



**Advice & Planning Services**

**Portfolio Advisor Wrap Fee Program Disclosure  
Brochure**

**Form ADV Part 2A**

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This wrap fee program brochure provides information about the qualifications and business practices of Advice & Planning Services, a division of TIAA-CREF Individual & Institutional Services, LLC. 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. Registration with the Securities and Exchange Commission does not imply a certain level of skill or training.

Additional information about Advice & Planning Services is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

A summary of material changes since the last annual update of this document is provided on an annual basis to existing clients via a separate document.

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## Item 4 – Services, Fees and Compensation

The Portfolio Advisor program (“Program”) is an investment advisory service provided through Advice and Planning Services (“APS”), a division of TIAA-CREF Individual & Institutional Services, LLC (“TC Services”). APS sponsors, administers and manages the Program. APS also provides investment advisory services which are limited to the Other Advisory Services described in Item 6 below.

This brochure describes the Program and the compensation APS and its affiliates receive in connection with the services provided through the Program. APS is a fiduciary to its clients in connection with the Program and, as such, it must either avoid material conflicts of interest with its clients, or disclose them. This brochure sets out potential conflicts of interest that APS may face and how it seeks to mitigate them. You should carefully consider the information set forth in this brochure in your evaluation of the Program.

### The Portfolio Advisor Program

The Program is a fee-based discretionary investment program through which APS manages customized portfolios using a model-based approach which follows long-term investing principles.

**Model-Based Portfolios.** APS uses a variety of model portfolios to manage client accounts enrolled in the Program. The model portfolios are designed to address a wide range of investor needs, ranging from very aggressive portfolios to very conservative portfolios. Based on a review of client’s risk tolerance, time horizon, investment preferences and other information provided by client via a Program questionnaire APS will propose an asset allocation and an investment strategy from the series of model portfolios it offers and will thereafter manage client’s assets in accordance with the appropriate agreed upon model portfolio. APS will make adjustments to the portfolios from time to time, in consideration of changes in market conditions and client needs, and in a manner that is consistent with the long-term orientation of the Program.

**Portfolio Investments.** APS currently uses a variety of registered funds, including mutual funds and exchange traded funds (“ETFs”) (collectively, “Funds”) to build a portfolio of diversified holdings appropriate for clients enrolled in the Program. APS, at its discretion, may use all or a subset of the types of Funds described above to construct the portfolios. The Funds include affiliated TIAA investment products as well as unaffiliated investment products. TIAA investment products are manufactured by TIAA affiliates, such as the TIAA family of mutual funds and the various registered funds of Nuveen Investments, Inc., including the Nuveen Funds (we refer to all such affiliated products as “Affiliated Funds” in this brochure).

APS generally uses institutional share classes of Funds whenever available to APS. In some instances, APS may not be eligible to purchase institutional share classes of certain Funds through its third party custodian, Pershing LLC. In such cases, other share classes, such as load waived A shares, may be used which typically carry higher expenses than institutional share classes. Client may not be eligible to purchase the same share classes in which the Program invests outside of the Program. It may be necessary to exchange or sell these shares upon termination from the Program as described in Item 5 below.

APS believes that Funds are appropriate investment products for the Program for reasons of diversification and expense. APS may also in the future expand the types of securities included in the Program beyond Funds. The Program will provide client with 30 day advance written notice of any such expansion and allow client to reply within that 30 day timeframe if that client does not wish to

have the additional types of securities purchased in his or her portfolio. Where client does not respond within the time provided, APS may incorporate the new security type within client's portfolio. APS also may incorporate new portfolio strategies. APS reserves the right to charge fees for such strategies that differ from the Program Fees set forth below. APS will not incorporate such new strategies into the client's portfolio without client's prior agreement.

From time to time certain strategies may not be available to all clients within the Program. For example, for pilot purposes, some strategies may be made available to employees or a subset of employees of TIAA that are enrolled in the Program. Such employees' Program accounts will otherwise be subject to the same terms and conditions as all clients enrolled in the Program, subject to any promotions or discounts described in this Item 4 below.

Affiliates of APS may offer other managed account programs, such as the Private Asset Management service, which have or may have a different or more advantageous fee structure and offering of services than the Program and may have access to different Funds or share classes of Funds than those available through the Program. Clients can consult an Advisor for more information about the other managed account programs if desired.

**Program Enrollment and the Role of Advisors.** To enroll in the Program, an APS investment adviser representative ("Advisor") will meet with a client in person or by phone to discuss client's needs and collect and assess pertinent information. As part of the enrollment, client must complete a Program questionnaire that identifies client's risk tolerance level, time horizon and other information about the client's investment needs. APS relies on the information client provides in the Program questionnaire in selecting the appropriate portfolio for client's Program account, and client is responsible for the accuracy of all information provided to APS in connection with the Program.

The Program questionnaire also allows client to specify preferences among different investment strategies and options, which are described in Item 6 below. Client's responses to the Program questionnaire will determine the portfolio recommended for client's Program account and the associated fee schedule to be applied. The Program fee schedules are described in this Item 4 below.

An Advisor will serve as client's primary point of contact with respect to client's participation in the Program. Client should inform his or her Advisor of any changes to client's circumstances that could impact the management of client's Program account, such as a change in risk tolerance, time horizon, investment objective or investing preference.

Advisors may separately provide non-discretionary financial planning services with an emphasis on retirement planning needs as described in the Investment Advisory Planning Services Disclosure Brochure. These services are not part of the Program services but may help inform client's holistic financial planning strategy, including investing needs and risk capacity.

Where client seeks to balance client's risk exposure across different accounts (whether enrolled in the Program or not) by assigning more aggressive risk tolerance levels to some accounts and more conservative risk tolerance levels to other accounts in furtherance of an holistic asset allocation informed by client's overall risk capacity, client is solely responsible for monitoring and adjusting any such risk balancing strategy and the associated asset allocation. The Program does not monitor client's assets outside of client's Program account and will not adjust its portfolio allocation for client's Program account to consider changes in the risk exposure or make-up of client's other accounts. Client must contact his or her Advisor to adjust the risk tolerance level associated with client's Program account(s). While a more aggressive risk target may help increase long-term investment returns, it also entails the

risk of greater and sometimes dramatic fluctuations and declines in portfolio value. Conversely, a more conservative risk target may help minimize the risk of substantial short-term declines in portfolio value, but may result in lower long-term returns. In addition, client's ability to reach and maintain an asset allocation across client's accounts which is consistent with client's holistic risk tolerance level could be impacted by changes in account values, varying time horizon assigned by client to different accounts, changes in the risk exposure or make-up of assets held in such accounts or as a result of market fluctuations.

**Client Investment Restrictions.** Client may impose reasonable restrictions upon the management of client's portfolio by requesting, in writing, that the Program refrain from investing in certain securities or that the Program provide an alternative security in place of a security initially purchased and held within client's portfolio. For example, client may send a written request for APS to refrain from investing in a particular Fund or to replace a particular Fund held in client's portfolio. Restrictions on the underlying securities held in the Funds will not be considered reasonable and will not be accepted. Any restrictions requested by client are subject to acceptance by APS and may cause the performance of client's portfolio to differ from that of the recommended model portfolio, possibly producing lower overall results.

**Legacy Assets and Tax Considerations.** The Program can incorporate into client's portfolio certain holdings client already owns and wishes to retain ("legacy assets"), subject to eligibility requirements and provided such legacy assets are identified by client in the Program questionnaire. "Eligible Legacy Assets" include certificates of deposit as well as select individual equities, mutual funds and ETFs that meet the investment criteria established by APS or an independent investment research organization selected by APS. Legacy assets may be subject to various position, sector, industry or asset class concentration limits. Notwithstanding the quality of any legacy asset, APS may sell such legacy assets at any time without notice and without regard to tax consequences. Client understands and agrees that Eligible Legacy Assets will only be retained if client makes such request in writing prior to enrolling in a new account or prior to depositing securities within an existing account within the Program and APS agrees to accept the legacy assets.

When deciding whether to include legacy assets within the Program, client should consult with a tax advisor and consider the possibility that the sale of legacy assets could trigger a taxable event. Neither APS nor Advisors provide tax or legal advice. Client should also consider the possibility that legacy assets could be sold at any time without notice and without regard to tax consequences. The Program will attempt to incorporate Eligible Legacy Assets into the client's portfolio but may not always be able to do so. The inclusion of Eligible Legacy Assets may cause the performance of client's portfolio to differ materially from that of the recommended model portfolio, possibly producing lower overall results, and also may impact APS' ability to rebalance client's portfolio to be in line with the recommended model portfolio.

