



TIAA-CREF Asset Management

# Global capabilities Recognized performance



Financial Services



## Earning our clients' trust since 1918

TIAA-CREF's greatest assets are the lasting relationships we've developed and maintained since we began nearly a century ago. In fact, more than 7,000 of our institutional clients have depended on us for more than 25 years, and 10 of our longest tenured clients have counted on us for more than 90 years. This level of trust reflects our ability to provide financial solutions designed to last lifetimes.



## Fully invested in our clients' success

Born from a legacy of making a difference, TIAA-CREF Asset Management is a global asset manager dedicated to helping institutions, intermediaries and individual investors achieve their investment goals. Today, we manage more than \$600 billion in assets<sup>1</sup> with a long-term perspective and deep expertise across a wide range of traditional and alternative asset classes.

### We're one of the largest global asset managers across multiple asset classes.

Our global equity assets include fundamental active, quantitative and index strategies. Our fixed income assets span across public and private markets. And we manage directly owned real estate and alternative assets. And our extensive capabilities give our portfolio managers ready access to investment opportunities throughout the world.

### We were created to serve the interests of our clients.

We're dedicated to maximizing long-term value for our customers, not short-term shareholder profits. This alignment of interests creates true, lasting partnerships with our clients, since there are no conflicts in financial decision making. It also enables us to offer investments at some of the lowest costs in the industry.<sup>2</sup>

### We seek long-term results that efficiently balance return and risk.

Our investments have been recognized within the industry for generating superior risk-adjusted returns.<sup>3</sup> We follow consistent and repeatable investment processes to help investors attain their investment goals.

As we've evolved and expanded, what makes us different has remained unchanged: We put our clients' needs first while providing excellent service and competitive returns at some of the lowest costs in the industry.<sup>2</sup>

<sup>2</sup> Applies to mutual fund and variable annuity expense ratios. Source: Morningstar Direct, September 30, 2014. The expense ratio on all mutual fund products and variable annuity accounts managed by TIAA-CREF is generally less than half the mutual fund industry average. 69% are less than half their respective Morningstar Universe average and 58% are less than half their respective Morningstar Universe median. Our mutual fund and variable annuity products are subject to various fees and expenses, including but not limited to management, administrative, and distribution fees; our variable annuity products have an additional mortality and expense risk charge.

<sup>3</sup> TIAA-CREF was awarded the Best Large Fund Company in 2013 and 2014. The Lipper Awards are based on a review of 36 companies' 2012 and 48 companies' 2013 risk-adjusted performance. The Lipper Award is given to the group with the lowest average decile ranking of three years' Consistent Return for eligible funds over the three-year period ended November 30, 2012 and November 30, 2013, respectively. TIAA-CREF was ranked against 36 fund companies in 2012 and 48 fund companies in 2013 with at least five equity, five bond, or three mixed-asset portfolios.



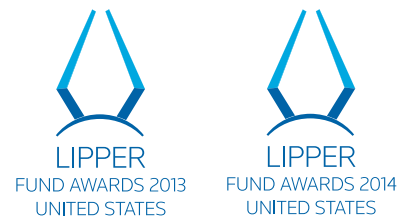
## Results that set us apart

Our capabilities and achievements have been validated as an asset manager and across asset classes.

### Lipper

In 2013 and 2014, we received the Lipper Award for Best Overall Large Fund Company in the United States, based on three-year risk-adjusted performance among 36 and 48 large investment managers.<sup>3</sup> We're one of only two firms to win the award in back-to-back years. This award highlights our ability to deliver consistent returns across asset classes at lower risk levels than other large fund families included in the ranking.

We measure our success by more than just awards ... it's about helping our clients achieve better investment outcomes.



BEST OVERALL LARGE FUND COMPANY

The Lipper Awards are based on a review of 36 companies' 2012 and 48 companies' 2013 risk-adjusted performance.

## *Pensions & Investments*

We're one of the largest managers of equity, fixed income and worldwide commercial real estate assets, based on institutional tax-exempt assets under management.<sup>4,5</sup>

## *PERE*

In 2013, our team received second place for the Real Estate Deal of the Year for our acquisition of Henderson Global Investors. And third place for Industry Figure of the Year was awarded to Tom Garbutt, our Senior Managing Director of Global Real Estate.

