



2016 Annual Report

March 31, 2016

# TIAA-CREF Funds

## Fixed-Income Funds

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# TIAA-CREF Market Monitor

## Fed makes its move, bond prices end mixed

During the twelve months ended March 31, 2016, fixed-income markets took many twists and turns as investors braced for the Federal Reserve to raise interest rates while central banks overseas cut them. Concerns about geopolitical conflicts, the effects of slowing economic growth abroad and volatile energy prices contributed to investor uncertainty. Over the twelve months, the fixed-rate investment-grade bond market, as measured by the Barclays U.S. Aggregate Bond Index, returned 2.0%.

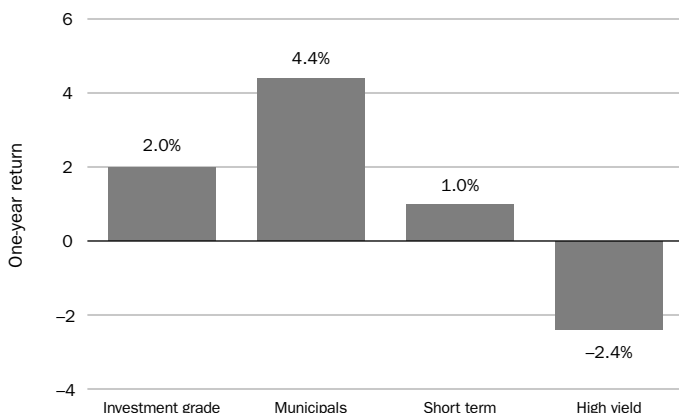
Municipal bonds, as measured by the Barclays 10-Year Municipal Bond Index, continued to advance, returning 4.4%. The Barclays U.S. Treasury Inflation Protected Securities (TIPS) 1–10 Year Index returned 1.8%, and the Barclays U.S. 1–3 Year Government/Credit Bond Index returned 1.0%. Other categories ended lower. U.S. high-yield bonds, as measured by the BofA Merrill Lynch BB-B U.S. Cash Pay High-Yield Constrained Index, fell 2.4% over the period, despite rallying 3.6% in the final month. The broad U.S. stock market, as represented by the Russell 3000® Index, dropped 0.3% over the twelve months.

## U.S. job market improves and the dollar finally declines

During the period, the national unemployment rate dropped to an eight-year low of 4.9% but closed at 5.0% in March 2016, down from 5.5% a year earlier. The rate of participation in the U.S. labor force climbed to 63%, and wages rose 2.3% compared to March 2015. Pending home sales and home prices also advanced over the period, while inflation remained tame.

## High-quality bonds and municipals performed well, while high-yield bonds lagged

### Performance for twelve months ended March 31, 2016



Source: Investment grade: Barclays U.S. Aggregate Bond Index; Municipals: Barclays 10-Year Municipal Bond Index; Short term: Barclays U.S. 1–3 Year Government/Credit Bond Index; High yield: BofA Merrill Lynch BB-B U.S. Cash Pay High-Yield Constrained Index; as of March 31, 2016.

Real gross domestic product (GDP), which measures the value of all goods and services produced in the United States, rose at a seasonally adjusted annualized rate of 1.4% in the final calendar quarter of 2015, largely reflecting a rise in consumer spending. However, the rate was below those in the two prior quarters. The price per barrel of West Texas Intermediate Crude Oil (WTI) dipped from about \$50 when the period began to below \$27 but closed the period at approximately \$37. In a big reversal, **the U.S. dollar dropped sharply in value against most major currencies—good news for U.S. exports.**

## Markets brace for Fed rate hike

Early in the period, bond prices dropped as the markets factored in the possibility of an interest rate hike by the Fed in June, but the central bank refrained from raising its rate target that month. During the late summer through early fall, concerns about slowing economic growth in China, which sharply devalued its currency, plunging oil prices, and geopolitical conflicts abroad triggered “flight-to-quality” buying of less-risky investments, such as U.S. Treasuries.

In the final calendar quarter of 2015, high-yield bond prices fell further, along with oil prices, as nearly one-fifth of the high-yield market consists of energy-related companies. Bond prices fluctuated again in anticipation of a rate hike. **Finally, on December 16, 2015, the Fed raised its federal funds rate target by 0.25% to a 0.25%–0.50% range—the first rate increase since 2006—and maintained that target through the end of the period.** Meanwhile, central banks in Europe, Japan and China remained on a different rate trajectory as they continued to aggressively implement monetary-easing policies.

## Oil prices fluctuate sharply but stabilize

In February 2016, the price per barrel of WTI crude oil, which had dropped to under \$30 the prior month, bounced back somewhat and high-yield bond prices began to rise. Conversely, U.S. Treasury prices dropped, as many investors feared that strong labor market results and the prospect of higher inflation might compel the Fed to raise rates more aggressively than anticipated. However, dovish comments from Fed Chair Janet Yellen reduced these fears toward the end of the period.

**Bond prices, particularly those of high-yield issues, advanced and yields dropped in the final month of the period.** Toward the end of March, the Fed Chair said that, going forward, the Fed would need to “proceed cautiously” in raising interest rates against a backdrop of weakness in China and slower global growth.

# Bond Fund

## Portfolio composition

	% of net assets as of 3/31/2016
Corporate bonds	29.2
Mortgage-backed securities*	19.9
Foreign government & corporate bonds denominated in U.S. dollars	14.1
Commercial mortgage-backed securities & other mortgage-backed securities	13.7
U.S. Treasury securities	9.6
Asset-backed securities	5.5
Municipal bonds	2.7
Bank loan obligations	1.4
U.S. agency securities	0.4
Short-term investments, other assets & liabilities, net	3.5
Total	100.0

\* Includes mortgage pass-through securities and collateralized mortgage obligations

## Holdings by maturity

	% of fixed-income investments (excluding short-term investments) as of 3/31/2016
Less than 1 year	7.7
1-3 years	14.4
3-5 years	25.7
5-10 years	37.5
Over 10 years	14.7
Total	100.0

## Holdings by credit quality†

	% of fixed-income investments (excluding short-term investments) as of 3/31/2016
Aaa/AAA	32.9
Aa/AA	4.8
A/A	16.9
Baa/BBB	28.2
Ba/BB	6.2
B/B	6.1
Below B/B	3.6
Non-rated	1.3
Total	100.0

† Credit quality ratings are based on the Barclays methodology, which uses the median rating of those compiled by the Moody's, Standard & Poor's and Fitch ratings agencies. If ratings are available from only two of these agencies, the lower rating is used. When only one rating is available, that one is used. These ratings are subject to change without notice.

## Performance for the twelve months ended March 31, 2016

The Bond Fund returned 2.05% for the Institutional Class, compared with the 1.96% return of its benchmark, the Barclays U.S. Aggregate Bond Index. The table below shows returns for all share classes of the fund.

### Fed hikes rates, bonds post mixed results

During the twelve-month period, unemployment declined to 5.0% from 5.4% in April 2015, wages and consumer spending rose, and the housing market improved. The domestic economy grew, but at a slower pace as the year progressed. Oil prices closed lower, and the U.S. dollar dropped in value against most major currencies.

Fueled by generally strengthening domestic economic conditions, the Federal Reserve raised its federal funds rate target by 0.25% in December 2015—the first rate hike since 2006. As 2016 commenced, bonds fluctuated in reaction to fears that rising wages might compel the Fed to accelerate its timetable for hiking rates. However, the Fed refrained from increasing rates further as growth in the United States remained modest and inflation remained low. As the period came to a close, Fed Chair Janet Yellen noted that, going forward, the Fed would need to “proceed cautiously” in raising interest rates against a backdrop of weakness in China and slower global growth.

Fixed-income markets were turbulent. For the twelve months, higher-rated securities outperformed higher-yielding bonds as investors gravitated to “safe haven” assets. Although high-yield bond prices rose along with oil prices in the final month of the period, the high-yield sector ended down for the period. Long-term bonds generally outperformed their short-term counterparts.

## Performance as of March 31, 2016

Bond Fund	Inception date	Total return	Average annual total return	
		1 year	5 years	10 years
<b>Institutional Class</b>	7/1/1999	2.05%	4.40%	4.99%
<b>Advisor Class</b>	12/4/2015	2.00†	4.39†	4.99†
<b>Premier Class</b>	9/30/2009	1.89	4.25	4.90†
<b>Retirement Class</b>	3/31/2006	1.80	4.13	4.73
<b>Retail Class</b>	3/31/2006	1.75	4.08	4.76
Barclays U.S. Aggregate Bond Index	—	1.96	3.78	4.90

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

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

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

## Investment-grade bond categories close higher

Every component of the Barclays U.S. Aggregate Bond Index rose over the twelve months. Chief among those that beat the benchmark were commercial mortgage-backed securities, which rose 2.8% but constituted only about 2% of the benchmark's total market capitalization at period-end. Mortgage-backed securities, which made up more than one-quarter of the benchmark's capitalization at the period's close, rose 2.5%, followed by U.S. Treasuries, which accounted for more than one-third of the index's capitalization at period-end and returned 2.4%.

Components that underperformed the index included asset-backed securities and government-related credit issues. Both returned 1.7% and made up 0.6% and 5.0% of the index's capitalization at period-end, respectively. Corporate bonds, which comprised about one-quarter of the benchmark at period-end, followed with a return of 0.9%. Government-related agency issues returned 0.7% and made up slightly under 4% of the index when the period closed.

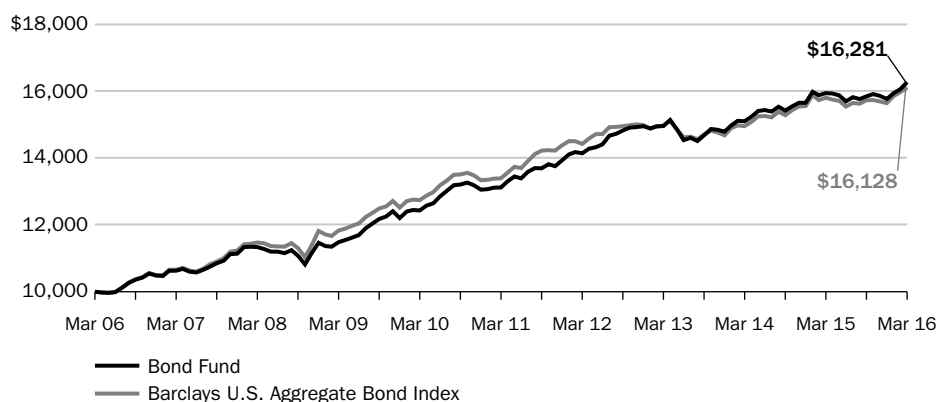
## Fund beats benchmark: factors impacting performance

For the period, security selection in the corporate bond and asset-backed securities categories was among the key contributors to the fund's outperformance. The fund's overweight and security selection in government-related agencies also contributed significantly.

