

2011 ANNUAL REPORT

# TIAA-CREF FUNDS

## Fixed-Income Funds

MARCH 31, 2011

Audited financial statements

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Financial Services

# UNDERSTANDING YOUR REPORT FROM TIAA-CREF FUNDS

For the purposes of this report “TIAA-CREF Funds” refers only to the TIAA-CREF Fixed-Income Funds on the cover of this report. This annual report reflects the change of the fiscal year of the TIAA-CREF Funds, from September 30 to March 31. The funds will issue annual reports dated March 31 and semiannual reports dated September 30. This report contains information about the holdings of the TIAA-CREF Funds and describes their results for the six months ended March 31, 2011. The report contains three main sections:

- The fund performance section compares each fund’s investment returns with those of its benchmark index.

- The summary portfolios of investments list the issuers, industries and types of securities in which each fund had investments as of March 31, 2011.
- The financial statements provide detailed information about the operations and financial condition of each fund.

*As always, you should carefully consider the investment objectives, risks, charges and expenses of any fund before investing. For a prospectus that contains this and other important information, please visit our website at [tiaa-cref.org](http://tiaa-cref.org), or call 800 842-2252 for the Institutional, Retirement or Premier classes or 800 223-1200 for the Retail Class. We urge you to read the prospectus carefully before investing.*

## INFORMATION FOR INVESTORS

### PORTFOLIO HOLDINGS

Securities and Exchange Commission (SEC) rules allow investment companies to list the top holdings of each fund in their annual and semiannual reports instead of providing complete portfolio listings. The TIAA-CREF Funds also file complete portfolio listings with the SEC, and they are available to the public.

You can obtain a complete list of the TIAA-CREF Funds’ portfolio holdings (Schedules of Investments) as of the most recently completed fiscal quarter in the following ways:

- By visiting our website at [tiaa-cref.org](http://tiaa-cref.org); or
- By calling us at 800 842-2252 to request a copy, which will be provided free of charge.

You can also obtain a complete list of the TIAA-CREF Funds’ portfolio holdings as of the most recently completed fiscal quarter, and for prior quarter-ends, from the SEC. (Form N-CSR lists holdings as of March 31 or September 30; Form N-Q lists holdings as of December 31 or June 30.) Copies of these forms are available:

- Through the Electronic Data Gathering and Retrieval System (EDGAR) on the SEC’s website at [www.sec.gov](http://www.sec.gov); or
- From the SEC’s Office of Investor Education and Advocacy. (Call 202 551-8090 for more information.)

### PROXY VOTING

TIAA-CREF Funds’ ownership of stock gives it the right to vote on proxy issues of companies in which it invests. A description of our proxy voting policies and procedures can be found on our website at [tiaa-cref.org](http://tiaa-cref.org) or on the SEC’s website at [www.sec.gov](http://www.sec.gov). You can also call us at 800 842-2252 to request a free copy. A report of how the funds voted during the most recently completed twelve-month period ended June 30 can be found on our website or on Form N-PX at [www.sec.gov](http://www.sec.gov).

### CONTACTING TIAA-CREF

There are three easy ways to contact us: by e-mail, using the Contact Us link at the top of our home page; by mail at TIAA-CREF, 730 Third Avenue, New York, NY 10017-3206; or by phone at 800 842-2252.

### FUND MANAGEMENT

The TIAA-CREF Funds are managed by the portfolio management teams of Teachers Advisors, Inc. The members of these teams are responsible for the day-to-day investment management of the funds.

# ABOUT THE FUNDS' BENCHMARKS

## FIXED-INCOME INDEXES

The **Barclays Capital U.S. Aggregate Bond Index** measures the performance of 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 **Barclays Capital U.S. 1-5 Year Government/Credit Bond Index** measures the performance primarily of U.S. Treasury and agency securities and corporate bonds with 1-5 year maturities.

The **BofA Merrill Lynch BB-B U.S. Cash Pay High Yield Constrained Index** measures the performance of bond securities that pay interest in cash and have a credit rating of BB or B. BofA Merrill Lynch uses a composite of Fitch Ratings, Moody's and Standard & Poor's credit ratings in selecting bonds for this index. These ratings measure the risk that the bond issuer will fail to pay interest or to repay principal in full. The index is market weighted, so that

larger bond issues have a greater effect on the index's return. However, the representation of any single bond issuer is restricted to a maximum of 2% of the total index.

The **Barclays Capital 10-Year Municipal Bond Index** measures the performance of long-term, tax-exempt bonds. Bonds in the index must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following rating agencies: Moody's, Standard & Poor's and Fitch, and must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million.

The **Barclays Capital U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L)** measures the performance of fixed-income securities with fixed-rate coupon payments that are adjusted for inflation, as measured by the Consumer Price Index for All Urban Consumers (CPI-U).

You cannot invest directly in any index. Index returns do not include a deduction for fees or expenses.

# IMPORTANT INFORMATION ABOUT EXPENSES

The expenses paid by shareholders of a mutual fund fall into two categories. For the TIAA-CREF Funds, these expenses are as follows:

- **Transaction costs:** Although shareholders do not incur sales charges (loads) on purchases, on reinvested dividends or on other distributions, they may incur redemption fees on certain transactions in some funds. Please see the prospectus for details.
- **Ongoing costs:** All shareholders incur these costs, which include management fees and other fund expenses.

The examples that appear on the performance pages are intended to help you understand your ongoing costs (in U.S. dollars) of investing in each fund. The examples are also designed to help you compare these costs with the ongoing costs of investing in other mutual funds.

The examples are based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (October 1, 2010 to March 31, 2011).

## ACTUAL EXPENSES

The first section of each table uses the fund's actual expenses and its actual rate of return. You may use the

information in this section, together with the amount you invested at the beginning of the period, to estimate the expenses that you paid over the six-month period.

Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading "Expenses paid" to estimate the expenses you paid during the six-month period. Some funds have a contractual fee reimbursement. Had these not been in effect, fund expenses would have been higher.

## HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The second section of the table shows hypothetical account values and expenses based on the fund's actual expense ratio for the six-month period and an assumed 5% per year rate of return before expenses. This was not the fund's actual return.

This hypothetical example cannot be used to estimate the actual expenses you paid for the period but rather allows you to compare the ongoing costs of investing in this fund with the costs of other funds. To do so, compare our 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

# BOND FUND

## PORTFOLIO COMPOSITION

	% of net assets as of 3/31/2011
Mortgage-backed securities & commercial mortgage-backed securities	37.0
Corporate bonds	25.6
Foreign government, agency & corporate bonds denominated in U.S. dollars	14.0
U.S. Treasury securities	12.6
U.S. agency securities	5.9
Asset-backed securities	1.4
Municipal bonds	0.5
Short-term investments	23.4
Other assets & liabilities, net	-20.4
<b>Total</b>	<b>100.0</b>

## HOLDINGS BY MATURITY

	% of fixed-income investments as of 3/31/2011
Less than 1 year	21.0
1-3 years	11.2
3-5 years	12.9
5-10 years	13.3
Over 10 years	41.6
<b>Total</b>	<b>100.0</b>

## HOLDINGS BY CREDIT QUALITY\*

	% of fixed-income investments as of 3/31/2011
Aaa/AAA	68.5
Aa/AA	7.6
A/A	10.6
Baa/BBB	12.1
Ba/BB	0.6
B/B	0.5
Below B/B	0.1
<b>Total</b>	<b>100.0</b>

\* These figures are based on credit quality ratings from Moody's, Standard & Poor's and Fitch. Where Moody's ratings are not available, we have used Standard & Poor's or Fitch's ratings. These ratings are subject to change without notice.

## PERFORMANCE FOR THE SIX MONTHS ENDED MARCH 31, 2011

The Bond Fund returned -0.67% for the Institutional Class, compared with the -0.88% return of its benchmark, the Barclays Capital U.S. Aggregate Bond Index. For the year ended March 31, 2011, the fund returned 5.54%, versus 5.12% for the index. The table below shows returns for all share classes of the fund.

### The recovery sends mixed signals

During the period, the U.S. economy continued to improve, but fitfully. Gross domestic product, which measures the output of domestic goods and services, grew at an estimated annual rate of 3.1% in the fourth quarter of 2010 but slowed to 1.8% in the first quarter of 2011. In the fourth quarter, corporate profits were up 18% from the same period one year earlier. By the end of March, unemployment had dipped slightly, to 8.8%.

The sluggish pace of job growth, plus ongoing weakness in the housing market and high levels of personal debt, remained obstacles to a more robust recovery. In an effort to stimulate the economy, the Federal Reserve began buying U.S. Treasury securities, with the intention of lowering long-term interest rates. The Fed also encouraged lending by maintaining its target federal funds rate (the interest rate U.S. commercial banks charge one another for overnight loans) within a range of 0% to 0.25%.

The Barclays Capital U.S. Aggregate Bond Index, which measures the broad domestic investment-grade, fixed-rate bond market, ended the period down 0.88%. The index fell 1.30% in the fourth quarter of 2010, when the economic picture brightened and many investors sought higher returns in stocks. The index gained 0.42% in the first quarter of 2011, as some investors, buoyed by better-than-expected corporate earnings, turned to corporate bonds as well as to stocks.

## PERFORMANCE AS OF MARCH 31, 2011

Bond Fund	Total return		Average annual total return	
	6 months	1 year	5 years	10 years
<b>Institutional Class</b> (inception: 7/1/1999)	-0.67%	5.54%	5.59%	5.39%
<b>Retirement Class</b> (inception: 3/31/2006)	-0.76	5.33	5.33	5.26*
<b>Retail Class</b> (inception: 3/31/2006)	-0.74	5.38	5.45	5.32*
<b>Premier Class</b> (inception: 9/30/2009)	-0.75	5.48	5.56*	5.38*
Barclays Capital U.S. Aggregate Bond Index	-0.88	5.12	6.03	5.56

The returns in this report show past performance, which is no guarantee of future results. The returns do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares. Returns and the principal value of your investment will fluctuate. Current performance may be higher or lower than that shown, and you may have a gain or a loss when you redeem your shares. For current performance information, including performance to the most recent month-end, please visit [tiaa-cref.org](http://tiaa-cref.org).

You cannot invest directly in an index. Index returns do not include a deduction for fees or expenses.

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

### Losses in Treasuries drive the index lower

U.S. Treasury securities, which made up nearly one-third of the benchmark at period-end, returned -2.8% for the six months. Other declining sectors included corporate bonds (down 0.8%), U.S. agency securities (down 0.8%) and asset-backed securities (down 0.9%). The small commercial mortgage-backed sector performed best; it gained 3.0%. (Sector returns come from the components of the Barclays Capital aggregate index.)

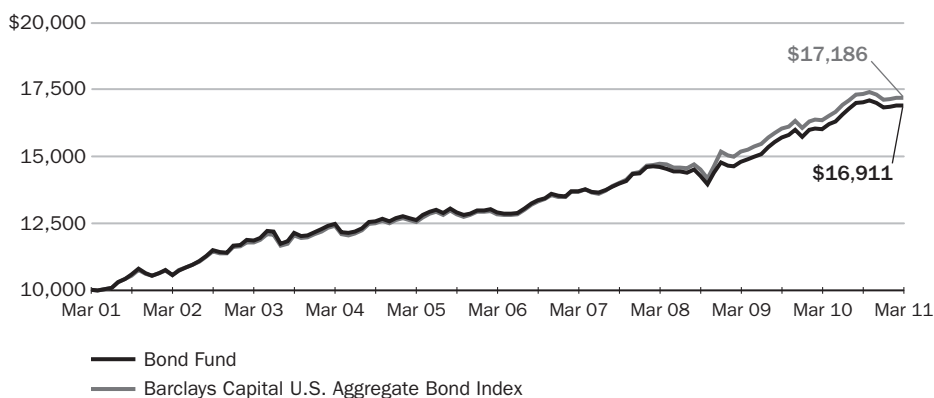
During the six months, the yield on 2-year Treasury notes rose from 0.42% at the beginning of the period to 0.80% on March 31, 2011. The 10-year yield increased from 2.53% to 3.47%.

### Successful sector weightings help the fund outperform

Within a challenging investment environment for fixed-income securities, the Bond Fund held up better than the Barclays Capital aggregate index on the strength of advantageous sector weightings, relative to those of its benchmark. In particular, overweight positions in corporate bonds and commercial mortgage-backed securities lifted the fund's return. Overweights in asset-backed securities also enhanced relative results slightly, as did an underweight in U.S. Treasury securities, which suffered outsized losses for the period.

### \$10,000 OVER 10 YEARS

#### Institutional Class



For the purpose of comparison, the graph also shows the change in the value of the fund's benchmark during the same period. The performance of the other share classes varies due to differences in expense charges.

### EXPENSE EXAMPLE

#### Six months ended March 31, 2011

Bond Fund	Beginning account value (10/1/10)	Ending account value (3/31/11)	Expenses paid during period* (10/1/10-3/31/11)
<b>Actual return</b>			
Institutional Class	\$1,000.00	\$ 993.25	\$1.64
Retirement Class	1,000.00	992.36	2.88
Retail Class	1,000.00	992.62	2.58
Premier Class	1,000.00	992.53	2.38
<b>5% annual hypothetical return</b>			
Institutional Class	1,000.00	1,023.29	1.66
Retirement Class	1,000.00	1,022.04	2.92
Retail Class	1,000.00	1,022.34	2.62
Premier Class	1,000.00	1,022.54	2.42

\* "Expenses paid" is based on the fund's actual expense ratio for the most recent fiscal half-year, multiplied by the average account value over the six-month period, multiplied by 182/365. There were 182 days in the six months ended March 31, 2011. The fund's annualized six-month expense ratio for that period was 0.33% for the Institutional Class, 0.58% for the Retirement Class, 0.52% for the Retail Class and 0.48% for the Premier Class. The expense charges of one or more of the fund's share classes may at times reflect a reimbursement. Please see the prospectus for an explanation, including the date on which this reimbursement is scheduled to end. Without any such reimbursement, the expenses of the affected share classes would be higher and their performance lower.

For more information about this expense example, please see page 3.

# BOND PLUS FUND

## PORTFOLIO COMPOSITION

	% of net assets as of 3/31/2011
Corporate bonds	30.2
Mortgage-backed securities & commercial mortgage-backed securities	29.4
Foreign government, agency & corporate bonds denominated in U.S. dollars	15.7
U.S. Treasury securities	14.0
Asset-backed securities	3.6
Bank loan obligations	1.3
Mutual funds	0.6
U.S. agency securities	0.4
Municipal bonds	0.3
Preferred stock	0.3
Short-term investments	9.9
Other assets & liabilities, net	-5.7
<b>Total</b>	<b>100.0</b>

## HOLDINGS BY MATURITY

	% of fixed-income investments as of 3/31/2011
Less than 1 year	11.1
1-3 years	5.6
3-5 years	16.5
5-10 years	25.1
Over 10 years	41.7
<b>Total</b>	<b>100.0</b>

## HOLDINGS BY CREDIT QUALITY\*

	% of fixed-income investments as of 3/31/2011
Aaa/AAA	47.8
Aa/AA	6.6
A/A	11.3
Baa/BBB	14.3
Ba/BB	10.3
B/B	8.2
Below B/B	1.5
<b>Total</b>	<b>100.0</b>

\* These figures are based on credit quality ratings from Moody's, Standard & Poor's and Fitch. Where Moody's ratings are not available, we have used Standard & Poor's or Fitch's ratings. These ratings are subject to change without notice.

## PERFORMANCE FOR THE SIX MONTHS ENDED MARCH 31, 2011

The Bond Plus Fund returned -0.03% for the Institutional Class, compared with the -0.88% return of its benchmark, the Barclays Capital U.S. Aggregate Bond Index. For the year ended March 31, 2011, the fund returned 6.67%, versus 5.12% for the index. The table below shows returns for all share classes of the fund.

### The recovery sends mixed signals

During the period, the U.S. economy continued to improve, but fitfully. Gross domestic product, which measures the output of domestic goods and services, grew at an estimated annual rate of 3.1% in the fourth quarter of 2010 but slowed to 1.8% in the first quarter of 2011. In the fourth quarter, corporate profits were up 18% from the same period one year earlier. By the end of March, unemployment had dipped slightly, to 8.8%.

The sluggish pace of job growth, plus ongoing weakness in the housing market and high levels of personal debt, remained obstacles to a more robust recovery. In an effort to stimulate the economy, the Federal Reserve began buying U.S. Treasury securities, with the intention of lowering long-term interest rates. The Fed also encouraged lending by maintaining its target federal funds rate (the interest rate U.S. commercial banks charge one another for overnight loans) within a range of 0% to 0.25%.

The Barclays Capital U.S. Aggregate Bond Index, which measures the broad domestic investment-grade, fixed-rate bond market, ended the period down 0.88%. The index fell 1.30% in the fourth quarter of 2010, when the economic picture brightened and many investors sought higher returns in stocks. The index gained 0.42% in the first quarter of 2011, as some investors, buoyed by better-than-expected corporate earnings, turned to corporate bonds as well as to stocks.

## PERFORMANCE AS OF MARCH 31, 2011

Bond Plus Fund	Total return		Average annual total return	
	6 months	1 year	5 years	since fund inception
<b>Institutional Class</b> (inception: 3/31/2006)	-0.03%	6.67%	5.34%	5.34%
<b>Retirement Class</b> (inception: 3/31/2006)	-0.16	6.40	5.10	5.10
<b>Retail Class</b> (inception: 3/31/2006)	-0.14	6.42	5.21	5.21
<b>Premier Class</b> (inception: 9/30/2009)	-0.11	6.51	5.30*	5.30*
Barclays Capital U.S. Aggregate Bond Index	-0.88	5.12	6.03	6.03

The returns in this report show past performance, which is no guarantee of future results. The returns do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares. Returns and the principal value of your investment will fluctuate. Current performance may be higher or lower than that shown, and you may have a gain or a loss when you redeem your shares. For current performance information, including performance to the most recent month-end, please visit [tiaa-cref.org](http://tiaa-cref.org).

You cannot invest directly in an index. Index returns do not include a deduction for fees or expenses.

\* The performance shown for the Premier Class that is prior to its inception date is based on the performance of the fund's Institutional Class. The performance for this period has not been restated to reflect the higher expenses of the Premier Class. If those higher expenses had been reflected, the performance of the Premier Class shown for this period would have been lower.

### Losses in Treasuries drive the index lower

U.S. Treasury securities, which made up nearly one-third of the benchmark at period-end, returned -2.8% for the six months. Other declining sectors included corporate bonds (down 0.8%), U.S. agency securities (down 0.8%) and asset-backed securities (down 0.9%). The small commercial mortgage-backed sector performed best; it gained 3.0%. (Sector returns come from the components of the Barclays Capital aggregate index.)

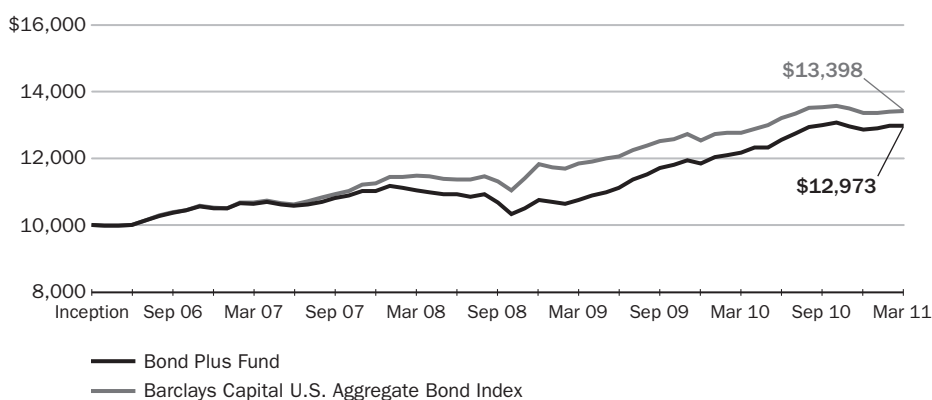
During the six months, the yield on 2-year Treasury notes rose from 0.42% at the beginning of the period to 0.80% on March 31, 2011. The 10-year yield increased from 2.53% to 3.47%.

### Successful sector weightings help the fund outperform

Within a challenging investment environment for fixed-income securities, the return of the Bond Plus Fund was nearly flat, compared with the decline of the Barclays Capital aggregate index. The fund held up better than the index on the strength of advantageous sector weightings, relative to those of its benchmark. In particular, overweight positions in corporate securities and out-of-benchmark holdings in high-yield bonds lifted the fund's return. Overweights in asset-backed and commercial mortgage-backed securities also enhanced relative results slightly, as did a substantial underweight in U.S. Treasury securities, which suffered outsized losses for the period.

### \$10,000 INVESTED AT FUND'S INCEPTION

#### Institutional Class (inception March 31, 2006)



For the purpose of comparison, the graph also shows the change in the value of the fund's benchmark during the same period. The performance of the other share classes varies due to differences in expense charges.

### EXPENSE EXAMPLE

#### Six months ended March 31, 2011

Bond Plus Fund	Beginning account value (10/1/10)	Ending account value (3/31/11)	Expenses paid during period* (10/1/10-3/31/11)
<b>Actual return</b>			
Institutional Class	\$1,000.00	\$ 999.66	\$1.74
Retirement Class	1,000.00	998.42	2.99
Retail Class	1,000.00	998.57	2.89
Premier Class	1,000.00	998.90	2.49
<b>5% annual hypothetical return</b>			
Institutional Class	1,000.00	1,023.19	1.77
Retirement Class	1,000.00	1,021.94	3.02
Retail Class	1,000.00	1,022.04	2.92
Premier Class	1,000.00	1,022.44	2.52

\* "Expenses paid" is based on the fund's actual expense ratio for the most recent fiscal half-year, multiplied by the average account value over the six-month period, multiplied by 182/365. There were 182 days in the six months ended March 31, 2011. The fund's annualized six-month expense ratio for that period was 0.35% for the Institutional Class, 0.60% for the Retirement Class, 0.58% for the Retail Class and 0.50% for the Premier Class. The expense charges of one or more of the fund's share classes may at times reflect a reimbursement. Please see the prospectus for an explanation, including the date on which this reimbursement is scheduled to end. Without any such reimbursement, the expenses of the affected share classes would be higher and their performance lower.

For more information about this expense example, please see page 3.

# SHORT-TERM BOND FUND

## PORTFOLIO COMPOSITION

	% of net assets as of 3/31/2011
Corporate bonds	31.1
U.S. Treasury securities	31.0
Foreign government, agency & corporate bonds denominated in U.S. dollars	14.0
U.S. agency securities	8.3
Asset-backed securities	5.8
Mortgage-backed securities & commercial mortgage-backed securities	1.8
Bank loan obligations	1.4
Other assets & liabilities, net	6.6
<b>Total</b>	<b>100.0</b>

## HOLDINGS BY MATURITY

	% of fixed-income investments as of 3/31/2011
Less than 1 year	7.4
1-3 years	56.9
3-5 years	27.9
5-10 years	3.5
Over 10 years	4.3
<b>Total</b>	<b>100.0</b>

## HOLDINGS BY CREDIT QUALITY\*

	% of fixed-income investments as of 3/31/2011
Aaa/AAA	53.5
Aa/AA	11.7
A/A	11.5
Baa/BBB	15.3
Ba/BB	3.9
B/B	3.2
Below B/B	0.9
<b>Total</b>	<b>100.0</b>

\* These figures are based on credit quality ratings from Moody's, Standard & Poor's and Fitch. Where Moody's ratings are not available, we have used Standard & Poor's or Fitch's ratings. These ratings are subject to change without notice.

## PERFORMANCE FOR THE SIX MONTHS ENDED MARCH 31, 2011

The Short-Term Bond Fund returned -0.20% for the Institutional Class, compared with the -0.33% return of its benchmark, the Barclays Capital U.S. 1-5 Year Government/Credit Bond Index. For the year ended March 31, 2011, the fund returned 3.74%, versus 3.13% for the index. The table below shows returns for all share classes of the fund.

### The recovery sends mixed signals

During the period, the U.S. economy continued to improve, but fitfully. Gross domestic product, which measures the output of domestic goods and services, grew at an estimated annual rate of 3.1% in the fourth quarter of 2010 but slowed to 1.8% in the first quarter of 2011. In the fourth quarter, corporate profits were up 18% from the same period one year earlier. By the end of March, unemployment had dipped slightly, to 8.8%.

The sluggish pace of job growth, plus ongoing weakness in the housing market and high levels of personal debt, remained obstacles to a more robust recovery. In an effort to stimulate the economy, the Federal Reserve began buying U.S. Treasury securities, with the intention of lowering long-term interest rates. The Fed also encouraged lending by maintaining its target federal funds rate (the interest rate U.S. commercial banks charge one another for overnight loans) within a range of 0% to 0.25%.

### Short-term bonds hold up better than the broad market

For the period, the decline in the Barclays Capital short-term bond index was less than the 0.88% loss of the Barclays Capital U.S. Aggregate Bond Index, a measure of the broad U.S. investment-grade, fixed-rate bond market.

## PERFORMANCE AS OF MARCH 31, 2011

Short-Term Bond Fund	Total return		Average annual total return	
	6 months	1 year	5 years	since fund inception
<b>Institutional Class</b> (inception: 3/31/2006)	-0.20%	3.74%	4.51%	4.51%
<b>Retirement Class</b> (inception: 3/31/2006)	-0.32	3.48	4.27	4.27
<b>Retail Class</b> (inception: 3/31/2006)	-0.30	3.52	4.39	4.39
<b>Premier Class</b> (inception: 9/30/2009)	-0.18	3.58	4.48*	4.48*
Barclays Capital U.S. 1-5 Year Government/Credit Bond Index	-0.33	3.13	5.08	5.08

The returns in this report show past performance, which is no guarantee of future results. The returns do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares. Returns and the principal value of your investment will fluctuate. Current performance may be higher or lower than that shown, and you may have a gain or a loss when you redeem your shares. For current performance information, including performance to the most recent month-end, please visit [tiaa-cref.org](http://tiaa-cref.org).

You cannot invest directly in an index. Index returns do not include a deduction for fees or expenses.

\* The performance shown for the Premier Class that is prior to its inception date is based on the performance of the fund's Institutional Class. The performance for this period has not been restated to reflect the higher expenses of the Premier Class. If those higher expenses had been reflected, the performance of the Premier Class shown for this period would have been lower.

The short-term index fell 0.60% in the fourth quarter of 2010, when the economic picture brightened and many investors sought higher returns in stocks. The index gained 0.27% in the first quarter of 2011, as some investors, buoyed by better-than-expected corporate earnings, turned to corporate bonds—including short-term securities—as well as to stocks.

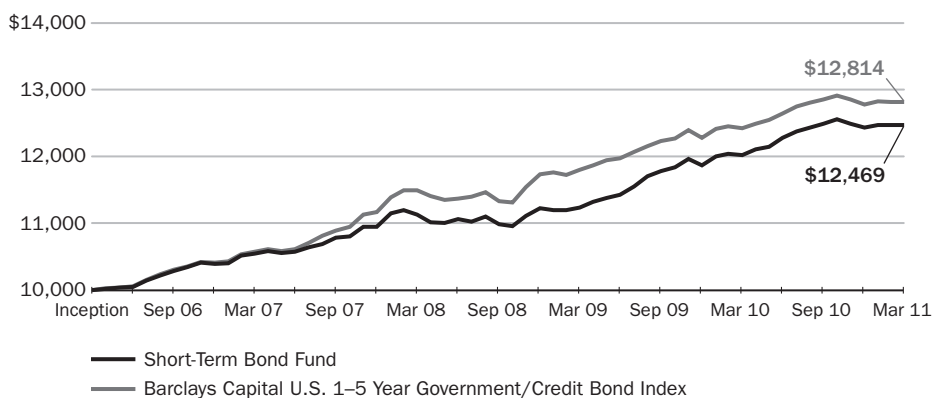
U.S. Treasury securities, which made up more than half of the short-term index on March 31, 2011, returned -0.7% for the period. This substantial drag on the performance of the index was partly offset by the 0.5% return of corporate bonds. Government-related securities returned -0.2%. The yield on 2-year Treasury notes rose from 0.42% at the beginning of the six months to 0.80% at period-end. The 5-year Treasury yield increased from 1.27% to 2.24%.

### Successful sector weightings help the fund outperform

Despite its disappointing absolute return, the Short-Term Bond Fund outperformed the Barclays Capital short-term bond index on the strength of advantageous sector weightings, relative to those of its benchmark. In particular, investments in short-term asset-backed securities, which are not included in the benchmark, lifted the fund's return. Overweights in corporate securities, including out-of-benchmark holdings in high-yield bonds, also enhanced relative results, as did an underweight in U.S. Treasury securities, which suffered outsized losses for the period.

### \$10,000 INVESTED AT FUND'S INCEPTION

#### Institutional Class (inception March 31, 2006)



For the purpose of comparison, the graph also shows the change in the value of the fund's benchmark during the same period. The performance of the other share classes varies due to differences in expense charges.

### EXPENSE EXAMPLE

#### Six months ended March 31, 2011

Short-Term Bond Fund	Beginning account value (10/1/10)	Ending account value (3/31/11)	Expenses paid during period* (10/1/10-3/31/11)
<b>Actual return</b>			
Institutional Class	\$1,000.00	\$ 998.01	\$1.49
Retirement Class	1,000.00	996.77	2.74
Retail Class	1,000.00	997.02	2.49
Premier Class	1,000.00	998.21	2.24
<b>5% annual hypothetical return</b>			
Institutional Class	1,000.00	1,023.44	1.51
Retirement Class	1,000.00	1,022.19	2.77
Retail Class	1,000.00	1,022.44	2.52
Premier Class	1,000.00	1,022.69	2.27

\* "Expenses paid" is based on the fund's actual expense ratio for the most recent fiscal half-year, multiplied by the average account value over the six-month period, multiplied by 182/365. There were 182 days in the six months ended March 31, 2011. The fund's annualized six-month expense ratio for that period was 0.30% for the Institutional Class, 0.55% for the Retirement Class, 0.50% for the Retail Class and 0.45% for the Premier Class. The expense charges of one or more of the fund's share classes may at times reflect a reimbursement. Please see the prospectus for an explanation, including the date on which this reimbursement is scheduled to end. Without any such reimbursement, the expenses of the affected share classes would be higher and their performance lower.

For more information about this expense example, please see page 3.

# HIGH-YIELD FUND

## HOLDINGS BY MATURITY

	% of portfolio investments as of 3/31/2011
Less than 1 year	0.6
1-3 years	1.9
3-5 years	14.4
5-10 years	75.0
Over 10 years	8.1
<b>Total</b>	<b>100.0</b>

## HOLDINGS BY CREDIT QUALITY\*

	% of fixed-income investments as of 3/31/2011
Baa/BBB	1.9
Ba/BB	43.3
B/B	49.4
Below B/B	4.8
Short-term investments	0.6
<b>Total</b>	<b>100.0</b>

\* These figures are based on credit quality ratings from Moody's, Standard & Poor's and Fitch. Where Moody's ratings are not available, we have used Standard & Poor's or Fitch's ratings. These ratings are subject to change without notice.

## PERFORMANCE FOR THE SIX MONTHS ENDED MARCH 31, 2011

The High-Yield Fund returned 6.22% for the Institutional Class, compared with the 6.13% return of its benchmark, the BofA Merrill Lynch BB-B U.S. Cash Pay High Yield Constrained Index. For the year ended March 31, 2011, the fund returned 14.20%, versus 13.63% for the index. The table below shows returns for all share classes of the fund.

### High-yield stays strongly positive in a declining bond market

The rally in the high-yield bond market that began in the first quarter of 2009 continued during the six-month period covered by this report. The fund's benchmark index gained 2.40% for the fourth quarter of 2010 and 3.65% for the first quarter of 2011.

The Federal Reserve's purchases of U.S. Treasury securities, first announced in August 2010 and intended to keep long-term interest rates low, helped to support gains in both the high-yield market and the stock market.

For the six months, the return of high-yield bonds, as measured by the fund's benchmark, trailed the 18.71% return of U.S. stocks, as measured by the Russell 3000® Index. However, high-yield bonds' solid performance stood in sharp contrast to the 0.88% loss recorded by the broad investment-grade, fixed-rate bond market, as measured by the Barclays Capital U.S. Aggregate Bond Index.

### Returns are solid across most sectors

Of the 70 industry sectors in the fund's benchmark, 68 posted positive results for the six months; returns ranged from 17.8% for the telecommunications equipment sector to -11.0% for the engineering infrastructure sector.

## PERFORMANCE AS OF MARCH 31, 2011

High-Yield Fund*	Total return		Average annual total return	
	6 months	1 year	5 years	since fund inception
<b>Institutional Class</b> (inception: 3/31/2006)	6.22%	14.20%	8.36%	8.36%
<b>Retirement Class</b> (inception: 3/31/2006)	6.09	13.91	8.08	8.08
<b>Retail Class</b> (inception: 3/31/2006)	6.11	13.94	8.25	8.25
<b>Premier Class</b> (inception: 9/30/2009)	6.14	14.03	8.31†	8.31†
BofA Merrill Lynch BB-B U.S. Cash Pay High Yield Constrained Index	6.13	13.63	7.93	7.93

*The returns in this report show past performance, which is no guarantee of future results. The returns do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares. Returns and the principal value of your investment will fluctuate. Current performance may be higher or lower than that shown, and you may have a gain or a loss when you redeem your shares. For current performance information, including performance to the most recent month-end, please visit [tiaa-cref.org](http://tiaa-cref.org).*

You cannot invest directly in an index. Index returns do not include a deduction for fees or expenses.

\* Shares held 60 calendar days or less may be subject to a redemption fee of 2%. Please see the prospectus for details.

† The performance shown for the Premier Class that is prior to its inception date is based on the performance of the fund's Institutional Class. The performance for this period has not been restated to reflect the higher expenses of the Premier Class. If those higher expenses had been reflected, the performance of the Premier Class shown for this period would have been lower.

Bonds with lower credit ratings outperformed those of higher quality for the period. However, the difference between the returns of BB and CCC bonds narrowed significantly. For the first quarter of 2011, BB bonds returned 3.94%, versus 4.86% for those in the C-CCC categories.

### Sector and security selections boost the fund above its benchmark

The fund not only produced a solid absolute return, it also outperformed its benchmark, because of a combination of favorable sector allocations and individual security choices. In particular, the fund benefited from an overweight in the gas distribution sector, while losing some relative performance because of underweights in the wireless telecommunication and building materials sectors.

The largest individual contributor to relative performance was an overweight position in Atlas Energy, whose bond prices were lifted by the announcement in November 2010 that the company would be acquired by Chevron. Other overweights that helped relative returns included Sabine Pass, a Louisiana liquid natural gas facility; Pinafore, an auto engineering company; and Nielsen Finance.

These positive results more than offset the negative effects of several other holdings, including underweights in coal mining company FMG Resources, power producer Midwest Generation and Level 3 Financing.

### EXPENSE EXAMPLE

#### Six months ended March 31, 2011

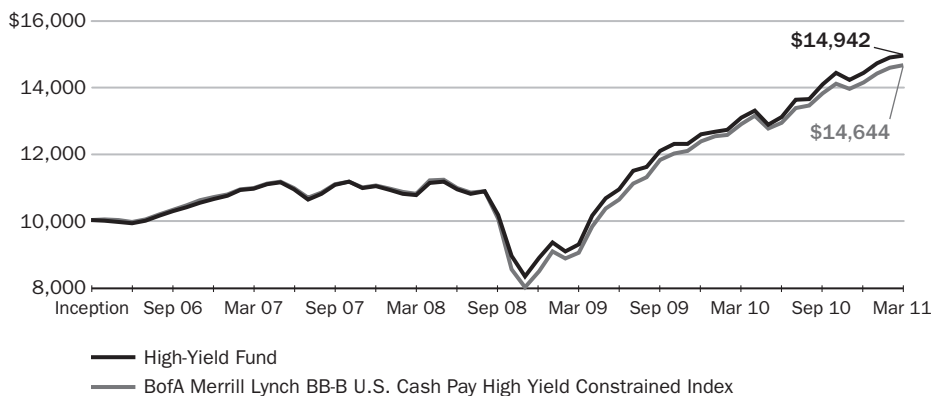
High-Yield Fund	Beginning account value (10/1/10)	Ending account value (3/31/11)	Expenses paid during period* (10/1/10-3/31/11)
<b>Actual return</b>			
Institutional Class	\$1,000.00	\$1,062.22	\$2.06
Retirement Class	1,000.00	1,060.89	3.34
Retail Class	1,000.00	1,061.11	3.03
Premier Class	1,000.00	1,061.42	2.83
<b>5% annual hypothetical return</b>			
Institutional Class	1,000.00	1,022.94	2.02
Retirement Class	1,000.00	1,021.69	3.28
Retail Class	1,000.00	1,021.99	2.97
Premier Class	1,000.00	1,022.19	2.77

\* "Expenses paid" is based on the fund's actual expense ratio for the most recent fiscal half-year, multiplied by the average account value over the six-month period, multiplied by 182/365. There were 182 days in the six months ended March 31, 2011. The fund's annualized six-month expense ratio for that period was 0.40% for the Institutional Class, 0.65% for the Retirement Class, 0.59% for the Retail Class and 0.55% for the Premier Class. The expense charges of one or more of the fund's share classes may at times reflect a reimbursement. Please see the prospectus for an explanation, including the date on which this reimbursement is scheduled to end. Without any such reimbursement, the expenses of the affected share classes would be higher and their performance lower.

