

CREF INFLATION-LINKED BOND ACCOUNT

AS OF 9/30/2008

ESTIMATED ANNUAL EXPENSES
0.54% *

NET ASSETS
\$6.91 billion

INCEPTION DATE
05/01/1997

BENCHMARK INDEX
Lehman Brothers U.S. TIPS
(Treasury Inflation-Protected Securities) Index

INVESTMENT OBJECTIVE

This variable annuity account seeks a long-term rate of return that outpaces inflation, primarily through investment in inflation-indexed bonds—fixed-income securities whose returns are designed to track a specified inflation index over the life of the bond.

PORTFOLIO STRATEGIES

- Invests at least 80% of its assets in U.S. Treasury Inflation-Indexed Securities (TIIS).
- The account can also invest in:
 - other inflation-indexed bonds issued or guaranteed by the U.S. government or its agencies and by corporations and other U.S.-domiciled issuers, as well as by foreign governments; and
 - money market instruments or other short-term securities.

Annuities are designed for retirement savings or for other long-term goals. They offer several payment options, including lifetime income. Payments from TIAA-CREF variable annuities are not guaranteed, and the payment amounts will rise or fall depending on investment returns.

Call our Enrollment Hotline:

800 842-2888 (weekdays 8 am to 10 pm ET, Saturdays 9 am to 6 pm ET)

Visit our website for a full menu of services at tiaa-cref.org



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PERFORMANCE

	TOTAL RETURN			AVERAGE ANNUAL TOTAL RETURN		
	3 Month	YTD	1 Year	5 Year	10 Year	Since Inception†
CREF Inflation-Linked Bond Account	-3.50%	1.06%	5.99%	4.75%	6.71%	6.49%
Lehman Brothers U.S. TIPS Index	-3.54	1.17	6.20	5.15	7.11	6.87

† From November 30, 2007 on, the since inception performance shown is computed from the inception date of the account (the date on which the account became publicly available). Previously, since inception performance for this account was computed from the net asset value per share on the day prior to the inception date.

The performance data quoted represents past performance and is no guarantee of future results. Your returns and the principal value of your investment will fluctuate so that your accumulation units, when redeemed, may be worth more or less than their original cost. Current performance may differ from figures shown above. For performance current to the most recent month-end, visit TIAA-CREF at tiaa-cref.org, or call 800 842-2252.

MATURITY ALLOCATION

Year(s)	% Portfolio Investments
1-10 Years TIIS	72.4
10-20 Years TIIS	20.4
20+ Years TIIS	7.1
Short-Term Investments	0.1

FUND FACTS

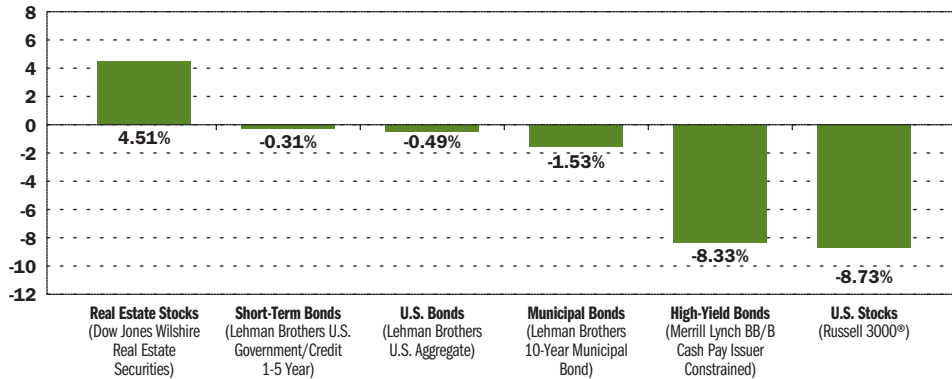
Average Yield to Maturity	7.58%
Number of Issues	27
Average Quality	AAA
Option-Adjusted Duration	7.59 Years
Average Coupon	2.34%
Average Maturity	8.91 Years

HOW TIPS WORK

Like conventional bonds, U.S. Treasury Inflation-Indexed Securities (TIIS)—also known as TIPS, which stands for Treasury Inflation-Protected Securities—pay interest at fixed intervals and return the principal at maturity. Unlike the principal of conventional bonds, the principal of U.S. TIPS is adjusted each month in step with the general price inflation, as measured by the U.S. Bureau of Labor's Consumer Price Index for All Urban Consumers (CPI-U). Interest is paid twice a year. The interest rate is fixed, but the amount of each interest payment varies because the rate is applied to a principal that is changing to keep up with inflation.

* We estimate expenses for the coming year based on projected expenses, asset levels and other relevant factors. At the end of each quarter, we compare these projections with the account's actual experience and adjust the account's expenses upward or downward to reflect any difference. These adjustments are made in equal daily installments over the remaining days of the new quarter.

RETURNS FOR MAJOR BENCHMARKS FOR QUARTER ENDED 9/30/2008



The bar graph above shows the returns of several leading market indexes. This allows you to compare the performance of your investment with several areas of the financial marketplace during the last quarter.

ABOUT DURATION AND MATURITY

The maturity date is the date on which the principal amount of a security becomes due or payable. Duration indicates the price sensitivity of a bond to changes in interest rates: the lower the duration, the lower the bond's potential volatility and vice versa. We seek to keep this portfolio's average duration similar to the benchmark's.

IMPORTANT INFORMATION

Investing in this account involves a number of risks. Interest-rate increases may cause bond prices to decline, while falling interest rates may cause the account's income to decrease. The market values of inflation-indexed bonds can be affected by changes in investors' inflation expectations or changes in "real" rates of interest (a security's return above the inflation rate). For a detailed discussion of risk, consult the prospectus.

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 for a prospectus that contains this and other information. Please read the prospectus carefully before investing. Teachers Insurance and Annuity Association (TIAA), New York, NY, issues annuity contracts.

EXPENSES

Expenses are an important aspect of investing. To pay for the operation and management of an account, each investor is charged an expense fee, which is calculated as a percentage of the amount the investor has in the account. Even if the account loses money during a period, the fee is still charged. Although an annual expense fee may seem relatively small, its effect on performance over time can be substantial. TIAA-CREF has some of the lowest expense charges in the industry.*

* Morningstar Direct (February 2008) based on Morningstar expense comparisons by category.

ABOUT THIS ACCOUNT'S BENCHMARK(S)

The Lehman Brothers U.S. TIPS (Treasury Inflation-Protected Securities) Index measures the performance of fixed-income securities with fixed-rate coupon payments that adjust for inflation, as measured by the Consumer Price Index for All Urban Consumers. You cannot invest directly in this index.

TIAA-CREF: FINANCIAL SERVICES FOR THE GREATER GOOD®

Since 1918, we have helped millions of people at America's academic, medical, cultural and research institutions plan for the future.

TIAA-CREF is one of the largest financial services organizations in the world, with \$398 billion in combined assets under management as of September 30, 2008.

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