

TIAA-CREF REAL ESTATE SECURITIES FUND

OF THE TIAA-CREF FUNDS

MARCH 31, 2011

Audited financial statements

CONTENTS

Understanding your fund report	2
Information for investors	3
Important information about expenses	4
About the fund's benchmark	5
Fund performance	
Real Estate Securities Fund	6
Summary portfolio of investments	9
Financial statements	
Statement of assets and liabilities	12
Statement of operations	13
Statement of changes in net assets	14
Financial highlights	16
Notes to financial statements	20
Report of independent registered public accounting firm	27
Trustees and officers	28
Approval of investment management agreement	33
Important tax information	40
How to reach us	Inside back cover



UNDERSTANDING YOUR FUND REPORT

The TIAA-CREF Real Estate Securities Fund has changed the date on which its fiscal year ends, from September 30 to March 31. The fund will issue annual reports dated March 31 and semiannual reports dated September 30.

This annual report contains information about the Real Estate Securities Fund and describes the fund's results for the six months ended March 31, 2011. The report contains three main sections:

- The fund performance section compares the fund's investment returns with those of its benchmark index.
- The summary portfolio of investments lists the issuers, sectors and types of securities in which the Real Estate Securities Fund had investments as of March 31, 2011.
- The financial statements provide detailed information about the operations and financial condition of the 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, 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

You can obtain a complete list of the holdings of the Real Estate Securities Fund (Schedule of Investments) as of the most recently completed fiscal quarter in the following ways:

- By visiting our website at 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 Real Estate Securities Fund's portfolio holdings as of the most recently completed fiscal quarter, and for prior quarter-ends, from the Securities and Exchange Commission (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; or
- From the SEC's Office of Investor Education and Advocacy. (Call 202 551-8090 for more information.)

PROXY VOTING

The Real Estate Securities Fund's 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 or on the SEC's website at www.sec.gov. You can also call us at 800 842-2252 to request a free copy. A report of how the Real Estate Securities Fund 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.

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 Real Estate Securities Fund is managed by a portfolio management team of Teachers Advisors, Inc. The members of this team are responsible for the day-to-day investment management of the fund.

IMPORTANT INFORMATION ABOUT EXPENSES

Shareholders in the Real Estate Securities Fund incur only one of two potential types of costs:

- Shareholders incur no transaction costs, including sales charges (loads) on purchases, on reinvested dividends or on other distributions. There are also no redemption fees or exchange fees.
- However, they do incur ongoing costs, including management fees and other fund expenses.

The example that appears in the table on page 5 is intended to help you understand your ongoing costs (in U.S. dollars) of investing in the fund. The example is also designed to help you compare these costs with the ongoing costs of investing in other mutual funds.

The example is 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 line of the two lines listed for each share class in the table uses the class's actual expenses and its actual rate of return. You may use the information in this line, 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.

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The second line in each share class's entry 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 share class'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.

IMPORTANT INFORMATION ABOUT EXPENSES

EXPENSE EXAMPLE

Six months ended March 31, 2011

	Beginning account value (10/1/10)	Ending account value (3/31/11)	Expenses paid during period* (10/1/10– 3/31/11)
Real Estate Securities Fund			
Institutional Class			
Actual return	\$1,000.00	\$1,158.05	\$3.07
5% annual hypothetical return	1,000.00	1,022.09	2.87
Retirement Class			
Actual return	\$1,000.00	\$1,155.99	\$4.41
5% annual hypothetical return	1,000.00	1,020.84	4.13
Retail Class			
Actual return	\$1,000.00	\$1,156.36	\$4.46
5% annual hypothetical return	1,000.00	1,020.79	4.18
Premier Class			
Actual return	\$1,000.00	\$1,156.03	\$3.87
5% annual hypothetical return	1,000.00	1,021.34	3.63

* "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 0.57% for the Institutional Class, 0.82% for the Retirement Class, 0.83% for the Retail Class and 0.72% 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.

ABOUT THE FUND'S BENCHMARK

The **FTSE NAREIT All Equity REITs Index** measures the performance of publicly traded real estate investment trusts in the United States that own, manage and lease investment-grade commercial real estate. On December 20, 2010, the benchmark changed its name from the FTSE NAREIT Equity REITs Index to the FTSE NAREIT All Equity REITs Index. At the same time, Timber REITs were added to the index.

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

REAL ESTATE SECURITIES FUND

PERFORMANCE FOR THE SIX MONTHS ENDED MARCH 31, 2011

The Real Estate Securities Fund returned 15.80% for the Institutional Class, compared with the 15.49% return of its benchmark, the FTSE NAREIT All Equity REITs Index. For the year ended March 31, 2011, the fund returned 25.87%, versus 25.02% for the index. The table on the following page shows returns for all share classes of the fund.

REITs continue to show strength

After advancing 30.28% for the twelve months ended September 30, 2010, real estate investment trusts (REITs) gained another 15.49% for the six-month period covered by this report.

For the period, the REITs index trailed the 18.71% advance of the broad U.S. stock market, as measured by the Russell 3000® Index. However, REITs significantly 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 fund's benchmark produced an average annual return of 1.70%, lagging the 2.95% average annual return of the Russell 3000 Index and the 6.03% gain of the Barclays Capital aggregate index.

