



**PROSPECTUS**

# **TIAA-CREF BOND INDEX FUND**

**OF THE TIAA-CREF FUNDS  
RETIREMENT CLASS**

**SEPTEMBER 14, 2009**



FINANCIAL SERVICES  
FOR THE GREATER GOOD®

PROSPECTUS

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# TIAA-CREF BOND INDEX FUND

(a series of the TIAA-CREF Funds)

## Retirement Class

*This Prospectus describes Retirement Class shares offered by the TIAA-CREF Bond Index Fund (the "Fund"), a series of the TIAA-CREF Funds (the "Trust"). The Fund also offers Institutional, Retail and Premier Class shares through separate prospectuses dated September 14, 2009 and September 30, 2009. The Trust also offers forty-six additional series through separate prospectuses dated February 1, 2009, September 14, 2009 and September 30, 2009.*

*An investment in the Fund is not a deposit of any bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. An investor can lose money in the Fund and the Fund could perform more poorly than other investments.*

*The Securities and Exchange Commission ("SEC") has not approved or disapproved these securities or passed upon the adequacy of this Prospectus. Any representation to the contrary is a criminal offense.*



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# SUMMARY INFORMATION

## GENERAL INFORMATION ABOUT THE FUND

This Prospectus describes the TIAA-CREF Bond Index Fund (the “Fund”), which is a separate investment portfolio or mutual fund of the TIAA-CREF Funds (the “Trust”). The Fund primarily invests in a portfolio of fixed-income securities that is designed to produce a return that corresponds with the total return of the U.S. investment-grade bond market based on a broad bond index, the Barclays Capital U.S. Aggregate Bond Index. An investor should consider the information presented below regarding the Fund to determine if it is an appropriate investment. The investment objective of the Fund and its non-fundamental investment restrictions may be changed by the Board of Trustees of the Trust (the “Board of Trustees”) without shareholder approval. Certain investment restrictions described in the Statement of Additional Information (“SAI”) are fundamental and may only be changed with shareholder approval.

The use of a particular index as the Fund’s benchmark index is not a fundamental policy and can be changed without shareholder approval. The Fund will notify you before such a change is made.

As noted in the investment strategy descriptions below, the Fund has a policy of normally investing at least 80% of its assets (net assets, plus the amount of any borrowings for investment purposes) in bonds that correspond to a broad bond index.

The Fund may, for temporary defensive purposes, invest all of its assets in cash and money market instruments. In doing so, the Fund may be successful in avoiding market losses but may otherwise fail to achieve its investment objective.

The Fund is not appropriate for market timing. You should not invest in the Fund if you are a market timer.

No one can assure that the Fund will achieve its investment objective and investors should not consider the Fund to be a complete investment program.

Please see the Glossary toward the end of the Prospectus for certain defined terms used in the Prospectus.

## SUMMARY OF PRINCIPAL RISKS OF THE FUND

Since the Fund invests primarily in bonds, it is subject to all of the risks associated with investing in fixed-income securities. These risks may include income volatility risk, credit risk, call risk, market volatility risk, liquidity risk, interest rate risk, prepayment risk and extension risk. Additionally, since the Fund is managed so that its returns correspond to a bond index, the Fund is subject to index risk. Finally, to the extent that the Fund holds foreign securities, it is subject to foreign investment risk. All of the risks noted above are discussed in more detail below under the description of the Fund.

*No one can assure that the Fund will achieve its investment objective and investors should not consider the Fund to be a complete investment program. As with all mutual funds, there is a risk that an investor could lose money by investing in the Fund.*

## BOND INDEX FUND

**Investment Objective:** The Fund seeks a favorable long-term total return, mainly from current income, by primarily investing in a portfolio of fixed-income securities that is designed to produce a return that corresponds with the total return of the U.S. investment-grade bond market based on a broad bond index.

**Principal Investment Strategies:** Under normal circumstances, the Fund invests at least 80% of its assets in bonds within its benchmark and portfolio tracking index, the Barclays Capital U.S. Aggregate Bond Index (the “Index”). The Fund uses a sampling technique to create a portfolio that closely matches the overall investment characteristics of its index (for example, duration, sector diversification and credit quality) without investing in all of the securities in the Index. At times the Fund may purchase securities not held in the Index, but which Teachers Advisors, Inc. (“Advisors”), the Fund’s investment adviser, believes have similar investment characteristics to securities held in the Index. Generally, the Fund intends to invest in a wide spectrum of public, investment-grade, taxable debt securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed, commercial mortgage-backed and asset-backed securities. The Fund’s investments in mortgage-backed securities may include pass-through securities sold by private, governmental and government-related organizations and collateralized mortgage obligations, to the extent that such instruments are held by the Index. The Fund generally will invest in foreign securities only to the extent they are held in the Index.

The securities purchased by the Fund will mainly be high-quality instruments rated in the top four credit categories by Moody’s Investors Service, Inc. (“Moody’s”) or Standard & Poor’s (“S&P”) or deemed to be of the same quality by Advisors using its own credit quality analysis. The Fund may continue to hold instruments that were rated as high-quality when purchased, but which subsequently are downgraded to below-investment-grade status.

Because the return of the Index is not reduced by investment and other operating expenses, the Fund’s ability to match the Index is negatively affected by the costs of buying and selling securities, as well as other expenses. The use of the Index by the Fund is not a fundamental policy of the Fund and may be changed without shareholder approval.

**Principal Investment Risks:** An investment in the Fund is subject to the following principal investment risks. The first group of risks relates to the Fund’s investment in fixed-income securities:

- **Income Volatility Risk**—*Income volatility* refers to the degree and speed with which changes in prevailing market interest rates diminish the level of current income from a portfolio of fixed-income securities. The risk of income volatility is the risk that the level of current income from a portfolio of fixed-income securities declines in certain interest rate environments.
- **Credit Risk** (a type of **Company Risk**)—The risk that a decline in a company’s financial position may prevent it from making principal and interest payments on fixed-income securities when due. Credit risk relates to

the ability of an issuer of a fixed-income security to pay principal and interest on the security on a timely basis and is the risk that the issuer could default on its obligations, thereby causing the Fund to lose its investment in the security. This risk is heightened in the case of investments in lower-rated, high-yield fixed-income securities. Further, in times of market turmoil, perceptions of a company's credit risk can quickly change and even large, well-established companies may deteriorate rapidly with little or no warning. Although the Fund invests primarily in investment-grade securities, market values for such securities can still vary independent of interest rate changes, depending upon the market evaluation of general credit conditions and liquidity. Securities originally rated "investment-grade" are sometimes subsequently downgraded if Advisors or a ratings agency like Moody's or S&P believes that the issuer's business outlook or creditworthiness has deteriorated. Lower-rated bonds can at times be harder to sell than investment-grade bonds, and their prices can be more volatile and difficult to determine than the prices of higher-quality securities.

- **Call Risk**—The risk that an issuer will redeem a fixed-income security prior to maturity. This often happens when prevailing interest rates are lower than the rate specified for the fixed-income security. If a fixed-income security is called early, the Fund may not be able to benefit fully from the increase in value that other fixed-income securities experience when interest rates decline. Additionally, the Fund would likely have to reinvest the payoff proceeds at current yields, which are likely to be lower than the fixed-income securities in which the fund originally invested, resulting in a decline in income.
- **Market Volatility and Liquidity Risk (types of Market Risk)**—Trading activity in fixed-income securities in which the Fund invests may be dramatically reduced or cease at any time, whether due to general market turmoil, problems experienced by a single company or a market sector or other factors. In such cases, it may be difficult for the Fund to properly value assets represented by such securities.
- **Interest Rate Risk (a type of Market Risk)**—The risk that the value or yield of fixed-income securities may decline if interest rates change. In general, when prevailing interest rates decline, the market value of fixed-income securities (particularly those paying a fixed rate of interest) tends to increase. Conversely, when prevailing interest rates increase, the market value of fixed-income securities (particularly those paying a fixed rate of interest) tends to decline. Depending on the timing of the purchase of a fixed-income security and the price paid for it, changes in prevailing interest rates may increase or decrease the security's yield.
- **Prepayment Risk**—The risk that during periods of falling interest rates, borrowers pay off their mortgage loans sooner than expected, forcing the Fund to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in income. These risks are normally present in mortgage-backed

securities and other asset-backed securities. For example, homeowners have the option to prepay their mortgages. Therefore, the duration of a security backed by home mortgages can shorten depending on homeowner prepayment activity. A rise in the prepayment rate and the resulting decline in duration of fixed-income securities held by the Fund can result in losses to investors in the Fund.

