

TIAA-CREF FUND AND ACCOUNT COMMENTARY FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

MARKET LANDSCAPE

The performance of financial markets in 2009 was, to say the least, remarkable. After hitting bottom on March 5, 2009, (after a peak-to-trough decline of over 55%, including a drop of about 25% in the first two months of 2009), broad U.S. equity indexes experienced their best three-quarter performance since the Great Depression, with the S&P 500 and the Russell 3000 up over 26% for the year. The big story in equities was overseas, as a declining dollar and, in some countries, rapid economic growth were reflected in climbing foreign stock prices. Led by China's and, to a somewhat lesser extent, India's early recovery from the global recession, Asia (except Japan) and emerging market stock indexes rose between 70% and 80% in 2009. Developed country equity markets around the world, led by Europe, outpaced U.S. equities by returning over 30%. Small-cap international stocks were especially robust, rising over 45% for the year. The exception was Japan, which continued two decades of stagnant economic and investment market performance with single-digit returns in 2009.

In the United States, in keeping with the nature of early-cycle stock rallies, midcap and growth indexes led the way in 2009, returning between 30% and 40% for the year. Investors rediscovered value stocks briefly during the third quarter of the year, when they outperformed growth stocks, but in the fourth quarter returned to growth stocks, leaving them significantly ahead of value indexes for the year.

Fixed income markets also showed gains during the fourth quarter, though the news was more mixed than in the equity markets. The overall Barclays Capital U.S. Aggregate Bond Index, which includes U.S. Treasuries as well as a wide variety of corporate bonds, returned about 6% for the year. Of that, corporate bonds, particularly high-yield bonds, were the big performers. The broad U.S. credit index, after falling about 3% in 2008, rose almost 16% in 2009. The high-yield bond index returned over 50% in 2009, after dropping about 26% in 2008.



TIAA-CREF FUND AND ACCOUNT COMMENTARY FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

In contrast, after returning over 12% in 2008, the U.S. government bond index fell over 2% as investors abandoned U.S. Treasuries. These results reflect the transition from 2008, when investors shunned the credit markets generally in favor of government securities. This year, recognizing that prices had dropped as yield spreads skyrocketed, investors returned enthusiastically to credit securities. One exception was U.S. inflation-linked bonds, or TIPS (Treasury Inflation Protected Securities), which had negative returns in 2008 due to investor fears about deflation. In 2009, through the end of September, investor concerns focused more on the prospects for inflation, and TIPS outpaced other government bonds, returning nearly 11.5%. Similarly, municipal (state and local) government bonds underperformed their historical averages in 2008 but provided nearly a 10% return in 2009, as investor fears about state government finances abated somewhat. In addition, the emerging market bond index, which posted a loss of over 16% in 2008, bounced back with a gain of about 36% in 2009 on the strength of positive economic news from a number of developing countries.

Amid all the positive investment news, special mention should be made of commercial real estate. REITS, which are stocks of companies that invest in real estate, rose nearly 10% during the fourth quarter and nearly 28% for the full year in 2009. In contrast, REITS fell nearly 40% in 2008 as investors recognized the extent of the residential and commercial real estate downturn. Direct real estate investments – direct ownership of office, retail, industrial, and multifamily rental buildings – is still going through its first significant downturn since the late 1980s and early 1990s. Vacancy rates are up, especially in the retail area, building values have dropped, and returns fell over 20% during 2009.

Investments in other areas are showing some signs of life. Many investments in assets that are not traded on public exchanges, such as private equity, natural resources, and certain kinds of asset-backed securities, were especially illiquid during parts of 2008 and 2009 as the gap between what sellers were willing to take and buyers were willing to offer increased significantly. By some measures, certain assets in these categories are more available for purchase as the new year begins.

TIAA-CREF FUND AND ACCOUNT COMMENTARY FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

The performance data quoted represents past performance and is no guarantee of future results. Your returns and the principal value of your investments fluctuate so that your accumulation units or shares, when redeemed, may be worth more or less than their original cost. Recent performance may differ from the figures shown. For performance current with most recent month-end, visit the TIAA-CREF website at tiaa-cref.org or call 877 518-9161. Morningstar uses absolute returns to determine rankings.

CREF ACCOUNTS AVERAGE ANNUAL RATES OF RETURN AS OF 12/31/09

	4TH QUARTER	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION	INCEPTION DATE	EXPENSE RATIO
Stock Account	4.98%	32.04%	-4.90%	1.62%	0.10%	9.74%	08/01/52	0.485%
BM: CREF Composite Index*	5.11%	31.24%	-5.05%	1.70%	0.34%	N/A		
PG: Large Blend M'star OE Category	N/A	28.17%	-5.53%	0.46%	0.01%	N/A		
PG: Fund % Rank in Large Blend M'star OE Category**	N/A	22%	37%	25%	41%	N/A		
PG: # of funds in Large Blend M'star OE Category	N/A	2,027	1,757	1,376	710	N/A		
Global Equities Account	4.53%	32.91%	-5.48%	1.97%	-1.25%	7.00%	05/01/92	0.510%
BM: MSCI World Index SM	4.07%	29.99%	-5.63%	2.01%	-0.26%	6.70%		
PG: World Stock M'star OE Category	N/A	35.27%	-4.38%	2.90%	1.34%	N/A		
PG: Fund % Rank in World Stock M'star OE Category**	N/A	48%	61%	65%	78%	N/A		
PG: # of funds in World Stock M'star OE Category	N/A	755	542	447	251	N/A		
Growth Account	7.83%	36.54%	-1.36%	1.31%	-4.66%	5.97%	04/29/94	0.465%
BM: Russell 1000® Growth Index Blended ¹	7.94%	37.21%	-1.89%	1.63%	-3.91%	6.70%		
PG: Large Growth M'star Category	N/A	35.68%	-2.89%	1.21%	-2.11%	N/A		
PG: Fund % Rank in Large Growth M'star OE Category**	N/A	38%	29%	46%	85%	N/A		
PG: # of funds in Large Growth M'star OE Category	N/A	1,796	1,548	1,276	698	N/A		
Equity Index Account	5.81%	27.86%	-5.77%	0.37%	-0.56%	7.63%	04/29/94	0.420%
BM: Russell 3000® Index	5.90%	28.34%	-5.42%	0.76%	-0.20%	7.97%		
PG: Large Blend M'star OE Category	N/A	28.17%	-5.53%	0.46%	0.01%	N/A		
PG: Fund % Rank in Large Blend M'star OE Category**	N/A	45%	54%	50%	50%	N/A		
PG: # of funds in Large Blend M'star OE Category	N/A	2,027	1,757	1,376	710	N/A		
Social Choice Account	3.71%	22.41%	-0.60%	2.58%	2.54%	8.38%	03/01/90	0.440%
BM: Social Choice Account Composite Index ²	3.19%	20.18%	-0.77%	2.60%	2.44%	8.39%		
PG: Moderate Allocation M'star Category	N/A	24.13%	-1.97%	1.98%	2.33%	N/A		
PG: Fund % Rank in Moderate Allocation M'star OE Category**	N/A	61%	29%	37%	44%	N/A		
PG: # of funds in Moderate Allocation M'star OE Category	N/A	1,177	953	786	441	N/A		

TIAA-CREF FUND AND ACCOUNT COMMENTARY FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

CREF ACCOUNTS AVERAGE ANNUAL RATES OF RETURN AS OF 12/31/09

	4TH QUARTER	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION	INCEPTION DATE	EXPENSE RATIO
Bond Market Account	0.39%	7.00%	4.71%	4.10%	5.84%	6.75%	03/01/90	0.455%
BM: Barclays Capital U.S. Aggregate Bond Index	0.20%	5.93%	6.04%	4.97%	6.33%	7.14%		
PG: Interm-Term Bond M'star OE Category	N/A	13.97%	4.45%	3.84%	5.53%	N/A		
PG: Fund % Rank in Interm-Term Bond M'star OE Category**	N/A	84%	59%	55%	37%	N/A		
PG: # of funds in Interm-Term Bond M'star OE Category	N/A	1,123	978	866	496	N/A		
Inflation-Linked Bond Account	1.84%	9.58%	6.12%	4.15%	7.24%	6.36%	05/01/97	0.450%
BM: SSB/Barclays Capital U.S. TIPS Index Blended ³	1.76%	11.41%	6.69%	4.63%	7.71%	6.81%		
PG: Inflation-Protected Bond M'star Category	N/A	10.88%	5.34%	3.68%	6.40%	N/A		
PG: Fund % Rank in Inflation-Protected Bond M'star OE Category**	N/A	64%	44%	45%	37%	N/A		
PG: # of funds in Inflation-Protected Bond M'star OE Category	N/A	158	142	99	13	N/A		
Money Market Account⁴	0.00%	0.11%	2.47%	3.00%	2.86%	4.40%	04/01/88	0.415%
PG: iMoneyNet Taxable All Average	0.01%	0.17%	2.28%	2.80%	2.61%	4.08%		
PG: Money Market Taxable M'star VA Category	N/A	-1.18%	1.02%	1.51%	1.44%	N/A		
PG: # of funds in Money Market Taxable M'star VA Category	N/A	N/A	N/A	N/A	N/A	N/A		
7-Day Effective Yield as of 12/31/09: 0.01%								
7-Day Current Yield as of 12/31/09: 0.01%								

The current yield of the Money Market Account more closely reflects current earnings than does the total return.

BM = Benchmark; PG = Peer Group; % Rank within Morningstar Category: 1 = Best 100 = Worst; Morningstar Category Returns are equal-weighted.

- * The account's composite benchmark is a weighted average of four indexes: the Russell 3000® Index (representing the broad U.S. stock market); the MSCI EAFE+Canada Index (stocks in 22 foreign developed nations); the MSCI EAFE+Canada Small Cap Index, (small-cap stocks in those 22 foreign developed nations); and the MSCI Emerging Markets Index (stocks in 25 emerging-market nations). You cannot invest directly in these indexes. The composite benchmark's weightings are recalculated daily: on 12/31/2009: 70.93% Russell 3000® Index, 22.10% MSCI EAFE® + Canada Index, 4.69% MSCI Emerging Market Index™, 2.28% MSCI EAFE + Canada Small Cap Index.
- ** Please note, Morningstar now rates group variable annuities within the open-end mutual fund universe.
- ¹ As of October 1, 2002, the Growth Funds use the Russell 1000® Growth Index as their benchmark. Prior to October 1, 2002, they used the Russell 3000 Growth Index. Consequently, benchmark data involving time periods prior to October 1, 2002, are a combination of the Russell 1000® Growth and Russell 3000® Growth indexes, reflecting the proportional weights of the two benchmarks during the periods involved.
- ² As of July 1, 2002, the domestic equity component of the Social Choice Account uses the Russell 3000® Index as its benchmark. Prior to July 1, 2002, it used the S&P 500® Index. Consequently, the domestic equity component of the benchmark data involving time periods prior to July 1, 2002, are a combination of the Russell 3000® and the S&P 500®, reflecting the proportional weights of the two equity benchmarks during the periods involved. As of April 1, 2008, the MSCI EAFE®+Canada Index was added to the Social Choice Account's composite benchmark to reflect the change in the equity component of the account to include foreign developed-market stocks. The weightings as of 12/31/09 were 47% Russell 3000® Index, 40% Barclays Capital U.S. Aggregate Bond Index, 13% MSCI EAFE + Canada Index.
- ³ As of October 1, 2003, the Inflation-Linked Bond Account uses the Barclays Capital U.S. TIPS Index as its benchmark. Prior to October 1, 2003, it used the Salomon Smith Barney Inflation-Linked Bond Index. Consequently, benchmark data for time periods that span pre- and post- October 1, 2003, are a combination of the two indexes, reflecting the proportional weights of each during the periods involved.
- ⁴ Beginning July 16, 2009, part or all of the 12b-1 distribution fees for the CREF Money Market Account are being voluntarily waived. Without this waiver, the 7-day current and effective annualized yields and total returns would have been lower. This 12b-1 waiver may be discontinued at any time without notice.

