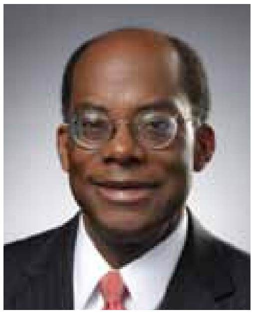
Sustainable Investing at TIAA-CREF:

2012 Socially Responsible Investing Report

TIAA CREF

TIAA CREF Financial Services



Roger W. Ferguson, Jr.
President and Chief
Executive Officer

Meeting the growing demand for sustainable investing

For over four decades now, TIAA-CREF has been a leader in socially responsible investing (SRI).

In the early 1970s, we became one of the first institutional investors to engage with companies on social issues. In 1990, we launched our CREF Social Choice Account — which today has more than $10 billion in assets under management (as of June 30, 2012) — enabling our clients to be among the first investors to have direct access to screened investments in their retirement plans.

In 2009, we were one of the signatories to the United Nations' Principles for Responsible Investment because we believe that good corporate governance and responsible business practices can enhance the long-term economic value of companies. And in 2011, we became a founding member of the Principles for Responsible Investment in Farmland, which aim to improve sustainability, transparency and accountability of investments in farmland.

As one of the world's leading investors, we also continue to use our "seat at the table" to try to influence many of the companies in which we invest. In 2011, we engaged with more than 400 companies on issues that ranged from executive compensation, to climate change, to sustainable energy policies.

Why are we so active in SRI? It's simple: Our first and foremost concern is our participants' financial well-being. So we want to influence companies to adopt policies and practices that align with the best long-term financial interests of shareholders. We believe that, when companies focus on being socially responsible and having good governance practices, they may be exposed to lower risk and thereby achieve better financial performance. This in turn contributes to the strength of the return we seek for our participants.

We hold ourselves to the same high standards that we expect of the companies in our portfolio. We were the first U.S. company to adopt an advisory vote for our own executive compensation policies and disclosures. We are putting sustainability principles to work in managing the sizable international investments we've made in farmland and timberland. And as one of the world's top managers of global real estate, we promote energy efficiency in the properties we hold. Our experience has shown that a "greener" approach can help deliver positive investment benefits while reducing the global carbon footprint.

This report highlights some of TIAA-CREF's socially responsible investing activities over the past year. We hope you'll enjoy reading about the work we've done, which we believe is good for the planet — and good for our participants.

Roger

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What are the goals of socially responsible investing?

Socially responsible investors share the same overriding goal with nearly all investors: They want their assets to grow over time, while guarding against unexpected risks. But they have another motivation in mind, too. They want to encourage the companies in which they invest to be better global citizens by improving their practices on ESG issues. We believe that the adoption of these practices may help companies and markets to achieve sustainable long-term growth and to manage risks.

And their ranks are growing: SRI continues to expand faster than conventional assets under management, according to data compiled by the Forum for Sustainable and Responsible Investment. The total amount of assets under management using one or more SRI strategies climbed above $3 trillion in 2010, the last year for which data is available.

Putting socially responsible strategies to work across the asset classes

Socially responsible investing (SRI) is an investment discipline that considers environmental, social and corporate governance (ESG) criteria to generate long-term competitive financial returns and positive social impact. Traditionally, SRI has been demonstrated through the application of one or more of the following three strategies: the incorporation of ESG factors into investment analysis and portfolio construction, shareholder advocacy and community investing.

At TIAA-CREF, a number of factors drive our approach to sustainable investing practices more broadly. Our company's mission of providing long-term investment results is consistent with one of sustainability's central principles: meeting current needs without compromising the ability of future generations to meet their own needs.

During 2011 TIAA-CREF had SRI strategies in place at the firm level, across the various asset classes in which we invest, and within individual products expressly designed for investors seeking fund options that explicitly consider ESG factors in the portfolio construction process.

At the asset class level, these strategies are shaped by the objectives of our individual investment products, by the opportunities presented in day-to-day portfolio management, by the needs of our business areas, and, of course, by the availability of effective tools for taking action.

A responsible equity investor

We seek to promote long-term investment value for all TIAA-CREF participants and clients by exercising our shareholder rights at the public companies that we invest in.

