A different kind of real estate investment

For 25 years and counting, the TIAA Real Estate Account variable annuity continues to provide direct investment exposure to commercial real estate and offers income for life in retirement.

Direct investment exposure to commercial real estate

- **True diversification.** Returns are largely unaffected by movements in stock or bond markets\(^1\) since returns are generated by rental income and changes in property values.
- **Alternative to the “safety” of bonds.** Commercial real estate has delivered higher risk-adjusted returns than bonds since the account’s inception in 1995.\(^2\)
- **Inflation hedge.** Rents often rise with other prices.

A range of withdrawal options in retirement

- **Income you can’t outlive.** You can convert some or all of your balance into payments that will last for the rest of your life.\(^3\)
- **Access to your money anytime.** Unlike other types of real estate-related investments (which are typically difficult to convert into cash), you can take a lump-sum withdrawal, systematic withdrawals or required minimum distributions.\(^4\)

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Not the same as REITs

Real Estate Investment Trusts (REITs) own stocks issued by companies that own and manage real estate properties. This means they trade on national or other securities exchanges, and may change in value due to market volatility, reducing their diversification benefits.
For the 10-year period ended June 30, 2020, the TIAA Real Estate Account correlation to the S&P 500 Index and Barclay’s Aggregate Bond Index was 0.11 and -0.07, respectively. Over this same period, correlation between the FTSE Nareit All Equity REIT Index and the S&P 500 Index was 0.76.

Direct real estate has delivered higher risk-adjusted returns than bonds since the TIAA Real Estate Account’s inception in 1995. As of June 30, 2020, the TIAA Real Estate Account since-inception Sharpe ratio (a measure of risk-adjusted return) was 1.1, while the Bloomberg Barclays U.S. Aggregate Bond index was 0.9 over the same period. The TIAA Real Estate Account inception date is October 2, 1995. You cannot invest directly in any index. Index returns do not reflect a deduction for fees and expenses. Past performance does not guarantee future results.

The TIAA Real Estate Account is a variable annuity product and an insurance separate account of TIAA. Please note that withdrawals of earnings from an annuity are subject to ordinary income tax, plus a possible federal 10% penalty if you make a withdrawal before age 59½. Diversification is a technique to help reduce risk. It is not guaranteed to protect against loss.

This material is for informational or educational purposes only and does not constitute fiduciary investment advice under ERISA, a securities recommendation under all securities laws, or an insurance product recommendation under state insurance laws or regulations. This material does not take into account any specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on the investor’s own objectives and circumstances.

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