While client may transfer legacy assets into a Program account, certain legacy assets may not meet the criteria established by APS for eligible legacy assets ("Ineligible Legacy Assets"). APS reserves the right to (i) decline to accept Ineligible Legacy Assets, (ii) require clients to wait a specific period of time before depositing any Ineligible Legacy Assets into his or her account, (iii) sell such Ineligible Legacy Assets upon its receipt in the account in good order, and/or (iv) return such Ineligible Legacy Assets to client at any time. Market factors and the nature of the Ineligible Legacy Assets may impact the timing of the sale of the assets. Ineligible Legacy Assets will be sold without regard to tax consequences. Client should discuss the eligibility of any assets client intends to transfer into a Program account with an Advisor. Client understands and agrees that if client funds a Program account in whole or in part through the transfer of Ineligible Legacy Assets or makes any subsequent

deposit of Ineligible Legacy Assets into their account, that client may incur taxes or contingent deferred sales charges when sold. Client should consult with client's tax advisor in this regard. Additionally, factors such as limited liquidity and limited pricing transparency and quotations may impact the price obtained when the assets are sold. Moreover, any restricted securities may be returned to client at any time. Management of client's Program account may not begin until the Ineligible Legacy Assets funding the account have been sold, removed and/or returned to client.

**Special Considerations regarding Individual Retirement Accounts.** Clients may rollover assets from an employer sponsored plan account into an individual retirement account ("IRA") to be managed through the Program or transfer assets from an existing IRA into a new IRA to be managed by the Program. Prior to rolling over or transferring assets into an IRA to be managed by the Program, clients should consider the features, costs and surrender charges associated with consolidating the assets in one place. For instance, IRA rollovers and transfers may be subject to differences in features, costs and surrender charges. Clients should consider all of their options prior to rolling over assets into an IRA. Clients may be able to leave money in their current plans, withdraw cash subject to potential penalties or rollover the assets into a new employer's plan if one is available and rollovers are permitted. Clients should consult an Advisor for more information.

**Client Program Agreements.** Client will enter into an advisory agreement with APS (the "Advisory Agreement") and grant APS discretionary investment authority. Client's grant of discretionary authority means that the Program will purchase and sell securities for client's portfolio without providing prior notice to or seeking approval from client. The grant of discretionary authority does not authorize APS to withdraw or transfer funds, except as necessary to collect the Program's advisory fee. Clients are prohibited from placing trades in any Program account.

The grant of discretionary investment authority is durable and will continue despite client's subsequent disability, incapacity, incompetence or death. In the event of client's disability, incapacity, incompetence or death, APS will continue to perform services under the Program and charge a fee, as described in this Item 4 below until APS receives written notice from an executor or other representative of client's estate terminating enrollment in the Program.

The Program also requires that client open a brokerage account with TC Services' retail broker-dealer division, TIAA Brokerage Services ("TCBS") by submitting a completed application (the "Application") and entering into a customer account agreement with TCBS. Pershing LLC, a subsidiary of BNY Mellon that is unaffiliated with APS ("Pershing"), acts as TCBS' clearing firm and holds client Program account assets in its custody in brokerage accounts on its platform. With respect to individual retirement account assets ("IRA Assets"), other than SIMPLE IRA client assets, TIAA-CREF Trust Company, FSB ("Trust FSB") acts as trustee for the IRA Assets and is deemed to have constructive custody of IRA Assets through this role. Trust FSB is a TIAA entity and affiliate of APS. Pershing acts as service agent for the IRA Assets, performing certain administrative, record-keeping, and reporting duties and responsibilities of Trust FSB, including but not limited to maintaining physical custody of IRA Assets and sending of brokerage account communications to clients, such as periodic account statements. Client should compare the account statements received from Pershing with the quarterly reports received from APS. The Program uses TCBS to effect all transactions because any transaction fees incurred through other broker-dealers are not included within the Program's advisory fee.

In addition to terms and conditions of the Advisory Agreement and the TCBS brokerage account agreement, client will be subject to the terms and conditions of each respective security's prospectus or similar disclosure documents, including any underlying fees and expense ratios described therein.



Cash balances held in client's Program account pending investment and any strategic cash allocations determined by client's model portfolio are invested in the sweep vehicle option selected by client for the account on the Application. Sweep vehicle options may include money market mutual fund sweep options and bank sweep options. TCBS may change the terms and conditions of the sweep program it makes available to brokerage accounts, including adding, changing or deleting available sweep vehicle options. In the event client does not select a sweep vehicle option for the account, a default sweep vehicle is used, as identified on the Application. For most account types, the default sweep vehicle is a bank sweep.

Where the TIAA Bank Brokerage Sweep product ("Affiliate Bank Sweep") is an available bank sweep option and used for a client account, cash balances in the account, up to a maximum deposit amount (currently \$248,500) will be swept into deposit accounts with Trust FSB. Trust FSB is a federal savings bank and an affiliate of APS. See the Affiliate Bank Sweep terms and conditions for more information. In the event an account using the Affiliate Bank Sweep holds a cash balance in excess of the maximum deposit amounts, a separate overflow bank sweep product – the Liquid Insured Deposits product ("LIDs") – will be used for such excess amounts. Through LIDs, a variety of participating banks unaffiliated with TIAA may receive deposits. See the LIDs terms and conditions for more information.

Trust FSB, as well as other banks that receive deposits through the above bank sweep products, earn net income from the difference between the amount that the bank pays on the deposit accounts and the income the bank earns on loans, investments and other assets. Use of the Affiliate Bank Sweep presents a conflict for APS because Trust FSB earns compensation on deposits it accepts through the Affiliate Bank Sweep, as described above, and Trust FSB has discretion over the setting of interest rates for deposits through the Affiliate Bank Sweep. Additionally, TIAA earns more where the Affiliate Bank Sweep is chosen by client as the cash sweep for the account than it does where a money market mutual fund sweep is chosen. The interests of Trust FSB with respect to the setting of this rate may be different than clients – the higher the deposit amount and the lower the interest rate paid, the more Trust FSB earns. APS mitigates this conflict through disclosure in this brochure. Current rates for money market mutual fund sweep options and the bank sweep options can be accessed at [www.tiaa.org/BrokerageForms](http://www.tiaa.org/BrokerageForms) or by calling (800) 927-3059. TC Services may also receive 12b-1 and similar service fee payments from sweep vehicles. Please consult the prospectus or similar disclosure document for each sweep vehicle for more information concerning such fees.

**Program Fees.** APS charges an asset-based fee for participation in the Program ("Program Fee") according to the annual schedules listed below. Schedule A – Fixed Income Schedule reflects the Program Fee applicable to portfolios where the model includes 80% or more of fixed income and strategically allocated cash securities, and Schedule B – Equity Balanced Schedule reflects the Program Fee applicable to portfolios where the model consists of less than 80% fixed income and strategically allocated cash securities.

#### Schedule A – Fixed Income Schedule

##### Program Fixed Income Schedule

Tiers	Fee (%)
\$50,000 - \$150,000	0.90%

\$150,001 - \$300,000	0.75%
\$300,001 - \$750,000	0.60%
Over \$750,000	0.55%

#### Schedule B – Equity Balanced Schedule

##### Program Equity/Balanced Schedule

Tiers	Fee (%)
\$50,000 - \$150,000	1.15%
\$150,001 - \$300,000	1.00%
\$300,001 - \$750,000	0.85%
Over \$750,000	0.75%

TCBS and its clearing firm Pershing share distribution (Rule 12b-1) and similar service fee payments from certain unaffiliated mutual funds as compensation for distribution and administrative services. Please consult the prospectus and statement of additional information for a particular mutual fund for more information concerning these fees.

The Program Fee covers the fees and costs associated with managing the account, developing the Program's advice, the custody of Program assets, trade execution, client reporting and other administrative expenses. The Program Fee does not vary depending upon whether client chooses investment advice developed from TIAA investment professionals or by a third party adviser.

The Program will exclude cash balances in the client's account when calculating the Program Fee. The Program Fee does not include any fees, costs and expenses inherent in the underlying securities, including investment advisory, administrative, distribution, transfer agent, custodial, legal, audit, contingent deferred sales charges or redemption fees and other customer fees and expenses related to investments in these products which are described in the relevant prospectus or similar disclosure documents.

The Program Fee does not include costs associated with additional services requested by client, including wire or electronic fund transfer fees, overnight delivery fees, duplicate statement fees, account transfer fees, and reorganization fees.

The Program Fee is payable quarterly in arrears. It is calculated by multiplying the daily market value of the portfolio by the pro-rata daily fee (the "daily fee calculation") and summing the value of the daily fee calculations during the preceding quarter. The Program determines market value in reliance upon published net asset values and prices reported on national exchanges. Should either not be available for a particular security, the Program will price the relevant security based upon fair valuation principles that estimate what the security would bring upon sale. APS will deduct the Program Fee from the portfolio on a quarterly basis, generally within thirty business days after each quarter's end by charging cash balances or redeeming Fund shares within the portfolio. For the initial enrollment quarter, Program Fees will be deducted as described above for the remainder of that quarter, generally within thirty business days after the end of the first quarter of enrollment.

Client may aggregate the amounts in other Program accounts held directly by client or for the benefit of a spouse, parent, child or anyone else residing at the same address as client for fee calculation purposes. This is referred to as “householding” related Program accounts. Householding related Program accounts may collectively qualify the Program accounts for a different Program Fee breakpoint. The Program Fee breakpoints are set forth above in Schedules A and B. Client may also household related Program accounts for quarterly performance reporting. Client authorizes APS to share client’s Program account performance information with other members of client’s household while reducing paper mailings. Householding does not authorize others in client’s household to conduct transactions in client’s Program accounts.

