

Summary of Material Changes to
Advice & Planning Services
Portfolio Manager Program Disclosure Brochure
Form ADV Part 2A

As of March 30, 2016

This document contains a summary of the material changes made to the Advice & Planning Services (“APS”) Portfolio Manager Program Disclosure Brochure (the “Disclosure Brochure”) since its last annual update on March 30, 2015. This document discusses only the material changes. You can obtain a full copy of the updated Disclosure Brochure free of charge by calling (866) 220-6583. All capitalized terms used (but not defined) below have the same meaning as stated in the Disclosure Brochure.

APS has changed its name from “TIAA-CREF Advice and Planning Services” to simply “Advice and Planning Services.”

Item 4 (Advisory Business):

- *TIAA Brand Name.* Item 4 was updated to reflect that 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.
- *Reasonable Restrictions in Writing.* Item 4 was updated to reflect that any requests for reasonable restrictions must be made in writing.
- *Cash Sweep Options.* Item 4 was revised as follows to reflect the bank sweep vehicle used for the Program:

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 Deposit (“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 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.

- *Management upon Death.* Item 4 was updated to reflect that 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 until APS receives written notice from an executor or other representative of client's estate terminating enrollment in the Program.
- *Assets Under Management.* Item 4 was updated to reflect that as of March 22, 2016, APS managed \$16,932,148,196 on a discretionary basis and \$0 on a non-discretionary basis.

Item 14 (Client Referrals and Other Compensation):

- *Compensation of Advisors and Other TC Services Personnel.* Item 14 was revised as follows to reflect how Advisors and other TC Services personnel are compensated:

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. 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.