

College Retirement Equities Fund (CREF)

*The New Multi-Class Structure
for the Eight CREF Accounts*



Financial Services

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Agenda

1. Background
2. What is CREF's current class structure?
3. What is changing and why?
4. What is the timing?
5. What does this mean to you and your employees?

An evolution based on market developments

- As the regulatory and marketplace environment has evolved, we continue to innovate and improve our plans/products to help meet the needs of plan sponsors and participants alike
- Regulatory and legislative changes – such as the Pension Protection Act – triggered TIAA-CREF’s evolution to plan-based economics several years ago
- Continuing this evolution we are transforming CREF to a multi-class structure to be better aligned with the industry standard
- The progression from a “one-size-fits-all” approach for CREF will provide greater equity in pricing and help relieve the challenge plan fiduciaries face assessing fees given CREF’s single-class structure
- The changes to CREF will enable us to continue to enhance the overall services we provide to institutions and their employees, including low-cost* income distribution options for all
- These changes enhance CREF products so we can continue to offer as much value as possible to all of our clients in a diversified, low-cost* set of products that also include an annuity feature – a valuable option for those seeking a lifetime income stream**

* Applies to mutual fund and variable annuity expense ratios. Source: Morningstar Direct, December 31, 2014. The expense ratio on all mutual fund products and variable annuity accounts managed by TIAA-CREF is generally less than half the mutual fund industry average. **69%** are less than half their respective Morningstar Universe average and **58%** are less than half their respective Morningstar Universe median. Our mutual fund and variable annuity products are subject to various fees and expenses, including but not limited to management, administrative, and distribution fees; our variable annuity products have an additional mortality and expense risk charge.

** Lifetime income provided through CREF Annuities will vary depending on product performance and are subject to TIAA-CREF’s claims-paying ability.

Moving from a single-class structure to a multi-class structure

	Current structure	New structure
Class structure	Single class for all Account types and plan sizes	<ul style="list-style-type: none">• Multiple classes for each CREF Account• Classes based on an institution's CREF assets across all plans as of October 31, 2014• Clients will participate at a level of expense associated with the classes for which they are eligible
Fee structure	Same at-cost pricing for all Account types and plan sizes	<ul style="list-style-type: none">• All classes will remain at-cost at each Account and overall plan/product level• Investment Advisory and M&E expenses will remain the same across classes (similar to mutual funds approach)• The new class structure will affect only the Administrative & Distribution (A&D) expenses, which will result in a different overall expense ratio for each class
Participant Experience	All participants are in a single class	<ul style="list-style-type: none">• Participants' class for their retirement plan(s) CREF assets is based on employer's eligibility• Participants associated with multiple employers or individual plans(s)/product(s) could have assets in different classes

CREF will have multi-class eligibility requirements

Classes are based on total assets.

- The new classes are based on an institution's total CREF assets across all of its plans as of October 31, 2014
- All plans for the same institution will qualify for the same class
- Both existing accumulations and future contributions to CREF are affected
- Eligibility for new classes will be reviewed at least annually in future years

Total Client CREF Assets		New CREF Class
Less than \$20 million		R1
\$20 million up to \$400 million		R2
\$400 million or more		R3

R2 Class:

- New class
- Assets transferred
- Confirmations generated

CREF currently has a single-class structure

Single-class structure:

- Investment Advisory expenses differ by CREF Account
- Administration and Distribution expenses are the same for all eight CREF Accounts

6 Prospectus ■ College Retirement Equities Fund

Annual expense deductions

The following table shows the estimated direct and indirect expenses that will assist you in understanding the costs you will bear directly or indirectly.

