

QUARTERLY INVESTMENT DISTINCTIONS SUMMER 2008

TIAA-CREF Asset Management continues to demonstrate its commitment to delivering consistent growth for our 3.4 million participants. Among the investment distinctions that TIAA-CREF has recently received are:

- The TIAA-CREF Mid-Cap Value Fund was included in *The Wall Street Journal's* "Smart Money: Fund Screen" and received high marks for its strong five-year performance against its Lipper peers. The fund had the lowest expense ratio (0.63%) among the eight funds cited.

To get these results, *The Wall Street Journal* compared 1,319 no-load mid-cap funds and selected the top 40%, based on investment returns over the trailing three- and five-year time periods. Of that group, the *Journal* then chose those funds that offered the lowest expense fees, and highlighted the final eight in this featured article. The data for this report was as of May 29, 2008 and was provided by Lipper.

KEY FACTS

- TIAA-CREF's funds frequently appear near the top of investment lists like *Barron's*, *The Wall Street Journal* and *Lipper*. For the second consecutive year, TIAA-CREF ranked in the top 10 of the *Lipper/Barron's* Fund Family Survey, placing ninth out of 67 families in 2007 based on asset-weighted total returns.¹
- Because of our size (over \$415 billion in assets under management as of March 31, 2008) and not-for-profit operating philosophy, the fees TIAA-CREF charges for its mutual funds and variable annuity accounts are generally half the industry average. As a result, more of your money is being invested to work harder for you.²
- 63% of TIAA-CREF's mutual funds and variable annuity accounts exceeded their Morningstar medians over the past three and five years as of June 30, 2008.³
- 42% of TIAA-CREF's mutual funds and annuity accounts had four- or five-star overall ratings from Morningstar; 90% had three or more stars (as of June 30, 2008).

¹ The Lipper/Barron's Fund Family survey uses an asset-weighted ranking system based on the 2007 returns of 67 fund families. In 2006, TIAA-CREF's mutual funds were ranked seventh out of 67 overall in the Lipper/Barron's Mutual Fund Family Survey. Due to the fund merger in April 2007, some TIAA-CREF mutual funds were not eligible for inclusion in the five-year ranking at that time. Ten-year rankings are not yet available. The study only included mutual fund performance and, therefore, did not reflect the performance of TIAA-CREF's annuity products or the TIAA Real Estate Account portfolio.

² Morningstar Direct (June 2008) based on Morningstar expense comparisons by category.

³ The Morningstar median represents the midpoint of an index of comparable funds/accounts grouped by factors such as investment objective and asset class comparisons by category. Morningstar is a leading provider of mutual fund and variable annuities research and ratings. Morningstar ratings are based on risk-adjusted returns.

- The TIAA-CREF Mid-Cap Value Fund was also included in a June 12, 2008 edition of the *Dow Jones* “Tip Sheet” column. The article highlighted the fund’s strong relative year-to-date and five-year performance numbers relative to its benchmark. The investment strategy and processes that portfolio manager Tom Kolefas and his team use in running the fund were also discussed.
- The TIAA-CREF Inflation-Linked Bond Fund was included in the May 30, 2008 edition of *USA Today* as part of a list of well-performing Treasury inflation-protected securities (TIPS) funds. The fund was cited as an example of a well-performing TIPS fund that can be used to help ease the impact of inflation. Rating was based on data from Lipper over the past five years.
- *Kiplinger.com* recently included The TIAA-CREF Social Choice Equity Fund (Retail Class) as one of its favorite “green” funds in their May 20, 2008 article entitled “Five Great Green Funds.” The author noted that the Social Choice Equity Fund is a good “green” option as it combines a low annual expense ratio with the use of a broad-based market index, the KLD Broad Market Social Index, for its list of acceptable companies.
- TIAA-CREF was named the 19th largest manager of institutional assets and seventh largest manager of institutional tax-exempt assets in the “Annual Top Money Managers List.” The list was based on a survey by *Pensions & Investments*. In comparison to last year’s survey, TIAA-CREF moved up from fourth to second based on real estate equity assets under management. The ratings were based on total worldwide institutional assets under management as of December 31, 2007.
- TIAA-CREF placed 20th in the annual “Americas Top 300 Money Managers” survey by *Institutional Investor*. This survey was based on a domestic rating of asset managers.

- TIAA-CREF was named eighth (out of ten) among managers of tax-exempt international and global assets in *Pensions & Investments'* survey of international and global asset managers. This survey utilized self-reported data for the one-year period ended March 31, 2008.
- TIAA-CREF was named seventh (out of 50) as a leading index manager in the March 24, 2008 edition of *InvestmentNews.com*. The list was based on total worldwide assets under internal indexed management as of December 31, 2007. Data was provided by *Pensions & Investments*.
- *US News & World Report* included TIAA-CREF's Lifecycle Funds in its June 12, 2008 issue, describing them as part of a new wave of target retirement funds that are adding underlying funds that invest in high-yield bonds and "enhanced" international indexes to their portfolio mix.

At TIAA-CREF, we seek to deliver consistent growth year-after-year. By continuing to appear among the top of investment lists like *Barron's*, *The Wall Street Journal* and *Lipper*, we believe we are delivering on that promise.

Lipper is a trademark of Reuters, SA and provides data and analysis on Mutual Funds and Variable Annuities. *Lipper* is widely regarded as a leading independent source of investment company data that is used by independent investors.

Kiplinger.com provides investors with advice on managing money and achieving financial security. Practical guidance on saving, investing, planning for retirement, paying for college, buying an automobile, home and other major purchases are also provided in this online publication. *Institutional Investor* is a leading international business-to-business publisher, focused primarily on international finance. It publishes magazines, newsletters and journals as well as research, directories, books and maps. It also runs conferences, seminars and training courses and is a provider of electronic business information through its capital market databases and emerging markets information service. *Pensions & Investments* is an international publication that delivers news, research and analysis to executives who manage the flow of funds in the institutional investment market.

For a complete listing of all TIAA-CREF performance data please visit tiaa-cref.org. Mutual funds that invest in small-cap companies are subject to heightened risks and are more volatile than funds that invest in larger, more established companies. High-yield bond funds that invest in non-investment-grade securities are subject to interest rate and inflation risks, and significantly higher credit risk. Real estate securities are subject to various risks, including fluctuations in property values, higher expenses or lower income than expected, and potential environmental problems and liability. Funds that invest in foreign securities are subject to special risks, including currency fluctuation and political and economic instability. Funds that invest in fixed income securities are not guaranteed and are subject to interest rate, inflation, and credit risks. **For a more complete discussion of these and other risks, please 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, or go to tiaa-cref.org for a current prospectus that contains this and other information. Please read the prospectus carefully before investing.

©2008 Teachers Insurance and Annuity Association–College Retirement Equities Fund (TIAA-CREF), New York, NY 10017.

C41990 (0061)