

### **Fund Objective and Investment Approach**

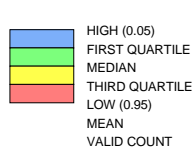
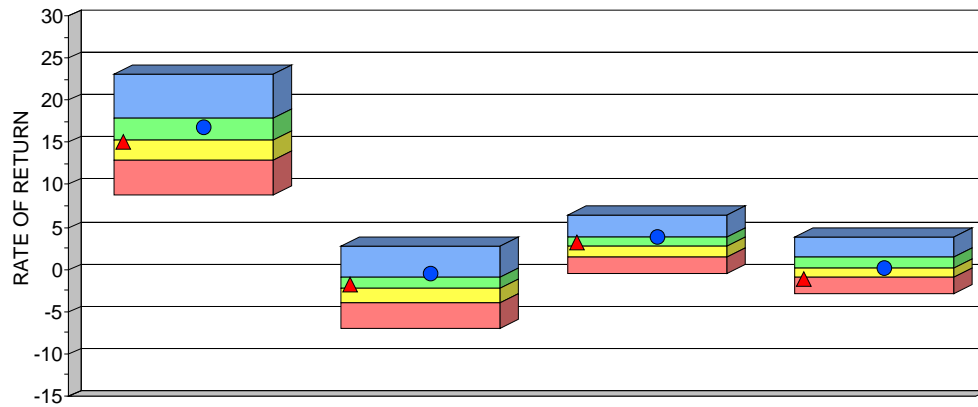
The CREF Growth Account seeks favorable long-term investment performance, predominantly from capital appreciation, substantially from a diversified portfolio of common stocks offering the potential for exceptional growth. The account invests primarily in large, established companies, particularly those with new or innovative products, services or processes that enhance future earnings prospects. The Account may also invest in smaller companies with higher growth potential as well as companies in new and emerging areas of the economy. It also may invest up to 20% of its assets in foreign securities.

### **Performance Commentary**

For the twelve-months ended December 31, 2010, the CREF Growth Account returned 14.99%, lagging the Russell 1000 Growth Index benchmark return of 16.71% by 172 basis points. The Account trailed by 137, 67 and 116 basis points the three-, five- and ten-year periods, respectively.

<b>Fund Characteristics</b>	<b>CREF Growth Account</b>
Total Fund Assets	\$13.5 billion
Style Characteristics	Growth
Capitalization Focus	Large
Level of Diversification	Diversified
Market Risk (Beta)	1.01 (3-year)
Number of Holdings	696
Turnover	42%
Fees	0.43% Annually
Portfolio Manager (tenure)	Susan Hirsch (5 years) Andrea Mitroff (4 years)

**CREF GROWTH ACCOUNT  
QUARTILE RANKING BAR  
LARGE GROWTH UNIVERSE  
PERIODS ENDING DECEMBER 31, 2010**



	1 Year	3 Years	5 Years	10 Years
HIGH (0.05)	23.06	2.82	6.44	3.78
FIRST QUARTILE	17.82	-0.84	3.81	1.46
MEDIAN	15.31	-2.29	2.66	0.20
THIRD QUARTILE	12.89	-3.99	1.52	-0.95
LOW (0.95)	8.74	-6.92	-0.53	-2.91
MEAN	15.40	-2.39	2.73	0.29
VALID COUNT	1328	1157	986	593

	1 Year		3 Years		5 Years		10 Years	
	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK
▲ CREF Growth Account	14.99	53	-1.85	41	3.08	41	-1.06	77
● Custom Growth	16.72	34	-0.47	21	3.76	26	0.10	51

**Historical Returns**

	CREF Growth		Custom Growth *		Return Difference
	Return	Rank	Return	Rank	
2001	-22.9	64	-19.6	46	-3.3
2002	-30.1	71	-28.1	53	-2.0
2003	27.8	39	31.0	30	-3.2
2004	6.3	63	6.3	62	0.0
2005	5.4	50	5.3	51	0.2
2006	5.5	74	9.1	40	-3.6
2007	16.7	28	11.8	59	4.9
2008	-39.8	43	-38.4	31	-1.3
2009	36.5	37	37.2	34	-0.7
2010	15.0	53	16.7	34	-1.7
Trailing 3-Year	-1.8%	41	-0.5%	21	-1.4
Trailing 5-Year	3.1	41	3.8	26	-0.7
Trailing 10-Year	-1.1	77	0.1	51	-1.2

\* Effective October 1, 2002, the benchmark changed from the Russell 3000 Growth to the Russell 1000 Growth.

**Assessment**

The CREF Growth Account is an active equity strategy that was terminated as an SMP investment option during 2004. Fourteen participants remain invested in the account.