TIAA-CREF Individual & Institutional Services, LLC

(A wholly-owned subsidiary of Teachers Insurance and Annuity Association of America)

Statement of Financial Condition (Unaudited)

June 30, 2014

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Financial Statement

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(A wholly-owned subsidiary of Teachers Insurance and Annuity Association of America)

Statement of Financial Condition

June 30, 2014

Assets	
Cash	$ 89,032,901
Cash segregated under regulatory requirements	53,861,116
Advisory fees receivable	20,338,383
Receivable from clearing broker	5,887,244
Due from affiliated entities	4,451,165
Receivable from Non-proprietary funds	882,095
Other assets	1,634
Total assets	$ 174,454,538
Liabilities and Member's Capital	
Due to affiliated entities	$ 50,958,354
Other liabilities	919,728
Total liabilities	51,878,082
Member's capital	122,576,456
Total liabilities and member's capital	$ 174,454,538

The accompanying notes are an integral part of this statement of financial condition.

1. Organization

TIAA-CREF Individual & Institutional Services, LLC ("Services") was incorporated on September 4, 1990 as a membership corporation and is a wholly-owned subsidiary of Teachers Insurance and Annuity Association of America ("TIAA"), a legal reserve life insurance company established under the insurance laws of the State of New York in 1918. Services is a registered broker-dealer under the Securities Exchange Act of 1934 and a member of the Financial Industry Regulatory Authority. Effective January 1, 2004, Services was converted from a membership corporation to a single member limited liability company ("LLC").

Services maintains a contractual arrangement with its affiliate, Teachers Personal Investors Services, Inc. ("TPIS") to distribute shares of various mutual funds on a retail basis for which TPIS is the principal underwriter.

Services offers brokerage services to individuals as an introducing broker clearing on a fully disclosed basis through Pershing, LLC. Services also offers investment advisory services to individuals maintaining accounts at Pershing, LLC for which it is separately compensated.

Services maintains a Distribution Agreement with TIAA-CREF Life Insurance Company ("T-C Life") under which Services is the principal underwriter and distributor for variable annuity, variable universal life, and market value adjustment annuity products offered by T-C Life.

Services maintains a Distribution Agreement with TIAA under which Services is the principal underwriter and distributor for variable annuities issued by TIAA.

Services maintains distribution agreements with numerous unaffiliated mutual fund groups, and collaborates with TIAA to offer direct sales of selected mutual fund investments ("Non-proprietary Funds") to customers of TIAA. Services receives distribution fees on the sale of these non-proprietary mutual funds.

Services maintains a Phone Center and Field Support Agreement with TIAA-CREF Tuition Financing Inc. ("TFI") under which Services is compensated for actual costs incurred for services it provides to TFI in its role as program manager for various state tuition savings plans.

Various cash disbursements for Services are made by TIAA. TIAA is reimbursed by Services in accordance with Cash Disbursement and Reimbursement Agreements between Services and TIAA. TIAA allocates certain of its costs and expenses, as well as certain direct costs, to Services. These costs and expenses primarily relate to personnel, facilities, computer equipment and software, office equipment and supplies, utilities, advertising and sales materials.

2. Significant Accounting Policies

Basis of Presentation

The accompanying Statement of Financial Condition has been prepared in accordance with accounting principles generally accepted in the United States of America. In preparing this financial statement, the Company has evaluated events and transactions for potential recognition or disclosure through August 29, 2014, the date the financial statement was issued.

Use of Estimates
The preparation of the Statement of Financial Condition in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Statement of Financial Condition. Actual results could differ from those estimates.

Valuation of Investments
Any investments owned are carried at fair value and held at State Street Bank and Trust Company or Pershing, LLC.

3. Cash

Approximately 53% of Services' cash and cash segregated under regulatory requirements are held by State Street Bank and Trust Company. The remaining 47% is held at JP Morgan Chase & Co.

4. Investments

As of June 30, 2014, Services held no investment securities.

5. Income Taxes

Services is a single member LLC and, as such, is treated as a division of TIAA for federal income tax purposes. Because of its status Services is disregarded as a separate entity for income tax purposes. However, if Services were considered to be a stand-alone corporation, Services would have a gross deferred tax asset of approximately $156.2 million as of June 30, 2014. This deferred tax asset would require a full valuation allowance as the weight of available evidence would suggest that it is more likely than not that none of the deferred tax asset would be realized by Services.

On January 1, 2007, Services adopted Accounting Standards Codification ("ASC") No. 740-10 (formerly known as FIN 48). As of June 30, 2014, Services has no uncertain tax positions that need to be disclosed under ASC 740-10.

Services is subject to yearly IRS examination due to its inclusion in the consolidated federal income tax return of TIAA. Currently, the IRS has opened its examination of tax years 2007 through 2009, and management does not expect any material adverse adjustments.

6. Special Reserve Bank Account

Cash of $53,861,116, which is recorded on the Statement of Financial Condition as cash segregated under regulatory requirements, has been segregated in a special reserve bank account for the exclusive benefit of customers under Rule 15c3-3 of the Securities and Exchange Commission ("SEC"). Cash held temporarily for customers is related to remittances awaiting final instructions or documentation from the customer. The Company includes cash and securities held temporarily for customers and certain other associated items in determining the amount required to be held as segregated cash under Rule 15c3-3 of the SEC.

