



**Advice & Planning Services**

**Portfolio Advisor Wrap Fee Program Disclosure Brochure**

**Form ADV Part 2A**

730 Third Avenue  
New York, NY 10017  
212-490-9000  
[www.tiaa.org](http://www.tiaa.org)

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This wrap fee program brochure (this “Disclosure Brochure”) provides information about the qualifications and business practices of Advice & Planning Services, a division of TIAA-CREF Individual & Institutional Services, LLC relating to the Portfolio Advisor Wrap Fee Program (the “Program”). If you have any questions about the contents of this Disclosure Brochure, please contact us at 212-490-9000. The information in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration with the SEC as an investment adviser does not imply a certain level of skill or training.

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

## **Item 2 – Material Changes**

A summary of the material changes made to the Portfolio Advisor Wrap Fee Program described in this Disclosure Brochure will be published in a separate document that will be distributed annually to clients who received the previous version of the Disclosure Brochure.

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## Item 4 – Services, Fees and Compensation

The Portfolio Advisor Wrap Fee Program or “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.

This Disclosure Brochure describes the Program, its services and the fees you pay when you enroll in the Program. It also describes the compensation APS and its affiliates receive in connection with the services provided through the Program.

As a registered investment adviser, APS has a fiduciary duty to its clients under the Investment Advisers Act of 1940 in connection with the Program advice. This means that APS is required to act in your best interest pursuant to a duty of loyalty and care. In operating the Program, APS seeks to either avoid or mitigate material conflicts of interest with its clients, and to provide Program clients with disclosure of such conflicts of interest. You should carefully consider the information set forth in this Disclosure Brochure in your evaluation of the Program.

APS’s investment adviser representatives available in person, referred to as Wealth Management Advisers (“WMAs”), and investment adviser representatives available by phone, referred to as Advisory Consultants, serve as the primary points of contact for Program clients (WMAs and Advisory Consultants shall collectively be referred to as “Advisors”). In addition to the Program, APS also provides other separate managed account and investment advisory services as described under “*Other Advisory Services*” in Item 6.

### The Portfolio Advisor Program

The Program is a fee-based discretionary investment program that currently manages a customized model portfolio of diversified investments in registered funds, including mutual funds and exchange traded funds (“ETFs” and collectively, “Funds”) for you.

The Program offers:

- A carefully constructed portfolio formulated by TIAA, FSB, an affiliate of TC Services, and third party advisers, as described under “*Engagement of Service Providers to Formulate Advice*” in this Item 4, that is based on the preferences you choose. The Program provides clients with the option of selecting from investment preferences such as tax minimization, income, socially responsible investing, among other preferences. The flexibility and choices help to generate more than 1,000 model portfolios, over 14 preference options and 7 levels of risk tolerance.
- A rigorous and purposeful investment process for asset allocation, including automated rebalancing, ongoing management and oversight, as well as detailed tracking and reporting.
- An Advisor who is available for guidance and assistance regarding your enrollment in the Program both in person and on the phone. Your Advisor is backed by a team of investment professionals. See “*Program Enrollment and the Role of Advisors*” in this Item 4.

The Program may also in the future expand the types of securities included beyond Funds. See “*Other Investments*” in this Item 4.

**Model-Based Portfolios.** A variety of model portfolios are used to manage Program accounts. The model portfolios are designed to address a wide range of investor needs, from very aggressive to very conservative risk levels. Based on a review of your risk tolerance, investment time horizon, preferences for certain investment strategies, investment options that are available through the Program (referred to as “Client Preferences”), and other information that you provide via a Program questionnaire, you will receive an Investment Strategy Proposal (“Program Proposal”) containing asset allocation and portfolio investments from a series of model portfolios created for the Program. Your assets will thereafter be managed in accordance with the appropriate agreed upon model portfolio. Adjustments will be made to the model 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 as described under “*Methods of Analysis, Investment Strategies and Risk of Loss*” in Item 6 below.

**Portfolio Investments.** The Program currently uses a variety of Funds to build a portfolio of diversified holdings appropriate for clients enrolled in the Program. The Program, at APS’ discretion, will use all or a subset of these Funds to construct the model portfolios.

The Program only selects investments from the universe of Funds that are available through the fund platform sponsored by the Program’s qualified custodian, Pershing, LLC (“Pershing” and the “Pershing Platform”), and that do not include a surcharge on purchases and sales (the “Universe”); provided, however, that APS may from time to time select from the surcharge list where APS deems it appropriate (and in those instances APS will bear the cost). APS has a conflict of interest in deciding to exclude Funds that impose additional trading expenses, such as surcharges, because doing so allows APS to minimize its own costs. By imposing this limitation, the Program excludes Funds that may have superior performance, lower expense ratios, and/or other potentially more favorable investment metrics. The Program seeks to mitigate this conflict by disclosing it to you.

**Share Class Selection.** Mutual funds often offer several share classes to investors. Each share class invests in the same portfolio of underlying securities and has the same investment objectives or policies. However, their fees, expenses, and initial investment minimums differ. When constructing models, the Program generally uses share classes of mutual funds that are in the Universe and designed for institutional use. Other share classes will be used in the event that (i) share classes designed for institutional use are not offered by the mutual fund complex, (ii) the Program is ineligible for share classes designed for institutional use based on criteria set forth in the mutual fund’s prospectus, or (iii) the Program is not granted a waiver to use share classes designed for institutional use by the mutual fund complex.

Share classes designed for institutional use typically do not charge Rule 12b-1 fees, but may charge other fund fees for distribution, administrative, sub-transfer agency, or shareholder services (referred to as “Other Fund Fees”), as disclosed in each mutual fund’s prospectus. In those cases where the Program invests in share classes that charge Rule 12b-1 fees or Other Fund Fees, APS’ policy is to credit any portion of that fee received by TC Services from the Fund to your Program account as described under “*Rule 12b-1 and Other Fund Fees*” in this Item 4. Other service providers, such as Pershing, receive Rule 12b-1 fees and Other Fund Fees in connection with Funds held in Program accounts. APS does not reimburse these fees that are paid to Pershing to Program clients.

The Program will periodically monitor your investments for eligibility to use share classes designed for institutional use within the Universe and convert your shares when operationally feasible at the Program’s discretion. The Program does not guarantee that you will always be invested in the most favorable share class offered by a mutual fund complex.

Program accounts that are in employer sponsored retirement plans are subject to the Employee Retirement Income Security Act of 1974 (“ERISA”) and may be eligible for share classes with lower expenses than

share classes designed for institutional use, such as, for example, retirement share classes. APS will not utilize share classes that are only available to a select number of accounts in the Program. Accordingly, accounts subject to ERISA may be able to qualify for lower cost share classes outside of this Program.

When you transfer Fund shares into your Program account for any reason, APS does not convert or exchange your holdings in these Funds to a more favorable share class except for (i) specific circumstances related to Legacy Assets, as defined and described under “*Securities Transferred into the Program Account for Retention*” in this Item 4, and (ii) shares transferred into the Program for sale that would otherwise be selected by the Program at its discretion, for use in your model portfolio, as described under “*Funding*” in this Item 4 below.

**Other Investments.** APS believes that Funds are appropriate investment products for the Program for reasons of diversification and expense. The Program may also in the future expand the types of securities included beyond Funds. The Program will provide you with 30 days’ 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 Program account. If you do not respond within the time provided, you will be deemed to have consented and the new security type will be incorporated into the model portfolios.

Additionally, the Program may remove current or incorporate new portfolio strategies. The Program reserves the right to charge fees for such strategies that differ from the Program Fees described in this Item 4. The Program will not remove current or incorporate new strategies into your Program account 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 who 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 under “*Program Fees*” in this Item 4.

**Use of Affiliated Funds and Two Levels of Fees.** Funds that are sponsored, managed, advised or manufactured by TIAA affiliates, such as the TIAA family of mutual funds and the various registered funds of Nuveen Investments, Inc. (“Affiliated Funds”) are included in substantially all of the Program’s model portfolios (and the Program accounts of clients following each model), subject to the quantitative and qualitative investment selection and evaluation criteria described under “*Methods of Analysis, Investment Strategies and Risk of Loss*” in Item 6. As a result of the qualitative component, Affiliated Funds can be selected for inclusion in a model portfolio even if they rank quantitatively lower in terms of performance and/or other investment metrics than unaffiliated Funds. You could own Funds that rank quantitatively higher in terms of performance and/or other investment metrics outside of the Program.

The amount of Affiliated Funds included in your Program account will vary depending on the model portfolio you select based on your risk tolerance and time horizon, as well as your Client Preferences. If you select a Client Preference for Affiliated Funds, a significant portion of your Program account will be allocated to Affiliated Funds and could even be comprised solely of Affiliated Funds and cash. Even if you do not select a Client Preference for Affiliated Funds, your selection of certain Client Preferences will still result in a significant allocation to Affiliated Funds, and will, in some instances, result in allocations to Affiliated Funds that are similar to those in model portfolios in which clients have selected a Client Preference for Affiliated Funds. Clients who prefer not to invest in Affiliated Funds have the option to select the Client Preference for portfolio construction decisions to be sourced exclusively through parties external to TIAA, resulting in a portfolio consisting only of actively managed unaffiliated mutual funds (not ETFs). For information regarding the target amounts of Affiliated Funds included in the various model

portfolios and a discussion of the use of Affiliated Funds in connection with specific Client Preferences, see “*Client Preferences and Affiliated Funds*” in Item 6.

The Program Proposal you receive at the time of your enrollment sets forth the initial anticipated asset allocation and lists the corresponding specific investments, including Affiliated Funds, to be used in the management of your Program account. Please note that both the allocation and the specific investments used for your Program account are subject to change. You should refer to your quarterly performance reports and online account information, which show the current composition of your Program account holdings and specific percentage allocation to each investment in your Program account, including Affiliated Funds.

TIAA and its affiliates have a conflict of interest in selecting Affiliated Funds for Program accounts because TIAA affiliates earn compensation for advisory, distribution and administrative services provided to the Affiliated Funds. This compensation is in addition to the Program Fee, resulting in the receipt of two levels of fees. We seek to address the conflict associated with investing Program accounts in Affiliated Funds in multiple ways, including disclosing the conflict of interest in this Disclosure Brochure and providing you with detailed information about your Program account’s allocation to individual positions. We also allow you to select a Client Preference for your advice to be sourced from an independent third party and those portfolios will not be populated with any Affiliated Funds. We also seek to mitigate this conflict for IRAs and Program accounts subject to ERISA (but not taxable accounts) by providing fee credits and to all Program accounts by providing reimbursements of Rule 12b-1 fees and Other Fund Fees as described under “*Program Fees*” in this Item 4. These additional fees may be significant, both in absolute dollar amounts and relative to TIAA’s net income, and the receipt and retention by TIAA and its affiliates of these fees creates an incentive for TIAA to cause the Program to select and continue to retain Affiliated Funds over unaffiliated Funds. A more detailed discussion of the additional fees that TIAA and its affiliates receive from the use of Affiliated Funds in the Program and the ways we address this conflict of interest appear throughout this Item 4 and in Item 6 of this Disclosure Brochure. You should consider this additional Fund-related compensation when evaluating the amount and appropriateness of the fees we earn in connection with your Program account and the Program.

**Rebalancing.** The model portfolio used in connection with your Program account will be monitored daily for drift. When market conditions or deposits to and withdrawals from 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 the Program’s parameters), then your Program account will be rebalanced to align it more closely with the model portfolio provided your Program account meets the minimum balance requirements as described under “*Funding*” in this Item 4. The Program parameters and methodology related to rebalancing are determined by and may be changed by TIAA, FSB at its discretion.

**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 Program account. For example, you may send a written request for the Program to refrain from investing in a particular Fund or to replace a particular Fund held in your Program account. The Program will not accept any restrictions that are inconsistent with the Program’s stated investment strategy, guidelines, 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 Program account to differ from that of the recommended model portfolio, possibly producing lower overall results. In addition, a restriction will result in a strategy that differs from



the Program's model portfolio and may not meet all of your Client Preferences, which are described in Item 6.

**Securities Transferred into Program Account for Retention.** You can transfer into your Program account certain holdings that you already own and wish to retain ("Legacy Assets"). The Program will attempt to incorporate Legacy Assets into your Program account but will not always be able to do so. The Program will accept your request to retain these holdings if they: (1) are identified by you upon enrollment within the Program questionnaire or anytime you make a request in writing prior to depositing securities within an existing Program account, (2) meet the Program's investment criteria, and (3) are on the Program's hold eligible list. Legacy Assets may be subject to various position, sector, industry or asset class concentration limits. You should discuss the eligibility of any assets you intend to transfer into a Program account with an Advisor. Legacy Assets will be included when calculating the Program Fee in the manner described under "*Program Fees*" in this Item 4

The inclusion of 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 the Program's ability to rebalance your Program account to align with the recommended model portfolio.

