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Neil Wollman, PhD
Senior Fellow and Professor of Psychology
Co-coordinator, Social Choice for Social Change
Manchester College
Peace Studies Institute and Program in Conflict Resolution
604 East College Avenue
North Manchester, Indiana 46961-1276

Dear Professor Wollman:

Following up on my very constructive April 19th meeting with Steve Schueth, Kathryn Mulvey and Kerwin Tesdell, and a subsequent phone call I had with Steve, I wanted to touch base and let you know what I believe are the major outcomes of our discussions.

Modifying Social Choice Fund Practices

As I told Steve, Kathryn and Kerwin, TIAA-CREF is structured and operates in such a way that if one fund loses money, all participants are impacted. I think you would agree that it is not reasonable for us to take any step that could potentially adversely impact our three million shareholders without giving them a say in such a decision.

Therefore, we cannot change the practices of the Social Choice Fund without the consent of our shareholders. It is our firm belief that this is the only way we can protect the interests of all of our shareholders.

However, we are currently reviewing whether two modifications to the practices of our current Social Choice Fund along the lines that your group has suggested would be appropriate for possible shareholder consideration:

Community Investment: TIAA-CREF has approved more than \$100 million in community investments through our general account. We are currently exploring whether and how it would be possible to do any of this type of investing through the Social Choice Fund. We are also open to your group's input as we examine establishing guidelines for the community investments we make through our general fund.

Voting Social Choice Proxies: I have asked for, and we are currently conducting, a review of our operating systems to determine if and how we can vote the Social Choice Fund proxies consistent with its screens. We will also determine if there are instances in which we can lend our support to dialogues with companies before a proxy proposal is needed. I will get back to you with the results of this review.

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Creating New Social Choice Offerings

Having examined the issue, we have decided that for the moment we have no intention of forming a new social choice fund or other offering.

We have not identified any single fund that offers all three characteristics you have put forward. And we do not believe it is in our participants' best interest to be the first to offer such an experimental fund.

However, we are taking steps to address two of the three characteristics you raised elsewhere. We have no reluctance to continue our community investments through our general fund and, as I said above, we are exploring whether this could be done through our Social Choice Fund. We are also open to examining whether early stage venture capital investments are feasible. Micro-investing is not an area we plan to enter because of the expertise required.

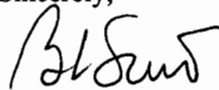
Cooperation

As I stated in the meeting, I am working in earnest to address your concerns. I appreciate your passion around these issues and am willing to work openly and cooperatively with you as long as I know I have a good faith partner.

I hope this brief summary captures the essence of what was communicated back to you.

I look forward to continuing this dialogue in the open and thoughtful fashion it has begun.

Sincerely,



Bertram Scott
Executive Vice President
Product Management

cc:

Steve Schueth, President, First Affirmative Financial Network LLC

Kathryn Mulvey, Executive Director, Infact

Kerwin Tesdell, President, Community Development Venture Capital Alliance