We monitor the companies held in our equity portfolios, participate in companies' shareholder votes and actively engage with them regarding their environmental, social and governance policies. Shareholder advocacy is a companywide commitment, overseen by the joint TIAA and TIAA-CREF Funds Committees on corporate governance and social responsibility and made in the interest of achieving sustainable, long-term benefits for all our participants and other clients.

These strategies embrace the entire TIAA-CREF public equity portfolio, valued at $207 billion in combined assets under management, as of March 31, 2012.

A focus on executive compensation increases engagement

The Dodd-Frank Act, passed by Congress in 2010, requires public corporations to obtain support for their executive compensation policies through advisory shareholder votes on a regular basis. TIAA-CREF had advocated "say-on-pay" for years, favoring compensation policies that create incentives for prudent risk-taking while rewarding the creation of long-term value for shareholders.

The implementation of the advisory vote in 2011 resulted in a significant increase in the number of companies we talked to throughout the year. In total, during 2011 we engaged in dialogues with more than 400 companies on a wide range of ESG issues, often with productive results. In particular, many companies accepted our feedback on their compensation policies, and some have made changes to better reflect the views of shareholders.

Of the 2,594 advisory votes on executive compensation we submitted in 2011, we voted against approximately 3%. While we do not seek to micromanage boards' compensation decisions, we do expect companies to provide a clear and persuasive explanation of their policies. We reviewed each proposal on a case-by-case basis, evaluating the overall link between pay and performance and the disclosure of the connection between the company's compensation program and its business objectives.

Whenever we voted against a compensation plan in an advisory vote, we sent letters to the compensation committee chair of the company, asking for a more detailed discussion. As a result, we had subsequent meetings with 58% of these companies. This included 18 of the 20 companies that we had decided to focus on, based on a number of criteria including the size of our investment in the company, the relationship between pay and performance there, and the vote's expected outcome.

In keeping with our Policy Statement on Corporate Governance, in 2011 we withheld votes from boards, board committees or individual directors at more than 166 annual meetings—approximately 7% of all meetings where directors were up for election. In these cases, we concluded that the actions of the directors fell short of ethical, fiduciary or other standards.

TIAA-CREF's shareholder resolution votes in 2011

Topic of resolution	Our votes
Diversity and inclusion	71% in favor
Climate Change	61% in favor
Human rights issues	40% in favor 30% abstentions

Investors may wonder why we would abstain on a shareholder vote. We abstained—or voted against a resolution—if we believed it was too prescriptive or asked a company to accept responsibility outside its influence. For example, while we may support resolutions asking for greater disclosure on priority concerns, we generally do not support proposals asking for a specific action, even if it raises legitimate concerns about the company's business.

Often, as with Premier Global Services, our votes were exercised in tandem with proactive engagement, in which we contacted a company's board of directors to address issues of concern to us as investors.

How concerted efforts can bring results

We have generally seen improvement in the pay for performance link at the companies with which we engaged. By focusing our discussions on the quality of disclosure, we have left it up to the individual boards to address any outstanding issues. Our policy is to avoid micromanaging, as we believe boards and management are in the best position to make decisions in the best long-term interest of all shareholders.

For example, we voted against the advisory vote on executive compensation at Premier Global Services. The Atlanta-based company provides conferencing services and had 1700 employees in 2011. It appeared to us that executive compensation was not adequately linked to the company's financial performance, and we believed the firm's compensation disclosure was insufficiently clear.

The advisory vote was defeated, making Premier Global Services one of 41 companies that failed to win majority shareholder support for its executive compensation plan during the year. As a result of the vote, the company reached out to TIAA-CREF and other large investors and the discussions that followed led to more complete disclosure by the company. This positive interaction brought about real change, and in 2012 we were able to support the company's advisory vote.

Other priority issues for shareholders

Executive pay was not the only important issue that shareholder resolutions addressed during 2011. Environmental issues loomed large as well, and TIAA-CREF played an active role in the process. For example, we withheld our support from the health and safety committees of BP and Halliburton, in response to their role in the Deepwater Horizon oil spill in the Gulf of Mexico.

During the course of the year, we were able to support a large number of shareholder resolutions on issues that we believed would encourage more sustainable practices and improved responses to business risks. In particular, we supported a majority of the proposals filed asking for better disclosure on issues related to climate change and nondiscrimination on the basis of sexual orientation or gender identity.

