

Intelligent Variable Annuity-Franklin Income 1

Benchmark

Morningstar Moderately Cons Target Risk

Category

Conservative Allocation

Overall Morningstar Rating™

★★★★

Out of 750 Conservative Allocation VA subaccounts. **An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.**

Morningstar Return

Above Average

Morningstar Risk

Above Average

Investment Information

Investment Strategy from investment's prospectus

The investment seeks to maximize income while maintaining prospects for capital appreciation.

The fund may invest up to 100% of total assets in debt securities that are rated below investment grade, but it is not currently expected that the fund invests more than a substantial part of its assets in these securities. It may also invest a small portion of its assets in secured and unsecured corporate bank loans and loan participations. The fund may invest a small portion of assets in foreign securities.

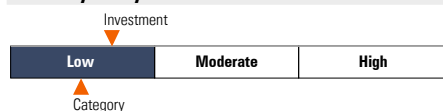
Operations

Subaccount Incp Date	02-05-08
Undr. Fund Incep Date	01-24-89
Subacct Adoption Date	02-05-08
Prosp Net Exp Ratio	0.47%
Prosp Gross Exp Ratio	0.47%
Advisor	Franklin Advisers, Inc.
Subadvisor	—
Portfolio Manager(s)	Edward D. Perks Charles B. Johnson

Investment Manager

Franklin Templeton's distinct multimanager structure combines the specialized expertise of three worldclass investment management groups- Franklin, Templeton, and Mutual Series. Founded in 1947, Franklin is a recognized leader in fixed income investing and also brings expertise in growth- and value-style U.S. equity investing. Founded in 1940, Templeton pioneered international investing and, in 1954, launched what has become the industry's oldest global fund. Today, with offices in over 29 countries, Templeton offers investors a truly global perspective. Founded in 1949, Mutual Series is dedicated to a unique style of value investing, searching aggressively for opportunity among what it believes are undervalued stocks, as well as arbitrage situations and distressed securities.

Volatility Analysis



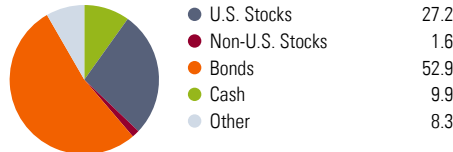
In the past, this investment has shown a relatively small range of price fluctuations relative to other investments. Based on this measure, currently more than two thirds of all investments have shown higher levels of risk. Consequently, this investment may appeal to investors looking for a conservative investment strategy.

Morningstar Proprietary Statistics

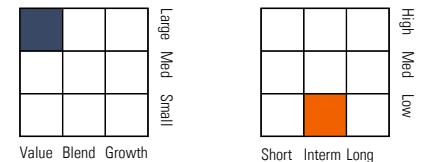
	YTD	1-Year	3-Year	5-Year	10-Year
Morningstar Rating	—	—	★★★★	★★★★	★★★★★
Fund Rank Percentile	2	66	59	22	5
Out of # of Investments	1,332	1,260	750	350	53

Portfolio Analysis

Composition as of 03-31-09



Morningstar Style Box™ as of 03-31-09 (EQ); 12-31-08 (F-I)



Top 20 Holdings as of 03-31-09

Company	% Assets
PG & E Corporation	1.62
Pfizer Inc.	1.50
Dollar Gen 10.625% 07-15-15	1.45
Public Service Enterprise Group	1.42
Duke Energy Corporation	1.38
Cablevision Sys 8% 04-15-12	1.32
Merck & Co., Inc.	1.29
Jpmorgan Chase FRN 04-30-18	1.24
Southern Company	1.24
Intel Corporation	1.16
Chs / Cmnty Health Sys 8.875% 07-15-15	1.01
First Data	1.00
Tenet Healthcare 7.375% 02-01-13	1.00
ALTRIA GROUP 11-10-18	0.99
Amer Express Cr 7.3% 08-20-13	0.99
Progress Energy, Inc.	0.98
AT&T, Inc.	0.97
Cch li Llc / Cch li Cap 10.25% 09-15-10	0.96
Dominion Resources, Inc.	0.96
Gmac 6.875% 09-15-11	0.96