APS may agree to waive or discount the Program Fee in connection with promotional campaigns, for clients making large deposits or for TIAA employees. Other than as noted, the Program Fee is not negotiable. APS may change the fee schedule upon 30 days written notice to client and client will be deemed to have consented if client remains enrolled in the Program subsequent to the notice period.

Client may be able to invest directly in the securities purchased within the Program without enrolling in the Program and incurring the Program Fee, but in that event, would not receive the advice available only to Program clients. The Program may cost client more or less than purchasing the services provided under the Program separately depending in part upon the size of the client’s portfolio, subsequent deposits and withdrawals, the frequency of client transactions and the cost and availability of similar advice available outside of the Program. APS will not provide advice relating to or monitor assets held outside of the Program.

#### IRA Account Fee Credits and Reimbursements.

*Affiliated Fund Fee Credits:* With regards to individual retirement accounts and accounts subject to ERISA that are enrolled in the Program (collectively referred to as “IRA Accounts”), APS will reduce the Program Fee by a fee credit for IRA Account assets invested in Affiliated Funds. The fee credit will offset both (i) the investment management portion of the Affiliated Fund’s expenses (“Affiliated Fund management fees”) that TIAA affiliates receive in connection with the Affiliated Funds held in the IRA Account, and (ii) the administrative and other fees that TIAA affiliates receive from such Affiliated Funds that are included in the Affiliated Fund’s expenses. APS may exclude from the fee credit amount any reimbursable expenses paid by the Affiliated Funds to TIAA affiliates which are reasonable direct expenses of the TIAA affiliates. This includes expenses such as salaries of affiliate personnel attributable to work performed for the Affiliated Funds held in client’s portfolio and third party custodial fees and transfer agent fees associated with the Affiliated Funds held in client’s portfolio. APS also may reduce the fee credit amount to reflect fee waivers and reimbursements granted by TIAA affiliates to the Affiliated Funds as disclosed in the applicable Affiliated Fund prospectus. Such fee waivers have the effect of reducing the amount of Affiliated Fund management fees, administration fees and expense reimbursements actually paid by the Affiliated Funds to TIAA affiliates. The fee credit may vary depending upon the particular Affiliated Fund employed as the fees differ from Fund to Fund. While the fee credit reduces the Program fee paid by client resulting in lower investing costs and a corresponding increased share of any investment returns, a reduced Program fee does not assure portfolio gains as portfolio performance ultimately is dependent on the performance of the combination of Funds selected for investment as well as the performance of the underlying investments within each Fund. Investing in securities, including Funds, carries a risk of loss as described in Item 6 below.

*12b-1 Fee Reimbursements.* With regard to any Affiliated Funds as well as any unaffiliated mutual

funds held in a client's IRA Account which levy a 12b-1 fee, APS will deposit directly into client's IRA Account whatever portion of the 12b-1 fee it receives. The remaining portion of the 12b-1 fee is retained by TC Services' clearing firm Pershing without benefit to TC Services. For all Program accounts other than IRA Accounts, APS will retain whatever portion of the 12b-1 fee it receives from a mutual fund.

**About TIAA.** TIAA is the marketing name under which Teachers Insurance and Annuity Association of America and its subsidiaries provide services. Teachers Insurance and Annuity Association of America, a life insurance company, is the parent company which owns TC Services and its APS division, and will be referred to herein as "Parent." Any profits earned by Parent subsidiaries, including TC Services, may be paid in the form of dividends to Parent. Such dividend amounts, if any, become part of the general account for Parent, which is used to back the annuity and other insurance products it issues and would inure to the benefit of the holders of such annuity and other insurance products. These annuity and other insurance products are not currently available for investment through the Program.

TC Services is registered with the SEC as both an investment adviser and broker-dealer and is also a member of FINRA. As a broker-dealer, TC Services is involved in the sale of securities, including but not limited to variable annuities, mutual funds and individual equity and fixed income offerings. TC Services provides retail brokerage services under the name TIAA Brokerage Services. As noted above, TC Services provides investment advisory services to individuals under the name Advice & Planning Services.

Parent and TC Services have entered into a service arrangement whereby Parent, directly or through its subsidiaries, provides a variety of services that are material to APS' investment advisory activities, including administrative, legal and marketing services. All APS representatives, including the Advisors, are employees of Parent. Certain officers and directors of TC Services may also serve in similar capacities with affiliated entities. Trust FSB, which helps provide advice for the Program, is an indirectly, wholly owned subsidiary of Parent.

TC Services and its affiliates provide services to, and receive compensation from, the Affiliated Funds. This includes:

*The TIAA-CREF Family of Funds:* Teachers Advisors, Inc. is the advisor to the TIAA-CREF family of Funds and an indirectly, wholly owned subsidiary of Parent, and receives compensation for its investment management services from the TIAA-CREF family of Funds. Additionally, other TIAA-CREF affiliates provide services to the TIAA-CREF family of Funds: Parent provides administrative services, Teachers Personal Investor Services, Inc. is the principal underwriter, and TC Services provides distribution services. Each may receive compensation for its services from the TIAA-CREF family of Funds and also may receive compensation for its related services from the TIAA-CREF family of Funds. See the Funds' prospectuses for a description of the compensation. Fund expense ratios may change over time and from time to time. Always consult the Fund prospectus for the most current information.

*The Nuveen Family of Funds:* Nuveen Fund Advisors, LLC, is the advisor to the Nuveen Funds and a subsidiary of Nuveen Investments, Inc. Various subsidiaries of Nuveen Investments serve as sub-advisors to the Nuveen Funds. Nuveen Securities, LLC, also a subsidiary of Nuveen Investments, Inc., serves as the principal underwriter for the Nuveen Funds. Nuveen Investments, Inc. and its subsidiaries are indirectly, wholly owned subsidiaries of Parent. TC Services provides distribution services to the Nuveen Funds in connection with Program accounts. Each of the above affiliates receives compensation from the Nuveen Funds in

connection with the services it provides. See the Funds' prospectuses for a description of the compensation. Always consult the Fund prospectus for the most current information.

**Compensation of Advisors and other TC Services Personnel.** *Advisors:* Advisors perform sales and client service activities for the Program, including enrolling clients in the Program and assisting clients with account servicing needs after enrollment as described in this Item 4 above. Advisors do not exercise investment discretion over client assets.

Advisors are paid a salary and a discretionary annual variable bonus. This compensation is paid to them by Parent because they are employees of Parent. The annual variable bonus is based on the financial performance of Parent, as well as the Advisor's individual performance (and, in some cases, the performance of the advisory team supporting an Advisor).

In assessing individual and team performance, Parent primarily considers the Advisor's efforts in gathering, retaining and consolidating client assets in appropriate accounts, products and services on the TIAA platform. Several qualitative factors are also considered, such as leadership, teamwork, client service and adherence to company policies and regulatory standards. This compensation approach is directly linked to an ongoing performance management process that provides feedback to Advisors throughout the year.

The annual variable bonus gives Advisors a financial incentive to enroll and retain client assets in the Program and compensates Advisors for doing so, as described below. Advisor compensation does not differ based on the investments chosen within the Program, and the Advisor does not receive any client commissions or product fees associated with Program transactions. Advisors, however, may earn more compensation if you invest in the Program than if you open or maintain other types of accounts with TIAA which allow you to invest in individual securities such as brokerage, Investment Solutions IRA or an account associated with an employer sponsored plan as described more fully below.

Advisors also are broker-dealer registered representatives of TC Services and may be licensed insurance agent representatives with TIAA-CREF Life Insurance Company and TIAA-CREF Insurance Agency. In their capacity as registered representatives or insurance agent representatives, Advisors may suggest or recommend other types of accounts, services and products offered by TIAA to meet client investing and planning needs, which are offered separate and apart from the Program. Through the annual variable bonus, Advisors have an incentive to and are compensated for enrolling and retaining client assets in such accounts, services and products, but do not receive any client commissions or product fees.

TIAA's compensation philosophy aims to reward Advisors with appropriate compensation, recognizing the degree of effort generally required of the Advisor in gathering and retaining client assets in appropriate TIAA accounts, products and services and therefore is differentiated as follows:

- *Complex Needs Solutions.* Advisors earn more credit toward the annual variable bonus, and thus more compensation, for enrolling and retaining clients in TIAA's solutions designed to meet more complex needs ("Complex Needs Solutions") than they do for other TIAA accounts, products and services ("Other Solutions"). Complex Needs Solutions include managed account programs like the Program, trust services, after tax annuities and life insurance, with life insurance providing for more credit than the other Complex Needs Solutions and thus more potential compensation.
- *Other Solutions.* Other Solutions include TIAA's core retirement offers, which are comprised of employer sponsored retirement plans offered through TIAA and the mutual funds and annuities from TIAA affiliates available through the Investment Solutions IRA ("Core

Retirement Offers”) as well as brokerage accounts offered through TC Services, banking solutions offered by TIAA Direct, a division of Trust FSB, mutual fund accounts offered by TIAA affiliates and the Donor Advised Fund offered through TIAA Charitable. Among the Other Solutions, Advisors receive more credit, and thus more compensation, for enrolling and retaining client assets in the Core Retirement Offers than they do for enrolling and retaining clients in brokerage accounts or for making successful client referrals to banking solutions offered by TIAA Direct, mutual fund accounts offered by TIAA affiliates or the Donor Advised Fund offered through TIAA Charitable. Advisors also can earn additional credit, and thus additional compensation, where a client annuitizes holdings within an employer sponsored retirement plan at TIAA.