Lending our voice to pending regulatory changes

We also use our influential position as a large investor to comment on pending regulation that we believe is important to our clients. It has been reported that publicly-owned companies have bought gold and other "conflict minerals" from mines in the Democratic Republic of the Congo that may be operated by warlords, potentially even using forced labor. Proceeds from the sales of minerals have been frequently cited as contributing to continued civil strife in that country.

In early 2011 we submitted a comment letter to the Securities and Exchange Commission, offering our perspective on a proposed rule that would require publicly-owned U.S. companies to disclose their efforts to prevent such minerals from entering their supply chains and to inform investors about the business risk that results from support for armed conflict and human rights abuses.

We also submitted a comment to the Commission regarding a pending regulation that would require companies to disclose payments to governments made to further the commercial development of oil, natural gas or minerals. We believe this rule would protect investors against company-specific and marketwide risks arising from the potential use of these payments by host governments for corrupt purposes. Both the regulation regarding conflict minerals and that regarding payments to governments would implement sections of the Dodd-Frank Act.

During 2011 the use of hydraulic fracturing technologies to extract natural gas from shale deposits faced community opposition and garnered media coverage. Critics have raised concerns about potential threats to groundwater, the possibility for fugitive emissions of methane, a powerful greenhouse gas, and the problems of disposing waste materials from these operations.

TIAA-CREF is involved in ongoing discussion with other investors and industry groups to establish best practices for voluntarily measuring and disclosing the effects of these operations, and companies are growing more willing to share information about their practices.

TIAA-CREF: Leading by example on corporate governance

At TIAA-CREF, we hold ourselves to the same high standards that we expect of the companies in our portfolio. With regard to advisory votes on executive pay, for example, we speak publicly on the topic, communicate directly with companies and generally support shareholder resolutions on the issue. In 2007, TIAA voluntarily became the first U.S. company to adopt an advisory vote for our own executive compensation policies and disclosures. Our participants who took part in the votes have supported our policies each year.

Advocating a wiser use of energy

Companies involved in real estate have special ESG concerns; in particular, developing ways to use energy more efficiently can boost a property's profit margins.

In 2011 we are encouraged real estate companies, including both real estate investment trusts and retail companies with extensive corporate exposure to real estate, to disclose more information about how they are managing and measuring energy efficiency in their properties. Currently, buildings account for over 30% of greenhouse gas emissions in the United States, and most buildings could improve their financial performance by investing in energy efficiency.

> Companies involved in real estate have special ESG concerns; in particular, developing ways to use energy more efficiently can boost a property's profit margins.

While many of the largest companies in these sectors of the economy already have good environmental policies in place, we are working with eight industry leaders that could benefit from greater transparency. Several of these companies have begun to disclose more information and have demonstrated reductions in energy use.

We have implemented these practices for our own real estate investments, generating measurable improvements in costs avoidance and the reduction of greenhouse gas emissions, and have earned recognition from the EPA for demonstrating leadership in the implementation of best practices in energy efficiency.

We believe that as leading companies experience the benefits of sustainability and share knowledge about it, more real estate companies will choose to implement these strategies.

Social Choice investment options at TIAA-CREF

While many of our socially responsible investing strategies are implemented on a companywide basis, TIAA-CREF also offers investors the opportunity to achieve competitive returns through an investment fund that takes companies' ESG records explicitly into account during portfolio construction.

TIAA-CREF's Social Choice investment products favor stocks, bonds and other public securities that meet certain ESG criteria. Companies approved for inclusion in the portfolio are those considered sector leaders in terms of a broad and continually evolving set of corporate responsibility areas.

Ceres again ranks TIAA-CREF highest in support of climate resolutions

Ceres is a national coalition of investors, environmental groups and other public interest organizations working with companies to address climate change and other sustainability issues.

Its latest report on 44 leading mutual fund families in the United States, issued in April 2012, showed that only seven of those companies – including TIAA-CREF – voted in favor of climate-related shareholder resolutions more than half the time during 2011.

It fact, TIAA-CREF ranked highest, with 65% of its votes supporting such resolutions.