For more information about this expense example, please see page 3.

### \$10,000 INVESTED AT FUND'S INCEPTION

#### Institutional Class (inception March 31, 2006)



For the purpose of comparison, the graph also shows the change in the value of the fund's benchmark during the same period. The performance of the other share classes varies due to differences in expense charges.

# TAX-EXEMPT BOND FUND

## HOLDINGS BY MATURITY

	% of portfolio investments as of 3/31/2011
Less than 1 year	0.2
1-3 years	1.2
3-5 years	7.2
5-10 years	54.8
Over 10 years	36.6
<b>Total</b>	<b>100.0</b>

## HOLDINGS BY CREDIT QUALITY\*

	% of fixed-income investments as of 3/31/2011
Aaa/AAA	8.6
Aa/AA	36.0
A/A	27.2
Baa/BBB	17.0
Ba/BB	1.5
Non-rated	9.7
<b>Total</b>	<b>100.0</b>

\* These figures are based on credit quality ratings from Moody's, Standard & Poor's and Fitch. Where Moody's ratings are not available, we have used Standard & Poor's or Fitch's ratings. These ratings are subject to change without notice.

## PERFORMANCE FOR THE SIX MONTHS ENDED MARCH 31, 2011

The Tax-Exempt Bond Fund returned -4.07% for the Institutional Class, compared with the -2.92% return of its benchmark, the Barclays Capital 10-Year Municipal Bond Index. For the year ended March 31, 2011, the fund returned 2.02%, versus 3.39% for the index. The table below shows returns for all share classes of the fund.

### The recovery sends mixed signals

During the period, gross domestic product, which measures the output of domestic goods and services, grew at an estimated annual rate of 3.1% in the fourth quarter of 2010 but slowed to 1.8% in the first quarter of 2011. By the end of March, unemployment had dipped slightly, to 8.8%.

The sluggish pace of job growth, plus ongoing weakness in the housing market and high levels of personal debt, remained obstacles to a full recovery. In an effort to stimulate the economy, the Federal Reserve began buying U.S. Treasury securities, with the intention of lowering long-term interest rates, and maintained its target federal funds rate (the interest rate U.S. commercial banks charge one another for overnight loans) within a range of 0% to 0.25%.

### Municipal bonds endure a bumpy ride

For the six months, the fund's benchmark lagged the -0.88% return of the Barclays Capital U.S. Aggregate Bond Index, a measure of the broad domestic investment-grade, fixed-rate bond market.

The benchmark lost 3.66% in the fourth quarter of 2010, when prices for municipal bonds fell sharply. As upbeat news about the U.S. economy and

## PERFORMANCE AS OF MARCH 31, 2011

Tax-Exempt Bond Fund	Total return		Average annual total return	
	6 months	1 year	5 years	since inception
<b>Institutional Class</b> (inception: 3/31/2006)	-4.07%	2.02%	4.16%	4.16%
<b>Retail Class</b> (inception: 3/31/2006)	-4.14	1.85	4.06	4.06
Barclays Capital 10-Year Municipal Bond Index	-2.92	3.39	5.03	5.03

*The returns in this report show past performance, which is no guarantee of future results. The returns do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares. Returns and the principal value of your investment will fluctuate. Current performance may be higher or lower than that shown, and you may have a gain or a loss when you redeem your shares. For current performance information, including performance to the most recent month-end, please visit [tiaa-cref.org](http://tiaa-cref.org).*

You cannot invest directly in an index. Index returns do not include a deduction for fees or expenses.

negative reports about state economies made headlines, many investors abandoned municipal bond funds for stocks. At the same time, municipalities flooded the market with taxable Build America Bonds in anticipation of that program's expiration at year-end. (On these bonds, the federal government partly subsidized the interest paid to investors, aiding strapped local governments.) When the municipal bond market stabilized in the first quarter of 2011 and associated mutual fund redemptions declined, causing less downward pressure on prices, the benchmark rose 0.76%.

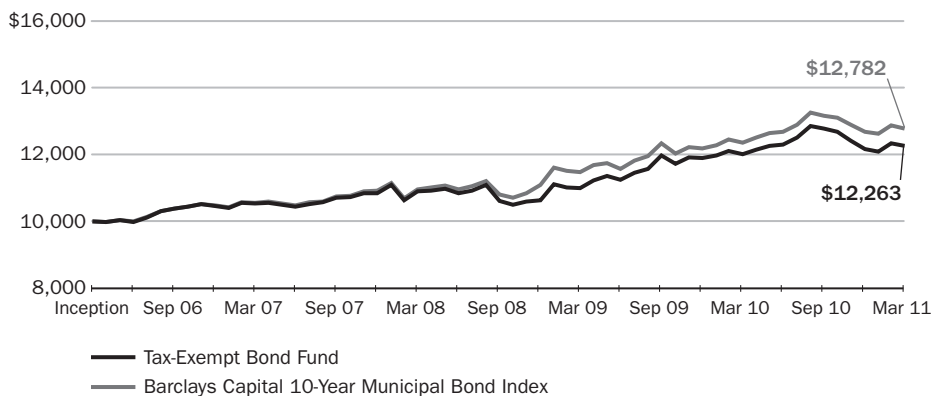
Although all sectors of the municipal bond market lost ground for the six months, higher-quality issues held up better than their lower-rated counterparts. Resource recovery and housing bonds outperformed riskier industrial revenue, transportation and hospital issues. On March 31, 2011, 10-year, tax-exempt municipal bonds earned 93% of the yield on comparable U.S. Treasury securities, down from 98% at the beginning of the period.

### The fund lags its benchmark

The fund trailed its benchmark for the period because of underperformance of more than one percentage point, relative to the index, in the fourth quarter of 2010. The lagging performance resulted primarily from overweight positions and unfavorable security selections in local general obligation bonds and in the industrial revenue and lease revenue sectors. Underweights in securities issued by California and New York State also trimmed relative results during the quarter. The fund matched the index's return in the first quarter of 2011, as it gradually reduced its exposure to industrial revenue bonds and increased its investments in California's securities.

### \$10,000 INVESTED AT FUND'S INCEPTION

#### Institutional Class (inception March 31, 2006)



For the purpose of comparison, the graph also shows the change in the value of the fund's benchmark during the same period. The performance of the other share class varies due to differences in expense charges.

### EXPENSE EXAMPLE

#### Six months ended March 31, 2011

Tax-Exempt Bond Fund	Beginning account value (10/1/10)	Ending account value (3/31/11)	Expenses paid during period* (10/1/10-3/31/11)
<b>Actual return</b>			
Institutional Class	\$1,000.00	\$ 959.32	\$1.71
Retail Class	1,000.00	958.61	2.49
<b>5% annual hypothetical return</b>			
Institutional Class	1,000.00	1,023.19	1.77
Retail Class	1,000.00	1,022.39	2.57

\* "Expenses paid" is based on the fund's actual expense ratio for the most recent fiscal half-year, multiplied by the average account value over the six-month period, multiplied by 182/365. There were 182 days in the six months ended March 31, 2011. The fund's annualized six-month expense ratio for that period was 0.35% for the Institutional Class and 0.51% for the Retail Class. The expense charges of one or more of the fund's share classes may at times reflect a reimbursement. Please see the prospectus for an explanation, including the date on which this reimbursement is scheduled to end. Without any such reimbursement, the expenses of the affected share classes would be higher and their performance lower.

For more information about this expense example, please see page 3.

# INFLATION-LINKED BOND FUND

## HOLDINGS BY MATURITY

	% of portfolio investments as of 3/31/2011
1-3 years	18.8
3-5 years	19.6
5-10 years	31.7
10-20 years	29.9
Total	100.0

## PERFORMANCE FOR THE SIX MONTHS ENDED MARCH 31, 2011

The Inflation-Linked Bond Fund returned 1.05% for the Institutional Class, compared with the 1.42% return of its benchmark, the Barclays Capital U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L). For the year ended March 31, 2011, the fund returned 7.73%, versus 7.91% for the index. The table below shows returns for all share classes of the fund.

### The recovery sends mixed signals

During the period, the U.S. economy continued to improve, but fitfully. Gross domestic product, which measures the output of domestic goods and services, grew at an estimated annual rate of 3.1% in the fourth quarter of 2010 but slowed to 1.8% in the first quarter of 2011. In the fourth quarter, corporate profits were up 18% from the same period a year earlier. By the end of March, unemployment had dipped slightly, to 8.8%.

The sluggish pace of job growth, plus ongoing weakness in the housing market and high levels of personal debt, remained obstacles to a more robust recovery. In an effort to stimulate the economy, the Federal Reserve began buying U.S. Treasury securities, with the intention of lowering long-term interest rates. The Fed also encouraged lending by maintaining its target federal funds rate (the interest rate U.S. commercial banks charge one another for overnight loans) within a range of 0% to 0.25%.

Inflation trended upward during the six months. The Consumer Price Index ended the period 2.7% higher than it had been twelve months earlier. Oil began the six-month period at \$80 a barrel but reached \$107 a barrel at the end of March, as political change in the oil-producing North African and Middle East regions raised concerns about future supply.

## PERFORMANCE AS OF MARCH 31, 2011

Inflation-Linked Bond Fund	Total return		Average annual total return	
	6 months	1 year	5 years	since fund inception
<b>Institutional Class</b> (inception: 10/1/2002)	1.05%	7.73%	5.86%	5.52%
<b>Retirement Class</b> (inception: 3/31/2006)	0.83	7.40	5.64	5.39*
<b>Retail Class</b> (inception: 10/1/2002)	0.98	7.58	5.73	5.38
<b>Premier Class</b> (inception: 9/30/2009)	0.89	7.60	5.80*	5.48*
Barclays Capital U.S. Treasury Inflation Protected Securities Index (Series-L)	1.42	7.91	6.25	5.82

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You cannot invest directly in an index. Index returns do not include a deduction for fees or expenses.

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

### TIPS outpace the broad bond market

With a recovering global economy and continued low interest rates in the United States, TIPS declined 0.65% for the fourth quarter of 2010, in part because investors sought potentially greater returns from stocks and high-yield corporate bonds. TIPS gained 2.08% in the first quarter of 2011, as increased economic and market volatility led investors back into high-quality instruments like U.S. Treasuries, including TIPS.

For the six months, TIPS outpaced the -0.88% return of the investment-grade, fixed-rate bond market, as measured by the Barclays Capital U.S. Aggregate Bond Index. For the five years ended March 31, 2011, the TIPS index produced an average annual gain of 6.25%, topping the 6.03% average return of the Barclays Capital aggregate index.

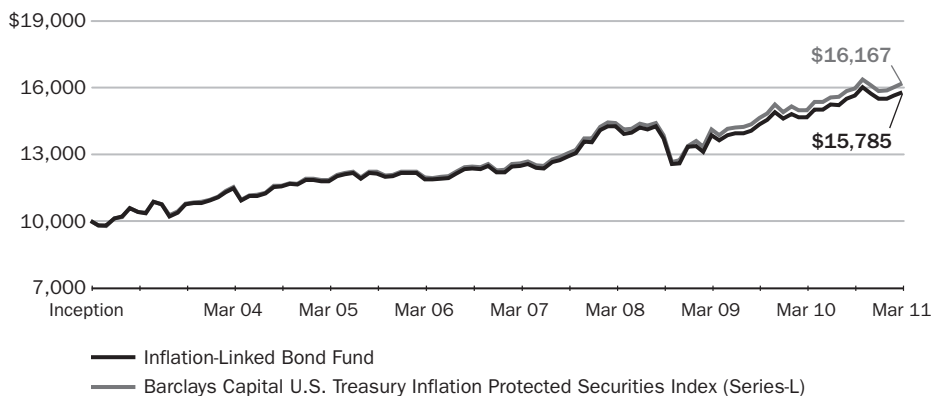
### The fund trails its benchmark

The fund lagged the TIPS index partly because the fund's return includes a deduction for expenses, while the benchmark's does not. Because the fund holds substantially the same portfolio as the benchmark, the discussion of the benchmark's performance above is applicable to the performance of the fund.

Throughout the period, the fund's managers kept the fund's duration—a measure of its sensitivity to interest rate changes—close to that of its benchmark. This strategy is designed to help the fund more closely track the characteristics of its benchmark.

### \$10,000 INVESTED AT FUND'S INCEPTION

#### Institutional Class (inception October 1, 2002)



For the purpose of comparison, the graph also shows the change in the value of the fund's benchmark during the same period. The performance of the other share classes varies due to differences in expense charges.

### EXPENSE EXAMPLE

#### Six months ended March 31, 2011

Inflation-Linked Bond Fund	Beginning account value (10/1/10)	Ending account value (3/31/11)	Expenses paid during period* (10/1/10-3/31/11)
<b>Actual return</b>			
Institutional Class	\$1,000.00	\$1,010.50	\$1.45
Retirement Class	1,000.00	1,008.25	2.70
Retail Class	1,000.00	1,009.75	2.35
Premier Class	1,000.00	1,008.85	2.20
<b>5% annual hypothetical return</b>			
Institutional Class	1,000.00	1,023.49	1.46
Retirement Class	1,000.00	1,022.24	2.72
Retail Class	1,000.00	1,022.59	2.37
Premier Class	1,000.00	1,022.74	2.22

\* "Expenses paid" is based on the fund's actual expense ratio for the most recent fiscal half-year, multiplied by the average account value over the six-month period, multiplied by 182/365. There were 182 days in the six months ended March 31, 2011. The fund's annualized six-month expense ratio for that period was 0.29% for the Institutional Class, 0.54% for the Retirement Class, 0.47% for the Retail Class and 0.44% for the Premier Class. The expense charges of one or more of the fund's share classes may at times reflect a reimbursement. Please see the prospectus for an explanation, including the date on which this reimbursement is scheduled to end. Without any such reimbursement, the expenses of the affected share classes would be higher and their performance lower.

For more information about this expense example, please see page 3.

# BOND INDEX FUND

## PORTFOLIO COMPOSITION

	% of net assets as of 3/31/2011
Mortgage-backed securities & commercial mortgage-backed securities	35.3
U.S. Treasury securities	32.8
Corporate bonds	17.1
Foreign government, agency & corporate bonds denominated in U.S. dollars	7.3
U.S. agency securities	5.7
Municipal bonds	0.9
Asset-backed securities	0.2
Other assets & liabilities, net	0.7
<b>Total</b>	<b>100.0</b>

## HOLDINGS BY MATURITY

	% of fixed-income investments as of 3/31/2011
Less than 1 year	0.8
1-3 years	17.7
3-5 years	21.5
5-10 years	14.4
Over 10 years	45.6
<b>Total</b>	<b>100.0</b>

## HOLDINGS BY CREDIT QUALITY\*

	% of fixed-income investments as of 3/31/2011
Aaa/AAA	77.5
Aa/AA	4.5
A/A	9.2
Baa/BBB	8.5
Ba/BB	0.3
<b>Total</b>	<b>100.0</b>

\* These figures are based on credit quality ratings from Moody's, Standard & Poor's and Fitch. Where Moody's ratings are not available, we have used Standard & Poor's or Fitch's ratings. These ratings are subject to change without notice.

## PERFORMANCE FOR THE SIX MONTHS ENDED MARCH 31, 2011

The Bond Index Fund returned -1.11% for the Institutional Class, compared with the -0.88% return of its benchmark, the Barclays Capital U.S. Aggregate Bond Index. For the year ended March 31, 2011, the fund returned 4.99%, versus 5.12% for the index. The table below shows returns for all share classes of the fund.

### The recovery sends mixed signals

During the period, the U.S. economy continued to improve, but fitfully. Gross domestic product, which measures the output of domestic goods and services, grew at an estimated annual rate of 3.1% in the fourth quarter of 2010 but slowed to 1.8% in the first quarter of 2011. In the fourth quarter, corporate profits were up 18% from the same period one year earlier. By the end of March, unemployment had dipped slightly, to 8.8%.

The sluggish pace of job growth, plus ongoing weakness in the housing market and high levels of personal debt, remained obstacles to a more robust recovery. In an effort to stimulate the economy, the Federal Reserve began buying U.S. Treasury securities, with the intention of lowering long-term interest rates. The Fed also encouraged lending by maintaining its target federal funds rate (the interest rate U.S. commercial banks charge one another for overnight loans) within a range of 0% to 0.25%.

The Barclays Capital U.S. Aggregate Bond Index, which measures the broad domestic investment-grade, fixed-rate bond market, ended the period down 0.88%. The index fell 1.30% in the fourth quarter of 2010, when the economic picture brightened and many investors sought higher returns in stocks. The index gained 0.42% in the first quarter of 2011, as some investors, buoyed by better-than-expected corporate earnings, turned to corporate bonds as well as to stocks.

## PERFORMANCE AS OF MARCH 31, 2011

Bond Index Fund	Total return		Average annual total return
	6 months	1 year	since fund inception
<b>Institutional Class</b> (inception: 9/14/2009)	-1.11%	4.99%	4.60%
<b>Retirement Class</b> (inception: 9/14/2009)	-1.14	4.83	4.40
<b>Retail Class</b> (inception: 9/14/2009)	-1.19	4.72	4.31
<b>Premier Class</b> (inception: 9/30/2009)	-1.09	4.83	4.45*
Barclays Capital U.S. Aggregate Bond Index	-0.88	5.12	5.03

The returns in this report show past performance, which is no guarantee of future results. The returns do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares. Returns and the principal value of your investment will fluctuate. Current performance may be higher or lower than that shown, and you may have a gain or a loss when you redeem your shares. For current performance information, including performance to the most recent month-end, please visit [tiaa-cref.org](http://tiaa-cref.org).

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\* The performance shown for the Premier Class that is prior to its inception date is based on the performance of the fund's Institutional Class. The performance for this period has not been restated to reflect the higher expenses of the Premier Class. If those higher expenses had been reflected, the performance of the Premier Class shown for this period would have been lower.

### Losses in Treasuries drive the index lower

U.S. Treasury securities, which made up nearly one-third of the benchmark at period-end, returned -2.8% for the six months. Other declining sectors included corporate bonds (down 0.8%), U.S. agency securities (down 0.8%) and asset-backed securities (down 0.9%). The small commercial mortgage-backed sector performed best; it gained 3.0%. (Sector returns come from the components of the Barclays Capital aggregate index.)

During the six months, the yield on 2-year Treasury notes rose from 0.42% at the beginning of the period to 0.80% on March 31, 2011. The 10-year yield increased from 2.53% to 3.47%.

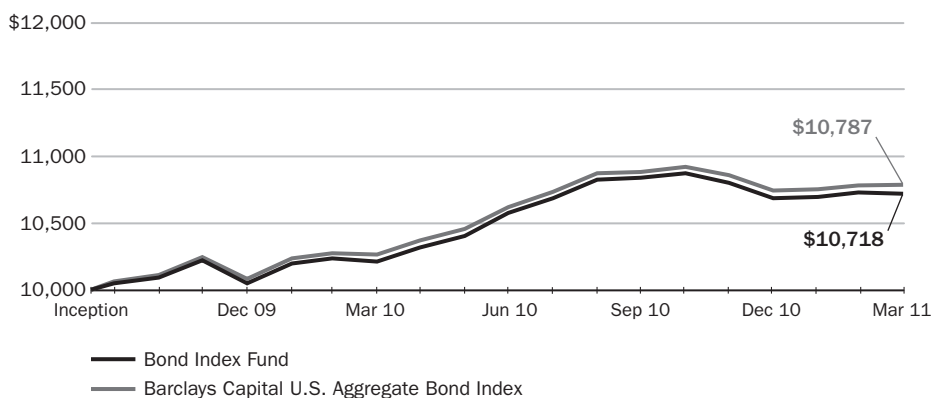
### The fund trails its benchmark

Within a challenging investment environment for fixed-income securities, the Bond Index Fund underperformed the Barclays Capital aggregate index partly because of the effect of expenses. The fund's return includes a deduction for expenses, while the benchmark's does not. The fund's portfolio more than doubled in size during the six months, requiring a large number of trades. This also reduced relative performance.

Throughout the period, the fund's managers kept the fund's duration—a measure of its sensitivity to interest rate changes—close to that of the benchmark. This helped the fund more closely track the characteristics of its index. The fund also had a risk profile similar to that of its benchmark.

### \$10,000 INVESTED AT FUND'S INCEPTION

#### Institutional Class (inception September 14, 2009)



For the purpose of comparison, the graph also shows the change in the value of the fund's benchmark during the same period. The performance of the other share classes varies due to differences in expense charges.

### EXPENSE EXAMPLE

#### Six months ended March 31, 2011

Bond Index Fund	Beginning account value (10/1/10)	Ending account value (3/31/11)	Expenses paid during period* (10/1/10-3/31/11)
<b>Actual return</b>			
Institutional Class	\$1,000.00	\$ 988.87	\$0.64
Retirement Class	1,000.00	988.59	1.88
Retail Class	1,000.00	988.12	2.38
Premier Class	1,000.00	989.07	1.39
<b>5% annual hypothetical return</b>			
Institutional Class	1,000.00	1,024.28	0.66
Retirement Class	1,000.00	1,023.04	1.92
Retail Class	1,000.00	1,022.54	2.42
Premier Class	1,000.00	1,023.54	1.41

\* "Expenses paid" is based on the fund's actual expense ratio for the most recent fiscal half-year, multiplied by the average account value over the six-month period, multiplied by 182/365. There were 182 days in the six months ended March 31, 2011. The fund's annualized six-month expense ratio for that period was 0.13% for the Institutional Class, 0.38% for the Retirement Class, 0.48% for the Retail Class and 0.28% for the Premier Class. The expense charges of one or more of the fund's share classes may at times reflect a reimbursement. Please see the prospectus for an explanation, including the date on which this reimbursement is scheduled to end. Without any such reimbursement, the expenses of the affected share classes would be higher and their performance lower.

For more information about this expense example, please see page 3.

# MONEY MARKET FUND

## PORTFOLIO COMPOSITION

	% of net assets as of 3/31/2011
Commercial paper	44.4
U.S. Treasury securities	17.1
U.S. government & agency securities	16.3
Variable rate securities, government	11.0
Certificates of deposit	9.8
Bankers' acceptances	1.0
Foreign government securities	0.4
<b>Total</b>	<b>100.0</b>

## NET ANNUALIZED YIELD

(for the 7 days ended 3/29/2011)\*

	Current yield	Effective yield
<b>Money Market Fund</b>		
Institutional Class	0.07%	0.07%
Retirement Class <sup>†</sup>	0.00	0.00
Retail Class <sup>†</sup>	0.00	0.00
Premier Class <sup>†</sup>	0.00	0.00
<b>iMoneyNet Money Fund Report Averages— All Taxable</b>	<b>0.03</b>	<b>0.03</b>

The current yield more closely reflects current earnings than does the total return.

\* iMoneyNet reports its 7-day yields as of Tuesday of each week.

## PERFORMANCE FOR THE SIX MONTHS ENDED MARCH 31, 2011

The Money Market Fund returned 0.04% for the Institutional Class, compared with the 0.02% return of the iMoneyNet Money Fund Report Averages™—All Taxable, a simple average of over 1,000 taxable money market funds. The iMoneyNet average is not an index, and its returns reflect the deduction of expenses charged by the funds included in the average. For the year ended March 31, 2011, the fund returned 0.11%, versus 0.04% for iMoneyNet. The table below shows returns for all share classes of the fund.

### The recovery sends mixed signals

During the period, the U.S. economy continued to improve, but fitfully. Gross domestic product, which measures the output of domestic goods and services, grew at an estimated annual rate of 3.1% in the fourth quarter of 2010 but slowed to 1.8% in the first quarter of 2011. In the fourth quarter, corporate profits were up 18% from the same period one year earlier. By the end of March, unemployment had dipped slightly, to 8.8%.

The sluggish pace of job growth, plus ongoing weakness in the housing market and high levels of personal debt, remained obstacles to a more robust recovery. In an effort to stimulate the economy, the Federal Reserve initiated a program, ending in June 2011, to purchase \$600 billion in U.S. Treasury

## PERFORMANCE AS OF MARCH 31, 2011

Money Market Fund	Total return		Average annual total return	
	6 months	1 year	5 years	10 years
<b>Institutional Class</b> (inception: 7/1/1999)	0.04%	0.11%	2.51%	2.36%
<b>Retirement Class</b> (inception: 3/31/2006) <sup>†</sup>	0.00	0.00	2.30	2.26*
<b>Retail Class</b> (inception: 3/31/2006) <sup>†</sup>	0.00	0.00	2.40	2.31*
<b>Premier Class</b> (inception: 9/30/2009) <sup>†</sup>	0.00	0.00	2.47*	2.34*
<b>iMoneyNet Money Fund Report Averages—All Taxable<sup>‡</sup></b>	<b>0.02</b>	<b>0.04</b>	<b>2.08</b>	<b>1.90</b>

The returns in this report show past performance, which is no guarantee of future results. The returns do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares. Returns and the principal value of your investment will fluctuate. Current performance may be higher or lower than that shown, and you may have a gain or a loss when you redeem your shares. For current performance information, including performance to the most recent month-end, please visit [tiaa-cref.org](http://tiaa-cref.org).

An investment in the fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund will attempt to maintain a stable net asset value of \$1.00 per share, it is possible to lose money by investing in the fund. For a detailed discussion of risk, please see the prospectus.

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

<sup>‡</sup> The iMoneyNet Money Fund Report Averages—All Taxable category is a simple average of over 1,000 taxable money market funds. You cannot invest in it directly.

<sup>†</sup> Beginning August 18, 2009, part or all of the 12b-1 distribution expenses of the Retail Class of the Money Market Fund are not being reimbursed to the fund's distributor. The fund's adviser is also reimbursing certain other fund expenses. Also, part or all of the service fees of the Retirement Class of the Money Market Fund are being voluntarily waived. Beginning October 1, 2009, part or all of the 12b-1 distribution expenses of the Premier Class of the Money Market Fund are being voluntarily waived. Without these changes, the total returns and 7-day current and effective net annualized yields for these share classes would have been lower. This suspension of reimbursement and the addition of waivers are voluntary and may be discontinued at any time without notice.

securities, with the intention of lowering long-term interest rates. The Fed also continued to encourage lending by maintaining its target federal funds rate (the interest rate U.S. commercial banks charge one another for overnight loans) within a range of 0% to 0.25%.

### Worldwide turmoil boosts short-term Treasuries

During the six months, ongoing sovereign debt problems in Europe, coupled with political change in the Middle East and North Africa, and a horrific natural disaster and nuclear crisis in Japan, precipitated a general “flight to quality” within the credit market. Seeking safety, investors turned to high-quality securities with shorter maturities, such as U.S. Treasuries. As a result, short-term Treasuries rallied, and Treasury yields declined sharply. The yield on one-month Treasuries fell from 0.15% at the beginning of the period to 0.05% at period-end.

### LIBOR yields remain steady

Despite the challenging global situation, LIBOR yields moved within a very narrow range during the period. (LIBOR, an indication of the interest rates that banks expect to pay to other banks for loans on the London market, is the most widely used benchmark for short-term rates.) Actions by the Fed and the European Central Bank helped to allay concerns about the U.S. economy and the European debt crisis. The twelve-month LIBOR began and ended the period at about 0.78%; the one-month LIBOR declined slightly, from 0.26% on September 30, 2010, to 0.24% on March 31, 2011.

### The fund seeks safety and yield

In pursuit of relative value and to comply with recent SEC regulations for all money market funds, the fund increased its investments in U.S. Treasury securities. The fund also continued to make selective purchases of the securities of top-tier global corporations and banking institutions. On March 29, 2011, the fund’s weighted average maturity was 50 days, compared with 45 days for the average iMoneyNet fund.

## EXPENSE EXAMPLE

### Six months ended March 31, 2011

Money Market Fund	Beginning account value (10/1/10)	Ending account value (3/31/11)	Expenses paid during period* (10/1/10-3/31/11)
<b>Actual return</b>			
Institutional Class	\$1,000.00	\$1,000.44	\$0.75
Retirement Class	1,000.00	1,000.00	1.15
Retail Class	1,000.00	1,000.00	1.15
Premier Class	1,000.00	1,000.00	1.15
<b>5% annual hypothetical return</b>			
Institutional Class	1,000.00	1,024.18	0.76
Retirement Class	1,000.00	1,023.78	1.16
Retail Class	1,000.00	1,023.78	1.16
Premier Class	1,000.00	1,023.78	1.16

\* “Expenses paid” is based on the fund’s actual expense ratio for the most recent fiscal half-year, multiplied by the average account value over the six-month period, multiplied by 182/365. There were 182 days in the six months ended March 31, 2011. The fund’s annualized six-month expense ratio for that period was 0.15% for the Institutional Class, 0.23% for the Retirement Class, 0.23% for the Retail Class and 0.23% for the Premier Class. The expense charges of one or more of the fund’s share classes may at times reflect a waiver or reimbursement. Without any such waiver or reimbursement, the expenses of the affected share classes would be higher and their performance lower.

For more information about this expense example, please see page 3.

# SUMMARY PORTFOLIO OF INVESTMENTS

BOND FUND ■ MARCH 31, 2011

Principal	Issuer	Value	% of net assets
<b>BONDS</b>			
<b>CORPORATE BONDS</b>			
AUTOMOBILES & COMPONENTS		\$ 1,167,698	0.1%
BANKS			
\$17,273,357	Citigroup, Inc 2.130%-8.130%, 02/21/12-07/15/39 Other	18,085,025 125,409,341	1.0 6.0
		143,494,366	7.0
CAPITAL GOODS		13,012,884	0.6
COMMERCIAL & PROFESSIONAL SERVICES		12,462,876	0.6
CONSUMER DURABLES & APPAREL		3,884,260	0.2
CONSUMER SERVICES		4,175,011	0.2
DIVERSIFIED FINANCIALS			
21,075,000	Citigroup Funding, Inc 1.880%-2.250%, 03/30/12-12/10/12	21,480,642	1.1
26,653,357	General Electric Capital Corp GMAC, Inc 1.750%, 10/30/12 2.200%, 12/19/12 Other	27,341,139 11,377,287 31,823,080 86,296,136	1.3 0.7 1.7 4.2
		178,318,284	9.0
ENERGY			
12,645,000	BP Capital Markets plc 3.200%, 03/11/16 Other	12,589,184 64,432,034	0.7 3.2
		77,021,218	3.9
FOOD & STAPLES RETAILING		5,228,545	0.3
FOOD, BEVERAGE & TOBACCO		21,631,746	1.1
HEALTH CARE EQUIPMENT & SERVICES		7,132,218	0.3
HOUSEHOLD & PERSONAL PRODUCTS		811,767	0.0
INSURANCE		28,687,704	1.4
MATERIALS		29,292,163	1.4
MEDIA		13,811,621	0.7
PHARMACEUTICALS, BIOTECHNOLOGY & LIFE SCIENCES		19,160,864	0.9
REAL ESTATE		16,590,531	0.8
RETAILING		5,188,627	0.2
SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT		3,135,820	0.2
SOFTWARE & SERVICES		9,108,526	0.4
TECHNOLOGY HARDWARE & EQUIPMENT		9,453,636	0.4
TELECOMMUNICATION SERVICES		40,250,677	2.0
TRANSPORTATION		14,998,052	0.7
UTILITIES		50,299,464	2.5
<b>TOTAL CORPORATE BONDS</b>		<b>708,318,558</b>	<b>34.9</b>
(Cost \$692,526,354)			

Principal	Issuer	Value	% of net assets
<b>GOVERNMENT BONDS</b>			
<b>AGENCY SECURITIES</b>			
\$14,000,000	Federal Home Loan Mortgage Corp (FHLMC) 0.750%, 03/28/13	\$ 13,975,963	0.7%
30,560,000	Federal National Mortgage Association (FNMA) 1.130%-5.000%, 04/28/11-09/16/14	31,428,386	1.5
8,560,000	Private Export Funding Corp 5.450%, 09/15/17	9,800,310	0.5
9,940,000	4.300%, 12/15/21	10,176,255	0.5
16,065,000	2.250%-4.900%, 12/15/11-03/15/19 Other	16,703,964 44,602,051	0.8 2.2
		126,686,929	6.2
<b>FOREIGN GOVERNMENT BONDS</b>			
23,090,000	Province of Ontario Canada 2.630%-4.400%, 01/20/12-04/14/20 Other	23,856,806 64,014,812	1.2 3.2
		87,871,618	4.4
<b>MORTGAGE BACKED</b>			
78,810,024	Federal Home Loan Mortgage Corp Gold (FGLMC) 4.000%-8.000%, 01/01/16-04/15/41	82,870,930	4.1
8,000,000	Federal National Mortgage Association (FNMA) 4.000%, 4/25/26	8,220,000	0.4
52,000,000	h 6.000%, 04/25/38	56,550,000	2.8
10,000,000	h 6.500%, 04/25/38	11,207,810	0.6
36,000,000	h 4.000%, 04/25/40	35,403,768	1.7
49,000,000	h 5.000%, 04/25/40	51,258,606	2.5
71,000,000	h 5.500%, 05/25/40	75,703,750	3.7
12,460,339	4.500%, 09/01/40	12,698,207	0.6
8,458,844	4.500%, 09/01/40	8,620,324	0.4
71,124,349	i 2.380%-8.000%, 06/01/13-04/25/41 Government National Mortgage Association (GNMA)	74,883,947	3.7
52,000,000	h 5.000%, 04/15/38	55,144,388	2.7
9,000,000	h 5.500%, 04/15/38	9,745,308	0.5
27,000,000	h 4.500%, 04/15/40	27,847,962	1.4
33,000,000	h 4.000%, 04/15/41	33,000,000	1.6
9,000,000	h 4.500%, 04/20/41	9,267,183	0.5
13,000,000	h 5.000%, 04/20/41	13,790,153	0.7
24,407,888	h 4.000%-8.500%, 01/15/28-01/15/44 Other	26,287,919 12,648,355	1.3 0.6
		605,148,610	29.8
<b>MUNICIPAL BONDS</b>			
		10,867,061	0.5
<b>U.S. TREASURY SECURITIES</b>			
26,866,000	United States Treasury Bond 8.000%, 11/15/21	37,520,034	1.9
17,920,000	5.250%, 02/15/29	20,182,400	1.0
22,004,000	5.380%, 02/15/31	25,163,641	1.2
19,244,000	3.880%, 08/15/40	17,220,378	0.8
8,875,120	United States Treasury Inflation Indexed Bonds k 2.000%, 01/15/16	9,798,683	0.5

# SUMMARY PORTFOLIO OF INVESTMENTS

concluded

## BOND FUND ■ MARCH 31, 2011

Principal	Issuer	Value	% of net assets
U.S. TREASURY SECURITIES—continued			
	United States Treasury Note		
\$13,062,000	2.000%, 11/30/13	\$ 13,365,078	0.7%
17,870,000	1.250%, 03/15/14	17,864,460	0.9
8,747,000	1.880%, 04/30/14	8,898,026	0.4
19,870,000	2.250%, 05/31/14	20,427,294	1.0
12,755,000	2.630%, 06/30/14	13,255,238	0.7
10,511,000	2.380%, 08/31/14	10,819,761	0.5
12,623,000	2.130%, 02/29/16	12,583,553	0.6
28,587,000	0.500%–4.250%, 04/30/12–11/15/40	28,913,525	1.4
	Other	20,667,904	1.0
		256,679,975	12.6
<b>TOTAL GOVERNMENT BONDS</b>		<b>1,087,254,193</b>	<b>53.5</b>
(Cost \$1,068,323,485)			

### STRUCTURED ASSETS

ASSET BACKED			
		29,050,068	1.4
OTHER MORTGAGE BACKED			
	JP Morgan Chase Commercial Mortgage Securities Corp		
20,375,702	g,i 0.440%–5.820%, 02/15/20–06/20/49	21,289,902	1.0
	Greenwich Capital Commercial Funding Corp		
18,185,000	i 5.220%–5.890%, 04/10/37–12/10/49	19,151,809	0.9
	Wachovia Bank Commercial Mortgage Trust Series 2007–C30 (Class A5)		
15,000,000	5.340%, 12/15/43	15,532,741	0.8
	Other	91,492,703	4.5
		147,467,155	7.2
<b>TOTAL STRUCTURED ASSETS</b>		<b>176,517,223</b>	<b>8.6</b>
(Cost \$171,647,504)			
<b>TOTAL BONDS</b>		<b>1,972,089,974</b>	<b>97.0</b>
(Cost \$1,932,497,343)			

Shares	Company
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### PREFERRED STOCKS

BANKS			
		529,236	0.0
<b>TOTAL PREFERRED STOCKS</b>		<b>529,236</b>	<b>0.0</b>
(Cost \$7,782,875)			

Principal	Issuer
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### SHORT-TERM INVESTMENTS

GOVERNMENT AGENCY DEBT			
	Federal Home Loan Mortgage Corp (FHLMC)		
\$ 49,430,000	0.084%, 05/25/11	49,419,620	2.4
32,030,000	0.100%, 06/06/11	32,024,715	1.6
37,435,000	0.112%, 06/20/11	37,427,513	1.8
40,400,000	0.117%, 07/25/11	40,385,820	2.1
	Federal National Mortgage Association (FNMA)		
15,485,000	0.012%, 04/06/11	15,484,634	0.8
8,595,000	0.107%, 06/08/11	8,593,539	0.4

Principal	Issuer	Value	% of net assets
GOVERNMENT AGENCY DEBT—continued			
	Federal Home Loan Bank (FHLB)		
\$27,330,000	0.065%, 05/11/11	\$ 27,325,597	1.3%
19,090,000	0.072%, 05/18/11	19,086,511	0.9
31,290,000	0.073%, 05/20/11	31,284,463	1.5
21,700,000	0.074%, 05/23/11	21,695,769	1.1
9,920,000	0.116%, 06/01/11	9,918,482	0.5
20,000,000	0.116%, 06/17/11	19,996,160	1.0
		312,642,823	15.4
TREASURY DEBT			
	United States Treasury Bill		
62,385,000	0.036%–0.060%, 05/12/11	62,374,279	3.1
37,355,000	0.085%–0.100%, 06/16/11	37,349,096	1.8
20,000,000	0.079%, 06/23/11	19,995,980	1.0
20,070,000	0.099%, 07/07/11	20,064,481	1.0
17,260,000	0.127%, 08/25/11	17,250,214	0.8
	Other	6,490,602	0.3
		163,524,652	8.0
<b>TOTAL SHORT-TERM INVESTMENTS</b>		<b>476,167,475</b>	<b>23.4</b>
(Cost \$476,139,080)			
<b>TOTAL PORTFOLIO</b>		<b>2,448,786,685</b>	<b>120.4</b>
(Cost \$2,416,419,298)			
OTHER ASSETS & LIABILITIES, NET		(414,345,329)	(20.4)
<b>NET ASSETS</b>		<b>\$2,034,441,356</b>	<b>100.0%</b>

- g Security is exempt from registration under Rule 144(A) of the Securities Act of 1933 and may be resold in transactions exempt from registration to qualified institutional buyers. At 3/31/2011, the value of these securities amounted to \$163,588,187 or 8.0% of net assets.
- h All or a portion of these securities were purchased on a delayed delivery basis.
- i Floating or variable rate security. Coupon rate reflects the rate at period end.
- k Principal amount for interest accrual purposes is periodically adjusted based on changes in the Consumer Price Index.

