

May 1, 2003

Prospectus

College Retirement Equities Fund

INDIVIDUAL, GROUP, AND
TAX-DEFERRED VARIABLE ANNUITIES



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PROSPECTUS

INDIVIDUAL, GROUP, AND TAX-DEFERRED VARIABLE ANNUITIES

This prospectus describes the individual and group variable annuities CREF offers. It contains information you should know before purchasing a CREF variable annuity and selecting your investment options. Please read it carefully before investing and keep it for future reference.

Investment in a CREF variable annuity certificate is subject to risk and you could lose money. CREF does not guarantee the investment performance of its accounts, and you bear the entire investment risk.

CREF provides variable annuities for retirement and tax-deferred savings plans for employees of colleges, universities, other educational and research organizations and other governmental and non-profit institutions. Our main purpose is to invest funds for your retirement and pay you income based on your choice of eight investment accounts:

- Stock
- Bond Market
- Global Equities
- Inflation-Linked Bond
- Growth
- Social Choice
- Equity Index
- Money Market

You can purchase a CREF variable annuity certificate in connection with certain types of retirement plans. CREF offers the following certificates:

- RA (Retirement Annuity)
- GRA (Group Retirement Annuity)
- SRA (Supplemental Retirement Annuity)
- GSRA (Group Supplemental Retirement Annuity)
- GA (Group Annuity) and Institutionally Owned GSRA
- Classic IRA (Individual Retirement Annuity)
- Roth IRA (Roth Individual Retirement Annuity)
- Keogh (Subject to regulatory approval in Pennsylvania and Oregon)

More information about CREF is in our Statement of Additional Information (SAI) dated May 1, 2003, which is incorporated by reference into this prospectus. It is on file with the Securities and Exchange Commission (SEC). For a free copy, write to us at 730 Third Avenue, New York, NY 10017-3206, Attn: Central Services, or call 800-842-2733, Ext. 5509. The SAI's table of contents is on the last page of this prospectus. The SEC's Website (<http://www.sec.gov>) contains this prospectus, SAI, material incorporated by reference, and other information about CREF.

The SEC has not approved or disapproved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The CREF accounts are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

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This prospectus outlines the terms under which the CREF accounts are offered. The accounts are offered only in those jurisdictions where it is legal to do so. No one is permitted to make any representation to you or give you any information that is not in the prospectus. If anyone attempts to do so, you should not rely on it.

About CREF

Founded in 1952, CREF is a nonprofit membership corporation established in New York State. Its home office is at 730 Third Avenue, New York, NY 10017. There are also regional offices across the United States including Atlanta, Boston, Chicago, Dallas, Denver, Detroit, New York, Philadelphia, San Francisco and Washington, D.C. as well as service centers in New York, Denver and Charlotte. CREF, the first company in the United States to issue a variable annuity, is the companion organization of Teachers Insurance and Annuity Association of America (TIAA). TIAA was founded in 1918 by the Carnegie Foundation and offers traditional annuities. It also offers variable annuities including a separate account that invests in real estate (the Real Estate Account).

Together, CREF and TIAA form the principal retirement system for the nation's education and research communities and is one of the largest retirement systems in the world based on assets under management. TIAA-CREF serves approximately 2.5 million people at over 15,000 institutions. As of December 31, 2002, CREF's net assets were approximately \$113.8 billion and the combined net assets for CREF and TIAA totaled approximately \$255.6 billion.

Special Terms

We have defined certain terms so that you'll have a clearer understanding of this prospectus and your investment.

Account Any of CREF's investment funds. Each account is a separate portfolio with its own investment objective.

Accumulation The total value of your accumulation units.

Accumulation Unit A share of participation in a CREF account for someone in the accumulation period. Each account has its own accumulation unit value, which changes daily.

Annuity Unit A measure used to calculate the amount of annuity payments. Each account has a separate annuity unit value.

Beneficiary Any person or institution named to receive benefits if you die during the accumulation period or if you (and your annuity partner, if you have one) die before the end of any guaranteed period.

Business Day Any day the New York Stock Exchange (NYSE) is open for trading. A business day ends at 4 p.m. Eastern Time or when trading closes on the NYSE, if earlier.

Calendar Day Any day of the year. Calendar days end at the same time as business days.

Commuted Value The present value of annuity payments due under an income option or method of payment not based on life contingencies.

Eligible Institution A nonprofit institution, including any governmental institution, organized in the United States.

Income Change Method How you choose to have your annuity payments revalued. Under the annual income change method, your payments are revalued once each year. Under the monthly income change method, your payments are revalued every month.

Income Option How you receive your CREF retirement income.

Participant Any person who owns a CREF certificate. Sometimes an employer can be a participant.

Valuation Day Any business day plus the last calendar day of each month. Valuation days end as of the close of all U.S. national exchanges where securities or other investments of CREF are principally traded. Valuation days that aren't business days end at 4 p.m. Eastern Time.

About Expenses

CREF deducts expenses from the net assets of each account each valuation day for investment management, administration, and distribution. Because nonprofit subsidiaries of TIAA perform these services for CREF at cost, the deductions for expenses are generally lower than comparable annuity contracts offered by other companies. Investment management expenses cover portfolio advice and management, portfolio accounting, and custodial services. Administrative expenses include administration and operations. CREF has also adopted a plan authorizing payment of 12b-1, or distribution fees. These fees are for telling you about the certificates, how you can invest, and helping employers install and manage retirement plans. CREF also deducts a mortality and expense risk charge to guarantee that CREF participants transferring funds to TIAA for the immediate purchase of lifetime payout annuities will not be charged more than the rate stipulated in the CREF certificate.

After the end of every quarter, CREF reconciles the expenses we deducted with the expenses each account actually incurred. If there is a difference, we

add it or deduct it from the account in equal daily installments over the remaining days in the quarter. Since our at-cost deductions are based on projections of overall expenses and the assets of each CREF account, the size of any adjusting payments will be directly affected by how different our projections are from an account's actual assets or expenses. While our projections of an account's asset size (and resulting expense fees) are based on our best estimates, the size of an account's assets can be affected by a number of factors, including premium growth, participant transfers into or out of an account, and market performance affecting the value of an account's portfolio securities. Historically, the adjusting payments have generally been small and have resulted in both upward and downward adjustments to CREF's expense deductions for the following quarter.

We revise our expense rates from time to time to keep deductions as close as possible to actual expenses. Expense rate changes are determined by the CREF Board of Trustees. The annual distribution expense charge will not be more than .25% of an account's average daily net assets.

ANNUAL EXPENSE DEDUCTIONS

The following table shows the direct and indirect expense deductions for each of the CREF accounts.

	Stock	Global Equities	Growth	Equity Index	Bond Market	Inflation-Linked Bond	Social Choice	Money Market
Participant Transaction Expenses								
Deductions from Premiums (as a percentage of premiums)	None	None	None	None	None	None	None	None
Charges for Transfers and Cash Withdrawals (as a percentage of transaction amount)								
Transfers Between CREF Accounts	None	None	None	None	None	None	None	None
Transfers to TIAA	None	None	None	None	None	None	None	None
Transfers to Other Companies	None	None	None	None	None	None	None	None
Cash Withdrawals	None	None	None	None	None	None	None	None
Annual Expense Deductions from Net Assets (as a percentage of average net assets)								
Investment Advisory Expenses	0.150%	0.200%	0.170%	0.110%	0.110%	0.110%	0.110%	0.060%
Administrative Expenses	0.280%	0.280%	0.280%	0.280%	0.280%	0.280%	0.280%	0.280%
Distribution Expenses	0.045%	0.045%	0.045%	0.045%	0.045%	0.045%	0.045%	0.045%
Mortality and Expense Risk Charges	0.005%	0.005%	0.005%	0.005%	0.005%	0.005%	0.005%	0.005%
Total Annual Expense Deductions	0.480%	0.530%	0.500%	0.440%	0.440%	0.440%	0.440%	0.390%

The following table shows you an example of the expenses you would incur on a hypothetical investment of \$1,000 in each CREF account over several periods. The table assumes a 5% annual return on assets. Remember that these figures don't represent actual expenses or investment performance, which may differ.

	Stock	Global Equities	Growth	Equity Index	Bond Market	Inflation-Linked Bond	Social Choice	Money Market
1 Year	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$4
3 Years	\$15	\$17	\$16	\$14	\$14	\$14	\$14	\$13
5 Years	\$27	\$30	\$28	\$25	\$25	\$25	\$25	\$22
10 Years	\$60	\$66	\$63	\$55	\$55	\$55	\$55	\$49

Condensed Financial Information

Below you'll find condensed, audited financial information for the CREF accounts for each of the periods indicated.

STOCK ACCOUNT

	For the Years Ended December 31,									
	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Per Accumulation Unit Data:										
Investment income	\$2,476	\$2,432	\$2,472	\$2,567	\$2,381	\$2,317	\$2,114	\$1,885	\$1,699	\$1,606
Expenses	.638	.693	.626	.607	.521	.387	.304	.271	.223	.210
Investment income-net	1.838	1.739 ^(a)	1.846	1.960	1.860	1.930	1.810	1.614	1.476	1.396
Net realized and unrealized gain (loss) on total investments	(35.535)	(27.951) ^(a)	(19.231)	34.478	29.795	26.864	15.953	19.984	(1.557)	7.139
Net increase (decrease) in Accumulation Unit Value	(33.697)	(26.212)	(17.385)	36.438	31.655	28.794	17.763	21.598	(.081)	8.535
Accumulation Unit Value:										
Beginning of year	162.513	188.725	206.110	169.672	138.017	109.223	91.460	69.862	69.943	61.408
End of year	<u>\$128.816</u>	<u>\$162.513</u>	<u>\$188.725</u>	<u>\$206.110</u>	<u>\$169.672</u>	<u>\$138.017</u>	<u>\$109.223</u>	<u>\$91.460</u>	<u>\$69.862</u>	<u>\$69.943</u>
Total Return	(20.73)%	(13.89)%	(8.43)%	21.48%	22.94%	26.36%	19.42%	30.92%	(0.12)%	13.90%
Ratios to Average Net Assets:										
Expenses	0.44%	0.41%	0.31%	0.33%	0.34%	0.31%	0.31%	0.34%	0.32%	0.32%
Investment income-net	1.28%	1.03% ^(a)	0.91%	1.07%	1.23%	1.55%	1.82%	2.00%	2.11%	2.14%
Portfolio Turnover Rate	31.19%	29.41%	32.65%	29.26%	34.63%	23.25%	19.57%	16.25%	18.77%	22.93%
Thousands of Accumulation Units										
outstanding at end of year	493,295	508,889	525,111	543,589	565,999	597,531	620,498	632,803	637,435	642,528

(a) As required, effective January 1, 2001, the Accounts adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies and began amortizing premiums and discounts on all debt securities. For the Stock Account, the effect of this change for the year ended December 31, 2001 was to increase investment income-net per Accumulation Unit by \$.006 and increase net realized and unrealized loss per Accumulation Unit by \$.006. For the ratio of investment income-net to average net assets, there was no effect for the Stock Account for the year ended December 31, 2001. Per Accumulation Unit amounts and ratios for the periods prior to January 1, 2001 have not been restated to reflect this change in presentation.

GLOBAL EQUITIES ACCOUNT

	For the Years Ended December 31,									
	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Per Accumulation Unit Data:										
Investment income	\$.956	\$.985	\$.946	\$.959	\$.902	\$.848	\$.751	\$.727	\$.687	\$.487
Expenses	.281	.320	.325	.300	.268	.205	.167	.157	.134	.103
Investment income-net	.675	.665 ^(a)	.621	.659	.634	.643	.584	.570	.553	.384
Net realized and unrealized gain (loss) on total investments	(14.853)	(16.493) ^(a)	(16.281)	24.976	10.508	8.650	7.138	6.618	(.719)	9.021
Net increase (decrease) in Accumulation Unit Value	(14.178)	(15.828)	(15.660)	25.635	11.142	9.293	7.722	7.188	(.166)	9.405
Accumulation Unit Value:										
Beginning of year	65.262	81.090	96.750	71.115	59.973	50.680	42.958	35.770	35.936	26.531
End of year	<u>\$51.084</u>	<u>\$65.262</u>	<u>\$81.090</u>	<u>\$96.750</u>	<u>\$71.115</u>	<u>\$59.973</u>	<u>\$50.680</u>	<u>\$42.958</u>	<u>\$35.770</u>	<u>\$35.936</u>
Total Return	(21.72)%	(19.52)%	(16.19)%	36.05%	18.58%	18.34%	17.98%	20.09%	(0.46)%	35.45%
Ratios to Average Net Assets:										
Expenses	0.49%	0.46%	0.35%	0.39%	0.41%	0.38%	0.37%	0.40%	0.41%	0.45%
Investment income-net	1.18%	0.95% ^(a)	0.68%	0.85%	0.97%	1.19%	1.28%	1.47%	1.71%	1.67%
Portfolio Turnover Rate	95.70%	111.91%	98.06%	81.30%	103.31%	98.70%	88.84%	67.50%	51.63%	16.75%
Thousands of Accumulation Units										
outstanding at end of year	104,438	99,558	99,622	89,492	81,825	84,645	80,016	70,163	70,700	36,796

(a) As required, effective January 1, 2001, the Accounts adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies and began amortizing premiums and discounts on all debt securities. For the Global Equities Account, the effect of this change for the year ended December 31, 2001 was to increase investment income-net per Accumulation Unit by \$.001 and increase net realized and unrealized loss per Accumulation Unit by \$.001. For the ratio of investment income-net to average net assets, there was no effect for the Global Equities Account for the year ended December 31, 2001. Per Accumulation Unit amounts and ratios for the periods prior to January 1, 2001 have not been restated to reflect this change in presentation.

