REPORT ON EXAMINATION

OF THE

COLLEGE RETIREMENT EQUITIES FUND

AS OF DECEMBER 31, 2023

EXAMINER: **CHONG KIM**

DATE OF REPORT: **FEBRUARY 28, 2025**

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August 6, 2025

Honorable Adrienne A. Harris
Superintendent of Financial Services
New York, New York 10004

Dear Adrienne A. Harris:

In accordance with instructions contained in Appointment No. 32705, dated October 15, 2024, and annexed hereto, an examination has been made into the condition and affairs of College Retirement Equities Fund, hereinafter referred to as "the Fund." The Fund's home office is located at 730 Third Avenue, New York, NY 10017.

Wherever "Department" appears in this report, it refers to the New York State Department of Financial Services.

The report indicating the results of this examination is respectfully submitted.

1. SCOPE OF EXAMINATION

The examination covers the five-year period from January 1, 2019 to December 31, 2023. This was a limited scope examination which included: (i) a review of certain targeted balance sheet items considered by this Department to require analysis, verification, or description, (ii) a review of certain targeted member benefit activities of the Fund, and (iii) a review of the items noted in the following paragraph. The balance sheet items targeted for review were bonds, stocks, loaned securities, and payable for collateral for securities loaned. The limited scope examination also consisted of a review of how the Fund conducts its business and fulfills its contractual obligations to members. As necessary, the examiner reviewed transactions occurring subsequent to December 31, 2023, but prior to the date of this report (i.e., the completion date of the examination).

The examiner utilized such examination procedures, as deemed appropriate, in such review and in the review or audit of the following matters:

- The Fund's history
- Management and control
- Corporate records
- Territory and plan of operations
- Members' benefits
- Growth of the Fund

The Fund was audited annually, for the years 2019 through 2023, by the accounting firm of PricewaterhouseCoopers LLP ("PwC"). The Fund received an unqualified opinion in all years. Certain audit workpapers of the accounting firm were reviewed and relied upon in conjunction with this examination.

The examiner reviewed the corrective actions taken by the Fund with respect to the comment contained in the prior report on examination. The results of the examiner's review are contained in item 5 of this report.

This report on examination is confined to financial statements and comments on those matters which involve departure from laws, regulations or rules, or which require explanation or description.

2. DESCRIPTION OF FUND

A. History

The Fund was organized as a nonprofit membership corporation under a special act of the New York State Legislature (Chapter 124, Laws of New York State of 1952), effective March 18, 1952. The act specified that the Fund has the status of a nonprofit educational corporation. The act further specified that the Fund shall be subject to the provisions of Articles One, Three, and Sixteen, and Sections Fifty-Nine, Sixty-Six, Seventy-Eight, and Two-Hundred-Fourteen of the New York Insurance Law in effect as of March 18, 1952, subject to further amendments, not inconsistent with the provisions of the act. The Fund commenced business on July 1, 1952. In 2016, the Fund filed documents with New York State regulators pursuant to the New York Nonprofit Revitalization Act of 2014 to change the Fund's nonprofit status from a Type B nonprofit to a non-charitable nonprofit under New York law.

The Fund was established in 1952 as a separate corporation to be a companion organization to the Teachers Insurance and Annuity Association of America (the "Association"). The Fund was organized to provide variable annuities based on equity investments, while the Association would provide fixed annuity contracts.

In 1985, the Fund filed its initial registration statement with the Securities and Exchange Commission to register as an open-end diversified management investment company under the Investment Company Act of 1940 ("the 1940 Act") and to register its annuity contracts as securities under the Securities Act of 1933. The registration statement was declared effective in 1989, and, in connection therewith, the Fund was restructured to consist of two distinct investment portfolios: a stock account representing the continuation of the equity portfolio, and a money market account investing primarily in money market instruments. Since then, the Fund has registered and launched six additional accounts.

B. Management

As a not-for-profit corporation, the Fund does not have shareholders. Instead, it has members who hold membership interests. On April 23, 2021, the Fund amended its constitution to change the name of its members from "overseers" to "governors." The Fund's constitution provides that it shall consist of seven members, known individually as "governors," and

collectively as the "CREF Board of Governors." The CREF Board of Governors shall be the same individuals as the Association's Board of Governors. The constitution also provides that the president of the CREF Board of Governors shall call an annual meeting each year, to be held on the second Tuesday of June, for electing or reelecting members to fill vacancies, to elect a president and secretary, and to transact such other business as shall properly come before the meeting. The governors are elected for a term of seven years with one governor being elected in each year. If the chief executive officer or any three members shall so determine, the annual meeting of the CREF Board of Governors may be held on a different date, as shall be specified in the notice of the meeting.

