UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2020

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from __________ to _________

Commission file number: 33-92990; 333-237134

TIAA REAL ESTATE ACCOUNT
(Exact name of registrant as specified in its charter)
NEW YORK
(State or other jurisdiction of incorporation or organization)

NOT APPLICABLE
(I.R.S. Employer Identification No.)

C/O TEACHERS INSURANCE AND
ANNUITY ASSOCIATION OF AMERICA
730 THIRD AVENUE
NEW YORK, NEW YORK 10017-3206
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (212) 490-9000
Securities registered pursuant to Section 12(b) of the Act: None
Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

YES ☐ NO ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act:

YES ☐ NO ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 or regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K: Not Applicable

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" or "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller Reporting Company ☐
(Do not check if a smaller reporting company)	Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES ☐ NO ☒

Aggregate market value of voting stock held by non-affiliates: Not Applicable
Documents Incorporated by Reference: None

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PART I

ITEM 1. BUSINESS.

General. The TIAA Real Estate Account (the "Real Estate Account", the "Account" or the "Registrant") was established on February 22, 1995, as an insurance company separate account of Teachers Insurance and Annuity Association of America ("TIAA"), a New York insurance company, by resolution of TIAA's Board of Trustees (the "Board"). The Account, which invests mainly in real estate and real estate-related investments, is a variable annuity investment option offered through individual, group and tax-deferred annuity contracts available to employees in the academic, medical, cultural and research fields. The Account commenced operations on July 3, 1995, and interests in the Account were first offered to eligible participants (or "contract owners") on October 2, 1995.

The Account offers individual and group accumulating annuity contracts (with contributions made on a pre-tax or after-tax basis), as well as individual lifetime and term-certain variable payout annuity contracts (including the payment of death benefits to beneficiaries). Investors are entitled to transfer funds to or from the Account under certain circumstances. Funds invested in the Account for each category of contract are expressed in terms of units, and unit values will fluctuate depending on the Account's performance.

The Account is regulated by the New York State Department of Financial Services ("NYDFS"), and the insurance departments of certain other jurisdictions in which the annuity contracts are offered. Although TIAA owns the assets of the Real Estate Account and the Account's obligations are obligations of TIAA, the Account's income, investment gains and investment losses are credited to or charged against the assets of the Account without regard to TIAA's other income, gains, or losses. Under New York insurance law, the Account cannot be charged with liabilities incurred by any other TIAA business activities or any other TIAA separate account.

The Real Estate Account is designed as an option for retirement and tax-deferred savings plans for employees of non-profit and governmental institutions. TIAA currently offers the Real Estate Account under the following annuity contracts:

- RAs and GRAs (Retirement Annuities and Group Retirement Annuities)
- SRAs (Supplemental Retirement Annuities)
- GSRAs (Group Supplemental Retirement Annuities)
- Retirement Choice and Retirement Choice Plus Annuities
- GAs (Group Annuities) and Institutionally Owned GSRAs
- Traditional and Roth IRAs (Individual Retirement Annuities) including SEP IRAs (Simplified Employee Pension Plans)
- Keoghs
- ATRAs (After-Tax Retirement Annuities)
- Real Estate Account Accumulation Contract

Note that state regulatory approval may be pending for certain of these contracts and these contracts may not currently be available in every state. TIAA may also offer the Real Estate Account as an investment option under additional contracts, both at the individual and plan sponsor level, in the future.

Investment Objective. The Real Estate Account seeks to generate favorable total returns primarily through the rental income and appreciation of a diversified portfolio of directly held, private real estate investments and real estate-related investments, while offering investors guaranteed, daily liquidity.

Investment Strategy

Real Estate-Related Investments. The Account intends to have between 75% and 85% of its net assets invested directly in real estate or real estate-related investments with the goal of producing favorable long-term returns primarily through rental income and appreciation. These investments may consist of:

- Direct ownership interests in domestic and foreign real estate;
- Direct ownership of real estate through interests in joint ventures; or

- Indirect interests in real estate through real estate-related securities, such as:
  - public and/or privately placed, domestic and foreign, registered and unregistered equity investments in real estate investment trusts ("REITs"), which investments may consist of registered or unregistered common or preferred stock interests;
  - private real estate limited partnerships and limited liability companies (collectively, "real estate funds");
  - real estate operating businesses;
  - investments in equity or debt securities of domestic and foreign companies whose operations involve real estate (i.e., that primarily own, develop or manage real estate) which may not be REITs; and
  - domestic or foreign loans, including conventional commercial mortgage loans, participating mortgage loans, secured domestic and foreign (including U.K.) mezzanine loans, subordinated loans and collateralized mortgage obligations, including commercial mortgage-backed securities ("CMBS"), collateralized mortgage obligations ("CMOs") and other similar investments.

The Account's principal strategy is to purchase direct ownership interests in income-producing real estate, including the four primary sectors of office, industrial, retail, and multi-family, and alternative real estate sectors (defined as real estate outside of the four primary sectors noted above). The Account targets holding between 65% and 85% of the Account's net assets in such direct ownership interests.

In addition, the Account is authorized to hold up to 25% of its net assets in liquid real estate-related securities, including publicly traded REITs and CMBS. Management intends that the Account will not hold more than 10% of net assets in such securities on a long-term basis. As of December 31, 2020, the Account did not hold any publicly traded REITs or CMBS.

In making commercial real estate investments within the Account, TIAA seeks to make investments that are suitable from a financial perspective, taking into account the potential financial impacts associated with industry recognized environmental, social and governance ("ESG") criteria. The Account intends to promote awareness of these criteria to its joint venture partners, vendors and other stakeholders in connection with portfolio related activity involving commercial real estate transactions. TIAA believes awareness, and, as appropriate, implementation of ESG criteria in commercial real estate holdings is beneficial to total long-term returns for the Account. In its evaluation of commercial real estate opportunities, the Account will take ESG considerations into account as part of the financial assessment of a commercial real estate portfolio asset, and not to achieve a desired outcome or as an investment qualification or screen. Ultimately, the Account will make an investment decision that incorporates ESG criteria only to the extent that the criteria is reasonably expected to enhance our understanding of the investment's ability to achieve desired returns for the Account.

Liquid, Fixed-Income Investments. The Account will invest the remaining portion of its assets (targeted to be between 15% and 25% of its net assets) in the following types of liquid, fixed income investments;

- U.S. Treasury or U.S. Government agency securities;
- Intermediate-term or long-term government related instruments, such as bond or other fixed-income securities issued by U.S. Government agencies, U.S. states or municipalities or U.S. Government-sponsored entities as well as foreign governments and their agencies (including those in emerging markets) and supranational or multinational organizations (e.g., European Union);
- Intermediate-term or long-term non-government related instruments, such as corporate debt securities, domestic or foreign mezzanine or other debt, and structured securities, (e.g. unsecured debt obligations with a return linked to the performance of an underlying asset). Such structured securities may include asset-backed securities ("ABS") issued by domestic or foreign entities, mortgage backed securities ("MBS"), residential mortgage backed securities ("RMBS"), debt securities of foreign governments, and collateralized debt ("CDO"), collateralized bond ("CBO") and collateralized loan ("CLO") obligations, but only if such non-government related instruments are investment-grade securities;
- Money market instruments and other cash equivalents. These will usually be high-quality, short-term debt instruments, including U.S. Government or government agency securities, commercial paper, certificates of

deposit, bankers' acceptances, repurchase agreements, interest-bearing time deposits, and corporate debt securities; and

- To a limited extent, privately issued (or non-publicly traded) debt securities, including Rule 144A securities, issued by domestic and foreign companies that do not primarily own or manage real estate, but only if such domestic and foreign privately issued debt securities are investment-grade securities.