7. Minimum Net Capital Requirements

As a registered broker-dealer, Services is subject to the minimum net capital requirements pursuant to Uniform Net Capital Rule 15c3-1 of the SEC. Under that Rule, Services is required to maintain minimum net capital, as defined, equal to the greater of $250,000 or 6 2/3 percent of aggregate indebtedness as defined. At June 30, 2014, Services had net capital of $97,578,612 which exceeded required net capital by $94,120,072 and a ratio of aggregate indebtedness to net capital of 0.53 to 1.

8. Commitments and Concentration of Credit Risk

The Company offers discount brokerage services through Pershing, LLC (the “Clearing Broker”) on a fully disclosed basis. Pursuant to the terms of the agreement between the Company and the Clearing Broker, the Clearing Broker has the right to charge the Company for losses that result from a customer’s failure to complete a purchase or sale transaction.

The maximum potential liability of the Company could be equal to the aggregate trading volume of its customers’ transactions during the settlement period; however, this amount cannot be estimated due to the volatility in daily trading volumes. The liability is minimized by the fact that, in the event of nonperformance by the customer, the underlying security would be transferred to the Company who could, in turn, immediately liquidate the position, limiting the loss exposure to the market fluctuation in the underlying price of the security. Additionally, the Company may seek recourse from the customer by reimbursing itself from any cash or securities in the defaulting customers’ account. At June 30, 2014, the Company has recorded no liability with regard to customer transactions.

Services' has retail brokerage clients who conduct securities transactions on a margin basis. In margin transactions, credit is extended to customers by the Clearing Broker subject to various regulatory and internal margin requirements. As an introducing broker, it is Services' responsibility to collect initial margin requirements from its clients and to monitor the adequacy of such collateral on an ongoing basis. In this regard, Services may require the deposit of additional collateral or may reduce security positions as necessary to satisfy regulatory and internal requirements. Margin transactions may expose Services to credit and market risk in the event a client fails to satisfy its obligations. In that event, Services may be required to purchase or sell financial instruments at current market prices to satisfy the customer's obligation to the Clearing Broker. The maximum amount of the Company’s potential exposure to reimburse the Clearing Broker on margin accounts may fluctuate daily depending on the amount of secured borrowings requested by customers, and may not be readily estimated due to volatility in the amount of such borrowings. No amount is accrued in these financial statements for potential reimbursements to the Clearing Broker on margin loans extended to the Company’s customers. Services mitigates this risk by revaluing collateral at current prices, limiting portfolio concentration and by monitoring compliance with credit limits and industry regulations.

The Company has established a liability for the anticipated costs of open regulatory actions or litigation. In the opinion of management, the ultimate disposition of such matters will not have a material adverse impact on the Company’s financial position, net capital, or results of operations.

9. Fair Value of Financial Instruments

Investments owned are shown at fair value when held, in accordance with the hierarchy of inputs outlined in ASC 820, Fair Value Measurements and Disclosures. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Various valuation inputs are used to determine the fair value of assets or liabilities. Such inputs are defined broadly as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 - Other significant observable inputs (including quoted prices for similar securities, interest rates, etc.) for the asset or liability.

Level 3 - Significant unobservable inputs (including Services' own assumptions in determining fair value) for the asset or liability.

Substantially all of Services' assets and liabilities are represented by cash balances held by depository institutions or are short-term in nature, thus their carrying amounts approximate fair value as defined within the standard. Services periodically holds investment securities, typically U.S. Treasury bonds and federal agency securities, with a maturity of less than one year that would be considered level 2 within this hierarchy.

Services obtains pricing information from an external vendor, Interactive Data Corporation ("IDC"). IDC generally provides evaluated prices for these securities, which are derived from observable market information. Services adjusts the reported value of its securities based on the pricing information obtained from IDC.

10. Related Party Transactions

Services incurs expenses for distribution activities related to the issuance of variable annuity contracts by College Retirement Equities Fund ("CREF") and for the distribution activities on behalf of the TIAA Real Estate Account ("REA"). Such activities performed by Services are at cost, pursuant to a Principal Underwriting and Administrative Services Agreement with CREF and a Distribution Agreement with REA. Fees are earned by Services based on a percentage of CREF's and REA's daily net assets, adjusted to actual costs quarterly, based on actual amounts charged to Services by TIAA.

Services distributes shares of various affiliated mutual funds, tuition savings plans and insurance products on a retail basis under agreements with TPIS, TFI, T-C Life, and TIAA. Additionally, Services distributes mutual funds to participants of TIAA and CREF as well as offers brokerage services to customers that are cleared through Pershing LLC. At June 30, 2014, due from other affiliated entities includes $675,526 from CREF, $1,263,894 from TPIS, $1,828,279 from TFI, and $683,465 from T-C Life related to the distribution of insurance products and mutual funds. Additionally, at June 30, 2014 Services has received excess reimbursement from REA in the amount of $185,825, which is included in Due to affiliated entities and will be applied to reduce future reimbursements from REA.

Virtually all cash disbursements for operating expenses incurred by Services are paid by TIAA, which is reimbursed by Services in accordance with a Cash Disbursement and Reimbursement Agreement with TIAA. TIAA allocates certain of its costs and expenses, as well as certain direct costs, to Services. In accordance with the agreement between Services and TIAA, Services is not obligated to pay TIAA for any expenses until and unless the associated revenue is received. At June 30, 2014, $47,248,038 is due to TIAA related to such expenses.

Services has an agreement with TIAA-CREF Trust Company ("Trust Company") under which the Trust Company provides advisory services on customer accounts and custodial services on certain types of customer accounts for Services. At June 30, 2014, the amount due to Trust Company was $3,524,491.