

TIAA-CREF Trust Company, FSB  
Investment Management and Fiduciary Services  
For Endowments, Foundations and  
Employee Benefit Accounts



# Disclosures and General Terms and Conditions

May 2014



Financial Services

# Disclosures and General Terms and Conditions

## Important information about procedures for opening a new account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information identifying each person who opens an account. Therefore, when you open an account, we will ask for your institution's name, address, Tax Identification number, and other information that will allow us to identify you, such as proof of incorporation and 501(c)(3) status.

## I. Disclosures

### Who we are

TIAA-CREF Trust Company, FSB ("TIAA Trust" or "we") is a federal savings bank regulated by the U.S. Department of the Treasury, Office of the Comptroller of the Currency ("OCC"). TIAA Trust was established in 1998 as an indirectly wholly owned subsidiary of Teachers Insurance and Annuity Association of America (TIAA) to provide fiduciary and investment advisory services primarily to TIAA-CREF participants and nonprofit organizations. In 2010, TIAA Trust's business powers were expanded to include the right to offer deposit and loan products to the public.

### What we do

In addition to offering deposit and loan products to the public, TIAA Trust has been granted full trust powers by its regulator. As a corporate fiduciary, we are authorized to provide a wide range of services to not only individuals, but to for-profit and nonprofit entities, including corporations, foundations, churches, synagogues, universities, hospitals, governmental entities, estates, trusts, including Voluntary Employees' Beneficiary Association (VEBA) trusts, and Other Post Employment Benefit (OPEB) trusts. These services include the following:

- Discretionary investment management and advisory services to both for-profit entities and nonprofit organizations for the management of their endowments and other funds and trusts, including VEBAs, OPEBs, trusts created pursuant to qualified employee benefit plans, such as defined benefit plans and defined contribution plans, and nonqualified employee benefit plans, such as deferred compensation plans
- Discretionary or directed trustee services to both for-profit entities and nonprofit organizations for VEBAs, OPEBs, trusts created pursuant to qualified employee benefit plans, nonqualified employee benefit plans, and other types of trusts
- Custodial services for endowments, charitable trusts, pooled income funds, annuities and employee benefit plans
- Custodial and trustee services for Individual Retirement Accounts (IRAs)
- Safekeeping services for securities
- Optional sub-accounting services
- Income collection, cash management, benefit payment, and other administrative services

The majority of TIAA Trust's institutional business involves managing investments for its institutional clients.



## Advice on assets not held by TIAA Trust

Under certain circumstances, and if permitted by applicable law, we may offer clients limited advice on assets we do not hold. Where we have an existing or potential client relationship, we may examine the holdings of the organization and offer general advice regarding diversification (or concentration) of assets and asset allocation. Unless TIAA Trust specifically agrees otherwise in writing, the client is responsible for implementing any investment advice we may provide in connection with assets that we do not hold. Likewise, unless we have specifically otherwise agreed in writing, we do not take on any obligation to monitor, review or update this kind of advice if we have given it to the client. Generally, TIAA Trust does not provide discretionary asset management services for assets that it (or an affiliate) does not hold.

## How we manage accounts for which we have investment discretion

At the beginning of the relationship, when TIAA Trust is engaged to provide investment management or discretionary trustee services, a portfolio manager works with the client to determine the client's investment goals, time horizon, risk tolerance, income requirements, and any special requirements, such as social investing criteria and other investment preferences ("Client Goals and Objectives"). Typically, this will involve the portfolio manager meeting with an institution's investment or finance committee and entering into a dialogue and consultative process to either (i) review and revise the institution's existing investment policies and guidelines, or (ii) draft initial investment policies and guidelines for the account. It is TIAA Trust's policy to obtain the Client Goals and Objectives in writing and to amend this document as needed when the client notifies TIAA Trust of changes in the client's circumstances that may affect the Client Goals and Objectives or the continued appropriateness of the current portfolio.

The portfolio manager then develops an investment portfolio for the client based on the Client Goals and Objectives by first considering an appropriate asset allocation and then by selecting individual investments. TIAA Trust portfolio managers select an asset allocation mix for each client based on an evaluation of the Client Goals and Objectives, with particular concern for the client's need for current income, investment time horizon, risk tolerance and special tax considerations. TIAA Trust's asset allocation framework is based upon extensive research, including an analysis of the broad economic environment, trends and historical data, the outlook for the U.S. and global economies, interest rates, and other relevant factors.

Clients' portfolios are constructed utilizing individually selected securities and/or a broad array of mutual funds and exchange-traded funds (ETFs) that round out the composition of the individually crafted client portfolio. The primary investment vehicles for our institutional clients are mutual funds and ETFs. If appropriate, the portfolio manager may include TIAA-CREF investment vehicles, including mutual funds, in a client's portfolio. The portion of a client's account invested in TIAA-CREF investment vehicles may at times be significant and vary at TIAA Trust's discretion. The portfolio manager periodically monitors and reviews the client's holdings and determines which securities should be held, purchased or sold, in light of the Client Goals and Objectives, market conditions, and a number of other events, which may include change in fund management.