TIAA-CREF FUND AND ACCOUNT COMMENTARY FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

TIAA ACCOUNTS AVERAGE ANNUAL RATES OF RETURN AS OF 12/31/09

	4TH QUARTER	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION	INCEPTION DATE	EXPENSE RATIO
TIAA Real Estate Account	-5.05%	-27.64%	-10.92%	-1.67%	3.07%	4.65%	10/02/95	1.010%
TIAA Traditional Annuity Account ⁴	0.91%	4.50%	4.97%	4.58%	6.62%	N/A	1918	n/a

- ⁴ The table shows the average annual rates (including the 3% guaranteed rate) credited to premiums to a TIAA Traditional Annuity (Retirement Annuity) over the time periods shown. The rates of return are historical, meaning that if a person contributed a premium one, three, five or ten years ago and did not take distributions or transfer out, he/she would have received the interest rate shown for the applicable period. The TIAA Traditional Annuity is a guaranteed annuity backed by TIAA's claims-paying ability. The TIAA Traditional Annuity's primary objective is the guarantee of principal and a specified interest rate. It also offers the potential for greater growth through additional amounts, which may be declared on a year-by-year basis by the TIAA Board of Trustees.

A guaranteed annuity backed by TIAA's claims-paying ability, TIAA Traditional guarantees your principal and a minimum interest rate, plus it offers the opportunity for additional amounts in excess of the guaranteed rate. These additional amounts, when declared by the TIAA Board of Trustees, remain in effect for the "declaration year" that begins each March 1. TIAA has credited additional amounts of interest every year since 1948.

The Crediting Rates as of January 1, 2010 are as follows: TIAA Traditional Annuity (Retirement Annuity) (4.00%). Funds applied to TIAA Traditional Annuity from January 1, 2010 through January 31, 2010 will be credited with the indicated rates until February 28, 2010. Funds transferred to TIAA Traditional Annuity January 1, 2010 through January 31, 2010 will begin earning interest at the beginning of the next calendar day following the effective date of the transfer, and will be credited with the indicated rates through February 28, 2010.

TIAA-CREF FUND AND ACCOUNT COMMENTARY FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

The performance data quoted represents past performance and is no guarantee of future results. Your returns and the principal value of your investments fluctuate so that your accumulation units or shares, when redeemed, may be worth more or less than their original cost. Recent performance may differ from the figures shown. For performance current with most recent month-end, visit the TIAA-CREF website at tiaa-cref.org or call 877 518-9161. Morningstar uses absolute returns to determine rankings.

MUTUAL FUNDS* AVERAGE ANNUAL RATES OF RETURN AS OF 12/31/09

	4TH QUARTER	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION	GROSS EXPENSE RATIO	NET EXPENSE RATIO	NET INCEPTION DATE
Growth & Income (TRGIX)	3.92%	26.52%	-0.88%	3.82%	N/A	7.70%	0.75%	0.75%	10/1/02
BM: S&P 500® Index	6.04%	26.46%	-5.63%	0.42%		5.94%			
PG: Large Blend M'star Category	N/A	28.17%	-5.53%	0.46%		N/A			
PG: Fund % Rank in Large Blend M'star Category	N/A	53%	4%	5%		N/A			
PG: # of funds in Large Blend M'star Category	N/A	2,027	1,757	1,376		N/A			
Blended Growth & Income Fund ¹	3.92%	26.52%	-0.88%	3.82%	0.12%	0.80%			7/1/99
BM: S&P 500® Index	6.04%	26.46%	-5.63%	0.42%	-0.95%	-0.26%			
PG: Large Blend M'star Category	N/A	28.17%	-5.53%	0.46%	0.01%	N/A			
PG: Blended Fund % Rank in Large Blend M'star Category	N/A	53%	4%	5%	41%	N/A			
PG: # of funds in Large Blend M'star Category	N/A	2,027	1,757	1,376	710	N/A			
International Equity (TRERX)	4.71%	31.52%	-7.67%	2.85%	N/A	9.96%	0.79%	0.79%	10/1/02
BM: MSCI EAFE® Index	2.18%	31.78%	-6.04%	3.54%		10.83%			
PG: Foreign Large Blend M'star Category	N/A	31.24%	-6.15%	3.58%		N/A			
PG: Fund % Rank in Foreign Large Blend M'star Category	N/A	43%	70%	56%		N/A			
PG: # of funds in Foreign Large Blend M'star Category	N/A	823	635	462		N/A			
Blended International Equity Fund ¹	4.71%	31.52%	-7.67%	2.85%	-0.02%	3.63%			7/1/99
BM: MSCI EAFE® Index	2.18%	31.78%	-6.04%	3.54%	1.20%	3.08%			
PG: Foreign Large Blend M'star Category	N/A	31.24%	-6.15%	3.58%	0.62%	N/A			
PG: Blended Fund % Rank in Foreign Large Blend M'star Category	N/A	43%	70%	56%	60%	N/A			
PG: # of funds in Foreign Large Blend M'star Category	N/A	823	635	462	249	N/A			

TIAA-CREF FUND AND ACCOUNT COMMENTARY FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

MUTUAL FUNDS* AVERAGE ANNUAL RATES OF RETURN AS OF 12/31/09

	4TH QUARTER	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION	GROSS EXPENSE RATIO	NET EXPENSE RATIO	INCEPTION DATE
Bond Fund (TIDRX)	0.17%	6.17%	4.93%	N/A	N/A	5.19%	0.57%	0.57%	3/31/06
BM: Barclays Capital U.S. Aggregate Bond Index	0.20%	5.93%	6.04%			6.18%			
PG: Inter-Term Bond M'star Category	N/A	13.97%	4.45%			N/A			
PG: Fund % Rank in Inter-Term Bond M'star Category	N/A	89%	55%			N/A			
PG: # of funds in Inter-Term Bond M'star Category	N/A	1,123	978			N/A			
Blended Bond Fund ²	0.17%	6.17%	4.93%	4.21%	5.99%	5.75%			7/1/99
BM: Barclays Capital U.S. Aggregate Bond Index	0.20%	5.93%	6.04%	4.97%	6.33%	6.09%			
PG: Inter-Term Bond M'star Category	N/A	13.97%	4.45%	3.84%	5.53%	N/A			
PG: Blended Fund % Rank in Inter-Term Bond M'star Category	N/A	89%	55%	51%	30%	N/A			
PG: # of funds in Inter-Term Bond M'star Category	N/A	1,123	978	866	496	N/A			
Bond Plus Fund (TCBRX)	1.31%	10.15%	3.93%	N/A	N/A	4.40%	0.63%	0.60%	3/31/06
BM: Barclays Capital U.S. Aggregate Bond Index	0.20%	5.93%	6.04%			6.18%			
PG: Inter-Term Bond M'star Category	N/A	13.97%	4.45%			N/A			
PG: Fund % Rank in Inter-Term Bond M'star Category	N/A	67%	70%			N/A			
PG: # of funds in Inter-Term Bond M'star Category	N/A	1,123	978			N/A			
High-Yield Fund (TIHRX)	4.05%	41.37%	5.52%	N/A	N/A	6.03%	0.69%	0.65%	3/31/06
BM: Merrill Lynch BB/B Cash Pay Issuer Constrained Index	4.65%	45.98%	4.98%			5.82%			
PG: High-Yield Bond M'star Category	N/A	46.70%	3.08%			N/A			
PG: Fund % Rank in High-Yield Bond M'star Category	N/A	73%	15%			N/A			
PG: # of funds in High-Yield Bond M'star Category	N/A	543	475			N/A			
Short-Term Bond (TISRX)	0.63%	5.45%	4.26%	N/A	N/A	4.42%	0.63%	0.55%	3/31/06
BM: Barclays Capital U.S. 1-5 Year Government/Credit Bond Index	0.43%	4.62%	5.66%			5.62%			
PG: Short-Term Bond M'star Category	N/A	9.30%	3.47%			N/A			
PG: Fund % Rank in Short-Term Bond M'star Category	N/A	75%	45%			N/A			
PG: # of funds in Short-Term Bond M'star Category	N/A	432	384			N/A			
Large-Cap Growth (TILRX)	7.93%	34.79%	-1.30%	N/A	N/A	-0.55%	0.78%	0.77%	3/31/06
BM: Russell 1000® Growth Index	7.94%	37.21%	-1.89%			-0.02%			
PG: Large Growth M'star Category	N/A	35.68%	-2.89%			N/A			
PG: Fund % Rank in Large Growth M'star Category	N/A	47%	28%			N/A			
PG: # of funds in Large Growth M'star Category	N/A	1,796	1,548			N/A			

**TIAA-CREF FUND AND ACCOUNT COMMENTARY
FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009**

MUTUAL FUNDS* AVERAGE ANNUAL RATES OF RETURN AS OF 12/31/09

	4TH QUARTER	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION	GROSS EXPENSE RATIO	NET EXPENSE RATIO	INCEPTION DATE
Large-Cap Value (TRLCX)	1.77%	30.59%	-7.90%	-0.20%	N/A	7.45%	0.74%	0.74%	10/1/02
BM: Russell 1000® Value Index	4.22%	19.69%	-8.96%	-0.25%		6.47%			
PG: Large Value M'star Category	N/A	24.13%	-7.32%	0.02%		N/A			
PG: Fund % Rank in Large Value M'star Category	N/A	15%	58%	57%		N/A			
PG: # of funds in Large Value M'star Category	N/A	1,272	1,104	912		N/A			
Small-Cap Equity (TRSEX)	4.01%	26.58%	-7.35%	-0.70%	N/A	8.34%	0.78%	0.78%	10/1/02
BM: Russell 2000® Index	3.87%	27.17%	-6.07%	0.51%		9.00%			
PG: Small Blend M'star Category	N/A	31.80%	-6.11%	0.47%		N/A			
PG: Fund % Rank in Small Blend M'star Category	N/A	66%	66%	69%		N/A			
PG: # of funds in Small Blend M'star Category	N/A	649	566	467		N/A			
Mid-Cap Growth (TRGMX)	7.39%	46.53%	-2.76%	1.83%	N/A	9.75%	0.81%	0.81%	10/1/02
BM: Russell MidCap® Growth Index	6.69%	46.29%	-3.18%	2.40%		9.89%			
PG: Mid Growth M'star Category	N/A	39.11%	-3.09%	1.76%		N/A			
PG: Fund % Rank in Mid Growth M'star Category	N/A	24%	48%	53%		N/A			
PG: # of funds in Mid Growth M'star Category	N/A	812	727	631		N/A			
Mid-Cap Value (TRVRX)	4.24%	37.10%	-4.86%	2.86%	N/A	11.33%	0.77%	0.77%	10/1/02
BM: Russell MidCap® Value Index	5.21%	34.21%	-6.62%	1.98%		9.77%			
PG: Mid Value M'star Category	N/A	35.41%	-5.35%	1.36%		N/A			
PG: Fund % Rank in Mid Value M'star Category	N/A	39%	43%	23%		N/A			
PG: # of funds in Mid Value M'star Category	N/A	416	356	250		N/A			
Inflation-Linked Bond (TIKRX)	1.77%	9.28%	5.99%	N/A	N/A	5.45%	0.59%	0.59%	3/31/06
BM: Barclays Capital U.S. TIPS Index	1.76%	11.41%	6.69%			6.07%			
PG: Inflation-Protected Bond M'star Category	N/A	10.88%	5.34%			N/A			
PG: Fund % Rank in Inflation-Protected Bond M'star Category	N/A	74%	48%			N/A			
PG: # of funds in Inflation-Protected Bond M'star Category	N/A	158	142			N/A			
Blended Inflation-Linked Bond Fund ²	1.77%	9.28%	5.99%	4.15%	N/A	5.25%			10/1/02
BM: Barclays Capital U.S. TIPS Index	1.76%	11.41%	6.69%	4.63%		5.65%			
BM: SSB/Barclays Capital U.S. TIPS Blended ⁷	1.76%	11.41%	6.69%	4.63%		5.67%			
PG: Inflation-Protected Bond M'star Category	N/A	10.88%	5.34%	3.68%		N/A			
PG: Blended Fund % Rank in Inflation-Protected Bond M'star Category	N/A	74%	48%	45%		N/A			
PG: # of funds in Inflation-Protected Bond M'star Category	N/A	158	142	99		N/A			

