



**Advice & Planning Services**

**Portfolio Advisor Wrap Fee Program Disclosure Brochure**

**Form ADV Part 2A**

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July 7, 2017

This wrap fee program brochure provides information about the qualifications and business practices of Advice & Planning Services, a division of TIAA-CREF Individual & Institutional Services, LLC relating to the Portfolio Advisor Wrap Fee Program. 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 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](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

As of July 7, 2017

This document contains a summary of the material changes made to the Advice & Planning Services' ("APS") Portfolio Advisor Wrap Fee Disclosure Brochure (the "Disclosure Brochure") since its last annual update on March 30, 2016. This document discusses only the material changes. You can obtain a full copy of the updated Disclosure Brochure free of charge by calling (800) 927-3059. All capitalized terms used (but not defined) below have the same meaning as stated in the Disclosure Brochure.

### Item 4 (Services, Fees and Compensation):

- *Holistic Asset Allocation Considerations.* Item 4 was updated to reflect that in the near future, APS anticipates offering an optional Completion Portfolio service through the Program, which employs a risk balancing strategy. Where a client enrolls in this optional service, APS will assign an appropriate risk tolerance level for a client's Program account based on the risk exposure of client's designated employer sponsored retirement plan account(s) at TIAA ("Employer Plan Account(s)") in an effort to maintain an asset allocation that is informed by the target asset allocation client establishes for client's Employer Plan Account(s). The Program will then monitor and adjust a client's Program account to conform to the risk level that it assigns to client's Program account.

With respect to any of the methods used to balance risk exposure, neither APS nor the Program will monitor your other TIAA accounts nor will either adjust your Program account's asset allocation in response to changes to the risk exposure or composition of your Employer Plan Account(s). The Program is only responsible for your Program account. You are responsible for contacting your Advisor whenever any changes occur in your Employer Plan Account(s) in order to adjust the risk tolerance level associated with your Program account.

- *Investment Restrictions.* Item 4 was updated to reflect that APS will not accept any restrictions that are inconsistent with the Program's stated investment strategy or philosophy or that are inconsistent with the nature or operation of the Program.
- *Legacy Assets and Tax Considerations.* Item 4 was updated to reflect that where available, APS will conduct a share class conversion to move any Eligible Legacy Asset that are mutual funds to the institutional share class of the mutual fund where such share class offers a lower expense ratio than was previously held by you. Institutional share classes typically have a higher minimum initial investment and lower expense ratio as compared to other share classes. You may not be eligible to purchase the same share classes in which the Program invests in accounts you hold outside of the Program. It may be necessary to exchange or sell these shares upon termination from the Program.
- *Funding.* Item 4 was updated to reflect that you may fund your Program account using cash or securities. The securities used to fund your account must be liquid and able to be sold from the account by us. If you do not, within 30 days of opening your Program account, fund the account with assets that meet the Program's minimum required amount of \$50,000 (or \$25,000 for TIAA employees), APS will, at its discretion, and within a reasonable timeframe, terminate the Program account. Additionally, if you fund your account with bonds you must promptly provide written

consent for APS to sell those bonds. If such consent is not provided within 30 days and the assets in your account are under the Program's minimum required amount of \$50,000 (or \$25,000 for TIAA employees), APS will, at its discretion, and within a reasonable timeframe, terminate the Program account. APS will not manage any underfunded Program accounts.

Upon termination you must transfer all assets from the Program account within 30 days. If you should fail to do so, you direct APS to transfer the securities to a separate, self-directed brokerage account with TC Services' retail broker-dealer division, TIAA Brokerage Services ("TBS") that is registered identically to the Program account and subject to the standard brokerage account transaction fee schedule.

Item 4 was also updated to reflect that your portfolio will be rebalanced to align it with the model portfolio provided your Program account meets the minimum balance requirements.

- *Discretionary Authority.* Item 4 was updated to reflect that your grant of discretionary authority to APS also extends to the selection of a tax lot relief method (also called a cost accounting method) for your Program account in calculating the gain or loss on the sale of a security in your Program account. A tax lot relief method is a way of computing the realized gain or loss for an asset sold in a taxable transaction. It determines the lot of a security that is sold, as well as its associated cost basis, and the holding period used in computing the gain or loss on that sale. Although TIAA's default tax lot relief method, as specified in the Brokerage Account Customer Agreement ("Brokerage Agreement"), is First In, First Out ("FIFO"), under this Program, APS will select the cost basis accounting method which it deems appropriate to use in its sole discretion with respect to any transaction in your Program account. By enrolling in the Program you are granting APS the authority to use any such method as it may select in its discretion, or any such method it may implement by default, for any transaction in your Program account. TIAA and its affiliates shall have no liability for any damages you may incur as a result of (i) TIAA providing the required 1099-B Annual Information Report to the IRS, (ii) TIAA's selection of, or change in, the method it uses to calculate your cost basis, or (iii) any differences in the cost basis reported by TIAA to the IRS and your actual adjusted cost basis in the relevant security in your Program account.
- *Program Fees.* Item 4 was updated to reflect the following revised fee construct:

APS charges an asset-based fee for participation in the Program ("Program Fee") according to the fee schedules listed below.

**Schedule A – Grandfathered Fixed Income Schedule (for Existing Clients):**

This fee schedule applies to Program accounts that meet all of the following conditions: (i) were opened prior to July 3, 2017, (ii) are managed under a model portfolio that includes 80% or more of fixed income and strategically allocated cash securities prior to July 3, 2017, and (iii) are subject to this Schedule A on July 2, 2017.

This fee schedule also applies to Program accounts opened following an Investment Strategy Proposal that is generated prior to July 3, 2017, which shows this Schedule A as the proposed fee schedule.

Schedule A – Grandfathered Fixed Income Schedule	
<u>Aggregate Account Value</u>	<u>%</u>
\$50,000 - \$150,000	0.90%
\$150,001 - \$300,000	0.75%
\$300,001 - \$750,000	0.60%
Over \$750,001	0.55%

*Note: This tiered fee schedule is used to calculate your fee based on the aggregate value of your account.*

**Schedule B – Grandfathered Equity Tiered Schedule (for Existing Clients):**

This fee schedule applies to Program accounts that meet all of the following conditions: (i) were opened prior to July 3, 2017, (ii) are managed under a model portfolio consisting of less than 80% fixed income and strategically allocated cash securities prior to July 3, 2017, and (iii) are subject to this schedule B on July 2, 2017.

This fee schedule also applies to Program accounts opened following an Investment Strategy Proposal that is generated prior to July 3, 2017, which shows this Schedule B as the proposed fee schedule.

This fee schedule will also apply to Program accounts that meet all of the following conditions: (i) are opened on or after July 3, 2017, and (ii) are held directly by a pre-existing Program account holder or for the benefit of a spouse, parent, child or anyone else residing at the same address as a pre-existing Program account holder, subject to the householding rules described in the Disclosure Brochure.

Note that after July 3, 2017, the Program will no longer permit movement between Schedules A and B based on any changes in clients responses to the Program questionnaire.

Schedule B – Grandfathered Equity Tiered Schedule	
<u>Aggregate Account Value</u>	<u>%</u>
\$50,000 - \$150,000	1.15%
\$150,001 - \$300,000	1.00%
\$300,001 - \$750,000	0.85%
Over \$750,001	0.75%

*Note: This tiered fee schedule is used to calculate your fee based on the aggregate value of your account.*

**Schedule C – Portfolio Advisor Blended Fee Schedule (for New Clients):**

This fee schedule will apply to new Program accounts that meet all of the following conditions: (i) are opened on or after July 3, 2017, and (ii) are not held directly by a pre-existing Program account holder or for the benefit of a spouse, parent, child or anyone else residing at the same address as a pre-existing Program account holder, subject to the householding rules described in the Disclosure Brochure.

Schedule C – Portfolio Advisor Blended Fee Schedule	
<u>Value Bracket</u>	<u>%</u>
First \$150,000	1.15%
Next \$150,001 - \$300,000	1.00%

Next \$300,001 - \$750,000	0.85%
Next \$750,001 - \$1,000,000	0.75%
Next \$1,000,001 - \$1,500,000	0.70%
Next \$1,500,001 - \$3,000,000	0.65%
Next \$3,000,001 - \$4,000,000	0.60%
Next \$4,000,001 - \$5,000,000	0.50%
Over \$5,000,000	0.40%

*Note: This blended fee schedule is used to calculate your fee by weighting your aggregate account value in accordance with the value brackets and weights shown.*

Item 4 was also updated to clarify that you will pay the Fund fees and expenses as a Fund shareholder, except where expressly qualified in connection with your IRAs enrolled in the Program.