The Investment Management Group (IMG), an in-house investment research and advisory team, is an integral part of TIAA Trust's portfolio management organization. The IMG coordinates three key components of the investment process, namely client needs assessments, portfolio construction and investment product due diligence. The IMG combines leading third-party risk assessment processes with our proprietary client preference framework to enhance the level of portfolio customization provided to our clients. The IMG has developed an objective client needs assessment process that uses risk and investment preference considerations as tools that support our portfolio managers as they recommend an appropriate asset allocation and investment portfolio for each client. The asset allocation framework developed by the IMG is designed with a focus on mitigating the downside risk to client portfolios relative to more traditional asset allocations. Additionally, the IMG has developed unique enhancements to the manager selection process designed to identify active manager biases through market cycles and support client preference driven investment selection.

**Mutual fund and ETF selection process.** An integral part of TIAA Trust's investment process is the selection of individual investment vehicles used to provide portfolio representation to specific asset classes. Our spectrum of investment vehicles includes both proprietary and third-party mutual funds and ETFs. This represents a wide range of potential investment choices from low-cost, low-tracking error index products to more aggressive, actively managed solutions. This flexibility allows our portfolio managers to construct customized client portfolios that seek to optimize the balance between cost, portfolio volatility and potential extra return while seeking to satisfy the Client Goals and Objectives. The IMG is responsible for the research, selection and ongoing coverage of the mutual funds and ETFs used to build clients' recommended portfolios. The

investment research process begins with a universe of approximately 8,000 distinct mutual funds and ETFs. These are subjected to a two-stage research process that includes:

- Quantitative evaluation, where proprietary research tools are used to identify investment manager biases and eliminate investments that do not meet our risk, return and client investment preference criteria; and
- Qualitative evaluation, where we research the portfolio strategy, investment philosophy and operational capabilities of a select group of investment managers who pass the first stage.

Funds that meet the quantitative and qualitative criteria are selected for inclusion in the mutual fund and ETF reference list (“FRL”). A fund may be removed from the FRL for any number of reasons including, but not limited to, violation of the rationale for inclusion in the preference framework, a change in fund management, a change to the stated investment premise or process, ownership change, chronic under-performance, or regulatory issues affecting the fund, management, or fund complex. In these instances, the IMG reviews the situation to determine whether the fund should remain on the FRL, be placed on watch, or removed from the FRL, and makes recommendations to TIAA Trust’s Officers’ Investment Committee (the “Investment Committee”) in this regard. The Investment Committee has final approval on all additions to or removals from the FRL. The status of any fund placed on watch is formally reviewed by the Investment Committee on a regular basis.

**Individual equity philosophy.** When selecting securities, TIAA Trust’s investment professionals follow a core equity philosophy that combines the stability and lower volatility of investing in high-quality, financially stable companies with the potential for capital appreciation. Our research team analyzes a broad universe of large- and mid-cap companies, evaluating each holding based on valuation, yield, durability and the company’s financial strength. Stocks are selected for the Buy List and allowable purchase for client accounts based on the assessment that they are trading below intrinsic value (the discounted worth of future cash flows that can be distributed to owners). While the investment philosophy is valuation driven, it is style agnostic—both growth and value stocks can be purchased as long as they are trading below intrinsic value. Portfolios seek broad diversification among industry sectors employing S&P 500 sector weights as a guideline. Risks are intensively monitored in an effort to minimize portfolio downside risk while still providing acceptable equity returns. Risk is monitored through analysis of standard risk management tools and variables such as beta, up capture/down capture, “sortino ratios” (which are measures of downside risk in the

portfolio), valuation discipline at purchase, monitoring of portfolio performance during stressed markets and through TIAA Trust’s Officers’ Investment Oversight and Control Committee (the “Oversight Committee”).

▪ **Stock selection process.** For clients desiring individual securities investment management services, equity securities are selected from an approved investment universe—the securities reference list (SRL)—which is maintained by the Investment Committee. The SRL typically contains the top 1,000 stocks by market capitalization, plus selected American depository receipts (ADRs). The SRL is further refined by the Lead Equity Portfolio Manager and the research team to an active Buy List of 60-90 stocks, which are recommended for purchase. While most stocks on the SRL can be held at portfolio manager discretion, only stocks on the Buy List can be purchased without client direction or a specially executed investment policy statement. The primary benchmark for most individual securities accounts is the S&P 500. TIAA Trust investment professionals compile the Buy List using primary and secondary research sources, including company filings, Wall Street contacts, company visits, management contacts, conferences, and fundamental and quantitative modeling. Both the Buy List and the SRL are regularly reviewed and updated at Investment Committee meetings.

**Fixed-income philosophy.** TIAA Trust investment professionals also follow a core fixed-income philosophy of seeking to preserve principal, control volatility, generate income and enhance total return. Typically, fixed-income securities for our clients are investment grade (as rated by nationally recognized ratings services) or their equivalent; however, we may invest in lower-rated debt securities or in mutual funds which invest in lower-rated securities when appropriate.

**Review of accounts.** The portfolio manager assigned to each client’s managed account monitors that account periodically and conducts a detailed review annually. This includes a review of the account portfolio characteristics, such as the categories of investments, diversification of securities holdings, quality of portfolio holdings, account performance, annual income from each investment and comparison of portfolio account holdings with the Client Goals and Objectives. If applicable, the review also includes the terms of any trust agreement governing the account. The Oversight Committee monitors these reviews.

