

LIFECYCLE 2040 FUND

AS OF 12/31/2009

GROSS / NET EXPENSE CHARGE¹ 0.95% / 0.72%	NET ASSETS OF FUND \$752.15 million	RETIREMENT CLASS INCEPTION DATE 10/15/2004	CUSIP 87244W383	TICKER SYMBOL TCLOX	BENCHMARK INDEX Lifecycle 2040 Fund Composite Index*
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INVESTMENT OBJECTIVE

The Lifecycle 2040 Fund seeks high total return over time through a combination of capital appreciation and income.

PORTFOLIO STRATEGIES

- Each of the Lifecycle Funds is designed to provide a single diversified portfolio managed with a target retirement date in mind. The target date is the approximate date when investors expect to begin withdrawing money from the fund.
- Each portfolio invests in several underlying equity and fixed-income funds offered by TIAA-CREF Funds.
- Over time, the fund's target allocation will gradually become more conservative, reaching an equity/fixed-income mix of 40%/60% in 2050.
- Approximately seven to ten years after a Lifecycle Fund's target date, the fund may merge into the Lifecycle Retirement Income Fund or similar fund.

FUND MANAGEMENT

The fund is managed by the Lifecycle Funds portfolio management team of Teachers Advisors, Inc. Team members are jointly responsible for the day-to-day management of the fund.

Call our Enrollment Hotline:

800 842-2888 (weekdays 8 am to 10 pm ET, Saturdays 9 am to 6 pm ET)

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PERFORMANCE

	TOTAL RETURN			AVERAGE ANNUAL TOTAL RETURN	
	3 Month	YTD	1 Year	5 Year	Since Inception
Lifecycle 2040 Fund	4.35%	28.39%	28.39%	0.85%	2.72%
Lifecycle 2040 Fund Composite Index*	4.50	26.98	26.98	1.41	3.06
Russell 3000 Index	5.90	28.34	28.34	0.76	2.72
Morningstar Target-Date 2036-2040 Category	4.47	30.90	30.90	1.01	3.42

* As of the close of business on 12/31/2009, the 2040 Fund Composite Index consisted of: 67.5% Russell 3000® Index; 22.5% MSCI EAFE Index; and 10.0% Barclays Capital U.S. Aggregate Bond Index. For an explanation of the fund's composite index, see reverse side.

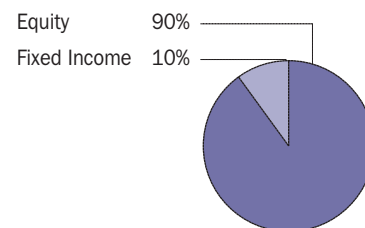
The returns here show past performance, which is no guarantee of future results. The returns do not reflect taxes that a shareholder would pay on fund distributions or the sale of fund shares. Returns and the principal value of your investment will fluctuate. Current performance may be higher or lower than that shown, and you may have a gain or a loss when you redeem your shares. For current performance information, including performance to the most recent month-end, please visit tiaa-cref.org.

¹ The annual expense charge includes fees for the Lifecycle Funds and fees for the underlying funds; each Lifecycle fund indirectly bears its pro rata share of the fees and expenses incurred by the underlying funds. The net annual expense charge reflects a contractual fee waiver and reimbursement of certain expenses by the fund's adviser through January 31, 2011. The reimbursement does not cover the fee for services provided in connection with administering this class on retirement platforms. See the current prospectus for information on expenses.

PORTFOLIO COMPOSITION[†]

Underlying Funds	% Net Assets
Bond Fund	6.0
High-Yield Fund	4.0
Total Fixed Income	10.0
Enhanced Large-Cap Growth Index Fund	16.0
Enhanced Large-Cap Value Index Fund	15.5
International Equity Fund	11.0
Enhanced International Equity Index Fund	10.9
Other Equity Funds**	36.6
Total Equity	90.0

TARGET ALLOCATION

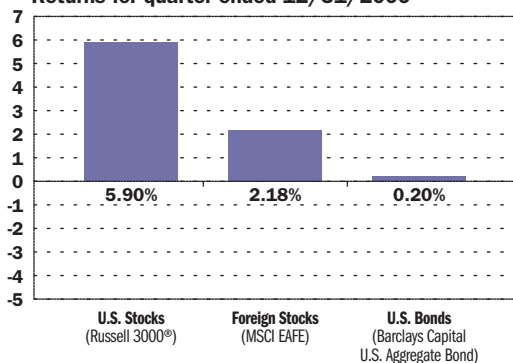


**Other Equity Funds Include: Large-Cap Value Fund, Large-Cap Growth Fund, Growth & Income Fund, Small-Cap Equity Fund, Mid-Cap Value Fund, Mid-Cap Growth Fund and Other Net Assets.