By contrast, the fund's overweight in cash and underweights in mortgage-backed securities and Treasuries detracted from performance.

## \$10,000 over 10 years

### Institutional Class



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

## Expense example

### Six months ended March 31, 2016

Bond Fund	Beginning account value (10/1/15)	Ending account value (3/31/16)	Expenses paid during period* (10/1/15-3/31/16)
<b>Actual return</b>			
Institutional Class	\$1,000.00	\$1,026.66	\$1.57
Advisor Class†	1,000.00	1,027.09	1.54
Premier Class	1,000.00	1,025.89	2.33
Retirement Class	1,000.00	1,025.16	2.84
Retail Class	1,000.00	1,024.92	3.09
<b>5% annual hypothetical return</b>			
Institutional Class	1,000.00	1,023.45	1.57
Advisor Class†	1,000.00	1,022.65	2.38
Premier Class	1,000.00	1,022.70	2.33
Retirement Class	1,000.00	1,022.20	2.83
Retail Class	1,000.00	1,021.95	3.08

\* "Expenses paid during period" is based on the fund's actual expense ratio for the most recent fiscal half-year, multiplied by the average account value over the six-month period, multiplied by 183/366. There were 183 days in the six months ended March 31, 2016. The fund's annualized six-month expense ratio for that period was 0.31% for the Institutional Class, 0.46% for the Premier Class, 0.56% for the Retirement Class and 0.61% for the Retail Class. The expense charges of one or more of the fund's share classes may at times reflect a reimbursement. Please see the prospectus for an explanation, including the date on which this reimbursement is scheduled to end. Without any such reimbursement, the expenses of the affected share classes would be higher and the fund's performance lower.

† For the Advisor Class, "Expenses paid during period" is based on the fund's actual expense ratio for this class from commencement of operations on December 4, 2015 through March 31, 2016, multiplied by the average fund value over the period, multiplied by 118/366 for the actual expenses and 183/366 for the hypothetical expenses. There were 118 days in the period from commencement of operations on December 4, 2015 through March 31, 2016. The fund's annualized expense ratio for the 118-day period was 0.47% for the Advisor Class.

For more information about this expense example, please see page 5.

# Bond Index Fund

## Portfolio composition

	% of net assets as of 3/31/2016
U.S. Treasury securities	36.8
Mortgage-backed securities*	27.8
Corporate bonds	20.4
Foreign government & corporate bonds denominated in U.S. dollars	8.6
U.S. agency securities	2.4
Commercial mortgage-backed securities & other mortgage-backed securities	1.6
Municipal bonds	1.0
Asset-backed securities	0.8
Short-term investments, other assets & liabilities, net	0.6

Total 100.0

\* Includes mortgage pass-through securities and collateralized mortgage obligations

## Holdings by maturity

	% of fixed-income investments (excluding short-term investments) as of 3/31/2016
Less than 1 year	3.8
1-3 years	17.3
3-5 years	39.3
5-10 years	25.1
Over 10 years	14.5
Total	100.0

## Holdings by credit quality†

	% of fixed-income investments (excluding short-term investments) as of 3/31/2016
Aaa/AAA	71.2
Aa/AA	4.6
A/A	11.2
Baa/BBB	12.9
Non-rated	0.1
Total	100.0

† Credit quality ratings are based on the Barclays methodology, which uses the median rating of those compiled by the Moody's, Standard & Poor's and Fitch ratings agencies. If ratings are available from only two of these agencies, the lower rating is used. When only one rating is available, that one is used. These ratings are subject to change without notice.

## Performance for the twelve months ended March 31, 2016

The Bond Index Fund returned 1.99% for the Institutional Class, compared with the 1.96% return of its benchmark, the Barclays U.S. Aggregate Bond Index. The table below shows returns for all share classes of the fund.

### Fed hikes rates, bonds post mixed results

During the twelve-month period, unemployment declined to 5.0% from 5.4% in April 2015, wages and consumer spending rose, and the housing market improved. The domestic economy grew, but at a slower pace as the year progressed. Oil prices closed lower, and the U.S. dollar dropped in value against most major currencies.

Fueled by generally strengthening domestic economic conditions, the Federal Reserve raised its federal funds rate target by 0.25% in December 2015—the first rate hike since 2006. As 2016 commenced, bonds fluctuated in reaction to fears that rising wages might compel the Fed to accelerate its timetable for hiking rates. However, the Fed refrained from increasing rates further as growth in the United States remained modest and inflation remained low. As the period came to a close, Fed Chair Janet Yellen noted that, going forward, the Fed would need to “proceed cautiously” in raising interest rates against a backdrop of weakness in China and slower global growth.

Fixed-income markets were turbulent. For the twelve months, higher-rated securities outperformed higher-yielding bonds as investors gravitated to “safe haven” assets. Although high-yield bond prices rose along with oil prices in the final month of the period, the high-yield sector ended down for the period. Long-term bonds generally outperformed their short-term counterparts.

## Performance as of March 31, 2016

Bond Index Fund	Inception date	Total return	Average annual total return	
		1 year	5 years	since fund inception
<b>Institutional Class</b>	9/14/2009	1.99%	3.67%	3.89%
<b>Advisor Class</b>	12/4/2015	1.94†	3.66†	3.88†
<b>Premier Class</b>	9/30/2009	1.84	3.51	3.73†
<b>Retirement Class</b>	9/14/2009	1.64	3.39	3.63
<b>Retail Class</b>	9/14/2009	1.55	3.29	3.53
Barclays U.S. Aggregate Bond Index	—	1.96	3.78	4.07§

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

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

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

§ Performance is calculated from the inception date of the Institutional Class.

### Investment-grade bond categories close higher

Every component of the Barclays U.S. Aggregate Bond Index rose over the twelve months. Chief among those that beat the benchmark were commercial mortgage-backed securities, which rose 2.8% but constituted only about 2% of the benchmark's total market capitalization at period-end. Mortgage-backed securities, which made up more than one-quarter of the benchmark's capitalization at the period's close, rose 2.5%, followed by U.S. Treasuries, which accounted for more than one-third of the index's capitalization at period-end and returned 2.4%.

Components that underperformed the index included asset-backed securities and government-related credit issues. Both returned 1.7% and made up 0.6% and 5.0% of the index's capitalization at period-end, respectively. Corporate bonds, which comprised about one-quarter of the benchmark at period-end, followed with a return of 0.9%. Government-related agency issues returned 0.7% and made up slightly under 4% of the index when the period closed.

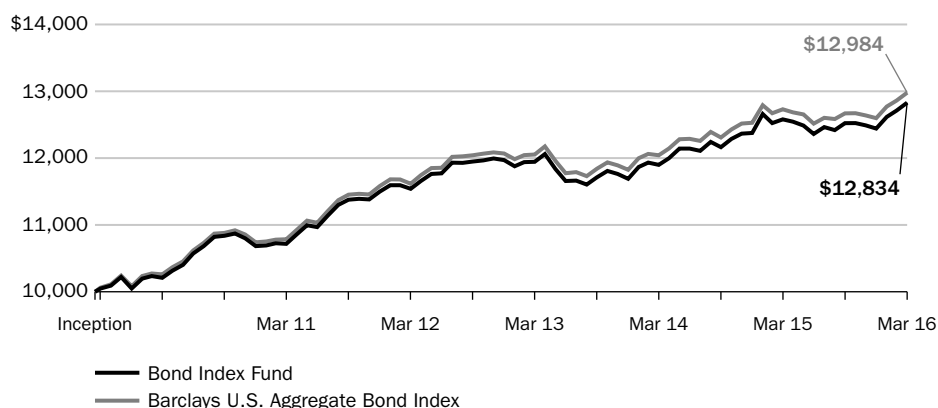
### The fund slightly outperforms its benchmark

For the twelve months, the fund beat its benchmark in spite of the fund's deduction for expenses, which the benchmark does not include. Since its inception on September 14, 2009, the fund has sought to maintain the overall characteristics of its benchmark. The fund's managers invest in the same sectors that are included in the benchmark and closely match weightings and maturities.

During the period, this portfolio had similar sector returns to its benchmark, enabling it to nearly match the index's performance. Throughout the period, the fund's managers kept the fund's duration—a measure of its sensitivity to interest rate changes—close to that of its benchmark. This strategy helped the fund's risk-and-reward characteristics to more closely resemble those of its benchmark.

### \$10,000 invested at fund's inception

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



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

### Expense example

#### Six months ended March 31, 2016

Bond Index Fund	Beginning account value (10/1/15)	Ending account value (3/31/16)	Expenses paid during period* (10/1/15-3/31/16)
<b>Actual return</b>			
Institutional Class	\$1,000.00	\$1,024.51	\$0.61
Advisor Class†	1,000.00	1,028.38	0.88
Premier Class	1,000.00	1,023.75	1.37
Retirement Class	1,000.00	1,023.23	1.87
Retail Class	1,000.00	1,022.85	2.23
<b>5% annual hypothetical return</b>			
Institutional Class	1,000.00	1,024.40	0.61
Advisor Class†	1,000.00	1,023.65	1.37
Premier Class	1,000.00	1,023.65	1.37
Retirement Class	1,000.00	1,023.15	1.87
Retail Class	1,000.00	1,022.80	2.23

\* "Expenses paid during period" is based on the fund's actual expense ratio for the most recent fiscal half-year, multiplied by the average account value over the six-month period, multiplied by 183/366. There were 183 days in the six months ended March 31, 2016. The fund's annualized six-month expense ratio for that period was 0.12% for the Institutional Class, 0.27% for the Premier Class, 0.37% for the Retirement Class and 0.44% for the Retail Class. The expense charges of one or more of the fund's share classes may at times reflect a reimbursement. Please see the prospectus for an explanation, including the date on which this reimbursement is scheduled to end. Without any such reimbursement, the expenses of the affected share classes would be higher and the fund's performance lower.

† For the Advisor Class, "Expenses paid during period" is based on the fund's actual expense ratio for this class from commencement of operations on December 4, 2015 through March 31, 2016, multiplied by the average fund value over the period, multiplied by 118/366 for the actual expenses and 183/366 for the hypothetical expenses. There were 118 days in the period from commencement of operations on December 4, 2015 through March 31, 2016. The fund's annualized expense ratio for the 118-day period was 0.27% for the Advisor Class.

For more information about this expense example, please see page 5.