Total Number of Stock Holdings	45
Total Number of Bond Holdings	172
Annual Turnover Ratio %	44
Total Fund Assets (\$mil)	6,124.64

Statistics

Statistic	Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	11.17	0.79	0.98
P/B Ratio	1.10	0.61	0.81
P/C Ratio	5.40	0.94	1.09
GeoAvgCap (\$mil)	20,213.37	0.55	1.08

Risk Measures as of 06-30-09

Metric	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	15.86	0.84	1.34
3 Yr Beta	1.15	—	1.35
3 Yr Sharpe Ratio	-0.31	0.61	0.77
3 Yr Alpha	-1.31	—	0.64
3 Yr R-squared	84.57	—	1.01

Morningstar Sectors as of 03-31-09

Sector	Fund%
Information	10.82
Software	0.00
Hardware	6.24
Media	0.62
Telecommunication	3.96
Service	27.13
Healthcare Service	11.09
Consumer Service	0.00
Business Service	3.48
Financial Service	12.56
Manufacturing	62.06
Consumer Goods	0.00
Industrial Materials	3.76
Energy	8.39
Utilities	49.91

Disclosure

Additional Information

All investment vehicles are subject to market and other risk factors, which could result in loss of principal. **Investment objectives, risks, charges, expenses, and other important information about a portfolio are contained in the prospectus; read it carefully before investing.**

Prospectus Gross Expense Ratio

This is the percentage of fund assets paid for operating expenses and management fees. The expense ratio typically includes the following types of fees: accounting, administrator, advisor, auditor, board of directors, custodial, distribution (12b-1), legal, organizational, professional, registration, shareholder reporting, subadvisor, and transfer agency. The expense ratio does not reflect the fund's brokerage costs or any investor sales charges. In contrast to the net expense ratio, the gross expense ratio does not reflect any fee waivers in effect during the time period.

Also known as the Total Annual Fund Operating Expense Ratio, Morningstar pulls the prospectus gross expense ratio from the fund's most recent prospectus. Prospectus expense ratios reflect material changes to the expense structure for the current period.

Prospectus Net Expense Ratio

This is the percentage of fund assets paid for operating expenses and management fees. The expense ratio typically includes the following types of fees: accounting, administrator, advisor, auditor, board of directors, custodial, distribution (12b-1), legal, organizational, professional, registration, shareholder reporting, subadvisor, and transfer agency. The expense ratio does not reflect the fund's brokerage costs or any investor sales charges. In contrast to the gross expense ratio, the net expense ratio does reflect fee waivers in effect during the time period.

Also known as the Total Annual Fund Operating Expense Ratio Net of Reimbursements, Morningstar pulls the prospectus net expense ratio from the fund's most recent prospectus. Prospectus expense ratios reflect material changes to the expense structure for the current period, while annual report expense ratios reflect the actual fees charged during a particular fiscal year.

Morningstar Rating™

Often simply called the Star Rating, the Morningstar Rating brings load-adjustments, performance (returns) and risk together into one evaluation. To determine a fund's star rating for a given time period (three, five, or 10 years), the fund's risk-adjusted return is plotted on a bell curve: If the fund scores in the top 10% of its category, it receives 5 stars (Highest); if it falls in the next 22.5% it receives 4 stars (Above Average); a place in the middle 35% earns 3 stars (Average); those lower still, in the next 22.5%, receive 2 stars (Below Average); and the bottom 10% get only 1 star (Lowest). The Overall Morningstar Rating is a weighted average of the available three-, five-, and 10-year ratings.

