

# Inflation-Linked Bond Fund

## Fund at a glance

Retail Class  
TCILX

Retirement Class  
TIKRX

Premier Class  
TIKPX

Institutional Class  
TIILX

Advisor Class  
TIIHX

Inception Date<sup>1</sup>  
10/1/2002

Benchmark  
Barclays U.S.  
Treasury Inflation  
Protected Securities  
(TIPS) 1-10 Year Index<sup>2</sup>

The TIAA Inflation-Linked Bond Fund is designed to protect U.S. dollar investors from a loss of “real buying power” due to high future inflation rates in the United States. In general, the duration and risk characteristics of the Fund are managed very closely to those of the Barclays U.S. Treasury Inflation Protected Securities (TIPS) 1-10 Year Index.

## Investment objective

The Fund seeks a long-term total rate of return that outpaces inflation, primarily through investment in inflation-indexed securities.

## Investment philosophy

The portfolio management team believes inflation-linked securities can help provide diversification and a hedge against the adverse effects of inflation as defined by the Consumer Price Index-Urban (CPI-U). The team believes that through individual security selection and active management, the Fund can provide a competitive current level of income, a future income stream and a future asset value that tracks the CPI-U index.

## Key distinctions

- **Asset class pioneer.** TIAA worked closely with the U.S. Treasury to assist in the development of the U.S. inflation-linked security, which brings a deep knowledge of these securities to the Fund.
- **Helps protect against U.S. dollar “real buying power”.** Provides pure exposure to U.S. inflation-linked securities which may create an effective hedge for investors by offering a level of income above the U.S. inflation rate.
- **Low relative-risk strategy.** The Fund’s risk characteristics are managed closely to those of the Barclays U.S. Treasury Inflation Protected Securities (TIPS) 1-10 Year Index.

1. For Institutional Class.

2. Effective January 1, 2016, the Fund’s benchmark index changed from the Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L) to the Barclays U.S. Treasury Inflation Protected Securities (TIPS) 1-10 Year Index. The Barclays U.S. Treasury Inflation Protected Securities (TIPS) 1-10 Year Index tracks the performance of inflation-protected securities issued by the U.S. Treasury with maturity dates of more than 1 year and less than 10 years. The Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L) tracks the performance of inflation-protected securities issued by the U.S. Treasury. You cannot invest directly in any index. Index returns do not reflect a deduction for fees or expenses.

## Investment process

When selecting investments for the portfolio, the team pays careful attention to current rates of inflation, economic growth and market expectations as they are key determinants of the rate of return on inflation-linked bonds.

<p><b>Assess macroeconomic factors</b></p>	<p>The portfolio management team takes into account an outlook for U.S. GDP growth and inflation. The team also considers fiscal and monetary policies that may influence that outlook.</p>
<p><b>Evaluate fixed-income fundamentals</b></p>	<p>The team considers relative valuations of inflation-linked bonds versus nominal Treasuries, using breakeven inflation-rate analysis to guide portfolio positioning. Based on the assessment of relative value, the managers may favor specific segments of the curve or out-of-index positions.</p>
<p><b>Evaluate liquidity</b></p>	<p>Attention to market liquidity helps provide guidance in the timing and execution of security purchases. The team takes into consideration factors including auctions, dealer positioning, money flows and retail demand.</p>
<p><b>Build portfolio</b></p>	<p>Purchase and sell decisions (as well as position size) compare the Fund's holdings, overall portfolio composition and risk characteristics to those of the benchmark.</p>

In terms of risk management, the team regularly reviews portfolio structure and risk characteristics. The portfolio managers seek to maintain a low targeted tracking error relative to the Barclays U.S. Treasury Inflation Protected Securities (TIPS) 1-10 Year Index.

### Management team

**John Cerra, Managing Director**

Joined TIAA in 1985, 31 years of investment experience

**Nicholas Travaglino, Managing Director**

Joined TIAA in 2014, 19 years of industry experience

### About TIAA Global Asset Management

Born from a legacy of making a difference, TIAA Global Asset Management has been committed to serving the best interests of our institutional, intermediary and individual clients for nearly 100 years. Among the world's largest global managers, TIAA Global Asset Management draws on deep expertise to deliver long-term performance across multiple asset classes: fixed income, equities, directly-owned real estate and alternatives.

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*Fixed-income securities are subject to interest-rate risk. When interest rates rise, the value of fixed-income securities generally declines. Investments in inflation-linked securities can be affected by changes in investors' inflation expectations or changes in real interest rates.*

**You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 877-518-9161 or go to [TIAA.org](http://TIAA.org) for a current prospectus that contains this and other information. Please read the prospectus carefully before investing.**

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