Item 4 was also updated to clarify that from time to time, APS will place mutual fund trades in Program accounts that result in redemption fees. In many cases, these fees are waived by the affiliates of the mutual fund company and therefore are not paid by you. Where these fees are not waived, APS may seek reimbursement from affiliates of the mutual fund company and will credit your Program account in the amount of such reimbursement to the extent it is obtained.

- *Compensation of Advisors and other TC Services Personnel.* Item 4 was reformatted and updated to reflect that advisors can receive compensation for referring clients to the new TIAA Personal Portfolio Program.
- *Other Managed Account Programs.* Item 4 and Item 6 were updated to reflect that APS and its affiliates offer other managed account programs, such as the TIAA Personal Portfolio program, which may have different or more advantageous fee structures and offering of services than the Program and may have access to different Funds, asset classes or share classes of Funds than those available through the Program. These differences are based on the level of services offered by each program and the amount of assets under management. You can consult an Advisor for more information about the other managed account programs if desired.

#### **Item 6 (Portfolio Manager Section and Evaluation):**

- *Tax Management for Taxable Accounts Investing Preference.* Item 6 was updated to reflect that in addition to the current tax management available, which constructs your portfolio with tax sensitive municipal securities, APS anticipates implementing a Tax Loss Harvesting strategy in the near future, which will be incorporated within the Tax Management preference and applied to Program accounts that have selected the Tax Management preference. This strategy will attempt to harvest unrealized losses in your account. The Tax Loss Harvesting strategy is not yet available as of the date of the brochure.
- *Tax Loss Harvesting.* Item 6 was updated to reflect that for taxable accounts that elect the Tax Management preference, the Program will, in the future, seek to harvest the tax losses in your Program account to the extent consistent with the Program's investment strategy.

Tax loss harvesting occurs when APS strategically sells a security in your Program account with

unrealized losses. When APS sells this security, you may realize a loss which may enable you to offset taxes on both capital gains and a limited amount of ordinary income. The Program is designed to select “similar” (but not “substantially identical”) investments to replace the strategically sold existing investments based on historical returns, correlations, and portfolio construction methodology. The Program harvests tax losses with respect to securities it has recommended and not necessarily based on positions in your Program account. For example, APS will not take into consideration any Eligible Legacy Assets held in your Program account when determining whether to sell securities. It will review the positions in your Program account for tax losses at least twice per calendar year. APS may change these dates from time to time without notice to you. APS’ goal is not to maximize overall losses either in your Program account or across all of your accounts (at TIAA or elsewhere), as APS will not necessarily sell all securities with unrealized losses in a particular Program account, and will also not necessarily sell securities with the greatest aggregate losses in a particular Program account. APS will only sell those securities with unrealized losses that it determines are appropriate to be sold at the time, taking into consideration such factors as the availability of a replacement security. APS makes no warranty or guarantee that these similar investments will perform similarly to the replaced investments, nor does it make any warranty or guarantee that the sale of the existing investment and the purchase of a replacement investment will be effective in reducing your tax obligations in the present or in the future. You are required to notify APS, in writing, if you are prohibited from investing in any individual investments. Such prohibitions may alter the “similar” investments selected as part of the Program, and may alter the effectiveness of the Tax Loss Harvesting strategy.

If you and/or your spouse have other taxable or non-taxable accounts, and you hold in those accounts any of the securities held in your Program account, you should not buy any security sold at a loss 30 days before or after the Program sells those same securities as part of the Tax Loss Harvesting strategy to avoid the possible application of the “wash sale” rules. You are responsible for monitoring your (and your spouse’s) accounts both inside and outside of the Program to ensure that transactions in the same security or a substantially similar security as one traded from your Program account do not create a wash sale. A wash sale is the sale at a loss and purchase of the same security or substantially similar security within 30 days of each other. If a wash sale transaction occurs, the IRS may disallow or defer the claimed loss for tax reporting purposes. More specifically, the wash sale period for any sale at a loss consists of 61 calendar days: the day of the sale, the 30 days before the sale, and the 30 days after the sale. The wash sale rule has the effect of disallowing or postponing losses on a sale, if a replacement security is bought within these time periods. If you have multiple accounts in the Program under one Household, APS will not monitor your Household’s accounts, nor will it monitor any accounts for members of your Household maintained outside the Program, to ensure that transactions in the same security or a substantially similar security do not create a wash sale. For more information on the wash sale rule, please read IRS Publication 550.

Whether the Program, including tax management, is effective in reducing your overall tax liability will depend on your entire tax and investment profile, including purchases and dispositions in your (or your spouse’s) accounts outside of the Program, the nature of your investments (e.g., taxable or nontaxable) and their respective holding period (e.g., short-term or long-term). APS will monitor only your Program account to determine if there are unrealized losses for purposes of determining whether to harvest losses. Transactions in any account other than your Program account (such as your spouse’s accounts held at TC Services), any accounts outside of TC Services, or even additional Program accounts may affect whether a loss is successfully harvested. Moreover, in determining whether and how to harvest tax losses, APS will rely on

various assumptions about the tax posture of a typical investor, which assumptions may or may not correspond with an individual investor's actual circumstances.

*Client Directed Tax Management.* In addition to the Tax Management preference, for taxable accounts APS will also accept your instructions to harvest a specific amount of tax losses or gains, subject to such limitations and procedures as APS may establish from time to time. Instructions to harvest tax losses must be provided in writing in the manner prescribed by APS. APS will only sell up to ten percent of your portfolio in an effort to harvest taxes at your request. APS will reasonably attempt to fulfill your instructions, but may determine that a request is not feasible for a variety of reasons, including but not limited to the size of the request. APS will follow its internal procedures to determine which securities to sell in harvesting losses or gains. Unlike the Tax Management preference in which substituted securities are used, any proceeds from tax loss sales made at your direction will be held in cash and will not be reinvested in substitute securities, which may reduce the performance of your account. Please contact your Advisor for more information about the limitations and procedures that apply.

APS does not employ tax professionals and has not and will not provide tax advice to you. No employee of APS is qualified or permitted to provide tax advice. **You should consult a tax professional for specific tax advice and specifically regarding the tax consequences of investing with the Program and engaging in the Tax Loss Harvesting strategy based on your particular circumstances.** No feature of, interaction with, description of, or action taken in accordance with the Program, including the tax management preference, represents a tax strategy in the context of your individual tax situation and should not replace or supplement the advice of your personal tax advisor. APS is not responsible for ensuring that you accurately report the trading activity in your Program account to the IRS or any other relevant taxing authority. APS is not responsible to you for the tax consequences of any transaction in a Program account, makes no warranties or guarantees that the tax consequences described herein or in the materials provided to you by APS in respect of your Program account will be achieved by the Program, and makes no warranty or guarantee that the IRS or other relevant taxing authorities will not challenge the tax consequences of its trades, nor that any such challenge will not be successful. If the IRS is successful in its claim that one or more transactions executed pursuant to the Program were wash sale transactions, any loss recognized on such transactions may be deferred or disallowed, and you may be subject to the imposition of interest and penalties on such transactions.

- *Exchange Traded Funds.* Item 6 was updated to reflect that an exchange traded fund ("ETF") is a type of investment company that is traded on an exchange and invests primarily in a basket of securities including in a particular market index. ETFs typically seek to provide investment results that, before fees and expenses, generally correspond to the price and yield performance of the underlying benchmark index. Investing in an ETF exposes you to risks of the ETF's holdings in direct proportion to the allocation of assets that comprise the ETF. However, ETFs may not fully replicate the construction of their benchmark index, resulting in performance that differs from expectations. In addition, ETFs trade at a discount or premium to their underlying net asset value ("NAV"). As a result, investors purchasing an ETF at a premium may underperform the ETF NAV, while the redemption of shares may result in the ETF trading at a discount to NAV. You will also indirectly bear the fees and expenses charged by an ETF in addition to the Program Fee.

#### **Item 9 (Additional Information):**

- *Disciplinary Information and Information about Other Financial Industry Activities and Affiliations.* Item 9 was updated to reflect that 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.

**Biographies of TIAA, FSB Investment Management Personnel:**

- The Biographies were updated to reflect that Dennis Johnson is now the Managing Director of Portfolio Management & Investment Strategy and Chief Investment Officer for the Investment Management Group at TIAA, FSB, taking on the role of Gregory Ellston that was formerly held by Dennis McDonald.