Legacy Assets will be reviewed periodically to ensure that they meet the Program's investment criteria and are on the Program's hold eligible list. Legacy Assets that at any time fail to either meet the Program's investment criteria or are no longer on the Program's hold eligible list, will be sold from your Program account or returned to you without notice, without regard to the tax consequences to you or the quality of the asset. Market factors and the nature of the Legacy Assets may impact the timing of the sale of the assets.

You understand and agree that if your Legacy Assets are sold, you may incur taxes or contingent deferred sales charges when such assets are sold. You should consult with your tax advisor in this regard. Neither APS nor its Advisors provide tax or legal advice. Factors such as limited liquidity and limited pricing transparency and quotations may impact the price obtained when the assets are sold or delay the sale.

**Sweep Vehicle.** Cash balances held in your Program account are invested in the sweep vehicle option that you select from the options in the Program's application (the "Application") offered by TC Services' brokerage division ("TIAA Brokerage Services"). Sweep vehicle options may include money market mutual fund sweep options and bank sweep options. TIAA Brokerage Services may change the terms and conditions of the sweep program it makes available to brokerage accounts and therefore to Program accounts, including adding, changing or deleting available sweep vehicle options. In the event you do not select a sweep vehicle option for the Program account, a bank sweep vehicle is used, as identified on the Application. Your Advisor provides information, but not advice, when educating you on the different sweep vehicle options.

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 TC Services. See the Affiliate Bank Sweep terms and conditions for more information. In the event a Program account using the Affiliate Bank Sweep holds a cash balance in excess of the maximum deposit amounts, a separate overflow bank sweep product sponsored by Pershing and Reich & Tang Deposit Solutions, LLC – 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 pays TC Services a flat fee for each Program account invested in the Affiliate Bank Sweep.

TIAA, FSB, as well as other banks that receive deposits through the bank sweep products, earn net income from the difference between the amount that the bank pays on the deposit accounts and the income the bank earns on loans, investments and other assets. When you select a money market mutual fund as your sweep vehicle option, your cash balance is invested in a fund that typically deducts an advisory fee, which is part of the fund's expense ratio that you bear indirectly as a shareholder of that money market mutual fund.

Use of the Affiliate Bank Sweep presents a conflict of interest for APS because TC Services earns compensation for each account that selects the Affiliated Bank Sweep as its sweep vehicle and because TIAA, FSB earns compensation on deposits it accepts through the Affiliate Bank Sweep. Additionally, TIAA, FSB has discretion over the setting of interest rates for deposits through the Affiliate Bank Sweep. As a result, TIAA and its affiliates earn more where the Affiliate Bank Sweep is chosen by you as the sweep vehicle option for the Program account than it does where a money market mutual fund sweep vehicle is chosen. The interests of TIAA, FSB with respect to the setting of this rate may be different from yours – the higher the deposit amount and the lower the interest rate paid, the more TIAA, FSB earns. APS seeks to address the conflicts of interest associated with the use of Affiliate Bank Sweep in the Program by excluding cash balances held in your Program account when calculating the Program Fee, by providing disclosure of these conflicts in this Disclosure Brochure, by targeting your portfolios allocation to cash at 1% (subject to market fluctuation), by not recommending that you select any particular sweep vehicle for your Program account, and by directing you to additional resources to assist you in comparing the features, benefits, and risks of each alternative sweep vehicle option. Clients also have the ability to change the sweep vehicle selected for their Program account at any time.

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. Some money market mutual fund sweep vehicle options available to you charge a Rule 12b-1 fee or Other Fund Fee as part of their expense ratio, which TC Services or Pershing will receive to the extent permitted by law, resulting in two levels of fees. APS' policy is to credit any portion of these fees due to TC Services from the money market mutual fund to your Program account as described under "*Rule 12b-1 and Other Fund Fees*" in this Item 4. APS does not reimburse any such fees received by Pershing to Program clients. Expense ratios differ among sweep options. Please consult the prospectus or similar disclosure document for each sweep vehicle option for more information concerning such fees, as well as the description of two levels of fees and associated conflicts under "*Use of Affiliated Funds and Two Levels of Fees*" in this Item 4. Sweep vehicles available outside of the Program can pay higher rates.

## **Program Costs**

**Program Fees.** You will be charged an asset-based Program Fee for participation in the Program according to a fee schedule that varies depending on when the Program account is opened. The Program Fee may change 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.

**Fee Schedules:** This Disclosure Brochure describes only the fee schedule applicable to new Program accounts that meet all of the following conditions: (i) were opened on or after July 3, 2017, and (ii) were 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 notice requirement and other householding rules described here.

Portfolio Advisor Blended Fee Schedule	
Value Bracket	Annual Fee as %
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%

This blended fee schedule is used to calculate your Program Fee by weighting your aggregate Program account value in accordance with the value brackets and weights shown. As the market value of a Program account reaches a higher breakpoint, the assets within that higher breakpoint category are charged a lower rate. This results in a blended fee rate that will be charged to the client's Program account.

If your Program account does not meet the foregoing conditions, please speak with your Advisor or consult your Advisory Agreement for the fee schedule applicable to your account.

**Cash Balances:** Irrespective of the applicable fee schedule, the Program includes cash balances when calculating the aggregate value of your Program account for purposes of breakpoints, but excludes cash balances held in your Program account when calculating the Program Fee.

**Householding Rules:** Notify your Advisor if you wish to apply "householding" rules to your accounts for fee reduction purposes. Householding is an aggregation process that could help lower your Program Fee rate by adding together the amounts in your household members' Program accounts to achieve higher account values (and more favorable breakpoints) than available to an individual Program account. 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, qualify for householding. The Program Fee breakpoints are set forth in the fee schedules above based on the Program account value. Householding of 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 of related Program accounts does not authorize others in your household to conduct transactions in your Program account.

**Other Fees and Expenses.** Your Program account will be subject to the following additional fees and expenses, when applicable.

**Two Levels of Fees and Expenses - Costs and Expenses of Underlying Funds:** The Program Fee does not include any fees, costs and expenses inherent in the underlying Funds, 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 that, as a participant in the Program, you will bear two levels of fees and expenses. You will bear directly the Program Fee and also bear indirectly the Fund fees and expenses as a Fund shareholder, except where expressly qualified in connection with IRAs and accounts subject to ERISA that are enrolled in the Program. See "Affiliated Fund Fee Credit – for IRAs and Accounts Subject to ERISA" in this Item 4. The fees and expenses of the Program, along with the fees and expenses that will be borne by each Program

client as an investor in the underlying Funds, may be lower or higher than those imposed by other investment programs offered by TIAA affiliates.

As described above under “*Use of Affiliated Funds and Two Levels of Fees*” in this Item 4, TC Services and certain other TIAA affiliates receive compensation for services they provide to Affiliated Funds, including but not limited to advisory, distribution and administrative services. Such Fund-related compensation will be in addition to the Program Fee and is a conflict of interest. You should consider this additional Fund-related compensation when evaluating the amount and appropriateness of the fees we earn in connection with your Program account and the Program.

**Rule 12b-1 and Other Fund Fees:** Among the fees you bear indirectly as a Fund shareholder are Rule 12b-1 fees and Other Fund Fees that are paid by certain share classes of mutual funds and by ETFs held in Program accounts. The Program’s policy is to credit any portion of these fees received by TC Services from the Fund to your Program account. Other service providers, such as Pershing, receive Rule 12b-1 fees and Other Fund Fees in connection with Funds held in Program accounts and APS does not reimburse these fees to Program clients. Please consult the prospectus and statement of additional information of a particular Fund for more information concerning these fees. See “*Share Class Selection*” in this Item 4 for more information on the share classes used in the Program.

**Other Costs:** The Program Fee is a “wrap fee” that covers the fees and costs associated with providing you with an Advisor, managing your Program account, developing the Program’s advice, custody of Program assets, trade execution through TIAA Brokerage Services, client reporting, redemption fees resulting from mutual fund trades and other administrative expenses.

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, reorganization fees, administrative fees, agent servicing fees, direct registration fees, dividend reinvestment fees, extension fees, foreign dividend/custody/settlement fees, returned check fees, share class exchange fees, statement paper surcharge fees, special product fees, stop payment fees, termination fees, voluntary reorganization fees, or any contingent deferred sales charges that may be incurred upon the sale of a security transferred into the Program account at your request.

**Payment, Waivers and Credits.** In certain circumstances, we may reduce or offset your Program Fee, or rebate other fees and expenses that you pay in addition to the Program Fee.

**Payment of the Program Fee:** The Program Fee is payable quarterly in arrears. It is calculated by multiplying the daily trade date 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. The Program Fee will be deducted 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. The redemption of Fund shares is a taxable event for non-tax advantaged accounts of Program clients (e.g., IRAs). The Program Fee for partial quarters (i.e., upon the inception or termination of a Program account) will be prorated.

**Waivers and Discounts:** The Program reserves the right to reduce the Program Fee at its discretion or to offer other promotions, including for promotional events that may result in complimentary or reduced advisory fees for new clients, to current clients for referrals, for clients making deposits above a certain size, for TIAA employees, and/or for family members of TIAA employees. These promotions may include

additional Program account services, products, bonus payments and other forms of incentive. These promotions may create a conflict of interest in requiring you to maintain certain levels of assets managed through the Program in order to become eligible to receive an incentive, bonus or additional compensation. We address these conflicts by disclosing the terms and conditions of any such promotions to you. Other than as noted, the Program Fee is not negotiable.

***Affiliated Fund Fee Credit – for IRAs and Accounts Subject to ERISA:*** For IRAs and accounts subject to ERISA that are enrolled in the Program, the Program Fee will be reduced by a fee credit for revenue that TIAA affiliates receive and retain as a result of assets invested in Affiliated Funds. The fee credit will equal the sum of (i) the investment management portion (including advisory and sub-advisory fees) of the Affiliated Fund’s expenses that TIAA affiliates retain in connection with the Affiliated Funds held in the Program account, and (ii) the administrative and other fees that TIAA affiliates retain from such Affiliated Funds that are included in the Affiliated Fund’s expenses. The fee credit amount will generally exclude 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 affiliated personnel attributable to work performed for the Affiliated Funds held in the Program account and third party custodial fees and transfer agent fees associated with the Affiliated Funds held in the Program account. The fee credit amount will vary depending upon the particular Affiliated Fund employed as the amount of retained fees subject to the fee credit differ from Affiliated Fund to Affiliated Fund. While the fee credit reduces the Program Fee paid by you resulting in lower investing costs (than if you were to bear those costs in addition to the Program Fee) 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 Directly in Program Securities:*** 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, you would not receive the advice available only to Program clients and may not be eligible to purchase or retain the same share classes in which the Program invests. 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. The Program does not include advice on assets held outside of the Program, nor does it monitor assets you hold outside of the Program.

## **Additional Information About the Program**

***Engagement of Service Providers to Formulate Advice.*** APS engages a TIAA affiliated entity, TIAA, FSB, as well as third party advisers to formulate advice for the Program which APS oversees as described under “*Review of Third Party Service Providers and Sources of Investment Advice*” in Item 6. TIAA, FSB also trades securities for the Program. APS has entered into an agreement with TIAA, FSB, for these services, and APS pays TIAA, FSB an annualized rate of 6.25 basis points based upon the amount of Program assets advised by TIAA, FSB. Additionally, APS engages a third party adviser, for a flat annual fee of \$60,000 to determine the mutual fund selections in your Program account, should you select a Client Preference for advice sourced from a third party, as described under “*Description of Client Preferences – Sources of Investment Advice*” in Item 6 (“External Adviser”). An unaffiliated third party provider is also engaged and compensated by TIAA, on behalf of APS and other affiliates, to provide asset allocations for use throughout the organization (“Allocation Provider”). If you select a Client Preference for advice sourced from a third party, your allocations will be developed by the Allocation Provider and your funds will be selected by the External Adviser.

After payment of these fees and other Program expenses, APS receives the remainder of the Program



revenue. As described under “*Sweep Vehicle*” in this Item 4, TIAA, FSB will also receive compensation as part of the Affiliate Bank Sweep. Other TIAA affiliates serve as the investment advisors to the Affiliated Funds and receive fees from each such Fund for their investment management services, as described under “*About TIAA*” in this Item 4.

**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. The information that you provide in the Program questionnaire is relied upon in selecting the appropriate model portfolio for your Program account and will continue to be relied upon to manage your Program account. You are responsible for the accuracy of all information provided to the Advisor in connection with the Program.

The Program questionnaire also allows you to specify preferences among different investment strategies and options, which are described under “*Client Preferences*” in Item 6.