For ease of presentation, a number of classification categories have been grouped together in the Summary Portfolio of Investments. Note that the Fund uses more specific categories in following its investment limitations on investment concentrations.

# SUMMARY PORTFOLIO OF INVESTMENTS

BOND PLUS FUND ■ MARCH 31, 2011

Principal	Issuer	Value	% of net assets
<b>BANK LOAN OBLIGATIONS</b>			
CAPITAL GOODS		\$ 1,003,734	0.1%
COMMERCIAL & PROFESSIONAL SERVICES		857,554	0.1
CONSUMER SERVICES		1,493,961	0.2
DIVERSIFIED FINANCIALS		2,008,340	0.2
FOOD & STAPLES RETAILING		2,003,340	0.2
HEALTH CARE EQUIPMENT & SERVICES		3,000,000	0.4
SOFTWARE & SERVICES		989,188	0.1
<b>TOTAL BANK LOAN OBLIGATIONS</b>		<b>11,356,117</b>	<b>1.3</b>
<i>(Cost \$11,326,030)</i>			

## BONDS

### CORPORATE BONDS

AUTOMOBILES & COMPONENTS		3,366,673	0.4
BANKS			
\$ 5,000,000	JPMorgan Chase & Co 3.450%, 03/01/16	4,982,144	0.6
	Other	36,490,294	4.3
		41,472,438	4.9
CAPITAL GOODS		8,516,482	1.0
COMMERCIAL & PROFESSIONAL SERVICES		6,593,358	0.6
CONSUMER DURABLES & APPAREL		7,425,319	0.9
CONSUMER SERVICES		7,728,604	1.0
DIVERSIFIED FINANCIALS			
2,700,000	General Electric Capital Corp 5.500%, 06/04/14	2,952,711	0.4
	Other	42,389,461	5.0
		45,342,172	5.4
ENERGY			
5,060,000	BP Capital Markets plc 3.200%, 03/11/16	5,037,664	0.7
	Other	35,200,859	4.1
		40,238,523	4.8
FOOD & STAPLES RETAILING		2,956,520	0.3
FOOD, BEVERAGE & TOBACCO		6,978,220	0.9
HEALTH CARE EQUIPMENT & SERVICES		8,413,065	1.0
HOUSEHOLD & PERSONAL PRODUCTS		770,941	0.1
INSURANCE		10,482,996	1.2
MATERIALS		32,461,567	3.8
MEDIA		17,674,637	2.1
PHARMACEUTICALS, BIOTECHNOLOGY & LIFE SCIENCES		11,544,358	1.4
REAL ESTATE		10,231,203	1.2
RETAILING		12,650,624	1.5
SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT		340,610	0.0

Principal	Issuer	Value	% of net assets
<b>SOFTWARE &amp; SERVICES</b>			
		\$ 4,412,858	0.5%
<b>TECHNOLOGY HARDWARE &amp; EQUIPMENT</b>			
		9,170,695	1.1
<b>TELECOMMUNICATION SERVICES</b>			
		20,239,917	2.4
<b>TRANSPORTATION</b>			
		11,776,773	1.4
<b>UTILITIES</b>			
\$ 2,250,000	Questar Market Resources, Inc 6.880%, 03/01/21	2,362,499	0.4
	Other	25,533,189	2.9
		27,895,688	3.3
<b>TOTAL CORPORATE BONDS</b>		<b>348,684,241</b>	<b>41.2</b>
<i>(Cost \$339,234,572)</i>			

### GOVERNMENT BONDS

AGENCY SECURITIES		3,652,616	0.4
FOREIGN GOVERNMENT BONDS		39,736,410	4.7
MORTGAGE BACKED			
7,091,804	Federal Home Loan Mortgage Corp (FHLMC) i 2.510%-5.900%, 02/01/36-08/01/39	7,521,223	1.0
	Federal Home Loan Mortgage Corp Gold (FGLMC)		
3,000,000	h 5.000%, 04/15/40	3,130,782	0.4
3,040,194	4.000%, 12/01/40	2,991,350	0.4
3,433,778	4.000%, 12/01/40	3,381,830	0.4
6,736,221	4.000%, 01/01/41	6,623,786	0.8
3,000,000	h 4.500%, 04/15/41	3,047,814	0.4
21,914,674	4.000%-8.000%, 12/01/16-12/01/40 Federal National Mortgage Association (FNMA)	23,383,438	2.7
2,702,858	4.640%, 11/01/14	2,874,683	0.3
2,478,659	5.000%, 08/01/34	2,613,710	0.3
3,113,806	5.500%, 05/01/35	3,362,738	0.4
4,534,387	6.000%, 11/01/37	4,940,274	0.6
5,000,000	h 6.000%, 04/25/38	5,437,500	0.6
3,000,000	h 5.000%, 04/25/40	3,138,282	0.4
5,000,000	h 5.500%, 05/25/40	5,331,250	0.6
2,636,800	4.500%, 09/01/40	2,687,137	0.3
4,929,188	4.500%, 10/01/40	5,027,908	0.6
54,154,375	i 3.500%-9.000%, 06/01/13-04/25/41 Government National Mortgage Association (GNMA)	56,990,930	6.7
7,000,000	h 5.000%, 04/15/38	7,423,283	0.9
5,000,000	h 4.500%, 04/15/40	5,157,030	0.6
8,964,853	4.500%, 01/20/41	9,249,673	1.1
3,000,000	h 4.000%, 04/15/41	3,000,000	0.4
3,000,000	h 5.000%, 04/20/41	3,182,343	0.4
10,131,359	4.000%-8.500%, 11/15/23-09/15/43	10,858,741	1.2
		181,355,705	21.5
MUNICIPAL BONDS			
		2,651,065	0.3
U.S. TREASURY SECURITIES			
14,002,000	United States Treasury Bond 8.000%, 11/15/21	19,554,660	2.3
3,902,500	5.250%, 02/15/29	4,395,191	0.5
12,000,000	5.380%, 02/15/31	13,723,128	1.6
	United States Treasury Inflation Indexed Bonds		
2,604,350	k 0.630%, 04/15/13	2,725,614	0.3
4,437,560	k 2.000%, 01/15/16	4,899,341	0.6

# SUMMARY PORTFOLIO OF INVESTMENTS

concluded

## BOND PLUS FUND ■ MARCH 31, 2011

Principal	Issuer	Value	% of net assets
U.S. TREASURY SECURITIES—continued			
\$ 9,650,000	United States Treasury Note 0.750%, 09/15/13	\$ 9,588,935	1.1%
3,465,000	2.380%, 08/31/14	3,566,784	0.4
2,887,000	2.500%, 04/30/15	2,965,717	0.4
19,502,000	1.250%, 09/30/15	18,860,560	2.2
22,820,000	2.130%, 02/29/16	22,748,688	2.7
3,111,000	4.250%, 11/15/40	2,975,379	0.4
	Other	12,521,734	1.5
		118,525,731	14.0
<b>TOTAL GOVERNMENT BONDS</b> (Cost \$340,327,574)		<b>\$345,921,527</b>	<b>40.9%</b>
<b>STRUCTURED ASSETS</b>			
ASSET BACKED			
	Residential Funding Mortgage Securities II, Inc Series 2006-HI2 (Class A3)		
6,938,149	5.790%, 02/25/36	6,537,874	0.8
	Series 2006-HI4 (Class A3)		
3,384,246	5.440%, 09/25/36	3,068,597	0.4
	Residential Asset Mortgage Products, Inc Series 2004-RS11 (Class M1)		
3,992,819	0.870%, 11/25/34	3,387,823	0.4
	Other	17,621,695	2.0
		30,615,989	3.6
OTHER MORTGAGE BACKED			
	Federal National Mortgage Association (FNMA) Series 2010-155 (Class PC)		
3,000,000	4.000%, 02/25/40	2,886,169	0.3
	Credit Suisse Mortgage Capital Certificates Series 2009-RR1 (Class A3C)		
2,400,000	5.380%, 02/15/40	2,352,189	0.3
	Series 2010-RR4 (Class 1B)		
8,730,000	5.380%, 02/15/40	8,641,251	1.0
	JP Morgan Chase Commercial Mortgage Securities Corp Series 2010-C2 (Class B)		
3,960,000	5.070%, 11/15/43	3,950,464	0.5
	Series 2010-RR1 (Class JPB)		
8,715,000	5.820%, 06/20/49	9,016,158	1.1
	Other	39,496,394	4.7
		66,342,625	7.9
<b>TOTAL STRUCTURED ASSETS</b> (Cost \$101,639,044)		<b>96,958,614</b>	<b>11.5</b>
<b>TOTAL BONDS</b> (Cost \$781,201,190)		<b>791,564,382</b>	<b>93.6</b>

Shares	Company	Value	% of net assets
<b>PREFERRED STOCKS</b>			
BANKS			
		\$ 253,385	0.0%
DIVERSIFIED FINANCIALS			
		2,028,926	0.3
<b>TOTAL PREFERRED STOCKS</b> (Cost \$5,726,250)		<b>2,282,311</b>	<b>0.3</b>
<b>TIAA-CREF MUTUAL FUND</b>			
540,865	a TIAA-CREF High-Yield Fund (Institutional Class)	5,403,239	0.6
<b>TOTAL TIAA-CREF MUTUAL FUND</b> (Cost \$5,349,995)		<b>5,403,239</b>	<b>0.6</b>
<b>SHORT-TERM INVESTMENTS</b>			
GOVERNMENT AGENCY DEBT			
	Federal National Mortgage Association (FNMA)		
\$10,000,000	0.012%, 04/06/11	9,999,764	1.2
16,620,000	0.093%, 05/23/11	16,617,600	2.0
	Federal Home Loan Bank (FHLB)		
6,260,000	0.073%, 05/20/11	6,258,892	0.7
		32,876,256	3.9
TREASURY DEBT			
	United States Treasury Bill		
18,375,000	0.146%-0.160%, 05/12/11	18,371,865	2.2
13,515,000	0.087%, 06/16/11	13,512,865	1.6
9,180,000	0.127%, 08/25/11	9,174,795	1.1
	United States Treasury Note		
9,650,000	1.000%, 10/31/11	9,694,477	1.1
		50,754,002	6.0
<b>TOTAL SHORT-TERM INVESTMENTS</b> (Cost \$83,629,780)		<b>83,630,258</b>	<b>9.9</b>
<b>TOTAL PORTFOLIO</b> (Cost \$887,233,245)		<b>894,236,307</b>	<b>105.7</b>
OTHER ASSETS & LIABILITIES, NET		(48,549,049)	(5.7)
<b>NET ASSETS</b>		<b>\$845,687,258</b>	<b>100.0%</b>

- a Affiliated holding.
- g Security is exempt from registration under Rule 144(A) of the Securities Act of 1933 and may be resold in transactions exempt from registration to qualified institutional buyers. At 3/31/2011, the value of these securities amounted to \$153,283,330 or 18.1% of net assets.
- h All or a portion of these securities were purchased on a delayed delivery basis.
- i Floating or variable rate security. Coupon rate reflects the rate at period end.
- k Principal amount for interest accrual purposes is periodically adjusted based on changes in the Consumer Price Index.

For ease of presentation, a number of classification categories have been grouped together in the Summary Portfolio of Investments. Note that the Fund uses more specific categories in following its investment limitations on investment concentrations.

# SUMMARY PORTFOLIO OF INVESTMENTS

SHORT-TERM BOND FUND ■ MARCH 31, 2011

Principal	Issuer	Value	% of net assets
<b>BANK LOAN OBLIGATIONS</b>			
CAPITAL GOODS		\$ 501,867	0.1%
DIVERSIFIED FINANCIALS			
	TransUnion LLC		
\$ 2,000,000	i 4.750%, 02/10/18	2,008,340	0.4
		2,008,340	0.4
FOOD & STAPLES RETAILING		2,003,340	0.3
HEALTH CARE EQUIPMENT & SERVICES		3,493,970	0.6
<b>TOTAL BANK LOAN OBLIGATIONS</b>		<b>8,007,517</b>	<b>1.4</b>
<i>(Cost \$7,958,395)</i>			

## BONDS

### CORPORATE BONDS

Principal	Issuer	Value	% of net assets
<b>BANKS</b>			
3,000,000	Bank of America Corp 2.380%, 06/22/12	3,069,194	0.5
2,000,000	Citigroup, Inc 2.130%, 04/30/12	2,037,833	0.4
2,500,000	5.000%, 09/15/14	2,610,507	0.5
2,000,000	5.500%, 10/15/14	2,157,199	0.4
3,100,000	JPMorgan Chase & Co 3.400%, 06/24/15	3,119,027	0.5
5,000,000	3.450%, 03/01/16	4,982,144	0.8
3,000,000	Sovereign Bancorp, Inc 2.500%, 06/15/12	3,064,895	0.5
2,000,000	Wells Fargo & Co 3.680%, 06/15/16	2,011,820	0.4
	Other	30,698,226	5.5
		53,750,845	9.5
<b>CAPITAL GOODS</b>			
2,500,000	Caterpillar Financial Services Corp 1.550%, 12/20/13	2,505,685	0.4
	Other	2,264,546	0.4
		4,770,231	0.8
<b>COMMERCIAL &amp; PROFESSIONAL SERVICES</b>			
		3,183,467	0.6
<b>CONSUMER DURABLES &amp; APPAREL</b>			
		2,551,748	0.4
<b>CONSUMER SERVICES</b>			
		398,135	0.1
<b>DIVERSIFIED FINANCIALS</b>			
2,000,000	Citigroup Funding, Inc 1.880%, 10/22/12	2,037,834	0.4
3,000,000	2.250%, 12/10/12	3,075,674	0.5
2,000,000	General Electric Capital Corp 2.630%, 12/28/12	2,064,230	0.4
2,800,000	GMAC, Inc 1.750%, 10/30/12	2,846,863	0.5
3,600,000	2.200%, 12/19/12	3,687,969	0.7
	Other	36,048,487	6.4
		49,761,057	8.9

Principal	Issuer	Value	% of net assets
<b>ENERGY</b>			
\$ 2,530,000	BP Capital Markets plc 3.200%, 03/11/16	\$ 2,518,832	0.4%
2,500,000	Chesapeake Energy Corp 7.630%, 07/15/13	2,799,999	0.5
	Other	10,684,207	1.9
		16,003,038	2.8
<b>FOOD &amp; STAPLES RETAILING</b>			
2,000,000	SUPERVALU, Inc 7.500%, 05/15/12	2,070,000	0.3
	Other	2,160,458	0.4
		4,230,458	0.7
<b>FOOD, BEVERAGE &amp; TOBACCO</b>			
		7,950,215	1.5
<b>HEALTH CARE EQUIPMENT &amp; SERVICES</b>			
		5,214,782	0.9
<b>INSURANCE</b>			
		6,918,463	1.2
<b>MATERIALS</b>			
2,000,000	Airgas, Inc 2.850%, 10/01/13	2,028,737	0.3
2,000,000	ArcelorMittal Series 0-A (Class ) 5.380%, 06/01/13	2,127,026	0.4
	Other	10,626,204	1.9
		14,781,967	2.6
<b>MEDIA</b>			
2,300,000	EchoStar DBS Corp 6.380%, 10/01/11	2,346,000	0.5
	Other	5,483,117	0.9
		7,829,117	1.4
<b>PHARMACEUTICALS, BIOTECHNOLOGY &amp; LIFE SCIENCES</b>			
		5,056,346	0.9
<b>REAL ESTATE</b>			
		1,076,380	0.2
<b>RETAILING</b>			
		2,709,127	0.5
<b>SEMICONDUCTORS &amp; SEMICONDUCTOR EQUIPMENT</b>			
		2,491,610	0.4
<b>SOFTWARE &amp; SERVICES</b>			
5,000,000	International Business Machines Corp 1.000%, 08/05/13	4,970,225	0.9
5,000,000	Microsoft Corp 0.880%, 09/27/13	4,964,360	0.9
	Other	2,288,557	0.4
		12,223,142	2.2
<b>TECHNOLOGY HARDWARE &amp; EQUIPMENT</b>			
		3,361,744	0.6
<b>TELECOMMUNICATION SERVICES</b>			
		10,304,609	1.8
<b>TRANSPORTATION</b>			
		6,094,461	1.1
<b>UTILITIES</b>			
2,000,000	Ipalco Enterprises, Inc 8.630%, 11/14/11	2,069,999	0.3
	Other	12,881,942	2.3
		14,951,941	2.6
<b>TOTAL CORPORATE BONDS</b>		<b>235,612,883</b>	<b>41.7</b>
<i>(Cost \$233,085,679)</i>			

# SUMMARY PORTFOLIO OF INVESTMENTS

concluded

## SHORT-TERM BOND FUND ■ MARCH 31, 2011

Principal	Issuer	Value	% of net assets
<b>GOVERNMENT BONDS</b>			
AGENCY SECURITIES			
\$ 3,000,000	Federal Home Loan Bank (FHLB) 1.880%, 06/21/13	\$ 3,057,291	0.5%
5,000,000	Federal Home Loan Mortgage Corp (FHLMC) 0.750%, 03/28/13	4,991,415	0.9
2,500,000	Federal National Mortgage Association (FNMA) 1.380%, 04/28/11	2,502,428	0.4
3,000,000	0.880%, 01/12/12	3,012,063	0.5
2,000,000	3.630%, 02/12/13	2,101,486	0.4
6,500,000	1.250%, 08/20/13	6,522,594	1.2
2,000,000	3.000%, 09/16/14	2,092,974	0.4
5,000,000	2.630%, 11/20/14	5,157,140	0.9
7,000,000	Private Export Funding Corp 4.900%, 12/15/11	7,226,491	1.2
2,000,000	3.550%, 04/15/13	2,103,584	0.4
	Other	8,274,342	1.5
		<u>47,041,808</u>	<u>8.3</u>
FOREIGN GOVERNMENT BONDS			
3,000,000	Province of British Columbia Canada 2.850%, 06/15/15	3,081,191	0.5
	Other	16,032,365	2.9
		<u>19,113,556</u>	<u>3.4</u>
MORTGAGE BACKED			
		<u>4,911,516</u>	<u>0.9</u>
U.S. TREASURY SECURITIES			
19,925,000	United States Treasury Note 0.630%, 01/31/13	19,889,195	3.5
42,720,000	1.130%, 06/15/13	42,930,182	7.6
13,760,000	0.750%, 09/15/13	13,672,927	2.4
7,395,000	3.130%, 09/30/13	7,778,616	1.4
3,125,000	0.500%, 10/15/13	3,082,275	0.5
14,949,000	2.000%, 11/30/13	15,295,862	2.7
43,500,000	1.250%, 03/15/14	43,486,514	7.7
2,318,000	1.880%, 04/30/14	2,358,023	0.4
7,990,000	2.380%, 08/31/14	8,224,706	1.5
6,779,000	1.250%, 09/30/15	6,556,032	1.2
3,777,000	2.130%, 02/29/16	3,765,197	0.7
6,533,900	0.630%-2.750%, 12/31/11-04/30/15	6,696,363	1.1
	Other	1,635,368	0.3
		<u>175,371,260</u>	<u>31.0</u>
<b>TOTAL GOVERNMENT BONDS</b>		<b>246,438,140</b>	<b>43.6</b>
(Cost \$244,029,337)			

Principal	Issuer	Value	% of net assets
<b>STRUCTURED ASSETS</b>			
ASSET BACKED			
\$ 3,964,656	Residential Funding Mortgage Securities II, Inc Series 2006-HI2 (Class A3) 5.790%, 02/25/36	\$ 3,735,926	0.6%
2,000,000	World Financial Network Credit Card Master Trust Series 2009-D (Class A) 4.660%, 05/15/17	2,126,366	0.4
2,000,000	Ford Credit Floorplan Master Owner Trust Series 2011-1 (Class B) 2.410%, 02/15/16	2,006,541	0.4
2,000,000	Ally Auto Receivables Trust Series 2011-1 (Class A4) 2.230%, 03/15/16	2,006,519	0.4
	Other	22,889,019	4.0
		<u>32,764,371</u>	<u>5.8</u>
OTHER MORTGAGE BACKED			
		<u>5,143,479</u>	<u>0.9</u>
<b>TOTAL STRUCTURED ASSETS</b>		<b>37,907,850</b>	<b>6.7</b>
(Cost \$40,215,000)			
<b>TOTAL BONDS</b>		<b>519,958,873</b>	<b>92.0</b>
(Cost \$517,330,016)			
Shares Company			
<b>PREFERRED STOCKS</b>			
BANKS		121,684	0.0
<b>TOTAL PREFERRED STOCKS</b>		<b>121,684</b>	<b>0.0</b>
(Cost \$1,789,475)			
<b>TOTAL PORTFOLIO</b>		<b>528,088,074</b>	<b>93.4</b>
(Cost \$527,077,886)			
OTHER ASSETS & LIABILITIES, NET		37,378,946	6.6
<b>NET ASSETS</b>		<b>\$ 565,467,020</b>	<b>100.0%</b>

i Floating or variable rate security. Coupon rate reflects the rate at period end.

For ease of presentation, a number of classification categories have been grouped together in the Summary Portfolio of Investments. Note that the Fund uses more specific categories in following its investment limitations on investment concentrations.

# SUMMARY PORTFOLIO OF INVESTMENTS

HIGH-YIELD FUND ■ MARCH 31, 2011

Principal	Issuer	Value	% of net assets
<b>BANK LOAN OBLIGATIONS</b>			
CONSUMER SERVICES			
\$ 5,586,000	Burger King Corp i 4.500%, 10/19/16	\$ 5,577,453	0.6%
		5,577,453	0.6
	HEALTH CARE EQUIPMENT & SERVICES	6,377,676	0.7
	SOFTWARE & SERVICES	2,967,564	0.3
	UTILITIES	1,786,993	0.2
	<b>TOTAL BANK LOAN OBLIGATIONS</b> (Cost \$17,029,030)	<b>16,709,686</b>	<b>1.8</b>
<b>BONDS</b>			
<b>CORPORATE BONDS</b>			
AUTOMOBILES & COMPONENTS			
4,500,000	Ford Motor Co 7.450%, 07/16/31	4,871,745	0.6
7,840,000	Pinafore LLC g 9.000%, 10/01/18	8,506,400	0.9
	Other	2,953,200	0.3
		16,331,345	1.8
	BANKS	13,269,870	1.4
CAPITAL GOODS			
4,720,000	Susser Holdings LLC 8.500%, 05/15/16	5,109,400	0.6
	Other	22,987,871	2.5
		28,097,271	3.1
COMMERCIAL & PROFESSIONAL SERVICES			
6,850,000	VIP Finance Ireland Ltd g 7.750%, 02/02/21	7,192,500	0.8
	Other	10,427,033	1.2
		17,619,533	2.0
CONSUMER DURABLES & APPAREL			
5,000,000	Hanesbrands, Inc 8.000%, 12/15/16	5,418,750	0.6
	Other	14,150,573	1.6
		19,569,323	2.2
CONSUMER SERVICES			
5,875,000	AMC Entertainment Holdings, Inc g 9.750%, 12/01/20	6,286,249	0.7
7,250,000	DineEquity, Inc g 9.500%, 10/30/18	7,866,249	0.9
5,750,000	Marina District Finance Co, Inc g 9.500%, 10/15/15	6,015,937	0.7
6,310,000	Penn National Gaming, Inc 8.750%, 08/15/19	6,964,662	0.8
	Other	38,488,112	4.2
		65,621,209	7.3

Principal	Issuer	Value	% of net assets
DIVERSIFIED FINANCIALS			
\$ 16,000,000	CIT Group, Inc g 5.250%-7.000%, 04/01/14-04/01/18	\$ 16,115,528	1.7%
9,625,000	Ford Motor Credit Co LLC 5.630%-12.000%, 04/15/15-01/15/20	10,934,376	1.3
5,000,000	GMAC, Inc 8.000%, 03/15/20	5,443,749	0.7
5,232,000	International Lease Finance Corp g 8.880%, 09/15/15	5,755,199	0.7
11,298,000	g 5.630%-9.000%, 09/20/13-12/15/20	12,168,966	1.3
	Other	21,696,825	2.3
		72,114,643	8.0
ENERGY			
5,840,000	Consol Energy Inc 8.000%, 04/01/17	6,394,799	0.7
4,750,000	Niska Gas Storage US 8.880%, 03/15/18	5,165,625	0.6
5,175,000	SandRidge Energy, Inc g 7.500%, 03/15/21	5,369,063	0.6
4,777,200	Southwestern Energy Co 7.500%, 02/01/18	5,416,150	0.6
	Other	48,550,569	5.3
		70,896,206	7.8
FOOD & STAPLES RETAILING			
6,350,000	Ingles Markets, Inc 8.880%, 05/15/17	6,818,313	0.7
5,050,000	SuperValu, Inc 7.500%, 11/15/14	5,075,250	0.6
	Other	17,434,100	1.9
		29,327,663	3.2
FOOD, BEVERAGE & TOBACCO			
		12,654,026	1.4
HEALTH CARE EQUIPMENT & SERVICES			
9,050,000	CHS/Community Health Systems 8.880%, 07/15/15	9,547,750	1.0
4,500,000	HCA, Inc 7.880%, 02/15/20	4,893,749	0.5
8,205,000	o 7.500%-9.880%, 11/15/16-11/06/33	8,833,263	1.0
5,750,000	Healthsouth Corp 7.750%, 09/15/22	5,979,999	0.7
	Other	24,102,382	2.7
		53,357,143	5.9
HOUSEHOLD & PERSONAL PRODUCTS			
5,000,000	Reynolds Group Issuer, Inc g 7.750%, 10/15/16	5,287,500	0.6
	Other	9,777,428	1.1
		15,064,928	1.7
INSURANCE			
		8,554,410	0.9

# SUMMARY PORTFOLIO OF INVESTMENTS

continued

## HIGH-YIELD FUND ■ MARCH 31, 2011

Principal	Issuer	Value	% of net assets	Principal	Issuer	Value	% of net assets
<b>MATERIALS</b>				<b>SEMICONDUCTORS &amp; SEMICONDUCTOR EQUIPMENT</b>			
\$ 7,350,000	g Cemex SAB de C.V. 9.500%, 12/14/16	\$ 7,919,625	0.9%	\$ 5,750,000	g Hynix Semiconductor, Inc 7.880%, 06/27/17	\$ 5,980,000	0.7%
4,000,000	Georgia-Pacific LLC 8.880%, 05/15/31	4,830,000	0.5			5,980,000	0.7
5,600,000	g Verso Paper Holdings LLC 8.750%, 02/01/19	5,824,000	0.6	<b>SOFTWARE &amp; SERVICES</b>			
	Other	76,298,474	8.6	<b>TECHNOLOGY HARDWARE &amp; EQUIPMENT</b>			
		94,872,099	10.6	4,396,000	Scientific Games Corp 9.250%, 06/15/19	4,824,610	0.5
<b>MEDIA</b>					Other	5,739,344	0.6
5,000,000	AMC Entertainment, Inc 8.750%, 06/01/19	5,425,000	0.6	<b>TELECOMMUNICATION SERVICES</b>			
6,600,000	CCO Holdings LLC 7.000%, 01/15/19	6,764,999	0.8	5,000,000	Frontier Communications Corp 7.880%, 04/15/15	5,387,500	0.6
5,375,000	8.130%, 04/30/20	5,845,312	0.6	11,000,000	g Intelsat Jackson Holdings Ltd 7.250%-8.500%, 04/01/19-10/15/20	11,303,750	1.2
4,860,000	Lamar Media Corp 6.630%, 08/15/15	4,957,200	0.5	6,724,000	Sprint Capital Corp 6.900%, 05/01/19	6,942,529	0.9
4,630,000	g Nielsen Finance LLC 7.750%, 10/15/18	4,965,675	0.5	5,440,000	Virgin Media Finance plc 9.500%, 08/15/16	6,187,999	0.7
5,000,000	g Univision Communications, Inc 7.880%, 11/01/20	5,287,500	0.6		Other	30,539,075	3.3
	Other	27,652,460	3.1	<b>TRANSPORTATION</b>			
		60,898,146	6.7	6,000,000	Hertz Corp 6.750%, 04/15/19	5,947,500	0.7
<b>PHARMACEUTICALS, BIOTECHNOLOGY &amp; LIFE SCIENCES</b>					Other	18,665,941	2.0
6,195,000	g NBTY, Inc 9.000%, 10/01/18	6,721,575	0.7	<b>UTILITIES</b>			
11,270,000	g Valeant Pharmaceuticals International 6.750%-7.250%, 10/01/17-07/15/22	10,993,300	1.2	5,600,000	AES Corp 8.000%, 10/15/17	6,020,000	0.7
	Other	8,767,500	1.0	6,000,000	g Calpine Corp 7.500%, 02/15/21	6,209,999	0.7
		26,482,375	2.9	5,800,000	Crosstex Energy, Inc 8.880%, 02/15/18	6,322,000	0.7
<b>REAL ESTATE</b>				9,620,000	NRG Energy, Inc 7.380%-8.500%, 02/01/16-06/15/19	10,041,700	1.1
9,005,000	DuPont Fabros Technology LP 8.500%, 12/15/17	9,916,756	1.1	6,626,000	Sabine Pass LNG LP 7.500%, 11/30/16	6,808,214	0.8
		9,916,756	1.1		Other	27,286,681	3.0
<b>RETAILING</b>				<b>TOTAL CORPORATE BONDS</b>			
4,500,000	g Ace Hardware Corp 9.130%, 06/01/16	4,843,125	0.5	<i>(Cost \$791,738,268)</i>			
6,500,000	g Asbury Automotive Group, Inc 8.380%, 11/15/20	6,760,000	0.8	<b>838,158,019 92.8</b>			
5,000,000	Macy's Retail Holdings, Inc 5.900%, 12/01/16	5,375,000	0.6				
4,600,000	g QVC, Inc 7.500%, 10/01/19	4,830,000	0.5				
5,200,000	g Sears Holding Corp 6.630%, 10/15/18	5,044,000	0.6				
	Other	21,097,137	2.3				
		47,949,262	5.3				

# SUMMARY PORTFOLIO OF INVESTMENTS

concluded

HIGH-YIELD FUND ■ MARCH 31, 2011

Principal	Issuer	Value	% of net assets
<b>GOVERNMENT BONDS</b>			
FOREIGN GOVERNMENT BONDS		\$ 9,072,441	1.0%
<b>TOTAL GOVERNMENT BONDS</b> (Cost \$9,110,835)		<b>9,072,441</b>	<b>1.0</b>
<b>TOTAL BONDS</b> (Cost \$800,849,103)		<b>847,230,460</b>	<b>93.8</b>
Shares	Company		
<b>PREFERRED STOCKS</b>			
DIVERSIFIED FINANCIALS			
280,000	* GMAC Capital Trust I	7,101,239	0.8
		7,101,239	0.8
<b>TOTAL PREFERRED STOCKS</b> (Cost \$7,000,000)		<b>7,101,239</b>	<b>0.8</b>
Principal	Issuer		
<b>SHORT-TERM INVESTMENTS</b>			
GOVERNMENT AGENCY DEBT			
	Federal Home Loan Bank (FHLB)		
\$ 5,100,000	0.016%, 04/06/11	5,099,940	0.6
		5,099,940	0.6
<b>TOTAL SHORT-TERM INVESTMENTS</b> (Cost \$5,099,940)		<b>5,099,940</b>	<b>0.6</b>
<b>TOTAL PORTFOLIO</b> (Cost \$829,978,073)		<b>876,141,325</b>	<b>97.0</b>
OTHER ASSETS & LIABILITIES, NET		27,161,335	3.0
<b>NET ASSETS</b>		<b>\$ 903,302,660</b>	<b>100.0%</b>

\* Non-income producing.

g Security is exempt from registration under Rule 144(A) of the Securities Act of 1933 and may be resold in transactions exempt from registration to qualified institutional buyers. At 3/31/2011, the value of these securities amounted to \$349,845,340 or 38.7% of net assets.

i Floating or variable rate security. Coupon rate reflects the rate at period end.

o Payment in Kind Bond.

For ease of presentation, a number of classification categories have been grouped together in the Summary Portfolio of Investments. Note that the Fund uses more specific categories in following its investment limitations on investment concentrations.