**Education and background.** TIAA Trust requires members of its staff, who provide investment advice, to have a college education or the equivalent, as well as business experience in either money management, financial planning or security analysis. Senior investment professionals are expected to

have earned an advanced degree or equivalent certification beyond their baccalaureate and to have appropriate investment-related experience in asset management and/or security analysis.

THE INVESTMENTS MADE BY TIAA TRUST FOR CLIENT ACCOUNTS DO NOT CONSTITUTE A DEPOSIT WITH TIAA TRUST, ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC), ARE NOT OBLIGATIONS OF TIAA TRUST OR ITS AFFILIATES, ARE NOT GUARANTEED BY TIAA TRUST OR ITS AFFILIATES AND ARE NOT A CONDITION TO ANY BANKING SERVICE OR ACTIVITY. INVESTMENT ASSETS HELD IN CLIENT ACCOUNTS ARE SUBJECT TO INVESTMENT RISK, INCLUDING THE POSSIBLE LOSS OF PRINCIPAL.

FUNDS IN THE TIAA-CREF TRUST COMPANY CASH DEPOSIT ACCOUNT ARE HELD AT TIAA TRUST, WHICH IS A MEMBER OF THE FDIC. CASH BALANCES IN THE CASH DEPOSIT ACCOUNT ARE FDIC INSURED UP TO \$250,000 PER ACCOUNT HOLDER, COMBINED WITH OTHER INSURED DEPOSITS OF THE ACCOUNT HOLDER AT TIAA TRUST IN THE SAME OWNERSHIP CATEGORY.

## II. General Terms and Conditions

**1. Account opening information.** To help the government fight the funding of terrorism and money-laundering activities, federal law requires that we or our affiliates verify clients' identity by obtaining our clients' name, address, and a tax identification number before opening their account. In certain circumstances, we or our affiliates may obtain and verify this information with respect to any person(s) authorized to effect transactions in an account. For certain entities, such as trusts, estates, corporations, partnerships, or other organizations, identifying documentation is also required. We may not be able to open client accounts, or may restrict or close them, if we or our affiliates cannot verify this information for any reason. We and our affiliates will not be responsible for any losses or damages (including, but not limited to, lost opportunities) resulting from any failure to provide or verify this information, or from any restriction placed on, or closing, client accounts.

In order to open an account, a client must: (1) be a U.S. person (including a U.S. resident alien), (2) have a valid U.S. permanent (no PO Box) mailing address (with the exception of U.S. military personnel residing outside the U.S. with Army Post Office (APO) or Fleet Post Office (FPO) addresses), and (3) have a valid U.S. taxpayer identification number. If a client or other individual associated with a client's account resides outside the

U.S. and has an existing relationship with us, we may at any time in our discretion terminate that relationship, or modify client rights to access any or all account features, products or services.

- 2. Fee schedules.** For our investment management, trustee, and custody services, we typically charge a fee based on a percentage of the asset value of the client's account (subject to a minimum fee). Each client receives a detailed fee schedule before we begin to perform our services. Any revisions to the fee schedule are communicated to the client before they go into effect. From time to time, TIAA Trust may enter into negotiated fee arrangements, with fees differing from those on our standard fee schedules. Some of the reasons for individualized fee arrangements include (but are not limited to), the following:
- Type of relationship with TIAA Trust
  - Complexity and extent of services we provide
  - Number of different accounts and total assets under management or custody for that client (and its affiliates)
  - Such other factors as we, in our sole discretion, deem relevant.

We do not impose a minimum dollar value of assets for establishing or maintaining an account; however, we do charge a minimum fee. As a result, for those accounts subject to the minimum fee, the effective basis point fee will be higher than the fee published in our standard fee schedule. Additional fees for optional sub-accounting services available to endowments, foundations and other nonprofit organizations are described in our fee schedules. Additional fees may be charged for special services based on the amount of work performed and the responsibility assumed by TIAA Trust. Such services will generally result in an hourly charge for our professional involved in performing the services.

- 3. Fee calculations.** Asset-based fees begin to accrue when assets are received in the client's account. Asset-based fees are payable monthly, at the end of each month, and are calculated for a partial month based on the percentage of days that we provided services. Recurring flat fees are payable in advance, annually, and are not prorated. We deduct fees directly from the client's account or, in limited circumstances, from another account owned by the client through an automatic debit arrangement, unless other mutually agreeable arrangements have been made.
- 4. Written agreements.** We provide our services based on a written agreement with each client; in certain circumstances, it may be a trust agreement.

- 5. ERISA accounts.** When using our discretion to invest the assets of an employee benefit plan governed by the fiduciary standards of the *Employee Retirement Income Security Act of 1974* (“ERISA”) in affiliated investment vehicles, we will comply with fiduciary requirements applicable to those investments (such as prior fiduciary disclosure and authorization, and fee rebating requirements).
- 6. Investments in affiliated mutual funds.** When client account assets are invested in affiliated mutual funds, affiliates of TIAA Trust receive fees from these products based on the amount of assets the client invested in them. These fees are in addition to the fees our clients pay directly to TIAA Trust for our services. When client assets, including ERISA assets, are invested in affiliated mutual funds, we will comply with all applicable fiduciary and regulatory requirements including, when necessary, rebating to the account a portion of the management fee that an affiliated investment vehicle pays to our affiliates. You should note that our affiliates receive payments for providing services to affiliated investment vehicles. As detailed in the prospectuses and statements of additional information, as the case may be, for these mutual funds, these funds pay their own fees and expenses, including fees for investment management and/or administrative services to TIAA Trust’s affiliates, which may pay a portion of these fees to other affiliates.