We address the conflicts of interest associated with the above compensation by disclosing them to you and by submitting the transactions recommended by the Advisor to a review process designed to ensure that transactions are appropriate and suitable for clients’ financial needs. Additionally, recommendations concerning the investment options in employer sponsored retirement plans offered through TIAA and the mutual funds and annuities from TIAA affiliates available through the Investment Solutions IRA are sourced from an independent third party. Advisors also receive credit towards the annual variable bonus for referring endowment and foundation business to TIAA affiliates, which is generally based on the assets retained under management by the affiliate as a result of the referral.

*Other TC Services Personnel Compensation:* Where appropriate, other TC Services personnel may refer clients with more complex investing needs to Advisors. Referrals that result in clients enrolling in products and services offered through TIAA, including the Program, are one factor that Parent will consider in determining the referring employee’s annual variable bonus among other qualitative and quantitative factors. This means that these individuals have a financial incentive to refer clients to Advisors for enrollment in the Program.

*Other Payments:* Funds (through their investment managers or other affiliated companies) may sponsor educational events and pay expenses of Advisors attending those events. TIAA policies require that the training or educational portion of these events comprise substantially all of the event.

As discussed above, TC Services and its clearing firm Pershing share 12b-1 and similar service fee payments from certain mutual funds as compensation for distribution and administrative services. Please consult the prospectus and statement of additional information for a particular mutual fund for more information concerning these fees. TC Services does not consider these payments when developing its advice or recommendations for clients.

**Service Provider Compensation.** APS has engaged other entities to help formulate the advice provided through the Program. APS has entered into an agreement with its affiliate, Trust FSB, in this regard and APS pays Trust FSB an annualized rate of 12.5 basis points based upon the amount of Program assets advised by Trust FSB. Additionally, the third party adviser through which APS sources the advice used to determine the mutual fund selection in client’s portfolio should client express a preference for advice sourced from a third party, as described in Item 6 below, is compensated \$60,000 on an annual basis for the advice provided.

After payment of these fees and other Program expenses, APS receives the remainder of the Program revenue. As described above, Trust FSB may also receive compensation as part of the Affiliate Bank Sweep.

Corporate affiliates of TC Services serve as the investment advisors to the Affiliated Funds and receive fees from each such Fund for their investment management services, as described above.

## Item 5 – Account Requirements and Types of Clients

As noted in Item 4 above, the Program requires clients to open a brokerage account with TCBS. Clients must fund the account with a minimum of \$50,000 in cash or Eligible Legacy Assets and grant APS investment discretion. APS may discount this account minimum at its discretion, in whole or in part, in connection with promotional campaigns or for any other reason. Additionally, TC Services may offer pricing discounts or other account related benefits to clients opening brokerage accounts to be enrolled in the Program (or for funding existing brokerage accounts enrolled in the Program) in connection with promotional campaigns or other reasons.

Should client transfer Ineligible Legacy Assets into the Program account, the Program will sell the securities upon receipt and use the proceeds to fund client's portfolio. Eligible Legacy Assets will also potentially be sold upon receipt unless client obtains APS' prior written agreement to retain the assets in the Program account. Any sale could cause a taxable event or trigger contingent deferred sales charges. Additionally, factors such as limited liquidity and limited pricing transparency and quotations may impact the price obtained when the assets are sold. APS may, however, at its discretion alter the order of how subsequent deposits are invested when required for purposes of meeting fund minimum investment requirements, tax optimization needs or other purposes consistent with client's model portfolio. Client may establish automatic monthly or quarterly withdrawals. In such cases, securities held in client's Program account may be sold as needed to fund the withdrawals.

Upon receipt of a deposit or withdrawal request in good order, client will receive, with regards to mutual funds, the net asset values or price next available pursuant to the respective mutual funds' prospectus. With regards to ETFs, APS will generally trade these shares once a day and client will receive the price available in the marketplace at that time. Where applicable, client orders will be aggregated for trading and allocated to each client with an average execution price where TCBS trades for multiple clients in the same security on the same day. A request is considered in good order when APS possesses all information necessary to process the transaction. Such information includes the amount of the withdrawal, the distribution method requested and any form required to facilitate the distribution. A delay in the placement of certain trades and settlement of such trades may result depending upon the availability of client funds and accompanying information. The Program may withhold from any withdrawal an amount equal to any tax required by law.

The Program will hold proceeds from dividends and interest payments in strategically allocated cash and will rebalance material excess cash into positions that are under-weighted in the portfolio. The Program will also generally direct mutual fund capital gains distributions to strategically allocated cash and will rebalance material excess cash into positions that are under-weighted in the portfolio.

Client may terminate his or her participation in the Program at any time upon notice to APS. APS may terminate client's enrollment in the Program at any time effective upon mailing written notice to client. APS specifically reserves the right to terminate client's participation in the Program should client's balance fall below the Program's minimum balance of \$50,000 due to client initiated withdrawals or should APS determine that the Program is no longer appropriate for client.

Upon termination from the Program, APS will cease managing client's Program account and collect any fees owing for management services provided through the date of termination. The client is thereafter responsible for the management of the portfolio and must direct APS to transfer assets out of the Program within 30 days. Once directed, the transfer may take 30 days or more to occur. Should client fail to direct such transfer APS will, at its discretion, and within a reasonable timeframe, either transfer



the assets to a separate, self-directed TCBS brokerage account registered identically to the Program account and subject to the standard brokerage account transaction fee schedule, or in the alternative, redeem the assets and mail a check for the proceeds to the client. Such redemptions may result in a taxable event. Any liquidations resulting from termination may not occur until the business day following receipt of the instruction to liquidate and terminate clients' Program account. The Program may invest in certain mutual fund share classes or other securities that cannot be held outside of the Program and these would need to be exchanged or sold upon termination from the Program.

APS generally provides advice to individuals who have a pre-existing relationship with TIAA, often by participating within a TIAA-administered, employer-sponsored retirement plan, such as a 403(b). However, APS will also provide advice to family of existing clients, individuals without a pre-existing relationship and small organizations like trusts, limited partnerships and similar entities.

## **Item 6- Portfolio Manager Selection and Evaluation**

The specific asset allocations and Funds selected for a client's portfolio are based on client's responses to a Program questionnaire, including a series of Client Preferences, as defined below. The Funds APS anticipates using to construct the client's portfolio will be set forth in the Investment Proposal which client receives at the time of Program enrollment, but are subject to change. Such changes are reflected in the periodic statements that client receives in connection with his or her Program account. Clients may also view their portfolio holdings online. Client may impose reasonable restrictions on the use of specific Funds in his or her account as described in Item 4 above.

### **Client Preferences**

The Program allows clients to express a preference for certain investment strategies and options (referred to as "Client Preferences"), which are described below. APS may modify the Client Preferences from time to time with notice to client of any material modifications. Not all preferences can be accommodated simultaneously. Selection of certain preferences by client in the Program questionnaire, as noted below, may reduce the number of other preferences available for selection by client. Client may change his or her Client Preferences at any time by contacting an Advisor and completing a new Program questionnaire, but client should consider the possibility that certain changes would require the sale of assets that could trigger a taxable event. Client should consult with a tax advisor. Neither APS nor Advisors provide tax advice.

The current Client Preferences available through the Program include:

- *Sources of Investment Advice.* Client may indicate a preference for portfolio construction decisions to be sourced exclusively through advisers external to TIAA. If client selects this preference, APS will rely exclusively on unaffiliated parties for asset allocation and investment selection decisions and client's portfolio will be constructed entirely using mutual funds. Where the preference is not selected, APS will rely on a variety of sources, both internal and external to TIAA, to determine asset allocation and investment selection and client will have increased customization options through use of the below preferences given the greater breadth of sources of investment advice used. Regardless of the preference chosen, APS is responsible for implementing the portfolio construction process.
- *Investment Selection.* Client may specify a preference for a portfolio constructed with Affiliated



Funds, in which case, the Program will select Affiliated Funds over other Funds where Affiliated Funds are available for asset classes within client's portfolio and where the Affiliated Funds meet the Program's Fund selection criteria summarized in this Item 6 below. This preference may result in client's portfolio wholly or predominantly consisting of Affiliated Funds. Where the client does not express a preference for Affiliated Funds, the Program will not favor Affiliated Funds in the construction of the model portfolio for client's Program account. However, Affiliated Funds may nevertheless be included in client's portfolio if the Affiliated Fund is determined to be a suitable and appropriate investment option.

