

RICK SCOTT Governor

CRAIG J. NICHOLS Secretary

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July 12, 2012

Governor Dean Colson Chair, State University System of Florida Florida Board of Governors 325 West Gaines Street, Suite 1614 Tallahassee, FL 32399-0400

Dear Governor Colson:

Chapter 2012-10, Laws of Florida (Senate Bill 198) was approved by Governor Scott on March 23, 2012, and became law effective July 1, 2012. This law amended section 121.35, Florida Statutes, and increased the maximum number of investment provider companies from five to six for the State University System Optional Retirement Program (SUSORP). This legislation also provides a procurement process if a sixth provider company is added and a separate competitive procurement for all companies seeking to be a provider company under contract effective on or after January 1, 2015.

As a result of this legislation, the Department of Management Services (department) has chosen to go forward with a competitive procurement to add a sixth provider company with a contract effective date on or before July 1, 2013, and ending December 31, 2014. In addition, under a separate competitive procurement, the department will seek provider companies for the SUSORP with their contracts effective on or after January 1, 2015. SUSORP provider companies are bundled investment providers that provide investment advice in addition to a variety of investment products from which SUSORP participants make their investment choices.

Under section 121.35(6)(a), Florida Statutes, the department seeks the Board of Governors of the State University System (board) recommendations on the contract to be provided including:

- The nature and extent of the rights and benefits in relation to the required contributions; and
- 2. The suitability of the rights and benefits to the needs of the participants and the interests of the institution in the recruitment and retention of eligible employees.

Governor Dean Colson July 12, 2012 Page Two

Under section 121.35(6)(b), Florida Statutes, after receiving and considering the recommendations of the board, and following the review and recommendations of the State Board of Administration under section 121.35(6)(c), Florida Statutes, on the acceptability of all investment products proposed by the investment provider companies, the department shall approve the form and content of the SUSORP provider company contracts.

The department respectfully requests your recommendations on the contracts to be provided within 90 days from receipt of this letter. Thank you for all the consideration given to this important matter.

Sincerely,

Craig J. Nichols

Secretary

CJN:gh

cc: Chancellor Frank T. Brogan

Governor Tico Perez

Mr. Tim Jones, Board of Governors

Ms. Sarabeth Snuggs, Division of Retirement

Mr. Gerald Haynes, Division of Retirement

TO:

Tim Jones

Chief Financial Officer, Board of Governors

FROM:

Shari Shuman

CAFA Chair

DATE:

August 22, 2012

SUBJECT:

Optional Retirement Plan

The State University System Optional Retirement Plan (SUSORP) provides retirement and death benefits through investment contracts with designated provider companies. The Department of Management Services (DMS) determined which funds are available for contributions, and the funds cover a wide range of investment models from conservative to aggressive. The employer and mandatory employee contributions (totaling 8.14 percent) are invested with the company or companies selected by the participant to create a fund to provide benefits for the employee at retirement. The participant may also contribute by salary reduction a voluntary amount not to exceed the 5.14 percent contributed by the university to the participant's account. The five current companies are Jefferson National Life Insurance Company, MetLife Investors, TIAA-CREF, VALIC Retirement and ING.

Section 121.35, Florida Statutes was amended this past legislative session by increasing the maximum number of investment provider companies from five to six for the SUSORP. As a result of this legislation, DMS has chosen to go forward with a competitive procurement to add a sixth provider company with a contract effective date on or before July 1, 2013, and ending December 31, 2014. In addition, under a separate competitive procurement, DMS will seek provider companies for the SUSORP with their contracts effective on or after January 1, 2015.

CAFA was requested to make a recommendation to the BOG on the following:

- 1. recommendations on the types of plans/services a 6th provider should have for SUS employees; and
- 2. recommendations on the types of plans/services all 6 providers should have.

The current plan offerings do provide for a diverse array of investment options. As new options become available, the companies have been adding to the choices. Although we believe there is adequate coverage at this time, CAFA recommends the following:

- 1. The addition of a mutual fund company with a low administrative fee, (such as Fidelity, T. Rowe Price and Vanguard) would fill a missing element.
- 2. Administrative fees should be clear to the employee. The fees are not always clearly transparent.
- 3. Providers should have adequate provider representation with preference of local representatives and a dedicated campus representative.