However, from time to time the Account's liquid, fixed-income investments may comprise less than 15% (and possibly less than 10%) of its assets (on a net basis), especially during and immediately following periods of significant net contract owner outflows. In addition, the Account, from time to time and on a temporary basis, may hold in excess of 25% of its net assets in liquid, fixed-income investments, particularly during times of significant inflows into the Account and/or a lack of attractive real estate-related investments available in the market.

Liquid Securities Generally. Primarily due to management's need to manage fluctuations in cash flows, in particular during and immediately following periods of significant contract owner net transfer activity into or out of the Account, the Account may, on a temporary basis (i) exceed the upper end of its targeted holdings (currently 35% of the Account's net assets) in liquid securities of all types, including both publicly traded non-real estate-related liquid investments and liquid real estate-related securities, such as REITs, and structured securities including ABS, RMBS, CMBS and MBS, or (ii) be below the low end of its targeted holdings in such liquid securities (currently 15% of the Account's net assets).

The portion of the Account's net assets invested in liquid investments of all types may exceed the upper end of its target, for example, if (i) the Account receives a large inflow of money in a short period of time, in particular due to significant contract owner transfer activity into the Account, (ii) the Account receives significant proceeds from sales or financings of direct real estate assets, (iii) there is a lack of attractive direct real estate investments available on the market, and/or (iv) the Account anticipates more near-term cash needs, including to acquire or improve direct real estate investments, pay expenses or repay indebtedness.

Foreign Investments. The Account may also make foreign real estate, foreign real estate-related investments and foreign liquid, fixed-income investments. Under the Account's investment guidelines, investments in direct foreign real estate and real estate loans, together with foreign real estate-related securities and foreign liquid, fixed-income investments may not comprise more than 25% of the Account's net assets. However, management does not intend such foreign investments, in the aggregate, to exceed 10% of the Account's net assets. As of December 31, 2020, the Account did not hold any foreign real estate investments.

In managing any domestic or foreign mezzanine debt or other domestic or foreign loans or securities, the Account may enter into certain derivatives transactions (including forward currency contracts and swaps, futures contracts, put and call options and other hedging transactions) in order to hedge against the risks of exchange rate uncertainties, interest rate uncertainties and foreign currency or market fluctuations impacting the Account's domestic or foreign investments. The Account does not intend to speculate in such transactions.

Investments Summary. At December 31, 2020, the Account's net assets totaled $23.2 billion. As of that date, the Account's investments in real estate properties, real estate joint ventures, real estate funds, a real estate operating business and loans receivable, net of the fair value of loans payable on real estate, represented 96.4% of the Account's net assets. The remaining 3.6% of net assets is primarily comprised of short-term marketable securities such as U.S. Treasury securities and U.S. government agency notes.

Borrowing. The Account is authorized to borrow money and assume or obtain a mortgage on a property (i.e., make leveraged real estate investments) in accordance with the Account's current investment guidelines. Under such guidelines, management intends to maintain the Account's loan-to-value ratio (as defined below) at or below 30%. Forms of borrowing may include:

- placing new debt on properties;
- refinancing outstanding debt;
- assuming debt on the Account's properties;
- extending the maturity date of outstanding debt;

- an unsecured line of credit, credit facility or bank loan; or
- the issuance of debt securities.

The Account's loan-to-value ratio at any time is based on the ratio of the outstanding principal amount of the Account's debt to the Account's total gross asset value and excludes leverage, if any, employed by REITs and underlying partnerships or investment funds in which the Account invests. This ratio will be measured at the time of any debt incurrence and will be assessed after giving effect thereto. The Account's total gross asset value, for these purposes, is equal to the total fair value of the Account's assets (including the fair value of the Account's interest in joint ventures), with no reduction associated with any indebtedness on such assets. In calculating outstanding indebtedness, we include only the Account's actual percentage interest in any borrowings on a joint venture investment and not that of any joint venture partner. Also, at the time the Account (or a joint venture in which the Account is a partner) enters into a revolving or other line of credit, management includes only amounts outstanding when calculating outstanding indebtedness.

As of December 31, 2020, the principal amount of mortgages secured by the Account's wholly-owned properties was $2.3 billion. When combined with the Account's equity share of the $3.0 billion in mortgages held within and serviced by the Account's joint venture investments and a $51.2 million loan collateralized by a loan receivable, the Account's total outstanding debt is $5.4 billion, which is used to derive the Account's loan-to-value ratio of 18.5% as of December 31, 2020.

In times of high net inflow activity, in particular during times of high net contract owner transfer inflows, management may determine to apply a portion of cash flows to make prepayments of indebtedness prior to scheduled maturity, which would have the effect of reducing the Account's loan-to-value ratio. Such prepayments may require the Account to pay fees or "yield maintenance" amounts to lenders.

The Account may borrow up to 70% of the then-current value of a property, although construction loans may be for 100% of costs incurred in developing the property. Except for construction loans, any mortgage loans on a property will be non-recourse to the Account. For this purpose, non-recourse means that if there is a default on a loan in respect to a specific property, the lender will have recourse to (i.e., be able to foreclose on) only the property encumbered (or the joint venture owning the property), or to other specific Account properties that may have been pledged as security for the defaulted loan, but not to any other assets of the Account.

Currently, TIAA, on behalf of the Account, maintains (i) a senior revolving unsecured line of credit pursuant to an existing credit agreement with a syndicate of third-party bank lenders, including JPMorgan Chase Bank, N.A., as administrative agent (the "Syndicated Credit Agreement"), and (ii) a stand-alone unsecured line of credit from JPMorgan Chase Bank, N.A. (the "JPM Credit Agreement") (collectively, the "Credit Agreements"). The Account may use the proceeds of borrowings under the Credit Agreements for funding general organizational purposes of the Account in the ordinary course of business, including financing certain real estate portfolio investments. The Account may enter into additional unsecured lines of credit, credit facilities and term bank loans underwritten by one or more third-party lenders. In addition, from time to time, the Account may, if permitted by applicable insurance laws, borrow capital for operating or other needs by offering debt securities

Risk Factors. The Account's assets and income can be affected by a variety of risk factors. These risks are more fully described under Item 1A of this report.

Personnel and Management. The Account has no officers, directors or employees. TIAA employees, under the direction and control of the Board, manage the investment of the Account's assets, following investment management procedures TIAA has adopted for the Account. References to "Management" herein refer to the employees and officers of TIAA responsible for management of the Account. In addition, TIAA performs administration functions for the Account (which includes receiving and allocating premiums, calculating and making annuity payments and providing recordkeeping and other services). Distribution services for the Account (which include, without limitation, distribution of the annuity contracts, advising existing annuity contract owners in connection with their accumulations and helping employers implement and manage retirement plans) are performed by TIAA-CREF Individual & Institutional Services, LLC ("Services"), a wholly-owned subsidiary of TIAA and registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA"). TIAA and

Services provide investment management, administration, and distribution services, as applicable, to the Account on an "at-cost" basis.

Contracts. TIAA offers the Account as a variable option for the annuity contracts listed earlier in this Item 1, although some employer plans may not offer the Account as an option for certain contracts. Each payment to the Account buys a number of accumulation units. Similarly, any transfer or withdrawal from the Account results in the redemption of a number of accumulation units. The price paid for an accumulation unit, and the price received for an accumulation unit when redeemed, is the accumulation unit value ("AUV") calculated for the business day on which the contract owner's purchase, redemption or transfer request is received in good order (unless a contract owner asks for a later date for a redemption or transfer).