# Bond Plus Fund

## Portfolio composition

	% of net assets as of 3/31/2016
Corporate bonds	29.1
Mortgage-backed securities*	23.9
Foreign government & corporate bonds denominated in U.S. dollars	14.3
Commercial mortgage-backed securities & other mortgage-backed securities	9.5
U.S. Treasury securities	7.5
Bank loan obligations	5.3
Asset-backed securities	4.7
Municipal bonds	3.8
Short-term investments, other assets & liabilities, net	1.9

Total 100.0

\* Includes mortgage pass-through securities and collateralized mortgage obligations

## Holdings by maturity

	% of fixed-income investments (excluding short-term investments) as of 3/31/2016
Less than 1 year	6.0
1-3 years	13.5
3-5 years	28.0
5-10 years	37.9
Over 10 years	14.6
Total	100.0

## Holdings by credit quality†

	% of fixed-income investments (excluding short-term investments) as of 3/31/2016
Aaa/AAA	32.9
Aa/AA	4.3
A/A	11.7
Baa/BBB	24.9
Ba/BB	8.7
B/B	10.8
Below B/B	5.8
Non-rated	0.9
Total	100.0

† Credit quality ratings are based on the Barclays methodology, which uses the median rating of those compiled by the Moody's, Standard & Poor's and Fitch ratings agencies. If ratings are available from only two of these agencies, the lower rating is used. When only one rating is available, that one is used. These ratings are subject to change without notice.

## Performance for the twelve months ended March 31, 2016

The Bond Plus Fund returned 1.56% for the Institutional Class, compared with the 1.96% return of its benchmark, the Barclays U.S. Aggregate Bond Index. The table below shows returns for all share classes of the fund.

### Fed hikes rates, bonds post mixed results

During the twelve-month period, unemployment declined to 5.0% from 5.4% in April 2015, wages and consumer spending rose, and the housing market improved. The domestic economy grew, but at a slower pace as the year progressed. Oil prices closed lower, and the U.S. dollar dropped in value against most major currencies.

Fueled by generally strengthening domestic economic conditions, the Federal Reserve raised its federal funds rate target by 0.25% in December 2015—the first rate hike since 2006. As 2016 commenced, bonds fluctuated in reaction to fears that rising wages might compel the Fed to accelerate its timetable for hiking rates. However, the Fed refrained from increasing rates further as growth in the United States remained modest and inflation remained low. As the period came to a close, Fed Chair Janet Yellen noted that, going forward, the Fed would need to “proceed cautiously” in raising interest rates against a backdrop of weakness in China and slower global growth.

For the twelve months, higher-rated securities outperformed higher-yielding bonds as investors gravitated to “safe haven” assets. Although high-yield bond prices rose along with oil prices in the final month of the period, the high-yield sector ended down for the period. Long-term bonds generally outperformed their short-term counterparts.

## Performance as of March 31, 2016

Bond Plus Fund	Inception date	Total return	Average annual total return	
		1 year	5 years	10 years
<b>Institutional Class</b>	3/31/2006	1.56%	4.57%	4.96%
<b>Advisor Class</b>	12/4/2015	1.61†	4.58†	4.96†
<b>Premier Class</b>	9/30/2009	1.41	4.41	4.85†
<b>Retirement Class</b>	3/31/2006	1.41	4.33	4.71
<b>Retail Class</b>	3/31/2006	1.25	4.23	4.72
Barclays U.S. Aggregate Bond Index	—	1.96	3.78	4.90

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

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## Investment-grade bond categories close higher

Every component of the Barclays U.S. Aggregate Bond Index rose over the twelve months. Chief among those that beat the benchmark were commercial mortgage-backed securities, which rose 2.8% but constituted only about 2% of the benchmark's total market capitalization at period-end. Mortgage-backed securities, which made up more than one-quarter of the benchmark's capitalization at the period's close, rose 2.5%, followed by U.S. Treasuries, which accounted for more than one-third of the index's capitalization at period-end and returned 2.4%.

Components that underperformed the index included asset-backed securities and government-related credit issues. Both returned 1.7% and made up 0.6% and 5.0% of the index's capitalization at period-end, respectively. Corporate bonds, which comprised about one-quarter of the benchmark at period-end, followed with a return of 0.9%. Government-related agency issues returned 0.7% and made up slightly under 4% of the index when the period closed.

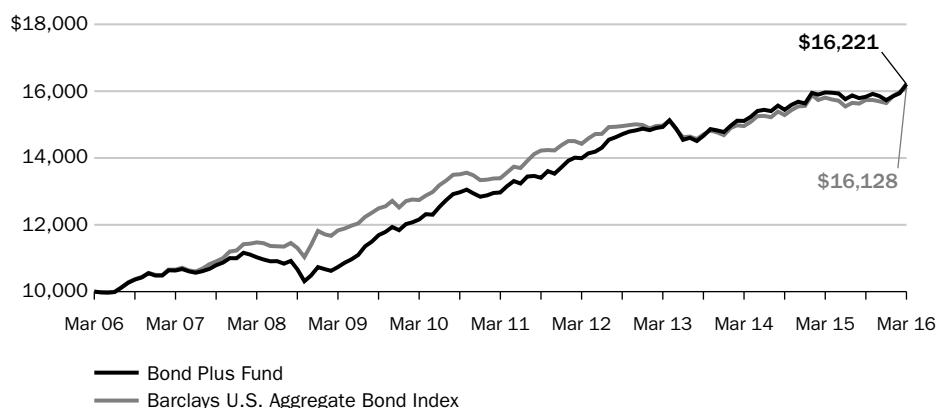
## Factors impacting relative performance

Bond prices fluctuated sharply throughout the twelve months, and although the fund posted a positive return, it lagged the benchmark due to a number of factors. Securities selection and the fund's positioning of U.S. Treasury holdings on the yield curve were key detractors (the Treasury yield curve is a graphical depiction of yields on Treasuries of all maturities). The fund's overweight positions in corporate bonds and cash also hampered performance.

These negative effects were partly offset by the fund's overweight in municipal bonds, where the index had virtually no exposure; its positioning of government-related credits on the yield curve; and its underweight in government-related agency issues.

## \$10,000 over 10 years

### Institutional Class



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

## Expense example

### Six months ended March 31, 2016

Bond Plus Fund	Beginning account value (10/1/15)	Ending account value (3/31/16)	Expenses paid during period* (10/1/15-3/31/16)
<b>Actual return</b>			
Institutional Class	\$1,000.00	\$1,024.02	\$1.57
Advisor Class†	1,000.00	1,024.64	1.53
Premier Class	1,000.00	1,024.24	2.33
Retirement Class	1,000.00	1,023.71	2.83
Retail Class	1,000.00	1,022.42	3.13
<b>5% annual hypothetical return</b>			
Institutional Class	1,000.00	1,023.45	1.57
Advisor Class†	1,000.00	1,022.65	2.38
Premier Class	1,000.00	1,022.70	2.33
Retirement Class	1,000.00	1,022.20	2.83
Retail Class	1,000.00	1,021.90	3.13

\* "Expenses paid during period" is based on the fund's actual expense ratio for the most recent fiscal half-year, multiplied by the average account value over the six-month period, multiplied by 183/366. There were 183 days in the six months ended March 31, 2016. The fund's annualized six-month expense ratio for that period was 0.31% for the Institutional Class, 0.46% for the Premier Class, 0.56% for the Retirement Class and 0.62% for the Retail Class. The expense charges of one or more of the fund's share classes may at times reflect a reimbursement. Please see the prospectus for an explanation, including the date on which this reimbursement is scheduled to end. Without any such reimbursement, the expenses of the affected share classes would be higher and the fund's performance lower.

† For the Advisor Class, "Expenses paid during period" is based on the fund's actual expense ratio for this class from commencement of operations on December 4, 2015 through March 31, 2016, multiplied by the average fund value over the period, multiplied by 118/366 for the actual expenses and 183/366 for the hypothetical expenses. There were 118 days in the period from commencement of operations on December 4, 2015 through March 31, 2016. The fund's annualized expense ratio for the 118-day period was 0.47% for the Advisor Class.

For more information about this expense example, please see page 5.



# High-Yield Fund

## Portfolio composition

	% of net assets as of 3/31/2016
Corporate bonds	69.4
Foreign government & corporate bonds denominated in U.S. dollars	13.7
Bank loan obligations	11.4
Short-term investments, other assets & liabilities, net	5.5
Total	100.0

## Holdings by maturity

	% of fixed-income investments (excluding short-term investments) as of 3/31/2016
1-3 years	4.9
3-5 years	20.8
5-10 years	69.3
Over 10 years	5.0
Total	100.0

## Holdings by credit quality\*

	% of fixed-income investments (excluding short-term investments) as of 3/31/2016
Baa/BBB	1.0
Ba/BB	44.8
B/B	46.1
Below B/B	8.1
Total	100.0

\* Credit quality ratings are based on the BofA Merrill Lynch Index composite ratings methodology, which is a simple average of ratings from Moody's, Standard & Poor's and Fitch. If only two of the designated agencies rate a bond, the composite rating is based on an average of the two. Likewise, if only one of the designated agencies rates a bond, the composite rating is based on that one rating.

## Performance for the twelve months ended March 31, 2016

The High-Yield Fund returned -3.84% for the Institutional Class, compared with the -2.36% return of its benchmark, the BofA Merrill Lynch BB-B U.S. Cash Pay High Yield Constrained Index. The table below includes performance data for all share classes of the fund.

### High-yield bond prices fall amid slumping oil prices and a Fed rate hike

During the twelve-month period, the domestic economy grew, but at a slower pace as the year progressed. Crude oil prices fell 26% from \$50 a barrel at the start of the period to \$37 on March 31, 2016. Despite advancing 1.99% in the last six months of the reporting period, the high-yield bond index finished the twelve-month period lower. Assets offering risk premiums were hurt amid concerns about slower global growth and falling oil prices due to the large representation of energy companies in the high-yield market.

Fueled by strengthening domestic economic conditions in general, the Federal Reserve raised its federal funds rate target by 0.25% in December 2015—the first rate hike since 2006. The Fed refrained from increasing rates further as growth in the United States remained modest and inflation remained low.

Over the twelve months, high-yield bonds underperformed the 1.96% return of the broad U.S. investment-grade fixed-rate bond market as measured by the Barclays U.S. Aggregate Bond Index. However, for the 10 years ended March 31, 2016, the high-yield index rose 6.53%, surpassing the 4.90% return of investment-grade bonds for the same period.

## Performance as of March 31, 2016

High-Yield Fund†	Inception date	Total return	Average annual total return	
		1 year	5 years	10 years
<b>Institutional Class</b>	3/31/2006	-3.84%	4.74%	6.54%
<b>Advisor Class</b>	12/4/2015	-3.88‡	4.73‡	6.53‡
<b>Premier Class</b>	9/30/2009	-3.87	4.61	6.44‡
<b>Retirement Class</b>	3/31/2006	-3.97	4.50	6.28
<b>Retail Class</b>	3/31/2006	-4.06	4.46	6.34
<b>BofA Merrill Lynch BB-B U.S. Cash Pay</b>				
High Yield Constrained Index	—	-2.36	5.14	6.53

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

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

† Prior to October 19, 2015, shares held 60 calendar days or less may have been subject to a redemption fee of 2%. Please see the prospectus for details. The redemption fee will not apply to transactions in fund shares on or after October 19, 2015.