- **Extension Risk**—The risk that during periods of rising interest rates, borrowers pay off their mortgage loans later than expected, preventing the Fund from reinvesting principal proceeds at higher interest rates, resulting in less income than potentially available. These risks are normally present in mortgage-backed securities and other asset-backed securities. For example, homeowners have the option to prepay their mortgages. Therefore, the duration of a security backed by home mortgages can lengthen depending on homeowner prepayment activity. A decline in the prepayment rate and the resulting increase in duration of fixed-income securities held by the Fund can result in losses to investors in the Fund.

Additionally, because the Fund is managed with the objective of its returns corresponding to the returns of the Index, the Fund is subject to the following risk:

- **Index Risk**—The risk that the Fund's performance will not correspond to the performance of the Index for any period of time. Although the Fund attempts to use the investment performance of the Index as a baseline, the Fund may not duplicate the exact composition of the Index. In addition, unlike a mutual fund, the returns of the Index are not reduced by investment and other operating expenses, and therefore, the ability of the Fund to match the performance of the Index is adversely affected by the costs of buying and selling investments as well as other expenses. Therefore, the Fund cannot guarantee that its performance will match the Index for any period of time.

Finally, to the extent that the Fund holds foreign securities, it will be subject to the following risk:

- **Foreign Investment Risk**—Foreign investments, which may include securities of foreign issuers, securities or contracts traded or acquired in non-U.S. markets or on non-U.S. exchanges, or securities or contracts payable or denominated in non-U.S. currencies, can involve special risks that arise from the following events or circumstances: (1) changes in currency exchange rates; (2) possible imposition of market controls or currency exchange controls; (3) possible imposition of withholding taxes on dividends and interest; (4) possible seizure, expropriation or nationalization of assets; (5) more limited foreign financial information or difficulties interpreting it because of foreign regulations and accounting standards; (6) lower liquidity and higher volatility in some foreign markets; (7) the impact of political, social or diplomatic events; (8) the difficulty of evaluating some foreign economic trends; and (9) the possibility that a foreign government could restrict an issuer from paying principal and interest to investors outside the country. Custodial and transaction costs are often higher for foreign investments, and it may be harder to use foreign laws and courts to enforce financial or legal obligations.

The risks described above often increase in countries with emerging markets. For example, these countries may have more unstable governments than developed countries, and their economies may be based on only a few industries. Because their securities markets may be very small, share prices may be volatile and difficult to determine. In addition, foreign investors such as the Fund may be subject to a variety of special restrictions in many such countries.

**Who May Want to Invest:** The Fund may be appropriate for investors who seek a mutual fund that seeks to provide investment performance that corresponds with the performance of the Index.

The Fund's Index is described in more detail in "More About the Fund's Benchmark Index."

*No one can assure that the Fund will achieve its investment objective and investors should not consider the Fund to be a complete investment program. As with all mutual funds, there is a risk that an investor could lose money by investing in the Fund.*

## PAST PERFORMANCE

Performance information is not available for the Fund because the Fund has recently commenced operations. Once the Fund has completed one calendar year of operations, its performance information will become available.

## FEES AND EXPENSES

The following tables describe the fees and expenses that you pay if you buy and hold Retirement Class shares of the Fund:

### SHAREHOLDER FEES (deducted directly from gross amount of transaction)

	Retirement Class
Maximum Sales Charge Imposed on Purchases (percentage of offering price)	0%
Maximum Deferred Sales Charge	0%
Maximum Sales Charge Imposed on Reinvested Dividends and Other Distributions	0%
Redemption or Exchange Fee	0%
Maximum Account Fee	0%

### ANNUAL FUND OPERATING EXPENSES (deducted from Fund assets)

RETIREMENT CLASS	Management Fees	Other Expenses <sup>1</sup>	Acquired Fund Fees and Expenses <sup>1,2</sup>	Total Annual Fund Operating Expenses	Waivers and Expense Reimbursements <sup>3</sup>	Net Annual Fund Operating Expenses
Bond Index Fund	0.10%	0.38%	0.00%	0.48%	0.10%	0.38%

<sup>1</sup> Other Expenses and Acquired Fund Fees and Expenses are estimates for the current fiscal year due to the recent commencement of operations of the Fund.

<sup>2</sup> Acquired Funds Fees and Expenses are the Fund's proportionate amount of the expenses of any investment companies or pools in which it invests. These expenses are not paid directly by Fund shareholders. Instead, Fund shareholders bear these expenses indirectly because they reduce Fund performance.

<sup>3</sup> Under the Fund's expense reimbursement arrangements, Advisors has contractually agreed to reimburse the Fund for such Total Annual Fund Operating Expenses (excluding Acquired Fund Fees and Expenses) that exceed 0.38% of average daily net assets. This expense reimbursement will continue through at least January 31, 2011, and can only be changed prior to that date with the approval of the Board of Trustees.

## Example

The following example is intended to help you compare the cost of investing in Retirement Class shares of the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 as an initial investment in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year, and that the Fund's operating expenses remain the same. It is based on the net annual operating expenses described in the fee table. The table below assumes that there is no expense reimbursement agreement in place after January 31, 2011. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

RETIREMENT CLASS	1 Year	3 Years
Bond Index Fund	\$39	\$140

## MORE ABOUT THE FUND'S BENCHMARK INDEX

### Barclays Capital U.S. Aggregate Bond Index

This is the benchmark for the Fund, as well as the Index to which the Fund's returns seek to correspond. The Index covers the U.S. investment-grade fixed-rate bond market, including government and corporate securities, agency mortgage pass-through securities, asset-backed securities, and commercial mortgage-backed securities. The Index contained approximately 9,168 issues as of December 31, 2008. The Index represents securities that are SEC-registered, taxable and dollar denominated. To be selected for inclusion in the Index, the securities must have a minimum maturity of one year and a minimum par amount outstanding of \$250 million. The Index is unmanaged, and you cannot invest directly in the Index.

## ADDITIONAL INVESTMENT STRATEGIES

The Fund may make certain other investments, but not as principal strategies. For example, the Fund may invest in interest-only and principal-only mortgage-backed securities. These instruments have unique characteristics and are more sensitive to prepayment risk and extension risk than traditional mortgage-backed securities. Similarly, the Fund may also buy and sell put and call options, futures contracts and options on futures. The Fund intends to use options and futures primarily as a hedging technique or for cash management as well as risk management. The Fund may also buy and sell swaps and options on swaps, so long as these are consistent with the Fund's investment objective and restrictions. In addition, the Fund may invest in other investment companies, such as exchange-traded funds ("ETFs"), for cash management and other purposes, including to gain exposure to certain sectors or securities that are represented by ownership in ETFs. When invested in other investment companies, the Fund will bear its proportionate share of expenses charged by these investment companies.

Please see the SAI for more information on these and other investments the Fund may utilize.

## **PORTFOLIO HOLDINGS**

A description of the Fund's policies and procedures with respect to the disclosure of its portfolio holdings is available in the Fund's SAI.

## **PORTFOLIO TURNOVER**

Engaging in active and frequent trading of portfolio securities will have a correspondingly higher "portfolio turnover rate" for the Fund. A high portfolio turnover rate generally will result in (1) greater brokerage commission expenses or other transaction costs borne by the Fund and, ultimately, by shareholders and (2) higher amounts of realized investment gain subject to the payment of taxes by shareholders. Also, a high portfolio turnover rate for the Fund may cause the Fund to be more likely to generate capital gains that must be distributed to shareholders as taxable income. The Fund is not subject to a specific limitation on portfolio turnover, and securities of the Fund may be sold at any time such sale is deemed advisable for investment or operational reasons by Advisors. Once the Fund has completed one calendar year of operations, its portfolio turnover rate will be made available in its Financial Highlights.