[†] Since the TIAA-CREF Lifecycle Funds are actively managed, their asset allocations are subject to change and may vary from those currently shown.

GENERAL MARKET BENCHMARKS

Returns for quarter ended 12/31/2009



The bar graph above shows the returns of the indexes that represent the general market sectors in which the Lifecycle Funds may invest. These indexes are the components of the Lifecycle 2040 Fund Composite Index.

MARKET RECAP

Stocks keep rising, but sputtering Treasuries mute bond returns

Continued low interest rates, tame inflation, improved corporate profits and a slower pace of job losses helped stock prices keep climbing in the fourth quarter. The Russell 3000 Index, a broad measure of the U.S. stock market, gained 5.90%. Growth stocks outperformed value shares, 7.65% to 4.17%. Large-cap stocks climbed 6.07%, while mid caps and small caps returned 5.92% and 3.87%, respectively. (Returns are based on Russell indexes.) For 2009 as a whole, the Russell 3000 rose 28.34%.

The MSCI EAFE Index, which measures stock performance in 21 foreign nations, advanced 3.33% in terms of local currencies. This gain was trimmed to 2.18% in dollar terms, because of a drop in the value of the euro and the yen versus the dollar. For all of 2009, the EAFE was up 31.78% in dollars.

For the quarter, U.S. investment-grade bonds, as measured by the Barclays Capital U.S. Aggregate Bond Index, returned 0.20%. As the economy began to show signs of recovery, investor demand for U.S. Treasuries waned, and the Treasury sector of the Barclays Capital index returned -1.30%. Corporate bonds and commercial mortgage-backed securities returned 1.35% and 3.27%, respectively. For the full year, the Barclays Capital index returned 5.93%.


IMPORTANT INFORMATION

Investing in this fund involves a number of risks. As with all mutual funds, the returns and the principal value of an investment are not guaranteed. The fund shares the risks associated with the types of securities held by each of the underlying funds in which it invests, including asset allocation risk, market risk, company risk, foreign investment risks, interest rate risk, credit risk, illiquid security risk, prepayment risk and extension risk. For a detailed discussion of risk, consult the prospectus.

TIAA-CREF Individual & Institutional Services, LLC, and Teachers Personal Investors Services, Inc., members FINRA, distribute securities products. You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 877 518-9161 for a prospectus that contains this and other information. Please read the prospectus carefully before investing.

Retirement Class shares of the Lifecycle Funds are offered by TIAA-CREF Funds.

Russell 3000 is a trademark and service mark of the Russell Investment Group. TIAA-CREF products are not promoted or sponsored by, or affiliated with, the Russell Investment Group. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. This document is not approved, reviewed, or produced by MSCI. EAFE stands for Europe, Australasia, Far East. S&P 500 is a registered trademark and service mark of McGraw-Hill Companies, Inc.

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EXPENSES

Expenses are an important aspect of investing. To pay for the operation and management of a fund, each investor is charged an expense fee, which is calculated as a percentage of the amount the investor has in the fund. Even if the fund loses money during a period, the fee is still charged. Although an annual expense fee may seem relatively small, its effect on performance over time can be substantial. TIAA-CREF has some of the lowest expense charges in the industry.*

* Morningstar Direct (December 2009) based on Morningstar expense comparisons by category.

ABOUT THE COMPOSITE INDEX

The fund's composite benchmark represents the four general market sectors in which the fund may invest: domestic equity; international equity; fixed income; and short-term fixed income. The fund's composite benchmark combines the following public indexes in proportions that reflect the fund's current target allocations:

- Russell 3000 Index for U.S. equity
- MSCI EAFE Index for international equity
- Barclays Capital U.S. Aggregate Bond Index for fixed income

Each index is unmanaged and reflects no deductions for fees, expenses or taxes. You cannot invest in them directly.

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TIAA-CREF's investment philosophy seeks to deliver consistent growth for our investors year after year. Since 1918, we have helped millions of people at America's academic, medical, cultural and research institutions plan for the future. TIAA-CREF is one of the largest financial services organizations in the world, with \$414 billion in combined assets under management as of December 31, 2009.