



Advice & Planning Services

Portfolio Manager Program Disclosure Brochure

Form ADV Part 2A

730 Third Avenue
New York, NY 10017

212-490-9000
www.tiaa.org
November 9, 2018

This brochure (this “Disclosure Brochure”) provides information about the qualifications and business practices of Advice & Planning Services, a division of TIAA-CREF Individual & Institutional Services, LLC relating to the Portfolio Manager Wrap Fee Program (the “Program”). If you have any questions about the contents of this Disclosure Brochure, please contact us at 212-490-9000. The information in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration with the SEC as an investment adviser 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 the material changes made to the Portfolio Manager Program described in this Disclosure Brochure will be published in a separate document that will be distributed annually to clients who received the previous version of the Disclosure Brochure.

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Item 4 – Advisory Business

About Us

Advice & Planning Services (“APS”) provides discretionary mutual fund advisory services to you in return for a fee under the Portfolio Manager Program or “Program”. These services are described in greater detail in this Disclosure Brochure. The Program 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 you 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 Disclosure Brochure as “Advisors.”

TIAA is the marketing name under which Teachers Insurance and Annuity Association of America, and its subsidiaries, provide services. TIAA, 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 and Personal Portfolio programs. These services are described in greater detail in the Advice & Planning Services Portfolio Advisor Wrap Fee Program Disclosure Brochure and the TIAA Personal Portfolio 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 you 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, the Program invests your assets in a model portfolio composed of a target asset allocation and corresponding actively managed mutual funds, and thereafter manages your assets on a discretionary basis in line with your investment objectives, market conditions and reasonable restrictions.

Historically, the mutual funds in Program accounts have included affiliated TIAA investment products as well as unaffiliated investment products. TIAA investment products are sponsored, managed, advised or manufactured by TIAA affiliates, such as the TIAA family of mutual funds and the various registered funds of Nuveen Investments, Inc. (we call these affiliated products “Affiliated Funds” in this Disclosure Brochure). Effective October 1, 2018, the Program no

longer invests in Affiliated Funds and existing investments in Affiliated Funds were redeemed from client accounts.

APS retains an independent financial expert, Envestnet Asset Management (“Envestnet”), to serve as the source of the Program’s advice and to trade the Program accounts. The retention of Envestnet provides you 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. APS directs Envestnet to select actively managed mutual funds from the universe (“Universe”) of Funds that are available through the fund platform sponsored by the Program’s custodian Pershing, LLC (“Pershing” and the “Pershing Platform”), and that, do not include a surcharge on purchases and sales; provided, however, that APS may from time to time select from the surcharge list where APS deems it appropriate. APS has a conflict of interest in deciding to exclude Funds which impose additional trading expenses, such as surcharges, because doing so allows APS to minimize its costs, but typically limits the Universe to exclude some mutual funds with superior performance and/or other investment metrics. Envestnet selects from the Universe mutual funds that are unaffiliated with TIAA or its affiliates and that satisfy criteria established from time to time by Envestnet. Envestnet’s methodologies also consider information provided by you, including your goals, risk tolerance, investment constraints and investment time horizon.

You are responsible for the accuracy of all information provided in connection with the Program. The Program 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 your asset allocation and fund holdings on a periodic basis and makes changes to either, if appropriate. Market conditions may cause your Program account(s) to deviate over time from the model portfolio, and the Program rebalances your Program 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.

You may impose reasonable restrictions on the management of your Program 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 Program account to differ from that of the model portfolio, possibly producing lower overall results.

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

You must open a brokerage account with TC Services’ retail broker-dealer division, TIAA Brokerage Services in order to hold Program assets. Pershing, a subsidiary of The Bank of New York Mellon, acts as TIAA Brokerage Services’ clearing firm and holds your 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, FSB acts

as trustee for the IRA Assets and has legal custody of IRA Assets through this role. TIAA, 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 TIAA, FSB, including but not limited to maintaining physical custody of IRA assets and the sending of brokerage account communications to clients such as periodic Program account statements. You should compare the account statements received from Pershing with the quarterly reports received from APS. The Program uses TIAA Brokerage Services to effect all transactions because any transaction fees incurred through other broker-dealers are not included within the Program's advisory fee.