All property sectors advance

For the six-month period, all but two sectors of the benchmark posted double-digit gains. The hotel sector,

the index's top performer, climbed 19.2%, as occupancy rates rose, driven by an increase in business travel. The apartment sector gained 17.9%, benefiting from the overall decline in home ownership. The industrial sector, which experienced an increase in acquisition activity during the period, returned 17.0%.

Stock selection boosts relative return

The fund topped its benchmark because of favorable security selections. These included overweight positions in shopping center operator Developers Diversified Realty and in First Industrial Realty Trust. Several underweight holdings, such as those in regional mall operators General Growth Properties and CBL & Associates Properties, also boosted relative performance. Out-of-benchmark positions in property management firm CB Richard Ellis and home builder PulteGroup further helped.

These positive results were partly offset by other selections that did not perform as well, including underweight holdings in forest product manufacturers Weyerhaeuser and Rayonier. Out-of-benchmark positions in Thomas Properties Group and Annaly Capital Management also trimmed relative returns slightly.

REAL ESTATE SECURITIES FUND

PERFORMANCE AS OF MARCH 31, 2011

Real Estate Securities Fund	Total return		Average annual total return	
	6 months	1 year	5 years	since fund inception
Institutional Class (inception: 10/1/2002)	15.80%	25.87%	1.06%	11.22%
Retirement Class (inception: 10/1/2002)	15.60	25.45	0.87	11.02
Retail Class (inception: 10/1/2002)	15.64	25.57	0.95	11.05
Premier Class (inception: 9/30/2009)	15.60	25.55	1.02*	11.19*
FTSE NAREIT All Equity REITs Index [†]	15.49	25.02	1.70	11.60

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.

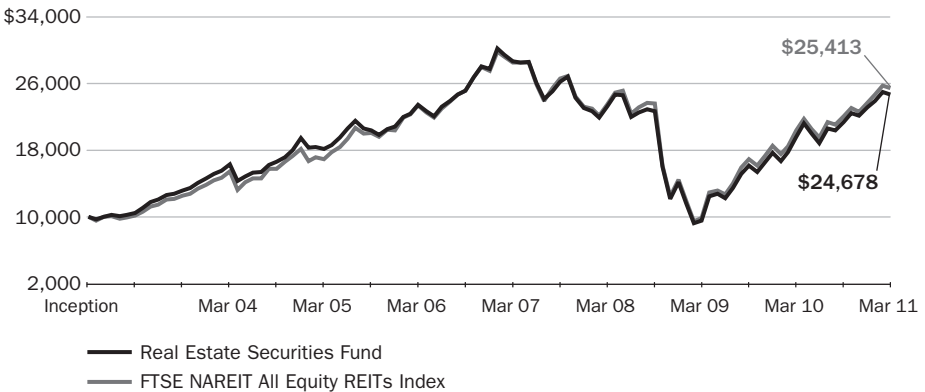
You cannot invest directly in an index. Index returns do not include a deduction for fees or expenses.

* 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 these periods 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 these periods would have been lower.

† On December 20, 2010, the benchmark changed its name from the FTSE NAREIT Equity REITs Index to the FTSE NAREIT All Equity REITs Index. At the same time, Timber REITs were added to the index.

\$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.

REAL ESTATE SECURITIES FUND

PORTFOLIO COMPOSITION

Sector	% of net assets as of 3/31/2011
Specialized REITs	28.1
Retail REITs	21.1
Residential REITs	15.5
Office REITs	13.6
Industrial REITs	4.8
Diversified REITs	4.5
Real estate services	2.6
Real estate operating companies	1.6
Hotels, resorts & cruise lines	1.3
Mortgage REITs	1.1
General merchandise store	0.9
Asset management & custody banks	0.7
Homebuilding	0.7
Gold	0.6
Real estate development	0.4
Other assets & liabilities, net	2.5
Total	100.0

HOLDINGS BY COMPANY SIZE

Market capitalization	% of equity investments as of 3/31/2011
Over \$15 billion	30.7
\$4 billion-\$15 billion	43.8
Under \$4 billion	25.5
Total	100.0

SUMMARY PORTFOLIO OF INVESTMENTS

REAL ESTATE SECURITIES FUND ■ MARCH 31, 2011

Shares	Company	Value	% of net assets
COMMON STOCKS			
ASSET MANAGEMENT & CUSTODY BANKS			
100,000	iShares Dow Jones US Real Estate Index Fund	\$ 5,940,000	0.7%
		5,940,000	0.7
DIVERSIFIED REITS			
420,000	Vornado Realty Trust	36,750,000	4.5
		36,750,000	4.5
GENERAL MERCHANDISE STORES			
150,000	Target Corp	7,501,500	0.9
		7,501,500	0.9
GOLD			
100,000	Newmont Mining Corp	5,458,000	0.6
		5,458,000	0.6
HOMEBUILDING			
500,000	* Pulte Homes, Inc	3,700,000	0.5
	Other	1,866,000	0.2
		5,566,000	0.7
HOTELS, RESORTS & CRUISE LINES			
600,000	* Orient-Express Hotels Ltd (Class A)	7,422,000	0.9
	Other	3,012,800	0.4
		10,434,800	1.3
INDUSTRIAL REITS			
300,000	AMB Property Corp	10,791,000	1.3
195,000	EastGroup Properties, Inc	8,574,150	1.0
1,150,000	Prologis	18,377,000	2.3
	Other	1,783,500	0.2
		39,525,650	4.8
MORTGAGE REITS			
350,000	Annaly Capital Management, Inc	6,107,500	0.7
	Other	3,070,143	0.4
		9,177,643	1.1
OFFICE REITS			
190,000	Alexandria Real Estate Equities, Inc	14,814,300	1.8
750,000	BioMed Realty Trust, Inc	14,265,000	1.7
425,000	Boston Properties, Inc	40,311,250	4.9
160,000	Corporate Office Properties Trust	5,782,400	0.7
220,000	Digital Realty Trust, Inc	12,790,800	1.6
245,000	SL Green Realty Corp	18,424,000	2.2
	Other	5,211,750	0.7
		111,599,500	13.6
REAL ESTATE DEVELOPMENT			
169,182	* Forestar Real Estate Group, Inc	3,217,842	0.4
		3,217,842	0.4