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

## High-yield sectors produce mixed returns and new issuance slows

During the period, declines in the high-yield market resulted mostly from several sectors that had substantial losses. Energy, including exploration and production, was one of the largest sectors in the index on March 31, 2016, and was the worst performer at -32.6%. However, integrated energy, one of the smallest sectors at period-end, gained 25.7%.

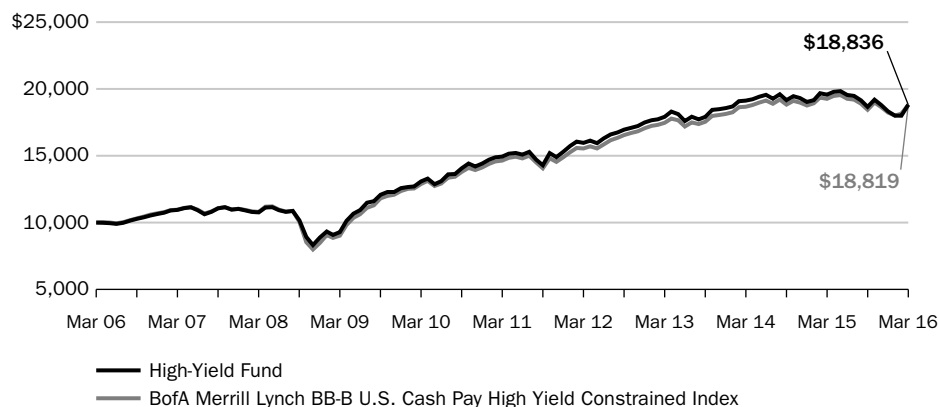
Investors moved away from riskier asset classes to the perceived safety of U.S. Treasuries and other higher-quality investment-grade bonds. New high-yield debt issuance totaled just over \$202 billion for the twelve months, down substantially from nearly \$316 billion over the same period in 2015. High-yield default rates climbed to 2.4% on March 31, 2016, from 1.6% a year earlier, according to Moody's Investor Service.

## The fund declines and trails its benchmark as energy prices sink lower

During the twelve-month period, the fund declined and trailed its benchmark, primarily due to security selection. Among individual security selections, the biggest drag on relative performance came from overweight positions in California Resources, Ultra Petroleum and Peabody Energy, each of which performed poorly amid difficult market conditions for energy producers. On a positive note, an underweight position in poorly performing Chesapeake Energy was the largest contributor to relative performance. Favorable security selection and an overweight position in chemical manufacturer Olin also contributed positively, as the company benefited from capacity reductions and streamlining its business operations.

## \$10,000 over 10 years

### Institutional Class



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

## Expense example

### Six months ended March 31, 2016

High-Yield Fund	Beginning account value (10/1/15)	Ending account value (3/31/16)	Expenses paid during period* (10/1/15-3/31/16)
<b>Actual return</b>			
Institutional Class	\$1,000.00	\$1,008.82	\$1.81
Advisor Class†	1,000.00	1,002.32	1.65
Premier Class	1,000.00	1,008.12	2.56
Retirement Class	1,000.00	1,007.59	3.06
Retail Class	1,000.00	1,007.56	3.16
<b>5% annual hypothetical return</b>			
Institutional Class	1,000.00	1,023.20	1.82
Advisor Class†	1,000.00	1,022.45	2.58
Premier Class	1,000.00	1,022.45	2.58
Retirement Class	1,000.00	1,021.95	3.08
Retail Class	1,000.00	1,021.85	3.18

\* "Expenses paid during period" is based on the fund's actual expense ratio for the most recent fiscal half-year, multiplied by the average account value over the six-month period, multiplied by 183/366. There were 183 days in the six months ended March 31, 2016. The fund's annualized six-month expense ratio for that period was 0.36% for the Institutional Class, 0.51% for the Premier Class, 0.61% for the Retirement Class and 0.63% for the Retail Class. The expense charges of one or more of the fund's share classes may at times reflect a reimbursement. Please see the prospectus for an explanation, including the date on which this reimbursement is scheduled to end. Without any such reimbursement, the expenses of the affected share classes would be higher and the fund's performance lower.

† For the Advisor Class, "Expenses paid during period" is based on the fund's actual expense ratio for this class from commencement of operations on December 4, 2015 through March 31, 2016, multiplied by the average fund value over the period, multiplied by 118/366 for the actual expenses and 183/366 for the hypothetical expenses. There were 118 days in the period from commencement of operations on December 4, 2015 through March 31, 2016. The fund's annualized expense ratio for the 118-day period was 0.51% for the Advisor Class.

For more information about this expense example, please see page 5.

# Inflation-Linked Bond Fund

## Portfolio composition

	% of net assets as of 3/31/2016
U.S. Treasury securities	95.6
U.S. agency securities	0.4
Mortgage-backed securities*	0.3
Corporate bonds	0.1
Short-term investments, other assets & liabilities, net	3.6
Total	100.0

\* Includes mortgage pass-through securities and collateralized mortgage obligations.

## Holdings by maturity

	% of fixed-income investments (excluding short-term investments) as of 3/31/2016
Less than 1 year	2.6
1–3 years	19.5
3–5 years	25.9
5–10 years	40.3
Over 10 years	11.7
Total	100.0

## Performance for the twelve months ended March 31, 2016

The Inflation-Linked Bond Fund returned 0.41% for the Institutional Class, compared with the 1.84% return of its benchmark, the Barclays U.S. Treasury Inflation Protected Securities (TIPS) 1–10 Year Index. The table below includes performance data for all share classes of the fund.

On January 1, 2016, the Barclays U.S. Treasury Inflation Protected Securities (TIPS) 1–10 Year Index replaced the Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L) as the fund's benchmark. The change was made because the average maturity—the average time before bonds or other fixed-income investments mature—of the former benchmark has lengthened over time, and the new benchmark is now more consistent with the fund's desired average maturity and the maturity of other funds within the fund's competitive universe.

## TIPS advance amid a rise in inflation, slumping oil prices and a Fed rate hike

As March 2016 commenced, year-over-year core inflation, as measured by the Consumer Price Index, which includes all items less food and energy, was 2.3%, compared with 1.8% for the twelve months ended March 31, 2015. However, crude oil prices, a commonly used indicator of current inflationary pressures, fell 26% from \$50 a barrel at the start of the period to \$37 on March 31, 2016.

Despite continued downward pressure on certain economic sectors, inflation trended upward during the twelve months. The nation's gross domestic product (GDP), which measures the value of all goods and services produced in the United States, rose at an annualized rate of 1.4% in the fourth quarter of 2015—albeit at a slower pace than during the prior two quarters. Other signs of economic growth included unemployment declining to 5.0% from 5.4% in April 2015, rising wages and consumer spending, and improvements in the housing market.

Fueled by strengthening domestic economic conditions in general, the Federal Reserve raised its federal funds rate target by 0.25% in December 2015—the

## Performance as of March 31, 2016

Inflation-Linked Bond Fund	Inception date	Total return	Average annual total return	
		1 year	5 years	10 years
<b>Institutional Class</b>	10/1/2002	0.41%	2.62%	4.23%
<b>Advisor Class</b>	12/4/2015	0.40†	2.62†	4.22†
<b>Premier Class</b>	9/30/2009	0.31	2.47	4.12†
<b>Retirement Class</b>	3/31/2006	0.22	2.39	4.00
<b>Retail Class</b>	10/1/2002	0.18	2.31	4.01
Barclays U.S. Treasury Inflation Protected Securities 1–10 Years Index	—	1.84	1.88	4.00
Barclays U.S. Treasury Inflation Protected Securities Index (Series-L)	—	1.51	3.02	4.62

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

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

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

first rate hike since 2006. As 2016 commenced, bonds fluctuated in reaction to fears that rising wages might compel the Fed to accelerate its timetable for monetary tightening. However, the Fed refrained from increasing rates further as growth in the United States remained modest and inflation remained low. As the period came to a close, Fed Chair Janet Yellen noted that, going forward, the Fed would need to “proceed cautiously” in raising interest rates against a backdrop of weakness in China and slower global growth.

Fixed-income markets were turbulent, but most components still posted positive returns for the year. Interest rate movements fluctuated throughout the yield curve, but in general, the performance of long-term bonds topped their short-term counterparts, and inflation expectations remained tempered. The twelve-month return of the TIPS 1–10 year index was just slightly lower than the 1.96% return of the broad U.S. investment-grade fixed-rate bond market, as measured by the Barclays U.S. Aggregate Bond Index. Similarly, for the 10 years ended March 31, 2016, the TIPS 1–10 year index achieved gains of 4.00% versus the 4.90% return of the Barclays aggregate index.

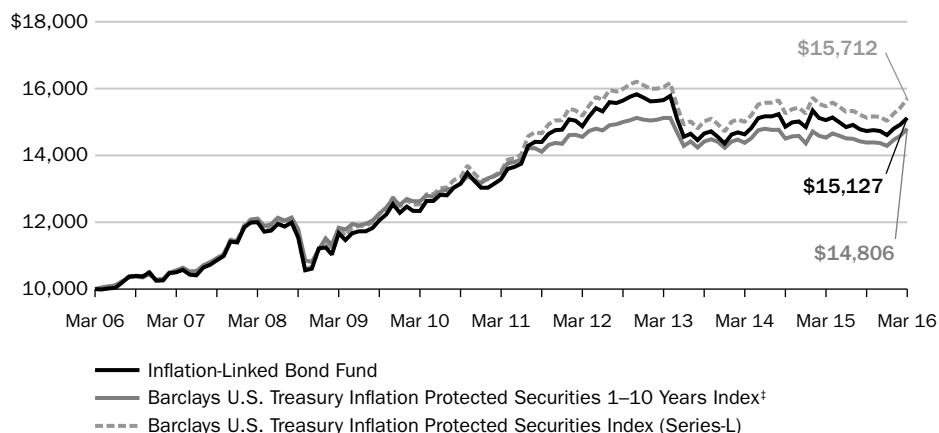
### The fund achieves gains, but trails its new benchmark

The fund rose during the period but underperformed the Barclays TIPS 1–10 year index primarily because of unfavorable security selection and yield curve positioning in U.S. Treasuries (the Treasury yield curve is a graphical depiction of yields on Treasuries of all maturities). Treasuries represented 96.14% of the portfolio’s market value versus the 99.96% weight in the benchmark at period-end. Since the fund’s portfolio was similar to the composition of the TIPS 1–10 year index, the above discussion of the benchmark’s performance also applies to the fund’s results.