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

#### **Compensation of WMAs, Advisory Consultants and other TC Services’ Representatives.**

Different TC Services’ representatives can perform enrollment and client service activities for the Program, including enrolling you in the Program and assisting you with account servicing needs after enrollment. WMAs service clients in local TIAA Offices. Advisory Consultants service clients by phone. Other TIAA representatives may also refer you to a WMA or Advisory Consultant. TC Services’ representatives do not exercise investment discretion over your assets.

Where applicable, WMAs, Advisory Consultants and other TC Services’ representatives will receive compensation as a result of assisting you. Their compensations is comprised of a salary and annual variable bonus that is based on the financial performance of TIAA and its affiliates, as well as the individual’s performance. When assessing performance for purposes of the annual variable bonus, this “individual performance” component is measured differently for WMAs, Advisory Consultants, and other TC Services’ representatives, as is described in detail below.

WMAs and Advisory Consultants receive compensation for the opening and funding of new accounts, products and services at TIAA. WMAs also receive compensation for the retention of client assets in TIAA accounts. WMAs and Advisory Consultants are acting as broker-dealer registered representatives when discussing accounts, products, services and/or providing brokerage execution services. WMAs and Advisory Consultants also may act as appointed insurance agents of TIAA affiliates in connection with the offering of insurance products outside of the Program.

**WMAs:** When assessing performance for purposes of the individual performance component of the annual variable bonus for WMAs, TIAA primarily considers quantitative metrics such as the WMA’s success in gathering, retaining and consolidating client assets 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 WMAs throughout the year.

TIAA’s compensation philosophy aims to reward WMAs 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 and its affiliates (referred to generally as “solutions”). For compensation purposes, solutions are differentiated as follows:

- *Complex Needs Solutions:*
  - The Program
  - The Private Asset Management managed account program and trust services offered through TIAA, FSB, and
  - Annuities issued by TIAA Life Insurance Company (an affiliate) and any non-affiliated life insurance and annuity companies.
- *Core Needs Solutions:*
  - Employer sponsored retirement plan account(s) at TIAA,
  - The TIAA Investment Solutions IRA and TIAA IRA, including the mutual funds, annuities and bank deposit account options offered by TIAA affiliates through the IRAs and the optional brokerage window account.
- *Other Solutions:*
  - Brokerage accounts offered through TC Services (excluding brokerage window accounts to employer sponsored retirement plans at TIAA, the TIAA Investment Solutions and TIAA IRA which are treated as Core Needs Solutions), and
  - Referring clients to TIAA, FSB for banking solutions, 529 accounts, TIAA Charitable for its Donor Advised Fund services, TIAA affiliates for endowment and foundation business, and to online managed account programs offered through TIAA affiliates such as the TIAA Personal Portfolio Program.

WMAs earn more credit towards the annual variable bonus, and thus more potential compensation, for enrolling clients in the Complex Needs and Core Needs Solutions, including the Program, than they do for enrolling clients in or referring clients to Other Solutions (and some WMAs also receive more credit, and thus more compensation for retaining client assets in Complex Needs Solutions, including the Program, than they do for Core Needs Solutions and Other Solutions). In addition, WMAs can earn compensation when clients annuitize holdings within an employer sponsored retirement plan record kept by TIAA or within a TIAA IRA and when clients transfer funds into Complex Needs Solutions from Core Needs Solutions and Other Solutions at TIAA or where clients move assets from Complex Needs Solutions to purchase life insurance products. WMAs also are eligible to earn additional compensation when clients purchase life insurance. The compensation does not differ based on the underlying investments chosen within the solution.

The annual variable bonus gives WMAs a financial incentive to enroll and retain client assets in the solutions, including the Program, and compensates WMAs for doing so in the manner described here. WMA compensation does not differ based on the investments chosen within the Program. For WMAs at senior levels, the percentage of compensation represented by the annual variable bonus can be significant, as compared to the salary portion of compensation.

The compensation payable under the annual variable bonus creates a conflict of interest by incentivizing WMAs to recommend Core Needs and Complex Needs Solutions over other potential solutions. We seek to address this conflict by disclosing it to you and by requiring transactions recommended by WMAs to be reviewed as required by applicable regulatory standards to determine whether they are appropriate to meet clients’ financial needs. Additionally, recommendations concerning the investment options in employer sponsored retirement plan account(s) at TIAA and the mutual funds and annuities from TIAA affiliates available through the Investment Solutions IRA and TIAA IRA are sourced from an independent third party.

***Advisory Consultants:*** When assessing performance for purposes of the individual performance component of the annual variable bonus for Advisory Consultants, TIAA primarily considers quantitative metrics such as number of referrals, client survey results, and annuitizing certain holdings within an employer sponsored retirement plan record kept at TIAA or within a TIAA IRA. Additional financial results consist of gathering client assets in appropriate TIAA products, services and accounts, and rewards them for successful enrollments or education, regardless of the TIAA product. Several qualitative factors are also considered, such as leadership, teamwork, and adherence to company policies and regulatory standards.

These compensation arrangements create conflicts of interest by incentivizing these representatives to refer you to or recommend TIAA accounts, products and services or take certain actions, like annuitizing. We seek to address the conflicts created by the Advisory Consultants' compensation arrangements by disclosing them to you and requiring that transactions recommended by Advisory Consultants are reviewed, as required by applicable regulatory standards, to determine whether they are appropriate to meet a client's financial needs. Additionally, recommendations concerning the investment options in employer sponsored retirement plans offered through TIAA and the mutual funds and annuities from TIAA affiliates available through the IS IRA and TIAA IRA are sourced from an independent third party.

***Other TC Services' Representative Compensation:*** Where appropriate, other client facing representatives associated with TC Services such as field consultants, phone-based national contact center financial consultants, individual financial consultants, and Advisory Consultants may refer clients with more complex investment needs to WMAs. Field consultants, national contact center representatives, and individual financial consultants, may also refer clients to the Advisory Consultant. Referrals that result in clients enrolling in products and services offered through TIAA, including the Program, are one factor that TIAA will consider in determining the referring employee's annual variable bonus among other qualitative and quantitative factors. These compensation arrangements create a conflict of interest by incentivizing these individuals to refer clients to WMAs and Advisory Consultants for enrollment in the Program. We disclose and address this conflict of interest by requiring any recommendation for enrollment in the Program to undergo a review process as required by applicable regulatory standards to determine whether they are appropriate to meet clients' financial needs.

***Managers of TC Services' Representatives:*** Managers of the TC Services' representatives described above are compensated based on qualitative metrics, such as their leadership abilities (which include training, monitoring, and oversight), as well as quantitative metrics, such as the performance (financial or otherwise) and productivity of their staff. This compensation arrangement creates a conflict of interest by incentivizing managers to encourage their staff to gather, retain and consolidate client assets on the TIAA platform. We address this conflict by disclosing it to you.

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

***Holistic Asset Allocation Considerations.*** Prior to enrolling in the Program, you may receive non-discretionary financial planning services and receive the Financial Planning Services Disclosure Brochure. These services are offered separately and not part of the Program services, but may help inform your holistic financial planning strategy, including investing needs and risk capacity.

If you seek to balance your risk exposure among your various 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.



The Program offers an optional Completion Portfolio service, which allows Program clients to establish, at a point-in-time, a risk balancing approach between the asset allocation of a client's Program account and the client's designated asset allocation for one or more of their employer sponsored retirement plan account(s) at TIAA, TIAA Investment Solutions IRA, or TIAA IRA maintained separately from the Program ("Retirement Plan Account(s)"). See the Completion Portfolio Terms and Conditions for more information.

With respect to any of the above methods used to balance risk exposure, neither APS nor the Program will independently 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 Retirement 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 Retirement Plan Account(s) and an Advisor will help you work through the impact. While a more aggressive risk target for your Program account 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 Program accounts that is consistent with your holistic risk tolerance level could be impacted by changes in Program account values, or allocations, changes in the risk exposure or composition of assets held in your Program accounts or as a result of market fluctuations.

**Funding.** You may fund your Program account using cash or securities. 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 as described under "*Termination*" in Item 5. Underfunded Program accounts will not be managed until they are funded to meet the Program's minimum required amount.

**Securities Transferred into Program Account for Funding:** You can fund your Program account with securities that you already own, provided the securities are liquid and able to be sold by us. Securities that you transfer into your Program account will be sold or returned to you as soon as practicable, with the exception of Legacy Assets described under "*Securities Transferred into Program Account for Retention*" in this Item 4 above and mutual funds that are already used in Program models, as described below. The Program reserves the right to require you to wait a specific period of time before depositing any securities into your Program account for funding purposes. APS does not charge the Program Fee on these securities. TC Services treats any Rule 12b-1 and Other Fund Fees associated with these securities in the manner described under "*Program Fees*" in this Item 4.

If a security deposited to your Program account is a mutual fund already used in Program models, the Program will not sell it, but rather retain your shares and convert them to the share class used by the Program, if it is different from the share class you own. The Program will complete any such exchanges as soon as they become operationally feasible at the Program's discretion. In all other cases, APS will retain your existing share classes rather than converting them to a more favorable share class. If the holding pays a Rule 12b-1 fee or Other Fund Fee, APS will treat these fees in the manner described under "*Program Fees*" in this Item 4.

You understand and agree that if you initially fund your Program account in whole or in part through the transfer of securities or make any subsequent deposit of securities into your Program 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. Neither APS nor its Advisors provide tax or legal advice. Factors such as limited liquidity and limited pricing transparency and quotations may impact the price obtained when the assets are

sold or delay the sale. Moreover, any securities that cannot be sold may be returned to you at any time.

Additionally, if you fund your Program account with bonds you must promptly provide written consent for the Program to sell those bonds. If such consent is not provided within 30 days and the assets in your Program 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, as described under "*Termination*" in Item 5.

**Special Considerations regarding Individual Retirement Accounts.** You may rollover assets from an employer sponsored retirement plan account into an 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 the options prior to rolling over assets into an IRA. A detailed description of these considerations may be found at [http://www.tiaa.org/public/pdf/Know\\_Your\\_Options\\_from\\_TIAA.pdf](http://www.tiaa.org/public/pdf/Know_Your_Options_from_TIAA.pdf). 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. However, please note that neither APS nor our Advisors provide tax advice. APS benefits when you move funds from your employer sponsored retirement plan to a Program account because of the Program Fee, which would not be charged if your assets remain in an employer sponsored retirement plan. This creates a conflict of interest. We seek to mitigate this conflict by disclosing it to you and by requiring Advisors to discuss your options when making a rollover recommendation. We also require that rollover transactions recommended by Advisors be reviewed as required by applicable regulatory standards to determine whether they are appropriate to meet clients' financial needs.

**Discretionary Authority.** When opening a Program account, 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 have full discretion to make and implement investment decisions for your Program account. The Program will not provide prior notice to or seek your approval when determining the asset allocation for your Program account or when selecting securities to buy, sell or hold or when selecting the broker-dealers to effect transactions for your Program account.

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 or directing trades in your Program account when 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, or incompetence, the services under the Program will continue and the Program Fee will be charged, as described under "*Program Fee*" in this Item 4, until APS receives written notice from an executor, beneficiary or other representative terminating the Program account. In the event of your death, the services under the Program will continue and the Program Fee will be charged, as described under "*Program Fee*" in this Item 4, until APS receives a request for distribution from any of your beneficiaries or notice from your executor to terminate the account. When a beneficiary requests disbursement subsequent to your death, funds will be distributed to your beneficiary and any remaining unclaimed balances will escheat to your state of residency per state guidelines.

Your grant of discretionary authority 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 the 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 that 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 in its discretion, or any such method it implements 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 TIAA Brokerage Services by completing the Application and entering into a Brokerage Agreement with TIAA Brokerage Services. Pershing, a subsidiary of The Bank of New York Mellon N.A. that is unaffiliated with APS, acts as TIAA Brokerage Services’ clearing firm and holds your Program account assets in its custody in fully disclosed brokerage accounts on its platform. With respect to IRA assets (“IRA Assets”), other than SIMPLE IRA assets, TIAA, FSB acts as directed trustee for the IRA Assets and has legal custody of IRA Assets through this role. TIAA, FSB is compensated for this role. Pershing currently 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 the Program. The Program currently uses TIAA Brokerage Services and Pershing to execute all securities transactions because any transaction fees incurred through other broker-dealers are in addition to, and not included within, the Program 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 Funds’ prospectus or similar disclosure documents, including any underlying fees and expense ratios described therein. For a description of the conflict of interest arising from the investment of Program accounts in Affiliated Funds, and from the receipt by TIAA and its affiliates of additional compensation for providing advisory, distribution and administrative services to those Affiliate Funds, see *“Use of Affiliated Funds and Two Levels of Fees”* in this Item 4.

**Execution Practices.** The Program’s objective in executing client trades is to obtain best execution. TIAA Brokerage Services, which executes trades for the Program executes all trades through its clearing broker, Pershing, LLC. TC Services has adopted a Best Execution Policy to monitor Pershing’s execution of its trades.

