



TIAA-CREF Asset Management

CREF Social Choice Account



Account at a glance

Inception Date
3/1/1990

Benchmark
CREF Social Choice Account Composite Benchmark¹

Estimated Expenses
41bps²

The CREF Social Choice Account is a variable annuity that invests in a diversified portfolio of U.S. and foreign equity and U.S. fixed-income securities while giving consideration to certain Environment, Social and Governance (ESG) criteria.

Investment objective

The Account seeks a favorable long-term rate of return that reflects the investment performance of the financial markets.

Investment philosophy

The portfolio management team believes that competitive returns can be achieved through investment in securities of public companies that are leaders in their respective sectors according to a broad set of ESG factors and in fixed-income securities which meet the criteria of our established ESG framework.

Key distinctions

- TIAA-CREF is a recognized leader in global socially responsible investing, ranking among the largest managers with \$41.8 billion in assets under management.³
- Seeks to produce competitive, long-term financial returns for our clients while also contributing to positive societal outcomes, broader economic development and a healthy environment for future generations
- Allocates a portion of the portfolio to Proactive Social Investments—publicly traded fixed-income securities with clear and measurable social and environmental benefits
- Has among the lowest fees in the industry⁴
- Offers investors the option to annuitize earnings at retirement through a lifetime income option⁵

¹ The CREF Social Choice Account Composite Benchmark is a weighted average of three indices: the Russell 3000® Index, which measures the performance of the broad U.S. stock market; the Barclays Capital U.S. Aggregate Bond Index, which measures the performance of the U.S. investment-grade, fixed-rate bond market; and the MSCI EAFE+Canada Index, which measures stocks in 22 developed nations excluding the United States. You cannot invest directly in any index. Index returns do not reflect a deduction for fees or expenses.

² As of May 1, 2014. We estimate expenses for the coming year based on projected expenses, asset levels and other relevant factors.

³ As of December 31, 2013.

⁴ Source: Morningstar Direct as of December 31, 2013 (downloaded 1/2/2014). CREF Social Choice ranks in the bottom 2nd percentile in terms of expenses among the Morningstar U.S. Open End Moderate Allocation (category average 130bps/median 122bps).

⁵ Payments from CREF variable annuities are not guaranteed, and the payment amounts may rise or fall depending on investment returns.



Financial Services

ESG evaluation methodology

Companies considered for inclusion in the portfolio are those that are leaders in their respective sectors according to a broad set of Environment, Social, and Governance factors. Environmental assessment categories include climate change, natural resource use, waste management and environmental opportunities. Social evaluation categories include human capital, product safety and social opportunities. Governance assessment categories include corporate governance, business ethics and government and public policy. Adherence to international norms and principles and involvement in major ESG are other considerations. Evaluation for fixed-income securities may consider ESG attributes of the issue, issuer's mission, country or municipality and/or projects funded.

In addition to this evaluation of ESG criteria, TIAA-CREF has developed a proprietary framework, Proactive Social Investments (PSI), for identifying and classifying investment opportunities by combining emerging ESG research available in the marketplace with in-house TIAA-CREF expertise. These investments may have impact to:

- Natural Resources
- Community and Economic Development
- Affordable Housing
- Renewable Energy and Climate Change

Investment process: portfolio construction and management

Equity portfolio

Utilize a proprietary quantitative process to determine stock weights based on the benchmark's risk characteristics.

- No capitalization, industry or sector limits exist in the model
- Neutralize, to the extent possible, the biases introduced by a constrained universe of securities
- Incorporate risk factors to minimize tracking error vs. the unconstrained broad U.S. benchmark, the Russell 3000 Index

Fixed-income portfolio

Active, core fixed income strategy that utilizes fundamental research to construct a portfolio.

- Assess macroeconomic factors
- Evaluate fixed-income fundamentals
- Determine sector weightings
- Analyze eligible investment universe
- Apply relative value framework

Management team

Equity portfolio

Jim Campagna, CFA, Senior Director

- Joined TIAA-CREF in 2005
- 22 years of investment experience

Lei Liao, CFA, Director

- Joined TIAA-CREF in 2006
- 20 years of industry experience

Fixed-income & community investing portfolio

Stephen M. Liberatore, CFA, Managing Director

- Joined TIAA-CREF in 2004
- 19 years of investment experience

About TIAA-CREF Asset Management

Since 1918, we've focused intently on providing consistent results for our clients. Through a disciplined technique of balancing proven strategies with innovative ones, we've successfully provided millions of clients with the outcomes they desire. Our forward-thinking approach is a fundamental part of how we deliver the long-term success our clients have come to expect.

Call 800 842-2252 or visit tiaa-cref.org to learn more about us today.

The Account is subject to social critical risk, namely the risk that because the Account's social criteria excludes securities of certain issuers for non-financial reasons, the Account may forgo some market opportunities available to funds that don't use these criteria. Fixed-income securities are subject to interest-rate risk. When interest rates rise, the value of fixed-income securities generally declines. Investments in inflation-linked securities can be affected by changes in investors' inflation expectations or changes in real interest rates.

You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 877 518-9161 or go to tiaa-cref.org for a current prospectus that contains this and other information. Please read the prospectus carefully before investing.

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