Today the CREF Social Choice Account, the Social Choice Equity Fund and our separately managed institutional offerings invest primarily in companies that meet specific ESG criteria, through a process of rigorous research application.

Through partnership with independent research providers that specialize in ESG performance analysis, we start by developing an ESG-approved company universe first, and then apply the same investment rigor and process to all TIAA-CREF funds. For more information about the Social Choice products, please see page 13.

Using fixed-income investing to achieve ESG outcomes

Since 2007, several of TIAA-CREF's fixed-income strategies have maintained a visible commitment to including fixed-income investments with positive social and environmental outcomes within our Proactive Social Investing (PSI) framework.

Seeking to identify fixed-income investments that provide competitive, risk-adjusted returns alongside clearly defined social and environmental benefits, the PSI framework targets a pool of diversified, fixed-income securities including asset-backed securities, U.S. mortgage-backed securities and U.S. government agency debt, corporate bonds, commercial mortgage-backed securities and taxable municipal bonds. Investments are organized across four themes: affordable housing, community and economic development, renewable energy and climate change, and natural resources.

Greater than the sum of its parts: Collaboration on corporate engagement

TIAA-CREF makes use of many opportunities to collaborate with other investors and other organizations in pursuit of goals that none of us could achieve on our own.

Since 2009 we have been a signatory to the United Nations Principles for Responsible Investing (UNPRI), which provide a framework for investors to address a wide range of issues, including climate change, human rights and corporate governance. These principles reflect the shared view of the signatories that, as fiduciaries, investors should consider ESG issues because they can affect the performance of an investment portfolio.

As of April 2012, over 1,000 investment institutions around the world have become signatories, representing assets under management of approximately $30 trillion.

In 2011 we continued to participate in the Carbon Disclosure Project (CDP), which acts on behalf of 665 institutional investors with $78 trillion in combined assets under management. The project provides a global system that allows thousands of companies and cities to measure and share environmental information. Its goal is to put information about carbon emissions and water use at the heart of business and investment decisions.

We engage directly with companies to discuss their disclosures on climate change risks. Our goal has been to add our influential voice to those encouraging these firms to issue a CDP report if not already doing so, or to improve the quality of any existing disclosures.

One example of such an investment is the MassHousing Mission in Massachusetts, the state's self-sustaining, affordable housing bank, which supports the creation, preservation and long-term viability of affordable home ownership and housing rental opportunities for Massachusetts residents with modest incomes.

Some of these projects have a broad international reach. In early 2012 TIAA-CREF invested in "green bonds" sponsored by the International Finance Corporation, a member of the World Bank Group. These bonds provide capital for renewable energy and other projects that serve to mitigate climate change impacts in developing nations.

Applying our principles to commercial real estate

TIAA-CREF is the largest real estate manager of U.S. tax-exempt assets in the world, according to Pensions & Investments magazine (October 3, 2011). We understand that many of the same SRI principles that have historically been applied to equities and fixed-income markets are relevant to these investments as well, which include offices, apartments, retail mails and industrial space as well as farmland and timberland. As long-term investors in these assets, we realize that sustainable management of all these properties is critical to maximizing long-term financial performance.

Our Global Real Estate Sustainability Initiative integrates sustainability in our decision-making process throughout our real estate investment portfolio. The initiative also tracks portfolio-wide opportunities to target high returns on investments in sustainability measures.

In addition, TIAA-CREF is a founding partner and has served on the steering committee of the Global Initiative for Sustainability Ratings (GISR), launched in June 2011.

GISR is an independent, global, noncommercial initiative whose mission is to design and maintain a generally-accepted ratings standard for assessing the sustainability performance of companies. We report to the Global Real Estate Sustainability Benchmark regarding energy use at properties in TIAA-CREF's real estate portfolio.

We also report to the Carbon Disclosure Project and are founding members of the Greenprint Foundation, an international alliance of leading real estate owners and investors committed to reducing carbon emissions across the global property industry.

The buildings of the future have a smaller carbon footprint… and that delivers investment benefits

TIAA-CREF's Global Real Estate Group has succeeded in reducing the energy intensity (the amount of energy used per square foot) in its real estate portfolio by 15%. Our experience shows how a greener approach to energy and water use produces direct economic benefits through lower fuel bills and may also increase the value of the property.