GROWTH ACCOUNT

	For the Years Ended December 31,								April 4 (date established) to December 31,
	2002	2001	2000	1999	1998	1997	1996	1995	1994 ^(a)
Per Accumulation Unit Data:									
Investment income	\$.488	\$.387	\$.509	\$.592	\$.482	\$.527	\$.484	\$.417	\$.398
Expenses	.231	.278	.320	.278	.244	.155	.119	.114	.084
Investment income-net	.257	.109 ^(b)	.189	.314	.238	.372	.365	.303	.314
Net realized and unrealized gain (loss) on total investments	(18.704)	(18.345) ^(b)	(20.788)	24.276	18.475	12.219	8.638	8.891	.802
Net increase (decrease) in Accumulation Unit Value	(18.447)	(18.236)	(20.599)	24.590	18.713	12.591	9.003	9.194	1.116
Accumulation Unit Value:									
Beginning of period	61.372	79.608	100.207	75.617	56.904	44.313	35.310	26.116	25.000
End of period	\$42.925	\$61.372	\$ 79.608	\$100.207	\$75.617	\$56.904	\$44.313	\$35.310	\$26.116
Total Return	(30.06)%	(22.91)%	(20.56)%	32.52%	32.89%	28.41%	25.50%	35.20%	4.46%
Ratios to Average Net Assets:									
Expenses	0.46%	0.43%	0.31%	0.34%	0.38%	0.34%	0.35%	0.43%	0.33%
Investment income-net	0.51%	0.17% ^(b)	0.18%	0.38%	0.37%	0.82%	1.07%	1.13%	1.21%
Portfolio Turnover Rate	53.99%	44.40%	37.18%	69.26%	97.57%	53.27%	38.51%	24.42%	12.29%
Thousands of Accumulation Units outstanding at end of period	176,249	171,149	166,751	131,646	98,862	80,370	53,201	32,375	10,446

(a) Percentages shown for this period are not annualized.

(b) As required, effective January 1, 2001, the Accounts adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies and began amortizing premiums and discounts on all debt securities. For the Growth Account, the effect of this change for the year ended December 31, 2001 was to decrease investment income-net per Accumulation Unit by \$.002, and decrease net realized and unrealized loss per Accumulation Unit by \$.002. For the ratio of investment income-net to average net assets, there was no effect for the Growth Account for the year ended December 31, 2001. Per Accumulation Unit amounts and ratios for the periods prior to January 1, 2001 have not been restated to reflect this change in presentation.

EQUITY INDEX ACCOUNT

	For the Years Ended December 31,								April 4 (date established) to December 31,
	2002	2001	2000	1999	1998	1997	1996	1995	1994 ^(a)
Per Accumulation Unit Data:									
Investment income	\$1.003	\$.973	\$1.055	\$1.012	\$.953	\$.826	\$.773	\$.755	\$.552
Expenses	.248	.258	.233	.225	.190	.141	.106	.100	.072
Investment income-net	.755	.715 ^(b)	.822	.787	.763	.685	.667	.655	.480
Net realized and unrealized gain (loss) on total investments	(15.713)	(9.849) ^(b)	(7.216)	13.733	12.789	12.672	6.936	8.703	.393
Net increase (decrease) in Accumulation Unit Value	(14.958)	(9.134)	(6.394)	14.520	13.552	13.357	7.603	9.358	0.873
Accumulation Unit Value:									
Beginning of period	68.735	77.869	84.263	69.743	56.191	42.834	35.231	25.873	25.000
End of period	\$53.777	\$68.735	\$77.869	\$84.263	\$69.743	\$56.191	\$42.834	\$35.231	\$25.873
Total Return	(21.76)%	(11.73)%	(7.59)%	20.82%	24.12%	31.18%	21.58%	36.17%	3.49%
Ratios to Average Net Assets:									
Expenses	0.41%	0.37%	0.28%	0.30%	0.31%	0.30%	0.30%	0.34%	0.27%
Investment income-net	1.26%	1.02% ^(b)	0.98%	1.05%	1.24%	1.47%	1.87%	2.22%	1.83%
Portfolio Turnover Rate	7.02%	6.14%	9.42%	4.89%	3.98%	3.50%	7.85%	8.31%	1.33%
Thousands of Accumulation Units outstanding at end of period	86,020	75,254	62,018	57,249	47,997	35,368	20,725	10,911	2,716

(a) Percentages shown for this period are not annualized.

(b) As required, effective January 1, 2001, the Accounts adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies and began amortizing premiums and discounts on all debt securities. For the Equity Index Account the change had no effect on the condensed financial information. Per Accumulation Unit amounts and ratios for the periods prior to January 1, 2001 have not been restated to reflect this change in presentation.

BOND MARKET ACCOUNT

For the Years Ended December 31,

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Per Accumulation Unit Data:										
Investment income	\$3.317	\$3.258	\$3.636	\$3.289	\$3.156	\$3.081	\$3.039	\$2.863	\$2.502	\$2.348
Expenses	.261	.242	.174	.166	.158	.134	.126	.123	.108	.103
Investment income-net	3.056	3.016 ^(a)	3.462	3.123	2.998	2.947	2.913	2.740	2.394	2.245
Net realized and unrealized gain (loss) on total investments	3.236	1.571 ^(a)	2.621	(3.711)	1.150	1.266	(1.600)	3.722	(3.897)	1.606
Net increase (decrease) in Accumulation Unit Value	6.292	4.587	6.083	(.588)	4.148	4.213	1.313	6.462	(1.503)	3.851
Accumulation Unit Value:										
Beginning of year	62.445	57.858	51.775	52.363	48.215	44.002	42.689	36.227	37.730	33.879
End of year	\$68.737	\$62.445	\$57.858	\$51.775	\$52.363	\$48.215	\$44.002	\$42.689	\$36.227	\$37.730
Total Return	10.08%	7.93%	11.75%	(1.12)%	8.60%	9.57%	3.08%	17.84%	(3.98)%	11.37%
Ratios to Average Net Assets:										
Expenses	0.41%	0.43%	0.33%	0.32%	0.32%	0.29%	0.30%	0.31%	0.29%	0.28%
Investment income-net	4.75%	5.36% ^(a)	6.50%	6.03%	5.98%	6.44%	6.86%	6.93%	6.54%	6.18%
Portfolio Turnover Rate	249.41%	257.02%	377.44% ^(b)	656.58%	525.32%	398.77%	145.27%	185.11%	161.46%	139.55%
Thousands of Accumulation Units outstanding at end of year	81,952	71,368	54,745	54,918	57,481	31,654	22,611	19,522	14,939	14,698

(a) As required, effective January 1, 2001, the Accounts adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies and began amortizing premiums and discounts on all debt securities. For the Bond Market Account, the effect of this change for the year ended December 31, 2001 was to decrease investment income-net per Accumulation Unit by \$.067, increase net realized and unrealized gain per Accumulation Unit by \$.067 and decrease the ratio of investment income-net to average net assets by .12%. Per Accumulation Unit amounts and ratios for the periods prior to January 1, 2001 have not been restated to reflect this change in presentation.

(b) During 2000, the Bond Market Account began structuring dollar rolls as financing transactions. Dollar rolls occur when an Account sells securities for delivery in the current month and simultaneously contracts to repurchase substantially similar securities on a specified future date. Had these transactions been treated for the entire year as purchases and sales, rather than as financing transactions, the portfolio turnover rate for the year ended December 31, 2000 would have been 552.94%.

INFLATION-LINKED BOND ACCOUNT

For the Years Ended December 31,

January 13 (date
established) to
December 31,

	2002	2001	2000	1999	1998	1997 ^(a)
Per Accumulation Unit Data:						
Investment income	\$1.797	\$1.816	\$2.113	\$1.730	\$1.256	\$1.031
Expenses	.147	.122	.083	.099	.086	.067
Investment income-net	1.650	1.694 ^(b)	2.030	1.631	1.170	.964
Net realized and unrealized gain (loss) on total investments	3.817	.692 ^(b)	1.491	(1.062)	(.260)	.154
Net increase in Accumulation Unit Value	5.467	2.386	3.521	.569	.910	1.118
Accumulation Unit Value:						
Beginning of period	33.504	31.118	27.597	27.028	26.118	25.000
End of period	\$38.971	\$33.504	\$31.118	\$27.597	\$27.028	\$26.118
Total Return	16.32%	7.67%	12.76%	2.10%	3.48%	4.47%
Ratios to Average Net Assets:						
Expenses	0.41%	0.36%	0.29%	0.36%	0.33%	0.25%
Investment income-net	4.56%	4.93% ^(b)	6.97%	5.99%	4.50%	3.60%
Portfolio Turnover Rate	31.33%	42.16%	17.17%	54.35%	40.98%	63.56%
Thousands of Accumulation Units outstanding at end of period	63,825	35,274	15,188	4,757	5,112	3,626

(a) Percentages shown for this period are not annualized.

(b) As required, effective January 1, 2001, the Accounts adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies and began amortizing premiums and discounts on all debt securities. For the Inflation-Linked Bond Account, the effect of this change for the year ended December 31, 2001 was to decrease investment income-net per Accumulation Unit by \$.031, increase net realized and unrealized gain per Accumulation Unit by \$.031 and decrease the ratio of investment income-net to average net assets by .11%. Per Accumulation Unit amounts and ratios for the periods prior to January 1, 2001 have not been restated to reflect this change in presentation.

SOCIAL CHOICE ACCOUNT

For the Years Ended December 31,

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Per Accumulation Unit Data:										
Investment income	\$2.687	\$2.766	\$3.188	\$2.898	\$2.679	\$2.396	\$2.068	\$1.832	\$1.621	\$1.452
Expenses	.337	.352	.282	.293	.249	.193	.158	.144	.125	.117
Investment income-net	2.350	2.414 ^(a)	2.906	2.605	2.430	2.203	1.910	1.688	1.496	1.335
Net realized and unrealized gain (loss)										
on total investments	(10.756)	(7.003) ^(a)	(2.582)	6.752	11.159	12.223	5.968	9.863	(2.015)	2.082
Net increase (decrease) in										
Accumulation Unit Value	(8.406)	(4.589)	0.324	9.357	13.589	14.426	7.878	11.551	(.519)	3.417
Accumulation Unit Value:										
Beginning of year	91.697	96.286	95.962	86.605	73.016	58.590	50.712	39.161	39.680	36.263
End of year	\$83.291	\$91.697	\$96.286	\$95.962	\$86.605	\$73.016	\$58.590	\$50.712	\$39.161	\$39.680
Total Return	(9.17)%	(4.77)%	0.34%	10.80%	18.61%	24.62%	15.53%	29.49%	(1.31)%	9.42%
Ratios to Average Net Assets:										
Expenses	0.39%	0.40%	0.30%	0.32%	0.31%	0.30%	0.30%	0.32%	0.32%	0.31%
Investment income-net	2.75%	2.77% ^(a)	3.04%	2.88%	3.07%	3.37%	3.58%	3.75%	3.80%	3.52%
Portfolio Turnover Rate	92.82%	68.64%	117.10% ^(b)	206.44%	147.90%	91.87%	40.93%	52.65%	49.06%	39.85%
Thousands of Accumulation Units										
outstanding at end of year	50,707	46,290	42,550	41,355	37,211	30,554	25,841	22,196	18,302	16,790

(a) As required, effective January 1, 2001, the Accounts adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies and began amortizing premiums and discounts on all debt securities. For the Social Choice Account, the effect of this change for the year ended December 31, 2001 was to decrease investment income-net per Accumulation Unit by \$.019, increase net realized and unrealized loss per Accumulation Unit by \$.019 and decrease the ratio of investment income-net to average net assets by .02%. Per Accumulation Unit amounts and ratios for the periods prior to January 1, 2001 have not been restated to reflect this change in presentation.

