



**WELCOME TO THE
2006 CREF ANNUAL MEETING**



CREF ANNUAL MEETING – JULY 18, 2006

Ed Grzybowski
Chief Investment Officer



ECONOMIC HIGHLIGHTS

- Strong 1Q GDP growth but recent signs of moderation.
- Inflation worries rising; long-term rates finally higher as Fed continues short-term rate hikes.
- Corporate profits still strong but growing at a slower rate.
- Concerns include sagging housing market, overextended consumers, high commodity prices, U.S. trade and budget deficits, and the possible negative effects of further tightening by the Fed and by foreign central banks.



FINANCIAL MARKETS

- Increased volatility because investors are concerned about higher interest rates and inflation.
- U.S. equities flat YTD – notable strength in telecommunication services, industrials, energy; weakness in technology, health care.
- Small companies outperforming large ones YTD; foreign stocks ahead of US – the resumption of a trend, despite sharp decline in recent weeks.
- S&P 500 Index valued in line with historical norms, based on price/earnings ratios.
- Tight fixed-income spreads and continued narrowing in lower-quality credits YTD because credit market fundamentals have been solid, but risk/reward trade-offs now less compelling.



BENCHMARK PERFORMANCE

% Total Return

Benchmark Indices	1 Year ending 6/30/06	3 Years ending 6/30/06	5 Years ending 6/30/06	10 Years ending 6/30/06
U.S. Equities (Russell 3000 [®] Index)	9.56	12.55	3.52	8.52
U.S. Large-Cap Growth (Russell 1000 [®] Growth Index)	6.12	8.34	-0.76	5.42
U.S. Large-Cap Value (Russell 1000 [®] Value Index)	12.10	15.68	6.90	10.85
U.S. Small-Cap (Russell 2000 [®] Index)	14.58	18.68	8.50	9.05
Foreign Equities (MSCI EAFE [®] Index)	26.56	23.92	10.06	6.40
U.S. Bonds (Lehman Brothers U.S. Aggregate Index)	-0.81	2.05	4.97	6.21
Inflation-Protected Securities (Lehman Brothers U.S. TIPS Index)	-1.64	3.75	7.00	N/A



ABOUT CREF PERFORMANCE DATA

- The performance data quoted on the next slide represent past performance and are no guarantee of future results. Your returns and the principal value of your investment will fluctuate so that your accumulation units, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. For performance current to the most recent month-end, visit the TIAA-CREF Web Center at www.tiaa-cref.org, or call 877 518-9161.
- The money market account is neither insured nor guaranteed by the Federal Deposit Insurance Corp. or any other U.S. government agency.



TOTAL RETURNS OF CREF ACCOUNTS

	Net Assets 6/30/06	Exp. (bps)	1 Year		3 Years		5 Years		10 Years Or Since Inception		Overall Morningstar Rating
			Return thru 6/30/2006 (%)	CREF vs. Benchmark (bps)	Return thru 6/30/2006 (%)	CREF vs. Benchmark (bps)	Return thru 6/30/2006 (%)	CREF vs. Benchmark (bps)	Return thru 6/30/2006 (%)	CREF vs. Benchmark (bps)	
CREF Stock Account <i>BM: CREF Composite Index</i>	\$118.8B	48	12.56 12.99	-43	14.26 14.89	-63	4.47 4.98	-51	8.00 8.51	-51	* * * * *
CREF Growth Account <i>BM: Russell 1000[®] Growth Index (Blended) ⁽¹⁾</i>	\$11.5B	50	4.69 6.12	-143	7.16 8.34	-118	-2.41 -0.84	-157	4.16 5.02	-86	* * *
CREF Global Equities <i>BM: MSCI World Index SM</i>	\$13.4B	52	15.60 16.93	-133	16.22 16.84	-62	4.77 5.69	-92	6.61 6.91	-30	* * *
CREF Equity Index Account <i>BM: Russell 3000[®] Index</i>	\$10.1B	43	9.14 9.56	-42	12.08 12.55	-47	3.12 3.52	-40	8.23 8.52	-29	* * * * *
CREF Social Choice Account <i>BM: CREF Social Choice Composite Index</i>	\$8.0B	44	5.60 5.45	15	8.10 8.42	-32	4.48 4.41	7	7.99 8.24	-25	* * * * *
CREF Bond Market Account <i>BM: Lehman Brothers U.S. Aggregate Index</i>	\$5.8B	47	-0.98 -0.81	-17	1.85 2.05	-20	4.87 4.97	-10	6.07 6.21	-14	* * * * *
CREF Inflation-Linked Bond Acct. <i>BM: Lehman Brothers U.S TIPS Index (Blended) ⁽²⁾</i>	\$3.7B	47	-2.03 -1.64	-39	3.25 3.82	-57	6.57 7.01	-44	6.54 6.95	-41	* * * * *
CREF Money Market Account ⁽³⁾	\$8.5B	42	3.90		2.13		1.96		3.72		N/A

Net Annualized Yield (7-Day Period Ending 6/30/06)

CREF Money Market Acct.

