

## Form ADV Part 2A: Brochure

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This Brochure provides information about the qualifications and business practices of TIAA Endowment & Philanthropic Services, LLC. If you have any questions about the contents of this Brochure, please contact us at (650) 585-4100. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

As of TIAA Endowment & Philanthropic Services, LLC’s (“TEPS”) last annual update to its Form ADV Part 2A on March 30, 2020, TEPS has made the following material changes to its Brochure.

On November 5, 2019, TEPS announced its decision to wind down its TIAA Endowments business unit. In connection with the wind down, TEPS terminated all of its TIAA Endowments investment management agreements and liquidated its private commingled marketable securities and private illiquid “vintage” funds.

Outsourced CIO clients of TEPS who were invested in TIAA Kaspick client asset allocations were not impacted and continue to be serviced by the TIAA Kaspick Investment Committee.

Due to this change, TIAA Kaspick remains the sole business unit for TEPS. Additionally, TEPS will be changing its legal name from TIAA Endowments & Philanthropic Services, LLC to TIAA Kaspick, LLC on April 19, 2021.

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## **Item 4 – Advisory Business**

Kaspick & Company, LLC was founded in 1989 and became an indirect subsidiary of Teachers Insurance and Annuity Association of America, a New York life insurance company (“TIAA”) in 2006, through TIAA-CREF Redwood, LLC, a wholly-owned subsidiary of TIAA, (“TIAA Redwood”). Effective as of April 1, 2018, Covariance Capital Management, Inc., another wholly-owned subsidiary of TIAA Redwood, merged with and into Kaspick. Following the merger, the combined business was renamed TIAA Endowment & Philanthropic Services, LLC (“TEPS”) on April 18, 2018 and its two business units were named: TIAA Kaspick and TIAA Endowments.

On November 5, 2019 TEPS announced its decision to wind down its TIAA Endowments business unit. In connection with the wind down, TEPS terminated all of its TIAA Endowments investment management agreements and liquidated its private commingled marketable securities and private illiquid “vintage” funds, leaving TIAA Kaspick as the sole business unit of TEPS. On April 19, 2021, TEPS will change its legal name to TIAA Kaspick, LLC. TIAA Kaspick will no longer be considered a business unit within TEPS, but shall be the sole scope of services provided by TIAA Kaspick, LLC.

The TIAA Kaspick business unit of TEPS (“TIAA Kaspick”) primarily provides investment management and/or gift administration services to charitable organizations and their planned giving programs. A given client’s planned giving program may contain charitable trusts, charitable gift annuities, pooled income funds, donor advised funds, and/or other such assets of the charitable organization. Each trust or gift arrangement has an account under the umbrella investment management and gift administration agreements between TIAA Kaspick and the trustee/charitable organization. The charitable organization is TIAA Kaspick’s direct client for purposes of the disclosures contained below. Subject to any restrictions contained in applicable client account agreements or investment guidelines, TIAA Kaspick invests its clients’ assets in mutual funds managed by third party managers and/or affiliates of TIAA (including, among other entities, the TIAA-CREF Funds). In addition to investment management of planned giving programs, TIAA Kaspick provides additional investment management services to charitable organizations, including but not limited to endowment management and/or management of defined benefit plans.

TIAA Kaspick historically offered investment management services to individuals and continues to do so for select legacy clients; however, this service is no longer available to new clients.

As of December 31, 2020, TEPS managed \$7,601,090,354 in discretionary assets and \$1,653,047 in nondiscretionary assets for a total of \$7,602,743,401 in regulatory assets under management.

## **Item 5 – Fees and Compensation**

For TIAA Kaspick, TEPS’s compensation for its investment advisory services is based on a percentage of the market value of the assets under management in each client’s sub-account(s). Pursuant to written client investment management agreements, fees are calculated at the sub-account level and based on the market value of the sub-account at the end of the calendar quarter. Fees are payable quarterly in arrears. Clients may elect to be billed directly for fees or authorize TEPS to debit fees directly from client accounts. In most cases, and as authorized by clients in their custodial agreements, fees are paid to TEPS by having the fees deducted directly by the custodian from each sub-account.

