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This Brochure provides information about the qualifications and business practices of Teachers Advisors, Inc. (“TAI”). If you have any questions about the contents of this Brochure, please contact us at (212) 490-9000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about TAI also is available on the SEC’s website at www.adviserinfo.sec.gov.

TAI is a registered investment adviser. Registration of an investment adviser does not imply any certain level of skill or training.

Item 2 – Material Changes

In response to the Securities and Exchange Commission (“SEC”) rules governing disclosures registered investment advisers must provide to advisory clients the Form ADV Part 2A, also known as the Disclosure Brochure. TAI has prepared this summary of changes since the prior update of its Disclosure Brochure dated August 25, 2011. Based on the summary of changes provided, this Brochure is different in content than the Brochure it replaces.

The summary of changes is as follows:

- **Item 4 – Advisory Business**

- The section was updated to further clarify the description of clients and to update Gross Assets and Assets Under Management.

- **Item 5 – Fees and Compensation**

- The fees for Funds of Funds under the Registered Investment Companies section were updated
- Fees for the strategies described under the Separate Account Fees section were updated
- Fees for TIAA-CREF Global Agricultural LLC under the Alternative Investments section was updated
- Section updated to further clarify the description of fees
- Fee for new Separate Account strategy added: TIAA-CREF Socially Responsible Investing – Balanced Strategy

- **Item 6 – Performance-Based Fees and Side-By-Side Management**

- Section updated to clarify conflict of interest associated with managing performance-based accounts

- **Item 7 – Types of Clients**

- Section updated to add additional client: TIAA Separate Account VA-1

- **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

- Section updated to add Global Natural Resources and Lifestyle as an investment strategies

➤ Section updated to add the following risks:

- Non-Diversified
- Special risks of Investing in Natural Resources
- Industry/Sector
- Issuer/Financial
- Asset Allocation
- Fund of Fund
- Equity Underlying Strategy
- Fixed-Income Underlying Strategy
- Environmental
- Timberland Investments

• **Item 10 – Other Financial Industry Activities and Affiliations**

➤ Section updated to further clarify TAI’s affiliated entities

• **Item 12 – Brokerage Practices**

➤ Expanded on the description of the Policy Relating to Allocation of Mortgage Loans and the Policy Relating Agricultural Investments

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Item 4 – Advisory Business

TIAA-CREF is a financial services organization with \$464 billion combined in assets under management (as of 12/31/2011) that is best known as the leading provider of retirement services in the academic, research, medical and cultural fields. Since its founding in 1918, the organization has helped 3.7 million participants at approximately 15,000 institutions in the academic, research, medical and cultural fields plan to, and through, retirement. TIAA-CREF believes its clients are best served by long-term, low cost financial solutions.

TIAA-CREF is comprised of two organizations. Teachers Insurance and Annuity Association of America (“TIAA”), a New York life insurance company, and the College Retirement Equities Fund (“CREF”), an open-ended diversified management investment company registered with the Securities and Exchange Commission. TIAA is the ultimate parent of Teachers Advisors, Inc., hereinafter referred to as “TAI.” TAI was incorporated on October 19, 1993 and registered with the SEC as an investment adviser on July 21, 1994.

TAI has three types of clients for which it provides investment advisory services: (i) registered investment companies, (ii) unregistered investment funds, separate accounts, and joint venture vehicles in connection with the institutional asset management division of TAI, TIAA-CREF Asset Management and (iii) special purpose entities organized to issue collateralized debt obligations (“CDOs”). As of December 31, 2011, TAI managed \$44,027,317,215 in discretionary client assets and \$1,490,842,208 in non-discretionary client assets. TAI does not operate any wrap fee programs.

I. INVESTMENT ADVISORY SERVICES FOR REGISTERED INVESTMENT COMPANIES

Subject to the supervision of each client’s Board of Trustees, TAI provides management and certain administrative services necessary for the operation of its registered investment company clients. TAI’s responsibilities include, without limitation, investment advisory services, research services, recommending and placing of orders for the purchase and sale of securities for its registered investment company clients’ portfolios (based on the investment objectives and needs of each client), supervising relationships with custodians, transfer and pricing agents, accountants, auditors, underwriters and other persons interacting with the clients, developing management and shareholder services, and furnishing reports, evaluations and analysis on a variety of subjects.

II. INVESTMENT ADVISORY SERVICES FOR UNREGISTERED PRODUCTS, SEPARATE ACCOUNTS AND JOINT VENTURES

TIAA-CREF Asset Management (TCAM) began providing investment advisory services through TAI during 2004. TAI provides asset management and related services to the institutional market and to independent investment advisers. TAI manages unregistered investment funds, separate accounts and joint venture vehicles, utilizing equity, fixed income, real estate, agriculture, timber, infrastructure and other strategies. The research and investment staff responsible for the equity, fixed income and alternative asset classes and strategies, as well as policies and procedures governing these investments and the investment funds and separate account products, are similar to that of TAI's registered investment company clients. For the clients of the unregistered products, TAI also provides other services that support the management of the products, including a complete service platform for financial reporting and accounting. TAI may outsource some of these services to unaffiliated third parties for a negotiated fee. TCAM may, under certain circumstances, tailor advisory services to the needs of individual clients. Clients serviced by TCAM may also impose restrictions on investing in certain securities or types of securities.

III. CDO ADVISORY SERVICES

TAI provides investment advisory, sub-advisory and supervisory services ("Advisory Services") pursuant to management agreements to a number of special purpose entities organized to issue collateralized debt obligations ("CDO"). CDOs typically issue securities collateralized by a portfolio of securities, loans and/or other assets. As a provider of advisory services, TAI performs a number of functions including advising the CDO on the acquisition and disposition of collateral, subject to the investment criteria and trading restrictions applicable to the CDO, monitoring the performance of the CDO portfolio and advising the CDO on appropriate interest rate management strategies at the asset specific level. The scope of these advisory functions is delineated in each CDO's advisory agreement. The investors in CDOs are typically institutional investors such as insurance companies, pension funds and commercial banks with whom TAI or its affiliates may have other business relations. For example, TIAA, the parent of TAI may have co-invested monies with these investors and/or these investors may have invested monies as seed capital in funds for which TAI acts as investment adviser. These investors, as a result, may be deemed to have a controlling interest in the applicable CDOs or funds while such co-investment and/or seed capital is invested. CDO clients may impose restrictions on investing in certain types of securities, subject to limitations and conditions prescribed by the applicable indenture.

Item 5 – Fees and Compensation

The specific manner in which fees are charged by TAI is established in a client's written agreement with TAI. Fees paid to TAI for its services are also generally described below.

Registered Investment Companies

TAI assess management fees for its registered investment company clients as follows

- for fixed income funds between 10 and 35 basis points. .
- for equity funds between 4 and 85 basis points
- for real estate securities funds approximately 50 basis points.
- for funds of funds between 0 and 25 basis points.
- for money market funds approximately 10 basis points.

Some of these fees include expenses for services other than management of the funds.

Other fees such as 12b-1 fees are normally paid by the registered investment companies. Service fees for the funds are paid to the funds' distributor, TPIS by TAI. Additionally, redemptions involving the shares of certain funds held less than 60 calendar days may be subject to the redemption fees addressed in the Fees and Expenses sections of the Funds' prospectuses.

The Investment Management Agreement between TAI and its registered investment company clients is subject to approval by the Board of Trustees of each investment company. TAI's fees under such Investment Management Agreements are set forth in the registration statement and other documents of such investment companies on file with the SEC.

The Investment Management Agreements between TAI and its registered investment company clients may be terminated at any time as to any fund or to all funds, without the payment of any penalty, by the Board of Trustees of the investment company, or by a vote of a majority of the outstanding votes attributable to the shares of the applicable fund, or by TAI, on 60 days' written notice to the other party. The Agreements automatically terminate in the event of their assignments. In the event of termination of the Agreements, all compensation due will be calculated on a pro-rated basis through the date of termination and paid within fifteen business days of the date of termination.

In general, TAI's fees for its registered investment companies are exclusive of transactions costs, such as brokerage commissions, related to buying and selling securities. In addition, clients may incur other certain charges imposed by custodians, brokers, distributors, third party investment

and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Also, when a fund invests in other investment companies such as mutual funds and exchange traded funds, the Fund bears a proportionate share of expenses charged by the investment company in which it invests. The internal management fees, are disclosed in a fund's prospectus.

The charges, fees and commissions discussed above are exclusive of and in addition to TAI's fee, and TAI shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that TAI considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Unregistered Investment Funds' Fees

TAI acts as an investment adviser to unregistered pooled investment vehicles and receives fees for such services at a negotiated rate based on each investment vehicle's particular investments and circumstances. Fees for such services are set forth in the Confidential Private Placement Memorandum or other relevant offering document or applicable governing or operating agreement. In addition, unregistered investment funds each have their own investment parameters as described in their offering materials and will typically have minimum investment levels of at least \$250,000 or more and may offer breakpoints on fees for larger investments. Unregistered investment funds generally have higher expenses than large separate accounts because there are certain administrative and fund expenses that TAI bears in connection with its provision of services to the funds that do not exist for separate accounts.

From time to time, TAI, through TCAM, may enter into negotiated fee arrangements that, in light of a particular investor's special circumstances, may result in fee schedules that differ from the basic fee schedules referenced below. Such circumstances may include, without limitations, the type of relationship such client has with TAI; the complexity and extent of services provided; whether a new account is expected to grow rapidly; the number of different accounts and total assets under management or custody for that client (and its affiliates); the investment product mix selected by the client, and other circumstances or factors that TAI deems relevant.

Separate Account Fees

TAI bills its clients for the management fees for all existing separately managed accounts. The basic fee schedules charged by TAI, through TCAM, for separate accounts are as follows (based on a percentage of the average daily net assets of each account):

TIAA-CREF Asset Management Core Fixed Income

Minimum account size - \$50 million

32 basis points on the first	\$50,000,000
28 basis points on the next	\$25,000,000
25 basis points on the next	\$25,000,000
	& above

Minimum annual fee: \$160,000

TIAA-CREF Asset Management Core Plus Fixed Income

Minimum account size - \$50 million

35 basis points on the first	\$50,000,000
33 basis points on the next	\$25,000,000
28 basis points on the next	\$25,000,000
	& above

Minimum annual fee: \$175,000

TIAA-CREF Asset Management High Yield Bond

Minimum account size - \$50 million

40 basis points on the first	\$50,000,000
33 basis points on the next	\$25,000,000
28 basis points on the next	\$25,000,000
	& above

Minimum annual fee: \$200,000

TIAA-CREF Asset Management Inflation-Linked Bond

Minimum account size - \$50 million

29 basis points on the first	\$50,000,000
18 basis points on the next	\$25,000,000
17 basis points on the next	\$25,000,000
	& above

Minimum annual fee: \$145,000

TIAA-CREF Asset Management Emerging Markets Debt

Minimum account size - \$50 million

60 basis points on the first	\$50,000,000
58 basis points on the next	\$25,000,000
52 basis points on the next	\$25,000,000

& above

Minimum annual fee: \$300,000

TIAA-CREF Asset Management Large-Cap Core Equity

Minimum account size - \$50 million

50 basis points on the first	\$50,000,000
48 basis points on the next	\$25,000,000
45 basis points on the next	\$25,000,000
	& above

Minimum annual fee: \$250,000

TIAA-CREF Asset Management Large-Cap Value

Minimum account size - \$50 million:

47 basis points on the first	\$50,000,000
45 basis points on the next	\$25,000,000
43 basis points on the next	\$25,000,000
	& above

Minimum annual fee: \$235,000

TIAA-CREF Asset Management Large-Cap Growth Equity

Minimum account size - \$50 million

47 basis points on the first	\$50,000,000
45 basis points on the next	\$25,000,000
43 basis points on the next	\$25,000,000
	& above