Current
4.69%

Effective
4.80%

(1) Since October 1, 2002, the Growth Account has used the Russell 1000 Growth Index as its benchmark. Prior to that date, it used the Russell 3000 Growth Index. The benchmark data shown above for time periods beginning prior to October 1, 2002 are a combination of the two indices that reflects the proportional weights of the two benchmarks during the periods.

(2) Since October 1, 2003, the Inflation-Linked Bond Account has used the Lehman Brothers U.S. TIPS Index as its benchmark. Prior to that date, it used the Salomon Smith Barney Inflation-Linked Bond Index. The benchmark data shown above for time periods beginning prior to October 1, 2003 are a combination of the two indices that reflects the proportional weights of the two benchmarks during the periods.

(3) The current yield more closely reflects the account's current earnings than does the total return.



ABOUT MORNINGSTAR OVERALL RATING

- Calculated by Morningstar within their Variable Annuity Universe.
- Uses load-adjusted, Morningstar Risk-Adjusted Return.
- When ten years of return data are available, rating based on weighted average of the number of stars assigned to it in the three-year (20%), five-year (30%), and ten-year (50%) rating periods, provided the fund has been in its current category over its entire evaluation period.

(Source: The New Morningstar Rating™ Methodology paper, April 22, 2002)

As of 6/30/06:									
Account	Morningstar Category	Overall Morningstar Rating	Total # of Subaccounts	3 Year Morningstar Rating	Total # of Subaccounts	5 Year Morningstar Rating	Total # of Subaccounts	10 Year Morningstar Rating	Total # of Subaccounts
CREF Stock Account	Large Blend	*****	2,718	*****	2,718	*****	1,554	*****	267
CREF Growth Account	Large Growth	***	3,485	***	3,485	***	2,132	**	356
CREF Global Equities Account	World Stock	***	726	***	726	***	407	***	48
CREF Equity Index Account	Large Blend	*****	2,718	*****	2,718	*****	1,554	*****	267
CREF Social Choice Account	Moderate Allocation	*****	1,251	*****	1,251	*****	756	*****	268
CREF Bond Market Account	Intermediate-Term Bond	*****	901	****	901	*****	520	*****	176
CREF Inflation-Linked Bond Acct.	Inflation-Protected Bond	*****	112	*****	112	*****	11	N/A	N/A



- Morningstar, Inc., June 30, 2006. Morningstar is an independent service that rates mutual funds and variable annuities. The top 10% of accounts in an investment category receive five stars, the next 22.5% receive four stars, and the next 35% receive three stars. Morningstar proprietary ratings reflect historical risk-adjusted performance and can change every month. They are calculated from the account's three-, five-, and ten-year average annual returns in excess of 90-day Treasury bill returns with appropriate fee adjustments, and a risk factor that reflects subaccount performance below 90-day T-bill returns. The overall star ratings are Morningstar's published ratings, which are weighted averages of its three-, five-, and ten-year ratings for periods ending June 30, 2006.
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- We estimate expenses for the year based on projected expense and asset levels. Differences between estimated and actual expenses are adjusted quarterly and reflected in the current expenses. Historically, the adjusting payments have resulted in both upward and downward adjustments to CREF's expense deductions for the following quarter.
- You should carefully consider the investment objectives, risks, charges and expenses of any account before investing.
- Please call 877 518-9161, or go to www.tiaa-cref.org for a current prospectus that contains this and other information. We urge you to read the prospectus carefully before investing.



- Annuity account options are available through contracts issued by TIAA or CREF. These contracts are designed for retirement or other long-term goals, and offer a variety of income options, including lifetime income. Payments from the variable annuity accounts are not guaranteed and will rise or fall based on investment performance.
- Please note that equity returns have historically been higher than other asset classes, but carry considerable risk of principal. Small stocks are traditionally more volatile than large stocks.
- Investments in foreign assets carry the risk of foreign currency volatility, as well as the risks detailed above. Fixed income returns have historically been lower than equity returns, are subject to interest rate risk, but bring greater safety of principal.

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QUESTIONS?





THANK YOU FOR ATTENDING