All operating expenses of affiliated mutual funds are disclosed in the funds’ prospectus and statements of additional information, as the case may be. Annual operating expenses are the expenses that you pay each year as a percentage of the value of your investment in the investment vehicle, including management fees and/or administrative services or other expenses. The current prospectus for each affiliated mutual fund, including supplements to prospectuses, statements of additional information and other product disclosures, are available and can be viewed on, and downloaded and printed from, the website at <http://www1.tiaa-cref.org/public/prospectuses/index.html>. They are also available, free of charge, upon request to TIAA Trust.

TIAA Trust may be required to provide the TIAA-CREF Funds seven business days’ advance written notice before purchasing or redeeming shares of these mutual funds.

- 7. Investments in non-affiliated mutual funds, ETFs or other investment vehicles.** When client assets are invested in third-party mutual funds, ETFs, or other non-affiliated investment vehicles, each investment vehicle also pays its own investment advisory fees and other fees and

expenses. These fees are in addition to the fees you pay directly to us for our services. Third-party mutual funds may, directly or through third parties, pay TIAA Trust for services rendered on behalf of the client’s investments in the funds, as disclosed in the third-party mutual fund’s prospectus or offering materials.

- 8. When client assets do not meet TIAA Trust’s investment guidelines.** Some client assets transferred to us may not meet our investment guidelines, either because the assets are not on our FRL or SRL or may represent a concentrated position in the client’s account. Also, from time to time clients may wish for us to purchase assets for their account that do not meet our investment guidelines. Assets that do not meet our investment guidelines (“non-qualifying assets”) may generally not be held in clients’ accounts without additional client documentation. In our discretion, we may enter into a written plan with the client to dispose of these assets over time, or simply custody the non-qualifying assets in the client’s account and not provide investment services over them. Depending on the non-qualifying assets involved, either custody fees or regular investment management fees would then be charged on these non-qualifying assets. When we agree to simply custody the non-qualifying assets in the client’s discretionary account and not provide investment services over them, these non-qualifying assets are not considered in the performance of the client’s account portfolio.
- 9. Proxy voting.** It is our policy to vote proxies in accordance with our clients’ best interests, and we aim to use proxy voting as a tool to promote positive returns for long-term shareholders. Companies that follow good corporate governance practices and act in a socially responsible manner over the long term, we believe, are more responsible to their shareholders and produce better returns than companies that do not. To efficiently vote proxies, we follow the guidelines set forth in the TIAA-CREF Policy Statement on Corporate Governance. Due to the inherent conflict of interest in voting shares of affiliated investment companies, it is our policy to vote all proxies of investment companies, including open- and closed-end mutual funds and ETFs proxies, in accordance with the recommendations of a third-party proxy advisory firm. Except with respect to an account for which we serve as sole discretionary trustee, if a client requests in advance to vote proxies on a particular company or issue, it is our policy that the client will then retain voting discretion over all securities in the client’s account, including securities in such company or group of companies.

**10. Relationship with TIAA.** TIAA Trust is a wholly owned subsidiary of TCT Holdings, Inc., a wholly owned direct subsidiary of TIAA. TIAA and TIAA Trust have entered into a service arrangement whereby TIAA, directly or through its subsidiaries, provides a variety of services to TIAA Trust that are material to our investment management, trustee and other fiduciary related services. These services include administrative, auditing, data processing, legal and marketing services.

**11. Referral arrangements.** We may, from time to time, establish referral arrangements with non-affiliated and affiliated individuals and entities, such as TIAA-CREF Individual & Institutional Services, LLC, an affiliated broker/dealer. Under such arrangements, we may pay a fee for every account we open that resulted from a referral made by the individual or entity. Any referral fees we pay under these arrangements will not result in increased charges to our clients, and we will be solely responsible for providing investment advisory or fiduciary services to the client. We occasionally develop informal mutual referral arrangements with attorneys and other advisors; however, we do not pay them for referrals, and we provide referrals only upon a client's request.

**12. Transaction fees and brokerage discretion.** Each time securities are traded in the client's account, transaction fees or commissions will be charged to the client and deducted from the account. These transaction fees are charged by third parties, and are passed on to clients at cost, without increase. It is our policy to pay fees that are considered fair and reasonable, without necessarily determining that we are paying the lowest fees in all circumstances.

Depending on the specific arrangement with the client, we may have investment or brokerage discretion over a client's account. Generally, all marketable equity securities transactions for up to 10,000 shares of any issuer are executed through an electronic order trading system with a non-affiliated broker/dealer in an effort to obtain the best execution of orders at the lowest transaction cost reasonably available, according to the size and volume of client trades. Where transactions are executed in the over-the-counter market, we deal with primary market makers unless a more favorable price of execution is otherwise obtainable. When TIAA Trust selects the broker/dealer to execute a transaction for a client, our primary objective is to obtain the best execution of orders at the most favorable net price. The selection of broker/dealers may also be based on additional factors, including their ability to handle particular orders or special executions (such as the size and difficulty of the order), their ability to execute the

transactions promptly, their familiarity with sources from or to whom particular securities might be purchased or sold and client-imposed restrictions.