Minimum annual fee: \$235,000

TIAA-CREF Asset Management Mid Cap Growth Equity

Minimum account size – \$50 million

49 basis points on the first	\$50,000,000
47 basis points on the next	\$25,000,000
45 basis points on the next	\$25,000,000
	& above

Minimum annual fee: \$245,000

TIAA-CREF Asset Management International Equity

Minimum account size - \$50 million

55 basis points on the first	\$50,000,000
53 basis points on the next	\$25,000,000
51 basis points on the next	\$25,000,000
	& above

Minimum annual fee: \$275,000

TIAA-CREF Asset Management Enhanced Index International Equity

Minimum Account Size - \$50 million

50 basis points on the first	\$50,000,000
40 basis points on the next	\$25,000,000
35 basis points on the next	\$25,000,000
	& above

Minimum annual fee: \$250, 000

TIAA-CREF Asset Management Enhanced Index Large Cap Growth Equity

Minimum account size - \$50 million

40 basis points on the first	\$50,000,000
30 basis points on the next	\$25,000,000
25 basis points on the next	\$25,000,000
	& above

Minimum annual fee: \$200, 000

TIAA-CREF Asset Management Enhanced Index Large Cap Value Equity

Minimum account size - \$50 million

40 basis points on the first	\$50,000,000
30 basis points on the next	\$25,000,000
25 basis points on the next	\$25,000,000
	& above

Minimum annual fee: \$200,000

TIAA-CREF Asset Management Enhanced Small Cap Growth Equity

Minimum Account Size - \$50 million

50 basis points on the first	\$50,000,000
45 basis points on the next	\$25,000,000
35 basis points on the next	\$25,000,000
	& above

Minimum annual fee: \$250,000

TIAA-CREF Asset Management Real Estate Securities

Minimum account size - \$50 million

55 basis points on the first	\$50,000,000
52 basis points on the next	\$25,000,000
50 basis points on the next	\$25,000,000
	& above

Minimum annual fee: \$275,000

TIAA-CREF Asset Management Socially Responsible Investing-Custom Screened Account

Minimum account size - \$60 million

65 basis points on the first	\$60,000,000
45 basis points on the next	\$40,000,000
	& above

Minimum annual fee: \$390,000

TIAA-CREF Asset Management Socially Responsible Investing-Balanced Strategy

Minimum account size - \$60 million

56 basis points on the first	\$60,000,000
45 basis points on the next	\$15,000,000
25 basis points on the next	\$25,000,000
12 basis points on amounts over	\$100,000,000

Minimum annual fee: \$335,000

Alternative Investments

TAI may, in connection with alternative investments, sponsor or manage unregistered funds, which have their own investment management and other fees. TAI may also hire sub-advisers to manage certain separate account assets. TAI will pay asset management fees to portfolio managers who are serving as sub-advisers. These fees may be largely tied to the value of the assets under management. Asset management fees differ depending upon what asset classes and sectors are involved, and whether the portfolios are actively or passively managed.

TIAA-CREF Asset Management Distressed Opportunities Fund I, LP

Minimum account size of \$5 million

100 basis points on accounts lower than	\$75,000,000
80 basis points on accounts higher than	\$75,000,000
	and above

Minimum annual fee: \$50,000

There is an additional 5% Carry Fee which applies after the fund has achieved its 8% preferred rate of return. The compensation above is payable in arrears.

The fee is charged on committed capital during the investment period and on net asset value during the remainder life of the fund. The General Partner receives a carried interest as follows: Before the General Partner may participate in fund profits, it must return to each investor an amount equal to such investor's aggregate capital contributions plus an 8% preferred return (compounded annually) on capital contributions. Thereafter, 100% of distributions go to the General Partner until it has received 5% of the profits previously distributed to investors. Thereafter, distributions are divided 95% to the investors and 5% to the General Partner.

TIAA-CREF Global Agriculture LLC

Minimum account size not less than \$100 million

The management fee payable by an investor in this fund may vary but is expected to range between 125– 150 basis points based on net assets under management and is approved by a committee consisting of representatives of certain investors. A member of the fund that is an affiliate of TAI will receive up to 20%

of the investment returns after investors have received cumulative distributions equal to their contributions plus an 8% compounded annual return.

Direct Real Estate

Generally for direct real estate funds, TAI, through TCAM, receives fees for advisory services offered in the range of approximately 50 – 150 basis points based on gross and/or net assets under management, which may include but is not limited to a base asset management fee, an incentive fee or transaction fees for activities such as acquisitions or dispositions and financing of property. The minimum account size is, generally, not less than \$500 million of net equity, based on positive margin contribution

TIAA-CREF Asset Management Core Property Fund

Minimum investment size - \$2,500,000

Asset Management Fee (annual percentage of an investor's share of Net Asset Value)

- On the first \$10 million: 110 basis points
- On the next \$15 million: 100 basis points
- On the next \$25 million: 90 basis points
- Over \$50 million 80 basis points

CDO Fees

TAI's fees in connection with CDO investment advisory services are generally based on the principal amount of the collateral securities and other assets under management and are separately negotiated in each transaction. Consequently, fees in such transactions will vary. Such fees are generally not directly charged to investors but are payable from cash flow based on the principal value of the CDO assets during the applicable period. Such fees are payable in accordance with the "Priority of Payments" for each CDO that establishes the priority with which cash flow generated by the CDO portfolio is applied to payments to CDO investors and service providers to the CDO.

The fee structure for CDOs frequently consists of a base management fee that is payable prior to any payments to CDO investors, and a management fee that is subordinate to payments to CDO

senior noteholders. An additional management fee may be negotiated that is payable once the subordinated and/or equity investors have received a specified internal rate of return.

The fee structure for CDO investment advisory services typically consists of: (i) a base management fee of up to 60 basis points of the principal balance of the CDO portfolio; and (ii) a subordinated management fee of up to 100 basis points of the principal balance of the CDO portfolio. TAI charges a fee of up to 20 basis points for monitoring services on a limited basis to specific clients.

Item 6 – Performance-Based Fees and Side-By-Side Management

Certain of TAI's real estate joint ventures disclosed in TAI's Form ADV Part 1 charge performance-based fees as follows:

- A percentage of members' excess returns above the NCREIF return
- Leasing success incentive fee upon the income of the Joint Venture reaching a defined level
- Other incentive fees as defined in the Joint Venture's operating documents

Performance-based fee can create certain conflicts of interest as managers of accounts with performance-based fees may have an incentive to take less conservative asset allocation unlike non-performance based fee accounts. TAI has policies and procedures (such as the real estate allocation policy described under Item 12) to mitigate the conflict of interest associated with managing both performance-based fee and asset-based fee accounts.

Item 7 – Types of Clients

TAI provides portfolio management services to pension and profit-sharing plans, registered investment companies, pooled investment vehicles such as hedge funds, Taft-Hartley plans, unregistered investment funds, registered commingled funds, separate accounts and joint ventures vehicles, real estate and CDOs special purpose entities.

Please refer to Item 5 for the minimum account sizes of TAI's unregistered funds and separate accounts clients. The minimum account size for its registered investment companies and CDO clients are as follows:

<u>Client</u>	<u>Minimum Account Size</u>
TIAA-CREF Funds (for all share classes: Retirement, Retail, Institutional and Premier)	<ul style="list-style-type: none">• The minimum initial investment for Retail Class shares is \$2000 for Traditional IRA, Roth IRA and Coverdell accounts and \$2500 for all

	<p>other account types. Subsequent investments for all account types must be at least \$100</p> <ul style="list-style-type: none"> • There is no minimum initial or subsequent investment for Retirement Class shares. Retirement Class shares are primarily offered through employer-sponsored employee benefit plans • There is a \$100 million aggregate plan size and \$1 million initial minimum plan-level investment requirement for Premier Class shares. Premier Class shares are offered through certain financial intermediaries and employer-sponsored employee benefit plans • The minimum initial investment is \$2million and the minimum subsequent investment is \$1000 for Institutional Class shares, unless an investor purchases shares by or through financial intermediaries that have entered into an appropriate agreement with the Fund or its affiliates
TIAA-CREF Life Funds	Requirements for the purchase and sale of these underlying funds for variable insurance products are provided by the insurance companies issuing the product
CDO Accounts	Investors must be Qualified Institutional Purchasers
TIAA Separate Account VA-1	There are no minimum requirements for this client.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

<u>Methods of Analysis:</u>	<u>Description</u>
Active Management	With active management, TAI concentrates on individual companies rather than sectors or industries. TAI may look for stocks that it believes are attractively priced based on an analysis of the company's prospects for growth in earnings, cash flow, revenues and competitive advantage. TAI also may look for companies whose assets appear undervalued in the market. In general, TAI focuses on companies with shareholder-oriented managements dedicated to creating value.
Enhanced Indexing	With enhanced indexing, TAI may use several different investment techniques to build a portfolio of securities that is structured to resemble and share the risk characteristics of various segments of the benchmark index, while also seeking to outperform that benchmark index. Enhanced index strategies often employ proprietary, quantitative modeling techniques for stock selection, country allocation and portfolio construction. Quantitative analysis involves the use of mathematical models and computer programs that attempt to outperform the index by over and under weighting certain securities while keeping the funds' or accounts' overall financial and risk characteristics similar to those of its benchmark index. In general, the enhanced indexing methodology is designed so that a fund's or account's performance diverges from and may outperform its benchmark more than an indexing approach, but remains closer to the benchmark than other funds or accounts using a traditional active management style. Enhanced index strategies will typically hold more securities in the portfolio than traditional active strategies.
Pure Indexing	With pure indexing, TAI may use investment techniques designed to track various segments of the component indices

	of a fund's or account's benchmark index. Funds or accounts using this technique may not invest in all securities in the indices comprising the funds' or accounts' composite benchmark, but rather may use a sampling approach to create a portfolio that closely matches the overall characteristics of the relevant segments of the underlying indices.
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<u>Investment Strategies</u>	<u>Description</u>	<u>Material Risks Associated with Each Strategy</u>
Emerging Markets Equity	Favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of emerging markets equity investments or in instruments with economic characteristics similar to emerging market equity securities.	Market, company, active management, foreign investment, emerging markets, and derivatives.
Emerging Markets Equity Index	Favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of emerging market equity investments based on the MSCI Emerging Markets Index or in instruments with economic characteristics similar to all or a portion of the Index.	Market, company, index, foreign investment, emerging markets, and derivatives.
International Enhanced Equity Index	Long-term total return, mainly through capital appreciation, primarily from investments in equity securities of foreign issuers. The strategy follows an enhanced index management strategy	Market, company, foreign investment, index, enhanced index, quantitative analysis and derivatives.
International Equity	Favorable long-term total return, mainly through capital appreciation, primarily from investments in equity securities of foreign issuers.	Market, company, foreign investment, active management, and emerging markets.
International Equity Index	Favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of foreign equity	Market, company, large-cap, style, growth investing, foreign,

	investments based on a market index.	index, enhanced index, quantitative analysis, special situation.
U.S. Enhanced Large-Cap Growth	Long-term total return, mainly through capital appreciation, primarily from equity securities of large domestic companies. The strategy follows an enhanced index management strategy. The strategy actively uses quantitative analysis to attempt to enhance performance relative to the benchmark index, while retaining a similar risk profile, instead of passively holding a representative basket of securities designed to match the index.	Market, style, company, foreign, index and quantitative.
U.S. Enhanced Large-Cap Value	A long-term total return, mainly through capital appreciation, primarily from equity securities of large domestic companies. The strategy follows an enhanced index management strategy. The strategy actively use quantitative analysis to attempt to enhance performance relative to the benchmark index, while retaining a similar risk profile, instead of passively holding a representative basket of securities designed to match the index. The strategy normally invest at least 80% of assets in equity securities of large domestic companies included in the Russell 1000® Value Index at the time of purchase	Market, style, value investing, company, large-cap, foreign, index, enhanced index, quantitative analysis, special situation, and derivatives.
Broad Domestic Equity Index	Favorable long-term rate of return from a diversified portfolio selected to track the overall market for common stocks publicly traded in the U.S., as represented by a broad stock market index. The strategy is designed to track the U.S. stock market as a whole, and invests in stocks in the Russell 3000® Index.	Market, index, company, large-cap, mid-cap, and small-cap.
Large Cap Blend	Favorable long-term total return through both capital appreciation and investment income, primarily from income-producing	Market, company, large-cap, style, growth investing, active

