

## Form ADV Part 2A Brochure

TIAA Kaspick, LLC  
70 Franklin Street, 7<sup>th</sup> Floor  
Boston, MA 02110  
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This Brochure provides information about the qualifications and business practices of TIAA Kaspick, LLC. If you have any questions about the contents of this Brochure, please contact us at (650) 585-4100. 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 is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

As of TIAA Kaspick, LLC’s (“TIAA Kaspick”) last annual update to its Form ADV Part 2A on March 30, 2023, TIAA Kaspick has made the following material changes to its Brochure.

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## **Item 4 – Advisory Business**

Kaspick & Company, LLC was founded in 1989 and became an indirect subsidiary of Teachers Insurance and Annuity Association of America, a New York life insurance company (“TIAA”) in 2006, through TIAA-CREF Redwood, LLC, a wholly owned subsidiary of TIAA (“TIAA Redwood”). Effective as of April 1, 2018, Covariance Capital Management, Inc., another wholly owned subsidiary of TIAA Redwood, merged with and into Kaspick. Following the merger, the combined business was renamed TIAA Endowment & Philanthropic Services, LLC (“TEPS”) on April 18, 2018, and its two business units were named: TIAA Kaspick and TIAA Endowments.

On November 5, 2019, TEPS announced its decision to wind down its TIAA Endowments business unit. In connection with the wind down, TEPS terminated all of its TIAA Endowments investment management agreements and liquidated its private commingled marketable securities and private illiquid “vintage” funds, leaving TIAA Kaspick as the sole business unit of TEPS. On April 19, 2021, TEPS changed its legal name to TIAA Kaspick, LLC (“TIAA Kaspick”).

TIAA Kaspick primarily provides investment management and/or gift administration services to charitable organizations and their planned giving programs. A given client’s planned giving program may contain charitable trusts, charitable gift annuities, pooled income funds, donor advised funds, and/or other such assets of the charitable organization. Each trust or gift arrangement has an account under umbrella investment management and gift administration agreements between TIAA Kaspick and the trustee/charitable organization. The charitable organization is TIAA Kaspick’s client and the intended audience for the disclosures herein. Subject to any restrictions contained in applicable client account agreements or investment guidelines, TIAA Kaspick invests its clients’ assets in mutual funds managed by third party managers and/or affiliates of TIAA. In addition to investment management of planned giving programs, TIAA Kaspick provides additional investment management services to charitable organizations, including but not limited to endowment management and/or management of defined benefit plans.

TIAA Kaspick historically offered investment management services to individuals and continues to do so for select legacy clients; however, this service is not available to new clients.

As of December 31, 2023, TIAA Kaspick managed \$8,092,640,256 in discretionary assets and \$2,357,678 in nondiscretionary assets for a total of \$8,094,997,934 in regulatory assets under management.

## **Item 5 – Fees and Compensation**

TIAA Kaspick’s compensation for its investment advisory services is based on a percentage of the market value of the assets under management in each client’s sub-account(s). Pursuant to written client investment management agreements, fees are calculated at the sub-account level and based on the market value of the sub-account at the end of the calendar quarter. Fees are payable quarterly in arrears. Clients may elect to be invoiced for fees or authorize TIAA Kaspick to debit fees directly from clients’ accounts held at the custodian. In most cases, and as authorized by clients in their custodial agreements, fees are paid to TIAA Kaspick by having the fees deducted directly by the custodian from each sub-account and remitted to

TIAA Kaspick. TIAA Kaspick mails invoices to the client (or as otherwise directed by the client) for review six (6) business days prior to the automatic debiting of the client's account(s) by the custodian.

For institutional clients and their related accounts, fees are charged in arrears according to the following schedule:

<u>Portfolio Market Value</u>	<u>Annual Portfolio Management Fee</u>
First \$10 Million	0.66% of assets
Next \$5 Million	0.55% of assets
Next \$15 Million	0.50% of assets
Next \$20 Million	0.45% of assets
Assets over \$50 Million	0.40% of assets

There is a minimum fee of \$35,000 per quarter, taking into account the combined investment management and gift administration fees for a specific client organization.

