



Advice & Planning Services

Portfolio Manager Program Disclosure Brochure

Form ADV Part 2A

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This 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.

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 – Advisory Business

About Us

Advice & Planning Services (“APS”) provides discretionary mutual fund advisory services to clients in return for a fee under the Portfolio Manager program (“Portfolio Manager” or the “Program”). These services are described in greater detail in this brochure. Portfolio Manager is no longer accepting new clients, but remains available to clients that enrolled in the Program prior to November 30, 2009.

APS is a division of TIAA-CREF Individual & Institutional Services, LLC (“TC Services”). TC Services is a registered investment adviser and a registered broker-dealer with the Securities and Exchange Commission (“SEC”) and is also a member of the Financial Industry Regulatory Authority (“FINRA”). The individuals that provide advisory services to clients on behalf of APS are registered with TC Services as both investment adviser representatives and broker-dealer registered representatives. This allows the individuals to both provide advisory services and brokerage services to clients. While these individuals may hold varying job titles depending on their position within the organization, they are referred to throughout this brochure simply as “Advisors.”

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 (“Parent”), a life insurance company is the parent company which owns TC Services and its APS division.

TIAA is one of the world’s largest retirement plan systems and since its founding in 1918 has helped people in the academic, research, medical and cultural fields plan for and live through retirement. Many clients of APS have a pre-existing relationship with TIAA, often by participating in a TIAA administered employer sponsored retirement plan. APS has been providing advice to clients since 2004. APS does not provide legal or tax advice.

APS also provides managed account advisory services to clients in return for a fee through its Portfolio Advisor program. This service is described in greater detail in the Advice & Planning Services’ Portfolio Advisor Wrap Fee Program Disclosure Brochure. In addition, APS offers financial planning services with an emphasis on retirement planning needs. The retirement planning advice helps clients invest for retirement and address income needs. The retirement planning advice 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.

Portfolio Manager

The Program requires that client sign an advisory agreement authorizing APS and its designee (identified below) to manage the portfolio on a discretionary basis. Based upon responses to an investment questionnaire, Portfolio Manager invests client assets in a model portfolio composed of a target asset allocation and corresponding mutual funds, and thereafter manages client assets on a discretionary basis in line with client’s investment objectives, market conditions and reasonable restrictions. The funds may include affiliated TIAA-CREF investment products as well as unaffiliated investment products. TIAA-CREF investment products are manufactured by TIAA affiliates, such as the TIAA-CREF family of mutual funds and the various registered funds

of Nuveen Investments, Inc., including the Nuveen Funds (we call these affiliated products “Affiliated Funds” in this brochure).

APS retains an independent financial expert, Envestnet Asset Management (“Envestnet”), to serve as the source of the Program’s advice. The retention of Envestnet provides client with objective, third party advice that does not favor one fund family over another. Envestnet’s compensation is unaffected by the type or fund brand that it recommends, and APS does not control Envestnet’s advice methodology.

Envestnet applies its own methodologies, based upon generally accepted investment principles, to construct, monitor and update its advice. Envestnet selects mutual funds from a list of funds available through TC Services’ clearing firm, Pershing, LLC (“Pershing”), on a no-transaction fee basis that meets Envestnet’s minimum eligibility requirements. Envestnet’s methodologies also consider information provided by client, including goals, risk tolerance, investment constraints and time horizon.

Client is responsible for the accuracy of all information it provides in connection with the Program. Portfolio Manager does not offer advice, and does not consider or monitor assets held outside of the Program. The Program generally provides clients that have a similar risk profile, investment objectives, and time horizons with a similar model portfolio.

The Program reviews the client’s asset allocation and fund holdings on a periodic basis and makes changes to either, if appropriate. Market conditions may cause client’s account(s) to deviate over time from the model portfolio, and the Program rebalances client’s account in line with the model portfolio, at its discretion. The number of re-balancing and fund replacements that may occur is dependent upon various factors, including market conditions, and is difficult to predict. A change in the portfolio’s fund holdings or a rebalancing may trigger a taxable event.