During the period, the fund’s portfolio managers aligned the fund’s duration—a measure of the fund’s sensitivity to interest rate changes—close to that of the TIPS 1–10 year index. This investment strategy helped the fund’s risk and reward characteristics remain in line with those of its new benchmark.

## \$10,000 over 10 years

### Institutional Class



† On January 1, 2016, the Barclays U.S. Treasury Inflation Protected Securities (TIPS) 1-10 Year Index replaced the Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L) as the fund’s benchmark.

For the purpose of comparison, the graph also shows the changes in the values of the fund’s new and old benchmarks during the same period. The performance of the other share classes varies due to differences in expense charges.

## Expense example

### Six months ended March 31, 2016

Inflation-Linked Bond Fund	Beginning account value (10/1/15)	Ending account value (3/31/16)	Expenses paid during period* (10/1/15–3/31/16)
<b>Actual return</b>			
Institutional Class	\$1,000.00	\$1,026.42	\$1.37
Advisor Class†	1,000.00	1,029.04	1.37
Premier Class	1,000.00	1,026.31	2.13
Retirement Class	1,000.00	1,026.12	2.63
Retail Class	1,000.00	1,025.50	2.94
<b>5% annual hypothetical return</b>			
Institutional Class	1,000.00	1,023.65	1.37
Advisor Class†	1,000.00	1,022.90	2.12
Premier Class	1,000.00	1,022.90	2.12
Retirement Class	1,000.00	1,022.40	2.63
Retail Class	1,000.00	1,022.10	2.93

\* “Expenses paid during period” is based on the fund’s actual expense ratio for the most recent fiscal half-year, multiplied by the average account value over the six-month period, multiplied by 183/366. There were 183 days in the six months ended March 31, 2016. The fund’s annualized six-month expense ratio for that period was 0.27% for the Institutional Class, 0.42% for the Premier Class, 0.52% for the Retirement Class and 0.58% for the Retail Class. The expense charges of one or more of the fund’s share classes may at times reflect a reimbursement. Please see the prospectus for an explanation, including the date on which this reimbursement is scheduled to end. Without any such reimbursement, the expenses of the affected share classes would be higher and the fund’s performance lower.

† For the Advisor Class, “Expenses paid during period” is based on the fund’s actual expense ratio for this class from commencement of operations on December 4, 2015 through March 31, 2016, multiplied by the average fund value over the period, multiplied by 118/366 for the actual expenses and 183/366 for the hypothetical expenses. There were 118 days in the period from commencement of operations on December 4, 2015 through March 31, 2016. The fund’s annualized expense ratio for the 118-day period was 0.42% for the Advisor Class.

For more information about this expense example, please see page 5.

# Short-Term Bond Fund

## Portfolio composition

	% of net assets as of 3/31/2016
Corporate bonds	25.5
Commercial mortgage-backed securities & other mortgage-backed securities	22.7
Foreign government & corporate bonds denominated in U.S. dollars	18.8
U.S. Treasury securities	12.1
Asset-backed securities	9.3
Bank loan obligations	3.6
U.S. agency securities	2.9
Municipal bonds	0.7
Mortgage-backed securities*	0.6
Short-term investments, other assets & liabilities, net	3.8

Total 100.0

\* Includes mortgage pass-through securities and collateralized mortgage obligations

## Holdings by maturity

	% of fixed-income investments (excluding short-term investments) as of 3/31/2016
Less than 1 year	27.0
1-3 years	48.6
3-5 years	18.7
5-10 years	5.3
Over 10 years	0.4
Total	100.0

## Holdings by credit quality†

	% of fixed-income investments (excluding short-term investments) as of 3/31/2016
Aaa/AAA	24.5
Aa/AA	11.9
A/A	19.9
Baa/BBB	26.3
Ba/BB	11.4
B/B	3.9
Below B/B	0.8
Non-rated	1.3
Total	100.0

† Credit quality ratings are based on the Barclays methodology, which uses the median rating of those compiled by the Moody's, Standard & Poor's and Fitch ratings agencies. If ratings are available from only two of these agencies, the lower rating is used. When only one rating is available, that one is used. These ratings are subject to change without notice.

## Performance for the twelve months ended March 31, 2016

The Short-Term Bond Fund returned 1.18% for the Institutional Class, compared with the 1.04% return of its benchmark, the Barclays U.S. 1-3 Year Government/Credit Bond Index. The table below includes performance data for all share classes of the fund.

### As expected, Fed boosts rates

During the twelve-month period, unemployment declined to 5.0%, from 5.4% in April 2015, wages and consumer spending rose, and the housing market improved. The domestic economy grew, but at a slower pace as the year progressed. Oil prices closed lower, and the U.S. dollar declined in value against most major currencies.

Fueled by generally strengthening domestic economic conditions, the Federal Reserve raised its federal funds rate target by 0.25% in December 2015—the first rate hike since 2006. As 2016 commenced, bonds fluctuated in reaction to fears that rising wages might compel the Fed to accelerate its timetable for hiking rates. However, the Fed refrained from increasing rates further as growth in the United States remained modest and inflation remained low. As the period came to a close, Fed Chair Janet Yellen noted that, going forward, the Fed would need to “proceed cautiously” in raising interest rates against a back-drop of weakness in China and slower global growth.

### Short-term bonds trail the broad bond market

During the period, the fund's benchmark underperformed the 1.96% return of the broad domestic investment-grade fixed-rate bond market, as measured by the Barclays U.S. Aggregate Bond Index. Interest rate movements fluctuated throughout the yield curve, but in general, the performance of long-term bonds topped their short-term counterparts. Yields on 10-year U.S. Treasuries declined

## Performance as of March 31, 2016

Short-Term Bond Fund	Inception date	Total return	Average annual total return	
		1 year	5 years	10 years
<b>Institutional Class</b>	3/31/2006	1.18%	1.85%	3.17%
<b>Advisor Class</b>	12/4/2015	1.04‡	1.82‡	3.16‡
<b>Premier Class</b>	9/30/2009	1.03	1.69	3.08‡
<b>Retirement Class</b>	3/31/2006	0.93	1.59	2.92
<b>Retail Class</b>	3/31/2006	0.78	1.52	2.95
Barclays U.S. 1-3 Year Government/Credit Bond Index	—	1.04	1.14	2.80

*The returns in this report show past performance, which is no guarantee of future results. The returns do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares. Returns and the principal value of your investment will fluctuate. Current performance may be higher or lower than that shown, and you may have a gain or a loss when you redeem your shares. For current performance information, including performance to the most recent month-end, please visit TIAA.org. Performance may reflect waivers or reimbursements of certain expenses. Absent these waivers or reimbursement arrangements, performance may be lower.*

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

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

from 1.87% at the start of the reporting period to 1.78% twelve months later. However, yields on short-term issues actually rose modestly, constraining their performance during the period. For the ten years ended March 31, 2016, the average annual return of the Barclays 1–3 year index was 2.80% versus 4.90% for the Barclays aggregate index.

Representing more than one-fifth of the benchmark's total market capitalization, short-term corporate securities advanced 1.4% for the twelve months ended March 31, 2016. Government credit securities performed in line with the broader market, returning 1.0%. Government agency securities and short-term Treasuries, which made up more than three-fifths of the index, both underperformed the broader market with a matching return of 0.9%. Although a small weighting, municipal bonds were the strongest-performing sector in the index, gaining 2.4%.

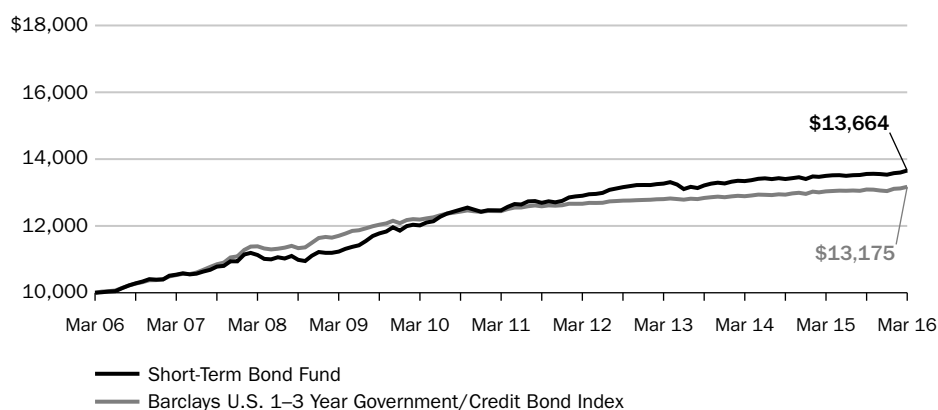
### Astute sector weightings help the fund outperform

For the period, the fund outperformed its benchmark, largely due to advantageous positions in several sectors. Most notably, an overweight position and yield curve exposure in the strongly performing corporate bond sector made the most significant contribution to the fund's relative return (a yield curve is a graphical depiction of yields on bonds, in a given sector, of all maturities). Yield curve positioning and an underweight in government agency securities further benefited relative performance. Another solid contribution came from an out-of-benchmark holding in short-term asset-backed securities, which delivered strong gains.

Despite the fund's sizable underweight in short-term U.S. Treasuries, these securities still detracted most from relative returns, as they underperformed the broad bond market. The fund had a small exposure to derivatives instruments during the period, which detracted from its relative performance. A small allocation to cash and other short-term investments also detracted.

### \$10,000 over 10 years

#### Institutional Class



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

### Expense example

#### Six months ended March 31, 2016

Short-Term Bond Fund	Beginning account value (10/1/15)	Ending account value (3/31/16)	Expenses paid during period* (10/1/15–3/31/16)
<b>Actual return</b>			
Institutional Class	\$1,000.00	\$1,007.57	\$1.36
Advisor Class†	1,000.00	1,007.17	1.39
Premier Class	1,000.00	1,006.81	2.16
Retirement Class	1,000.00	1,006.31	2.61
Retail Class	1,000.00	1,006.06	2.86
<b>5% annual hypothetical return</b>			
Institutional Class	1,000.00	1,023.65	1.37
Advisor Class†	1,000.00	1,022.85	2.17
Premier Class	1,000.00	1,022.85	2.17
Retirement Class	1,000.00	1,022.40	2.63
Retail Class	1,000.00	1,022.15	2.88

\* "Expenses paid during period" is based on the fund's actual expense ratio for the most recent fiscal half-year, multiplied by the average account value over the six-month period, multiplied by 183/366. There were 183 days in the six months ended March 31, 2016. The fund's annualized six-month expense ratio for that period was 0.27% for the Institutional Class, 0.43% for the Premier Class, 0.52% for the Retirement Class and 0.57% for the Retail Class. The expense charges of one or more of the fund's share classes may at times reflect a reimbursement. Please see the prospectus for an explanation, including the date on which this reimbursement is scheduled to end. Without any such reimbursement, the expenses of the affected share classes would be higher and the fund's performance lower.