Subject to the terms of the contracts and a contract owner's employer's plan, a contract owner can move money to and from the Account in the following ways, among others:

- from the Account to a College Retirement Equities Fund ("CREF") investment account, a TIAA Access variable account (if available), TIAA's Traditional Annuity or a mutual fund (including TIAA-CREF affiliated mutual funds) or other options available under the plan;
- to the Account from a CREF investment account, a TIAA Access variable account (if available), TIAA's Traditional Annuity (transfers from TIAA's Traditional Annuity under RA, GRA or Retirement Choice contracts are subject to restrictions), a TIAA-CREF affiliated mutual fund or from other companies/ plans;
- by withdrawing cash; and/or
- by setting up a program of automatic withdrawals or transfers.

Importantly, transfers out of the Account to a TIAA or CREF account or into another investment option can be executed on any business day, but are limited to once per calendar quarter, although some plans may allow systematic transfers that result in more than one transfer per calendar quarter. TIAA reserves the right to stop accepting transfers into the Account at any time. Other limited exceptions may apply. Also, transfers to CREF accounts or to certain other options may be restricted by an employer's plan, current tax law or by the terms of a contract owner's contract. In addition, with most contracts, individual contract owners are subject to certain limitations on making internal transfers into their Account accumulation if, after giving effect to such transfer, the total value of such contract owner's Account accumulation (under all contracts issued to such contract owner) would exceed $150,000. Categories of transactions that TIAA deems "internal funding vehicle transfers" for purposes of this limitation are described in the applicable contract or endorsement form in the Account's prospectus. The effective date of the limitation as it applies to an individual contract owner will be reflected on his or her applicable contract or endorsement form.

Appraisals and Valuations. With respect to the Account's real property investments or associated interest in the underlying property held by a joint venture investment (collectively "real properties"), following the initial purchase of a property or the making of a mortgage loan on a property by the Account (at which time the Account normally receives an independent appraisal on such property), each of the Account's real properties are appraised, and mortgage loans are valued, at least once every calendar quarter or sooner as circumstances arise. Each of the Account's real estate properties is appraised each quarter by an independent third-party state-certified (or its foreign equivalent) appraiser (which we refer to in this report as an "independent appraiser") who is a member of a professional appraisal organization. In addition, TIAA's internal appraisal staff performs a review of each of these quarterly appraisals, in conjunction with the Account's independent fiduciary, and TIAA's internal appraisal staff or the independent fiduciary may request an additional appraisal or valuation outside of this quarterly cycle. Any differences in the conclusions of TIAA's internal appraisal staff and the independent appraiser will be reviewed by the independent fiduciary, which will make a final determination on the matter (which may include ordering a subsequent independent appraisal).

In general, the Account records appraisals of its real estate properties spread out throughout the quarter, which is intended to result in appraisal adjustments and thus adjustments to the valuations of its holdings (to the extent adjustments are made) happen regularly throughout each quarter and not on one specific day in each period. In addition, an estimated daily equivalent of net operating income is taken into consideration and is adjusted for actual transactional activity. The remaining assets in the Account are primarily marketable securities that are priced on a daily basis. See “Management’s Discussion and Analysis of the Account’s Financial Condition and Results of Operations—Critical Accounting Estimates” in this Form 10-K for more information on how each class of the Account’s investments are valued.

Liquidity Guarantee. The TIAA General Account provides the Account with a liquidity guarantee enabling the Account to have funds available to meet contract owner redemption, transfer or cash withdrawal requests. The Account pays TIAA for the risk associated with providing the liquidity guarantee through a daily deduction from the Account’s net assets. If the Account cannot fund contract owner requests from the Account’s own cash flow and liquid investments, the TIAA General Account will fund them by purchasing accumulation units issued by the Account (accumulation units that are purchased by TIAA are generally referred to as “liquidity units”). The liquidity guarantee is required by the NYDFS. TIAA guarantees that contract owners can redeem their accumulation units at the accumulation unit value next determined after their transfer or cash withdrawal request is received in good order. Liquidity units owned by TIAA are valued in the same manner as accumulation units owned by the Account’s contract owners.

The liquidity guarantee is not a guarantee of the investment performance of the Account or a guarantee of the value of a contract owner’s units.

Redemption of Liquidity Units. The independent fiduciary is vested with oversight and approval over any redemption of TIAA’s liquidity units, acting in the best interests of Real Estate Account contract owners.

To the extent liquidity units are held by the TIAA General Account, the independent fiduciary reserves the right to authorize or direct the redemption of all or a portion of liquidity units at any time. Upon termination and liquidation of the Account (wind-up), any liquidity units held by TIAA will be the last units redeemed, unless the independent fiduciary directs otherwise.

Independent Fiduciary. Because TIAA’s ability to purchase and sell liquidity units raises certain technical issues under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), TIAA applied for and received a prohibited transaction exemption from the U.S. Department of Labor in 1996 (“PTE 96-76”). In connection with the exemption, TIAA has appointed an independent fiduciary for the Account, with overall responsibility for reviewing the Account’s transactions to determine whether they are in accordance with the Account’s investment guidelines. RERC, LLC, a real estate consulting firm whose principal offices are located in West Des Moines, IA (“RERC”), was appointed as independent fiduciary effective March 1, 2006 and currently serves as the Account’s independent fiduciary, pursuant to an amended and restated letter agreement effective March 1, 2018, whose term expires on February 28, 2022. The independent fiduciary’s responsibilities include:

- reviewing and approving the Account’s investment guidelines and monitoring whether the Account’s investments comply with those guidelines;
- reviewing and approving valuation procedures for the Account’s properties;
- approving adjustments to any property valuations that change the value of the property or the Account as a whole above or below certain prescribed levels, or that are made within three months of the annual independent appraisal;
- reviewing and approving how the Account values accumulation and annuity units;
- approving the appointment of all independent appraisers;
- reviewing the purchase and sale of units by TIAA to ensure that the Account uses the correct unit values; and
- requiring appraisals besides those normally conducted, if the independent fiduciary believes that any of the properties have changed materially, or that an additional appraisal is necessary to ensure the Account has correctly valued a property.

In addition, the independent fiduciary has certain responsibilities with respect to the Account that it had historically undertaken or is currently undertaking with respect to TIAA’s purchase and ownership of liquidity units, including among other things, reviewing the purchases and redemption of liquidity units by TIAA to ensure the Account uses the correct unit values. In connection therewith, as set forth in PTE 96-76, the independent fiduciary’s responsibilities include:

- establishing the percentage of total accumulation units that TIAA's ownership should not exceed (the "trigger point") and creating a method for changing the trigger point;
- approving any adjustment of TIAA's ownership interest in the Account and, in its discretion, requiring an adjustment if TIAA's ownership of liquidity units reaches the trigger point; and
- once the trigger point has been reached, participating in any program to reduce TIAA's ownership in the Account by utilizing cash flow or liquid investments in the Account, or by utilizing the proceeds from asset sales. If the independent fiduciary were to determine that TIAA's ownership should be reduced following the trigger point, its role in participating in any asset sales program would include (i) participating in the selection of properties for sale, (ii) providing sales guidelines, and (iii) approving those sales if, in the independent fiduciary's opinion, such sales are desirable to reduce TIAA's ownership of liquidity units.

Available Information. The Account's annual report on Form 10-K, quarterly reports on Form 10-Q, and any amendments to those reports, filed by the Account with the Securities and Exchange Commission on or after the date hereof, can be accessed free of charge at www.tiaa.org. Information contained on this website is expressly not incorporated by reference into this annual report on Form 10-K.

SUMMARY RISK FACTORS.