The Program generally uses institutional share classes of a mutual fund, unless ineligible for that share class, based on criteria set forth in the mutual fund's prospectus or an inquiry to the mutual fund complex. Institutional share classes typically do not charge Rule 12b-1 fees ("12b-1 fees") or other fees for distribution, administrative, sub-transfer agency, or shareholder services (referred to as "Service Fees"). In those cases where the Program invests in institutional share classes that do not charge Service Fees, those fees will be borne by you as a shareholder. In some cases, other share classes with more favorable expense structures are available without Service Fees. For the foregoing reasons, your Program account will not always be invested in the share class with the lowest available expense ratio. Additionally, you may not be eligible to purchase or retain 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, which may be a taxable event for clients not investing through an individual retirement account or other tax-advantaged account.

Where you transfer Fund shares into your Program account for any reason, TC Services or its affiliates will receive any 12b-1 fees and Service Fees associated with these Fund shares until they are sold. APS does not convert or exchange your holdings in these Funds to a more favorable share class. TC Services will also receive 12b-1 fees and Service Fees on certain money market mutual funds. If your Program account is terminated, as described below, TC Services and its affiliates will continue to receive any 12b-1 fees and Service Fees associated with Fund shares that remain in the account until such shares are sold.

If 12b-1 Fees or Service Fees are charged, TC Services currently keeps these fees. The receipt of 12b-1 fees and Service Fees by TC Services results in additional compensation to TIAA and is a conflict of interest. APS has an incentive to see that your Program account selects or retains share classes that pay TC Services additional compensation, including 12b-1 fees and Service Fees, when a lower cost share class is available. You should consider these fees when evaluating the amount and appropriateness of the fees we earn in connection with your Program account and the Program. Other service providers, such as Pershing, receive 12b-1 fees and Service Fees in connection with Funds held in Program accounts and APS does not reimburse these fees to Program clients. You should consider the 12b-1 fees and Service Fees when evaluating the amount and appropriateness of the fees we earn in connection with your Program account and the Program. Please consult the prospectus and statement of additional information for a particular fund for more information concerning these fees.

Cash balances held in your Program account that are pending investment as well as any strategic balances allocated to cash within your portfolio are invested in the sweep vehicle option offered by TIAA Brokerage Services and selected by you for the Program account. Sweep vehicle options may include money market mutual fund sweep options and bank sweep options. TIAA Brokerage Services 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 you do not select a sweep vehicle option for the Program 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 your Program account, cash balances in your Program account, up to a maximum deposit amount (currently, \$248,500) will be swept into deposit accounts with TIAA, FSB. TIAA, FSB is a federal savings bank and an affiliate of APS. See the Brokerage Sweep Terms and Conditions for more information. In the event a Program 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.

TIAA, 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. When you select a money market mutual fund as your sweep option, your cash balance is invested in a fund that typically deducts an advisory fee which is part of the fund’s expense ratio that you bear indirectly as a shareholder of that money market mutual fund. Use of the Affiliate Bank Sweep presents a conflict of interest for APS because TIAA, FSB earns compensation on deposits it accepts through the Affiliate Bank Sweep, as described above, and because TIAA, 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 you as the cash sweep for the Program account than it does where a money market mutual fund sweep is chosen. The interests of TIAA, FSB with respect to the setting of this rate may be different from clients – the higher the deposit amount and the lower the interest rate paid, the more TIAA, FSB earns. APS addresses this conflict by providing disclosure of this conflict in this Disclosure Brochure and by directing you to additional resources to compare alternative sweep options. 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. Some money market mutual fund sweep options available to you charge 12b-1 fees or Service Fees as part of their expense ratio, which TC Services or Pershing will receive to the extent permitted by law, resulting in two levels of fees. Expense ratios differ among sweep options. Please consult the prospectus or similar disclosure document for each sweep vehicle for more information concerning such fees, as well as the description of two levels of fees described below in this Item.

The Program requires a minimum investment of \$50,000 unless approved for a lesser amount. Should you fund the Program account by a transfer of existing eligible securities holdings, APS will sell those holdings upon their receipt in the Program account in good order. Subsequent deposits will be invested either into any asset classes underweighted in comparison to your 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.

