

TIAA-CREF Tuition Financing, Inc.

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This Brochure provides information about the qualifications and business practices of TIAA-CREF Tuition Financing, Inc. If you have any questions about the contents of this Brochure, please contact us at 212- 490-9000. The information in this Brochure has not been approved or verified by the United States

Securities and Exchange Commission ("SEC") or by any state securities authority. TFI is registered as an investment adviser with the SEC. Registration with the SEC does not imply a certain level of skill or training.

Additional information about TIAA-CREF Tuition Financing, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov

Item 2 – Material Changes

The following is a summary of material changes to Tuition Financing, Inc. (“TFI”)’s business practices since the time of the last Brochure update which was dated March 30, 2020:

(i) TFI no longer recommends age-based options as part of its advisory service provided to state clients and has transitioned exclusively to enrollment year investment options. The transition to enrollment year investment options was completed during 2020.

(ii) TFI often recommends to its state clients mutual funds and other investments, such as funding agreements, that are issued, managed, distributed and/or administered by an affiliate (“proprietary investment option”) as investment options for underlying 529 Plan portfolios. Such recommendations involve material conflicts of interest because the purchase of such products by state clients result in revenue being paid to such affiliate(s) and results in greater compensation being paid to TFI’s affiliates than if TFI had recommended non-proprietary investment products. Any compensation paid to an affiliate of TFI with respect to a proprietary investment option is in addition to the annualized fee TFI receives for providing program management services to a 529 Plan (that are discussed in Item 5 below). Item 8 and Item 10 have been updated to further clarify and elaborate on these conflicts.

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Item 4 - Advisory Business

TFI is a wholly owned subsidiary of Teachers Insurance and Annuity Association of America ("TIAA") and is registered with the SEC as an investment adviser and as a municipal advisor. TFI provides program management services to qualified tuition programs formed under Section 529 and 529A of the Internal Revenue Code ("529 Plans"). TFI has provided such services to 529 Plans since its incorporation in 1998.

TFI provides various program management services, including investment recommendations to state entity clients that establish and maintain 529 Plans. TFI's investment advisory services are limited to providing investment recommendations to state entities only and TFI has no investment advisory clients other than the state entities.

In particular, TFI recommends investment options and underlying investment vehicles, and provides advice as to how each investment option should be allocated among the underlying investment vehicles for a state's 529 Plan. TFI's recommendations are specific to and consistent with each state's investment policy statement and/or guidelines for its 529 Plan, if applicable. Each state client, which retains investment authority for its 529 Plan, may impose various restrictions, as well as approve, reject, or revise TFI's recommendations. Except in connection with periodic rebalancing transactions, TFI does not exercise discretion in connection with these assets. TFI's specialty is in structuring investment options for 529 Plans that change asset allocations over time as beneficiaries approach school enrollment. These options (i) provide efficient, auto-rebalancing of portfolios, and (ii) seek to provide appropriate levels of risk and return according to expected enrollment years.

As of December 31, 2020, assets in 529 plans to which TFI provides services totaled \$28,915,346,795

Item 5 – Fees and Compensation

For all of the program management services TFI provides to a 529 Plan (including investment advice), it receives from the plan an annualized fee, paid monthly in arrears, based on the average daily net assets in the plan. The program management fee differs from state to state and, in some cases, the fee varies for each investment option within a plan. As such, TFI has no set fee schedule. For new relationships, program management fees are negotiated with each state prior to entering into a management agreement with that state and in some cases may be renegotiated during the term of the agreement. The agreed-upon program management fees are included in the management agreement with each state. In certain instances, TFI may offer investment only services (those in which it does not act as program manager to the plan). In those instances, a fee will be negotiated with the state or program manager and can vary and/or be waived in TFI's discretion.

Prior to receiving payment from a 529 Plan's assets, TFI submits to the state a detailed invoice for the preceding calendar month. If the state does not object to the amount(s) shown on the invoice within the period of time specified in the program management agreement, TFI is authorized to then send an instruction to the 529 Plan's qualified custodian to have TFI's program management fees paid from plan assets. If, however, the state objects to the amount in the invoice, TFI is only authorized to instruct the custodian to pay the portion of the fee amount that is not in dispute. The program management fee is the only fee that TFI receives for the various services it provides to a 529 Plan.

Item 6 – Performance Based Fees and Side-by-Side Management

Not applicable.

Item 7 – Types of Clients

TFI provides investment advice to the state sponsor and/or program managers of 529 plans. It has no other investment advisory clients.

