



January 2012

**Important 2011 tax information for investors in the TIAA-CREF Funds.**

Dear Investor:

You have received this letter because it may contain specific information about one or more of the TIAA-CREF Funds you owned during 2011. Your consolidated Form 1099 includes only those forms relevant to your specific tax reporting situation. The Form 1099-DIV provides you with important information about distributions you received during 2011. The Form 1099-B reflects proceeds from fund share redemptions and exchanges (excluding the TIAA-CREF Money Market Fund) in 2011, and the average cost statement reflects the gain or loss and holding period associated with these transactions.

If you received a Form 1099-DIV, Box 1b shows the portion of the amount in Box 1a that are “qualified dividends,” which are dividends earned from most domestic corporations and from qualified foreign corporations. These dividends may be eligible for the 15% or 0% capital gains rates. Among other requirements, you must hold your shares in the distributing mutual fund for at least 61 days during the 121-day period that began 60 days before the ex-dividend date in order to be eligible for the reduced rates on qualified dividends.

**Please note: If you are a shareholder of the Real Estate Securities Fund, we have requested an extension for the filing of Form 1099-DIV. If applicable, this will be sent to you by the end of February. If you had a share redemption or exchange into another fund in 2011, your Form 1099-B and Average Cost Statement are enclosed.**

For further information, please see the Form 1040/1040A instructions or consult your professional tax advisor.

**Please keep in mind that we are providing this tax information as a service and it should not be considered tax advice. For your specific situation, we recommend you consult a professional tax advisor. This letter is for your information only and has not been furnished to the Internal Revenue Service. Please retain this document for preparation of your tax return.**

In accordance with a new voluntary IRS program, we’re only including the last four digits of your Social Security number on your tax form to help protect your personal information.

If you have any questions, please contact our Planning and Service Center at **800 223-1200**. Representatives are available to assist you Monday through Friday between the hours of 8 a.m. and 10 p.m. (ET).

Sincerely,

TIAA-CREF Funds

## Income derived from U.S. government obligations

The portion of dividends paid by your fund that is derived from direct U.S. government obligations and certain U.S. government agencies is generally exempt from state and local income taxes. The percentage of 2011 dividends paid by your fund attributable to U.S. government obligations is listed in the chart below.

Check with your local tax office or with your tax advisor to determine whether your state allows you to exclude some or all of the income you earn from mutual funds that invest in U.S. government obligations. If your state allows exclusion, and you have received a Form 1099-DIV, you can determine the amount of excludable income by following these steps:

- Locate the amount of short-term capital gain distributions you received, if any, as shown on your year-end statement.

Column 1	Column 2	Column 3
TIAA-CREF Fund <sup>1</sup>	Percentage of dividends from U.S. government obligations <sup>2</sup>	Percentage of Fund held in U.S. government obligations as of 12/31/2011
Bond Fund	10.75%	55.99%
Bond Index Fund	21.74%	71.41%
Bond Plus Fund	9.06%	48.18%
Emerging Markets Equity Fund	0.03%	2.99%
Emerging Markets Equity Index Fund	0.01%	0.00%
Enhanced International Equity Index Fund	0.00%	1.63%
Enhanced Large-Cap Growth Index Fund	0.00%	0.00%
Enhanced Large-Cap Value Index Fund	0.00%	0.00%
Equity Index Fund	0.00%	0.41%
Global Natural Resources Fund	0.00%	0.00%
Growth & Income Fund	0.01%	0.87%
High-Yield Fund	0.01%	1.59%
Inflation-Linked Bond Fund	100.00%	98.84%
International Equity Fund	0.01%	3.06%
International Equity Index Fund	0.00%	0.00%
Large-Cap Growth Fund	0.03%	1.53%
Large-Cap Growth Index Fund	0.01%	0.00%
Large-Cap Value Fund	0.02%	0.88%
Large-Cap Value Index Fund	0.01%	0.00%
Lifecycle 2010 Fund	12.38%	24.98%
Lifecycle 2015 Fund	9.40%	21.07%
Lifecycle 2020 Fund	6.29%	16.34%
Lifecycle 2025 Fund	3.03%	11.54%

- Subtract this amount from the ordinary dividends (shown, by fund, in Box 1a on Form 1099-DIV).
- Multiply this amount by the percentage from Column 2 “Percentage of dividends from U.S. government obligations” for the corresponding fund.

In addition, certain states and municipalities require residents to pay intangible or personal property tax. If you are required to pay either of these taxes, refer to Column 3, “Percentage of Fund held in U.S. Government obligations as of December 31, 2011,” for the percentage that may be excluded from these taxes for each fund you are invested in.

Column 1	Column 2	Column 3
TIAA-CREF Fund <sup>1</sup>	Percentage of dividends from U.S. government obligations <sup>2</sup>	Percentage of Fund held in U.S. government obligations as of 12/31/2011
Lifecycle 2030 Fund	1.82%	7.75%
Lifecycle 2035 Fund	0.99%	4.41%
Lifecycle 2040 Fund	0.83%	3.41%
Lifecycle 2045 Fund	0.74%	3.40%
Lifecycle 2050 Fund	0.73%	3.38%
Lifecycle 2055 Fund	0.59%	3.41%
Lifecycle Retirement Income Fund	16.72%	31.03%
Lifestyle Aggressive Growth Fund	0.00%	1.26%
Lifestyle Conservative Fund	10.99%	25.54%
Lifestyle Growth Fund	9.04%	9.07%
Lifestyle Income Fund	12.41%	34.07%
Lifestyle Moderate Fund	9.06%	17.09%
Managed Allocation Fund	5.98%	16.94%
Mid-Cap Growth Fund	0.00%	0.00%
Mid-Cap Value Fund	0.01%	0.55%
Money Market Fund	27.07%	53.01%
Real Estate Securities Fund	0.02%	2.95%
S&P 500 Index Fund	0.01%	0.00%
Short-Term Bond Fund	17.25%	46.88%
Small-Cap Blend Index Fund	0.01%	0.00%
Small-Cap Equity Fund	0.01%	0.00%
Social Choice Equity Fund	0.01%	0.00%
Tax-Exempt Bond Fund	0.00%	0.00%

**Please Note:** If you are a resident of California, Connecticut or New York, you are subject to state tax on all dividends received in 2011, including the portion derived from interest on U.S. government obligations from the funds listed above with the exception of the Inflation-Linked Bond Fund, since that fund will satisfy the quarterly asset requirements for these states.

<sup>1</sup> This information applies to all share classes of a fund.

<sup>2</sup> Investments in U.S. government obligations may include the following: Banks for Cooperatives, the Commodity Credit Corporation, the Federal Deposit Insurance Corporation, Federal Farm Credit Banks, the Federal Financing Bank, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks and the Federal Land Bank Association, the Federal Savings and Loan Insurance Corporation, the General Insurance Fund, Government Services Administration (GSA Public Building Trust Participation Certificates), the Production Credit Association, the Student Loan Marketing Association, the Tennessee Valley Authority, the U.S. Postal Service, and the U.S. Treasury Department (bonds, notes, bills, certificates and savings bonds).