

RETIREMENT REPORT

Littleton Public Schools
403(b) and 457 Retirement Plans

Winter 2018



Dreaming of a Royal Retirement?

Cash flow is king when thinking about your financial future

Cash flow is like the water in the moat surrounding a successful retirement. It's an essential element of financial planning that can help you defend your castle against unexpected expenses, coffer-raiding or overspending. Cash flow planning combines five interdependent activities: setting goals, establishing an emergency fund, calculating your net worth, recording expenses and communicating your wishes to your loved ones — the five elements of cash flow planning.

Look from the Tower: Set Goals

It's impossible to plan without having a goal in mind. When it comes to your future finances, start with the basics, whether it's to pay down school loans or to establish a three-month emergency fund.

For example, if you were faced with a \$500 unexpected bill, would you be able to cover it? Nearly six in 10 Americans don't have enough savings to pay a \$500 or \$1,000 expense, according to Bankrate.¹ Without having a cash cushion, emergencies can cause you to tap funds earmarked for other purposes, such as your retirement. An emergency fund not only can help you manage a car or home repair, it can tide you over in the event of an unforeseen illness or job loss.

Survey Your Realm: Calculate Your Net Worth

Your ability to project your future income needs depends on the clarity of your financial picture today. Your best snapshot for that is your net worth — the total value of what you own minus what you owe. Here's a simplified worksheet to give you a rough approximation of your personal or household net worth.

Net Worth Worksheet

A. What You Own (Assets)	Value
Cash on Hand	\$
Cash in checking, savings accounts	\$
Market value of your home and household items	\$
Stocks, bonds, mutual funds	\$
Market value of vehicles	\$
Current value of 401(k), IRA	\$
Other assets	\$
TOTAL ASSETS	\$
B. What You Owe (Liabilities)	Value
Mortgage	\$
Home equity loan or line of credit	\$
Auto loan and credit card balance	\$
Student loans	\$
Other liabilities	\$
TOTAL LIABILITIES	\$
NET WORTH (A minus B)	\$

Summon the Scribe! Record Your Expenses

Many people who struggle with not knowing where their money went don't have a firm handle on their expenses. If this fits your description, consider buying a small notebook and recording what you spend every day. Add it up at the end of the month. You may be surprised to see where all your cash is going!

Sound the Trumpets: Communicate with Your Household

Spouses or significant others often disagree about the role of money in the household. One may see cash as a license to shop and spend, the other for saving. The important thing is to communicate these views and resolve disagreements well before financial stress enters the picture.

Cash flow planning is at the core of financial planning, because cash flow can give you the freedom and flexibility to rule your destiny. That's a worthy goal any king or queen can champion.

¹ "Six in 10 Americans don't have \$500 in savings," CNN Money, January 12, 2017. <http://money.cnn.com/2017/01/12/pf/americans-lack-of-savings/index.html>

How to Save \$3,000 This Year

Making thrifty decisions can become a regular habit that adds up

We all know how difficult it is to put aside money for the future when there are so many competing claims on your income. Small wonder that half of American households currently have no savings for when they stop working.¹

But trimming a few dollars here, a few there in the daily way you shop, drive, cook or use utilities can add up to serious savings and can be a good way to pad your nest egg. Try these 10 savvy tips, adapted from AARP², and you could add upwards of \$3,109 to your wallet this year.

Shopping

Store brands. A recent survey of the cost of 16 common grocery items showed that name-brand items cost \$56.24 while store brands totaled \$41.51.³ Annual savings: \$766.



The soap slope. A branded liquid soap pump costs about \$1.50, but a gallon sets you back only \$14, good for 17 refills (or \$0.68 a pop). Annual savings: \$20.⁴

Robotic rebates. Use your computer to automatically search for savings at joinhoney.com. A toaster priced at \$45 recently was priced at \$9.99 after mail-in rebate — with free shipping! Savings: \$35.

Driving

Tire-lessly. If the best price for four tires at your local tire shop is \$448, try an online store. With free delivery and \$80 installation fee, you might save a bundle.⁵ Savings: \$68.



Blow 'em up. Underinflating tires by just 5 percent can cost you \$2.50 in monthly gas, plus wear and tear.⁶ Keep them properly inflated. Annual savings: \$30.

Air it out. Changing your car's air filter — a big contributor to improving the air quality inside your vehicle — takes just five minutes and will save you \$19 in labor.⁷ Savings: \$19.

Cooking

Dress for success. A simple vinaigrette of Dijon mustard, red wine vinegar, olive oil and salt and pepper can save you \$1.50 a week over store-bought dressings. Annual savings: \$78.