	equity securities. The strategy invests at least 80% of its assets in: (1) income-producing equity securities or (2) other securities defined by its benchmark the S&P 500 Index.	management, and foreign.
Large-Cap Growth	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. The strategy invests at least 80% of its assets in equity securities of large capitalized companies in new and emerging areas of the economy, that present the opportunity for growth.	Market, company, large-cap, style, growth investing, active management, and foreign.
Large-Cap Growth Index	Favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of equity securities of large domestic growth companies based on a market index.	Market, style, company, large-cap and index.
Large-Cap Value	Favorable long-term total return, mainly through capital appreciation, primarily from equity securities of large domestic companies. The strategy invests at least 80% of its assets in equity securities of large domestic companies, as defined by its benchmark index, the Russell 1000® Value Index, that appear undervalued by the market based on an evaluation of their potential worth.	Market, style, value investing, company, foreign investment, large-cap and active investment.
Large-Cap Value Index	Favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of equity securities of large domestic value companies based on a market index.	Market, style, value investing, company, large-cap, active management and foreign investing.
Mid-Cap Growth	Favorable long-term total return, mainly through capital appreciation, primarily from equity securities of medium-sized domestic companies. The strategy invests at least 80% of its assets in equity securities of	Market, style, company, mid-cap, small-cap, active management, foreign investing, growth

	medium-sized domestic companies, as defined by the benchmark index, the Russell Midcap® Growth Index, that present the opportunity for growth.	investing and special situation.
Mid-Cap Value	The strategy seeks a favorable long-term total return, mainly through capital appreciation, primarily from equity securities of medium-sized domestic companies. The strategy invests at least 80% of its assets in equity securities of medium-sized domestic companies, as defined by the benchmark index, the Russell Midcap® Value Index, that appear undervalued by the market based on our evaluation of their potential worth.	Market, style, value investing, company, mid-cap, small-cap, active management and foreign investing.
S&P 500 Equity Index	Favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of equity securities of large domestic companies selected to track U.S. equity markets based on a market index.	Market, company, large-cap and index.
Small-Cap Blend Index	Favorable long-term total return, mainly through capital appreciation, by investing primarily in a portfolio of equity securities in smaller domestic companies based on a market index.	Market, company, small-cap and index.
Small-Cap Equity	Favorable long-term total return, mainly through capital appreciation, primarily from equity securities of smaller domestic companies across a wide range of sectors, growth rates, and valuations. The strategy use proprietary mathematical models to evaluate stocks. The strategy invests at least 80% of their assets in equity securities of smaller domestic companies that appear to have favorable prospects for significant long-term capital appreciation.	Market, company, small-cap, active management and quantitative analysis
Social Choice Equity	Favorable long-term total return that reflects the investment performance of the overall	Social Criteria, market, company, small-cap,

	U.S. stock market while giving special consideration to certain social criteria. The strategy attempts to track the return of the U.S. stock market as represented by the Russell 3000® Index, while investing only in companies whose activities are consistent with the Fund's social criteria.	mid-cap, active management, index and foreign
Core Fixed-Income	Favorable long-term total return through income, as is consistent with preserving capital. The strategy invests at least 80% of its net assets primarily in investment-grade fixed-income securities and other fixed-income securities. These debt securities may include U.S. Government securities, corporate bonds and mortgage-backed or other asset-backed securities.	Interest rate, prepayment, extension, market volatility, market liquidity, market valuation, company, active management, downgrade, mortgage roll, fixed-income foreign investment, call, credit, and income volatility.
Core Fixed-Income Index	Favorable long-term total return, mainly from current income, by primarily investing in a portfolio of fixed-income securities that is designed to produce a return that corresponds with the total return of the U.S. investment-grade bond market based on a broad bond index. The strategy invests at least 80% of its assets in bonds within its benchmark and portfolio tracking index. The strategy uses a sampling technique to create a portfolio that closely matches the overall investment characteristics of the Index without investing in all of the securities in its index.	Market volatility, market liquidity, market valuation, fixed-income foreign investment, call, credit, income volatility, interest rate, prepayment, index and extension.
Core Plus Fixed-Income	Favorable long-term total return through income, as is consistent with preserving capital. The strategy invests at least 80% of its net assets primarily in investment-grade fixed-income securities and other fixed-income securities.	Market volatility, market liquidity, market valuation, company, active management, downgrade, fixed-income foreign investment, call, credit,

		income volatility, interest rate, prepayment, non-investment grade securities, illiquid securities and extension.
High-Yield BB-B Constraint	High current income and, when consistent with its primary objective, it seeks capital appreciation. The strategy invests primarily in lower-rated, higher-yielding fixed-income securities, such as domestic and foreign corporate bonds, debentures, loans and notes, as well as convertible securities and preferred stocks.	Interest rate, market volatility, market liquidity, market valuation, company, active management, fixed-income foreign investment, call, credit, and non-investment grade securities.
Inflation-Linked Bond	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. The strategy invests at least 80% of its assets in U.S. Treasury Inflation-Indexed Securities ("TIIS").	Interest rate, credit, active management and special risks for Inflation Indexed Bonds
Short-Term Bond	High current income consistent with preservation of capital. The strategy invests primarily in a broad range of investment-grade debt securities that make up the Barclays Capital Mutual Fund Short (1-5 year) U.S. Government/Credit Index. These are primarily U.S. Treasury and agency securities and corporate bonds with 1–5 year maturities.	Market volatility, market liquidity, market valuation, company, active management, fixed-income foreign investment, call, credit, interest rate, prepayment and extension.
Tax-Exempt Bond	High level of current income that is exempt from regular federal income tax, consistent with preservation of capital. The strategy invests primarily in investment grade municipal securities. The strategy may invest at least 80% of its assets in tax-	Market volatility, market liquidity, market valuation, company, active management, call, credit, interest rate,

	exempt bonds and up to 20% of its assets in private activity bonds.	illiquid securities, state municipal investment and non-investment grade securities.
Funds of Funds	Portfolio holds shares of underlying mutual funds such as: mutual funds within the TIAA-CREF Funds other investment funds; and other mutual funds or other permissible investment pools or products that may be selected by the Board of Trustees from time to time. Generally, the strategy will seek to meet its investment objective by investing: approximately 60% of its assets in equity funds including up to 5% of its assets in real estate funds; and by investing approximately 40% of its assets in fixed-income funds.	Company, market, active management, call, credit, interest rate, prepayment, foreign investment, large-cap, derivatives, mid-cap, small-cap, asset allocation, emerging markets, enhanced index, underlying fund and extension.
Real Estate Securities	Favorable long-term total return through both capital appreciation and current income. The strategy invests at least 80% of its assets primarily in equity and fixed-income securities of companies principally engaged in or related to the real estate industry, including those that own significant real estate assets, such as real estate investment trusts (“REITs”).	Company, market, active management, interest rate, fixed-income foreign investment, mid-cap, small-cap, income volatility, real estate investing, industry concentration.
Domestic Money Market	High current income consistent with maintaining liquidity and preserving capital. The strategy limits its investments to securities that present minimal credit risk and are rated in the highest rating categories for short-term instruments. The strategy may invest up to 30% of assets in money-market and debt instruments of foreign issuers denominated in U.S. dollars.	Company, market, interest rate, fixed-income foreign investment, credit, income volatility and current income.
Lifecycle Target-Date	Strategy is designed for investors who have a specific target retirement year in mind. Invests in Institutional Class shares of proprietary funds and potentially in other	Enhanced index, asset allocation, emerging markets, equity securities, fixed income

	investment pools or investment products (collectively, the “Underlying Funds”).	securities, risk of growth investing, risk of value investing, income volatility, special risks for inflation-indexed bonds, small-cap, mid-cap, large-cap, active management, market, company, style, foreign investment, quantitative analysis, prepayment, extension, credit, call, index, market volatility, market liquidity and market valuation.
Lifecycle Target-Date Index	Strategy is designed for investors who have a specific target retirement year in mind. Invests in Institutional Class shares of other proprietary index funds and potentially in other investment pools or investment products (collectively, the “Underlying Funds”).	Asset allocation, emerging markets, equity securities, fixed income securities, special risks for inflation-indexed bonds, small-cap, mid-cap, large-cap, active management, market, company, foreign investment, quantitative analysis, derivative, prepayment, extension, credit, call, index, market volatility, market liquidity, market valuation, income volatility, interest rate.
Global Natural Resources	The Global Natural Resources strategy is made up of portfolios which seek a favorable long-term total return mainly through capital appreciation, from investments related to the natural resources	Market, issuer/financial, industry/sector, natural resources, non-diversification, active

	sector. The portfolios invest assets globally in financial instruments of well-positioned companies in the natural resources sector, both in developed and emerging markets.	management, foreign investments, emerging markets.
Lifestyle	The Strategy is to invest in other Strategies and potentially in other investment pools or investment products (collectively, the “Underlying Strategies”). The Strategy is designed for investors seeking either long-term total return, long-term growth of capital, current income and/or capital appreciation, through relatively stable asset allocation strategies targeting one of the following: A conservative risk-return profile, an income oriented and conservative risk-return profile, a moderate risk-return profile, a growth oriented risk-return profile or an aggressive growth risk-return profile.	Fund of Fund, equity underlying strategy, fixed-income underlying strategy, asset allocation.

Direct Real Estate	Investment strategy that invests in a diversified portfolio of commercial real estate assets, with an emphasis on institutional quality core assets.	Real estate investing, active management, market, interest rate, liquidity, regulatory.
Distressed Investments	The strategy pursues investments globally in funds and other pooled investment vehicles that primarily employ distressed debt, distressed equity and/or operational turnaround investment strategies.	Small-cap, company, foreign investment, non-investment grade securities, real estate investing, active management, market, industry concentration, mid-cap, large-cap, among others as described in the private placement memorandum associated with this strategy

Emerging Markets Debt	The portfolio seeks to obtain favorable long-term returns on a risk-adjusted basis while attempting to preserve capital. The Fund primarily invests its assets in corporate and sovereign fixed-income securities of non-U.S. issuers located in emerging markets.	Foreign investment, market, emerging markets and company.
Long/Short Fund	Investment vehicles that employ long-short strategies. Generally, the portfolios seek total return over the long-term through capital appreciation primarily from investment in equity securities. The portfolio will take long and short positions in equity securities that offer the potential for attractive returns.	General investment and trading, equities securities, industry concentration, market, company (or financial risk), foreign investment, emerging markets, foreign exchange, small-cap, derivatives, hedging, market volatility, liquidity and valuation (types of market risk), active management, special situations, short selling, and leverage.

Agriculture	The portfolio principally invests directly in farmland assets in the exporting countries of the world.	General company, foreign investment, international operations, environmental, general agricultural investments, agricultural investments in Australia, agricultural investments in Brazil, company structure, regulatory and compliance, tax.
Timber	The portfolio principally invests directly in timberland and internationally commingled funds that invest principally in timberland	Company, foreign investment, international operations, general timber investments, environmental, regulatory

		and compliance, tax.
Socially Responsible Fixed Income	The portfolio primarily invests in a broad spectrum of fixed-income assets in accordance with the criteria specified by the investor.	Social criteria, interest rate, prepayment, extension, company, income volatility, credit, call, fixed-income foreign investment, active management, market volatility, liquidity and valuation, downgrade and index.