**Trade Order Aggregation and Randomization.** The Program aims to aggregate and allocate trading in a manner designed to achieve fair and equitable treatment of its clients. The Program, determines the timing and allocation of trades for portfolios both constructed by an External Adviser and by TIAA, FSB, before providing the trades to TIAA Brokerage Services for execution.

Where applicable, client orders will be aggregated for trading with orders of other managed account programs offered by APS (which are described under *“Other Advisory Services”* in Item 6). Where the Program opts to aggregate orders, such orders will be allocated on a pro-rata, average price basis. Orders are aggregated to facilitate seeking best execution, to negotiate more favorable commission rates, or to allocate equitably among TIAA clients the effects of any market fluctuations that might have otherwise occurred had these orders been placed independently.

The Program, at its discretion, employs a randomized trading process when executing large share trade orders that can occur when there are large daily flows into or out of the Program, when rebalancing Program accounts, or when replacing a Fund with another Fund across all applicable Program accounts. This randomized trading process is utilized to prevent one client or group of clients or strategies from being unfairly or systematically favored over another.

Large trades may need to be executed over multiple days or different times in the same trading day for multiple client accounts within the Program or across multiple managed account programs offered by TIAA and its affiliates (which are described under “*Other Advisory Services*” in Item 6). Trades done on the same day or over multiple days are not guaranteed to receive the same execution price.

**Trade Errors.** The Program maintains policies and procedures that address the identification and correction of trade errors. On those occasions when such an error does occur, the Program will use reasonable efforts to identify and resolve errors as promptly as possible. The Program will address and resolve errors on a case-by-case basis, in its discretion, based on the facts and circumstances. The Program is not obligated to follow any single method of resolving errors but will seek to treat all clients fairly in the resolution of trade errors.

**About TIAA.** TIAA is the marketing name under which Teachers Insurance and Annuity Association of America (“TIAA”) and its subsidiaries provide services. TIAA, a life insurance company, is the direct parent of TC Services (and its APS division). Any profits earned by TIAA subsidiaries, including TC Services, may be paid in the form of dividends directly or indirectly to TIAA. Such dividend amounts, if any, become part of the general account for TIAA, 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 the Financial Industry Regulatory Authority (“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.

TIAA and TC Services have entered into a service arrangement whereby TIAA, 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 Advisors are employees of TIAA. 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 TIAA.

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 TIAA, and receives compensation for its investment management services from the TIAA-CREF family of Funds. Additionally, other TIAA affiliates provide services to certain series of the TIAA-CREF family of Funds: TIAA provides administrative services, Teachers Personal Investor Services, Inc. is the principal underwriter, and TC Services provides distribution services. These entities receive compensation for their services from the TIAA-CREF family of Funds. See the Funds’ prospectuses for a

description of the compensation. 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 TIAA. 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.

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

As noted under “*Program Agreements*” in Item 4, the Program requires you to open a brokerage account with TIAA Brokerage Services. You must fund the account with a minimum of \$50,000 (or \$25,000 for TIAA employees) in cash or eligible securities and grant APS investment discretion over your Program account. The Program may lower this Program account minimum at its discretion, in whole or in part, in connection with promotional campaigns or for any other reason. Additionally, TIAA Brokerage Services may offer pricing discounts, bonus payments or other account-related benefits and incentives 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**

As described under “*Funding*” and under “*Securities transferred into the Program Account for Retention*” in Item 4, should you transfer securities into your Program account, the Program will either sell the securities upon receipt and use the proceeds to fund your Program account or sell them at a later time if they no longer meet the Program’s investment criteria and are not on the Program’s hold eligible list. Securities transferred into your Program account will also potentially be sold upon receipt unless you obtain prior written agreement from the Program to retain the assets in your Program account, as described under “*Securities Transferred into the Program Account for Retention*” in this Item 4. Any sale could cause a taxable event to you or trigger contingent deferred sales charges.

Additionally, for certain types of securities (such as securities that are not publicly traded, trade over the counter, are not traded on an exchange, are no longer quoted, or are not fully transferred), 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 the model portfolio. You may establish automatic monthly or quarterly withdrawals. In such cases, securities held in your Program account will be sold as needed to fund the withdrawals, which may be a taxable event for clients not investing through an IRA or retirement account.

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, the Program will generally trade these shares once a day and you will receive the price available in the marketplace at that time. A request is considered in good order when the Program 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 model 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 model portfolio.

## Termination

You may terminate your participation in the Program at any time upon notice to APS through your Advisor. 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 or if you fail to update Program required documentation. APS will also terminate your participation in the Program should you change residency to a non-US address.

Upon termination from the Program, APS will cease managing your Program account and collect any fees owing for management services provided through the date of termination. You thereafter must direct the Program to transfer assets out of your Program account within 30 days by providing such instructions to your Advisor. Once your directions to transfer assets are received, the transfer may take 30 days or more to occur. Should you fail to direct such transfer APS will, at its discretion, and within a reasonable timeframe, either transfer the assets to a separate, self-directed TIAA Brokerage Services brokerage account registered identically to the Program account, containing the same securities as 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. APS' decision to transfer your assets into a separate, self-directed TIAA Brokerage Services account instead of redeeming them and mailing a check to you creates a conflict of interest because it allows APS to keep the funds within TIAA products and investments, including the TIAA-CREF family of Funds and the Affiliate Bank Sweep, for which it earns compensation and within other third party investments for which TC Services may earn compensation. APS seeks to mitigate this conflict by providing you with notification and the option to direct a transfer or liquidation of your assets.

Any liquidations resulting from your instruction to terminate and liquidate your Program account may not occur until two business days following receipt of the instruction. Extreme market volatility and in process trades could impact this timing. 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, which may be a taxable event for if you are not investing through an IRA or other tax-advantaged account.

## Types of Clients

The Program's clients primarily consist of 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) plan. However, the Program's clients also include family or friends of existing clients who have a pre-existing relationship with TIAA, as well as individuals without a pre-existing relationship and small organizations like trusts, limited partnerships and similar entities and small employer sponsored retirement plan accounts not administered by TIAA.

## Item 6 - Portfolio Manager Selection and Evaluation

The specific asset allocations and Funds selected for your Program account are based on your responses to a Program questionnaire, including a series of Client Preferences, as defined here. The Funds anticipated to be used to construct your Program account will be set forth in the Program Proposal that 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 holdings online. You may impose reasonable restrictions on the use of specific Funds in your Program account as described under “*Investment Restrictions*” in Item 4.

### Client Preferences

The Program is designed to allow you to express a number of preferences for certain investment strategies and options, which are referred to as “Client Preferences” throughout this Disclosure Brochure and described here. The Program offers these options to accommodate the varying investing interests and preferences of APS’ clients and does not recommend one Client Preference over another. Your Advisor provides information but not advice when educating you on the different Client Preferences. Other services offered separately from the Program by APS may also inform, but should not be construed as recommending, your choice of Client Preferences. Most clients investing in the Program do, initially or periodically, receive separate point-in-time non-discretionary financial planning services from APS at no additional charge. If these services inform your long-term asset allocation and other Client Preferences, please carefully review the disclosures accompanying the service. As noted under “*Holistic Asset Allocation Considerations*” in Item 4, such financial planning services are offered separately from the Program and are subject to different terms and limitations set forth in the Advice & Planning Services’ Financial Planning Services Disclosure Brochure.

The combination of Client Preferences you select informs the model portfolio strategy used for your Program account. While all of your Client Preferences are considered equally when structuring model portfolios, not all Client Preferences can be accommodated simultaneously.

The Program has an incentive to meet certain of your Client Preferences, such as a Client Preference for affiliated funds, passive managers and socially responsible investing because these Client Preferences typically result in more Affiliated Funds in your portfolio. For a description of the conflict of interest arising from use of Affiliated Funds in Program accounts, see “*Use of Affiliated Funds and Two Levels of Fees*” in Item 4 and “*Client Preferences and Affiliated Funds*” in this Item 6.

Selection of certain Client Preferences by you in the Program questionnaire may reduce the number of other preferences available for your selection. 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 any of its Advisors provide tax advice. The current Client Preferences available through the Program, and additional information about the impact of these Client Preferences on the allocation to Affiliated Funds, are set forth here.

The Program reserves the right to modify or eliminate any of the Client Preferences from time to time with notice to you of any material modifications.

### Description of Client Preferences.

- ***Sources of Investment Advice:*** You may specify a Client Preference for portfolio construction decisions to be sourced exclusively through advisers external to TIAA. If you select this Client Preference, the Program will rely exclusively on unaffiliated parties for asset allocation and

investment selection decisions and your Program account will be constructed entirely using unaffiliated actively managed mutual funds, with no ETFs or Affiliated Funds. If you select a Client Preference for portfolio construction decisions to be sourced exclusively through advisers external to TIAA the asset allocation for the Program's model portfolios will be developed by the Allocation Provider and your Funds (which populate the model portfolios and determine the investment make-up of your Program account) will be selected by the External Adviser. Where the Client Preference is not selected, the Program 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 additional Client Preferences available to you (as described here). Regardless of the Client Preference chosen, the Program engages TIAA, FSB to implement the transactions and executes the transactions through TC Services and Pershing as described under "*Program Agreements*" in Item 4.

- ***Investment Selection – Client Preference for Affiliated Funds:*** You may specify a Client Preference for a model 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 model portfolio and where the Affiliated Funds meet the Program's Fund selection criteria summarized under "*Methods of Analysis, Investment Strategies and Risk of Loss*" in this Item 6. This Client Preference will likely result in your Program account wholly or predominantly consisting of Affiliated Funds, even when an unaffiliated Fund may be available with superior performance and/or other investment metrics. Where you do not select a Client 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 will nevertheless be included in your Program account if the Affiliated Fund is determined to be a suitable and appropriate investment option. For a description of the conflict of interest arising from use of Affiliated Funds in Program accounts, see "*Use of Affiliated Funds and Two Levels of Fees*" in Item 4 and "*Client Preferences and Affiliated Funds*" in this Item 6.
- ***Income Approach:*** You may specify a Client 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 model 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 select a Client Preference for income, further customization through use of other Client Preferences will be restricted. Where a Client Preference for income is not selected, the Program will use a strategy focused on the total return of your Program account, while considering the other Client Preferences.
- ***Downside Risk:*** You may specify a Client Preference for a strategy that is designed to help reduce, but not eliminate, your exposure to major downward market movements. Where this Client Preference is selected, it typically will result in a model portfolio that does not fully participate in upward market movements, thereby reducing your relative returns in "bull" markets. The Program attempts to achieve downside risk mitigation through the asset allocation models and resulting types of investment managers associated with the asset classes used. 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 Client Preference for a strategy that attempts to more fully participate in market returns over the full market cycle. In this case, the Program 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 Client Preferences, the Program 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 Client Preference for active managers that are restricted to investing in socially responsible companies (i.e. those that seek to promote broader economic development, positive and social outcomes and a healthier environment). Managers that consider social factors may not be available for all asset classes in your model 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. Because the TIAA-CREF family of Funds sponsors and manages funds with socially responsible investment mandates, Affiliated Funds may be selected for your portfolio when you select a preference for socially responsible investing. For a description of the conflict of interest arising from use of Affiliated Funds in Program accounts, see “*Use of Affiliated Funds and Two Levels of Fees*” in Item 4 and “*Client Preferences and Affiliated Funds*” in this Item 6. Alternatively, you may prefer that managers have no social constraints. You may also have no preference in this matter, in which case you will receive a model portfolio with no social constraints.
- Portfolio Management Approach (Active and/or Passive):*** You may specify a Client 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. A Client Preference for active managers generally will result in a model portfolio consisting of predominantly (or exclusively) active managers and a Client Preference for passive managers generally will result in a model portfolio consisting of predominantly (or exclusively) passive managers. If you select the “no preference” option, the Program will use its discretion to apply a combination of active and passive managers to your Program account. Because the Program considers the fee credit applied to IRAs and accounts subject to ERISA in selecting passive managers, as described under “*Affiliated Fund Fee Credit – For IRAs and Accounts Subject to ERISA*” in Item 4, a Client Preference for passive managers will result in a higher allocation to Affiliated Funds in these types of accounts. For a description of the conflict of interest arising from use of Affiliated Funds in Program accounts, see “*Use of Affiliated Funds and Two Levels of Fees*” in Item 4 and “*Client Preferences and Affiliated Funds*” in this Item 6. Also, because actively managed funds are not selected for the Program based on the Fund’s expense ratio (as noted under “*Portfolio Construction by TIAA, FSB*” in this Item 6) and typically have higher expense ratios than passive funds, a Client Preference for active managers will result in your portfolio consisting of Funds with higher expense ratios than a Client Preference for passive managers.
- Tax Management for Taxable Accounts:*** For taxable accounts, you may prefer a model portfolio that attempts to defer or minimize taxes. If you select this Client Preference, the Program will, to the extent possible, construct your Program account with tax sensitive municipal securities investments and also allow you to indicate whether you prefer that those municipal securities be state specific funds. State specific funds are only available in certain states and if your state of residency changes at a later date, the Program will invest your Program account in a national municipal bond fund in place of a previously selected single state municipal bond. If you would

like to be invested in a state specific municipal bond at that later date, you must contact your Advisor. While several of these strategies may have lower pre-tax returns than similar products, they are designed to provide higher after-tax returns. This Client Preference is based on individual circumstances and may not be appropriate for you. In addition, the Program has a Tax Loss Harvesting strategy, which is 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 Program account. See “*Tax Loss Harvesting*” in this Item 6 for more information about this offering and the limitations of its features. Alternatively, you may prefer to focus on maximizing your pretax performance without consideration of tax issues. If you select this Client Preference the tax minimization strategies will not be applied to your Program account.