As of December 31, 2023, the members of the CREF Board of Governors were as follows:

Name and Residence	Principal Business Affiliation	Year First Elected
Cecilia A. Conrad Illinois	Chief Executive Officer and Founder Lever for Change	2021
Ronald J. Daniels Maryland	President Johns Hopkins University	2022
Thasunda B. Duckett Connecticut	Chief Executive Officer and President Teachers Insurance and Annuity Association of America	2021
Risa Lavizzo-Mourey Pennsylvania	Professor Emerita University of Pennsylvania	2021
Theodore R. Mitchell District of Columbia	President American Council on Education	2018

David K. Wilson, President of Morgan State University, joined the CREF Board of Governors in April 2024. He replaced Rebecca Blank who resigned in January 2023.

The Fund advised that it is currently in search to fill the remaining vacancy of the CREF Board of Governors.

Board of Trustees

The Fund's constitution provides that the general management of the property, business, and affairs of the Fund shall be vested in its board of trustees. The board of trustees shall consist of at least 5 trustees and no more than 12, and the number of trustees shall be fixed by a vote of

the majority of the board of trustees. The Fund's participants vote for and elect its trustees. This power was ceded to the Fund's participants by the board of trustees as a condition of the Fund's registration as an investment company under the 1940 Act. All trustees shall be elected to a term of four years or until their successors shall take office following the end of their term. The bylaws specify that the board of trustees shall hold an annual meeting, on the second Tuesday in July, for the transaction of business as shall properly come before the meeting. Pursuant to approvals from the CREF Board of Governors, the CREF Board of Trustees and the Department, as of 2014 the meeting of participants is held every four years rather than every year. The next quadrennial meeting of CREF participants is expected to take place in July 2026.

As of December 31, 2023, the board of trustees consisted of 11 members. The board members and their principal business affiliation were as follows:

Name and Residence	Principal Business Affiliation	Year First Elected
Forrest Berkley Massachusetts	Former Partner GMO, LLC (formerly Grantham, Mayo, Van Otterloo & Co., LLC)	2006
Joseph A. Boateng Washington	Chief Investment Officer Casey Family Programs	2018
Joseph A. Carrier Maryland	Former Senior Vice President and Enterprise Risk Management Franklin Resources, Inc.	2023
Janice C. Eberly Illinois	Professor Kellogg School of Management at Northwestern University	2018
Nancy A. Eckl Texas	Former Vice President American Beacon Advisors, Inc.	2007
Michael A. Forrester Massachusetts	Former Chief Executive Officer Copper Rock Capital Partners, LLC	2005
Howell E. Jackson Massachusetts	Professor of Law Harvard Law School	2005
Nicole T. Jenkins Virginia	Dean McIntire School of Commerce at the University of Virginia	2023

Name and Residence	Principal Business Affiliation	Year First Elected
Thomas J. Kenny California	Former Partner Goldman Sachs Asset Management	2011
James M. Poterba Massachusetts	Mitsui Professor of Economics Massachusetts Institute of Technology	2006
Loren M. Starr Florida	Independent Consultant and Advisor	2022

On January 1, 2024, the Directors Boateng, Forrester, Kenny and Starr resigned from the CREF Board as part of a restructuring with the TIAA-CREF Fund and Nuveen Fund Boards.

The following is a listing of the executive and principal officers of the Fund as of December 31, 2023:

Executive Officers

Name	Title
Colbert Narcisse	President and Chief Executive Officer
John Douglas	Executive Vice President, Chief Legal Risk and Compliance Officer
Claire Borelli	Executive Vice President
W. Dave Dowrich	Executive Vice President
Jose Minaya	Executive Vice President
David Nason	Executive Vice President
Micky Onvural	Executive Vice President
Richard S. Biegen	Chief Compliance Officer

Principal Officers

Name	Title
E. Scott Wickerham	Principal Financial Officer, Principal Accounting Officer and Treasurer
Derek Dorn	Senior Managing Director, Corporate Secretary

C. Territory and plan of operations

The Fund has participating annuity certificate holders residing in 50 states, Canada and 33 foreign countries. The Fund files annual statements to state or government officials in 16 states and is licensed as an insurance company in three states: Colorado, Maine, and Utah. CREF is licensed in Texas as a "retirement systems and pension" organization and in New York as a "retirement system" under Article 46 of the New York Insurance Law. In four other states, statements are filed either under specific statutory exemption or under recognition by the state insurance departments where the Fund is the companion organization to the Association.

