

## BOND FUND

AS OF 12/31/2009

<b>GROSS / NET EXPENSE CHARGE</b> 0.32% / 0.32%	<b>NET ASSETS OF FUND</b> \$2.47 billion	<b>INSTITUTIONAL CLASS INCEPTION DATE</b> 07/01/1999	<b>CUSIP</b> 87244W607	<b>TICKER SYMBOL</b> TIBDX	<b>BENCHMARK INDEX</b> Barclays Capital U.S. Aggregate Bond Index
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## INVESTMENT OBJECTIVE

The fund seeks as favorable a long-term total return through income as is consistent with preserving capital, primarily from investment-grade, fixed-income securities.

## PORTFOLIO STRATEGIES

- Invests at least 80% of its assets in investment-grade bonds and other fixed-income securities, including, but not limited to, U.S. government securities, corporate bonds and mortgage-backed or other asset-backed securities.
- Aims to maintain an average duration similar to that of its benchmark.
- The fund may invest up to 15% of its assets in fixed-income securities of foreign issuers.

## FUND MANAGEMENT

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

For Trust Company information, call:  
**888 842-9001** (weekdays, 9 am to 6 pm ET)

For 529 Plans, call:  
**888 381-8283** (weekdays 8 am to 10 pm ET)

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## PERFORMANCE

	TOTAL RETURN			AVERAGE ANNUAL TOTAL RETURN		
	3 Month	YTD	1 Year	5 Year	10 Year	Since Inception
Bond Fund	0.22%	6.47%	6.47%	4.41%	6.09%	5.85%
Barclays Capital U.S. Agg Bond Index	0.20	5.93	5.93	4.97	6.33	6.09
Morningstar Intermediate-Term Bond Category	1.19	13.97	13.97	3.84	5.53	4.94

**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](http://tiaa-cref.org).**

## PORTFOLIO COMPOSITION

	% Net Assets
Mortgage-Backed Securities & Comm. Mortgage-Bkd Securities	35.3
Corporate Bonds	23.9
U.S. Treasury Obligations	17.0
Foreign Gov. & Corporate Bonds Denominated in U.S. Dollars	8.1
Short-Term Investments & Other Net Assets	6.7
U.S. Agency Obligations	6.6
Asset-Backed Securities	2.4

## FUND FACTS

Number of Issues	990
Average Quality	Aa1 <sup>†</sup> /AA+ <sup>†</sup>
Option-Adjusted Duration	4.49 Years
Average Maturity	6.18 Years

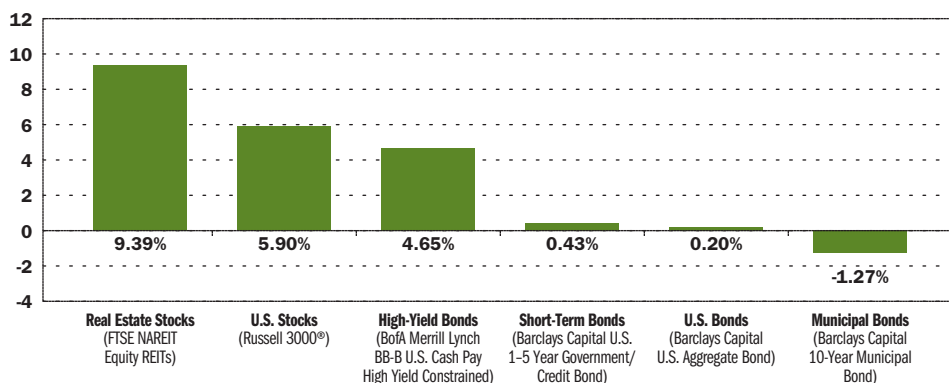
## TOP 10 HOLDINGS

Issuer	% Net Assets
U.S. T-Bond 8.000%, 11/15/21	2.95
FNMA 4.500%, 01/25/40	2.20
FNMA 6.000%, 01/25/40	1.99
U.S. T-Note 2.000%, 11/30/13	1.64
U.S. T-Note 2.375%, 10/31/14	1.33
U.S. T-Bond 5.250%, 02/15/29	1.33
U.S. T-Note 2.250%, 05/31/14	1.20
U.S. T-Note 2.625%, 12/31/14	1.00
FNMA 4.000%, 01/25/40	0.93
FNMA 2.625%, 11/20/14	0.79

<sup>†</sup> As rated by Moody's Investors Service

<sup>†</sup> As rated by Standard & Poor's

## RETURNS FOR MAJOR BENCHMARKS FOR QUARTER ENDED 12/31/2009



The bar graph above shows the returns of several leading market indexes. This allows you to compare the performance of your investment with several areas of the financial marketplace during the last quarter.

### ABOUT DURATION AND MATURITY

The maturity date is the date on which the principal amount of a security becomes due or payable. Duration indicates the price sensitivity of a bond to changes in interest rates: the lower the duration, the lower the bond's potential volatility and vice versa. We seek to keep this portfolio's average duration similar to the benchmark's.

### IMPORTANT INFORMATION

Investing in this fund involves a number of risks. Interest rate increases can cause bond prices to decline. The fund invests in asset- and mortgage-backed securities and is subject to prepayment risk; falling interest rates can cause security prices and income to decline because of the early payment of principal. The fund is also subject to extension risk; rising rates can cause securities prices to decline because expected payments of principal do not occur. The fund may invest in foreign securities, which involve special risks, including currency fluctuation and political and economic instability. 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.**

### MATURITY ALLOCATION

Year(s)	% Portfolio Investments
0-1 Year	13.2
1-3 Years	12.3
3-5 Years	16.7
5-10 Years	13.4
10+ Years	44.4

### 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 THIS FUND'S BENCHMARK(S)

The Barclays Capital U.S. Aggregate Bond Index measures the performance of the U.S. investment-grade, fixed-rate bond market, including government and credit securities, agency mortgage pass-through securities, asset-backed securities and commercial mortgage-backed securities. You cannot invest directly in this index.

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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.

The TIAA-CREF Funds offer four classes of shares. The performance returns included in this material are those of the Institutional Class of shares.

The Barclays Capital U.S. Aggregate Bond Index is an unmanaged index.

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