SUMMARY PORTFOLIO OF INVESTMENTS

continued

REAL ESTATE SECURITIES FUND ■ MARCH 31, 2011

Shares	Company	Value	% of net assets
REAL ESTATE OPERATING COMPANIES			
3,850,000	* _a Thomas Properties Group, Inc	\$ 12,897,500	1.6%
		<u>12,897,500</u>	<u>1.6</u>
REAL ESTATE SERVICES			
500,000	* CB Richard Ellis Group, Inc (Class A)	13,350,000	1.6
85,000	Jones Lang LaSalle, Inc	8,477,900	1.0
		<u>21,827,900</u>	<u>2.6</u>
RESIDENTIAL REITS			
400,000	American Campus Communities, Inc	13,200,000	1.6
200,000	Associated Estates Realty Corp	3,176,000	0.4
230,511	AvalonBay Communities, Inc	27,679,761	3.4
116,232	Camden Property Trust	6,604,302	0.8
900,000	Equity Residential	50,768,999	6.1
170,000	Essex Property Trust, Inc	21,080,000	2.6
150,000	UDR, Inc	3,655,500	0.4
	Other	1,310,989	0.2
		<u>127,475,551</u>	<u>15.5</u>
RETAIL REITS			
1,200,000	Developers Diversified Realty Corp	16,800,000	2.1
130,000	Federal Realty Investment Trust	10,602,800	1.3
520,000	General Growth Properties, Inc	8,049,600	1.0
600,000	Kimco Realty Corp	11,004,000	1.3
380,000	Macerich Co	18,821,400	2.3
150,000	Realty Income Corp	5,242,500	0.6
250,000	Regency Centers Corp	10,870,000	1.3
750,000	Simon Property Group, Inc	80,370,000	9.8
300,000	Tanger Factory Outlet Centers, Inc	7,872,000	1.0
	Other	3,725,300	0.4
		<u>173,357,600</u>	<u>21.1</u>
SPECIALIZED REITS			
270,000	Entertainment Properties Trust	12,641,400	1.5
189,727	Extra Space Storage, Inc	3,929,246	0.5
927,691	* FelCor Lodging Trust, Inc	5,686,746	0.7
780,000	HCP, Inc	29,593,200	3.6
450,000	Health Care REIT, Inc	23,598,000	2.9
1,100,000	Hersha Hospitality Trust	6,534,000	0.8
1,850,000	Host Marriott Corp	32,578,500	4.0
280,000	Nationwide Health Properties, Inc	11,908,400	1.4
300,000	Plum Creek Timber Co, Inc	13,083,000	1.6
290,000	Public Storage, Inc	32,163,900	3.8
80,000	Sovran Self Storage, Inc	3,164,000	0.4
600,000	U-Store-It Trust	6,312,000	0.8
420,000	Ventas, Inc	22,806,000	2.8
850,000	Weyerhaeuser Co	20,910,001	2.5
	Other	6,504,125	0.8
		<u>231,412,518</u>	<u>28.1</u>

SUMMARY PORTFOLIO OF INVESTMENTS

concluded

REAL ESTATE SECURITIES FUND ■ MARCH 31, 2011

Shares	Company	Value	% of net assets
TOTAL COMMON STOCKS			
<i>(Cost \$741,438,652)</i>		\$802,142,004	97.5%
TOTAL PORTFOLIO			
<i>(Cost \$741,438,652)</i>		802,142,004	97.5
OTHER ASSETS & LIABILITIES, NET		20,343,663	2.5
NET ASSETS		\$822,485,667	100.0%

Abbreviation(s):

REIT Real Estate Investment Trust

* Non-income producing.

a Affiliated holding.

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.