**TIAA-CREF FUND AND ACCOUNT COMMENTARY
FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009**

MUTUAL FUNDS* AVERAGE ANNUAL RATES OF RETURN AS OF 12/31/09

	4TH QUARTER	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION	GROSS EXPENSE RATIO	NET EXPENSE RATIO	INCEPTION DATE
Real Estate Securities (TRRSX)	9.33%	24.40%	-14.08%	-2.03%	N/A	7.98%	0.81%	0.81%	10/1/02
BM: FTSE NAREIT/Dow Jones Wilshire Blended ³	9.39%	24.26%	-15.00%	-0.98%		8.29%			
PG: Specialty Real Estate M'star Category	N/A	31.26%	-13.42%	-0.81%		N/A			
PG: Fund % Rank in Specialty Real Estate M'star Category	N/A	84%	71%	82%		N/A			
PG: # of funds in Specialty Real Estate M'star Category	N/A	262	227	201		N/A			
Social Choice Equity (TRSCX)	7.25%	32.01%	-4.44%	1.14%	N/A	6.81%	0.46%	0.46%	10/1/02
BM: Russell 3000® Index	5.90%	28.34%	-5.42%	0.76%		6.59%			
PG: Large Blend M'star Category	N/A	28.17%	-5.53%	0.46%		N/A			
PG: Fund % Rank in Large Blend M'star Category	N/A	22%	31%	33%		N/A			
PG: # of funds in Large Blend M'star Category	N/A	2,027	1,757	1,376		N/A			
Blended Social Choice Equity Fund ⁵	7.25%	32.01%	-4.44%	1.14%	-0.05%	0.52%			7/1/99
BM: Russell 3000® Index	5.90%	28.34%	-5.42%	0.76%	-0.20%	0.53%			
BM: Russell 3000® Index Blended ⁶	5.90%	28.34%	-5.42%	0.76%	-0.54%	0.14%			
PG: Large Blend M'star Category	N/A	28.17%	-5.53%	0.46%	0.01%	N/A			
PG: Blended Fund % Rank in Large Blend M'star Category	N/A	22%	31%	33%	44%	N/A			
PG: # of funds in Large Blend M'star Category	N/A	2,027	1,757	1,376	710	N/A			
Retail - Tax-Exempt Bond Fund (TIXRX)	-0.65%	11.62%	4.28%	N/A	N/A	4.65%	0.71%	0.70%	3/31/06
BM: Barclays Capital 10-Year Municipal Bond Index	-1.27%	9.85%	5.16%			5.42%			
PG: Muni National Long M'star Category	N/A	17.30%	2.34%			N/A			
PG: Fund % Rank in Muni National Long M'star Category	N/A	87%	9.00%			N/A			
PG: # of funds in Muni National Long M'star Category	N/A	271	255			N/A			

TIAA-CREF FUND AND ACCOUNT COMMENTARY FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

MUTUAL FUNDS* AVERAGE ANNUAL RATES OF RETURN AS OF 12/31/09

	4TH QUARTER	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION	GROSS EXPENSE RATIO	NET EXPENSE RATIO	INCEPTION DATE
Money Market Fund (TIEXX) ⁸	0.00%	0.28%	2.60%	N/A	N/A	3.08%	0.39%	0.39%	3/31/06
PG: iMoneyNet Taxable All Average	0.01%	0.17%	2.28%			2.76%			
Fund vs. iMoneyNet Taxable All Average	-1	11	32			32			
Blended Money Market Fund Fund ²	0.00%	0.28%	2.60%	3.17%	3.04%	3.15%			07/01/99
PG: iMoneyNet Taxable All Average	0.01%	0.17%	2.28%	2.80%	2.61%	2.72%			
Blended Fund vs. iMoneyNet Taxable All Average	-1	11	32	37	43	43			
7-Day Effective Yield as of 12/31/09: 0.01%									
7-Day Current Yield as of 12/31/09: 0.01%									

The current yield of the money market fund more closely reflects current earnings than does the total return.

* Retirement Class except Tax-Exempt funds, for which Retail Class data are shown.

BM = Benchmark; PG = Peer Group; % Rank within Morningstar Category: 1 = Best 100 = Worst; Morningstar Category Returns are equal-weighted.

- ¹ The Retirement Class began operations on October 1, 2002. Performance shown for periods prior to the inception of the Retirement Class reflects the performance of the Institutional Class, and has not been adjusted to reflect the higher expenses of the Retirement Class.
- ² The Retirement Class began operations on March 31, 2006. Performance shown for periods prior to the inception of the Retirement Class reflects the performance of the Institutional Class, and has not been adjusted to reflect the higher expenses of the Retirement Class.
- ³ As of April 1, 2009, the Real Estate Securities Fund uses the FTSE NAREIT Equity REIT's Index as its benchmark. Prior to April 1, 2009, it used the Dow Jones Wilshire Real Estate Securities Index. Consequently, benchmark data involving time periods prior to April 1, 2009, are a combination of the FTSE NAREIT Equity REIT's Index and the Dow Jones Wilshire Real Estate Securities Index, reflecting the proportional weights of the two benchmarks during the periods involved.
- ⁴ As of October 1, 2002, the Growth Funds use the Russell 1000 Growth Index as their benchmark. Prior to October 1, 2002, they used the Russell 3000 Growth Index. Consequently, benchmark data involving time periods prior to October 1, 2002, are a combination of the Russell 1000 Growth and Russell 3000 Growth indexes, reflecting the proportional weights of the two benchmarks during the periods involved.
- ⁵ The Retirement Class began operations on October 1, 2002. Performance shown for periods prior to the inception of the Retirement Class reflects the performance of the Institutional Class, and has not been adjusted to reflect the higher expenses of the Retirement Class.
- ⁶ As of July 1, 2002, the Blended Institutional Social Choice Equity Fund uses the Russell 3000 Index as its benchmark. Prior to July 1, 2002, it used the S&P 500 Index. Consequently, benchmark data involving time periods prior to July 1, 2002, are a combination of the Russell 3000 and the S&P 500®, reflecting the proportional weights of the two benchmarks during the periods involved.
- ⁷ As of October 1, 2003, the Blended Institutional Inflation-Linked Bond Fund uses the Barclays Capital TIPS Index as its benchmark. Prior to October 1, 2003, it used the Salomon Smith Barney Inflation-Linked Bond Index. Consequently, benchmark data for time periods that span pre- and post- October 1, 2003, are a combination of the two indexes, reflecting the proportional weights of each during the periods involved.
- ⁸ Beginning August 18, 2009, part or all of the service fee on the Retirement Class of the TIAA-CREF Money Market Fund is being voluntarily waived. Without this waiver, current and effective annualized yields and total returns would have been lower. This 12b-1 waiver may be discontinued at any time without notice.

TIAA-CREF FUND AND ACCOUNT COMMENTARY FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

Effective February 1, 2009, Advisors and the Board of Trustees agreed to amend the Funds' expense reimbursement arrangements. Under the Funds' expense reimbursement arrangements, Advisors has contractually agreed to reimburse the Funds for such Total Annual Fund Operating Expenses (excluding Acquired Fund Fees and Expenses) that exceed the following annual rates of average daily net assets: 0.00% for Managed Allocation Fund; 0.09% for Large-Cap Growth Index Fund, Large-Cap Value Index Fund, Equity Index Fund, Mid-Cap Growth Index Fund, Mid-Cap Value Index Fund, Mid-Cap Blend Index Fund, Small-Cap Growth Index Fund, Small-Cap Value Index Fund, Small-Cap Blend Index Fund and S&P 500 Index Fund; 0.15% for Growth Equity Fund, International Equity Index Fund and Money Market Fund; 0.22% for Social Choice Equity Fund; 0.30% for Short-Term Bond Fund; 0.35% for Bond Fund, Bond Plus Fund, Tax-Exempt Bond Fund and Inflation-Linked Bond Fund; 0.40% for Enhanced Large-Cap Growth Index Fund, Enhanced Large-Cap Value Index Fund and High-Yield Fund; 0.52% for Growth & Income Fund, Large-Cap Growth Fund and Large-Cap Value Fund; 0.55% for Mid-Cap Growth Fund, Mid-Cap Value Fund, Small-Cap Equity Fund and Enhanced International Equity Index Fund; 0.57% for Real Estate Securities Fund and 0.60% for International Equity Fund. These expense reimbursement arrangements will continue through at least April 30, 2010 for the Index Funds (excluding the Enhanced Index Funds) and January 31, 2010 for the Enhanced Index Funds and the other Funds, and can only be changed with the approval of the Board of Trustees. Because these arrangements are new, the figures reflect the anticipated effect of the new arrangements and not the Funds' historical expenses.

The net expense ratio represents expenses after reimbursement and waivers, and is what participants actually pay. The number in the 'Gross Expense Ratio' column above represents the gross expense ratio before consideration for reimbursements and/or waivers.