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

TFI primarily uses "Monte Carlo" simulation for risk analysis and to estimate the likelihood of a wide spectrum of future financial markets. This simulation is used to help design an asset allocation strategy designed to achieve a total return equal to or greater than inflation adjusted college tuition costs. Monte Carlo analysis is a statistical method that helps assess the effect of risks by considering a range of different rates of return, which helps analyze the risk of market fluctuations. Monte Carlo analysis is a projection of the future that attempts to represent the majority of all possible outcomes under a given set of inputs, and does not represent the full universe of all possible futures. Monte Carlo analysis is not a guarantee of future outcomes.

Additionally, TFI uses quantitative and qualitative models to design portfolios intended to generate prudent long-term investment outcomes. A portfolio can be compared along what is known as the "Efficient Frontier," measuring return and risk, to determine whether it is maximized for return and risk.

TFI's recommended 529 Plan investment menu is designed to include options that are clear and transparent and to offer enough choices for a wide range of investors (e.g., investors who prefer an age-based "one-stop shopping approach" and investors who wish to build their own portfolios) with various investment risk tolerances and time horizons. If a state prefers a low cost approach, an indexing strategy is usually recommended for underlying investments; otherwise, the investment options TFI recommends usually include options that invest in passively managed mutual funds and exchange-traded funds (ETFs), as well as actively managed mutual funds.

TFI often recommends enrollment year investment portfolios, which are intended for account owners who prefer an investment portfolio with a risk level that becomes increasingly conservative over time as the beneficiary approaches expected enrollment in an Eligible Educational Institution and/or expected year in which funds will be withdrawn to pay for Qualified Higher Education Expenses.

Static Investment Options

The investment strategy employed for static investment options is to construct an underlying fund line-up that meets the investment objectives of a specific investment option and is well diversified within the option's stated investment universe. These options are designed for investors who want to customize their investment approach to save for education. Typically, we recommend a mix of equity, fixed income and capital preservation options to satisfy investors' preferences for return, tolerance for risk, and investment time horizon.

Selection of Underlying Mutual Funds and ETFs

TFI is a strong believer in recommending index funds for enrollment year portfolios to keep costs low. Actively managed funds are sometimes recommended for the static options or as part of an enrollment date strategy based on client preference to provide our clients with additional choice and style of management.

For index funds, we prefer to recommend low cost funds managed by large, stable firms with strong portfolio management teams that are detail oriented. We pay special attention to the teams' index replication methodology and their trading system's effectiveness and efficiency. Consistent results and low tracking error to benchmarks are our first priority when it comes to selecting index funds. We use index funds to capture asset class returns mainly in asset categories where we believe many active managers cannot add value consistently over benchmark returns over a long period of time.

We use active managers in asset classes where at least half of the active managers who meet our criteria have been able to outperform their benchmarks most of the time. In addition, we prefer to recommend funds from established companies with good reputations, ample research resources, high stewardship ratings, and which maintain at least a 3-star rating (4 or 5 stars are preferable) from Morningstar. We look for funds invested by managers with many years of investment and industry experience who have weathered different types of markets.

For the most part, TFI recommends state clients utilize proprietary investment options as the underlying investments for a 529 Plan's portfolios. The proprietary investment options include the TIAA family of mutual funds and the various registered mutual funds of Nuveen Investments, Inc. However, in certain situations (e.g., where a specific fund category is not available from the TIAA family of mutual funds or from Nuveen Investments, Inc., such funds have cost or performance issues or the proprietary

investment option does not meet the states' eligibility criteria), TFI will recommend mutual funds from other fund complexes to the states.

TC Life Funding Agreement

TFI also typically recommends that a portfolio in a state's 529 Plan includes an option to allocate assets to a funding agreement issued by TIAA-CREF Life Insurance Company ("TC Life"), an affiliate of TFI, which creates a conflict of interest since TC Life receives revenue from these allocations. In addition, TFI receives compensation from TC Life based on assets allocated to the Funding Agreement. Accordingly, in such circumstances, the TIAA family of companies receives more compensation than if the 529 Plan established a portfolio that invested in a funding agreement not issued by an affiliate of TFI. To address this conflict, no program management fee is charged on a 529 Plan portfolio that invests 100% of its assets in a funding agreement issued by TC Life.

Recommendation of Proprietary Investment Options

TFI has a conflict of interest in recommending proprietary investment options for client portfolios because affiliates of TFI earn compensation for advisory, distribution, administrative or other services provided with respect to such investment options. This compensation is in addition to the program management fee that is paid to TFI for providing program management services. Therefore, TFI receives one type of fee for its program management services, and its affiliates receive a different fee for their services related to underlying investment options. We seek to address the conflict associated with recommending proprietary investment options in multiple ways, including disclosing the conflict of interest in this brochure, providing state clients with detailed information at the time the proprietary investment option is recommended, and by endeavoring to keep program management fees below the industry average.