Investing in the Account involves a high degree of risk. Some, but not all, of the risks and uncertainties that we face are risks related to:

- Acquiring, owning and selling real property and real estate investments, including risks related to general economic and real estate market conditions, the risk that the Account's properties become too concentrated (whether by geography, sector or by tenant mix) and the risk that the sales price of a property might differ from its estimated or appraised value;
- Property valuations, including the fact that the Account's appraisals are generally obtained on a quarterly basis and there may be periods in between appraisals of a property during which the value attributed to the property for purposes of the Account's daily accumulation unit value may be more or less than the actual realizable value of the property;
- Financing the Account's properties, including the risk of default on loans secured by the Account's properties (which could lead to foreclosure);
- Contract owner transactions, in particular that (i) significant net contract owner transfers out of the Account may impair our ability to pursue or consummate new investment opportunities, (ii) significant net contract owner transfers into the Account may result, on a temporary basis, in our cash holdings and/or holdings in liquid non-real estate-related investments exceeding our long-term targeted holding levels and (iii) high levels of cash and liquid non-real estate-related investments in the Account during times of appreciating real estate values can impair the Account's overall return;
- Joint ventures and real estate funds, including the risk that the Account may gave limited rights with respect to the joint venture or that a co-venturer or fund manager may have financial difficulties;
- Governmental regulatory matters such as zoning laws, rent control laws, and property taxes;
- Potential liability for damage to the environment or injury to individuals caused by hazardous substances used or found on its properties, as well as risks associated with federal and state environmental laws may impose restrictions on the manner in which a property may be used;
- Certain catastrophic losses that may be uninsurable, as well as risks related to climate-related changes and hazards, which could adversely impact the Account's investment returns;
- The utilization of ESG criteria in its commercial real estate underwriting may result in the Account foregoing some commercial real estate market opportunities and subsequently underperforming relative to other investment vehicles that do not utilize such ESG criteria in selecting portfolio properties;
- Especially with respect to countries with emerging market, foreign commercial real properties, foreign real estate loans, foreign debt investments and foreign securities investments may experience unique risks such as changes in currency exchange rates, imposition of market controls or currency exchange controls, seizure, expropriation or nationalization of assets, political, social or diplomatic events or unrest, regulatory and taxation

risks and risks associated with enforcing judgments in foreign countries that could cause the Account to lose money;

- Investments in REITs, including changes in the value of the underlying properties or by the quality of any credit extended, as well as exposure to market risk due to changing conditions in the financial markets;
- Investments in mortgage-backed securities, which are subject to the same risks inherent in real estate investing, making mortgage loans and investing in debt securities. For example, the underlying mortgage loans may experience defaults, are subject to prepayment risks and are sensitive to economic conditions impacting the credit markets generally;
- Risks associated with the Account's investments in mortgage loans, including (i) borrower default that results in the Account being unable to recover its original investment, (ii) liens that may have priority over the Account's security interest, (iii) a deterioration in the financial condition of tenants, and (iv) changes in interest rates for the Account's variable-rate mortgage loans and other debt instruments;
- Investment securities issued by U.S. Government agencies and U.S. Government-sponsored entities, including the risk that the issuer may not have their securities backed by the full faith and credit of the U.S. Government, which could adversely affect the pricing and value of such securities;
- Risks associated with investments in liquid, fixed-income investments and real estate-related liquid assets (which could include, from time to time, registered or unregistered REIT securities and CMBS), and non-real estate-related liquid assets, including the risk that:
  - the issuer will not be able to pay principal and interest when due (or in the case of structured securities, the risk that the underlying collateral for the security may be insufficient to support such interest or principal payments) or that the issuer's earnings will fall;
  - credit spreads may increase;
  - the changing conditions in financial markets may cause the Account's investments or interest rates to experience volatility;
  - securities (or the underlying collateral in the case of structured securities) are downgraded should TIAA and/or rating agencies believe the issuer's business outlook or creditworthiness has deteriorated;
  - the level of current income from a portfolio of fixed-income investments may decline in certain interest rate environments;
  - during periods of falling interest rates, an issuer may call (or repay) a fixed-income security prior to maturity, or pay off their loans sooner than expected, resulting in a decline in income;
  - during periods of rising interest rates, borrowers may pay off their mortgage and other loans later than expected, preventing the Account from reinvesting principal proceeds at higher interest rates;
  - securities issued by the U.S. Government or one of its agencies or instrumentalities may receive varying levels of support from the U.S. Government, which could affect the Account's ability to recover should they default;
  - events affecting states and municipalities, including severe financial difficulties, may adversely impact the Account's investments and its performance;
  - the issuer of non-U.S. sovereign debt or the governmental authorities that control the repayment of such debt may be unable or unwilling to repay principal or interest when due;
  - the inability to receive the principal or interest collectable on multinational or supranational foreign debt;
  - the Account's investment decisions may cause the Account to underperform relative to others in the marketplace;
  - foreign (non-U.S.) currencies may decline in value relative to the U.S. dollar and adversely affect the value of the Account's investments impacted by foreign currencies;
  - investments in derivatives and other types of hedging strategies may result in the Account losing more than the principal amount invested;
  - currency management strategies may substantially change the Account's exposure to currencies and currency exchange rates and could result in losses to the Account;

    - transactions involving a counterparty to a derivative or other instrument, or to a third party responsible for servicing the instrument, are subject to the credit risk of the counterparty or third party;
    - SEC Rule 144A securities may be less liquid and have less investor protections than publicly traded securities;
    - illiquid investments may be difficult for the Account to sell for the value at which they are carried; and
    - the Account could experience losses if banks fail;
- Conflicts of interests associated with TIAA serving as investment manager of the Account and provider of the liquidity guarantee while also serving as an investment manager to other real estate accounts or funds;
- Lending securities, which has the Account bear the market risk with respect to the investment of collateral or a portion of the income generated by interest paid by the securities lending agent on the cash collateral balance; and
- The Account's requirement to sell property in the event that TIAA owns too large of a percentage of the Account's accumulation units, which sales could occur at a time or price that is not optimal for the Account's returns.

This summary does not address all of the risks that we face. Additional discussion of the risks summarized above, and other risks that we face, can be found in the "Risk Factors" section directly below.

ITEM 1A. RISK FACTORS.

The value of your investment in the Account will fluctuate based on the value of the Account's assets, the income the assets generate and the Account's expenses. Contract owners can lose money by investing in the Account. The past performance of the Account is not indicative of future results. There is risk associated with an investor attempting to "time" an investment in the Account's units, or effecting a redemption of an investor's units. The Account's assets and income can be affected by many factors, and you should consider the specific risks presented below before investing in the Account. In particular, for a discussion of how forward-looking statements contained in this annual report on Form 10-K are subject to uncertainties that are difficult to predict, which may be beyond management's control and which could cause actual results to differ materially from historical experience or management's present expectations, please refer to the subsection entitled *"Forward-Looking Statements*," which is contained in the section entitled *"Management's Discussion and Analysis of the Account's Financial Condition and Results of Operations."*

RISKS ASSOCIATED WITH REAL ESTATE INVESTING

General Risks of Acquiring and Owning Real Property. As referenced elsewhere in this report, the substantial majority of the Account's net assets consist of direct ownership interests in real estate. As such, the Account is particularly subject to the risks inherent in acquiring and owning real property, including in particular the following:

- *Adverse Global and Domestic Economic Conditions.* The economic conditions in the markets where the Account's properties are located may be adversely impacted by factors which include:
    - ◦ adverse domestic or global economic conditions, particularly in the event of a deep recession which results in significant employment losses across many sectors of the economy and reduced levels of consumer spending;
    - ◦ a weak market for real estate generally and/or in specific locations where the Account may own property, including, among other reasons, as a result of an epidemic, pandemic or other health-related issue in one or more markets where the Account owns property;
    - ◦ business closings, industry or sector slowdowns, employment losses and related factors;
    - ◦ the availability of financing (both for the Account and potential purchasers of the Account's properties);
    - ◦ an oversupply of, or a reduced demand for, certain types of real estate properties;
    - ◦ natural disasters (including hurricanes and tsunamis), rising sea levels due to global climate warming or otherwise, flooding and other significant and severe weather-related events;
    - ◦ health emergencies, such as pandemics and epidemics;
    - ◦ cyber attacks;

- terrorist attacks and/or other man-made events; and
- decline in population or shifting demographics.