**Client Preferences and Affiliated Funds.** As described in Item 4, the Client Preferences you select will also affect the amount of your Program account that is invested in Affiliated Funds, with certain Client Preferences having a more significant impact than others.

On or about the date of this Disclosure Brochure, Affiliated Funds represented approximately 47% of the assets under management in Program accounts. Across the models available in the Program: (i) the minimum target allocation to Affiliated Funds is 0%, (ii) the maximum target allocation to Affiliated Funds models with a Client Preference for Affiliated Funds is 94%, and (iii) the maximum target allocation to Affiliated Funds for models without a Client Preference for Affiliated Funds is 73%.

Certain Client Preferences have a greater impact on the target allocation to Affiliated Funds than other Client Preferences. Those are the Client Preferences for: (i) Affiliated Funds, (ii) Passive Managers, (iii) a combination of Passive and Active managers, and (iv) Tax Minimization using state specific Funds when available. The remaining Client Preferences do not result in more than a 10% target allocation to Affiliated Funds.

The table below shows the following information for each of the Client Preferences listed above, taken in isolation (*i.e.*, without considering the impact of any other Client Preferences):

Range of Target Allocations to Affiliated Funds in Program Models: This column shows, across all the models available for selection in the Program, the minimum and maximum target allocation to Affiliated Funds.

Weighted Average Allocation to Affiliated Funds in Client Accounts: This column shows, across the models selected by clients in the Program, the weighted average target allocation to Affiliated Funds, based on the total number of client accounts.

How to understand this Table: As an example, if you chose the Client Preference for Passive Managers, the resulting target allocation to Affiliated Funds in the model used for your portfolio will be between 0% and 73%. In addition, all clients who chose the Client Preference for Passive Managers had an average target allocation to Affiliated Funds of 42%. Where your model falls depends on your risk tolerance, investment time horizon, and the combination of your selected Client Preferences.

<b>Client Preference</b>	<b>Range of Target Allocations to Affiliated Funds by Client Preference in Program Models</b>	<b>Weighted Average Allocation to Affiliated Funds by Client Preference in Client Accounts</b>
<b>Investment Selection</b>		
Client Preference for Affiliated Funds	32 – 94%	66%
<b>Portfolio Management Approach</b>		
Client Preference for Passive Managers	0 – 73%	42%
No Client Preference on Portfolio Management Approach	0 – 31%	14%
<b>Tax Management</b>		
Client Preference for Tax Minimization Using State Specific Funds When Available	0 – 46%	39%

**Important information regarding the foregoing table:** The information in the table is provided on or about the date of this Disclosure Brochure for informational purposes only. It does not restrict in any way the amount of assets invested in Affiliated Funds by a given model or by Program accounts using that model. The actual amount invested in Affiliated Funds by models constructed for Program clients will vary, possibly materially, from that shown in the table without notice to you at APS’ discretion. The actual amount of your Program account assets invested in Affiliated Funds will be higher or lower than that of your model for reasons including, without limitation, client-directed activity (such as deposits, withdrawals or Legacy Assets), market action and operational considerations. Your target allocation to Affiliated Funds, resulting from a combination of Client Preferences, cannot be determined from the table (e.g., by averaging or summing the percentage indicated for all of your selected Client Preferences). Please see your initial Program Proposal, most recent quarterly performance report, online account information, or contact your Advisor for the composition of your account holdings and your specific allocation to Affiliated Funds.

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

As described under “*Engagement of Service Providers to Formulate Advice*” in Item 4, APS has engaged other entities, such as TIAA, FSB and the External Adviser and Allocation Provider, to help formulate the advice provided through the Program.

On a quarterly basis, APS reviews the list of Funds selected by TIAA, FSB and the External Adviser. APS also reviews the share class selections made by TIAA, FSB (which selects share classes and executes trades for models for the External Adviser as well as itself) as needed. APS engages TIAA, FSB to annually review the methodology, business changes, strategy changes and personnel changes of the External Adviser and reports its findings to APS. APS also engages TIAA, FSB to check the calculations and capital market assumptions underlying the asset allocations provided by the Allocation Provider each year. APS uses TIAA, FSB’s findings to conduct an annual review and validation of the investment advice capabilities of the External Adviser and participates in a validation process with other senior management and investment personnel across TIAA to evaluate the Allocation Provider’s services.

APS will replace either TIAA, FSB, the External Adviser and/or the Allocation Provider should a determination be made, that TIAA, FSB, or the External Adviser, is no longer performing satisfactorily. APS will base any decision to retain or replace TIAA, FSB or the External Adviser on the quality and continued value of their services.

Although judged on similar criteria, TIAA, FSB and the External Adviser and Allocation Provider are evaluated differently for a number of reasons, including differences in the services performed. APS engages TIAA, FSB to create many more model portfolios, with many more available Client Preferences, than the models that APS receives from the External Adviser and Allocation Provider. The evaluation process also differs because APS has more, and continuous, information regarding TIAA, FSB's investment processes as well as its personnel and risk and compliance procedures.

APS' use of an affiliated entity, TIAA, FSB, presents a conflict of interest for APS because a greater portion of your fee remains within the TIAA family of companies than if APS used a third party to provide these services. APS addresses this conflict of interest through disclosure of the conflict in this Disclosure Brochure, and through reviews of TIAA, FSB's services. APS' use of TIAA, FSB also could present a conflict of interest as TIAA, FSB could use its discretion to invest your assets in Affiliated Funds that would provide TIAA with greater aggregate revenue than through the use of unaffiliated Funds. To address this possible conflict, APS compensates TIAA, FSB and the External Adviser without regard to the affiliation of the Funds selected. Moreover, APS imposes no limitations or minimum purchase requirements upon TIAA, FSB concerning the use of Affiliated Funds and does not permit the use of Affiliated Funds in the Program accounts of clients that elect to have the External Adviser make all asset allocation and investment selection decisions.

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

The Program adheres to long term investing principles to build a Program account consisting of diversified holdings for you. As described under "*Model Based Portfolios*" in item 4, the Program offers a number of model portfolios to meet a wide range of investor needs. APS has engaged TIAA, FSB and the External Adviser to formulate the model portfolios for the Program subject to APS' oversight described under "*Review of Third-Party Service Providers and Sources of Investment Advice*" in this Item 6.

Set forth here is a general description of the primary methods of analysis that the External Adviser and TIAA, FSB utilize when generating advice for the Program. Also set forth here is a description of TIAA, FSB's primary methods of analysis in light of the conflicts of interest pertaining to the selection and retention of Affiliated Funds in Program accounts.

**Portfolio Construction by the External Adviser.** The External Adviser only provides advice for use in the Program by clients that selected a Client Preference for models and investment selection decisions sourced exclusively through resources unaffiliated with TIAA. The External Adviser applies its own methodologies, based upon generally accepted quantitative investment principles, to construct, monitor and update its advice. The External Adviser selects from the Universe defined under "*Portfolio Investments*" in Item 4 unaffiliated actively managed mutual funds that satisfy criteria established from time to time by the External Adviser. The External Adviser's methodologies also consider information provided by you in your Program questionnaire, including goals, risk tolerance, investment constraints and investment time horizon. Based upon the information you provide in your Program questionnaire and subsequently to your Advisor, the External Adviser selects funds for your model portfolio composed of a target asset allocations provided by the Allocation Provider, and APS thereafter manages your assets on a discretionary basis in line with your investment objectives, market conditions and reasonable restrictions. The External Adviser selects only unaffiliated Funds for use in these portfolios.

**Portfolio Construction by TIAA, FSB.** The Program’s advice that is generated by TIAA, FSB is based upon a long-term investment philosophy analyzed through a combination of quantitative and qualitative investment methodologies. The advice is generated in three stages: (i) the creation of strategic asset allocations, (ii) the selection of Funds eligible for use in the Program’s models (“Reference List Investments”), and (iii) the inclusion of Reference List Investments into the Program’s model portfolios.

**Creation of Strategic Asset Allocation:** TIAA, FSB establishes and updates strategic asset allocations for the Program following a similar process that TIAA, FSB uses for other affiliates and its own managed account clients. The process starts with capital market assumptions and corresponding asset allocations from the Allocation Provider. These assumptions and allocations are then quantitatively and qualitatively analyzed to determine the set of allocations that TIAA, FSB believes best align to the available risk levels, time horizons and Client Preferences in the Program. TIAA, FSB generally uses the asset classes assigned by the Allocation Provider, but can choose to include or exclude certain asset classes at its discretion, and has an incentive to select the asset class categories represented by its Affiliated Funds. For a description of the conflict of interest arising from use of Affiliated Funds in Program accounts, see “*Use of Affiliated Funds and Two Levels of Fees*” in Item 4. Senior investment professionals from TIAA, FSB are responsible for approving the asset allocations for use in the Program. While APS does not independently approve these asset allocations, it meets periodically with a designee of TIAA, FSB to review them. APS also reviews the asset allocation models for consistency with TIAA, FSB’s policies and procedures.

**Selection of Reference List Investments:** TIAA, FSB chooses the Reference List Investments from the Universe defined under “*Portfolio Investments*” in Item 4 that can be used for each asset class targeted for a strategic asset allocation. Only Funds that represent each of those asset classes are eligible for evaluation. While TIAA, FSB generally accepts the asset class categories designated by the Allocation Provider, it can adjust the categorization from time to time to exclude a Fund from or include a Fund in the asset class, at its discretion. This could potentially result in an Affiliated Fund comparing more (or less) favorably to the other Funds being considered as Reference List Investments for that asset class. For a description of the conflict of interest arising from use of Affiliated Funds in Program accounts, see “*Use of Affiliated Funds and Two Levels of Fees*” in Item 4.

The selection methodology used to determine whether a Fund becomes a Reference List Investment differs based on whether the Fund is actively managed or managed using passive investment strategies (*i.e.*, index funds) (“passively managed”).

**Actively Managed Funds:** When initiating a search for an actively managed Fund to comprise an asset class, TIAA, FSB applies a proprietary quantitative scoring system to identify a manageable number of Funds for further evaluation, and then applies qualitative criteria to select amongst the narrowed list of Funds. The proprietary quantitative scoring system analyzes a variety of factors to identify Funds that have historically performed well versus their peers in falling markets, rising markets or both for the asset class. Past performance does not guarantee future results. Actively managed Funds that have at least a 36-month manager tenure and rank within the top two quintiles when the proprietary quantitative scoring system is applied are eligible for further evaluation on the basis of various qualitative factors. The qualitative factors include, but are not limited to, organizational stability, the quality of investment personnel, investment and risk management processes, capacity, regulatory compliance profile and other analytical criteria. The Fund’s expense ratio does not influence the selection of actively managed Funds for use as Reference List Investments.

When an actively managed Fund becomes a Reference List Investment, TIAA, FSB monitors it in accordance with its long-term investment philosophy. Actively managed Reference List Investments are periodically reviewed for use based on the Funds’ ongoing performance and the continued support of qualitative factors. These Funds will be removed if they fail to perform against the benchmark over an

extended period of time and/or fail to be supportable by qualitative factors. Funds slated for removal from the Reference List Investments will be removed from model portfolios when operationally feasible at the discretion of TIAA, FSB (as further described under “*Inclusion of Reference List Investments in the Model Portfolios*” in this Item 6). Whenever a Reference List Investment requires replacement, a search is initiated for a new fund in the asset class in the manner described here. In addition, approximately every four years from a Fund’s selection as a Reference List Investment, it is evaluated for continued use against other actively managed Funds in the same asset class that rank within the top two quintiles of the proprietary quantitative scoring system.