As one of America's largest institutional real estate investors, TIAA-CREF owns 43 million square feet of office buildings, 11,900 multifamily units, and other properties. In the office portfolio alone, our savings during 2011 were the equivalent of 139 million kilowatt hours of electricity saved and 95,800 metric tons of greenhouse gas emissions prevented (comparable to removing about 18,800 cars from the nation's roads).

TIAA-CREF's Global Real Estate Sustainability Initiative makes sustainability an integral part of our decision-making, starting with the budget process and extending through all of our ongoing property management activities. This includes focused checklists, site assessments and gap analyses that are used to identify sustainability opportunities and challenges at any property we consider acquiring.

In addition, we mandate LEED (Leadership in Energy and Environmental Design) certification for all new development projects in which we invest and have directed the pursuit of LEED certification for selected existing properties. (LEED is an internationally-recognized green building certification system that was developed by the U.S. Green Building Council.)

As a result of these efforts, in 2012 TIAA-CREF received the U.S. Environmental Protection Agency's (EPA's) ENERGY STAR Sustained Excellence Award—the ENERGY STAR program's highest honor—for a third consecutive year, for outstanding energy management and reductions in greenhouse gas emissions. TIAA-CREF continues to be the only financial services company to be honored for its leadership and commitment in this area, by earning the "Sustained Excellence" level of recognition.

This also marks the fifth consecutive year that TIAA-CREF has been recognized by the EPA, having earned the ENERGY STAR Partner of the Year award each year since 2008.

Promoting sustainable farmland management

Investors today are seeking diversification outside of the public markets, and are increasingly looking to other assets classes — including farmland and timberland — for returns that are not correlated to those of stocks and bonds. As a long-term investor in such assets, TIAA-CREF believes it is essential that farmland and timberland are managed in a sustainable way.

In September 2011, TIAA-CREF joined seven organizations—ABP, APG and PGGM in the Netherlands; AP2 in Sweden; ATP in Denmark; BT Pension Scheme and Hermes EOS in Britain—to launch the Principles for Responsible Investment in Farmland (PRIF). Together, these investors manage about $1.3 trillion in assets throughout the world. Like TIAA-CREF, these organizations are signatories to the United Nations-backed Principles for Responsible Investing.)

The Farmland Principles provide institutional investors worldwide with best practices guides; this is a partial summary of their main points:

- Promoting environmental sustainability: This includes measures reducing soil erosion, protecting biodiversity, reducing chemical emissions, managing water resources effectively and mitigating adverse effects on climate; investment managers and operators are required to assess environmental risks and impacts.
- Respecting labor and human rights: Managers and operators will respect these rights and avoid complicity in human rights abuses by others; they should assess labor and human rights risks and impacts and respect the rights of indigenous peoples and vulnerable groups as appropriate. Investors should also respect unique cultural systems and values wherever they operate.
- Respecting existing land and resource rights: Managers and operators should make land acquisitions and related investments that are transparent, culturally appropriate and monitored. For investments with potential adverse impacts on local communities, they should be consulted and their concerns incorporated in project planning.
- Upholding high business and ethical standards: Managers and operators will respect the law of law even where it is poorly enforced. They are required to implement processes aimed at avoiding corrupt practices, including extortion and bribery.
- Reporting on activities and progress towards implementing and promoting the Principles: Investors agree to report publicly on their progress in implementing the Farmland Principles, and they will encourage other institutional investors to endorse and implement them, too.

The full text of the Farmland Principles is available at **www.unpri.org/commodities**.

TIAA-CREF will be producing the first sustainability report for our Farmland Assets in 2012.

Bringing capital to underserved communities: TIAA-CREF's Community and Impact Investing Program

Through our community and impact investing efforts, TIAA-CREF seeks to invest in areas that effect social change and environmental stewardship while also producing competitive financial returns. Our efforts support global microfinance, community bank deposits, corporate social real estate and green building technology. As of May 31, 2012, total deployed investments and investment commitments for all impact and community investing programs were $594 million. These strategies are funded by the TIAA General Account.

Our Corporate Social Real Estate Program maintains investments that include affordable housing and transit-oriented commercial development, consistent with other efforts to achieve the dual objective of competitive financial return together with positive environmental and social outcomes. At year-end 2011, this portfolio had approximately $525 million in aggregate commitments and investments.