High Net Worth Individuals:

<u>Portfolio Market Value</u>	<u>Annual Portfolio Management Fee</u>
First \$1 Million	1.00% of assets
Next \$4 Million	0.65% of assets
Next \$5 Million	0.60% of assets
Next \$10 Million	0.55% of assets
Assets over \$20 Million	0.50% of assets

TIAA Kaspick occasionally enters into negotiated fee arrangements for its services that may result in fees that differ from those charged under TIAA Kaspick's standard fee schedule. Some of the factors that may give rise to such individualized fee arrangements include (without limitation): the type of relationship with TIAA Kaspick; the complexity and extent of services provided; the number of different accounts and total assets under management for that client (and its affiliates); the investment product mix selected by the client; and other circumstances or factors as TIAA Kaspick, in its sole discretion, may deem relevant. Sub-accounts that are invested in 100% tax-exempt bonds or an income orientation are charged a lower management fee.

Investment accounts initiated or terminated during a calendar quarter are charged a prorated fee. Upon termination of any investment account, any earned and unpaid fees are due and payable. Partial quarters are prorated for investment management services based on the number of days the portfolio was under management versus the total number of days in the quarter. Investment advisory agreements may be terminated by either party upon thirty (30) days written notice, unless otherwise agreed in writing.

Generally, for each capital contribution and withdrawal by a client that exceeds 10% of the account's market value made during the applicable calendar quarter, investment management fees will be prorated for that capital contribution or withdrawal.

Fees paid to TIAA Kaspick for its services are exclusive of brokerage commissions and other related costs and expenses, which are borne by the client. Clients will incur certain charges imposed by custodians,

brokers, third party investment firms, and other third parties such as fees charged by managers, custodial fees, transaction 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. Mutual funds and exchange traded funds also charge internal management fees and other expenses, which are disclosed in each fund's prospectus. TIAA Kaspick does not receive any portion of these commissions, fees, or costs. Such charges, fees, and commissions are exclusive of and in addition to TIAA Kaspick's fee.

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

Fees charged for gift administration services are computed in accordance with the agreement between the parties and are billed separately from investment management fees. The standard gift administration fee is equal to 0.275% of assets under administration or such other rate as agreed to with the client.

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

TIAA Kaspick does not charge performance-based fees for its services. However, incentive or performance fees may be charged by underlying mutual funds, including funds managed by affiliates of TIAA Kaspick.

## **Item 7 – Types of Clients**

TIAA Kaspick seeks to provide investment advice and gift administration services to nonprofit entities that have been organized to serve the educational, charitable, healthcare, religious, environmental, or social services sectors. TIAA Kaspick also provides services to high-net-worth individuals and pension plans. Additionally, in limited instances, TIAA Kaspick provides discretionary investment management services to retirement plans subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Pursuant to ERISA Section 408(b)(2), TIAA Kaspick is a fiduciary to such accounts and deemed to be a covered service provider as defined under ERISA. Section 408(b)(2) requires TIAA Kaspick to provide such accounts with certain disclosures about the expenses and fees it will charge the account, including the investment management fee.

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

TIAA Kaspick uses a multi-asset strategy in its investment management services. This approach recognizes that the choice and weightings of asset types are important determinants of overall investment performance. The investment approach involves combining several different asset types in an investment portfolio to realize two important objectives: 1) protecting a portion of the portfolio against the potentially damaging effects of economic extremes (high inflation or deflation), and 2) taking advantage of low correlations among the various asset types to either reduce risk (in terms of portfolio standard deviation or volatility) compared to that of a traditional large capitalization stock and fixed income portfolio, or

increase returns while holding risk constant. Of course, performance cannot be guaranteed. Investing in securities involves the risk of loss that clients should be prepared to bear.

The TIAA Kaspick Investment Committee oversees investment decisions. TIAA Kaspick has developed eight strategic asset allocations, ranging from the TIAA Kaspick Aggressive Allocation to the TIAA Kaspick All Fixed Income Allocation. TIAA Kaspick's investment process uses both quantitative and qualitative decision-making. The quantitative approach calculates the risk, return, and correlation characteristics of the various asset classes to create efficient mixes of assets. Because different assets have different risk, return, and correlation characteristics over time, and because TIAA Kaspick also desires to provide hedges against the economic extremes of inflation and deflation, TIAA Kaspick's portfolio managers apply their experience and judgment to modify the purely quantitative results.

Asset classes used in clients' portfolios include domestic large and small capitalization stocks, international large and small capitalization stocks, emerging markets stocks, domestic and international fixed income securities, domestic and international real estate equity securities, and cash equivalents. TIAA Kaspick implements its multi-asset strategy through the use of multiple no-load mutual funds, some of which are only available to institutional investors.