Client may impose reasonable restrictions on the management of their account by requesting, in writing, that the Program provide an alternative mutual fund in lieu of a recommended fund. The selection of an alternate fund may cause the performance of the account to differ from that of the model portfolio, possibly producing lower overall results.

APS contacts client annually to inquire whether there have been any changes in client’s financial situation or investment objectives, and whether client wishes to impose or modify any reasonable restrictions on the management of their account. In the interim, a client should contact Advisor whenever a material change occurs in client’s financial situation or investment objective, as either may affect the continued appropriateness of client’s current allocation. Advisors are available during normal business hours to discuss any aspect of the Program.

Client must open a brokerage account with TC Services’ retail broker-dealer division, TIAA Brokerage Services (“TCBS”) in order to hold Program assets. Pershing, a subsidiary of BNY Mellon, acts as TCBS’ clearing firm and holds client Program account assets in its custody in brokerage accounts on the Pershing 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 the 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.

TCBS and Pershing share distribution (Rule 12b-1) and similar service fee payments from certain mutual funds and bank sweep options, including the Liquid Insured Deposits program described below, as compensation for distribution and administrative services. Please consult the prospectus and statement of additional information for a particular fund for more information concerning these fees.

Cash balances held in a client's 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. 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. 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.

Portfolio Manager requires a minimum investment of \$50,000 unless approved for a lesser amount. Should client fund the account by a transfer of existing eligible securities holdings, APS will sell those holdings upon their receipt in the account in good order. Subsequent deposits will be invested either into any asset classes underweighted in comparison to client's target model portfolio with any remainder invested pro-rata in line with the model portfolio, or alternatively

invested entirely in line with the model portfolio; provided, however, that such deposits may be held as cash positions until the model portfolio's recommended cash allocation is exceeded.

Client may establish automatic quarterly withdrawals. Upon withdrawal, the Program may rebalance the assets remaining in line with the model portfolio, to the extent possible. Rebalancing and withdrawals may result in a taxable event. The Program reinvests any dividends and capital gains distributions. Trade orders cannot be placed until funds are received in good order at the TCBS operations center in Charlotte, North Carolina. Once a deposit or withdrawal request is received in good order, client receives the next available net asset values, in accordance with the respective mutual funds' prospectus terms and conditions. A Portfolio Manager account can only hold mutual funds recommended by the Program. Client should consider any tax implications associated with liquidating assets to fund a Portfolio Manager account.

Client receives a brokerage account statement from TCBS on at least a quarterly basis, which summarizes the prior period's account activity. Client also receives brokerage confirmation statements for each individual transaction. Client also receives quarterly performance reports detailing historical performance. Client is responsible for reviewing each statement in a timely manner and contacting a Wealth Management Advisor to discuss any concerns or discrepancies. Client should compare the account statements received from Pershing with the quarterly performance reports received from APS. Client receives a prospectus for each new mutual fund purchased and should review the terms and conditions contained in the prospectus.

Portfolio Manager charges an asset-based fee according to the following tiered schedule, with a minimum annual fee of \$575.

<u>Account Value</u>	<u>Fee (%)</u>
On the first \$75,000 in assets	1.15 %
For the next \$75,000 or portion thereof	1.00%
For the next \$100,000 or portion thereof	0.85%
For assets over \$250,000	0.65%

The fee covers, among other things, the costs associated with managing the account, including the services of Envestnet and APS, the custody of account assets, trade execution, client reporting and other administrative expenses. Cash balances held in client's account are generally included in the calculation of the Program's asset based fee. The Program's asset based fee does not include the fees and expenses inherent in the cost of investing in underlying mutual funds. These mutual fund fees are described in each fund's prospectus. Client is subject to those fund fees and expenses in addition to the asset based fee charged by the Program. Portfolio Manager's asset based fee covers the cost of trade execution and related transaction fees. However, the asset based fee does not include any other fees and expenses inherent in the underlying TCBS account, which are described in the TCBS brokerage account agreement provided at the time of account opening.