† For the Advisor Class, "Expenses paid during period" is based on the fund's actual expense ratio for this class from commencement of operations on December 4, 2015 through March 31, 2016, multiplied by the average fund value over the period, multiplied by 118/366 for the actual expenses and 183/366 for the hypothetical expenses. There were 118 days in the period from commencement of operations on December 4, 2015 through March 31, 2016. The fund's annualized expense ratio for the 118-day period was 0.43% for the Advisor Class.

For more information about this expense example, please see page 5.

# Short-Term Bond Index Fund

## Portfolio composition

	% of net assets as of 3/31/2016
U.S. Treasury securities	57.6
Corporate bonds	21.3
Foreign government & corporate bonds denominated in U.S. dollars	13.7
U.S. agency securities	6.9
Municipal bonds	0.1
Short-term investments, other assets & liabilities, net	0.4
Total	100.0

## Holdings by maturity

	% of fixed-income investments (excluding short-term investments) as of 3/31/2016
Less than 1 year	4.7
1–3 years	94.7
3–5 years	0.6
Total	100.0

## Holdings by credit quality†

	% of fixed-income investments (excluding short-term investments) as of 3/31/2016
Aaa/AAA	69.4
Aa/AA	7.5
A/A	13.0
Baa/BBB	10.1
Total	100.0

† Credit quality ratings are based on the Barclays methodology, which uses the median rating of those compiled by the Moody's, Standard & Poor's and Fitch ratings agencies. If ratings are available from only two of these agencies, the lower rating is used. When only one rating is available, that one is used. These ratings are subject to change without notice.

## Performance for the period ended March 31, 2016

The Short-Term Bond Index Fund was launched on August 7, 2015. From that date through March 31, 2016, the fund returned 0.85% for the Institutional Class, compared with the 0.96% return of its benchmark, the Barclays U.S. 1–3 Year Government/Credit Bond Index. The table below includes performance data for all share classes of the fund for the reporting period.

### The new fund seeks to closely track its index

Under normal circumstances, the fund invests at least 80% of its assets in bonds within its benchmark and portfolio tracking index, the Barclays U.S. 1–3 Year Government/Credit Bond Index. Generally, the fund intends to invest in a wide spectrum of public, investment-grade, taxable debt securities denominated in U.S. dollars, including U.S. Treasury debt, government-related debt and corporate issues.

The fund uses a sampling technique to create a portfolio that closely matches the overall investment characteristics of the index (for example, duration, sector diversification and credit quality) without investing in all of the securities in the index.

At times, the fund may also invest in securities not held in the index, but which have similar investment characteristics to securities held in the index.

### As expected, Fed boosts rates

During the period, unemployment declined, wages and consumer spending rose and the housing market improved. The domestic economy grew but at a slower pace as the year progressed. Oil prices closed lower, and the U.S. dollar declined in value against most major currencies.

Fueled by generally strengthening domestic economic conditions, the Federal Reserve raised its federal funds rate target by 0.25% in December 2015—the first rate hike since 2006. As 2016 commenced, bonds fluctuated in reaction

## Performance as of March 31, 2016

Short-Term Bond Index Fund	Inception date	Total return
		since inception
<b>Institutional Class</b>	8/7/2015	0.85%
<b>Advisor Class</b>	12/4/2015	0.80‡
<b>Premier Class</b>	8/7/2015	0.75
<b>Retirement Class</b>	8/7/2015	0.69
<b>Retail Class</b>	8/7/2015	0.62
Barclays U.S. 1–3 Year Government/Credit Bond Index	—	0.96§

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

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

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

§ Performance is calculated from the inception date of the Institutional Class.

to fears that rising wages might compel the Fed to accelerate its timetable for hiking rates. However, the Fed refrained from increasing rates further as growth in the United States remained modest and inflation remained low. As the period came to a close, Fed Chair Janet Yellen noted that, going forward, the Fed would need to “proceed cautiously” in raising interest rates against a backdrop of weakness in China and slower global growth.

### Short-term bonds trail the broad bond market

During the reporting period, interest rate movements fluctuated throughout the yield curve, but in general, the performance of long-term bonds topped their short-term counterparts. Yields on 10-year U.S. Treasuries declined from 2.18% at the start of the period to 1.78% at period-end. However, yields on short-term issues actually rose modestly, constraining their performance during the period.

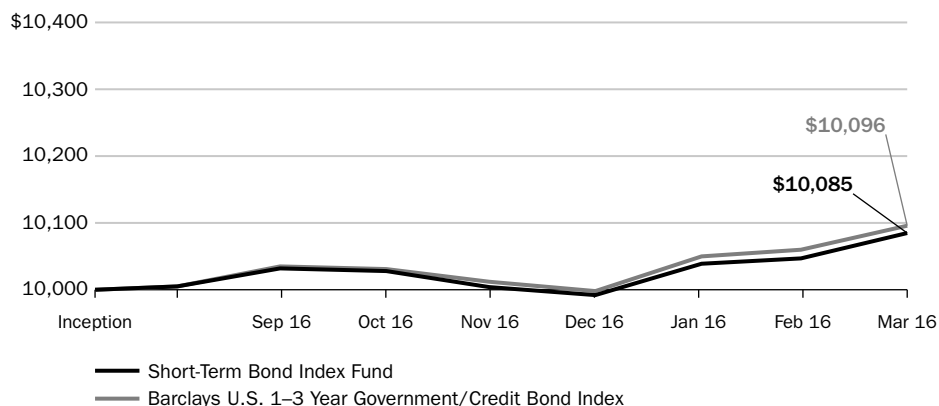
### The fund trails its benchmark

Within a challenging investment environment for fixed-income securities, the Short-Term Bond Index Fund underperformed the Barclays U.S. 1–3 Year Government/Credit Bond Index partly because of the effect of expenses. The fund’s return includes a deduction for expenses, while the benchmark’s does not.

Despite the fund’s sizable underweight in short-term U.S. Treasuries, these securities still detracted most from relative returns as they underperformed the broad bond market. However, an overweight position and yield curve exposure in the strongly performing corporate bond sector made the most significant contributions to the fund’s relative return (the Treasury yield curve is a graphical depiction of yields on Treasuries of all maturities).

### \$10,000 invested at fund’s inception

#### Institutional Class (inception August 7, 2015)



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

### Expense example

#### Six months ended March 31, 2016

	Beginning account value (10/1/15)	Ending account value (3/31/16)	Expenses paid during period* (10/1/15–3/31/16)
<b>Short-Term Bond Index Fund</b>			
<b>Actual return</b>			
Institutional Class	\$1,000.00	\$1,005.29	\$0.60
Advisor Class†	1,000.00	1,008.53	0.87
Premier Class	1,000.00	1,004.53	1.35
Retirement Class	1,000.00	1,004.05	1.85
Retail Class	1,000.00	1,003.54	2.35
<b>5% annual hypothetical return</b>			
Institutional Class	1,000.00	1,024.40	0.61
Advisor Class†	1,000.00	1,023.65	1.37
Premier Class	1,000.00	1,023.65	1.37
Retirement Class	1,000.00	1,023.15	1.87
Retail Class	1,000.00	1,022.65	2.38

\* “Expenses paid during period” is based on the fund’s actual expense ratio for the most recent fiscal half-year, multiplied by the average account value over the six-month period, multiplied by 183/366. There were 183 days in the six months ended March 31, 2016. The fund’s annualized six-month expense ratio for that period was 0.12% for the Institutional Class, 0.27% for the Premier Class, 0.37% for the Retirement Class and 0.47% for the Retail Class. The expense charges of one or more of the fund’s share classes may at times reflect a reimbursement. Please see the prospectus for an explanation, including the date on which this reimbursement is scheduled to end. Without any such reimbursement, the expenses of the affected share classes would be higher and the fund’s performance lower.

† For the Advisor Class, “Expenses paid during period” is based on the fund’s actual expense ratio for this class from commencement of operations on December 4, 2015 through March 31, 2016, multiplied by the average fund value over the period, multiplied by 118/366 for the actual expenses and 183/366 for the hypothetical expenses. There were 118 days in the period from commencement of operations on December 4, 2015 through March 31, 2016. The fund’s annualized expense ratio for the 118-day period was 0.27% for the Advisor Class.

For more information about this expense example, please see page 5.



# Social Choice Bond Fund

## Portfolio composition

	% of net assets as of 3/31/2016
Corporate bonds	26.9
Foreign government & corporate bonds denominated in U.S. dollars	16.7
U.S. agency securities	13.7
Municipal bonds	10.4
Commercial mortgage-backed securities & other mortgage-backed securities	9.6
Mortgage-backed securities*	9.1
U.S. Treasury securities	5.2
Asset-backed securities	3.4
Bank loan obligations	0.9
Short-term investments, other assets & liabilities, net	4.1

Total 100.0

\* Includes mortgage pass-through securities and collateralized mortgage obligations.

## Holdings by maturity

	% of fixed-income investments (excluding short-term investments) as of 3/31/2016
Less than 1 year	7.9
1-3 years	19.5
3-5 years	16.6
5-10 years	33.4
Over 10 years	22.6
Total	100.0

## Holdings by credit quality†

	% of fixed-income investments (excluding short-term investments) as of 3/31/2016
Aaa/AAA	32.4
Aa/AA	15.7
A/A	11.8
Baa/BBB	19.9
Ba/BB	2.7
B/B	3.3
Below B/B	3.1
Non-rated	11.1
Total	100.0

† Credit quality ratings are based on the Barclays methodology, which uses the median rating of those compiled by the Moody's, Standard & Poor's and Fitch ratings agencies. If ratings are available from only two of these agencies, the lower rating is used. When only one rating is available, that one is used. These ratings are subject to change without notice.

## Performance for the twelve months ended March 31, 2016

The Social Choice Bond Fund returned 1.64% for the Institutional Class, compared with the 1.96% return of its benchmark, the Barclays U.S. Aggregate Bond Index. The fund utilizes certain environmental, social and governance criteria, while the benchmark does not. The table below includes performance data for all share classes of the fund.

### As expected, the Fed boosts rates

During the twelve-month period, unemployment declined to 5.0%, from 5.4% in April 2015, wages and consumer spending rose, and the housing market improved. The domestic economy grew, but at a slower pace as the year progressed. Oil prices closed lower, and the U.S. dollar declined in value against most major currencies.