	Stock	Global Equities
Participant Transaction Expenses		
Deductions from Premiums (as a percentage of premiums)	None	None
Charges for Transfers and Cash Withdrawals (as a percentage of transaction amount)		
Transfer Between Accounts	None	None
Transfer to TIAA	None	None
Transfers to Other Companies	None	None
Cash Withdrawals	None	None
Estimated Annual Expense Deductions from Net Assets (as a percentage of average net asset value)		
Investment Advisory Expenses	0.115%	0.125%
Administrative Expenses	0.240%	0.240%
Distribution Expenses (12b-1)	0.095%	0.095%
Mortality and Expense Risk Charges	0.005%	0.005%
Acquired Fund Fees and Expenses ¹	0.000%	0.000%
Total Annual Expense Deductions²	0.455%	0.465%

¹ "Acquired Fund Fees and Expenses" are the Accounts' proportionate amount of the expenses paid directly by participants. Instead, participants bear these expenses indirectly because they invest. Because "Acquired Fund Fees and Expenses" are included in the chart above, they are included in the Condensed financial information in this Prospectus and the Financial highlights.

² Beginning July 16, 2009, TIAA has voluntarily withheld ("waived") a portion of the distribution to assist the Account in producing a yield of at least zero. TIAA is not obligated to continue the

What is changing as a result of the multi-class structure?

Administrative and Distribution Expenses:

- Each class will have **different Administrative and Distribution expenses**, and therefore a different overall expense ratio

6 Prospectus ■ College Retirement Equities Fund

Annual expense deductions

The following table shows the estimated direct and indirect expenses that will be charged to your account. This information is intended to assist you in understanding the costs you will bear directly or indirectly.

	Stock	Global Equities
Participant Transaction Expenses		
Deductions from Premiums (as a percentage of premiums)	None	None
Charges for Transfers and Cash Withdrawals (as a percentage of transaction amount)		
Transfer Between Accounts	None	None
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² Beginning July 16, 2009, TIAA has voluntarily withheld ("waived") a portion of the distribution expenses to assist the Account in producing a yield of at least zero. TIAA is not obligated to continue the waiver.



New	
R2	Administrative = 0.245%
	Distribution = 0.100%

How does this affect the overall expense ratio?

CREF Accounts Current vs. Estimated R2 Class Expense Ratios

CREF Account	New R2 Class	
	Current Expense Ratio ¹	Estimated Expense Ratio ²
CREF Stock	0.455%	0.460%
CREF Global Equities	0.465%	0.480%
CREF Growth	0.415%	0.425%
CREF Equity Index	0.380%	0.395%
CREF Bond Market	0.450%	0.460%
CREF Inflation-Linked Bond	0.405%	0.415%
CREF Social Choice	0.405%	0.430%
CREF Money Market	0.395%	0.410%

¹ CREF Expenses from 5/1/14 Prospectus

²This represents a current projection of expense ratios. Final estimated expense ratios will be noted in the prospectus dated April 24, 2015. The CREF Accounts are variable annuity investments offered to plans under CREF variable annuity contracts. TIAA-CREF Investment Management, LLC, is the investment manager for the CREF Accounts and provides investment management services at-cost. TIAA-CREF Investment Management, LLC is an affiliate of TIAA. In addition, CREF also pays TIAA-CREF Individual & Institutional Services, LLC, an affiliate of TIAA, on an at-cost basis, for the cost of distributing the CREF certificates. TIAA also provides recordkeeping and administration for your plan under an Administrative Services Agreement between CREF and TIAA on an at-cost basis. All expenses described herein are deducted from the daily price of each CREF Account as a portion of the annual operating expense ratio of such Account.