# SUMMARY PORTFOLIO OF INVESTMENTS

TAX-EXEMPT BOND FUND ■ MARCH 31, 2011

Principal	Issuer	Value	% of net assets	Principal	Issuer	Value	% of net assets
<b>LONG-TERM MUNICIPAL BONDS</b>				GEORGIA		\$ 5,476,843	1.9%
<b>ALABAMA</b>				ILLINOIS			
	Southeast Alabama Gas District				Chicago Board of Education		
\$ 1,785,000	5.000%, 06/01/18	\$ 1,832,606	0.6%	\$ 2,045,000	5.000%, 12/01/17	2,147,495	0.7
	Other	1,142,957	0.4		Chicago Transit Authority		
		2,975,563	1.0	2,500,000	5.500%, 06/01/18	2,621,724	0.9
					Regional Transportation Authority		
		619,209	0.2	1,650,000	6.000%, 06/01/23	1,787,082	0.6
<b>ALASKA</b>					State of Illinois		
<b>ARIZONA</b>				2,045,000	5.000%, 01/01/20	2,010,767	0.7
	City of Tucson AZ			1,835,000	5.000%, 01/01/20	1,809,347	0.6
2,000,000	5.000%, 07/01/20	2,175,660	0.8	2,250,000	5.250%, 01/01/20	2,254,500	0.8
	Other	5,011,592	1.7		Other	11,235,229	3.9
		7,187,252	2.5			23,866,144	8.2
		2,623,563	0.9	<b>INDIANA</b>			
<b>ARKANSAS</b>					Indiana Bond Bank		
<b>CALIFORNIA</b>				2,120,000	5.250%, 04/01/19	2,295,154	0.8
	California State Department of Water Resources				Indianapolis Local Public Improvement Bond Bank		
2,000,000	5.000%, 05/01/20	2,231,420	0.8	1,940,000	5.500%, 01/01/21	2,138,113	0.7
	County of San Bernardino CA				Other	7,727,315	2.7
2,000,000	5.250%, 08/01/19	2,081,900	0.7			12,160,582	4.2
	East Side Union High School District-			<b>LOUISIANA</b>			
	Santa Clara County				City of New Orleans LA, GO		
1,670,000	5.000%, 08/01/19	1,830,470	0.6	1,750,000	5.500%, 12/01/21	1,830,115	0.6
2,500,000	5.250%, 02/01/23	2,508,549	0.9		Other	780,255	0.3
	Los Angeles Unified School District, COP					2,610,370	0.9
2,250,000	5.000%, 10/01/17	2,389,343	0.8	<b>MASSACHUSETTS</b>			
	State of California				Commonwealth of Massachusetts		
1,855,000	5.000%, 03/01/17	2,051,202	0.8	2,135,000	5.250%, 09/01/23	2,436,611	0.8
2,535,000	5.000%, 10/01/17	2,805,154	1.0		Other	5,197,595	1.8
2,000,000	5.500%, 08/01/25	2,080,420	0.7			7,634,206	2.6
	Vallejo City Unified School District			<b>MICHIGAN</b>			
3,065,000	5.900%, 02/01/18	3,144,199	1.2		Detroit City School District		
2,150,000	5.900%, 08/01/25	2,022,613	0.7	2,030,000	6.000%, 05/01/21	2,202,408	0.8
	West Contra Costa Unified School District				Other	10,104,802	3.4
1,710,000	5.700%, 02/01/21	1,794,748	0.6			12,307,210	4.2
1,810,000	5.700%, 02/01/22	1,882,219	0.6	<b>MINNESOTA</b>			
	Other	15,792,493	5.3			1,141,000	0.4
		42,614,730	14.7	<b>MISSISSIPPI</b>			
		5,499,516	1.9		Mississippi Development Bank		
<b>COLORADO</b>					Special Obligation		
	DISTRICT OF COLUMBIA	538,965	0.2	2,100,000	5.000%, 07/01/17	2,261,637	0.7
<b>FLORIDA</b>					Other	1,600,995	0.6
	Florida Department of Transportation					3,862,632	1.3
2,200,000	5.000%, 07/01/18	2,425,851	0.8	<b>MISSOURI</b>			
	Florida Water Pollution Control Financing Corp					1,765,788	0.6
1,690,000	5.000%, 07/15/20	1,882,170	0.6	<b>NEBRASKA</b>			
	Lake County School Board, COP					2,008,070	0.7
2,250,000	5.250%, 06/01/17	2,410,874	0.8	<b>NEVADA</b>			
	Other	19,064,255	6.6			2,358,413	0.8
		25,783,150	8.8				

# SUMMARY PORTFOLIO OF INVESTMENTS

concluded

## TAX-EXEMPT BOND FUND - MARCH 31, 2011

Principal	Issuer	Value	% of net assets
<b>NEW JERSEY</b>			
\$ 1,815,000	New Jersey Transportation Trust Fund Authority 5.250%, 12/15/19	\$ 1,919,961	0.7%
2,000,000	5.750%, 06/15/23	2,096,400	0.7
2,000,000	State of New Jersey 5.250%, 08/01/22	2,195,140	0.8
	Other	7,607,912	2.5
		<u>13,819,413</u>	<u>4.7</u>
<b>NEW YORK</b>			
2,000,000	Metropolitan Transportation Authority 5.250%, 11/15/23	2,121,281	0.7
2,000,000	New York City Health & Hospital Corp 5.000%, 02/15/20	2,094,640	0.7
2,000,000	New York State Urban Development Corp 5.000%, 03/15/20	2,240,060	0.8
	Other	15,783,380	5.4
		<u>22,239,361</u>	<u>7.6</u>
		<u>2,933,929</u>	<u>1.0</u>
<b>NORTH CAROLINA</b>			
<b>OHIO</b>			
2,000,000	Cincinnati City School District 5.250%, 12/01/24	2,168,700	0.7
4,000,000	State of Ohio, AMT 4.950%, 09/01/20	4,051,280	1.4
	Other	4,010,918	1.4
		<u>10,230,898</u>	<u>3.5</u>
<b>PENNSYLVANIA</b>			
2,000,000	Philadelphia School District 5.000%, 09/01/20	2,063,519	0.7
	Other	9,362,769	3.2
		<u>11,426,288</u>	<u>3.9</u>
<b>PUERTO RICO</b>			
2,015,000	Commonwealth of Puerto Rico 5.500%, 07/01/15	2,142,953	0.7
3,370,000	Puerto Rico Commonwealth Infrastructure Financing Authority 5.500%, 07/01/19	3,477,772	1.3
3,130,000	Puerto Rico Public Finance Corp i 5.750%, 08/01/27	3,184,368	1.1
	Other	9,937,428	3.3
		<u>18,742,521</u>	<u>6.4</u>
		<u>2,489,007</u>	<u>0.9</u>
		<u>2,613,559</u>	<u>0.9</u>
		<u>583,095</u>	<u>0.2</u>
<b>TENNESSEE</b>			
3,675,000	Tennessee Energy Acquisition Corp 5.000%, 02/01/18	3,641,264	1.2
	Other	5,254,438	1.8
		<u>8,895,702</u>	<u>3.0</u>

Principal	Issuer	Value	% of net assets
<b>TEXAS</b>			
\$ 1,640,000	County of Harris TX 5.250%, 08/15/25	\$ 1,883,573	0.6%
1,515,000	Lower Colorado River Authority 6.000%, 01/01/17	1,814,697	0.6
2,475,000	North East Independent School District 5.250%, 02/01/26	2,785,711	1.0
2,000,000	SA Energy Acquisition Public Facility Corp 5.500%, 08/01/19	2,039,960	0.7
2,500,000	Texas Municipal Gas Acquisition & Supply Corp I 6.250%, 12/15/26	2,542,325	0.9
3,000,000	University of Texas 5.250%, 07/01/26	3,413,549	1.2
	Other	5,361,800	1.8
		<u>19,841,615</u>	<u>6.8</u>
<b>VIRGINIA</b>			
2,500,000	Virginia College Building Authority 5.000%, 02/01/24	2,751,375	0.9
	Other	1,462,545	0.5
		<u>4,213,920</u>	<u>1.4</u>
<b>WASHINGTON</b>			
3,150,000	Port of Seattle WA 5.500%, 09/01/17	3,525,858	1.3
	Other	880,877	0.2
		<u>4,406,735</u>	<u>1.5</u>
		<u>1,178,830</u>	<u>0.4</u>
<b>WISCONSIN</b>			
<b>TOTAL LONG-TERM MUNICIPAL BONDS</b>			
<i>(Cost \$289,407,819)</i>		<b>286,648,079</b>	<b>98.2</b>
<b>TOTAL PORTFOLIO</b>			
<i>(Cost \$289,407,819)</i>		<b>286,648,079</b>	<b>98.2</b>
OTHER ASSETS & LIABILITIES, NET		5,335,334	1.8
<b>NET ASSETS</b>		<b>\$ 291,983,413</b>	<b>100.0%</b>

### Abbreviation(s):

AMT - Alternative Minimum Tax (subject to)

COP - Certificate of Participation

GO - General Obligation

i Floating or variable rate security. Coupon rate reflects the rate at period end.

For ease of presentation, a number of classification categories have been grouped together in the Summary Portfolio of Investments. Note that the Fund uses more specific categories in following its investment limitations on investment concentrations.

# PORTFOLIO OF INVESTMENTS

INFLATION-LINKED BOND FUND ■ MARCH 31, 2011

Principal	Issuer	Value	% of net assets
<b>BONDS</b>			
<b>GOVERNMENT BONDS</b>			
U.S. TREASURY SECURITIES			
	United States Treasury Inflation Indexed Bonds (k)		
\$26,991,863	2.000%, 04/15/12	\$ 28,221,261	2.5%
46,211,413	3.000%, 07/15/12	49,496,767	4.5
29,533,329	0.630%, 04/15/13	30,908,460	2.8
44,316,230	1.880%, 07/15/13	47,934,251	4.3
45,384,752	2.000%, 01/15/14	49,455,220	4.5
29,652,255	1.250%, 04/15/14	31,687,378	2.9
39,003,861	2.000%, 07/15/14	42,800,653	3.9
29,788,171	1.630%, 01/15/15	32,289,901	2.9
27,026,664	0.500%, 04/15/15	28,052,839	2.5
35,885,034	1.880%, 07/15/15	39,479,135	3.6
36,504,478	2.000%, 01/15/16	40,303,207	3.6
34,448,344	2.500%, 07/15/16	39,098,871	3.5
29,388,831	2.380%, 01/15/17	33,119,832	3.0
28,190,784	2.630%, 07/15/17	32,377,566	2.9
27,011,728	1.630%, 01/15/18	29,206,431	2.6
25,935,940	1.380%, 07/15/18	27,615,707	2.5
26,408,428	2.130%, 01/15/19	29,468,082	2.7
28,668,472	1.880%, 07/15/19	31,447,966	2.8
33,805,236	1.380%, 01/15/20	35,445,331	3.2
64,385,381	1.250%, 07/15/20	66,492,971	5.9
22,607,562	1.130%, 01/15/21	22,937,836	2.1
51,082,325	2.380%, 01/15/25	57,343,894	5.2
32,643,801	2.000%, 01/15/26	34,842,165	3.1
28,089,190	2.380%, 01/15/27	31,277,763	2.8
27,221,936	1.750%, 01/15/28	27,745,114	2.5
28,466,456	3.630%, 04/15/28	36,712,846	3.3
25,434,136	2.500%, 01/15/29	28,810,111	2.6
38,608,493	3.880%, 04/15/29	51,662,990	4.7
10,445,010	3.380%, 04/15/32	13,449,580	1.2
28,270,035	2.130%, 02/15/40	29,893,357	2.7
16,087,520	2.130%, 02/15/41	16,998,733	1.5
		<b>1,096,576,218</b>	<b>98.8</b>
<b>TOTAL GOVERNMENT BONDS</b>		<b>1,096,576,218</b>	<b>98.8</b>
<i>(Cost \$1,032,399,923)</i>			
<b>TOTAL BONDS</b>		<b>1,096,576,218</b>	<b>98.8</b>
<i>(Cost \$1,032,399,923)</i>			
<b>TOTAL PORTFOLIO</b>		<b>1,096,576,218</b>	<b>98.8</b>
<i>(Cost \$1,032,399,923)</i>			
OTHER ASSETS & LIABILITIES, NET		13,310,026	1.2
<b>NET ASSETS</b>		<b>\$1,109,886,244</b>	<b>100.0%</b>

k Principal amount for interest accrual purposes is periodically adjusted based on changes in the Consumer Price Index.

# SUMMARY PORTFOLIO OF INVESTMENTS

BOND INDEX FUND ■ MARCH 31, 2011

Principal	Issuer	Value	% of net assets
<b>BONDS</b>			
<b>CORPORATE BONDS</b>			
AUTOMOBILES & COMPONENTS		\$ 893,349	0.1%
BANKS		49,123,845	3.5
CAPITAL GOODS		8,568,117	0.5
COMMERCIAL & PROFESSIONAL SERVICES		15,182,939	1.1
CONSUMER DURABLES & APPAREL		634,558	0.0
CONSUMER SERVICES		2,604,897	0.2
DIVERSIFIED FINANCIALS		65,440,440	4.7
ENERGY		24,754,252	1.8
FOOD & STAPLES RETAILING		2,469,065	0.2
FOOD, BEVERAGE & TOBACCO		13,655,932	1.0
HEALTH CARE EQUIPMENT & SERVICES		4,030,634	0.3
HOUSEHOLD & PERSONAL PRODUCTS		1,238,636	0.1
INSURANCE		14,164,064	1.0
MATERIALS		12,419,091	0.9
MEDIA		10,442,526	0.7
PHARMACEUTICALS, BIOTECHNOLOGY & LIFE SCIENCES		12,065,567	0.9
REAL ESTATE		4,556,597	0.3
RETAILING		6,789,144	0.5
SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT		394,182	0.0
SOFTWARE & SERVICES		4,266,312	0.4
TECHNOLOGY HARDWARE & EQUIPMENT		8,171,232	0.5
TELECOMMUNICATION SERVICES		18,258,175	1.3
TRANSPORTATION		7,331,632	0.5
UTILITIES		25,854,990	2.0
<b>TOTAL CORPORATE BONDS</b>		<b>313,310,176</b>	<b>22.5</b>
<i>(Cost \$317,471,983)</i>			
<b>GOVERNMENT BONDS</b>			
AGENCY SECURITIES			
\$ 8,625,000	Federal Home Loan Bank (FHLB) 3.130%, 12/13/13	9,019,387	0.6
7,495,000	Federal Home Loan Mortgage Corp (FHLMC) 2.130%, 03/23/12	7,622,130	0.5
16,334,000	1.130%-6.250%, 07/27/12-07/15/32	17,634,242	1.2
5,500,000	Federal National Mortgage Association (FNMA) 3.250%, 04/09/13	5,769,066	0.5
5,415,000	3.000%, 09/16/14	5,666,727	0.5
9,145,000	4.630%, 10/15/14	10,061,877	0.7
	Other	24,028,453	1.7
		79,801,882	5.7
FOREIGN GOVERNMENT BONDS		27,096,560	1.9

Principal	Issuer	Value	% of net assets
<b>MORTGAGE BACKED</b>			
\$14,798,119	i Federal Home Loan Mortgage Corp (FHLMC) 2.510%-6.010%, 12/01/19-06/01/40	\$ 15,450,846	1.1%
8,448,447	Federal Home Loan Mortgage Corp Gold (FGLMC) 4.500%, 05/01/39	8,600,487	0.6
6,947,361	4.000%, 12/01/40	6,835,742	0.5
98,563,983	h 3.500%-8.000%, 08/01/12-08/01/40	103,199,923	7.4
	Federal National Mortgage Association (FNMA)		
5,982,482	5.000%, 11/01/33	6,306,294	0.5
5,167,979	4.500%, 01/01/35	5,323,160	0.4
11,944,184	5.500%, 02/01/35	12,861,734	0.9
5,188,638	4.500%, 02/01/39	5,292,553	0.4
6,250,427	4.500%, 09/01/40	6,369,747	0.5
183,594,035	h,i 2.380%-8.000%, 06/01/13-03/01/41	193,341,195	13.9
	Government National Mortgage Association (GNMA)		
5,787,105	4.500%, 05/15/39	5,980,913	0.4
4,854,189	5.000%, 06/15/39	5,182,606	0.4
5,863,459	5.000%, 06/15/39	6,260,158	0.4
6,537,001	4.500%, 12/15/39	6,755,921	0.5
5,064,758	4.500%, 01/20/40	5,225,669	0.4
60,846,115	i 3.000%-8.500%, 02/15/18-01/15/44	64,195,277	4.6
		457,182,225	32.9
<b>MUNICIPAL BONDS</b>			
		12,775,279	0.9
<b>U.S. TREASURY SECURITIES</b>			
	United States Treasury Bond		
16,379,100	8.000%, 11/15/21	22,874,428	1.6
12,310,000	5.250%, 02/15/29	13,864,138	1.0
9,879,000	5.380%, 02/15/31	11,297,565	0.8
13,410,000	3.880%, 08/15/40	11,999,858	0.9
14,781,200	3.500%-8.880%, 11/15/16-05/15/40	15,860,377	1.1
	United States Treasury Note		
5,755,000	0.630%, 07/31/12	5,768,064	0.4
15,770,000	0.380%, 08/31/12	15,743,506	1.1
16,900,000	0.380%, 09/30/12	16,857,750	1.2
18,350,000	0.380%, 10/31/12	18,289,077	1.3
29,600,000	0.500%, 11/30/12	29,537,573	2.1
8,000,000	0.630%, 12/31/12	7,993,128	0.6
7,650,000	0.630%, 01/31/13	7,636,253	0.5
10,575,000	0.750%, 09/15/13	10,508,081	0.8
8,284,000	2.000%, 11/30/13	8,476,214	0.6
11,198,000	2.250%, 05/31/14	11,512,070	0.8
6,784,000	2.630%, 06/30/14	7,050,062	0.5
5,583,000	2.380%, 08/31/14	5,747,001	0.4
4,910,000	2.380%, 09/30/14	5,051,545	0.4
9,860,000	2.380%, 10/31/14	10,135,005	0.7
6,310,000	2.250%, 01/31/15	6,440,144	0.5
7,170,000	2.500%, 04/30/15	7,365,497	0.5
6,895,000	1.750%, 07/31/15	6,843,288	0.5
12,840,000	1.250%, 08/31/15	12,444,772	0.9
18,805,000	1.250%, 09/30/15	18,186,484	1.3
27,300,000	1.250%, 10/31/15	26,342,370	2.0
23,550,000	1.380%, 11/30/15	22,804,853	1.6
5,000,000	2.130%, 12/31/15	5,001,170	0.4
5,400,000	2.000%, 01/31/16	5,360,764	0.4
10,650,000	2.130%, 02/29/16	10,616,719	0.8
9,000,000	2.250%, 03/31/16	9,010,530	0.6
8,342,000	2.630%, 08/15/20	7,825,839	0.6
5,650,000	2.630%, 11/15/20	5,272,156	0.4

# SUMMARY PORTFOLIO OF INVESTMENTS

concluded

## BOND INDEX FUND ■ MARCH 31, 2011

Principal	Issuer	Value	% of net assets
U.S. TREASURY SECURITIES—continued			
\$ 8,350,000	3.630%, 02/15/21	\$ 8,468,729	0.6%
12,085,000	4.250%, 11/15/40	11,558,167	0.8
56,418,200	0.500%-6.250%, 04/15/12-02/15/41	58,127,223	4.1
	Other	14,427	0.0
		<u>457,884,827</u>	<u>32.8</u>
<b>TOTAL GOVERNMENT BONDS</b>		<b>1,034,740,773</b>	<b>74.2</b>
<i>(Cost \$1,048,342,460)</i>			
<b>STRUCTURED ASSETS</b>			
ASSET BACKED		3,428,920	0.2
OTHER MORTGAGE BACKED		33,585,720	2.4
<b>TOTAL STRUCTURED ASSETS</b>		<b>37,014,640</b>	<b>2.6</b>
<i>(Cost \$36,571,369)</i>			
<b>TOTAL BONDS</b>		<b>1,385,065,589</b>	<b>99.3</b>
<i>(Cost \$1,402,385,812)</i>			
<b>TOTAL PORTFOLIO</b>		<b>1,385,065,589</b>	<b>99.3</b>
<i>(Cost \$1,402,385,812)</i>			
OTHER ASSETS & LIABILITIES, NET		9,714,781	0.7
<b>NET ASSETS</b>		<b>\$1,394,780,370</b>	<b>100.0%</b>

h All or a portion of these securities were purchased on a delayed delivery basis.

i Floating or variable rate security. Coupon rate reflects the rate at period end.

For ease of presentation, a number of classification categories have been grouped together in the Summary Portfolio of Investments. Note that the Fund uses more specific categories in following its investment limitations on investment concentrations.

# SUMMARY PORTFOLIO OF INVESTMENTS

MONEY MARKET FUND ■ MARCH 31, 2011

Principal	Issuer	Value	% of net assets
<b>SHORT-TERM INVESTMENTS</b>			
<b>BANKERS' ACCEPTANCES</b>			
	JPMorgan Chase Bank NA		
\$12,465,000	0.200%-0.310%, 04/04/11-09/07/11	\$ 12,460,824	1.0%
		12,460,824	1.0
<b>CERTIFICATE OF DEPOSIT</b>			
	Bank of Montreal		
10,000,000	0.220%, 04/29/11	10,000,000	0.9
	Bank of Nova Scotia		
10,000,000	0.270%, 06/07/11	10,000,000	0.9
19,200,000	0.250%-0.270%, 04/20/11-06/03/11	19,200,000	1.8
	Barclays Bank plc		
9,000,000	0.450%, 05/23/11	9,000,000	0.8
	BNP Paribas		
11,040,000	0.320%-0.330%, 05/13/11-06/24/11	11,040,000	1.0
	Toronto-Dominion Bank		
7,355,000	0.210%, 04/28/11	7,355,000	0.7
15,000,000	0.270%, 07/07/11	15,000,000	1.4
15,000,000	0.230%-0.300%, 04/20/11-05/17/11	15,000,000	1.5
	Other	10,000,000	0.9
		106,595,000	9.8
<b>COMMERCIAL PAPER</b>			
	Abbott Laboratories		
7,860,000	0.200%, 06/06/11	7,857,118	0.7
	Coca-Cola Co		
10,550,000	0.220%-0.230%, 04/08/11	10,549,532	1.0
15,620,000	0.160%-0.260%, 05/16/11-08/03/11	15,612,982	1.5
	Credit Agricole North America, Inc		
10,000,000	0.265%, 05/27/11	9,995,877	0.9
13,700,000	0.235%-0.260%, 04/25/11-05/11/11	13,697,385	1.3
	Fairway Finance LLC		
15,690,000	0.230%-0.280%, 04/12/11	15,688,734	1.4
14,003,000	0.210%-0.230%, 04/04/11-05/04/11	14,001,329	1.3
	General Electric Capital Corp		
10,000,000	0.220%, 06/27/11	9,994,683	0.8
	Johnson & Johnson		
8,000,000	0.200%, 05/02/11	7,998,622	0.7
	Nestle Capital Corp		
10,000,000	0.240%, 04/01/11	10,000,000	0.8
8,000,000	0.200%, 04/07/11	7,999,733	0.7
16,170,000	0.210%-0.245%, 04/05/11-06/17/11	16,165,846	1.6
	Novartis Finance Corp		
8,000,000	0.200%, 04/14/11	7,999,437	0.7
	Old Line Funding LLC		
7,500,000	0.250%, 06/14/11	7,496,147	0.7
29,320,000	0.190%-0.270%, 04/01/11-06/28/11	29,311,757	2.8
	Private Export Funding Corp		
10,000,000	0.250%, 05/05/11	9,997,639	0.9
8,000,000	0.250%, 06/21/11	7,995,500	0.7
13,500,000	0.245%-0.250%, 06/29/11	13,491,781	1.2
	Procter & Gamble Co		
18,600,000	0.180%, 04/07/11	18,599,442	1.7
10,000,000	0.190%, 05/11/11	9,997,889	0.9

Principal	Issuer	Value	% of net assets
<b>COMMERCIAL PAPER—continued</b>			
	Province of Ontario Canada		
\$12,020,000	0.200%-0.230%, 04/07/11-05/25/11	\$ 12,018,996	1.1%
	Rabobank USA Financial Corp		
7,755,000	0.275%-0.290%, 06/10/11	7,750,707	0.7
29,255,000	0.245%-0.345%, 04/08/11-09/06/11	29,239,857	2.7
	Royal Bank of Canada		
10,175,000	0.245%-0.250%, 04/11/11	10,174,302	0.9
	Sheffield Receivables Corp		
15,165,000	0.260%-0.280%, 04/06/11-05/19/11	15,161,985	1.4
	Straight-A Funding LLC		
39,548,000	0.240%-0.250%, 04/05/11-06/06/11	39,536,976	3.6
	Variable Funding Capital Co LLC		
27,920,000	0.230%-0.340%, 04/12/11-07/05/11	27,910,131	2.6
	Other	96,618,124	8.9
		482,862,511	44.4
<b>FOREIGN GOVERNMENT BONDS</b>			
		4,069,133	0.4
<b>GOVERNMENT AGENCY DEBT</b>			
	Federal Home Loan Bank (FHLB)		
9,620,000	0.130%-0.140%, 04/15/11	9,619,499	0.9
11,265,000	0.130%-0.180%, 04/27/11	11,263,737	1.0
7,300,000	0.110%-0.155%, 05/13/11	7,298,995	0.7
19,683,000	0.115%-0.150%, 05/18/11	19,679,908	1.8
10,000,000	0.110%-0.115%, 05/20/11	9,998,469	0.9
9,365,000	0.120%, 06/10/11	9,362,815	0.9
21,149,000	0.120%-0.150%, 04/20/11-06/01/11	21,145,403	1.9
	Federal Home Loan Mortgage Corp (FHLMC)		
11,825,000	0.120%-0.170%, 04/04/11	11,824,840	1.1
10,000,000	0.110%, 05/24/11	9,998,381	0.9
24,776,000	0.120%-0.300%, 04/12/11-10/07/11	24,770,980	2.4
	Federal National Mortgage Association (FNMA)		
11,410,000	0.130%, 04/18/11	11,409,300	1.0
19,990,000	0.115%-0.480%, 04/06/11-09/06/11	19,987,060	1.8
	Federal National Mortgage Associatoin (FNMA)		
9,000,000	0.115%, 06/08/11	8,998,045	0.8
	Other	1,996,213	0.2
		177,353,645	16.3
<b>TREASURY DEBT</b>			
	United States Treasury Bill		
8,220,000	0.145%-0.171%, 04/21/11	8,219,266	0.8
17,312,000	0.160%-0.190%, 05/12/11	17,308,525	1.6
8,670,000	0.203%, 05/19/11	8,667,653	0.8
10,000,000	0.140%-0.177%, 07/14/11	9,995,266	0.9
8,000,000	0.155%-0.158%, 09/01/11	7,994,666	0.7
34,130,000	0.135%-0.192%, 04/14/11-08/25/11	34,119,933	3.1

# SUMMARY PORTFOLIO OF INVESTMENTS

concluded

## MONEY MARKET FUND ■ MARCH 31, 2011

Principal	Issuer	Value	% of net assets
TREASURY DEBT—continued			
	United States Treasury Note		
\$16,970,000	0.875%, 04/30/11	\$ 16,978,587	1.6%
25,000,000	0.875%, 05/31/11	25,026,324	2.3
8,000,000	1.000%, 07/31/11	8,020,304	0.7
16,200,000	1.000%, 10/31/11	16,277,390	1.5
11,835,000	0.750%, 11/30/11	11,878,062	1.1
21,355,000	1.000%–1.380%, 06/30/11–02/15/12	21,469,839	2.0
		<u>185,955,815</u>	<u>17.1</u>
VARIABLE RATE SECURITIES			
	Federal Farm Credit Bank (FFCB)		
8,920,000	i 0.165%, 07/15/11	8,919,854	0.9
9,700,000	i 2.000%, 02/13/12	9,699,525	0.8
14,500,000	i 0.154%–0.400%, 05/16/11–06/17/11	14,499,781	1.3
	Federal Home Loan Bank (FHLB)		
9,000,000	i 0.260%, 05/26/11	9,000,000	0.8
9,500,000	i 0.310%, 06/01/11	9,500,320	0.9
12,000,000	i 0.310%, 06/15/11	12,002,502	1.1
9,600,000	i 0.210%, 01/13/12	9,599,619	0.9
10,000,000	i 0.158%–0.180%, 05/06/11–07/11/11	9,999,636	0.9
	Federal Home Loan Mortgage Corp (FHLMC)		
22,000,000	i 0.120%, 11/09/11	21,990,143	2.0
10,000,000	i 0.290%, 01/09/12	10,005,886	0.9
	Other	5,001,678	0.5
		<u>120,218,944</u>	<u>11.0</u>
<b>TOTAL SHORT-TERM INVESTMENTS</b>			
<i>(Cost \$1,089,515,872)</i>		<b>1,089,515,872</b>	<b>100.0</b>
<b>TOTAL PORTFOLIO</b>			
<i>(Cost \$1,089,515,872)</i>		<b>1,089,515,872</b>	<b>100.0</b>
OTHER ASSETS & LIABILITIES, NET		245,656	0.0
<b>NET ASSETS</b>		<b>\$1,089,761,528</b>	<b>100.0%</b>

i Floating or variable rate security. Coupon rate reflects the rate at period end.

For ease of presentation, a number of classification categories have been grouped together in the Summary Portfolio of Investments. Note that the Fund uses more specific categories in following its investment limitations on investment concentrations.

# STATEMENTS OF ASSETS AND LIABILITIES

TIAA-CREF FUNDS ■ MARCH 31, 2011

	Bond Fund	Bond Plus Fund	Short-Term Bond Fund	High-Yield Fund	Tax-Exempt Bond Fund
<b>ASSETS</b>					
Portfolio investments, at value <sup>†</sup>	\$2,448,786,685	\$888,833,068	\$528,088,074	\$876,141,325	\$286,648,079
Affiliated investments, at value <sup>‡</sup>	—	5,403,239	—	—	—
Cash	11,243,991	1,634,319	37,533,316	10,509,017	930,436
Receivable from securities transactions	8,457,296	2,124,979	910,724	19,438,444	1,188,515
Receivable for delayed delivery securities	80,881,269	7,348,389	—	—	—
Receivable from Fund shares sold	4,759,747	3,457,478	1,606,166	3,122,642	49,480
Dividends and interest receivable	13,073,521	7,483,436	3,267,425	18,538,768	3,694,303
Due from affiliates	—	387	655	—	1,122
Other	37,124	13,942	7,315	22,585	18,031
<b>Total assets</b>	<b>2,567,239,633</b>	<b>916,299,237</b>	<b>571,413,675</b>	<b>927,772,781</b>	<b>292,529,966</b>
<b>LIABILITIES</b>					
Management fees payable	49,130	20,639	11,599	25,716	7,218
Service agreement fees payable	5,319	1,500	2,738	3,605	—
Distribution fees payable	22,586	86,835	52,604	57,999	91,490
Due to affiliates	14,463	5,377	3,894	6,001	2,244
Payable for securities transactions	11,979,344	6,328,855	1,524,927	6,334,222	—
Payable for delayed delivery securities	518,350,231	63,698,641	3,605,916	15,912,938	—
Payable for Fund shares redeemed	2,098,072	281,449	571,520	454,073	265,329
Income distribution payable	113,196	75,314	103,937	1,071,645	127,721
Accrued expenses & other payables	165,936	113,369	69,520	603,922	52,551
<b>Total liabilities</b>	<b>532,798,277</b>	<b>70,611,979</b>	<b>5,946,655</b>	<b>24,470,121</b>	<b>546,553</b>
<b>NET ASSETS</b>	<b>\$2,034,441,356</b>	<b>\$845,687,258</b>	<b>\$565,467,020</b>	<b>\$903,302,660</b>	<b>\$291,983,413</b>
<b>NET ASSETS CONSIST OF:</b>					
Paid-in-capital	\$1,997,900,162	\$850,258,449	\$563,718,681	\$867,874,702	\$296,475,945
Undistributed net investment income (loss)	21,966	34,084	(7,081)	(295,279)	11,267
Accumulated net realized gain (loss) on total investments	4,151,809	(11,608,347)	745,232	(10,440,014)	(1,744,060)
Accumulated net unrealized appreciation (depreciation) on total investments	32,367,419	7,003,072	1,010,188	46,163,251	(2,759,739)
<b>NET ASSETS</b>	<b>\$2,034,441,356</b>	<b>\$845,687,258</b>	<b>\$565,467,020</b>	<b>\$903,302,660</b>	<b>\$291,983,413</b>
<b>INSTITUTIONAL CLASS:</b>					
Net assets	\$1,681,236,624	\$496,172,827	\$255,835,251	\$527,004,343	\$ 10,003,331
Outstanding shares of beneficial interest, unlimited shares authorized (\$.0001 par value)	162,263,531	48,826,095	24,828,262	52,774,724	994,595
<b>Net asset value per share</b>	<b>\$10.36</b>	<b>\$10.16</b>	<b>\$10.30</b>	<b>\$9.99</b>	<b>\$10.06</b>
<b>RETIREMENT CLASS:</b>					
Net assets	\$ 261,329,571	\$ 72,668,326	\$134,128,244	\$176,488,755	\$ —
Outstanding shares of beneficial interest, unlimited shares authorized (\$.0001 par value)	24,803,533	7,142,436	13,003,644	17,674,781	—
<b>Net asset value per share</b>	<b>\$10.54</b>	<b>\$10.17</b>	<b>\$10.31</b>	<b>\$9.99</b>	<b>\$—</b>
<b>RETAIL CLASS:</b>					
Net assets	\$ 56,163,193	\$265,818,196	\$155,622,834	\$169,337,145	\$281,980,082
Outstanding shares of beneficial interest, unlimited shares authorized (\$.0001 par value)	5,336,080	26,108,634	15,089,935	16,886,722	27,998,303
<b>Net asset value per share</b>	<b>\$10.53</b>	<b>\$10.18</b>	<b>\$10.31</b>	<b>\$10.03</b>	<b>\$10.07</b>
<b>PREMIER CLASS:</b>					
Net assets	\$ 35,711,968	\$ 11,027,909	\$ 19,880,691	\$ 30,472,417	\$ —
Outstanding shares of beneficial interest, unlimited shares authorized (\$.0001 par value)	3,444,598	1,085,276	1,927,925	3,051,016	—
<b>Net asset value per share</b>	<b>\$10.37</b>	<b>\$10.16</b>	<b>\$10.31</b>	<b>\$9.99</b>	<b>\$—</b>
<sup>†</sup> Portfolio investments, Cost	\$2,416,419,298	\$881,883,250	\$527,077,886	\$829,978,073	\$289,407,819
<sup>‡</sup> Affiliated investments, Cost	\$ —	\$ 5,349,995	\$ —	\$ —	\$ —

Inflation-Linked Bond Fund	Bond Index Fund	Money Market Fund
\$1,096,576,218	\$1,385,065,589	\$1,089,515,872
—	—	—
7,332,103	8,115,440	9,160
—	16,565,646	—
—	—	—
1,599,741	1,061,525	1,543,603
5,196,122	9,026,027	385,764
—	2,493	164,394
27,570	5,101	36,590
<b>1,110,731,754</b>	<b>1,419,841,821</b>	<b>1,091,655,383</b>
22,626	11,419	8,975
3,588	64	1,355
48,401	1,621	194,417
7,767	9,578	6,742
—	21,410,049	—
—	3,482,401	—
665,279	18,610	1,398,868
—	920	1,822
97,849	126,789	281,676
<b>845,510</b>	<b>25,061,451</b>	<b>1,893,855</b>
<b>\$1,109,886,244</b>	<b>\$1,394,780,370</b>	<b>\$1,089,761,528</b>
\$1,046,958,831	\$1,414,388,837	\$1,089,769,037
11,897	1,338	(7,509)
(1,260,779)	(2,289,582)	—
64,176,295	(17,320,223)	—
<b>\$1,109,886,244</b>	<b>\$1,394,780,370</b>	<b>\$1,089,761,528</b>
\$ 771,047,718	\$1,382,597,851	\$ 427,229,904
69,101,216	134,822,082	427,228,892
<b>\$11.16</b>	<b>\$10.25</b>	<b>\$1.00</b>
\$ 176,089,602	\$ 3,156,719	\$ 64,760,161
15,647,033	307,709	64,759,166
<b>\$11.25</b>	<b>\$10.26</b>	<b>\$1.00</b>
\$ 146,917,383	\$ 6,242,217	\$ 582,093,333
13,421,311	608,447	582,084,602
<b>\$10.95</b>	<b>\$10.26</b>	<b>\$1.00</b>
\$ 15,831,541	\$ 2,783,583	\$ 15,678,130
1,419,633	271,459	15,678,103
<b>\$11.15</b>	<b>\$10.25</b>	<b>\$1.00</b>
\$1,032,399,923	\$1,402,385,812	\$1,089,515,872
\$ —	\$ —	\$ —