## **SHARE CLASSES**

The Fund may also offer Institutional Class, Retail Class and Premier Class shares. The Fund's investments are held by the Fund as a whole, not by a particular share class, so your money will be invested the same way no matter which class of shares you hold. However, there are differences among the fees and expenses associated with each class and not everyone is eligible to buy every class. Please use the respective prospectuses for each of the classes for more information, including expenses and eligibility requirements. After determining which classes you are eligible to buy, decide which class best suits your needs. Please contact TIAA-CREF if you have questions or would like assistance in determining which class is right for you.

## **MANAGEMENT OF THE FUND**

### **THE FUND'S INVESTMENT ADVISER**

Advisors manages the assets of the Trust, under the supervision of the Board of Trustees. Advisors is an indirect wholly-owned subsidiary of Teachers Insurance and Annuity Association of America ("TIAA"). TIAA is a life insurance company founded in 1918 by the Carnegie Foundation for the Advancement of Teaching and is the companion organization of College Retirement Equities Fund ("CREF"), the first company in the United States to issue a variable annuity. Advisors is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940. Advisors also manages the investments of the other investment portfolios of the Trust, TIAA Separate Account VA-1 and the

TIAA-CREF Life Funds. Through an affiliated investment adviser, TIAA-CREF Investment Management, LLC (“Investment Management”), the personnel of Advisors also manage the investment accounts of CREF. As of July 31, 2009, Advisors and Investment Management together had approximately \$180.6 billion of registered investment company assets under management. Advisors is located at 730 Third Avenue, New York, NY 10017-3206.

TIAA-CREF entities sponsor an array of financial products for retirement and other investment goals. For some of these products, for example, the investment accounts of CREF, TIAA or its subsidiaries perform services “at cost.” The Fund, however, pays the management fees and other expenses that are described in the table on Fees and Expenses in the Prospectus. The management fees paid by the Fund to Advisors are intended to compensate these service providers for their services to the Fund and are not limited to the reimbursement of the service providers’ costs. Thus, under these arrangements, Advisors and its affiliates can earn a profit or incur a loss on the services which they render to the Fund. The Fund also pays Advisors for certain administrative services Advisors provides to the Fund on an at-cost basis.

Advisors manages the assets of the Fund pursuant to a written Investment Management Agreement with the Trust. Under this Agreement, Advisors’ duties include conducting research, recommending investments and placing orders to buy and sell securities. Advisors also supervises and acts as liaison among the various service providers to the Fund, such as the custodian and transfer agent. The annual rate charged by Advisors to the Fund under the Investment Management Agreement is 0.10% of average daily net assets. Because the Fund is newly-operational, Advisors received no fees under the Agreement in 2008. Advisors has also agreed to reimburse the Fund to the extent that certain of its Retirement Class expenses exceed a specified amount through January 31, 2011.

A discussion regarding the basis for the Board of Trustees’ most recent approval of the Fund’s Investment Management Agreement will be available in the Fund’s next annual shareholder report for the fiscal year ending September 30, 2009. For a free copy, please call 800 842-2776, visit the Fund’s website at [www.tiaa-cref.org](http://www.tiaa-cref.org) or visit the SEC’s website at [www.sec.gov](http://www.sec.gov).

## **PORTFOLIO MANAGEMENT TEAM**

The Fund is managed by a team of managers, whose members are jointly responsible for the day-to-day management of the Fund, with expertise in the area(s) applicable to the Fund’s investments. The following is a list of members of the management team primarily responsible for managing the Fund’s investments, along with their relevant experience. The members of the team may change from time to time.

Name & Title	Portfolio Role/ Coverage/ Expertise/Specialty	Experience Over Past Five Years	Total Experience (since dates specified below)		
			At TIAA	Total	On Team
<b>BOND INDEX FUND</b>					
<b>Elizabeth (Lisa) D. Black, CFA</b> Managing Director	Asset Allocation (General Oversight)	Advisors, TIAA and its affiliates - 1987 to Present (head of fixed-income portfolio management and asset allocation; previously, head of third-party fixed-income portfolio management teams)	1987	1987	2009
<b>Steven Sterman, CFA</b> Managing Director	Quantitative Portfolio Management/ Trading	Advisors, TIAA and its affiliates - 1990 to Present (head of fixed-income trading; previously, fixed-income portfolio manager)	1990	1984	2009

The Fund's SAI provides additional disclosure about the compensation structure of the Fund's portfolio managers, the other accounts they manage, total assets in those accounts and potential conflicts of interest, as well as the portfolio managers' ownership of Fund shares.

## OTHER SERVICES

The Fund has a separate service agreement with Advisors (the "Retirement Class Service Agreement") pursuant to which Advisors provides or arranges for the provision of administrative and shareholder services for Retirement Class shares, including services associated with offering Retirement Class shares on retirement plan or other platforms. Under the Retirement Class Service Agreement, the Retirement Class of the Fund pays a monthly fee to Advisors at an annual rate of 0.25% of average daily net assets, which is reflected as part of "other expenses" in the Fee and Expenses section of this Prospectus. Advisors may rely on affiliated or unaffiliated persons to fulfill its obligations under the Retirement Class Service Agreement.

## DISTRIBUTION ARRANGEMENTS

Teachers Personal Investors Services, Inc. ("TPIS") distributes the Fund's shares. TPIS may enter into agreements with other intermediaries, including its affiliated broker/dealer, TIAA-CREF Individual & Institutional Services, LLC ("Services"), to sell Retirement Class shares of the Fund. TPIS, Services or Advisors may pay intermediaries out of their own assets to support the distribution or servicing of Retirement Class shares. Payments to intermediaries may include payments to certain third-party broker/dealers and financial advisors, including fund supermarkets, to provide access to their fund distribution platforms, as well

as to provide transaction processing or administrative services. More information on the Fund's distribution arrangements appears in the SAI. Advisors, at its own expense, also pays Services or other intermediaries a service fee at an annual rate of 0.25% of average daily net assets attributable to Retirement Class shares to compensate such intermediaries for administering Retirement Class shares held on their platforms.

## CALCULATING SHARE PRICE

The Fund determines its net asset value ("NAV") per share, or share price, on each day the New York Stock Exchange (the "NYSE") is open for business. The NAV for the Fund is calculated as of the time when regular trading closes on the NYSE (generally, 4:00 p.m. Eastern Time). The Fund does not price its shares on days that the NYSE is closed. The Fund's NAV is computed by calculating the value of the Fund's assets, less its liabilities, and its NAV per share is computed by dividing its NAV allocable to each share class by the number of outstanding shares of that class.

If the Fund invests in foreign securities that are primarily listed on foreign exchanges that trade on days when the Fund does not price its shares, the value of the foreign securities in the Fund's portfolio may change on days when shareholders will not be able to purchase or redeem Fund shares.

The Fund generally uses market quotations or values obtained from independent pricing services to value securities and other instruments held by the Fund. However, fixed-income securities held by the Fund with remaining maturities of 60 days or less generally are valued using their amortized cost.

If market quotations or values from independent pricing services are not readily available or are not considered reliable, the Fund will use a security's "fair value," as determined in good faith using procedures approved by the Board of Trustees. The Fund may also use fair value if events that have a significant effect on the value of an investment (as determined in Advisors' sole discretion) occur between the time when its price is determined and the time the Fund's NAV is calculated. For example, the Fund might use a domestic security's fair value when the exchange on which the security is principally traded closes early or when trading in the security is halted and does not resume before the Fund's NAV is calculated. The use of fair value pricing can involve reliance on quantitative models or individual judgment, and may result in changes to the prices of portfolio securities that are used to calculate the Fund's NAV. Although the Fund fair values portfolio securities on a security-by-security basis, to the extent the Fund holds foreign portfolio securities, these securities may be fair valued more frequently than other portfolio securities.

Fair value pricing most commonly occurs with securities that are primarily traded outside the United States. Fair value pricing may occur, for instance, when there are significant market movements in the U.S. after foreign markets have closed, and there is the expectation that securities traded on foreign markets will

adjust based on market movements in the U.S. when their markets open the next day. In these cases, the Fund may fair value certain foreign securities when it is believed the last traded price on the foreign market does not reflect the value of that security at 4:00 p.m. Eastern Time. This may have the effect of decreasing the ability of market timers to engage in “stale price arbitrage,” which takes advantage of the perceived difference in price from a foreign market closing price. While using a fair value price for foreign securities decreases the ability of market timers to make money by exchanging into or out of the Fund to the detriment of longer-term shareholders, it may reduce some of the certainty in pricing obtained by using actual market close prices.