Products, associated Fees, Surrender Charges and Historical Returns for the Florida SUSORP AS OF 06/30/2012

INFORMATION SUPPLIED BY SUSORP PROVIDER COMPANIES

Historical Percentage Returns

AS OF 06/30/2012							Historical Percentage H	Historical Percent										
VALIC	Ticker	Product Style	Exp Ratio	M/E	Dist. Fee	Total Fees	12 Months	3 Years	5 years	0 years								
Oppenheimer Developing Markets A	ODMAX	Foreign Large Blend	130.00	0.00	-	130.00	-10.28	13.98	3.95	17.57								
American Funds EuroPacific Gr R3	RERCX	Foreign Large Blend	114.00	0.00	-	114.00	-13.19	6.83	-2.86	7.06								
Thornburg International Value R4	THRVX	Foreign Large Blend	125.00	0.00	-	125.00	-14.91	6.95	-2.92	7.77								
Nuveen Real Estate Securities A	FREAX	Real Estate	129.00	0.00	-	129.00	12.26	32.30	4.29	12.14								
JPMorgan Small Cap Growth A	PGSGX	Small Cap Growth	125.00	0.00	-	125.00	-6.59	18.74	2.02	7.63								
DWS Dreman Small Cap Value A	KDSAX	Small Cap Blend	130.00	0.00	-	130.00	-6.32	13.21	-0.52	8.08								
Perkins Small Cap Value S	JISCX	Small Cap Value	138.00	0.00	-	138.00	-4.11	13.43	3.73	7.42								
Prudential Jennison Mid Cap Growth A	PEEAX	Mid Cap Growth	109.00	0.00	-	109.00	3.29	18.71	4.96	10.60								
Legg Mason ClearBridge Mid Cap Core A	SBMAX	Mid Cap Blend	123.00	0.00	-	123.00	-3.24	14.70	1.02	6.17								
RidgeWorth Mid-Cap Value Equity A	SAMVX	Mid Cap Value	135.00	0.00	-	135.00	-5.92	18.27	2.37	7.80								
Franklin Growth R	FGSRX	Large Cap Growth	118.00	0.00	-	118.00	1.81	16.02	1.62	6.05								
JPMorgan Equity Index Select	HLEIX	Large Cap Blend	20.00	0.00	-	20.00	5.25	16.19	0.08	5.12								
American Funds Fundamental Invs R3	RFNCX	Large Cap Blend	93.00	0.00		93.00	-0.94	13.32	-0.56	6.47								
American Funds American Mutual R3	RMFCX	Large Cap Value	97.00	0.00		97.00	4.97	14.61	0.72	5.16								
Columbia Balanced A	CBLAX	Balanced	111.00	0.00		111.00	3.95	12.40	4.58	6.11								
Templeton Global Bond A	TPINX	World Bond	89.00	0.00	-	89.00	-1.10	8.64	9.13	10.73								
PIMCO Total Return A	PTTAX	Intermediate- Term Bond	85.00	0.00	-	85.00	6.54	8.23	8.75	6.50								
Janus Flexible Bond T	JAFIX	Intermediate- Term Bond	71.00	0.00	-	71.00	8.05	8.77	8.55	6.61								
Fixed Interest Option	FB124	Stable Value	0.00	0.00	-	0.00	2.99	3.36	3.51	3.78								
		Average	102.21			102.21	-0.92	13.61	2.76	7.83								