## **ENERGY STAR®**

We've been named an ENERGY STAR® Partner of The Year for Sustained Excellence by the Environmental Protection Agency five years in a row. This is in recognition of our ongoing commitment to outstanding energy management practices and reduction of greenhouse gas emissions.

## *aiCIO*

We received the aiCIO Industry Innovation Award in 2013 for our company-wide commitment to socially responsible investing.



Find out more

For the latest on awards, rankings and recognition, visit us online at [www.tiaa-cref.org/amawards](http://www.tiaa-cref.org/amawards).





# Investing with confidence through all types of market conditions

## Sound investment principles

Investment styles may fall in and out of favor, but we remain faithful to our proven approach that measures results by the long-term success of our clients. Our consistent, prudent investment processes are aimed at producing competitive, risk-adjusted returns over time.

- Investment discipline generates consistency in our portfolio construction and risk management. Our offerings stay true to their established objectives and repeatable investment processes.
- Our public market equity and fixed-income analysts collaborate by considering both sides of the balance sheet.
- Our centralized research group includes dedicated senior analysts who look at all of the industry sectors from a global perspective.
- Our fundamental research skill and perspective helps identify short-term opportunities that have potential to add value over the long term.

## Dedicated to investing responsibly

TIAA-CREF has a longstanding history of actively supporting responsible investment principles. Our commitment is a multi-faceted effort and involves the following key approaches:

- Developing and advancing responsible investment practices
- Engaging with our portfolio companies and other stakeholders
- Promoting transparency and accountability



We successfully navigated the collapse of the credit markets by minimizing TIAA-CREF's exposure to subprime securities in 2003 – four years before the onset of the credit crisis.<sup>6</sup>

<sup>6</sup> TIAA-CREF fixed income products are subject to market risk, credit risk and interest rate risk. Past performance does not guarantee future results.

# Our philosophy in practice

## Managing real assets with a commitment to sustainability

TIAA-CREF recognizes the potential benefits of private investment in real assets like farmland, timberland and real estate:

- Favorable risk-adjusted total returns and reasonable cash flow
- Diversification, due to low relative correlations to traditional asset classes
- Land values typically outpace inflation rates over time

We believe that responsible stewardship of these resources can help maintain their desirable investment characteristics far into the future.



### Farmland

The growing worldwide demand for food – and the increased supply needed to meet this demand – requires a long-term and sustainable approach to preserve farmland for generations to come.

- As investors, we seek to be good stewards of the land we own. We direct capital to land maintenance and development, and integrate sustainable farming practices.
- As one of the largest institutional managers of farmland in the world, we believe it is our responsibility to take a leadership role in promoting responsible investing in farmland. We helped develop the Principles for Responsible Investment in Farmland, which were designed to guide institutional investors.



### Timberland

Timber is vital to the global economy, providing resources for heat, energy, housing, packaging and communications. We believe that environmental stewardship is a key component of forestland management.

- Through sustainable practices, we seek to enhance performance over time by conserving key assets like land, water, trees and energy. This helps ensure that timberland remains productive and profitable for generations.
- Our tree farms are certified through the Forest Stewardship Council, and are managed in a responsible way to help generate and maintain long-term value.
- We partner with industry-leading experts in accelerated wood-growth technology and shorter tree rotations to help mitigate deforestation and increase cash flow.



### Real estate

Our dedicated initiatives toward sustainability help to increase property value and improve profitability.

- Our conservation efforts reduce operating costs while also making the properties more attractive to high-quality tenants.
- We're the only financial services company to earn the Environmental Protection Agency's ENERGY STAR Partner of the Year – Sustained Excellence Award on numerous occasions.
- We cut greenhouse-gas emissions across our real estate portfolios by approximately 54,500 metric tons through improved efficiencies, which lowered utility costs by an estimated \$15 million in 2013.

TIAA's real assets investments are one of the many investments of TIAA's General Account, an account solely owned by TIAA that is not available to individual investors, as well as other investment vehicles whose performance is not directly allocated to any specific contract, obligation or mutual fund product. TIAA's General Account invests in a broad range of diversified investments to support TIAA's contractual guarantees and business operations.







## Reinventing the investing landscape

Our dedication to putting clients' needs first goes beyond just guiding our investment decisions – it drives our investment ingenuity. Since we began in 1918, many of our milestones have been game changers in the industry, including the first variable annuity and offering direct investment of real estate in retirement plans.