*Passively Managed Funds:* When initiating a search for a passively managed Fund to comprise an asset class, TIAA, FSB conducts a quantitative assessment of the accuracy with which the Fund replicates the performance of the benchmark index assigned to the asset class over the most recent 2-year period. While TIAA, FSB generally accepts the benchmark index of that Fund, as determined by Allocation Provider or the Fund prospectus, it can adjust the assigned benchmark index from time to time, at its discretion, and has an incentive to select as the benchmark the index tracked by its Affiliated Funds. For a description of the conflict of interest arising from use of Affiliated Funds in Program accounts, see “*Use of Affiliated Funds and Two Levels of Fees*” in item 4.

Among the passively managed Funds that meet the minimum quantitative replication criteria and liquidity thresholds (as determined by TIAA, FSB at its discretion), TIAA, FSB selects the Fund with the lowest expense ratio, unless such Fund is disqualified on the basis of qualitative factors, in which case the Fund with the next lowest expense ratio will be selected. Those qualitative factors include, but are not limited to, consideration of the Fund’s tax efficiency, securities lending practices, business and regulatory concerns associated with the Fund provider, fair value pricing for mutual funds, and historic premium or discount to net asset value for ETFs. For IRAs and accounts subject to ERISA, the determination of “lowest expense ratio” will take into consideration the Affiliated Fund fee credit described under “*Affiliated Fund Fee Credit – for IRAs and Accounts Subject to ERISA*” in Item 4. This means that it will be more likely that a passively managed Affiliated Fund will be used in IRAs and accounts subject to ERISA than a passively managed unaffiliated fund. For a description of the conflict of interest arising from use of Affiliated Funds in Program accounts, see “*Use of Affiliated Funds and Two Levels of Fees*” in Item 4 and in “*Client Preferences and Affiliated Funds*” in this Item 6.

When a passively managed Fund becomes a Reference List Investment, TIAA, FSB periodically reviews it to reconfirm that it meets the minimum quantitative replication criteria and liquidity thresholds, and is still the lowest cost passively managed Fund that is not disqualified on the basis of qualitative factors. Should a Fund fall below the minimum quantitative replication criteria and liquidity thresholds or no longer be the lowest cost in its asset class, it will be removed as a Reference List Investment and replaced, as needed, through a search initiated for the asset class in the same manner as described here. Funds slated for removal from the Reference List Investments will be removed from model Portfolios when operationally feasible at the discretion of TIAA, FSB (as further described under “*Inclusion of Reference List Investments in the Model Portfolios*” in this Item 6).

*Oversight of Reference List Investments:* Additions to and removals from the Reference List Investments are reviewed and approved by senior investment professionals from TIAA, FSB. The quantitative and qualitative criteria for adding and removing Funds from Reference List Investments and any required exceptions to the process outlined here, are also approved by senior investment professionals from TIAA, FSB, annually and upon material changes. APS also reviews updates to the Reference List Investments. APS conducts a review of the Funds recommended by TIAA, FSB quarterly. There are other funds and strategies approved by the senior investment professionals from TIAA, FSB for use by affiliates and their clients that are not made available as Reference List Investments to the Program.



***Inclusion of Reference List Investments in the Model Portfolios:*** A team of portfolio managers at TIAA, FSB (the “portfolio construction team”) selects the combination of Reference List Investments that, in its view, balances the risk tolerance, time horizon and a mix of Client Preferences for each model portfolio available in the Program. Clients with an identical combination of Client Preferences, risk tolerance and time horizon and the same account type will receive the same combination of Reference List Investments (unless a client decides to request reasonable restrictions or other modifications to the management of their Program account, as described under “*Investment Restrictions*” and “*Securities Transferred into the Program Account for Retention*” in Item 4).

The initial selection of Reference List Investments used to construct the model portfolios is based on a two-step process. First, the portfolio construction team reviews the strategic asset allocation associated with the Client Preferences for Income Approach, Downside Risk and Tax Management and selects Reference List Investments based on the team’s judgment of how different combinations of investments can achieve exposure to each asset class targeted for a strategic asset allocation, while also limiting the correlation among the investments. Next, the portfolio construction team attempts to equally satisfy the Client Preference combinations for Affiliated Funds, Socially Responsible Investing and Portfolio Management Approach. Reference List Investments may not be available that satisfy all of these Client Preferences simultaneously, resulting in the portfolio construction team applying its discretion to create a combination of Funds that align with your Client Preferences. Because TIAA affiliates manufacture, advise and distribute Affiliated Funds, TIAA has an interest in the Program recommending a higher investment allocation to Affiliated Funds by accommodating certain of your Client Preferences instead of others when all cannot be accommodated simultaneously. For a description of the conflicts of interest arising from the investment of Program accounts in Affiliated Funds and the additional fees TIAA and its affiliates receive from the use of Affiliated Funds in the Program, see “*Use of Affiliated Funds and Two Levels of Fees*” in Item 4. An assessment is made periodically to determine whether the Reference List Investments in the model portfolios should continue to be used or replaced by other Reference List Investments.

***Program Limitations:*** Typically, a single Reference List Investment cannot be used to make up more than 60% of any model portfolio.

All Program accounts with an identical mix of Client Preferences are invested in the same model portfolio, regardless of the timing of investments, except for when a passively managed Fund is replaced as a Reference List Investment. In this event, a new client to the model portfolio will be invested directly into the new Fund while existing clients in the model portfolio will migrate from the removed Fund over time in order to mitigate the tax consequences. This may result in an existing client receiving a less favorable Reference List Investment than is available to a new client. For the replacement of actively managed Funds, the Program will not select a separate Reference List Investment to receive inflows while retaining another in the same model. This Program limitation requires the portfolio construction team to balance the needs of existing clients against new clients.

The Program selects the same Reference List Investment for its IRAs and accounts subject to ERISA as for its taxable accounts, except when selecting passively managed Reference List Investments for IRAs and accounts subject to ERISA. In those cases, the team of portfolio managers considers the Affiliated Fund fee credit applied to IRAs and accounts subject to ERISA when choosing the lowest cost passively managed fund for the model. This means that it will be more likely that a passively managed Affiliated Fund will be used in IRAs and accounts subject to ERISA than a passively managed unaffiliated fund. For a description of the conflict of interest arising from use of Affiliated Funds in Program accounts, see “*Use of Affiliated Funds and Two Levels of Fees*” in Item 4 and “*Client Preferences and Affiliated Funds*” in this Item 6.

Once a Reference List Investment is designated for inflows or outflows, the decision can be

implemented immediately or over an extended period of time at the discretion of TIAA, FSB. Considerations include, without limitation, operational considerations, legal considerations, client-directed activity, and input from the Funds marked for asset flows. Please see “*Trade Randomization and Aggregation*” in Item 4 for additional information on the implementation of trades and “*Discretionary Authority*” in Item 4 for a description of the other discretionary authority granted to the Program and delegated to TIAA, FSB, subject to APS oversight.

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 select the Client Preference for Tax Management, the Program will 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 the Program strategically sells a security in your Program account with unrealized losses. When the Program 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 (“replacement security”) 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, the Program will not take into consideration any 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 daily. The Program may change this frequency from time to time without notice to you. The Program’s goal is not to maximize overall losses either in your Program account or across all of your accounts (at TIAA or elsewhere), as the Program 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. The Program 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. The Program 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 for a period of at least 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, the Program 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 and tax loss harvesting, 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). The Program 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 TIAA, or even additional Program accounts may affect whether a loss is successfully harvested. Moreover, in determining whether and how to harvest tax losses, the Program 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 Client Preference for Tax Management, for taxable accounts the Program will also accept your instructions to harvest a specific amount of tax losses or gains, subject to such limitations and procedures as the Program may establish from time to time. Instructions to harvest tax losses must be provided in writing in the manner prescribed by the Program. The Program will only sell up to ten percent of your Program account in an effort to harvest taxes at your request. The Program 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. TIAA, FSB will follow its internal procedures to determine which securities to sell in harvesting losses or gains. Unlike the Client Preference for Tax Management 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 Program 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 TIAA 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 Client Preference for Tax Management, 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 the Program 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 of Investing in the Program.*** 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.

### *Investment Risks:*

- *Market Risk.* The price of any security or the value of an entire asset class can decline for a variety of reasons outside of the Program's control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, epidemic, pandemic, or social events. For example, if a client has a high allocation to a particular asset class, and that asset class underperforms relative to the overall market, their Program account may be negatively impacted. Additionally, a low allocation to a particular asset class that outperforms other asset classes will cause the Program account to underperform relative to the overall market.
- *Global Economic Risk.* National and regional economies and financial markets are becoming increasingly interconnected, which increases the possibilities that conditions in one country, region or market might adversely impact issuers in a different country, region or market. Changes in legal, political, regulatory, tax and economic conditions may cause fluctuations in markets and securities prices around the world, which could negatively impact the value of an account's investments. Major economic or political disruptions, particularly in large economies, may have global negative economic and market repercussions. Additionally, events such as war, terrorism, natural and environmental disasters and the spread of infectious illnesses or other public health emergencies may adversely affect the global economy and the markets and issuers in which an account invests. These events could reduce consumer demand or economic output, result in market closure, travel restrictions or quarantines, and generally have a significant impact on the economy. Such events could materially increase risks, including market and liquidity risk, and significantly reduce account values. These events could also impair the information technology and other operational systems upon which service providers, including APS, rely, and could otherwise disrupt the ability of employees of service providers to perform essential tasks on behalf of an account. There is no assurance that governmental and quasi-governmental authorities and regulators will provide constructive and effective intervention when facing a major economic, political or social disruption, disaster or other public emergency.
- *Mutual Funds and ETFs (Funds) Risks.* Investing in shares of a Fund involves risk of loss that Program clients should be prepared to bear. For mutual funds and ETFs in particular, this includes the risk that the general level of underlying security prices may decline, thereby adversely affecting the value of the Fund. Moreover, a Fund may not fully replicate the performance of its benchmark index. Funds are not guaranteed or insured by the FDIC or any other government agency. Funds have their own fees, investments and risks. For the specific information associated with any Fund used by the Program for your account, please consult the Fund's prospectus and statement of additional information, which you should read carefully.
- *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 the Program 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 the Program's expectations. More aggressive strategies used within the model portfolios generally contain larger weightings of riskier asset classes such as equities.
- *Liquidity Risks.* Program clients collectively account for a significant portion of certain ETF or

mutual fund assets (in some cases, in excess of 50%). As a result, when the Program requests a liquidation, mutual funds can require the Program to liquidate in kind (i.e., the Program would receive a distribution of securities, rather than cash, which it would need to liquidate directly) or to liquidate over a more extended period of time. Further, mutual funds may “gate” during times of market stress or otherwise allocate liquidity among investors seeking to redeem, which can further delay the Program’s ability to reduce or redeem out of such positions. Additionally, when the Program aims to liquidate large positions in an ETF that has less liquid underlying investments it can create pricing gaps, which the Program may mitigate by buying and selling the ETF over an extended period of time. These scenarios create a risk that the mutual fund or ETF is not sold in a timely manner at the desired price.

- *Concentration Risk.* Program clients collectively account for a significant portion of certain ETF and mutual fund assets (in some cases, in excess of 50%) and a decision by the Program to sell the shares of the ETF or mutual fund may negatively impact the value of the ETF or mutual fund. In addition, managed account programs operated by TIAA Affiliates (including TIAA, FSB) often own material positions in these same ETF and mutual funds, which increases the collective ownership by TIAA and heightens this risk.

**Cybersecurity Risks:** With the increased use of technologies such as the Internet to conduct business, client portfolios are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events that include, but are not limited to, gaining unauthorized access to digital systems, misappropriating assets or sensitive information, corrupting data, or causing operational disruption, including the denial-of-service attacks on websites. Cyber security failures or breaches by a third party service provider and the issuers of securities in which the portfolio invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs, including the cost to prevent cyber incidents.

**Reliance on Technology.** The offerings within the Program are dependent upon various computer and telecommunication technologies, many of which are provided by or are dependent on third parties. The successful operation of the Program could be severely compromised by system or component failure, telecommunication failure, power loss, a software-related system crash, unauthorized system access or use (such as “hacking”), computer viruses and similar programs, fire or water damage, human errors in using or accessing relevant systems, or various other events or circumstances. It is not possible to provide comprehensive and foolproof protection against all such events, and no assurance can be given about the ability of applicable third parties to continue providing their services. Any event that interrupts such computer and/or telecommunication systems or operations could have a material adverse effect on the Program. Such a material adverse effect may have a heightened impact on the Program given the automated nature of the services provided.

**Limitations of Risk Disclosures.** As the strategies develop and change over time, clients may be subject to additional and different risk factors, therefore the above list of risks is not a complete enumeration or explanation of the risks involved in investment in Program. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

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

APS does not charge performance-based fees, which are fees based on a share of a Program account’s capital gains or appreciation, to its Program clients or any other clients.