- *Income Approach.* Client may specify a preference for a strategy that is designed primarily to help support income distribution by seeking diversified sources of yield and that also attempts to reduce (but not eliminate) associated interest rate and inflation risk, while seeking to generate total returns. The increased focus on income generation may have an impact on the relative performance of client's portfolio and result in total returns that are less than a portfolio that is not designed for income distribution. Additionally, the strategy does not guarantee income and the client's income needs may be more than the income generated from the strategy. Where client expresses the income preference, further customization through use of other Client Preferences will be restricted. Where an income preference is not selected, APS will use a strategy focused on the total return of client's portfolio, while considering the other investment preference selections made by the client.
- *Downside Risk Mitigation.* Client may specify a preference for a strategy that is designed to help reduce, but not eliminate, client's exposure to major downward market movements. Where this preference is selected it typically will not result in a portfolio that fully participates in upward market movements, thereby reducing client's relative returns in the "bull" markets. APS attempts to achieve downside risk mitigation through a combination of modifying the asset allocations and through the types of investment managers selected. Downside risk mitigated strategies may include allocations to Funds investing in non-traditional asset classes that are intended to help mitigate overall portfolio volatility. Alternatively, client can select a preference for a strategy that attempts to more fully participate in market returns over the full market cycle. In this case, APS will use asset allocations without alternative investment strategies, which will typically result in larger traditional equity allocations and potentially higher portfolio volatility. Dependent upon other preferences expressed by the client, APS may also manage client's risk by selecting investments that focus on managers who attempt to match or beat the benchmark to which their performance is compared. There is no guarantee that a manager will be able to achieve performance results that match or exceed the returns of the relevant benchmark.
- *Socially Responsible Investing.* Client may specify a preference for managers that are restricted to investing in socially responsible companies. Managers that consider social factors may not be available for all asset classes in client's portfolio and typically invest in a more limited set of companies than other managers, which may have a positive or negative impact on their relative performance. Currently, a portion of client portfolios indicating a preference for socially responsible investing is invested in Affiliated Funds that meet the selection criteria summarized in this Item 6 below. As of January 1, 2016, the amount targeted to be invested in Affiliated Funds in such portfolios did not exceed 19% of the composition of these portfolios depending on client's risk tolerance, time horizon and other expressed Client Preferences. However, this amount may change over time at APS' discretion subject to the Fund selection methodology described in this Item 6 below. Clients, who also have expressed a preference for a portfolio constructed using Affiliated Funds, as described above under the Investment Selection preference, generally could have a higher percentage of their portfolios invested in Affiliated Funds than noted above.

- Portfolio Management Approach (Active and/or Passive).* Client may specify a preference for either managers that actively manage the portfolio in an attempt to deliver better (either in terms of higher returns and/or reduced risk) performance than the market in general and/or managers that attempt to match the performance and risk of the market while focusing on minimizing investment expenses. Active managers typically research individual securities to construct portfolios that attempt to beat the performance of the manager's stated market benchmark, while passive managers seek to replicate market returns and risk of an index. There is no guarantee that active managers will be able to deliver returns that are higher than those of the market, even if they have done so in the past. Client's preference for active managers generally will result in a portfolio consisting of predominantly (not exclusively) active managers and client's preference for passive managers generally will result in a portfolio consisting of predominantly (not exclusively) passive managers. If client selects the "no preference" option, APS will use its discretion to apply a combination of active and passive managers to client's portfolio. Currently, a significant portion of client portfolios indicating a preference for passive investing is invested in passively managed Affiliated Funds that meet the selection criteria summarized in this Item 6 below. As of January 1, 2016, the amount targeted to be invested in Affiliated Funds in such portfolios ranged between 29% and 61% of the composition of these portfolios depending on client's risk tolerance, time horizon and other expressed Client Preferences. However, this amount may change over time at APS' discretion subject to the Fund selection methodology described in this Item 6 below. Clients, who also have expressed a preference for a portfolio constructed using Affiliated Funds, as described above under the Investment Selection preference, generally could have a higher percentage of their portfolios invested in Affiliated Funds than noted above.
- Tax Management for Taxable Accounts.* For taxable accounts, client may prefer a portfolio that attempts to defer or minimize taxes. If client selects this option, APS will incorporate, to the extent possible, tax-sensitive investment strategies to construct client's portfolio. While several of these strategies may have lower pre-tax returns than similar products, they are designed to provide higher after-tax returns for clients in higher tax brackets. For tax deferred accounts or taxable accounts, client may prefer to focus on maximizing client's pre-tax returns. Generally, this preference to maximize pre-tax returns is most appropriate for tax deferred accounts or accounts that will be subject to a lower tax bracket. Currently, a portion of client portfolios indicating a preference for portfolios which attempt to defer or minimize taxes are invested in Affiliated Funds. As of January 1, 2016, the amount targeted to be invested in Affiliated Funds in such portfolios did not exceed 11% of the composition of these portfolios. However, this amount may change over time at APS' discretion subject to the Fund selection methodology described in this Item 6 below. Clients who also have expressed a preference for a portfolio constructed using Affiliated Funds, as described above under the Investment Selection preference generally could have a higher percentage of their portfolios invested in Affiliated Funds than noted above.

## Review of Third Party Service Providers and Sources of Investment Advice

As described in Item 4 above, APS has engaged other entities, such as Trust, FSB and a third party adviser to help formulate the advice provided through the Program.

APS will periodically review the advice selections of Trust FSB and the third party adviser based on quantitative factors, including investment performance. APS also examines qualitative factors such as staffing, turnover of key personnel, analyst experience and the percentage of time dedicated to providing advice to the Program. APS will replace either Trust FSB and/or the third party adviser should a determination be made, that Trust FSB, or the third party adviser, no longer provides

appropriate advice. APS will base any decision to retain or replace Trust FSB or the third party adviser on the quality and continued utility of their services.

APS' use of an affiliated entity, Trust FSB, presents a conflict for APS because a greater portion of the client's fee remains within the TIAA family of companies than if APS used a third party to provide these services. APS mitigates this conflict through reviews of Trust FSB's services and disclosure in this brochure. APS' use of Trust FSB also could present a conflict of interest as Trust FSB could use its discretion to invest clients in Affiliated Funds that would provide TIAA with greater aggregated revenue than the use of unaffiliated Funds. To address this possibility, APS imposes no limitations or minimum purchase requirements upon Trust FSB or the third party adviser concerning the use of Affiliated Funds and compensates Trust FSB and the third party adviser without regard to the affiliation of the Funds selected.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

APS adheres to long term investing principles to build a portfolio of diversified holdings for each client. As described above, APS offers a number of model portfolios to meet a wide range of investor needs.

The Program's advice is based upon a combination of quantitative and qualitative investment methodologies, including measurable metrics such as historical return, risk and portfolio holdings analysis, as well as upon subjective factors such as the quality of senior management and industry trends. While the analysis considers a Fund's internal costs (or expense ratio) when selecting Funds for inclusion in the model portfolios, a Fund's internal cost is only one factor considered in the analysis and does not dictate that the Fund with the lowest internal costs among peers be selected where other factors otherwise weigh in favor of selection of the Fund. Additionally, APS generally selects Funds for client portfolios from the Funds that are available through the third party custodian on Pershing LLC. Funds may be excluded where Pershing LLC imposes additional trading costs. Although APS bases its advice upon strategies consistent with prudent long term investing and diversification principles, any investment is subject to a risk of loss that clients should be prepared to bear.

The selection methodology APS employs to select Funds for client's portfolio differs based on whether the Fund is actively managed or using passive investment strategies (i.e., index funds) as well as various Client Preferences described above. The selection methodology for actively managed Funds uses a proprietary quantitative scoring system based on a variety of factors to identify Funds that have historically performed well versus their peers in both falling and rising markets for each asset category. Past performance does not guarantee future results. Actively managed Funds that rank within the top forty percentile based on the quantitative scoring for inclusion and satisfy various qualitative factors are eligible for selection. The selection methodology for Funds using passive strategies (i.e., index funds) includes a quantitative assessment of the accuracy with which the Fund replicates the performance of the index it has been selected to track as well as a statistical analysis of the Fund's movements against the benchmark index. The indices are selected using third party research based on capital market assumptions. The selection methodology also may consider the Funds' tax efficiencies, expense ratios average daily trading volume, liquidity and market characteristics as well as fair value pricing considerations. Funds may be removed from portfolios if they no longer meet the selection criteria that resulted in their initial selection.