# Being at the forefront of investing yields a rich history.

As a pioneer in Asset Management, we are constantly developing new products and solutions to meet the needs of our clients.



**CREF Stock Account**, the world's first variable annuity, is a broadly diversified equity holding that has helped clients pursue their long-term financial goals for more than 60 years.



We applied more than 60 years of asset allocation experience in developing both our **Lifecycle Funds** (target-date funds) and **Lifestyle Funds** (risk-based portfolios). These provide clients with another layer of expertise, whether they're looking for dynamic asset allocation that's designed to maximize retirement results or deliver consistent and diversified exposure to the market.



TIAA-CREF **Real Estate Account** is a variable annuity that invests in directly owned real estate, yet offers daily liquidity. It's a part of our Global Real Estate Program, which has almost \$64 billion of assets under management, mostly in North America, Europe and Asia.<sup>7</sup>



We've been at the forefront of **responsible investing** for more than 20 years. With more than \$15 billion in assets across our Social Choice product suite,<sup>7</sup> we've expanded our offerings in this area to include a Social Choice Bond Fund.



TIAA-CREF manages more than 1.3 million gross acres of **globally diversified farmland** valued at just over \$4.7 billion.<sup>8</sup> We continue to focus our portfolio construction and strategy on acquiring high-quality row-crop-producing assets and permanent crop investments such as wine grapes, tree nuts and tree fruits.



TIAA-CREF has been investing in **timberland** alongside Greenwood Resources Inc. since 1998, and became a majority owner in 2012. Together, we own or manage timber investments totaling approximately \$1.8 billion.<sup>9</sup>



## Leadership and collaboration go hand in hand at TIAA-CREF

TIAA-CREF's portfolio management teams apply active, repeatable portfolio-construction processes to their particular strategies with the overriding goal of seeking long-term performance at an acceptable level of risk.

### Experienced people

Investing is about making choices, and the experts at TIAA-CREF are some of the most passionate and tenured in the industry. By employing our global capabilities, our Asset Management team applies their perspectives and insights to act in the best interests of our clients.

- In total, the team consists of more than 300 seasoned investment professionals.
- Team members have, on average, 17 years of experience in a variety of backgrounds that are as diverse as they are.
- On average, our team members have been with TIAA-CREF for 10 years – they have a deep understanding of our clients' needs.