The fees associated with the purchase of proprietary investment options may be significant, and the receipt and retention by TFI's affiliates of these fees creates an incentive for TFI to continue to recommend proprietary investment options over non-proprietary investment options. Additionally, the fees associated with the proprietary investment option may be higher than the fee associated with the purchase of non-proprietary investment options. State clients should consider this additional investment option related compensation when evaluating the amount and appropriateness of the fees we earn. In addition, state clients should consider that more cost effective underlying investment options that are not affiliated with TFI may be available to be recommended.

Risks

The material risks associated with these strategies are (1) the model is derived from historical data, as well as other forward looking assumptions, but may not completely or

accurately capture all the possible scenarios of future financial markets, and (2) asset allocations may not be optimal as market environments continue to evolve.

The projections and simulations are based on a variety of assumptions that may prove, in the future, to be erroneous. While substantial effort has been made to use valid assumptions in all calculations, no parts of the projections are guaranteed. The results obtained may vary significantly from our projections. The Monte Carlo simulation assumes that historical correlations between certain economic parameters will continue in the future. However, market variables in the future may not perform as they have in the past. If relationships among economic variables vary from what was assumed, then results may vary from projections. Accordingly, if actual market relationships in the future are different from those that we have assumed based on historical market conditions, then the value of the simulations we projected may be significantly impacted. In addition, the results of the simulation may under-compensate or over-compensate for the impact, if any, of certain market factors and may underestimate the impact of market extremes and the related risk of loss.

The underlying vehicles typically recommended by TFI are open-end mutual funds (primarily index funds) and funding agreements. The material risks for investment options that invest in mutual funds are loss of principal and that the performance of the option does not keep pace with the rate of college tuition inflation, as well as the specific risks related to each mutual fund in which the option invests as described in the mutual fund's prospectus. The specific risks related to each of the mutual funds recommended by TFI are set forth in the prospectuses provided to clients by TFI. The material risk for an option that allocates its assets to a funding agreement is that the insurance company that issues the funding agreement could fail to perform its obligations under the agreement for financial or other reasons.

Item 9 – Disciplinary Information

Not applicable.

Item 10 – Other Financial Industry Activities and Affiliations

TFI is a wholly owned subsidiary of TIAA. Any profits earned by TIAA and other TIAA subsidiaries, including TFI, are be paid in the form of dividends directly or indirectly to TIAA. Such dividend amounts, if any, become part of the general account of 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.

TIAA and TFI have entered into a service arrangement whereby TIAA, directly or through its subsidiaries, provides a variety of services that are material to TFI's investment advisory activities, including administrative, legal and marketing services. Certain officers and directors of TFI also serve in similar capacities with other affiliated entities.

TFI recommends to its clients certain proprietary investment options. These proprietary investment options include:

The TIAA-CREF Family of Funds: Teachers Advisors, LLC is the advisor to the TIAA-CREF family of funds and an indirect, 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, Nuveen Securities, LLC is the principal underwriter. 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 Funds: Nuveen Fund Advisors, LLC, is the investment adviser to the Nuveen Funds and a subsidiary of Nuveen Investments, Inc. Various subsidiaries of Nuveen Investments, Inc. 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 indirect, wholly owned subsidiaries of TIAA. 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.

TFI has entered into a service agreement with TIAA-CREF Individual & Institutional Services, LLC, member FINRA and SIPC ("TC Services"). Under this agreement TFI has engaged Services for limited broker-dealer and underwriting services for the 529 Plans. Services will fulfill certain continuing disclosure and filing obligations under applicable SEC and MSRB rules. Certain officers and directors of TFI also serve as registered representatives of TC Services.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

TFI has adopted a Code of Ethics (the "Code") in accordance with rule 204A-1 under the Investment Advisers Act of 1940 that governs, among other things, the personal securities trading activities of investment personnel and other access persons to ensure such individuals act in the best interests of customers.

Among other items, the Code provides that "access persons" and members of their households (i) must report their personal holdings of, and transactions in, covered securities, including in mutual funds managed by an investment adviser affiliate of TFI, (ii) are subject to certain restrictions and prohibitions in trading for their own accounts,

and (iii) are subject to pre-clearance of certain securities transactions. In addition, “access persons” are required to maintain any brokerage accounts with approved brokerage firms and must generally send duplicates of all trade confirmations, account statements and other brokerage account reports to a compliance unit for review. These procedures are designed to mitigate conflicts of interest that can be created by the personal securities transactions of TFI’s access persons.