The Fund’s fair value pricing procedures provide, among other things, for the Fund to examine whether to fair value foreign securities when there is a significant movement in the value of a U.S. market index between the close of one or more foreign markets and the close of the NYSE. The Fund also examines the prices of individual securities to determine, among other things, whether the price of such securities reflects fair value at the close of the NYSE based on market movements. In addition, the Fund may fair value domestic securities when it is believed the last market quotation is not readily available or such quotation does not represent the fair value of that security.

Money market instruments with maturities of more than 60 days are valued using market quotations or independent pricing sources or derived from a pricing matrix that has various types of money market instruments along one axis and various maturities along the other.

## DIVIDENDS AND DISTRIBUTIONS

The Fund expects to declare and distribute to shareholders substantially all of its net investment income and net realized capital gains, if any. The Fund declares dividends as of each business day of the calendar year (to the extent such dividends are not previously distributed) and pays dividends monthly. The amount distributed will vary according to the income received from securities held by the Fund and capital gains realized from the sale of securities.

The Fund intends to pay net capital gains, if any, annually.

Dividends and capital gain distributions paid to Retirement Class shareholders who hold their shares through a TIAA-CREF administered plan or custody account will automatically be reinvested in additional Retirement Class shares of the Fund. All other Retirement Class shareholders may elect from the following distribution options (barring any restrictions from the intermediary or plan through which such shares are held):

1. **Reinvestment Option, Same Fund.** Your dividend and capital gain distributions will be automatically reinvested in additional shares of the Fund. Unless you elect otherwise, this will be your default distribution option.

2. **Reinvestment Option, Different Fund.** Your dividend and capital gain distributions will be automatically reinvested in additional shares of another investment portfolio of the Trust or other available investment option in which you already hold shares.
3. **Income-Earned Option.** Your long-term capital gain distributions will be automatically reinvested, but you will be sent a check for each dividend and short-term capital gain distribution.
4. **Capital Gains Option.** Your dividend and short-term capital gain distributions will be automatically reinvested, but you will be sent a check for each long-term capital gain distribution.
5. **Cash Option.** A check will be sent for your dividend and each capital gain distribution.

On each distribution date, the Fund makes distributions on a per share basis to the shareholders who hold and have paid for Fund shares on the record date. The Fund does this regardless of how long the shares have been held. This means that if you buy shares just before or on a record date, you will pay the full price for the shares and then you may receive a portion of the price back as a taxable distribution (see the discussion of “Buying a dividend” below under “Taxes”). Cash distribution checks will be mailed within seven days of the distribution date.

Shareholders who hold their Retirement Class shares through a variable product, an employee benefit plan or through an intermediary may be subject to restrictions on their distribution payment options imposed by the product, plan or intermediary. Please contact the variable product issuer or your plan sponsor or intermediary for more details.

## TAXES

As with any investment, you should consider how your investment in the Fund will be taxed.

**Taxes on dividends and distributions.** Unless you are tax-exempt or hold Fund shares in a tax-deferred account, you must pay federal income tax on dividends and taxable distributions each year. Your dividends and taxable distributions generally are taxable when they are paid, whether you take them in cash or reinvest them. However, distributions declared in October, November or December of a year and paid in January of the following year are taxable as if they were paid on December 31 of the prior year.

For federal tax purposes, income and short-term capital gain distributions from the Fund are taxed as ordinary income, and long-term capital gain distributions are taxed as long-term capital gains. Every January, a statement showing the taxable distributions paid to you in the previous year from the Fund will be sent to you and the Internal Revenue Service (“IRS”) (for taxable accounts only). Long-term capital gain distributions generally may be taxed at a maximum federal rate of 15% to individual investors (or at 0% to individual investors who are in the 10% or 15% tax bracket). These rates are currently scheduled to apply through 2010.

Whether or not a capital gain distribution is considered long-term or short-term depends on how long the Fund held the securities the sale of which led to the gain.

A portion of ordinary income dividends paid by the Fund to individual investors may constitute “qualified dividend income” that is subject to the same maximum tax rates as long-term capital gains. The portion of a dividend that will qualify for this treatment will depend on the aggregated qualified dividend income received by the Fund. Notwithstanding this, certain holding period requirements with respect to a shareholder’s shares in the Fund may apply to prevent the shareholder from treating any portion of a dividend as “qualified dividend income.” The favorable treatment of qualified dividends is currently scheduled to expire after 2010. Additional information about this can be found in the SAI.

**Taxes on transactions.** Unless a transaction involves Fund shares held in a tax-deferred account, redemptions, including sales and exchanges to other funds, may also give rise to capital gains or losses. The amount of any capital gain or loss will be the difference, if any, between the adjusted cost basis of your shares and the price you receive when you sell or exchange them. In general, a capital gain or loss will be treated as a long-term capital gain or loss if you have held your shares for more than one year.

Whenever you sell shares of the Fund, you will be sent a confirmation statement showing how many shares you sold and at what price. However, you or your tax preparer must determine whether this sale resulted in a capital gain or loss and the amount of tax to be paid on any gain. Be sure to keep your regular account statements; the information they contain will be essential in calculating the amount of your capital gains or losses.

**Backup withholding.** If you fail to provide a correct taxpayer identification number or fail to certify that it is correct, the Fund is required by law to withhold 28% of all the distributions and redemption proceeds paid from your account. The Fund is also required to begin backup withholding if instructed by the IRS to do so.

**Buying a dividend.** If you buy shares just before the Fund deducts a distribution from its net asset value, you will pay the full price for the shares and then receive a portion of the price back in the form of a taxable distribution. This is referred to as “buying a dividend.” For example, assume you bought shares of the Fund for \$10.00 per share the day before the Fund paid a \$0.25 dividend. After the dividend was paid, each share would be worth \$9.75, and, unless you hold your shares through a tax-deferred arrangement such as 401(a), 401(k) or 403(b) plans or IRAs, you would have to include the \$0.25 dividend in your gross income for tax purposes.

**Effect of foreign taxes.** Foreign governments may impose taxes on the Fund and its investments and these taxes generally will reduce the Fund’s distributions. If the Fund qualifies to pass through a credit for such taxes paid and elects to do so, an offsetting tax credit or deduction may be available to you if you maintain a taxable account. If so, your tax statement will show more taxable income than was actually distributed by the Fund, but will also show the amount of the available offsetting credit or deduction.

**Other restrictions.** There are tax requirements that all mutual funds must follow in order to avoid federal taxation. In its effort to adhere to these requirements, the Fund may have to limit its investment in some types of instruments.

**Special considerations for certain institutional investors.** If you are a corporate investor, a portion of the dividends from net investment income paid by the Fund may qualify for the corporate dividends-received deduction. The portion of the dividends that will qualify for this treatment will depend on the aggregate qualifying dividend income received by the Fund from domestic (U.S.) sources. Certain holding period and debt financing restrictions may apply to corporate investors seeking to claim the deduction.

**Taxes related to Employee Benefit Plans or IRAs.** Generally, individuals are not subject to federal income tax in connection with Retirement Class shares they hold (or that are held on their behalf) in participant or custody accounts under Code section 401(a) employee benefit plans (including 401(k) and Keogh plans), Code section 403(b) or 457 employee benefit plans, or IRAs. Distributions from such plan participant or custody accounts may, however, be subject to ordinary income taxation in the year of the distribution. For information about the tax aspects of your plan or IRA or Keogh account, please consult your plan administrator, TIAA-CREF or your tax advisor.

**Other tax matters.** Certain investments of the Fund, including certain debt instruments, foreign securities and shares of other investment funds could affect the amount, timing and character of distributions you receive and could cause the Fund to recognize taxable income in excess of the cash generated by such investments (which may require the Fund to liquidate other investments in order to make required distributions).

This information is only a brief summary of certain federal income tax information about your investment in the Fund. The investment may have state, local or foreign tax consequences, and you should consult your tax advisor about the effect of your investment in the Fund in your particular situation. Additional tax information can be found in the SAI.