## Established methods

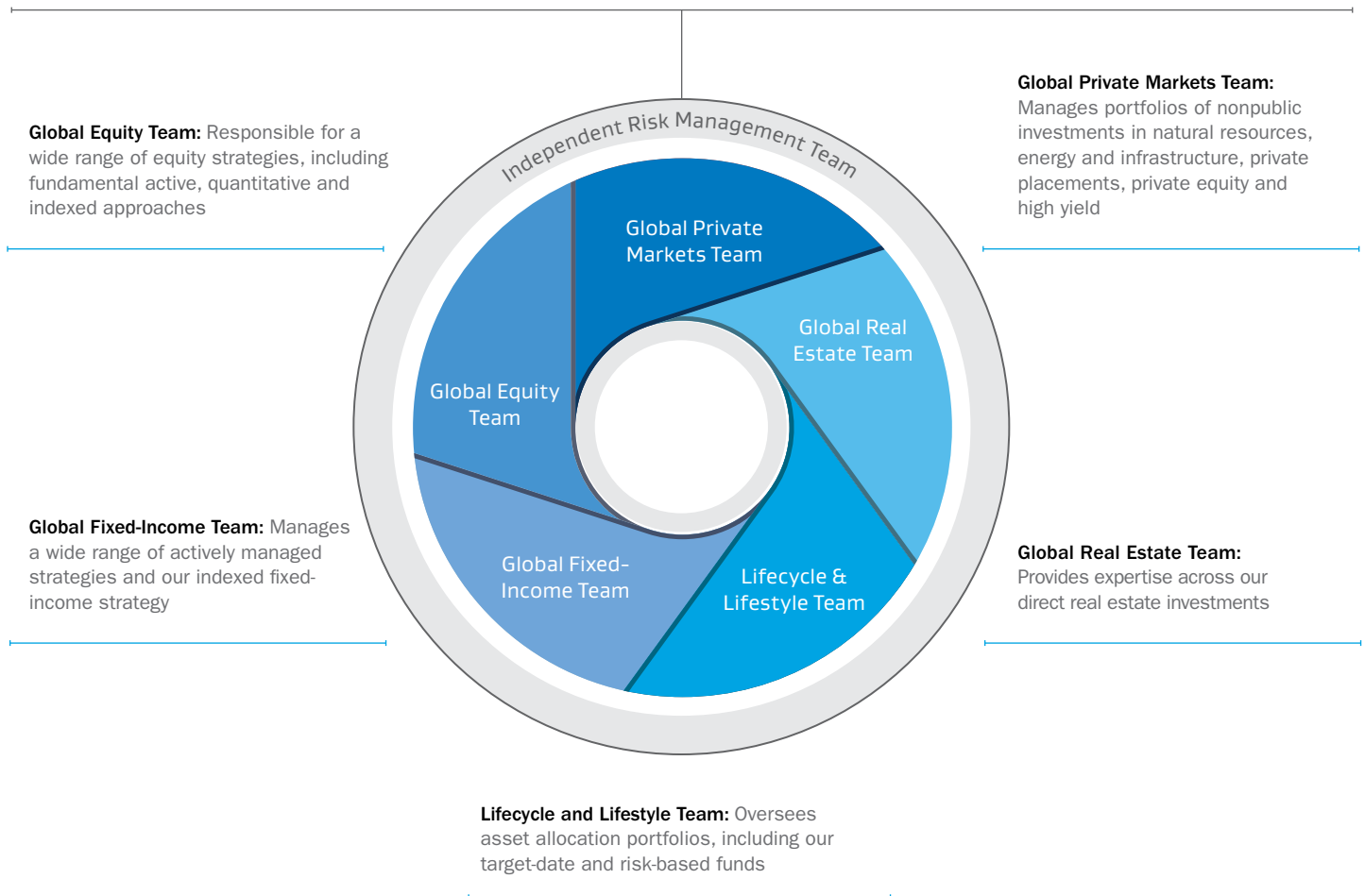
At TIAA-CREF, we've been investing in the capital markets for nearly 100 years. Our long-tenured experience, size and reputation give our portfolio managers and analysts ready access to companies and opportunities throughout the world.

Portfolio managers collaborate with a centralized group of dedicated research analysts who are focused exclusively on fundamental, bottom-up analysis. This allows them to optimize their investment strategies and identify new opportunities. In addition, our independent risk management team oversees all we do. Their goal is to ensure that gains in one part of the market are not offset by unexpected losses in another.



## Expertise in action

**Independent Risk Management Team:** Reporting directly to our CEO, they look for unintended risk in individual investment areas while assessing cumulative risk across the organization



While risk management is a key strategy at TIAA-CREF, no strategy or investment policy can eliminate or anticipate all market risks.

# The advantages of choosing TIAA-CREF Asset Management:

- Our size and reputation give you access to a broad range of asset classes.
- We put our clients' interests first and foremost when making every decision.
- We follow time-tested investment processes that seek to efficiently balance return and risk.

<sup>1</sup> Assets are as of September 30, 2014.

<sup>3</sup> The Lipper Awards are based on a review of 36 companies' 2012 and 48 companies' 2013 risk-adjusted performance. The Lipper Award is given to the group with the lowest average decile ranking of three years' Consistent Return for eligible funds over the three-year period ended November 30, 2012 and November 30, 2013, respectively. TIAA-CREF was ranked against 36 fund companies in 2012 and 48 fund companies in 2013 with at least five equity, five bond, or three mixed-asset portfolios.

<sup>4</sup> *Pensions & Investments*, May 26, 2014. Equity and fixed income rankings based on institutional tax-exempt assets under management as of December 31, 2013 reported by each responding asset manager.

<sup>5</sup> *Pensions & Investments*, October 27, 2014. Real estate rankings based on institutional tax-exempt assets under management as of June 30, 2014 reported by each responding asset manager.

<sup>7</sup> Assets are as of June 30, 2014.

<sup>8</sup> Assets are as of December 31, 2013.

<sup>9</sup> Assets are as of March 31, 2014.

Past performance is not indicative of future results. The material is for informational purposes only and should not be regarded as a recommendation or an offer to buy or sell any product or service to which this information may relate.

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**You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 877 518-9161 or log on to [tiaa-cref.org](http://tiaa-cref.org) for product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.**

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