Commercial Real Estate	Strategy involves investment in a portfolio of commercial real estate.	Real estate investing, active management, market, interest rate, liquidity, regulatory and leverage.
Commercial Mortgage	Strategy involves making and holding commercial mortgage investments.	Commercial mortgage loan investing, real estate investing, company, market, interest rate, prepayment, extension, income volatility, market volatility, liquidity and valuation.

<u>Collateralized Debt Obligations (“CDO”)</u>	TAI provides collateral management services for collateralized debt obligations.	Prepayment, credit, liquidity, market, real estate investing, company, fixed-income foreign investing, underlying funds, leverage, market volatility, market liquidity, market valuation and interest rate.
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Description of Material Risks Associated with Investment Strategies:

- **Market Risk** — The risk that market prices of securities may fall rapidly or unpredictably due to a variety of factors, including changing economic, political or market conditions.
- **Large-Cap Risk** — The risk that large-capitalization companies are more mature and may grow more slowly than the economy as a whole and tend to go in and out of favor based on market and economic conditions.
- **Mid-Cap Risk** — The risk that the stocks of mid-capitalization companies often have greater price volatility, lower trading volume, and less liquidity than the stocks of larger, more established companies.

- **Small-Cap Risk** — The risk that the stocks of small-capitalization companies often experience greater price volatility than large- or mid-sized companies because small-cap companies are often newer or less established than larger companies and are likely to have more limited resources, products and markets. Securities of small-cap companies are often less liquid than securities of larger companies as a result of there being a smaller market for their securities.
- **Style Risk** — The risk that use of a particular investing style (such as growth investing) may fall out of favor in the marketplace for various periods of time and result in underperformance relative to the broader market sector or significant declines in the value of portfolio securities.
- **Growth Investing Risk** — Due to their relatively high valuations, growth stocks are typically more volatile than value stocks and may experience a larger decline on a forecast of lower earnings, or a negative event or market development, than would a value stock.
- **Value Investing Risk** — Securities believed to be undervalued are subject to the risks that the issuer's potential business prospects are not realized and its potential value is never recognized by the market. As a result, value stocks can be overpriced when acquired and may not perform as anticipated.
- **Foreign Investment Risk** — Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, currency, market or economic developments and can result in greater price volatility and perform differently from securities of U.S. issuers. This risk may be heightened in emerging or developing markets.
- **Index Risk** — The risk that a fund's performance will not correspond to its benchmark index for any period of time and may underperform such index or the overall stock market. Additionally, to the extent that the Fund's investments vary from the composition of its benchmark index, the Fund's performance could potentially vary from the index's performance to a greater extent than if the Fund merely attempted to replicate the index.
- **Enhanced Index Risk** — As an enhanced index fund, the Fund may also underperform its benchmark index due to differences between the fund and the benchmark index.
- **Quantitative Analysis Risk** — The risk that stocks selected by the Fund's investment adviser using quantitative modeling and analysis could perform differently from the market as a whole.
- **Special Situation Risk** — Stocks of companies involved in reorganizations, mergers and other special situations involve the risk that such situations may not materialize or may develop in unexpected ways. Consequently, those stocks can involve more risk than ordinary securities.

- **Derivatives Risk** — The risks associated with investing in derivatives may be different and greater than the risks associated with directly investing in the underlying securities and other instruments. The Fund may use futures and options, and the Fund may also use more complex derivatives such as swaps that might present liquidity, credit and counterparty risk.
- **General Investment and Trading Risks**—All securities investments risk the loss of capital. There is no guarantee that a sub-portfolio's investment program will be successful.
- **Equity Securities Risk**—In general, the value of equity securities fluctuates in response to the fortune of individual companies and in response to general market and economic conditions. Therefore, the value of the Fund may increase or decrease as a result of its interest in equity securities.
- **Industry Concentration Risk**—To the extent that the Fund or any particular sub-portfolio manager concentrates its investments in only one or a few industries and holds securities of relatively few issuers, the value of Fund or such sub-portfolio is likely to experience greater fluctuations and may be subject to greater risk of loss than those of other funds or investments.
- **Company Risk** (often called **Financial Risk**)—The risk that the issuer's earnings prospects and overall financial position will deteriorate, causing a decline in the value of the portfolio security. In the case of issuers the securities of which the Fund holds as short positions, the risk that the issuer's earnings prospects and overall financial position will improve, causing an increase in the value of the security held short and the Fund's exposure to losses.
- **Emerging Markets Risk**—The risk of foreign investments often increases in countries with emerging markets. For example, these countries may have more unstable governments than developed countries, and their economies may be based on only a few industries. Because their securities markets may be very small and less liquid than developed countries, share prices may be volatile and difficult to determine. In addition, foreign investors such as the Fund are subject to special restrictions in many such countries.
- **Environmental Risks** – The account may be exposed to substantial risk of loss from environmental claims arising with respect to real estate acquired with environmental problems, and the loss may exceed the value of such investment. Furthermore, changes in

environmental laws or in the environmental condition of an asset may create liabilities that did not exist at the time of acquisition of investment and that could not have been foreseen. In addition, certain of an account's investments may be located in earthquake zones or be subject to risks associated with other natural disasters, such as fire, windstorms, volcanic eruptions, flood or man made disasters, including terrorists activities or acts of war.

- **Foreign Exchange Risk**—A portion of the Fund's assets may be invested in securities denominated in currencies other than the U.S. dollar and in other financial instruments, the price of which is determined with reference to currencies other than the U.S. dollar, while the portfolio will generally be value in U.S. dollars. To the extent unhedged, the value of the Fund's assets will fluctuate with U.S. dollar exchange rates as well as with price changes of the Fund's investments in the various local markets and currencies.
- **Hedging**—The Fund may engage in a variety of hedging transactions. Hedges can be more difficult to implement than many other types of transactions and the possibilities for errors may be greater than for other transactions. There is a risk that price movements on the instrument used to create the hedge may not correspond to price movements in the security against which the manager is using the instruments to hedge because of fundamental differences between the two instruments and the factors that affect price movements.
- **Market Volatility, Liquidity and Valuation Risk** (types of **Market Risk**)—The risk that volatile or dramatic reductions in trading activity make it difficult for the Fund to properly value the portfolio securities in which it invests and that the Fund may not be able to purchase or sell a security at an attractive price, if at all.
- **Active Management Risk**—The risk that poor securities selections by the Manager or any sub-portfolio manager could cause the Fund to underperform its benchmark index or funds with similar investment objectives.
- **Short Selling**—The risk that any appreciation in the price of the borrowed securities would result in a loss. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Certain types of short selling can theoretically result in unlimited losses to the short seller as the price of the security continues to rise. In addition, the Fund's ability to short sell in foreign markets might be constrained from time to time by unique regulatory restrictions existing in foreign countries.
- **Leverage**—The Fund and the sub-portfolio managers may use leverage to in connection with the Fund's portfolio. The use of leverage has the effect of potentially increasing

losses to the Fund. If income and appreciation on investments made with borrowed funds are less than the required interest payments on the borrowings, the value of the Fund's net assets will decrease. Accordingly, any event which adversely affects the value of a Fund investment would be magnified to the extent the investment is leveraged.

- **Social Criteria Risk**—The risk that because the Fund's social criteria exclude securities of certain issuers for nonfinancial reasons, the Fund may forgo some market opportunities available to funds that don't use these criteria.
- **Interest Rate Risk** —The risk that increases in interest rates can cause the prices of fixed-income securities to decline.
- **Extension Risk** —The risk that during periods of rising interest rates, borrowers pay off their mortgage loans later than expected, preventing the Fund from reinvesting principal proceeds at higher interest rates and resulting in less income than potentially available.
- **Income Volatility** —The risk that the level of current income from a portfolio of fixed-income securities declines in certain interest rate environments.
- **Credit Risk** —The risk that the issuer of bonds may not be able to meet interest or principal payments when the bonds become due.
- **Call Risk** —The risk that, during periods of falling interest rates, an issuer may call (or repay) a fixed-income security prior to maturity, resulting in a decline in the Fund's income.
- **Fixed-Income Foreign Investment Risks**—Investment in fixed-income securities of foreign issuers involves increased risks due to adverse issuer, political, regulatory, currency, market or economic developments. These developments may impact the ability of a foreign debt issuer to make timely and ultimate payments on its debt obligations to the Fund or impair the Fund's ability to enforce its rights against the foreign debt issuer. These risks are heightened in emerging or developing markets.
- **Non-Investment-Grade Securities Risks**—Issuers of non-investment-grade securities, which are usually called “high-yield” or “junk bonds”, are typically in weak financial health and such securities can be harder to value and sell and their prices can be more volatile.
- **Downgrade Risks** —The risk that securities are subsequently downgraded should Advisors and/or rating agencies believe the issuer's business outlook or creditworthiness has deteriorated.

- **Illiquid Securities Risks** —The risk that illiquid securities may be difficult to sell for their fair market value.
- **Mortgage Roll Risks**—The risk that Advisors will not correctly predict mortgage prepayments and interest rates, which will diminish the Fund’s performance.
- **Special Risks for Inflation-Indexed Bonds Risks**—The risk that interest payments on, or market values of, inflation-indexed bonds decline because of a decline in inflation (or deflation) or changes in investors’ inflation expectations. In addition, inflation indices may not reflect the true rate of inflation.
- **State and Municipal Investment Risks**—Because the Fund invests significantly in tax-exempt bonds and other municipal securities, events affecting states and municipalities may adversely affect the Fund’s investments and its performance. These events may include severe financial difficulties and continued budget deficits, economic or political policy changes, tax base erosion, state constitutional limits on tax increases, and changes in the credit ratings assigned to state and municipal issuers of debt instruments.
- **Asset Allocation Risks**—The risk that the Fund may not achieve its target allocations. In addition, there is the risk that the asset allocations may not achieve the desired risk-return characteristic or that the selection of Underlying Funds and the allocations among them will result in the Fund underperforming other similar funds or cause an investor to lose money.
- **Underlying Funds Risks**—The ability of the Fund to achieve its investment objective will depend upon the ability of the Underlying Funds to achieve their investment objectives. There can be no guarantee that any Underlying Fund will achieve its investment objective.
- **Real Estate Investing Risks**—As a result of the Fund’s investment objective, the Fund is subject to all of the risks associated with the ownership of real estate. These risks include, among others, declines in the value of real estate, negative changes in the climate for real estate, risks related to general and local economic conditions, decreases in property revenues, increases in prevailing interest rates, property taxes and operating expenses, decreases in property revenue, changes in zoning laws and costs resulting from the clean-up of environmental problems.
- **Current Income Risks**—The risk that the income the Fund receives may fall as a result of a decline in interest rates. In a low interest rate environment, the Fund may not be able to achieve a positive or zero yield or maintain a stable net asset value of \$1.00 per share.