# STATEMENTS OF OPERATIONS

TIAA-CREF FUNDS ■ FOR THE PERIOD OR YEAR ENDED

	Bond Fund		Bond Plus Fund	
	For the six month period ended March 31, 2011	For the year ended September 30, 2010	For the six month period ended March 31, 2011	For the year ended September 30, 2010
<b>INVESTMENT INCOME</b>				
Dividends	\$ —	\$ —	\$ 11,075	\$ —
Dividends from affiliated investments	—	—	184,252	362,419
Interest	33,376,436	97,562,472	14,913,753	27,123,696
<b>Total income</b>	<b>33,376,436</b>	<b>97,562,472</b>	<b>15,109,080</b>	<b>27,486,115</b>
<b>EXPENSES</b>				
Management fees	3,134,521	7,777,399	1,073,519	1,645,632
Distribution fees — Retail Class	35,265	51,229	163,825	273,865
Distribution fees — Premier Class	23,284	5,893	8,390	2,914
Fund administration fees	69,751	220,506	24,730	44,844
Custody and accounting fees	69,546	129,115	54,183	98,589
Professional fees	84,995	109,086	70,379	77,837
Shareholder reports	54,686	153,018	28,734	57,811
Shareholder servicing — Institutional Class	3,438	7,249	939	587
Shareholder servicing — Retirement Class	310,454	530,139	100,784	191,792
Shareholder servicing — Retail Class	21,056	30,769	139,377	174,514
Shareholder servicing — Premier Class	153	112	147	98
Trustee fees and expenses	8,843	23,208	3,046	4,659
Compliance fees	25,517	88,133	8,527	18,026
Interest expense	1,605	3,039	191	654
Registration fees	30,359	81,681	33,841	72,723
Other expenses	—	59,555	15,992	9,504
Total expenses	3,873,473	9,270,131	1,726,604	2,674,049
Less: Expenses reimbursed by the investment adviser	—	—	(62,055)	(112,131)
Fee waiver by investment adviser and TPIS	—	—	—	—
Net expenses	3,873,473	9,270,131	1,664,549	2,561,918
<b>Net investment income</b>	<b>29,502,963</b>	<b>88,292,341</b>	<b>13,444,531</b>	<b>24,924,197</b>
<b>NET REALIZED AND UNREALIZED GAIN (LOSS) ON TOTAL INVESTMENTS</b>				
Realized gain (loss):				
Portfolio investments	9,944,415	55,435,327	44,533	15,029,816
Swap transactions	—	—	(45,139)	—
In-kind redemptions	43,112,945	10,785,655	—	—
Net realized gain (loss) on total investments	53,057,360	66,220,982	(606)	15,029,816
Change in unrealized appreciation (depreciation) on:				
Portfolio investments	(94,684,384)	67,852,077	(12,913,152)	16,840,210
Affiliated investments	—	—	132,221	354,532
Translation of assets (other than portfolio investments) and liabilities denominated in foreign currencies	31	—	10	—
Net change in unrealized appreciation (depreciation) on total investments	(94,684,353)	67,852,077	(12,780,921)	17,194,742
Net realized and unrealized gain (loss) on total investments	(41,626,993)	134,073,059	(12,781,527)	32,224,558
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$(12,124,030)</b>	<b>\$222,365,400</b>	<b>\$ 663,004</b>	<b>\$57,148,755</b>

Short-Term Bond Fund		High-Yield Fund		Tax-Exempt Bond Fund		Inflation-Linked Bond Fund	
For the six month period ended	For the year ended	For the six month period ended	For the year ended	For the six month period ended	For the year ended	For the six month period ended	For the year ended
March 31, 2011	September 30, 2010	March 31, 2011	September 30, 2010	March 31, 2011	September 30, 2010	March 31, 2011	September 30, 2010
\$ —	\$ —	\$ 38,761	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	—	—
6,220,510	10,631,370	30,339,466	48,633,737	6,306,146	11,542,174	17,664,095	25,987,494
<b>6,220,510</b>	<b>10,631,370</b>	<b>30,378,227</b>	<b>48,633,737</b>	<b>6,306,146</b>	<b>11,542,174</b>	<b>17,664,095</b>	<b>25,987,494</b>
644,432	880,465	1,428,714	2,086,448	465,438	863,685	1,336,294	2,581,668
95,079	140,935	101,750	158,808	180,677	292,667	89,272	147,681
16,129	9,956	21,896	11,734	—	—	11,267	3,977
18,272	28,497	28,845	48,898	11,302	23,464	37,778	77,017
23,635	39,966	20,844	37,262	17,936	34,220	9,764	18,528
69,318	73,843	71,235	78,141	68,342	73,207	66,796	75,835
20,665	42,737	34,131	65,130	9,734	29,532	34,375	92,584
2,038	815	1,710	2,420	259	243	5,584	5,429
157,403	253,033	207,191	378,849	—	—	211,793	408,778
59,178	76,011	54,737	75,662	55,047	88,497	49,541	84,425
129	171	155	155	—	—	145	111
2,320	3,008	3,611	5,179	1,448	2,446	4,702	8,127
6,290	11,205	9,858	19,549	3,853	9,370	12,917	30,548
330	777	910	1,724	915	117	848	1,985
36,402	67,144	31,435	78,111	26,460	45,943	24,870	85,241
7,060	20,005	11,077	18,786	4,575	8,936	1,564	30,737
1,158,680	1,648,568	2,028,099	3,066,856	845,986	1,472,327	1,897,510	3,652,671
(56,572)	(113,046)	(9,495)	(57,123)	(67,706)	(85,229)	—	—
—	—	—	—	—	—	—	—
1,102,108	1,535,522	2,018,604	3,009,733	778,280	1,387,098	1,897,510	3,652,671
<b>5,118,402</b>	<b>9,095,848</b>	<b>28,359,623</b>	<b>45,624,004</b>	<b>5,527,866</b>	<b>10,155,076</b>	<b>15,766,585</b>	<b>22,334,823</b>
1,327,458	2,991,482	18,337,299	24,051,329	(1,492,682)	3,320,875	5,925,553	4,274,002
—	—	7,985	—	—	—	—	—
—	—	—	—	—	—	—	—
1,327,458	2,991,482	18,345,284	24,051,329	(1,492,682)	3,320,875	5,925,553	4,274,002
(7,295,402)	8,864,795	1,770,165	21,194,800	(18,227,687)	6,001,045	(10,948,529)	54,857,894
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
(7,295,402)	8,864,795	1,770,165	21,194,800	(18,227,687)	6,001,045	(10,948,529)	54,857,894
(5,967,944)	11,856,277	20,115,449	45,246,129	(19,720,369)	9,321,920	(5,022,976)	59,131,896
<b>\$ (849,542)</b>	<b>\$20,952,125</b>	<b>\$48,475,072</b>	<b>\$90,870,133</b>	<b>\$(14,192,503)</b>	<b>\$19,476,996</b>	<b>\$ 10,743,609</b>	<b>\$81,466,719</b>

# STATEMENTS OF OPERATIONS

concluded

## TIAA-CREF FUNDS ■ FOR THE PERIOD OR YEAR ENDED

	Bond Index Fund		Money Market Fund	
	For the six month period ended March 31, 2011	For the year ended September 30, 2010	For the six month period ended March 31, 2011	For the year ended September 30, 2010
<b>INVESTMENT INCOME</b>				
Interest	\$ 14,772,816	\$ 4,969,583	\$1,300,180	\$3,401,193
<b>Total income</b>	<b>14,772,816</b>	<b>4,969,583</b>	<b>1,300,180</b>	<b>3,401,193</b>
<b>EXPENSES</b>				
Management fees	575,506	155,271	557,763	1,251,950
Distribution fees – Retail Class	6,713	5,798	371,037	900,904
Distribution fees – Premier Class	1,454	1,681	11,376	3,343
Fund administration fees	38,763	12,684	41,703	99,773
Custody and accounting fees	118,607	84,946	18,913	57,316
Professional fees	60,668	107,097	74,990	95,180
Shareholder reports	65,756	27,361	39,343	147,403
Shareholder servicing – Institutional Class	7,668	1,420	2,754	2,452
Shareholder servicing – Retirement Class	3,325	4,038	87,582	287,699
Shareholder servicing – Retail Class	3,274	2,253	376,408	532,427
Shareholder servicing – Premier Class	152	105	153	115
Trustee fees and expenses	5,857	1,345	4,888	10,448
Compliance fees	13,642	4,567	8,856	38,764
Interest expense	6,437	96	198	100
Registration fees	12,097	76,598	48,496	91,124
Other expenses	61,123	11,116	6,905	12,985
Total expenses	981,042	496,376	1,651,365	3,531,983
Less: Expenses reimbursed by the investment adviser	(218,905)	(280,849)	–	(101,539)
Fee waiver by investment adviser and TPIS	–	–	(534,057)	(520,770)
Net expenses	762,137	215,527	1,117,308	2,909,674
<b>Net investment income</b>	<b>14,010,679</b>	<b>4,754,056</b>	<b>182,872</b>	<b>491,519</b>
<b>NET REALIZED AND UNREALIZED GAIN (LOSS) ON TOTAL INVESTMENTS</b>				
Realized gain (loss):				
Portfolio investments	(1,918,283)	585,662	475	1,905
Net realized gain (loss) on total investments	(1,918,283)	585,662	475	1,905
Change in unrealized appreciation (depreciation) on:				
Portfolio investments	(25,284,776)	7,529,771	–	–
Net change in unrealized appreciation (depreciation) on total investments	(25,284,776)	7,529,771	–	–
Net realized and unrealized gain (loss) on total investments	(27,203,059)	8,115,433	475	1,905
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$(13,192,380)</b>	<b>\$12,869,489</b>	<b>\$ 183,347</b>	<b>\$ 493,424</b>

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# STATEMENTS OF CHANGES IN NET ASSETS

TIAA-CREF FUNDS ■ FOR THE PERIOD OR YEAR ENDED

		Bond Fund		
		For the six month period ended March 31, 2011	For the year ended September 30, 2010	For the year ended September 30, 2009
<b>OPERATIONS</b>				
Net investment income		\$ 29,502,963	\$ 88,292,341	\$ 80,960,413
Net realized gain (loss) on total investments		53,057,360	66,220,982	(11,427,158)
Net change in unrealized appreciation (depreciation) on total investments		(94,684,353)	67,852,077	115,677,259
Net increase (decrease) from operations		(12,124,030)	222,365,400	185,210,514
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>				
<b>From net investment income:</b>				
	Institutional Class	(25,165,412)	(80,236,024)	(77,677,501)
	Retirement Class	(3,169,553)	(6,492,164)	(2,231,239)
	Retail Class	(755,988)	(1,448,590)	(1,036,858)
	Premier Class*	(412,010)	(115,569)	–
<b>From realized gains:</b>				
	Institutional Class	(17,950,957)	–	–
	Retirement Class	(2,758,263)	–	–
	Retail Class	(667,786)	–	–
	Premier Class*	(379,240)	–	–
Total distributions		(51,259,209)	(88,292,347)	(80,945,598)
<b>SHAREHOLDER TRANSACTIONS</b>				
<b>Subscriptions:</b>				
	Institutional Class	243,797,264	783,516,875	677,854,943
	Retirement Class	45,947,853	193,791,135	97,849,969
	Retail Class	10,062,531	31,267,123	19,736,042
	Premier Class*	15,830,867	22,158,416	250,000
<b>Reinvestments of distributions:</b>				
	Institutional Class	40,896,632	78,131,122	74,219,991
	Retirement Class	5,927,816	6,492,137	2,230,660
	Retail Class	1,370,611	1,381,632	980,542
	Premier Class*	791,250	115,569	–
<b>Redemptions:</b>				
	Institutional Class	(1,025,283,111)	(658,369,598)	(583,501,951)
	Retirement Class	(21,797,234)	(94,244,228)	(10,798,451)
	Retail Class	(11,662,789)	(11,855,580)	(8,182,644)
	Premier Class*	(2,089,784)	(578,902)	–
Net increase (decrease) from shareholder transactions		(696,208,094)	351,805,701	270,639,101
Net increase (decrease) in net assets		(759,591,333)	485,878,754	374,904,017
<b>NET ASSETS</b>				
Beginning of period		2,794,032,689	2,308,153,935	1,933,249,918
<b>End of period</b>		<b>\$ 2,034,441,356</b>	<b>\$ 2,794,032,689</b>	<b>\$ 2,308,153,935</b>
Undistributed net investment income included in net assets		\$ 21,966	\$ 21,225	\$ 21,231
<b>CHANGE IN FUND SHARES</b>				
<b>Shares sold:</b>				
	Institutional Class	23,279,338	75,599,135	68,905,026
	Retirement Class	4,293,600	18,437,353	9,695,033
	Retail Class	940,074	2,969,859	1,964,294
	Premier Class*	1,496,648	2,092,153	24,510
<b>Shares reinvested:</b>				
	Institutional Class	3,924,608	7,528,123	7,535,551
	Retirement Class	559,857	613,997	221,338
	Retail Class	129,540	130,854	97,923
	Premier Class*	76,013	10,849	–
<b>Shares redeemed:</b>				
	Institutional Class	(96,193,377)	(62,776,645)	(60,196,964)
	Retirement Class	(2,033,572)	(8,807,681)	(1,099,603)
	Retail Class	(1,100,692)	(1,125,808)	(823,780)
	Premier Class*	(201,127)	(54,448)	–
Net increase (decrease) from shareholder transactions		(64,829,090)	34,617,741	26,323,328

\* The Premier Class commenced operations on September 30, 2009.

Bond Plus Fund			Short-Term Bond Fund		
For the six month period ended March 31, 2011	For the year ended September 30, 2010	For the year ended September 30, 2009	For the six month period ended March 31, 2011	For the year ended September 30, 2010	For the year ended September 30, 2009
\$ 13,444,531	\$ 24,924,197	\$ 23,663,841	\$ 5,118,402	\$ 9,095,848	\$ 8,942,889
(606)	15,029,816	(10,589,590)	1,327,458	2,991,482	1,518,737
(12,780,921)	17,194,742	30,801,160	(7,295,402)	8,864,795	6,886,857
663,004	57,148,755	43,875,411	(849,542)	20,952,125	17,348,483
(6,918,419)	(9,854,844)	(10,468,024)	(2,256,278)	(3,196,821)	(4,066,159)
(1,437,789)	(3,324,496)	(1,593,521)	(1,169,865)	(2,446,968)	(1,182,042)
(4,875,223)	(11,669,182)	(11,600,903)	(1,482,570)	(3,293,093)	(3,693,739)
(206,154)	(75,695)	—	(209,689)	(158,917)	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
(13,437,585)	(24,924,217)	(23,662,448)	(5,118,402)	(9,095,799)	(8,941,940)
273,291,006	68,336,531	79,727,686	114,990,480	94,544,894	42,737,307
7,720,803	69,782,784	60,107,005	38,567,387	122,411,537	48,293,966
11,592,216	32,951,105	17,066,006	28,043,297	56,845,424	21,033,267
3,515,581	11,069,571	250,000	13,215,772	20,429,281	250,000
6,911,820	9,837,634	10,441,879	2,020,919	2,603,625	2,923,314
1,437,789	3,324,496	1,593,227	1,169,650	2,446,968	1,181,985
4,418,495	10,613,073	10,528,426	1,405,033	3,107,608	3,460,546
206,154	75,695	—	209,689	158,917	—
(16,325,684)	(59,262,454)	(135,917,077)	(34,871,405)	(26,566,337)	(83,521,470)
(27,056,249)	(44,221,173)	(15,848,131)	(25,644,862)	(63,302,350)	(14,211,782)
(22,039,606)	(29,525,633)	(30,687,835)	(21,735,142)	(26,210,905)	(20,214,679)
(3,335,580)	(686,091)	—	(13,164,980)	(1,207,324)	—
240,336,745	72,295,538	(2,738,814)	104,205,838	185,261,338	1,932,454
227,562,164	104,520,076	17,474,149	98,237,894	197,117,664	10,338,997
618,125,094	513,605,018	496,130,869	467,229,126	270,111,462	259,772,465
<b>\$845,687,258</b>	<b>\$618,125,094</b>	<b>\$513,605,018</b>	<b>\$565,467,020</b>	<b>\$467,229,126</b>	<b>\$270,111,462</b>
\$ 34,084	\$ 34,082	\$ 34,102	\$ (7,081)	\$ (7,081)	\$ (7,130)
26,750,221	6,767,050	8,598,402	11,102,473	9,169,996	4,327,425
754,629	6,955,121	6,463,407	3,719,525	11,976,622	4,867,796
1,131,263	3,289,934	1,818,815	2,703,199	5,549,673	2,120,022
343,304	1,082,140	25,562	1,274,577	1,982,974	24,728
677,453	983,559	1,118,855	195,248	254,107	295,722
140,439	330,982	168,906	112,837	238,336	119,101
431,479	1,059,102	1,125,267	135,535	303,271	349,603
20,177	7,358	—	20,227	15,411	—
(1,582,921)	(5,926,502)	(14,670,423)	(3,351,649)	(2,591,691)	(8,479,425)
(2,641,826)	(4,374,821)	(1,709,734)	(2,473,095)	(6,142,221)	(1,434,049)
(2,154,744)	(2,952,209)	(3,288,993)	(2,100,546)	(2,563,689)	(2,046,223)
(326,525)	(66,740)	—	(1,272,894)	(117,098)	—
23,542,949	7,154,974	(349,936)	10,065,437	18,075,691	144,700

# STATEMENTS OF CHANGES IN NET ASSETS

TIAA-CREF FUNDS ■ FOR THE PERIOD OR YEAR ENDED

		High-Yield Fund		
		For the six month period ended March 31, 2011	For the year ended September 30, 2010	For the year ended September 30, 2009
<b>OPERATIONS</b>				
Net investment income		\$ 28,359,623	\$ 45,624,004	\$ 35,743,171
Net realized gain (loss) on total investments		18,345,284	24,051,329	(34,864,100)
Net change in unrealized appreciation (depreciation) on total investments		1,770,165	21,194,800	71,218,652
Net increase (decrease) from operations		48,475,072	90,870,133	72,097,723
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>				
<b>From net investment income:</b>				
	Institutional Class	(16,075,075)	(23,073,446)	(20,591,953)
	Retirement Class	(5,612,284)	(11,344,973)	(5,584,092)
	Retail Class	(5,679,780)	(10,617,617)	(9,564,219)
	Premier Class*	(1,003,595)	(587,964)	—
<b>From realized gains:</b>				
	Institutional Class	—	—	—
	Retirement Class	—	—	—
	Retail Class	—	—	—
	Premier Class*	—	—	—
Total distributions		(28,370,734)	(45,624,000)	(35,740,264)
<b>SHAREHOLDER TRANSACTIONS</b>				
<b>Subscriptions:</b>				
	Institutional Class	141,374,570	197,790,236	95,448,518
	Retirement Class	38,465,048	95,079,140	83,363,065
	Retail Class	25,385,799	38,129,592	32,245,357
	Premier Class*	26,074,556	19,143,300	250,000
<b>Reinvestments of distributions:</b>				
	Institutional Class	11,164,031	18,067,942	15,946,293
	Retirement Class	5,609,474	11,344,973	5,583,477
	Retail Class	4,927,196	9,191,656	8,247,413
	Premier Class*	1,003,595	587,964	—
<b>Redemptions:</b>				
	Institutional Class	(35,642,208)	(85,854,685)	(108,190,157)
	Retirement Class	(38,140,059)	(76,438,460)	(5,212,659)
	Retail Class	(21,469,778)	(27,772,219)	(23,928,008)
	Premier Class*	(14,079,548)	(3,868,167)	—
Net increase (decrease) from shareholder transactions		144,672,676	195,401,272	103,753,299
Net increase (decrease) in net assets		164,777,014	240,647,405	140,110,758
<b>NET ASSETS</b>				
Beginning of period		738,525,646	497,878,241	357,767,483
<b>End of period</b>		<b>\$903,302,660</b>	<b>\$738,525,646</b>	<b>\$497,878,241</b>
Undistributed net investment income included in net assets		\$ (295,279)	\$ (295,279)	\$ (295,283)
<b>CHANGE IN FUND SHARES</b>				
<b>Shares sold:</b>				
	Institutional Class	14,284,381	21,035,133	12,420,381
	Retirement Class	3,884,199	10,150,586	10,402,994
	Retail Class	2,555,400	4,073,733	4,013,783
	Premier Class*	2,641,412	2,048,858	27,655
<b>Shares reinvested:</b>				
	Institutional Class	1,127,143	1,936,501	2,058,813
	Retirement Class	566,485	1,215,922	689,901
	Retail Class	495,680	981,485	1,053,232
	Premier Class*	101,418	62,463	—
<b>Shares redeemed:</b>				
	Institutional Class	(3,602,979)	(9,209,662)	(14,400,688)
	Retirement Class	(3,862,517)	(8,138,989)	(646,746)
	Retail Class	(2,155,455)	(2,976,515)	(3,121,863)
	Premier Class*	(1,420,788)	(410,002)	—
Net increase (decrease) from shareholder transactions		14,614,379	20,769,513	12,497,462

\* The Premier Class commenced operations on September 30, 2009.

Tax-Exempt Bond Fund			Inflation-Linked Bond Fund		
For the six month period ended March 31, 2011	For the year ended September 30, 2010	For the year ended September 30, 2009	For the six month period ended March 31, 2011	For the year ended September 30, 2010	For the year ended September 30, 2009
\$ 5,527,866	\$ 10,155,076	\$ 9,142,202	\$ 15,766,585	\$ 22,334,823	\$ (1,669,995)
(1,492,682)	3,320,875	368,128	5,925,553	4,274,002	(6,137,931)
(18,227,687)	6,001,045	19,874,276	(10,948,529)	54,857,894	37,861,907
(14,192,503)	19,476,996	29,384,606	10,743,609	81,466,719	30,053,981
(227,647)	(625,370)	(2,060,601)	(11,133,676)	(15,483,118)	(19,836)
—	—	—	(2,325,150)	(3,591,078)	(4,168)
(5,300,220)	(9,529,774)	(7,081,601)	(2,085,181)	(3,169,430)	(5,250)
—	—	—	(223,690)	(52,139)	—
(146,373)	(27,853)	(25,720)	—	—	—
—	—	—	—	—	—
(3,277,554)	(405,427)	(71,936)	—	—	—
—	—	—	—	—	—
(8,951,794)	(10,588,424)	(9,239,858)	(15,767,697)	(22,295,765)	(29,254)
510,400	2,697,533	4,164,257	101,714,674	239,989,479	135,301,362
—	—	—	33,516,771	94,080,296	53,092,335
26,695,863	98,734,879	56,343,467	19,343,209	40,801,163	40,355,233
—	—	—	8,562,034	14,334,508	250,000
29,536	86,949	1,359,690	10,522,062	14,556,717	18,482
—	—	—	2,324,993	3,590,870	4,168
7,710,106	8,765,349	6,167,680	1,997,604	3,037,653	5,016
—	—	—	223,690	52,139	—
(4,397,613)	(11,491,638)	(51,904,759)	(74,772,872)	(82,326,380)	(74,503,413)
—	—	—	(34,243,048)	(44,762,900)	(32,067,243)
(49,230,571)	(33,199,853)	(22,650,311)	(20,942,615)	(32,237,076)	(48,993,129)
—	—	—	(7,317,586)	(488,010)	—
(18,682,279)	65,593,219	(6,519,976)	40,928,916	250,628,459	73,462,811
(41,826,576)	74,481,791	13,624,772	35,904,828	309,799,413	103,487,538
333,809,989	259,328,198	245,703,426	1,073,981,416	764,182,003	660,694,465
<b>\$291,983,413</b>	<b>\$333,809,989</b>	<b>\$259,328,198</b>	<b>\$1,109,886,244</b>	<b>\$1,073,981,416</b>	<b>\$764,182,003</b>
\$ 11,267	\$ 45,739	\$ 45,807	\$ 11,897	\$ 13,009	\$ (26,048)
50,384	255,254	425,273	9,110,137	22,158,851	13,554,083
—	—	—	2,965,100	8,637,641	5,184,507
2,572,586	9,399,973	5,601,237	1,756,406	3,847,240	4,114,123
—	—	—	759,807	1,307,248	23,742
2,889	8,348	137,851	950,084	1,345,057	1,762
—	—	—	208,039	329,102	394
753,676	833,851	619,384	183,873	286,364	487
—	—	—	20,196	4,694	—
(433,608)	(1,102,954)	(5,178,337)	(6,689,268)	(7,560,534)	(7,545,244)
—	—	—	(3,005,942)	(4,048,954)	(3,276,674)
(4,829,251)	(3,171,873)	(2,296,501)	(1,917,139)	(3,041,074)	(5,093,034)
—	—	—	(651,999)	(44,055)	—
(1,883,324)	6,222,599	(691,093)	3,689,294	23,221,580	6,964,146

# STATEMENTS OF CHANGES IN NET ASSETS

TIAA-CREF FUNDS ■ FOR THE PERIOD OR YEAR ENDED

		Bond Index Fund		
		For the six month period ended March 31, 2011	For the year ended September 30, 2010	For the period ended September 30, 2009 <sup>†</sup>
<b>OPERATIONS</b>				
Net investment income		\$ 14,010,679	\$ 4,754,056	\$ 75,689
Net realized gain (loss) on total investments		(1,918,283)	585,662	324
Net change in unrealized appreciation (depreciation) on total investments		(25,284,776)	7,529,771	434,782
Net increase (decrease) from operations		(13,192,380)	12,869,489	510,795
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>				
<b>From net investment income:</b>				
	Institutional Class	(13,904,454)	(4,613,903)	(74,424)
	Retirement Class	(27,460)	(43,720)	(658)
	Retail Class	(56,387)	(63,505)	(614)
	Premier Class*	(22,378)	(32,915)	—
<b>From realized gains:</b>				
	Institutional Class	(931,923)	(17,947)	—
	Retirement Class	(1,588)	(181)	—
	Retail Class	(3,822)	(276)	—
	Premier Class*	(1,121)	(180)	—
Total distributions		(14,949,133)	(4,772,627)	(75,696)
<b>SHAREHOLDER TRANSACTIONS</b>				
<b>Subscriptions:</b>				
	Institutional Class	1,134,156,768	321,957,476	106,716,000
	Retirement Class	2,239,720	1,759,492	1,000,000
	Retail Class	2,816,795	3,410,109	1,000,000
	Premier Class*	1,371,642	428,898	1,000,000
<b>Reinvestments of distributions:</b>				
	Institutional Class	14,828,113	4,631,850	74,424
	Retirement Class	29,048	43,901	657
	Retail Class	55,983	62,792	614
	Premier Class*	23,499	33,095	—
<b>Redemptions:</b>				
	Institutional Class	(150,159,088)	(22,201,670)	(7,720,000)
	Retirement Class	(1,952,267)	(11,500)	—
	Retail Class	(724,225)	(392,338)	—
	Premier Class*	(25,708)	(64,158)	—
Net increase (decrease) from shareholder transactions		1,002,660,280	309,657,947	102,071,695
Net increase (decrease) in net assets		974,518,767	317,754,809	102,506,794
<b>NET ASSETS</b>				
Beginning of period		420,261,603	102,506,794	—
<b>End of period</b>		<b>\$1,394,780,370</b>	<b>\$420,261,603</b>	<b>\$102,506,794</b>
Undistributed net investment income included in net assets		\$ 1,338	\$ 1,091	\$ 107
<b>CHANGE IN FUND SHARES</b>				
<b>Shares sold:</b>				
	Institutional Class	108,594,414	31,042,454	10,667,729
	Retirement Class	217,216	171,728	100,000
	Retail Class	271,987	333,959	100,000
	Premier Class*	133,372	41,597	99,602
<b>Shares reinvested:</b>				
	Institutional Class	1,438,634	451,476	7,413
	Retirement Class	2,809	4,278	65
	Retail Class	5,420	6,122	61
	Premier Class*	2,278	3,240	—
<b>Shares redeemed:</b>				
	Institutional Class	(14,436,475)	(2,174,639)	(768,924)
	Retirement Class	(187,285)	(1,102)	—
	Retail Class	(70,409)	(38,693)	—
	Premier Class*	(2,476)	(6,155)	—
Net increase (decrease) from shareholder transactions		95,969,485	29,834,265	10,205,946

\* The Premier Class commenced operations on September 30, 2009.

† The Bond Index Fund commenced operations on September 14, 2009.

## Money Market Fund

	For the six month period ended March 31, 2011	For the year ended September 30, 2010	For the year ended September 30, 2009
\$	182,872	\$ 491,519	\$ 13,737,693
	475	1,905	4,239
	—	—	—
	183,347	493,424	13,741,932
	(182,872)	(473,302)	(3,063,713)
	—	(2,398)	(1,143,421)
	—	(15,797)	(9,530,561)
	—	(20)	—
	—	—	—
	—	—	—
	—	—	—
	—	—	—
	(182,872)	(491,517)	(13,737,695)
	80,862,315	197,525,504	126,024,537
	18,231,625	42,534,813	130,715,137
	132,307,237	246,031,424	383,740,953
	10,801,118	13,190,522	250,000
	182,803	472,841	3,063,347
	—	2,398	1,141,742
	—	14,855	9,331,172
	—	20	—
	(87,702,934)	(100,248,680)	(86,488,288)
	(32,905,616)	(96,517,908)	(96,274,278)
	(200,640,157)	(482,770,768)	(599,289,109)
	(7,554,193)	(1,009,364)	—
	(86,417,802)	(180,774,343)	(127,784,787)
	(86,417,327)	(180,772,436)	(127,780,550)
	1,176,178,855	1,356,951,291	1,484,731,841
	<b>\$1,089,761,528</b>	<b>\$1,176,178,855</b>	<b>\$1,356,951,291</b>
\$	(7,509)	\$ (8,234)	\$ (9,049)
	80,862,315	197,525,504	126,024,537
	18,231,625	42,534,813	130,715,137
	132,307,237	246,031,424	383,740,953
	10,801,118	13,190,522	250,000
	182,803	472,841	3,063,347
	—	2,398	1,141,743
	—	14,855	9,331,172
	—	20	—
	(87,702,934)	(100,248,680)	(86,488,288)
	(32,905,616)	(96,517,908)	(96,274,278)
	(200,640,157)	(482,770,767)	(599,289,109)
	(7,554,193)	(1,009,364)	—
	(86,417,802)	(180,774,342)	(127,784,786)

# FINANCIAL HIGHLIGHTS

BOND FUND ■ FOR THE PERIOD OR YEAR ENDED

	Institutional Class					
	3/31/11†	9/30/10	9/30/09	9/30/08	9/30/07	9/30/06
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>						
Net asset value, beginning of period	\$10.70	\$10.20	\$ 9.68	\$ 9.94	\$ 9.97	\$10.10
<b>Gain from investment operations:</b>						
Net investment income (a)	0.15	0.35	0.41	0.48	0.49	0.47
Net realized and unrealized gain (loss) on total investments	(0.22)	0.50	0.52	(0.26)	(0.03)	(0.13)
Total gain (loss) from investment operations	(0.07)	0.85	0.93	0.22	0.46	0.34
<b>Less distributions from:</b>						
Net investment income	(0.15)	(0.35)	(0.41)	(0.48)	(0.49)	(0.47)
Net realized gains	(0.12)	—	—	—	—	—
Total distributions	(0.27)	(0.35)	(0.41)	(0.48)	(0.49)	(0.47)
Net asset value, end of period	\$10.36	\$10.70	\$10.20	\$ 9.68	\$ 9.94	\$ 9.97
<b>TOTAL RETURN</b>	<b>(0.67)%(b)</b>	<b>8.47%</b>	<b>10.00%</b>	<b>2.06%</b>	<b>4.74%</b>	<b>3.46%</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net assets at end of year (in thousands)	\$1,681,237	\$2,474,347	\$2,151,009	\$1,883,323	\$1,615,363	\$1,709,874
Ratio of expenses to average net assets before expense waiver and reimbursement	0.33%(c)	0.33%	0.36%	0.32%	0.32%	0.25%
Ratio of expenses to average net assets after expense waiver and reimbursement	0.33%(c)	0.33%	0.34%	0.32%	0.32%	0.25%
Ratio of net investment income to average net assets	2.80%(c)	3.35%	4.20%	4.79%	4.91%	4.71%
Portfolio turnover rate	161%(b)(f)(g)	216%(f)(g)	173%(f)	113%	189%	183%

	Retirement Class					
	3/31/11†	9/30/10	9/30/09	9/30/08	9/30/07	9/30/06(d)
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>						
Net asset value, beginning of period	\$10.88	\$10.37	\$ 9.84	\$10.10	\$10.13	\$10.00
<b>Gain from investment operations:</b>						
Net investment income (a)	0.14	0.32	0.39	0.46	0.47	0.24
Net realized and unrealized gain (loss) on total investments	(0.22)	0.52	0.54	(0.27)	(0.03)	0.11
Total gain (loss) from investment operations	(0.08)	0.84	0.93	0.19	0.44	0.35
<b>Less distributions from:</b>						
Net investment income	(0.14)	(0.33)	(0.40)	(0.45)	(0.47)	(0.22)
Net realized gains	(0.12)	—	—	—	—	—
Total distributions	(0.26)	(0.33)	(0.40)	(0.45)	(0.47)	(0.22)
Net asset value, end of period	\$10.54	\$10.88	\$10.37	\$ 9.84	\$10.10	\$10.13
<b>TOTAL RETURN</b>	<b>(0.76)%(b)</b>	<b>8.22%</b>	<b>9.64%</b>	<b>1.87%</b>	<b>4.43%</b>	<b>3.52%(b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net assets at end of year (in thousands)	\$261,330	\$239,160	\$121,753	\$28,760	\$8,302	\$1,270
Ratio of expenses to average net assets before expense waiver and reimbursement	0.58%(c)	0.58%	0.62%	0.57%	0.59%	7.70%(c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.58%(c)	0.58%	0.59%	0.57%	0.59%	0.55%(c)
Ratio of net investment income to average net assets	2.56%(c)	3.06%	3.86%	4.56%	4.69%	4.69%(c)
Portfolio turnover rate	161%(b)(f)(g)	216%(f)(g)	173%(f)	113%	189%	183%

# FINANCIAL HIGHLIGHTS

continued

## BOND FUND ■ FOR THE PERIOD OR YEAR ENDED

	Retail Class					
	3/31/11 <sup>†</sup>	9/30/10	9/30/09	9/30/08	9/30/07	9/30/06(d)
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>						
Net asset value, beginning of period	\$10.87	\$10.36	\$ 9.83	\$10.09	\$10.11	\$10.00
<b>Gain from investment operations:</b>						
Net investment income (a)	0.14	0.33	0.41	0.48	0.49	0.23
Net realized and unrealized gain (loss) on total investments	(0.22)	0.52	0.53	(0.27)	(0.03)	0.11
Total gain (loss) from investment operations	(0.08)	0.85	0.94	0.21	0.46	0.34
<b>Less distributions from:</b>						
Net investment income	(0.14)	(0.34)	(0.41)	(0.47)	(0.48)	(0.23)
Net realized gains	(0.12)	—	—	—	—	—
Total distributions	(0.26)	(0.34)	(0.41)	(0.47)	(0.48)	(0.23)
Net asset value, end of period	\$10.53	\$10.87	\$10.36	\$ 9.83	\$10.09	\$10.11
<b>TOTAL RETURN</b>	<b>(0.74)%(b)</b>	<b>8.31%</b>	<b>9.75%</b>	<b>2.08%</b>	<b>4.68%</b>	<b>3.42%(b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net assets at end of year (in thousands)	\$56,163	\$58,330	\$35,143	\$21,166	\$7,078	\$1,006
Ratio of expenses to average net assets before expense waiver and reimbursement	0.52%(c)	0.50%	0.68%	0.56%	0.60%	7.52%(c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.52%(c)	0.50%	0.50%	0.39%	0.42%	0.60%(c)
Ratio of net investment income to average net assets	2.61%(c)	3.16%	4.04%	4.73%	4.87%	4.63%(c)
Portfolio turnover rate	161%(b)(f)(g)	216%(f)(g)	173%(f)	113%	189%	183%

	Premier Class		
	3/31/11 <sup>†</sup>	9/30/10	9/30/09*
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>			
Net asset value, beginning of period	\$10.71	\$10.20	\$10.20
<b>Gain from investment operations:</b>			
Net investment income (a)	0.14	0.31	0.00(e)
Net realized and unrealized gain (loss) on total investments	(0.22)	0.53	—
Total gain (loss) from investment operations	(0.08)	0.84	0.00(e)
<b>Less distributions from:</b>			
Net investment income	(0.14)	(0.33)	—
Net realized gains	(0.12)	—	—
Total distributions	(0.26)	(0.33)	—
Net asset value, end of period	\$10.37	\$10.71	\$10.20
<b>TOTAL RETURN</b>	<b>(0.75)%(b)</b>	<b>8.40%</b>	<b>0.00%(b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>			
Net assets at end of year (in thousands)	\$35,712	\$22,196	\$250
Ratio of expenses to average net assets before expense waiver and reimbursement	0.48%(c)	0.48%	220.90%(c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.48%(c)	0.48%	0.50%(c)
Ratio of net investment income to average net assets	2.65%(c)	2.94%	0.00%(c)
Portfolio turnover rate	161%(b)(f)(g)	216%(f)(g)	173%(f)

(a) Based on average shares outstanding.