STATEMENT OF ASSETS AND LIABILITIES

REAL ESTATE SECURITIES FUND ■ MARCH 31, 2011

ASSETS	
Portfolio investments, at value [†]	\$789,244,504
Affiliated investments, at value [‡]	12,897,500
Cash	20,550,992
Receivable from securities transactions	9,573,077
Receivable from Fund shares sold	1,219,912
Dividends and interest receivable	2,038,222
Due from affiliates	442
Other	23,586
Total assets	\$835,548,235
LIABILITIES	
Management fees payable	33,246
Service agreement fees payable	5,849
Distribution fees payable	47,128
Due to affiliates	5,560
Payable for securities transactions	12,730,558
Payable for Fund shares redeemed	7,925
Accrued expenses & other payables	232,302
Total liabilities	13,062,568
NET ASSETS	\$822,485,667
NET ASSETS CONSIST OF:	
Paid-in-capital	\$817,155,361
Undistributed net investment income (loss)	1,096,034
Accumulated net realized gain (loss) on total investments	(56,468,815)
Accumulated net unrealized appreciation (depreciation) on total investments	60,703,087
NET ASSETS	\$822,485,667
INSTITUTIONAL CLASS:	
Net assets	\$334,173,783
Outstanding shares of beneficial interest, unlimited shares authorized (\$.0001 par value)	31,090,936
Net asset value per share	\$10.75
RETIREMENT CLASS:	
Net assets	\$289,161,223
Outstanding shares of beneficial interest, unlimited shares authorized (\$.0001 par value)	26,098,272
Net asset value per share	\$11.08
RETAIL CLASS:	
Net assets	\$124,103,740
Outstanding shares of beneficial interest, unlimited shares authorized (\$.0001 par value)	11,613,484
Net asset value per share	\$10.69
PREMIER CLASS:	
Net assets	\$ 75,046,921
Outstanding shares of beneficial interest, unlimited shares authorized (\$.0001 par value)	6,979,819
Net asset value per share	\$10.75
[†] Portfolio investments, Cost	\$723,651,911
[‡] Affiliated investments, Cost	\$ 17,786,741

STATEMENT OF OPERATIONS

REAL ESTATE SECURITIES FUND ■ FOR THE PERIOD OR YEAR ENDED

	For the six month period ended March 31, 2011	For the year ended September 30, 2010
INVESTMENT INCOME		
Dividends*	\$ 5,956,378	\$ 15,795,846
Interest	5,045	10,861
Total income	5,961,423	15,806,707
EXPENSES		
Management fees	1,877,971	2,811,622
Distribution fees – Retail Class	69,192	97,034
Distribution fees – Premier Class	52,840	19,625
Fund administration fees	26,464	46,066
Custody and accounting fees	16,348	20,176
Professional fees	57,201	62,759
Shareholder reports	181,368	66,293
Shareholder servicing – Institutional Class	3,731	3,344
Shareholder servicing – Retirement Class	338,574	543,299
Shareholder servicing – Retail Class	75,960	93,599
Shareholder servicing – Premier Class	154	185
Trustee fees and expenses	3,298	4,964
Compliance fees	9,108	18,268
Interest expense	1,534	648
Registration fees	17,950	78,394
Other expenses	4,584	20,854
Total expenses	2,736,277	3,887,130
Less: Expenses reimbursed by the investment adviser	(59,029)	–
Net expenses	2,677,248	3,887,130
Net investment income	3,284,175	11,919,577
NET REALIZED AND UNREALIZED GAIN (LOSS) ON TOTAL INVESTMENTS		
Net realized gain on portfolio investments	36,862,959	40,020,926
Change in unrealized appreciation (depreciation) on:		
Portfolio investments	68,982,036	98,460,451
Affiliated investments	(847,000)	137,635
Net change in unrealized appreciation (depreciation) on total investments	68,135,036	98,598,086
Net realized and unrealized gain on total investments	104,997,995	138,619,012
Net increase in net assets resulting from operations	\$108,282,170	\$150,538,589
* Net of foreign withholding taxes of:	\$ (360)	\$ –

STATEMENT OF CHANGES IN NET ASSETS

REAL ESTATE SECURITIES FUND ■ FOR THE PERIOD OR YEAR ENDED

	For the six month period ended March 31, 2011	For the year ended September 30, 2010	For the year ended September 30, 2009
OPERATIONS			
Net investment income	\$ 3,284,175	\$ 11,919,577	\$ 12,414,820
Net realized gain (loss) on total investments	36,862,959	40,020,926	(87,127,252)
Net change in unrealized appreciation (depreciation) on total investments	68,135,036	98,598,086	(63,397,751)
Net increase (decrease) from operations	108,282,170	150,538,589	(138,110,183)
DISTRIBUTIONS TO SHAREHOLDERS			
From net investment income:			
Institutional Class	(2,128,467)	(5,247,895)	(5,017,597)
Retirement Class	(1,511,340)	(4,161,881)	(3,193,263)
Retail Class	(676,295)	(1,777,719)	(1,903,319)
Premier Class*	(513,365)	(281,684)	—
From return of capital:			
Institutional Class	—	(546,958)	—
Retirement Class	—	(433,758)	—
Retail Class	—	(185,280)	—
Premier Class*	—	(29,358)	—
Total distributions	(4,829,467)	(12,664,533)	(10,114,179)
SHAREHOLDER TRANSACTIONS			
Subscriptions:			
Institutional Class	68,071,257	58,520,557	48,417,144
Retirement Class	40,745,460	116,364,795	52,098,156
Retail Class	16,439,057	18,249,325	10,800,642
Premier Class*	57,665,606	28,997,740	250,000
Reinvestments of distributions:			
Institutional Class	2,104,369	5,713,521	4,872,432
Retirement Class	1,511,340	4,595,639	3,193,263
Retail Class	645,736	1,871,222	1,808,178
Premier Class*	513,365	311,042	—
Redemptions:			
Institutional Class	(42,860,920)	(60,652,456)	(29,354,479)
Retirement Class	(72,380,959)	(49,974,646)	(23,158,815)
Retail Class	(11,211,147)	(17,297,526)	(16,120,273)
Premier Class*	(22,672,270)	(1,714,636)	—
Net increase (decrease) from shareholder transactions	38,570,894	104,984,577	52,806,248
Net increase (decrease) in net assets	142,023,597	242,858,633	(95,418,114)
NET ASSETS			
Beginning of period	680,462,070	437,603,437	533,021,551
End of period	\$822,485,667	\$680,462,070	\$ 437,603,437
Undistributed net investment income (loss) included in net assets	\$ 1,096,034	\$ 1,445,958	\$ 2,202,145

