

# Financial Strength: The TIAA General Account

March 31, 2019

Rating agency	TIAA financial strength rating <sup>3</sup>	TIAA balances 3/31/2019
Moody's Investors Service (as of 9/2018)	Aa1 (Very Strong)	Total Assets – \$307.7 billion
Standard & Poor's (as of 10/2018)	AA+ (Very Strong)	Capital and Surplus – \$38.4 billion
A.M. Best (as of 6/2018)	A++ (Superior)	
Fitch (as of 06/2018)	AAA (Exceptionally Strong)	

## The TIAA General Account

- \$262 billion in total TIAA General Account invested assets
- \$43.9 billion in total statutory capital<sup>1</sup>
- Option-adjusted duration is 7.68<sup>2</sup>

## Key advantages

### Strong capital position

Teachers Insurance and Annuity Association of America 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.

### Diversified portfolio

In keeping with our commitment to prudent asset/liability management, the TIAA General Account invests in a broadly diversified portfolio that enables us to pursue long-term returns for the account while providing the stability and liquidity needed to support our guaranteed annuity products.

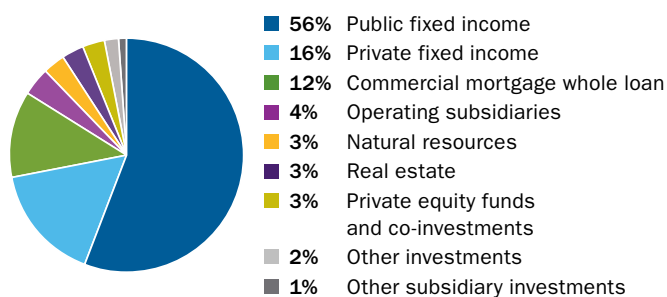
### Scale and consistency of investment flows

From 2002 to 2017, TIAA has on average made nearly \$29 billion of investments annually for the General Account, making it one of the world's largest institutional investors. This has allowed us to build our asset base, develop specialized investment expertise and realize economies of scale that smaller investors do not enjoy.

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

## TIAA General Account diversification

(For details see other side)



## Corporate and government bonds and structured finance

Bonds	% Bonds
Investment Grade (NAIC Class 1-2)	88.31%
Medium Grade (NAIC Class 3)	4.51%
High Yield (Class 4-6)	7.18%
Mortgages	% Mortgages
In Good Standing	100.00%
Foreclosure in Process	0.00%
Bonds	% Bonds
Treasury	8.00%
Agency	2.00%
AAA	6.01%
AA	8.64%
A	33.75%
BBB	28.98%
BB	6.07%
B	4.07%
Below B	1.33%
NR	1.15%

## Financial Strength: The TIAA General Account

### TIAA invested asset allocation as of 3/31/2019—\$262.35 Billion

<b>Public Fixed Income</b>		<b>Real Estate by Investment Type</b>	
Percentage of Total Account	55.95%	Percentage of Total Account	3.48%
US Government Bonds (Treasuries)	\$15,248	Apartment	\$739
US Government-Related Bonds	\$2,966	Industrial	\$899
Other Developed Markets Government Bonds	\$1,338	Land	\$93
Municipal Bonds	\$11,610	Real Estate Funds	\$4,203
Investment Grade Corporate Bonds	\$53,110	Mixed Use/Other	\$602
High Yield Corporate Bonds	\$6,423	Office Buildings	\$1,586
Leveraged Loan	\$3,704	Retail	\$1,018
Emerging Market Bonds	\$8,663		<b>\$9,140</b>
Agency MBS Securities	\$26,144	<b>Commercial Mortgage Whole Loan by Investment Type</b>	
Non-Agency MBS Securities	\$3,207	Percentage of Total Account	11.88%
Residential Mortgages	\$1,911	Apartment	\$6,070
Structured Credit (ABS, CLO, CDO)	\$3,649	Hotel/Motel	\$113
CMBS SECURITIES (AAA)	\$8,815	Industrial	\$3,949
	<b>\$146,788</b>	Mixed Use/Other	\$3,462
<b>Private Fixed Income</b>		Office Buildings	\$9,668
Percentage of Total Account	16.11%	Residential	-
Investment Grade Private Placements	\$22,146	Shopping Center	\$7,900
Investment Grade Project Finance	\$5,018		<b>\$31,162</b>
Credit Tenant Loans	\$9,635	<b>Private Equity Funds and Co-Investments</b>	
SLL/DIT/MEZZ	\$3,633	Percentage of Total Account	2.60%
CMBS Securities (Subordinated)	\$1,408	Leveraged Buyout Funds	\$3,371
Distressed	\$420	Leveraged Buyout—Eq Co-invest	\$844
	<b>\$42,260</b>	Mezzanine Funds	\$340
<b>Natural Resources</b>		Mezzanine—Direct Eq Co-Invest	\$120
Percentage of Total Account	2.88%	Distressed Funds	\$479
Agriculture	\$3,461	Distressed Eq Co-Invest	-
Timberlands	\$1,260	Real Estate Private Debt	\$754
Energy & Infrastructure	\$2,825	Venture Funds	\$188
	<b>\$7,546</b>	Venture Eq Co-Invest	-
		Impact Investing	\$730
			<b>\$6,826</b>
		<b>Other Investments</b>	
		Percentage of Total Account	7.10%
		Operating Subsidiaries	\$9,514
		Other Subsidiary Investments	\$4,165
		Other Investments	\$4,950
			<b>\$18,629</b>



<sup>1</sup> Total statutory capital is composed of capital and surplus, and asset valuation reserve for TIAA.

<sup>2</sup> The individual option-adjusted duration is calculated for the holdings of the General Account excluding commercial mortgages, real estate, equities (REIT equities, funds and common stock), cash, and certain other investment products.

<sup>3</sup> 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 6/18)**, **Fitch (AAA as of 6/18)** and **Standard & Poor's (AA+ as of 10/18)**, and the second highest possible rating from **Moody's Investors Service (Aa1 as of 9/18)**. 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.

### **This information does not include TIAA Real Estate or the CREF Variable Annuities.**

This material is for informational or educational purposes only and does not constitute investment advice under ERISA. 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.

The investment returns of the TIAA General Account do not flow directly to the TIAA Traditional Annuity or the TIAA Stable Return Annuity contracts but support the payment obligations and the fulfillment of returns provided for under these contracts. Each premium allocated to such contracts buys a definite amount of lifetime income for participants based on the rate schedule in effect at the time the premium is paid. In addition, the TIAA Traditional Annuity and Stable Return Annuity provide a guarantee of principal, a guaranteed minimum rate of interest and the potential for additional amounts of interest when declared by TIAA's Board of Trustees. Additional amounts, when declared, remain in effect for the "declaration year" that begins each March 1 for accumulating annuities, and January 1 for lifetime payout annuities. Additional amounts are not guaranteed for future years.

Payment obligations and the fulfillment of the returns provided for in the TIAA Traditional Annuity and the TIAA Stable Return Annuity are subject to Teachers Insurance and Annuity Association of America's claims-paying ability. Past interest rates are not indicative of future interest rates. These payment obligations and guarantees are backed by the financial strength of TIAA's General Account. For information about current rates on additional amounts, visit our website at [TIAA.org](http://TIAA.org).

Annuity products issued by TIAA (Teachers Insurance and Annuity Association of America), New York, NY.

**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.**

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