INFORMATION PROVIDED BY SUSORP PROVIDER COMPANIES

AS OF 06/30/2012			BASIS POINTS					Historical Returns as of 06/30/2012					
<u>ING</u>	Product Style	Net Fund Expenses	M/E	Dist. Fee	Total	12 Months	3 Years	5 years	10 years				
	Underlying Investment Option Investment Style	In Basis Points*	In Basis Points*		In Basis Points*	1 Year			Inception	VAA Inception Date			
1 ING Fixed Plus Account II	Stability of Principal	0	0.0	N/A	0.00	3.00	3.00	3.23	3.66				
2 ING Money Market Portfolio, Class I	Money Market	34	90.0	N/A	124.00	-0.87	-0.76	0.25	0.97	2/29/1996			
3 ING Intermediate Bond Portfolio, Class I	Intermediate-Term Bond	50	90.0	N/A	140.00	6.90	9.31	4.67	4.37	1/31/1996			
ING PIMCO Total Return Portfolio - 4 Service Class	Intermediate-Term Bond	84	90.0	N/A	174.00	3.87			4.57	6/3/2010			
5 ING Global Bond Portfolio	Multi-Sector Bond	54	90.0	N/A	144.00	0.69	10.95	4.81	5.09	3/30/2005			
6 ING Balanced Portfolio, Inc Class I	Balanced	64	90.0	N/A	154.00	-1.14	10.58	-0.35	3.37	2/29/1996			
ING T.Rowe Price Capital Appreciation 7 Portfolio-Service Class	Balanced	90	90.0	N/A	180.00	2.80			10.09	6/18/2010			
Fidelity® VIP Contrafund® Portfolio, 8 Initial Class	Large Cap Growth	67	90.0	N/A	157.00	0.49	14.97	0.12	6.38	3/29/1996			
9 ING Stock Index Portfolio, Inst Class	Large Cap Value / Large Blend	26	90.0	N/A	116.00	4.28	15.10	-0.91	3.51	5/1/2004			
Invesco VI Core Equity Fund Series, I 10 Shares	Large Cap Blend	92	90.0	N/A	182.00	-2.71	10.80	-0.38	4.51	10/12/2000			
Neuberger Berman Socially Responsive 11 Fund - Trust Class		113	90.0	N/A	203.00	-6.45			8.89	6/4/2010			
Fidelity VIP Equity-Income Portfolio - 12 Initial Class	Large Blend	56	90.0	N/A	146.00	1.93	15.11	-3.41	3.64	1/31/1996			
ING T. Rowe Price Growth Equity 13 Portfolio, Initial Class	Large Cap Growth	75	90.0	N/A	165.00	5.55	16.54	0.93	5.59	11/28/1997			
14 The Growth Fund of America® Class R-4	Large Cap Growth	68	90.0	N/A	158.00	-1.02	11.05	-1.37	3.91	5/3/2004			
15 ING Index Plus MidCap Portfolio, Class I		48	90.0	N/A	138.00	-2.36	16.90	-0.64	5.67	5/4/1998			
16 ING Small Company Portfolio, Class I	Small Cap Blend	85	90.0	N/A	175.00	-0.92	16.59	1.13	6.45	5/30/1997			
ING Baron Growth Portfolio, Service 17 Class	Mid Cap Growth	131	90.0	N/A	221.00	-0.71	17.81	1.00	3.64	9/27/2006			
ING BlackRock Global Science and 18 Technology Portfolio Class I	Specialty/Technology	105	90.0	N/A	195.00	-5.89	13.07	1.78	4.90	5/9/2000			
19 Europacific Growth Fund® Class R-4	Global/International Foreign Stock	85	90.0	N/A	175.00	-13.73	6.18	-3.47	5.48	5/3/2004			
ING Oppenheimer Global Portfolio, Initial Class	World Stock	66	90.0	N/A	156.00	-11.28	10.68	-2.65	3.59	3/30/2005			
	Average	69.8	85.3	,	155.11	-0.3	11.7	0.5	5.0				
M/E fee increases to 125 during payout phase													
SURRENDER CHARGES:	No surrender charges but liqu					I				_			

^{*} Basis Points- A basis point is one one-hundredth of a percentage point (.01). One percent = 100 basis points. One half of one percent = 50 basis points. The expenses shown in this chart are expressed as basis points.

Products, associated Fees, Surrender Charges and Historical Returns for the Florida SUSORP

AS OF 06/30/2012

The performance data quoted represents past performance. Past performance does not guarantee future results. For month-end performance, which may be lower or higher than the performance data shown please call 800-282-6295. Investment return and principal value of an investment will fluctuate so that, when sold, an investment may be worth more or less than the original cost.

You should consider the investment objectives, risks and charges, and expenses of the variable product and its underlying fund options carefully before investing. The prospectus contains this and other information. Anyone who wishes to obtain a free copy of the separate account and/or fund prospectuses may call their ING Representative or the number above. Please read the prospectus summaries carefully before investing.

These numbers reflect total Separate Account charges of 0.90% on an annual basis. They also assume reinvestment of all dividends (ordinary income and capital gains) and are net of management fees and other fund operating expenses. Returns less than one year are not annualized. VAA Inception Date is the date on which contributions were first received in this fund under the Variable Annuity Account, and it is the date used in calculating the periodic returns.

Must be accompanied by the ING Performance Update Report. Please refer to the Performance Update Report for important fund specific disclosures.

Important Information:

Variable annuities are long-term investment vehicles designed for retirement purposes which allow you to allocate contributions among variable investment options that have the potential to grow tax-deferred with an option to receive a stream of income at a later date. Early withdrawals from variable annuities may be subject to surrender charges, and if taken prior to age 59 1/2, a 10% IRS penalty may apply. Withdrawals will also reduce the applicable death benefit and cash surrender/ account value.

Securities offered through ING Financial Advisers, LLC (member SIPC) or other broker/dealers with which it has a selling agreement.

Please refer to the current fund prospectuses and disclosure materials (if applicable) for a full explanation of fees and expenses. Fees and expenses are subject to change and may vary based on fund size, reimbursements, etc. Total fund operating expenses shown below are before and after reimbursement (if applicable), including investment management/advisory fees, 12b-1 fees (if applicable) and other operating expenses. If the fund imposes 12b-1 fees, such payments are made out of fund assets. These fees and expenses do not include any charges that may be assessed under your plan.

