

INFLATION-LINKED BOND FUND

AS OF 12/31/2009

**GROSS / NET
EXPENSE CHARGE**
0.34% / 0.34%

NET ASSETS OF FUND
\$838.07 million

**INSTITUTIONAL CLASS
INCEPTION DATE**
10/01/2002

CUSIP
87244W482

TICKER SYMBOL
TIILX

BENCHMARK INDEX
Barclays Capital U.S. Treasury
Inflation Protected Securities (TIPS)
Index (Series-L)

INVESTMENT OBJECTIVE

The fund seeks a long-term rate of return that outpaces inflation, primarily through investment in inflation-indexed bonds.

PORTFOLIO STRATEGIES

- Invests at least 80% of its assets in inflation-indexed bonds.
- The fund can also invest in:
 - other inflation-indexed bonds issued or guaranteed by the U.S. government or its agencies, or by corporations and other U.S.-domiciled issuers, as well as by foreign governments;
 - money market instruments or other short-term securities.

FUND MANAGEMENT

The Inflation-Linked 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	Since Inception
Inflation-Linked Bond Fund	1.84%	9.54%	9.54%	4.29%	5.35%
Barclays Capital U.S. TIPS Index (Series-L)	1.76	11.41	11.41	4.63	5.65
Morningstar Inflation-Protected Bond Category	1.73	10.88	10.88	3.68	4.66

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.

MATURITY ALLOCATION

Year(s)	% Portfolio Investments
1-3 Years	15.9
3-5 Years	20.3
5-10 Years	34.1
10-20 Years	28.3
20+ Years	1.4

FUND FACTS

Number of Issues	29
Average Quality	Aaa [†] /AAA [†]
Option-Adjusted Duration	7.67 Years
Average Maturity	8.74 Years

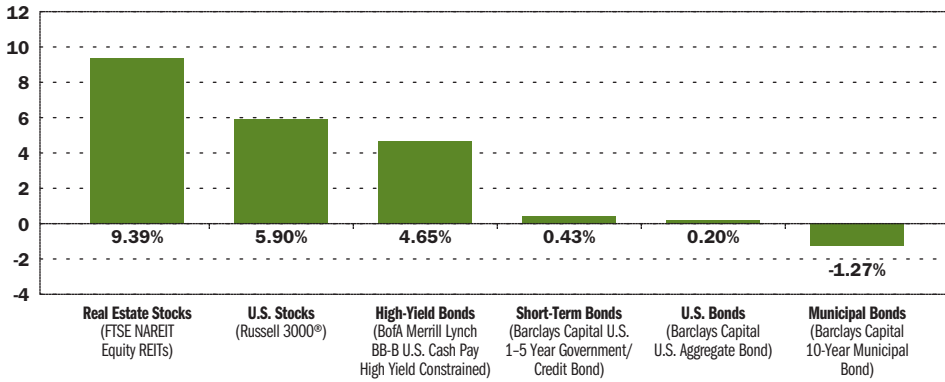
HOW TIPS WORK

Like conventional bonds, U.S. Treasury Inflation-Indexed Securities (TIIS)—also known as TIPS, which stands for Treasury Inflation Protected Securities—pay interest at fixed intervals and return the principal at maturity. Unlike the principal of conventional bonds, the principal of U.S. TIPS is adjusted each month in step with the general price inflation, as measured by the U.S. Bureau of Labor's Consumer Price Index for All Urban Consumers (CPI-U). Interest is paid twice a year. The interest rate is fixed, but the amount of each interest payment varies because the rate is applied to a principal that is changing to keep up with inflation.

[†] As rated by Moody's Investors Service

[†] 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 market values of inflation-indexed bonds can be affected by changes in investors' inflation expectations or changes in real rates of interest (a security's return above the inflation rate). 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.

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. Treasury Inflation Protected Securities (TIPS) Index (Series-L) measures the performance of fixed-income securities with fixed-rate coupon payments that adjust for inflation, as measured by the Consumer Price Index for All Urban Consumers. You cannot invest directly in this index.

TIAA-CREF: FINANCIAL SERVICES FOR THE GREATER GOOD®

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. TIPS Index (Series-L) is an unmanaged index.

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