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## Item 4 – Services, Fees and Compensation

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

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

### The Portfolio Advisor Program

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

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

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

APS generally uses institutional share classes of Funds whenever available to APS. Institutional share classes typically have a higher minimum initial investment and lower expense ratio as compared to other share classes. In some instances, APS may not be eligible to purchase institutional share classes of certain Funds through the mutual fund platform sponsored by its third party custodian, Pershing LLC. In such cases, other share classes, such as load waived A shares, which typically have higher expense ratios than institutional share classes, may be used. Additionally, you may not be eligible to purchase the same share classes in which the Program invests outside of the Program. It may be necessary to exchange or sell these shares upon termination from the Program as described in Item 5 below.

APS believes that Funds are appropriate investment products for the Program for reasons of diversification and expense. APS may also in the future expand the types of securities included in the

Program beyond Funds. The Program will provide you with 30 day advance written notice of any such expansion and allow you to reply or terminate within that 30 day timeframe if you do not wish to have the additional types of securities purchased in your portfolio. Where you do not respond within the time provided, APS may incorporate the new security type within your portfolio. APS also may incorporate new portfolio strategies. APS reserves the right to charge fees for such strategies that differ from the Program Fees set forth below. APS will not incorporate such new strategies into your portfolio without your prior agreement.

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

**Rebalancing.** APS will monitor the model portfolio used in connection with your Program account daily. When market conditions or deposits and withdrawals to your Program account cause your assets to deviate over time from the model portfolio used to manage your Program account, and such deviations become materially significant (as determined by APS), then your Program account will be rebalanced to align it with the model portfolio provided your Program account meets the minimum balance requirements as described in the "Funding" section below.

**Financial Planning.** Prior to enrolling in the Program, you may receive non-discretionary financial planning services with an emphasis on retirement planning needs as described in the Investment Advisory Planning Services Disclosure Brochure. These services are not part of the Program services but may help inform your holistic financial planning strategy, including investing needs and risk capacity.

**Program Enrollment and the Role of Advisors.** To enroll in the Program, an Advisor will meet with you in person or by phone to discuss your needs and collect and assess pertinent information. As part of the enrollment, you must complete a Program questionnaire that identifies your risk tolerance level, time horizon and other information about your investment needs. APS relies on the information that you provide in the Program questionnaire in selecting the appropriate portfolio for your Program account and will continue to rely on this information in managing your Program account. You are responsible for the accuracy of all information provided to APS in connection with the Program and for apprising APS of any changes to the information.

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

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

**Holistic Asset Allocation Considerations.**

If you seek to balance your risk exposure across different accounts by assigning more aggressive risk tolerance levels to certain accounts and more conservative risk tolerance levels to other accounts in furtherance of a holistic asset allocation informed by your overall risk tolerance, you are solely

responsible for monitoring and adjusting any such risk balancing strategy and the associated asset allocation.

In the near future, APS anticipates offering an optional Completion Portfolio service through the Program, which employs a risk balancing strategy. Where a client enrolls in this optional service, APS will assign an appropriate risk tolerance level for a client's Program account based on the risk exposure of client's designated employer sponsored retirement plan account(s) at TIAA ("Employer Plan Account(s)") in an effort to maintain an asset allocation that is informed by the target asset allocation client establishes for client's Employer Plan Account(s). The Program will then monitor and adjust a client's Program account to conform to the risk level that it assigns to client's Program account.

With respect to any of the above methods used to balance risk exposure, neither APS nor the Program will monitor your other TIAA accounts nor will either adjust your Program account's asset allocation in response to changes to the risk exposure or composition of your Employer Plan Account(s). The Program is only responsible for your Program account. You are responsible for contacting your Advisor whenever any changes occur in your Employer Plan Account(s) in order to adjust the risk tolerance level associated with your Program account. While a more aggressive risk target may help increase long-term investment returns, it also can create more volatility (i.e. the risk of greater and sometimes dramatic fluctuations and declines in portfolio value). Conversely, a more conservative risk target may help minimize the risk of substantial short-term declines in portfolio value, but may result in lower long-term returns. In addition, your ability to reach and maintain an asset allocation across your accounts which is consistent with your holistic risk tolerance level could be impacted by changes in account values, varying time horizon assigned by you to different accounts, changes in the risk exposure or composition of assets held in your accounts or as a result of market fluctuations.

**Investment Restrictions.** You may impose reasonable restrictions upon the management of your Program account 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 Fund or to replace a particular 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 the nature or operation of the Program. Requests for restrictions on the underlying securities held in the 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.

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

When deciding whether to include legacy assets within the Program, you should consult with a tax advisor and consider the possibility that the sale of legacy assets could trigger a taxable event. Neither

APS nor Advisors provide tax or legal advice. You should also consider the possibility that legacy assets could be sold at any time without notice and without regard to tax consequences. The Program will attempt to incorporate Eligible Legacy Assets into your portfolio but may not always be able to do so. The inclusion of Eligible Legacy Assets may cause the performance of your Program account to differ materially from that of the recommended model portfolio, possibly producing lower overall results, and also may impact APS' ability to rebalance your portfolio to align with the recommended model portfolio.

Where available, APS will conduct a share class conversion to move any Eligible Legacy Asset that are mutual funds to the institutional share class of the mutual fund where such share class offers a lower expense ratio than was previously held by you. Institutional share classes typically have a higher minimum initial investment and lower expense ratio as compared to other share classes. You may not be eligible to purchase the same share classes in which the Program invests in accounts you hold outside of the Program. It may be necessary to exchange or sell these shares upon termination from the Program as described in Item 5 below.

While you may transfer legacy assets into your Program account, certain legacy assets may not meet the criteria established by APS for Eligible Legacy Assets (and thereby be "Ineligible Legacy Assets"). APS reserves the right to (i) decline to accept Ineligible Legacy Assets, (ii) require you to wait a specific period of time before depositing any Ineligible Legacy Assets into your account, (iii) sell such Ineligible Legacy Assets upon its receipt in the account in good order, and/or (iv) return such Ineligible Legacy Assets to you at any time. Market factors and the nature of the Ineligible Legacy Assets may impact the timing of the sale of the assets. Ineligible Legacy Assets will be sold without regard to the tax consequences to you. You should discuss the eligibility of any assets you intend to transfer into a Program account with an Advisor. You understand and agree that if you fund your Program account in whole or in part through the transfer of Ineligible Legacy Assets or make any subsequent deposit of Ineligible Legacy Assets into your account, you may incur taxes or contingent deferred sales charges when such assets are sold. You should consult with your tax advisor in this regard. Additionally, factors such as limited liquidity and limited pricing transparency and quotations may impact the price obtained when the assets are sold. Moreover, any restricted securities may be returned to you at any time. Management of your Program account may not begin until the Ineligible Legacy Assets funding the account have been sold, removed and/or returned to you.

**Funding.** You may fund your Program account using cash or securities. The securities used to fund your account must be liquid and able to be sold from the account by us. If you do not, within 30 days of opening your Program account, fund the account with assets that meet the Program's minimum required amount of \$50,000 (or \$25,000 for TIAA employees), APS will, at its discretion, and within a reasonable timeframe, terminate the Program account. Additionally, if you fund your account with bonds you must promptly provide written consent for APS to sell those bonds. If such consent is not provided within 30 days and the assets in your account are under the Program's minimum required amount of \$50,000 (or \$25,000 for TIAA employees), APS will, at its discretion, and within a reasonable timeframe, terminate the Program account. APS will not manage any underfunded Program accounts.

Upon termination you must transfer all assets from the Program account within 30 days. If you should fail to do so, you direct APS to transfer the securities to a separate, self-directed brokerage account with TC Services' retail broker-dealer division, TIAA Brokerage Services ("TBS"), that is registered identically to the Program account and subject to the standard brokerage account transaction fee schedule.

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

**Discretionary Authority.** You will enter into an advisory agreement with APS (the “Advisory Agreement”) and grant APS discretionary investment authority to manage your Program account. Your grant of discretionary authority means that the Program will purchase and sell securities for your portfolio without providing prior notice to or seeking approval from you. Your grant of discretionary authority does not authorize APS to withdraw or transfer funds, except as necessary to collect the Program’s advisory fee. You are prohibited from placing trades in your Program account during the time the account is enrolled in the Program.

Your grant of discretionary investment authority 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 in this Item 4 below, until APS receives written notice from an executor or other representative of your estate terminating enrollment in the Program.