In some instances, APS may select one or more Affiliated Funds for client's portfolio where client has indicated a preference for use of Affiliated Funds in his portfolio or the Affiliated Fund otherwise meet the selection criteria described in this Item 6 above. APS' use of Affiliated Funds

in client portfolios presents a conflict of interest as TIAA affiliates earn compensation for services rendered to such Affiliated Funds as described in Item 4 above and in some instances, such as where Affiliated Funds are used in taxable accounts that are not eligible for the fee credit described in Item 4 above, use of Affiliated Funds in client portfolios provides TIAA with greater aggregate revenue than the use of unaffiliated Funds. APS manages this conflict of interest through the application of the above-described selection methodologies which are designed to select Funds for client portfolios that are consistent with APS' model portfolios and Client Preferences.

The Program's model portfolios contain a combination of Funds that represent, depending on the Fund, indirect investments in equity, fixed income, and to a lesser extent, derivative investments, alternative investment strategies and non-traditional asset classes. For all Funds, the return and principal value will fluctuate with changes in market conditions. In addition, shares when sold may be worth more or less than their original cost. Note that the Program does not offer a margin trading strategy.

The following is a general description of risks associated with investing in the Program. For the specific risks associated with any Fund used by the Program for a client's portfolio, please consult the Fund's prospectus and statement of additional information, which investors should read carefully.

*General Risks:*

- *Model Risks:* The assumptions made in the construction of the models may limit their effectiveness. For example, use of historical market data may not predict future events. Additionally, inaccuracies or limitations in the quantitative analysis or models used by APS may interfere with the implementation of model portfolio strategy.
- *Asset Allocation and Investment Strategy Risks:* The asset classes used within the various model portfolios offered through the Program can perform differently over time and potentially underperform APS' expectations. More aggressive strategies used within the model portfolios generally contain larger weightings of riskier asset classes such as equities.
- *Liquidity Risks.* Program clients may collectively account for a significant portion of certain ETF or mutual fund assets and a decision by the Program to buy or sell the shares of the ETF or mutual fund may negatively impact the value of the ETF or mutual fund.

*Underlying Securities Risks:*

- *Equities.* Equities historically provide higher returns for investments with longer time horizons than other asset classes at a greater risk to principal. Funds with investment strategies that use a higher concentration of equities have greater exposure to the risks associated with equity investments.
- *Fixed Income.* Fixed income investments historically provide lower returns than equities and are sensitive to interest rate changes, but typically provide less risk to principal. Funds with investment strategies that have higher exposure to fixed income will have greater exposure to the associated risks, such as credit risk (i.e., the possibility that the company that issues the bond fails to pay its debt), interest rate risk (i.e., the risk that the market value of a bond will go down when interest rates go up), inflation risk (i.e., the risk that fixed interest and principal payments will be

eroded in value by higher inflation) and prepayment risk (i.e., the chance the bond will be paid off early).

- *Short Positions and Derivatives.* Certain Funds used within the models may also make use of short positions and derivative instruments. Fund managers will typically use short positions in an attempt to sell a security that they anticipate will fall in value with the intent of repurchasing that same security at a lower price in the future. This provides managers the opportunity to benefit from an anticipated fall in the value of the market or of a specific security. Short positions can involve substantial risk to principal. Derivative instruments are typically contracts that derive their value from movement in the price of an underlying security, benchmark, or other economic indicator. Derivatives may include leverage and may experience significant and unpredictable swings in value during periods of market stress. The Program may invest in mutual funds that make significant use of derivatives for the purposes of hedging risk and/or achieving exposure to specific asset or pricing relationships. These risks are described in the mutual funds' prospectuses and statements of additional information, which contain additional important information that investors should read carefully.
- *Non-Traditional Asset Classes.* The Program may make use of Funds that invest in non-traditional asset classes that use alternative investment strategies, such as model portfolios used for clients that express a preference for a strategy designed to support income distribution. Funds that use non-traditional asset classes may have limited performance history and are subject to risks, such as increased volatility, lack of liquidity and possible losses greater than the Fund's initial investment as well as increased transaction costs. Some of these funds may also have limited control and voting rights and be subject to U.S. federal income taxation that reduces the amount of cash available for distribution to the Fund and could result in a reduction of the Fund's value. These Funds may also be heavily concentrated in specific sectors resulting in greater risk and volatility than less concentrated investments. Risks include, but are not limited to, risks associated with companies owning and/or operating pipelines and complementary assets, as well as capital markets, terrorism, natural disasters, climate change, operating, regulatory, environmental, supply and demand and price volatility risks. Additionally, any concentrated investments used by the Fund generally will lead to greater price volatility. See also the risk of short positions and derivatives described above.
- *Sector Funds.* The Program may make use of sector funds to target specific industries and economic niches. A sector fund is a mutual fund with securities holdings that are concentrated in a specific sector such as health care, technology, utilities, and financials. Holdings may also include commodities, such as oil and gold. Sector funds are available in different styles and can vary according to market capitalization (small, medium, or large companies) and investment objective (growth, value, or blend). Because sector funds are less diversified than other types of funds, they typically carry a higher level of volatility and risk than a diversified equity fund. This risk increases if a sector fund is highly concentrated, for example, focusing on certain subsectors but not others.

The Program allows clients to direct APS to invest Program assets in mutual funds that invest in municipal bonds issued by a single state. These mutual funds also may hold bonds issued by U.S. territories (e.g., Puerto Rico, U.S. Virgin Islands and Guam).

In the event client's state of residency does not match the state of the mutual fund selected by client either at the time of purchase or at a later date, APS will invest such Program assets in a national municipal bond fund in place of client's selected mutual fund. If client so chooses, client may subsequently direct APS to invest such Program assets in a qualifying mutual fund in place of the

national municipal bond fund. Client is responsible for the accuracy of all information provided to APS in connection with the Program and should inform APS of any changes to their state of residency.

While client's selection of a mutual fund that invests in municipal bonds issued by a single state or U.S. territories may, where permitted by law, reduce a client's state income taxes payable on that portion of the portfolio income generated by the municipal bonds, it will also expose client to a higher level of risk by reducing the geographic and economic diversification opportunities available to the municipal bond fund manager. Should client's region or state or the U.S. territories experience adverse economic events, this may have a negative impact on the value of client's long-term municipal portfolio.

As described in Item 4 above, TC Services may receive fees for services provided in connection with the Affiliate Bank Sweep.

## **Advisory Services**

The types of services offered by APS are described in Item 4 above.

## **Performance-based Fees and Side by Side Management**

APS does not charge performance based fees (e.g., fees based on a share of an account's capital gains or appreciation).

## **Voting Client Securities**

APS will vote all proxies under the Program in accordance with its agreement with Trust FSB, unless client requests otherwise, in which event APS will forward proxy materials directly to client. APS has adopted written policies and procedures designed to help ensure it votes proxies in accordance with the best interests of its clients. Any conflict in voting between APS and client will be resolved in favor of the client. In doing so, APS follows the guidelines set forth in the TIAA Policy Statement on Corporate Governance. APS will rely upon the recommendations of a third party proxy advisory firm when voting proxies for any Affiliated Funds. Client cannot direct APS how to vote on a particular proxy; client must either delegate all proxy voting to APS on behalf of the client or wholly retain voting privileges.

Clients may obtain information about how APS voted with respect to any client security by calling an Advisor. Clients may also obtain a copy of the APS proxy voting policies and procedures, as well as the TIAA Policy Statement on Corporate Governance, by calling an Advisor. APS does not undertake to act on client's behalf with regards to class action claims or notices and instead will forward any such claims or notices directly to client for handling. APS will pass through for client to vote directly any voluntary corporate action notices.

## **Other Advisory Services**

APS also offers non-discretionary financial planning services with an emphasis on retirement planning needs. Retirement planning helps clients invest for retirement and address income needs. Retirement planning is generally limited to providing advice across fixed annuities, variable annuities, mutual funds and exchange traded funds. These services are described in greater detail in the Advice & Planning Services' Investment Advisory Planning Services Disclosure Brochure.

APS also administers a separate discretionary mutual fund asset allocation program limited to mutual funds and closed to new investors. This service is described in greater detail in the Advice & Planning Services' Portfolio Manager Program Disclosure Brochure.

## **Item 7 – Client Information Provided to Portfolio Managers**

As described in Item 4 above, APS has engaged the Trust, FSB to provide portfolio management services. To facilitate this, APS provides the following client information to Trust FSB in connection with client's Program account: (a) client's risk tolerance level, time horizon and preference among different investment options and strategies, including risk levels ranging from very conservative to very aggressive; (b) information about Affiliated Funds versus unaffiliated investment products; (c) information regarding strategies that attempt to support income distribution, strategies that attempt to minimize or defer taxes, including exposure to municipal bonds of a single state, strategies that employ socially responsible investment criteria; and strategies that attempt to mitigate downside risk; and (d) information on passively versus actively managed approaches. APS will pass through to Trust FSB any updates to the above information as received by client. APS does not provide client-specific data to the third party adviser.

## **Item 8 – Client Contact with Portfolio Managers**

The Program does not generally contemplate that clients will speak directly with either the TIAA investment professionals or third party adviser responsible for the formulation of Program advice; however, they may be made available upon specific request. Rather, Advisors knowledgeable about the Program and its advice will be available during normal business hours to discuss any aspect of the Program with client.