## **YOUR ACCOUNT: PURCHASING, REDEEMING OR EXCHANGING SHARES**

### **RETIREMENT CLASS ELIGIBILITY**

Retirement Class shares of the Fund are offered through accounts established by or on behalf of employers, or the trustees of plans sponsored by employers, in connection with certain employee benefit plans (the “plan(s)”), such as plans described in sections 401(a) (including 401(k) and Keogh plans), 403(b)(7) and 457 of the Code, that are sponsored or administered by TIAA-CREF. Retirement Class shares also may be offered through custody accounts sponsored or administered by TIAA-CREF that are established by individuals as IRAs pursuant to section

408 of the Code. In addition, Retirement Class shares of the Fund are available for purchase by or through certain intermediaries who have entered into a contract or arrangement with the Fund, or their investment adviser or distributor that enables them to purchase shares on behalf of their clients. Collectively, intermediaries that are unaffiliated with TIAA-CREF and/or that do not provide custodial services to plans administered by TIAA-CREF, but that have contracted with the Trust or its affiliates to offer Retirement Class shares of the Fund are referred to as “Eligible Investors” in the rest of this Prospectus.

## **HOW TO PURCHASE SHARES**

### **For Participants Purchasing Shares through a Plan or Account Administered by TIAA-CREF:**

If you are a participant in such a plan and your employer or plan trustee has established a plan account, then you may direct the purchase of Retirement Class shares of the Fund (if offered under your plan) for your account. You should contact your employer to learn how to enroll in the plan. Your employer must notify TIAA-CREF that you are eligible to enroll. In many cases, you will be able to use TIAA-CREF Web Center’s online enrollment feature at [www.tiaa-cref.org](http://www.tiaa-cref.org).

You may direct the purchase of Retirement Class shares of the Fund by allocating single or ongoing retirement plan contribution amounts made on your behalf by your employer pursuant to the terms of your plan or through a currently effective salary or payroll reduction agreement with your employer to the Fund (see “Allocating Retirement Contributions to the Fund” below). You may also direct the purchase of Retirement Class shares of the Fund by reinvesting retirement plan proceeds that were previously invested in another investment vehicle available under your employer’s plan.

The Fund imposes no minimum investment requirement for Retirement Class shares. The Fund also does not currently restrict the frequency of investments made in the Fund by participant accounts, although the Fund reserves the right to impose such restrictions in the future. Your employer’s plan may limit the amount that you may invest in your participant account. In addition, the Code limits total annual contributions to most types of plans. All purchases must be in U.S. dollars and all checks must be drawn on U.S. banks. The Fund will only accept accounts with a U.S. address of record. The Fund will not accept a P.O. Box as an account’s address of record. Each investment in your participant account must be for a specified dollar amount. All other requests, including those specifying a certain price, date, or number of shares, will not be deemed to be in “good order” (see below) and will not be accepted by the Fund.

The Fund has the right to reject your custody application and to refuse to sell additional Retirement Class shares of the Fund to any investor for any reason. The Fund treats all orders to purchase Retirement Class shares as being received when they are received in “good order” by the Fund’s transfer agent (or other authorized Fund agent) (see below). The Fund may suspend or terminate the offering of Retirement Class shares to your employer’s plan.

### *Allocating Retirement Contributions to the Fund*

If you are just starting out and are initiating contributions to your employer's plan, you may allocate single or ongoing contribution amounts to Retirement Class shares of the Fund by completing an account application or enrollment form (paper or online) and selecting the Fund and the amounts you wish to contribute to the Fund. You may be able to change your allocation for future contributions by:

- using the TIAA-CREF Web Center at [www.tiaa-cref.org](http://www.tiaa-cref.org);
- calling the Fund's Automated Telephone Service (available 24 hours a day) at 800 842-2252;
- calling a TIAA-CREF representative (available weekdays from 8:00 a.m. Eastern Time to 10:00 p.m. Eastern Time and Saturdays from 9:00 a.m. Eastern Time to 6:00 p.m. Eastern Time) at 800 842-2776;
- faxing the Fund at: 800 914-8922; or
- writing to the Fund at: TIAA-CREF, P.O. Box 1259, Charlotte, NC 28201.

### *Opening an IRA or Keogh Account*

Any plan participant or person eligible to participate in a plan may open an IRA or Keogh custody account and purchase Retirement Class shares for their account. For more information about opening an IRA, please call the Fund's Telephone Counseling Center at 800 842-2888 or go to the TIAA-CREF Web Center at [www.tiaa-cref.org](http://www.tiaa-cref.org). The Fund reserves the right to limit the ability of IRA and Keogh accounts to purchase the Retirement Class of the Fund.

### **For Eligible Investors and Their Clients:**

Eligible Investors may invest directly in the Fund. All other prospective investors should contact their intermediary or plan sponsor for applicable purchase requirements. All purchases must be in U.S. dollars and all checks must be drawn on U.S. banks. The Fund will only accept accounts with a U.S. address of record. The Fund will not accept a P.O. Box as the address of record.

There may be circumstances when the Fund will not accept new investments in the Fund. The Fund reserves the right to suspend or terminate the offering of shares by the Fund at any time without prior notice. The Fund also reserves the right to reject any application or investment or any other specific purchase request.

The Fund does not impose minimum investment requirements. However, investors purchasing Retirement Class shares through Eligible Investors (like financial intermediaries or employee benefit plans) may purchase shares only in accordance with instructions and limitations pertaining to their account at the intermediary or plan. These Eligible Investors may set different minimum investment requirements for their customers' investments in Retirement Class shares. Please contact your intermediary or plan sponsor for more information.

The Fund considers all purchase requests to be received when they are received in "good order" by the Fund's transfer agent (or other authorized Fund

agent) (see below). The Fund will not accept third-party checks. (The Fund considers any check not made payable directly to TIAA-CREF Funds as a third-party check). The Fund cannot accept checks made out to you or other parties and signed over to the Fund. The Fund will not accept payment in the following forms: travelers' checks, money orders, credit card convenience checks, cashier's checks, cash or starter checks. The Fund will not accept corporate checks for investment into non-corporate accounts.

*To open an account or purchase shares by wire:*

Eligible Investors should instruct their bank to wire money to:

State Street Bank  
225 Franklin Street  
Boston, MA 02110  
ABA Number 011000028  
DDA Number 9905-454-6

Specify on the wire:

- The TIAA-CREF Funds—Retirement Class;
- Account registration (names of registered owners), address and social security number(s) or taxpayer identification number;
- Indicate if this is for a new or existing account (provide Fund account number if existing);
- The Fund's name and amount to be invested

To buy additional shares by wire, Eligible Investors should follow the instructions above for opening an account or purchasing shares by wire. Once a Fund account has been opened, shareholders do not have to send the Fund an application again.

*Points to Remember for All Purchases by Eligible Investors:*

- Each investment by an Eligible Investor in Retirement Class shares of the Fund must be for a specified dollar amount. The Fund cannot accept purchase requests specifying a certain price, date or number of shares; such requests will be deemed not in "good order" (see below) and the Fund will return these investments.
- If you invest in the Retirement Class of the Fund through an Eligible Investor, the Eligible Investor may charge you a fee in connection with your investment (in addition to the fees and expenses deducted by the Fund). Contact the Eligible Investor to learn whether there are any other conditions, such as a minimum investment requirement, on your transactions.
- If the Fund does not receive good funds through wire transfer, it will treat this as a redemption of the shares purchased when your wire transfer is received. You will be responsible for any resulting loss incurred by the Fund or Advisors and you may be subject to tax consequences on such a redemption. If you are already a shareholder, the Fund can redeem shares from any of

your account(s) as reimbursement for all losses. The Fund also reserves the right to restrict you from making future purchases in the Fund or any other series of the Trust.

- Federal law requires the Fund to obtain, verify and record information that identifies each person who opens an account. Until the Fund receives such information, the Fund may not be able to open an account or effect transactions for you. Furthermore, if the Fund is unable to verify your identity, or that of another person authorized to act on your behalf, or if it is believed potential criminal activity has been identified, the Fund reserves the right to take such action as deemed appropriate, which may include closing your account.
- An investor's ability to purchase shares may be restricted due to limitations on exchanges, including limitations related to the Fund's Market Timing/Excessive Trading Policy (see below).
- The Fund is not responsible for any losses due to unauthorized or fraudulent instructions so long as the Fund follows reasonable security procedures to verify your identity. It is your responsibility to review and verify the accuracy of your confirmation statements immediately after you receive them.