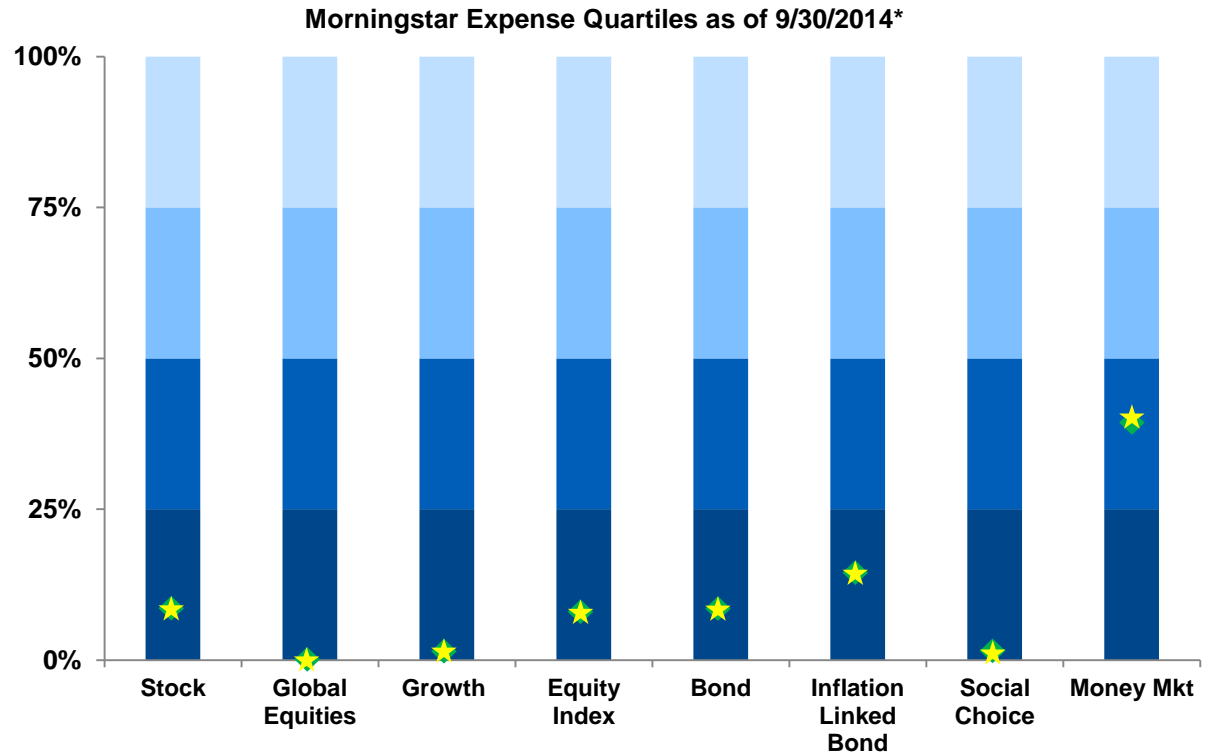
How will this change affect my employees?



*Lifetime income provided through CREF Annuities will vary depending on product performance and is subject to TIAA-CREF's claims-paying ability.

CREF Expense Quartiles – Current vs. R2 Projected

- 1 Better reflects the actual CREF administrative and distribution expenses across the range of clients we serve
- 2 Includes the right to lifetime income – helps employees meet lifetime income needs
- 3 Low fees compared to average Morningstar mutual fund and annuity peers



Morningstar peer group percentile (%)

◆ Current	10	1	2	8	10	15	2	39
★ Projected R2	10	1	2	8	12	16	2	40

*Morningstar US Open End Mutual Fund Expense Quartiles vs. TIAA-CREF Variable Annuity Expense Ratios. Expense ratio information is shown net of any applicable fee waivers as provided in each fund's prospectus. Please note, expense comparisons may mask important differences in performance, portfolio qualities, and access. See footnotes on following page for details regarding expenses for each TIAA-CREF fund.