- **Regulatory Risk** – The risk that changes in any applicable law, treaty, rule, regulation or interpretation thereof and the costs and burdens of compliance therewith could adversely impact the Fund’s performance.
- **Commercial Mortgage Loan Investing Risk** – Risks associated with investments in commercial mortgage loans include: the potential inability of a borrower to repay a mortgage loan secured by real estate being dependent primarily upon the successful operation of such property, risks of delinquency, foreclosure, loss and bankruptcy of the borrower, declines in the value of real estate, negative changes in the climate for real estate, risks related to general and local economic conditions, the risk that during periods of rising interest rates, borrowers pay off their mortgage loans later than expected, preventing a fund from reinvesting principal proceeds at higher interest rates and resulting in less income than potentially available, the risk that during periods of falling interest rates, borrowers pay off their mortgage loans sooner than expected, forcing the fund to reinvest the unanticipated proceeds at lower interest rates and resulting in a decline in income, decreases in property revenues, increases in prevailing interest rates, property taxes and operating expenses, decreases in property revenue, changes in zoning laws and costs resulting from the clean-up of environmental problems.
- **General Company Investment Risks** – Investments in the agricultural strategy involve business, financial, market and legal risks. There are also risks associated with the uncertainty of returns, unspecified use of proceeds, lack of diversification in investment types or geographical locations, the use of leverage, competition for investments, the need to invest additional capital to improve or repair investments, lack of liquidity, reliance on Joint Venture partners and investment disposition claims.
- **International Operations Risks** – Legal, monetary and political risks that are different than those in the U.S. are associated with investing in different countries in the agriculture strategy.
- **General Timberland Investments Risks** – Certain risks associated with the ownership of timberland property and the real estate industry in general, including: the burdens of ownership of real property; general economic and market conditions such as interest rates, availability of credit, inflation rates, economic uncertainty, and changes in laws and national and international political circumstances; buyers and sellers of properties; changes in environmental laws and regulations, planning laws, zoning laws, building laws and other governmental rules and fiscal and monetary policies; changes in real property tax rates or changes in tax laws; supply and demand for timberland properties or timber; long-term supply contracts, which may require logs to be harvested even when prices are depressed; energy costs, which can affect the economics of transportation, harvesting and manufacturing operations or affect customer demand for wood fiber; natural hazards including damage by fire, wind, insects and diseases or soil infertility;

extensive environmental regulation of the forest products industry which may become applicable to the operation of timberland investments over time, resulting in increased costs, reduced operating flexibility and additional capital expenditures that could adversely affect operating results; uninsured casualties; vandalism; force majeure acts, terrorist events, under-insured or uninsurable losses; and other factors which are beyond reasonable control. In addition, properties that are subject to liabilities or that have problems relating to environmental condition, state of title, physical condition, possession claims or compliance with zoning laws, building codes or other legal requirements may be acquired.

- **General Agricultural Investments Risks** - Risks associated with the ownership of agricultural property and the real estate industry in general, including: the burdens of ownership of real property; local, national and international economic and social conditions (such as an oversupply of, or a reduction in demand for, rental farmland properties); the supply and demand for properties and the effect of competition for such properties; the quality and philosophy of management by tenant farmers; buyers and sellers of properties; changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable; changes in environmental laws and regulations, planning laws, zoning laws, building laws and other governmental rules and fiscal and monetary policies; environmental claims arising in respect of properties acquired with undisclosed or unknown environmental problems or as to which inadequate reserves have been established; changes in real property tax rates or changes in tax laws; changes in energy prices; uninsured casualties; vandalism; force majeure acts, terrorist events, under-insured or uninsurable losses; and other factors which are beyond reasonable control. In addition, properties that are subject to liabilities or that have problems relating to environmental condition, state of title, physical condition, possession claims or compliance with zoning laws, building codes or other legal requirements may be acquired.
- **Agricultural Investments in Australia Risks** – Investing in Australia in the agricultural sector creates the following risks: exposure to the Australian weather patterns and natural disasters, subjection to the Australian regulation and approval processes for foreign investors, impact of the quality, durability and capacity of applicable infrastructure, the requirement of license or accreditation to market and sell agricultural products produced in Australia, the requirements of laws relevant to the issuance of native land titles, being subject to sophisticated laws and regulations having to do with the operation of agricultural assets and businesses, the implementation of tax on emitters of carbon dioxide, labor availability and cost.
- **Agricultural Investments in Brazil Risks** – Investing in Brazil in the agricultural sector creates the following risks: the value of the strategy may be affected by political, economic and social risks; economic and market conditions or crisis in other countries

may affect the Brazilian economy; the impact of: inflation, unexpected tax reforms; corruption relating to title ownership, the expropriation of assets held by the strategy, extensive environmental regulations, foreign ownership restrictions, relationship with property manager in Brazil.

- **Company Structure Risks** – The performance of the strategy could be adversely affected by the unfavorable performance of the manager of the strategy, the impact of: Side Letters with certain investors in the strategy which will give that investor specific rights, privileges and benefits not applicable to all investors, the illiquidity of unregistered strategies, lack of experience with TAI managing the agricultural strategy, the effect of fees and expenses on performance, defaulting investors, indemnification and the return of prior distributions made by the manager of the strategy, holding investments beyond the targeted return period, reliance on the management agreement with the strategy manager, due to closings the interest of investors are diluted, no assurance of confidentiality of information shared by investors, the strategy manager’s obligations and liability to the investors with respect to information provided is determined solely by the Shareholders Agreements.
- **Tax Risks** – The impact of country, states, provinces, municipalities and other local jurisdictions taxes on agricultural investments.
- **Regulatory and Compliance Risks** – The risks of ERISA, Dodd-Frank Act, Volcker Rule, Freedom of information Acts on the agricultural strategy. Also, the strategy will not be registered under the Investment Company Act.
- **Non-Diversification Risks** — The strategy is considered to be “non-diversified,” which means that it can invest a greater percentage of its assets in the securities of a single issuer than a “diversified” strategy. Investing in a non-diversified strategy involves greater risk than investing in a diversified strategy because a loss in value of a particular security may have a greater effect on the strategy’s return since it may represent a larger portion of the strategy’s total portfolio assets.
- **Special Risks of Investing in Natural Resources** — The value of the strategy’s investments in financial instruments of natural resources issuers and directly in natural resources may be affected by various factors, including increased market volatility, natural events, inflationary pressure and national and international politics, causing the strategy to perform poorly. In addition, direct investments in natural resources, such as holding precious metals, are generally more illiquid than securities holdings, which could result in difficulty in their disposal in a timely and favorable manner.

- **Industry/Sector Risks** — The risk that focusing on investment in specific industries or sectors makes a fund more vulnerable to developments particularly affecting those industries or sectors than a more broadly diversified fund would be.
- **Issuer/Financial Risks** — The risk that an issuer's earnings prospects and overall financial position will deteriorate, causing a decline in the value of the issuer's financial instruments over short or extended periods of time.
- **Fund of Funds Risk**—The Strategy is exposed to the risks of the Underlying Strategies in which it invests in direct proportion to the amount of assets the Strategy allocates to each Underlying Strategy.
- **Equity Underlying Strategy Risks**—The risks of investing in equity Underlying Strategies include risks specific to the strategy, such as style risk, capitalization risk, and foreign investment risk, among others, as well as risks related to the equity markets in general.
- **Fixed-Income Underlying Strategy Risks**—The risks of investing in fixed-income Underlying Strategies include credit risk, interest rate risk, and market volatility, liquidity and valuation risk, among others.
- **Asset Allocation Risk**—The risk that the strategy may not achieve its target allocations. In addition, there is the risk that the asset allocations may not achieve the desired risk-return characteristic or that the selection of Underlying Strategies and the allocations among them will result in the Strategy underperforming other similar Strategies or cause an investor to lose money.

Please note that investing in securities involves a risk of loss that clients should be prepared to bear. Please also note that some of the strategies may involve frequent trading which may increase the brokerage, other transaction costs and taxes associated with such a strategy. These increased costs and taxes may negatively affect the performance associated with such strategies.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of TAI or the integrity of TAI's management.

Chetan Mohan Joglekar (CRD Number 4887506)

Mr. Joglekar has plead not guilty to felony charges against him and eleven other defendants under the following provisions of the Indian penal code for alleged non-payment of loans obtained by two steel and commodity trading companies in India for the purchase of materials under letters of credit: two counts under sections 120-B (punishment of criminal conspiracy) and 467 (forgery of valuable security, will, etc.); and one count under sections 468 (forgery for purpose of cheating), 471 (using as genuine a forged document or electronic record) and 13 (criminal misconduct by a public servant). The Adviser understands that (1) the term charge has a different meaning under American law than under Indian law and (2) under the Indian legal system trials, are not expected to begin for as long as 15 to 20 years or more after the dates on which charges are filed.

Mr. Joglekar asserts that his role in the alleged transactions was limited to being an authorized signatory within a closely-held group of Indian companies established to trade steel and other physical commodities. He explains that during the relevant period (1995 to 1997). He was fully engaged in different businesses, first as trader of Indian equity securities for a private investment fund, and later as a sell-side equity trader for a broker-dealer, and was not part of, and was not aware of, any conspiracy or other criminal activity involving the two steel and commodity trading companies. The Adviser's affiliate believes Mr. Joglekar's claims of innocence are credible and continues to employ him as Head of Global Equity Trading of public equity securities. As a reasonable precaution under the circumstances, however, applicant's affiliate will continue to maintain heightened supervision and compliance surveillance over Mr. Joglekar during his employment until such time as these matters are definitely and favorably resolved.

Details of the formal charges are: Charge Sheet No. 1234/CP of 2001, CBI Case No. RC 6(E)/99 – CBI/BS&FC/MUM, Court of Additional Chief Metropolitan Magistrate, Esplanade, Mumbai, India (DTD 12/28/2001) and Charge Sheet No. 19/2007, CBI Special Case No. 59 of 2007, RC. BD 1/2005/E/0007, City Civil and Sessions Court, Mumbai, India (DTD 12/31/2007).

Teachers Insurance and Annuity Association of America (TIAA)

The allegations related to this regulatory action are violations of replacement, illustration and disclosure requirements. The regulatory action was initiated by New York Department of Financial Services (NYDFS) which fined affiliate TIAA \$350,000, paid June 4, 2007. The other sanction ordered by NYDFS was that TIAA implement a remediation plan providing relief to

clients who did not receive appropriate replacement procedure disclosures pursuant to Insurance Department Regulation 60. The matter was resolved through stipulation on June 4, 2007, covering exam period of January 2000 through December 2004 (Docket Case Number: State of NY Stipulation No. 2007-0180-S).

This settlement does not involve the Adviser. However, the Adviser is an indirect wholly-owned subsidiary of TIAA.

Item 10 – Other Financial Industry Activities and Affiliations

TAI has arrangements that are material to its advisory business or its clients with related persons who are broker-dealers, investment companies, other investment advisors, banking or thrift institution and insurance companies or agencies.

Teachers Insurance and Annuity Association of America (“TIAA”), which controls TAI, is a New York life insurance company that issues fixed and variable annuity and life insurance products. TAI’s personnel are all employees of TIAA. Also, certain supervised persons of TAI are Registered Representatives of a broker/dealer.

TAI is affiliated with the following registered investment advisers: (i) TIAA-CREF Investment Management, LLC, investment adviser to the College Retirement Equities Fund (“CREF”); (ii) Kaspick & Co., LLC (“Kaspick”), provider of asset management and planned giving services primarily to non-profit institutions; (iii) Covariance Capital Management, Inc., provider of outsourced investment management services to colleges, universities and other not-for-profit institutions; (iv) TIAA-CREF Tuition Financing, Inc. (“TFI”), provider of services to 529 College Savings Plans and (v) TIAA-CREF Individual and Institutional Services, LLC (“Services”), which is also a registered broker dealer and provider of investment advice to individuals (collectively, “Affiliated Registered Investment Advisers”). TAI is also affiliated with two registered broker-dealers, Teachers Personal Investors Services, Inc. (“TPIS”) and Services. TPIS is the principal underwriter of the TIAA-CREF family of mutual funds and VA-1. Services is the principal underwriter of the variable annuities issued by CREF and the TIAA Real Estate Account. TPIS and Services also distribute interests in various “529” tuition programs, which programs are managed by an affiliated investment adviser, TFI. TAI is also related to a federally chartered savings bank, TIAA-CREF Trust Company, FSB and to a real estate broker, Westchester Group Real Estate, Inc.

In addition, TCIM is also affiliated with the following sponsor or syndicator of limited partnerships and sponsor, general manager, managing member of pooled investment vehicles:

T-C 685 Third Avenue Member, LLC; T-CSMA III, LLC; T-C SMA I, LLC; TCAM Core Property Fund GP, LLC; TCAM Core Property Fund Operating GP, LLC; TCAM Core Property Fund REIT, LLC; TCAM DOF GP, LLC; Teachers Insurance and Annuity Association of America; TIAA-CREF Asset Management Property Fund, LP; TIAA-CREF Asset management, Inc.