Before 2000, participation in the Fund was only available to employees of nonprofit educational or research institutions, as well as nonprofit ancillary educational institutions. In 2000, the Fund amended its charter to include participation by employees of government agencies and other nonprofit institutions. In general, participants of the Association are eligible to participate in the Fund, except in those cases where the eligible institution does not authorize participation.

As of December 31, 2023, the Fund's participants can elect to participate in variable annuities, both deferred and immediate, in the following investment funds:

1. **The CREF Stock Account**, which offers a favorable long-term rate of return through capital appreciation and investment income by investing primarily in a broadly diversified portfolio of common stocks.
2. **The CREF Global Equities Account**, which offers a favorable long-term rate of return through capital appreciation and income from a broadly diversified portfolio that consists primarily of foreign and domestic common stocks.
3. **The CREF Growth Account**, which offers a favorable long-term rate of return, mainly through capital appreciation, primarily from a diversified portfolio of common stocks that present the opportunity for exceptional growth.
4. **The CREF Equity Index Account**, which offers a favorable long-term rate of return from a diversified portfolio selected to track the overall market for common stocks publicly traded in the United States, as represented by a broad stock market index.
5. **The CREF Core Bond Account**, which offers a favorable long-term rate of return, primarily through high current income consistent with preserving capital.
6. **The CREF Inflation-Linked Bond Account**, which offers a long-term rate of return that outpaces inflation, primarily through investment in inflation-indexed bonds—fixed-income securities whose returns are designed to track a specified inflation index over the life of the bond.
7. **The CREF Money Market Account**, which offers high current income consistent with maintaining liquidity and preserving capital; and
8. **The CREF Social Choice Account**, which offers a favorable long-term rate of return that reflects the investment performance of the financial markets while giving special consideration to certain social criteria.

Participants receiving variable income can transfer their source of retirement income to any other variable account or transfer all or part of their variable income to any fixed annuity of the Association. Participants can redistribute funds between both the Fund and the Association.

3. FINANCIAL STATEMENTS

Effective fiscal year 2007, the Department changed the content and format of the annual statements for retirement systems and pension funds. The new statement presents pension plan funding issues more appropriately, and is based on Generally Accepted Accounting Principles, rather than Statutory Accounting Principles.

The following statements show the assets and liabilities as of December 31, 2023, and the changes in net assets for the years 2019 to 2023 as extracted from the Fund's filed annual statements. These financial statements have been subjected to a limited audit or review as indicated in the Scope of Examination. (See item 1 of this report.)

A. Independent Accountants

The firm of PwC was retained by the Fund to audit the Fund's combined statutory basis statements of financial position as of December 31 of each year in the examination period, and the related statutory-basis statements of operations, capital and surplus, and cash flows for the year then ended.

PwC concluded that the statutory financial statements presented fairly, in all material respects, the financial position of the Fund at the respective audit dates. Balances reported in these audited financial statements were reconciled to the corresponding years' annual statements with no discrepancies noted.

B. STATEMENT OF NET ASSETS AS OF DECEMBER 31, 2023
(All CREF Accounts Consolidated (in '000s))

Assets

Portfolio investments, at value:	
Long-term investments	$238,357,776
Affiliated investments	182,421
Short-term investments	10,854,069
Collaterals from securities lending	881,147
Total portfolio investments, at value	$250,275,413
Cash	7,122
Cash – foreign currencies	21,273
Cash collateral – future contracts	3,421
Cash collateral – mortgage dollar rolls	130,501
Cash collateral – swaps contracts	109
Cash collateral – securities loaned	2,050
Due from affiliates	16,602
Receivable – dividends	181,460
Receivable – interests	190,081
Receivable – investments sold	326,366
Receivable – reclaims	66,340
Receivable – variation margin on future contracts	325
Receivable – variation margin on swaps contracts	87
Receivable – Unrealized appreciation on forward foreign currency contracts	27
Other assets	52,430
Total assets	$251,273,607

