



TIAA-CREF Asset Management

TIAA Real Estate Account



The TIAA Real Estate Account is a variable annuity that is principally comprised of directly owned, income-producing commercial real estate properties in the U.S., real estate investment trusts (REITs) and non-real-estate liquid and cash-equivalent securities. The Account can also allocate to other real estate-related assets such as commercial mortgage debt, commercial mortgage-backed securities and other similar investments.

Advantages of the Account

Favors Class A, high-quality properties in top-tier markets, which helps assure a high standard of quality investments

Benefits from the input of over 110 real estate professionals with acquisition, portfolio management, disposition and research teams

Continual development and upgrading of real estate properties helps protect and increase potential value of assets

Consistent with TIAA-CREF's commitment to sustainability initiatives, including energy efficiency

Investment objective

The Account seeks favorable long-term returns primarily through rental income and appreciation of real estate and real estate-related investments owned by the Account.

Investment philosophy

The portfolio management team believes that by constructing a portfolio consisting mainly of high-quality commercial real estate properties, they can create the potential for consistent income and appreciation of investments. The philosophy behind the TIAA Real Estate Account is based on a disciplined investment approach combined with a research-driven portfolio construction process, which forms a solid foundation for generating consistent long-term performance.

Key distinctions

- Provides direct ownership interests in commercial real estate, an asset class that typically is not widely available to individual investors, offering diversification beyond traditional equity and fixed-income investments
- Offers guaranteed daily liquidity; interests can be redeemed once per calendar quarter
- TIAA-CREF is one of the largest managers of U.S. tax-exempt real estate assets,* with 60 years of experience in direct real estate investing

The risks associated with investing in the Real Estate Account include the risks associated with real estate ownership, including among other things fluctuations in property values, higher expenses or lower income than expected, risks associated with borrowing and potential environmental problems and liability, as well as risks associated with participant flows and conflicts of interest.

*Source: *Pensions & Investments*, October 3, 2011. Rankings are based on data provided as of June 30, 2011, by each responding asset manager.



Financial Services

TIAA Real Estate Account

Investment process

The Account is constructed using both a top-down and bottom-up asset selection process. Top-down sector and geographic analysis drives target-market acquisition and disposition activities, while bottom-up, property-level execution drives individual property selection and strategy. Risk is managed through geographic and property-type asset diversification, extensive analysis of tenants' credit and appropriate diversification of future lease expirations.



Top-down analysis

Our proprietary top-down research process is carried out by a staff of research professionals using an extensive infrastructure of databases and analytical tools.

Real estate performance by property type and market location is monitored on an ongoing basis and analyzed in the context of U.S. macroeconomic performance and global capital market conditions.

Forecasts of total return performance and its components are updated on a quarterly basis, using both proprietary and external models.

These top-down processes are applied systematically to select target markets, and then they're applied to determine sector weights within the target markets for the four major property types: multi-family, industrial, office and retail.

Bottom-up asset selection

Bottom-up asset selection capitalizes on experienced senior investment management oversight, access to local market expertise and presence, active relationships with local developers and owners, property management and leasing firms, and investment sales brokers and lenders.

Management team

Tom Garbutt, Senior Managing Director

- Joined TIAA-CREF in 1982
- 31 years of investment experience

Margaret Brandwein, Managing Director

- Joined TIAA-CREF in 1987
- 28 years of investment experience

About TIAA-CREF Asset Management

Since 1918, we've focused intently on providing consistent results for our clients. Through a disciplined technique of balancing proven strategies with innovative ones, we've successfully provided millions of clients with the outcomes they desire. Our forward-thinking approach is a fundamental part of how we deliver the long-term success our clients have come to expect.

Call 800 842-2252 or visit tiaa-cref.org to learn more about us today.

You should consider the investment objectives, risks, charges and expenses carefully before investing. This presentation must be preceded or accompanied by a current prospectus. For broker/dealer and financial advisor use only. Not for distribution to the general public.

The TIAA Real Estate Account has filed a registration statement (including a prospectus) with the Securities and Exchange Commission for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents that the TIAA Real Estate Account has filed with the Securities and Exchange Commission for more complete information about the TIAA Real Estate Account and this offering. You may get these documents for free by visiting EDGAR on the Securities and Exchange Commission website at <http://www.sec.gov>. Alternatively, the TIAA Real Estate Account, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request by calling toll-free 800 842-2776. TIAA Real Estate Account Prospectus: http://www.tiaa-cref.org/pdf/prospectuses/realestate_prosp.pdf.

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