**TIAA-CREF FUND AND ACCOUNT COMMENTARY
FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009**

	4TH QUARTER	1 YEAR	3 YEAR	5 YEAR	SINCE INCEPTION	GROSS EXPENSE RATIO	NET EXPENSE RATIO	INCEPTION DATE
LIFECYCLE FUNDS								
Lifecycle 2010 Fund (TCLEX)	2.73%	19.36%	-0.13%	2.39%	3.55%	0.87%	0.66%	10/15/04
BM: 2010 Composite	2.66%	17.79%	0.10%	2.90%	3.96%			
PG: Target-Date 2000-2010 M'star Category	N/A	22.42%	-0.97%	2.19%	N/A			
PG: Fund % Rank in Target-Date 2000-2010 M'star Category	N/A	82%	36%	46%	N/A			
PG: # of funds in Target-Date 2000-2010 M'star Category	N/A	201	137	55	N/A			
Lifecycle 2015 Fund (TCLIX)	3.01%	21.32%	-1.00%	2.04%	3.40%	0.89%	0.67%	10/15/04
BM: 2015 Composite	3.04%	19.68%	-0.85%	2.62%	3.78%			
PG: Target-Date 2011-2015 M'star Category	N/A	23.55%	-2.32%	2.04%	N/A			
PG: Fund % Rank in Target-Date 2011-2015 M'star Category	N/A	75%	33%	55%	N/A			
PG: # of funds in Target-Date 2011-2015 M'star Category	N/A	153	87	34	N/A			
Lifecycle 2020 Fund (TCLTX)	3.30%	23.15%	-2.14%	1.60%	3.03%	0.92%	0.69%	10/15/04
BM: 2020 Composite	3.41%	21.57%	-1.94%	2.14%	3.41%			
PG: Target-Date 2016-2020 M'star Category	N/A	24.25%	-3.09%	1.52%	N/A			
PG: Fund % Rank in Target-Date 2016-2020 M'star Category	N/A	65%	34%	47%	N/A			
PG: # of funds in Target-Date 2016-2020 M'star Category	N/A	212	127	61	N/A			
Lifecycle 2025 Fund (TCLFX)	3.67%	24.96%	-3.14%	1.13%	2.69%	0.94%	0.70%	10/15/04
BM: 2025 Composite	3.79%	23.45%	-2.98%	1.68%	3.05%			
PG: Target-Date 2021-2025 M'star Category	N/A	28.32%	-3.88%	1.84%	N/A			
PG: Fund % Rank in Target-Date 2021-2025 M'star Category	N/A	78%	31%	81%	N/A			
PG: # of funds in Target-Date 2021-2025 M'star Category	N/A	127	63	22	N/A			
Lifecycle 2030 Fund (TCLNX)	4.04%	26.70%	-4.19%	0.61%	2.27%	0.96%	0.71%	10/15/04
BM: 2030 Composite	4.16%	25.30%	-4.01%	1.22%	2.70%			
PG: Target-Date 2026-2030 M'star Category	N/A	28.87%	-4.46%	1.17%	N/A			
PG: Fund % Rank in Target-Date 2026-2030 M'star Category	N/A	75%	37%	77%	N/A			
PG: # of funds in Target-Date 2026-2030 M'star Category	N/A	200	123	58	N/A			
Lifecycle 2035 Fund (TCLRX)	4.28%	28.30%	-4.53%	0.58%	2.33%	0.98%	0.72%	10/15/04
BM: 2035 Composite	4.50%	26.98%	-4.40%	1.17%	2.74%			
PG: Target-Date 2031-2035 M'star Category	N/A	30.06%	-4.68%	1.39%	N/A			
PG: Fund % Rank in Target-Date 2031-2035 M'star Category	N/A	63%	47%	76%	N/A			
PG: # of funds in Target-Date 2031-2035 M'star Category	N/A	121	63	22	N/A			

**TIAA-CREF FUND AND ACCOUNT COMMENTARY
FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009**

	4TH QUARTER	1 YEAR	3 YEAR	5 YEAR	SINCE INCEPTION	GROSS EXPENSE RATIO	NET EXPENSE RATIO	INCEPTION DATE
Lifecycle 2040 Fund (TCLOX)	4.35%	28.39%	-4.33%	0.85%	2.72%	0.95%	0.72%	10/15/04
BM: 2040 Composite	4.50%	26.98%	-4.32%	1.41%	3.06%			
PG: Target-Date 2036-2040 M'star Category	N/A	30.90%	-5.07%	1.01%	N/A			
PG: Fund % Rank in Target-Date 2036-2040 M'star Category	N/A	75%	27%	56%	N/A			
PG: # of funds in Target-Date 2036-2040 M'star Category	N/A	193	106	53	N/A			
Lifecycle 2045 Fund (TFRX)¹	4.21%	28.28%	N/A	N/A	-11.12%	7.08%	0.73%	11/30/07
BM: 2045 Composite	4.50%	26.98%			-9.31%			
PG: Target-Date 2041-2045 M'star Category	N/A	30.88%			N/A			
PG: Fund % Rank in Target-Date 2041-2045 M'star Category	N/A	80%			N/A			
PG: # of funds in Target-Date 2041-2045 M'star Category	N/A	115			N/A			
Lifecycle 2050 Fund (TLFRX)⁸	4.41%	28.05%	N/A	N/A	-11.21%	8.17%	0.72%	11/30/07
BM: 2050 Composite	4.50%	26.98%			-9.31%			
PG: Target-Date 2050+ M'star Category	N/A	32.20%			N/A			
PG: Fund % Rank in Target-Date 2050+ M'star Category	N/A	93%			N/A			
PG: # of funds in Target-Date 2050+ M'star Category	N/A	159			N/A			
LifeCycle Retirement Income Fund (TLIRX)⁸	2.06%	16.08%	N/A	N/A	-2.04%	2.17%	0.63%	11/30/07
BM: Retirement Income Composite	2.15%	15.19%			-0.77%			
PG: Retirement Income M'star Category	N/A	18.36%			N/A			
PG: Fund % Rank in Retirement Income M'star Category	N/A	74%			N/A			
PG: # of funds in Retirement Income M'star Category	N/A	134			N/A			

BM = Benchmark; PG = Peer Group; % Rank within Morningstar Category: 1 = Best 100 = Worst; Morningstar Category Returns are equal-weighted.

¹ The net expense ratio represents expenses after reimbursement and waivers, and is what participants actually pay. The gross expense ratio represents an expense ratio before consideration for reimbursements and/or waivers.

TIAA-CREF FUNDS AND ACCOUNTS SUMMARY

In 2009, five of TIAA-CREF's eight active **equity mutual funds** outperformed their benchmarks: Large-Cap Value (+1,090 basis points*), Mid-Cap Value (+289 basis points), Mid-Cap Growth (+24 basis points), Real Estate Securities (+14 basis points), and Growth & Income (+6 basis points). The underperformers for the year were the Large-Cap Growth (-242 basis points), Small-Cap Equity (-59 basis points), and International Equity (-26 basis points) funds. Sectors contributing the most to relative performance for the year were consumer discretionary, energy, information technology, and financials, while the top detracting sectors were, healthcare, consumer staples, and industrials.

Among TIAA-CREF's seven active **fixed income mutual funds**, Bond Plus (+422 basis points), Short-Term Bond (+83 basis points), Bond (+24 basis points), Tax-Exempt Bond (+177 basis points), and Money Market (+11 basis points) outperformed their respective benchmarks or peer groups in 2009. High-Yield Bond (-461 basis points) and Inflation-Linked Bond (-213 basis points) underperformed their benchmarks in the period.

TIAA-CREF's ten **Lifecycle Funds** all outperformed their respective benchmarks in the year by the following margins: Lifecycle 2010 (+157 basis points), Lifecycle 2015 (+164 basis points), Lifecycle 2020 (+158 basis points), Lifecycle 2025 (+151 basis points), Lifecycle 2030 (+140 basis points), Lifecycle 2035 (+132 basis points), 2040 (+141 basis points), Lifecycle 2045 (+130 basis points), Lifecycle 2050 (+107 basis points), and Lifecycle Retirement Income (+89 basis points).

Among the eight **CREF Accounts**, the Global Equities (+292 basis points), Social Choice (+223 basis points), Bond Market (+107 basis points), and Stock (+80 basis points) accounts outperformed their benchmarks for the year, while the Inflation-Linked Bond (-183 basis points), Growth (-67 basis points), and Equity

Index (-48 basis points) accounts lagged their benchmarks. The Money Market Account trailed its peer group's return for the year by 6 basis points.

TIAA-CREF MUTUAL FUND DETAILS

FUNDS THAT OUTPERFORMED THEIR BENCHMARKS OR PEER GROUPS IN THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

The **TIAA-CREF Large-Cap Value Fund – Retirement Class (TRLCX)** had a strong year, beating returns in the Russell 1000® Value Index1 by nearly 11% (+1,090 basis points) with an absolute return of 30.59%. While holdings in most sectors contributed overall, key drivers of the year's results were positions in the consumer discretionary, financials, and information technology sectors. The largest contributing consumer discretionary stock for the year was Darden Restaurants, an out-of-index holding whose Red Lobster and Olive Garden chains appealed to consumers looking for reasonably priced fare in the uncertain economy. Another out-of-index stock that helped results from that sector was American Axle & Manufacturing Holdings; additional support came from an overweighted stake in Las Vegas Sands. Overweighted XL Capital brought the most support from financial holdings, with additional contributions from other overweights such as Capital One Financial and SunTrust Banks. In information technology, the top contributors were overweights Brocade Communications Systems and Sun Microsystems, and nonbenchmark stocks NVIDIA and AU Optronics also helped. Detractors from relative performance for the year were clearly overwhelmed by contributors. They included holdings in the consumer staples sector, such as overweights General Mills and wine maker Constellation Brands, as well as some telecommunication services stocks such as overweighted Sprint Nextel and Virgin Media and Crown Castle International, both of which the fund avoided. While the fund gave back some of its gains through the third quarter with fourth quarter underperformance (-245 basis points), the fund outperformed its benchmark in December (+55 basis points) as well as over longer periods, such as three years (+106 basis points) and five years (+5 basis points).

*One basis point is one one-hundredth of one percentage point, or 0.01%.

TIAA-CREF FUND AND ACCOUNT COMMENTARY FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

The **TIAA-CREF Bond Plus Fund – Retirement Class (TCBRX)** outperformed the Barclays Capital U.S. Aggregate Bond Index in 2009 (+422 basis points) with an absolute return of 10.15%. The outperformance can be attributed to its underweight positioning in the U.S. Treasury market, as well as its decision to overweight FDIC-insured bank paper holdings. The portfolio also benefited from its overweight in MBS in early 2009. The security selection within the banks, insurers, electric utilities, and retailers within the investment-grade corporate sector detracted from relative performance. In addition to beating the benchmark over one year, the fund provided positive excess return over the one- and three-month periods (+85 and +111 basis points, respectively) but underperformed its benchmark over three years (-211 basis points).

The **TIAA-CREF Short-Term Bond Fund – Retirement Class (TISRX)** beat the Barclays Capital U.S. 1-5 Year Government/Credit Bond Index by 12, 20, and 83 basis points in the one-month, three-month, and one-year periods, respectively (with returns of -0.85%, 0.63%, and 5.45%, respectively). The fund's outperformance was largely driven by contributions from its overweight position in ABS and its underweight in U.S. Treasuries; while an overweight in more defensive corporate paper, such as pharmaceuticals, and its holdings in short-term, government-related agency paper detracted from returns. The fund returned 4.26% annualized over three years and has lagged its benchmark in that period (-140 basis points).