There are some cases where clients' portfolios hold individual securities, typically bonds, stocks or ETFs. Individual securities held in a client's account usually are held at the direction of the client; if appropriate, TIAA Kaspick will take into account such securities in its overall management of the client's account. In cases where individual securities are held, the securities meet the acceptance criteria of the client's investment guidelines or are held at the direction of the client.

TIAA provides a variety of services to TIAA Kaspick that are material to TIAA Kaspick's investment advisory services as further described in Item 10. Such services include general corporate support, human resources, legal, compliance, marketing, and information technology (e.g., cybersecurity).

Investing in securities involves risk of loss that clients should be prepared to bear. Clients may lose all or a substantial portion of their investments. Prospective clients are particularly cautioned that past performance is no guarantee of future results. The degree to which particular investment risks apply to a specific strategy may depend on the risks applicable to each client. Also, the regulatory regimes applicable to TIAA Kaspick are subject to change and may impact client investment returns. The risks associated with investments include but are not limited to the following:

- **Market Risks:** The price of any security or the value of an entire asset class may decline for a variety of reasons outside of TIAA Kaspick's control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, epidemic, pandemic, demographic, or social events. For example, if a client has a high allocation to a particular asset class, and that asset class underperforms relative to the overall market, their account may be negatively impacted. Additionally, a low allocation to a particular asset class that outperforms other asset classes will cause the account to underperform relative to the overall market.
- **Global Economic Risks.** National and regional economies and financial markets are becoming increasingly interconnected, which increases the possibilities that conditions in one country, region or market might adversely impact issuers in a different country, region, or market. Changes in legal, political, regulatory, tax, and economic conditions may cause fluctuations in markets and securities prices around the world, which could negatively impact the value of an account's

investments. Major economic or political disruptions, particularly in large economies, may have global negative economic and market repercussions. Additionally, events such as war, terrorism, natural and environmental disasters, and the spread of infectious illnesses or other public health emergencies may adversely affect the global economy and the markets and issuers in which an account invests. These events could reduce consumer demand or economic output, result in market closures, travel restrictions, or quarantines, and generally have a significant impact on the economy. Such events could increase risks materially, including market and liquidity risk, and significantly reduce account values. These events also could impair the information technology and other operational systems upon which service providers, including TIAA Kaspick, rely, and otherwise could disrupt the ability of employees of service providers to perform essential tasks on behalf of an account. There is no assurance that governmental and quasi-governmental authorities and regulators will provide constructive and effective intervention when facing a major economic, political, or social disruption, disaster, or other public emergency.

- ***Cybersecurity Risks:*** With the increased use of technologies such as the internet to conduct business, client portfolios are susceptible to operational, information security, and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events that include but are not limited to: gaining unauthorized access to digital systems, misappropriating assets or sensitive information, corrupting data, or causing operational disruption, including the denial-of-service attacks on websites. Cyber security failures or breaches by a third party service provider and the issuers of securities in which the portfolio invests have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs, including the cost to prevent cyber incidents.
- ***Hypothetical Performance and Projected Returns:*** Projected returns are hypothetical, do not reflect actual investment results, and are not guarantees of future results. Such projected performance is subject to a number of limitations and assumptions designed to determine the probability or likelihood of a particular investment outcome based on a range of possible outcomes. It is possible that any of those assumptions may prove not to be accurate.
- ***Limitations of Risk Disclosures.*** As their investment strategies develop and change over time, clients may be subject to additional and different risk factors; therefore, the above list of risks is not a complete enumeration or explanation of the risks involved when investing with TIAA Kaspick. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

## **Item 9 – Disciplinary Information**

TIAA Kaspick does not have any disciplinary events to report.

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

In addition to its investment advisory services, TIAA Kaspick also provides gift administration services to educational, charitable, healthcare, religious, environmental, social services, and other nonprofit institutions.

TIAA Kaspick is a wholly owned subsidiary of TIAA Redwood, which is a wholly owned direct subsidiary of TIAA. TIAA Kaspick and TIAA have entered into a service arrangement whereby TIAA, directly or through its subsidiaries, provides a variety of services to TIAA Kaspick that are material to TIAA Kaspick's investment advisory services. Such services include general corporate support, human resources, legal, compliance, information technology (e.g., cybersecurity), and marketing services.