Generally, investment management fees are prorated for each capital contribution and withdrawal by a client that exceeds 10% of the account’s market value made during the applicable calendar quarter.

Investment accounts initiated or terminated during a calendar quarter are charged a prorated fee. Upon termination of any investment account, any earned and unpaid fees are due and payable. TEPS mails invoices to the client (or as otherwise directed by the client) for review six (6) business days prior to the automatic debiting of the client accounts by the custodian. Partial quarters are prorated for investment management services based on the number of days the portfolio was under management versus the total number of days in the quarter. Investment advisory agreements may be terminated by either party upon thirty (30) days written notice, unless otherwise agreed in writing.

For institutional clients and their related accounts, fees are charged in arrears according to the following schedule:

Investment Management Services for Large Planned Giving Programs:

<u>Portfolio Market Value</u>	<u>Annual Portfolio Management Fee</u>
First \$10 Million	0.66% of assets
Next \$5 Million	0.55% of assets
Next \$15 Million	0.50% of assets
Next \$20 Million	0.45% of assets
Assets over \$50 Million	0.40% of assets

There is a minimum fee of \$35,000 per quarter, taking into account the combined investment management and gift administration fees for a specific client organization.

Planned Giving Services for Mid-Sized Planned Giving Programs:

<u>Annual Portfolio Management Fee</u>
0.575% of assets

There is a minimum fee of \$21,250 per quarter, taking into account the combined investment management and gift administration fees for a specific client organization. Clients that receive TEPS's planned giving services for mid-sized programs may be charged for special services, based on work performed, or asked to reimburse TEPS for certain costs, such as travel costs for onsite training sessions of client staff. Clients are asked to approve these items in advance.

High Net Worth Individuals:

<u>Portfolio Market Value</u>	<u>Annual Portfolio Management Fee</u>
First \$1 Million	1.00% of assets
Next \$4 Million	0.65% of assets
Next \$5 Million	0.60% of assets
Next \$10 Million	0.55% of assets
Assets over \$20 Million	0.50% of assets

From time to time, TEPS may enter into negotiated fee arrangements for its TIAA Kaspick services that may result in fees that differ from those charged under TEPS's standard TIAA Kaspick fee schedule. Some of the factors that may give rise to such individualized fee arrangements include (without limitation): the

type of relationship with TEPS; the complexity and extent of services provided; the number of different accounts and total assets under management for that client (and its affiliates); the investment product mix selected by the client; and other circumstances or factors as TEPS, in its sole discretion, may deem relevant. Sub-Accounts that are invested in 100% tax-exempt bonds or an income orientation may be charged a lower management fee.

Fees paid to TEPS for its TIAA Kaspick services are exclusive of brokerage commissions and other related costs and expenses, which shall be borne by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment firms, and other third parties such as fees charged by managers, custodial fees, transaction fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees and other expenses, which are disclosed in each fund's prospectus. TEPS does not receive any portion of these commissions, fees, or costs. Such charges, fees, and commissions are exclusive of and in addition to TEPS's fee.

Item 12 further describes the factors that TEPS considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Fees charged for gift administration services are computed in accordance with the agreement between the parties and are billed separately from investment management fees. The standard gift administration fee is equal to 0.275% of assets under administration.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

TEPS does not charge any performance-based fees for its TIAA Kaspick services. However, incentive or performance fees may be charged by the mutual funds, including affiliates of TEPS.

## **Item 7 – Types of Clients**

TIAA Kaspick seeks to provide investment advice and gift administration services to nonprofit entities that have been organized to serve the educational, charitable, healthcare, religious, environmental, or social services sectors. TIAA Kaspick also provides services to high net worth individuals and pension plans. Additionally, in limited instances, TIAA Kaspick provides discretionary investment management services to retirement plans subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Pursuant to ERISA Section 408(b)(2), TIAA Kaspick is a fiduciary to such accounts and a covered service provider. Section 408(b)(2) requires TIAA Kaspick provide such accounts with certain disclosures about the expenses and fees it will charge the account, including the investment management fee.