## **Item 9 – Additional Information**

### **Disciplinary Information and Information about Other Financial Industry Activities and Affiliations**

On November 24, 2009, TC Services entered into a settlement, known as a letter of acceptance, waiver and consent, with FINRA, a self-regulatory organization for broker-dealers. The settlement concerned how TC Services reported participant complaints to FINRA between July 1, 2006 and June 30, 2007 (the "Period").

Without admitting or denying the findings in the settlement, TC Services consented to findings that during the Period it did not report complete quarterly complaint information to FINRA in violation of NASD Rules 2110 (standards of commercial honor and principles of trade) and 3070(c) (complaint reporting) and that its supervisory system for complaint reporting was inadequate in violation of NASD Rules 2110 and 3010(a)(supervision). TC Services further consented to a censure and a paid a fine of \$100,000 as part of the settlement.

The complaints, which are the subject of the settlement arose in connection with TIAA's conversion to a modern record-keeping system. This record-keeping system is designed to better meet the needs of TIAA clients. The conversion process, however, disrupted customer service operations, resulting in an increase in operational complaints.

In response, TC Services restructured its complaint capture, reporting and resolution processes,



improved its technology infrastructure, revised its policies and procedures, and implemented oversight and quality control over complaint capture and regulatory reporting. It has also significantly added to the number of staff who handle customer complaints.

TC Services is also registered with the SEC as a broker-dealer. Parent is the sole owner of TC Services and provides a variety of services that are material to TC Services' investment advisory activities, including administrative, legal and marketing support. All TC Services personnel are employees of Parent. Certain officers and directors of TC Services may also serve in similar capacities with other affiliated investment advisers. TC Services has also entered into an arrangement with Trust FSB whereby Trust FSB employees help to formulate the advice for the Program. Trust FSB is also wholly owned by Parent. These relationships may result in conflicts described under in Item 4 above. APS mitigates these conflicts through disclosure in this brochure.

## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

APS has a code of ethics and personal trading policy that regulates the personal securities trading activities of investment personnel and other persons with access to confidential trading information (collectively "access persons") and requires them to avoid conflicts of interest, such as trading in a personal account in advance of a client based upon knowledge of the client's trade. Certain access persons and members of their households must report their personal holdings and transactions in covered securities, are subject to certain restrictions and prohibitions in trading for their own accounts, and are subject to pre-clearance of certain securities transactions by a compliance unit. The Code of Ethics and Personal Trading Policy also prohibits the misuse of material nonpublic information and confidential information. APS prohibits or limits the purchase of securities in initial public offerings and private placements. Access persons may not realize short-term profits in their personal accounts, and may be disciplined if the policy requirements are violated. Advisors may purchase or sell for their personal account securities recommended to clients subject to the limitations of the aforementioned Personal Trading Policy. Clients or prospective clients may request a copy of APS' Code of Ethics and Personal Trading Policy.

SEC rules require broker-dealers to maintain a minimum amount of working capital. TC Services may invest this working capital in money market mutual funds, mortgage backed securities, investment grade corporate bonds or U.S. Treasury Securities. Except for securities invested for this limited purpose, TC Services does not generally buy or sell its own portfolio securities that it may recommend to clients. Advisors may purchase or sell for their personal account securities recommended to clients, subject to the limitations described in the Personal Trading Policy, described above.

## **Review of Accounts**

Upon initial enrollment, an APS supervisor will review client's participation in the Program to ensure it is appropriate for client.

At least once a year, APS will inquire of client whether there have been any material changes in client's financial situation or investment objectives, and whether client wishes to impose or modify any reasonable restrictions on the management of the portfolio. The Program will consider client's responses and evaluate whether any changes to the portfolio are appropriate. In between annual inquiries, client should contact an Advisor whenever a material change occurs in client's financial situation or investment objective, as either may affect the continued appropriateness of the current



portfolio. Examples of material changes include, but are not limited to changes in net worth, marital status, family size, occupation, residence, health or income level, investment objective or risk tolerance.

Client accounts are monitored daily using performance data obtained from an independent third party. Market conditions and other factors will likely cause client's portfolio to deviate over time from the recommended model portfolio. APS will review client's portfolio and make adjustments as APS deems necessary to keep client's portfolio in line with the appropriate model portfolio. These transactions may be more frequent or isolated based upon market conditions and client needs. The Program will attempt to implement the transactions in a manner that minimizes tax implications to client but will not always be able to do so and such transactions may result in a taxable event.

Client will receive written quarterly performance reports beginning after the completion of client's first full enrollment quarter detailing the progress of client's portfolio. Client will also receive separate brokerage confirmation statements reflecting individual transactions made in the portfolio unless client elects to suppress these statements with a quarterly brokerage statement summarizing all information otherwise contained on the separate brokerage confirmation statements. Client will also receive monthly or quarterly brokerage account statements depending upon account activity. Client is responsible for reviewing each report and statement in a timely manner and alerting an Advisor to any discrepancy. APS will compile quarterly performance information for client's portfolio based upon uniform criteria consistent with generally accepted industry standards. Client will receive mutual fund prospectuses for each new mutual fund purchased for the portfolio and is responsible for reviewing the terms and conditions contained therein.

All written information, including, but not limited to client reports, statements and confirmations may be delivered to client in electronic format if client consents to such delivery at the time of enrollment or anytime thereafter. Client may opt out of electronic delivery at any time.

## **Client Referrals and Other Compensation**

In connection with other services provided to client outside of the Program, Advisors may recommend clients invest in non-advisory services offered by or through TIAA such as variable annuities, mutual funds, life insurance, and lending products. TC Services and its affiliates receive compensation for services they provide to these affiliated products, including but not limited to advisory, distribution and administrative services. Refer to the prospectuses and statements of additional information for the applicable affiliated product for a complete description of such fees and payments. Recommending affiliated products creates a conflict of interest because the TIAA family of companies receive more revenue when recommending affiliated products than when recommending unaffiliated products. To address this potential conflict, APS does not take these additional fees into account when evaluating Funds to recommend to client in connection with the Program.

The compensation earned by Advisors and other TC Services personnel when providing and/or recommending the Program is described in Item 4 above. In addition, Item 4 above describes the payments that TC Services and its clearing firm, Pershing, receive from certain unaffiliated mutual funds as compensation for distribution and administrative services.

## **Financial Information**

TC Services does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance and, thus, has not included a balance sheet of its most recent fiscal year. TC Services is not aware of any financial condition that is reasonably likely to impair its ability to meet its

contractual commitments to clients, nor has TC Services been the subject of a bankruptcy petition at any time during the past ten years.

## **Item 10 —Requirements for State Registered Advisers**

TC Services is a federally registered investment adviser.

## Biographies of TIAA-CREF Trust Company, FSB Investment Management Personnel

The Brochure Supplements containing the biographies of those Trust FSB personnel who manage Program assets appear on the following pages.

Brochure  
Supplement  
Vladimir Valenta  
March 30, 2016

This brochure supplement provides information about Dr. Vladimir Valenta, an individual who is on the TIAA-CREF Trust Company, FSB (“Trust FSB”) investment team that has investment discretionary authority over client assets enrolled in the Portfolio Advisor program. It supplements the attached Portfolio Advisor brochure. You should have received a copy of that brochure. Please call 866.220.6583 if you did not receive a copy of the Portfolio Advisor brochure or if you have any questions about the contents of this brochure supplement.

Background. Vladimir is 46 years old as of the date of this brochure Supplement. His work address is 8500 Andrew Carnegie Boulevard, Charlotte, North Carolina, 28262. His phone number is 704.988.1149. Vladimir is a Director of Asset Allocation and Quantitative Research for Trust FSB. Trust FSB’s corporate headquarters are located at One Metropolitan Square, 211 North Broadway, Suite 1000, St. Louis, Missouri 63102, phone 314.244.5000

Educational Background and Business Experience. Vladimir has worked in his current role as a Senior Director of Asset Allocation and Quantitative Research for nearly 4 years. Prior to that, Vladimir held a position as the Head of Quantitative Research at Round Table Investment Management, a multi-strategy hedge fund in Charlotte. Before joining Round Table Investment, Vladimir spent five years as Senior Vice President at Bank of America. Prior to that, Vladimir served as a Chief Scientist at Retek (later acquired by Oracle). Vladimir received M.S. in Math and Computer Science from Charles University, Prague, Czech Republic; and Ph.D. in Computer Science from University of South Carolina.

Disciplinary Information. Vladimir has no history of disciplinary events.

Other Business Activities. Vladimir has no other business activities. His full time occupation is as a Senior Portfolio Strategist.

Additional Compensation. Vladimir is paid a base salary and bonus. Bonus compensation takes into account a number of factors, including the overall economic performance of TIAA, the risk adjusted performance of the portfolio strategies, achieving operational and risk standards, delivering ongoing advisory program enhancements, and the success of the Portfolio Advisor program as measured by assets enrolled in the program. Vladimir does not receive compensation for providing advisory services from anyone other than his employer.