Fees are payable on a quarterly basis and are calculated based on a client's account balance as of the last business day of the prior quarter. Fees are prorated for any billing period less than a complete calendar quarter. Portfolio Manager deducts fees on or about the fifth business day following the quarter's end by redeeming shares from cash or money market balances within the account. For client's initial enrollment quarter, fees are deducted, as described above, for the

remainder of the initial quarter within five business days after the end of the first month of enrollment. This initial fee is based on the value of client's initial investment. Client may be eligible to aggregate other Portfolio Manager accounts beneficially held by client for certain family members to qualify for the fee breakpoints. Clients should ask an Advisor for more information about accounts eligible for aggregation. Fees for clients that invest over \$3,000,000 in Portfolio Manager may be negotiated. APS may change the fee schedule by providing client with 30 days' written notice. Client is deemed to have consented if client remains enrolled in the Program subsequent to the notice period. APS may waive or discount the account fee at its discretion, in whole or in part, in connection with promotional campaigns or for any other reason. Except as otherwise noted, fees are not negotiable.

Envestnet's independent methodology may select one or more Affiliated Funds for inclusion in the Program's model portfolios.

In connection with Affiliated Funds:

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 TIAA, and receives compensation for its investment management services from the TIAA-CREF family of funds. Additionally, other TIAA 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.

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.

Where Envestnet selects a TIAA-CREF mutual fund or Nuveen Fund, TIAA-CREF may receive greater aggregated revenue than when Envestnet recommends a non-TIAA-CREF mutual fund or Nuveen Fund. The Program imposes no limitations or minimum purchase requirements on Envestnet concerning the use of TIAA-CREF or Nuveen mutual funds. TIAA-CREF bases any decision to retain Envestnet solely on the quality and continued utility of Envestnet's services.

See Item 14 – Client Referrals and Other Compensation for a description of how Advisors are compensated.

The grant of discretionary investment authority over the account 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 above until APS receives written notice from and executor or other representative of client's estate terminating the Program.

APS may terminate client's enrollment in the Program at any time upon mailing written notice to client. APS specifically reserves the right to terminate client's participation in the Program should client's account balance fall below an amount necessary to provide adequate diversification 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 collect any fees owing for management services provided through the date of termination. The client is thereafter responsible for the management of their 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 the client fail to direct such transfer APS will, at its discretion, 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. 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.

In addition to Portfolio Manager's terms and conditions, client is subject to the terms and conditions of each respective mutual fund prospectus, including the underlying fees and expense ratios described therein. Client is also subject to the terms and conditions of the underlying TCBS brokerage account agreement, which is provided at the time of account opening. Client may be able to invest directly in any of Portfolio Manager's eligible mutual funds without enrolling in Portfolio Manager and incurring the asset based fee, in which case client would not receive the advice available to Portfolio Manager clients.

The Program's advice is based in part upon historical rates of returns for different asset classes. Historical rates of return are not guaranteed to reoccur in the future. Although the advice is based upon strategies consistent with prudent long-term investing and diversification principles, any investment is subject to risk and Program assets could decline in value over short or even extended periods of time.

Assets Under Management

As of March 22, 2016, APS managed \$16,932,148,196 on a discretionary basis, and \$0 on a non-discretionary basis.

Item 5 – Fees and Compensation

APS provides the fee schedule for Portfolio Manager in Item 4 of this brochure. The manner in which APS deducts advisory fees from client accounts for Portfolio Manager is explained in Item 4 of this brochure.

TC Services and its clearing firm Pershing share distribution (Rule 12b-1) and similar service fee payments from certain investments as compensation for distribution and administrative services. Please consult the prospectus and statement of additional information or other disclosure document for the particular investment for more information concerning the precise amount of these fees.

