403(b) ORP	N/A / VMRXX
Legg Mason Capital Management Value Trust, Inc. I	LMNVX	Large-Cap Stock Fund 401(a) ORP / American Funds Fundamental Investors R6 403(b) ORP	Collective Fund / RFNGX
American Funds Fundamental Investors Fund R5	RFNFX	Large-Cap Stock Fund 401(a) ORP / American Funds Fundamental Investors R6 403(b) ORP	Collective Fund / RFNGX
Goldman Sachs Large-Cap Value Fund	GSLIX	Large-Cap Stock Fund 401(a) ORP / Vanguard Windsor II Fund 403(b) ORP	Collective Fund / VWNFX
TIAA-CREF Growth & Income Fund - Premier	TRPGX	Large-Cap Stock Fund 401(a) ORP / American Funds Fundamental Investors R6 403(b) ORP	Collective Fund / RFNGX
TIAA-CREF Large-Cap Growth Index Fund - Retirement	TRIRX	Large-Cap Stock Fund 401(a) ORP / T. Rowe Price Growth Stock 403(b) ORP	Collective Fund / PRGFX
TIAA-CREF Large-Cap Value Index Fund - Retirement	TRCVX	Large-Cap Stock Fund 401(a) ORP / Vanguard Windsor II Fund 403(b) ORP	Collective Fund / VWNFX
TIAA-CREF Social Choice Equity Fund - Premier	TRPSX	Large-Cap Stock Fund 401(a) ORP / American Funds Fundamental Investors R6 403(b) ORP	Collective Fund / RFNGX
TIAA-CREF Large-Cap Value Fund - Premier	TRCPX	Large-Cap Stock Fund 401(a) ORP / Vanguard Windsor II Fund 403(b) ORP	Collective Fund / VWNFX
TIAA-CREF Large-Cap Growth Fund - Premier	TILPX	Large-Cap Stock Fund 401(a) ORP / T. Rowe Price Growth Stock 403(b) ORP	Collective Fund / PRGFX
Neuberger Berman Socially Responsible Fund	NBSRX	Large-Cap Stock Fund 401(a) ORP / American Funds Fundamental Investors R6 403(b) ORP	Collective Fund / RFNGX
American Funds Fundamental Investors R6	RFNGX	Large-Cap Stock Fund 401(a) ORP / No Change 403(b) ORP	Collective Fund / RFNGX
T. Rowe Price Growth Stock Fund	PRGFX	Large-Cap Stock Fund 401(a) ORP / No Change 403(b) ORP	Collective Fund / PRGFX
Vanguard Windsor II Fund	VWNFX	Large-Cap Stock Fund 401(a) ORP / No Change 403(b) ORP	Collective Fund / VWNFX

## Age-Based TIAA-CREF Lifecycle Fund Table

Fund	Ticker Symbol	Birth Year
TIAA-CREF Lifecycle 2010 Fund - Premier	TCTPX	Pre - 12/31/1948
TIAA-CREF Lifecycle 2015 Fund - Premier	TCFPX	01/01/1949 - 12/31/1953
TIAA-CREF Lifecycle 2020 Fund - Premier	TCWPX	01/01/1954 - 12/31/1958
TIAA-CREF Lifecycle 2025 Fund - Premier	TCQPX	01/01/1959 - 12/31/1963
TIAA-CREF Lifecycle 2030 Fund - Premier	TCHPX	01/01/1964 - 12/31/1968
TIAA-CREF Lifecycle 2035 Fund - Premier	TCYPX	01/01/1969 - 12/31/1973
TIAA-CREF Lifecycle 2040 Fund - Premier	TCZPX	01/01/1974 - 12/31/1978
TIAA-CREF Lifecycle 2045 Fund - Premier	TTFPX	01/01/1979 - 12/31/1983
TIAA-CREF Lifecycle 2050 Fund - Premier	TCLPX	01/01/1984 - 12/31/1988
TIAA-CREF Lifecycle 2055 Fund - Premier	TTRPX	01/01/1989 - Present

The Large-Cap Stock Fund is offered as part of the TIAA-CREF Custom Portfolios Program. The TIAA-CREF Master Investment Trust (the "Trust") has been established to provide for customized investment funds for qualified retirement plans by TIAA-CREF Trust Company, FSB (the "Trustee"), a federal savings bank, and an indirect wholly-owned subsidiary of Teachers Insurance and Annuity Association of America. The Custom Fund was established as a separate trust under the Trust. The Trustee serves as a directed trustee with respect to Large-Cap Stock Fund.

Investment products may be subject to market and other risk factors. See the applicable product literature, or visit [www.tiaa-cref.org/azus](http://www.tiaa-cref.org/azus) for details.