Morningstar Return

This statistic is a measurement of a fund's excess return over a risk-free rate (the return of the 90-day Treasury bill), after adjusting for all applicable fund level loads and sales charges. In each Morningstar Category, the top 10% of funds earn a High Morningstar Return, the next 22.5% Above Average, the middle 35% Average, the next 22.5% Below Average, and the bottom 10% Low. Morningstar Return is measured for up to three time periods (three-, five-, and 10-years). These separate measures are then weighted and averaged to produce an overall measure for the fund.

Funds with less than three years of performance history are not rated.

Morningstar Risk

This statistic evaluates the variations in a fund's monthly returns, with an emphasis on downside variations. In each Morningstar Category, the 10% of funds with the lowest measured risk are described as Low Risk, the next 22.5% Below Average, the middle 35% Average, the next 22.5% Above Average, and the top 10% High. Morningstar Risk is measured for up to three time periods (three-, five-, and 10-years). These separate measures are then weighted and averaged to produce an overall measure for the fund. Funds with less than three years of performance history are not rated.

Morningstar Style Box™

The Morningstar Style Box reveals a fund's investment strategy. For equity funds and fixed-income funds respectively, the vertical axis shows the market capitalization of the stocks owned or the average credit quality of the bonds owned. The horizontal axis shows investment style (value, blend, or growth) or interest rate sensitivity as measured by a bond's duration (short, intermediate or long). Duration is a measure of interest-rate sensitivity—the longer a fund's duration, the more sensitive the fund is to shifts in interest rates.

Risk Measures

R-squared reflects the percentage of a fund's movements that are explained by movements in its benchmark index, showing the degree of correlation between the fund and the benchmark.

Beta is a measure of a fund's sensitivity to market movements. A portfolio with a beta greater than 1 is more volatile than the market, and a portfolio with a beta less than 1 is less volatile than the market.

Alpha measures the difference between a fund's actual returns and its expected performance, given its level of risk (as measured by beta).

Sharpe ratio uses standard deviation and excess return to determine reward per unit of risk.

Standard deviation is a statistical measure of the volatility of the fund's returns.

Investment Risk

Foreign Securities Funds/Emerging Market Funds: Risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

Sector Funds: The lack of industry diversification subjects the investor to increased industry-specific risks.

Non-Diversified Funds: Funds that invest more of their assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investments.

Small-Cap Funds: Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.

Mid-Cap Funds: The securities of companies with market capitalizations below \$10 billion may be more volatile and less liquid than the securities of larger companies.

Bond Funds: Bond investments are subject to interest rate risk so that when interest rates rise, the prices of bonds can decrease and the investor can lose principal value. Bonds investing in asset/mortgage-backed securities are

subject to prepayment risk, where falling interest rates can cause security prices and income to decline due to early prepayment of principal, as well as extension risk, where rising interest rates can cause securities prices to decline because expected prepayments of principal do not occur.

High-Yield Bond Funds: Funds that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the fund, including the possible higher level of volatility and increased risk of default.

Commodity-Linked Derivative Funds: Funds that invest in commodity-linked derivative instruments may subject the portfolio to greater volatility than investments in traditional securities, particularly if the investments invoke leverage.

Value Funds: Stock selection is based upon the portfolio manager's assessment of fundamentals of the companies that he/she believes to be undervalued. This style of investing may increase the volatility of the portfolio and may not produce the intended results over short or long time periods. Larger, more established companies may not be able to attain higher growth rates of smaller companies, especially during extended periods of economic expansion.

Asset Allocation Funds: These funds seek to accomplish dual goals of income and capital appreciation by investing in a variety of securities in different asset classes. Many of these portfolios are structured as a "fund of funds" which is a portfolio that specializes in buying shares of other portfolios rather than individual securities. The "fund of funds" structure may have higher costs than if you invested directly in the underlying portfolios.

TIAA-CREF Individual & Institutional Services, LLC, and Teachers Personal Investors Services, Inc., members FINRA, distribute securities products. Intelligent Variable Annuity, contract form series TCL-VA2 is issued by TIAA-CREF Life Insurance Company, 730 Third Avenue, New York, NY 10017.

C42208