#### *In-Kind Purchases of Shares by Eligible Investors*

Advisors, at its sole discretion, may permit Eligible Investors or their clients to purchase Retirement Class shares with investment securities (instead of cash), if: (1) Advisors believes the securities are appropriate investments for the Fund; (2) the securities offered to the Fund are not subject to any restrictions upon their sale by the Fund under the Securities Act of 1933, or otherwise; and (3) the securities are permissible holdings under the Fund's investment restrictions. If the Fund accepts the securities, the Eligible Investor's account will be credited with Retirement Class shares equal in net asset value to the market value of the securities received. Eligible Investors interested in making in-kind purchases should contact the Fund, and interested clients should contact their Eligible Investor (i.e., their intermediary or plan sponsor).

## HOW TO REDEEM SHARES

### **For Participants Holding Shares through a Plan or Account Administered by TIAA-CREF:**

TIAA-CREF participants may redeem (sell) Retirement Class shares at any time, subject to the terms of your employer's plan. A redemption can be part of an exchange.

To request a redemption, you can do one of the following:

- use the TIAA-CREF Web Center at [www.tiaa-cref.org](http://www.tiaa-cref.org);
- call a TIAA-CREF representative (available weekdays from 8:00 a.m. Eastern Time to 10:00 p.m. Eastern Time and Saturdays from 9:00 a.m. Eastern Time to 6:00 p.m. Eastern Time) at 800 842-2776;
- fax the Fund at: 800 914-8922; or

- write to the Fund at: TIAA-CREF, P.O. Box 1259, Charlotte, NC 28201.

You may be required to complete and return certain forms to effect your redemption. Before you complete your redemption request, please make sure you understand the possible federal and other income tax consequences of a redemption.

Pursuant to a TIAA-CREF participant's instructions, the Fund reinvests redemption proceeds in (1) Retirement Class shares of other series of the Trust available under your plan or (2) shares of other mutual funds available under your plan. Redemptions are effected as of the day that the Fund's transfer agent (or other authorized Fund agent) receives your request in "good order" (see below), and your participant or IRA account will be credited within seven days thereafter. If a redemption is requested after a recent purchase of Retirement Class shares by check, the Fund may delay crediting of the redemption proceeds until the check clears. This can take up to ten days. If you request a distribution of redemption proceeds from your participant account, the Fund will send the proceeds by check to the address, or by wire to the bank account, of record. If you want to send the redemption proceeds elsewhere, you must instruct the Fund by letter and may be requested to supply a Medallion Signature Guarantee for each shareholder.

The Fund can postpone payment if: (a) the NYSE is closed for other than usual weekends or holidays, or trading on the NYSE is restricted; (b) an emergency exists as defined by the SEC, or the SEC requires that trading be restricted; or (c) the SEC permits a delay for the protection of investors.

### **For Eligible Investors and Their Clients:**

Eligible Investors can redeem (sell) their Retirement Class shares at any time.

If your shares are held through an Eligible Investor, such as a plan or intermediary, contact the Eligible Investor for redemption requests and applicable redemption requirements. Shares held through an Eligible Investor must be redeemed by the Eligible Investor. For further information, contact your intermediary or plan sponsor. Redemption requests generally must include: account number; transaction amount (in dollars or shares), signatures of all owners exactly as registered on the account, Medallion Signature Guarantees of each owner on the account (if required), and any other required supporting legal documentation.

The Fund will only accept redemption requests that specify a dollar amount or number of shares to be redeemed. All other requests, including those specifying a certain price or date, will not be deemed to be in "good order" (see below) and will be returned.

Usually, the Fund sends redemption proceeds to the Eligible Investor on the next business day after the Fund receives a redemption request in "good order" by the Fund's transfer agent (or other authorized Fund agent) (see below), but not later than seven days afterwards. If a redemption is requested shortly after a recent purchase by check, it may take 10 calendar days for your check to clear and for your shares to be available for redemption.

The Fund can postpone payment if: (a) the NYSE is closed for other than usual weekends or holidays, or trading on the NYSE is restricted; (b) an emergency exists as defined by the SEC, or the SEC requires that trading be restricted; or (c) the SEC permits a delay for the protection of investors.

The Fund generally sends redemption proceeds to the Eligible Investor at the address or bank account of record. If proceeds are to be sent to someone else, a different address or a different bank or if an Eligible Investor requests a redemption within 30 days of changing its address, the Fund generally will require a letter of instruction from the Eligible Investor with a Medallion Signature Guarantee for each account holder or for all owners exactly as registered on the account, as appropriate (see below). The Fund can send the redemption proceeds by check to the address of record or by wire transfer.

### *In-Kind Redemptions of Shares*

Certain large redemptions of Fund shares may be detrimental to the Fund's other shareholders because such redemptions can adversely affect a portfolio manager's ability to implement its investment strategy by causing premature sale of portfolio securities that would otherwise be held. Consequently, if, in any 90-day period, an Eligible Investor redeems (sells) shares in an amount that exceeds the lesser of (i) \$250,000 or (ii) 1% of the Fund's assets, then the Fund, at its sole discretion, has the right (without prior notice) to satisfy the difference between the redemption amount and the lesser of the two previously mentioned figures with securities from the Fund's portfolio instead of cash. This is referred to as a "distribution in-kind" redemption and the securities you receive in this manner represent a portion of the Fund's entire portfolio. The securities you receive will be selected by the Fund in its discretion. The Eligible Investor receiving the securities will be responsible for disposing of the securities and bearing any associated costs.

## **HOW TO EXCHANGE SHARES**

### **For Participants Purchasing Shares through a Plan or Account Administered by TIAA-CREF:**

Subject to the limitations outlined below and any limitations under your employer's plan, you may exchange Retirement Class shares of the Fund for Retirement Class shares of another fund available under the plan. An "exchange" means:

- a sale of Retirement Class shares of the Fund held in your participant or IRA account and the use of the proceeds to purchase Retirement Class shares of another investment option in your plan for your account;
- a sale of interests in a CREF Account, the TIAA Real Estate Account or the TIAA Traditional Annuity, and the use of the proceeds to purchase an equivalent dollar amount of Retirement Class shares of the Fund for your participant, IRA or Annuity account;

- a sale of Retirement Class shares held in a participant account and the use of the proceeds to purchase an interest in a CREF Account, the TIAA Real Estate Account or the TIAA Traditional Annuity. Because interests in a CREF Account, a TIAA Real Estate Account and the TIAA Traditional Annuity are not offered through participant accounts, you must withdraw redemption proceeds held in your participant account and use them to purchase one of these investments.

You can make exchanges in any of the following ways:

- using the TIAA-CREF Web Center at [www.tiaa-cref.org](http://www.tiaa-cref.org);
- calling the Fund's Automated Telephone Service (available 24 hours a day) at 800 842-2252;
- calling a TIAA-CREF representative (available weekdays from 8:00 a.m. Eastern Time to 10:00 p.m. Eastern Time and Saturdays from 9:00 a.m. Eastern Time to 6:00 p.m. Eastern Time) at 800 842-2776;
- faxing the Fund at: 800 914-8922; or
- writing to the Fund at: TIAA-CREF, P.O. Box 1259, Charlotte, NC 28201.

The Fund reserves the right to reject any exchange request and to modify, suspend or terminate the exchange privilege for any shareholder or class of shareholders. This may be done, in particular, when your transaction activity is deemed to be harmful to the Fund, including if it is considered to be market-timing activity.

Make sure you understand the investment objective, policies, strategies and risks disclosed in the prospectus of the investment option into which you exchange shares. The exchange option is not designed to allow you to time the market. It gives you a convenient way to adjust the balance of your account so that it more closely matches your overall investment objectives and risk tolerance level.

### **For Eligible Investors and Their Clients:**

Eligible Investors can exchange Retirement Class shares in the Fund for Retirement Class shares of any other series of the Trust at any time, subject to the limitations described in the Fund's Market Timing/Excessive Trading Policy below. (An exchange is a simultaneous redemption of shares in one Fund and a purchase of shares in another fund.)