- **Directed brokerage.** If a client instructs TIAA Trust to direct brokerage to particular broker/dealers in connection with transactions for the client's account, commissions are generally a matter of negotiation between the client and the broker/dealer; as a result, the commission and price they pay may not be the lowest.
- **Research.** Consistent with the duty to obtain best execution, TIAA Trust may give consideration to broker/dealers who provide research services to us. In addition to research supplied by firms providing execution services, TIAA Trust may purchase independent research from third parties. This information may include, without limitation, statistical or factual information concerning investments, economic views and opinions, appraisals and valuations of securities and information as to the availability of securities. All research services received from broker/dealers to whom commissions are paid are used collectively. There is no direct relationship between commissions received by a broker/dealer from a particular client's transaction and the use of any or all of that broker/dealer's research material in relation to that client's account.
- **Aggregation of orders.** To minimize transaction costs, TIAA Trust may aggregate trade orders. We have adopted procedures to ensure that no client will benefit unfairly from any aggregation of orders. These procedures state that when orders for more than one client are received at approximately the same time, generally orders are aggregated and each client will receive the average price paid or received. When a trading desk receives an order from one client and an order from another client is still open, the unfilled portions of the earlier order will generally be aggregated with the new order unless it is determined that both clients would suffer by bidding against each other. If the order is only partially filled, each client will get their pro rata share of the securities purchased or sold, based on the size of its order relative to the aggregate order. TIAA Trust sometimes makes exceptions to these procedures.
- **Cross trades.** In connection with obtaining best execution of client securities trades, we may enter into cross trades on behalf of two or more clients. In these trades, TIAA Trust has conflicting obligations to both the buying and selling clients. To minimize this conflict, TIAA Trust obtains independent pricing information from at least one unaffiliated broker/dealer. Generally, we price equity cross trades at the average of the highest bid and lowest ask of these unaffiliated broker/dealer(s),

and fixed-income cross trades at the highest bid, assuming the highest bid is lower than any available ask of these unaffiliated broker/dealer(s) and the evaluated pricing assigned to the fixed income asset by an independent third party. We engage only in cross trades that benefit the clients involved. We do not receive any additional compensation or commission in connection with arranging these cross trades.

- 13. Error correction.** It is our policy to correct trading errors that occur in connection with client securities transactions so that clients are put in the position in which they would have been had the error not occurred. To the extent consistent with applicable law, any loss or gain that results from the transactions necessary to correct a trading error will be borne by, or inure to the benefit of, TIAA Trust.
- 14. Account statements; sub-accounting reports; performance reports.** TIAA Trust provides monthly or quarterly account statements to its clients, based on the client's preference. These statements list the account assets as of the date of the statement and all transactions since the prior statement. Clients are responsible for reviewing their account statements and will be deemed to have approved all of the information reflected in the statements if they do not alert TIAA Trust of any discrepancy in the statements within sixty (60) days of the client's receipt of the statements. In such event, TIAA Trust will not be liable for any matter disclosed in such statements. For endowment clients who request optional sub-accounting reporting services, in addition to periodic account statements, TIAA Trust will also provide to the client, usually on the same frequency as the account statements, a sub-accounting report showing each designated fund's share of the investment results for, and the value of the assets in the endowment account as of, the reporting period.

For accounts for which TIAA Trust has investment discretion, TIAA Trust also provides quarterly or annual reports to its clients on the performance of the investments in clients' portfolios. If, at a client's express request, TIAA Trust agrees to maintain in, or purchase for, the client's account non-qualifying assets, the performance of these non-qualifying assets will not be reported in such reports.

- 15. Trade confirmations.** With respect to accounts for which TIAA Trust has sole or shared investment discretion, upon request to TIAA Trust clients may receive a separate confirmation of all securities transactions that occur in their account.

**16. Right to refuse appointment; resignation and termination.**

TIAA Trust retains the right to refuse any fiduciary appointment or to decline to open any account for any reason at its sole discretion. Both the client and TIAA Trust retain the right to resign or terminate their relationship at will for any reason, subject to any notice provision in the account agreement or the specific provisions of the instrument establishing TIAA Trust's fiduciary status. TIAA Trust will continue to charge its fees under the account agreement or governing instrument up until all of the assets in the client's account are transferred. Clients with investment management accounts will have thirty (30) days following the effective date of the termination of the relationship to provide instructions to TIAA Trust for the transfer of all account assets to another financial institution(s). If transfer instructions are not timely received, TIAA Trust may liquidate all assets in the account and mail a check for the net proceeds to the client. If the account is liquidated, the clients agree to be liable for any resulting losses and taxes, and expenses of liquidation incurred by TIAA Trust, all of which may be deducted from the net proceeds in the account. Clients' account portfolios may include certain mutual fund share classes or other securities that cannot be held by unaffiliated asset managers or custodians. Upon termination, TIAA Trust reserves the right to exchange or sell these assets.

- 17. Non-exclusive services.** TIAA Trust and its affiliates provide discretionary trustee and investment management services to other clients, and the advice given to, and actions taken on behalf of, other clients may differ from the advice given or actions taken for your account. Likewise, transactions in securities may not be initiated for all client accounts at the same time or at the same price.

