

CalSTRS ***Your Money Matters***

An Introduction to CalSTRS Pension2[®]

October, 2009

The CalSTRS Mission

- Securing the financial future and sustaining the trust of California educators
 - Providing benefit services to more than 800,000 members and their families
 - The largest *teachers'* pension fund, and the second largest pension fund in the country

CalSTRS Pension2 Personal Wealth Plan

Designed for all eligible employees
Classified and Certificated

- Complements your defined benefit plan
- Allows you to set aside additional savings in your 403(b) (also known as a TSA) or your employer-sponsored 457 plan.
- Low costs –
 - low fees and expenses*
 - no-load, no-commission funds

What CalSTRS Pension2 offers

CalSTRS Pension2 includes all Supplemental Saving Plans offered by CalSTRS:

- **403(b)**
- **457:** By board approval only
- **Roth 403(b):** Employer must be able to provide electronic payments

Why Choose the CalSTRS Pension2 Plan?

- Choices that match your goals
- Low cost*
- Investments selected by CalSTRS and our investment consultant

Smart Preparation for Your Future Your CalSTRS Pension2 Account

- Your retirement benefit may not be enough to retain your lifestyle in retirement.
- Saving in a supplemental plan like CalSTRS Pension 2 during your working years will help you build a stronger retirement.

Smart Preparation for Your Future Begins with CalSTRS Pension2

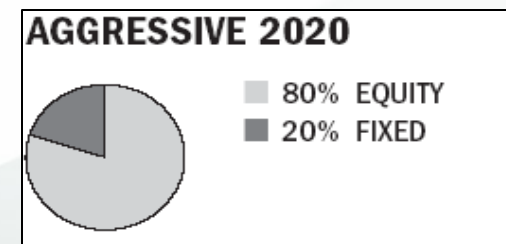
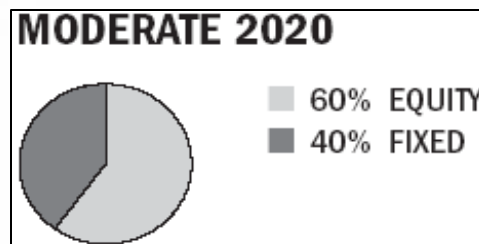
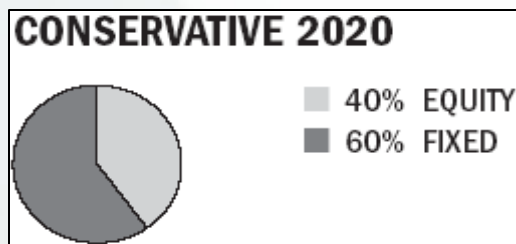
- Designed for retirement and other long-term goals
- Invest in mutual funds and low-cost variable annuity accounts* in a 403(b) or 457 tax-deferred account
- Your contributions are tax advantaged and may reduce your taxable income

**Applies to mutual fund and variable annuity account expense ratios.
Morningstar Direct (June 2009) based on Morningstar expense comparisons by category.*

Your Investment Choices

Easy Choice Portfolios

CalSTRS Easy Choice Portfolio Samples



Your Investment Choices

Preselected Fund Choices

ASSET CLASS	TYPE	FUNDS/ACCOUNTS
<i>Equities</i>	Mutual Funds	American Funds® Growth Fund of America – R6* American Funds® EuroPacific Growth Fund – R6* American Funds® Capital World Growth & Income Fund – R6* American Funds® SmallCAP World Fund – R6* Artisan International Fund DFA Emerging Markets Portfolio DFA Global Equity Portfolio DFA International Small Company Fund* Dodge & Cox International Stock Fund Dodge & Cox Stock Fund TIAA-CREF Social Choice Equity Fund* Vanguard Institutional Index Fund Vanguard Mid-Cap Index Fund* Vanguard Small-Cap Index Fund Vanguard Total Stock Market Index Fund Institutional Shares
<i>Real Estate</i>	Variable Annuity Account	TIAA Real Estate Account

(CONTINUED ON NEXT SLIDE)

*The funds added to the plan as of September 18, 2009 are indicated with an asterisk.

¹ Annuities are designed for retirement savings or for other long-term goals. They offer several payment options, including lifetime income. Payments from TIAA and CREF variable annuities are not guaranteed, and the payment amounts will rise or fall depending on investment returns.

Your Investment Choices (continued)

Preselected Fund Choices

ASSET CLASS	TYPE	FUNDS/ACCOUNTS
<i>Fixed Income</i>	Mutual Funds	Vanguard Short-Term Bond Index Fund Signal Shares Vanguard Inflation-Protected Securities Fund – Institutional*
<i>Balanced</i>	Mutual Funds	American Funds® American Balanced Fund – R6*
<i>Asset Allocation</i>	Mutual Funds	PIMCO All Asset Fund — Institutional*
<i>Money Market</i>	Variable Annuity Account	CREF Money Market Account
<i>Guaranteed</i>	Guaranteed Annuity Account	TIAA Traditional Account
<i>Multi-asset</i>	Variable Annuity Account	CREF Social Choice Account*

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1 Annuities are designed for retirement savings or for other long-term goals. They offer several payment options, including lifetime income. Payments from TIAA and CREF variable annuities are not guaranteed, and the payment amounts will rise or fall depending on investment returns.

2 An investment in this account is not a deposit of any bank and is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other U.S. government agency.

3 Based on the claims-paying ability of the issuer.

Advice & Planning Services

- Personalized portfolio recommendations
- Guidance on past plans
- Retirement strategy review

How to Enroll

- Online enrollment
- Paper enrollment

To speak with a Pension2 representative,
call 888 394-2060
Monday-Friday
8 a.m. – 5 p.m.

Always Available for You

- **www.Pension2.com**
 - Change allocation of future contributions
 - Transfer existing assets
 - Sign up for eDelivery of statements, transaction confirmations and prospectuses
- **888 394-2060**
 - Monday-Friday, 8 a.m. – 5 p.m. (PT)
- **888 556-2950**
 - If you have any questions after hours, contact the CalSTRS Pension2 information line at TIAA-CREF, Monday-Friday, 5 a.m. to 7 p.m., or Saturday, 6 a.m. to 3 p.m. (PT).

Thank you for your attention.

For more information about CalSTRS Pension2,
or to enroll, www.pension2.com
send e-mail to
pension2@calstrs.com.

Investing involves market and other risks which may result in loss of principal. You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 888 556-2950 or go to www.tiaa-cref.org/calstrs for a prospectus that contains this and other information. Please read the prospectus carefully before investing.

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