The incidence of some or all of these factors could reduce occupancy, rental rates and the fair value of the Account's real properties or interests in investment vehicles (such as real estate funds) which directly hold real properties.

Concentration Risk. The Account may experience periods in which its investments are geographically concentrated, either regionally or in certain markets with similar demographics. Further, while the Account seeks diversification across the four primary sectors of office, industrial, retail and multi-family, as well as across alternative real estate sectors, the Account may experience periods where it has concentration in one property type, increasing the potential exposure if there were to be an oversupply of, or a reduced demand for, certain types of real estate properties in the markets in which the Account operates. Also, the Account may experience periods in which its tenant base is concentrated within a particular primary industry sector (e.g., retail mall shopping centers, industrial properties or office space) or an alternative real estate sector. If any or all of these events occur, the Account's income and performance may be adversely impacted disproportionately by deteriorating economic conditions in those areas or industry sectors in which the Account's investments are concentrated. Also, the Account could experience a more rapid negative change in the value of its real estate investments than would be the case if its real estate investments were more diversified.

Leasing Risk. A number of factors could cause the Account's rental income, a key source of the Account's revenue and investment return, to decline, which would adversely impact the Account's results and investment returns. These factors include the following:

- A property may be unable to attract new tenants or retain existing tenants. This situation could be exacerbated if a concentration of lease expirations occurred during any one time period or multiple tenants exercise early termination at the same time.
- The financial condition of our tenants may be adversely impacted, particularly in a prolonged economic downturn. The Account could lose revenue if tenants do not pay rent when contractually obligated, request some form of rent relief and/or default under a lease at one of the Account's properties. Such a default could occur if a tenant declared bankruptcy, suffered from a lack of liquidity, failed to continue to operate its business or for other reasons. In the event of any such default, we may experience a delay in, or an inability to effect, the enforcement of our rights against that tenant, particularly if that tenant filed for bankruptcy protection. Further, any disputes with tenants could involve costly and time consuming litigation.
- In the event a tenant vacates its space in one of the Account's properties, whether as a result of a default, the expiration of the lease term, rejection of the lease in bankruptcy or otherwise, given current market conditions, we may not be able to re-lease the vacant space either (i) for as much as the rent payable under the previous lease or (ii) at all. Also, we may not be able to re-lease such space without incurring substantial expenditures for tenant improvements and other lease-up related costs, while still being obligated for any mortgage payments, real estate taxes and other expenditures related to the property. In some instances, the Account's properties may be specifically suited to and/or outfitted for the particular needs of a certain tenant based on the type of business the tenant operates. The Account may have difficulty obtaining a new tenant for any vacant space in its properties, particularly if the current structure of the developed property (e.g., floor plan or otherwise) limits the types of businesses that can use the space without major renovation, which may require the Account to incur substantial expense in re-planning the space. Also, upon expiration of a lease, the space preferences of the Account's major tenants may no longer align with the space they previously rented, which could cause those tenants to not renew their lease, or may require the Account to expend significant sums to reconfigure the space to their needs.
- The Account owns and operates retail properties, which, in addition to the risks listed above, are subject to specific risks, including the insolvency and/or closing of an anchor tenant for certain properties. Many times, anchor tenants will be "big box" stores and other large retailers that can be particularly adversely impacted by a global recession, competition from online retailers and reduced consumer spending generally. Factors that can impact the level of consumer spending include increases in fuel and energy costs, residential and commercial real estate and mortgage conditions, labor and healthcare costs, access to credit, consumer confidence and other

macroeconomic factors. Under certain circumstances, co-tenancy clauses in tenants' leases may allow certain tenants in a retail property to terminate their leases or reduce or withhold rental payments when overall occupancy at the property falls below certain minimum levels. The insolvency and/or closing of an anchor tenant may also cause such tenants to terminate their leases, or to fail to renew their leases at expiration.

Competition. The Account may face competition for real estate investments from multiple sources, including individuals, corporations, insurance companies or other insurance company separate accounts, as well as real estate funds, commercial developers, pension plans, other institutional and foreign investors and other entities engaged in real estate investment activities. Some of these competitors may have similar financial and other resources as the Account, and/or they may have investment strategies and policies (including the ability to incur significantly more leverage than the Account) that allow them to compete more aggressively for real estate investment opportunities, which could result in the Account paying higher prices for investments, experiencing delays in acquiring investments or failing to consummate such purchases. Any resulting delays in the acquisition of investments, or the failure to consummate acquisitions the Account deems desirable, may increase the Account's costs or otherwise adversely affect the Account's investment results. In addition, the Account's properties may be located close to properties that are owned by other real estate investors and that compete with the Account for tenants. These competing properties may be better located, more suitable for tenants than our properties, or have owners who may compete more aggressively for tenants, resulting in a competitive advantage for these other properties. The Account may also face similar competition from other properties that may be developed in the future. This competition may limit the Account's ability to lease space, increase its costs of securing tenants, and limit the Account's ability to maximize our rents and/or require the Account to make capital improvements it otherwise would not, in order to make its properties more attractive to prospective tenants.

Operating Costs. A property's cash flow could decrease if operating costs, such as property taxes, utilities, litigation expenses associated with a property, maintenance and insurance costs that are not reimbursed by tenants, increase in relation to gross rental income, or if the property needs unanticipated repairs and renovations. In addition, the Account's expenses of owning and operating a property are not necessarily reduced when the Account's income from a property is reduced.

Condemnation. A governmental agency may condemn and convert for a public use (i.e., through eminent domain) all or a portion of a property owned by the Account. While the Account would receive compensation in connection with any such condemnation, such compensation may not be in an amount the Account believes represents the equivalent value for the condemned property. Further, a partial condemnation could impair the ability of the Account to maximize the value of the property during its operation, including making it more difficult to find new tenants or retain existing tenants. Finally, a property which has been subject to a partial condemnation may be more difficult to sell at a price the Account believes is appropriate.

Terrorism and Acts of War and Violence. Terrorist attacks may harm our property investments. The Account can provide no assurance that there will not be further terrorist attacks against the United States or U.S. businesses or elsewhere in the world. These attacks or armed conflicts may directly or indirectly impact the value of the property the Account owns or that secure our loans. Losses resulting from these types of events may be uninsurable or not insurable to the full extent of the loss suffered. Moreover, any of these events could cause consumer confidence and spending to decrease or result in increased volatility in the United States, worldwide financial markets, and the global economy. Such events could also result in economic uncertainty in the United States or abroad. Adverse economic conditions resulting from terrorist activities could reduce demand for space in the Account's properties and thereby reduce the value of the Account's properties and therefore your investment return.

Risk of Limited Warranty. Purchasing a property "as is" or with limited warranties, which limit the Account's recourse if due diligence fails to identify all material risks, can negatively impact the Account by reducing the value of such properties and increasing the Account's cost to hold or sell properties.

