



Fiduciary activity comparison of TIAA RetirePlus® default options



BUILT TO PERFORM.

CREATED TO SERVE.

For institutional investor use only. Not for use with or distribution to the public.

TIAA RetirePlus provides plan sponsors and consultants a way to offer custom model solutions that are tailored to the plan's unique demographics. The models are designed to be eligible for use as a Qualified Default Investment Alternative (QDIA), and help meet the plan sponsor and consultant's asset allocation and fiduciary preferences. The plan sponsor (or Named Fiduciary) can elect to manage the models on its own or with advice from a 3(21) adviser or delegate selection to a 3(38) Investment Manager. The series consists of:

- **TIAA RetirePlus SelectSM** provides professionally designed models which simplify the asset allocation process
- **TIAA RetirePlus Pro[®]** offers full control over model structure and design for sophisticated approaches

Plan sponsors and advisors seek to understand what fiduciary responsibilities they may have in selecting and monitoring custom default solutions versus target-date mutual funds as their plan's default investment option. This summary provides a general overview of fiduciary investment advice concepts associated with selecting and monitoring investments for employer-sponsored retirement plans under the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Common ERISA fiduciaries

- **ERISA Section 402(a)** requires a plan to have at least one "Named Fiduciary" who has the ultimate authority to control and manage the operation and administration of the plan, including responsibility for hiring and monitoring third-party fiduciary investment advisers.
- **ERISA Section 3(21)(A)** defines a person as a fiduciary with respect to the plan if they render investment advice for a fee or other compensation, if the following conditions are met:
 1. They make recommendations regarding the advisability of buying, selling or retaining securities;
 2. They do so on a regular basis;
 3. Pursuant to a mutual agreement;
 4. That such services shall serve as the primary basis for investment decisions with respect to plan assets; and
 5. Such advice is individualized to the plan taking into account factors such as investment policies, investment strategies, the plan's overall portfolio or diversification of plan investments.

A 3(21) adviser makes investment recommendations to the Named Fiduciary. The 3(21) adviser is a fiduciary when making investment recommendations, and is subject to ERISA's fiduciary standards of care and liability. The Named Fiduciary has fiduciary responsibility for deciding whether to act on a recommendation.

- **ERISA Section 3(38)** defines an "Investment Manager" as any fiduciary (other than a trustee or named fiduciary) who has the power to manage, acquire or dispose of the assets of a plan, if the following conditions are met:
 1. They are one of the following (i) a Registered Investment Adviser under the Investment Advisers Act of 1940; (ii) an investment adviser under the state law; (iii) a bank; or (iv) an insurance company; and
 2. They acknowledge their fiduciary status in writing.

If the Named Fiduciary appoints an Investment Manager, the Named Fiduciary is responsible for the selection and monitoring of the manager but is not liable for the individual investment decisions of that manager.

With these fiduciary concepts in mind, we have summarized the fiduciary activities associated with selecting different default options on the following pages.

Fiduciary activities associated with using a target-date fund versus a TIAA RetirePlus Select model portfolio with predefined models as the plan's default investment option

Note: Blue italic text indicates activities associated with using TIAA RetirePlus Select model portfolios.

Named Fiduciary uses a 3(21) adviser		
Core menu, default and TIAA RetirePlus activities	Named Fiduciary	3(21) adviser
Select and monitor fiduciary investment adviser	✓	
Determine whether to use a QDIA as the default investment	✓	
Recommend:		
▪ Investment options for the core plan menu, including evaluating glidepath, fees and suitability		✓
▪ Default investment option, including QDIA		✓
▪ <i>Investment options from the plan menu to populate the TIAA RetirePlus model asset allocation strategy</i>		✓
▪ <i>TIAA RetirePlus default model set</i>		✓
▪ <i>Changes to investment options used to populate the TIAA RetirePlus model asset allocation strategy</i>		✓
Fiduciary liability for investment recommendations		✓
Select:		
▪ Investment options for the core plan menu, including evaluating glidepath, fees and suitability	✓	
▪ Default investment option, including QDIA	✓	
▪ <i>Investment options from the plan menu to populate the TIAA RetirePlus model asset allocation strategy</i>	✓	
▪ <i>TIAA RetirePlus default model set</i>	✓	
▪ <i>Changes to investment options used to populate the TIAA RetirePlus model asset allocation strategy</i>	✓	
Fiduciary liability for investment selections	✓	
Periodically review		
▪ Plan investment options, including default investment option	✓	✓
▪ <i>Investment options used to populate the TIAA RetirePlus model asset allocation strategy</i>	✓	✓