The receipt of these fees could potentially pose a conflict of interest, incenting APS to recommend products based upon this payment rather than client needs. To address this potential

conflict, APS does not take these fees into consideration when recommending appropriate mutual funds for clients. Rather, APS' recommendations focus upon client's needs without regard to 12b-1 and service fees. The Portfolio Manager services rely upon an independent financial expert. This third party expert formulates its advice based on client needs and interests and does not favor Affiliated Funds over unaffiliated funds. APS has no ability to alter or modify the advice sourced from the third party financial expert.

Clients enrolled in the Program may be able to aggregate accounts enrolled in the Program that are 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 in Item 4 above. 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 Portfolio Manager fee in its sole discretion in connection with promotional campaigns, for clients making large deposits or for TIAA-CREF employees. Other than as noted, these program fees are not negotiable.

Recommendations provided through APS' advisory services may include recommendations of specific Affiliated Funds, including variable annuities, mutual funds and life insurance. TC Services and its affiliates provide certain services (including but not limited to advisory, distribution and administrative services) in connection with the Affiliated Funds. To the extent a client implements the recommendation and purchases an Affiliated Fund, TC Services, Nuveen Securities, LLC and their affiliates, as applicable, may receive compensation for these services. Refer to the prospectuses and statements of additional information for the applicable Affiliated Fund for a complete description of these fees and payments. Should a client invest in an Affiliated Fund, the fees charged in connection with the investment, such as a mutual fund's expense ratio, are in addition to any separate advisory fee APS may charge. Clients do not pay brokerage commissions when enrolled in Portfolio Manager. APS may be reimbursed by one or more affiliates, in whole or in part, for costs incurred in providing advice to clients.

APS only considers no-load or load waived mutual funds when evaluating funds for investment by a client. Many of the mutual funds and other securities recommended by APS also may be available through other financial services firms that are unaffiliated with APS.

Item 6 – Performance Based Fees and Side By Side Management

APS does not charge performance-based fees, which are fees based on a share of an account's capital gains or appreciation.

Item 7 – Types of Clients

APS primarily provides advice to individuals who have a pre-existing relationship with TIAA-CREF, often by participating within a TIAA administered employer sponsored retirement plan such as a 403(b). However, APS also provides advice to other individuals, such as family and friends of existing clients, individuals without a pre-existing relationship with TIAA-CREF, and

small organizations such as trusts, corporations, limited liability companies, partnerships, small retirement plans and similar entities. APS only provides advice to U.S. residents.

Portfolio Manager has certain account minimum amount requirements, but is closed to new investors.

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

APS adheres to long term investing principles to build a portfolio of diversified holdings appropriate for each client. APS administers a number of model portfolios that vary from very conservative to very aggressive allocations. These model portfolios contain both equity and fixed income securities.

APS bases its advice upon a combination of both quantitative and qualitative investment methodologies. This means that its advice is based on measurable metrics (e.g., historical return, risk and portfolio holdings analysis) and subjective factors (e.g., the quality of a company's senior management and industry trends). 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. Equities historically provide higher returns than other asset classes, but are at considerable risk to principal. Fixed income investments historically provide lower returns than equities and are sensitive to interest rate changes, but provide less risk to principal. These risks are described in the respective prospectus and statement of additional information for each security, which contains additional important information that investors should read carefully before investing.

Item 9 – Disciplinary Information

On November 24, 2009, TC Services entered into a settlement—known as a letter of acceptance, waiver and consent—with FINRA. FINRA is 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 the number of staff that handles customer complaints.

Item 10 – Other Financial Industry Activities and Affiliations

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, including Advisors, are employees of Parent. Certain officers and directors of TC Services may also serve in similar capacities with other affiliated investment advisers.

Item 11 – 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. APS representatives may purchase or sell for their personal account securities recommended to clients, subject to the limitations described in the Personal Trading Policy, described above.