If you hold shares through an intermediary, plan sponsor or other Eligible Investor, contact the Eligible Investor for applicable exchange requirements.

Exchanges between accounts can be made only if the accounts are registered in the same name(s), address and Social Security number(s) or taxpayer identification number. An exchange is considered a sale of securities, and therefore may be a taxable event.

The Fund reserves the right to reject any exchange request and to modify, suspend or terminate the exchange privilege for any shareholder or class of shareholders. This may be done, in particular, when your transaction activity is deemed to be harmful to the Fund, including if it is considered to be market-timing activity.

Shareholders who hold shares through an Eligible Investor, like a plan or intermediary, should contact the Eligible Investor for exchange requests. Once made, an exchange request cannot be modified or cancelled.

Make sure you understand the investment objective of the Fund into which you exchange shares. The exchange option is not designed to allow you to time the market. It gives you a convenient way to adjust the balance of your account so that it more closely matches your overall investment objectives and risk tolerance level.

## **CONVERSION OF SHARES—APPLICABLE TO ALL INVESTORS**

A share conversion is a transaction where shares of one class of the Fund are exchanged for shares of another class of the Fund. Share conversions can occur between each share class of the Fund. Generally, share conversions occur where a shareholder becomes eligible for another share class of the Fund or no longer meets the eligibility of the share class they own (and another class exists for which they would be eligible). Please note that a share conversion is generally a non-taxable event, but please consult with your personal tax advisor on your particular circumstances.

A request for a share conversion will not be processed until it is received in “good order” (as defined below) by the Fund’s transfer agent (or other authorized Fund agent). Conversion requests received in “good order” prior to the close of the NYSE (generally 4:00 p.m. Eastern Time) on a day the NYSE is open will receive the NAV of the new class calculated that day. Please note that because the NAVs of each class of the Fund generally vary due to differences in expenses, you will receive a different number of shares in the new class than you held in the old class, but the total value of your holdings will remain the same.

The Fund’s market timing policies will not be applicable to share conversions. If you hold your shares through an Eligible Investor like an intermediary or plan sponsor, please contact them for more information on share conversions. Please note that certain Eligible Investors may not permit all types of share conversions. The Fund reserves the right to terminate, suspend or modify the share conversion privilege for any shareholder or group of shareholders.

### **Voluntary Conversions**

If you believe that you are eligible to convert your Fund shares to another class and you hold your shares through a TIAA-CREF-administered account, you may place an order for a share conversion by calling 800 223-1200. If you hold your shares through an Eligible Investor like a plan or intermediary, please contact the Eligible Investor regarding conversions. Please be sure to read the prospectus for the new class in which you wish to convert prior to such a conversion in order to learn more about its different features, performance and expenses. Neither the Fund nor Advisors has any responsibility for reviewing accounts and/or contacting shareholders to apprise them that they may qualify to request a voluntary conversion. Some Eligible Investors may not allow investors who own Fund shares through them to make share conversions.

## **Mandatory Conversions**

The Fund reserves the right to automatically convert shareholders from one class to another if they either no longer qualify as eligible for their existing class or if they become eligible for another class. Such mandatory conversions may be as a result of a change in value of an account due to market movements, exchanges or redemptions. The Fund will notify affected shareholders in writing prior to any mandatory conversion.

## **IMPORTANT TRANSACTION INFORMATION**

**Good Order.** Purchase, redemption and exchange requests are not processed until received in good order by the Fund's transfer agent (or other authorized Fund agent). "Good order" means actual receipt of the order along with all information and supporting legal documentation necessary to effect the transaction by the Fund's transfer agent (or other authorized Fund agent). This information and documentation generally includes the Fund account number, the transaction amount (in dollars or shares), signatures of all account owners exactly as registered on the account and any other information or supporting documentation as the Fund, its transfer agent or other authorized Fund agent may require. With respect to purchase requests, "good order" also generally includes receipt of sufficient funds by the Fund's transfer agent (or other authorized Fund agent) to effect the purchase. The Fund, its transfer agent or any other authorized Fund agent may, in their sole discretion, determine whether any particular transaction request is in good order and reserve the right to change or waive any good order requirement at any time.

Eligible Investors, such as intermediaries or plan sponsors, may have their own requirements for considering transaction requests to be in "good order." If you hold your shares through an intermediary or plan sponsor, please contact them for their specific "good order" requirements.

**Share Price.** If the Fund's transfer agent (or other authorized Fund agent) receives an order to purchase, redeem or exchange shares that is in good order anytime before close of regular trading on the NYSE (usually 4:00 p.m. Eastern Time), the transaction price will be the NAV per share for that day. If the Fund's transfer agent (or other authorized Fund agent) receives an order to purchase, redeem or exchange shares that is in good order anytime after the NYSE closes, the transaction price will be the NAV per share calculated the next business day.

If you hold Fund shares through an Eligible Investor, the Eligible Investor may require you to communicate to it any purchase, redemption or exchange request by a specified deadline earlier than 4:00 p.m. Eastern Time in order to receive that day's NAV per share as the transaction price.

**Minimum Account Size.** While there is currently no minimum account size for Retirement Class shares, the Fund reserves the right, without prior notice, to establish a minimum amount required to open, maintain or add to an account.

**Taxpayer Identification Number—Eligible Investors Only.** Each Eligible Investor must provide its taxpayer identification number (which, for most

individuals, is your Social Security number) to the Fund and indicate whether or not it is subject to back-up withholding. If an Eligible Investor does not furnish its taxpayer identification number, redemptions and exchanges of shares, as well as dividends and capital gains distributions, will be subject to back-up tax withholding.

**Changing Your Address—Eligible Investors Only.** To change the address on an Eligible Investor account, please send the Fund a written notification.

**Medallion Signature Guarantee—Eligible Investors Only.** For some transaction requests (for example, when redeeming shares within 30 days of changing your address, bank or bank account or adding certain new services to an existing account), the Fund may require a letter of instruction with a Medallion Signature Guarantee from each owner of record of an account. This requirement is designed to protect shareholders and the Fund from fraud, and to comply with rules on stock transfers. A Medallion Signature Guarantee is a written endorsement from an eligible guarantor institution that the signature(s) on the written request is (are) valid. Certain commercial banks, trust companies, savings associations, credit unions and members of United States stock exchanges participate in the Medallion Signature Guarantee program. No other form of signature verification will be accepted. A notary public cannot provide a signature guarantee. For more information about when a Medallion Signature Guarantee may be required, please contact the Fund directly.

**Transferring Shares—Eligible Investors Only.** Eligible Investors may transfer ownership of their shares to another person or organization that also qualifies to own Retirement Class shares or may change the name on their account by sending the Fund written instructions. Generally, each registered owner of the account must sign the request and provide a Medallion Signature Guarantee. When the name on an account is changed, shares in that account are transferred to a new account.

**Limitations—Eligible Investors Only.** Federal laws designed to counter terrorism and prevent money laundering might, in certain circumstances, require the Fund to block an account owner's ability to make certain transactions and thereby refuse to accept a purchase order or any request for transfers or withdrawals, until instructions are received from the appropriate regulator. The Fund may also be required to provide additional information about you and your account to government regulators.

**Customer Complaints—Eligible Investors Only.** Customer complaints may be directed to TIAA-CREF Funds, 730 Third Ave., New York, NY 10017-3206, Mail Stop 730/06/41, Attention: Director, Distribution Operations Services.

**TIAA-CREF Web Center and Telephone Transactions.** The Fund is not liable for losses from unauthorized TIAA-CREF Web Center and telephone transactions so long as reasonable procedures designed to verify the identity of the person effecting the transaction are followed. The Funds require the use of personal identification numbers, codes and other procedures designed to reasonably confirm that instructions given through TIAA-CREF's Web Center or

by telephone are genuine. The Fund also tape records telephone instructions and provides written confirmations of such instructions. The Fund accepts all telephone instructions that are reasonably believed to be genuine and accurate. However, you should verify the accuracy of your confirmation statements immediately after you receive them. The Fund may suspend or terminate Internet or telephone transaction facilities at any time, for any reason.