TAI is also affiliated with TIAA-CREF Insurance Agency, LLC, an insurance agency that offers non-proprietary insurance products as well as with TIAA-CREF Life Insurance Company, a New York life insurance company that does not have TIAA's special charter purposes/restrictions.

As disclosed in TAI's Form ADV Part 1, TAI advises "Private Funds" (as defined in section 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940), which are collectively referred to herein as "Private Investment Funds" as well as "Private Investment Pools."

Item 11 – Code of Ethics

TAI has adopted a Code of Ethics under Rule 204A-1 of the Investment Advisers Act of 1940 and Rule 17j-1 of the Investment Company Act of 1940. This code governs, among other things, the personal trading activities of certain employees or "access persons" and members of their households. Access Persons must at all times place the interests of TIAA-CREF and its affiliates and clients above their own. In addition:

- Access Persons may not attempt to profit personally from their knowledge of recent or contemplated transactions in clients' accounts including any mutual funds affiliated with TAI.
- Access Persons must act in a manner consistent with that of a fiduciary with respect to client accounts. As a result, Access Persons must conduct all personal securities transactions consistent with this Code of Ethics and in such a manner as to avoid any actual or potential conflict of interest or any abuse of a position of trust and responsibility.
- Access Persons may not purchase or sell a security when they have actual knowledge that a mutual fund or other client account will be trading in that security (or a Related Security).

While Access Persons and their household members may invest in securities that may also be purchased or held by client accounts, they must pre-clear and report all covered transactions involving securities under the codes. In addition, "access persons" must generally send

duplicates of all trade confirmations, account statements and other brokerage accounts to a special compliance unit for review.

The Code restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit “access persons” to invest in the same securities as clients, there is a possibility that “access persons” might benefit from market activity by a client in a security held by an “access person.” The Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of the “access persons” will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing “access persons” to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially affect TAI’s clients. “Access person” trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between TAI and its clients.

TAI will provide a summary copy of the Code of Ethics to any client or prospective client upon request. In addition, TAI and its affiliates must adhere to the restrictions contained in TIAA’s Code of Business Conduct, which articulates general standards of ethical conduct for employees, around the TIAA-CREF Policy Regarding the Handling of Material Non-Public Information, the Rumor Policy and the TIAA-CREF Gifts and Entertainment Policy. All “access persons” must acknowledge the terms of the Code of Ethics annually, or when it is amended.

TAI may purchase or sell securities for the accounts of its clients in which TAI or a related person may have a position of financial or other interests and may buy or sell for itself securities that it also recommends to its clients. Principal transaction strategies are used primarily in TAI’s CDO Advisory Services business to rebalance the various CDO portfolios advised by TAI or to take advantage of other opportunities.

TAI has established a variety of restrictions, procedures and disclosures designed to address any potential conflicts of interest that may arise as a result of these arrangements. Pursuant to these policies, any principal or cross transaction must be fair and equitable in accordance with the requirements of Section 206(3) of the Investment Advisers Act of 1940. In addition, the sale price and purchase price in all principal transactions and cross transactions will be the market value of the securities.

Transactions Among Clients

TAI may execute transactions between its registered investment company and other client accounts it manages, as well as certain other clients managed by its affiliates (including the CREF accounts managed by TIAA-CREF Investment Management, LLC). Any such transactions will be executed in accordance with Rule 17a-7 under the Investment Company Act of 1940 and procedures adopted by the clients' Boards of Trustees (as applicable). The procedures provide among other things that (1) the transaction was a purchase or sale, for no consideration other than cash payment against prompt delivery of the security for which market quotations were readily available, (2) the transaction was effected at the independent current market price of the security determined as specified in the procedures, (3) the transaction is consistent with the policy of each fund participating in the transaction, as recited in its registration statement, and (4) no brokerage commission, fee (except for customary transfer fees) or other remuneration was paid in connection with the transaction.

In its role as investment adviser to a CDO, TAI may have discretionary authority to buy and sell securities for the CDO. Advisers and/or affiliates may, under certain circumstances, purchase or sell securities to or from its CDO clients ("Principal Transactions"). TAI may also, under certain circumstances, purchase or sell securities for a CDO client account to or from another CDO client account ("Cross Transactions"). TAI has adopted a policy on all Principal Transactions and Cross Transactions with respect to its CDO business, which is summarized below.

Under the policy, the sale price in all Principal Transactions and in all Cross Transactions will be the fair market value of the securities purchased or sold. TAI may not directly or indirectly earn any compensation other than its usual advisory fee for effecting a Cross Transaction between its CDO clients without the explicit authorization of TAI's CDO Investment Committee. If such compensation is earned, the Cross Transaction must comply with the notice and consent requirements of Section 206(3) of the Investment Advisers Act of 1940. Furthermore, all Cross Transactions between a CDO client and an investment company client of TAI must comply with TAI's Rule 17a-7 procedures.

Agency Cross Trades

Rule 206(3)-2 under the Advisers Act prohibits advisers (or their affiliates) from acting as brokers for their advisory clients and for parties on the other side of the transactions, unless the following requirements are met:

- The client must prospectively authorize agency cross transactions in writing

- The adviser must disclose to the client in writing the capacities in which it will act and the possibly conflicting division of loyalty and responsibility it may face in an agency cross transaction
- Each agency cross transaction must be confirmed in writing
- The adviser must provide the client with an annual summary of all agency cross transactions
- All client statements must disclose that the client may terminate the agency cross transaction authority at any time by written notice to the adviser

TAI's investment decisions are limited by the investment criteria established for each client and TAI's own internal guidelines. In making any investment decision concerning the amount of securities to buy or sell, TAI will consider many factors, including but not limited to, the client's policies and restrictions, investment objectives, issuer, industry and sector concentration, tax implications and the size of the investment in relation to the account.

Each potential investment undergoes a rigorous review process taking into account various factors including, historical and projected performance, quality of management, transaction structure and current economic condition. In structured transactions, credit enhancement, payment waterfalls, and other structural features are considered. The quality of the underlying collateral in each transaction is assessed using historical performance data, prepayment characteristics and various stress tests and stimulations. TAI also analyzes the issuer or service from a credit perspective, taking into account the financial strength of the entity, the sector in which it operates and the market conditions confronting such business. TAI evaluates the relative value of each transaction and negotiates pricing. Finally, investment decisions are made by the appropriate individuals or committee in a standardized authorization process.

TAI, when appropriate, will advise its clients to invest in securities that are being purchased by its parent, TIAA. TAI has an established trade allocation policy to ensure that the purchased securities are allocated fairly.

Leasing Conflicts

Conflicts could arise because some properties in the funds or accounts managed by TAI may compete for tenants. If a conflict arises, as appropriate, the competing accounts will arrange that different property managers and leasing brokers are engaged, each charged with using their best interest to support the property management and leasing activity for each particular property and an ethical screen be placed between the internal asset managers for the respective properties.

Any conflict that arises will be reported at the next Global Real Estate Portfolio Oversight Committee meeting.

Sales Conflicts

Conflicts could arise when two accounts attempt to sell properties located in the same market or submarket, especially if there are a limited number of potential purchasers and/or if such purchaser has an ongoing business relationship with TAI, TIAA or one of its specific real estate accounts.

Item 12 – Brokerage Practices

Selecting Broker - Dealers

TAI has authority to select broker-dealers with which to place its clients' portfolio transactions, unless otherwise specifically directed by client. TAI has no set formula for the distribution of brokerage business in connection with the placing of orders for the purchase and sale of approved investments, and TAI places its orders with brokers with the objective of obtaining best execution. TAI has established "best execution" committees to continually monitor the best execution services, including the parameters and other relevant factors in evaluating brokerage firms and broker execution capability. TAI continually evaluates its distribution of brokerage business in connection with the placing of orders of approved investments.

In evaluating best execution, TAI considers a number of factors, including, without limitation, the following: best price; the nature of the security being traded; the nature and character of the markets for the security to be purchased or sold; the cost of brokerage commissions; the likely market impact of the transaction based on the nature of the transaction; the skill of the executing broker; the liquidity being provided by the broker, the value of research or other brokerage services provided to TAI by the broker-dealer; the broker-dealer's settlement and clearance capability; the reputation and financial condition of the broker-dealer, the costs of processing information; the nature of price discovery in different markets; and the laws and regulations governing investment advisers.

Since these various factors are all weighed in evaluating the abilities of broker-dealers to achieve best execution, transactions will not always be executed at the lowest available commission rate or price. For example, TAI may place orders with brokers providing research, even if the lower commissions may be available from brokers not providing such services. When doing so, TAI will determine in good faith that the commissions negotiated are reasonable in relation to the

value of brokerage and research provided by the broker viewed in terms of either that particular transaction or of the overall responsibilities of TAI to its clients. In reaching this determination, TAI will not necessarily place a specific dollar value on the brokerage or research services provided to determine what portion of the broker's compensation should be related to those services. Transactions may also involve specialized services on the part of the broker-dealer and would thereby entail higher commissions or their equivalents than would be the case with other more routine transactions. For example, a broker being asked to put up its own capital to complete a trade would be expected to charge a higher commission rate.

TAI may engage in certain practices in connection with securities transactions such as step-out transactions, in which TAI, consistent with its objective of achieving best execution, will direct securities to a specific broker for execution and instruct this broker to execute the transactions and transmit (or "step out") a portion of the transaction to another broker-dealer. TAI may request that the executing broker-dealer step out a portion of the transaction for many reasons, including but not limited to, provision of research services to TAI.

When purchasing or selling securities traded on the over-the-counter market, TAI may execute the transactions with a broker engaged in making a market for such securities. There is generally no stated commission in the case of securities traded in the over-the-counter markets, but the price usually includes an undisclosed dealer mark-up.

TAI may utilize Electronic Communications Networks ("ECNs") and Alternative Trading Systems ("ATs") to execute purchases and sales of securities where such networks and systems provide the best execution for the TAI given the parameters of the orders.

Transactions on equity exchanges, commodities markets and other agency transactions involve the payment of negotiated brokerage commissions. Such commissions vary among different brokers. Transactions in some foreign investments involve the payment of fixed brokerage commissions.

TAI does not use affiliated broker-dealers to execute any trades on its behalf. Also, Client referrals do not play a role in TAI's broker selection process.

Prohibition on Directed Brokerage Arrangements

TAI has adopted policies and procedures relating to its registered investment company clients to prohibit directed brokerage arrangements in accordance with Rule 12b-1 (h) under the Investment Company Act of 1940. This rule prohibits investment companies from using brokerage commissions to compensate any broker-dealer for the promotion or sale of investment company shares. TAI's policies and procedures prohibit it from selecting select broker-dealers

to execute fund portfolio securities transactions, or directing commissions to broker-dealers, in consideration of promotional or sales efforts with respect to the funds. In addition, the funds, their respective investment advisers, and any principal underwriter of the funds may not enter into any agreement (whether oral or written) or other understanding under which a fund directs, or is expected to direct, fund portfolio securities transactions, or any remuneration (including but not limited to any commission, mark-up, mark-down, or other fee or portion thereof received or to be received from the fund's portfolio transactions effected through any other broker-dealer), to a broker-dealer in consideration for the promotion or sale of fund shares. In particular, commissions may not be allocated to a broker-dealer in return for sale of the funds, for "shelf space" for the funds, for exposure of funds to the broker-dealer's sales force or clients, or for any other arrangement that is designed to support or promote the broker-dealer's sales of the funds.

Transactions for Initial Purchase of Equity or Debt Instruments

Transactions involving the initial purchase of equity or debt instruments generally involve an investment banker that charges a fee to the issuer of the debt securities. TAI does not directly pay a fee or negotiate the fee.

Research and Services Provided by Broker-Dealers

TAI may execute equity transactions with broker-dealers that provide research and other services that assist TAI in fulfilling its investment management responsibilities.