(b) During 2000, the Social Choice Account began structuring dollar rolls as financing transactions. Dollar rolls occur when an Account sells securities for delivery in the current month and simultaneously contracts to repurchase substantially similar securities on a specified future date. Had these transactions been treated for the entire year as purchases and sales, rather than as financing transactions, the portfolio turnover rate for the year ended December 31, 2000 would have been 196.05%.

MONEY MARKET ACCOUNT

For the Years Ended December 31,

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Per Accumulation Unit Data:										
Investment income	\$.407	\$.888	\$ 1.273	\$.976	\$.998	\$.953	\$.880	\$.910	\$.631	\$.464
Expenses	.082	.069	.055	.057	.054	.046	.049	.048	.041	.039
Investment income-net	.325	.819 ^(a)	1.218	.919	.944	.907	.831	.862	.590	.425
Net realized and unrealized gain (loss)										
on total investments	(.005)	.009 ^(a)	.007	(.005)	.005	.001	(.003)	.009	(.012)	(.002)
Net increase in Accumulation Unit Value	.320	.828	1.225	.914	.949	.908	.828	.871	.578	.423
Accumulation Unit Value:										
Beginning of year	21.318	20.490	19.265	18.351	17.402	16.494	15.666	14.795	14.217	13.794
End of year	\$21.638	\$21.318	\$20.490	\$19.265	\$18.351	\$17.402	\$16.494	\$15.666	\$14.795	\$14.217
Total Return	1.50%	4.04%	6.36%	4.98%	5.45%	5.51%	5.28%	5.88%	4.07%	3.07%
Ratios to Average Net Assets:										
Expenses	0.38%	0.33%	0.28%	0.30%	0.30%	0.27%	0.30%	0.32%	0.28%	0.27%
Investment income-net	1.51%	3.88% ^(a)	6.12%	4.90%	5.27%	5.35%	5.16%	5.64%	4.03%	3.02%
Portfolio Turnover Rate	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Thousands of Accumulation Units										
outstanding at end of year	334,898	338,791	315,206	354,754	312,358	233,116	218,292	193,181	183,135	174,073

(a) As required, effective January 1, 2001, the Accounts adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies and began amortizing premiums and discounts on all debt securities. For the Money Market Account the change had no effect on the condensed financial information. Per Accumulation Unit amounts and ratios for the periods prior to January 1, 2001 have not been restated to reflect this change in presentation.

Your Investment Options

CREF's goal is to provide retirement benefits. We have a long-term investment perspective and the CREF accounts provide a wide range of investment alternatives. Each account has its own investment objective, policies, and special risks. Investment objectives cannot be changed without the approval of a majority of account participants. CREF can change investment policies without such approval. There is no guarantee that any CREF account will meet its investment objective.

Each of the Stock, Global Equities, Equity Index, Bond Market, Inflation-Linked Bond and Money Market Accounts has a policy of investing, under normal circumstances, at least 80% of their respective net assets in the particular type of securities implied by the account's name. Each of these accounts will provide its participants with at least 60 days prior notice before making changes to this policy.

GENERAL INVESTMENT RISKS

To varying degrees, the CREF accounts are all subject to several general types of risks. One is market risk — stock price volatility due to changing conditions in the financial markets. Another is interest rate risk — the risk that a debt instrument's value will decline if interest rates change. A rise in interest rates usually causes the market value of fixed-rate securities to go down, while a rate decline usually results in an increase in the market values of those securities. Another kind of risk is company risk. For stocks or other equity securities, it comes from the possibility that current earnings will fall or that overall financial soundness will decline, reducing the security's value. For bonds and other income-producing securities, company (credit) risk comes from the possibility the issuer won't be able to pay principal and interest when due. Finally, investments can be subject to current income volatility, which is how much and how quickly overall interest rate changes affect current income from an investment.

All of the CREF accounts can invest in securities traded on foreign exchanges or in foreign markets. These investments involve risks beyond those of domestic investing. Please see page 13 for risks of foreign investing.

THE EQUITY ACCOUNTS

CREF's Dual Investment Management Strategy[®]

The Stock, Global Equities and Growth Accounts use CREF's Dual Investment Management Strategy. The Dual Investment Management Strategy combines active management and quantitative methods in seeking to achieve higher returns over each account's benchmark index, while attempting to maintain a risk profile for each account similar to its benchmark index.

The Dual Investment Management Strategy[®] uses a portfolio investment management team approach combining active management and quantitative methods to select securities.

- Certain team members use fundamental analysis and focus on active stock selection. They select stocks that they believe offer the potential for superior returns. They also identify stocks to avoid or underweight that are less attractive.
- Other team members use quantitative analysis to build an overall portfolio similar to the account's benchmark. This quantitative analysis involves the use of mathematical models and computer programs designed to incorporate the recommendations of active managers while keeping the account's overall financial and risk characteristics similar to those of its benchmark index. The quantitative team managers may also attempt to outperform the benchmark index by over- or underweighting certain stocks relative to the respective benchmark index by small amounts, based on proprietary scoring and optimization models. Finally, quantitative team members may employ indexing techniques on portions of the accounts.

Using the Dual Investment Management Strategy[®], we have flexibility to allocate between active and quantitative management, based upon investment opportunities that we perceive to be available at any particular time. Team members seek to create value and limit the additional volatility versus the benchmark usually associated with active stock selection. Overall, the approach enables the accounts to remain fully invested when investment opportunities for active management are limited, and more diversified than active management alone would typically provide.

The benchmarks for each of the following accounts are currently as follows:

Stock	Russell 3000 [®] Index ¹ , Morgan Stanley Capital International (MSCI) EAFE and Canada Index
Global Equities	MSCI World Index
Growth	Russell 1000 [®] Growth Index ¹

Using these indices is not a fundamental policy of the accounts, so we can substitute other indices without participant approval. We'll notify you when we make such a change.

Stock Account

Investment Objective: A favorable long-term rate of return through capital appreciation and investment income by investing primarily in a broadly diversified portfolio of common stocks.

Investment Strategy: Under normal circumstances, the Stock Account invests at least 80% of its assets in a broadly diversified portfolio of common stocks. The account uses the Dual Investment Management Strategy. The active managers concentrate on individual companies rather than sectors or industries. They look for stocks that they believe are attractively priced based on an analysis of the company's prospects for growth in earnings, cash flow, revenues or other relevant measures. They also look for companies whose assets appear undervalued in the market. In general, they focus on companies with shareholder-oriented managements dedicated to creating shareholder value. The account may invest in companies of any size.

The account invests in foreign stocks and other equity securities. The account also may invest in fixed-income securities and money market instruments traded on foreign exchanges, in other foreign securities markets, or privately placed. As of December 31, 2002, foreign securities were 20.02% of the account. Foreign securities have different types and levels of risk than a strictly domestic portfolio. Please see page 13 for additional risks related to foreign investing.

Special Investment Risks: The account is subject to the general investment risks described above. In addition, the quantitative techniques used in conjunction with the Dual Investment Management Strategy[®] involve special risks associated with tracking the account's composite benchmark index which is comprised of the Russell 3000 and the Morgan Stanley Capital International (MSCI) EAFE and Canada Index. We can't guarantee that the performance of the account will match that of the composite benchmark.

The account invests in smaller, lesser-known companies. The stock prices of such companies may fluctuate more than those of larger companies because smaller companies may depend on narrow product lines, have limited track records, lack depth of management, or have thinly traded securities.

In addition, the account is the world's largest singly managed equity fund based on assets under management. Because of its size, it may be buying or selling blocks of stock that are large compared to the stock's trading volume, making it difficult to reach the positions called for by our investment decisions, and/or affecting the stock's price. As a result, we may not be able to adjust the portfolio as quickly as we would like.

¹ The Russell 3000 Index and Russell 1000 Growth Index are trademarks/service marks of the Frank Russell Company (FRC). The use of the Russell indices is in no way suggesting or implying an opinion by FRC as to the attractiveness of the investment in any or all of the securities upon which the indices are based.

Investor Profile: The Stock Account may be best for individuals who have a longer time horizon, think stocks will perform well over time and want to invest in a broadly diversified stock portfolio. The potential risk of investing in the account is moderate. You can lose money by investing in the account.

Global Equities Account

Investment Objective: A favorable long-term rate of return through capital appreciation and income from a broadly diversified portfolio that consists primarily of foreign and domestic common stocks.

Investment Strategy: Under normal circumstances, the Global Equities Account invests at least 80% of its assets in equity securities of foreign and domestic companies. Typically, at least 40% of the account is invested in foreign securities and at least 25% in domestic securities, as we deem appropriate. The remaining 35% is distributed between foreign and domestic securities. These percentages may vary according to market conditions.

The account uses the Dual Investment Management Strategy. The active managers concentrate on selecting individual stocks, while quantitative team managers regularly monitor the account's sector and country exposure in order to control risk. Normally, the account will be invested in at least three different countries, one of which will be the U.S., although the account will usually be more diversified.

The account can invest in companies of any size, including small companies. Investing in smaller companies entails more risk. See "Special Investment Risks" for the Growth Account below.

Special Investment Risks: The account is subject to the general investment risks described on page 8. The quantitative techniques used in conjunction with the Dual Investment Management Strategy® involve special risks related to tracking the MSCI World Index. We can't guarantee that the performance of the account will match that of the index. In addition, investing in securities traded in foreign exchanges or foreign markets involves risks beyond those of domestic investing. These include political or social instability, changes in currency rates and the possible imposition of market controls or currency exchange controls. See page 13 for more information on risks of foreign investing.

Investor Profile: The Global Equities Account may be best for individuals who have a longer time horizon, think stocks will perform well over time and want to take advantage of the potential of foreign markets. The potential risk of investing in the account is moderate. You can lose money by investing in the account.

Growth Account

Investment Objective: A favorable long-term rate of return, mainly through capital appreciation, primarily from a diversified portfolio of common stocks that present the opportunity for exceptional growth.

Investment Strategy: The Growth Account will invest at least 80% of its assets in common stocks and other equity securities. The account uses the Dual Investment Management Strategy. The active managers choose individual investments based on a company's prospects under current or forecasted economic, financial and market conditions, looking for companies they believe have the potential for strong earnings or sales growth, or that appear to be undervalued based on current earnings, assets, or growth prospects.

The account will invest primarily in large, well-known, established companies, particularly when we believe they have new or innovative products, services, or processes that enhance future earnings prospects. To a lesser extent, it may also invest in smaller, less seasoned companies with growth potential as well as companies in new and emerging areas of the economy. The account can also invest in companies in order to benefit from prospective acquisitions, reorganizations, corporate restructurings or other special situations.

The account can buy foreign securities and other instruments if we believe they have superior investment potential. Depending on investment opportunities, the account may invest up to 60% of its assets in foreign securities. The securities will be those traded on foreign exchanges or in other foreign markets and may be denominated in foreign currencies or other units of account.

Special Investment Risks: The account is subject to the general investment risks described on page 8 and foreign risks described on page 13. The quantitative techniques used in conjunction with the Dual Investment Management Strategy® involve special risks related to tracking the Russell 1000 Growth Index. We can't guarantee that the performance of the account will match that of the index. In addition, there are special risks to investing in growth stocks. The account may hold stocks of smaller, lesser-known companies. Their stock prices may fluctuate more than those of larger companies because smaller companies may depend on narrow product lines, have limited track records, lack depth of management, or have thinly traded securities. Also, stocks of companies involved in reorganizations and other special situations can often involve more risk than ordinary securities. The account will probably be more volatile than the overall stock market due to its focus on more growth-oriented sectors of the market.

Investor Profile: The Growth Account may be best for individuals who are looking for long-term capital appreciation and a favorable long-term return but are willing to tolerate fluctuations in value. It may also be well-suited to investors seeking exposure to growth-oriented companies who also have exposure to other segments of the stock market, including exposure to value-oriented companies. The potential risk of investing in the account is moderate to high. You can lose money by investing in the account.

Equity Index Account

Investment Objective: A favorable long-term rate of return from a diversified portfolio selected to track the overall market for common stocks publicly traded in the U.S., as represented by a broad stock market index.

Investment Strategy: The Equity Index Account is designed to track the U.S. stock market as a whole and invests in stocks in the Russell 3000 Index. Although the account invests in stocks in the Russell 3000 Index, it may not invest in all 3,000 stocks in the index. If so, we may use a sampling approach to create a portfolio that closely matches the overall investment characteristics of the index. This means that a company can remain in the account even if it performs poorly, unless the company is removed from the Russell 3000. Using the Russell 3000 Index is not fundamental to the account's investment objective and policies. We can change the index used in this account at any time and will notify you if we do so. The account does not use the Dual Investment Management Strategy.

The Russell 3000 is an unmanaged index of stocks of the 3,000 largest publicly traded U.S. companies, based on market capitalization. Russell 3000 companies represent about 98% of the total market capitalization of the publicly traded U.S. equity market. The market capitalization of the individual companies in the index ranged from \$10 million to \$280 billion with an average of \$3.4 billion as of December 31, 2002. The Frank Russell Company determines the composition of the index based only on market capitalization and can change its composition at any time.

The account can also invest in securities and other instruments, such as futures, whose return depends on stock market prices. We select these instruments to attempt to match the total return of the Russell 3000 but may not always do so.

Special Investment Risks: The account is subject to the general investment risks described on page 8. In addition, there are special risks associated with indexed investing. The account attempts to closely track the Russell 3000 Index and changes are made to its holdings to reflect changes in the index. However, the account doesn't invest in all 3,000 stocks in the index, so we can't guarantee that the performance of the account will match that of the

index. Also, the account's returns, unlike those of the index, are reduced by investment and other operating expenses.

Investor Profile: The Equity Index Account may be best for individuals who have a longer time horizon, think U.S. stocks will perform well over time and want to invest in the aggregate U.S. market. The potential risk of investing in the account is moderate. You can lose money by investing in the account.

OTHER INVESTMENTS IN EQUITY ACCOUNTS

In addition to stocks, the CREF equity accounts can hold other types of securities with equity characteristics, such as convertible bonds, preferred stock, warrants, and depository receipts. Pending more permanent investments or to use cash balances effectively, the accounts can also hold the same types of money market instruments the Money Market Account invests in, as well as other short-term instruments.

The equity accounts can also hold fixed-income securities that they acquire through mergers, recapitalizations or other situations. When market conditions are favorable, the accounts can also invest in bonds or other debt instruments similar to those investments made by the Bond Market Account. The equity accounts can also invest in debt securities whose prices or interest rates are linked to the return of a stock market index.

The equity accounts may buy and sell options, futures contracts and options on futures. They can also buy and sell stock index futures contracts. We intend to use options and futures primarily as hedging techniques or for cash management, not for speculation, but they involve special consideration and risks nonetheless.

To help manage currency risk, the equity accounts can enter into forward currency contracts, buy or sell options and futures on foreign currencies, and buy securities indexed to foreign currencies.

Although the equity accounts may use options, futures or currency contracts at times to hedge certain risks, it is not the intent of the accounts to hedge all equity or currency risks at any particular time.

The equity accounts can also invest in newly developed financial instruments, such as equity swaps (including arrangements where the return is linked to a stock market index) and equity-linked fixed-income securities. These securities and instruments pose special risks, such as lack of liquidity or credit risks of the issuer or counterparty.

BOND MARKET AND INFLATION-LINKED BOND ACCOUNTS

Bond Market Account

Investment Objective: A favorable long-term rate of return, primarily through high current income consistent with preserving capital.

Investment Strategy: Under normal circumstances, the Bond Market Account invests at least 80% of its assets in a broad range of debt securities. The majority of the account's assets is invested in U.S. Treasury and Agency securities, corporate bonds and mortgage-backed or other asset-backed securities. The account's holdings are mainly investment grade securities rated in the top four credit categories by Moody's Investors Service or Standard & Poor's, or that we determine are of comparable quality. The account will overweight or underweight individual securities or sectors as compared to their weight in the Lehman Brothers Aggregate Bond Index depending on where we find undervalued, overlooked or misunderstood issues that we believe offer the potential for superior returns compared to the Lehman Index. The account can also invest in non-investment grade securities rated Ba1 or lower by Moody's or BB+ and lower by Standard & Poor's as well as unrated securities of a similar quality or junk bonds. However, we don't intend to invest more than 20% of the account's assets in such securities. The account can also make foreign investments, but we don't expect them to exceed 15% of the account's assets.

The account is managed to track the duration of the Lehman Brothers Aggregate Bond Index. Duration is a measurement of the change in the

value of a bond portfolio in response to a change in interest rates. As of December 31, 2002, the duration of the Lehman Index was 3.79 years. By keeping the account's duration close to the Lehman Index's duration, the account's returns due to changes in interest rates should be similar to the Index's returns due to changes in interest rates.

The account can also invest in mortgage-backed securities. These can include pass-through securities sold by private, governmental and government-related organizations and collateralized mortgage obligations (CMOs). Mortgage pass-through securities are formed when mortgages are pooled together and interests in the pool are sold to investors. The cash flow from the underlying mortgages is "passed through" to investors in periodic principal and interest payments. CMOs are obligations fully collateralized directly or indirectly by a pool of mortgages on which payments of principal and interest are dedicated to payment of principal and interest.

The account may make certain other investments, but not as principal strategies. For example, the account may invest in interest-only and principal-only mortgage-backed securities. These instruments have unique characteristics and are more sensitive to prepayment and extension risks than traditional mortgage-backed securities.

The account may also use a trading technique called "mortgage rolls," in which we "roll over" an investment in a mortgage-backed security before its settlement date in exchange for a similar security with a later settlement date. The account may also engage in duration-neutral relative value trading, a technique in which we buy and sell government bonds of identical credit quality but different maturity dates in an attempt to take advantage of spread differentials along the yield curve. While these techniques are both designed to enhance the account's returns, we don't expect these techniques to significantly raise the account's capital gains or losses. There are no commissions on purchases and sales of fixed income securities, so increased trading will not raise the account's expenses.

Special Investment Risks: The account is subject to interest rate risk — that is, prices of portfolio securities held by the account may decline if interest rates rise. For example, if interest rates rise by 1%, the market value of a portfolio with a duration of 5 years will decline by approximately 5%.

Non-investment grade securities are usually called "high-yield" or "junk" bonds. Lower-rated bonds offer higher returns but also entail higher risks. Their issuers may be less creditworthy or have a higher risk of becoming insolvent. Small changes in the issuer's creditworthiness can have more impact on the price of lower-rated bonds than would comparable changes for investment grade bonds. Lower-rated bonds can also be harder to value or sell, and their prices can be more volatile than the prices of higher-quality securities.

Bear in mind that all these risks can also apply to the lower levels of "investment grade" securities, for example, Moody's Baa and S&P's BBB. Also, securities originally rated "investment grade" are sometimes downgraded later, should a ratings service believe the issuer's business outlook or creditworthiness has deteriorated. If that happens to a security in the account, it may or may not be sold, depending on our analysis of the issuer's prospects. However, the account won't purchase below-investment-grade securities if that would increase their amount in the portfolio above our current investment target. We don't rely exclusively on credit ratings when making investment decisions because they may not alone be an accurate measure of the risk of lower-rated bonds. Instead, we also do our own credit analysis, paying particular attention to economic trends and other market events.

The account can hold illiquid securities. The risk of investing in illiquid securities is that they may be difficult to sell for their fair market value.

The account's investments in mortgage-backed securities are subject to prepayment or extension risk. This is the possibility that a change in interest rates would cause the underlying mortgages to pay off their mortgage loans sooner or later than expected. If that happened, the account would have to

reinvest the amounts that had been invested in the mortgage-backed securities, possibly at a lower rate of return. If unanticipated extensions occur as a result of a rising interest rate environment, the account may not receive cash flows from its investments as early as expected.

See the SAI for an explanation of bond ratings.

Investor Profile: The Bond Market Account may be best for individuals who have a longer time horizon, think bonds will do well over time and want to balance other holdings invested in stocks. The potential risk of investing in the account is low to moderate. You can lose money by investing in the account.

Inflation-Linked Bond Account

Investment Objective: 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.

Investment Strategy: Under normal circumstances, the Inflation-Linked Bond Account invests at least 80% of its assets in U.S. Treasury Inflation-Indexed Securities (TIIS). It can also invest in other inflation-indexed bonds issued or guaranteed by the U.S. government or its agencies, by corporations and other U.S. domiciled issuers as well as foreign governments. It can also invest in money market instruments or other short-term securities.

Like conventional bonds, inflation-indexed bonds generally pay interest at fixed intervals and return the principal at maturity. Unlike conventional bonds, an inflation-indexed bond's principal or interest is adjusted periodically to reflect changes in a specified inflation index. Inflation-indexed bonds are designed to preserve purchasing power over the life of the bond while paying a "real" rate of interest (i.e., a return over and above the inflation rate). These bonds are generally issued at a fixed interest rate that is lower than that of conventional bonds of comparable maturity and quality, but they are expected to retain their value against inflation over time.

The principal amount of a TIIS bond is adjusted periodically for inflation using the 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 as the principal is adjusted for inflation.

The principal amount of a TIIS investment can go down in times of negative inflation. However, the U.S. Treasury guarantees that the final principal payment at maturity will not be less than the original principal amount of the bond.

The interest and principal components of the bonds may be "stripped" or sold separately. The account can buy or sell either component.

The account may also invest in inflation-indexed bonds issued or guaranteed by foreign governments and their agencies, as well as other foreign issuers. These investments are usually designed to track the inflation rate in the issuing country. We don't expect the account's investments in foreign inflation-indexed bonds to be more than 25% of assets, although this level may change.

The account can also hold the same kind of fixed-income securities as the Bond Market Account. These securities will usually be investment grade. However, the account can invest up to 5% of its assets in fixed-income instruments that are rated below investment grade, or in unrated securities of similar quality.

Special Investment Risks: Because the investments in the account are "marked-to-market" daily and because market values will fluctuate, the account could lose money on its investments. As a result, its total return may not actually track the selected inflation index every year.

Market values of inflation-indexed bonds can be affected by changes in the market's inflation expectations or changes in real rates of interest.

Also, the CPI-U may not accurately reflect the true rate of inflation. If the market perceives that the index used by TIIS does not accurately reflect inflation, the market value of those bonds could be adversely affected. In addition,

participants who choose to receive annuity income through this account should be aware that their income might not keep pace with inflation precisely, if the average stated interest rate on the account's inflation-indexed bonds is below about 4%.

Investor Profile: The Inflation-Linked Bond Account may be best for individuals who are especially concerned about high inflation, seek a modest "real" rate of return (i.e., greater than the inflation rate) and want to balance holdings in stocks, conventional bonds, and other investments. The potential risk of investing in the account is low to moderate. You can lose money by investing in the account.

OTHER INVESTMENTS IN BOND MARKET AND INFLATION-LINKED BOND ACCOUNTS

The Bond Market and Inflation-Linked Bond Accounts can hold the same kind of money market and other short-term instruments and debt securities as the Money Market Account, as well as other kinds of short-term instruments. The Bond Market Account can also hold preferred stock and common stock through conversion of bonds or exercise of warrants.

To help manage currency risk, the accounts can also buy and sell options, futures contracts and options on futures (including options and futures on foreign currencies). They can also enter into forward currency contracts and buy and sell securities indexed to foreign securities.

The Bond Market and Inflation-Linked Bond Accounts can also buy and sell swaps and options on swaps. The accounts will use these instruments as hedging techniques or for cash management and not for speculation. These instruments do, however, involve special risks. The accounts are not required to hedge investments.

Social Choice Account

Investment Objective: A favorable long-term rate of return that reflects the investment performance of the financial markets while giving special consideration to certain social criteria.

Investment Strategy: The Social Choice Account invests in a diversified set of stocks and other equity securities, bonds and other fixed-income securities, as well as money-market instruments and other short-term debt instruments. The account invests only in companies that are suitable from a financial perspective and whose activities are consistent with the account's social criteria.

The account is balanced, with assets divided between stocks and other equity securities (about 60%) and bonds and other fixed-income securities, including money-market instruments (about 40%). When market conditions or transaction needs require, the equity portion can go as high as 70% or as low as 50%, with corresponding changes in the fixed-income portion. We can change the percentages even further if we think it's appropriate.

Current Social Criteria: The social criteria the account takes into consideration and any universe of investments that the account utilizes are non-fundamental investment policies. They can be changed without the approval of the account's participants.

The account seeks to track the return of the Russell 3000 Index. It does this by primarily investing in companies included in the Kinder, Lydenberg, Domini & Co., Inc.'s ("KLD") Broad Market Social Index (the "BMSI")², which is a socially screened subset of companies in the Russell 3000 so that the account's portfolio approaches the overall investment characteristics of the Russell 3000.

Companies that are currently excluded from the BMSI include:

- Companies that derive any revenues from the manufacture of alcohol or tobacco products;
- Companies that derive any revenues from gambling;
- Companies that derive significant revenues from the production of military weapons; or

- Electric utilities that own interests in nuclear power plants or derive electricity from nuclear power plants in which they have any interest.

The remaining companies will then be evaluated for their records in certain qualitative areas. Concerns in one area will not automatically eliminate the company from the BMSI. The following are some of the principal social criteria that KLD currently considers when selecting companies for inclusion in the BMSI:

- Safe and useful products, including a company's record with respect to product safety, marketing practices, commitment to quality and research and development;
- Employee relations, including a company's record with respect to labor matters, workplace safety, equal employment opportunities, employee benefit programs, non-U.S. operations, and a meaningful participation in company profits either through stock purchase or profit sharing plans;
- Corporate citizenship, including a company's record with respect to philanthropic activities and community relations;
- Environmental performance, including a company's record with respect to fines or penalties, waste disposal, toxic emissions, efforts in waste reduction and emissions reduction, recycling, and environmentally beneficial fuels, products and services; and
- Diversity, including a company's record with respect to appointment of women and minorities to its board of directors and senior management positions.

The BMSI is reconstituted once a year based on an updated list of the companies comprising the Russell 3000 Index. As of January 2003, the BMSI comprised approximately 2,380 companies in the Russell 3000 that passed certain exclusionary and qualitative screens.

The Corporate Governance and Social Responsibility Committee of our Board of Trustees provides guidance in deciding whether investments meet the social criteria. We'll do our best to make sure the account's investments meet the social criteria, but we can't guarantee that every holding will always do so. Even if an investment is not excluded by the social criteria, we have the option of excluding it if we decide it is not suitable.

The equities portion of the account attempts to track the return of the U.S. stock market as represented by the Russell 3000 Index. It does this primarily by investing in Russell 3000 companies that are not excluded by the account's social criteria so that this portion of the account approaches the overall characteristics (e.g., yield and weight) of the Russell 3000. The fixed income portion of the account seeks to track the returns and duration of the Lehman Brothers Aggregate Bond Index.

The account is not restricted from investing in any securities issued or guaranteed by the U.S. government or its agencies or instrumentalities. The account can also invest in securities issued by other countries or their agencies and instrumentalities as approved by the Committee on Corporate Governance and Social Responsibility. The account can also invest up to 15% of its assets in foreign securities.

The fixed-income portion of the account will invest in the same kinds of securities as the Bond Market Account. This portion may also use a trading technique called "mortgage rolls" which is described on page 10. Use of this technique by the account will have the same benefits and risks described on page 10.

Money-market instruments and short-term debt securities will be of the same type as those held by the Money Market Account. The account can also hold other kinds of short-term instruments. These help us maintain liquidity, use cash balances effectively, and take advantage of attractive investment opportunities.

The account may also buy and sell options, swaps, options on swaps, futures contracts and options on futures. The account will use these instruments as hedging techniques or for cash management and not for specula-

tion. These instruments do, however, involve special risks. The account is not required to hedge its investments.

Special Investment Risks: Because its social criteria exclude some investments, the account may not be able to take advantage of opportunities or market trends as do the accounts that don't use such criteria. Because only part of the account's assets is in stocks and other equity securities, overall returns may not parallel the U.S. stock market as a whole. However, we expect that the account will have less risk than a portfolio made up exclusively of common stocks. In addition, the account is exposed to the risks of investing in equity securities of small companies. These securities may experience steeper price fluctuations than the securities of larger companies.

Investor Profile: The Social Choice Account may be best for individuals who want to avoid investing in companies that do not meet certain social criteria screens, want an account balanced among stocks, bonds and the money market and want an account that may be less volatile than a stock account. The potential risk of investing in the account is low to moderate. You can lose money by investing in the account.

Money Market Account

Investment Objective: High current income consistent with maintaining liquidity and preserving capital.

Investment Strategy: Substantially all the Money Market Account's assets will be invested in securities or other instruments maturing in 397 days or less, though some U.S. government securities may have maturities of up to 762 days. However, the dollar-weighted average maturity of the account won't be more than 90 days.

The account will invest primarily in:

- (1) Commercial paper (short-term "IOUs" issued by corporations and others) or variable-rate, floating-rate, or variable-amount securities of domestic or dollar-denominated foreign companies;
- (2) Obligations of commercial banks, savings banks, savings and loan associations, and foreign banks whose latest annual financial statements show more than \$1 billion in assets. These include certificates of deposit, time deposits, banker's acceptances, and other short-term debt;
- (3) Securities issued by or whose principal and interest are guaranteed by the U.S. government or one of its agencies or instrumentalities;
- (4) Other debt obligations with a remaining maturity of 397 days or less issued by domestic or foreign companies;

² *The Social Choice Account is not promoted, sponsored or endorsed by, nor in any way affiliated with KLD Research & Analytics, Inc.; KLD Research & Analytics, Inc. is not responsible for and has not reviewed the Account, nor any associated literature or publications and it makes no representation or warranty, express or implied, as to their accuracy, or completeness, or otherwise.*

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KLD Broad Market Social IndexSM is derived from the constituents of the Russell 3000 Index. The Russell 3000 Index is a trademark/service mark of the Frank Russell Company (FRC). The use of the Russell 3000 Index as the universe for the KLD Broad Market Social Index in no way suggests or implies an opinion by FRC as to the attractiveness of the KLD Broad Market Social Index or of the investment in any or all of the securities upon which the Russell Indices or KLD Indices are based.

- (5) Repurchase agreements involving securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities, or involving certificates of deposit, commercial paper, or bankers' acceptances;
- (6) Participation interests in loans banks have made to the issuers of (1) and (4) above (these may be considered illiquid);
- (7) Asset-backed securities issued by domestic corporations or trusts;
- (8) Obligations issued or guaranteed by foreign governments or their political subdivisions, agencies, or instrumentalities; and
- (9) Obligations of international organizations (and related government agencies) designated or supported by the U.S. or foreign government agencies to promote economic development or international banking.

The account will invest at least 95% of its assets in money market instruments that at the time of purchase are "first tier" securities — that is, rated within the highest category by at least two nationally recognized statistical rating organizations (NRSROs), or rated within the highest category by one NRSRO if it is the only NRSRO to have issued a rating for the security, or unrated securities of comparable quality. Up to 5% of the account's assets may be invested in "second tier" securities — securities rated within the two highest categories by at least two NRSROs or in unrated securities of comparable quality. The account can also invest up to 30% of its assets in money-market and debt instruments of foreign issuers denominated in U.S. dollars.

The above list of investments is not exclusive and the account may make other investments consistent with its investment objective and policies.

Special Investment Risks: The account is subject to the risk of current income volatility — that is, the income the account receives may fall as a result of a decline in interest rates. To a lesser extent, the account is also subject to the general investment risks described on page 8.

Investor Profile: The Money Market Account may be best for individuals who have a shorter time horizon, want to keep up with inflation but aren't looking for high "real" returns over inflation and are risk averse. The potential risk of investing in the account is very low. You may, however, lose money by investing in this account. An investment in the Money Market Account is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Additional Investment Tools and Risks

At times, the CREF accounts may use certain investment tools to enhance returns or hedge risk. This section summarizes these tools and their risks. For more information on the tools described and their risks, please see the SAI.

FOREIGN INVESTMENTS

CREF has extensive experience managing foreign investments, including those not registered or traded in the United States. An account's foreign portfolio may be divided into segments — some designed to track foreign markets as a whole, and others with stocks selected individually for their investment potential. We invest in a wide range of foreign securities in an effort to reduce the risks and increase the opportunity for returns. The percentages of foreign assets in each account change daily as a result of new transactions, market value fluctuations and changes in foreign currency exchange rates.

Investing in foreign securities, especially those not issued by foreign governments, involves special risks. These include:

- Changes in currency exchange rates;
- Possible market controls or currency exchange controls;
- Possible withholding of taxes on dividends and interest;
- Possible seizure, expropriation, or nationalization of assets;

- More limited foreign financial information or difficulty in interpretation due to foreign regulations and accounting standards;
- Lower liquidity and higher volatility in some foreign markets;
- The impact of political, social, or diplomatic events;
- The difficulty of evaluating some foreign economic trends;
- The possibility that a foreign government could restrict an issuer from paying principal and interest to investors outside the country; and
- Difficulty in using foreign legal systems to enforce financial or legal obligations.

Also, brokerage commissions and transaction costs are often higher for foreign investments.

The accounts can also invest in countries with emerging markets. The risks just listed often increase in emerging markets. For example, these countries may have more unstable governments than developed countries, and their economies may be based on only a few industries. Because their securities markets may be very small, prices may be volatile. In addition, foreign investors are subject to a variety of special restrictions in many emerging countries.

The accounts may use currency transactions to help protect against future exchange rate uncertainties and to take advantage of differences in exchange rates. Changes in exchange rates and exchange control regulations may increase or reduce the value of a security. Currency transactions involve special risks and may limit potential gains due to increases in a currency's value. We do not intend to speculate in foreign currency exchange transactions or forward currency contracts.

Even considering the risks, foreign investing offers the chance to improve an account's diversification and long-term performance. Foreign investments let CREF take part in the growth of other countries' economies and financial markets, which sometimes offer better prospects than in the U.S. Moreover, periods of rising or falling values often come at different times in foreign markets than in U.S. markets, and price trends can move in different directions. When this happens, foreign investments can reduce an account's volatility, compared with that of the U.S. market as a whole, and may enhance long-term returns.

The establishment of the eleven country European Monetary Union, a subset of the European Union countries, with its own central bank, the European Central Bank; its own currency, the euro; and a single interest rate structure represents a new economic entity; the euro-area. While authority for monetary policy thus shifts from national hands to an independent supranational body, sovereignty elsewhere remains largely at the national level. Uncertainties with regard to balancing of monetary policy against national fiscal and other political issues and their extensive ramifications represent important risk considerations for investors in these countries.

OPTIONS, FUTURES AND OTHER DERIVATIVES

The CREF accounts can buy and sell options, futures, and other derivatives. We intend to use these securities for cash management purposes or as hedging techniques, although we are not obligated to hedge any investments. Generally, investing in these instruments draws upon special skills and experience that may be different from skills needed to choose other types of securities for the accounts. Special risks of these instruments include the possibility that the prices of certain derivatives may not correlate perfectly with the prices of the securities, currencies, or interest rates being hedged. In addition, a liquid secondary market for over-the-counter options may not be available at a particular time.

ILLIQUID SECURITIES

Each account can invest up to 10% of its assets in investments that may not be readily marketable, making it difficult to sell the securities quickly at fair market value.

FIRM COMMITMENT AGREEMENTS AND “WHEN-ISSUED” SECURITIES

The CREF accounts can enter “firm commitment” agreements to buy securities at a fixed price or yield on a specified date. We would do this if we expect a decline in interest rates, believing it may be better to commit now with a later issue or delivery date. We may also purchase securities on a “when issued” basis, with the exact terms set at the time of the transaction.

SECURITIES LENDING

The CREF accounts can seek extra income by lending securities to brokers, dealers, and other financial institutions, subject to certain restrictions. If we lend a security, we can call in the loan at any time. Although all loans are fully collateralized, if a borrower defaults, an account could lose money.

BORROWING

As a temporary measure for extraordinary or emergency purposes, the Stock, Global Equities, Bond Market, Social Choice, and Money Market Accounts can borrow money from banks, not exceeding 10% of any of the accounts’ market value at the time of borrowing. These accounts can also borrow up to 5% of their assets’ value to buy securities. Each account can pledge or otherwise encumber up to 10% of its assets at the time of borrowing as collateral.

The Growth, Equity Index, and Inflation-Linked Bond Accounts can also borrow money from banks, not exceeding 33⅓% of each of the accounts’ market value at the time of borrowing. These accounts can borrow from other sources temporarily, but no more than 5% of their assets’ value.

If an account borrows money, it could leverage its portfolio by keeping securities that it might otherwise have sold had it not borrowed money. The risks of leverage include a greater possibility that an account’s net asset value may change during market fluctuations.

INVESTMENT COMPANIES

Each account can invest up to 10% of its assets in other investment companies, including mutual funds. When an account invests in another investment company, it bears a proportionate share of expenses charged by the investment company in which it invests.

REPURCHASE AGREEMENTS

The CREF accounts can use repurchase agreements to help manage cash balances.

Performance Information

From time to time, CREF advertises total return and average annual total return for each of its accounts. For the Bond Market and Money Market Accounts, we also advertise yield.

TOTAL RETURNS

“Total return” is the cumulative percentage increase or decrease in the value of an investment over standard one-, five- and ten-year periods. “Average annual total return” is the annually compounded rate that would result in the same cumulative total return over the specified period.

