

# High-Yield Fund

## Fund at a glance

Retail Class  
TIYRX

Retirement Class  
TIHRX

Premier Class  
TIHPX

Institutional Class  
TIHYX

Advisor Class  
TIHHX

Inception Date<sup>1</sup>  
3/31/2006

Benchmark  
Bank of America Merrill  
Lynch BB-B U.S. Cash Pay  
High Yield Constrained  
Index<sup>2</sup>

Typical Number of  
Holdings  
445

Targeted Tracking Error  
50–200bps

The TIAA-CREF High-Yield Fund is a fixed-income fund that primarily invests in established companies with a history of solid cash flows and offers a diversified portfolio comprised primarily of higher-rated, high-yield corporate bonds and term loans.

## Investment objective

The Fund seeks to achieve attractive risk-adjusted returns over the long term by earning income while minimizing credit losses through rigorous analysis, diversification and superior security selection.

## Investment philosophy

The Fund's investment philosophy is based on four key tenets:

- A rigorous credit selection process, where inherent risks are assessed
- A disciplined approach to credit exposure, with the belief that the anticipated volatility of a business's cash flow should be inversely correlated to the size of the portfolio's investment exposure
- A focus on long-term return and cash-generation potential, rather than periodic price movements
- A credit-driven sell discipline

## Key distinctions

- Members of the Portfolio Management team have been active participants in high-yield markets over the course of several market cycles and bring that knowledge to the Fund's management.
- In-depth credit analysis from a dedicated team of six high-yield research analysts plus TIAA's broader Fixed Income Research team
- Diversified portfolio comprised primarily of high-yield corporate bonds and term loans ranging in quality from BB to B, with investments in bonds rated CCC and lower made on an opportunistic basis

1. For Institutional Class.

2. The Bank of America Merrill Lynch BB-B U.S. Cash Pay High Yield Constrained Index is a market-weighted index that measures the performance of interest-paying bonds that have a credit rating of BB or B. Bank of America Merrill Lynch uses a composite of three credit rating agencies in selecting bonds for this index. These ratings measure the risk that the bond issuer will fail to pay interest or to repay principal in full. You cannot invest directly in any index. Index returns do not reflect a deduction for fees or expenses.

## Investment process

- 1** First, the investable universe is reviewed and unfavorable securities, including less liquid issuers and unattractive sectors, are eliminated from consideration.
- 2** Then, the team utilizes the following factors to make decisions based on the relative value of the securities:
  - Industry analysis
  - Quantitative and qualitative analysis of every aspect of each potential investment
  - Capital structure
  - Third-party due diligence from independent information sources
  - Relative value as compared to sector and market valuation
- 3** Once the portfolio has been constructed, the Fund's management team regularly monitors portfolio holdings in relation to benchmark holdings and portfolio risk characteristics, such as duration, convexity, option-adjusted spread, yield, and position size and concentration. The Portfolio Management team employs well-established systems in the daily monitoring of such portfolio risks.

### Management team

**Kevin R. Lorenz, CFA, Managing Director**

Joined TIAA in 1987, 29 years of investment experience

**Jean C. Lin, CFA, Managing Director**

Joined TIAA in 1994, 22 years of investment experience

### About TIAA Global Asset Management

Born from a legacy of making a difference, TIAA Global Asset Management has been committed to serving the best interests of our institutional, intermediary and individual clients for nearly 100 years. Among the world's largest global managers, TIAA Global Asset Management draws on deep expertise to deliver long-term performance across multiple asset classes: fixed income, equities, directly-owned real estate and alternatives.

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Fixed-income securities are subject to interest-rate risk. When interest rates rise, the value of fixed-income securities generally declines. High-yield fixed-income securities, also known as "junk bonds," are considered speculative, involve greater risk for default and tend to be more volatile than investment-grade fixed-income securities.

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

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