For certain funds, the investment adviser or other service provider to the fund may waive a portion of its fees or reimburse certain fund expenses, which will reduce the expense ratio of the fund for the period of the waiver or adjustment. The amount of such waivers and adjustments as stated in the fund's most current prospectus is shown in the column "Waivers and Adjustments". These waivers and adjustments may not necessarily continue in the future.

AN INVESTMENT IN ING VP MONEY MARKET PORTFOLIO IS NOT INSURED OR GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENT AGENCY.

THE FUND IS A MONEY MARKET FUND WHICH DOES NOT SEEK TO MAINTAIN A STABLE \$1.00 NET ASSET VALUE.

WHILE THE FUND'S INVESTMENT OBJECTIVE INCLUDES THE PRESERVATION OF CAPITAL, IT IS POSSIBLE TO LOSE MONEY BY INVESTING IN THE FUND.

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INFORMATION SUPPLIED BY SUSORP PR	В	asis Points			Historical Returns								
AS OF 06/30/2012													
Jefferson National	Product Style	Exp Ratio	M/E	Dist. Fee		Total Fees	12 Months	3 Years	5 years	10 years			
1 JNF Chicago Equity Partners Equity	Mid-Cap Blend	125.00	100.0	-		225.00	(0.55)	19.09	(1.36)	N/A			
2 JNF Chicago Equity Partners Balanced	Moderate Allocation	125.00	100.0			225.00	5.14		2.09	N/A			
3 Fixed Account	Insured Cash	0.00	0.0	-		0.00	4.50	4.50	4.50	4.50			
4 Federated High Income Bond	High Yield Bond	82.00	100.0	-		182.00	7.86	15.06	6.98	8.05			
5 Dreyfus Stock Index	Large Blend	27.00	100.0	-		127.00	5.18	14.67	(0.97)	4.06			
6 Dreyfus Socially Responsible Growth	Large Growth	85.00	100.0	-		185.00	2.43	13.64	1.15	3.37			
7 Janus Aspen Worldwide	World Stock	71.00	100.0	-		171.00	(11.86)	6.51	(6.01)	0.94			
Alger Small Cap Growth	Small Growth	94.00	100.0	-		194.00	(5.02)	15.60	(0.04)	7.92			
9 Federated Managed Volatility	Conservative Allocation	103.00	100.0	-		203.00	5.23	11.71	3.89	5.51			
10 Janus Aspen Janus Fund	Large Growth	63.00	100.0	-		163.00	(0.17)	12.44	(0.45)	3.56			
11 Janus Aspen Enterprise	Mid-Cap Growth	69.00	100.0	=		169.00	(0.01)	18.03	2.41	8.43			
12 American Century International	Foreign Large Growth	143.00	100.0	-		243.00	(13.12)	7.39	(4.92)	3.36			
13 Lazard Retirement Emerg. Mkts Equity	Diversified Emerging Mkts	142.00	100.0	-		242.00	(11.09)	11.03	0.39	14.58			
14 Pioneer Fund	Large Blend	98.00	100.0	-		198.00	(2.40)	8.33	(3.70)	N/A			
15 Neuberger Berman Large Cap Value	Large Blend	113.00	100.0	-		213.00	(5.61)	17.87	(2.07)	5.59			
16 Third Avenue Value	Small Blend	130.00	100.0	-	0	230.00	(11.19)	5.87	(7.24)	3.68			
17 PIMCO Real Return	Inflation-Protected Bond	65.00	100.0	-		165.00	10.66	10.16	7.84	6.45			
18 PIMCO Total Return	Intermediate-Term Bond	65.00	100.0	-		165.00	5.01	6.75	7.74	5.54			
	Average	88.89	94.4		0.0		(0.83)	11.73	0.57	5.70			
Surrender charges is based upon the tota													
8% 1 st year	3% 6 th year	·											
7% 2 nd year	2% 7 th year	· ·											
6% 3 rd year	1% 8 th year												
5% 4 th year	0% 9 th year on												
4% 5 th year													

Products, associated Fees, Surrender Charges and Historical Returns for the Florida SUSORP AS OF 06/30/2012