	For the six month period ended March 31, 2011	For the year ended September 30, 2010	For the year ended September 30, 2009
CHANGE IN FUND SHARES			
Shares sold:			
Institutional Class	6,724,866	6,909,770	8,891,434
Retirement Class	3,909,100	12,991,904	8,714,196
Retail Class	1,624,147	2,165,712	1,892,964
Premier Class*	5,815,324	3,467,314	34,530
Shares reinvested:			
Institutional Class	208,758	663,181	846,347
Retirement Class	145,918	514,631	532,230
Retail Class	64,613	219,309	316,481
Premier Class*	51,229	34,085	—
Shares redeemed:			
Institutional Class	(4,250,649)	(6,837,297)	(5,182,132)
Retirement Class	(7,079,509)	(5,779,485)	(3,765,013)
Retail Class	(1,115,281)	(2,105,025)	(2,735,559)
Premier Class*	(2,227,970)	(194,693)	—
Net increase (decrease) from shareholder transactions	3,870,546	12,049,406	9,545,478

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

FINANCIAL HIGHLIGHTS

REAL ESTATE SECURITIES 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
FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD						
Net asset value,						
beginning of period	\$ 9.35	\$7.24	\$10.51	\$14.65	\$15.34	\$14.46
Gain from investment operations:						
Net investment income (a)	0.05	0.19	0.23	0.27	0.22	0.34
Net realized and unrealized gain (loss) on total investments	1.42	2.12	(3.31)	(2.24)	0.47	2.69
Total gain (loss) from investment operations	1.47	2.31	(3.08)	(1.97)	0.69	3.03
Less distributions from:						
Net investment income	(0.07)	(0.18)	(0.19)	(0.39)	(0.48)	(0.57)
Net realized gains	—	—	—	(1.62)	(0.90)	(1.58)
Return of capital	—	(0.02)	—	(0.16)	—	—
Total distributions	(0.07)	(0.20)	(0.19)	(2.17)	(1.38)	(2.15)
Net asset value, end of period	\$10.75	\$9.35	\$ 7.24	\$10.51	\$14.65	\$15.34
TOTAL RETURN	15.80%(b)	32.16%	(28.84)%	(13.54)%	4.26%	23.49%
RATIOS AND SUPPLEMENTAL DATA						
Net assets at end of year (in thousands)	\$334,174	\$265,753	\$200,324	\$242,867	\$252,164	\$218,442
Ratio of expenses to average net assets before expense waiver and reimbursement	0.59%(c)	0.56%	0.60%	0.56%	0.58%	0.42%
Ratio of expenses to average net assets after expense waiver and reimbursement	0.57%(c)	0.56%	0.56%	0.56%	0.55%	0.42%
Ratio of net investment income to average net assets	0.98%(c)	2.29%	3.98%	2.38%	1.39%	2.40%
Portfolio turnover rate	30%(b)	66%	78%	94%	116%	174%

FINANCIAL HIGHLIGHTS

continued

REAL ESTATE SECURITIES FUND ■ FOR THE PERIOD OR YEAR ENDED

	Retirement Class					
	3/31/11 [†]	9/30/10	9/30/09	9/30/08	9/30/07	9/30/06
FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD						
Net asset value,						
beginning of period	\$ 9.64	\$7.46	\$10.81	\$15.00	\$15.66	\$14.66
Gain from investment operations:						
Net investment income (a)	0.04	0.17	0.21	0.24	0.19	0.31
Net realized and unrealized gain (loss) on total investments	1.46	2.19	(3.39)	(2.28)	0.49	2.76
Total gain (loss) from investment operations	1.50	2.36	(3.18)	(2.04)	0.68	3.07
Less distributions from:						
Net investment income	(0.06)	(0.16)	(0.17)	(0.37)	(0.44)	(0.49)
Net realized gains	—	—	—	(1.62)	(0.90)	(1.58)
Return of capital	—	(0.02)	—	(0.16)	—	—
Total distributions	(0.06)	(0.18)	(0.17)	(2.15)	(1.34)	(2.07)
Net asset value, end of period	\$11.08	\$9.64	\$ 7.46	\$10.81	\$15.00	\$15.66
TOTAL RETURN	15.60%(b)	31.85%	(28.95)%	(13.76)%	4.11%	23.45%
RATIOS AND SUPPLEMENTAL DATA						
Net assets at end of year (in thousands)	\$289,161	\$280,763	\$159,554	\$172,078	\$191,671	\$197,157
Ratio of expenses to average net assets before expense waiver and reimbursement	0.83%(c)	0.81%	0.85%	0.81%	0.84%	0.71%
Ratio of expenses to average net assets after expense waiver and reimbursement	0.82%(c)	0.81%	0.81%	0.81%	0.80%	0.70%
Ratio of net investment income to average net assets	0.77%(c)	1.98%	3.53%	2.03%	1.18%	2.14%
Portfolio turnover rate	30%(b)	66%	78%	94%	116%	174%