The Code requires all supervised persons to place the interests of clients above their own. TFI personnel are also prohibited from profiting from their knowledge of recent or contemplated client transactions. All “access persons” must acknowledge the terms of the Code of Ethics annually, or when the Code is amended. TFI will provide a copy of the Code to any client or prospective client upon request. In addition, TFI personnel must adhere to the restrictions contained in the TIAA-CREF Code of Business Conduct (which includes general standards of ethical conduct for employees), the TIAA-CREF Policy on Participation on Outside Boards of Directors, the TIAA-CREF Gifts and Entertainment Policy and the TIAA-CREF Political and Campaign Policy.

TFI recommends open-end mutual funds to its clients, including open-end mutual funds managed by an affiliate of TFI in which TFI’s officers, directors, employees and affiliates may also invest. The Code restricts “access persons” from trading in a security when they have actual knowledge that a client will be trading in that security. Nonetheless, because the Code in some circumstances would permit “access persons” to invest in the same securities as clients, there is a possibility that “access persons” might benefit from market activity by a client in a security held by an “access person.” The Code is designed to assure that the personal securities transactions, activities and interests of the “access persons” will not interfere with TFI personnel (i) making decisions in the best interest of advisory clients, and (ii) implementing such decisions while, at the same time, allowing “access persons” 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 TFI’s clients. “Access persons” trading is continually monitored under the Code to reasonably manage conflicts of interest between TFI and its clients.

Item 12 – Brokerage Practices

TFI places trade orders on behalf of its state 529 Plan clients with the custodian for the 529 Plan assets. The trade orders relate primarily to mutual funds, and none of the trade orders relate to exchange-traded securities. TFI recommends the custodian to its state 529 Plan clients, who approve the appointment of the custodian. TFI has engaged TC Services for limited broker-dealer and underwriting services for the 529 plans. TC Services performs a 529 Plans continuing disclosure and filing obligations under the SEC and MSRB, consistent with current practices in the industry.

Item 13 – Review of Accounts

The annual asset allocation study and supporting documents are presented to the states with our report on the 529 Plan's performance with recommended asset allocation changes (if any) for consideration. We discuss and recommend changes to our age-based options as well as additions or changes to the states' stand-alone and blended investment options. This report provides the basis for discussions regarding investment policy and potential changes in strategy. TFI will perform more frequent investment reviews, if desired by a state. Each year, TFI conducts an asset allocation study to analyze the asset allocations among the underlying investments of each state plan's various investment options. TFI utilizes an extensive modeling process in developing the recommended asset allocation strategy for the age-based options. The specific asset allocation strategy employed within the age-based options is based on the analysis of investment return data and college tuition inflation data, as well as the views of professional forecasters regarding trend lines around which future financial market conditions are modeled. This model is updated, reviewed and re-estimated every year. It takes a forward-looking view to reflect changes in financial markets as part of TFI's annual asset allocation study.

In addition to the annual asset allocation study, TFI performs annual reviews of each state plan's investment options and underlying investment vehicles. The annual reviews are conducted by the education savings investment services team of TFI. Based on those reviews, TFI makes annual investment recommendations to each state with respect to changes a state may want to make to its existing line-up. TFI may make mid-year recommendations for changes if there are significant market events or material changes to an underlying investment vehicle.

TFI provides a written quarterly investment performance report to each state client. The report includes a written investment commentary on the financial markets, the specific 529 investment options offered by the state and the underlying funds in which the investment options invest. The report also details the asset allocation by listing the underlying investments of the investment options and the percentages allocated to those underlying investments for each investment option in the plan. In addition, written investment performance charts (QTD, YTD, 1-year, 3-year, 5-year, 10-year and since inception returns) for the investment options and their underlying investments are provided.

Item 14 – Client Referrals and Other Compensation

Item 8 discusses an arrangement between TFI and its affiliate TC Life, under which TC Life makes payments to TFI.

Item 15 – Custody

Pursuant to its investment advisory contracts, TFI is required to provide its clients with the calculations of its investment advisory fees. Unless a client objects, TFI may direct the withdrawal of state 529 Plan assets to pay its investment advisory fees. This authority to direct the payment of its investment advisory fees means that TFI is deemed to have legal custody of its client funds (and is the only reason why it has legal custody of client funds).

State 529 Plan clients will receive account statements from the qualified custodian and should carefully review those statements.

Item 16 – Investment Discretion

As noted above, except in connection with periodic rebalancing transactions, TFI does not exercise discretion in connection with assets in 529 Plans to which it provides services.

Item 17 – Voting Client Securities

TFI does not have authority to, and it does not, provide proxy voting services for its clients. Clients will receive proxies or other solicitations from the investment vehicles (for example, mutual funds) in which the 529 Plans invest. Clients should contact the entity listed as the contact on a proxy or solicitation with any questions about a particular proxy or solicitation.

Item 18 – Financial Information

Not applicable.