Notes To Accompany Morningstar Expense Ratio Comparison

TIAA-CREF Variable Annuities included:

CREF Stock Account (10th percentile)	45.5 bps
-R2 Expense Ratio (10th percentile)	46.0 bps
U.S. Open End Large Blend min/max	2 bps/275 bps
U.S. Open End Large Blend average/median	115 bps/112 bps
CREF Global Equities Account (1st percentile)	46.5 bps
-R2 Expense Ratio (1st percentile)	48.0 bps
U.S. Open End World Stock min/max	0 bps/275 bps
U.S. Open End World Stock average/median	140 bps/135 bps
CREF Growth Account (2nd percentile)	41.5 bps
-R2 Expense Ratio (2nd percentile)	42.5 bps
U.S. Open End Large Growth min/max	7 bps/260 bps
U.S. Open End Large Growth average/median	121 bps/116 bps
CREF Equity Index Account (8th percentile)	39.1 bps
-R2 Expense Ratio (8th percentile)	39.5 bps
U.S. Open End Large Blend min/max	2 bps/275 bps
U.S. Open End Large Blend average/median	115 bps/112 bps

CREF Bond Market Account (10th percentile)	45 bps
-R2 Expense Ratio (12th percentile)	46.0 bps
U.S. Open End Intermediate Term Bond min/max	0 bps/210 bps
U.S. Open End Intermediate Term Bond average/median	88 bps/81 bps
CREF Inflation-Linked Bond Account (15th percentile)	40.5 bps
-R2 Expense Ratio (16th percentile)	41.5 bps
U.S. Open End Inflation-Protected Bond min/max	5 bps/165 bps
U.S. Open End Inflation-Protected Bond average/median	79 bps/75 bps
CREF Social Choice Account (2nd percentile)	40.5 bps
-R2 Expense Ratio (2nd percentile)	43.0 bps
U.S. Open End Moderate Allocation min/max	8 bps/280 bps
U.S. Open End Moderate Allocation average/median	128 bps/120 bps
CREF Money Market Account (39th percentile)	39.5 bps
-R2 Expense Ratio (40th percentile)	41.0 bps
U.S. Money Market Taxable min/max	1 bps/169 bps
U.S. Money Market Taxable average/median	56 bps/47 bps

FUND COUNTS IN THE MORNINGSTAR OPEN ENDED FUND CATEGORIES (Excludes funds with the highest expenses (top 1%)):

U.S. Open End Inflation Protected Bond	225	U.S. Open End Large Blend	1,692
U.S. Open End Intermediate-Term Bond	1,091	U.S. Open End World Stock	1,208
U.S. Open End Moderate Allocation	898	U.S. Money Market Taxable	1,013
U.S. Open End Large Growth	1,766		

- TIAA-CREF Variable Annuities' prospectus net expense ratios are compared in the above chart against those of U.S. Open End funds in their respective Morningstar Categories.
- Source: Morningstar Direct (downloaded 10/1/14) (CREF Expenses from 5/1/14 Prospectus and Multi-Class expense ratios from the supplement dated 12/1/14).
- Excludes funds with the highest expenses (top 1%)
- Beginning July 16, 2009, TIAA has voluntarily withheld ("waived") a portion of the distribution and/or administrative expenses of the Money Market Account in order to assist the Account in producing a yield of at least zero. TIAA is not obligated to continue these waivers, and there is no assurance that the Account will produce a yield of at least zero. The effect of this waiver is not reflected in the chart. Any expenses waived after October 1, 2010 are subject to possible recovery by TIAA from the Account for three years after the waiver. TIAA may recover from the Account a portion of the amounts waived at such time as the Account's daily yield would be positive absent the effect of the waiver, and in such event the amount of recovery on any day will be approximately 25% of the Account's yield (net of all expenses) on that day.

All TIAA-CREF VA accounts are subject to market and other risk factors. **The CREF Money Market Account is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.** TIAA-CREF Individual & Institutional Services, LLC and Teachers Personal Investors Services, Inc., members FINRA, distribute securities products. **You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 877 518-9161, or go to www.tiaa-cref.org for a current prospectus that contains this and other information. Please read the prospectus carefully before investing.** Annuity products issued by TIAA (Teachers Insurance and Annuity Association), New York, NY and TIAA-CREF Life Insurance Co., New York, NY.