INFORMATION PROVIDED BY SUSORP PROVIDER COMPANIES

	As of 06/30/2012					Basis Points			Historical Percentage Returns			
	Met Investors	Product Style	Mutual Fund Ticker	Exp Ratio	M/E	Dist. Fee	Total Fee	s	12 Months	3 Years	5 years	10 years
	1 Flexible Bonus Annuity	Insured Short/Int. bonds		0	0.0	0	0.00					
	2 Fidelity Money Market	Cash		31	125.0	10	167.00		-1.35	-1.20	0.11	0.56
	3 Fidelity Growth	Large Cap Growth		69	125.0	10	200.00		6.20	24.45	2.68	1.68
	Fidelity Asset Mgr.	FUND CLOSED 2005			120.0		200.00		0.73	15.63	3.18	3.51
-	4 Fidelity Contrafund	Large Cap Value		67	125.0	10	200.00		3.05	22.74	1.79	5.82
,	T. Rowe Price Large Cap value (formerly Lord Abbett Growth/Income)	Large Cap Blend		56	125.0	10	187.00		-0.23	19.04	-1.86	1.95
(Metlife Stock Index	Large Cap Blend		27	125.0	10	163.00		6.71	21.32	0.31	2.34
	Added 12/2003											
	7 Pimco Total Return	Aggressive Bond		52	125.0	10	187.00		3.60	8.40	6.22	5.15
	MFS Total Return A	Large Capitalization		60	125.0	10	193.00		4.43	13.53	1.22	3.36
,	9 American Funds GI	Large Capitalization		54	125.0	10	187.00		3.11	17.95	-0.84	2.47
10	MFS Value Portfolio (Formerly Harris O Oakmark Large Cap Value)	Large Capitalization		66	125.0	10	205.00		5.16	18.31	-1.87	1.16
1	Neuberger Berman Genesis Portfolio (formerly BlackRock Strategic Value 1 Portfolio)	Small Capitalization		91	125.0	10	223.00		1.43	21.33	-3.39	1.79
	Barclays Capital Aggregate Bond Index Portfolio (formerly Lehman Aggregate 2 Index Product)	Aggressive Bond		29	125.0	10	164.00		5.84	4.68	4.49	4.05
	Russell 2000 Index Product	Small Capitalization		34	125.0	10	167.00		-1.60	24.72	0.57	4.68
	MSCU EAFE Index Product	International		44	125.0	10	177.00		-7.03	15.10	-4.92	3.84
1	MidCap Index Product	Mid Capitalization		35	125.0	10	167.00		0.31	26.34	3.07	5.85
	Added 5/2005											
10	T.Rowe Price Small Cap Growth	Small Capitalization		62	125.0	10	194.00		2.47	31.20	6.66	5.79
17	MFS Research International	International		81	125.0	10	214.00		-5.56	17.47	-2.77	5.53
		Average		50.5	117.6	9.4	176.2		1.6	17.7	0.9	3.5
	There are surrender penalties; 5 years of for 9 years, there are no surrender penalti deposit for less than 5 years has a 7% surpenalty. When the contract reaches 9 years	es. If a contract is less that rrender penalty. Any mone	an 9 years old, a ey that has beer	any money that has be	en on							