The **TIAA-CREF Growth & Income Fund – Retirement Class (TRGIX)** outperformed the S&P 500 Index¹ in 2009 (+6 basis points) with an absolute return of 26.52%. Although the fund was outperforming the index through the third quarter, underperformance in the fourth quarter (-212 basis points) gave back much of the margin. Sectors that aided relative performance in the one-year period included energy, consumer discretionary, and information technology. Among energy names that bolstered performance were overweights Weatherford International, an oil and gas drilling equipment provider, and oil field services concern Halliburton, as well as out-of-index Petrobras Petroleo Brasileiro. Many supportive consumer discretionary picks were nonbenchmark positions, such

as Discovery Communications, Guess?, Las Vegas Sands, and Chinese online travel company Ctrip.com International, with additional benefit from overweights in retailer J.C. Penney and Darden Restaurants. Most of the winning positions in information technology were overweights, such as flash memory-focused data storage provider SanDisk; operating system, software, and computer services concern Red Hat, QUALCOMM, and Visa. Stocks in sectors that largely counteracted contributions like these included financial names such as American Express, which the fund avoided, a nonbenchmark stake in global property and casualty insurer ACE Limited, and an underweight to Wells Fargo. Other moves that detracted from relative results were an out-of-index position in personal care and pharmaceutical product maker Chattem and overweights in General Mills and Constellation Brands, all of the consumer staples sector. While the fund underperformed the index in the fourth quarter, it exceeded its benchmark over three years (+475 basis points) and five years (+340 basis points).

Underweighted holdings of U.S. Treasury Bonds led to an excess return of +24 basis points in 2009 for the **TIAA-CREF Bond Fund – Retirement Class (TIDRX)** when compared to its benchmark, the Barclays Capital U.S. Aggregate Bond Index. In the agency sector, the portfolio benefited from a strong overweight holding in FDIC Bank Insured paper and held little FHLB, FNMA, and FHLC paper. The fund generally held longer maturity U.S. Treasury Bonds to offset its lower duration holdings in riskier products, such as nongovernment-related RMBS and ABS paper as well as Corporate issues. The fund slightly lagged its benchmark in December (-7 basis points) and in the fourth quarter (-3 basis points). Over the longer period the fund underperformed in the three-year period (-111 basis points) with an absolute annualized return of 4.93%.

For the year, the **TIAA-CREF Real Estate Securities Fund (REITS) – Retirement Class (TRRSX)** surpassed the FTSE NAREIT / Dow Jones Wilshire Blended Index (+14 basis points) with an absolute return of 24.40%. Retail REITS such as mall operators Simon Property Group and Macerich Company, both overweights; and Inland Real Estate and Cedar Shopping Centers, both underweights, contributed the most to outperformance in 2009. Several Diversified REITS added to these

TIAA-CREF FUND AND ACCOUNT COMMENTARY FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

results. Underweighted Investors Real Estate Trust and Washington Real Estate Investment Trust as well as overweighted Vornado Realty Trust, which invests in a mix of office and retail properties, were examples. Additionally, less significant support came from Rayonier and Potlatch Corporation, two underweighted Paper & Forest Products REITS. REITS that were a drag on relative results during the year included choices in the Office Electronics and Specialized REITS sectors. In Office Electronics the main detractor was underweighted Digital Realty Trust, which owns properties that are leased to technology companies, while Specialized REITS that hindered relative results included underweights Hospitality Properties Trust and Ashford Hospitality Trust, as well as overweighted FelCor Lodging Trust, all of which own hotels or inns. While the fund lagged its benchmark in December (-11 basis points) and in the fourth quarter (-6 basis points), returns for those periods were notable at 7.04% for the month and 9.33% for the quarter, in a switch from the negative returns frequently seen in the REIT space in recent years. In addition to outperforming for the year, the fund also beat its benchmark over three years (+92 basis points), while trailing that measure over five years (-105 basis points).

Compared to the Russell MidCap Growth Index, the **TIAA-CREF Mid-Cap Growth Fund – Retirement Class (TRGMX)** outperformed by 24 basis points in 2009 with a return of 46.53%. The most supportive holdings of these results were found in sectors like consumer discretionary, industrials, and energy. A mix of overweights and out-of-index selections comprised the top consumer discretionary contributors, among which the overweights were casino operator Las Vegas Sands, Big Lots, and Guess? and the out-of-index positions were Liberty Media Holding and Discovery Communications. While the top industrial sector contributor was overweighted Walter Energy, two others were benchmark names that the fund avoided: tax preparer H&R Block and freight logistics provider C.H. Robinson Worldwide. Another top overweight from that sector was Precision Castparts. The most supportive energy holdings were Saipem, an out-of-index provider of drilling and construction services to the oil and gas industry, Southwestern Energy, another overweight, and the avoidance of SunPower and Sunoco. Sectors whose holdings brought some countervailing impact to relative

performance were healthcare and consumer staples. Overweights Cephalon and Perrigo, as well as nonbenchmark stocks Psychiatric Solutions and spinal surgery device maker NuVasive, were the most prevalent detractive healthcare holdings. In consumer staples, the main detractors were Ralcorp Holdings, an out-of-index position, overweights McCormick & Company, a large, Maryland-based spice maker, and Dean Foods, as well as the avoidance of Whole Foods Market. For the year, however, these detractors did not overcome the positive impact of contributing holdings. While the fund lagged its benchmark over five years (-57 basis points), it surpassed the index in the fourth quarter (+70 basis points) and over three years (+42 basis points).

While the **TIAA-CREF Mid-Cap Value Fund – Retirement Class (TRVRX)** underperformed the Russell Midcap® Value Index1) in the third (-332 basis points) and fourth quarters (-97 basis points), strong relative results in the first half of the year helped the fund end 2009 ahead of the benchmark by 289 basis points, or nearly 3%, with an absolute return of 37.10%. 2009's outperformance was driven mainly by holdings in the materials, financials, and consumer discretionary sectors. Beneficial materials sector decisions included overweighting Temple-Inland, which makes corrugated packaging and building materials, avoiding the U.S.'s largest producer of crushed stone, gravel, and sand for construction projects, Vulcan Materials; and overweighting Rohm & Haas. In financials the best contributor was overweighted rare occasion insurer XL Capital, with additional help from an out-of-index stake in Capital One Financial. Many other contributions came courtesy of avoiding certain names, such as bank holding company Marshall & Ilsley, Synovus Financial Corporation, and Zions Bancorp. Two out-of-index positions were the largest contributors in the consumer discretionary sector: Tempur-Pedic International and Darden Restaurants, whose Red Lobster and Olive Garden chains appealed to consumers looking for reasonably priced fare in the uncertain economy. Other positions in that sector with positive impact included overweights Goodyear Tire & Rubber, Las Vegas Sands, and Interpublic Group. On the other side of the ledger, the fund held some stocks in the industrials and telecommunication services sectors that had a negative impact on relative performance for the

TIAA-CREF FUND AND ACCOUNT COMMENTARY FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

year. Overweighted Republic Services and AMR Corporation were among detractors in the industrials sector. The source of the most notable detractors in telecommunication services was the avoidance of Crown Castle International and Virgin Media. In addition to beating its benchmark in 2009, the fund also surpassed that target over three years (+176 basis points) and five years (+88 basis points).

After providing an excess return of +1 basis point in December, the **TIAA-CREF Tax-Exempt Bond Fund – Retail Class (TIXRX)** returned -0.65% and 11.62% in the three-month and one-year periods, respectively, while outpacing the Barclays Capital 10-Year Municipal Bond Index by 62 and 177 basis points over the same periods. The fund's outperformance was boosted by double-digit overweights in the Industrial Development Revenue/Pollution Control Revenue and Leasing sectors, as well as its overweight positioning in Texas and Puerto Rico. The largest detractors can be attributed to its double-digit underweights in New York and California, as well as its underweight holdings in State General Obligation and Transportation Bonds. The fund underperformed its benchmark over the longer periods with an annualized return of 4.28% (-88 basis points) in the three-year period.

The **TIAA-CREF Money Market Fund – Retirement Class (TIEXX)** beat its peer group, the iMoneyNet Taxable (All) Average, by 11 basis points in 2009 with a return of 0.28%. Yields continued to fall in commercial paper markets during the year, resuming the pressure on some funds whose yields either are or will be insufficient to cover expenses, with conditions becoming very difficult toward the end of the year despite signs of some stabilization. The fund seeks to identify relative optimal points on the LIBOR# curve for investment, while adding value through its security selection process. Strategy elements that contribute to the fund's consistent success include higher weightings to commercial paper than those in competing products, a laddered maturity approach[^], and other factors that place the fund ahead of the peer group in most periods. The fund has beaten its peer group over three, five, and ten years by 32, 37, and 43 basis points, respectively.

SOCIAL CHOICE EQUITY FUND (ENHANCED INDEX)

Stocks that figured most prominently in the **TIAA-CREF Social Choice Equity Fund – Retirement Class (TRSCX)**'s 2009 outperformance of the Russell 3000 Index¹ (+367 basis points with a 32.01% absolute return) included those in the energy, industrials, and consumer discretionary sectors. In energy it was the exclusion of several names due to the fund's comprehensive social screening process that underpinned that sector's role in outperformance; the screens involve selecting a universe of stocks that meet a comprehensive set of environmental, social, and governance (ESG) criteria. Energy names the fund avoided included Exxon Mobil, Chevron, and ConocoPhillips. Overweights in the sector that helped results in the period were National Oilwell Varco and Murphy Oil Corporation. The avoidance of ESG-screened General Electric and Lockheed Martin was the most beneficial move in the industrials sector, where overweights 3M and BE Aerospace otherwise added marginal support. Among consumer discretionary holdings, the avoidance of discount retailer Wal-Mart brought the most support, while overweights Liberty Media, Amazon.com, and Starbucks contributed positively to relative performance. On the negative side, some consumer staples and information technology holdings detracted from relative results, though not enough to overwhelm outperformance in the quarter. In consumer staples, overweights such as Procter & Gamble, Kraft Foods, and PepsiCo served to dampen performance, as did the avoidance of ESG-screened information technology names Apple, EMC Corporation, and Oracle, in addition to the overweighting of Automatic Data Processing. The fund continued to meet its objective of tracking the return of the U.S. market while investing only in companies that pass the comprehensive ESG screens. The fund also outperformed in December (+61 basis points), in the fourth quarter (+135 basis points), and over three years (+98 basis points), five years (+38 basis points), and ten years (+49 basis points).

The fund seeks investments that are considered socially responsible, generally avoiding companies in the tobacco, nuclear power, weapons production, firearms, gambling, alcohol, and other such industries. Other screens examine companies'

TIAA-CREF FUND AND ACCOUNT COMMENTARY FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

environmental, social, and corporate governance (ESG) practices. The fund does not make sector bets and uses only quantitative methods to recover the performance lost due to screens against certain stocks in the benchmark, and it is categorized as an enhanced indexed product. As such, it is not considered one of the actively managed equity funds discussed in this report.

FUNDS THAT UNDERPERFORMED THEIR BENCHMARKS OR PEER GROUPS IN THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

The **TIAA-CREF High-Yield Fund – Retirement Class (TIHRX)** provided returns of 2.35%, 4.05%, and 41.37% in the one-month, three-month, and one-year periods, respectively. When compared to its benchmark, the Bank of America Merrill Lynch BB-B US Cash Pay Issuer Constrained Index, the fund outperformed over one month (+4 basis points), but lagged over three months (-60 basis points) and one year (-461 basis points). While the fund benefited from its overweights in Media Service, Gaming, and Software Services in 2009, its underweights in Banking, Building & Construction, and Multi Line Insurance detracted from the portfolio's relative returns. Despite its overweight holding in CCC rated securities, the portfolio was conservatively positioned at the beginning of 2009 with a beta of less than one. The conservative positioning contributed to the fund's underperformance in the record-breaking high-yield rally. Over the longer term, the fund has outperformed its benchmark with an annualized return of 5.52% (+54 basis points) over three years.