TC Services and its affiliates receive compensation for services they provide to Affiliated Funds, including variable annuities, mutual funds and life insurance, including but not limited to advisory, distribution and administrative services. Refer to the prospectuses and statements of additional information of the applicable Affiliated Funds for a complete description of these fees and payments. Recommending Affiliated Funds could pose a conflict of interest as the TIAA-CREF family of companies may receive more revenue than when recommending unaffiliated products. To address this potential conflict, APS does not take these additional fees into account when evaluating securities to recommend to client and will only evaluate Affiliated Funds using different criteria than applied against unaffiliated products.

Item 12 – Brokerage Practices

APS places all brokerage trades for client advisory accounts through Pershing, the clearing firm for TC Services. APS does not charge clients a transaction based fee (e.g., a commission) for any

trades placed within Portfolio Manager. Not all advisors may require that a client place trades through a single broker-dealer. However, by placing all client trades through TC Services' clearing firm, Pershing, APS is able to avoid charging client a transaction-based fee in addition to an advisory fee. APS monitors the trade execution services of Pershing by regularly comparing a trade's execution price against similar market trades placed by unaffiliated broker-dealers. APS believes its relationship with Pershing and its oversight of Pershing's trade execution helps APS provide clients with favorable execution.

If client trades are eligible for aggregation, APS may aggregate client trades when trading for multiple clients in the same security on the same day. If aggregated, APS provides each client with an average execution price.

Pershing splits all 12b-1 fees that it receives from third party mutual funds with APS.

Item 13 – Review of Accounts

An Advisor contacts clients that are enrolled in Portfolio Manager annually by phone, in person, or in writing to review client's investment objectives, client's progress toward reaching those objectives, ensure that client's current allocation strategy remains appropriate, and discuss whether any rebalancing is necessary. Client may also request a review at any time if client believes their situation has changed materially. Portfolio Manager clients receive quarterly written reports detailing the performance of their account and transactions placed.

Item 14 - Client Referrals and Other Compensation

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. 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.

Item 15 – Custody

APS has custody of client assets in limited circumstances. In its role as introducing broker, the TCBS division of TC Services may receive physical securities and checks for deposit in Portfolio Manager and Portfolio Advisor client accounts maintained with its clearing broker, Pershing. With respect to checks, clients are directed to mail any checks for deposit into the client accounts directly to Pershing. In such instances, clients may make the checks payable to TCBS to assist in the proper identification of the account by Pershing. Clients enrolled in these programs will receive account statements directly from Pershing as the qualified custodian for their program account(s). Client should carefully review these statements. Client will receive quarterly performance reports from APS where enrolled in Portfolio Manager or Portfolio Advisor. Client should compare these performance statements against the separate quarterly account statements they receive from the account's qualified custodian.

Item 16 – Investment Discretion

In connection with Portfolio Manager, APS exercises discretion in determining the type and amount of securities to be bought and sold for client's account. As described in Item 4 above, client signs an advisory agreement that allows APS to have this discretion.

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.

Item 17 – Voting Client Securities

For assets enrolled in Portfolio Manager, the independent financial expert, Envestnet, votes all proxies for mutual funds held in the Portfolio Manager account, unless client requests otherwise, in which case Envestnet forwards any proxy materials received in connection with the account to client. Client cannot direct Envestnet to vote a particular way on a particular proxy; client must either (1) delegate all proxy voting to Envestnet or (2) vote all proxies, as more fully described, above.

Envestnet has adopted written policies and procedures designed to assist in voting proxies in accordance with the best interests of its clients. Client may obtain information about how Envestnet voted with respect to any client security by speaking with an Advisor. Client may also obtain a copy of Envestnet's proxy voting policies and procedures by speaking with an Advisor. APS does not undertake to act on client's behalf with regard to class action claims or notices and instead forwards all claims or notices directly to client. APS also forwards to client all voluntary corporate action notices.

Item 18 – 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 19 – Requirements for State-Registered Advisers

TC Services is a federally registered investment adviser.