Subject to the criteria of the safe harbor in Section 28(e) of the Securities Exchange Act of 1934, as amended, including applicable guidance from the Securities Exchange Commission ("SEC"), TAI has in connection with equity securities transactions adopted procedures with respect to "soft dollars," including the use of brokerage commissions to pay for research, the process for allocating brokerage, and its practices regarding the use of third party soft dollars. It is policy of TAI to use soft dollar arrangements only in accordance with the Section 28(e) safe harbor (including related SEC guidance) and only where the associated transactions will, in its judgment, provide best execution. Soft dollar arrangements are arrangements whereby TAI directs transactions to a broker in exchange for research services in addition to execution. It is TAI's policy to use soft dollar arrangements to pay for a broker's proprietary research and other research services that are not generally commercially available for payment in cash. Research includes investment-related reports, access to investment-related conferences, access to a broker's research staff and the use of investment-related consulting services. When both a soft dollar arrangement and a cash payment are options, the usual choice will be cash payment. However, if the cash payment is more costly than the soft arrangement, the soft option can be chosen. This option applies only to eligible expenses pursuant to Section 28(e). TAI pays cash

for transportation to or from conferences and for hotel accommodations while at conferences; such expenses are not included in the TAI's soft dollar arrangements.

TAI believes that the research and information provided by brokers or dealers and their ability to achieve quality executions and other brokerage services is important to its clients. In addition, TAI may have an incentive to select or recommend a broker or dealer based upon interest in receiving research and other products or services rather than on the client's interest in receiving most favorable execution. Brokers or dealers selected by TAI may be paid commissions for effecting transactions for TAI's clients in excess of the amounts other brokers or dealers would have charged for effecting these transactions, if TAI determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those brokers or dealers, viewed either in terms of a particular transaction or TAI's overall duty to its discretionary accounts. The research that is the subject of soft dollar arrangements may be developed by the broker or by a third party (where the obligation to pay is between the broker and the third party, not between TAI and the third party). The research and other services obtained may be used in servicing any or all of TAI's clients or, on occasion, clients of its affiliated investment adviser TIAA-CREF Investment Management, LLC. Accordingly, such research services may not at all times be utilized in connection with the client account that may have provided the commission or a portion of the commission paid to the broker providing the services. TAI receives an array of services, such as macroeconomic data and statistical data, fundamental and technical data on issuers, information on groups of securities market data, political developments, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis and other information which may be relevant to the economy or to a particular investment. Research services may be received in a variety of forms, such as written reports, periodicals, investment seminars, software and meetings with analysts, issuers, economists and government officials and quotation and news services.

Also, when client brokerage commission is used to obtain research or other products or services, a benefit is received because it is not necessary to pay for research, products or services.

To address conflict of interests, TAI has adopted policies and procedures for the use of soft dollars. For example, TAI has adopted a policy not to use soft dollars to pay for research and for the research received in connection with the purchase and sale of fixed income securities.

Client-Directed Brokerage Transactions

TAI does not generally recommend, request or request that a client direct TAI to execute transactions through a specified broker-dealer. A client may occasionally direct TAI to use a

particular broker-dealer, or broker-dealers, to execute portfolio transactions for its account. Where a client directs the use of a particular broker-dealer, or broker-dealers, TAI may not be in a position where it can freely negotiate commission rates or best price, or select broker-dealers on the basis of best price and execution. Additionally, transactions for a client that directs brokerage may not be combined or “blocked” for execution purpose with orders for the same securities or other funds or account managed by TAI. As a result, client-directed brokerage transactions may result in higher commissions or less favorable net prices than would be the case if TAI were empowered to select brokers and dealers to execute transactions for the client’s account. In the event of a sale or purchase executed for all or most of TAI’s clients, it is the policy of TAI to first execute transactions where TAI is authorized to select the broker followed by client-directed brokerage arrangements.

A client may direct TAI to direct portfolio transactions to broker-dealers that agree to pay custodial, transfer agent or other expenses which would otherwise be paid by clients of TAI or clients of TAI’s affiliates. In such circumstances, each client’s commissions are used to defray that client’s expenses only and are not used for the benefit of any other client. Broker-dealers participation in these arrangements typically also provides TAI with research and brokerage services.

Although TAI does not recommend that clients request TAI to direct their portfolio transactions to specific broker-dealers, clients may do so, subject to best execution and provided the broker-dealer is an approved counterparty of TAI.

Policies Regarding Aggregation and Allocation of Orders

Equity Securities Policy

TAI has adopted aggregation and allocation of orders procedures designed to treat each account fairly and equitably over time in the allocation of investment opportunities and the aggregation and allocation of trades. The procedures also impose restrictions on potentially inconsistent trading and provide guidelines for trading priority. Moreover, TAI’s trading activities are subject to supervisory review and compliance monitoring to help address and mitigate conflicts of interest and ensure that accounts are being treated fairly and equitably over time. In determining whether an account’s participation in an order is appropriate, TAI considers the account’s investment objectives, investment restrictions, cash position, need for liquidity, sector concentration and other objective criteria.

TAI may aggregate or “bunch” orders of various accounts, including registered investment companies, unregistered investment companies, TIAA, other proprietary accounts and client accounts of TAI’s affiliates (e.g., CREF accounts managed by TIAA-CREF Investment Management, LLC), consistent with TAI’s policy to seek best execution for all orders.

In summary, open orders for the same single security are aggregated with other orders for the same single security received at the same time as well as with open or unfilled portions of earlier orders of the same single security. If aggregated orders are fully executed, each participating account is allocated its pro-rata share on an average price and trading cost basis. In the event the order is only partially filled, each participating account receives a pro-rata share of the securities purchased (or a pro-rata share of the proceeds of securities sold) based on the size of its order relative to the aggregated order. However, basket trades (trades in a wide variety of securities-on average approximately 100 different issuers) for accounts with different investment mandates are generally not aggregated. Because of their size, execution of the basket trades occur in stages and TAI must be able to monitor characteristics (e.g., cash, region, sector, beta, neutrality) of the baskets in the aggregate in order to be able to make changes to the baskets as necessary. On the other hand, basket trades with identical investment mandates are aggregated.

The procedures also impose restrictions on potentially inconsistent trading of single securities. For example, a portfolio manager of TAI may not sell a single security short for an account if the same portfolio manager either is long in the security or is neutral or overweight the long position against the benchmark of the account holding the securities long. Similarly, a portfolio manager may not buy a security long if the same portfolio manager has a short position in the same security. This limitation does not apply to a portfolio manager buying a security to close or reduce a short position or underweight long position against the benchmark of an account. This limitation also does not apply to securities, futures, or derivative instruments representing broad-based indices or baskets of underlying securities (e.g., certain exchange traded funds that track index of broad based securities). Basket trades do not have the same types of restrictions on potentially inconsistent trading because they are tailored to a particular index or model portfolio based on the risk profile of a particular account pursuing a particular quantitative strategy.

In addition, the procedures set forth guidelines for long and short trades. Both long and short trades are routed by portfolio managers to the same trading desk. Single security trades (both long and short) are time-recorded and prioritized for execution based on when they are received by the trading desk.

Basket trades, however, are not subject to the same trading priority guidelines because they are used to pursue quantitative strategies and rely on an automated process to implement trades on an as needed basis (as indicated by the relevant index or model), subject to rotation if basket

trades for one account closely precede transactions in the same or closely related securities in a different account. In addition, TAI does not place basket trades in a manner that it believes will materially move the market price of securities because these trades are subject to TAI's daily internal volume limits based on percentages of daily trading and designed using historical data to minimize to the extent possible the price impact of trading volumes.

All exceptions to TAI's aggregation and allocation of orders procedures must be approved in accordance with the procedures.

Fixed Income Securities Policy

TAI buys and sells fixed income securities through dealers that make markets in the relevant securities or security types. Fixed income traders are typically executed on a net yield basis – the dealers through whom TAI executes client trades generally do not charge explicit commissions, commission equivalent (e.g., separately identifiable mark-ups and mark-downs in such transactions) or spreads.

TAI seeks to obtain best execution for all fixed income securities transactions made on behalf of its clients. To achieve this goal, TAI communicates with a broad network of securities firms (including both primary and regional dealers) and subscribers to a variety of fixed income trading ECNs. TAI generally seeks bids and offers from a minimum of two broker-dealers, and selects the best price given.

TAI has adopted policies and procedures for aggregating and allocating orders for the purchase and sale of fixed income securities. Under those policies and procedures, when the same fixed income security is being purchased or sold by multiple accounts at the same time, the trades will normally be aggregated in order to give the accounts the best execution level. If the aggregated order cannot be filled in its entirety, each account will receive a pro-rata share of the bonds purchased or sold based on the size of its order relative to the aggregate order. However, if the trade is deemed particularly appropriate for one account, one account may receive more than its pro-rata share subject to written approval by a member of the appropriate investment committee of TAI. The allocation must be completed before the opening of the New York Stock Exchange on the business day following the transaction.

In addition to not requiring written approvals for pro-rata allocations based on the size of each account's order relative to the aggregate order, written approvals will also not be required in instances when the trade is allocated based on each account's relative exposure to the security's sector versus the benchmark. For example, an account that is underweighted in a particular

sector versus its benchmark may receive a greater allocation of a purchase order than one that is less underweighted in the sector in order to bring their relative sector exposure to a more equivalent level.

The foregoing policy will apply when (i) TAI's affiliated registered investment adviser, TIAA-CREF Investment Management, LLC ("TCIM"), aggregates orders of the CREF accounts and its other client accounts and orders of TAI's clients and (ii) TAI aggregates orders of the fund accounts and its other client accounts and orders of clients of TCIM. On occasion, a portfolio manager for TAI or TCIM may also be making purchases of the same security on behalf of TIAA. In these instances where the same portfolio manager is executing a trade in the same publicly traded security or non-negotiated Rule 144A or similar non-registered security for TCIM or TAI on the one hand, and TIAA, on the other hand, this policy will apply.

All exceptions to TAI's aggregation and allocation of orders policies, as well as any time that TAI aggregates orders with TIAA, must be approved in accordance with the policies and procedures.

IPO Allocation Policy

TAI has adopted written procedures with respect to allocation of initial public offerings ("IPOs"). Allocations of IPOs by TAI will be made in a fair and equitable manner consistent with its fiduciary obligations to its clients as follows: (i) a portfolio manager may participate in IPOs for stocks that will most likely fall in the portfolio's benchmark or geographic regional mandate; (ii) a portfolio managers will make the same decision for each account managed assuming cash is expected to be available for that account and subject to contingencies based on cash constraints or other suitability criteria, and (iii) allocations among the portfolio mangers desiring to participate in an IPO will be done pro rata, based on the amount of assets the manager "actively" (non-indexed approach) manages in the geographic region in which the IPO issuing company is located.

TAI has put procedures in place to handle situations where allocations are to be changed after the order is placed, provided the reason for the change is in writing and signed off by appropriate senior management of TAI.

Policy Relating to Allocation of Real Estate Investments

TAI has adopted written procedures with respect to allocation of real estate investments among accounts managed by TAI's affiliates, TIAA, and funds managed by TAI. Under the allocation procedures, the acquisition team prepares a memorandum for each deal transaction that fits the investment strategy of one or more accounts and funds. The memorandum is reviewed weekly at the Real Estate Review Meeting. Members from Asset Management, Legal, Research and Operation Services are present at the meeting.

At this meeting, the Portfolio Managers of the accounts and funds identify the acquisition opportunities that conform to the investment strategy of their specific account or fund. If no Portfolio Manager is interested in the deal, the deal is no longer pursued. If only one Portfolio Manager is interested, the deal is allocated to that account or fund and there is no change in the rotation order. If more than one account or fund expresses an interest the transaction is allocated based on the rotation order.

Using the rotation order, the deal is allocated to the interested account or fund in the top most position of the rotation for the specific sector and the account or fund receiving the allocation is moved to the bottom of the rotation. Each sector has its own rotation order. Also, large transactions require the approval from the Investment Management Committee.