Fiduciary activities associated with using a target-date fund versus TIAA RetirePlus Pro® model portfolios as the plan's default investment option

Note: Blue italic text indicates activities associated with using TIAA RetirePlus Pro model portfolios.

Named Fiduciary uses a 3(38) Investment Manager		
Core menu, default and TIAA RetirePlus Pro activities	Named Fiduciary	3(38) Investment Manager
Select and monitor fiduciary investment adviser	✓	
Has fiduciary liability for investment decisions		✓
Select investment options for the core plan menu		✓
Determine whether to use a QDIA as the default investment		✓
Select:		✓
▪ Default investment option		✓
▪ <i>Investment options to populate the model asset allocation</i>		✓
▪ <i>Options and functionality available within model program</i>		✓
<i>Design TIAA RetirePlus Pro:</i>		✓
▪ <i>Model asset allocations</i>		✓
▪ <i>Glidepaths or years-to-retirement modeling</i>		✓
Monitor, review and make changes to:		✓
▪ Plan investment options, including default investment option		✓
▪ <i>Investment options used in the TIAA RetirePlus models</i>		✓

For more information about the TIAA RetirePlus series of model portfolios, please contact your TIAA representative.

You should consider the investment objectives, principal strategies, principal risks, portfolio turnover rate, performance data, and fee and expense information of each underlying investment carefully before directing an investment based on the model. For a free copy of the program description and the prospectus or other offering documents for each of the underlying investments (containing this and other information), call TIAA at 877-518-9161. Please read the program description and the prospectuses or other offering documents for the underlying investments carefully before investing.

This material is for informational, educational or non-fiduciary sales opportunities and/or activities only and does not constitute investment advice (e.g., fiduciary advice under ERISA or otherwise), a securities recommendation under all securities laws, or an insurance product recommendation under state insurance laws or regulations to invest through a model or to purchase any security or advice about investing or managing retirement savings. It does not take into account any specific objectives or circumstances of any particular customer, or suggest any specific course of action.

No registration under the Investment Company Act, the Securities Act or state securities laws—the model is not a mutual fund or other type of security and will not be registered with the Securities and Exchange Commission as an investment company under the Investment Company Act of 1940, as amended, and no units or shares of the model will be registered under the Securities Act of 1933, as amended, nor will they be registered with any state securities regulator. Accordingly, the model is not subject to compliance with the requirements of such acts, nor may plan participants investing in underlying investments based on the model avail themselves of the protections thereunder, except to the extent that one or more underlying investments or interests therein are registered under such acts.

No guarantee—Neither the models nor any investment made pursuant to the models are deposits of, or obligations of, or guaranteed or endorsed by TIAA or their affiliates (except with respect to certain annuities sponsored by TIAA or its affiliates), or insured by the Federal Deposit Insurance Corporation, or any other agency. There is no guarantee that the underlying investments will provide adequate income at and through retirement and participants may experience losses. Participants should not allocate their retirement savings to the underlying investments unless they can readily bear the consequences of such loss.

Assets allocated to the underlying investments based on the model will be invested in underlying mutual funds and annuities that are permissible investments under the plan. Some or all of the underlying investments included in the model may be sponsored or managed by TIAA or its affiliates and pay fees to TIAA and its affiliates. In general, the value of a model-based account will fluctuate based on the performance of the underlying investments in which the account invests. For a detailed discussion of the risks applicable to an underlying investment, please see the prospectus or disclosure document for such underlying investment.