Your grant of discretionary authority to APS also extends to the selection of a tax lot relief method (also called a cost accounting method) for your Program account in calculating the gain or loss on the sale of a security in your Program account. A tax lot relief method is a way of computing the realized gain or loss for an asset sold in a taxable transaction. It determines the lot of a security that is sold, as well as its associated cost basis, and the holding period used in computing the gain or loss on that sale. Although TIAA’s default tax lot relief method, as specified in the Brokerage Account Customer Agreement (“Brokerage Agreement”), is First In, First Out (“FIFO”), under this Program, APS will select the cost basis accounting method which it deems appropriate to use in its sole discretion with respect to any transaction in your Program account. By enrolling in the Program you are granting APS the authority to use any such method as it may select in its discretion, or any such method it may implement by default, for any transaction in your Program account. TIAA and its affiliates shall have no liability for any damages you may incur as a result of (i) TIAA providing the required 1099-B Annual Information Report to the IRS, (ii) TIAA’s selection of, or change in, the method it uses to calculate your cost basis, or (iii) any differences in the cost basis reported by TIAA to the IRS and your actual adjusted cost basis in the relevant security in your Program account.

**Program Agreements.** In addition to the Advisory Agreement that you enter into with APS, the Program also requires that you open a brokerage account with TBS by completing the Program’s application (the “Application”) and entering into a Brokerage Agreement with TBS. Pershing LLC, a subsidiary of BNY Mellon that is unaffiliated with APS (“Pershing”), acts as TBS’ clearing firm and holds your Program account assets in its custody in brokerage accounts on its platform. With respect to individual retirement account assets (“IRA Assets”), other than SIMPLE IRA assets, TIAA, FSB acts as trustee for the IRA Assets and is deemed to have constructive 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 sending of brokerage account communications to you, such as periodic account statements. You should compare the account statements received from Pershing with the quarterly reports received from APS. The Program uses TBS to effect all transactions because any transaction fees incurred through other broker-dealers are not included within the Program's advisory fee.

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

**Bank Sweep.** 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 bank sweep vehicle option selected by you on the Application. Sweep vehicle options may include money market mutual fund sweep options and bank sweep options. TBS 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 account, a default sweep vehicle is used, as identified on the Application. For most account types, the default sweep vehicle is a bank sweep.

Where the TIAA Bank Brokerage Sweep product ("Affiliate Bank Sweep") is an available bank sweep option and used for a client account, cash balances in 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 Affiliate Bank Sweep terms and conditions for more information. In the event an account using the Affiliate Bank Sweep holds a cash balance in excess of the maximum deposit amounts, a separate overflow bank sweep product – the Liquid Insured Deposits product ("LIDs") – will be used for such excess amounts. Through LIDs, a variety of participating banks unaffiliated with TIAA may receive deposits. See the LIDs terms and conditions for more information.

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. Use of the Affiliate Bank Sweep presents a conflict for APS because TIAA, FSB earns compensation on deposits it accepts through the Affiliate Bank Sweep, as described above, and 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 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 than yours – the higher the deposit amount and the lower the interest rate paid, the more TIAA, FSB earns. APS mitigates this conflict through disclosure in this brochure. Current rates for money market mutual fund sweep options and the bank sweep options can be accessed at [www.tiaa.org/BrokerageForms](http://www.tiaa.org/BrokerageForms) or by calling (800) 927-3059. TC Services may also receive 12b-1 and similar service fee payments from sweep vehicles. Please consult the prospectus or similar disclosure document for each sweep vehicle for more information concerning such fees.

**Program Fees.** APS charges an asset-based fee for participation in the Program ("Program Fee") according to the fee schedules listed below.

#### **Schedule A – Grandfathered Fixed Income Schedule (for Existing Clients):**

This fee schedule applies to Program accounts that meet all of the following conditions: (i) were opened



prior to July 3, 2017, (ii) are managed under a model portfolio that includes 80% or more of fixed income and strategically allocated cash securities prior to July 3, 2017, and (iii) are subject to this Schedule A on July 2, 2017.

This fee schedule also applies to Program accounts opened following an Investment Strategy Proposal that is generated prior to July 3, 2017, which shows this Schedule A as the proposed fee schedule.

Schedule A – Grandfathered Fixed Income Schedule	
<b><u>Aggregate Account Value</u></b>	<b><u>%</u></b>
\$50,000 - \$150,000	0.90%
\$150,001 - \$300,000	0.75%
\$300,001 - \$750,000	0.60%
Over \$750,001	0.55%

*Note: This tiered fee schedule is used to calculate your fee based on the aggregate value of your account.*

#### **Schedule B – Grandfathered Equity Tiered Schedule (for Existing Clients):**

This fee schedule applies to Program accounts that meet all of the following conditions: (i) were opened prior to July 3, 2017, (ii) are managed under a model portfolio consisting of less than 80% fixed income and strategically allocated cash securities prior to July 3, 2017, and (iii) are subject to this Schedule B on July 2, 2017.

This fee schedule also applies to Program accounts opened following an Investment Strategy Proposal that is generated prior to July 3, 2017, which shows this Schedule B as the proposed fee schedule.

This fee schedule will also apply to Program accounts that meet all of the following conditions: (i) are opened on or after July 3, 2017, and (ii) are held directly by a pre-existing Program account holder or for the benefit of a spouse, parent, child or anyone else residing at the same address as a pre-existing Program account holder, subject to the householding rules described below.

Note that after July 3, 2017, the Program will no longer permit movement between Schedules A and B based on any changes in clients responses to the Program questionnaire.

Schedule B – Grandfathered Equity Tiered Schedule	
<b><u>Aggregate Account Value</u></b>	<b><u>%</u></b>
\$50,000 - \$150,000	1.15%
\$150,001 - \$300,000	1.00%
\$300,001 - \$750,000	0.85%
Over \$750,001	0.75%

*Note: This tiered fee schedule is used to calculate your fee based on the aggregate value of your account.*

#### **Schedule C – Portfolio Advisor Blended Fee Schedule (for New Clients):**

This fee schedule will apply to new Program accounts that meet all of the following conditions: (i) are opened on or after July 3, 2017, and (ii) are not held directly by a pre-existing Program account holder or for the benefit of a spouse, parent, child or anyone else residing at the same address as a pre-existing Program account holder, subject to the householding rules described below.

Schedule C – Portfolio Advisor Blended Fee Schedule	
<b>Value Bracket</b>	<b>%</b>
First \$150,000	1.15%
Next \$150,001 - \$300,000	1.00%
Next \$300,001 - \$750,000	0.85%
Next \$750,001 - \$1,000,000	0.75%
Next \$1,000,001 - \$1,500,000	0.70%
Next \$1,500,001 - \$3,000,000	0.65%
Next \$3,000,001 - \$4,000,000	0.60%
Next \$4,000,001 - \$5,000,000	0.50%
Over \$5,000,000	0.40%

*Note: This blended fee schedule is used to calculate your fee by weighting your aggregate account value in accordance with the value brackets and weights shown.*

**Householding:** Notify your Advisor if you wish to opt to aggregate the amounts in the Program accounts held directly by you or for the benefit of a spouse, parent, child or anyone else residing at the same address as you for fee calculation purposes. These 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 the fee schedules above based on the account value. Householding related Program accounts will result in the receipt of a single combined quarterly performance report per household. By householding related Program accounts, you authorize APS to share your Program account performance information with other members of your household while reducing paper mailings. Householding related Program accounts does not authorize others in your household to conduct transactions in your Program account.

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

**What the Program Fee Covers:** The Program Fee covers the fees and costs associated with managing your Program account, developing the Program’s advice, custody of Program assets, trade execution, client reporting and other administrative expenses. The Program Fee does not vary depending upon whether you choose investment advice developed from TIAA investment professionals or by third party advisers.

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

**Cash Balances:** The Program excludes cash balances held in your Program account when calculating the Program Fee.

*Costs and Expenses of Underlying Securities:* The Program Fee does not include any fees, costs and expenses inherent in the underlying securities, including investment advisory, administrative, distribution, transfer agent, custodial, legal, audit, contingent deferred sales charges or redemption fees and other customer fees and expenses related to investments in these products which are described in the relevant prospectus or similar disclosure documents. Consequently, this means you will pay the Fund fees and expenses as a Fund shareholder, except where expressly qualified below in connection with your IRAs enrolled in the Program.

From time to time, APS will place mutual fund trades in Program accounts that result in redemption fees. In many cases, these fees are waived by the affiliates of the mutual fund company and therefore are not paid by you. Where these fees are not waived, APS may seek reimbursement from affiliates of the mutual fund company and will credit your Program account in the amount of such reimbursement to the extent it is obtained.