At the request of a client, TIAA Kaspick will invest client assets in investment vehicles managed or sponsored by TIAA affiliates ("Affiliated Funds") if a client selects one of TIAA Kaspick's ESG (Environmental, Social, and Governance) allocations for one of its trusts. The TIAA Kaspick ESG allocations are not available to any accounts subject to ERISA. If a client selects one of TIAA Kaspick's ESG allocations, TIAA affiliates will receive compensation in the form of internal management fees and other expenses, which are disclosed in each fund's prospectus, and which are in addition to any fee TIAA Kaspick may charge. The use of Affiliated Funds creates a conflict of interest because affiliates of TIAA Kaspick earn compensation for advisory, distribution, administrative or other services provided with respect to such mutual funds. This compensation is in addition to the fee that is paid to TIAA Kaspick for providing investment management services. Therefore, TIAA Kaspick receives one type of fee for its investment management services, and its affiliates receive a different fee for their services related to underlying mutual funds. We seek to address the conflict associated with Affiliated Funds in multiple ways, including disclosing the conflict of interest in this Brochure, by only using Affiliated Funds in TIAA Kaspick's ESG allocations, and by evaluating Affiliated Funds using the same qualitative and quantitative metrics used to evaluate all other mutual funds used in TIAA Kaspick portfolios. TIAA Kaspick's ESG Allocations will be used only at a client's request. For more information on this conflict and our mitigation, please see Item 11- Code of Ethics.

Each of TIAA and its affiliates may distribute, make referrals of, use, or recommend investment products and services of the other (including funds and pooled investment vehicles, and managed account services) and may pay and receive fees and compensation in connection thereto. Further, sales personnel may provide referrals to affiliates in certain limited circumstances, and such personnel may be internally compensated in connection with such activities. A potential conflict may exist with respect to such distribution, referrals, use, or recommendation of products and services as a result of TIAA's indirect ownership of its affiliates.

Additionally, TIAA Trust, N.A. provides custodial services to certain sub-accounts managed by TIAA Kaspick, upon a client's request or when the client is unable to custody assets in a brokerage account with Charles Schwab & Co., Inc. ("Schwab") due to applicable law that requires a bank or trust company to serve as the custodian of the particular assets. For the custodial services performed by TIAA Trust, N.A., the fee for such services will be borne by the client and will be in addition to any fee TIAA Kaspick may charge. This creates a conflict of interest because TIAA Trust, N.A., an affiliate of TIAA Kaspick, will



earn compensation that is in addition to that charged by TIAA Kaspick. TIAA Kaspick mitigates this conflict by disclosing it in this brochure and by using TIAA Trust, N.A. only when required by applicable state law that prevents a broker-dealer from serving as custodian or at the request of a client.

## **Item 11 – Code of Ethics**

TIAA Kaspick has adopted a Code of Ethics (the “Code”), pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”). The Code includes provisions that set forth: standards of business conduct for TIAA Kaspick’s supervised persons requiring compliance with applicable federal securities laws; provisions that require TIAA Kaspick’s supervised persons who may have access to non-public information (“access persons”) to report personal securities transactions quarterly, and a requirement that TIAA Kaspick’s Chief Compliance Officer (“CCO”) or the CCO’s designee review these reports; provisions that require supervised persons to report violations of the Code to the CCO; and provisions that require supervised persons to receive the Code and acknowledge receipt of it. In addition to personal securities trading procedures, the Code includes provisions covering the confidentiality of client information, a prohibition on insider trading, and a prohibition on circulating false rumors, among other matters. All TIAA Kaspick staff must acknowledge the terms of the Code when first hired and annually thereafter, or when amended. TIAA Kaspick’s clients or prospective clients can request a copy of the Code by contacting TIAA Kaspick.

The Code seeks to ensure that the personal securities transactions, activities, and interests of TIAA Kaspick’s supervised 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 employees 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 interfere with the best interest of TIAA Kaspick’s clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity in advisory client accounts for a security also held by an employee. Employee trading is monitored under the Code to help prevent conflicts of interest between TIAA Kaspick and its clients. In all situations, clients’ interests take priority over employees’ interests.