TEPS will invest client assets in investment vehicles managed or sponsored by TIAA affiliates if a client selects one of TIAA Kaspick's ESG (Environmental, Social, and Governance) allocations for one of its sub-accounts. The TIAA Kaspick ESG allocations are not available to any accounts subject to ERISA. If

a client selects one of TIAA Kaspick's ESG allocations, the client will be charged a fee by the TIAA Affiliate, which will be in addition to any fee TEPS may charge.

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

TIAA Kaspick uses a multi-asset strategy in its investment management services. This approach recognizes that the choice and weightings of asset types are important determinants of overall investment performance. The investment approach involves combining several different asset types in an investment portfolio to realize two important objectives: 1) protecting a portion of the portfolio against the potentially damaging effects of economic extremes (high inflation or deflation), and 2) taking advantage of low correlations among the various asset types to either reduce risk (in terms of portfolio standard deviation or volatility) compared to that of a traditional large capitalization stock and fixed income portfolio, or increase returns while holding risk constant. Of course, performance cannot be guaranteed. Investing in securities involves the risk of loss that clients should be prepared to bear.

The TIAA Kaspick Investment Committee oversees all investment decisions. TIAA Kaspick has developed eight strategic asset allocations, ranging from the TIAA Kaspick Aggressive Allocation to the TIAA Kaspick All Fixed Income Allocation. TIAA Kaspick's investment process uses both quantitative and qualitative decision-making. The quantitative approach calculates the risk, return, and correlation characteristics of the various asset classes to create efficient mixes of assets. Because different assets have different risk, return, and correlation characteristics over time, and because TIAA Kaspick also desires to provide hedges against the economic extremes of inflation and deflation, TIAA Kaspick's portfolio managers apply their experience and judgment to modify the purely quantitative results.

Asset classes implemented in the clients' portfolios include domestic large and small capitalization stocks, international large and small capitalization stocks, emerging markets stocks, domestic and international fixed income securities, domestic and international real estate equity securities, and cash equivalents. TIAA Kaspick implements its multi-asset strategy through the use of multiple no-load mutual funds, some of which are only available to institutional investors.

There are some cases where clients' portfolios hold individual securities, typically bonds, stocks or ETFs. Individual securities held in a client's account are usually held at the direction of the client; if appropriate, TIAA Kaspick will take into account such securities in its overall management of the client's account. In cases where individual securities are held, the securities meet the acceptance criteria of the client's investment guidelines or are held at the direction of the client.

TIAA may provide a variety of services to TEPS that may be deemed material to TEPS's investment advisory services as further described in Item 10. Such services include general corporate support, human resources, legal, compliance, marketing and information technology (e.g., cybersecurity). As such, TEPS relies on its internal policies, which attempt to mitigate technology risks, infrastructure and application instability, business disruptions, data theft and loss, and fraud among others. TEPS will provide a summary or a copy of its IT policy to clients and prospective clients on request.

The information contained in this Brochure is not intended to replace the risk disclosures found in the investment management agreement or other documents. Clients should carefully review the investment management agreement and/or other documents for the information about risks associated with investing.

Investing in securities involves risk of loss that clients should be prepared to bear. Clients may lose all or a substantial portion of their investments. Prospective clients are particularly cautioned that past

performance is no guarantee of future results. The degree to which particular investment risks apply to a specific strategy may depend on the risks applicable to each client. Also, the regulatory regimes applicable to TEPS are subject to change and may impact client investment returns. The risks associated with investments include but are not limited to the following.

- **Market Risks:** The price of any security or the value of an entire asset class can decline for a variety of reasons outside of TIAA Kaspick'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, epidemic, pandemic, demographic, 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, its account may be negatively impacted. Additionally, a low allocation to a particular asset class that outperforms other asset classes will cause the account to underperform relative to the overall market.
- **Global Economic Risks.** 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 closures, 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 TIAA Kaspick, 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.
- **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.
- **Hypothetical Performance and Projected Returns:** Projected returns are hypothetical, do not reflect actual investment results, and are not guarantees of future results. Such projected performance is subject to a number of limitations and assumptions designed to determine the probability or likelihood of a particular investment outcome based on a range of possible outcomes. It is possible that any of those assumptions may prove not to be accurate.