You 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 TIAA Brokerage Services operations center in Charlotte, North Carolina. Once a deposit or withdrawal request is received in good order, you receive the next available net asset value, in accordance with the respective mutual funds’ prospectus terms and conditions. A

Program account can only hold mutual funds recommended by the Program. You should consider any tax implications associated with liquidating assets to fund a Program account.

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

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

<u>Program 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 fees and costs associated with providing you with a dedicated Advisor, managing the Program account, including the services of Envestnet and APS in developing the Program's advice, the custody of Program account assets, trade execution through TIAA Brokerage Services, client reporting and other administrative expenses.

Cash balances held in your Program 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. This results in "two levels of fees", the advisory fee payable to the Program for managing your Program account and the mutual fund fees payable to its service providers. These mutual fund fees are described in each fund's prospectus. You are subject to those fund fees and expenses in addition to the asset-based fee charged by the Program. The Program'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 TIAA Brokerage Services account, which are described in the TIAA Brokerage Services Customer Account Agreement provided at the time of account opening.

Fees are payable on a quarterly basis and are calculated based on your Program 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. The Program 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 Program account. For your 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 your initial investment. You may be eligible to aggregate other Program accounts beneficially held by you for certain family members to qualify for the fee breakpoints. You should ask an Advisor for more information about Program accounts eligible for aggregation. Fees for clients that invest over \$3,000,000 in the Program may be negotiated. APS may change the fee schedule by providing you with 30 days' written notice. You are deemed to have consented if you remain enrolled in the Program subsequent to the notice

period. APS may waive or discount the Program 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.

The grant of discretionary investment authority over the Program account is durable and will continue despite your subsequent disability, incapacity, incompetence or death. In the event of your 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 your estate terminating the Program.

APS may terminate your enrollment in the Program at any time effective upon mailing written notice to you. APS specifically reserves the right to terminate client's participation in the Program should your Program account 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 you. APS will terminate your participation in the Program should you change residency to a non-US address.

Upon termination from the Program, APS will cease managing your Program account collect any fees owing for management services provided through the date of termination. You are thereafter responsible for the management of their portfolio and must direct APS to transfer assets out of client's Program account within 30 days by providing such instructions to your Advisor. Once your directions to transfer assets are received, the transfer may take 30 days or more to occur. Should you fail to direct such transfer APS will, at its discretion, and within a reasonable timeframe, either transfer the assets to a separate, self-directed TIAA Brokerage Services 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 you. Such redemptions may result in a taxable event. Any liquidations resulting from your instruction to terminate and liquidate your Program account may not occur until the business day following receipt of the instruction. 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 the Program's Advisory Agreement and terms and conditions, you are subject to the terms and conditions of each respective mutual fund prospectus, including the underlying fees and expense ratios described therein. You are also subject to the terms and conditions of the underlying TIAA Brokerage Services Customer Account Agreement, which is provided at the time of account opening. You may be able to invest directly in any of the Program's eligible mutual funds without enrolling in the Program and incurring the asset-based fee, in which case you would not receive the advice available to Program 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 February 28, 2018, APS managed \$25,994,391,606 on a discretionary basis, and \$0 on a non-discretionary basis.

Item 5 – Fees and Compensation

APS provides the fee schedule for the Program in Item 4 of this Disclosure Brochure. The manner in which APS deducts advisory fees from your Program accounts is explained in Item 4 of this Disclosure Brochure.

As described in this Item 4 above, the Program generally uses institutional share classes of mutual funds whenever available from the Universe described above. Institutional share classes typically do not charge distribution 12b-1 fees or Service Fees. If the Program is not eligible to purchase institutional share classes of certain mutual funds, other share classes will be used. Non-institutional share classes may charge 12b-1 fees or Service Fees. TC Services currently keeps these fee payments from certain investments as compensation for distribution, administrative and shareholder services. Please consult the prospectus and statement of additional information or other disclosure document for the particular investment for more information concerning 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 your needs. The Program's services rely upon an independent financial expert, Envestnet. This third-party expert formulates its advice based on your needs and interests and does not select Affiliated 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 Program accounts 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. These Program accounts are deemed to be in the same "Household" and the aggregation process 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. Householding related Program accounts will result in the receipt of a single combined quarterly performance report per household. 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 its sole discretion in connection with promotional campaigns, for clients making large deposits or for TIAA employees. Other than as noted, these program fees are not negotiable.