If a client selects a TIAA Kaspick ESG allocation for one of its sub-accounts, TIAA Kaspick invests a portion of client portfolios in mutual funds and/or other pooled investment vehicles, including Affiliated Funds. A client’s account could have a material portion of its assets invested in Affiliated Funds, and that proportion could change over time based on TIAA Kaspick’s investment discretion. Affiliates of TIAA Kaspick are compensated for providing services to Affiliated Funds. The fact that revenue is derived by TIAA Kaspick’s affiliates from the Affiliated Funds is disclosed to clients so as to permit clients to consider such revenues in evaluating TIAA Kaspick’s services and in deciding whether to employ TIAA Kaspick to provide advisory services. As detailed in the disclosure documents for these investment vehicles, including their prospectuses, Affiliated Funds pay their own fees and expenses, including fees for investment management and/or administrative services to affiliates of TIAA Kaspick, which may pay a portion of these fees to other affiliates. These payments to TIAA Kaspick’s affiliates are in addition to the fees clients pay directly to TIAA Kaspick for its services. TIAA Kaspick does not receive a direct economic benefit from client investments in Affiliated Funds.

TIAA Kaspick has established procedures intended to manage conflicts of interest in arranging for client investments in Affiliated Funds. The TIAA Kaspick Investment Committee monitors the procedures and methodology used by TIAA Kaspick’s investment teams within the TIAA Kaspick business unit in

formulating investment advice to ensure that the advice is based on reasonable and objective criteria and is in the best interest of clients.

## **Item 12 – Brokerage Practices**

TIAA Kaspick generally aggregates orders for the purchase or sale of securities across multiple clients as an aggregated order when it is determined that doing so is in the best interest of its clients. In the event that TIAA Kaspick is unable to fully fill an aggregated order, due to a limited trading supply or demand for the security or other investment, TIAA Kaspick will seek to allocate such investment opportunities among clients fairly and equitably over time in accordance with its allocation policies and procedures.

Aggregated orders generally will be allocated on a pro rata average price basis among clients participating in the aggregated order. Commissions and transactions costs will be allocated based upon the client's percentage participation in the trade.

With respect to any particular transaction, TIAA Kaspick is not required to assure equal treatment among all of its clients, nor is it required to ensure that each such opportunity is proportionally allocated among participating accounts.

From time to time, TIAA Kaspick and its affiliates will execute cross trades involving advisory accounts in which a security is sold from one account advised by TIAA Kaspick and bought for another such advised account through a custodial transfer or a third-party broker-dealer. Cross trades will be executed at a price that TIAA Kaspick has determined to represent prevailing market price and that is fair and equitable to both the buyer and the seller. TIAA Kaspick will engage in cross trades only when such trades benefit both accounts involved in the trade. TIAA Kaspick does not receive commissions or additional compensation in connection with arranging such cross trades.

While TIAA Kaspick has no present intent to engage in transactions with clients in which it would act as principal on behalf of its own account, it reserves the right to do so in the future, if appropriate. Subject to applicable law, in the event TIAA Kaspick seeks to engage in principal transactions, TIAA Kaspick will provide each affected client with disclosure that TIAA Kaspick is acting in such capacity and the relevant terms of such transaction and will obtain the client's consent to such transaction prior to the completion of the trade.

If TIAA Kaspick makes an error while placing a trade for a client, it will seek to correct the error promptly in a way that mitigates losses. TIAA Kaspick generally will bear the costs associated with correcting a trade error. Gains associated with any such trade error shall be retained by the affected client(s), although certain broker-dealers have a de minimis standard of \$100. When correcting its trade errors, TIAA Kaspick will seek to ensure that the best interests of its clients are served.

TIAA Kaspick clients generally establish brokerage accounts with Schwab to maintain custody of their assets and to effect trades for their accounts. TIAA Kaspick also executes a majority of its client transactions through Schwab. In certain cases, clients are required by state law to use certain types of custodians for their accounts (i.e., a bank or trust company). In those cases, the client will establish

custodial relationships that permit the client to comply with applicable state laws. Additionally, a custodial relationship may be established at other firms pursuant to client direction.

TIAA Kaspick determines the brokers or dealers to be used and the commission rates to be paid without specific client consent when granted the authority to do so in the investment management agreement. In selecting the broker-dealer to effect transactions on behalf of its clients, TIAA Kaspick seeks to obtain best execution, which considers, among other things, prompt and efficient execution of transactions, the best obtainable price, and payment of commissions that are reasonable in relation to the value of the brokerage and other transaction services provided.