INFORMATION PROVIDED BY SUSORP PROVIDER COMPANIES

TIAA Traditional Annuity TiAA Traditional Annuity TiAA Traditional Annuity TiAA Real Estate	AS OF 06/30/12			В	asis Points							
TIAA-Traditional Annually	TIAA CREE	Product Style		Exp Ratio	M/E	Dist. Fee	Total Fees	12 Months	3 Years	5 years	10 years	Since Inception
TRAR As Estate Road Estate 92.00 92.00 11.09 5.92 (2.27) 4.34 5.85 (CREF Stock Large Blend 49.00 49.00 (2.71) 13.59 (1.20) 5.50 9.85 (CREF Stock Large Blend 49.00 49.00 (2.71) 13.59 (1.20) 5.50 9.85 (CREF Estate Blend 49.00 49.00 (2.71) 13.59 (1.20) 5.50 9.85 (CREF Estate Blend 49.00 47.00 47.00 47.00 5.00 16.47 2.56 5.36 6.70 (CREF Estate) Index Large Cap Blend 43.00 43.00 43.00 3.47 10.24 6.00 6.70 (CREF Estate) Index 6.70 6.	TIAA CIKEI											
TRAR As Estate Road Estate 92.00 92.00 11.09 5.92 (2.27) 4.34 5.85 (CREF Stock Large Blend 49.00 49.00 (2.71) 13.59 (1.20) 5.50 9.85 (CREF Stock Large Blend 49.00 49.00 (2.71) 13.59 (1.20) 5.50 9.85 (CREF Estate Blend 49.00 49.00 (2.71) 13.59 (1.20) 5.50 9.85 (CREF Estate Blend 49.00 47.00 47.00 47.00 5.00 16.47 2.56 5.36 6.70 (CREF Estate) Index Large Cap Blend 43.00 43.00 43.00 3.47 10.24 6.00 6.70 (CREF Estate) Index 6.70 6.												
TRAR As Estate Road Estate 92.00 92.00 11.09 5.92 (2.27) 4.34 5.85 (CREF Stock Large Blend 49.00 49.00 (2.71) 13.59 (1.20) 5.50 9.85 (CREF Stock Large Blend 49.00 49.00 (2.71) 13.59 (1.20) 5.50 9.85 (CREF Estate Blend 49.00 49.00 (2.71) 13.59 (1.20) 5.50 9.85 (CREF Estate Blend 49.00 47.00 47.00 47.00 5.00 16.47 2.56 5.36 6.70 (CREF Estate) Index Large Cap Blend 43.00 43.00 43.00 3.47 10.24 6.00 6.70 (CREF Estate) Index 6.70 6.	1 TIAA Traditional Annuity	Insured Short / Int. bond		0.00			0.00	4.06	3.83	4.49	4.84	N/A
CREF Colonal Equations	2 TIAA Real Estate											5.85
CREF Growth Account Large Cap Blend 47.00 47.00 5.03 16.47 2.56 5.36 6.59	3 CREF Stock	Large Blend		49.00			49.00	(2.71)	13.59	(1.26)	5.50	9.63
CREF Equity Index	4 CREF Global Equities	World Stock		52.00			52.00	(4.81)	11.48	(2.77)	5.01	6.70
CREF Endon Market	5 CREF Growth Account	Large Cap Growth							16.47	2.56	5.36	6.59
CREF Inflation Linked Bond Inflation Linked Bond 45.00 45.00 11.18 9.17 7.91 6.74 6.80	6 CREF Equity Index	Large Cap Blend		43.00					16.29			8.00
CREF Social Choice (Closed to new contributions 9/2011) CREF Money Market Cash		Int. Term Bond		45.00			45.00				5.18	6.74
CREF Money Market Cash 46.00 46.00 2.16 11.55 2.44 5.53 8.26	8 CREF Inflation Linked Bond	Inflation Linked bond		45.00			45.00	11.18	9.17	7.91	6.74	6.80
CREF Money Market Cash 46.00 46.00 2.16 11.55 2.44 5.53 8.26	CREE Social Chaica (Classed to now											
CREF Money Market Cash 42.00 Market 42.00 0.00 0.00 0.99 1.74 3.94	`	Balancad		40.00			40.00	0.40	44.55	0.44	F F2	0.00
GROSS EXPENSE RATIO NET EXPENSE RATIO												
TIAA-CREF Mid Cap Value Fund — Retirement Share Class Mid Cap Value TRVRX 71.00 71.0	9 CKEF Money Market	Casii	G		TIO				0.00	0.99	1.74	3.94
Retirement Share Class			G.	NOOS EXPENSE NA	110		NET EXPENSE N	Allo				
TIAA-CREF Growth and Income Fund — Retirement Share Class * Growth and Income TRGIX 73.00 72.00 4.45 15.27 2.23 8.31 TIAA-CREF International Equity Fund — Retirement Share Class * International Equity TRERX 78.00 78.00 (19.21) 6.95 (7.56) 7.12 TIAA-CREF Large Cap Value Fund — Retirement Share Class * Large Cap Value TRLCX 72.00 72.00 (0.82) 14.03 (2.74) 7.63 Oppenheimer Developing Markets fund ODVYX 100.00 100.00 (9.98) 14.35 4.26 11.87 Prudential Jennison Natural Resources PNRZX 88.00 88.00 (26.28) 7.37 (1.55) 13.72 11.84 TIAA-CREF Social Choice Equity Fund TRSCX 44.00 44.00 0.71 15.25 0.14 7.23 Templeton Global Bond Fund TGBAX 65.00 64.00 (0.86) 8.91 9.41 11.00 8.27 TIAA-CREF High Yield Fund THRX 65.00 65.00 7.81 13.93 8.08 7.86 Royce Pern Mutual Fund PENNX 91.00 91.00 (6.97) 15.84 0.49 7.97 7.91 Manning & Napier Target Risk options: Manning & Napier Target Risk options: Manning & Napier Target Risk options: Manning & Napier Extended term MNBIX 84 84.0 -0.26 11.08 53.28 MANNING & S6.00 -4.76 11.4 2.22	TIAA-CREF Mid Cap Value Fund -											
Retirement Share Class * Growth and Income TRGIX 73.00 72.00 4.45 15.27 2.23 8.31	Retirement Share Class	Mid Cap Value	TRVRX	71.00			71.00	(2.23)	16.83	0.14		7.23
Retirement Share Class * Growth and Income TRGIX 73.00 72.00 4.45 15.27 2.23 8.31								` /				
TIAA-CREF International Equity Fund												
Retirement Share Class * International Equity TRERX 78.00	Retirement Share Class *	Growth and Income	TRGIX	73.00			72.00	4.45	15.27	2.23		8.31
Retirement Share Class * International Equity TRERX 78.00												