- ***Limitations of Risk Disclosures.*** As their investment 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 when investing with TIAA Kaspick. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

## **Item 9 – Disciplinary Information**

Not applicable.

## **Item 10 – Other Financial Industry Activities and Affiliations**

In addition to its investment advisory services, TIAA Kaspick also provides gift administration services to educational, charitable, healthcare, religious, environmental, social services, and other nonprofit institutions.

TEPS is a wholly-owned subsidiary of TIAA Redwood, which is a wholly-owned direct subsidiary of TIAA. TEPS and TIAA have entered into a service arrangement whereby TIAA, directly or through its subsidiaries, may provide a variety of services to TEPS that may be deemed material to TEPS's investment advisory services. Such services include general corporate support, human resources, legal, compliance, information technology (e.g., cybersecurity), and marketing services.

TEPS will invest client assets in investment vehicles managed or sponsored by TIAA affiliates if a client selects one of TIAA Kaspick's ESG (Environmental, Social, and Governance) allocations for one of its trusts. The TIAA Kaspick ESG allocations are not available to any accounts subject to ERISA. If a client selects one of TIAA Kaspick's ESG allocations, the client will be charged a fee by the TIAA Affiliate, which will be in addition to any fee TEPS may charge.

Each of TIAA and its affiliates, may distribute, make referrals of, use or recommend investment products and services of the other (including funds and pooled investment vehicles, and managed account services), and may pay and receive fees and compensation in connection thereto. Further, sales personnel may provide referrals to affiliates in certain limited circumstances and such personnel may be internally compensated in connection with such activities. A potential conflict may exist with respect to such distribution, referrals, use, or recommendation of products and services as a result of TIAA's indirect ownership of its affiliates.

Additionally, TIAA, FSB will provide custodial services to certain sub-accounts managed by TIAA Kaspick. For the custodial and managed sub-account services performed by TIAA, FSB, the fee for such services will be borne by the client and will be in addition to any fee TEPS may charge.

## **Item 11 – Code of Ethics**

TEPS has adopted a Code of Ethics (the "Code"), pursuant to Rule 204A-1 of the Advisers Act. The Code includes provisions that set forth: standards of business conduct for TEPS's supervised persons requiring compliance with all applicable federal securities laws; provisions that require TEPS's supervised persons who may have access to non-public information ("access persons") to report personal securities

transactions periodically and a requirement that TEPS's Chief Compliance Officer ("CCO") or his designee review these reports; provisions that require supervised persons to report violations of the Code to the CCO; and provisions that require supervised persons to be provided with the Code and acknowledge receipt of it. In addition to personal securities trading procedures, the Code includes provisions on the confidentiality of client information, a prohibition on insider trading, and a prohibition on circulating false rumors, among other matters. All TEPS staff must acknowledge the terms of the Code when first hired and annually thereafter or when amended. TEPS's clients or prospective clients may request a summary of the Code by contacting TEPS's CCO.

The Code is designed to help ensure that the personal securities transactions, activities, and interests of the employees of TEPS will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of TEPS's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is monitored under the Code to prevent conflicts of interest between TEPS and its clients. In all situations, clients' interests take priority over employees' interests.

If appropriate, TEPS may invest a portion of client portfolios in mutual funds and/or other pooled investment vehicles, including funds sponsored by entities affiliated with TIAA (such mutual funds are collectively referred to herein as "TIAA-CREF Funds"). A client's account could have a material portion of its assets invested in TIAA-CREF Funds and that proportion could change over time based on TEPS's investment discretion. Affiliates of TEPS are compensated for providing services to TIAA-CREF Funds. The fact that revenue is derived by TEPS's affiliates from the TIAA-CREF Funds is disclosed to clients so as to permit clients to consider such revenues in evaluating TEPS's services and in deciding whether to employ TEPS to provide advisory services. As detailed in the disclosure documents for these investment vehicles, including their prospectuses, TIAA-CREF Funds pay their own fees and expenses, including fees for investment management and/or administrative services to affiliates of TEPS, which may pay a portion of these fees to other affiliates. These payments to TEPS's affiliates are in addition to the fees clients pay directly to TEPS for its services. TEPS does not receive a direct economic benefit from client investments in TIAA-CREF Funds.