*Payment of the Program Fee:* The Program Fee is payable quarterly in arrears. It is calculated by multiplying the daily market value of the Program account by the pro-rata daily Program Fee (the “daily fee calculation”) and summing the value of the daily fee calculations during the preceding quarter. The Program determines market value in reliance upon published net asset values and prices reported on national exchanges. Should neither be available for a particular security, the Program will price the relevant security based upon fair valuation principles that estimate what the security would bring upon sale. APS will deduct the Program Fee from the Program account on a quarterly basis, generally within thirty business days after each quarter’s end, by charging cash balances or redeeming Fund shares within the Program account. For the initial enrollment quarter, Program Fees will be deducted as described above for the remainder of that quarter.

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

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

#### IRA Account Fee Credits and Reimbursements.

*Affiliated Fund Fee Credits:* For IRAs enrolled in the Program, APS will reduce the Program Fee by a fee credit for IRA assets invested in Affiliated Funds. The fee credit will be calculated by offsetting both (i) the investment management portion of the Affiliated Fund’s expenses (“Affiliated Fund management fees”) that TIAA affiliates receive in connection with the Affiliated Funds held in the IRA, and (ii) the administrative and other fees that TIAA affiliates receive from such Affiliated Funds that are included in the Affiliated Fund’s expenses. APS may exclude from the fee credit amount any reimbursable expenses paid by the Affiliated Funds to TIAA affiliates which are reasonable direct expenses of the TIAA affiliates. This includes expenses such as salaries of affiliate personnel attributable to work performed for the Affiliated Funds held in your IRA and third party custodial fees

and transfer agent fees associated with the Affiliated Funds held in your IRA. APS also may reduce the fee credit amount to reflect fee waivers and reimbursements granted by TIAA affiliates to the Affiliated Funds as disclosed in the applicable Affiliated Fund prospectus. The fee credit may vary depending upon the particular Affiliated Fund employed as the fees differ from Fund to Fund. While the fee credit reduces the Program Fee paid by you resulting in lower investing costs and a corresponding increased share of any investment returns, a reduced Program Fee does not assure portfolio gains as portfolio performance ultimately is dependent on the performance of the combination of Funds selected for investment as well as the performance of the underlying investments within each Fund. Investing in securities, including Funds, carries a risk of loss as described in Item 6 below.

*12b-1 Fee Reimbursements:* With regard to any Affiliated Funds as well as any unaffiliated mutual funds held in a your IRA which levy a 12b-1 fee, APS will deposit directly into your IRA whatever portion of the 12b-1 fee it receives. The remaining portion of the 12b-1 fee is retained by TC Services' clearing firm Pershing without benefit to TC Services. For all Program accounts other than IRAs, APS will retain whatever portion of the 12b-1 fee it receives from a mutual fund.

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

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

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

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

*The TIAA-CREF Family of Funds:* Teachers Advisors, LLC is the advisor to the TIAA-CREF family of Funds and an indirectly, wholly owned subsidiary of Parent, and receives compensation for its investment management services from the TIAA-CREF family of Funds. Additionally, other TIAA-CREF affiliates provide services to certain series of 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. See the Funds'

prospectuses for a description of the compensation. Fund expense ratios may change over time and from time to time. Always consult the Fund prospectus for the most current information.

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

### **Compensation of Advisors and other TC Services Personnel.**

*Advisors:* Advisors perform sales and client service activities for the Program, including enrolling you in the Program and assisting you with account servicing needs after enrollment as described in this Item 4 above. Advisors do not exercise investment discretion over your 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 quantitative metrics such as 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, positive client experience 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 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 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 TIAA accounts, products and services, 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 offered by or through TIAA affiliates (referred to below generally as "solutions"). For compensation purposes, solutions are differentiated as follows:

- *Solutions for Complex Needs:*
  - The Program and Private Asset Management managed account program offered

- through TIAA affiliates,
  - Trust services offered through TIAA, FSB, and
  - Annuities and life insurance issued by TIAA Life Insurance Company (an affiliate) and Pacific Life (a non-affiliate).
- *Solutions for Core Needs:*
  - Employer Plan Account(s), 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 Direct, a division of 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 complex needs and core needs solutions than they do for enrolling clients in or referring clients to other solutions. In addition, Advisors can earn compensation when clients transfer funds into complex needs solutions from core needs solutions 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, nor does the Advisor receive any client commissions or product fees. Advisors also may earn additional compensation when clients purchase life insurance offered through TIAA affiliates.

Advisors also receive credit, and thus more compensation, for retaining client assets in complex solutions than they do for core and other solutions. Advisors also can earn credit, and thus additional compensation, where a client annuitizes holdings within an employer sponsored retirement plan record kept by TIAA or within a TIAA IRA.

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 Plan Account(s) 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 may refer clients with more complex investing needs to Advisors. Referrals that result in clients enrolling in products and services offered through TIAA, including the Program, are one factor that Parent will consider in determining the referring employee's annual variable bonus among other qualitative and quantitative factors. This means that these individuals have a financial incentive to refer clients to Advisors for enrollment in the Program.

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

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

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

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

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

**Other Managed Account Programs.** APS and its affiliates offer other managed account programs, such as the TIAA Personal Portfolio program, the Portfolio Manager program (this program is currently closed to new investors) and Private Asset Management program, which may have different or more advantageous fee structures and offering of services than the Program and may have access to different Funds, asset classes or share classes of Funds than those available through the Program. These differences are based on the level of services offered by each program and the amount of assets under management. You can consult an Advisor for more information about the other managed account programs if desired.

## **Item 5 – Account Requirements and Types of Clients**

As noted in Item 4 above, the Program requires you to open a brokerage account with TBS. You must fund the account with a minimum of \$50,000 (or \$25,000 for TIAA employees) in cash or Eligible Legacy Assets and grant APS investment discretion. APS may discount this account minimum at its discretion, in whole or in part, in connection with promotional campaigns or for any other reason. Additionally, TC Services may offer pricing discounts or other account related benefits to clients opening brokerage accounts to be enrolled in the Program (or for funding existing brokerage accounts enrolled in the Program) in connection with promotional campaigns or other reasons.

**Deposits and Withdrawals.** Should you transfer Ineligible Legacy Assets into your Program account, the Program will sell the securities upon receipt and use the proceeds to fund your portfolio. Eligible Legacy Assets will also potentially be sold upon receipt unless you obtain APS' prior written agreement to retain the assets in your Program account. Any sale could cause a taxable event to you

or trigger contingent deferred sales charges. Additionally, factors such as limited liquidity and limited pricing transparency and quotations may impact the price obtained when the assets are sold. APS may, however, at its discretion alter the order of how subsequent deposits are invested when required for purposes of meeting fund minimum investment requirements, tax optimization needs or other purposes consistent with your model portfolio. You may establish automatic monthly or quarterly withdrawals. In such cases, securities held in your Program account may be sold as needed to fund the withdrawals.

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

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

**Termination.** You may terminate your participation in the Program at any time upon notice to APS. 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 your participation in the Program should your balance fall below the Program's minimum balance of \$50,000 (or \$25,000 for TIAA employees) due to your initiated withdrawals or should APS determine that the Program is no longer appropriate for you.

Upon termination from the Program, APS will cease managing your Program account and collect any fees owing for management services provided through the date of termination. You are thereafter responsible for the management of the portfolio and must direct APS to transfer assets out of the Program within 30 days. Once directed, the transfer may take 30 days or more to occur. Should 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 TBS 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 to you. Any liquidations resulting from termination may not occur until the business day following receipt of the instruction to liquidate and terminate your Program account. The Program may invest in certain mutual fund share classes or other securities that cannot be held outside of the Program and these would need to be exchanged or sold upon termination from the Program.

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



## Item 6- Portfolio Manager Selection and Evaluation

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

### Client Preferences

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

The current Client Preferences available through the Program include:

- *Sources of Investment Advice.* You may indicate a preference for portfolio construction decisions to be sourced exclusively through advisers external to TIAA. If you select this preference, APS will rely exclusively on unaffiliated parties for asset allocation and investment selection decisions and your portfolio will be constructed entirely using mutual funds. Where the preference is not selected, APS will rely on a variety of sources, both internal and external to TIAA, to determine asset allocation and investment selection and you will have increased customization options through use of the below preferences given the greater breadth of sources of investment advice used. Regardless of the preference chosen, APS is responsible for implementing the portfolio construction process.
- *Investment Selection.* You may specify a preference for a portfolio constructed with Affiliated Funds, in which case, the Program will select Affiliated Funds over other Funds where Affiliated Funds are available for asset classes within your portfolio and where the Affiliated Funds meet the Program’s Fund selection criteria summarized in this Item 6 below. This preference may result in your portfolio wholly or predominantly consisting of Affiliated Funds. Where you do not express a preference for Affiliated Funds, the Program will not favor Affiliated Funds in the construction of the model portfolio for your Program account. However, Affiliated Funds may nevertheless be included in your portfolio if the Affiliated Fund is determined to be a suitable and appropriate investment option.
- *Income Approach.* You may specify a preference for a strategy that is designed primarily to help support income distribution by seeking diversified sources of yield and that also attempts to reduce (but not eliminate) associated interest rate and inflation risk, while seeking to generate total returns. The increased focus on income generation may have an impact on the relative

performance of your Program account and result in total returns that are less than a portfolio that is not designed for income distribution. Additionally, the strategy does not guarantee income and your income needs may be more than the income generated from the strategy. Where you express the income preference, further customization through use of other Client Preferences will be restricted. Where an income preference is not selected, APS will use a strategy focused on the total return of your Program account, while considering the other investment preference selections made by you.