With the goal of promoting best practices and protecting the integrity of microfinance investing, TIAA-CREF became a signatory to the Principles for Investors in Inclusive Finance (PIIF) in 2011 and served on the initiative's Steering Committee. This group recognizes that the global poor are often placed at a costly disadvantage by their lack of financial knowledge, power and influence. The PIIF includes a focus on client protection, pricing transparency, balanced return, and diversified range of services to guide investment decision-making in this sector.

In addition, TIAA is an active participant in the Global Impact Investing Network, which allows us to collaborate with the impact investing community in a meaningful way.

TIAA-CREF's efforts in this area are carried out by our Community Bank Deposit Program, funded through the TIAA General Account placing large, competitively-priced FDIC-insured deposits with leading community development banks in the United States.

For example, since 2008 TIAA has provided financing for the Carver Federal Savings Bank, which provides community development banking services in many of New York City's underserved communities. Carver recently launched a new suite of services and products that make it possible for underserved populations to complete a range of financial transactions, including bill paying, money transfer, check cashing at a reasonable and fair price, despite not having a traditional checking or savings account.

> The importance of this service lies in the fact that surprisingly large segments of low-income urban populations are ineligible for bank accounts, and as a result the only viable alternatives for financial services they can access include services like payday lenders and expensive check cashers.

Through this initiative, Carver has been able to increase its presence in the community while providing a much-needed service.

In early 2012, TIAA deposited $13 million in Chicago's Urban Partnership Bank. Formed in 2010 to take over the balance sheet of Shorebank, this community development bank provides financial services to underserved neighborhoods in Chicago, Cleveland and Detroit. TIAA's current portfolio also includes deposits at the City First Bank of D.C. in Washington, the Mechanics & Farmers Bank in Durham and the Native American Bank in Denver.

Through our Global Microfinance Investment Program, TIAA-CREF has invested $7 million in Leapfrog Investment, a private equity fund focused on micro-insurance globally. One of Leapfrog's portfolio companies is AllLife, which is the only South African insurer of people living with HIV/AIDS. AllLife pioneered the "continuous underwriting" process, allowing it to generate strong profits and significant social impact by linking insurance products to an adherence management program. The program ensures that clients manage their health appropriately, routinely alerting them to potential health concerns and helping them take action to maintain their well-being. Access to insurance has also been shown to reduce the stigma associated with HIV, and to measurably improve health outcomes.

TIAA-CREF continues to play an active role in the Urban Land Institute (ULI), a global nonprofit organization that provides leadership and promotes best practices in responsible land use. We are represented on the ULI's Responsible Property Investment Product Council, which focuses on the many ways investors can create value by changing the economic, social and environmental consequences of their investments.

TIAA-CREF Social Choice: Giving clients an opportunity to align their investments and values

For more than 20 years, one of TIAA-CREF's most visible SRI approaches has been to offer our investors the opportunity to achieve competitive returns through an investment portfolio that takes companies' environmental, social and governance (ESG) records explicitly into account during portfolio construction.

TIAA-CREF's Social Choice investment products invests in companies and other public securities that meet certain ESG criteria. Companies approved for inclusion in the portfolio are those considered sector leaders in terms of a broad and continually evolving set of corporate responsibility areas.

The objective of the ESG evaluation process is to favor companies that are:

- Strong stewards of the environment;
- Committed to serving local communities where they operate and to human rights and philanthropy;
- Committed to higher labor standards for their own employees and those in the supply chain;
- Dedicated to producing high-quality and safe products; and
- Managed in an exemplary and ethical manner.

Through partnership with independent research providers that specialize in ESG performance analysis, we start by identifying an eligible universe of companies from an ESG perspective, and then apply the same investment rigor and process applied to all TIAA-CREF funds.

To maintain broad diversification, we do not exclude entire sectors from consideration for ESG reasons. The evaluation process takes into account individual companies' ESG strengths and weaknesses, which is a particularly important matter for large public companies with significant and often complex ESG impacts.

We apply a balanced approach that seeks to produce a "best-in-class" outcome, in which a company is evaluated and ranked against its sector peers. Concerns in one area do not automatically eliminate a company from potential inclusion in the Social Choice portfolios.