Fueled by generally strengthening domestic economic conditions, the Federal Reserve raised its federal funds rate target by 0.25% in December 2015—the first rate hike since 2006. As 2016 commenced, bonds fluctuated in reaction to fears that rising wages might compel the Fed to accelerate its timetable for hiking rates. However, the Fed refrained from increasing rates further as growth in the United States remained modest and inflation remained low. As the period came to a close, Fed Chair Janet Yellen noted that, going forward, the Fed would need to “proceed cautiously” in raising interest rates against a backdrop of weakness in China and slower global growth.

Fixed-income markets were turbulent. Interest rate movements fluctuated throughout the yield curve, but in general, the performance of long-term bonds topped their short-term counterparts. Yields on 10-year U.S. Treasuries declined from 1.87% at the start of the reporting period to 1.78% twelve months later. However, yields on short-term issues actually rose modestly.

## Performance as of March 31, 2016

Social Choice Bond Fund	Inception date	Total return	Average annual total return
		1 year	since inception
<b>Institutional Class</b>	9/21/2012	1.64%	3.53%
<b>Advisor Class</b>	12/4/2015	1.59†	3.51†
<b>Premier Class</b>	9/21/2012	1.39	3.35
<b>Retirement Class</b>	9/21/2012	1.39	3.27
<b>Retail Class</b>	9/21/2012	1.26	3.18
Barclays U.S. Aggregate Bond Index	—	1.96	2.25§

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

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

§ Performance is calculated from the inception date of the Institutional Class.

### All benchmark sectors rise, but two of the smaller components perform best

Municipal bonds, which constituted the smallest portion of the benchmark's total market capitalization at period-end, performed best, gaining 4.0%. Next in line were commercial mortgage-backed securities, rising 2.8%; mortgage-backed securities (MBS), gaining 2.5%; and U.S. Treasuries, which comprised more than one-third of the benchmark on March 31, 2016, returning 2.4%.

Despite positive results, all other sectors underperformed the return of the broad bond market. This included the 0.7% gain of government agency securities and the 0.9% return of the sizable corporate bond sector, which made up nearly one-quarter of the benchmark's total market capitalization on March 31, 2016.

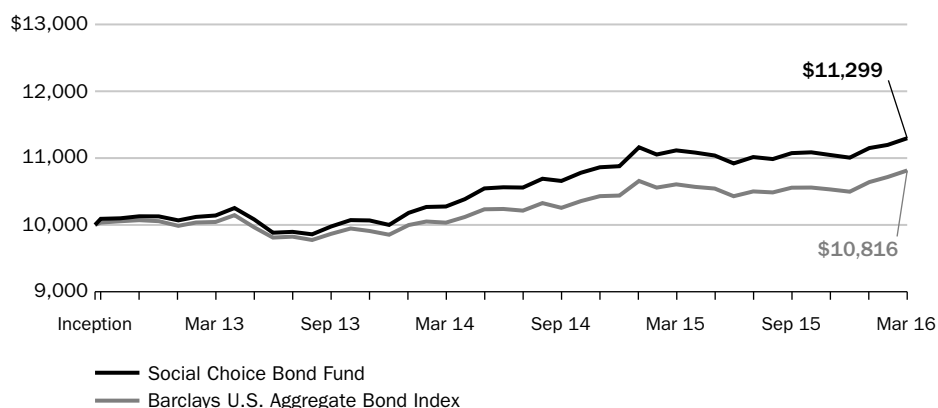
### The fund achieves gains, but modestly trails its benchmark

The fund rose during the period, but modestly underperformed its benchmark, primarily because of the fund's yield curve positioning in U.S. Treasuries amid sizable fluctuations in long-term interest rates (the Treasury yield curve is a graphical depiction of yields on Treasuries of all maturities). An overweight position in corporate bonds also detracted, as the sector underperformed the broad bond market. Yield curve exposure in MBS further detracted from relative performance.

Contributing most to the fund's relative performance was yield curve exposure in government agency securities and investments in municipal bonds, which produced solid gains during the twelve months.

### \$10,000 invested at fund's inception

#### Institutional Class (inception September 21, 2012)



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

### Expense example

#### Six months ended March 31, 2016

Social Choice Bond Fund	Beginning account value (10/1/15)	Ending account value (3/31/16)	Expenses paid during period* (10/1/15-3/31/16)
<b>Actual return</b>			
Institutional Class	\$1,000.00	\$1,020.21	\$2.02
Advisor Class†	1,000.00	1,023.99	1.79
Premier Class	1,000.00	1,018.47	2.78
Retirement Class	1,000.00	1,018.94	3.28
Retail Class	1,000.00	1,018.79	3.43
<b>5% annual hypothetical return</b>			
Institutional Class	1,000.00	1,023.00	2.02
Advisor Class†	1,000.00	1,022.25	2.78
Premier Class	1,000.00	1,022.25	2.78
Retirement Class	1,000.00	1,021.75	3.29
Retail Class	1,000.00	1,021.60	3.44

\* "Expenses paid during period" is based on the fund's actual expense ratio for the most recent fiscal half-year, multiplied by the average account value over the six-month period, multiplied by 183/366. There were 183 days in the six months ended March 31, 2016. The fund's annualized six-month expense ratio for that period was 0.40% for the Institutional Class, 0.55% for the Premier Class, 0.65% for the Retirement Class and 0.68% for the Retail Class. The expense charges of one or more of the fund's share classes may at times reflect a reimbursement. Please see the prospectus for an explanation, including the date on which this reimbursement is scheduled to end. Without any such reimbursement, the expenses of the affected share classes would be higher and the fund's performance lower.

† For the Advisor Class, "Expenses paid during period" is based on the fund's actual expense ratio for this class from commencement of operations on December 4, 2015 through March 31, 2016, multiplied by the average fund value over the period, multiplied by 118/366 for the actual expenses and 183/366 for the hypothetical expenses. There were 118 days in the period from commencement of operations on December 4, 2015 through March 31, 2016. The fund's annualized expense ratio for the 118-day period was 0.55% for the Advisor Class.

For more information about this expense example, please see page 5.

# Tax-Exempt Bond Fund

## Portfolio composition

	% of net assets as of 3/31/2016
Municipal bonds	95.0
Short-term investments, other assets & liabilities, net	5.0
Total	100.0

## Holdings by maturity

	% of fixed-income investments (excluding short-term investments) as of 3/31/2016
Less than 1 year	12.4
1-3 years	5.2
3-5 years	6.2
5-10 years	41.3
Over 10 years	34.9
Total	100.0

## Holdings by credit quality\*

	% of fixed-income investments (excluding short-term investments) as of 3/31/2016
Aaa/AA	7.2
Aa/AA	39.4
A/A	20.7
Baa/BBB	17.9
Non-rated	14.8
Total	100.0

\* Credit quality ratings are based on the Barclays methodology, which uses the median rating of those compiled by the Moody's, Standard & Poor's and Fitch ratings agencies. If ratings are available from only two of these agencies, the lower rating is used. When only one rating is available, that one is used. These ratings are subject to change without notice.

## Performance for the twelve months ended March 31, 2016

The Tax-Exempt Bond Fund returned 2.60% for the Institutional Class, compared with the 4.42% return of its benchmark, the Barclays 10-Year Municipal Bond Index. The table below includes performance data for all share classes of the fund.

### Tax-exempt bonds surpass the broad bond market as the Fed hikes rates

During the twelve-month period, unemployment declined to 5.0% from 5.4% in April 2015, wages and consumer spending rose, and the housing market improved. The domestic economy grew, but at a slower pace as the year progressed. Oil prices closed lower, and the U.S. dollar dropped in value against most major currencies.

Fueled by generally strengthening domestic economic conditions, the Federal Reserve raised its federal funds rate target by 0.25% in December 2015—the first rate hike since 2006. As 2016 commenced, bonds fluctuated in reaction to fears that rising wages might compel the Fed to accelerate its timetable for hiking rates. However, the Fed refrained from increasing rates further as growth in the United States remained modest and inflation remained low. As the period came to a close, Fed Chair Janet Yellen noted that, going forward, the Fed would need to “proceed cautiously” in raising interest rates against a backdrop of weakness in China and slower global growth.

Strong fundamentals generated demand for municipal bonds throughout the period. Supply was well absorbed given a continued investor appetite for income and relative stability in an environment of low interest rates and slower global growth. California and New York recently made headlines with legislation to raise the hourly minimum wage to \$15.

For the twelve-month period, tax-exempt bonds surpassed the 1.96% return of the broad domestic investment-grade fixed-rate bond market, as measured by the Barclays U.S. Aggregate Bond Index. For the ten years ended March 31, 2016, the Barclays 10-Year Municipal Bond Index posted an average annual return of 5.41%, compared with 4.90% for the broad domestic bond market.

## Performance as of March 31, 2016

Tax-Exempt Bond Fund	Inception date	Total return	Average annual total return	
		1 year	5 years	10 years
<b>Institutional Class</b>	3/31/2006	2.60%	4.65%	4.41%
<b>Advisor Class</b>	12/4/2015	2.55 <sup>†</sup>	4.64 <sup>†</sup>	4.40 <sup>†</sup>
<b>Retail Class</b>	3/31/2006	2.22	4.36	4.21
Barclays 10-Year Municipal Bond Index	—	4.42	5.79	5.41

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

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

<sup>†</sup> The performance shown for the Advisor Class that is prior to its inception date is based on the performance of the fund's Institutional Class. The performance for these periods has not been restated to reflect the higher expenses of the Advisor Class. If those higher expenses had been reflected, the performance of the Advisor Class shown for these periods would have been lower.

## Gains in all sectors propel the benchmark forward

During the period, all of the benchmark's sectors posted positive results. The industrial revenue and water and sewer sectors were among its largest contributors, returning 5.5% and 4.7%, respectively. The benchmark also benefited from the strong performance of education, transportation and special tax. These top-performing sectors represented more than two-fifths of the benchmark's total market capitalization at period-end. Despite positive performance, the solid waste/resource recovery, leasing, state, local, housing and health care sectors underperformed the returns of the broad municipal bond market.

On March 31, 2016, higher-rated AAA municipal bonds, as measured by the Thomson-Reuters MMD AAA General Obligation 10-year municipal bond average, yielded 1.70%, down from 1.96% at the beginning of the period. In an environment of low interest rates and credit improvements, new municipal bond issuance increased from \$372 billion on March 31, 2015, to \$385 billion twelve months later.

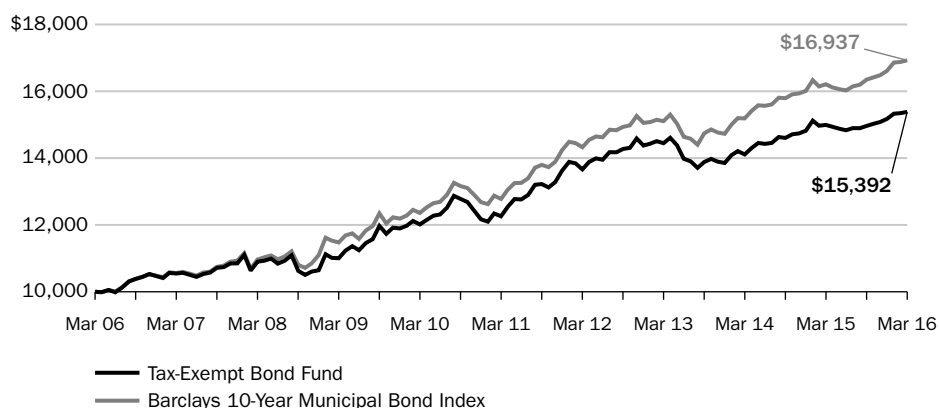
## Despite gains, the fund trails its benchmark

Overall, yield curve exposure was the largest detractor from the fund's relative performance in an environment of fluctuating interest rates. Yield curve positioning in the local, state, leasing and transportation sectors detracted most from relative returns. (The municipal yield curve is a graphical depiction of yields on municipal bonds of all maturities.)

Conversely, yield curve exposure and overweight holdings in the health care, power and education sectors boosted relative performance.

## \$10,000 over 10 years

### Institutional Class



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

## Expense example

### Six months ended March 31, 2016

Tax-Exempt Bond Fund	Beginning account value (10/1/15)	Ending account value (3/31/16)	Expenses paid during period* (10/1/15-3/31/16)
<b>Actual return</b>			
Institutional Class	\$1,000.00	\$1,028.19	\$1.77
Advisor Class†	1,000.00	1,018.48	1.63
Retail Class	1,000.00	1,026.75	3.19
<b>5% annual hypothetical return</b>			
Institutional Class	1,000.00	1,023.25	1.77
Advisor Class†	1,000.00	1,022.50	2.53
Retail Class	1,000.00	1,021.85	3.18

\* "Expenses paid during period" is based on the fund's actual expense ratio for the most recent fiscal half-year, multiplied by the average account value over the six-month period, multiplied by 183/366. There were 183 days in the six months ended March 31, 2016. The fund's annualized six-month expense ratio for that period was 0.35% for the Institutional Class and 0.63% for the Retail Class. The expense charges of one or more of the fund's share classes may at times reflect a reimbursement. Please see the prospectus for an explanation, including the date on which this reimbursement is scheduled to end. Without any such reimbursement, the expenses of the affected share classes would be higher and the fund's performance lower.

† For the Advisor Class, "Expenses paid during period" is based on the fund's actual expense ratio for this class from commencement of operations on December 4, 2015 through March 31, 2016, multiplied by the average fund value over the period, multiplied by 118/366 for the actual expenses and 183/366 for the hypothetical expenses. There were 118 days in the period from commencement of operations on December 4, 2015 through March 31, 2016. The fund's annualized expense ratio for the 118-day period was 0.50% for the Advisor Class.

For more information about this expense example, please see page 5.

# Money Market Fund

## Portfolio composition

	% of net assets as of 3/31/2016
Commercial paper	38.5
U.S. government agency securities	24.8
U.S. Treasury securities	17.8
Floating-rate securities, government	14.7
Certificates of deposit	4.1
Other assets & liabilities, net	0.1
Total	100.0

## Net annualized yield

(for the 7 days ended 3/29/2016)\*

	Current yield	Effective yield
Money Market Fund†		
Institutional Class	0.31%	0.31%
Advisor Class	0.16	0.16
Premier Class	0.00	0.00
Retirement Class	0.00	0.00
Retail Class	0.00	0.00
iMoneyNet Money Fund Averages—All Taxable§	0.11	0.11

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

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

## Performance for the twelve months ended March 31, 2016

The Money Market Fund returned 0.09% for the Institutional Class, compared with the 0.04% return of the iMoneyNet Money Fund Averages™—All Taxable, a simple average of over 1,000 taxable money market funds. The iMoneyNet average is not an index, and its return reflects the deduction of expenses charged by the funds included in the average. The table below shows returns for all share classes of the fund.

### As expected, the Fed boosts rates

Fueled by strengthening economic conditions, the Federal Reserve approved a quarter-point hike in its federal funds rate target on December 16, 2015. As 2016 commenced, inflation rose modestly and fears that interest rate hikes could happen more frequently caused some short-term volatility within the bond market. However, most segments advanced in the end. In a March statement, the Federal Reserve took an accommodative stance, indicating that the timing and size of future rate adjustments would depend on the U.S. economy's performance, as well as global economic and financial developments.

Longer-term bonds topped their short-term counterparts, as investors became more willing to venture further out on the yield curve amid a healthy U.S. economy. As bond prices rose, yields on 10-year Treasuries went from 1.87% at the start

## Performance as of March 31, 2016

Money Market Fund†	Inception date	Total return	Average annual total return	
		1 year	5 years	10 years
<b>Institutional Class</b>	7/1/1999	0.09%	0.03%	1.26%
<b>Advisor Class</b>	12/4/2015	0.04‡	0.02‡	1.26‡
<b>Premier Class</b>	9/30/2009	0.00	0.00	1.23‡
<b>Retirement Class</b>	3/31/2006	0.00	0.00	1.14
<b>Retail Class</b>	3/31/2006	0.00	0.00	1.19
iMoneyNet Money Fund Averages— All Taxable§	—	0.04	0.02	1.04

*The returns in this report show past performance, which is no guarantee of future results. The returns do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares. Returns and the principal value of your investment will fluctuate. Current performance may be higher or lower than that shown, and you may have a gain or a loss when you redeem your shares. For current performance information, including performance to the most recent month-end, please visit TIAA.org. Performance may reflect waivers or reimbursements of certain expenses. Absent these waivers or reimbursement arrangements, performance may be lower.*

You could lose money over short or long periods by investing in this fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. The fund's sponsor has no legal obligation to provide support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time. For a detailed discussion of risk, please see the prospectus.

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

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

† Beginning August 27, 2013, the fund's adviser is reimbursing certain fund expenses. Beginning January 1, 2013, part or all of the 12b-1 distribution expenses of the Retail Class are being waived. Prior to that, beginning August 18, 2009 part or all of the 12b-1 distribution expenses were not being reimbursed to the fund's distributor. Also, beginning August 18, 2009 part or all of the service fees of the Retirement Class are being voluntarily waived. Beginning October 1, 2009, part or all of the 12b-1 distribution expenses of the Premier Class are being voluntarily waived. Without these changes, the 7-day current and effective net annualized yields and total returns for the fund would have been lower. The suspension of reimbursements and the addition of waivers are voluntary and may be discontinued at any time without notice.

of the reporting period to 1.78% twelve months later. London InterBank Offered rate (LIBOR) yields rose during the period with longer-dated rates gaining the most ground, rising proportionately during the fourth quarter due to the Fed's rate hike in December. The three-month LIBOR began the period at 0.27%, jumped to 0.61% in December 2015 and closed the period higher at 0.63%. The twelve-month LIBOR, at 0.70% in April 2015, rose to 1.18% in December before climbing to 1.21% at period-end. In the first three months of 2016, LIBOR rates generally continued to rise slowly in anticipation of additional Fed rate increases. (LIBOR, an indication of the interest rates that banks expect to pay to other banks for loans on the London market, is the most widely used benchmark for short-term rates.)

### Fund restructuring to comply with new SEC regulations

As a result of amendments to the SEC regulations concerning all money market funds, the fund's board has approved the conversion of the fund to a "government money market fund" (a "government fund"). As a government fund, the fund will invest at least 99.5% of its total assets in cash, U.S. government securities and/or repurchase agreements ("repos") collateralized fully by cash or U.S. government securities. The fund will continue to seek to maintain a share value of \$1.00 per share. The conversion will be effective by October 2016.

Many other U.S. money market funds are also expected to restructure as government funds. As a result, the supply of commercial paper and credit products decreased during the period, while the supply of short-term U.S. Treasuries increased.

### The fund narrowly outpaces the industry average

In this environment of prolonged low interest rates, the return of the Money Market Fund inched past that of the average iMoneyNet fund for the twelve-month period. To comply with SEC regulations, the fund maintained more than 50% of its portfolio in U.S. Treasury and government securities. For additional yield, the fund invested in U.S. government floating-rate securities with one- and two-year maturities.

Where advantageous, the fund continued to purchase high-quality securities of top-tier Pacific Rim financial institutions along with a few select European banks. As of March 29, 2016, the fund's weighted average maturity was 48 days, versus 38 days for the average iMoneyNet fund.

In response to historically low interest rates, part or all of the Money Market Fund's 12b-1 distribution fees and/or administrative fees were voluntarily withheld (waived) to prevent the fund's yield from turning negative.

### Expense example

#### Six months ended March 31, 2016

Money Market Fund	Beginning account value (10/1/15)	Ending account value (3/31/16)	Expenses paid during period* (10/1/15-3/31/16)
<b>Actual return</b>			
Institutional Class	\$1,000.00	\$1,000.81	\$0.70
Advisor Class†	1,000.00	1,000.23	0.94
Premier Class	1,000.00	1,000.00	1.50
Retirement Class	1,000.00	1,000.00	1.50
Retail Class	1,000.00	1,000.00	1.50
<b>5% annual hypothetical return</b>			
Institutional Class	1,000.00	1,024.30	0.71
Advisor Class†	1,000.00	1,023.55	1.47
Premier Class	1,000.00	1,023.50	1.52
Retirement Class	1,000.00	1,023.50	1.52
Retail Class	1,000.00	1,023.50	1.52

\* "Expenses paid during period" is based on the fund's actual expense ratio for the most recent fiscal half-year, multiplied by the average account value over the six-month period, multiplied by 183/366. There were 183 days in the six months ended March 31, 2016. The fund's annualized six-month expense ratio for that period was 0.14% for the Institutional Class, 0.30% for the Premier Class, 0.30% for the Retirement Class and 0.30% for the Retail Class. The expense charges of one or more of the fund's share classes may at times reflect a waiver or reimbursement. Without any such waiver or reimbursement, the expenses of the affected share classes would be higher and the fund's performance lower.

† For the Advisor Class, "Expenses paid during period" is based on the fund's actual expense ratio for this class from commencement of operations on December 4, 2015 through March 31, 2016, multiplied by the average fund value over the period, multiplied by 118/366 for the actual expenses and 183/366 for the hypothetical expenses. There were 118 days in the period from commencement of operations on December 4, 2015 through March 31, 2016. The fund's annualized expense ratio for the 118-day period was 0.29% for the Advisor Class.

For more information about this expense example, please see page 5.