Veg out. Foregoing meat one day a week can save you an estimated \$10 per week — and may possibly deliver ecological and health benefits.⁸ Annual savings: \$520.

Heating and Cooling

Turn off the AC. On average, air conditioning in your home costs 36 cents an hour, but ceiling fans only about 1 cent an hour.⁹ Assuming you only need cooling for half the year, that could mean \$1,533 in annual savings.



Pipe up. Insulating your hot water lines with preformed foam insulation jackets could lower your power bill by \$40 a year.

¹ "The Real Reason People Don't Save for Retirement," Forbes.com, February 24, 2016. <https://www.forbes.com/sites/lawrencelight/2016/02/24/the-real-reason-people-dont-save-for-retirement/#2750189837c5>.

² AARP, Great Money Saving Tips. <http://www.aarp.org/money/budgeting-saving/info-2017/great-money-saving-tips.html>.

³ <http://www.threethriftyguys.com/2016/06/brand-name-vs-no-name-brand-a-price-comparison>. Assumes consumers purchase identical items each week.

⁴ <http://www.aarp.org/money/budgeting-saving/info-2017/how-to-save-20-dollars.html>.

⁵ tirebuyer.com.

⁶ AARP, op cit.

⁷ Ibid.

⁸ <https://www.aol.com/article/finance/2016/04/29/meatless-monday-can-save-you-money-savings-experiment/21346907/>.

⁹ AARP, op cit.

Whom do I call for help?



Contact TIAA-CREF for the following:

- > Balances
- > Investment changes
- > Change personal info

800.842.2009

www.tiaa-cref.org

The Plan's Investment Consultant

Innovest Portfolio Solutions

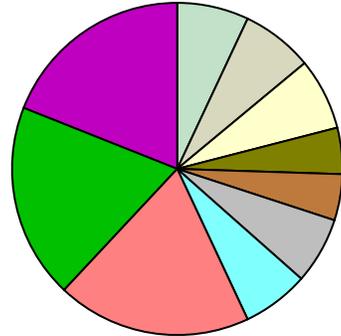
4643 S. Ulster St., Suite 1040
Denver, CO 80237

303.694.1900 | www.innovestinc.com

Who typically uses this portfolio?

Current Age: over 60
Risk Level: Low
Expected Return: Low
Time Horizon:
Years to Age 65: under 5
Years to Age 85: under 25
Expense Ratio (%): 0.26

Portfolio Allocation (%)



Dodge & Cox Stock (DODGX)	7.0
Vanguard 500 Index;Adm (VFIAX)	7.0
Harbor:Cap Apprec;Inst (HACAX)	7.0
Vanguard Md-Cp Idx;Adm (VIMAX)	4.5
Vanguard Sm-Cp Idx;Adm (VSMAX)	4.5
Am Beacon:Intl Eq;Inst (AAIEX)	6.5
American Funds EuPc;R6 (RERGX)	6.5
Met West:Total Return;I (MWTIX)	19.0
Vanguard Tot Bd;Adm (VBTIX)	19.0
TIAA Traditional	19.0

Past Performance (%)*

	Last Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Littleton Public School Conservative	2.72	12.22	12.22	6.11	7.30	N/A

Understanding Your Professionally-Managed Portfolios

Who typically uses this portfolio?

Current Age: The age (today) of an average investor with time horizon, risk level, and return expectations of the Conservative Portfolio.

Time Horizon: Indicates the number of years (time horizon) to the average retirement age of 65, when the investor will begin spending the money in their account, and the number of years to assumed life expectancy of age 85.

Risk Level: The amount of expected risk in the Conservative Portfolio. Risk is measured by the potential loss over a 12-month period that an investor might expect in the Conservative Portfolio, and is calculated via a statistical process consistent with 95% probability.

Low: -8% to -14%

Expected Return: The level of expected investment return from the Conservative Portfolio. The range of returns shown below indicates the potential gain that an investor might expect each year, on average, over a 5-year period. This is also referred to as the "mean" return, and is calculated using a statistical process to determine a range of probabilities.

Low: 4% to 6%

Past Performance

Investment performance results shown above represent past performance and are not indicative of future results. Please read the information contained in the applicable fund prospectuses carefully before investing money.

How is the portfolio diversified?

The pie chart and accompanying data shown for each portfolio illustrates the percentage allocated to each fund.

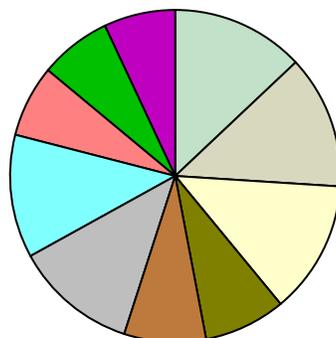
*Innovest relies on 3rd party data for these returns.