With more than $10 billion in assets under management as of June 30, 2012, the CREF Social Account is the largest comprehensively screened investment vehicle available to individual investors in the U.S. Because the account is a balanced portfolio, owning both equities and bonds, it can serve as a single-portfolio solution for investors looking for a multi-asset SRI option.

Since 2007 a mechanism—our Proactive Social Investment framework—has made it possible to include fixed-income investments with competitive risk-adjusted returns, along with clear social and environmental benefits, within the CREF Social Choice Account.

Organized by thematic areas (affordable housing, community and economic development, renewable energy and climate change, and natural resources) investments are made in a diversified pool of fixed-income securities including asset backed securities, U.S. mortgage-backed securities and U.S. government agency debt, corporate bonds, commercial mortgage-backed securities and taxable municipal bonds.

Testing SRI principles in the financial marketplace

The long-term results of TIAA-CREF's Social Choice Fund demonstrate that focusing investments on ESG leaders is a credible way of achieving competitive long-term, risk-adjusted returns.

Average annual total return (as of 6/30/12)

Annual operating expenses

	1 year	5 years	10 years or since inception	Annual operating expenses gross/net	Inception date
Social Choice Equity Fund					
Institutional Class	0.94%	0.38%	5.80%	0.19%/0.19%	7/1/1999
Retirement Class	0.71	0.14	5.49*	0.44/0.44	10/1/2002
Retail Class*	0.59	0.20	5.70*	0.50/0.50	3/31/2006
Premier Class	0.79	0.28*	5.75*	0.34/0.34	9/30/2009
Russell 3000 Index	3.84	0.39	5.81	————	————

*The fund's Institutional Class began operations on July 1, 1999. Performance shown for the Retirement, Retail and Premier classes that is prior to their respective inception dates is based on the performance of the fund's Institutional Class. The performance for these periods has not been restated to reflect the higher expenses of the Retirement, Retail and Premier classes. If those higher expenses had been reflected, the performance of these three classes shown for these periods would have been lower.

The returns in this report 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 on 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.

Follow our SRI efforts

When clients choose TIAA-CREF, they are choosing an asset manager committed to seeking the best financial outcomes and acting in a socially responsible way—one who shares their values.

To find out more about TIAA-CREF's socially responsible investing program, we invite you to follow us throughout the year at **www.tiaa-cref.org**.

The initiatives described in this material involve risks that could result in loss of principal. Because social screening criteria exclude some investments, the variable annuity accounts and mutual funds referenced in this report may not be able to take advantage of some market opportunities or trends available to accounts and funds that do not use these criteria. In addition, the variable annuity accounts and mutual funds are subject to other risks, which are described in their respective prospectuses.

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

The TIAA-CREF Global Microfinance Investment Program and Community Bank Deposits are not funded through any investment product nor do they contribute to the performance of any investment product. The sole funding source for the investments in these programs are assets in the TIAA General Account. The TIAA General Account is an insurance company account and does not present an investment return, and it is not available to investors.

TIAA's agriculture investments are just one of many investments of TIAA's General Account, an account solely owned by TIAA that is not available to individual investors and whose performance is not directly allocated to any specific contract or obligation. TIAA's General Account invests in a broad range of diversified investments to support TIAA's contractual guarantees and business operations.

Past performance is not indicative of future results. The material is for informational purposes only and should not be regarded as a recommendation or an offer to buy or sell any product or service to which this information may relate. Certain products and services may not be available to all entities or persons.

TIAA-CREF Asset Management provides investment advice and portfolio management services for the TIAA-CREF group of companies through our investment advisors including Teachers Advisors, Inc., a registered investment adviser and wholly-owned indirect subsidiary of Teachers Insurance and Annuity Association (TIAA). TIAA® personnel in its investment management area provide investment advice and portfolio management services through the following entities: Teachers Advisors, Inc., TIAA-CREF Investment Management, LLC, and Teachers Insurance and Annuity Association® (TIAA®).

TIAA-CREF Individual & Institutional Services, LLC, and Teachers Personal Investors Services, Inc., members FINRA, distribute securities products. Annuity contracts and certificates are issued by Teachers Insurance and Annuity Association (TIAA) and College Retirement Equities Fund (CREF), New York, NY.

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