TIAA Kaspick determines the securities to be bought or sold and/or the amount of securities to be bought or sold without obtaining specific client consent when the client has authorized TIAA Kaspick to do so in the investment management agreement entered into between the client and TIAA Kaspick. As a general rule, most client accounts are set up on this basis. At times, clients will direct TIAA Kaspick to effect securities transactions for their accounts through brokers they specifically designate. Clients who direct brokerage should consider the following: 1) the client may forego any benefit from savings on execution costs that TIAA Kaspick may be able to obtain for its clients through negotiating volume discounts on aggregated transactions; 2) generally, execution of orders that have directed a particular broker may, in some but not all instances, be delayed until execution of non-directed orders has been completed; and 3) clients who direct TIAA Kaspick to use a specific broker may pay higher commissions on transactions than would be obtained by TIAA Kaspick, may receive less favorable executions of transactions, or both.

Factors that TIAA Kaspick considers when it is considering whether Schwab and other brokers are providing best execution include net price, reputation, financial strength and stability, and efficiency of execution and error resolution. TIAA Kaspick is not affiliated with Schwab. Schwab provides TIAA Kaspick's clients with access to Schwab's institutional trading and custody services. Schwab also makes available products and services that benefit TIAA Kaspick in managing and administering clients' accounts, including accounts not maintained at Schwab. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to the advisers by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to the advisers.

Although Schwab offers and provides to advisers using its trading and custodial services, including TIAA Kaspick, a number of unsolicited services in addition to execution-related services, TIAA Kaspick's selection and use of Schwab is based on the execution and related services for client accounts available through Schwab. These additional non-execution services could be construed as soft dollar services. However, TIAA Kaspick has not entered into a soft dollar arrangement with Schwab (or any other broker-dealer) through which use of Schwab (or other broker-dealers) is contingent on receipt of such additional services.

### **Item 13 – Review of Accounts**

TIAA Kaspick's Investment Committee is responsible for reviewing the investment performance of TIAA Kaspick client accounts. Investment advisory and management services require an ongoing general awareness of the economic environment and activities in the financial markets. Although not trading on a

day-to-day basis, the investment personnel of TIAA Kaspick maintain an ongoing awareness of these areas.

Individual client portfolios are monitored by investment personnel on an ongoing basis for conformance with target asset allocations. Adjustments are made as necessary. Portfolio holdings also are monitored by investment personnel for performance and conformance with stated objectives. Reviews of client accounts are conducted under the supervision of senior members of the Investment Committee.

Portfolios are rebalanced based on multiple factors: how far the actual allocations are from their target weights, market conditions, the likely short-term gains that would be created from rebalancing (for relevant accounts), and cash levels.

TIAA Kaspick offers an array of written reports to clients and beneficiaries to meet client needs for regular information with respect to client assets. TIAA Kaspick offers several reporting packages, including Oversight Reporting for staff and trustees, Beneficiary Reports, Gift Administration Reports, Accounting Reports, and Tax Reports. Each reporting package may include multiple reports, at the client's discretion.

For instance, TIAA Kaspick's Oversight Reporting package includes investment reports and other oversight reports so that a client's staff and trustees can review key information about their planned giving program and policies. TIAA Kaspick also produces, as part of its Oversight Reporting package, an Investment Report (quarterly), which provides information about each portfolio (the account type, investment allocation, current asset mix) and net-of-fee performance at both the portfolio and the program levels relative to market benchmarks.

For planned giving clients, the Oversight Reporting Package also includes an annual Real Remainder Value of Planned Gift Assets Report, a Program Activity Summary Report, and a Program Analytics Report. The contents and frequency of TIAA Kaspick's reporting package are subject to negotiation.

## **Item 14 – Client Referrals and Other Compensation**

Each of TIAA and its affiliates may distribute, make referrals of, use, or recommend investment products and services of the other (including funds and pooled investment vehicles and managed account services) and may pay and receive fees and compensation in connection thereto. Further, sales personnel may provide referrals to affiliates in certain limited circumstances, and such personnel may be compensated internally in connection with such activities. A potential conflict exists with respect to such distribution, referrals, use, or recommendation of products and services as a result of TIAA's indirect ownership of its affiliates.

## **Item 15 – Custody**

Currently, TIAA Kaspick has custody and check writing authority over a number of TIAA Kaspick client accounts and is subject to a surprise examination every year as required by Rule 206(4)-2 under the Advisers Act (also referred to as the "Custody Rule"). In all cases, client assets are held with a qualified custodian.