General Risks of Selling Real Estate Investments. Among the risks of selling real estate investments are:

- The sale price of an Account property might differ, perhaps significantly, from its estimated or appraised value, leading to losses or reduced profits to the Account.

- The Account might not be able to sell a property at a particular time for a price which management believes represents its fair or full value. This illiquidity may result from the cyclical nature of real estate, general economic conditions impacting the location of the property, disruption in the credit markets or the availability of financing on favorable terms or at all, and the supply of and demand for available tenant space, among other reasons. This might make it difficult to raise cash quickly which could impair the Account's liquidity position (particularly during any period of sustained significant net contract owner outflows) and also could lead to Account losses. Further, the liquidity guarantee does not serve as a working capital facility or credit line to enhance the Account's liquidity levels generally, as its purpose is tied to contract owners having the ability to redeem their accumulation units upon demand (thus alleviating the Account's need to dispose of properties solely to increase liquidity levels in what management deems a suboptimal sales environment).
- The Account may need to provide financing to a purchaser if no cash buyers are available, or if buyers are unable to receive financing on terms enabling them to consummate the purchase. Such seller financing introduces a risk that the counterparty may not perform its obligations to repay the amounts borrowed from the Account to complete the purchase.
- For any particular property, the Account may be required to make expenditures for improvements to, or to correct defects in, the property before the Account is able to market and/or sell the property.
- Interests in real estate funds tend to be, in particular, illiquid and the Account may be unable to dispose of such investments at opportune times.
- Sales of the Account's properties are subject to other risks including, but not limited to, negative changes in the climate for real estate, risks related to local, regional, national and global economic conditions, overbuilding and increased competition, property taxes and operating expenses, uninsured losses at properties due to terrorism, natural disasters or acts of violence, and costs resulting from the cleanup of environmental problems.
- When the Account sells property, it is often required to provide some amount of indemnity for loss to the buyer. While the Account takes steps to try to mitigate the impact of the indemnities, such indemnities could negatively impact the sale price or result in claims by the buyer for indemnity in the future, which could increase the Account's expenses and thereby reduce the return on investment.

Valuation and Appraisal Risks. Investments in the Account's assets are stated at fair value, which is defined as the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date. Determination of fair value, particularly for real estate assets, involves significant judgment. Valuation of the Account's real estate properties (which comprise a substantial majority of the Account's net assets) are based on real estate appraisals, which are estimates of property values based on a professional's opinion and may not be accurate predictors of the amount the Account would actually receive if it sold a property. Appraisals can be subjective in certain respects and rely on a variety of assumptions and conditions at that property or in the market in which the property is located, which may change materially after the appraisal is conducted. Among other things, market prices for comparable real estate may be volatile, in particular if there has been a lack of recent transaction activity in such market. Any future disruptions in the macro-economy, real estate markets and the credit markets, such as those that occurred from 2008-2011, could lead to a significant decline in real estate transaction activity in most markets and sectors in which the Account is invested. The resulting lack of observable transaction data may make it more difficult for a property appraisal to determine the fair value of the Account's investment in one or more real estate assets. In addition, a portion of the data used by appraisers is based on historical information at the time the appraisal is conducted, and subsequent changes to such data, after an appraiser has used such data in connection with the appraisal, may not be adequately captured in the appraised value. Also, to the extent that the Account uses a relatively small number of independent appraisers to value a significant portion of its properties, valuations may be subject to any institutional biases of such appraisers and their valuation procedures.

Further, as the Account generally obtains appraisals on a quarterly basis, there may be circumstances in the period between appraisals or interim valuation adjustments in which the true realizable value of a property is not reflected in the Account's daily net asset value calculation or in the Account's periodic consolidated financial statements. This disparity may be more apparent when the commercial and/or residential real estate markets experience an overall and possibly dramatic decline (or increase) in property values in a relatively short period of time between appraisals.

If the appraised values of the Account's properties as a whole are too high, those contract owners who purchased accumulation units prior to (i) a downward valuation adjustment of a property or multiple properties or (ii) a property or properties being sold for a lower price than the appraised value will be credited with less of an interest than if the value had previously been adjusted downward. Also, those contract owners who redeem during any such period will have received more than their pro rata share of the value of the Account's assets, to the detriment of other non-redeeming contract owners. In particular, appraised property values may prove to be too high (as a whole) in a rapidly declining commercial real estate market. Further, implicit in the Account's definition of fair value is a principal assumption that there will be a reasonable time to market a given property and that the property will be exchanged between a willing buyer and willing seller in a non-distressed scenario. However, an appraised value may not reflect the actual realizable value that would be obtained in a rush sale where time was of the essence. Also, appraised values may lag actual realizable values to the extent there is significant and rapid economic deterioration in a particular geographic market or a particular sector within a geographic market.

If the appraised values of the Account's properties as a whole are too low, those contract owners who redeem prior to (i) an upward valuation adjustment of a property or multiple properties or (ii) a property or properties being sold for a higher price than the appraised value will have received less than their pro rata share of the value of the Account's assets, and those contract owners who purchase units during any such period will be credited with more than their pro rata share of the value of the Account's assets.

Finally, the Account recognizes items of income (such as net operating income from real estate investments, distributions from real estate funds or joint ventures, or dividends from REIT stocks) and expense in many cases on an intermittent basis, where the Account cannot predict with certainty the magnitude or the timing of such items. As such, even as the Account estimates items of net operating income on a daily basis, the AUV for the Account may fluctuate, perhaps significantly, from day to day, as a result of adjusting these estimates for the actual realized item of income or expense.

Risks of Borrowing. The Account acquires some of its properties subject to existing financing and from time to time borrows new funds at the time of purchase. The Account may borrow pursuant to mortgages placed on individual properties, under the Account's two unsecured revolving credit agreements ("Credit Agreements"), under another unsecured line of credit, credit facility or term bank loan into which the Account enters in the future, or under the terms of debt securities that the Account may offer in the future. Also, the Account may from time to time place new leverage on, increase the leverage already placed on, or refinance maturing debt on, existing properties the Account owns. Under the Account's current investment guidelines, the Account intends to maintain its loan-to-value ratio at or below 30% (measured at the time of incurrence and after giving effect thereto). As of December 31, 2020, the Account's loan-to-value ratio was approximately 18.5%. Also, the Account may borrow up to 70% of the then-current value of a particular property. Non-construction mortgage loans on a property will be non-recourse to the Account, except for standard non-recourse carve outs. Among the risks of borrowing money, including borrowing under the Credit Agreements, any future line of credit, credit facility or term bank loan, the issuance of debt securities by the Account, or under another line of credit or credit facility, or otherwise investing in a property subject to a mortgage are the following:

- *General Economic Conditions.* General economic conditions, dislocations in the capital or credit markets generally or the market conditions then in effect in the real estate finance industry, may hinder the Account's ability to obtain financing or refinancing for its property investments on favorable terms or at all, regardless of the quality of the Account's property for which financing or refinancing is sought. Such unfavorable terms might include high interest rates, increased fees and costs and restrictive covenants applicable to the Account's operation of the property. Longer term disruptions in the capital and credit markets as a result of uncertainty, changing or increased regulation, reduced alternatives, rising interest rates or failures of significant financial institutions could adversely affect our access to financing necessary to make profitable real estate investments. Our failure to obtain financing or refinancing on favorable terms due to the current state of the credit markets or otherwise could have an adverse impact on the returns of the Account. Also, the Account's ability to continue to secure financing may be impaired if negative marketplace effects, such as those which followed from the worldwide economic slowdown following the 2008-2011 financial crisis or the subsequent sovereign debt and banking difficulties experienced in parts of the Eurozone, were to occur. Such marketplace effects could result in tighter lending standards instituted by banks and financial institutions, the reduced availability of credit facilities and project finance facilities from banks and the fall of consumer and/or business confidence.