TEPS has established procedures intended to minimize its inherent conflict of interest in arranging for client investments in TIAA-CREF Funds. The TIAA Kaspick Investment Committee monitors the procedures and methodology used by TEPS's investment teams within the TIAA Kaspick business unit in formulating investment advice to ensure that the advice is based on reasonable objective criteria and is in the best interest of clients.

## **Item 12 – Brokerage Practices**

TEPS may aggregate ("block") the purchase or sale of securities when it is determined that it is in the best interest of its clients. In the event circumstances arise where TEPS determines that, while it would be both desirable and appropriate to aggregate client orders for a particular security or other investment, there is a limited supply or demand for the security or other investment, TEPS will seek to allocate such investment opportunities among clients fairly and equitably over time in accordance with its allocation policies and procedures. With respect to any particular transaction, TEPS is not required to assure equal treatment

among all of its clients nor is it required to ensure that each such opportunity is proportionally allocated among participating accounts.

TEPS and its affiliates may execute cross trades involving advisory accounts in which a security is sold from one account advised by TEPS and bought for another such advised account through a custodial transfer or broker-dealer. Trades will be implemented at a security price that TEPS has a reasonable basis for believing is fair and equitable to both the buyer and the seller. TEPS will only engage in cross trades when such trades benefit both accounts involved in the trade. TEPS will not receive any commission or additional compensation in connection with arranging such cross trades.

While TEPS has no present intent to engage in transactions with clients in which it would act as principal on behalf of its own account, it reserves the right to do so in the future if appropriate. Subject to applicable law, in the event TEPS does engage in principal transactions and to the extent required by law, TEPS will provide each affected client with disclosure that TEPS is acting in such capacity and the relevant terms of such transaction and obtain the client's consent to such transaction.

If TIAA Kaspick makes an error while placing a trade for a client, it will seek to correct the error promptly in a way that mitigates losses. TEPS will generally bear the costs associated with correcting a trade error. Gains associated with any such trade error shall be retained by the affected client(s) although certain broker-dealers have a de minimis standard of \$100. When correcting its trade errors, TEPS will seek to ensure that the best interests of its clients are served.

TIAA Kaspick clients generally establish brokerage accounts with Charles Schwab & Co., Inc. ("Schwab") to maintain custody of clients' assets and to effect trades for their accounts. TIAA Kaspick also executes a majority of its client transactions through Schwab. In certain cases, clients are required by state law to use certain types of custodians for their accounts. In those cases, the client will establish custodial relationships that permit the client to comply with applicable state laws. Additionally, a custodial relationship may be established at other firms pursuant to client direction.

TIAA Kaspick determines the brokers or dealers to be used and the commission rates to be paid without specific client consent when granted the authority to do so in the investment management agreement. In selecting the broker-dealer to effect transactions on behalf of its clients, TIAA Kaspick seeks to obtain best execution, which means prompt and efficient execution of transactions, the best obtainable price, and payment of commissions that are reasonable in relation to the value of the brokerage and other transaction services provided.

TIAA Kaspick determines the securities to be bought or sold and/or the amount of securities to be bought or sold without obtaining specific client consent when the client has authorized TIAA Kaspick to do so in the investment management agreement entered into between the client and TIAA Kaspick. As a general rule, most client accounts are set up on this basis. At times, clients will direct TIAA Kaspick to effect securities transactions for their accounts through brokers specifically designated by the clients. Clients who direct brokerage should consider the following: 1) the client may forego any benefit from savings on execution costs that TIAA Kaspick may be able to obtain for its clients through negotiating volume discounts on batch transactions; 2) generally, execution of orders that have directed a particular broker may, in some but not all instances, be delayed until execution of non-directed orders has been completed; and 3) clients who direct TIAA Kaspick to use a specific broker may pay higher commissions on

transactions that might be obtained by TIAA Kaspick, or may receive less favorable executions of transactions, or both.