Recommendations provided through APS' separate advisory services may include recommendations including variable annuities, mutual funds and life insurance. You do not pay brokerage commissions when enrolled in the Program.

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 a redemption fee and other customer fees and expenses related to investments in these products which are described in the relevant prospectus or similar disclosure documents. Consequently, this means that as a participant in the Program, you will bear two levels of fees and expenses. You will bear directly the Program Fee and also bear indirectly the mutual fund fees and expenses as a Fund shareholder. The fees and expenses of the Program, along with the fees and expenses that will be borne by each participant as an investor in the underlying mutual funds may be lower or higher than those imposed by other

investment programs offered by TIAA affiliates. You may be able to invest in the underlying mutual funds directly and avoid the Program Fee and other expenses of the Program.

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 a Program account's capital gains or appreciation to its Program clients or any other clients.

Item 7 – Types of Clients

APS primarily 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 also provides advice to other individuals without a pre-existing relationship with TIAA, 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.

The Program has certain Program account minimum amount requirements but is closed to new investors.

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

As described in Item 4 above, APS retains an independent financial expert, Envestnet, to serve as the source of the Program's advice. Envestnet applies its own methodologies, based upon generally accepted investment principles, to construct, monitor and update its advice. Envestnet selects actively managed mutual funds from the Universe described above, that meets Envestnet's eligibility requirements. Envestnet's methodologies also consider information provided by you, including goals, risk tolerance, investment constraints and time horizon.

The Program's advice is based on long term investing principles intended to build a portfolio of diversified holdings appropriate for each client. The Program offers a number of model portfolios that vary from very conservative to very aggressive allocations. These model portfolios contain both equity and fixed income securities. Although the advice in the Program is based upon strategies consistent with prudent long term investing and diversification principles, any investment is subject to a risk of loss that you 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 22, 2016, TC Services entered into a settlement, known as a letter of acceptance, waiver and consent ("AWC") with FINRA, a self-regulatory organization for broker-dealers. The settlement related to how it confirmed transactions it effected between 2004 and 2015 for employer retirement plans record-kept by TIAA. TC Services accepted and consented to the entry of findings (without admitting or denying the findings) that it failed to deliver confirmations for certain transactions and delayed delivery of confirmations due to technological issues and

ambiguities in a vendor contract, and did not denote the firm's capacity as agent on certain confirmations, resulting in violations of Securities Exchange Act Rule 10b-10, NASD Rule 2230 and FINRA Rule 2232 related to customer confirmations, and NASD Rule 2110 and FINRA Rule 2010 related to standards of commercial honor and principles of trade. TC Services further consented to a censure and fine of \$275,000. The activity subject to the settlement was not related to APS' investment advisory programs. In resolving the matter, FINRA recognized that TC Services: (1) timely self-reported the foregoing confirmation issues to FINRA; (2) prior to detection or intervention by a regulator, engaged outside counsel and an independent consultant to conduct an internal forensic investigation of the relevant issues; (3) promptly took corrective action and revised its policies and procedures regarding confirmation production and delivery; (4) hired additional staff dedicated to ensuring proper confirmation production and delivery; and (5) provided substantial assistance to FINRA by sharing the results of its internal investigation and voluntarily and promptly providing updates regarding additional confirmation delivery issues discovered during its internal investigation.

On November 24, 2009, TC Services entered into an AWC with FINRA. 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. TIAA 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 TIAA. 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 you. APS representatives may purchase or sell for their personal account securities recommended to you, subject to the limitations described in the Personal Trading Policy, described above.

Item 12 – Brokerage Practices

APS places all brokerage trades for your advisory accounts through Pershing, the clearing firm for TC Services. Not all investment advisers may require that you place trades through a single broker-dealer.

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.

Item 13 – Review of Accounts

An Advisor will contact you annually by phone, in person, or in writing to review your investment objectives, progress toward reaching those objectives, ensure that your current allocation strategy remains appropriate, and discuss whether any rebalancing is necessary. You may also request a review at any time if you believe your situation has changed materially. Program clients receive quarterly written reports detailing the performance of their Program 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 you in the Program and assisting you 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. The annual variable bonus is based on the financial performance of TIAA, 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, TIAA primarily considers quantitative metrics such as the Advisor's success 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, positive client experience and adherence to company policies and regulatory standards. This compensation approach is 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. For Advisors at senior levels, the percentage of compensation represented by the annual variable bonus can be significant, as compared to the salary portion of compensation.