- 18. Proprietary, affiliate and personal trading; Code of Business Conduct.** TIAA Trust, its affiliates and their respective trustees, officers, directors, shareholders, employees and/or agents may have an interest (including as a holder, seller, short seller, option writer or purchaser) in any security which TIAA Trust purchases or sells for clients. TIAA Trust has adopted a Personal Trading Policy that regulates the personal securities trading activities of its investment personnel and other covered persons to avoid conflicts of interest and other inappropriate practices. Among other topics, this policy states that certain covered persons and members of their households must report their personal holdings of, and transactions in, covered securities; are subject to certain restrictions and prohibitions in trading for their own accounts; and are subject to preclearance of



securities transactions by a special compliance unit. TIAA Trust has also adopted TIAA-CREF's Code of Business Conduct policy that prescribes principles and guidelines which all TIAA-CREF employees must follow in the conduct of all TIAA-CREF business. Among other guidelines to be followed under this policy, employees must protect client information, comply with all applicable laws and regulations, be honest and fair in all of their business dealings, use good judgment and know and follow policies and procedures. A free copy of the Code of Business Conduct policy is available upon request to TIAA Trust.

**19. Funds availability.** Deposits to a client's account are posted to the account and made available for sweep into a Sweep Vehicle on the day that we receive good funds in the amount of the deposit. Funds from deposits of noncash items may not become available for posting to a client's account until several days after we receive the instrument. For example, funds from most checks, whether drawn on a personal or institutional account, may not become available until the third Business Day following TIAA Trust's receipt of the check. For purposes of this Disclosure brochure, a "Business Day" is Monday through Friday, excluding Federal holidays. If good funds are received before the applicable sweep cut-off time on a Business Day, they will be swept into such Sweep Vehicle the same Business Day. If good funds are received after the cut-off time, or on a day that is not a Business Day, they will be swept into such Sweep Vehicle on the next Business Day.

**20. Unclaimed property and escheatment.** Except as otherwise provided by applicable law, property held in TIAA Trust client accounts may be transferred to the appropriate state if no activity occurs in the account within the time period specified by applicable state law.

**21. Risk acknowledgement.** Investments in client accounts are subject to the risks associated with investing in funds and other securities and will not always be profitable. We do not guarantee any results or that the objectives of the funds or your Client Goals and Objectives will be met. Except as otherwise provided by law, we and our affiliates will not be liable for:

- Any loss resulting from following your instructions or using inaccurate, outdated, or incomplete information you provide,
- Any act or failure to act by a fund or any of its agents or any other third party, or
- Any loss in the market value of your account, except for losses resulting from our willful misconduct, or gross negligence.

**22. Cash sweep investment vehicle.** Funds deposited into and posted to a client's account are automatically swept either into a money market mutual fund, another short-term nondeposit investment product, or an FDIC-insured and interest-bearing deposit of TIAA Trust ("Sweep Vehicle"), including the *TIAA-CREF Trust Company Cash Deposit Account*, which TIAA Trust may then make available for such purpose, in its discretion. If the funds in your account are swept into the *TIAA-CREF Trust Company Cash Deposit Account*, the provisions of Part III of this Disclosure brochure will also apply to your account.

### III. TIAA-CREF Trust Company Cash Deposit Account—Deposit Program Terms and Disclosures

In addition to the disclosures and the general terms and conditions set forth above in this Disclosure brochure that govern your account, the following specific terms and disclosures are applicable to the FDIC-insured and interest-bearing money market deposit account, known as the *TIAA-CREF Trust Company Cash Deposit Account* (the "Cash Deposit Account") into which the available cash that is awaiting investment or distribution ("free cash") in your account may be deposited. If you have entered into an investment management agreement with TIAA Trust (your "Account Agreement"), except as modified by the disclosures in this Part III, your free cash held in the Cash Deposit Account will continue to be subject to the terms of your Account Agreement. Likewise, if TIAA Trust serves as trustee and invests your trust's assets in the Cash Deposit Account, these disclosures will apply to such investment. Please read these disclosures carefully and retain a copy for your records.

**1. No separate account.** As explained in greater detail below, if TIAA Trust sweeps your free cash into the Cash Deposit Account, your ownership of your cash balance in the Cash Deposit Account will be recorded in TIAA Trust's books and records. A separate account will not be opened on your behalf to reflect the deposit of your free cash in the Cash Deposit Account, and your free cash will not be represented by any certificate issued to you. All of your Cash Deposit Account activity will be reflected and incorporated in your periodic account statements. TIAA Trust has established the Cash Deposit Account in its own name for the benefit of the owners of the accounts whose free cash is swept into the Cash Deposit Account.