While holdings in the European and Asia-Pacific regions overall were solidly positive with respect to relative performance in 2009, an out-of-index position in the United States, Wells Fargo, was a notable detractor that drove underperformance in the **TIAA-CREF International Equity Fund – Retirement Class (TRERX)** for the year (-26 basis points with a 31.52% absolute return) relative to the MSCI EAFE Index¹). European countries with stocks that contributed positively to relative results included Switzerland, the United Kingdom, and Germany, while it was choices in Taiwan, Hong Kong, and South Korea that brought the most support from the Asia-Pacific region. Among sectors

that played a role in underperformance in 2009 was financials, where the aforementioned Wells Fargo was the largest detractor, joined by overweighted UBS and the avoidance of Banco Santander, Commonwealth Bank of Australia, and BNP Paribas. Industrials sector members that hampered results included overweights in large military contractor BAE Systems, Deutsche Post, and British Airways, as well as a nonbenchmark position in Krones, a German maker of bottling machinery. Another sector that contained positions with negative impact was consumer discretionary, where overweighted French hotel operator Accor, underweighted Italian auto maker Fiat, and the avoidance of Japanese vehicle maker Nissan hurt results. On the supportive side were information technology sector names like out-of-index Hon Hai Precision Industry, a large Taiwanese electronics manufacturer, and overweights Autonomy, a provider of software that organizes unstructured data from e-mails, Web pages, and the like, and ASML Holding, a Dutch semiconductor manufacturer. Other positions with a positive impact included overweighted hearing aid maker Sonova Holding, underweighted Novartis, and the avoidance of Roche Holding, all of the healthcare sector. The fund outperformed its benchmark in December (+21 basis points) and in the fourth quarter (+253 basis points), while it underperformed over three years (-163 basis points) and five years (-69 basis points).

Positions in the industrials, healthcare, and telecommunication services sectors played the largest role in underperformance of the **TIAA-CREF Large-Cap Growth Fund – Retirement Class (TILRX)** in 2009, when the fund trailed the Russell 1000 Growth Index's 37.21% return by 242 basis points. An overweighted stake in for-profit educational services provider Apollo Group was by far the most significant detractor among industrial holdings, while overweighted Jacobs Engineering and out-of-index General Electric hampered results further. In the healthcare sector, overweighted biotechnology firm Gilead Sciences and underweights Schering-Plough and Baxter International were the main detractors. Two telecommunication services positions not found in the benchmark, Sprint Nextel and Verizon Communications, as well as overweighted DIRECTV, had additional negative impact on relative performance for the year. Limiting underperformance to some extent were positive contributions

TIAA-CREF FUND AND ACCOUNT COMMENTARY FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

from underweighted giant discount retailer Wal-Mart Stores and overweighted luxury retailer Coach, Best Buy, and Bed Bath & Beyond, all of the consumer discretionary sector. Other support came from the avoidance of Exelon Corporation, a member of the utilities sector, and overweights Goldman Sachs, AFLAC, and Principal Financial Group of the financial sector. While the fund lagged its benchmark for the year, it placed very close to the index in the fourth quarter (-1 basis point) and outperformed it in December (+80 basis points) and over three years (+59 basis points).

The **TIAA-CREF Inflation-Linked Bond Fund – Retirement Class (TIKRX)** returned -2.10%, 1.77%, and 9.28% over one month, three months, and one year. The fund seeks to protect investors from the damaging effects of inflation by investing in Treasury Inflation Protected Securities (TIPS). The TIPS sector provided strong returns in 2009, as markets grew concerned over the historic expansion in monetary policy coupled with increased spending by the U.S. Federal Government. The portfolio attempts to closely track its benchmark, the Barclays Capital U.S. TIPS Index, by maintaining a similar duration. Expenses and technical factors were the primary drivers of the fund's underperformance over one year (-213 basis points) and three years (-70 basis points). The fund beat its benchmark in December (+9 basis points) and placed very close to it in the fourth quarter (+1 basis point).

With a return of 26.58%, the **TIAA-CREF Small-Cap Equity Fund – Retirement Class (TRSEX)** underperformed the Russell 2000® Index by 59 basis points for the year, with the largest detractors coming from the healthcare, energy, and consumer discretionary sectors. Underweighting Human Genome Sciences, developer of disease therapies based on human genetic research, and managed care organization HealthSpring, as well as avoiding antibody developer Medarex, brought the most significant detractors from healthcare holdings. In energy, overweighting Vaalco Energy and Clayton Williams dampened relative results, as did underweighting Dril-Quip and Rosetta Resources. Decisions in the consumer discretionary sector that proved detractive included underweighting online self-service printing concern Vistaprint and overweighting Corinthian Colleges,

Pantry, and Blockbuster. Limiting the impact of these and other detractors were some deft moves in the financial sector, such as overweighting private equity investor Apollo Investment Corporation, Ashford Hospitality Trust, and World Acceptance Corporation. Other beneficial positions included several information technology overweights such as 3Com, Global Cash Access Holdings, and Unisys. The fund has outperformed its benchmark in the fourth quarter (+14 basis points) while underperforming over three years (-128 basis points) and five years (-121 basis points).

The mutual fund return and relative performance commentary above refer to the Retirement Share Class of each fund, except for the Tax-Exempt Bond Fund. Retail Share Class data are presented for this fund. Please visit this page for Morningstar's Star Ratings: <http://www.tiaa-cref.org/performance/retirement/morningstar/index.html>.

LIFECYCLE FUND DETAILS

All ten of the **TIAA-CREF Lifecycle Funds – Retirement Class** outperformed their respective benchmarks in 2009, with shorter-dated funds generally outperforming by wider margins than longer-dated funds. In all ten funds, outperformance was driven by the Large-Cap Value Fund, with marginal additional support from Growth & Income. In funds with target dates from 2010 to 2045, within the equity portion, the largest detractors in domestic equity came from Large-Cap Growth, and Enhanced Large-Cap Growth Index, while in international equity, Enhanced International Equity Index hurt results. In target date 2050, Large-Cap Growth and Enhanced Large-Cap Growth Index were the largest detractors but did not overcome Large-Cap Value's notable positive impact. In all target dates, High-Yield was the main detractor among fixed income funds. These funds are managed to provide automatic investment allocations for investors with specific time horizons ranging from 2010 to 2050 and also include a retirement income option. Their targeted dates increase in five-year increments: Lifecycle 2010 (TCLEX) (+157 basis points), Lifecycle 2015 (TCLIX) (+164 basis points), Lifecycle 2020 (TCLTX) (+158 basis points), Lifecycle 2025 (TCLFX)

TIAA-CREF FUND AND ACCOUNT COMMENTARY FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

(+151 basis points), Lifecycle 2030 (TCLNX) (+140 basis points), Lifecycle 2035 (TCLR) (+132 basis points), Lifecycle 2040 (TCLOX) (+141 basis points), Lifecycle 2045 (TTFRX) (+130 basis points), Lifecycle 2050 (TLFRX) (+107 basis points), and Lifecycle Retirement Income (TLIRX) (+89 basis points). Absolute returns were generally higher for longer dated funds, ranging from 16.08% to 28.39%. While all but one Lifecycle Fund trailed their respective benchmarks in the fourth quarter, all ten outperformed their composite benchmarks in December.

CREF ACCOUNT DETAILS

ACCOUNTS THAT OUTPERFORMED THEIR BENCHMARKS OR PEER GROUPS IN THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

With a return of 32.91%, the **CREF Global Equities Account** surpassed its benchmark, the MSCI World Index, in 2009 by 292 basis points, or nearly 3%. The account can credit both its domestic and foreign portions for contributing to these results, though the magnitude of the domestic piece's contribution was greater. The region outside the United States that contributed the most to these results was Asia-Pacific, mainly Hong Kong, Japan, and Taiwan, while the Americas, namely Canada, and other locations, including Israel and the United Arab Emirates, were detractive. While all sectors overall played a positive role in relative results, choices in the consumer discretionary, information technology, and energy sectors were the largest contributors in the year. Underweighting German car maker Volkswagen was the most beneficial move among consumer discretionary picks, with additional support from overweighting Daimler, another German auto maker, and overweighting Compass Group. Out-of-index stock Brocade Communications Systems was the largest contributor from the information technology sector, where overweighting Sun Microsystems and NetApp, as well as holding Temenos Group, which was not held in the benchmark, further boosted relative returns. In energy, the best move was to underweight Exxon Mobil, while holding out-of-index Brazilian oil

company Petrobras Petroleo Brasileiro and overweighting Pride International also helped. While no sector overall was a detractor, the most significant detractors among individual holdings were nonbenchmark stock Teva Pharmaceutical of the healthcare sector, underweights Wells Fargo and Unicredito Italiano, and overweighted AON Corporation, the latter three of which are members of the financial sector. In addition to the one-year period, the account beat its benchmark in December (+35 basis points), the fourth quarter (+46 basis points), and over three years (+15 basis points), while placing close to the benchmark over five years (-4 basis points) and underperforming the index over ten years (-99 basis points).

In 2009, the **CREF Social Choice Account** returned 22.41% and outperformed its composite benchmark by 223 basis points, with contributions from the equity and fixed income (see Bond Market Account comments for details) portions providing support. Among international holdings, overweighting PPR, Nissan Motor Company, and Pearson of the consumer discretionary sector brought support to the year's results. Additional benefits were found in the industrials sector, such as the overweighting of Schneider Electric and Koninklijke, as well as the avoidance of ESG-screened East Japan Railway. Winning moves in the account's domestic equity holdings included avoiding ESG-screened energy stocks Exxon Mobil, Chevron, and ConocoPhillips. In the industrials sector, avoiding ESG-screened General Electric and Lockheed Martin proved beneficial, as did overweighting 3M. While detractions did not overwhelm the positive effects from holdings that drove the account's outperformance, they were found in sectors such as materials in the international equity portion. Examples were the avoidance of ESG-screened Rio Tinto, BHP Billiton, and Anglo American. Among domestic holdings it was overweighting Procter & Gamble, Kraft Foods, and PepsiCo that made that sector the most detractive in the period. The account also beat its benchmark in December (+28 basis points), in the fourth quarter (+52 basis points), and over three years (+17 basis points) and ten years (+10 basis points), while modestly underperforming over five years (-2 basis points).

TIAA-CREF FUND AND ACCOUNT COMMENTARY FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

The Social Choice Account is a balanced portfolio with equity and fixed-income components. Please see the Bond Market Account comments for a review of the performance of fixed-income assets managed similarly to those found in the Social Choice Account. The account seeks investments that are considered socially responsible, generally avoiding companies in the tobacco, nuclear power, weapons production, firearms, gambling, alcohol, and other industries. Other screens would examine companies' environmental, social, and corporate governance practices. The account does not make sector bets and uses only quantitative methods to recover the performance lost due to screens against certain stocks in the benchmark.