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 recommend other accounts, services and products offered by TIAA to meet client investing and planning needs, which are offered separate and apart from the Program. The annual variable bonus also incentivizes Advisors to enroll and retain client assets in TIAA accounts, services and products.

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 offered by TIAA affiliates (referred to below generally as "solutions"). For compensation purposes, solutions are differentiated as follows:

- *Solutions for Complex Needs:*
 - The Portfolio Advisor and Private Asset Management managed account programs offered through TIAA affiliates,
 - Trust services offered through TIAA, FSB, and
 - Annuities and life insurance issued by TIAA Life Insurance Company (an affiliate) and any non-affiliated life insurance and annuity companies.
- *Solutions for Core Needs:*
 - Employer sponsored retirement plans available to participants through TIAA, and
 - The mutual fund and annuities offered by TIAA affiliates in the TIAA Investment Solutions IRA and TIAA IRA.
- *Other Solutions:*
 - Brokerage accounts offered through TC Services, and
 - Referring clients to TIAA FSB, for banking solutions, 529 accounts, TIAA Charitable for its Donor Advised Fund services, and to online managed account programs offered through TIAA affiliates such as the TIAA Personal Portfolio Program.

Advisors earn more credit towards the annual variable bonus, and thus more potential compensation, for enrolling clients in TIAA's the complex needs and core needs solutions referred to above, including the Program and other managed account programs, annuities and life insurance products, than they do for enrolling clients in or referring clients to other solutions (and some Advisors also receive more credit, and thus more compensation for retaining client assets in complex solutions, including the Program, than they do for core and other solutions). In addition, Advisors can earn compensation when clients annuitize holdings within an employer sponsored

retirement plan record kept by TIAA or within a TIAA IRA and when clients transfer funds into complex needs solutions from core needs solutions, as described above, and other solutions at TIAA or where clients convert complex assets into life insurance products. The compensation does not differ based on the underlying investments chosen within the solution. Advisors also are eligible to earn additional compensation when clients purchase life insurance offered through TIAA affiliates.

The compensation payable under the annual variable bonus creates a conflict of interest by incentivizing Advisors to recommend core and complex solutions. We address this conflict by disclosing it to you and by requiring that all transactions recommended by Advisors are reviewed to determine whether recommendations are appropriate under applicable regulatory standards 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 client facing personnel associated with TC Services, such as field consultants and phone center representatives, will refer clients with more complex investment needs to Advisors. Referrals that result in clients enrolling in products and services offered through TIAA are one factor that TIAA considers in determining the referring employee's annual variable bonus among other qualitative and quantitative factors. This creates a conflict of interest by incentivizing these individuals to refer clients to Advisors. We disclose and address this conflict by requiring any recommendation for enrollment in the Program to undergo a review process to determine whether recommendations are appropriate under applicable regulatory standards for clients' financial needs.

Other Payments:

In certain instances, mutual funds (through their investment managers or other affiliated companies) will 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 described in this Item 4 above, the Program generally uses institutional share classes of mutual funds whenever available. Institutional share classes typically do not charge distribution 12b-1 fees. If the Program is not eligible to purchase institutional share classes of certain mutual funds through the Universe described above, other share classes will be used. Non-institutional share classes may charge a 12b-1 fee. TC Services will keep this distribution fee payments from certain investments as compensation for distribution, administrative and shareholder services. Please consult the prospectus and statement of additional information for a particular mutual fund for more information concerning these fees.

As described in Item 4 above, APS retains an independent financial expert, Envestnet, to serve as the source of the Program's advice and to trade the Program accounts. APS compensates Envestnet for providing this service.

Item 15 – Custody

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

Item 16 – Investment Discretion

In connection with the Program, APS will have full discretion to make and implement investment decisions for your Program account. It will not provide prior notice to or seek your approval when determining the asset allocation for your Program account, when selecting securities to buy, sell or hold or when selecting the broker-dealers to effect transactions for your Program account. As described in Item 4 above, you sign an Advisory Agreement that allows APS to have this discretion.