Deloitte/Investment Company Institute study on drivers of retirement plan fees

A recent fee study [Inside the Structure of Defined Contribution/401\(k\) Plan Fees, 2013](#) conducted by Deloitte and the Investment Company Institute, looks at total fees charged across a broad sample of 357 employers, representing 361 DC plans with \$1 million or more in plan assets.

These plans had a range of plan sizes, service levels, investment offerings, retirement service providers, and fee structures. Using an exclusive survey that gathered data from each of the plans studied, Deloitte researchers calculated an “all-in” fee for each plan that captured administrative, recordkeeping, and investment-related fees. The study addressed:

- The mechanics of defined contribution fee structures
- Components of plan fees
- Factors that impact fees

- The drivers of a plan’s overall level of fees were determined to be:
 - Plan size as measured by number of participants
 - Average participant account balance in the plan, and
 - The percentage of the plan’s assets in diversified equity holdings

- The study reflects that the 10th percentile of all-in costs for plans with assets between 100 million and 500 million is 0.35% and the 90th percentile is .90%.
- The study reflects that the 10th percentile of all-in costs for plans with assets 500 million or more is 0.24% and the 90th percentile is .67%.

Source: [Inside the Structure of Defined Contribution/401\(k\) Plan Fees, 2013: A study assessing the mechanics of the ‘all-in’ fee](#); conducted by Deloitte Consulting LLP for the Investment Company Institute, August 2014.

New “plan services expense” offset

Plans offering CREF investments will experience a change in the amount of revenue shared by CREF for plan pricing calculations as a result of the CREF multi-class structure. The change in plan services expense (PSE) offset for the R2 client category is listed below:

R2 Class of CREF		
\$20M up to \$400M in CREF AUM	Current PSE Offset = 24 bps	New PSE Offset = 20 bps

The industry average for this offset typically ranges from 0% to .35% but can be higher.

Reminder: The plan services expense is the portion of the expense ratio paid to TIAA-CREF that is used to offset the cost of recordkeeping and other administrative services. It is a component of the Administrative expenses, not an additional amount.

The CREF plan services expense* will continue to remain at a healthy level in comparison to industry averages

CREF Account	Plan Services Expense as a percent of expense ratio ¹	Comparable Morningstar Mutual Fund (MF) Category ²	Average 12b-1 fees as a percent of expense ratio for MF category ³
CREF Stock	R1 class: 53% R2 class: 43% R3 class: 27%	US Open End Large Blend	30%
CREF Global Equities	R1 class: 51% R2 class: 42% R3 class: 26%	US Open End World Stock	27%
CREF Growth	R1 class: 56% R2 class: 47% R3 class: 30%	US Open End Large Growth	28%
CREF Equity Index	R1 class: 59% R2 class: 51% R3 class: 33%	US Open End Large Blend	30%

*Plan services expense is also referred to as the recordkeeping offset.

¹ CREF Plan Services Expense for R1 class is 35 bps, for R2 class is 20 bps and for R3 class is 10 bps;

² Appropriate Morningstar Mutual Fund Categories for each CREF Account were chosen for the comparison;

³ The average 12b-1 fee for each Morningstar category was divided by the average expense ratio for the same category to get to the desired comparison with the appropriate CREF Account.

Source: Morningstar

The CREF plan services expense* will continue to remain at a healthy level in comparison to industry averages

CREF Account	Plan Services Expense* as a percent of expense ratio ¹	Comparable Morningstar Mutual Fund (MF) Category ²	Average 12b-1 fees as a percent of expense ratio for MF category ³
CREF Bond Market	R1 class: 53% R2 class: 43% R3 class: 27%	US Open End Intermediate Term Bond	35%
CREF Inflation-Linked Bond	R1 class: 57% R2 class: 48% R3 class: 31%	US Open End Inflation Protected Bond	35%
CREF Social Choice	R1 class: 56% R2 class: 47% R3 class: 29%	US Open End Moderate Allocation	29%
CREF Money Market	R1 class: 57% R2 class: 49% R3 class: 31%	US Open End Money Market—Taxable	40%
Average across all CREF Accounts	R1 class: 55% R2 class: 46% R3 class: 29%	Average across comparable US Open End Mutual Fund Categories	32%