## Voting Client Securities

Proxies are voted by TIAA's Responsible Investing team, unless you request otherwise, in which event the proxy materials will be sent directly to you. In voting your proxies, TIAA's Responsible Investing team follows the guidelines set forth in the TIAA Policy Statement on Corporate Responsible Investing. Any conflicts of interest identified are resolved through guidelines set forth in TIAA's Responsible Investing team's Conflicts of Interest procedures. The TIAA Responsible Investing team works with a third party proxy advisory firm and a proxy execution firm to vote your proxies. The Program reviews the proxy voting practices of TIAA's Responsible Investing team periodically to ensure that they are acting in clients' best interests.

You cannot direct the Program on how to vote on a particular proxy; you must either delegate all proxy voting to the Program on your behalf or wholly retain voting privileges. You may obtain information about how TIAA's Responsible Investing team voted with respect to any security by calling an Advisor. You may also obtain a copy of the applicable proxy voting policies and procedures, as well as the TIAA Policy Statement on Corporate Responsible Investing, by calling an Advisor. The Program will not and 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. The Program will pass through for you to vote directly any voluntary corporate action notices.

## Other Advisory Services

APS and TIAA, FSB offer other managed account programs, such as the TIAA Personal Portfolio program offered through APS and the Private Asset Management program offered through TIAA, FSB. Different managed account programs have different fee structures and offerings of services than the Program and have access to different Funds, asset classes and/or share classes of Funds than those available through the Program. These differences are based on the level and type of services offered by each program, the service providers and platforms used in each program and the amount of a client's assets under management, among other factors. You should consult an Advisor for more information about the other managed account programs when considering whether the Program is right for you.

Positions taken by APS or TIAA, FSB on behalf of some managed account clients may be the same as, or different from, or made contemporaneously or at different times than, positions taken for other clients. TIAA, FSB's investment decisions for the Program are based on research or other information that is also used to support its investment recommendations for other clients, and it may be perceived as a conflict of interest when advice differs for their accounts that use strategies similar to those used by Program accounts, especially if the investment decision results in TIAA retaining more of the Program Fee as described under "*Model-Based Portfolios and Portfolio Investments*" in Item 4. APS seeks to identify and mitigate or disclose actual and perceived conflicts of interest with clients and to resolve such conflicts appropriately if they do occur.

APS also offers, separately from the Program 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 ETFs. These services are described in greater detail in the Advice & Planning Services' Financial Planning Services Disclosure Brochure.

## Item 7 – Client Information Provided to Portfolio Managers

As described under "*Engagement of Service Providers to Formulate Advice*" in Item 4, APS has engaged TIAA, FSB to provide portfolio management services. To facilitate this, APS provides your risk tolerance

level (ranging from very conservative to very aggressive), time horizon and Client Preferences to TIAA, FSB in connection with your Program account. APS will pass through to TIAA, FSB any updates to this information as received by you. APS does not provide your personal data to the Allocation Provider or the External 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 External 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 March 11, 2019, the SEC issued an order regarding conduct TC Services had self-reported to the SEC in connection with the Share Class Selection Disclosure Initiative (the “Initiative”). Without admitting or denying the findings, TC Services consented to the entry of an order (the “Settlement Order”) finding that it violated Sections 206(2) and 207 of the Advisers Act by not adequately disclosing to clients enrolled in the Portfolio Advisor and Portfolio Manager programs certain conflicts of interest related to the receipt of Rule 12b-1 fees and selection of mutual fund share classes that pay such fees. Pursuant to the Settlement Order, TC Services consented to a censure and was ordered to cease and desist from committing or causing further violations of Sections 206(2) and 207 of the Advisers Act. TC Services also was ordered to disgorge a total of \$2,102,280.21 in Rule 12b-1 fees received, plus \$293,342.08 in prejudgment interest, to affected investors and to notify affected investors of the Settlement Order’s terms, including the following undertakings: (1) review and correct as necessary all relevant disclosure documents concerning mutual fund share class selection and Rule 12b-1 fees; (2) evaluate whether existing clients should be moved to a lower-cost share class and to move clients as necessary; and (3) evaluate, update and review for the effectiveness of their implementation, TC Services policies and procedures to assure that they are reasonably designed to prevent violations of the Advisers Act in connection with disclosures regarding mutual fund share class selection. The SEC did not impose a civil penalty on TC Services based on TC Services self-reporting through the Initiative.

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.

TC Services is also registered with the SEC as a broker-dealer. TIAA is the sole owner of TC Services and provides a variety of services that are material to TC Services' investment advisory activities, including administrative, legal and marketing support. All TC Services personnel are employees of TIAA. 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 TIAA. These relationships may result in conflicts of interest described throughout this Disclosure Brochure and mitigated through such disclosures.

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 investing in or making additional contributions to investments that are branded, sponsored, advised or sub-advised by TIAA or its affiliates. All access persons and members of their households must report their personal holdings and transactions in covered securities. Certain access persons 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. Advisors may purchase or sell for their personal account securities recommended to you subject to the limitations of the aforementioned Personal Trading Policy. TIAA, FSB, which trades securities for the Program, has a similar policy. You may request a copy of APS' Code of Ethics and Personal Trading Policy by calling your Advisor.

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 securities that it may recommend to you.

## Review of Accounts

Upon initial enrollment, an APS supervisor will review your participation in the Program to verify 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 your Program account as described under "*Investment Restrictions*" in Item 4. The Program will consider your responses and evaluate whether any changes to your Program account 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 your Program account. Examples of material changes include, but are not limited to changes in net worth, employment status, 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.

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 your Program account unless you elect to suppress these statements with a quarterly confirmation report summarizing all information that would otherwise be contained on the separate brokerage confirmation statements. You are able to change your election at any time. You will also receive monthly or quarterly brokerage account statements depending upon Program account activity. You are responsible for reviewing each report and statement in a timely manner and alerting an Advisor to any discrepancy. The Program 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 affiliated products and non-advisory services offered by or through TIAA such as variable annuities, mutual funds, life insurance, and deposit 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. Also, recommending affiliated products creates a conflict of interest because the TIAA family of companies receives more revenue when recommending affiliated products than when recommending unaffiliated products. Please refer to “*Use of Affiliated Funds and Two Levels of Fees*” and “*About TIAA*” in Item 4 for additional information about these conflicts of interest and how they are addressed.

The compensation earned by Advisors and other TC Services personnel when providing and/or recommending the Program is described under “*Compensation of WMAs, Advisory Consultants and other TC Services’ Representatives*” in Item 4. In addition, “*Share Class Selection*” and “*Program Fees – Other Fees and Expenses*” in Item 4 describe the payments that TC Services and its clearing firm, Pershing, receive from certain Affiliated Funds and unaffiliated mutual funds as compensation for distribution, shareholder 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 (each, a “Brochure Supplement”) that appear on the following pages contain the biographies of those affiliated investment personnel who manage assets invested in the Portfolio Advisor Wrap Fee Program (“Program”) on behalf of Advice and Planning Services (“APS”), the division of TIAA-CREF Individual & Institutional Services, LLC (“TC Services”) that sponsors, administers and manages the Program. These investment personnel support the Program as part of an investment team at APS’ affiliated federal savings bank, TIAA, FSB (the “TIAA, FSB Investment Team”) that APS engages to formulate advice for the Program, subject to its oversight.

### Brochure Supplement

Eric T. Jones

March 30, 2020

This Brochure Supplement provides information about Eric T. Jones, an individual who is on the TIAA, FSB Investment Team that has investment discretionary authority over assets enrolled in the Program, subject to APS’ oversight. It supplements the attached Disclosure Brochure for the Program. You should have received a copy of that Disclosure Brochure. Please call 866.220.6583 if you did not receive a copy of the Program’s Disclosure Brochure or if you have any questions about the contents of this Brochure Supplement.

Background. Eric is 59 years old as of the date of this Brochure Supplement. His work address is 730 Third Ave, New York, NY 10017. His phone number is 704.988.1000. Eric is interim Chief Investment Officer for TIAA, FSB. He is also Senior Managing Director, Advisory Solutions and Product Development for TIAA Individual Advisory Services and a registered representative of TC Services in support of this role. He also sits on the Board of Directors of TC Services and TIAA-CREF Life Insurance Company. TIAA, FSB’s corporate headquarters are located at 501 Riverside Avenue, Jacksonville, FL 32202, phone 904.281.6000.

Educational Background and Business Experience. Eric joined TIAA, FSB in September 2018 in his current role as interim Chief Investment Officer. At TIAA, he is also Senior Managing Director, Advisory Solutions and Product Development and was previously Senior Managing Director, head of Individual Products. Eric has been at TIAA for 12 years. Prior to TIAA, Eric held a variety of senior roles at UBS Financial Services for over 13 years, including Director of Product Development and Investment Manager Research, Director of Wealth Management Services, and head of product management and development for UBS’ managed account and fee-based products. Prior to that, Eric was a product manager at Kemper Securities for four years. Eric graduated with a BS in Finance from Penn State University.

Disciplinary Information. Eric has no history of disciplinary events.

Other Business Activities. Eric has no other business activities. His full-time occupation is with his roles at TIAA as Interim Chief Investment Officer for TIAA, FSB, Senior Managing Director, Advisory Solutions and Product Development for TIAA Individual Advisory Services (and registered representative of TC Services in support of this role) and Board Member for TC Services and TIAA-CREF Life Insurance Company.

Additional Compensation. Eric is paid a base salary and bonus. Bonus compensation takes into account a number of factors based on Eric’s roles with TIAA, FSB and TIAA Individual Advisory Services, including the overall economic performance of TIAA, the risk adjusted performance of the portfolio strategies, achieving operational and risk standards, delivering ongoing advisory program and process enhancements demonstrated through customer engagement, and the growth of total assets generated by the advisory sales force. Eric does not receive compensation for providing advisory services from anyone other than his employer.



Supervision. The investment discretion exercised by the TIAA, FSB Investment Team is principally monitored by APS' affiliated federal savings bank, TIAA, FSB, which APS engages to formulate advice for the Program. Senior investment professionals from TIAA, FSB typically meet monthly to review investment-related decisions, policies and procedures and annually to review the investment strategy work of the TIAA, FSB Investment Team. APS exercises oversight as described in the Program's Disclosure Brochure. Eric's supervisor is Colbert Narcisse, Head of Wealth Management at TIAA at 704.988.1000. General inquiries regarding accounts, balances, distributions, or any other account administrative features should be directed to your Advisor.

Brochure Supplement  
Richard Robinson  
March 30, 2020

This Brochure Supplement provides information about Richard Robinson, an individual who is on the TIAA, FSB Investment Team that has investment discretionary authority over assets enrolled in the Program, subject to APS' oversight. It supplements the attached Disclosure Brochure for the Program. You should have received a copy of that Disclosure Brochure. Please call 866.220.6583 if you did not receive a copy of the Program's Disclosure Brochure or if you have any questions about the contents of this Brochure Supplement.

Background. Richard is 50 years old as of the date of this Brochure Supplement. His work address is 8500 Andrew Carnegie Boulevard, Charlotte, NC, 28262. His phone number is 704.988.1000. Richard is Head of Trust Services and Chief Fiduciary Officer for TIAA, FSB. He is also Chair of the Investment Oversight and Control Sub-Committee and Interim Chair of the Investment Committee 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. Richard joined TIAA, FSB in March 2014. At TIAA, he has also held the role of Director of Business Supervision and Controls and became Managing Director in this role in 2018. Richard has over 15 years of supervision and oversight experience. Prior to TIAA, Richard was a Senior Compliance Manager with Bank of America and a Compliance and Oversight Manager with General Electric Asset Management. Richard graduated with a B.A. in General Studies from the University of Connecticut and a J.D. from Quinnipiac University.

Disciplinary Information. Richard has no history of disciplinary events.

Other Business Activities. Richard has no other business activities. His full-time occupation is as a Head of Trust Services and Chief Fiduciary Officer for TIAA, FSB.

Additional Compensation. Richard is paid a base salary and bonus. Bonus compensation takes into account a number of factors, including the overall economic performance of TIAA and Richard's individual performance in achieving the goals established for his role at TIAA, FSB. Richard does not receive compensation for providing advisory services from anyone other than his employer.

Supervision. The investment discretion exercised by the TIAA, FSB Investment Team is principally monitored by APS' affiliated federal savings bank, TIAA, FSB, which APS engages to formulate advice for the Program. Senior investment professionals from TIAA, FSB typically meet monthly to review investment-related decisions, policies and procedures and annually to review the investment strategy work of the TIAA, FSB Investment Team. APS exercises oversight as described in the Program's Disclosure Brochure. Richard's supervisor is Bill Griesser, Head of Individual Solutions at TIAA Financial Services at 704.988.1000. General inquiries regarding accounts, balances, distributions, or any other account administrative features should be directed to your Advisor.