FINANCIAL HIGHLIGHTS

continued

REAL ESTATE SECURITIES 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
FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD						
Net asset value,						
beginning of period	\$ 9.30	\$7.20	\$10.46	\$14.59	\$15.27	\$14.35
Gain from investment operations:						
Net investment income (a)	0.04	0.17	0.23	0.31	0.21	0.31
Net realized and unrealized gain (loss) on total investments	1.41	2.11	(3.31)	(2.28)	0.47	2.70
Total gain (loss) from investment operations	1.45	2.28	(3.08)	(1.97)	0.68	3.01
Less distributions from:						
Net investment income	(0.06)	(0.16)	(0.18)	(0.38)	(0.46)	(0.51)
Net realized gains	—	—	—	(1.60)	(0.90)	(1.58)
Return of capital	—	(0.02)	—	(0.18)	—	—
Total distributions	(0.06)	(0.18)	(0.18)	(2.16)	(1.36)	(2.09)
Net asset value, end of period	\$10.69	\$9.30	\$ 7.20	\$10.46	\$14.59	\$15.27
TOTAL RETURN	15.64%(b)	31.95%	(29.01)%	(13.66)%	4.26%	23.50%
RATIOS AND SUPPLEMENTAL DATA						
Net assets at end of year (in thousands)	\$124,104	\$102,686	\$77,475	\$118,076	\$174,936	\$189,084
Ratio of expenses to average net assets before expense waiver and reimbursement	0.84%(c)	0.77%	1.06%	0.85%	0.83%	0.62%
Ratio of expenses to average net assets after expense waiver and reimbursement	0.83%(c)	0.77%	0.75%	0.70%	0.65%	0.62%
Ratio of net investment income to average net assets	0.75%(c)	2.08%	3.89%	2.68%	1.32%	2.21%
Portfolio turnover rate	30%(b)	66%	78%	94%	116%	174%

FINANCIAL HIGHLIGHTS

concluded

REAL ESTATE SECURITIES FUND ■ FOR THE PERIOD OR YEAR ENDED

	Premier Class		
	3/31/11 [†]	9/30/10	9/30/09*
FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD			
Net asset value, beginning of period	\$ 9.36	\$7.24	\$7.24
Gain from investment operations:			
Net investment income (a)	0.05	0.14	0.00(d)
Net realized and unrealized gain on total investments	1.41	2.17	—
Total gain from investment operations	1.46	2.31	0.00(d)
Less distributions from:			
Net investment income	(0.07)	(0.17)	—
Net realized gains	—	(0.02)	—
Total distributions	(0.07)	(0.19)	—
Net asset value, end of period	\$10.75	\$9.36	\$7.24
TOTAL RETURN	15.60%(b)	32.12%	0.00%(b)
RATIOS AND SUPPLEMENTAL DATA			
Net assets at end of year (in thousands)	\$75,047	\$31,260	\$250
Ratio of expenses to average net assets before expense waiver and reimbursement	0.74%(c)	0.71%	221.11%(c)
Ratio of expenses to average net assets after expense waiver and reimbursement	0.72%(c)	0.71%	0.72%(c)
Ratio of net investment income to average net assets	1.03%(c)	1.56%	0.00%(c)
Portfolio turnover rate	30%(b)	66%	78%

(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) 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

REAL ESTATE SECURITIES FUND

Note 1—organization and significant accounting policies

The TIAA-CREF Real Estate Securities Fund (the “Fund”) is one of the investment portfolios of the TIAA-CREF Funds (the “Trust”), 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 Fund recently changed its fiscal year end from September 30 to March 31.

The Fund offers its shares, without a sales load, through its 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 Fund. The Fund offers four share classes: 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 Fund.

Security valuation: The Fund’s investments in securities are recorded at their estimated fair value as described in the valuation of investments note to the financial statements.

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

Income and expenses of the 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 Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code (“Code”) and will not be subject to income taxes to the extent that the Fund distributes all taxable income each year and complies with various other Code requirements. Therefore, no federal income tax provision is required. Management has analyzed the Fund’s 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 Fund’s 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 the 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 foreign currency transactions and return of capital distributions were identified and reclassified among the components of the Fund’s 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 Fund may be subject to foreign taxes on income, gains on investments or currency repatriation, a portion of which may be recoverable. The Fund 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 Fund invests.

Trustee compensation: The Fund pays the Board of Trustees (“Trustees”), all of whom are independent, certain remuneration for their services, plus travel and

NOTES TO FINANCIAL STATEMENTS

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 Fund 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 Statement of Assets and Liabilities. Trustees' fees, including any deferred and long-term compensation incurred, are reflected in the Statement 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 Fund's 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 Fund's 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 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 Fund's 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 which 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, 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. Short-term investments 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.

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.

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 Fund.

As of March 31, 2011, 100% of the value of investments in the Fund were valued based on Level 1 inputs.

Note 3—investment adviser and affiliates

Under the terms of its Investment Management Agreement, the Fund pays Advisors a monthly fee based on the annual rate of between 0.44% and 0.50% of the Fund's average daily net assets for the management of the Fund's investment portfolio. The fee range represents a breakpoint schedule which reduces investment management fees as the Fund's net assets increase. Under the terms of the Fund's Service Agreement, the Retirement Class of the Fund pays Advisors a monthly fee based on the annual rate of 0.25% of the Fund's average daily net assets attributable to

NOTES TO FINANCIAL STATEMENTS

Retirement Class shares of the Fund for providing certain administrative services related to the maintenance of Retirement Class shares on retirement plan or other platforms. Substantially all of the Retirement Class shareholder servicing fees reported on the Statement of Operations are paid to Advisors under the Service Agreement. Under the terms of a distribution Rule 12b-1 plan, the Retail Class of the Fund reimburses TPIS for amounts incurred up to 0.25% of the average daily net assets to distribute the Fund's Retail Class shares. The Premier Class of the Fund has adopted a distribution Rule 12b-1 plan that compensates TPIS for providing distribution, promotional, and shareholder services to the Premier Class of the Fund at the annual rate of 0.15% of the average daily net assets attributable to the Fund's Premier Class shares.