(b) The percentages shown for this period are not annualized.

(c) The percentages shown for this period are annualized.

(d) The Retirement Class and Retail Class commenced operations on March 31, 2006.

(e) Amount represents less than \$0.01 per share.

(f) The portfolio turnover rates excluding mortgage dollar roll transactions for the periods ending March 31, 2011, September 30, 2010 and September 30, 2009 were 49%, 67% and 113%, respectively.

(g) Does not include in-kind transactions.

\* The Premier Class commenced operations on September 30, 2009.

† Amounts shown are for the six-month period ended March 31, 2011 and are not necessarily indicative of a full year of operations. The Fund changed its fiscal year end from September 30 to March 31.

# FINANCIAL HIGHLIGHTS

continued

## BOND PLUS FUND ■ FOR THE PERIOD OR YEAR ENDED

	Institutional Class					
	3/31/11†	9/30/10	9/30/09	9/30/08	9/30/07	9/30/06(d)
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>						
Net asset value, beginning of period	\$10.36	\$ 9.78	\$ 9.38	\$10.00	\$10.10	\$10.00
<b>Gain from investment operations:</b>						
Net investment income (a)	0.20	0.47	0.47	0.51	0.51	0.26
Net realized and unrealized gain (loss) on total investments	(0.20)	0.58	0.40	(0.62)	(0.10)	0.10
Total gain (loss) from investment operations	0.00(e)	1.05	0.87	(0.11)	0.41	0.36
<b>Less distributions from:</b>						
Net investment income	(0.20)	(0.47)	(0.47)	(0.51)	(0.51)	(0.26)
Net realized gains	—	—	—	—	(0.00)(e)	—
Total distributions	(0.20)	(0.47)	(0.47)	(0.51)	(0.51)	(0.26)
Net asset value, end of period	\$10.16	\$10.36	\$ 9.78	\$ 9.38	\$10.00	\$10.10
<b>TOTAL RETURN</b>	<b>(0.03)% (b)</b>	<b>10.98%</b>	<b>9.67%</b>	<b>(1.18)%</b>	<b>4.16%</b>	<b>3.62% (b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net assets at end of year (in thousands)	\$496,173	\$238,020	\$206,893	\$245,035	\$282,159	\$57,393
Ratio of expenses to average net assets before expense waiver and reimbursement	0.37% (c)	0.37%	0.40%	0.38%	0.42%	0.62% (c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.35% (c)	0.35%	0.35%	0.35%	0.35%	0.35% (c)
Ratio of net investment income to average net assets	3.90% (c)	4.68%	5.07%	5.17%	5.12%	5.15% (c)
Portfolio turnover rate	99% (b) (f)	158% (f)	143% (f)	92%	137%	92% (b)

	Retirement Class					
	3/31/11†	9/30/10	9/30/09	9/30/08	9/30/07	9/30/06(d)
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>						
Net asset value, beginning of period	\$10.37	\$ 9.79	\$ 9.39	\$10.02	\$10.12	\$10.00
<b>Gain from investment operations:</b>						
Net investment income (a)	0.18	0.43	0.45	0.49	0.49	0.25
Net realized and unrealized gain (loss) on total investments	(0.20)	0.59	0.40	(0.63)	(0.09)	0.10
Total gain (loss) from investment operations	(0.02)	1.02	0.85	(0.14)	0.40	0.35
<b>Less distributions from:</b>						
Net investment income	(0.18)	(0.44)	(0.45)	(0.49)	(0.50)	(0.23)
Net realized gains	—	—	—	—	(0.00)(e)	—
Total distributions	(0.18)	(0.44)	(0.45)	(0.49)	(0.50)	(0.23)
Net asset value, end of period	\$10.17	\$10.37	\$ 9.79	\$ 9.39	\$10.02	\$10.12
<b>TOTAL RETURN</b>	<b>(0.16)% (b)</b>	<b>10.70%</b>	<b>9.39%</b>	<b>(1.49)%</b>	<b>4.01%</b>	<b>3.54% (b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net assets at end of year (in thousands)	\$72,668	\$92,179	\$58,533	\$9,913	\$8,830	\$2,474
Ratio of expenses to average net assets before expense waiver and reimbursement	0.62% (c)	0.62%	0.65%	0.63%	0.72%	4.86% (c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.60% (c)	0.60%	0.60%	0.61%	0.55%	0.55% (c)
Ratio of net investment income to average net assets	3.58% (c)	4.34%	4.80%	4.95%	4.92%	5.03% (c)
Portfolio turnover rate	99% (b) (f)	158% (f)	143% (f)	92%	137%	92% (b)

# FINANCIAL HIGHLIGHTS

continued

## BOND PLUS FUND ■ FOR THE PERIOD OR YEAR ENDED

	Retail Class					
	3/31/11†	9/30/10	9/30/09	9/30/08	9/30/07	9/30/06(d)
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>						
Net asset value, beginning of period	\$10.38	\$ 9.80	\$ 9.40	\$10.02	\$10.12	\$10.00
<b>Gain from investment operations:</b>						
Net investment income (a)	0.18	0.45	0.46	0.50	0.50	0.25
Net realized and unrealized gain (loss) on total investments	(0.20)	0.58	0.40	(0.61)	(0.10)	0.10
Total gain (loss) from investment operations	(0.02)	1.03	0.86	(0.11)	0.40	0.35
<b>Less distributions from:</b>						
Net investment income	(0.18)	(0.45)	(0.46)	(0.51)	(0.50)	(0.23)
Net realized gains	—	—	—	—	(0.00)(e)	—
Total distributions	(0.18)	(0.45)	(0.46)	(0.51)	(0.50)	(0.23)
Net asset value, end of period	\$10.18	\$10.38	\$ 9.80	\$ 9.40	\$10.02	\$10.12
<b>TOTAL RETURN</b>	<b>(0.14)% (b)</b>	<b>10.78%</b>	<b>9.50%</b>	<b>(1.26)%</b>	<b>4.09%</b>	<b>3.55% (b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net assets at end of year (in thousands)	\$265,818	\$277,069	\$247,928	\$241,183	\$264,897	\$2,581
Ratio of expenses to average net assets before expense waiver and reimbursement	0.59% (c)	0.54%	0.74%	0.74%	0.77%	3.73% (c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.58% (c)	0.52%	0.49%	0.44%	0.41%	0.50% (c)
Ratio of net investment income to average net assets	3.62% (c)	4.50%	4.93%	5.09%	5.07%	5.06% (c)
Portfolio turnover rate	99% (b) (f)	158% (f)	143% (f)	92%	137%	92% (b)

	Premier Class		
	3/31/11†	9/30/10	9/30/09*
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>			
Net asset value, beginning of period	\$10.36	\$ 9.78	\$9.78
<b>Gain from investment operations:</b>			
Net investment income (a)	0.19	0.40	0.00(e)
Net realized and unrealized gain (loss) on total investments	(0.20)	0.63	—
Total gain (loss) from investment operations	(0.01)	1.03	0.00(e)
<b>Less distributions from:</b>			
Net investment income	(0.19)	(0.45)	—
Net realized gains	—	—	—
Total distributions	(0.19)	(0.45)	—
Net asset value, end of period	\$10.16	\$10.36	\$9.78
<b>TOTAL RETURN</b>	<b>(0.11)% (b)</b>	<b>10.82%</b>	<b>0.00% (b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>			
Net assets at end of year (in thousands)	\$11,028	\$10,857	\$250
Ratio of expenses to average net assets before expense waiver and reimbursement	0.52% (c)	0.52%	220.91% (c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.50% (c)	0.50%	0.50% (c)
Ratio of net investment income to average net assets	3.69% (c)	3.89%	0.00% (c)
Portfolio turnover rate	99% (b) (f)	158% (f)	143% (f)

(a) Based on average shares outstanding.

(b) The percentages shown for this period are not annualized.

(c) The percentages shown for this period are annualized.

(d) The Fund commenced operations on March 31, 2006.

(e) Amount represents less than \$0.01 per share.

(f) The portfolio turnover rates excluding mortgage dollar roll transactions for the periods ending March 31, 2011, September 30, 2010 and September 30, 2009 were 63%, 90% and 108%, respectively.

\* The Premier Class commenced operations on September 30, 2009.

† Amounts shown are for the six-month period ended March 31, 2011 and are not necessarily indicative of a full year of operations. The Fund changed its fiscal year end from September 30 to March 31.

# FINANCIAL HIGHLIGHTS

continued

## SHORT-TERM BOND FUND ■ FOR THE PERIOD OR YEAR ENDED

	Institutional Class					
	3/31/11†	9/30/10	9/30/09	9/30/08	9/30/07	9/30/06(d)
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>						
Net asset value, beginning of period	\$10.43	\$10.11	\$ 9.78	\$10.04	\$10.04	\$10.00
<b>Gain from investment operations:</b>						
Net investment income (a)	0.11	0.28	0.36	0.45	0.48	0.24
Net realized and unrealized gain (loss) on total investments	(0.13)	0.32	0.33	(0.26)	(0.00)(e)	0.04
Total gain (loss) from investment operations	(0.02)	0.60	0.69	0.19	0.48	0.28
<b>Less distributions from:</b>						
Net investment income	(0.11)	(0.28)	(0.36)	(0.45)	(0.48)	(0.24)
Net realized gains	—	—	—	—	(0.00)(e)	—
Total distributions	(0.11)	(0.28)	(0.36)	(0.45)	(0.48)	(0.24)
Net asset value, end of period	\$10.30	\$10.43	\$10.11	\$ 9.78	\$10.04	\$10.04
<b>TOTAL RETURN</b>	<b>(0.20)(b)</b>	<b>6.05%</b>	<b>7.23%</b>	<b>1.88%</b>	<b>4.87%</b>	<b>2.83(b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net assets at end of year (in thousands)	\$255,835	\$176,043	\$101,583	\$135,936	\$163,035	\$56,867
Ratio of expenses to average net assets before expense waiver and reimbursement	0.32%(c)	0.33%	0.38%	0.37%	0.40%	0.55%(c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.30%(c)	0.30%	0.29%	0.31%	0.30%	0.30%(c)
Ratio of net investment income to average net assets	2.11%(c)	2.74%	3.66%	4.46%	4.76%	4.87%(c)
Portfolio turnover rate	93%(b)	95%	173%	102%	82%	83%(b)

	Retirement Class					
	3/31/11†	9/30/10	9/30/09	9/30/08	9/30/07	9/30/06(d)
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>						
Net asset value, beginning of period	\$10.44	\$10.12	\$ 9.78	\$10.05	\$10.06	\$10.00
<b>Gain from investment operations:</b>						
Net investment income (a)	0.10	0.25	0.34	0.42	0.46	0.24
Net realized and unrealized gain (loss) on total investments	(0.13)	0.33	0.34	(0.26)	(0.00)(e)	0.03
Total gain (loss) from investment operations	(0.03)	0.58	0.68	0.16	0.46	0.27
<b>Less distributions from:</b>						
Net investment income	(0.10)	(0.26)	(0.34)	(0.43)	(0.47)	(0.21)
Net realized gains	—	—	—	—	(0.00)(e)	—
Total distributions	(0.10)	(0.26)	(0.34)	(0.43)	(0.47)	(0.21)
Net asset value, end of period	\$10.31	\$10.44	\$10.12	\$ 9.78	\$10.05	\$10.06
<b>TOTAL RETURN</b>	<b>(0.32)(b)</b>	<b>5.79%</b>	<b>7.07%</b>	<b>1.56%</b>	<b>4.63%</b>	<b>2.75(b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net assets at end of year (in thousands)	\$134,128	\$121,535	\$56,366	\$19,752	\$12,785	\$2,473
Ratio of expenses to average net assets before expense waiver and reimbursement	0.57%(c)	0.58%	0.64%	0.63%	0.67%	4.50%(c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.55%(c)	0.55%	0.54%	0.56%	0.50%	0.50%(c)
Ratio of net investment income to average net assets	1.86%(c)	2.42%	3.40%	4.23%	4.58%	4.76%(c)
Portfolio turnover rate	93%(b)	95%	173%	102%	82%	83%(b)

# FINANCIAL HIGHLIGHTS

continued

## SHORT-TERM BOND FUND ■ FOR THE PERIOD OR YEAR ENDED

	Retail Class					
	3/31/11†	9/30/10	9/30/09	9/30/08	9/30/07	9/30/06(d)
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>						
Net asset value, beginning of period	\$10.44	\$10.12	\$ 9.78	\$10.05	\$10.05	\$10.00
<b>Gain from investment operations:</b>						
Net investment income (a)	0.10	0.26	0.35	0.44	0.47	0.24
Net realized and unrealized gain (loss) on total investments	(0.13)	0.33	0.34	(0.27)	0.01	0.03
Total gain (loss) from investment operations	(0.03)	0.59	0.69	0.17	0.48	0.27
<b>Less distributions from:</b>						
Net investment income	(0.10)	(0.27)	(0.35)	(0.44)	(0.48)	(0.22)
Net realized gains	—	—	—	—	(0.00)(e)	—
Total distributions	(0.10)	(0.27)	(0.35)	(0.44)	(0.48)	(0.22)
Net asset value, end of period	\$10.31	\$10.44	\$10.12	\$ 9.78	\$10.05	\$10.05
<b>TOTAL RETURN</b>	<b>(0.30)% (b)</b>	<b>5.87%</b>	<b>7.19%</b>	<b>1.71%</b>	<b>4.86%</b>	<b>2.75% (b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net assets at end of year (in thousands)	\$155,623	\$149,768	\$111,912	\$104,084	\$101,059	\$3,331
Ratio of expenses to average net assets before expense waiver and reimbursement	0.52% (c)	0.50%	0.71%	0.67%	0.76%	2.88% (c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.50% (c)	0.47%	0.43%	0.38%	0.34%	0.45% (c)
Ratio of net investment income to average net assets	1.91% (c)	2.58%	3.53%	4.40%	4.69%	4.82% (c)
Portfolio turnover rate	93% (b)	95%	173%	102%	82%	83% (b)

	Premier Class		
	3/31/11†	9/30/10	9/30/09*
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>			
Net asset value, beginning of period	\$10.43	\$10.11	\$10.11
<b>Gain from investment operations:</b>			
Net investment income (a)	0.10	0.25	0.00(e)
Net realized and unrealized gain (loss) on total investments	(0.12)	0.34	—
Total gain (loss) from investment operations	(0.02)	0.59	0.00(e)
<b>Less distributions from:</b>			
Net investment income	(0.10)	(0.27)	—
Net realized gains	—	—	—
Total distributions	(0.10)	(0.27)	—
Net asset value, end of period	\$10.31	\$10.43	\$10.11
<b>TOTAL RETURN</b>	<b>(0.18)% (b)</b>	<b>5.89%</b>	<b>0.00% (b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>			
Net assets at end of year (in thousands)	\$19,881	\$19,884	\$250
Ratio of expenses to average net assets before expense waiver and reimbursement	0.47% (c)	0.48%	220.86% (c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.45% (c)	0.45%	0.45% (c)
Ratio of net investment income to average net assets	1.95% (c)	2.39%	0.00% (c)
Portfolio turnover rate	93% (b)	95%	173%

(a) Based on average shares outstanding.

(b) The percentages shown for this period are not annualized.

(c) The percentages shown for this period are annualized.

(d) The Fund commenced operations on March 31, 2006.

(e) Amount represents less than \$0.01 per share.

\* The Premier Class commenced operations on September 30, 2009.

† Amounts shown are for the six-month period ended March 31, 2011 and are not necessarily indicative of a full year of operations. The Fund changed its fiscal year end from September 30 to March 31.

# FINANCIAL HIGHLIGHTS

continued

## HIGH-YIELD FUND ■ FOR THE PERIOD OR YEAR ENDED

	Institutional Class					
	3/31/11†	9/30/10	9/30/09	9/30/08	9/30/07	9/30/06(d)
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>						
Net asset value, beginning of period	\$ 9.74	\$ 9.04	\$ 8.41	\$ 9.94	\$ 9.92	\$10.00
<b>Gain from investment operations:</b>						
Net investment income (a)	0.35	0.72	0.78	0.76	0.72	0.35
Net realized and unrealized gain (loss) on total investments	0.25	0.70	0.63	(1.52)	0.02	(0.08)
Total gain (loss) from investment operations	0.60	1.42	1.41	(0.76)	0.74	0.27
<b>Less distributions from:</b>						
Net investment income	(0.35)	(0.72)	(0.78)	(0.76)	(0.72)	(0.35)
Net realized gains	—	—	—	(0.01)	—	—
Total distributions	(0.35)	(0.72)	(0.78)	(0.77)	(0.72)	(0.35)
Net asset value, end of period	\$ 9.99	\$ 9.74	\$ 9.04	\$ 8.41	\$ 9.94	\$ 9.92
<b>TOTAL RETURN</b>	<b>6.22%(b)</b>	<b>16.41%</b>	<b>18.83%</b>	<b>(8.15)%</b>	<b>7.66%</b>	<b>2.82%(b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net assets at end of year (in thousands)	\$527,004	\$398,933	\$245,983	\$228,048	\$228,834	\$53,478
Ratio of expenses to average net assets before expense waiver and reimbursement	0.40%(c)	0.41%	0.45%	0.43%	0.49%	0.67%(c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.40%(c)	0.40%	0.40%	0.40%	0.40%	0.40%(c)
Ratio of net investment income to average net assets	7.04%(c)	7.76%	10.07%	8.05%	7.30%	7.16%(c)
Portfolio turnover rate	43%(b)	109%	79%	59%	43%	26%(b)

	Retirement Class					
	3/31/11†	9/30/10	9/30/09	9/30/08	9/30/07	9/30/06(d)
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>						
Net asset value, beginning of period	\$ 9.74	\$ 9.04	\$ 8.41	\$ 9.95	\$ 9.92	\$10.00
<b>Gain from investment operations:</b>						
Net investment income (a)	0.34	0.70	0.76	0.74	0.71	0.36
Net realized and unrealized gain (loss) on total investments	0.25	0.70	0.63	(1.53)	0.03	(0.12)
Total gain (loss) from investment operations	0.59	1.40	1.39	(0.79)	0.74	0.24
<b>Less distributions from:</b>						
Net investment income	(0.34)	(0.70)	(0.76)	(0.74)	(0.71)	(0.32)
Net realized gains	—	—	—	(0.01)	—	—
Total distributions	(0.34)	(0.70)	(0.76)	(0.75)	(0.71)	(0.32)
Net asset value, end of period	\$ 9.99	\$ 9.74	\$ 9.04	\$ 8.41	\$ 9.95	\$ 9.92
<b>TOTAL RETURN</b>	<b>6.09%(b)</b>	<b>16.12%</b>	<b>18.54%</b>	<b>(8.45)%</b>	<b>7.61%</b>	<b>2.51%(b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net assets at end of year (in thousands)	\$176,489	\$166,383	\$125,322	\$28,694	\$15,869	\$6,620
Ratio of expenses to average net assets before expense waiver and reimbursement	0.65%(c)	0.66%	0.71%	0.69%	0.73%	5.28%(c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.65%(c)	0.65%	0.65%	0.65%	0.60%	0.60%(c)
Ratio of net investment income to average net assets	6.78%(c)	7.49%	9.38%	7.91%	7.10%	7.19%(c)
Portfolio turnover rate	43%(b)	109%	79%	59%	43%	26%(b)

# FINANCIAL HIGHLIGHTS

continued

## HIGH-YIELD FUND ■ FOR THE PERIOD OR YEAR ENDED

	Retail Class					
	3/31/11†	9/30/10	9/30/09	9/30/08	9/30/07	9/30/06(d)
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>						
Net asset value, beginning of period	\$ 9.78	\$ 9.08	\$ 8.44	\$ 9.98	\$ 9.94	\$10.00
<b>Gain from investment operations:</b>						
Net investment income (a)	0.34	0.71	0.77	0.75	0.72	0.35
Net realized and unrealized gain (loss) on total investments	0.25	0.70	0.64	(1.53)	0.03	(0.09)
Total gain (loss) from investment operations	0.59	1.41	1.41	(0.78)	0.75	0.26
<b>Less distributions from:</b>						
Net investment income	(0.34)	(0.71)	(0.77)	(0.75)	(0.71)	(0.32)
Net realized gains	—	—	—	(0.01)	—	—
Total distributions	(0.34)	(0.71)	(0.77)	(0.76)	(0.71)	(0.32)
Net asset value, end of period	\$10.03	\$ 9.78	\$ 9.08	\$ 8.44	\$ 9.98	\$ 9.94
<b>TOTAL RETURN</b>	<b>6.11%(b)</b>	<b>16.18%</b>	<b>18.78%</b>	<b>(8.28)%</b>	<b>7.76%</b>	<b>2.72%(b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net assets at end of year (in thousands)	\$169,337	\$156,374	\$126,323	\$101,026	\$143,329	\$2,819
Ratio of expenses to average net assets before expense waiver and reimbursement	0.59%(c)	0.58%	0.79%	0.71%	0.76%	3.56%(c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.59%(c)	0.57%	0.54%	0.48%	0.47%	0.55%(c)
Ratio of net investment income to average net assets	6.85%(c)	7.60%	9.86%	7.94%	7.25%	7.13%(c)
Portfolio turnover rate	43%(b)	109%	79%	59%	43%	26%(b)

	Premier Class		
	3/31/11†	9/30/10	9/30/09*
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>			
Net asset value, beginning of period	\$ 9.74	\$ 9.04	\$9.04
<b>Gain from investment operations:</b>			
Net investment income (a)	0.34	0.71	0.00(e)
Net realized and unrealized gain on total investments	0.25	0.70	—
Total gain from investment operations	0.59	1.41	0.00(e)
<b>Less distributions from:</b>			
Net investment income	(0.34)	(0.71)	—
Net realized gains	—	—	—
Total distributions	(0.34)	(0.71)	—
Net asset value, end of period	\$ 9.99	\$ 9.74	\$9.04
<b>TOTAL RETURN</b>	<b>6.14%(b)</b>	<b>16.23%</b>	<b>0.00%(b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>			
Net assets at end of year (in thousands)	\$30,472	\$16,836	\$250
Ratio of expenses to average net assets before expense waiver and reimbursement	0.55%(c)	0.56%	220.96%(c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.55%(c)	0.55%	0.55%(c)
Ratio of net investment income to average net assets	6.87%(c)	7.52%	0.00%(c)
Portfolio turnover rate	43%(b)	109%	79%

(a) Based on average shares outstanding.

(b) The percentages shown for this period are not annualized.

(c) The percentages shown for this period are annualized.

(d) The Fund commenced operations on March 31, 2006.

(e) Amount represents less than \$0.01 per share.

\* The Premier Class commenced operations on September 30, 2009.

† Amounts shown are for the six-month period ended March 31, 2011 and are not necessarily indicative of a full year of operations. The Fund changed its fiscal year end from September 30 to March 31.

# FINANCIAL HIGHLIGHTS

continued

## TAX-EXEMPT BOND FUND ■ FOR THE PERIOD OR YEAR ENDED

	Institutional Class					
	3/31/11 <sup>†</sup>	9/30/10	9/30/09	9/30/08	9/30/07	9/30/06(d)
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>						
Net asset value, beginning of period	\$10.80	\$10.51	\$ 9.69	\$10.13	\$10.19	\$10.00
<b>Gain from investment operations:</b>						
Net investment income (a)	0.19	0.38	0.38	0.36	0.38	0.19
Net realized and unrealized gain (loss) on total investments	(0.63)	0.31	0.82	(0.44)	(0.06)	0.19
Total gain (loss) from investment operations	(0.44)	0.69	1.20	(0.08)	0.32	0.38
<b>Less distributions from:</b>						
Net investment income	(0.19)	(0.38)	(0.38)	(0.36)	(0.38)	(0.19)
Net realized gains	(0.11)	(0.02)	(0.00)(e)	(0.00)(e)	—	—
Total distributions	(0.30)	(0.40)	(0.38)	(0.36)	(0.38)	(0.19)
Net asset value, end of period	\$10.06	\$10.80	\$10.51	\$ 9.69	\$10.13	\$10.19
<b>TOTAL RETURN</b>	<b>(4.07)%<sup>(b)</sup></b>	<b>6.75%</b>	<b>12.70%</b>	<b>(0.87)%</b>	<b>3.21%</b>	<b>3.85%<sup>(b)</sup></b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net assets at end of year (in thousands)	\$10,003	\$14,845	\$23,263	\$66,144	\$75,790	\$51,414
Ratio of expenses to average net assets before expense waiver and reimbursement	0.40% <sup>(c)</sup>	0.38%	0.42%	0.41%	0.46%	0.63% <sup>(c)</sup>
Ratio of expenses to average net assets after expense waiver and reimbursement	0.35% <sup>(c)</sup>	0.35%	0.35%	0.36%	0.35%	0.35% <sup>(c)</sup>
Ratio of net investment income to average net assets	3.70% <sup>(c)</sup>	3.66%	3.83%	3.51%	3.76%	3.79% <sup>(c)</sup>
Portfolio turnover rate	11% <sup>(b)</sup>	29%	28%	50%	48%	73% <sup>(b)</sup>

	Retail Class					
	3/31/11 <sup>†</sup>	9/30/10	9/30/09	9/30/08	9/30/07	9/30/06(d)
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>						
Net asset value, beginning of period	\$10.81	\$10.52	\$ 9.70	\$10.14	\$10.20	\$10.00
<b>Gain from investment operations:</b>						
Net investment income (a)	0.18	0.37	0.36	0.35	0.38	0.19
Net realized and unrealized gain (loss) on total investments	(0.63)	0.31	0.83	(0.44)	(0.06)	0.18
Total gain (loss) from investment operations	(0.45)	0.68	1.19	(0.09)	0.32	0.37
<b>Less distributions from:</b>						
Net investment income	(0.18)	(0.37)	(0.37)	(0.35)	(0.38)	(0.17)
Net realized gains	(0.11)	(0.02)	(0.00)(e)	(0.00)(e)	—	—
Total distributions	(0.29)	(0.39)	(0.37)	(0.35)	(0.38)	(0.17)
Net asset value, end of period	\$10.07	\$10.81	\$10.52	\$ 9.70	\$10.14	\$10.20
<b>TOTAL RETURN</b>	<b>(4.14)%<sup>(b)</sup></b>	<b>6.61%</b>	<b>12.55%</b>	<b>(0.90)%</b>	<b>3.16%</b>	<b>3.77%<sup>(b)</sup></b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net assets at end of year (in thousands)	\$281,980	\$318,965	\$236,065	\$179,559	\$179,606	\$4,302
Ratio of expenses to average net assets before expense waiver and reimbursement	0.55% <sup>(c)</sup>	0.52%	0.70%	0.65%	0.72%	2.93% <sup>(c)</sup>
Ratio of expenses to average net assets after expense waiver and reimbursement	0.51% <sup>(c)</sup>	0.49%	0.47%	0.39%	0.39%	0.50% <sup>(c)</sup>
Ratio of net investment income to average net assets	3.56% <sup>(c)</sup>	3.52%	3.67%	3.49%	3.76%	3.77% <sup>(c)</sup>
Portfolio turnover rate	11% <sup>(b)</sup>	29%	28%	50%	48%	73% <sup>(b)</sup>

(a) Based on average shares outstanding.

(b) The percentages shown for this period are not annualized.

(c) The percentages shown for this period are annualized.

(d) The Fund commenced operations on March 31, 2006.

(e) Amount represents less than \$0.01 per share.

<sup>†</sup> Amounts shown are for the six-months period ended March 31, 2011 and are not necessarily indicative of a full year of operations. The Fund changed its fiscal year end from September 30 to March 31.

# FINANCIAL HIGHLIGHTS

continued

## INFLATION-LINKED BOND FUND ■ FOR THE PERIOD OR YEAR ENDED

	Institutional Class					
	3/31/11†	9/30/10	9/30/09	9/30/08	9/30/07	9/30/06
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>						
Net asset value, beginning of period	\$11.21	\$10.53	\$10.07	\$10.12	\$10.08	\$10.69
<b>Gain from investment operations:</b>						
Net investment income (a)	0.17	0.27	(0.02)	0.71	0.41	0.56
Net realized and unrealized gain (loss) on total investments	(0.05)	0.67	0.48	(0.07)	0.03	(0.39)
Total gain from investment operations	0.12	0.94	0.46	0.64	0.44	0.17
<b>Less distributions from:</b>						
Net investment income	(0.17)	(0.26)	(0.00)(e)	(0.69)	(0.40)	(0.57)
Net realized gains	—	—	—	—	—	(0.21)
Total distributions	(0.17)	(0.26)	(0.00)(e)	(0.69)	(0.40)	(0.78)
Net asset value, end of period	\$11.16	\$11.21	\$10.53	\$10.07	\$10.12	\$10.08
<b>TOTAL RETURN</b>	<b>1.05%(b)</b>	<b>9.04%</b>	<b>4.57%</b>	<b>6.20%</b>	<b>4.51%</b>	<b>1.70%</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net assets at end of year (in thousands)	\$771,048	\$737,043	\$524,468	\$440,993	\$438,862	\$363,157
Ratio of expenses to average net assets before expense waiver and reimbursement	0.29%(c)	0.32%	0.39%	0.34%	0.36%	0.28%
Ratio of expenses to average net assets after expense waiver and reimbursement	0.29%(c)	0.32%	0.35%	0.34%	0.35%	0.28%
Ratio of net investment income to average net assets	3.01%(c)	2.47%	(0.18)%	6.67%	4.07%	5.46%
Portfolio turnover rate	7%(b)	12%	17%	16%	26%	83%

	Retirement Class					
	3/31/11†	9/30/10	9/30/09	9/30/08	9/30/07	9/30/06(d)
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>						
Net asset value, beginning of period	\$11.31	\$10.62	\$10.18	\$10.23	\$10.19	\$10.00
<b>Gain from investment operations:</b>						
Net investment income (a)	0.15	0.24	(0.02)	0.82	0.45	0.31
Net realized and unrealized gain (loss) on total investments	(0.06)	0.68	0.46	(0.20)	(0.02)	0.09
Total gain from investment operations	0.09	0.92	0.44	0.62	0.43	0.40
<b>Less distributions from:</b>						
Net investment income	(0.15)	(0.23)	(0.00)(e)	(0.67)	(0.39)	(0.21)
Net realized gains	—	—	—	—	—	—
Total distributions	(0.15)	(0.23)	(0.00)(e)	(0.67)	(0.39)	(0.21)
Net asset value, end of period	\$11.25	\$11.31	\$10.62	\$10.18	\$10.23	\$10.19
<b>TOTAL RETURN</b>	<b>0.83%(b)</b>	<b>8.80%</b>	<b>4.33%</b>	<b>5.95%</b>	<b>4.29%</b>	<b>4.04%(b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net assets at end of year (in thousands)	\$176,090	\$175,037	\$112,192	\$88,127	\$17,840	\$5,661
Ratio of expenses to average net assets before expense waiver and reimbursement	0.54%(c)	0.57%	0.64%	0.59%	0.61%	2.44%(c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.54%(c)	0.57%	0.60%	0.59%	0.55%	0.55%(c)
Ratio of net investment income to average net assets	2.77%(c)	2.20%	(0.20)%	7.57%	4.47%	6.08%(c)
Portfolio turnover rate	7%(b)	12%	17%	16%	26%	83%

# FINANCIAL HIGHLIGHTS

continued

## INFLATION-LINKED BOND FUND ■ FOR THE PERIOD OR YEAR ENDED

	Retail Class					
	3/31/11 <sup>†</sup>	9/30/10	9/30/09	9/30/08	9/30/07	9/30/06
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>						
Net asset value, beginning of period	\$11.00	\$10.34	\$ 9.90	\$ 9.96	\$ 9.93	\$10.54
<b>Gain from investment operations:</b>						
Net investment income (a)	0.16	0.24	(0.06)	0.77	0.38	0.54
Net realized and unrealized gain (loss) on total investments	(0.05)	0.66	0.50	(0.15)	0.04	(0.39)
Total gain from investment operations	0.11	0.90	0.44	0.62	0.42	0.15
<b>Less distributions from:</b>						
Net investment income	(0.16)	(0.24)	(0.00)(e)	(0.68)	(0.39)	(0.55)
Net realized gains	—	—	—	—	—	(0.21)
Total distributions	(0.16)	(0.24)	(0.00)(e)	(0.68)	(0.39)	(0.76)
Net asset value, end of period	\$10.95	\$11.00	\$10.34	\$ 9.90	\$ 9.96	\$ 9.93
<b>TOTAL RETURN</b>	<b>0.98%(b)</b>	<b>8.84%</b>	<b>4.45%</b>	<b>6.11%</b>	<b>4.35%</b>	<b>1.53%</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net assets at end of year (in thousands)	\$146,917	\$147,427	\$127,272	\$131,575	\$56,824	\$59,388
Ratio of expenses to average net assets before expense waiver and reimbursement	0.47%(c)	0.49%	0.66%	0.58%	0.63%	0.47%
Ratio of expenses to average net assets after expense waiver and reimbursement	0.47%(c)	0.49%	0.49%	0.44%	0.48%	0.43%
Ratio of net investment income to average net assets	2.80%(c)	2.30%	(0.59)%	7.28%	3.85%	5.32%
Portfolio turnover rate	7%(b)	12%	17%	16%	26%	83%

	Premier Class		
	3/31/11 <sup>†</sup>	9/30/10	9/30/09*
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>			
Net asset value, beginning of period	\$11.21	\$10.53	\$10.53
<b>Gain from investment operations:</b>			
Net investment income (a)	0.16	0.13	0.00(e)
Net realized and unrealized gain (loss) on total investments	(0.06)	0.80	—
Total gain from investment operations	0.10	0.93	0.00(e)
<b>Less distributions from:</b>			
Net investment income	(0.16)	(0.25)	—
Net realized gains	—	—	—
Total distributions	(0.16)	(0.25)	—
Net asset value, end of period	\$11.15	\$11.21	\$10.53
<b>TOTAL RETURN</b>	<b>0.89%(b)</b>	<b>8.89%</b>	<b>0.00%(b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>			
Net assets at end of year (in thousands)	\$15,832	\$14,474	\$250
Ratio of expenses to average net assets before expense waiver and reimbursement	0.44%(c)	0.47%	220.91%(c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.44%(c)	0.47%	0.50%(c)
Ratio of net investment income to average net assets	2.88%(c)	1.19%	0.00%(c)
Portfolio turnover rate	7%(b)	12%	17%

(a) Based on average shares outstanding.

(b) The percentages shown for this period are not annualized.

(c) The percentages shown for this period are annualized.

(d) The Retirement Class commenced operations on March 31, 2006.

(e) Amount represents less than \$0.01 per share.

\* The Premier Class commenced operations on September 30, 2009.

† Amounts shown are for the six-month period ended March 31, 2011 and are not necessarily indicative of a full year of operations. The Fund changed its fiscal year end from September 30 to March 31.

