

# TIAA Traditional financial strength

## Market-proof retirement

When market volatility hits, you may get nervous and be tempted to take action, but it is important that you consider staying the course. Our job is to help you understand how to allocate your money across different investment options rather than respond emotionally to volatility, as hard as that may be.

TIAA Traditional is something for you to consider as it provides many benefits, including an opportunity for more interest while saving and more income in retirement.



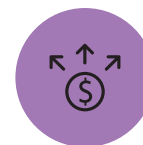
### Guaranteed growth

The value of your retirement savings is guaranteed to increase every day even in the most volatile markets.



### Guaranteed lifetime income

Turn your savings into regular monthly income to help meet your everyday living expenses in retirement. It's like getting a "paycheck" when you stop working.<sup>1</sup>



### Exclusive benefits

Our "sharing the profits" approach seeks to reward you with additional growth and income.<sup>2</sup>

## Strong capital position

For over a hundred years, we've helped millions of people like you build a more secure financial future. We're committed to doing the same for the next 100 years. TIAA is one of only three insurance groups in the United States to currently hold the highest possible rating from three of the four leading insurance company rating agencies for its stability, claims-paying ability and overall financial strength.\* These agencies monitor multiple aspects of life insurance company business, including the quality of the investment portfolio, the soundness and competitiveness of the overall business, and the structure and risks associated with individual products. In addition, each agency monitors capital adequacy using its own capital model or standards.

As of December 31, 2020, the TIAA General Account held \$278.1 billion in invested assets, including \$45.9 billion in total statutory capital.<sup>3</sup> This strong capital position is supportive of TIAA and its ability to endure significant negative portfolio impacts, while also supporting the payout guarantees associated with all TIAA Traditional Annuity contract types.

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### Diversified portfolio and longer duration

The TIAA General Account, which backs TIAA Traditional, invests in a broadly diversified portfolio that enables us to pursue long-term returns for the account. This provides the stability and liquidity needed to support our guarantees for TIAA Traditional customers.

The portfolio is positioned heavily toward high-quality and well-diversified fixed-income assets. A broad array of public and private fixed-income securities (offering higher yields than U.S. Treasuries) can offer attractive relative value and are a good fit for the portfolio. The long-term investment horizon and statutory accounting allows the portfolio to take advantage of illiquid investments and absorb mark-to-market volatility. Higher-yielding alternative investments provide additional returns over the long term.

The safety and stability of the TIAA General Account is supported by the long-horizon payout period of the TIAA Traditional Annuity. This long-term horizon allows the General Account to make investments in securities with longer durations and higher returns than those that would underlie a fully liquid product, such as a money market.

### Scale and consistency of investment flows

From 2000 to 2020, TIAA has on average made about \$27 billion of investments annually for the General Account, making it one of the world's largest institutional investors.\*\* This advantage has allowed us to build our asset base, develop specialized investment expertise and realize economies of scale that smaller investors do not enjoy. Notably, with \$278.1 billion in invested assets within the General Account, the consistency of investment flows supports a very broad exposure to a variety of markets and asset types with varying degrees of maturity.

Overall, the current strength of the TIAA General Account and its capital position, the diversification and duration of the portfolio, coupled with the consistency of investment flows, together place TIAA in a strong position to continue to meet its contractual obligations.



See the current TIAA Traditional rate available in your employer's plan. Log in to your account at [TIAA.org](https://www.tiaa.org), or call us at **800-842-2252**.

#### Additional resources

[TIAA General Account financial strength](#)

[Detailed FAQs](#)

[Market volatility article](#)



This information does not include TIAA Real Estate or the CREF variable annuities.

\*For its stability, claims-paying ability and overall financial strength, Teachers Insurance and Annuity Association of America (TIAA) is a member of one of only three insurance groups in the United States to currently hold the highest rating available to U.S. insurers from three of the four leading insurance company rating agencies: **A.M. Best (A++ as of 7/20), Fitch (AAA as of 11/20) and Standard & Poor's (AA+ as of 8/20), and the second highest possible rating from Moody's Investors Service (Aa1 as of 9/20).** There is no guarantee that current ratings will be maintained. The financial strength ratings represent a company's ability to meet policyholders' obligations and do not apply to variable annuities or any other product or service not fully backed by TIAA's claims-paying ability. The ratings also do not apply to the safety or the performance of the variable accounts, which will fluctuate in value.

\*\*TIAA 2020 Actuarial Department.

<sup>1</sup> Any guarantees under annuities issued by TIAA are subject to TIAA's claims-paying ability. TIAA Traditional is a guaranteed insurance contract issued by Teachers Insurance and Annuity Association of America, and not an investment for federal securities law purposes other than for the years for which they are declared.

<sup>2</sup> TIAA may share profits with Traditional Retirement Annuity owners through declared additional amounts of interest and through increases in annuity income throughout retirement. These additional amounts are not guaranteed. Additional amounts may be increased the longer accumulation occurs before annuitization. These additional amounts are discretionary, and are not guaranteed other than for the years for which they are declared.

<sup>3</sup> Total statutory capital is composed of capital and surplus, and asset valuation reserve for TIAA.

The TIAA General Account is an insurance company account, does not present an investment return and is not available to investors.

The General Account is solely owned by and supports TIAA's contractual guarantees and business operations; its performance is not directly allocated to any specific contract or obligation. The General Account supports TIAA's Traditional Annuity, which is available to pension plan participants and IRA investors. 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. Certain products and services may not be available to all entities or persons.

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.

Annuities are designed for retirement and other long-term goals. They offer several payment options, including lifetime income.

**Investment, insurance, and annuity products are not FDIC insured, are not bank guaranteed, are not deposits, are not insured by any federal government agency, are not a condition to any banking service or activity, and may lose value.**

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.

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