TIAA RetirePlus SelectSM and TIAA RetirePlus Pro[®] are administered by Teachers Insurance and Annuity Association of America (“TIAA”) as plan recordkeeper. TIAA-CREF Individual & Institutional Services, Member FINRA distributes securities products. TIAA and CREF annuity contracts and certificates are issued by Teachers Insurance and Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF), New York, NY, respectively. Each is solely responsible for its own financial condition and contractual obligations. Transactions in the underlying investments invested in based on the models on behalf of the plan participants are executed through TIAA-CREF Individual & Institutional Services, LLC, Member FINRA.

TIAA RetirePlus Select

TIAA RetirePlus Select is an asset allocation program that includes asset allocation models that a plan participant may choose to guide the investment of his or her account into underlying investment options selected by the plan sponsor (the “underlying investments”). The plan sponsor selects the specific underlying investments available under its plan to represent the various asset classes in the models. An independent third-party advisor engaged by Teachers Insurance and Annuity Association of America (“TIAA”) developed the target asset class ratios for the models and the TIAA RetirePlus Select is administered by TIAA as plan recordkeeper. In making TIAA RetirePlus Select available to plans, TIAA is not providing investment advice to the plans or plan participants.

The target asset class ratios for a plan participant’s model-based account will become more conservative over time as the plan participant’s years to retirement decreases. For information regarding the changes to the target allocations please contact TIAA. An account’s actual allocation percentage to an underlying investment may vary from the target allocations due to the performance of the underlying investments or other factors. Accounts invested in accordance with the models will be rebalanced to the applicable target allocations periodically. The underlying investments included in a model are subject to change and may not be representative of the current or future underlying investments for the model. Some or all of the underlying investments included in a model may be sponsored or managed by TIAA or its affiliates and pay fees to TIAA and its affiliates.

Mesirow is not affiliated with TIAA. Mesirow Financial refers to Mesirow Financial Holdings, Inc. and its divisions, subsidiaries and affiliates. The Mesirow Financial name and logo are registered service marks of Mesirow Financial Holdings, Inc. ©2019, Mesirow Financial Holdings, Inc. All rights reserved. Advisory services offered through Mesirow Financial Investment Management, Inc. an SEC registered investment advisor.

TIAA RetirePlus Pro

TIAA RetirePlus Pro, a model-based service, is administered by Teachers Insurance and Annuity Association of America (“TIAA”) as plan recordkeeper.

The TIAA RetirePlus Pro models are asset allocation recommendations developed in one of three ways, depending on your plan structure: i) by your plan sponsor, ii) by your plan sponsor in consultation with consultants and other investment advisors designated by the plan sponsor, or iii) exclusively by consultants and other investment advisors selected by your plan sponsor, whereby assets are allocated to underlying mutual funds and annuities that are permissible investments under the plan. Model-based accounts will be managed on the basis of the plan participant’s personal financial situation and investment objectives (for example, taking into account factors such as participant age and risk capacity as determined by a risk tolerance questionnaire).

The plan fiduciary and the plan advisor may determine that an underlying investment(s) is appropriate for a model portfolio, but not appropriate as a stand-alone investment for a participant who is not participating in TIAA RetirePlus Pro. In such case, participants who elect to unsubscribe from the service while holding an underlying investment(s) in their model-based account that has been deemed inappropriate as a stand-alone investment option by the plan fiduciary and/or plan advisor will be prohibited from allocating future contributions to that investment option(s).

Established Restrictions: Each plan participant may, but need not, propose restrictions for his or her model-based account, which will further customize such plan participant’s own portfolio of underlying investments. The plan fiduciary is responsible for considering any restrictions proposed by a plan participant, and for determining (together with plan advisor(s)) whether the proposed restriction is “reasonable” in each case.

TIAA RetirePlus SelectSM is a service mark and TIAA RetirePlus[®] and TIAA RetirePlus Pro[®] are registered trademarks of Teachers Insurance and Annuity Association of America.

©2022 Teachers Insurance and Annuity Association of America-College Retirement Equities Fund, 730 Third Avenue, New York, NY 10017