Supervision. Trust FSB monitors the investment discretion exercised by Vladimir. A committee comprised of senior investment professionals from Trust FSB typically meets monthly to review investment-related decisions, policies and procedures. In addition to ongoing review of investment decisions, the committee also performs an annual review of the investment strategy work of the team that supports the Portfolio Advisor program (this team includes Vladimir). Vladimir’s supervisor is

Dennis McDonald, Managing Director of Investment Strategy and Product Development. Clients may direct any complaints about Vladimir's performance to Mr. McDonald at 704.988.1000. General inquiries regarding accounts, balances, distributions, or any other account administrative features should be directed to your financial advisor.

Brochure  
Supplement T.  
Todd Starcher  
March 30, 2016

This brochure supplement provides information about T. Todd Starcher, an individual who is on the TIAA-CREF Trust Company, FSB ("Trust FSB") investment team that has investment discretionary authority over client assets enrolled in the Portfolio Advisor program. It supplements the attached Portfolio Advisor brochure. You should have received a copy of that brochure. Please call 866.220.6583 if you did not receive a copy of the Portfolio Advisor brochure or if you have any questions about the contents of this brochure supplement.

Background. Todd is 41 years old as of the date of this brochure Supplement. His work address is 8500 Andrew Carnegie Boulevard, Charlotte, North Carolina, 28262. His phone number is 704.988.6648. Todd is a Director, Senior Portfolio Strategist for Trust FSB. Trust FSB's corporate headquarters are located at One Metropolitan Square, 211 North Broadway, Suite 1000, St. Louis, Missouri 63102, phone 314.244.5000

Educational Background and Business Experience. Todd has worked in his current role as a Senior Portfolio Strategist for 6 years. Prior to that, Todd worked as Vice President and Alternative Investment Product Manager for Evergreen Investments for 1 year. Prior to that, Todd worked as Vice President and Asset Allocation Strategist for Evergreen Investments for 5 years. Todd graduated with a Bachelor of Science from Palm Beach Atlantic University in 1997. Todd attained the Chartered Financial Analyst, or CFA designation in 2003; this designation requires completion of a three stage self-study curriculum and achieving a passing score on three progressive exams. It prepares the holder to analyze securities and recommend portfolios.

Disciplinary Information. Todd has no history of disciplinary events.

Other Business Activities. Todd has no other business activities. His full time occupation is as a Senior Portfolio Strategist.

Additional Compensation. Todd is paid a base salary and bonus. Bonus compensation takes into account a number of factors, including the overall economic performance of TIAA, the risk adjusted performance of the portfolio strategies, achieving operational and risk standards, delivering ongoing advisory program enhancements, and the success of the Portfolio Advisor program as measured by assets enrolled in the program. Todd does not receive compensation for providing advisory services from anyone other than his employer.

Supervision. Trust FSB monitors the investment discretion exercised by Todd. A committee comprised of senior investment professionals from Trust FSB typically meets monthly to review investment-related decisions, policies and procedures. In addition to ongoing review of investment decisions, the committee also performs an annual review of the investment strategy work of the team that supports the Portfolio Advisor program (this team includes Todd). Todd's supervisor is Dennis McDonald, Managing Director of Investment Strategy and Product Development. Clients may direct

any complaints about Todd's performance to Mr. McDonald at 704.988.1000. General inquiries regarding accounts, balances, distributions, or any other account administrative features should be directed to your financial advisor.

Brochure  
Supplement  
Gregory Ellston  
March 30, 2016

This brochure supplement provides information about Gregory Ellston, an individual who is on the TIAA-CREF Trust Company, FSB ("Trust FSB") investment team that has investment discretionary authority over client assets enrolled in the Portfolio Advisor program. It supplements the attached Portfolio Advisor brochure. You should have received a copy of that brochure. Please call 866.220.6583 if you did not receive a copy of the Portfolio Advisor brochure or if you have any questions about the contents of this brochure supplement.

Background. Gregory is 54 years old as of the date of this brochure Supplement. His work address is One Metropolitan Square, 211 North Broadway, Suite 1000, St. Louis, Missouri 63102. His phone number is 314.244.5047. Gregory is Senior Director of Manager Research for Trust FSB. Trust FSB's corporate headquarters are located at One Metropolitan Square, 211 North Broadway, Suite 1000, St. Louis, Missouri 63102, phone 314.244.5000.

Educational Background and Business Experience. Gregory has worked in his current role as Senior Director of Manager Research for more than 7 years. Prior to that, Gregory worked as a Vice President of the Gallatin Asset Management division of A.G. Edwards and its predecessor for 11 years. In his role at Gallatin Asset Management, Gregory directed Manager Analysis and served on the Manager Oversight and Model Oversight Committees. Gregory also has held Vice-Presidency roles at Rauscher Pierce Refsnes, Inc. and Stifel, Nicolaus & Company. He earned his BBA from the University of Mississippi and his MBA from the A.B. Freeman School of Business at Tulane University.

Disciplinary Information. Gregory has no history of disciplinary events.

Other Business Activities. Gregory has no other business activities. His full time occupation is as a Senior Director of Manager Research.

Additional Compensation. Gregory is paid a base salary and bonus. Bonus compensation takes into account a number of factors, including the overall economic performance of TIAA, the risk adjusted performance of the portfolio strategies, achieving operational and risk standards, delivering ongoing advisory program enhancements, and the success of the Portfolio Advisor program as measured by assets enrolled in the program. Gregory does not receive compensation for providing advisory services from anyone other than his employer.

Supervision. Trust FSB monitors the investment discretion exercised by Gregory. A committee comprised of senior investment professionals from Trust FSB typically meets monthly to review investment-related decisions, policies and procedures. In addition to ongoing review of investment decisions, the committee also performs an annual review of the investment strategy work of the team that supports the Portfolio Advisor program (this team includes Gregory). Gregory's supervisor is Ellyn Korzun, Managing Director and Interim Chief Investment Officers of Trust FSB. Clients may direct any complaints about Gregory's performance to Ms. Korzun at 704.988.1000. General inquiries

regarding accounts, balances, distributions, or any other account administrative features should be directed to your financial advisor.

Brochure  
Supplement  
Dennis  
McDonald  
March 30, 2016

This brochure supplement provides information about Dennis McDonald, an individual who is on the TIAA-CREF Trust Company, FSB ("Trust FSB") investment team that has investment discretionary authority over client assets enrolled in the Portfolio Advisor program. It supplements the attached Portfolio Advisor brochure. You should have received a copy of that brochure. Please call 866.220.6583 if you did not receive a copy of the Portfolio Advisor brochure or if you have any questions about the contents of this brochure supplement.

Background. Dennis is 45 years old as of the date of this brochure Supplement. His work address is 8500 Andrew Carnegie Boulevard, Charlotte, North Carolina, 28262. His phone number is 704.988.1000. Dennis is a Managing Director of Investment Strategy and Product Development for Trust FSB. Trust FSB's corporate headquarters are located at One Metropolitan Square, 211 North Broadway, Suite 1000, St. Louis, Missouri 63102, phone 314.244.5000.

Educational Background and Business Experience. Dennis has worked in his current role as Managing Director for 5 years. Prior to that, Dennis worked as Director of Product Development for the Individual Products area of TIAA for 2 years. Prior to that, Dennis worked as a Vice President and Investment Strategist for Wachovia Bank, N.A. for 1 year. Prior to his tenure with Wachovia, Dennis was Director of Product Development for UBS Financial Services for 4 years. Dennis graduated with a Bachelor of Arts from University of Notre Dame in 1993. Dennis attained the Chartered Financial Analyst, or CFA designation in 2005; this designation requires completion of a three stage self-study curriculum and achieving a passing score on three progressive exams. It prepares the holder to analyze securities and recommend portfolios.

Disciplinary Information. Dennis has no history of disciplinary events.

Other Business Activities. Dennis also works for the Advice and Planning Services division of TIAA- CREF Individual & Institutional Services, LLC supporting product and platform development. Advice and Planning Services sponsors the Portfolio Advisor program.

Additional Compensation. Dennis is paid a base salary and a bonus. Bonus compensation takes into account a number of factors, including the overall economic performance of TIAA, the risk adjusted performance of the portfolio strategies, achieving operational and risk standards, delivering ongoing advisory program enhancements, and the success of the Portfolio Advisor program as measured by assets enrolled in the program. Dennis does not receive compensation for providing advisory services from anyone other than his employer.

Supervision. Trust FSB monitors the investment discretion exercised by Dennis and his team. A committee comprised of senior investment professionals from Trust FSB typically meets monthly to review investment-related decisions, policies and procedures. In addition to ongoing review of investment decisions, the committee also performs an annual review of the activities of the team that supports the Portfolio Advisor program (this team is headed by Dennis). Ellyn Korzun is the Interim

Chief Investment Officer of Trust FSB and Chair of the committee, and as such is responsible for the oversight of Dennis' investment activities. Clients may direct any complaints about Dennis' performance to Ms. Korzun at 704.988.1000. General inquiries regarding accounts, balances, distributions, or any other account administrative features should be directed to your financial advisor.