- *Downside Risk Mitigation.* You may specify a preference for a strategy that is designed to help reduce, but not eliminate, your exposure to major downward market movements. Where this preference is selected it typically will not result in a portfolio that fully participates in upward market movements, thereby reducing your relative returns in the “bull” markets. APS attempts to achieve downside risk mitigation through a combination of modifying the asset allocations and through the types of investment managers selected. Downside risk mitigated strategies may include allocations to Funds investing in non-traditional asset classes that are intended to help mitigate overall portfolio volatility. Alternatively, you can select a preference for a strategy that attempts to more fully participate in market returns over the full market cycle. In this case, APS will use asset allocations without alternative investment strategies, which will typically result in larger traditional equity allocations and potentially higher portfolio volatility. Dependent upon other preferences expressed by you, APS may also manage your risk by selecting investments that focus on managers who attempt to match or beat the benchmark to which their performance is compared. There is no guarantee that a manager will be able to achieve performance results that match or exceed the returns of the relevant benchmark.
- *Socially Responsible Investing.* You may specify a preference for managers that are restricted to investing in socially responsible companies. Managers that consider social factors may not be available for all asset classes in your portfolio and typically invest in a more limited set of companies than other managers, which may have a positive or negative impact on their relative performance. Currently, a portion of client portfolios indicating a preference for socially responsible investing is invested in Affiliated Funds that meet the selection criteria summarized in this Item 6 below. As of January 1, 2016, the amount targeted to be invested in Affiliated Funds in such portfolios did not exceed 19% of the composition of these portfolios depending on client’s risk tolerance, time horizon and other expressed Client Preferences. However, this amount may change over time at APS’ discretion subject to the Fund selection methodology described in this Item 6 below. Clients, who also have expressed a preference for a portfolio constructed using Affiliated Funds, as described above under the Investment Selection preference, generally could have a higher percentage of their portfolios invested in Affiliated Funds than noted above.
- *Portfolio Management Approach (Active and/or Passive).* You may specify a preference for either managers that actively manage the portfolio in an attempt to deliver better (either in terms of higher returns and/or reduced risk) performance than the market in general and/or managers that attempt to match the performance and risk of the market while focusing on minimizing investment expenses. Active managers typically research individual securities to construct portfolios that attempt to beat the performance of the manager’s stated market benchmark, while passive managers seek to replicate market returns and risk of an index. There is no guarantee that active managers will be able to deliver returns that are higher than those of the market, even if they have done so in the past. Your preference for active managers generally will result in a portfolio consisting of predominantly (not exclusively) active managers and your preference for passive managers generally will result in a portfolio consisting of predominantly (not exclusively) passive managers. If you select the “no preference” option, APS will use its discretion to apply a

combination of active and passive managers to your portfolio. Currently, a significant portion of client portfolios indicating a preference for passive investing is invested in passively managed Affiliated Funds that meet the selection criteria summarized in this Item 6 below. As of January 1, 2017, the amount targeted to be invested in Affiliated Funds in such portfolios ranged between 29% and 61% of the composition of these portfolios depending on client's risk tolerance, time horizon and other expressed Client Preferences. However, this amount may change over time at APS' discretion subject to the Fund selection methodology described in this Item 6 below. Clients, who also have expressed a preference for a portfolio constructed using Affiliated Funds, as described above under the Investment Selection preference, generally could have a higher percentage of their portfolios invested in Affiliated Funds than noted above.

- *Tax Management for Taxable Accounts.* For taxable accounts, you may prefer a portfolio that attempts to defer or minimize taxes. If you select this preference, APS will, to the extent possible, construct your portfolio with tax sensitive municipal securities investments. While several of these strategies may have lower pre-tax returns than similar products, they are designed to provide higher after-tax returns. This preference is based on individual circumstances and may not be appropriate for you. Currently, a portion of client portfolios indicating a preference for portfolios which attempt to defer or minimize current taxes are invested in Affiliated Funds. As of January 1, 2017, the amount targeted to be invested in Affiliated Funds in such portfolios did not exceed 11% of the composition of these portfolios. However, this amount may change over time at APS' discretion subject to the Fund selection methodology described in this Item 6 below. Clients who also have expressed a preference for a portfolio constructed using Affiliated Funds, as described above under the Investment Selection preference generally could have a higher percentage of their portfolios invested in Affiliated Funds than noted above. In addition, APS anticipates implementing a Tax Loss Harvesting strategy in the near future, which will be incorporated within the Tax Management preference and applied to Program accounts that have selected the Tax Management preference. This strategy will attempt to harvest unrealized losses in your account. See Item 6 below regarding Tax Loss Harvesting for more information about this offering and the limitations of its features.

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

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

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

APS' use of an affiliated entity, TIAA, FSB, presents a conflict for APS because a greater portion of your fee remain within the TIAA family of companies than if APS used a third party to provide these services. APS mitigates this conflict through reviews of TIAA, FSB's services and disclosure in this brochure. APS' use of TIAA, FSB also could present a conflict of interest as TIAA, FSB could use its discretion to invest your assets into Affiliated Funds that would provide TIAA with greater aggregated revenue than the use of unaffiliated Funds. To address this possibility, APS imposes no limitations or minimum purchase requirements upon TIAA, FSB or the third party adviser concerning the use of

Affiliated Funds and compensates TIAA, FSB and the third party adviser without regard to the affiliation of the Funds selected.

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

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

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

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

In some instances, APS may select one or more Affiliated Funds for your Program account where you have indicated a preference for use of Affiliated Funds in your Program account or the Affiliated Fund otherwise meets the selection criteria described above. APS' use of Affiliated Funds in your Program account presents a conflict of interest as TIAA affiliates earn compensation for services rendered to such Affiliated Funds as described in Item 4 above and in some instances, such as where Affiliated Funds are used in taxable accounts that are not eligible for the fee credit described in Item 4 above, use of Affiliated Funds in your Program account provides TIAA with greater aggregate revenue than the use of unaffiliated Funds. APS manages this conflict of interest through the application of the above-described selection methodologies which are designed to select Funds for your Program account that are consistent with APS' model portfolios and Client Preferences.

The Program's model portfolios contain a combination of Funds that represent, depending on the

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

**Tax Loss Harvesting.** For taxable accounts that elect the Tax Management preference, the Program will, in the future, seek to harvest the tax losses in your Program account to the extent consistent with the Program's investment strategy.

Tax loss harvesting occurs when APS strategically sells a security in your Program account with unrealized losses. When APS sells this security, you may realize a loss which may enable you to offset taxes on both capital gains and a limited amount of ordinary income. The Program is designed to select "similar" (but not "substantially identical") investments to replace the strategically sold existing investments based on historical returns, correlations, and portfolio construction methodology. The Program harvests tax losses with respect to securities it has recommended and not necessarily based on positions in your Program account. For example, APS will not take into consideration any Eligible Legacy Assets held in your Program account when determining whether to sell securities. It will review the positions in your Program account for tax losses at least twice per calendar year. APS may change these dates from time to time without notice to you. APS' goal is not to maximize overall losses either in your Program account or across all of your accounts (at TIAA or elsewhere), as APS will not necessarily sell all securities with unrealized losses in a particular Program account, and will also not necessarily sell securities with the greatest aggregate losses in a particular Program account. APS will only sell those securities with unrealized losses that it determines are appropriate to be sold at the time, taking into consideration such factors as the availability of a replacement security. APS makes no warranty or guarantee that these similar investments will perform similarly to the replaced investments, nor does it make any warranty or guarantee that the sale of the existing investment and the purchase of a replacement investment will be effective in reducing your tax obligations in the present or in the future. You are required to notify APS, in writing, if you are prohibited from investing in any individual investments. Such prohibitions may alter the "similar" investments selected as part of the Program, and may alter the effectiveness of the Tax Loss Harvesting strategy.