Brochure Supplement  
T. Todd Starcher  
March 30, 2020

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 assets enrolled in the Program, subject to APS' oversight. It supplements the attached Disclosure Brochure for the Program. You should have received a copy of that Disclosure Brochure. Please call 866.220.6583 if you did not receive a copy of the Program's Disclosure Brochure or if you have any questions about the contents of this Brochure Supplement.

Background. Todd is 45 years old as of the date of this Brochure Supplement. His work address is 8500 Andrew Carnegie Boulevard, Charlotte, NC, 28262. His phone number is 704.988.1000. Todd is a Senior Director, Portfolio Construction & Advisory Platform 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 joined TIAA, FSB in August 2009. At TIAA, he has also held the roles of Senior Portfolio Strategist in addition to his current role of Senior Director, Portfolio Construction & Advisory Platform. Prior to TIAA, 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 Director, Portfolio Construction & Advisory Platform for TIAA, FSB.

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 performance of the portfolio strategies, achieving operational and risk standards, and delivering ongoing advisory program and process enhancements demonstrated through customer engagement. Todd does not receive compensation for providing advisory services from anyone other than his employer.

Supervision. The investment discretion exercised by the TIAA, FSB Investment Team is principally monitored by APS' affiliated federal savings bank, TIAA, FSB, which APS engages to formulate advice for the Program. Senior investment professionals from TIAA, FSB typically meets monthly to review investment-related decisions, policies and procedures and annually to review the investment strategy work of the TIAA, FSB Investment Team. APS exercises oversight as described in the Program's Disclosure Brochure. Todd's supervisor is Eric T. Jones, interim Chief Investment Officer for TIAA, FSB at 704.988.1000. General inquiries regarding accounts, balances, distributions, or any other account administrative features should be directed to your Advisor.

Brochure Supplement  
Vladimir Valenta  
March 30, 2020

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 assets enrolled in the Program, subject to APS' oversight. It supplements the attached Disclosure Brochure for the Program. You

should have received a copy of that Disclosure Brochure. Please call 866.220.6583 if you did not receive a copy of the Program's Disclosure Brochure or if you have any questions about the contents of this Brochure Supplement.

Background. Vladimir is 50 years old as of the date of this Brochure Supplement. His work address is 8500 Andrew Carnegie Boulevard, Charlotte, NC, 28262. His phone number is 704.988.1000. 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 joined TIAA, FSB in 2012. At TIAA, he has also held the roles of Director of Asset Allocation and Quantitative Research in addition to his current role as Senior Director of Asset Allocation and Quantitative Research. 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 performance of the portfolio strategies, achieving operational and risk standards, and delivering ongoing advisory program and process enhancements demonstrated through customer engagement. Vladimir does not receive compensation for providing advisory services from anyone other than his employer.

Supervision. The investment discretion exercised by the TIAA, FSB Investment Team is principally monitored by APS' affiliated federal savings bank, TIAA, FSB, which APS engages to formulate advice for the Program. Senior investment professionals from TIAA, FSB typically meet monthly to review investment-related decisions, policies and procedures and annually to review the investment strategy work of the TIAA, FSB Investment Team. APS exercises oversight as described in the Program's Disclosure Brochure. Vladimir's supervisor is Eric T. Jones, interim Chief Investment Officer for TIAA, FSB at 704.988.1000. General inquiries regarding accounts, balances, distributions, or any other account administrative features should be directed to your Advisor.

Brochure Supplement  
Walter Joyce  
March 30, 2020

This Brochure Supplement provides information about Walter Joyce, an individual who is on the TIAA, FSB Investment Team that has investment discretionary authority over assets enrolled in the Program, subject to APS' oversight. It supplements the attached Disclosure Brochure for the Program. You should have received a copy of that Disclosure Brochure. Please call 866.220.6583 if you did not receive a copy of the Program's Disclosure Brochure or if you have any questions about the contents of this Brochure Supplement.

Background. Walter is 48 years old as of the date of this Brochure Supplement. His work address is 8500 Andrew Carnegie Boulevard, Charlotte, NC, 28262. His phone number is 704.988.1000. Walter is Managing Director of Investment Services 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. Walter has more than 17 years of financial services experience and has held several senior leadership positions, including six years as the COO of an institutional brokerage and asset management firm in New York and four years heading up Equity Capital Markets in charge of Research and Equities trading. Additionally, he spent four years both as an investment manager and consultant to various wealth managers. Walter holds a B.S. in Management from the University of Alabama and an M.B.A. in Finance from Thunderbird Graduate School of International Management.

Disciplinary Information. Walter has no history of disciplinary events.

Other Business Activities. Walter has no other business activities. His full-time occupation is as Managing Director of Investment Services for TIAA, FSB.

Additional Compensation. Walter is paid a base salary and bonus. Bonus compensation takes into account a number of factors, including the overall economic performance of TIAA, the performance of the portfolio strategies, achieving operational and risk standards, and delivering ongoing advisory program and process enhancements demonstrated through customer engagement. Walter does not receive compensation for providing advisory services from anyone other than his employer.

Supervision. The investment discretion exercised by the TIAA, FSB Investment Team is principally monitored by APS' affiliated federal savings bank, TIAA, FSB, which APS engages to formulate advice for the Program. Senior investment professionals from TIAA, FSB typically meet monthly to review investment-related decisions, policies and procedures and annually to review the investment strategy work of the TIAA, FSB Investment Team. APS exercises oversight as described in the Program's Disclosure Brochure. Walter's supervisor is Eric T. Jones, interim Chief Investment Officer for TIAA, FSB at 704.988.1000. General inquiries regarding accounts, balances, distributions, or any other account administrative features should be directed to your Advisor.

Brochure Supplement  
Michael Sowa  
March 30, 2020

This Brochure Supplement provides information about Michael Sowa, an individual who is on the TIAA, FSB Investment Team that has investment discretionary authority over assets enrolled in the Program, subject to APS' oversight. It supplements the attached Disclosure Brochure for the Program. You should have received a copy of that Disclosure Brochure. Please call 866.220.6583 if you did not receive a copy of the Program's Disclosure Brochure or if you have any questions about the contents of this Brochure Supplement.

Background. Michael is 43 years old as of the date of this Brochure Supplement. His work address is 8500 Andrew Carnegie Boulevard, Charlotte, NC, 28262. His phone number is 704.988.1000. Michael is a Senior Director of Manager 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. Michael joined TIAA, FSB in August 2011. At TIAA, he has also held the role of Senior Associate in addition to his current role of Senior Director of Manager Research. Prior to TIAA, Michael worked as Vice President, Senior Investment Analyst for Envestnet Asset Management for four years. Prior to that, Michael worked as Senior Analyst for National Planning Holdings for 2 years, as well as a Research Analyst for Lipper for three years. Michael graduated with Bachelor of Science from American International College in 1999 and an MSc in Finance & Investments from the University of Edinburgh, Scotland in 2005. Michael attained the Chartered Alternative Investment Analyst, or CAIA designation, in 2007; this designation requires completion of a two stage self-study curriculum and achieving a passing score on two progressive exams.

Disciplinary Information. Michael has no history of disciplinary events.

Other Business Activities. Michael has no other business activities. His full-time occupation is as a Director of Manager Research for TIAA, FSB.

Additional Compensation. Michael is paid a base salary and bonus. Bonus compensation takes into account a number of factors, including the overall economic performance of TIAA, the performance of the portfolio strategies, achieving operational and risk standards, and delivering ongoing advisory program and process enhancements demonstrated through customer engagement. Michael does not receive compensation for providing advisory services from anyone other than his employer.

Supervision. The investment discretion exercised by the TIAA, FSB Investment Team is principally monitored by APS' affiliated federal savings bank, TIAA, FSB, which APS engages to formulate advice for the Program. Senior investment professionals from TIAA, FSB typically meet monthly to review investment-related decisions, policies and procedures and annually to review the investment strategy work of the TIAA, FSB Investment Team. APS exercises oversight as described in the Program's Disclosure Brochure. Michael's supervisor is Eric T. Jones, interim Chief Investment Officer for TIAA, FSB at 704.988.1000. General inquiries regarding accounts, balances, distributions, or any other account administrative features should be directed to your Advisor.

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

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 27, 2019. This document describes only the material changes.

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

As of March 30, 2020

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

- *The Portfolio Advisor Program and Compensation of WMAs, Advisory Consultants and other TC Services' Representatives.* Item 4 was revised to reflect that both investment adviser representatives available in person, referred to as Wealth Management Advisers, and investment adviser representatives available by phone, referred to as Advisory Consultants, serve as the primary points of contact for Program clients. It was also revised to reflect how Advisory Consultants and managers of other TC Services' representatives are compensated and the conflicts of interest related to those arrangements.
- *Share Class Selection.* Item 4 was revised to reflect that Program accounts that are in employer sponsored retirement plans and are subject to ERISA may be eligible for share classes with a lower expense ratio than those used in the Program. APS will not utilize share classes that are only available to a select number of accounts in the Program.
- *Sweep Vehicle.* Item 4 was revised to reflect additional procedures adopted to address the conflict of interest associated with the use of the Affiliate Bank Sweep, such as targeting client portfolio allocations to cash at 1% (subject to market fluctuation) and not recommending that clients select any particular sweep vehicle for their Program account. It was also revised to remind clients that sweep vehicles available outside of the Program can pay higher rates.
- *Program Fees.* Item 4 was revised to reflect that the following costs associated with certain services requested by clients are excluded from the Program Fee: wire or electronic fund transfer fees, overnight delivery fees, duplicate statement fees, account transfer fees, reorganization fees, administrative fees, agent servicing fees, direct registration fees, dividend reinvestment fees, extension fees, foreign dividend/custody/settlement fees, returned check fees, share class exchange fees, statement paper surcharge fees, special product fees, stop payment fees, termination fees, voluntary reorganization fees, or any contingent deferred sales charges that may be incurred upon the sale of a security transferred into



the Program account at clients' request.

- *Securities Transferred into Program Account for Funding.* Item 4 was revised to clarify how clients can use securities to fund their Program account and how the Program will treat such securities.
- *Special Considerations regarding Individual Retirement Accounts.* Item 4 was revised to clarify that APS benefits when clients move funds from their employer sponsored retirement plan to a Program account and the conflicts of interest associated with the recommendation to do so. The Program seeks to mitigate this conflict by disclosing it, by requiring Advisors to discuss clients' options when making a rollover recommendation, and by requiring that rollover transactions be reviewed as required by applicable regulatory standards to determine whether they are appropriate to meet clients' financial needs.
- *Discretionary Authority.* Item 4 was amended to reflect that in the event of a client's death, the services under the Program will continue and the Program Fee will be charged until APS receives a request for distribution from any of the client's beneficiaries or notice from their executor to terminate the account.
- *Execution Practices.* Item 4 was updated to clarify that TIAA Brokerage Services executes all trades for the program through its clearing broker, Pershing, LLC and that TC Services has adopted a Best Execution Policy to monitor Pershing's execution of its trades.
- *Trade Errors.* Item 4 was revised to reflect that the Program will use reasonable efforts to identify and resolve trade errors as promptly as possible. Any such errors will be resolved on a case-by-case basis, in the Program's discretion, and based on the facts and circumstances. While the Program is not obligated to follow any single method of resolving errors, it will seek to treat all clients fairly.

#### **Item 5 (Account Requirements and Types of Clients):**

- *Termination.* Item 5 was revised to explain that upon termination of a client's Program account APS' decision to transfer the assets into a separate, self-directed TIAA Brokerage Services account instead of redeeming and mailing a check to a client creates a conflict of interest because it allows APS to keep the funds within TIAA products and investments, including the TIAA-CREF family of Funds and the Affiliate Bank Sweep, for which it earns money, and within other third party investments for which TC Services may earn compensation. APS seeks to mitigate this conflict by providing clients with notification and the option to direct a transfer or liquidation of their assets. Additionally, it was revised to reflect that any liquidations resulting from a client's instruction to terminate and liquidate their Program account may not occur until two business days following receipt of the instruction. Extreme market volatility and in process trades could impact this timing.

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

- *Inclusion of Reference List Investments in the Model Portfolios.* Item 6 was revised to clarify that when a passively managed Fund is replaced as a Reference List Investment, a new client to the model portfolio will be invested directly into the new Fund while existing clients in the model portfolio will migrate from the removed Fund over time in order to mitigate the tax consequences. This may result in an existing

client receiving a less favorable Reference List Investment than is available to a new client.

- *Investment Risks.* Item 6 was updated to make clients aware of additional risks associated with the Program, such as Market Risk and Global Economic Risk. It was also revised to clarify risks associated with mutual funds and ETFs, liquidity and concentration in the Program.
- *Voting Client Securities.* Item 6 was updated to clarify that proxies are voted by the TIAA Responsible Investing team that follows certain procedural guidelines in voting proxies and resolving any identified conflicts of interest. The Program reviews the proxy voting practices of TIAA's Responsible Investing team periodically to ensure that they are acting in clients' best interests.