TIAA-CREF Large Cap Value Fund — Retirement Share Class * Large Cap Value TRLCX 72.00 72.00 (0.82) 14.03 (2.74) 7.63 4 Oppenheimer Developing Markets fund ODVYX 100.00 100.00 (9.98) 14.35 4.26 11.87 5 Prudential Jennison Natural Resources PNRZX 88.00 88.00 (26.28) 7.37 (1.55) 13.72 11.84 TIAA-CREF Social Choice Eaulity Fund TRSCX 44.00 44.00 0.71 15.25 0.14 7.23 Templeton Global Bond Fund TGBAX 65.00 64.00 (0.86) 8.91 9.41 11.00 8.27 Templeton Global Bond Fund THRX 65.00 65.00 7.81 13.93 8.08 7.86 Royce Penn Mutual Fund PPNNX 91.00 91.00 (6.97) 15.54 0.49 7.97 7.91 Manning & Napier Target Risk Options: Manning & Napier Target Risk Notice Monitor Mining & Napier Conservative Mining & Napier Conservative Mining & Napier Extended term Mining & Napier Max T												
Retirement Share Class * Large Cap Value TRLCX 72.00 72.00 (0.82) 14.03 (2.74) 7.63 4 Oppenheimer Developing Markets fund ODVYX 100.00 100.00 (9.98) 14.35 4.26 11.87 5 Prudential Jennison Natural Resources PNRZX 88.00 88.00 (26.28) 7.37 (1.55) 13.72 11.84 5 TIAA-CREF Social Choice Eauity Fund TRSCX 44.00 44.00 0.71 15.25 0.14 7.23 7 Templeton Global Bond Fund TGBAX 65.00 64.00 (0.86) 8.91 9.41 11.00 8.27 7 Templeton Global Bond Fund TIHRX 65.00 65.00 7.81 13.93 8.08 7.86 Royce Penn Mutual Fund PENNX 91.00 91.00 (6.97) 15.84 0.49 7.97 7.91 Manning & Napier Target Risk Options: Manning & Napier Target Risk Manning & Napier Extended term MNBIX 84 84.0 -0.26 11.08 53.88 Manning & Napier Extended term MNBIX 84 84.0 -0.26 11.08 53.88 Manning & Napier Max Term MNHIX 85 85.0 4.4.76 11.4	2 Retirement Share Class *	International Equity	TRERX	78.00			78.00	(19.21)	6.95	(7.55)		7.12
Retirement Share Class * Large Cap Value TRLCX 72.00 72.00 (0.82) 14.03 (2.74) 7.63 4 Oppenheimer Developing Markets fund ODVYX 100.00 100.00 (9.98) 14.35 4.26 11.87 5 Prudential Jennison Natural Resources PNRZX 88.00 88.00 (26.28) 7.37 (1.55) 13.72 11.84 5 TIAA-CREF Social Choice Eauity Fund TRSCX 44.00 44.00 0.71 15.25 0.14 7.23 7 Templeton Global Bond Fund TGBAX 65.00 64.00 (0.86) 8.91 9.41 11.00 8.27 7 Templeton Global Bond Fund TIHRX 65.00 65.00 7.81 13.93 8.08 7.86 Royce Penn Mutual Fund PENNX 91.00 91.00 (6.97) 15.84 0.49 7.97 7.91 Manning & Napier Target Risk Options: Manning & Napier Target Risk Manning & Napier Extended term MNBIX 84 84.0 -0.26 11.08 53.88 Manning & Napier Extended term MNBIX 84 84.0 -0.26 11.08 53.88 Manning & Napier Max Term MNHIX 85 85.0 4.4.76 11.4												
Oppenheimer Developing Markets fund	TIAA-CREF Large Cap Value Fund –											
Prudential Jennison Natural Resources	Retirement Share Class *	Large Cap Value	TRLCX	72.00			72.00	(0.82)	14.03	(2.74)		7.63
Prudential Jennison Natural Resources												
Prudential Jennison Natural Resources												
Prudential Jennison Natural Resources	Oppenheimer Developing Markets fund		ODVYX	100.00			100.00	(9.98)	14 35	4 26		11.87
TIAA-CREF Social Choice Eauity Fund TRSCX 44.00 44.00 0.71 15.25 0.14 7.23 7.23 7.24 7.25 7.25 7.26 7.26 7.26 7.27 7.27 7.28 7.28 7.29 7.29 7.20 7.	opportunente zeveleping mantete tana		ODVIX	100.00			100.00	(0.00)	14.00	1.20		11.07
TIAA-CREF Social Choice Eauity Fund TRSCX 44.00 44.00 0.71 15.25 0.14 7.23 7.23 7.24 7.25 7.25 7.26 7.26 7.26 7.27 7.27 7.28 7.28 7.29 7.29 7.20 7.												
Templeton Global Bond Fund TGBAX 65.00 64.00 (0.86) 8.91 9.41 11.00 8.27	Frudential Jennison Natural Resources		PNRZX	88.00			88.00	(26.28)	7.37	(1.55)	13.72	11.84
Templeton Global Bond Fund TGBAX 65.00 64.00 (0.86) 8.91 9.41 11.00 8.27	TIAN ODEE 0 1 1 01 1 E 11 E 1											
STIAA-CREF High Yield Fund TIHRX 65.00 65.00 7.81 13.93 8.08 7.86	11AA-CREF Social Choice Eaulty Fund		TRSCX	44.00			44.00	0.71	15.25	0.14		7.23
STIAA-CREF High Yield Fund TIHRX 65.00 65.00 7.81 13.93 8.08 7.86												
Royce Penn Mutual Fund	7 Templeton Global Bond Fund		TGBAX	65.00			64.00	(0.86)	8.91	9.41	11.00	8.27
Royce Penn Mutual Fund	IS TIAA-CREE High Yield Fund		TIHRY	65.00			65.00	7.81	13.03	8 08		7.86
Manning & Napier Target Risk Moptions: 71.0 3.94 8.16 5.37 Manning& Napier Extended term MNBIX 84 84.0 -0.26 11.08 3.88 Manning& Napier Max Term MNHIX 85 85.0 -4.76 11.4 2.24											7 07	
Options: MINCIX 70 71.0 3.94 8.16 5.37 Manning& Napier Extended term MNBIX 84 84.0 -0.26 11.08 3.88 Manning& Napier Max Term MNHIX 85 85.0 -4.76 11.4 2.24			LEMIAN	31.00			31.00	(0.31)	13.04	0.49	7.97	1.91
Manning&Napier Conservative MNCIX 70 71.0 3.94 8.16 5.37 Manning& Napier Extended term MNBIX 84 84.0 -0.26 11.08 3.88 Manning& Napier Max Term MNHIX 85 85.0 -4.76 11.4 2.24												
Manning& Napier Extended term MNBIX 84 84.0 -0.26 11.08 3.88 Manning& Napier Max Term MNHIX 85 85.0 -4.76 11.4 2.24			MNCIX	70			71.0	3 04	8 16			5 37
Manning& Napier Max Term MNHIX 85 85.0 -4.76 11.4 2.24	Manning& Napier Extended term					 						
	Manning& Napier Max Term				1	 				 		
	Marininga Hapioi Wax Tolli	Average	141117	62.91			60.30	7.70	11.4			2.24