If you and/or your spouse have other taxable or non-taxable accounts, and you hold in those accounts any of the securities held in your Program account, you should not buy any security sold at a loss 30 days before or after the Program sells those same securities as part of the Tax Loss Harvesting strategy to avoid the possible application of the "wash sale" rules. You are responsible for monitoring your (and your spouse's) accounts both inside and outside of the Program to ensure that transactions in the same security or a substantially similar security as one traded from your Program account do not create a wash sale. A wash sale is the sale at a loss and purchase of the same security or substantially similar security within 30 days of each other. If a wash sale transaction occurs, the IRS may disallow or defer the claimed loss for tax reporting purposes. More specifically, the wash sale period for any sale at a loss consists of 61 calendar days: the day of the sale, the 30 days before the sale, and the 30 days after the sale. The wash sale rule has the effect of disallowing or postponing losses on a sale, if a replacement security is bought within these time periods. If you have multiple accounts in the Program under one Household, APS will not monitor your Household's accounts, nor will it monitor any accounts for members of your Household maintained outside the Program, to ensure that transactions in the same security or a substantially similar security do not create a wash sale. For more information on the wash sale rule, please read IRS Publication 550.

Whether the Program, including tax management as described above, is effective in reducing your overall tax liability will depend on your entire tax and investment profile, including purchases and dispositions in your (or your spouse's) accounts outside of the Program, the nature of your investments (e.g., taxable or nontaxable) and their respective holding period (e.g., short-term or long-term). APS will monitor only your Program account to determine if there are unrealized losses for purposes of determining whether to harvest losses. Transactions in any account other than your Program account (such as your spouse's accounts held at TC Services), any accounts outside of TC Services, or even additional Program accounts may affect whether a loss is successfully harvested. Moreover, in determining whether and how to harvest tax losses, APS will rely on various assumptions about the tax posture of a typical investor, which assumptions may or may not correspond with an individual investor's actual circumstances.

*Client Directed Tax Management.* In addition to the Tax Management preference, for taxable accounts APS will also accept your instructions to harvest a specific amount of tax losses or gains, subject to such limitations and procedures as APS may establish from time to time. Instructions to harvest tax losses must be provided in writing in the manner prescribed by APS. APS will only sell up to ten percent of your portfolio in an effort to harvest taxes at your request. APS will reasonably attempt to fulfill your instructions, but may determine that a request is not feasible for a variety of reasons, including but not limited to the size of the request. APS will follow its internal procedures to determine which securities to sell in harvesting losses or gains. Unlike the Tax Management preference in which substituted securities are used, any proceeds from tax loss sales made at your direction will be held in cash and will not be reinvested in substitute securities, which may reduce the performance of your account. Please contact your Advisor for more information about the limitations and procedures that apply.

APS does not employ tax professionals and has not and will not provide tax advice to you. No employee of APS is qualified or permitted to provide tax advice. **You should consult a tax professional for specific tax advice and specifically regarding the tax consequences of investing with the Program and engaging in the Tax Loss Harvesting strategy based on your particular circumstances.** No feature of, interaction with, description of, or action taken in accordance with the Program, including the tax management preference, represents a tax strategy in the context of your individual tax situation and should not replace or supplement the advice of your personal tax advisor. APS is not responsible for ensuring that you accurately report the trading activity in your Program account to the IRS or any other relevant taxing authority. APS is not responsible to you for the tax consequences of any transaction in a Program account, makes no warranties or guarantees that the tax consequences described herein or in the materials provided to you by APS in respect of your Program account will be achieved by the Program, and makes no warranty or guarantee that the IRS or other relevant taxing authorities will not challenge the tax consequences of its trades, nor that any such challenge will not be successful. If the IRS is successful in its claim that one or more transactions executed pursuant to the Program were wash sale transactions, any loss recognized on such transactions may be deferred or disallowed, and you may be subject to the imposition of interest and penalties on such transactions.

**Risks.** The following is a general description of risks associated with investing in the Program. The following list does not purport to be an exhaustive list of all risk factors associated with the Program. For the specific risks associated with any Fund used by the Program for your Program account, please consult the Fund's prospectus and statement of additional information, which you should read carefully.



## General Risks.

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

## Underlying Securities Risks.

- *Equities.* Equities historically provide higher returns for investments with longer time horizons than other asset classes at a greater risk to principal. Funds with investment strategies that use a higher concentration of equities have greater exposure to the risks associated with equity investments.
- *Fixed Income.* Fixed income investments historically provide lower returns than equities and are sensitive to interest rate changes, but typically provide less risk to principal. Funds with investment strategies that have higher exposure to fixed income will have greater exposure to the associated risks, such as credit risk (i.e., the possibility that the company that issues the bond fails to pay its debt), interest rate risk (i.e., the risk that the market value of a bond will go down when interest rates go up), inflation risk (i.e., the risk that fixed interest and principal payments will be eroded in value by higher inflation) and prepayment risk (i.e., the chance the bond will be paid off early).
- *Short Positions and Derivatives.* Certain Funds used within the models may also make use of short positions and derivative instruments. Fund managers will typically use short positions in an attempt to sell a security that they anticipate will fall in value with the intent of repurchasing that same security at a lower price in the future. This provides managers the opportunity to benefit from an anticipated fall in the value of the market or of a specific security. Short positions can involve substantial risk to principal. Derivative instruments are typically contracts that derive their value from movement in the price of an underlying security, benchmark, or other economic indicator. Derivatives may include leverage and may experience significant and unpredictable swings in value during periods of market stress. The Program may invest in mutual funds that make significant use of derivatives for the purposes of hedging risk and/or achieving exposure to specific asset or pricing relationships. These risks are described in the mutual funds' prospectuses and statements of additional information, which contain additional important information that investors should read carefully.
- *Exchange Traded Funds.* An exchange traded fund ("ETF") is a type of investment company that is traded on an exchange and invests primarily in a basket of securities including in a particular market index. ETFs typically seek to provide investment results that, before fees and expenses, generally correspond to the price and yield performance of the underlying benchmark index. Investing in an ETF exposes you to risks of the ETF's holdings in direct proportion to the

allocation of assets that comprise the ETF. However, ETFs may not fully replicate the construction of their benchmark index, resulting in performance that differs from expectations. In addition, ETFs trade at a discount or premium to their underlying net asset value (“NAV”). As a result, investors purchasing an ETF at a premium may underperform the ETF NAV, while the redemption of shares may result in the ETF trading at a discount to NAV. You will also indirectly bear the fees and expenses charged by an ETF in addition to the Program Fee.

- *Non-Traditional Asset Classes.* The Program may make use of Funds that invest in non-traditional asset classes that use alternative investment strategies, such as model portfolios used for you when you express a preference for a strategy designed to support income distribution. Funds that use non-traditional asset classes may have limited performance history and are subject to risks, such as increased volatility, lack of liquidity and possible losses greater than the Fund’s initial investment as well as increased transaction costs. Some of these Funds that invest in non-traditional asset classes may also have limited control and voting rights and be subject to U.S. federal income taxation that reduces the amount of cash available for distribution to the Fund and could result in a reduction of the Fund’s value. These Funds may also be heavily concentrated in specific sectors resulting in greater risk and volatility than less concentrated investments. Risks include, but are not limited to, risks associated with companies owning and/or operating pipelines and complementary assets, as well as capital markets, terrorism, natural disasters, climate change, operating, regulatory, environmental, supply and demand and price volatility risks. Additionally, any concentrated investments used by the Fund generally will lead to greater price volatility. See also the risk of short positions and derivatives described above.
- *Sector Funds.* The Program may make use of sector funds to target specific industries and economic niches. A sector fund is a mutual fund with securities holdings that are concentrated in a specific sector such as health care, technology, utilities, and financials. Holdings may also include commodities, such as oil and gold. Sector funds are available in different styles and can vary according to market capitalization (small, medium, or large companies) and investment objective (growth, value, or blend). Because sector funds are less diversified than other types of funds, they typically carry a higher level of volatility and risk than a diversified equity fund. This risk increases if a sector fund is highly concentrated, for example, focusing on certain subsectors but not others.
- *Municipal Securities.* The Program allows you to direct APS to invest Program assets in mutual funds that invest in municipal bonds issued by a single state. These mutual funds also may hold bonds issued by U.S. territories (e.g., Puerto Rico, U.S. Virgin Islands and Guam). In the event your state of residency does not match the state of the mutual fund selected by you, whether at the time of purchase or at a later date, APS will invest such Program assets in a national municipal bond fund in place of your selected mutual fund. If you so choose, you may subsequently direct APS to invest such Program assets in a qualifying mutual fund in place of the national municipal bond fund. You are responsible for the accuracy of all information provided to APS in connection with the Program and should inform APS of any changes to your state of residency. While your selection of a mutual fund that invests in municipal bonds issued by a single state or U.S. territories may, where permitted by law, reduce your state income taxes payable on that portion of the portfolio income generated by the municipal bonds, it will also expose you to a higher level of risk by reducing the geographic and economic diversification opportunities available to the municipal bond fund manager. Should your region or state or the U.S. territories experience adverse economic events, this may have a negative impact on the value of your long-term municipal portfolio.