- *Default Risk.* The property or group of encumbered properties may not generate sufficient cash flow to support the debt service on the mortgage loan. The property may also fail to meet certain financial or operating covenants contained in the loan documents and/or the property may have negative equity (i.e., the loan balance exceeds the value of the property) or inadequate equity. In addition, income from properties or investments or any other source of income for the Account may not generate sufficient cash flow to support the debt service on a line of credit or credit facility. In any of these circumstances, we (or a joint venture in which we invest) may default on the loan, including due to the failure to make required debt service payments when due. If a loan is in default, the Account or the venture may determine that it is not economically desirable and/or in the best interests of the Account to continue to make payments on the loan (including accessing other sources of funds to support debt service on the loan), and/or the Account or venture may not be able to otherwise remedy such default on commercially reasonable terms or at all. In either case, the lender then could accelerate the outstanding amount due on the loan and/or foreclose on the underlying property, in which case the Account could lose the value of its investment in the foreclosed property. Further, any such default or acceleration could trigger a default under loan agreements in respect of other Account properties pledged as security for the defaulted loan or other loans. Finally, any such default could subject the Account to the costs of litigation, increase the Account's borrowing costs, or result in less favorable terms, with respect to financing future properties or entering into future lines of credit or credit facilities, obtaining future bank term loans or issuing debt securities in the future.
- *Balloon Maturities.* If the Account obtains a mortgage loan that involves a balloon payment, there is a risk that the Account will not be able to make the lump sum principal payment due under the loan at the end of the loan term, or otherwise obtain adequate refinancing on terms commercially acceptable to the Account or at all. The Account then may be forced to sell the property or other properties under unfavorable market conditions, restructure the loan on terms not advantageous to the Account, or default on its mortgage, resulting in the lender exercising its remedies, which may include repossession of the property, and the Account could lose the value of its investment in that property.
- *Variable Interest Rate Risk.* If the Account obtains variable-rate loans, the Account's returns may be volatile when interest rates are volatile. Generally, changes in interest rates will have a smaller effect on the market value of variable-rate loans than on the market value of comparable fixed-rate obligations. Further, the Account is exposed to interest rate risk with respect to variable-rate indebtedness based on current property-level mortgage financings, and may become exposed to such interest rate risk in any future borrowings under the Credit Agreements, one or more future bank term loans or any future issuance of debt securities. Any increase in interest rates under such debt financing arrangements would directly result in higher interest expense costs to the Account. Any interest rate hedging activities the Account engages in to mitigate this risk may not fully protect the Account from the impact of interest rate volatility. As of December 31, 2020, the outstanding principal balance of our variable rate indebtedness, including mortgage loans payable and lines of credit was $105.0 million.
  - *Variable Rate Demand Obligation ("VRDO") Risk.* To the extent the Account obtains financing pursuant to a VRDO subject to periodic remarketing or similar mechanisms, the Account or the joint ventures in which it invests could face higher borrowing costs if the remarketing results in a higher prevailing interest rate. In addition, the terms of such VRDOs may allow the remarketing agent to cause the Account or venture to repay the loan on demand in the event insufficient market demand for such loans is present.
  - *Valuation Risk.* The market valuation of loans payable could have an adverse impact on the Account's performance. Valuations of loans payable are generally based on the amount at which the liability could be transferred in a current transaction, exclusive of transaction costs, and such valuations are subject to a number of assumptions and factors with respect to the loan and the underlying property, a change in any of which could cause the value of a mortgage loan to fluctuate. In addition, the Account may not be able to transact at a price deemed to be attractive, if at all, which may inhibit the Account from pursuing its investment strategies or negatively impact the values of portfolio holdings. Further, an increase in interest rates or other adverse conditions (e.g., inflation/deflation, increased selling of fixed-income investments across other pooled investment vehicles or accounts, changes in investor perception or changes in government

intervention in the markets) may lead to increased transaction activity by contract owners and increased portfolio turnover, which could reduce liquidity for certain Account investments, adversely affect values of portfolio holdings and increase the Account's costs.

- *Underlying Leverage Risk by Certain Portfolio Investments*. Certain of the Account's portfolio investments, including investments in certain REITs, joint ventures and real estate funds and other investment vehicles often utilize leverage in connection with their investment activity. Such leverage is generally not included in the Account's loan-to-value calculation. In addition, higher amounts of leverage by such portfolio investments could cause the investments to lose money and negatively impact the Account's performance.

A general disruption in the credit markets, such as the disruption experienced in 2008 and 2009 or that caused by the COVID-19 pandemic in 2020, may aggravate some or all of these risks.

Investment and Cash Management Risks Associated with Contract Owner Transactions. The amount the Account has available to invest in new properties and other real estate-related assets will depend, in large part, on the level of net contract owner transfers into or out of the Account as well as contract owner premiums into the Account. As noted elsewhere in this report, the Account intends to hold between 15% and 25% of its net assets in liquid, fixed-income investments. These liquid assets are intended to be used to satisfy contract owner redemption requests and meet the Account's expense needs (including, from time to time, obligations on debt). Significant contract owner transaction activity into or out of the Account's units is generally not predictable, and wide fluctuations can occur as a result of macroeconomic, geopolitical or market conditions (including market disruptions, volatility or downturns), the performance of equities or fixed income securities or general investor sentiment, regardless of the historical performance of the Account or of the performance of the real estate asset class generally. In the event that the Account were to experience significant net contract owner transfers out of the Account, such transfers can eventually cause the Account's liquid, fixed-income investments to comprise less than 10% of the Account's assets (on a net and total basis), as occurred over the course of 2020. As of December 31, 2020, the Account's liquid, fixed-income investments comprised 3.3% of its net assets. Such situations could trigger the need to execute the TIAA liquidity guarantee. If a significant amount of net contract owner transfers out of the Account were to recur, particularly in high volumes, the Account may not have enough available liquid assets to pursue, or consummate, new investment opportunities presented to us that are otherwise attractive to the Account. This, in turn, could harm the Account's returns. Even though the Account has over time experienced both net inflows (purchases) and net outflows (redemptions) of contract owner investments on an annual basis, there is no guarantee that net outflow or redemption activity will not increase, perhaps in a significant and rapid manner, particularly in response to market cycles in the domestic and foreign securities and commercial real estate markets and other factors.

Alternatively, periods of significant net transfer activity into the Account can result in the Account holding a higher percentage of its net assets in liquid, fixed-income investments than the Account's managers would target to hold under the Account's long-term strategy. At times, the portion of the Account's net assets invested in these types of liquid instruments may exceed 25%, particularly if the Account receives a large inflow of money in a short period of time, coupled with a lack of attractive real estate-related investments on the market. Also, large inflows from contract owner transactions often occur in times of appreciating real estate values and pricing, which can render it challenging to execute on some transactions at ideal prices.

In an appreciating real estate market generally, a large percentage of assets held in liquid, fixed-income investments and not in real estate and real estate-related investments may impair the Account's overall returns. This scenario may be exacerbated in a low interest rate environment for U.S. Treasury and Agency securities and other liquid, fixed-income investments. In addition, to manage cash flow, the Account may temporarily hold a higher percentage of its net assets in liquid real estate-related securities, such as REIT and CMBS securities, than its long-term targeted holdings in such securities, particularly during and immediately following times of significant net transfer activity into the Account. Such holdings could increase the volatility of the Account's returns.