- 2. FDIC insurance coverage.** The Federal Deposit Insurance Corporation (FDIC) automatically insures your cash balances in the Cash Deposit Account, up to certain limits. Attached to these Disclosures is a Deposit Insurance Simplification Fact Sheet that summarizes the insurance coverage provided by the FDIC in this regard. The standard insurance limit currently is \$250,000 per depositor. Nondeposit investment products in your account including, without limitation, stocks, bonds, mutual fund shares, or municipal securities (1) are not insured by the FDIC; (2) are not obligations of, or guaranteed by, TIAA Trust; and (3) are subject to investment risk, including possible loss of the principal amount invested.
- 3. Deposits.** At the end of each Business Day, we will determine whether there is available free cash in your account before an applicable cut-off time (currently 1:00 p.m. Central); if so, we will automatically arrange to have the free cash swept into the Cash Deposit Account on such Business Day. You cannot deposit funds directly to the Cash Deposit Account. Each credit to your Cash Deposit Account is conditional and subject to all conditions and limitations described in these Disclosures.
- 4. Withdrawals and transfers.** At the end of each Business Day, we will determine whether there is insufficient available free cash in your account before an applicable cut-off time to satisfy the transactions in your account that have cleared that day, such as a purchase of securities or the payment of a distribution, or to satisfy any amount you may owe to TIAA Trust for any reason. If there is insufficient available free cash in your account, you authorize TIAA Trust to withdraw from the Cash Deposit Account the amount necessary to satisfy the cash deficit in your account, up to your cash balance in the Cash Deposit Account, without notice. TIAA Trust will not be liable for any cost, expense, or loss you incur that results from TIAA Trust's withdrawals from your Cash Deposit Account balance. All access to your funds in the Cash Deposit Account is through your account. To request a cash distribution paid to you or on your behalf, please contact your Trust Administrator to handle the distribution. If we determine that you are using your account in order to access the Cash Deposit Account like a transaction account, we may transfer, at our discretion, your Cash Deposit Account balance to another sweep option that we may then make available. TIAA Trust will notify customers of any such changes to their Cash Deposit Account. We hereby reserve the right to require that you provide us with written notice of any transaction that will result in a withdrawal from the Cash Deposit Account on your behalf not less than seven (7) days before any such withdrawal is to be made.
- 5. Interest and funds availability.** Interest will accrue on cash balances in the Cash Deposit Account beginning on the Business Day that funds are swept to the Cash Deposit Account. Please see Section 3 (Deposits) above for information about when funds deposited to your account become available for the sweep. Interest does not accrue on the day of withdrawal from the Cash Deposit Account. TIAA Trust uses the daily balance method to calculate interest on your cash balance in the Cash Deposit Account. This method applies a daily periodic rate to your principal balance in the Cash Deposit Account each day. Interest will be compounded monthly and credited monthly to your account on the first Business Day of the following calendar month. If your account is closed before the end of a calendar month, a distribution will be made for the unpaid interest accrued on your balances in the Cash Deposit Account up to the date of closing.
- TIAA Trust sets the interest rates on a periodic basis at its discretion. The interest rate is generally based on a variety of factors including, but not limited to, current market conditions, competitive rates, and TIAA Trust's financial interests. TIAA Trust's ability to influence the rate on the Cash Deposit Account presents a conflict of interest. Please refer to the "Conflicts of Interest" section below (Section 7) for more information.
- The interest rates paid with respect to the Cash Deposit Account at TIAA Trust may be higher or lower than the interest rates which may be available on any other deposit accounts then offered by TIAA Trust or on deposit accounts offered by other depository institutions. You should compare the terms, interest rates, and other features of the Cash Deposit Account with other deposit accounts and alternative cash investments.
- TIAA Trust reserves the right to change the interest rates at any time, as well as any other criterion related to the setting, posting, or crediting of rates. In the event that any change in the frequency of interest compounding or crediting, or fees (if any) will adversely affect clients, TIAA Trust will provide affected clients with written notice 30 days before the effective date of the change.
- 6. No embedded fees or service charges.** TIAA Trust does not charge any embedded fees or service charges to sweep to, or hold your free cash in, the Cash Deposit Account. However, account level management fees continue to apply to your free cash balances held in the Cash Deposit Account.
- 7. Conflicts of interest and benefits to TIAA Trust.** TIAA Trust receives financial benefits in connection with the Cash Deposit Account. The Cash Deposit Account provides

TIAA Trust with a stable, cost-effective source of funding for its operations. TIAA Trust intends to use deposits in the Cash Deposit Account to fund current and new businesses, including lending activities and investments. The profitability on such loans and investments and other assets is generally measured by the difference, or “spread,” between the interest rate paid on the Cash Deposit Account to its clients who are depositors and other costs of maintaining the Cash Deposit Account, and the interest rate and other income it earns when it loans or invests the funds received through the Cash Deposit Account. Therefore, the interest rate we pay from time to time on the deposits in the Cash Deposit Account will directly affect our profitability. By allowing us to sweep your free cash into the Cash Deposit Account for you, you are consenting to our receipt and retention of these benefits.

- 8. Legal process.** If TIAA Trust receives a notice of any legal process including, without limitation, notice of any lien, levy, garnishment, attachment, or other legal process, relating to you or your account, TIAA Trust may place a hold on your account and your funds in the Cash Deposit Account, pending the dismissal, settlement, or satisfaction of such process. In addition, in accordance with applicable law, TIAA Trust may use the funds maintained for you in the Cash Deposit Account to satisfy an amount due to a creditor, governmental, or other party as a result of such legal process. TIAA Trust will not be liable for taking any action affecting your account, including the funds maintained for your benefit in the Cash Deposit Account, as a result of its receipt of a notice of any legal process relating to you or your account, including for any overdrafts resulting from any such hold on or payment from your cash balance in the Cash Deposit Account. Further, you will reimburse TIAA Trust for any loss, costs, or expenses including, without limitation, reasonable attorneys’ fees, costs of litigation, and the internal costs to investigate and respond to any such legal process involving your account, including your cash balance in the Cash Deposit Account. To the extent allowed by applicable law (i) you waive any protection that may be applicable to deductions we make to satisfy amounts you owe to us or any third party; and (ii) you agree that we may use the funds in your Cash Deposit Account without regard to their source in order to satisfy your obligations to us or to pay third parties as a result of legal process.
- 9. No transfer or pledge of interest in the Cash Deposit Account.** Your interest in the Cash Deposit Account is non-assignable and not transferable by you without TIAA Trust’s prior written consent. Any attempted assignment contrary to this Section is void. You may not pledge your

interest in the Cash Deposit Account as collateral to secure any indebtedness without TIAA Trust’s prior express written consent.