In a year when foreign stocks (represented by the MSCI EAFE Index) generally outperformed domestic issues (represented by the Russell 3000), the domestic portion of the **CREF Stock Account** contributed more to the account's outperformance (+80 basis points with a 32.04% return) relative to its composite benchmark than did its foreign holdings. That notwithstanding, Europe and Asia-Pacific brought the largest contributions to relative performance among regions abroad, while the Americas (excluding the United States) and other regions such as Russia and Egypt were detractors. Specific holdings that helped drive outperformance included underweighted Exxon Mobil and out-of-index positions in Petrobras Petroleo Brasileiro and Suncor Energy, all of the energy sector. The winning move in financials was overweighting several names, such as rare occurrence insurer XL Capital, investment bank Goldman Sachs, AFLAC, and Banco Santander. Overweighting key issues also helped in information technology, where Brocade Communication Systems, Sun Microsystems, and Fairchild Semiconductor International did their part in achieving outperformance for the year. While holdings in most sectors were indeed positive contributors to relative performance, some consumer discretionary sector picks proved detractive in the period. Underweighted Liberty Media Corporation was the largest detractor, with overweighted French hotel operator Accor and underweighted automobile manufacturer Ford Motor Company adding some negative influence. While the account trailed its benchmark in the fourth

quarter (-13 basis points) and over ten years (-24 basis points), it beat the composite over three years (+15 basis points) and placed close to it over five years (-8 basis points).

The **CREF Bond Market Account** outpaced its benchmark, the Barclays Capital U.S. Aggregate Bond Index over one month, three months, and one year (+11, +19, and +107 basis points with returns of -1.45%, 0.39%, and 7.00%, respectively). The portfolio benefited from an underweight positioning in U.S. Treasuries, a significant overweight in FDIC insured bank paper, and an out-of-benchmark holding of nonagency residential mortgage-backed security paper. Security selection within the agency MBS sector was another strong driver of outperformance in the Account. Within the investment-grade credit sleeve, the portfolio slightly outperformed the record-breaking 2009 performance of the Barclays Capital Credit Index. The sleeve largely benefited from overweights in the financial sector, such as banks and life insurers, as well as underweight holdings of food/beverage and pharmaceutical companies. Higher-quality security selection detracted from performance, as lower-quality and longer-maturity paper generally rallied strongly in 2009. In the longer periods, the account has underperformed its benchmark with annualized returns of 4.71% (-133 bps), 4.10% (-87 bps), and 5.84% (-49 bps) in the three-year, five-year, and ten-year periods, respectively.

ACCOUNTS THAT UNDERPERFORMED THEIR BENCHMARKS OR PEER GROUPS IN THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

The **CREF Inflation-Linked Bond Account** returned -2.05%, 1.84%, and 9.58% over one month, three months, and one year. The account seeks to protect investors from the damaging effects of inflation by investing in Treasury Inflation Protected Securities (TIPS). The TIPS sector provided strong returns in 2009, as markets grew concerned over the historic expansion in monetary policy, coupled with increased spending by the U.S. Federal Government. The portfolio attempts to closely track its benchmark, the Barclays Capital U.S. TIPS Index, by

TIAA-CREF FUND AND ACCOUNT COMMENTARY FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

maintaining a similar duration. Expenses and technical factors were the primary drivers of the account's underperformance over one year (-183 basis points) and three years (-57 basis points). The account beat its benchmark in December (+14 basis points) and in the fourth quarter (+8 basis points).

Because it is an indexed product, the **CREF Equity Index Account** will generally lag its benchmark, the Russell 3000 index, due to the modest expenses of the account and the management of residual cash. That difference was 48 basis points in 2009 on a return of 27.86%; 9 basis points in the fourth quarter on a 5.81% return; 35 basis points over three years, when the account returned -5.77%; 39 basis points over five years with a return of 0.37%, and 36 basis points over ten years on a -0.56% return, consistent with the account's expense ratio.

The **CREF Money Market Account** trailed the iMoneyNet Taxable (All) Average's 0.17% return by 6 basis points during the year, though over longer periods, the account has outperformed, by 19, 20, and 25 basis points over three, five, and ten years, respectively. Yields continued to fall in commercial paper markets during the year, resuming the pressure on some funds whose yields either are or will be insufficient to cover expenses, with conditions becoming very difficult toward the end of the year despite signs of some stabilization. Strategy elements that contribute to the account's consistent success include higher weightings to commercial paper than those in competing products, a laddered maturity approach, and other factors that place the account ahead of the peer group in most periods.

In 2009 the **CREF Growth Account** underperformed the Russell 1000 Growth® Index (-67 basis points) with a 36.54% return, mainly due to choices in the industrials, healthcare, and information technology sectors. The largest detractor in the industrials sector was overweighted private educational services provider Apollo Group, with additional support from out-of-index conglomerate General Electric and overweighted in Jacobs Engineering and Raytheon. Among healthcare holdings, detractors were overweighted such as biotechnology concern Gilead

Sciences, Baxter International, and CVS Caremark, as well as underweighted Schering-Plough. Positions that hindered results from the information technology sector included nonbenchmark picks Nintendo and Research in Motion, in addition to underweights in International Business Machines and Texas Instruments and an overweight in Flir Systems. Softening the impact of the account's detractors somewhat were holdings in the consumer discretionary and energy sectors, which offered positive contributions overall to the year's relative results. Just as underweighting Wal-Mart, the retailing giant operating at the discount end of the spectrum, helped results, overweighting Coach on the luxury end also was supportive. Other consumer discretionary positions that helped results were overweighted Best Buy and Guess?. In energy the main contributors were nonbenchmark holding Petrobras Petroleo Brasileiro and underweighted Exxon Mobil. Although the account also underperformed its benchmark in the fourth quarter (-11 basis points) and over five years (-32 basis points) and ten years (-75 basis points), it surpassed the index in December (+26 basis points) and over three years (+53 basis points).

TIAA ACCOUNTS

The **TIAA Traditional Account (Retirement Annuity)** returned 4.50% in 2009, 0.91% in the fourth quarter, 4.97% over three years, 4.58% over five years, and 6.62% over ten years. The TIAA Traditional Annuity is backed by the financial strength and claims-paying ability of TIAA, which holds top ratings: A++, A.M. Best Company (as of 12/09); AAA, Fitch Ratings (as of 6/09); Aaa, Moody's Investors Service (as of 10/09); AAA, Standard & Poor's (as of 12/09) – the highest possible ratings from these independent rating firms. Guarantees under annuities issued by TIAA are subject to TIAA's claims-paying ability. Ratings are for TIAA as an insurance company and do not apply to the performance and safety of the variable investment accounts or mutual funds.

The **Real Estate Account** returned -5.05% in the fourth quarter, the sixth consecutive quarter of negative returns but an improvement from second

TIAA-CREF FUND AND ACCOUNT COMMENTARY FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

(-9.96%) and third quarter results (-7.64%). These declines are in contrast to the stronger results observed in this Account in prior periods. The negative returns were driven largely by capital depreciation in the Account, which were initially driven by capital market and associated valuation adjustments but are now also impacted by weakening fundamentals. However, the Account's occupancy levels are relatively high across the portfolio, which is well diversified geographically and by sector and has manageable contractual lease rollover. Yet real estate fundamentals are weakening and, in combination with constrained capital markets, provide continued challenges to property values. In tight credit markets, we believe the Account is relatively well-positioned; debt rollover in 2010, weighted toward the second half of the year, is a high management priority. While this variable annuity, which invests in real properties either directly or through related securities, has produced negative returns in 2009 (-27.64%) and over three years (-10.92%) and five years (-1.67%) during historically challenging real estate market conditions, they were positive over ten years (3.07%).

An investment in the Account is subject to the risks associated with real estate investing, including the risks of acquiring, owning and selling real property, valuation risk, interest rate risk, market risk, credit risk, and regulatory and environmental risks.

http://www.tiaa-cref.org/pdf/prospectuses/realestate_prosp.pdf

TIAA-CREF FUND AND ACCOUNT COMMENTARY FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

SECTOR EFFECTS ON FUND PERFORMANCE FOR THE YEAR-TO-DATE PERIOD ENDING 12/31/09

 = Contribution  = Detraction  = No Effect

	CREF Stock	CREF GEA	CREF Growth	Growth & Income	Large-Cap Growth	Social Choice Equity	Large-Cap Value	Mid-Cap Value	Mid-Cap Growth	Small-Cap Equity	International Equity
Consumer Staples											
Healthcare											
Consumer Discretionary											
Energy											
Industrials											
Information Technology											
Materials											
Financials											
Telecommunication Services											
Utilities											

TOP CONTRIBUTING SECTORS

Energy	Consumer Discretionary	Consumer Discretionary	Energy	Consumer Discretionary	Energy	Consumer Discretionary	Materials	Consumer Discretionary	Financials	Information Technology
Financials	Information Technology	Energy	Consumer Discretionary	Utilities	Industrials	Financials	Financials	Industrials	Information Technology	Healthcare
Information Technology	Energy	Materials	Information Technology	Financials	Consumer Discretionary	Information Technology	Consumer Discretionary	Energy	Industrials	Materials

TOP DETRACTING SECTORS

Consumer Discretionary	N/A	Industrials	Financials	Industrials	Consumer Staples	Consumer Staples	Industrials	Healthcare	Healthcare	Financials
N/A	N/A	Healthcare	Consumer Staples	Healthcare	Information Technology	Telecom Services	Telecom Services	Consumer Staples	Energy	Industrials
N/A	N/A	Information Technology	Utilities	Telecom Services	Materials	N/A	Healthcare	Financials	Consumer Discretionary	Consumer Discretionary

All attribution information is for the year-to-date period ending December 31, 2009.

TIAA-CREF FUND AND ACCOUNT COMMENTARY FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

SECURITY SELECTION EFFECTS ON FUND PERFORMANCE FOR THE YEAR-TO-DATE PERIOD ENDING 12/31/09

CREF Stock	CREF GEA	CREF Growth	Growth & Income	Large-Cap Growth	Social Choice Equity	Large-Cap Value	Mid-Cap Value	Mid-Cap Growth	Small-Cap Equity	International Equity
TOP CONTRIBUTING SECURITIES (+ OR – REPRESENTS OVERWEIGHT OR UNDERWEIGHT, RESPECTIVELY)										
Exxon Mobil Corp. (-)	Exxon Mobil Corp. (-)	Exxon Mobil Corp. (-)	Rio Tinto PLC (ADS) (out of index)	Goldman Sachs Group Inc. (+)	Exxon Mobil Corp. (avoid)	XL Capital Ltd. (CI A) (+)	XL Capital Ltd. (CI A) (+)	Las Vegas Sands Corp. (+)	3Com Corp. (+)	Hon Hai Precision Industry Co. Ltd. (out of index)
Petrobras Petroleo Brasileiro (out of index)	AFLAC Inc. (+)	Goldman Sachs Group Inc. (+)	Discovery Communications Inc. Series A (out of index)	Google Inc. (CI A) (+)	General Electric Co. (avoid)	Rio Tinto PLC (ADS) (out of index)	Pride International Inc. (+)	SuccessFactors Inc. (out of index)	Schweitzer-Mauduit International Inc. (+)	Credit Suisse Group AG (+)
Suncor Energy Inc. (out of index)	XL Capital Ltd. (CI A) (+)	Google Inc. (CI A) (+)	SanDisk Corp. (+)	Wal-Mart Stores Inc. (-)	Wal-Mart Stores Inc. (avoid)	Exxon Mobil Corp. (-)	Temple-Inland Inc. (+)	Freeport-McMoRan Copper & Gold Inc. (out of index)	Global Cash Access Holdings Inc. (+)	Lanxess AG (out of index)
TOP DETRACTING SECURITIES (+ OR – REPRESENTS OVERWEIGHT OR UNDERWEIGHT, RESPECTIVELY)										
Liberty Media Corp Entertainment Series A (-)	Teva Pharmaceutical Industries Ltd. (ADS) (out of index)	Apollo Group Inc. (CI A) (+)	Gilead Sciences Inc. (+)	Apollo Group Inc. (CI A) (+)	Apple Inc. (avoid)	Wells Fargo & Co. (-)	Wells Fargo & Co. (out of index)	Covanta Holding Corp. (+)	Crawford & Co. (CI B) (+)	Wells Fargo & Co. (out of index)
Government Of The United States Of America 5.0% 15-Feb-2011 (out of index)	Wells Fargo & Co. (-)	Gilead Sciences Inc. (+)	American Express Co. (avoid)	Gilead Sciences Inc. (+)	JPMorgan Chase & Co. (avoid)	State Street Corp. (+)	iShares Russell 1000 Value Index Fund (out of index)	Cephalon Inc. (+)	Human Genome Sciences Inc. (-)	Nokia Corp. (+)
Wells Fargo & Co. (+)	Unicredito Italiano Spa Ord (-)	General Mills Inc. (+)	ACE Ltd. (out of index)	General Mills Inc. (+)	Freeport-McMoRan Copper & Gold Inc. (avoid)	Boston Scientific Corp. (+)	International Paper Co. (-)	Western Digital Corp. (avoid)	HealthSpring Inc. (-)	BAE Systems PLC (+)

All attribution information is for the year-to-date period ending December 31, 2009.