MONEY MARKET ACCOUNT YIELDS

For the Money Market Account, we calculate a “yield” or “current yield.” This yield is the income generated by an investment over a seven-day period (after expenses). We then annualize this yield by assuming the account will earn the same rate each week for 52 weeks, then show the total income as a percentage of the original investment. “Effective yield” may also be advertised. We calculate this in a similar way, but we assume that the income is reinvested in the account. The effective yield will be higher than the current yield because of compounding.

BOND MARKET ACCOUNT YIELDS

For the Bond Market Account, we calculate a thirty-day yield. This yield is the income generated by an investment over a thirty-day period (after expenses).

We then assume this yield is compounded monthly for six months, then annualized.

Investment Management

A Board of Trustees governs CREF. The Board oversees CREF’s administration and investments, reviews service contracts, and evaluates each account’s performance. TIAA-CREF Investment Management, LLC, a nonprofit subsidiary of TIAA, manages the assets in each CREF account and is registered under the Investment Advisers Act of 1940. TIAA-CREF Investment Management also conducts research, recommends investments, and places buy and sell orders for the CREF accounts. It also performs portfolio accounting and related services for each account. All services are at cost.

Allocations Among Affiliated Accounts

The managers of the CREF accounts may manage the assets of certain affiliated accounts. Investment decisions for the CREF accounts and any affiliated account will be made independently. Sometimes, however, managers may decide either to buy or sell a security at the same time for more than one CREF account or affiliated account. If so, investment opportunities are allocated equitably. This can have an adverse effect on the size of the position each CREF account buys or sells, as well as the price received or paid for it.

Adding, Closing, or Substituting Accounts

CREF can add or close accounts, substitute one account for another, combine accounts, discontinue accounts, and suspend the acceptance of premiums and/or transfers into an account. Depending on the terms of an employer’s retirement plan, CREF can also restrict whether and how we offer an account. If an account is closed or we stop accepting premiums into that account, we’ll notify participants and request that they allocate premiums and/or transfer accumulations to another account. If you’re notified of such a change and don’t respond, we’ll place any premiums, accumulations, or annuity income affected by the change in the Money Market Account. Unless required by law, CREF will not close, substitute for, or stop accepting premiums and transfers to the Stock and Money Market Accounts.

The Annuity Certificates

CREF offers certificates for the following types of variable annuities:

RA (Retirement Annuity) and GRA (Group Retirement Annuity): RA and GRA certificates are used mainly for employee retirement plans.

Depending on the terms of your employer’s plan, RA premiums can be paid by your employer, you, or both. If you’re paying some or all of the entire periodic premium, your contributions can be in either pre-tax dollars by salary reduction, or after-tax dollars by payroll deduction. You can also transfer accumulations from another investment choice under your employer’s plan to your RA certificate. For RAs only, you can make contributions directly to CREF.

GRA premiums can come from your employer only or both you and your employer. Your GRA premiums can be from pre-tax or after-tax contributions. You can’t pay GRA premiums directly to CREF; your employer must send them for you. As with RAs, you can transfer accumulations from another investment choice under your employer’s plan to your GRA certificate.

SRA (Supplemental Retirement Annuity) and GSRA (Group Supplemental Retirement Annuity): These are for voluntary tax-deferred annuity (TDA) plans. SRA certificates are issued directly to you; GSRA certificates are issued through an agreement between your employer and CREF. Your employer pays premiums in pre-tax dollars through salary reduction. Although you can’t pay premiums directly, you can transfer amounts from other TDA plans.

GA (Group Annuity) and Institutionally-Owned GSRA: These are used exclusively for employer retirement plans and are issued directly to your employer or your plan's trustee. Your employer pays premiums directly to CREF. Your employer or the plan's trustee may control the allocation of contributions and transfers to and from these certificates. If a GA or GSRA certificate is issued pursuant to your plan, the rules relating to transferring and withdrawing your money, receiving any annuity income or death benefits, and the timing of payments are determined by your plan. Ask your employer or plan administrator for more information.

Classic IRA: You and your spouse can each open a Classic IRA with an annual contribution of up to \$3,000 each or by rolling over funds from another IRA or an eligible retirement plan, if you meet our eligibility requirements. If you are age 50 or older, you may contribute up to \$3,500. The combined limit for your contribution to a Classic IRA and a Roth IRA for a single year is \$3,000, or \$3,500 if you are age 50 or older, excluding rollovers.

Roth IRA: You or your spouse can each open a Roth IRA with an annual contribution of up to \$3,000 or with a rollover from another IRA or a Classic IRA issued by CREF, if you meet our eligibility requirements. If you are age 50 or older, you may contribute up to \$3,500. The combined limit for your contributions to a Classic IRA and a Roth IRA for a single year is \$3,000, or \$3,500 if you are age 50 or older, excluding rollovers.

Both Classic and Roth IRAs are issued directly to you. Joint accounts are not permissible.

Classic and Roth IRAs may together be referred to as "IRAs" in this prospectus.

Keogh Certificates: CREF also offers certificates under Keogh plans. A self-employed individual who owns an unincorporated business can use our Keogh certificates for a Keogh plan, and cover common law employees, subject to our eligibility requirements.

Eligibility for IRAs and Keogh Certificates: You and your spouse can open a Classic or Roth IRA or use our Keogh certificates if you are a current or retired employee or a trustee of an eligible institution, or if you own a TIAA or CREF annuity contract or a TIAA individual insurance contract. To be considered a retired employee for this purpose, an individual must be at least 55 years old and have completed at least 3 years of service at an eligible institution. In the case of partnerships, at least half the partners must be eligible individuals and the partnership itself must be primarily engaged in education or research.

Starting Out

Generally, we'll issue you a CREF certificate when we receive your completed application or enrollment form. If we receive premiums from your employer before your application or enrollment form, we'll generally invest the money in the Money Market Account until we receive your form. When the completed form arrives, we'll transfer the appropriate amounts to the accounts you've specified, crediting them as of the end of the business day we receive the form. Some employer plans may, however, require that we send such premiums back to the employer.

If your application or enrollment form is incomplete, allocations violate employer plan restrictions, or total more than 100%, we'll invest premiums remitted by your employer in the Money Market Account. If your allocation instructions total less than 100%, we'll credit the percentage that is not allocated to a specific account to the Money Market Account. The balance will be invested as you instructed. After we receive a complete and correct application, we'll follow your allocation instructions for future premiums. However, in this situation, you must request that we transfer any premiums invested in the Money Market Account to your account choices. Such transfers will be made as of the end of the business day we receive your request.

CREF currently doesn't restrict the amount or frequency of premiums to your RA, GRA, or IRA certificates, although we reserve the right to impose restrictions. Your employer's retirement plan may limit your premium amounts. In addition, the Internal Revenue Code limits the total annual premiums to plans qualified for favorable tax treatment.

If you pay premiums directly to an RA or IRA, the premiums and any earnings are not subject to your employer's retirement plan. The only restrictions relating to these premiums are in the certificate itself. The Inflation-Linked Bond Account is not available for premiums that you pay directly to an RA certificate.

In most cases, CREF accepts premiums to a certificate during your accumulation period. Once your first premium has been paid, your CREF certificate can't lapse or be forfeited for nonpayment of premiums. CREF can stop accepting premiums to GRA, GSRA, GA, Keogh and Institutional GSRA certificates at any time.

Note that we cannot accept money orders or travelers checks. In addition, we will not accept a third-party check where the relationship of the payor to the account owner cannot be identified from the face of the check.

CHOOSING AN ACCOUNT

After you receive your certificate, you can allocate your premiums among the CREF accounts unless your employer's plan blocks some accounts. With RAs, GRAs, GSRAs, or Keoghs, your employer cannot block the Stock or Money Market Accounts. Allocations you make to an SRA or IRA are not subject to your employer's plan. You can change your allocation for future premiums by:

- writing to our home office;
- using the TIAA-CREF Web Center's account access feature at www.tiaa-cref.org; or
- calling our Automated Telephone Service (24 hours a day) at 800-842-2252.

DETERMINING THE VALUE OF YOUR CERTIFICATE — ACCUMULATION UNITS

To determine the amount of money in your account, we use a measure called an accumulation unit. Each payment to your certificate, which is credited at the end of the business day in which we receive it, buys a number of accumulation units. The accumulation unit value for each account depends on the account's investment performance and its expenses. We calculate accumulation unit values at the end of each valuation day. The number of accumulation units you own equals your accumulation in an account divided by the accumulation unit value for that account. To determine accumulation unit values for transfers and cash withdrawals, we use the unit values calculated at the end of the business day on which we receive your completed request and required documents.

IF YOU NEED TO CANCEL

You may cancel any RA, SRA, GSRA, Classic IRA, Roth IRA or Keogh certificate up to 30 days after you receive it unless we have begun making annuity payments from it. To cancel, mail or deliver the certificate with a signed Notice of Cancellation (available by contacting CREF) to our home office. We'll cancel the certificate, then send the entire current accumulation to whomever sent the premiums. You bear the investment risk during this period.

HOW WE VALUE ASSETS

We calculate the value of the assets in each account as of the close of every valuation day. We use market quotations or independent pricing services to value securities and other instruments. If these aren't available, we'll value the securities using "fair value," as determined by the CREF Board of Trustees. We may also use "fair value" in certain other circumstances. In the Money Market Account, we value short-term money market instruments with a remaining maturity of 60 days or less based on their amortized cost. See the SAI for more information.

How to Transfer and Withdraw Your Money

Generally, CREF allows you to move your money to and from the CREF accounts in the following manner:

- Among the CREF accounts;
- From the CREF accounts to the TIAA Real Estate Account or the TIAA traditional annuity;
- To the CREF accounts from the TIAA Real Estate Account or the TIAA traditional annuity (transfers from TIAA RA or GRA contracts to CREF are subject to restrictions under the terms of those contracts);
- From the CREF accounts to other companies;
- To the CREF accounts from other companies/plans;
- By withdrawing cash; or
- By setting up a program of systematic withdrawals and transfers.

These options may be limited by the terms of your employer's plan or by current tax law. Transfers and cash withdrawals from a CREF account must be at least \$1,000 or your entire accumulation, if less. Transfers from the TIAA Real Estate Account to CREF are limited to once per calendar quarter. Transfers and cash withdrawals are currently free. CREF can place restrictions on transfers or charge fees for transfers and withdrawals in the future.

Transfers and cash withdrawals are effective at the end of the business day we receive your request and all required documentation. You can also choose to have transfers and withdrawals take effect at the end of any future business day or the last calendar day of the current or any future month, even if it's not a business day. If you request a transfer at any time other than during a business day, it will be effective at the close of the next business day. For any transfers to TIAA's traditional annuity, the crediting rate will be the rate in effect at the close of business of the first day that you participate in TIAA's traditional annuity, which is the next business day after the effective date of the transfer.

SYSTEMATIC WITHDRAWALS AND TRANSFERS

If your employer's plan allows, you can set up a program to make cash withdrawals or transfers automatically by specifying that we withdraw or transfer from an account accumulation any fixed number of accumulation units, dollar amount or percentage of accumulation until you tell us to stop or until your accumulation is exhausted. Currently, the program must be set up so that at least \$100 is automatically withdrawn or transferred at a time.

TRANSFERS TO AND FROM OTHER TIAA-CREF ACCOUNTS

Subject to the conditions below, you can transfer some or all of your accumulation from one CREF account to another, to TIAA's traditional annuity or the TIAA Real Estate Account or to mutual funds offered under the terms of your plan. You can also transfer from the TIAA traditional annuity and TIAA Real Estate Account to CREF certificates.

Under RA, GSRA, GRA and Keogh certificates, your employer's plan may restrict transfers to any CREF account except the Stock and Money Market Accounts. Under SRA and IRA certificates, you can transfer funds without employer restrictions among the CREF accounts and to TIAA. If your institution offers a GSRA plan, you can also transfer CREF funds between SRA and GSRA certificates.

TRANSFERS FROM OTHER COMPANIES/PLANS

Subject to your employer's plan, you can usually transfer or roll over money from another 403(b) or 401(a)/403(a) and governmental 457(b) retirement plan to your CREF certificate. You may also roll over before tax amounts in a Classic IRA to 403(b) plans, 401(a)/403(a) plans or eligible governmental 457(b) plans, provided such employer plans agree to accept the rollover. Similarly, you can transfer money to CREF from other 401(a) and 403(a) plans. Amounts transferred to CREF may be subject to the provisions of your

original employer's plan. Similarly, subject to your employer's plan, you may be able to roll over funds from 401(a), 403(a), and 403(b) and governmental 457(b) plans to a CREF Classic IRA, or subject to applicable income limits, from an IRA containing funds originally contributed to such plans, to either a CREF Classic or Roth IRA. Funds in a private 457(b) plan can be transferred to another private 457(b) plan only. Accumulations in private 457(b) plans may not be rolled over to a qualified plan (e.g., a 401(a) plan), a 403(b) plan, a governmental 457(b) plan or an IRA.