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

## **Advisory Services**

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

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

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

## **Voting Client Securities**

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

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

## **Other Advisory Services**

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

APS also offers managed accounts through the Portfolio Manager program (the Portfolio Manager program currently is closed to new investors) and the TIAA Personal Portfolio program. Additionally, APS' affiliate, TIAA, FSB offers a separate managed account program under the name Private Asset Management. Information about managed account programs offered by APS and its affiliate can be obtained through an Advisor. Please review the associated document(s) prior to investing.

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

As described in Item 4 above, APS has engaged TIAA, FSB to provide portfolio management services. To facilitate this, APS provides the following information to TIAA, FSB in connection with your

Program account: (a) your risk tolerance level, time horizon and preference among different investment options and strategies, including risk levels ranging from very conservative to very aggressive; (b) information about Affiliated Funds versus unaffiliated investment products; (c) information regarding strategies that attempt to support income distribution, strategies that attempt to minimize or defer taxes, including exposure to municipal bonds of a single state, strategies that employ socially responsible investment criteria; and strategies that attempt to mitigate downside risk; and (d) information on passively versus actively managed approaches. APS will pass through to TIAA, FSB any updates to the above information as received by you. APS does not provide your personal data to the third party adviser.

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

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

## **Item 9 – Additional Information**

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

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 to the number of staff who handle customer complaints.

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

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

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

## Review of Accounts

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

At least once a year, APS will inquire as to whether there have been any material changes in your financial situation or investment objectives, and whether you wish to impose or modify any reasonable restrictions on the management of the portfolio. The Program will consider your responses and evaluate whether any changes to the portfolio are appropriate. In between annual inquiries, 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 the current portfolio. Examples of material changes include, but are not limited to changes in net worth, marital status, family size, occupation, residence, health or income level, investment objective or risk tolerance.

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

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

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

## Client Referrals and Other Compensation

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

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

### **Financial Information**

TC Services does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance and, thus, has not included a balance sheet of its most recent fiscal year. TC Services is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients, nor has TC Services been the subject of a bankruptcy petition at any time during the past ten years.

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

TC Services is a federally registered investment adviser.

## Biographies of TIAA, FSB Investment Management Personnel

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

Brochure  
Supplement  
Vladimir Valenta  
July 7, 2017

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

Background. Vladimir is 46 years old as of the date of this brochure Supplement. His work address is 8500 Andrew Carnegie Boulevard, Charlotte, North Carolina, 28262. His phone number is 704.988.1149. Vladimir is a Senior Director of Asset Allocation and Quantitative Research for TIAA, FSB. TIAA, FSB’s corporate headquarters are located at 501 Riverside Avenue, Jacksonville, FL 32202, phone 904.281.6000.

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

Disciplinary Information. Vladimir has no history of disciplinary events.

Other Business Activities. Vladimir has no other business activities. His full time occupation is as a Senior Director of Asset Allocation and Quantitative Research.

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

Supervision. TIAA, FSB monitors the investment discretion exercised by Vladimir. A committee comprised of senior investment professionals from TIAA, FSB typically meets monthly to review investment-related decisions, policies and procedures. In addition to ongoing review of investment decisions, the committee also performs an annual review of the investment strategy work of the team that supports the Program. Vladimir’s supervisor is Dennis Johnson, Managing Director of Portfolio Management & Investment Strategy and Chief Investment Officer for the Investment Management Group

at TIAA, FSB.. Clients may direct any complaints about Vladimir's performance to Mr. Johnson at 704.988.1000. General inquiries regarding accounts, balances, distributions, or any other account administrative features should be directed to your financial advisor.

Brochure  
Supplement T.  
Todd Starcher  
July 7, 2017

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

Background. Todd is 42 years old as of the date of this brochure Supplement. His work address is 8500 Andrew Carnegie Boulevard, Charlotte, North Carolina, 28262. His phone number is 704.988.6648. Todd is a Director, Senior Portfolio Strategist for TIAA, FSB. TIAA, FSB's corporate headquarters are located at 501 Riverside Avenue, Jacksonville, FL 32202, phone 904.281.6000.

Educational Background and Business Experience. Todd has worked in his current role as a Senior Portfolio Strategist for 7 years. Prior to that, Todd worked as Vice President and Alternative Investment Product Manager for Evergreen Investments for 1 year. Prior to that, Todd worked as Vice President and Asset Allocation Strategist for Evergreen Investments for 5 years. Todd graduated with a Bachelor of Science from Palm Beach Atlantic University in 1997. Todd attained the Chartered Financial Analyst, or CFA designation in 2003; this designation requires completion of a three stage self-study curriculum and achieving a passing score on three progressive exams. It prepares the holder to analyze securities and recommend portfolios.

Disciplinary Information. Todd has no history of disciplinary events.

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

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

Supervision. TIAA, FSB monitors the investment discretion exercised by Todd. A committee comprised of senior investment professionals from TIAA, FSB typically meets monthly to review investment-related decisions, policies and procedures. In addition to ongoing review of investment decisions, the committee also performs an annual review of the investment strategy work of the team that supports the Program. Todd's supervisor is Dennis Johnson, Managing Director of Portfolio Management & Investment Strategy and Chief Investment Officer for the Investment Management Group at TIAA, FSB.. Clients may direct any complaints about Todd's performance to Mr. Johnson at 704.988.1000. General inquiries regarding accounts, balances, distributions, or any other account

administrative features should be directed to your financial advisor.

Brochure  
Supplement  
Dennis Johnson  
July 7, 2017

This brochure supplement provides information about Dennis Johnson, an individual who is on the TIAA, FSB investment team that has investment discretionary authority over your assets enrolled in the TIAA Personal Portfolio program (the “Program”). It supplements the attached Program’s brochure. You should have received a copy of that brochure. Please call 866.220.6583 if you did not receive a copy of the Program’s brochure or if you have any questions about the contents of this brochure supplement.

Background. Dennis is 57 years old as of the date of this brochure Supplement. His work address is 8500 Andrew Carnegie Boulevard, Charlotte, North Carolina, 28262. His phone number is 704.988.0654. Dennis is Managing Director of Portfolio Management & Investment Strategy and Chief Investment Officer for the Investment Management Group at TIAA, FSB. TIAA, FSB’s corporate headquarters are located at 501 Riverside Avenue, Jacksonville, FL 32202, phone 904.281.6000.

Educational Background and Business Experience. Dennis joined TIAA, FSB in his current role as Managing Director and Chief Investment Officer in October, 2016. Prior to that, Dennis worked as Chief Investment Officer of Comerica Bank for 6 years, where he supervised and led all investment related activities for Comerica Trust Company, Comerica Securities and World Asset Management. Dennis also held a Managing Director role at Shamrock Holdings and a Senior Portfolio Manager role at California Public Retirement System (CALPERS). He earned his BA from Virginia Military Institute and his Masters from Virginia Commonwealth University. Dennis attained the Chartered Financial Analyst, or CFA designation in 1990; this designation requires completion of a three stage self-study curriculum and achieving a passing score on three progressive exams. It prepares the holder to analyze securities and recommend portfolios.

Disciplinary Information. Dennis has no history of disciplinary events.

Other Business Activities. Dennis has no other business activities. His full time occupation is as a Managing Director and Chief Investment Officer of the Investment Management Group.

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

Supervision. TIAA, FSB monitors the investment discretion exercised by Dennis. A committee comprised of senior investment professionals from TIAA, FSB typically meets monthly to review investment-related decisions, policies and procedures. In addition to ongoing review of investment decisions, the committee also performs an annual review of the investment strategy work of the team that supports the Program (Dennis is the Chairman of the Officers Investment Committee). Dennis’



supervisor is Eric Jones, Senior Managing Director of Advisory Solutions. You may direct any complaints about Dennis' performance to Mr. Jones at 704.988.1000. General inquiries regarding accounts, balances, distributions, or any other account administrative features should be directed to the Consultants that support the Program.