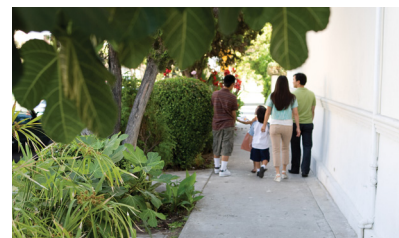
Investment, insurance and annuity products are not FDIC insured, are not bank guaranteed, are not bank deposits, are not insured by any federal government agency, are not a condition to any banking service or activity, and may lose value.

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

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), 730 Third Avenue, New York, NY.



# Arizona University System Optional Retirement Plan Frequently Asked Questions – Retirement Choice Annuity Contracts



Recently, the Arizona University System (AZUS) reviewed the investment options available under the Arizona University System Optional Retirement Plan (ORP).

AZUS has made changes that offer ORP participants increased investment flexibility and enhanced oversight capability. Implementing these changes in the ORP requires issuing new TIAA-CREF Retirement Choice annuity contracts.

Some employees have asked why the new contracts were issued and whether the new contracts change their rights under the ORP. To help employees better understand the changes, we've prepared answers to some frequently asked questions. Please take a moment to read them.

## 1. Why did AZUS change to the Retirement Choice annuity contracts?

The new contracts will help ensure that the AZUS continues to meet its fiduciary responsibilities to Retirement Program participants and will also provide greater flexibility in administering the ORP.

## 2. What happens to my existing Retirement Annuity contracts?

Nothing, unless you choose to move them. Any balances you have in your existing Retirement Annuity contracts with TIAA-CREF are not affected in any way by this change. However, certain mutual fund balances will be transferred to replacement mutual funds. The terms of the existing contracts will continue to apply to such balances. If you choose to move those balances to the new Retirement Choice contracts, the terms of the Retirement Choice contracts would then apply to the mutual fund investment options.

## 3. Who owns the balances in the new contracts?

Under the terms of the ORP, all contributions and earnings accrued in your accounts belong to you. If you leave the Arizona University System, you can take the money with you in accordance with the plan rules. AZUS "owns" the new Retirement Choice contracts

solely for the purpose of enabling it to appropriately administer the plan; it does not own the balances in your accounts, which continue to be governed by the rules of the ORP.

## 4. What do the new Retirement Choice annuity contracts now enable AZUS to do?

With the Retirement Choice annuity contracts, the most significant change is that Arizona University System, as the employer, can eliminate an investment option. Also, if a plan participant fails to select a new investment option, AZUS can "map" (i.e., transfer) monies accumulated in that option to another fund in the plan, including those offered by another provider. However, AZUS would only take these steps after a careful fiduciary review process, and after full communication to plan participants. Also, please note that the monies in the closed investment option will always belong to the plan participants who are invested in that option.

## 5. Why is it important for AZUS to have these rights?

Arizona University System as administrator under the ORP must act solely in the interest of plan participants in order to ensure that the purposes of the retirement plan are fulfilled.

*Continued*

**6. What if AZUS decides to exercise its rights under the new contract by closing an option in which I am invested?**

If Arizona University System determines that an investment option is no longer prudent, AZUS will be able to terminate it. In such a situation, AZUS would communicate this decision to you and inform you well in advance about moving your balances in that option to another in the menu. Before the effective date of the terminated fund, you will have the option to transfer any balances you have in the terminated fund to another fund on the ORP investment menu. If you choose not to transfer your balances to another investment option, AZUS will have the right to transfer the balances on your behalf to another appropriate option in the plan's investment menu.

**7. How can I receive retirement benefits from my Retirement Choice annuity contracts?**

TIAA-CREF offers you a wide range of options for receiving retirement benefits from your accounts. To learn more, go to [www.tiaa-cref.org](http://www.tiaa-cref.org).

**8. Can I choose my own beneficiaries for my accounts?**

Yes.

**9. Do the new contracts change the way distributions will be made to plan participants and their beneficiaries?**

Payments under the plan will continue to be made directly from TIAA-CREF to plan participants and their beneficiaries. Rollovers and distributions, including death benefits, are handled by TIAA-CREF.

**10. Can I choose how to allocate my retirement assets among the plan investment options?**

Yes, you can allocate future contributions or transfer existing funds among any of the investment choices available from the investment menu.

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.

*TIAA-CREF products may be subject to market and other risk factors. See the applicable product literature, or visit [tiaa-cref.org](http://tiaa-cref.org) for details.*

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

Retirement Choice TIAA Contract form Series IGRS-01-5-ACC, IGRS-01-60-ACC, and IGRS-01-84-ACC; TIAA Certificate Series IGRS-CERT1-5-ACC, IGRS-CERT1-60-ACC, IGRS-CERT1-84-ACC; CREF Contract form series CIGRS; CREF Certificate series: CIGRS-CERT1.

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.

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