TRANSFERS TO OTHER COMPANIES

If you have an RA, GRA, GSRA or Keogh certificate, your right to transfer your money to a company other than CREF may depend on your employer's retirement plan. If your employer participates in our special transfer services program, we can make automatic monthly transfers from your RA or GRA certificate to another company. You may also be able to transfer accumulations in SRA, GSRA, IRA or Keogh certificates to another company subject to certain tax restrictions.

WITHDRAWALS

You can withdraw some or all of your RA, GRA, GSRA or Keogh accumulations subject to your employer's plan and certain tax restrictions. You can also withdraw some or all of your SRA or IRA accumulations subject to certain tax restrictions. You can't withdraw money from a certificate if you are already receiving lifetime annuity income from that certificate.

If you have a small account value (under \$4,000) when you leave your employer or retire, your employer's plan may allow you to have CREF cash out some or all of your RA.

Under current federal tax law, you can't withdraw money from salary reduction agreements under your retirement plan that are held in your CREF certificates unless you are age 59½, leave your job, become disabled, or die. If the money is in a 403(b) annuity, these restrictions apply to premiums and earnings credited after December 31, 1988. The restrictions apply to all salary reduction amounts under a 401(k) plan and funds transferred to CREF from a 403(b)(7) custodial account. If your employer's plan permits, you may also be able to withdraw money for certain hardships as defined under the Internal Revenue Code, but in that case you can withdraw only premiums, not earnings.

Under current federal tax law, withdrawals from 457(b) plans are not permitted earlier than the calendar year in which you reach age 70½, leave your job or are faced with an unforeseeable emergency (as defined by law). In addition, there are generally no early withdrawal tax penalties (i.e., no 10% excise tax on distributions prior to age 59½).

If you're married, you may be required by law or by your employer's plan to show us advance written consent from your spouse before we make certain transactions on your behalf.

Special rules and restrictions apply to IRAs.

WITHDRAWALS TO PAY ADVISORY FEES

You can set up a program to have monies withdrawn directly from your retirement plan or IRA accumulations to pay your financial advisor, if your employer's plan allows. CREF reserves the right to determine the eligibility of financial advisors for this type of fee reimbursement. You will be required to complete and return certain forms to effect these withdrawals, including how and from which accounts you want these monies to be withdrawn. Before you set up this program, make sure you understand the possible tax consequences of these withdrawals. See the discussion under "Taxes" below.

HOW TO MAKE TRANSFERS OR WITHDRAWALS

To request a transfer or withdrawal, you can do one of the following:

- write to CREF's home office;
- call us at our Automated Telephone Service at 800-842-2252; or

- for internal transfers, using the TIAA-CREF Web Center’s account access feature at www.tiaa-cref.org.

You may be required to complete and return certain forms to effect these transactions. We can suspend or terminate your ability to transact by telephone, fax or over the Internet at any time, for any reason.

There may be tax law restrictions on certain transfers. Before you transfer or withdraw cash, make sure you also understand the possible federal and other income tax consequences.

LIMITATIONS

Federal laws designed to counter terrorism and prevent money laundering might, in certain circumstances, require us to block a participant’s ability to make certain transactions and thereby refuse to accept a premium or any request for transfers or withdrawals, until instructions are received from the appropriate regulator. We may also be required to provide additional information about you and your certificate to government regulators.

MARKET TIMING POLICY

There are participants who may try to profit from transferring money back and forth among the CREF accounts, the TIAA Real Estate Account and mutual funds available under the terms of your plan, in an effort to “time” the market. As money is shifted in and out of these accounts, we incur transaction costs, including, among other things, expenses for buying and selling securities. These costs are borne by all participants, including long-term investors who do not generate the costs. To discourage this market-timing activity, participants who make more than three transfers out of any account (other than the Money Market Account) in a calendar month will be advised that if this transfer frequency continues, we will suspend their ability to make telephone, fax and internet transfers.

In addition, we will not accept any transfer requests into or out of the CREF Global Equities Account submitted electronically (i.e., over the Internet, by telephone, or by fax) between 2:30 p.m. and 4:00 p.m. Eastern time. All those transfer requests will be rejected. We will, however, give you the option of re-submitting the request to be effective on a later business day. Similarly, any instructions to change or cancel a previously submitted request will be rejected if those instructions are submitted electronically after 2:30 p.m. Eastern time. If the close of trading on the New York Stock Exchange is earlier than 2:30 p.m., the restrictions on these electronic transactions will begin at the market close. We have the right to modify our policy at anytime without advance notice.

When You Are Ready to Receive Your Annuity Income

THE ANNUITY PERIOD IN GENERAL

You can receive an income stream from all or part of an accumulation in any CREF account. Generally you must be at least age 59½ to begin receiving annuity income other than from a lifetime annuity. Otherwise, you may have to pay a 10% penalty tax on the taxable amount, except under certain circumstances. In addition, you cannot begin receiving income later than permitted under the minimum distribution rules of the Internal Revenue Code. Your employer’s plan may restrict when you can begin income payments. Also, you cannot begin a life annuity after age 90 or a joint life annuity after either you or your annuity partner reaches age 90.

Your income payments may be paid out from the CREF accounts through a variety of income options. You can pick a different income option for different portions of your accumulation, but once you’ve started payments you usually can’t change your income option or annuity partner for that payment stream.

Usually income payments are monthly. You can choose quarterly, semiannual, and annual payments as well. (CREF has the right to not make payments at any interval that would cause the initial payment to be less than \$100.) We’ll send your payments by mail to your home address or, on your request, by mail or electronic funds transfer to your bank.

Your initial income payments are based on the value of your accumulation on the last valuation day before the annuity starting date. We calculate initial income based on:

- the amount of money you have accumulated in an account;
- the income option or options you choose; and
- an assumed annual investment return of 4%, and for life annuities, mortality assumptions for you and your annuity partner, if you have one.

Your payments change after the initial payment primarily based on net investment results and expenses for an account and the mortality experience for the income change method in that account.

There are two income change methods for annuity payments: annual and monthly. Under the annual income change method, payments change each May 1, based on the net investment results of an account during the prior year (April 1 through March 31). Under the monthly income change method, payments change every month, based on the net investment results during the previous month. The total value of your annuity payments may be more or less than your total premiums.

ANNUITY STARTING DATE

Generally, you pick an annuity starting date when you first apply for a CREF certificate but you can change this date at any time prior to the day before that annuity starting date. Ordinarily, annuity payments begin on your annuity starting date, provided we have received all documentation necessary for the income option you’ve picked. If something’s missing, we’ll defer your annuity starting date until we receive it. Your first annuity check may be delayed while we process your choice of income options and calculate the amount of your initial payment.

Any premiums received within 70 days after payments begin may be used to provide additional annuity income. Premiums received after 70 days will remain in your accumulating annuity contract until you give us further instructions. Ordinarily, your first annuity payment can be made on any business day between the first and twentieth of any month.

ANNUITY INCOME OPTIONS

Both the number of annuity units you purchase and the amount of your income payments will depend on which income option you pick. Your employer’s plan, tax law, and ERISA may limit which income options you can use to receive income from an RA, GRA, GSRA or Keogh. Ordinarily you’ll choose your income options shortly before you want payments to begin but you can make or change your choice any time before your annuity starting date.

All CREF income options provide variable payments, and the amount of income you receive depends in part on the investment experience of your chosen accounts. The current options are:

- **One-Life Annuity:** Pays income for as long as you live. It’s possible for you to receive only one payment if you die less than a month after payments start.
- **Annuity with 10-, 15- or 20-Year Guaranteed Period:** Pays income for as long as you live but no less than the guaranteed period.
- **Annuity for a Fixed Period:** Pays income for any period you choose from 5 to 30 years (2 to 30 years for RAs, GRAs and SRAs).
- **Two-Life Annuities:** Pays income to you as long as you live, then continues at either the same or a reduced level for the life of your annuity partner. There are three types of two-life annuity options, all available with or without a guaranteed period — full benefit to survivor, two-thirds benefit to survivor, and a half-benefit to annuity partner. Under the two-thirds

benefit to survivor annuity, payments to you will be reduced upon the death of your annuity partner.

- **Minimum Distribution Option (“MDO”) Annuity:** Generally available only if you must begin annuity payments under the Internal Revenue Code’s minimum distribution requirements. (Some employer plans allow you to elect this option earlier — contact CREF for more information.) The option pays an amount designed to fulfill distribution requirements under federal tax law. You must apply your entire accumulation under a certificate if you want to use the MDO annuity. It is possible that income under the MDO annuity will cease during your lifetime. Prior to age 90, you can apply any remaining part of an accumulation applied to the MDO annuity to any other income option for which you’re eligible. Using an MDO won’t affect your right to take a cash withdrawal of any accumulation not yet distributed.

For any of the income options described above, under current federal tax law, your guaranteed period can’t exceed the joint life expectancy of you and your beneficiary or annuity partner. If you are married at your annuity start date, you may be required by law to choose an income option that provides survivor annuity income to your spouse, unless your spouse waives that right.

Other income options may become available in the future, subject to the terms of your retirement plan and relevant federal and state laws. For more information about any annuity option, please contact us.

Receiving Lump Sum Payments (Retirement Transition Benefit): If your employer’s plan allows, you may be able to receive a single sum payment of up to 10% of the value of any part of an RA or GRA accumulation being converted to annuity income on the annuity starting date. Of course, if your employer’s plan allows cash withdrawals, you can take a larger amount (up to 100%) of your accumulation in any CREF account as a cash payment. The retirement transition benefit will be subject to current federal income tax requirements and possible early distribution penalties.

If you haven’t picked an income option when the annuity starting date arrives for your RA, GRA, SRA or GSRA certificate, CREF usually will assume you want the one-life annuity with 10-year guaranteed period if you’re unmarried. If you’re married, we may assume for you a two-life annuity with half-benefit to annuity partner with a 10-year guaranteed period, with your spouse as your annuity partner. If you haven’t picked an income option when the annuity starting date arrives for your IRA, we may assume you want the minimum distribution annuity.

TRANSFERS DURING THE ANNUITY PERIOD

Once each calendar quarter, you can transfer income payable from one CREF account to a comparable annuity from another CREF account, the TIAA traditional annuity, or the TIAA Real Estate Account. A comparable annuity is an annuity that is payable under the same income option and has the same annuitant(s) and remaining guaranteed period, if any.

Annuitants receiving income from TIAA lifetime annuities may transfer some or all of their income to comparable lifetime annuities funded through the Stock, Global Equities, Growth, Equity Index or Social Choice Accounts. Such transfers are limited to 20% of annuity income in any year. A program transferring all income in installments annually over a five year period may also be chosen. Once income has been transferred from TIAA, subsequent transfers may be made only among the Stock, Global Equities, Growth, Equity Index and Social Choice Accounts. Transfers to other CREF accounts or back to TIAA will not be permitted. We’ll process the transfer on the business day we receive your request unless you’ve asked that the transfer take effect on another future business day or the last day of a calendar month.

Transfers under the annual income payment method will affect your annuity payments beginning on the May 1 following the March 31 that is on or after the effective date of the transfer. Transfers under the monthly income payment method and all transfers into TIAA’s traditional annuity will

affect your annuity payments beginning with the first payment due after the monthly payment valuation day that is on or after the transfer date. Under this method, we value annuity units on the 20th of each month or on the preceding business day if the 20th is not a business day. You can switch between the annual and monthly income change methods, and the switch will go into effect on the following March 31.

Death Benefits

CHOOSING BENEFICIARIES

Death benefits under CREF annuity certificates are payable to the beneficiaries you name. When you purchase your annuity certificate, you name one or more beneficiaries to receive the death benefit if you die. You can generally change your beneficiaries anytime before you die, and, unless you instruct otherwise, your annuity partner can do the same after your death.

YOUR SPOUSE’S RIGHTS

Your choice of beneficiary for death benefits may, in some cases, be subject to the consent of your spouse. Similarly, if you are married at the time of your death, federal law may require a portion of the death benefit be paid to your spouse even if you have named someone else as beneficiary. If you die without having named any beneficiary, any portion of your death benefit not payable to your spouse will go to your estate.

AMOUNT OF DEATH BENEFIT

If you die during the accumulation period, the death benefit is the amount of your accumulation. If you and your annuity partner die during the annuity period while payments are still due under a fixed-period annuity or for the remainder of a guaranteed period, the death benefit is the value of the remaining guaranteed payments.