# FINANCIAL HIGHLIGHTS

continued

## BOND INDEX FUND ■ FOR THE PERIOD OR YEAR ENDED

	Institutional Class		
	3/31/11†	9/30/10	9/30/09(d)
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>			
Net asset value, beginning of period	\$10.50	\$10.04	\$10.00
<b>Gain from investment operations:</b>			
Net investment income (a)	0.13	0.31	0.01
Net realized and unrealized gain (loss) on total investments	(0.24)	0.46	0.04
Total gain (loss) from investment operations	(0.11)	0.77	0.05
<b>Less distributions from:</b>			
Net investment income	(0.13)	(0.31)	(0.01)
Net realized gains	(0.01)	(0.00)(e)	–
Total distributions	(0.14)	(0.31)	(0.01)
Net asset value, end of period	\$10.25	\$10.50	\$10.04
<b>TOTAL RETURN</b>	<b>(1.11)%(b)</b>	<b>7.87%</b>	<b>0.48%(b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>			
Net assets at end of year (in thousands)	\$1,382,598	\$411,709	\$99,497
Ratio of expenses to average net assets before expense waiver and reimbursement	0.17%(c)	0.31%	3.37%(c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.13%(c)	0.13%	0.12%(c)
Ratio of net investment income to average net assets	2.44%(c)	3.08%	1.65%(c)
Portfolio turnover rate	87%(b)(f)	66%(f)	279%(b)

	Retirement Class		
	3/31/11†	9/30/10	9/30/09(d)
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>			
Net asset value, beginning of period	\$10.50	\$10.04	\$10.00
<b>Gain from investment operations:</b>			
Net investment income (a)	0.11	0.29	0.01
Net realized and unrealized gain (loss) on total investments	(0.23)	0.46	0.04
Total gain (loss) from investment operations	(0.12)	0.75	0.05
<b>Less distributions from:</b>			
Net investment income	(0.11)	(0.29)	(0.01)
Net realized gains	(0.01)	(0.00)(e)	–
Total distributions	(0.12)	(0.29)	(0.01)
Net asset value, end of period	\$10.26	\$10.50	\$10.04
<b>TOTAL RETURN</b>	<b>(1.14)%(b)</b>	<b>7.61%</b>	<b>0.47%(b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>			
Net assets at end of year (in thousands)	\$3,157	\$2,887	\$1,005
Ratio of expenses to average net assets before expense waiver and reimbursement	0.43%(c)	0.57%	6.81%(c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.38%(c)	0.38%	0.36%(c)
Ratio of net investment income to average net assets	2.19%(c)	2.82%	1.41%(c)
Portfolio turnover rate	87%(b)(f)	66%(f)	279%(b)

# FINANCIAL HIGHLIGHTS

continued

## BOND INDEX FUND ■ FOR THE PERIOD OR YEAR ENDED

	Retail Class		
	3/31/11†	9/30/10	9/30/09(d)
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>			
Net asset value, beginning of period	\$10.50	\$10.04	\$10.00
<b>Gain from investment operations:</b>			
Net investment income (a)	0.11	0.28	0.01
Net realized and unrealized gain (loss) on total investments	(0.23)	0.46	0.04
Total gain (loss) from investment operations	(0.12)	0.74	0.05
<b>Less distributions from:</b>			
Net investment income	(0.11)	(0.28)	(0.01)
Net realized gains	(0.01)	(0.00)(e)	—
Total distributions	(0.12)	(0.28)	(0.01)
Net asset value, end of period	\$10.26	\$10.50	\$10.04
<b>TOTAL RETURN</b>	<b>(1.19)%(b)</b>	<b>7.51%</b>	<b>0.46%(b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>			
Net assets at end of year (in thousands)	\$6,242	\$4,215	\$1,005
Ratio of expenses to average net assets before expense waiver and reimbursement	0.54%(c)	0.66%	6.81%(c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.48%(c)	0.48%	0.45%(c)
Ratio of net investment income to average net assets	2.10%(c)	2.74%	1.32%(c)
Portfolio turnover rate	87%(b)(f)	66%(f)	279%(b)

	Premier Class		
	3/31/11†	9/30/10	9/30/09*
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>			
Net asset value, beginning of period	\$10.49	\$10.04	\$10.04
<b>Gain from investment operations:</b>			
Net investment income (a)	0.12	0.30	—
Net realized and unrealized gain (loss) on total investments	(0.23)	0.45	—
Total gain (loss) from investment operations	(0.11)	0.75	—
<b>Less distributions from:</b>			
Net investment income	(0.12)	(0.30)	—
Net realized gains	(0.01)	(0.00)(e)	—
Total distributions	(0.13)	(0.30)	—
Net asset value, end of period	\$10.25	\$10.49	\$10.04
<b>TOTAL RETURN</b>	<b>(1.09)%(b)</b>	<b>7.61%</b>	<b>0.00%(b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>			
Net assets at end of year (in thousands)	\$2,784	\$1,451	\$1,000
Ratio of expenses to average net assets before expense waiver and reimbursement	0.33%(c)	0.47%	55.37%(c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.28%(c)	0.28%	0.28%(c)
Ratio of net investment income to average net assets	2.31%(c)	2.94%	0.00%(c)
Portfolio turnover rate	87%(b)(f)	66%(f)	279%(b)

(a) Based on average shares outstanding.

(b) The percentages shown for this period are not annualized.

(c) The percentages shown for this period are annualized.

(d) The Fund commenced operations on September 14, 2009.

(e) Amount represents less than \$0.01 per share.

(f) Does not include in-kind transactions.

\* The Premier Class commenced operations on September 30, 2009.

† Amounts shown are for the six-month period ended March 31, 2011 and are not necessarily indicative of a full year of operations. The Fund changed its fiscal year end from September 30 to March 31.

# FINANCIAL HIGHLIGHTS

continued

## MONEY MARKET FUND ■ FOR THE PERIOD OR YEAR ENDED

	Institutional Class					
	3/31/11†	9/30/10	9/30/09	9/30/08	9/30/07	9/30/06
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>						
Net asset value, beginning of period	\$1.00	\$1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
<b>Gain from investment operations:</b>						
Net investment income (a)	0.00(e)	0.00(e)	0.01	0.03	0.05	0.05
Net realized and unrealized gain on total investments	—	—	—	—	—	—
Total gain from investment operations	0.00(e)	0.00(e)	0.01	0.03	0.05	0.05
<b>Less distributions from:</b>						
Net investment income	(0.00)(e)	(0.00)(e)	(0.01)	(0.03)	(0.05)	(0.05)
Net realized gains	—	—	—	—	—	—
Total distributions	(0.00)(e)	(0.00)(e)	(0.01)	(0.03)	(0.05)	(0.05)
Net asset value, end of period	\$1.00	\$1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
<b>TOTAL RETURN</b>	<b>0.04%(b)</b>	<b>0.13%</b>	<b>1.03%</b>	<b>3.51%</b>	<b>5.37%</b>	<b>4.70%</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net assets at end of year (in thousands)	\$427,230	\$433,888	\$336,137	\$293,537	\$235,421	\$272,119
Ratio of expenses to average net assets before expense waiver and reimbursement	0.15%(c)	0.15%	0.22%	0.14%	0.14%	0.14%
Ratio of expenses to average net assets after expense waiver and reimbursement	0.15%(c)	0.15%	0.17%	0.14%	0.14%	0.13%
Ratio of net investment income to average net assets	0.09%(c)	0.13%	1.00%	3.39%	5.21%	4.65%

	Retirement Class					
	3/31/11†	9/30/10	9/30/09	9/30/08	9/30/07	9/30/06(d)
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>						
Net asset value, beginning of period	\$1.00	\$1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
<b>Gain from investment operations:</b>						
Net investment income (a)	—	0.00(e)	0.01	0.03	0.05	0.03
Net realized and unrealized gain on total investments	—	—	—	—	—	—
Total gain from investment operations	—	0.00(e)	0.01	0.03	0.05	0.03
<b>Less distributions from:</b>						
Net investment income	—	(0.00)(e)	(0.01)	(0.03)	(0.05)	(0.03)
Net realized gains	—	—	—	—	—	—
Total distributions	—	(0.00)(e)	(0.01)	(0.03)	(0.05)	(0.03)
Net asset value, end of period	\$1.00	\$1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
<b>TOTAL RETURN</b>	<b>0.00%(b)</b>	<b>0.00%</b>	<b>0.78%</b>	<b>3.25%</b>	<b>5.12%</b>	<b>2.45%(b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net assets at end of year (in thousands)	\$64,760	\$79,434	\$133,415	\$97,832	\$98,903	\$43,804
Ratio of expenses to average net assets before expense waiver and reimbursement	0.40%(c)	0.40%	0.47%	0.39%	0.39%	0.71%(c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.23%(c)	0.27%	0.41%	0.39%	0.35%	0.35%(c)
Ratio of net investment income to average net assets	0.00%(c)	0.00%	0.75%	3.26%	5.01%	5.07%(c)

# FINANCIAL HIGHLIGHTS

concluded

## MONEY MARKET FUND ■ FOR THE PERIOD OR YEAR ENDED

	Retail Class					
	3/31/11 <sup>†</sup>	9/30/10	9/30/09	9/30/08	9/30/07	9/30/06(d)
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>						
Net asset value, beginning of period	\$1.00	\$1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
<b>Gain from investment operations:</b>						
Net investment income (a)	—	0.00(e)	0.01	0.03	0.05	0.03
Net realized and unrealized gain on total investments	—	—	—	—	—	—
Total gain from investment operations	—	0.00(e)	0.01	0.03	0.05	0.03
<b>Less distributions from:</b>						
Net investment income	—	(0.00)(e)	(0.01)	(0.03)	(0.05)	(0.03)
Net realized gains	—	—	—	—	—	—
Total distributions	—	(0.00)(e)	(0.01)	(0.03)	(0.05)	(0.03)
Net asset value, end of period	\$1.00	\$1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
<b>TOTAL RETURN</b>	<b>0.00%(b)</b>	<b>0.00%</b>	<b>0.91%</b>	<b>3.43%</b>	<b>5.25%</b>	<b>2.53%(b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net assets at end of year (in thousands)	\$582,093	\$650,426	\$887,149	\$1,093,363	\$1,034,417	\$127,318
Ratio of expenses to average net assets before expense waiver and reimbursement	0.39%(c)	0.33%	0.54%	0.40%	0.43%	0.25%(c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.23%(c)	0.27%	0.28%	0.22%	0.25%	0.25%(c)
Ratio of net investment income to average net assets	0.00%(c)	0.00%	0.95%	3.34%	5.11%	5.16%(c)

	Premier Class		
	3/31/11 <sup>†</sup>	9/30/10	9/30/09*
<b>FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD</b>			
Net asset value, beginning of period	\$1.00	\$1.00	\$1.00
<b>Gain from investment operations:</b>			
Net investment income (a)	—	0.00(e)	—
Net realized and unrealized gain on total investments	—	—	—
Total gain from investment operations	—	0.00(e)	—
<b>Less distributions from:</b>			
Net investment income	—	(0.00)(e)	—
Net realized gains	—	—	—
Total distributions	—	(0.00)(e)	—
Net asset value, end of period	\$1.00	\$1.00	\$1.00
<b>TOTAL RETURN</b>	<b>0.00%(b)</b>	<b>0.01%</b>	<b>0.00%(b)</b>
<b>RATIOS AND SUPPLEMENTAL DATA</b>			
Net assets at end of year (in thousands)	\$15,678	\$12,431	\$250
Ratio of expenses to average net assets before expense waiver and reimbursement	0.30%(c)	0.29%	220.71%(c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.23%(c)	0.27%	0.00%(c)
Ratio of net investment income to average net assets	0.00%(c)	0.00%	0.00%(c)

(a) Based on average shares outstanding.

(b) The percentages shown for this period are not annualized.

(c) The percentages shown for this period are annualized.

(d) The Retirement Class and Retail Class commenced operations on March 31, 2006.

(e) Amount represents less than \$0.01 per share.

\* The Premier Class commenced operations on September 30, 2009.

† Amounts shown are for the six-month period ended March 31, 2011 and are not necessarily indicative of a full year of operations. The Fund changed its fiscal year end from September 30 to March 31.

# NOTES TO FINANCIAL STATEMENTS

## TIAA-CREF FUNDS

### Note 1—organization and significant accounting policies

TIAA-CREF Funds (the “Trust”) is a Delaware statutory trust that was organized on April 15, 1999 and is registered with the Securities and Exchange Commission (“Commission”) under the Investment Company Act of 1940, as amended (“1940 Act”), as an open-end management investment company. The following are the TIAA-CREF Funds included in this report: Bond Fund, Bond Plus Fund, Short-Term Bond Fund, High-Yield Fund, Tax-Exempt Bond Fund, Inflation-Linked Bond Fund, Bond Index Fund and the Money Market Fund (the “Funds” or individually the “Fund”). The Funds recently changed their fiscal year end from September 30 to March 31.

The Funds offer their shares, without a sales load, through their principal underwriter, Teachers Personal Investors Services, Inc. (“TPIS”), which is a wholly-owned indirect subsidiary of Teachers Insurance and Annuity Association of America (“TIAA”). Teachers Advisors, Inc. (“Advisors”), a wholly-owned indirect subsidiary of TIAA, which is registered with the Commission as an investment adviser, provides investment management services for the Funds. The Funds offer up to four share classes, although any one Fund may not necessarily offer all four classes. The Funds may offer Institutional, Retirement, Retail and Premier Classes of shares. Each class differs by the allocation of class-specific expenses and voting rights in matters affecting a single class.

The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) which may require the use of estimates made by management and the evaluation of subsequent events. Actual results may differ from those estimates. The Net Asset Value per share (“NAV”) for financial reporting purposes may differ from the NAV for processing transactions. The NAV for financial reporting purposes includes security and shareholder transactions through the date of the report. Total return is computed based on the NAV used for processing transactions. The following is a summary of the significant accounting policies consistently followed by the Funds.

**Security valuation:** For all Funds (other than the Money Market Fund), investments in securities are recorded at their estimated fair value as described in the valuation of investments note to the financial statements. Investments held by the Money Market Fund are recorded at amortized cost, which approximates fair value. The amortized cost of an instrument is determined by valuing it at its original cost and thereafter amortizing any discount or premium from its face value at a constant rate until maturity.

**Accounting for investments and investment income:** Securities transactions are accounted for as of the trade date for financial reporting purposes. Interest income is recorded as earned and includes accretion of discounts and amortization of premiums using the effective yield method. Dividend income is recorded on the ex-dividend date. Realized gains and losses on securities transactions are based upon the specific identification method. Distributions received on securities that represent a return of capital or capital gain are recorded as a reduction of cost of investments and/or as a realized gain. The Funds estimate the

components of distributions received that may be considered return of capital distributions or capital gain distributions.

Income and expenses of a Fund are allocated on a pro rata basis to each class of shares of the Fund, except for service agreement fees, distribution fees and transfer agency fees and expenses, which are unique to each class of shares. Most expenses of the Trust can be directly attributed to a fund. Expenses that cannot be directly attributed are allocated to each fund in the Trust based upon the average net assets of each fund.

**Foreign currency transactions and translation:** Assets, including investments, and liabilities denominated in foreign currencies are translated into U.S. dollar values each day at the prevailing exchange rate, using the mean of the bid and asked prices of such currencies against U.S. dollars as quoted by a major bank. Purchases and sales of securities, income, and expenses are translated into U.S. dollars at the prevailing exchange rate on the date of the transaction. The effect of changes in foreign currency exchange rates on realized and unrealized security gains and losses is reflected as a component of security gains and losses.

**Distributions to shareholders:** Distributions to shareholders, which are determined in accordance with income tax regulations, are recorded on the ex-dividend date.

**Income taxes:** The Funds intend to continue to qualify as regulated investment companies under Subchapter M of the Internal Revenue Code (“Code”) and will not be subject to income taxes to the extent that they distribute all taxable income each year and comply with various other Code requirements. Therefore, no federal income tax provision is required. Management has analyzed the Funds’ tax positions taken for all open federal income tax years (2007–2011) and has concluded that no provision for federal income tax is required in the Funds’ financial statements.

The timing and character of income and capital gain distributions are determined in accordance with income tax regulations, which may differ from U.S. GAAP. Reclassifications are made to a Fund’s capital accounts for permanent tax differences to reflect income and gains available for distribution (or available capital loss carryforwards) under income tax regulations.

For the period ended March 31, 2011, permanent book and tax differences resulting primarily from differing treatments for dividend reclassifications, gains and losses on redemptions in-kind, utilization of tax equalization credits, and income generated from swaps were identified and reclassified among the components of the Funds’ net assets. Net investment income and net realized gains (losses), as disclosed on the Statement of Operations, and net assets were not affected by these reclassifications.

**Foreign taxes:** The Funds may be subject to foreign taxes on income, gains on investments or currency repatriation, a portion of which may be recoverable. The Funds will accrue such taxes and recoveries as applicable, based upon the current interpretation of tax rules and regulations that exist in the markets in which the Funds invest.

# NOTES TO FINANCIAL STATEMENTS

**Trustee compensation:** The Funds pay the Board of Trustees (“Trustees”), all of whom are independent, certain remuneration for their services, plus travel and other expenses. Trustees may elect to participate in a deferred compensation plan and defer all or a portion of their compensation. In addition, Trustees participate in a long-term compensation plan. Amounts deferred are retained by the Funds until paid. The investment of deferred amounts and the offsetting payable to the Trustees are included in other assets and accrued expenses and other payables in the accompanying Statements of Assets and Liabilities. Trustees’ fees, including any deferred and long-term compensation incurred, are reflected in the Statements of Operations.

## Note 2—valuation of investments

Portfolio Investments are valued at fair value utilizing various valuation methods approved by the Trustees. U.S. GAAP establishes a hierarchy that prioritizes market inputs to valuation methods. The three levels of inputs are:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Funds’ own assumptions in determining the fair value of investments)

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

A description of the valuation techniques applied to the Funds’ major categories of assets and liabilities measured at fair value follows:

### **Exchange-traded equity securities, common and preferred stock:**

Equity securities listed or traded on a national market or exchange are valued based on their sale price on such market or exchange at the close of business on the date of valuation, or at the mean of the closing bid and asked prices if no sale is reported. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. Foreign investments are valued at the last sale price or official closing price reported on the exchange where traded and converted to U.S. dollars at the prevailing rates of exchange on the date of valuation. If events affecting the value of foreign securities occur between the time when the exchange on which they are traded closes and the time when the Funds’ net assets are calculated, such securities may be valued at fair value in accordance with procedures

adopted by the Trustees. Foreign securities are generally categorized in Level 2 of the fair value hierarchy.

**Debt securities:** Debt securities will generally be valued using prices provided by a pricing service that may employ various indications of value including but not limited to broker-dealer quotations. Certain debt securities, other than money market instruments, are valued based on the most recent bid price or the equivalent quoted yield for such securities (or those of comparable maturity, quality and type). Debt securities are generally categorized in Level 2 of the fair value hierarchy; in instances where prices, yields, or any other key inputs are unobservable, they are categorized in Level 3 of the hierarchy.

**Short-term investments:** Short-term investments with maturities of 60 days or less are valued at amortized cost. Short-term investments (other than those in the Money Market Fund) with maturities in excess of 60 days are valued in the same manner as debt securities. Short-term investments are generally categorized in Level 2 of the fair value hierarchy. Short-term investments in the Money Market Fund are all valued at amortized cost. Money Market Fund investments are categorized as Level 2 in the fair value hierarchy.

**Investments in registered investment companies:** These investments are valued at their net asset value on the valuation date. These investments are categorized in Level 1 of the fair value hierarchy.

**Credit default swap contracts:** Credit default swap contracts are marked-to-market daily based upon a price supplied by a pricing service. Credit default swaps are generally categorized as Level 2 in the fair value hierarchy.

Any portfolio security for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued at fair value, as determined in good faith using procedures approved by the Trustees. To the extent the inputs are observable and timely, the values would be categorized in Level 2 of the fair value hierarchy; otherwise they would be categorized as Level 3.

Transfers between levels are recognized at the end of the reporting period. For the period ended March 31, 2011, there were no significant transfers between levels by the Funds.

As of March 31, 2011, 100% of the value of investments in the Tax-Exempt Bond Fund, Inflation-Linked Bond Fund, Bond Index Fund and the Money Market Fund were valued based on Level 2 inputs.

The following is a summary of the inputs used to value the remaining Funds' investments as of March 31, 2011:

Fund	Level 1	Level 2	Level 3	Total
<b>Bond</b>				
Corporate Bonds	\$ —	\$ 708,318,558	\$ —	\$ 708,318,558
Government Bonds	—	1,087,254,193	—	1,087,254,193
Structured Assets	—	176,517,223	—	176,517,223
Preferred Stocks	529,236	—	—	529,236
Short-term investments	—	476,167,475	—	476,167,475
<b>Total</b>	<b>\$ 529,236</b>	<b>\$2,448,257,449</b>	<b>\$ —</b>	<b>\$2,448,786,685</b>
<b>Bond Plus</b>				
Bank Loan Obligations	\$ —	\$ 11,356,117	\$ —	\$ 11,356,117
Corporate Bonds	—	348,684,241	—	348,684,241
Government Bonds	—	345,921,527	—	345,921,527
Structured Assets	—	96,958,614	—	96,958,614
Preferred Stocks	2,282,311	—	—	2,282,311
Investments in Registered Investment Companies	5,403,239	—	—	5,403,239
Short-term investments	—	83,630,258	—	83,630,258
<b>Total</b>	<b>\$7,685,550</b>	<b>\$ 886,550,757</b>	<b>\$ —</b>	<b>\$ 894,236,307</b>
<b>Short-Term Bond</b>				
Bank Loan Obligations	\$ —	\$ 8,007,517	\$ —	\$ 8,007,517
Corporate Bonds	—	235,612,883	—	235,612,883
Government Bonds	—	246,438,140	—	246,438,140
Structured Assets	—	37,907,850	—	37,907,850
Preferred Stocks	121,684	—	—	121,684
<b>Total</b>	<b>\$ 121,684</b>	<b>\$ 527,966,390</b>	<b>\$ —</b>	<b>\$ 528,088,074</b>
<b>High-Yield</b>				
Bank Loan Obligations	\$ —	\$ 16,709,686	\$ —	\$ 16,709,686
Corporate Bonds	—	838,158,019	—	838,158,019
Government Bonds	—	9,072,441	—	9,072,441
Preferred Stocks	7,101,239	—	—	7,101,239
Short-term investments	—	5,099,940	—	5,099,940
<b>Total</b>	<b>\$7,101,239</b>	<b>\$ 869,040,086</b>	<b>\$ —</b>	<b>\$ 876,141,325</b>

### Note 3—derivative instruments

As defined by U.S. GAAP, a derivative is a financial instrument whose value is derived from an underlying security price, foreign exchange rate, interest rate, index of prices or rates, or other variable. Derivatives require little or no initial investment and permit or require net settlement. The Funds value derivatives at fair value.

**Credit default swap contracts:** The Funds are subject to credit risk in the normal course of pursuing their investment objectives. A credit default swap is a contract between a buyer and a seller of protection against pre-defined credit events for the reference entity. As a seller in a credit default swap contract, a Fund (except the Money Market Fund) is required to pay an agreed upon amount to the counterparty with the occurrence of a specified credit event, such as certain bankruptcies related to an underlying credit instrument, index, or issuer which would likely result in a loss to the Fund. The agreed upon amount approximates the notional value of the swap and is estimated to be the maximum potential future payment that the Fund could be required to make under the contract. In return, the Fund receives from the counterparty a periodic stream of payments over the term of the contract provided that no credit event has occurred. If no credit event occurs, the Fund keeps the stream of payments with no payment obligations. The Fund (except the Money Market Fund) may also buy credit default swap contracts, in which case the Fund functions as the counterparty referenced above. This involves the risk that the contract may expire worthless.

It also involves counterparty risk that the seller may fail to satisfy its payment obligations to the Fund with the occurrence of a credit event. When the Fund sells a credit default swap contract it will cover its commitment. This may be achieved by, among other methods, maintaining cash or liquid assets equal to the aggregate notional value of the reference entities for all outstanding credit default swap contracts sold by the Fund. Credit default swaps are valued daily and any change in the value of the swaps is reflected separately as a change in unrealized appreciation (depreciation) in the Statements of Operations. The value of the swaps is reflected in unrealized appreciation and (depreciation) on swaps in the Statements of Assets and Liabilities. Under the terms of the credit default swap contracts, the Fund receives or makes quarterly payments based on a payment rate on a fixed notional amount. These payments are recorded as a realized gain or loss in the Statements of Operations. Payments received or made as a result of a credit event or termination of the contract are recognized as realized gains or losses. The Funds invest in credit default swaps to hedge or manage the risks associated with assets held in the Fund and/or to facilitate the implementation of portfolio strategies. During the period ended March 31, 2011, the High-Yield Fund and the Bond Plus Fund had exposure to credit default swap contracts, based on underlying notional values, generally between 0% and 1% of net assets and 0% and 3% of net assets, respectively.

At March 31, 2011, the Funds did not hold any credit default swap contracts.

# NOTES TO FINANCIAL STATEMENTS

## Note 4—investment adviser and affiliates

Under the terms of the Investment Management Agreement with respect to each Fund, Advisors provides asset management services to the Fund for an annual fee, payable monthly. Under the terms of the Service Agreement with respect to each Fund, the Retirement Class of the Fund incurs an annual fee, payable monthly to Advisors, for certain administrative costs associated with the maintenance of Retirement Class shares on retirement plan or other platforms. Substantially all of the Retirement Class shareholder servicing fees reported on the Statements of Operations are paid to Advisors under the Service Agreement. Under the terms of a distribution Rule 12b-1 plan, the Retail Class of each Fund (except Bond Index Fund) reimburses TPIS for amounts incurred up to 0.25% of the average daily net assets to distribute the Funds' Retail Class. The Premier Class of each Fund and the Retail Class of the Bond Index Fund have adopted a distribution Rule 12b-1 plan that compensates TPIS for providing distribution, promotional and/or shareholder services to the Premier Class of the Fund and the Retail Class of the Bond Index Fund at the annual rate of 0.15% and 0.25% of the average daily net assets attributable to the Fund's Premier Class and the Retail Class of the Bond Index Fund, respectively.

For the Money Market Fund, TPIS is not seeking reimbursement on a portion of distribution Rule 12b-1 plan expenses on the Retail Class and, effective October 1, 2010, Advisors is reimbursing certain other Retail Class expenses. In addition, TPIS waived a portion of the distribution Rule 12b-1 plan expenses on the Premier Class and Advisors waived a portion of service agreement fees on the Retirement Class. These waivers and reimbursements are voluntary in nature and can be discontinued at any time.

Certain affiliated entities may pay Fund expenses on behalf of the Funds. The Funds reimburse the affiliated entities for any such payment. Amounts owed to Fund affiliates for payment of Fund expenses are disclosed as due to affiliates on the Statements of Assets and Liabilities.

Advisors has agreed to reimburse each Fund if its total expense ratio (excluding acquired fund fees and extraordinary expenses) exceeds certain percentages. As of March 31, 2011, the investment management fee, service agreement fee, distribution fee and maximum expense amounts (after waivers and reimbursements) are equal to the following noted annual percentage of average daily net assets for each class:

Fund	Investment Management Fee Range	Service Agreement Fee	Maximum Distribution Fee			Maximum Expense Amounts <sup>†</sup>		
			Retirement Class	Retail Class	Premier Class	Institutional Class	Retirement Class	Retail Class
Bond*	0.27-0.30%	0.25%	0.25%	0.15%	0.35%	0.60%	0.70%	0.50%
Bond Plus*	0.27-0.30	0.25	0.25	0.15	0.35	0.60	0.70	0.50
Short-Term Bond*	0.22-0.25	0.25	0.25	0.15	0.30	0.55	0.65	0.45
High-Yield*	0.32-0.35	0.25	0.25	0.15	0.40	0.65	0.75	0.55
Tax-Exempt Bond*	0.27-0.30	—	0.25	—	0.35	—	0.70	—
Inflation-Linked Bond*	0.22-0.25	0.25	0.25	0.15	0.35	0.60	0.70	0.50
Bond Index	0.10	0.25	0.25	0.15	0.13	0.38	0.48	0.28
Money Market	0.10	0.25	0.25	0.15	0.15	0.40	0.50	0.30

\* These Funds are subject to a breakpoint schedule on their management fees, which reduces these fees as the Fund's net assets increase.

† Maximum expense amounts reflect all expenses, including investment management fees. The expense reimbursement arrangements will continue through at least September 30, 2012. The reimbursement arrangements can only be changed with the approval of the Board of Trustees.

The Funds may purchase or sell investment securities in transactions with affiliated entities under procedures adopted by the Trustees, pursuant to the 1940 Act. These transactions are effected at market rates without incurring broker commissions.

Certain TIAA-CREF Funds and affiliates make investments in the Funds. The following is the percentage of the Funds' shares owned by affiliates as of March 31, 2011:

Underlying Fund	TIAA-CREF Lifecycle Funds	TIAA-CREF Lifecycle Index Funds	TIAA Access	CREF	Total
Bond	54%	—	1%	—	55%
Bond Plus	56%	—	2%	—	58%
Short-Term Bond	19%	—	1%	—	20%
High-Yield	25%	—	—	1%	26%
Inflation-Linked Bond	10%	1%	—	—	11%
Bond Index	—	12%	—	—	12%

Investments in other investment companies advised by Advisors are deemed to be affiliated companies. Information regarding transactions with affiliated companies is as follows:

Issue	Value at September 30, 2010	Purchase Cost	Sales Proceeds	Realized Gain/(Loss)	Dividend Income	Withholding Expenses	Shares at March 31, 2011	Value at March 31, 2011
<b>Bond Plus Fund</b>								
TIAA-CREF High-Yield Fund (Institutional Class)	\$5,086,766	\$184,252	\$—	\$—	\$184,252	\$—	540,865	\$5,403,239
		\$184,252	\$—	\$—	\$184,252	\$—		\$5,403,239

## Note 5—investments

**Repurchase agreements:** Each Fund may enter into repurchase agreements with banks or broker-dealers. Repurchase agreements involve the purchase of securities from an institution, subject to the seller's agreement to repurchase and the Fund's agreement to resell such securities at a mutually agreed-upon price. Pursuant to the terms of the repurchase agreement, securities purchased subject to repurchase agreements must have an aggregate market value greater than or equal to the agreed-upon repurchase price plus accrued interest at all times. If the value of the underlying securities falls below the value of the repurchase price plus accrued interest, the Fund will require the seller to deposit additional collateral by the next business day. If a request for additional collateral is not met, or if the seller defaults on its repurchase obligation, the Fund maintains the right to sell the underlying securities at market value and pursue a claim for any remaining loss against the seller.

### Securities purchased on a when-issued or delayed-delivery basis:

The Funds may purchase securities on a when-issued or delayed-delivery basis. Securities purchased or sold on a when-issued or delayed-delivery basis may be settled a month or more after trade date; interest income is not accrued until settlement date. At the time a Fund enters into such transactions, it is required to have segregated assets with a current value at least equal to the amount of its when-issued or delayed-delivery purchase commitments.

**Treasury Inflation-Protected Securities:** The Funds (other than the Money Market Fund) may invest in Treasury Inflation-Protected Securities, specially structured bonds in which the principal amount is adjusted periodically to keep pace with inflation, as measured by the U.S. Consumer Price Index. The adjustments for interest income due to inflation or deflation are reflected in interest income in the Statements of Operations.

**Dollar rolls transactions:** Some of the Funds may enter into mortgage dollar rolls in which a Fund sells mortgage securities for delivery in the current month, realizing a gain (loss), and simultaneously contracts to repurchase substantially similar (same type, coupon and maturity) securities on a specified future date. During the roll period, a Fund forgoes principal and interest paid on the securities. The Fund is compensated by the interest earned on the cash proceeds of the initial sale and by the lower repurchase price at the future date. The

difference between the sales proceeds and the lower repurchase price is recorded as a realized gain. The Fund maintains a segregated account, the dollar value of which is at least equal to its obligations with respect to dollar rolls.

**Restricted securities:** Restricted securities held by the Funds, if any, may not be sold except in exempt transactions or in a public offering registered under the Securities Act of 1933. The risk of investing in such securities is generally greater than the risk of investing in securities that are widely held and publicly traded.

At March 31, 2011, net unrealized appreciation (depreciation) based on aggregate cost of portfolio investments for federal income tax purposes, consisting of gross unrealized appreciation and gross unrealized depreciation, was as follows:

Fund	Tax Cost	Gross Unrealized Appreciation	Gross Unrealized (Depreciation)	Net Unrealized Appreciation/ (Depreciation)
Bond	\$2,417,354,112	\$52,814,957	\$(21,382,384)	\$31,432,573
Bond Plus	887,367,538	22,695,225	(15,826,456)	6,868,769
Short-Term Bond	527,106,802	6,863,148	(5,881,876)	981,272
High-Yield	830,021,931	48,146,627	(2,027,233)	46,119,394
Tax-Exempt Bond	289,670,233	3,963,152	(6,985,306)	(3,022,154)
Inflation-Linked Bond	1,033,491,578	63,304,451	(219,811)	63,084,640
Bond Index	1,403,768,847	2,891,711	(21,594,968)	(18,703,257)

Purchases and sales of securities (other than short-term money market instruments) for all of the Funds for the period ended March 31, 2011 were as follows:

Fund	Non-U.S. Government Purchases	U.S. Government Purchases	Non-U.S. Government Sales	U.S. Government Sales
Bond	\$386,114,998	\$3,043,935,183	\$223,729,176	\$3,130,045,534
Bond Plus	276,849,049	651,372,063	79,417,787	600,398,658
Short-Term Bond	137,041,287	412,500,471	42,513,776	420,052,079
High-Yield	477,852,286	—	336,884,780	—
Tax-Exempt Bond	35,344,692	—	59,785,506	—
Inflation-Linked Bond	—	103,592,135	—	72,265,794
Bond Index	155,524,614	554,132,859	239,468,199	195,872,269

## Note 6—distributions to shareholders and other tax items

The tax character of distributions paid to shareholders during the period ended March 31, 2011 and years ended September 30, 2010 and 2009 was as follows:

Fund	3/31/2011			9/30/2010			9/30/2009		
	Ordinary Income	Long-Term Capital Gains	Total	Ordinary Income	Long-Term Capital Gains	Total	Ordinary Income	Long-Term Capital Gains	Total
Bond	\$46,648,422	\$4,610,787	\$51,259,209	\$88,292,347	\$ —	\$88,292,347	\$80,945,598	\$ —	\$80,945,598
Bond Plus	13,437,585	—	13,437,585	24,924,217	—	24,924,217	23,662,448	—	23,662,448
Short-Term Bond	5,118,402	—	5,118,402	9,095,799	—	9,095,799	8,941,940	—	8,941,940
High-Yield	28,370,734	—	28,370,734	45,624,000	—	45,624,000	35,740,264	—	35,740,264
Tax-Exempt Bond *	5,901,552	3,050,242	8,951,794	10,155,144	433,280	10,588,424	9,142,135	97,723	9,239,858
Inflation-Linked Bond	15,767,697	—	15,767,697	22,295,765	—	22,295,765	29,254	—	29,254
Bond Index	14,762,388	186,745	14,949,133	4,772,627	—	4,772,627	75,696	—	75,696
Money Market	182,872	—	182,872	491,517	—	491,517	13,737,695	—	13,737,695

\* Includes ordinary income which will not be taxable for federal income tax purposes in 2011, 2010 and 2009 of \$5,514,672, \$10,123,626 and \$9,120,619 respectively.

# NOTES TO FINANCIAL STATEMENTS

concluded

As of March 31, 2011, the components of accumulated earnings on a tax basis were as follows:

Fund	Undistributed Ordinary Income	Undistributed Long-Term Capital Gains	Unrealized Appreciation (Depreciation)	Capital Loss Carryover	Post-October Losses	Total
Bond	\$2,600,832	\$2,667,703	\$ 31,432,606	\$ —	\$ —	\$ 36,701,141
Bond Plus	119,167	—	6,868,778	(10,501,679)	(972,374)	(4,486,108)
Short-Term Bond	102,012	774,148	981,272	—	—	1,857,432
High-Yield	785,619	—	46,119,394	(10,396,157)	—	36,508,856
Tax-Exempt Bond	143,067	—	(3,022,154)	—	(1,481,645)	(4,360,732)
Inflation-Linked Bond	27,726	—	63,084,637	(169,122)	—	62,943,241
Bond Index	7,360	—	(18,703,257)	—	(906,548)	(19,602,445)
Money Market	21,940	—	—	—	—	21,940

The difference between book basis and tax basis net investment income, net realized gains and losses, and unrealized appreciation and depreciation is attributable primarily to the tax deferral of losses on wash sales, gains and losses on redemptions in-kind, the utilization of tax equalization credits, the utilization of capital loss carryovers, and the treatment of short term gain as ordinary income for tax purposes.

In certain circumstances, a fund may distribute portfolio securities rather than cash as payment for a redemption of fund shares (in-kind redemption). A fund may also accept portfolio securities rather than cash as payment for a purchase of fund shares (in-kind purchase). During the period ended March 31, 2011, the Bond Fund recognized a net capital gain of \$43,112,945 as the result of a delivery of \$778,860,851 of securities in an in-kind redemption transaction. For federal income tax purposes, the gain is not taxable and therefore will not be distributed to shareholders. The gain was reclassified from accumulated net realized gain (loss) on total investments to paid-in-capital in the Statement of Assets and Liabilities. During the period ended March 31, 2011, the Bond Index Fund received \$778,860,851 of securities in an in-kind purchase transaction.