Certain affiliated entities may pay Fund expenses on behalf of the Fund. The Fund reimburses 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 Statement of Assets and Liabilities.

Advisors has agreed to reimburse the Fund if its total expense ratio (excluding acquired fund fees and extraordinary expenses) exceeds 0.96% of the average daily net assets for the Retail Class shares; 0.82% of average daily net assets for the Retirement Class shares; 0.72% of average daily net assets for the Premier Class shares; and 0.57% of average daily net assets for the Institutional Class shares. The expense reimbursement arrangements will continue through at least September 30, 2012, unless changed with approval of the Trustees.

The Fund 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 Fund. At March 31, 2011, TIAA Access, an affiliate, owned 2% of the Fund's shares.

Companies in which the Fund holds 5% or more of the outstanding voting shares are considered "affiliated companies" of the Fund, pursuant to the 1940 Act. Information regarding transactions with affiliated companies is as follows:

Issue	Value at September 30, 2010	Shares at March 31, 2011	Value at March 31, 2011
Real Estate Securities Fund			
Thomas Properties Group*	\$13,744,500	3,850,000	\$12,897,500
			\$12,897,500

* There were no purchases, sales, realized gain (loss), dividend income or withholding expense during the period ended March 31, 2011.

Note 4—investments

Restricted securities: Restricted securities held by the Fund, 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, the cost of portfolio investments for federal income tax purposes was \$746,823,668. Net unrealized appreciation of portfolio investments for federal income tax purposes was \$55,318,336, consisting of gross unrealized appreciation of \$92,426,871, and gross unrealized depreciation of \$(37,108,535).

Purchases and sales of portfolio securities (other than short-term money market instruments) for the period ended March 31, 2011 were \$248,949,995 and \$222,210,252, respectively.

Note 5—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 were as follows:

	Ordinary income	Long-Term Capital Gains	Return of Capital	Total
3/31/2011	\$ 4,829,467	\$ —	\$ —	\$4,829,467
9/30/2010	11,469,179	—	1,195,354	12,664,533
9/30/2009	10,114,179	—	—	10,114,179

The prior year-end September 30, 2010 amounts in the chart above were adjusted to reflect distributions of \$1,195,354 which were reclassified as return of capital after year-end. In addition, the year-end September 30, 2010 Statement of Changes and Financial Highlights were adjusted to reflect the return of capital distribution in net assets.

As of March 31, 2011, the components of accumulated earnings on a tax basis consisted of \$1,062,686 of undistributed ordinary income, \$55,318,071 of unrealized appreciation and \$(51,041,938) of capital loss carryovers.

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, the utilization of capital loss carryovers, and the treatment of short term gain as ordinary income for tax purposes.

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

Date of Expiration		Total
3/30/17	3/30/18	
\$27,217,888	\$23,824,050	\$51,041,938

For the period ended March 31, 2011, the Real Estate Securities Fund utilized \$26,621,080 of its capital loss carryover available from prior years.

Under the recently enacted Regulated Investment Company Modernization Act of 2010, the Fund 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 6—line of credit

The Fund participates in a \$1 billion unsecured revolving credit facility that can be used for temporary purposes, including, without limitation, the funding of shareholder withdrawals. 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 Fund at a specified rate of interest. The Fund is 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 Fund.

Note 7—indemnification

In the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties and that provide general indemnities. The 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 Fund's organizational documents, the Trustees and officers of the Fund are indemnified against certain liabilities that may arise out of their duties to the Fund. However, based on experience, the Fund expects 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 of the TIAA-CREF Funds and Shareholders of the TIAA-CREF Real Estate Securities Fund:

In our opinion, the accompanying statements of assets and liabilities, including the summary portfolio 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 Real Estate Securities Fund 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.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP".

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 NL 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; Amhold 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.

TRUSTEES AND OFFICERS (UNAUDITED)

continued

TIAA-CREF FUNDS ■ MARCH 31, 2011 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. Blegen 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. ("TPI'S") (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 Grupp 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, TPI, 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, ttaa-cref.org or by telephone at 800 223-1200.

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (UNAUDITED)

BOARD RENEWAL OF THE INVESTMENT MANAGEMENT AGREEMENT FOR THE TIAA-CREF REAL ESTATE SECURITIES FUND

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 its series, TIAA-CREF Real Estate Securities Fund (the “Fund”). Under the Agreement, TAI is responsible for providing investment advisory services and overseeing the everyday operations and other service providers of the Fund.

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 the 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 the 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 to 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 Trust, 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 on the Fund to be provided to all Trustees 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 the Fund, including data relating to the Fund’s

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (UNAUDITED)

management fee rates, total expense ratios, short-term and long-term investment performance and brokerage commission costs and portfolio turnover rates. Lipper also compared much of this data for the 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 the Fund's benchmark index. 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 group and universe 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 the 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 the 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 the 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 the Fund, which had underperformed its Lipper peer group 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 the 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 Fund 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 Fund; (6) information as to any profits earned by TAI in connection with its services pursuant to the Agreement; (7) a copy of the Agreement and certain related service agreements between the Fund 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 the 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 the 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 Fund. 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.