**TIAA-CREF FUND AND ACCOUNT COMMENTARY
FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009**

CREF ACCOUNTS - TOP 10 HOLDINGS

ISSUER	% OF NET ASSETS
CREF STOCK ACCOUNT TOP 10 HOLDINGS	
Exxon Mobil Corp	1.64%
Microsoft Corp	1.44%
Apple Computer, Inc	1.16%
JP Morgan Chase & Co.	0.99%
Johnson & Johnson	0.99%
Procter & Gamble Co	0.94%
International Business Machines Corp	0.94%
General Electric Co	0.93%
Google, Inc (Class A)	0.92%
AT&T, Inc	0.91%

ISSUER	% OF NET ASSETS
CREF GLOBAL EQUITY ACCOUNT TOP 10 HOLDINGS	
Microsoft Corp	1.04%
Exxon Mobil Corp	1.03%
SPDR Trust Series 1	1.01%
HSBC Holdings plc	0.98%
Novartis AG.	0.97%
iShares MSCI EAFE Index Fund	0.84%
Apple Computer, Inc	0.79%
Hewlett-Packard Co	0.79%
JP Morgan Chase & Co.	0.78%
Nestle S.A.	0.75%

ISSUER	% OF NET ASSETS
CREF GROWTH ACCOUNT TOP 10 HOLDINGS	
Microsoft Corp	3.97%
Apple Computer, Inc	3.58%
Google, Inc (Class A)	3.28%
Cisco Systems, Inc	2.46%
International Business Machines Corp	2.27%
Johnson & Johnson	1.83%
Qualcomm, Inc	1.77%
Coca-Cola Co	1.61%
Wal-Mart Stores, Inc	1.47%
PepsiCo, Inc.	1.47%

ISSUER	% OF NET ASSETS
CREF SOCIAL CHOICE ACCOUNT TOP 10 HOLDINGS	
Microsoft Corp	1.19%
U.S. Treasury Bond 8.000%, 11/15/21	1.03%
International Business Machines Corp	0.92%
Johnson & Johnson	0.92%
FNMA 4.500%, 01/25/40	0.91%
Procter & Gamble Co	0.89%
Google, Inc (Class A)	0.82%
Cisco Systems, Inc	0.79%
Hewlett-Packard Co	0.74%
Wells Fargo & Co.	0.70%

TIAA-CREF FUND AND ACCOUNT COMMENTARY FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

TIAA-CREF FUNDS - TOP 10 HOLDINGS

ISSUER	% OF NET ASSETS
TIAA-CREF LARGE-CAP VALUE TOP 10 HOLDINGS	

Exxon Mobil Corp	3.10%
General Electric Co	2.84%
Pfizer, Inc	2.63%
AT&T, Inc	2.35%
Chevron Corp	2.31%
Wells Fargo & Co	2.28%
Bank of America Corp	2.25%
JPMorgan Chase & Co	2.16%
Citigroup, Inc	2.15%
Verizon Communications, Inc	1.94%

ISSUER	% OF NET ASSETS
TIAA-CREF REAL ESTATE SECURITIES TOP 10 HOLDING	

Simon Property Group, Inc	10.60%
Vornado Realty Trust	6.14%
Boston Properties, Inc	5.62%
Equity Residential	4.71%
AvalonBay Communities, Inc	4.64%
Host Marriott Corp	4.01%
Public Storage, Inc	3.98%
HCP, Inc	3.70%
Kimco Realty Corp	3.07%
Macerich Co	2.98%

ISSUER	% OF NET ASSETS
TIAA-CREF MID-CAP VALUE TOP 10 HOLDINGS	

iShares Russell Midcap Value Index Fund	3.43%
XL Capital Ltd	1.17%
Vornado Realty Trust	1.01%
Boston Scientific Corp	0.98%
Lorillard, Inc	0.94%
Computer Sciences Corp	0.93%
Boston Properties, Inc	0.90%
Anglo American plc	0.87%
Sempra Energy	0.87%
Pride International, Inc	0.87%

ISSUER	% OF NET ASSETS
TIAA-CREF INTERNATIONAL EQUITY TOP 10 HOLDINGS	

Syngenta AG	4.45%
Bayer AG	4.41%
Henkel Ag + Co KGAA	4.30%
Adecco SA	4.24%
Thyssenkrupp AG	3.90%
Lanxess AG	3.68%
Deutsche Boerse AG	3.54%
Smiths Group	3.34%
Assa Abloy	2.87%
Rheinmetall AG	2.60%

ISSUER	% OF NET ASSETS
TIAA-CREF GROWTH AND INCOME TOP 10 HOLDINGS	

Exxon Mobil Corp	3.36%
Microsoft Corp	2.64%
Apple Computer, Inc	2.29%
JPMorgan Chase & Co	2.10%
Bank of America Corp	1.91%
Google, Inc (Class A)	1.88%
Cisco Systems, Inc	1.70%
Procter & Gamble Co	1.66%
Pfizer, Inc	1.58%
Chevron Corp	1.56%

ISSUER	% OF NET ASSETS
TIAA-CREF MID-CAP GROWTH TOP 10 HOLDINGS	

iShares Russell Midcap Growth Index Fund	2.51%
Precision Castparts Corp	1.78%
Cognizant Technology Solutions Corp (Class A)	1.69%
TJX Cos, Inc	1.37%
Walter Energy, Inc	1.27%
Life Technologies Corp	1.26%
Corrections Corp of America	1.20%
Marvell Technology Group Ltd	1.17%
Ecolab, Inc	1.13%
T Rowe Price Group, Inc	1.12%

ISSUER	% OF NET ASSETS
TIAA-CREF SOCIAL CHOICE EQUITY TOP 10 HOLDINGS	

Microsoft Corp	2.46%
Johnson + Johnson	1.92%
International Business Machines	1.92%
Procter And Gamble Co	1.88%
Google Inc	1.72%
Cisco Systems Inc	1.64%
Hewlett Packard Co	1.53%
Wells Fargo + Co	1.47%
Merck + Co Inc New	1.40%
Intel Corp	1.40%

ISSUER	% OF NET ASSETS
TIAA-CREF LARGE-CAP GROWTH TOP 10 HOLDINGS	

Google, Inc (Class A)	5.26%
Apple Computer, Inc	4.57%
Microsoft Corp	3.46%
Qualcomm, Inc	3.23%
Mastercard, Inc (Class A)	3.16%
Amazon.com, Inc	2.93%
Cisco Systems, Inc	2.84%
Monsanto Co	2.66%
Celgene Corp	2.59%
Teva Pharmaceutical Industries Ltd (ADR)	2.57%

**TIAA-CREF FUND AND ACCOUNT COMMENTARY
FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009**

TIAA-CREF FUNDS - TOP 10 HOLDINGS

ISSUER	% OF NET ASSETS
TIAA-CREF SMALL-CAP EQUITY TOP 10 HOLDINGS	
Prosperity Bancshares Inc	0.63%
Unisys Corp	0.62%
E Trade Finl Corp	0.61%
Emcor Group Inc	0.60%
Healthsouth Corp	0.57%
Equity Lifestyle Pptys Inc	0.55%
Watson Wyatt Worldwide Inc	0.52%
Tupperware Brands Corp	0.51%
Dress Barn Inc	0.50%
PSS World Med Inc	0.49%

TIAA-CREF FUND AND ACCOUNT COMMENTARY FOR THE YEAR-TO-DATE ENDING DECEMBER 31, 2009

The CREF Money Market Account and TIAA-CREF Institutional Money Market Fund are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Institutional Money Market Fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in the fund.

The current yield of the money market funds/accounts more closely reflects current earnings than does the total return.

- LIBOR, the London Inter-Bank Offered Rate, is a global interest rate benchmark published by the British Banking Association (BBA) to track the interest rates associated with intra-bank loans of maturities ranging from overnight to 12 months among the BBA's surveyed banks.

^ - A laddered maturity portfolio is made up of several fixed-income holdings, each having a successively longer term to maturity. Instruments close to maturity are reinvested at the long end resulting in a continuous rolling of the portfolio. A laddered bond strategy does not require an investor to predict interest rate movements and, by spreading out the maturities of the portfolio, it lessens the effects of interest rate changes.

The sectors referenced in the relative performance commentary above are based on the Global Industry Classification Standard (GICS®). The Global Industry Classification Standard (GICS) was developed by MSCI, a premier independent provider of global indexes and benchmark-related products and services, and Standard & Poor's (S&P), an independent international financial data and investment services company and a leading provider of global equity indexes.

TIAA-CREF Individual & Institutional Services, LLC and Teachers Personal Investors Services, Inc. distribute securities products.

Please note that equity returns have historically been higher than other asset classes, but carry considerable risk of principal. Small stocks are traditionally more volatile than large stocks. Fixed income returns have historically been less than equity returns, are subject to interest rate risk, but bring greater safety of principal. Real estate investing has special risks, including fluctuations in property values, higher expenses or lower income than expected, and potential environmental problems and liability.

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

There are special risks associated with investments in foreign securities, including erratic market conditions, economic and political instability, and fluctuations in currency exchange rates.

CREF variable annuity accounts are managed by TIAA-CREF Investment Management, LLC, a registered investment advisor.

Annuity account options are available through contracts issued by TIAA or CREF. These contracts are designed for retirement or other long-term goals, and offer a variety of income options, including lifetime income. Payments from the variable annuity accounts [and mutual funds] are not guaranteed and will rise or fall based on investment performance. Mutual funds do not offer the range of income options available through annuities.

TIAA-CREF Funds, including the TIAA-CREF Lifecycle Funds, are managed by Teachers Advisors, Inc under the supervision of the Board of Trustees. Teachers Advisors is an indirect wholly owned subsidiary of TIAA. It is registered as an investment advisor with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940.

© 2010 and prior years, Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF), New York, NY 10017

C46782(16380)