**Returns using TIAA Traditional Annuity - GRA contract

Who typically uses this portfolio?

Current Age: 40 - 60
Risk Level: Moderate
Expected Return: Moderate
Time Horizon:
Years to Age 65: 5 - 25
Years to Age 85: 25 - 45
Expense Ratio (%) 0.35

Portfolio Allocation (%)



Dodge & Cox Stock (DODGX)	13.0
Vanguard 500 Index;Adm (VFIAX)	13.0
Harbor:Cap Apprec;Inst (HACAX)	13.0
Vanguard Md-Cp Idx;Adm (VIMAX)	8.0
Vanguard Sm-Cp Idx;Adm (VSMAX)	8.0
Am Beacon:Intl Eq;Inst (AAIEX)	12.0
American Funds EuPc;R6 (RERGX)	12.0
Met West:Total Return;I (MWTIX)	7.0
Vanguard Tot Bd;Adm (VBTIX)	7.0
TIAA Traditional	7.0

Past Performance (%)*

	Last Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Littleton Public School Moderate	4.57	19.94	19.94	8.96	11.15	N/A

Understanding Your Professionally-Managed Portfolios

Who typically uses this portfolio?

Current Age: : The age (today) of an average investor with time horizon, risk level, and return expectation of the Moderate Portfolio.

Time Horizon: Indicates the number of years (time horizon) to the average retirement age of 65, when the investor will begin spending the money in their account, and the number of years to assumed life expectancy of age 85.

Risk Level: The amount of expected risk in the Moderate Portfolio. Risk is measured by the potential loss over a 12-month period that an investor might expect in the Moderate Portfolio, and is calculated via a statistical process consistent with 95% probability.

Moderate: -13% to -19%

Expected Return: The level of expected investment return from the Moderate Portfolio. The range of returns shown below indicates the potential gain that an investor might expect each year, on average, over a 5-year period. This is also referred to as the "mean" return, and is calculated using a statistical process to determine a range of probabilities.

Moderate: 5% to 7%

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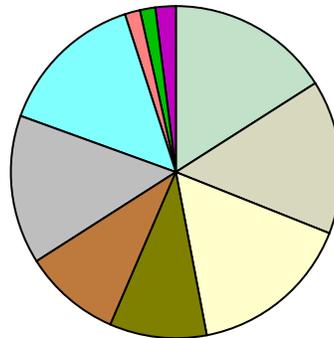
*Innovest relies on 3rd party data for these returns.

**Returns using TIAA Traditional Annuity - GRA contract

Who typically uses this portfolio?

Current Age: 30 - 50
Risk Level: High
Expected Return: High
Time Horizon:
Years to Age 65: 15 - 35
Years to Age 85: 35 - 55
Expense Ratio (%) 0.39

Portfolio Allocation (%)



Dodge & Cox Stock (DODGX)	16.0
Vanguard 500 Index;Adm (VFIAX)	15.0
Harbor:Cap Apprec;Inst (HACAX)	16.0
Vanguard Md-Cp Idx;Adm (VIMAX)	9.5
Vanguard Sm-Cp Idx;Adm (VSMAX)	9.5
Am Beacon:Intl Eq;Inst (AAIEX)	14.5
American Funds EuPc;R6 (RERGX)	14.5
Met West:Total Return;I (MWTIX)	1.5
Vanguard Tot Bd;Adm (VBTIX)	1.5
TIAA Traditional	2.0

Past Performance (%)*

	Last Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Littleton Public School Aggressive	5.39	23.54	23.54	10.24	12.92	N/A

Understanding Your Professionally-Managed Portfolios

Who typically uses this portfolio?

Current Age : The age (today) of an average investor with time horizon, risk level, and return expectation of the Aggressive Portfolio.

Time Horizon: Indicates the number of years (time horizon) to the average retirement age of 65, when the investor will begin spending the money in their account, and the number of years to assumed life expectancy of age 85.

Risk Level: The amount of expected risk in the Aggressive Portfolio. Risk is measured by the potential loss over a 12-month period that an investor might expect in the Aggressive Portfolio, and is calculated via a statistical process consistent with 95% probability.

High: -17% to -23%

Expected Return: The level of expected investment return from the Aggressive Portfolio. The range of returns shown below indicates the potential gain that an investor might expect each year, on average, over a 5-year period. This is also referred to as the "mean" return, and is calculated using a statistical process to determine a range of probabilities.

High: 6% to 8%

Past Performance

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How is the portfolio diversified?

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**Returns using TIAA Traditional Annuity - GRA contract