The Board received and considered both Trust level and Fund-specific information, but made its renewal determinations on a Fund-level basis. In deciding whether to renew the Agreement for the 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 the Fund. At its meeting on March 31, 2011, the Board voted unanimously to renew the Agreement for the Fund. Set forth below are the general factors the Board considered for the Fund, followed by a summary of certain specific factors the Board considered with respect to the Fund.

THE NATURE, EXTENT AND QUALITY OF SERVICES

The Board considered that TAI is an experienced investment adviser that has managed the Fund since its operations commenced. Investment professionals at

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (UNAUDITED)

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 Fund, including conducting research, recommending investments and placing orders to buy and sell securities for the Fund’s investment portfolio; active daily monitoring of the investment portfolio by various personnel with specific responsibility for the particular types of investments in question; reporting on the investment performance of the Fund to the Board on a regular basis; and carrying out, or overseeing the provision of, various administrative services to the Fund. 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 the Fund, as discussed below. In the course of its review of the quality of TAI’s services, the Board examined the investment performance of the 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, with its relative performance steadily improving over the last two years.

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 the Fund over one-, two-, three-, four- and five-year periods. The Board considered the Fund’s performance as compared to its peer group, peer universe and 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 the Fund. Despite these circumstances, the performance of the Fund generally compared favorably to its benchmark (after considering the effect of expenses incurred to operate the Fund) and had ranked in the top three performance quintiles versus its peer groups of mutual funds over the past three years. (For additional detail regarding the Fund’s performance, see the synopsis below.) Thus, the Board concluded that, under the totality of circumstances considered, the investment performance of the Fund was within an acceptable range.

COST AND PROFITABILITY

The Board considered financial and profitability data relating to TAI for the calendar year 2010 with respect to the Fund. The Board considered TAI’s profit

calculations with respect to its services to the 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 Fund. The Board acknowledged the reasonableness of having fee rates which permit TAI to maintain and improve the quality of services provided to the Fund. The Board considered that TAI had earned profits with respect to the Fund in 2010 under the Agreement and expected this trend to continue. The Board concluded that TAI's profits with respect to its provision of services to the Fund in 2010 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 rate charged to the Fund under the Agreement typically was 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 the 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 Fund's fee rates under the Agreement 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 the Fund. 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 the Fund would have a material effect on its 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 Fund's fee schedule was within an acceptable range in light of current economies of scale considerations and current asset levels.

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT (UNAUDITED)

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 separate account with a similar investment strategy 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 Fund 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 Fund and to TAI and its affiliates arising from the Agreement. For example, TAI and its affiliates may benefit from the advisory relationship with the Fund and other series of the Trust 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 the Fund may benefit from economies of scale to the extent that the Fund is managed in the same manner and by the same personnel as certain of the CREF Accounts. Additionally, both TAI and the Fund may benefit from TAI's ability to acquire investment research related to its commission (*i.e.*, soft dollar) arrangements.

SYNOPSIS OF FACTORS

The Board considered the following specific factors (among others) in connection with its determination to renew the Agreement with respect to the Fund. If the 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 management fee, expense and performance factors outlined below are based on the Retirement Class shares of the Fund. Because the Retirement Class generally has different non-management expenses than the Institutional, Premier and Retail Classes of the Fund, 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 “net profit” or “net loss” refer to whether TAI earned a profit or incurred a loss for the services that it rendered to the Fund during 2010 under the Agreement.

REAL ESTATE SECURITIES FUND

- The Fund’s annual contractual management fee rate is 0.50% 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 and the universe of comparable funds identified by Lipper for expense comparison purposes.
- For the one-year period, the Fund was in the 1st quintile of the universe of comparable funds identified by Lipper for performance comparison purposes (“Performance Universe”); the Fund was in the 3rd quintile of its Performance Universe for the two- and three-year periods and the 4th quintile of its Performance Universe for the four- and five-year 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.

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

IMPORTANT TAX INFORMATION (UNAUDITED)

For the period ended March 31, 2011, the Fund designates 0.25% (or the maximum amount allowable) of ordinary income dividends paid as qualifying for the maximum tax rate of 15% as provided by the Jobs and Growth Tax Relief and Reconciliation Act of 2003.

For the period ended March 31, 2011, the Fund designates 0.25% (or the maximum amount allowable) of ordinary income dividends paid as qualifying for the corporate dividends received deduction.

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 Fund. For your specific situation, we recommend that you consult a professional tax advisor.

HOW TO REACH US

TIAA-CREF WEBSITE

tiaa-cref.org

24 hours a day, 7 days a week

AUTOMATED TELEPHONE SERVICE

800 842-2252

24 hours a day, 7 days a week

FOR THE HEARING- OR SPEECH-IMPAIRED

800 842-2755

8 a.m. to 10 p.m. ET, Monday–Friday

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

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 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 deposits, are not insured by any federal government agency, are not a condition to any banking service or activity, and may lose value.

TIAA-CREF Individual & Institutional Services, LLC, and Teachers Personal Investors Services, Inc., members FINRA, distribute securities products.



**FINANCIAL SERVICES
FOR THE GREATER GOOD®**

730 Third Avenue
New York, NY 10017-3206



NCI+SFI-COC-163

Printed on paper containing recycled fiber

C50785

A12449 (5/11)