Liabilities

Due to affiliates	$ 138,128
Cash overdraft	2,468
Cash collateral due to broker	19
Payables:	
Investment management fees	5,824
Capital gain taxes	59,108
Collateral from securities lending	881,850
Investments purchased – regular settlement	386,537
Investments purchased – when-issued/delayed-delivery settlement	993
Service agreement fees	8,269
Trusted compensation	38,236
Variation margin on future contracts	1,678
Unrealized depreciation on forward foreign currency contracts	6,922
Total payables	1,530,032
Other liabilities	518
Total liabilities	$ 1,530,550
Total net assets	$249,743,057
Components of net assets:	
Accumulation fund	$236,979,775
Annuity fund	12,763,282
Total net assets	$249,743,057

C. STATEMENT OF CHANGES IN NET ASSETS
(All CREF Accounts Consolidated in '000s)

	2019	2020	2021	2022	2023
From Operations:					
Net investment income	$ 4,076,108	$ 3,126,995	$ 3,643,933	$ 4,200,168	$ 4,400,329
Net realized gain (loss) on total investments	11,887,653	14,570,898	35,275,870	3,060,303	3,024,665
Net change in unrealized appreciation (depreciation) on total investments	32,699,655	23,451,640	2,993,594	(60,548,010)	40,112,271
Net increase (decrease) in net assets resulting from operations	$ 48,663,416	$ 41,149,533	$ 41,913,397	$(53,287,539)	$ 47,537,265
From Participants:					
Premiums and contributions	$ 10,554,093	$ 13,883,446	$ 11,416,772	$ 10,846,550	$ 13,069,259
Net transfer between CREF Accounts	(1)	1	(171)	15	1
Annuity payments	(1,606,859)	(1,397,632)	(1,807,338)	(1,846,599)	(1,618,625)
Withdrawals and death benefits	(27,170,129)	(29,392,052)	(27,645,330)	(23,460,315)	(24,487,693)
Net increase (decrease) from participant transactions	$(18,222,896)	$(16,906,237)	$(18,036,067)	$(14,460,349)	$(13,037,058)
Net increase (decrease) in net assets	$ 30,440,520	$ 24,243,296	$ 23,877,330	$(67,747,888)	$ 34,500,207
Net Assets:					
Beginning of year	$204,429,592	$234,870,112	$ 259,113,408	$ 282,990,738	$ 215,242,850
End of year	$234,870,112	$259,113,408	$ 282,990,738	$ 215,242,850	$ 249,743,057

4. TREATMENT OF PARTICIPANTS

The examiner reviewed a sample of various types of annuity payments, death claims, and withdrawals. The examiner checked the accuracy of the computations and traced the accounting data to the books of account.

Based upon the sample reviewed, no significant findings were noted.

5. PRIOR REPORT SUMMARY AND CONCLUSIONS

Following is the comment contained in the prior report on examination and the subsequent actions taken by the Fund:

Item	Description
A	In April 2020, TIAA discovered a coding error in its actuarial ledgering system impacting certain annuitant post-settlement transfers among investment options supporting their annuity income payments. The error was inadvertently introduced in a 2015 implementation of a new ledgering platform used by TIAA for actuarial functions. TIAA recalculated the proper daily annuity fund balance and annuity unit values of the eight investment funds and made remediation transfers to affected investment funds based on calculation through August 10, 2020. TIAA made the remediation payments to all the impacted annuitants due to the coding error as of December 31, 2023.

Respectfully submitted,

/s/
Chong Kim
Associate Insurance Examiner

STATE OF NEW YORK)
)SS:
COUNTY OF NEW YORK)

Chong Kim, being duly sworn, deposes and says that the foregoing report, subscribed by him, is true to the best of his knowledge and belief.

/s/
Chong Kim

Subscribed and sworn to before me

this_____ day of _____

APPOINTMENT NO. 32705

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

*I, **ADRIENNE A. HARRIS**, Superintendent of Financial Services of the State of New York, pursuant to the provisions of the Financial Services Law and the Insurance Law, do hereby appoint:*

CHONG KIM

as a proper person to examine the affairs of the

COLLEGE RETIREMENT EQUITIES FUND

and to make a report to me in writing of the condition of said

FUND

with such other information as he shall deem requisite.

In Witness Whereof, I have hereunto subscribed my name and affixed the official Seal of the Department at the City of New York

this 15th day of October, 2024

ADRIENNE A. HARRIS
Superintendent of Financial Services

By: Mark McLeod

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU