



Embargoed until January 27, 2009, 12:01 am ET

***2008 NACUBO Endowment Study Shows 3% Loss
On One-Year Return as of June 30, With 23% Loss After June 30***

***Long-Term Strategy Enabled College and University Endowments
To Fare Better Than Market Indexes***

Washington, DC, January 27, 2009 – Higher education endowments reported an average rate of return of -3.0 percent for the fiscal year ending June 30, 2008, according to a survey released today by the National Association of College and University Business Officers (NACUBO) in conjunction with TIAA-CREF Asset Management. The results of a follow-up survey show that endowments' investment returns fell an additional 23 percent from July to November 2008, the first five months of FY09. NACUBO's full 2008 study includes data from 796 colleges and universities in the United States and Canada. The follow-up survey includes 435 institutions that responded to the original study.¹

While the 2008 NES and follow-up survey results detail a period of great challenge for college and university endowment managers, the study also shows that college and university endowments continue to realize a 6.5 percent average 10-year rate of return, outperforming market indices.

“This year's results remind us of the importance of taking a long-term view in assessing endowment performance. Past NES reports show that endowments fell 3.5 percent in FY01 and 6.2 percent in FY02 before enjoying several years of double-digit average returns prior to FY08,” noted John Walda, president and CEO of NACUBO. “Further, it is a testament to the skill of campus managers that colleges and universities have fared better than the 13.1 percent decline that occurred in the Standard and Poor's 500 Index in FY08.”

“The results of this year's study continue to illustrate the importance of a well-diversified investment portfolio,” said Brett Hammond, Chief Investment Strategist, TIAA-CREF. “Although they had to navigate through the most turbulent market waters since World War II, the best diversified endowments continued to outperform both the S&P 500 and Lehman Aggregate Bond indices over a three-, five-, and ten-year period. While initial data shows losses in the first part of the 2009 fiscal year, we expect that most endowments will maintain their investment philosophies and spending rates in order to provide for their organization's longer term needs.”

¹ The NACUBO Endowment Study does not consider any TIAA-CREF investment offerings to the public.

Additional Survey Details

The full 2008 NES is based on information gathered as of June 30, 2008, the fiscal year-end date for most NES participants. Return and allocation data in this study do not reflect the extreme market volatility and global market declines that occurred in the fall and early winter of 2008. The follow-up survey, conducted in December 2008, covered investment returns between July 1 and November 30, 2008.

The NES is the largest and longest running annual survey studying the endowment holdings of higher education institutions and their foundations. Information is collected and calculated on behalf of NACUBO by TIAA-CREF. Seven hundred and ninety-six (796) institutions in the United States and Canada participated in the 2008 NES, which is the largest number in the 36-year history of the study and the eighth consecutive year of record-breaking participation since NACUBO began its partnership with TIAA-CREF in 2000.

The 2008 NACUBO Endowment Study (NES) attempts to collect data on the basis of a June 30 fiscal year-end date. Institutions reporting on different year-ends are excluded from some tables contained in the study and this presentation. Participation in the study is voluntary and open only to members of NACUBO. As such, no claim is made that this information represents all higher education institutions.

While institutions are encouraged to complete as much of the survey as possible, participants are not required to complete every data element requested. As a result, most data sets do not reflect all study participants.

Unless otherwise noted, data shown are equal-weighted. Where dollar-weighted averages are presented, they result in larger endowments and investment pools having a greater overall effect on the calculation of average dollars.

An executive summary of the 2008 NACUBO Endowment Study, the complete study, and the follow-up survey are available for download at www.nacubo.org. The report contains tables and graphs that illustrate essential data on all aspects of investment performance, asset allocation, additions and withdrawals to the investment pool, spending rates and policies, and investment management policies, practices, and strategies. The cost for the full study is \$89.95 for NACUBO members and \$335.00 for nonmembers. The executive summary is available for \$29.95 for NACUBO members and \$79.00 for nonmembers. The follow-up survey is available at no charge to NACUBO members and nonmembers.

About TIAA-CREF

TIAA-CREF (www.tiaa-cref.org) is a national financial services organization with more than \$398 billion in assets under management (9/30/08) and the leading provider of retirement services in the academic, research, medical and cultural fields.

About NACUBO

NACUBO, founded in 1962, is a nonprofit professional organization representing chief administrative and financial officers at more than 2,100 colleges and universities across the country. NACUBO's mission is to promote sound management and financial practices at colleges and universities.

NACUBO and TIAA-CREF would be pleased to provide further information. To arrange interviews with John Walda and additional NACUBO staff on the survey team—Matthew Hamill and Kenneth Redd—please contact:

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NACUBO Endowment Study Spokesperson Biographies

John Walda is president and CEO of NACUBO. His career has spanned three decades in higher education, public policy and law, including service as president of the Indiana University Board of Trustees and as chairman of the board of the Association of Governing Boards. Before joining NACUBO in 2006, Walda was a partner at Bose McKinney & Evans. His B.A. and J.D. are from Indiana University.

Matthew Hamill is senior vice president of advocacy and issue analysis at NACUBO. Hamill has served on the staff of additional associations, including the National Association of Independent Colleges and Universities, and on the staff of two members of Congress. He holds a bachelor's degree from Amherst College.

Kenneth Redd, director of research and policy analysis, oversees the NACUBO Endowment Study. Prior to joining NACUBO, Redd worked as a research analyst for the Council of Graduate Schools. He has an M.A. from the University of Minnesota, and a B.A. from Tufts University.

P. Brett Hammond, managing director and chief investment strategist, TIAA-CREF Asset Management, is responsible for asset allocation modeling and institutional advising, economic and market commentary, and investment product and portfolio research. Within TIAA-CREF, he was previously responsible for performance attribution modeling, played an influential role in the creation of the company's inflation-linked bond and lifecycle funds, and conducted pension

research. Prior to TIAA-CREF, Mr. Hammond held positions at the National Academy of Sciences, UCLA, and UC Berkeley. He received a Ph.D. from the Massachusetts Institute of Technology and AB degrees in economics and political science from the University of California at Santa Cruz.

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