METHODS OF PAYMENT OF DEATH BENEFITS

Generally, you can choose for your beneficiary the method we’ll use to pay the death benefit, but few participants do this. If you choose a payment method, you can also block your beneficiaries from changing it. Most people leave the choice to their beneficiaries. We can block any choice if its initial payment is less than \$25. If death occurs while the annuity contract is in the accumulation stage, in most cases we’ll pay the death benefit using the TIAA-CREF Savings and Investment Plan. We won’t do this if you preselected another option or if the beneficiary elects another option. Some beneficiaries such as estates, charities and certain trusts, aren’t eligible for the Savings and Investment Plan. If your beneficiary isn’t eligible and doesn’t specifically tell us to start paying death benefits within a year of your death, we can start making payments to them over five years using the fixed-period annuity method of payment.

PAYMENTS DURING ACCUMULATION PERIOD

Currently, the available methods of payment for death benefits from funds in the accumulation period are:

- **Single-Sum Payment**, in which the entire death benefit is paid to your beneficiary at once;
- **One-Life Annuity With or Without Guaranteed Period**, in which the death benefit is paid for the life of the beneficiary or through the guaranteed period;
- **Annuity for a Fixed Period of 2 to 30 years**, in which the death benefit is paid for a fixed period;
- **Accumulation-Unit Deposit Option**, which pays a lump sum at the end of a fixed period, ordinarily two to five years, during which period the accumulation units deposited participate in the experience of the relevant CREF accounts (generally \$5,000 minimum death benefit value); and
- **The Minimum Distribution Option (also called the TIAA-CREF Savings and Investment Plan)**, which automatically pays income according to the

Internal Revenue Code's minimum distribution requirements. It operates in much the same way as the minimum distribution annuity income option. It's possible, under this method, that your beneficiary won't receive income for life.

Death benefits are usually paid monthly (unless you chose a single-sum method of payment), but your beneficiary can switch them to quarterly, semiannual, or annual payments.

PAYMENTS DURING ANNUITY PERIOD

If you and your annuity partner die during the annuity period, your beneficiary can choose to receive any remaining guaranteed periodic payments due under your certificate. Alternatively, your beneficiary can choose to receive the commuted value of those payments in a single sum unless you have indicated otherwise. The amount of the commuted value will be different from the total of the periodic payments that would otherwise be paid.

Ordinarily, death benefits are subject to federal tax. If taken as a lump sum, death benefits would be taxed like complete withdrawals. If taken as annuity benefits, the death benefit would be taxed like annuity payments. For more information, see the discussion under "Taxes" below, and the SAI.

EMPLOYER PLAN FEE WITHDRAWALS

Your employer may, in accordance with the terms of your plan, and with CREF's approval, withdraw amounts from your CREF accumulations under your GRA or GSRA contract to pay fees associated with the administration of the plan. CREF also reserves the right to suspend or reinstate its approval for a plan to make such withdrawals. The amount and the effective date of an employer plan fee withdrawal will be in accordance with the terms of your plan. CREF will determine all values as of the end of the effective date. An employer plan fee withdrawal cannot be revoked after its effective date. Each employer plan fee withdrawal will be made on a pro-rata basis from all your available TIAA and CREF accounts. An employer plan fee withdrawal reduces the accumulation from which it is paid by the amount withdrawn.

Timing of Payments

In general, we will make the following types of payments within seven calendar days after we've received the information we need to process a request:

- cash withdrawals;
- transfers to TIAA or to other companies;
- payments under a fixed-period annuity; and
- death benefits.

The seven-day period may be extended in certain circumstances, such as an SEC-recognized emergency.

Taxes

This section offers general information concerning federal taxes. It does not cover every situation. Check with your tax adviser for more information.

During the accumulation period, premiums paid in before-tax dollars, employer contributions and earnings attributable to these amounts are not taxed until they're withdrawn. Annuity payments, single-sum withdrawals, systematic withdrawals, and death benefits are usually taxed as ordinary income. Premiums paid in after-tax dollars aren't taxable when withdrawn, but earnings attributable to these amounts are taxable. Death benefits are usually also subject to federal estate and state estate or inheritance taxation. Generally, transfers between qualified retirement plans and between 403(b) plans are not taxed. Transfers among the CREF accounts also aren't taxed.

Generally, contributions you can make under an employer's plan are limited by federal tax law. Employee voluntary salary reduction contributions to 403(b) and 401(k) plans are limited to \$12,000 per year (\$14,000 per year if you are age 50 or older). Certain long-term employees may be able to defer

up to \$15,000 per year in a 403(b) plan (\$17,000 per year if you are age 50 or older). Contributions to Classic IRAs and Roth IRAs, other than rollover contributions, cannot generally exceed \$3,000 per year (\$3,500 per year if you are age 50 or older).

The maximum contribution limit to a 457(b) non-qualified deferred compensation plan for employees of state and local governments for 2003 is the lesser of \$12,000 (\$14,000 if you are age 50 or older) or 100% of "includable compensation" (as defined by law).

Early Distributions: If you want to withdraw funds or begin receiving income from any 401(a), 403(a), or 403(b) retirement plan or an IRA before you reach age 59½, you may have to pay an additional 10% early distribution tax on the taxable amount. Distributions from a Roth IRA generally are not taxed, except that, once aggregate distributions exceed contributions to the Roth IRA, income tax and a 10% penalty tax may apply to distributions made (1) before age 59½, (subject to certain exceptions) or (2) during the five taxable years starting with the year in which the first contribution is made to any Roth IRA. A 10% penalty tax may apply to amounts attributable to a conversion from an IRA if they are distributed during the five taxable years beginning with the year in which the conversion was made. You won't have to pay this tax in certain circumstances. Early distributions from 457(b) plans are not subject to a 10% penalty tax unless, in the case of a governmental 457(b) plan, the distribution includes amounts rolled over to the plan from an IRA, 401(a)/403(a), or 403(b) plan. Consult your tax advisor for more information.

Minimum Distribution Requirements: In most cases, payments must begin by April 1 of the year after the year you reach age 70½, or if later, retirement. For CREF Classic IRAs, and with respect to 5% or more owners of the business covered by a Keogh plan, payments must begin by April 1 of the year after you reach age 70½. Under the terms of certain retirement plans, the plan administrator may direct us to make the minimum distributions required by law even if you do not elect to receive them. In addition, if you don't begin distributions on time, you may be subject to a 50% excise tax on the amount you should have received but did not. Roth IRAs are generally not subject to these rules.

Withholding on Distributions: If we send an "eligible rollover" distribution directly to you, federal law requires us to withhold 20% from the taxable portion. If we roll over such a distribution directly to an IRA or employer plan, we do not withhold any federal income tax. The 20% withholding also does not apply to certain "non-eligible" rollover distributions such as payments from IRAs, lifetime annuity payments, or minimum distribution payments.

For the taxable portion of non-eligible rollover distributions, we will usually withhold federal income taxes unless you tell us not to and you are eligible to avoid withholding. However, if you tell us not to withhold but we don't have your taxpayer identification number on file, we still are required to deduct taxes. These rules also apply to distributions from governmental 457(b) plans. In general, all amounts received under a private 457(b) plan are taxable and are subject to federal income tax withholding as wages. Nonresident aliens who pay U.S. taxes are subject to different withholding rules.

Special Rules for Withdrawals to Pay Advisory Fees: If you have arranged for us to pay advisory fees to your financial advisor from your accumulations, those partial withdrawals generally will not be treated as taxable distributions as long as:

- the payment is for expenses that are ordinary and necessary;
- the payment is made from a Section 401 or 403 retirement plan or an IRA, and with respect to payments from retirement plans (not IRAs);
- your financial advisor's payment is only made from the accumulations in your retirement plan, and not directly by you or anyone else, under the agreement with your financial advisor; and

- once advisory fees begin to be paid from your retirement plan, you continue to pay those fees solely from your plan and not from any other source.

Tax Consequences of Allocating to the CREF Inflation-Linked Bond Account under a CREF Annuity for Self-Remitted Non-Qualified Funds: If you have a CREF certificate which was set up only to receive self-remitted non-qualified funds (i.e., money that is not part of a pension plan that you remit to us directly) and you allocate any such funds to the CREF Inflation-Linked Bond Account, then earnings, if any, on your total accumulation under the certificate are not eligible for tax deferral. You may therefore be required to pay taxes on such earnings when you allocate funds under the certificate to the Inflation-Linked Bond Account.

Additional Information

Customer Complaints: Customer complaints may be directed to our Participant Relations Unit, P.O. Box 1259, Charlotte, NC 28201-1259, telephone 800-842-2776.

Choices and Changes: You have to make your choices or changes through a written notice that is satisfactory to us and received at our home office or at some other location that we have specifically designated for that purpose. When we receive a notice of a change in beneficiary or other person named to receive payments, we'll make the change as of the date it was signed, even if the signer has died in the meantime. We make all other changes as of the date received.

Telephone and Internet Transactions: You can use our Automated Telephone Service (ATS) or the TIAA-CREF Web Center's account access feature to check your account balances, transfer between accounts or to TIAA, and allocate future premiums among TIAA and the CREF accounts. You will be asked to enter your Personal Identification Number (PIN) and social security number for both systems. (You can establish a PIN by calling us.) Both will lead you through the transaction process and we will use reasonable procedures to confirm that instructions given are genuine. If we use such procedures, we are not responsible for incorrect or fraudulent transactions. All transactions made over the ATS and Internet are electronically recorded.

To use the ATS, you need a touch-tone telephone. The toll free number for the ATS is 800-842-2252. To use the Internet, go to the account access feature of the TIAA-CREF Web Center at www.tiaa-cref.org.

We can suspend or terminate your ability to transact by Internet or telephone at any time, for any reason.

Your Voting Rights: As a participant in CREF accounts, you can generally vote to elect CREF trustees, on any change in investment objective and fundamental investment policies, and on any other matter requiring a participant vote.

Electronic Prospectuses: If you received this prospectus electronically and would like a paper copy, please call us at 800-842-2733 and we will send it to you.

Assigning your Contract: Generally, neither you nor your beneficiaries can assign ownership of a CREF certificate to someone else.

Errors or Omissions: We reserve the right to correct any errors or omissions on any form, report, or statement that we send you.

GA (Group Annuity) Contracts: If a GA contract is issued pursuant to your plan, the rules relating to transferring and withdrawing your money, receiving any annuity income or death benefits, and the timing of payments may be different, and are determined by your plan. Contact your employer or plan administrator for more information.

Texas Optional Retirement Program Participants: If you're in the Texas Optional Retirement Program, you (or your beneficiary) can redeem some or all of your accumulation only if you retire, die, or leave your job in the state's public institutions of higher education.

Householding: To lower expenses and eliminate duplicate documents sent to your home, we may mail only one copy of the CREF prospectus and other required documents to your household, even if more than one partici-

part lives there. If you would prefer to continue to receive your own copy of any document, write or call us at 800-842-2733.

Distributor: The distributor of CREF certificates is TIAA-CREF Individual & Institutional Services, Inc. (Services). Services is registered with the SEC and is a member of the National Association of Securities Dealers, Inc. (NASD). Teachers Personal Investors Services, Inc. (TPIS), also registered with the SEC and a member of the NASD, may also distribute CREF certificates on a limited basis. Services and TPIS are subsidiaries of TIAA. Anyone distributing CREF certificates must be a registered representative of Services or TPIS. Their address is 730 Third Avenue, New York, NY 10017. No commissions are paid for distribution of CREF certificates.

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How to Reach Us

OUR ADDRESS

TIAA-CREF
P.O. BOX 1259
CHARLOTTE, NC 28201

Send all notices, forms, requests, or payments to this address.

INTERNET

WWW.TIAA-CREF.ORG
24 HOURS A DAY/SEVEN DAYS A WEEK

Obtain general information about TIAA-CREF, view personal account information, reallocate premiums, and transfer funds among TIAA and CREF investments options.

AUTOMATED TELEPHONE SERVICE

800 842-2252
24 HOURS A DAY/SEVEN DAYS A WEEK

Change your allocation, transfer accumulations, get your accumulation unit values, get TIAA and CREF performance, and confirm last premium paid.

TELEPHONE COUNSELING CENTER

800 842-2776
8 A.M. TO 11 P.M. ET MONDAY-FRIDAY

Speak to a consultant about retirement savings and planning, quarterly and annuity benefits reports, receiving annuity payments, annuity income options and tax reports.

IRA ENROLLMENT HOTLINE

800 842-2888
Speak with a service representative about our IRA products. We can suspend or terminate your ability to transact by Internet or telephone at any time, for any reason.