#### **MARKET TIMING/EXCESSIVE TRADING POLICY—APPLICABLE TO ALL INVESTORS**

There are shareholders who may try to profit from making transactions in and out of the Fund, in an effort to “time” the market. As money is shifted in and out of the Fund, the Fund may incur transaction costs, including, among other things, expenses for buying and selling securities. These costs are borne by all Fund shareholders, including long-term investors who do not generate these costs. In addition, market timing can interfere with efficient portfolio management and cause dilution, if timers are able to take advantage of pricing inefficiencies. Consequently, the Fund is not appropriate for such market timing and you should not invest in the Fund if you want to engage in market timing activity.

The Board of Trustees has adopted policies and procedures to discourage this market timing activity. Under these policies and procedures, if, within a 60-calendar day period, a shareholder redeems or exchanges any monies out of the Fund, subsequently purchases or exchanges any monies back into the Fund and then redeems or exchanges any monies out of the Fund, the shareholder will not be permitted to transfer back into the Fund through a purchase or exchange for 90 calendar days.

The Fund’s market timing policies and procedures will not be applied to certain types of transactions like reinvestments of dividends and capital gains distributions, systematic withdrawals, systematic purchases, automatic rebalancings, withdrawals due to death or hardship (as defined by federal regulations), certain transactions made within a retirement or employee benefit plan, such as contributions, mandatory distributions, loans and plan sponsor-initiated transactions, and other types of transactions specified by the Fund’s management. In addition, the market timing policies and procedures will not apply to certain tuition (529) programs, funds of funds, wrap programs, asset allocation programs and other similar programs that are approved by the Fund’s management. The Fund’s management may also waive the market timing policies and procedures when it is believed that such waiver is in the Fund’s best interests, including but not limited to when it is determined that enforcement of these policies and procedures is not necessary to protect the Fund from the effects of short-term trading.

The Fund also reserves the right to reject any purchase or exchange request, including when it is believed that a request would be disruptive to the Fund’s efficient portfolio management. The Fund also may suspend or terminate your ability to transact by telephone, fax or Internet for any reason, including the prevention of market timing. A purchase or exchange request could be rejected or electronic trading privileges could be suspended because of the timing or amount

of the investment or because of a history of excessive trading by the investor. Because the Fund has discretion in applying this policy, it is possible that similar transaction activity could be handled differently because of the surrounding circumstances.

The Fund's portfolio securities are fair valued, as necessary (most frequently with respect to foreign holdings), to help ensure that a portfolio security's true value is reflected in the Fund's NAV, thereby minimizing any potential stale price arbitrage.

The Fund seeks to apply its specifically defined market timing policies and procedures uniformly to all shareholders, and not to make exceptions with respect to these policies and procedures (beyond the exemptions noted above). The Fund makes reasonable efforts to apply these policies and procedures to shareholders who own shares through omnibus accounts. These efforts may include requesting transaction data from intermediaries from time to time to verify whether the Fund's policies are being followed and/or to instruct intermediaries to take action against shareholders who have violated the Fund's market timing policies. At times, the Fund may agree to defer to an intermediary's market timing policy if the Fund's management believes that the intermediary's policy provides comparable protection of Fund shareholders' interests. The Fund has the right to modify its market timing policies and procedures at any time without advance notice.

The Fund is not appropriate for market timing. You should not invest in the Fund if you want to engage in market timing activity.

Shareholders seeking to engage in market timing may deploy a variety of strategies to avoid detection, and, despite efforts to discourage market timing, there is no guarantee that the Fund or its agents will be able to identify such shareholders or curtail their trading practices.

If you invest in the Fund through an intermediary, including through a retirement or employee benefit plan, you may be subject to additional market timing or excessive trading policies implemented by the intermediary or plan. Please contact your intermediary or plan sponsor for more details.

## ELECTRONIC PROSPECTUSES

If you received this Prospectus electronically and would like a paper copy, please contact the Fund and one will be sent to you.

## GLOSSARY

**Code:** The Internal Revenue Code of 1986, as amended, including any applicable regulations and Revenue Rulings.

**Duration:** Duration is a measure of volatility in the price of a bond in response to a change in prevailing interest rates, with a longer duration indicating more volatility. It can be understood as the weighted average of the time to each coupon and principal payment of such a security. For an investment portfolio of fixed-income securities, duration is the weighted average of each security's duration.

**Fixed Income or Fixed-Income Securities:** Primarily, bonds and notes (such as corporate and government debt obligations), mortgage-backed securities, asset-backed securities, and structured securities that generally pay fixed or variable rates of interest; debt obligations issued at a discount from face value (*i.e.*, that have an imputed rate of interest); non-interest bearing debt securities (*i.e.*, zero coupon bonds) and other non-equity securities that pay dividends.

**Foreign Investments:** Foreign investments may include securities of foreign issuers, securities or contracts traded or acquired in non-U.S. markets or on non-U.S. exchanges, or securities or contracts payable or denominated in non-U.S. currencies. Obligations issued by U.S. companies in non-U.S. currencies are not considered to be foreign investments.

**Foreign Issuers:** Foreign issuers generally include: (1) companies whose securities are principally traded outside of the United States, (2) companies having their principal business operations outside of the United States, (3) companies organized outside the United States, and (4) foreign governments and agencies or instrumentalities of foreign governments.

**Investment-Grade:** A fixed-income security is investment-grade if it is rated in the four highest categories by a nationally-recognized statistical rating organization (“NRSRO”) or unrated securities that Advisors determines are of comparable quality.

**U. S. Government Securities:** Securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities.

## FINANCIAL HIGHLIGHTS

Because the Fund is new, no financial highlights information is currently available.

## FOR MORE INFORMATION ABOUT TIAA-CREF FUNDS

The following documents contain more information about the Trust and its investment portfolios, including the Fund, and are available free upon request:

### **Statement of Additional Information (“SAI”).**

The SAI contains more information about certain aspects of the Trust. A current SAI has been filed with the SEC and is incorporated in this Prospectus by reference. This means that the SAI is legally a part of the Prospectus.

**Annual and Semiannual Reports.** The Trust’s annual and semiannual reports provide additional information about the investments of its portfolios. In the Trust’s annual report, you will find a discussion of the market conditions and investment strategies that significantly affected each portfolio’s performance during the preceding fiscal year. However, as of the date of this Prospectus, the report will not contain information on the Fund because it only recently commenced operations.

**Requesting documents.** You can request a copy of the SAI or these reports (once available with respect to the Fund) without charge, or contact us for any other purpose, in any of the following ways:

By telephone:  
Call 877 518-9161

In writing:  
TIAA-CREF Funds—Retirement Class  
P.O. Box 1259  
Charlotte, NC 28201

Over the Internet:  
[www.tiaa-cref.org](http://www.tiaa-cref.org)

Information about the Trust (including the SAI) can be reviewed and copied at the SEC’s public reference room (202 551-8090) in Washington, DC. The reports and other information are also available through the EDGAR Database

on the SEC’s Internet website at [www.sec.gov](http://www.sec.gov). Copies of the information can also be obtained, upon payment of a duplicating fee, by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing the SEC’s Public Reference Section, Washington, DC 20549.

To lower costs and eliminate duplicate documents sent to your home, the Fund may mail only one copy of its Prospectus, prospectus supplements, annual and semiannual reports or any other required documents, to your household, even if more than one shareholder lives there. If you would prefer to continue receiving your own copy of any of these documents, you may call the Fund toll-free or write to the Fund as follows:

By telephone:  
Call 800 842-2776

In writing:  
TIAA-CREF Funds—Retirement Class  
P.O. Box 1259  
Charlotte, NC 28201

### **Important Information about procedures for opening a new account**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions, including the Fund, to obtain, verify and record information that identifies each person who opens an account.

**What this means for you:** When you open an account, the Fund will ask for your name, address, date of birth, Social Security number and other information that will allow the Fund to identify you, such as your home telephone number. Until you provide the Fund with the information we need, the Fund may not be able to open an account or effect any transactions for you.

### **TIAA-CREF WEBSITE**

tiaa-cref.org

24 hours a day, 7 days a week

### **AUTOMATED TELEPHONE SERVICE**

800 842-2252

24 hours a day, 7 days a week

### **FOR THE HEARING- OR SPEECH-IMPAIRED**

800 842-2755

8 a.m. to 10 p.m. ET, Monday–Friday

9 a.m. to 6 p.m. ET, Saturday



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