At March 31, 2011, the following Funds had capital loss carryovers, which will expire as follows:

Fund	Date of Expiration		Total
	3/31/17	3/31/18	
Bond Plus	\$10,501,679	\$ —	\$10,501,679
High-Yield	3,602,574	6,793,583	10,396,157
Inflation-Linked Bond	—	169,122	169,122

For the period ended March 31, 2011, the Bond Plus Fund, Short-Term Bond Fund, High-Yield Fund, and Inflation-Linked Bond Fund utilized \$990,605, \$551,961, \$18,356,351, and \$5,585,638 respectively, of their capital loss carryover available from prior years.

Under the recently enacted Regulated Investment Company Modernization Act of 2010, the Funds will be permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an unlimited period. However, any losses incurred during those future years will be required to be utilized prior to the losses incurred in pre-enactment tax years. As a result of this ordering rule, pre-enactment capital loss carryovers may be more likely to expire unused. Additionally, post-enactment capital losses that are

carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law.

## Note 7—line of credit

Each of the Funds, except the Money Market Fund, participates in a \$1 billion unsecured revolving credit facility that can be used for temporary purposes, including, without limitation, the funding of shareholder redemptions. Certain affiliated accounts and mutual funds, each of which is managed by Advisors, or an affiliate of Advisors, also participate in this facility. An annual commitment fee for the credit facility is borne by the participating accounts and mutual funds on a pro rata basis. Interest associated with any borrowing under the facility is charged to the borrowing funds at a specified rate of interest. The Funds are not liable for borrowings under the facility by other affiliated accounts or mutual funds. For the period ended March 31, 2011, there were no borrowings under this credit facility by the Funds.

## Note 8—indemnification

In the normal course of business, each Fund enters into contracts that contain a variety of representations and warranties and that provide general indemnities. A Fund's maximum exposure under these arrangements is unknown, as this would involve future claims against the Fund that have not yet occurred. Also, under the Funds' organizational documents, the Trustees and officers of the Funds are indemnified against certain liabilities that may arise out of their duties to the Funds. However, based on experience, the Funds expect the risk of loss due to these warranties and indemnities to be remote.

# REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees and Shareholders of the TIAA-CREF Funds:

In our opinion, the accompanying statements of assets and liabilities, including the summary portfolios of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of the Bond Fund, Bond Plus Fund, Short-Term Bond Fund, High-Yield Fund, Tax-Exempt Bond Fund, Inflation-Linked Bond Fund, Bond Index Fund and the Money Market Fund (hereafter referred to as the “Funds”), at March 31, 2011, the results of each of their operations for the period then ended and the changes in each of their net assets and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “financial statements”) are the responsibility of the Funds’ management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at March 31, 2011 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.



**PricewaterhouseCoopers LLP**  
Boston, Massachusetts  
May 18, 2011

# TRUSTEES AND OFFICERS (UNAUDITED)

TIAA-CREF FUNDS ■ MARCH 31, 2011

## Disinterested trustees

Name, Address and Date of Birth ("DOB")	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee
Forrest Berkley c/o Corporate Secretary 730 Third Avenue New York, NY 10017-3206 DOB: 4/25/54	Trustee	Indefinite term. Trustee since 2006.	Retired Partner (since 2006), Former Partner (1990-2005) and Head of Global Product Management (2003-2005), GMO (formerly, Grantham, Mayo, Van Otterloo & Co.) (investment management); and member of asset allocation portfolio management team, GMO (2003-2005).	70	Director of GMO; Director, the Maine Coast Heritage Trust; Investment Committee member, Maine Community Foundation, the Butler Conservation Fund, Inc. and the Elmina B. Sewall Foundation.
Nancy A. Eckl c/o Corporate Secretary 730 Third Avenue New York, NY 10017-3206 DOB: 10/6/62	Trustee	Indefinite term. Trustee since 2007.	Former Vice President (1990-2006), American Beacon Advisors, Inc., and Vice President of certain funds advised by American Beacon Advisors, Inc.	70	Independent Director, The Lazard Funds, Inc., Lazard Retirement Series, Inc., Lazard Global Total Return and Income Fund, Inc. and Lazard World Dividend and Income Fund, Inc.; Member of the Board of Managers of Lazard Alternative Strategies Fund, LLC.
Michael A. Forrester c/o Corporate Secretary 730 Third Avenue New York, NY 10017-3206 DOB: 11/05/67	Trustee	Indefinite term. Trustee since 2007.	Chief Operating Officer, Copper Rock Capital Partners, LLC (since 2007); Chief Operating Officer, DDJ Capital Management (2003-2006).	70	Director of Copper Rock Capital Partners, LLC (investment adviser).
Howell E. Jackson c/o Corporate Secretary 730 Third Avenue New York, NY 10017-3206 DOB: 1/4/54	Trustee	Indefinite term. Trustee since 2005.	James S. Reid, Jr. Professor of Law (since 2004), Acting Dean (2009), Vice Dean for Budget (2003-2006) and on the faculty (since 1989) of Harvard Law School.	70	Director, D2D Fund.
Nancy L. Jacob c/o Corporate Secretary 730 Third Avenue New York, NY 10017-3206 DOB: 1/15/43	Trustee	Indefinite term. Trustee since 1999.	President and Founder (since 2006) of NLJ Advisors, Inc. (investment adviser); President and Managing Principal, Windermere Investment Associates (1997-2006).	70	None.
Bridget A. Macaskill c/o Corporate Secretary 730 Third Avenue New York, NY 10017-3206 DOB: 8/5/48	Trustee	Indefinite term. Trustee since 2003.	Chief Executive Officer (since 2010), President (since 2009) and Chief Operating Officer (2009-2010), First Eagle Investment Management; Principal, BAM Consulting LLC (2003-2009); Independent Consultant for Merrill Lynch (2003-2009).	70	Director, Prudential plc; Arnold and S. Bleichroeder Holdings; First Eagle Investment Management; American Legacy Foundation (Investment Committee); University of Edinburgh (Campaign Board); and North Shore Land Alliance.
James M. Poterba c/o Corporate Secretary 730 Third Avenue New York, NY 10017-3206 DOB: 7/13/58	Trustee	Indefinite term. Trustee since 2006.	President and Chief Executive Officer, National Bureau of Economic Research (since 2008); Mitsui Professor of Economics (since 1996), Head (2006-2008) and Associate Head (1994-2000 and 2001-2006), Economics Department, Massachusetts Institute of Technology (MIT); Program Director, National Bureau of Economic Research (1990-2008).	70	Director, The Alfred P. Sloan Foundation and National Bureau of Economic Research.
Maceo K. Sloan c/o Corporate Secretary 730 Third Avenue New York, NY 10017-3206 DOB: 10/18/49	Chairman of the Board and Trustee	Indefinite term as Trustee; Chairman for term ending June 30, 2012. Trustee since 1999. Chairman since 2009.	Chairman, President and Chief Executive Officer, Sloan Financial Group, Inc. (since 1991); Chairman, Chief Executive Officer and Chief Investment Officer, NCM Capital Management Group, Inc. (since 1991); Chairman and Chief Executive Officer and Chief Investment Officer, NCM Capital Advisers Inc. (since 2003); and Chairman, President and Principal Executive Officer, NCM Capital Investment Trust (since 2007).	70	Director, SCANA Corporation (energy holding company) and NCM Capital Investment Trust.

## Disinterested trustees — continued

Name, Address and Date of Birth ("DOB")	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee
Laura T. Starks c/o Corporate Secretary 730 Third Avenue New York, NY 10017-3206 DOB: 2/17/50	Trustee	Indefinite term. Trustee since 2006.	Chairman, Department of Finance, the Charles E. and Sarah M. Seay Regents Chair in Finance (since 2002), and Director, AIM Investment Center, McCombs School of Business, University of Texas at Austin (since 2000); Professor, University of Texas at Austin (since 1987).	70	Governing Council, Independent Directors Council (mutual fund director organization) and Investment Advisory Committee, Employees Retirement System of Texas.

## Executive officers

Name, Address and Date of Birth ("DOB")	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years
Brandon Becker TIAA-CREF 730 Third Avenue New York, NY 10017-3206 DOB: 3/19/54	Executive Vice President and Chief Legal Officer	One year term. Executive Vice President and Chief Legal Officer since 2009.	Executive Vice President and Chief Legal Officer of TIAA and the College Retirement Equities Fund ("CREF"), TIAA-CREF Funds, TIAA-CREF Life Funds and TIAA Separate Account VA-1 (collectively, the "TIAA-CREF Fund Complex") (since 2009); Partner, Wilmer Cutler Pickering Hale & Dorr LLP (1996-2009).
Richard S. Biegen TIAA-CREF 730 Third Avenue New York, NY 10017-3206 DOB: 5/8/62	Chief Compliance Officer	One-year term. Vice President and Chief Compliance Officer since 2008.	Chief Compliance Officer of TIAA Separate Account VA-3 and the TIAA-CREF Fund Complex, Vice President, Senior Compliance Officer of Asset Management Compliance of TIAA and Chief Compliance Officer of Investment Management (since 2008), Chief Compliance Officer of Teachers Advisors, Inc. ("Advisors") (2008); Managing Director/Director of Global Compliance, AIG Global Investment Group (2000-2008).
Scott C. Evans TIAA-CREF 730 Third Avenue New York, NY 10017-3206 DOB: 5/11/59	President and Principal Executive Officer	One-year term. President and Principal Executive Officer since 2007.	President and Principal Executive Officer of the TIAA-CREF Funds and the TIAA-CREF Life Funds (since 2007), Executive Vice President (since 1997) of CREF and TIAA Separate Account VA-1, Executive Vice President, Investments, Research, Institute & Strategy (since 2009), Executive Vice President, Head of Asset Management (2006-2009), Executive Vice President and Chief Investment Officer (2005) of TIAA, Director of Advisors (since 2004), President and Chief Executive Officer of Investment Management and Advisors and Manager of Investment Management (since 2004), Manager of TIAA Realty Capital Management, LLC (2004-2006), Chief Investment Officer of TIAA (2004-2006), Director of TIAA Global Markets, Inc. (2004-2005), Director of TIAA-CREF Life Insurance Company (1997-2006), and Director of Teachers Personal Investors Services, Inc. ("TPIS") (2006-2008).
Phillip G. Goff TIAA-CREF 730 Third Avenue New York, NY 10017-3206 DOB: 11/22/63	Principal Financial Officer, Principal Accounting Officer and Treasurer	One-year term. Principal Financial Officer, Principal Accounting Officer and Treasurer since 2007.	Principal Financial Officer, Principal Accounting Officer and Treasurer of the TIAA-CREF Funds and TIAA-CREF Life Funds (since 2007) and TIAA Separate Account VA-1 (since 2009), Treasurer of CREF (since 2008), Director of Advisors (since 2008); Chief Financial Officer, Van Kampen Funds (2005-2006).
Stephen Gruppo TIAA-CREF 730 Third Avenue New York, NY 10017-3206 DOB: 9/25/59	Executive Vice President	One-year term. Executive Vice President since 2009.	Executive Vice President, Head of Risk Management of TIAA, Executive Vice President of the TIAA-CREF Fund Complex (since 2009), Executive Vice President, Risk Management of Advisors and Investment Management (since 2009), Senior Managing Director and Acting Head of Risk Management of TIAA and Senior Managing Director of the TIAA-CREF Fund Complex (2008-2009), Senior Managing Director, Chief Credit Risk Officer (2004-2008) of TIAA, Director, TIAA-CREF Life Insurance Company (2006-2008), Director, TPIS, Advisors and Investment Management (2008), Head of Risk Management of Advisors and Investment Management (2005-2006).

# TRUSTEES AND OFFICERS (UNAUDITED)

concluded

TIAA-CREF FUNDS ■ MARCH 31, 2011

## Executive officers — continued

Name, Address and Date of Birth ("DOB")	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years
William Mostyn III TIAA-CREF 730 Third Avenue New York, NY 10017-3206 DOB: 1/1/48	Vice President and Corporate Secretary	One-year term. Vice President and Corporate Secretary since 2008.	Senior Vice President (since 2010) and Corporate Secretary of TIAA and Vice President and Corporate Secretary of the TIAA-CREF Fund Complex (since 2008); Deputy General Counsel and Corporate Secretary, Bank of America (2005-2008).
Dermot J. O'Brien TIAA-CREF 730 Third Avenue New York, NY 10017-3206 DOB: 3/13/66	Executive Vice President	One year term. Executive Vice President since 2003.	Executive Vice President, Human Resources (since 2010, 2005-2007) and Executive Vice President of Human Resources and Corporate Services (2007-2010) of TIAA, and Executive Vice President of the TIAA-CREF Fund Complex (since 2003), Director, TIAA-CREF Life Insurance Company (2003-2006).
Edward D. Van Dolsen TIAA-CREF 730 Third Avenue New York, NY 10017-3206 DOB: 4/21/58	Executive Vice President	One-year term. Executive Vice President since 2006.	Executive Vice President and Chief Operating Officer (since 2010), Executive Vice President, Product Development and Management (2009-2010), Executive Vice President, Institutional Client Services (2006-2009), and Executive Vice President, Product Management (2005-2006) of TIAA, and Executive Vice President of the TIAA-CREF Fund Complex (since 2006), Executive Vice President, Institutional Client Services (2006-2008), Director, TCT Holdings, Inc. (since 2007), Executive Vice President, TIAA-CREF Enterprises, Inc., Manager, President and Chief Executive Officer, TIAA-CREF Redwood, LLC (since 2006), Director of Tuition Financing (2006-2009), Senior Vice President, Pension Products (2003-2006).
Constance K. Weaver TIAA-CREF 730 Third Avenue New York, NY 10017-3206 DOB: 9/26/52	Executive Vice President	One-year term. Executive Vice President since 2010.	Executive Vice President, Chief Marketing and Communications Officer of TIAA and Executive Vice President of the TIAA-CREF Fund Complex (since 2010); Senior Vice President, The Hartford Financial Services Group, Inc. (2008-2010); Executive Vice President and Chief Marketing Officer, BearingPoint (2005-2008).

Please note that the Funds' Statement of Additional Information (SAI) includes information about the Funds' trustees and is available, without charge, through our website, [tiaa-cref.org](http://tiaa-cref.org) or by telephone at 800 223-1200.

# APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (UNAUDITED)

## BOARD RENEWAL OF THE INVESTMENT MANAGEMENT AGREEMENT FOR CERTAIN SERIES OF THE TIAA-CREF FUNDS

Among its other duties, the Board of Trustees (the “Board” or the “Trustees”) of the TIAA-CREF Funds (the “Trust”) is responsible for determining whether to initially approve and subsequently annually renew the investment management agreement (the “Agreement”) between Teachers Advisors, Inc. (“TAI”) and the Trust on behalf of each of its series covered by this Report (the “Funds”). Under the Agreement, TAI is responsible for providing investment advisory services and overseeing the everyday operations and other service providers of the Funds.

Section 15(c) of the Investment Company Act of 1940 (the “1940 Act”) requires that, after an initial period of up to two years, the Agreement for each Fund will remain in effect only if the Board, including a majority of those Trustees who have no direct or indirect interest in the Agreement, and who are not “interested persons” of the Trust, as that term is defined in the 1940 Act, annually renews that Agreement. All of the Trustees are deemed to be independent persons for this purpose.

### OVERVIEW OF THE RENEWAL PROCESS

The Board held a meeting on March 31, 2011, at which it considered the annual renewal of the Agreement with respect to each applicable Fund using its previously-established process. As part of this process, the Board delegated certain tasks to its Operations Committee. Among these tasks, the Operations Committee worked with management and legal counsel to the Trustees to develop guidelines and specific requests relating to the types of information to be provided to the Committee and to all Trustees in connection with the proposed contract renewals, and then helped evaluate the information provided in response to those guidelines. During a series of meetings held prior to the March 31, 2011 Board meeting, the Operations Committee reviewed such guidelines and requests in consultation with management representatives and input from other Trustees, legal counsel to the Trustees and legal counsel to management and the Funds, and then evaluated the information produced in accordance with those guidelines and requests.

Among other matters, the Operations Committee, following its consultations with others as noted above, confirmed or established various guidelines regarding the preparation of reports to be provided to all Trustees with respect to each Fund by the Global Fiduciary Review unit of Lipper, Inc. (“Lipper”). Lipper is an independent provider of investment company data that is widely recognized as a leading source of independent data used by independent directors and trustees of investment companies during their advisory contract review processes.

Based on guidelines provided by the Operations Committee on behalf of the Board, Lipper produced, among other information, extensive performance and expense comparison data regarding each Fund, including data relating to each Fund’s management fee rates, total expense ratios, short-term and long-term investment performance and, as applicable, brokerage commission costs and portfolio turnover rates. Lipper also compared much of this data for each Fund against

a universe of investment companies and against a more selective peer group of mutual funds with similar investment objectives and strategies, each of which was selected by Lipper, and, in the case of the investment performance data, against one or more appropriate broad-based benchmark indices. In each case, Lipper summarized the methodologies employed by it to provide the data contained in its reports. In addition, Lipper represented to the Board that its reports were designed specifically to provide the Board with the fee, expense and performance information that is necessary to help the Board satisfy its duties under Section 15(c) of the 1940 Act. Lipper also represented that it (and not management) had identified the selected comparative peer groups and universes and that it did so in a manner that was not intended to produce biased results for its clients.

Among other matters, the Operations Committee also requested and reviewed various sources of information provided by TAI to facilitate the Trustees’ evaluation of the reasonableness of any profits earned by TAI with respect to its services to each Fund pursuant to the Agreement. In this connection, the Operations Committee emphasized that different Trustees could, and likely would, give different weight to different factors when evaluating the profits, if any, realized or anticipated to be realized by TAI.

In advance of the Board meeting held on March 31, 2011, legal counsel for the Trustees requested on behalf of the Board, and TAI provided, extensive information that was designed to assist the Board in its consideration of whether to renew the Agreement for each Fund. In addition to the data provided by Lipper as described above, this information included, but was not limited to, the following: (1) further information relating to each Fund’s investment performance, including performance ratings provided by Morningstar, Inc. (“Morningstar”), which is a widely recognized mutual fund ranking service, and a narrative analysis of the performance of each Fund that had underperformed its Lipper peer group or its benchmark index (for the Bond Index Fund only) by a specified amount over a three-year period, together with an explanation of any events that had a material impact on performance during that period; (2) a description of any fee waiver or expense reimbursement arrangements that were proposed or were in place during the prior year and the extent to which such arrangements would be continued or modified in the coming year; (3) a comparison of each Fund’s fees under the Agreement as compared to any other comparable accounts managed by TAI or its affiliates; (4) any “fall-out” benefits that accrued or were identified as reasonably likely to accrue to TAI or its affiliates due to their relationship with the Funds aside from TAI’s direct fee payments pursuant to the Agreement; (5) information regarding TAI’s financial resources, senior professional personnel, overall staffing levels, portfolio manager compensation arrangements, business continuity plans, insurance coverage, compliance programs, any material pending litigation or compliance issues, portfolio trading and best execution practices, and any actual and potential conflicts of interest identified by TAI in connection with rendering services to the Funds; (6) information as to any profits earned by TAI in connection with its services pursuant to the

# APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (UNAUDITED)

Agreement; (7) a copy of the Agreement and certain related service agreements between the Funds and affiliates of TAI; (8) a copy of TAI's SEC Form ADV registration statement (which was presented only to legal counsel for the Trustees); and (9) proposed narrative explanations of reasons why the Board should renew the Agreement.

In considering whether to renew the Agreement with respect to each Fund, the Board, with assistance from its Operations Committee, reviewed various factors with respect to the Fund, including: (1) the nature, extent and quality of services provided or to be provided by TAI to the Fund; (2) the Fund's investment performance; (3) the costs of the services provided to the Fund and the profits realized or potential profits to be realized (if any) by TAI and its affiliates from their relationship with the Fund; (4) the extent to which economies of scale have been realized or are anticipated to be realized as the Fund grows; (5) whether the fee schedule set forth in the Agreement reflects any such economies of scale for the benefit of Fund investors; (6) comparisons of services and fees with contracts entered into by TAI with other clients; and (7) any other benefits derived or anticipated to be derived by TAI or its affiliates from their relationship with the Fund. As a general matter, the Board viewed these factors in their totality, with no single factor being the principal factor in determining whether to renew the Agreement.

In reaching its decisions regarding the renewal of the Agreement for each Fund, the Board took into account the information described above, other information provided to the Board in connection with this process, and relevant information provided to the Board and to its Committees on an ongoing basis in connection with the Board's general oversight duties with respect to the Funds. In addition, the Board received and considered information from its legal counsel as to certain relevant guidelines that relate to the renewal process under Section 15(c) of the 1940 Act and certain other legal authorities.

While the Board considered the Agreement with respect to all Funds, the Board received and considered Fund-specific information and made its renewal determinations on a Fund-by-Fund basis. In deciding whether to renew the Agreement for each Fund, each Trustee may have accorded different weight to different factors and, thus, each Trustee may have had a different basis for his or her ultimate decision to vote to renew the Agreement for each Fund. At its meeting on March 31, 2011, the Board voted unanimously to renew the Agreement for each Fund. Set forth below are the general factors the Board considered for all of the Funds, followed by a summary of certain specific factors the Board considered for each particular Fund.

## THE NATURE, EXTENT AND QUALITY OF SERVICES

The Board considered that TAI is an experienced investment adviser that has managed the Funds since their operations commenced. Investment professionals at TAI also manage various accounts of the College Retirement Equities Fund ("CREF"), the TIAA-CREF Life Funds and the other series of the Trust. Under the Agreement, TAI is responsible for, among

other duties: managing the assets of the Funds, including conducting research, recommending investments and placing orders to buy and sell securities for the Funds' investment portfolios; active daily monitoring of the investment portfolios by various personnel with specific responsibility for the particular types of investments in question; reporting on the investment performance of the Funds to the Board on a regular basis; and carrying out, or overseeing the provision of, various administrative services to the Funds. The Board considered that TAI has carried out these responsibilities in a competent and professional manner.

The Board also considered, among other factors, the performance of each of the Funds, as discussed below. In the course of its review of the quality of TAI's services, the Board examined the investment performance of each Fund and concluded that it was within an acceptable range when compared with the Fund's benchmark and/or its peer group of mutual funds, or that, in the case of a Fund that had underperformed its benchmark or peer group/universe for an extended period of time, TAI represented that it had taken or was planning to implement affirmative remedial actions that are reasonably designed to enhance the Fund's investment performance.

In addition, the Board considered the nature and quality of non-portfolio management services provided by TAI and its affiliates. In this regard, the Board considered its ongoing review of the performance of certain affiliated and unaffiliated service providers, including the quality of services provided by those firms and TAI's oversight of those service providers and the outsourcing of certain services to other firms.

## INVESTMENT PERFORMANCE

The Board considered the investment performance of each Fund, as applicable, over one-, two-, three-, four-, five- and ten-year and since inception periods (as applicable). The Board considered each Fund's performance as compared to its peer group, peer universe and benchmark index. The Board also reviewed the performance of the Bond Index Fund before any reductions for fees or expenses as compared to the Fund's benchmark index. In this regard, the Board considered that most financial markets had experienced nearly unprecedented volatility during recent years that had impacted the performance of many Funds. Despite these circumstances, the performance of most Funds generally compared favorably to their benchmarks (after considering the effect of expenses incurred to operate the Funds) and, with some exceptions, the Funds ranked in the top three performance quintiles versus their peer groups of mutual funds. (For additional detail regarding each Fund's performance, see the Fund-by-Fund synopsis below.) The Board considered that, in those cases in which a Fund had underperformed its benchmark or peer group of mutual funds for an extended period of time, TAI had represented that it had taken or was planning to implement affirmative remedial actions that are reasonably designed to enhance the Fund's investment performance. Thus, the Board concluded that, under the totality of circumstances considered, the investment performance of each Fund was within an

acceptable range or that appropriate remedial actions had or were being implemented.

### **COST AND PROFITABILITY**

The Board considered financial and profitability data relating to TAI for the calendar year 2010 with respect to the Funds. The Board considered TAI's profit calculations with respect to its services to each Fund both before and after taking into account the costs incurred directly or indirectly by TAI in connection with the distribution of shares of the Funds. The Board acknowledged the reasonableness of having fee rates which permit TAI to maintain and improve the quality of services provided to the Funds. The Board considered that TAI had earned profits with respect to some of the Funds under the Agreement and expected this trend to continue, but that for certain of the Funds, including the Bond Index Fund, there was no current expectation for TAI to earn a profit in the foreseeable future. With respect to those Funds for which the Agreement was profitable to TAI in 2010, the Board concluded that those profits were not excessive in light of various relevant factors.

During its review of TAI's profits, the Board noted its ongoing efforts to examine the level of personnel and other resources available to portfolio management functions by TAI so as to assess whether sufficient resources are being devoted to these functions.

### **FEES CHARGED BY OTHER ADVISERS**

The Board considered information regarding fees paid to other advisers for managing similar funds, as analyzed by Lipper. The Board determined that the management fee rates charged to a Fund under the Agreement typically were lower than the management fee rates charged by many or most comparable mutual funds. In this connection, the Board also considered the inherent limitations of such comparisons in light of uncertainty as to how the fees of such similar mutual funds are set and potentially material differences between a Fund and its comparable mutual funds. Additionally, the Board also considered the potential limitations of such comparisons due to the fact that, in many instances, Lipper based its comparisons on financial data relating to fiscal periods that differed from the period for which the Fund's data was derived. Based on all factors considered, the Board concluded that the fee rates under the Agreement with respect to each Fund were within an acceptable range in relation to those charged by appropriate groups of comparable mutual funds.

### **ECONOMIES OF SCALE**

The Board considered whether TAI has experienced or is anticipated to experience economies of scale in connection with the operation of each Fund. In this connection, the Board considered that TAI had incurred operating losses with respect to its services provided to some of the Funds in 2010. The Board also considered the extent to which the current fee "breakpoints" (that is, the Fund asset levels at which additional

assets would be assessed lower fee rates) on many actively-managed Funds (most of which are profitable to TAI) would have a material effect on their fees. The Board considered TAI's representation that, although the current breakpoint discounts may be low compared to those of some competitors, the initial maximum fee rates in the Agreement are already at low levels compared to peer groups of mutual funds. Based on all factors considered, the Board concluded that the Funds' fee schedules were within an acceptable range in light of current economies of scale considerations and current asset levels.

### **FEE COMPARISON WITH OTHER TAI CLIENTS**

The Board considered that TAI and its affiliates provide similar investment management services to other investment companies. In addition, TAI manages institutional client assets through a small number of unregistered commingled funds and separate accounts with similar investment strategies and investment staff. The Board considered the schedule of fees for each of these funds and accounts, and the fees actually charged to clients with current separate accounts that are managed under similar investment strategies. The Board also considered TAI's representation that, while management fee rates charged to the Funds may differ from the rates charged to these other funds and accounts, this is due in part to the fact that these other funds and accounts: are offered through products that charge additional fees to their investors; are offered in different types of markets; are provided with different types or levels of services by TAI; target different types of investors; and/or are packaged with other products, and that these factors justify different fee rate schedules.

### **OTHER BENEFITS**

The Board also considered additional benefits to the Funds and to TAI and its affiliates arising from the Agreement. For example, TAI and its affiliates may benefit from the advisory relationship with the Funds to the extent that this relationship results in potential investors viewing the TIAA-CREF group of companies as a leading retirement plan provider in the academic and nonprofit markets and as a single source for all their financial service needs. Both TAI and certain Funds managed by TAI or its affiliates may benefit from economies of scale to the extent that these Funds are managed in the same manner and by the same personnel as certain of the CREF Accounts. Additionally, TAI and the Funds may benefit from TAI's ability to acquire investment research related to its commission (*i.e.*, soft dollar) arrangements.

### **FUND-BY FUND FACTORS**

The Board considered the following specific factors (among others) in connection with its determination to renew the Agreement with respect to each Fund. If a Fund is described in the following discussions as being in the "1st" quintile, it is in the best of five groups (that is, the group has the best performance or the lowest expenses, as the case may be). References below to quintiles are based on data provided to the Board in the reports prepared by Lipper. The specific

# APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (UNAUDITED)

management fee, expense and performance factors outlined below are based on the Retirement Class shares of each Fund (except where otherwise noted), which generally is the largest share class in terms of assets of each Fund. Because the Retirement Class generally has different non-management expenses than the Institutional, Premier and Retail Classes of these Funds, the expenses and performance of these other Classes will differ from the expenses and performance shown for the Retirement Class. All time periods referenced below end as of December 31, 2010. Under the Morningstar rating system, 5 stars is the highest (best) rating category and 1 star is the lowest rating category. Statements below regarding a Fund's "aggregate fee rate" refer to the overall effective blended fee rate that applied to that Fund after taking into account the different fee rates that apply to higher levels of Fund assets that exceed one or more breakpoints in the Fund's fee rate schedule. Statements below regarding "net profit" or "net loss" refer to whether TAI earned a profit or incurred a loss for the services that it rendered to a Fund during 2010 under the Agreement.

## BOND FUND

- The Fund's annual contractual management fee rate is 0.30% of average daily net assets with breakpoints. At year-end asset levels, breakpoints reduced the aggregate management fee rate to 0.295% of average daily net assets.
- The Fund's management fees and total expenses were in the 1st quintile of the group of comparable funds selected by Lipper for expense comparison purposes ("Expense Group") and 2nd quintile of the universe of comparable funds identified by Lipper for expense comparison purposes ("Expense Universe").
- For the two- and ten-year periods, the Fund was in the 5th and 3rd quintiles, respectively, of the universe of comparable funds identified by Lipper for performance comparison purposes ("Performance Universe"). For the one-, three-, four- and five-year periods, the Fund was in the 4th quintile of its Performance Universe.
- The Fund received an Overall Morningstar Rating of 3 stars.
- TAI earned a net profit with respect to its services to the Fund for the one-year period.

## BOND PLUS FUND

- The Fund's annual contractual management fee rate is 0.30% of average daily net assets with breakpoints.
- The Fund's management fees and total expenses were in the 1st quintile of its Expense Group and 2nd quintile of its Expense Universe.
- For the one-year period, the Fund was in the 2nd quintile of its Performance Universe and in the 4th quintile of its Performance Universe for the two-, three- and four-year and since inception periods.
- The Fund received an Overall Morningstar Rating of 3 stars.
- TAI earned a net profit with respect to its services to the Fund for the one-year period.

## SHORT-TERM BOND FUND

- The Fund's annual contractual management fee rate is 0.25% of average daily net assets with breakpoints.
- The Fund's management fees and total expenses were in the 2nd quintile of its Expense Group and the 1st and 3rd quintiles, respectively, of its Expense Universe.
- For the two-year period, the Fund was in the 4th quintile of its Performance Universe, and in the 2nd quintile of its Performance Universe for the one-, three-, and four-year and since inception periods.
- The Fund received an Overall Morningstar Rating of 3 stars.
- TAI earned a net profit with respect to its services to the Fund for the one-year period.

## HIGH-YIELD FUND

- The Fund's annual contractual management fee rate is 0.35% of average daily net assets with breakpoints.
- The Fund's management fees and total expenses were in the 1st quintile of its Expense Group and Expense Universe.
- The Fund was in the 3rd, 4th, 1st, 1st and 2nd quintiles of its Performance Universe for the one-, two-, three- and four-year and since inception periods.
- The Fund received an Overall Morningstar Rating of 4 stars.
- TAI earned a net profit with respect to its services to the Fund for the one-year period.

## TAX-EXEMPT BOND FUND

- The Fund's annual contractual management fee rate is 0.30% of average daily net assets with breakpoints.
- The Fund's management fees were in the 1st and 2nd quintiles of its Expense Group and Expense Universe, respectively, with respect to the Institutional Class. The Fund's total expenses were in the 1st quintile of its Expense Group and Expense Universe with respect to the Institutional Class.
- For the one-year and since inception periods, the Fund was in the 3rd and 1st quintiles, respectively, of its Performance Universe. For the two-, three- and four-year periods, the Fund was in the 2nd quintile of its Performance Universe.
- The Fund received an Overall Morningstar Rating of 3 stars.
- TAI earned a net profit with respect to its services to the Fund for the one-year period.
- Steve Sterman and Barnet Sherman were added to the portfolio management team of the Fund in 2010.

## INFLATION-LINKED BOND FUND

- The Fund's annual contractual management fee rate is 0.25%, which was reduced as of May 1, 2010 from 0.30% of average daily net assets with breakpoints. At year-end asset levels, breakpoints reduced the aggregate management fee rate to 0.249% of average daily net assets.
- The Fund's management fees are in the 1st quintile of its Expense Group and Expense Universe, and its total expenses are in the 1st and 2nd quintiles of its Expense Group and Expense Universe, respectively.
- For the two-year period, the Fund was in the 4th quintile of its Performance Universe. For the one-, three-, four- and five-year periods, the Fund was in the 3rd quintile of its Performance Group and Performance Universe.

- The Fund received an Overall Morningstar Rating of 3 stars.
- TAI earned a net profit with respect to its services to the Fund for the one-year period.

#### **BOND INDEX FUND**

- The Fund's annual contractual management fee rate is 0.10% of average daily net assets.
- The Fund's management fees are in the 1st quintile of its Expense Group and Expense Universe. The Fund's total expenses were in the 1st and 3rd quintiles of its Expense Group and Expense Universe, respectively.
- For the one-year and since inception periods, the Fund was in the 4th and 3rd quintiles of its Performance Universe, respectively.
- The Fund has not been operational long enough to have received an Overall Morningstar Rating.
- TAI incurred a net loss with respect to its services to the Fund for the one-year period.
- In 2010, Kevin Chen was added to the Fund's portfolio management team to oversee quantitative investments.

#### **MONEY MARKET FUND**

- The Fund's annual contractual management fee rate is 0.10% of average daily net assets.
- The Fund's management fees were in the 1st quintile of its Expense Group and Universe. The Fund's total expenses were in the 2nd and 3rd quintiles, respectively, of its Expense Group and Expense Universe.
- For the one- and ten-year periods, the Fund was in the 4th and 2nd quintile of its Performance Universe, respectively. For the two-, three-, four- and five-year periods, the Fund was in the 3rd quintile of its Performance Universe.
- Money market funds are not rated by Morningstar.
- TAI incurred a net loss with respect to its services to the Fund for the one-year period
- Since July 2009, TAI and the Fund's distributor, Teachers Personal Investors Services, Inc., have voluntarily waived certain service and Rule 12b-1 fees in order to keep the Fund's yield positive.

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Based primarily on the foregoing factors and considerations, the Board renewed the Agreement for each Fund.

## IMPORTANT TAX INFORMATION (UNAUDITED)

For the period ended March 31, 2011, the TIAA-CREF Funds designate the following distribution amounts (or the maximum amount allowable) as being from net long-term capital gains.

<u>Fund</u>	<u>Long-Term Capital Gains</u>
Bond	\$4,610,787
Bond Plus	—
Short-Term Bond	—
High-Yield	—
Tax-Exempt Bond	3,050,242
Inflation-Linked Bond	—
Bond Index	186,745
Money Market	—

The Tax-Exempt Bond Fund paid distributions to shareholders during the period ended March 31, 2011 and the year ended September 30, 2010 totaling \$8,951,794, and \$10,588,424, of which \$5,514,672, and \$10,123,626 respectively, was exempt from federal income tax and has been designated as Exempt Interest Dividends.

The information and distributions reported herein may differ from the information and distributions reported to shareholders for the calendar year ending December 31, 2011, which will be reported in conjunction with your 2011 Form 1099-DIV.

By early 2012, shareholders should receive their Form 1099-DIV and a tax information letter from the Funds. For your specific situation, we recommend that you consult a professional tax advisor.

## HOW TO REACH US

### **TIAA-CREF WEBSITE**

[tiaa-cref.org](http://tiaa-cref.org)

24 hours a day, 7 days a week

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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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You should carefully consider the investment objectives, risks, charges and expenses of any fund before investing. For a prospectus that contains this and other information, please visit [tiaa-cref.org](http://tiaa-cref.org), or call 800 842-2252 for the Institutional, Retirement or Premier classes or 800 223-1200 for the Retail Class. Please read the prospectus carefully before investing. Investment, insurance and annuity products are not FDIC insured, are not bank guaranteed, are not

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