You may impose reasonable restrictions upon the management of your 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 your portfolio. For example, you may send a written request for APS to refrain from investing in a particular mutual fund or to replace a particular mutual fund held in your portfolio. APS will not accept any restrictions that are inconsistent with the Program's stated investment strategy or philosophy or that are inconsistent with then nature or operation of the Program. Requests for restrictions on the underlying securities held in the mutual funds will not be considered reasonable and will not be accepted. Any restrictions requested by you are subject to acceptance by APS at its discretion and may cause the performance of your portfolio to differ from that of the recommended model portfolio, possibly producing lower overall results.

Item 17 – Voting Client Securities

For assets enrolled in the Program, the independent financial expert, Envestnet, votes all proxies for mutual funds held in the Program account, unless you request otherwise, in which case Envestnet forwards any proxy materials received in connection with the Program account to you. You cannot direct Envestnet to vote a particular way on a particular proxy; you 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. You may obtain information about how Envestnet voted with respect to any security by speaking with an Advisor. You 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 your behalf with regard to class action claims or notices and instead forwards all claims or notices directly to you. APS also forwards to you 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 you, 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.

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

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 31, 2017. This document describes only the material changes.

You can obtain a full copy of the updated Disclosure Brochure free of charge by calling (800) 927-3059. TIAA-CREF Individual & Institutional Services, LLC, as a registered investment adviser with the Securities and Exchange Commission, is required to deliver this document to you. All capitalized terms used (but not defined) below have the same meaning as stated in the Disclosure Brochure.

As of March 30, 2018

Item 4 (Advisory Business)

- *12b-1 Fees:* Item 4 was updated to clarify that your Program account will not invest in the share class with the lowest available expense ratio if that share class is not available to the Program on the Pershing Platform and that some Funds in Program accounts do pay distribution (Rule 12b-1) fees to TC Services. Item 4 also explains the circumstances in which TC Services retains those fees and the resulting conflict of interest, and highlights your consideration of this additional Fund-related compensation when evaluating the amount and appropriateness of the fees earned in connection with your account and the Program.
- *Use of Affiliated Funds.* This Item was also updated to clarify that on and after May 1, 2018, Envestnet, which has been engaged to develop the advice and trade for Portfolio Manager, will no longer select Affiliated Funds for inclusion in the Program’s model portfolios. The Program intends to remove Affiliated Funds from all Program accounts, by redeeming existing holdings of Affiliated Funds, which may be a taxable event for clients not investing through IRAs or other tax advantaged account.
- *Termination.* The item was also updated to clarify that APS could terminate a client’s participation in the Program should the client’s Program account balance fall below the minimum of \$50,000 due to client initiated withdrawals and APS will terminate client’s participation should client change residence to a non-U.S. address.
- *Assets Under Management:* Item 4 was updated to reflect that as of February 28, 2018, APS managed \$25,994,391,606 on a discretionary basis, and \$0 on a non-discretionary basis.

Item 5 (Fees and Compensation)

- *Fee Layering and Program Fees.* Item 5 was revised to explain the multiple layers of fees and expenses incurred when participating in the Program (*e.g.*, the advisory fee payable to the Program for managing your Program account and the mutual fund fees payable to its service providers). The Item reminds clients that the Program Fee does not include any fees, costs and expenses inherent in the underlying securities, which are described in the relevant prospectus or similar disclosure documents, and that TC Services and certain other TIAA affiliates receive compensation for services they provide to Affiliated Funds which does not offset or reimburse any fees and expenses you owe to the Program.

Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss)

- Item 8 was updated to remind clients that APS has retained Envestnet Asset Management to serve as the source of the Program's advice and explain the methodologies used by the Program to provide its advice.

Item 14 (Client Referrals and Other Compensation)

- *Compensation of Advisors and Other TC Services Personnel.* Item 14 was revised to clarify that the annual variable bonus paid to Advisors and other TC Services personnel creates a conflict of interest by incentivizing Advisors to recommend the Program for reasons other than your particular investment needs. It explains that Advisors at senior levels can receive a significant percentage of compensation from their annual variable bonus and that gathering assets in managed accounts results in higher compensation than gathering other kinds of assets.