

Facts from an independent new study



The importance of TIAA Traditional Retirement Annuity in investment menus

“The TIAA Traditional Retirement Annuity led to significantly improved portfolio performance in cases where it was combined with conventional bond and stock investments.”

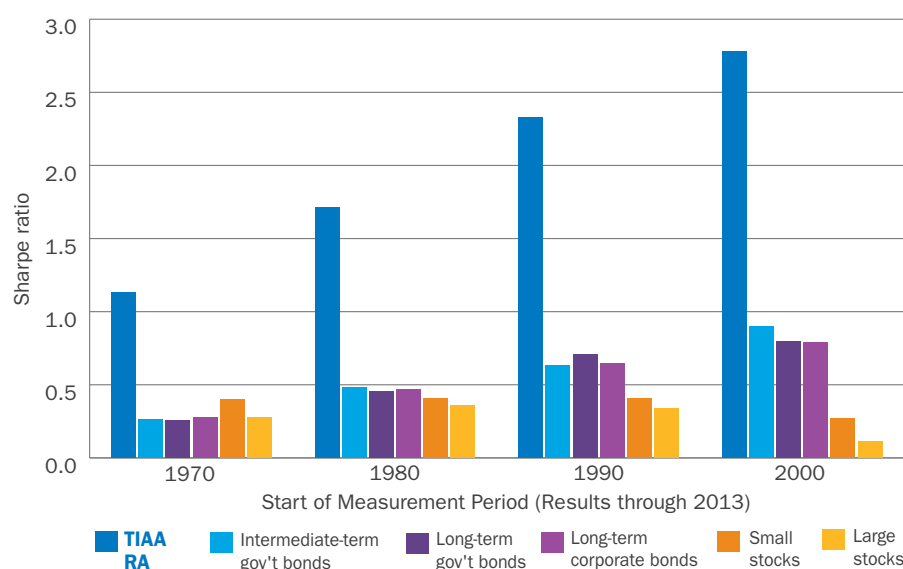
—Dr. David F. Babbel, Dr. Miguel Herce, Dr. Mark F. Meyer

Learn more about this groundbreaking study

Visit www.tiaainstitute.org/publication/TIAA_RA to see the research overview and full report.[†]

The TIAA Traditional Retirement Annuity (TIAA RA) had the highest risk-adjusted returns of any asset class studied*

Higher Sharpe ratios indicate greater returns per unit of risk.



About the research

Charles River Associates, a global consulting firm, examined the historical return performance of TIAA RA compared with other asset classes. The study was led by:

Dr. David F. Babbel
Professor Emeritus
The Wharton School
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Senior Advisor
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*Based on an annual Sharpe Ratio analysis, a widely used method of calculating returns per unit of risk. Units of risk are measured by the asset's volatility. The investment portfolios consisted of various combinations of money market, intermediate-term and long-term bonds, and small and large U.S. stocks, with and without the TIAA Traditional RA.

[†] *The Performance of TIAA's Traditional Retirement Annuity for Selected Investment Cohorts, 1970 – 2005 through 2013*, October 2015, by David F. Babbel, Miguel Herce and Mark F. Meyer of Charles River Associates

About the TIAA Institute

The TIAA Institute helps advance the ways individuals and institutions plan for financial security and organizational effectiveness. The Institute conducts in-depth research, provides access to a network of thought leaders, and enables those it serves to anticipate trends, plan future strategies and maximize opportunities for success.



TIAA Traditional, a guaranteed annuity issued by Teachers Insurance and Annuity Association of America (TIAA), New York, NY offers certainty and dependability during accumulation and into retirement. It provides a guaranteed interest rate and offers the potential for greater growth through additional amounts, which may be declared on a year-by-year basis by the TIAA Board of Trustees. Such additional amounts, when declared, remain in effect for the "declaration year" which begins each March 1 for accumulating annuities and January 1 for payout annuities. Additional amounts are not guaranteed for periods other than the period for which they were declared. Guarantees are subject to TIAA's claims paying ability. Withdrawal limitations apply based on the contract type. TIAA Traditional is a guaranteed insurance contract and not an investment for federal securities law purposes.

Please note that the research in this study used the Retirement Annuity (RA contract). The results shown here reflect performance in RA contracts only and may not apply to other contract types.

While some characteristics of TIAA Traditional and bond funds/money market instruments are similar, when they are owned within a tax-qualified retirement plan, there can be substantial differences in investment objectives, costs and expenses, liquidity, default risk, guarantees, and fluctuation of principal or return. TIAA Traditional is not a security and does not have any explicit expense charges. The TIAA Traditional guarantee is based upon the claims-paying ability of TIAA, while bonds held by bond funds are typically backed by the credit of the issuer or underlying cash flows from other assets. Bond funds and money market instruments are more liquid than TIAA Traditional. TIAA Traditional provides the ability to annuitize and receive guaranteed lifetime income (based upon TIAA's claims-paying ability); bond funds and money market instruments do not provide a lifetime income option. Consider all available options, not just historical performance and all differences between various options to decide which one is suited for your goals. Past performance is no guarantee of future results.

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