TIAA Kaspick believes that by using Schwab as the primary broker-dealer to execute transactions for its clients, it is obtaining best execution for these client accounts. Factors that TIAA Kaspick takes into account when it is considering whether Schwab and other brokers are providing best execution include: net price, reputation, financial strength and stability, and efficiency of execution and error resolution. TIAA Kaspick is not affiliated with Schwab. Schwab provides TIAA Kaspick's clients with access to Schwab's institutional trading and custody services. Schwab also makes available products and services that benefit TIAA Kaspick in managing and administering clients' accounts, including accounts not maintained at Schwab. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to the advisers by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to the advisers.

Although Schwab offers and provides to advisers using its trading and custodial services, including TIAA Kaspick, a number of unsolicited services in addition to execution-related services, TIAA Kaspick's selection and use of Schwab is based on the execution and related services for client accounts available through Schwab. These additional non-execution services could be construed as soft dollar services. However, TIAA Kaspick has not entered into a soft dollar arrangement with Schwab (or any other broker-dealer) through which use of Schwab (or other broker-dealers) is contingent on receipt of such additional services.

### **Item 13 – Review of Accounts**

TIAA Kaspick's Investment Committee is responsible for the performance of all portfolio management services on behalf of TIAA Kaspick. Investment advisory and management services require a constant general awareness of the economic environment and activities in the financial markets. Although not trading on a day-to-day basis, the investment personnel of TIAA Kaspick maintain an ongoing awareness of these areas.

Individual client portfolios are monitored by investment personnel for conformance with target asset allocations. Adjustments are made as necessary. Portfolio holdings are also monitored by investment personnel for performance and conformance with stated objectives. Reviews of client accounts are conducted under the supervision of senior members of the TIAA Kaspick's Investment Committee.

Portfolios are rebalanced based on multiple factors: how far the actual allocations are from their target weights, market conditions, the likely short-term gains that would be created from rebalancing (for relevant accounts), and cash levels.

TIAA Kaspick offers an array of written reports to clients and beneficiaries to meet client needs for regular information with respect to client assets. TIAA Kaspick offers several reporting packages, including Oversight Reporting for staff and trustees, Beneficiary Reports, Gift Administration Reports, Accounting Reports, and Tax Reports. Each reporting package may include multiple reports, at the client's discretion. For instance, TIAA Kaspick's Oversight Reporting package includes investment reports and other oversight reports so that a client's staff and trustees can review key information about their planned giving program and policies. TIAA Kaspick also produces, as part of its Oversight Reporting package, an Investment Report (quarterly) which provides information about each portfolio (the account type, investment allocation, current asset mix) and net of fee performance at both the portfolio and the program

levels relative to market benchmarks. For planned giving clients receiving TIAA Kaspick's Large Program service offering, the Oversight Reporting Package also includes an annual Real Remainder Value of Planned Gift Assets Report, a Program Activity Summary Report, and a Program Analytics Report. The contents and frequency of TIAA Kaspick's reporting package are subject to negotiation.

## **Item 14 – Client Referrals and Other Compensation**

TIAA-CREF Individual & Institutional Services, LLC ("Services"), a registered broker-dealer and investment adviser dually registered with the SEC, will from time to time make referrals of potential institutional clients to TEPS. Services may receive a fee from TEPS in relation to any assets placed under TEPS's management.

Additionally, each of TIAA and its affiliates, may distribute, make referrals of, use or recommend investment products and services of the other (including funds and pooled investment vehicles, and managed account services), and may pay and receive fees and compensation in connection thereto. Further, sales personnel may provide referrals to affiliates in certain limited circumstances and such personnel may be internally compensated in connection with such activities. A potential conflict may exist with respect to such distribution, referrals, use or recommendation of products and services as a result of TIAA's indirect ownership of its affiliates.