Client statements are sent on a quarterly basis directly by the custodian to TIAA Kaspick's clients. Most TIAA Kaspick clients receive such statements electronically. Clients also have electronic access to their accounts directly from the custodian. The custodian will send the following information to clients: prospectuses, statements, and trade confirmations. TIAA Kaspick urges clients to carefully review such

statements and compare official custodial records to the account statements that TIAA Kaspick provides. TIAA Kaspick's statements may vary from custodial statements based on accounting procedures, reporting dates, portfolio holdings not held at the custodian, or valuation methodologies of certain securities.

In cases in which a client account requires use of a corporate trustee or state law requires use of a bank custodian, TIAA Trust, N.A. may serve as qualified custodian. When TIAA Trust, N.A. serves as custodian for a TIAA Kaspick account, the fee will be borne by the client and will be in addition to any other fee(s) that TIAA Kaspick may charge. For further information on the conflict created by the use of TIAA Trust, N.A. in these limited circumstances, please see Item 10.

## **Item 16 – Investment Discretion**

TIAA Kaspick typically exercises discretionary investment authority over client accounts. The scope of TIAA Kaspick's discretionary authority is detailed in each client's investment management agreement, its supplements, or its amendments, and any applicable guidelines and restrictions. Under certain circumstances, TIAA Kaspick's authority to trade securities also may be limited by certain federal securities and tax laws that require diversification of investments and favor the long-term holding of investments once made. Client-imposed investment guidelines and restrictions must be provided to TIAA Kaspick in writing.

## **Item 17 – Voting Client Securities**

Clients, by way of investment management agreement and/or other documents, generally grant TIAA Kaspick the authority to vote any client securities that may come up for vote.

TIAA Kaspick has adopted and implemented written policies and procedures pursuant to Rule 206(4)-6 of the Advisers Act that are reasonably designed to ensure that proxies are voted in the best interests of clients. These policies and procedures describe how TIAA Kaspick addresses material conflicts that may arise between TIAA Kaspick's interests and those of its clients.

TIAA Kaspick will not vote proxies if: the client explicitly retains proxy voting authority in the investment management agreement (in which case clients will receive their proxies or other solicitations directly from their custodian); TIAA Kaspick does not have discretionary authority over the security that is issuing the proxy; the investment management agreement is silent with respect to proxy voting and TIAA Kaspick has not been granted discretionary investment authority over the client's securities; or TIAA Kaspick has discretion of the client account and does not intend to retain the security in the client account.

TIAA Kaspick will not vote proxies when it determines that the cost and effort of voting those proxies outweighs the benefit of voting individual stock proxies. (e.g., where the shares held in the security to be voted represent less than 0.10% of the security's outstanding shares on the proxy record date), or where the client's account does not have an economic interest in the outcome of the proxy (e.g., TIAA Kaspick has sold the security but the proxy record date occurs before the settlement date).

When TIAA Kaspick is called upon to vote proxies, TIAA Kaspick's general policy is to vote in a manner that serves the best interests of the client.

Prior to exercising its voting authority in respect of client securities, TIAA Kaspick reviews relevant facts and determines whether a material conflict of interest may arise due to business, personal or family

relationships of TIAA Kaspick or its staff, on the one hand, and any client, on the other hand. If a material conflict exists, TIAA Kaspick will adhere to its proxy voting policies and procedures to ensure that its voting decision is in the best interest of the client and not a product of the conflict of interest. Among other actions, the proxy voting policies and procedures direct TIAA Kaspick to seek the advice of the CCO. Depending on the particular circumstances involved, the appropriate resolution of one conflict of interest may differ from the resolution of another conflict of interest, even though the general facts underlying both conflicts may be similar (or identical).

TIAA Kaspick does not direct clients' participation in class actions as part of its TIAA Kaspick service offering. For TIAA Kaspick clients, TIAA Kaspick will determine whether to return any documentation inadvertently received regarding clients' participation in class actions to the sender, or to forward such information to the appropriate clients.

Clients may obtain information about how TIAA Kaspick voted with respect to their securities or may request a copy of TIAA Kaspick's proxy voting policies and procedures by contacting TIAA Kaspick's CCO.

## **Item 18 – Financial Information**

Not applicable.