

To: Faculty and Staff

From: Jim Ables, Director of Human Resources

Re: Pension Benefits Committee and New Retirement Funds

Date: August 18, 2009

Denison Pension Benefits Committee

Effective January of this year, we established a Denison Pension Benefits Committee for the primary purpose of providing oversight of Denison's retirement plans to ensure the plans are managed with the best interest of the participants in mind.

Part of its responsibility will be to periodically review the investment funds to be sure we are offering a diverse array of funds and that these funds are performing as expected. We anticipate that from time to time we may add funds to the retirement plans and remove funds as well. The committee is comprised of the Director of Human Resources (Jim Ables), Vice President of Finance and Management (Seth Patton), Chief Investment Officer (Adele Gorrilla), and Manager of Investments (Brett Stertzbach). The committee's first meeting was held on May 1, 2009.

You don't need us to tell you that 2008 was a difficult investment year. The worldwide decline in financial markets was felt by all. In absolute terms, no one is happy with investment performance of the past year. But in relative terms, the Pension Benefits Committee found no reason to be displeased with TIAA-CREF's performance. We have, nonetheless, taken steps to make available to employees a number of additional investment options through the Denison University Core Retirement Plan (403(b)), the Denison University Tax Deferred Annuity Plan (403(b)), and the Denison University 457(b) Deferred Compensation Plan, available to a select group of highly compensated employees.

The committee has added seven additional investment funds to the existing choices available to you through TIAA-CREF. Just one of the new funds, the TIAA-CREF Short Term Bond Fund, is actually managed and invested by TIAA-CREF. The other six new funds are all available to you through TIAA-CREF, and TIAA-CREF will do all of the recordkeeping on the funds, but these "Partner Funds" are not invested by TIAA-CREF. Partner Funds are a new TIAA-CREF option providing an added level of flexibility and choice, which was one factor in Denison's decision this past year eliminating DWS Scudder and ING as of December 31, 2008. After a review of the Partner Funds available through TIAA-CREF, the Pension Benefits Committee selected just six for inclusion in the

Denison plans. Our choices of new funds targeted sub-asset classes and styles not being fully met by existing options in both fixed income and equity classes. Please see the announcement below regarding these new fund options and how to contact TIAA-CREF for guidance on your investments.

You'll find that each of the new Partner Funds has a solid track record. The Denison TIAA-CREF website has information on each fund. You can also find information on the funds through the websites of the specific fund managers and/or third party rating services like Morningstar. Investing in Partner Funds through TIAA CREF is all done on a no-load basis, i.e., there are no front end or back end sales fees when you buy or sell the shares. You should be aware that some Partner Funds (as well as some TIAA-CREF managed funds) do require a holding period and a redemption fee can be charged if redeemed before the end of the holding period (see the Denison TIAA-CREF website).

With regard to fees or expense charges, you can rely on the information provided on the Denison TIAA-CREF website to fully represent the expenses which will be charged against your investment. In the interest of full disclosure, the Partner Fund managers do pay TIAA-CREF a fee for recordkeeping the funds. However, by comparing the fees to those charged when purchasing directly from the fund managers, it's clear that the recordkeeping fee in nearly every case has been absorbed by the fund managers without resulting in a meaningful increase to participant fees (within 1 to 4 basis pts). However, expenses are an important consideration when investing. Taken as a whole, the fee structures on Partner Funds do tend to be slightly higher than on TIAA-CREF funds.

**Information Provided by TIAA CREF on the New Fund Choices
A Great Plan Just Got Even Better
New Investment Funds Available**

Denison University in partnership with TIAA-CREF is bringing exciting changes to your core and supplemental retirement plans. You can now take advantage of a broader range of investment choices, including expanded TIAA-CREF Mutual Funds and Partner Funds.

Starting August 12, 2009, we are introducing...

- TIAA-CREF Short-Term Bond Fund
- PIMCO Total Return Institutional
- MainStay High-Yield Corporate Bond
- Wells Fargo Advantage Small Cap Growth A
- Columbia Small Cap Value Z
- American Funds Capital World Growth and Income
- Lazard Emerging Markets

TIAA-CREF continues to offer personalized, objective advice and planning services that can help you develop a plan to pursue your retirement income goals, or help you keep your retirement strategy on track.

With these investment choices now available in your plan, you'll find it easier than ever to customize a retirement portfolio that suits your unique needs. Go to www.tiaa-cref.org/denison to learn more about the plan's investment strategies and other features, and then follow the simple steps to selecting your investments. You can also contact TIAA-CREF at 1-800-842-2776 to learn more about the personalized, objective advice and planning services available.

Next steps:

Go online and build your own portfolio

To make changes to your portfolio for future contributions:

1. **Go to www.tiaa-cref.org/denison**
to view all the fund choices now available to you (including lifecycle funds)
click on **Setting up my Portfolio tab**.
2. **Complete the Investor Profile Worksheet**
and receive a suggested asset allocation model that matches your risk profile.
3. **Determine Whether Your Current Portfolio**
Is still on track to meet your goals
4. **If You Want To Make A Change**
Click on **Secure Access** and log on to your accounts. (You'll need a User ID and password to do this. If you don't have yours yet, it's easy to get one. Just click on **Create Log-in**, and follow the instructions)
5. **Once You're Logged In,**
Click on **Change Allocations** and follow the easy instructions.
6. **If You'd Like to Transfer**
Any of your existing funds, click on **Transfer Funds**. Please note that transfers from a TIAA Traditional Annuity work differently. To make transfers from TIAA Traditional Annuity, please call **800 842-2776** to speak to a TIAA-CREF Consultant.

A TIAA Consultant will be on campus for individual counseling sessions throughout the Fall semester. You will receive an announcement later this month which will include how to arrange an appointment.

TIAA-CREF consultants do not receive commissions. They are compensated through a salary-plus-incentive program that emphasizes client service excellence. This means they can help you pursue a range of financial goals by providing you with objective investment advice that *Forbes* magazine once again called TIAA-CREF “the most extensive personalized workplace advice in the industry.”¹

A WIDE ARRAY OF INVESTMENTS WITH PROVEN HISTORICAL TRACK RECORDS

The right investment is important to your retirement plan, so that’s why we want you to know that 68% of TIAA-CREF’s mutual funds and variable annuity accounts outperformed their Morningstar medians over the past three years, and 64% outperformed their Morningstar medians over the past five years (as of 3/31/09). (Morningstar is an independent service that rates mutual funds and variable annuities.)²

Please note that TIAA-CREF Lifecycle Funds share the risks associated with the types of securities held by each of the underlying funds in which they invest. In addition to the fees and expenses associated with the Lifecycle Funds, there is exposure to the fees and expenses associated with the underlying mutual funds as well. TIAA-CREF Lifecycle Funds are actively managed, so their asset allocations are subject to change and may vary from those shown or discussed. Approximately seven to ten years after a Lifecycle Fund’s target date, the fund may merge into the Lifecycle Retirement Income Fund or a similar fund.

¹ “Playing the Numbers,” *Forbes 2009 Retirement Guide*.

² Past performance cannot guarantee future results. The Morningstar median represents the midpoint of an index of comparable funds/accounts, which is determined by factors such as asset class exposure and investment objective. Relative performance over other time periods may vary.

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

All TIAA-CREF investment vehicles are subject to market and other risk factors, which could result in loss of principal.