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¹ CREF Plan Services Expense for R1 class is 35 bps, for R2 class is 20 bps and for R3 class is 10 bps;

² Appropriate Morningstar Mutual Fund Categories for each CREF Account were chosen for the comparison;

³ The average 12b-1 fee for each Morningstar category was divided by the average expense ratio for the same category to get to the desired comparison with the appropriate CREF Account.

Source: Morningstar

Summary: What will and will not change

What will change for CREF Accounts eligible for R2 Class

- Little to no change in expenses
- New Plan Services Expense offset of 20 basis points to cover recordkeeping and other administration services

What will not change

- CREF's at-cost structure
- CREF investment strategies, objectives and risk profiles
- Experienced portfolio management teams
- Investment advisory expenses across all classes



What this means to retirement plan participants




Classes reflect actual costs for different-sized plans.

The new CREF classes will impact CREF assets held in retirement plans at current and previous employers, as well as any individual plans/products employees may have.

This means that, while your retirement plan participants in the R2 class will experience little to no change in cost:

- Some participants with CREF assets from prior employers in smaller- or large-sized plans should experience either an increase or a decrease in costs
- Some participants will fall into multiple classes based on number of previous employers and/or number of individual plan(s)/product(s)
- All annuitants will be in the R3 class and will see a price decrease


Plan size	New CREF class	Change in cost
Smaller plans	R1	Increase
Medium-sized plans	R2	Little to no change
Larger plans	R3	Decrease

The change will also affect owners of individual plan(s)/product(s) who are invested in CREF

The change affects all holdings in CREF variable annuity Accounts including:

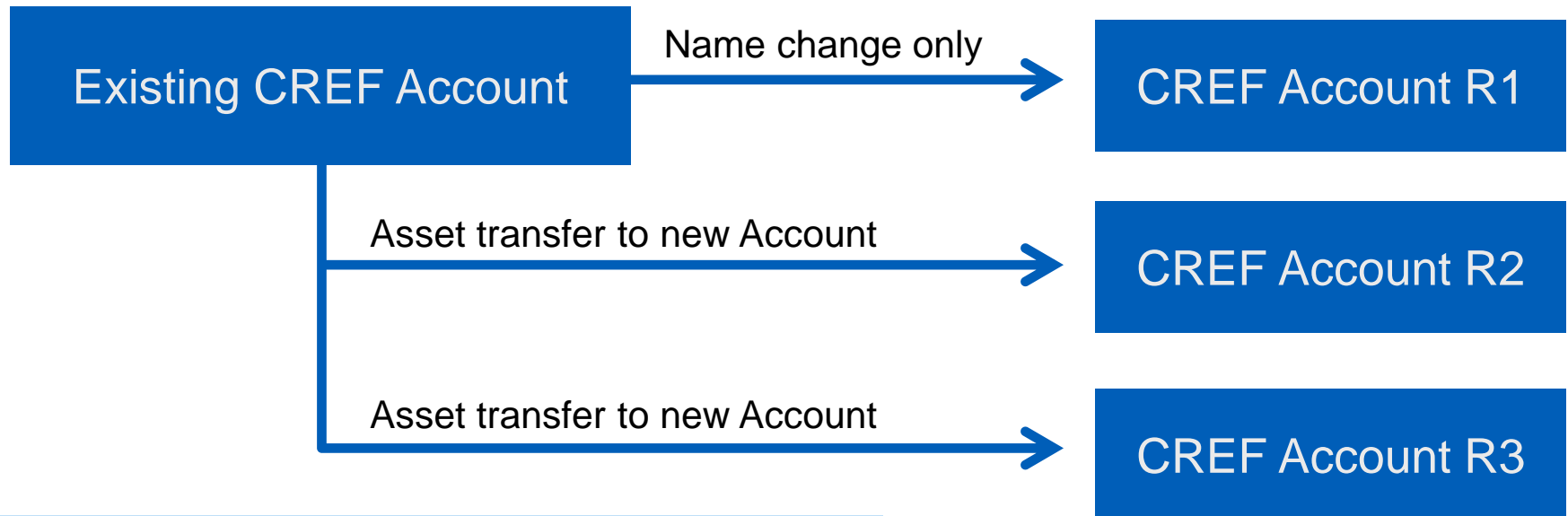
- Certain individual TIAA-CREF plans and products
- All CREF annuitants