## **Item 15 – Custody**

Client statements are sent directly by the custodian to clients serviced by the TIAA Kaspick business unit in TEPS at least quarterly. Most TIAA Kaspick clients receive such statements electronically. Clients also have electronic access to their accounts directly from the custodian. The custodian will send the following information to clients: prospectuses, statements, and trade confirmations. TIAA Kaspick urges clients to carefully review such statements and compare official custodial records to the account statements that TIAA Kaspick provides. TIAA Kaspick's statements may vary from custodial statements based on accounting procedures, reporting dates, portfolio holdings not held at the custodian, or valuation methodologies of certain securities.

Currently, TEPS has custody and signatory rights over a number of TIAA Kaspick client assets and is subject to a surprise examination every year as required by Rule 206(4)-2 under the Advisers Act (also referred to as the "Custody Rule").

In limited circumstances where the client account requires use of a corporate trustee or state law requires use of a bank custodian, TIAA, FSB may serve as trustee or custodian at the client's election. When TIAA, FSB serves as custodian for a TIAA Kaspick account, the fee will be borne by the client and will be in addition to any other fee(s) that TEPS may charge.

## **Item 16 – Investment Discretion**

TIAA Kaspick typically exercises discretionary investment authority over client accounts. TIAA Kaspick's discretionary authority is detailed in each client's investment management agreement, its supplements or its amendments, along with any applicable guidelines and restrictions. Under certain circumstances, TEPS's authority to trade securities may also be limited by certain federal securities and

tax laws that require diversification of investments and favor the holding of investments once made. Investment guidelines and restrictions must be provided to TEPS in writing.

## **Item 17 – Voting Client Securities**

TEPS has adopted and implemented written policies and procedures pursuant to Rule 206(4)-6 of the Advisers Act that are reasonably designed to ensure that client securities are voted in the best interests of clients. These procedures include how TEPS addresses material conflicts that may arise between TEPS's interests and those of its clients. As a general matter, clients, by way of investment management agreement and/or other documents, may grant TEPS the authority to vote any client securities that may come up for vote.

TEPS will not vote proxies if: the client explicitly retains proxy voting authority in the investment management agreement; TEPS does not have discretionary authority over the security that is issuing the proxy; the investment management agreement is silent with respect to proxy voting and TEPS has not been granted discretionary investment authority over the client's securities; or TEPS has discretion of the client account and does not intend to retain the security in the client account. TEPS will not vote proxies when it determines that the benefit of voting individual stock proxies is small relative to the undue burden of voting those proxies (e.g., where the shares held in the security to be voted represent less than 0.10% of the security's outstanding shares on the proxy record date), or where the client's account does not have an economic interest in the outcome of the proxy (e.g., TEPS has sold the security but the proxy record date occurs before the settlement date).

When TEPS is called upon to vote proxies, TEPS's general policy is to vote in a manner that serves the best interests of the client.

Prior to exercising its voting authority in respect of client securities, TEPS reviews relevant facts and determines whether a material conflict of interest may arise due to business, personal or family relationships of TEPS or its staff, on the one hand, and any client, on the other hand. If a material conflict exists, TEPS will adhere to its proxy voting policies and procedures to ensure that its voting decision is in the best interest of the client and not a product of the conflict of interest. Among other actions, the proxy voting policies and procedures direct TEPS to seek the advice of the CCO. Depending on the particular circumstances involved, the appropriate resolution of one conflict of interest may differ from the resolution of another conflict of interest, even though the general facts underlying both conflicts may be similar (or identical).

TEPS does not direct clients' participation in class actions as part of its TIAA Kaspick service offering. For TIAA Kaspick clients, TEPS will determine whether to return any documentation inadvertently received regarding clients' participation in class actions to the sender, or to forward such information to the appropriate clients.

Clients may obtain information about how TEPS voted with respect to their securities, or may request a copy of TEPS's proxy voting policies and procedures by contacting TEPS's CCO.

## **Item 18 – Financial Information**

Not applicable.