The Asset Allocation Report describes the allocation process for each transaction allocated to one of the Funds or Accounts. The quarterly report is produced and presented to the Asset Allocation Oversight Committee. The Committee is comprised of the: Chief Investment Officer, Managing Director and Compliance Officer, Head of Internal Audit, Head of Credit Risk Management, Head of Product Management, General Counsel of Asset Management and the Real Estate Controller. The Allocation Committee is governed by the Investment Management Committee.

Policy Relating to Allocation of Investments in Funds with Distressed Strategies

TAI has adopted written procedures with respect to allocation of pooled investment vehicle opportunities that employ distressed debt, distressed equity or operational turnaround strategies. The procedures provide an allocation process among accounts managed by TAI's affiliate, TIAA and funds managed by TAI. The procedures require that the alternative investment team determine annually the expected distressed strategy fund program in a given year for TIAA's general account and any other accounts that have a similar distressed strategy fund program. Investment opportunities originated by the team are then offered to the accounts; interested

accounts receive an initial allocation based on a percentage derived from the ratio between the relative sizes of the interested accounts' annual programs. The policy provides for appropriate adjustments regarding the programs as necessary. The policy also provides for reporting and review of the team's compliance with the policy.

Policy Relating to Allocation of Mortgage Loans

TAI has adopted written procedures with respect to allocation of mortgage loans among funds or accounts managed by TAI's affiliates, TIAA, and funds or accounts managed by TAI. Under the allocation procedures, the mortgage team prepares a memorandum for each transaction that fits the investment strategy of one or more accounts and funds. The portfolio managers of the accounts and funds then identify the mortgage loan opportunities that conform to the investment strategy of their specific account or fund. If more than one account or fund expresses an interest and no resolution is reached informally, then the transaction is referred to an internal Asset Allocation Committee which is governed by the Investment Management Committee and comprised of commercial mortgage management personnel. In making its decisions, the Allocation Committee considers a number of factors, including (i) the investment strategy of the bidding account or fund, (ii) the capital available for investment by each fund or account, (iii) liquidity requirements, (iv) portfolio diversification, and (v) such other factors deemed relevant. Approval by the Allocation Committee must be unanimous. If the Allocation Committee is unable to agree on an allocation, mortgage loans will be allocated through a strict rotation system.

Using the rotation order, the mortgage loan is allocated to the interested account or fund in the top most position of the rotation for the specific sector and the account or fund receiving the allocation is moved to the bottom of the rotation. Each sector has its own rotation order. Also, large transactions require the approval from the Investment Management Committee.

The Asset Allocation Report describes the allocation process for each transaction allocated to one of the Funds or Accounts. The quarterly report is produced and presented to the Asset Allocation Oversight Committee. The Committee is comprised of the: Chief Investment Officer, the Managing Director and Compliance Officer, Head of Internal Audit, Head of Credit Risk Management, Head of Product Management, General Counsel of Asset Management and the Real Estate Controller.

Policy Relating to Allocation of Agricultural Investments

TAI has adopted written procedures with respect to allocation of agricultural investments among accounts managed by TAI's affiliates, TIAA, and funds managed by TAI. Under the allocation procedures, the acquisition team prepares a memorandum for each transaction that fits the investment strategy of one or more accounts and funds. The portfolio managers of the accounts and funds then identify the acquisition opportunities that conform to the investment strategy of their specific account or fund. If more than one account or fund expresses an interest and no resolution is reached by the Agriculture Management Team, then the transaction is referred to an internal Asset Allocation Committee comprised of heads of agricultural, infrastructure and natural resources and Global Private markets asset management personnel. In making its decisions, the Allocation Committee considers a number of factors, including (i) the investment strategy of the bidding account or fund, (ii) the capital available for investment by each fund or account, (iii) consistency with the operative document of the respective competing accounts, (iv) portfolio diversification, (v) whether the acquisition could be easily split without causing pricing issues and owned and sold independently and (vi) such other factors deemed relevant. Two or more Accounts are prohibited from owning the same individual investment with the following exceptions:

- 1) Two or more Accounts may own the same "indirect" agriculture investment (e.g. Agriculture Funds where each Account would be an LP), where any disposition decision is not controlled by the Portfolio Manager of the Account.
- 2) With the written permission of the Asset Allocation Committee and each of the Accounts, the Accounts may each invest in the same direct investment if the investment is deemed to be excessively large enough (\$100 million or more) that one of the Accounts could not reasonably acquire the entire investment and the investment cannot be split easily into two or more parts, where each part could be efficiently owned, operated and sold independently of the other. In these instances, any disposition of these investments will need to be approved by the Asset Allocation

Committee.

Approval by the Allocation Committee must be unanimous. If the Allocation Committee is unable to agree on an allocation, investments will be allocated through a strict rotation system.

Using the rotation order, the investment is allocated to the interested account or fund in the top most position of the rotation for the specific sector and the account or fund receiving the allocation is moved to the bottom of the rotation. Each sector has its own rotation order. Also, large transactions require the approval from the Investment Management Committee.

The Asset Allocation Report describes the allocation process for each transaction allocated to one of the Funds or Accounts. The quarterly report is produced and presented to the Asset Allocation Oversight Committee. The Committee is comprised of the: Chief Investment Officer, the Managing Director and Compliance Officer, Head of Internal Audit, Head of Credit Risk Management, Head of Product Management, General Counsel of Asset Management and the Real Estate Controller.

Item 13 – Review of Accounts

Portfolio managers review on a coordinated basis all of TAI's clients' accounts for which they are responsible and the members of the Investment Committee for each account monitor the performance of the accounts. Analysts and traders may also be part of this review process, as appropriate. When client accounts are reviewed, the portfolio manager considers various matters, including any changes in firm policy or the objectives and needs of the client; changes in market conditions or changes of security positions, the current structure of the portfolio; if appropriate, the tax consequences of any transactions, and the effect on the portfolio of any known additions or withdrawals from the account in the future.

In particular, with respect to its registered investment company clients, TAI monitors portfolios daily and reports on the investment performance of the investment companies to their respective Boards of Trustees at regularly scheduled meetings. With respect to unregistered private funds, TAI reviews transactions to ensure that the amounts committed to the market in general, and the investments selected in particular, are consistent with each client's objective, and purchases and sales in any account are not excessive in size and frequency relative to the financial resources of the client. With respect to separate accounts and joint venture vehicles, TAI may undertake reviews as a result of clients' requests. Such reviews may address performance of accounts, investment objectives, securities positions and other investment opportunities.

For its CDO business, TAI considers ongoing account review and credit surveillance to be as important as the initial investment decisions and actively monitors its clients' portfolios. TAI's analysts specialize by asset class and each is responsible for ongoing monitoring and analysis of a portion of the CDO portfolios. The surveillance process includes regular reviews of underlying collateral performance. These reviews are conducted through the use of various spreadsheets and both internal and 3rd party models. Analysts also maintain as needed communications with rating agencies, broker-dealers and other market participants.

Item 14 – Client Referrals and Other Compensation

TAI may enter into agreements with solicitors to compensate them for client referrals. The types of solicitors TAI may engage include ~~other broker-dealers:~~ Registered broker-dealers, broker-dealers exempt or otherwise excepted from registration (e.g., the trust department of a bank) not affiliated with TIAA-CREF, and foreign brokers or placement agents that have clients or contacts that wish to invest in privately offered funds, and other financial professionals. The solicitation arrangements and TAI's related activities will comply with Rule 206(4)-3 of the Investment Advisers Act of 1940 which allows compensation only pursuant to a written agreement that (1) describes the activities to be performed by the third party and the compensation to be provided (2) contains a promise by the third party that it will perform its activities consistent with TAI's directions and the Adviser's Act and related rules, and (3) requires the third party to provide the potential investor with TAI's ADV Part II and certain mandatory disclosures. The mandatory disclosures include a written document that discloses, among other things, that the solicitor is being compensated for referring or recommending the adviser, and the terms of the compensation (including any additional amounts the client will be charged by the adviser as a result of the referral arrangement).

The adviser receives from the client, prior to, or at the time of, entering into any investment advisory agreement with the client, a signed and dated acknowledgement that the client received the investment adviser's brochure and the solicitor's written disclosure document.

In addition, TAI may or may not compensate its personnel or affiliates' personnel for referring investors to TAI. Any such compensation will be accordance with Rule 206(4)-3 as described above.

Item 15 – Custody

Generally, TAI uses qualified third-party custodians to custody client assets. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. TAI urges clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. TAI's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

TAI is responsible for decisions to buy and sell securities for its registered investment company clients, its CDO clients, and in connection with TCAM's institutional asset management business. TAI's authority is subject to certain limits, including the clients' investment objectives, policies imposed by a client and regulatory constraints. With respect to TAI's registered investment company clients, such investment limitations are set forth in the client's registration statement filed with the SEC. Also, TAI's authority to trade securities for its registered investment company clients may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Clients must provide TAI with investment guidelines in writing and authorize TAI to exercise discretion.

Item 17 – Voting Client Securities

Rule 206(4)-6 under the Advisers Act requires that investment advisers exercising voting authority on behalf of their advisory clients must adopt and implement written policies and procedures reasonably designed to ensure that proxies are voted in a manner that reflects the best interests of clients. In its capacity as fiduciary and investment manager, TAI votes the proxies of publicly traded companies held by its mutual funds, separately managed accounts, unregistered funds and separate account clients in accordance with the guidelines established by the Committees on Corporate Governance and Social Responsibility of the Funds.

TAI has a dedicated group of proxy voting professionals that analyze each proxy proposal. In particular, they look at the particular facts and circumstances surrounding the proposal, relying when necessary on the investment professionals' knowledge of a company and its management to decide what would best promote positive long-term returns for shareholders. The group then votes the proxies accordingly. Notwithstanding the process described above, when a controversial issue is presented having a substantial effect on an investment by the clients on the management of the corporation concerned or on public policy, or when the issue presents a material conflict of interest (in particular if anyone in the organization should seek to influence a proxy vote in a manner that is inconsistent with the best interests of the clients), the matter is referred to the Committee on Corporate Governance and Social Responsibility).

TAI's clients do not give direction on how to vote proxies. Proxies are voted at the discretion of TAI's proxy voting professionals and the Committee on Corporate Governance and Social Responsibility. TAI believes that it has implemented policies, procedures and processes designed to prevent conflicts of interest from influencing proxy voting decisions. These include: oversight by the Corporate Governance and Social Responsibility Committee; a clear separation of proxy voting functions from external client relationship and sales functions; and, the active monitoring of required annual disclosures of potential conflicts of interest by individuals who have direct roles in executing or influencing the proxy voting (e.g., TAI's proxy voting professionals, or Trustees or senior executives of TAI or TAI affiliates) by TAI's legal and compliance professionals.

There could be rare instances in which an individual who has a direct role in executing or influencing proxy voting (e.g. TAI's proxy voting professionals, or Trustees or senior executives of TAI or TAI affiliates) is either a director or executive of a portfolio company or may have some other association with a portfolio company. In such cases, this individual is required to recuse himself or herself from all decisions related to proxy voting for that portfolio company.

A report of proxies voted for the registered investment company clients is made regularly to their Boards or its Committee on Corporate Governance and Social Responsibility, noting any proxies that were voted in exception to the TIAA-CREF Policy Statement on Corporate Governance. Also, a record of the proxy votes cast over a twelve month period for TAI's registered investment company clients can be obtained, free of charge, at www.tiaa-cref.org or on the SEC's website at www.sec.gov. Copies of TAI's proxy voting policy are also available to TAI's clients upon request.

Item 18 – Financial Information

TAI does not require or solicit prepayment of investment advisory fees. TAI has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.

Item 19 – Requirements for State-Registered Advisers

TAI is a federally registered investment adviser and is not registering with any state securities authority.