Individual Plan(s)/Product(s)		New CREF Class
Investment Solutions IRA		R1
Keogh		R1
After-Tax Retirement Annuity (ATRA)		R2
Savings and Investment Plan (SIP)		R3
Accumulation Unit Deposit Option (AUDO)		R3
Immediate Annuity (IA)		R3

How will the transition work?

The change will be automatic.

- Assets are currently scheduled to automatically move to new Accounts effective close of business on April 24, 2015.
- R1, R2 and R3 will be added to current Account names.



All future contributions will be automatically directed to new Account.

TIAA-CREF will support you every step of the way

We have developed the following:

- Comprehensive communication plans for both you and your employees
- Educational webinars for plan sponsors to help them understand how changes will affect them
- Dedicated websites for you, your employees, and intermediaries to help you understand the changes
- Detailed answers to frequently asked questions for you, your employees and intermediaries

And to further help you, we will:

- Distribute communications to all participants on your behalf, including the required regulatory notifications
- For ERISA plans, we also will mail regulatory notifications to employees who are eligible to participate in your plan but are not currently record kept by TIAA-CREF. To do this, we will require a data file from an institution by March 1, 2015. More information is available about this process on the Plan Sponsor Landing Page on PlanFocus®

Participant experience

No action is required by participants.

As always, participants can:

- Change how future contributions are invested
- Transfer balances to another plan investment

Participants will receive a series of communications.



January – February 2015

Regulatory notification package

April 2015

Participants with holdings in class R2 will receive confirmations. You may also have employees with assets in R1 and/or R3 from prior employers or with holdings in individual plan(s)/product(s) moving to classes R1 and/or R3. R3 participants will also receive confirmations. R1 participants will not receive a separate confirmation or statement because their account balances are not being moved and no asset transfer is taking place.