No surrender charges but liquidity restrictions apply on fixed product

Fees Explained:

Expense ratio The percentage of total investment that shareholders pay annually for mutual fund management fees and operating expenses.

Basis Points (BPs) Basis points are used in calculating the costs (such as expense ratios, administrative fees, etc.) for a financial instrument. Basis points may also be used to indicate the change in the value of a financial instrument. A basis point is a unit equal to 1/100th of 1%. The relationship between costs or percentage changes and basis points can be summarized as follows: For example, 0.01% cost = 1 basis point or 1% change = 100 basis points.

Mortality and expense risk charge – This charge is equal to a certain percentage of your account value, typically in the range of 1.25% per year. This charge compensates the insurance company for insurance risks it assumes under the annuity contract. Profit from the mortality and expense risk charge is sometimes used to pay the insurer's costs of selling the variable annuity, such as a commission paid to your financial professional for selling the variable annuity to you.

Surrender charges – If you withdraw money from a variable annuity within a certain period after a purchase payment (typically within six to eight years, but sometimes as long as ten years), the insurance company usually will assess a "surrender" charge, which is a type of sales charge. This charge is used to pay your financial professional a commission for selling the variable annuity to you. Generally, the surrender charge is a percentage of the amount withdrawn, and declines gradually over a period of several years, known as the "surrender period." For example, a 7% charge might apply in the first year after a purchase payment, 6% in the second year, 5% in the third year, and so on until the eighth year, when the surrender charge no longer applies. Often, contracts will allow you to withdraw part of your account value each year – 10% or 15% of your account value, for example – without paying a surrender charge.

Distribution fees include fees paid for marketing and selling fund shares, such as compensating brokers and others who sell fund shares, and paying for advertising, the printing and mailing of prospectuses to new investors, and the printing and mailing of sales literature.

For additional information regarding fees, please see: http://www.sec.gov/answers/mffees.htm, or http://www.sec.gov/investor/pubs/varannty.htm, or contact your provider company