- 10. Termination of interest in the Cash Deposit Account.** If you no longer wish for TIAA Trust to sweep your free cash into the Cash Deposit Account, you may either (i) terminate your account in accordance with the termination provisions of your Account Agreement or Trust Agreement governing your account, as the case may be; or (ii) notify TIAA Trust in writing that you wish to have your free cash swept to another available sweep investment vehicle, if any, then offered by TIAA Trust, subject to any terms and conditions applicable to such other sweep investment vehicle. In such event, you authorize TIAA Trust to transfer your cash balance in the Cash Deposit Account to such other sweep investment vehicle. TIAA Trust may close your account in accordance with the termination provisions of your Account Agreement or the resignation provisions of the Trust Agreement governing your account, as the case may be. In such event, the distribution of your remaining cash balance in the Cash Deposit Account will be governed by your Account Agreement or applicable Trust Agreement. As interest does not accrue on the day of withdrawal from the Cash Deposit Account (See Section 5 – Interest and funds availability), no interest will be calculated on or paid for the date of Cash Deposit Account termination.
- 11. Amendments.** Notwithstanding the amendment provisions of your Account Agreement, TIAA Trust may amend any of the Disclosures set forth in this Part III at any time. Unless otherwise required by law, TIAA Trust will provide you written notice of any material change to any of these Disclosures prior to the effective date of such change, as determined by TIAA Trust.

## Deposit Insurance Simplification Fact Sheet

**FDIC.** The Federal Deposit Insurance Corporation (“FDIC”) is an independent agency of the United States government that protects the funds depositors place in FDIC-insured institutions. FDIC insurance is backed by the full faith and credit of the United States government. Since the FDIC was established in 1933, no depositor has ever lost a single penny of FDIC-insured funds.

**Deposit insurance over funds in deposit accounts.** There is no need for depositors to apply for FDIC insurance or even to request it—coverage is automatic. FDIC insurance covers funds in deposit accounts, including checking and savings accounts, money market deposit accounts and certificates of deposit. FDIC insurance does **not** cover other financial products and services that insured banks may offer, such as stocks, bonds, mutual fund shares, life insurance policies, annuities or municipal securities.

**Coverage limits.** To ensure funds are fully protected, depositors should understand their coverage limits. **The standard insurance amount is \$250,000 per depositor, per insured bank for each account ownership category.** The FDIC provides separate coverage for deposits held in different account ownership categories. Depositors may qualify for more coverage if they have funds in different ownership categories and all FDIC requirements are met. The following chart shows standard insurance amounts for FDIC account ownership categories. All deposits that an accountholder has in the same ownership category at the same bank are added together and insured up to the standard insurance amount. The chart below assumes that all FDIC requirements are met. (For details on the requirements, go to [www.fdic.gov/deposit/deposits](http://www.fdic.gov/deposit/deposits)).

### FDIC Deposit Insurance Coverage Limits

Single Accounts (owned by one person)	\$250,000 per owner
Joint Accounts (two or more persons)	\$250,000 per co-owner
Certain Retirement Accounts (includes IRAs)	\$250,000 per owner
Revocable Trust Accounts	\$250,000 per owner per beneficiary up to five beneficiaries (more coverage is available with six or more beneficiaries subject to specific limitations and requirements)
Corporation, Partnership and Unincorporated Association Accounts	\$250,000 per corporation, partnership or unincorporated association
Irrevocable Trust Accounts	\$250,000 for the non-contingent, ascertainable interest of each beneficiary
Employee Benefit Plan Accounts	\$250,000 for the non-contingent, ascertainable interest of each plan participant
Government Accounts	\$250,000 per official custodian (more coverage available subject to specific conditions)

You can calculate your insurance coverage using the FDIC’s Electronic Deposit Insurance Estimator at [www.myFDICinsurance.gov](http://www.myFDICinsurance.gov). For questions about FDIC coverage, you may write to the FDIC at Federal Deposit Insurance Corporation: Attention Deposit Insurance Outreach, 550 17th Street N.W., Washington, D.C. 20429-9990, or call them toll-free at **877 275-3342** (or **800 925-4618** (TDD)). You may also contact your Trust Administrator at TIAA-CREF Trust Company, FSB, but you remain responsible for your own decisions regarding the federal deposit insurance coverage of your funds.

The foregoing information is only a summary of FDIC deposit insurance—it is not intended to be a full statement of applicable FDIC regulations and interpretations, which may change from time to time. In certain instances, additional conditions, not described above, may apply.

**TIAA-CREF Trust Company, FSB**  
211 N. Broadway, Suite 1000  
St. Louis, MO 63102-2733  
**888 842-9001**



**Financial Services**

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