April 24, 2015

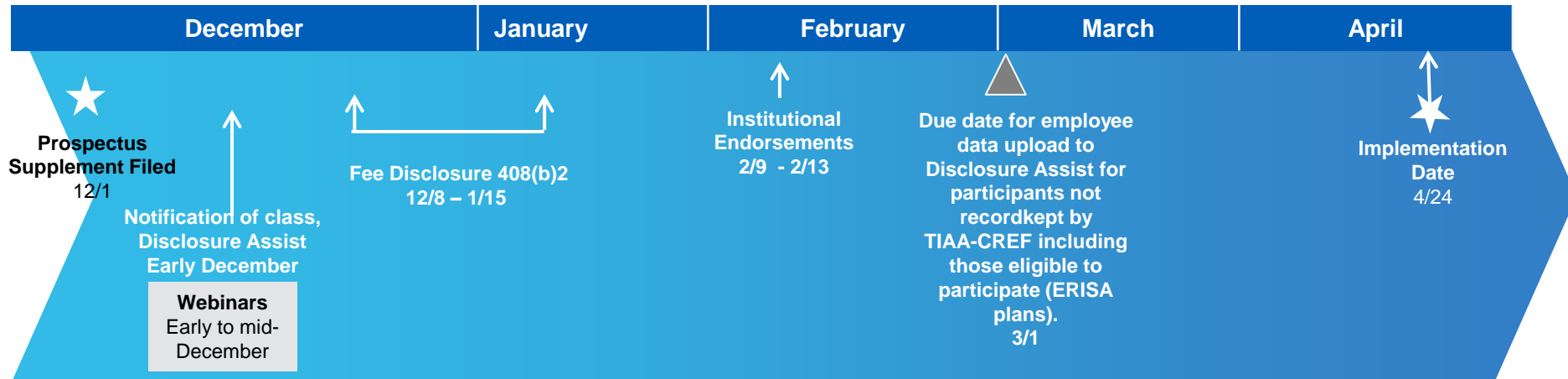
New CREF prospectuses

July 2015

Quarterly statements as of June 30

Key dates for CREF multi-class change

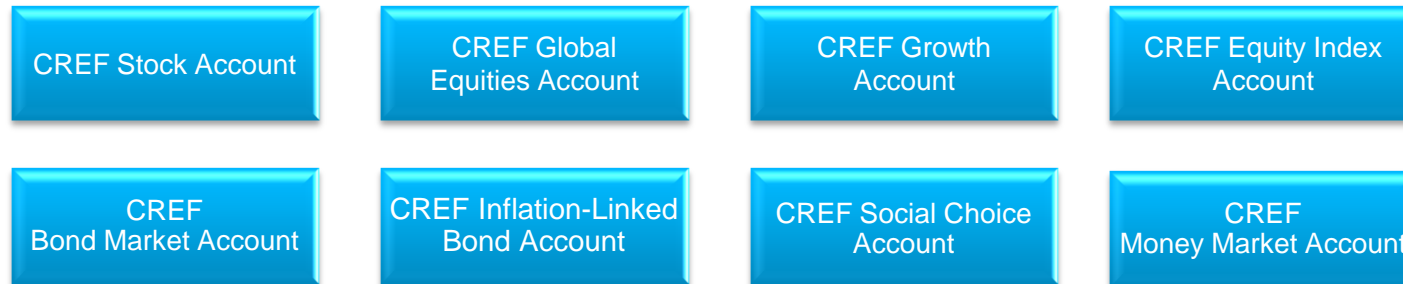
Plan Sponsor



Participant



CREF Accounts will remain an outstanding value



- CREF’s “at-cost” structure – in which the cost to participants is based solely on the cost of administering the Accounts – enables us to provide our products at a consistently lower cost than comparable annuities and mutual funds;* each class of every Account will be at-cost
- According to Morningstar data*, after this change the preliminary estimated expense ratios for the CREF accounts are projected to be in the bottom quartile for equity and social choice accounts and, excluding the money market funds, at or better than the 36th percentile for fixed income accounts
- CREF will continue to provide variable lifetime income as a complement to the guaranteed income of TIAA so that participants can experience a breadth of the financial markets in a diversified way both during accumulation and while drawing income, should they choose to take lifetime income**
- The investment strategy, objectives and risk profile will remain unchanged

Applies to mutual fund and variable annuity expense ratios. Source: Morningstar Direct, December 31, 2014. Our mutual fund and variable annuity products are subject to various fees and expenses, including, but not limited to, management, administrative, and distribution fees; our variable annuity products have an additional mortality and expense risk charge.

** Lifetime income provided through CREF Annuities will vary depending on product performance and are subject to TIAA-CREF’s claims-paying ability.

In Summary

- CREF has a long history of being a sound investment that also delivers lifetime income*
- Each CREF Account is expanding from one class to three classes
- This change will keep plans/products better aligned with current retirement plan marketplace practices
- The new class structure will take effect April 24, 2015
- TIAA-CREF will provide you with support and assistance throughout the process

* Lifetime income provided through CREF Annuities will vary depending on product performance and are subject to TIAA-CREF's claims-paying ability.



Financial Services

You should consider the investment objectives, risks, charges and expenses carefully before investing. Go to tiaa-cref.org for product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.

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