Joint Venture Investment Risks. Investing in joint ventures or other forms of joint property ownership may involve special risks, many of which are exacerbated when the consent of parties other than the Account is required to take action.

- The co-venturer may have interests or goals inconsistent with those of the Account, including during times when a co-venturer may be experiencing financial difficulty. For example:
  - a co-venturer may desire a higher current income return on a particular investment than does the Account (which may be motivated by a longer-term investment horizon or exit strategy), or vice versa, which could cause difficulty in managing a particular asset;
  - a co-venturer may desire to maximize or minimize leverage in the venture, which may be at odds with the Account's strategy;
  - a co-venturer may be more or less likely than the Account to agree to modify the terms of significant agreements (including loan agreements) binding the venture, or may significantly delay in reaching a determination whether to do so, each of which may frustrate the business objectives of the Account and/or lead to a default under a loan secured by a property owned by the venture; or
  - for reasons related to its own business strategy, a co-venturer may have different concentration standards as to its investments (geographically, by sector, or by tenant), which might frustrate the execution of the business plan for the joint venture.
- The co-venturer may be unable to fulfill its obligations (such as to fund its pro rata share of committed capital, expenditures or guarantee obligations of the venture) during the term of such agreement or may become insolvent or bankrupt, any of which could expose the Account to greater liabilities than expected and frustrate the investment objective of the venture.
- If a co-venturer does not follow the Account's instructions or adhere to the Account's policies, the jointly owned properties, and consequently the Account, might be exposed to greater liabilities than expected.
- The Account may have limited rights with respect to the underlying property pursuant to the terms of the joint venture, including the right to operate, manage or dispose of a property, and a co-venturer could have approval rights over the marketing or the ultimate sale of the underlying property.
- The terms of the Account's ventures often provide for complicated agreements which can impede our ability to direct the sale of the property owned by the venture at times the Account views most favorable. One such agreement is a "buy-sell" right, which may force us to make a decision (either to buy our co-venturer's interest or sell our interest to our co-venturer) at inopportune times.
- A co-venturer can make it harder for the Account to transfer its equity interest in the venture to a third party, which could adversely impact the valuation of the Account's interest in the venture.
- To the extent the Account serves as the general partner or managing member in a venture, it may owe certain contractual or other duties to the co-venturer, including fiduciary duties, which may present perceived or actual conflicts of interest in the management of the underlying assets. Such an arrangement could also subject the Account to liability to third parties in the performance of its duties as a general partner or managing member.
- The venture may incur higher than normal levels of investment leverage, including levels that exceed the Account's typical loan-to-value ratio.
- A partner that administratively operates a particular co-venture may not sufficiently assess ESG-related criteria when acquiring and/or operating commercial real property, and any resulting ESG-related financial performance issues with the commercial property may have the potential in certain circumstances to negatively impact the value of, and subsequent investment returns on, the property.

Risks of Developing or Redeveloping Real Estate or Buying Recently Constructed Properties. If the Account chooses to develop or redevelop a property or buys a recently constructed property, it may face the following risks:

- There may be delays or unexpected increases in the cost of property development, redevelopment and construction due to strikes, bad weather, material shortages, increases in material and labor costs or other events.
- There are risks associated with potential underperformance or non-performance by, and/or solvency of a contractor we select or other third party vendors involved in developing or redeveloping the property.
- If the Account were viewed as developing or redeveloping underperforming properties, suffering losses on our investments, or defaulting on any loans on our properties, our reputation could be damaged. Damage to our

reputation could make it more difficult to successfully develop or acquire properties in the future and to continue to grow and expand our relationships with our lenders, venture partners and tenants.

- Because external factors may have changed from when the project was originally conceived (e.g., slower growth in the local economy, higher interest rates, overbuilding in the area, or changes in the regulatory and permitting environment), the property may not attract tenants on the schedule we originally planned and/or may not operate at the income and expense levels first projected.

Real Estate Regulatory Risks. Government regulation at the federal, state and local levels, including, without limitation, zoning laws, rent control or rent stabilization laws, laws regulating housing on the Account's multi-family properties, the Americans with Disabilities Act, property taxes and fiscal, accounting, environmental or other government policies, could operate or change in a way that adversely affects the Account and its properties. For example, these regulations could raise the cost of acquiring, owning, improving or maintaining properties, present barriers to otherwise desirable investment opportunities or make it harder to sell, rent, finance, or refinance properties either on economically desirable terms, or at all, due to the increased costs associated with regulatory compliance.

In addition, some state and local municipal jurisdictions, such as New York City, Washington D.C. and the State of Washington, have enacted legislation which compels building owners to meet standards for energy efficiency or carbon emission limits which may result in unplanned capital expenditures or require amendments to leases or other financial agreements with tenants (which represent a significant portion of building energy consumption) to improve building efficiency. If standards are not met, the Account could be subject to fines and/or other regulatory penalties that may impact the value of non-compliant building held in the Account's portfolio. Additional state and local jurisdictions (including foreign jurisdictions where the Account could own commercial property) that have committed to achieve carbon reduction, clean energy standards and other ESG-related criteria for commercial real estate may implement similar legislation that could increase costs and negatively impact the performance of such properties in the Account's portfolio.

Environmental Risks. How well a company manages its impacts on the natural environment can support long-term sustainable growth, or present unmitigated costs and risks. The Account may be liable for damage to the environment or injury to individuals caused by hazardous substances used or found on its properties. Under various environmental regulations, the Account may also be liable, as a current or previous property owner or mortgagee, for the cost of removing or cleaning up hazardous substances found on a property, even if it did not know of and was not responsible for the hazardous substances. If any hazardous substances are present or the Account does not properly clean up any hazardous substances, or if the Account fails to comply with regulations requiring it to actively monitor the business activities on its premises, the Account may have difficulty selling or renting a property or be liable for monetary penalties. Further, environmental laws may impose restrictions on the manner in which a property may be used, the tenants which may be allowed, or the manner in which businesses may be operated, which may require the Account to expend funds in order to comply with these laws. These laws may also cause the most ideal use of the property to differ from that originally contemplated and as a result could impair the Account's returns. The cost of any required clean-up relating to a single real estate investment (including remediating contaminated property) and the Account's potential liability for environmental damage, including paying personal injury claims and performing under indemnification obligations to third parties, could exceed the value of the Account's investment in a property, the property's value, or in an extreme case, a significant portion of the Account's assets. Finally, while the Account may from time to time acquire third-party insurance related to environmental risks, such insurance coverage may be inadequate to cover the full cost of any loss and would cause the Account to be reliant on the financial health of our third-party insurer at the time any such claim is submitted.

Uninsurable Loss Risks. Certain catastrophic losses (e.g., from earthquakes, wars, terrorist acts, nuclear accidents, hurricanes, tsunamis, high winds, wildfires, inland or coastal floods, rising sea levels or environmental or industrial hazards or accidents) may be uninsurable or so expensive to insure against that it is economically disadvantageous to buy insurance for them. Further, the terms and conditions of the insurance coverage the Account has on its properties, in conjunction with the type of loss actually suffered at a property, may subject the property, or the Account as a whole, to a cap on insurance proceeds that is less than the loss or losses suffered. If a disaster that we have not insured against occurs, if the insurance contains a high deductible, and/or if the aggregate insurance proceeds for a particular type of casualty are capped, the Account could lose some of its original investment and any future profits from the property. Also, the Account may not have sufficient access to internal or external sources of funding to repair or reconstruct a damaged property to the extent insurance proceeds do not cover the full loss. In addition, some leases may permit a tenant to terminate its obligations in certain situations, regardless of whether those events are fully covered by insurance. In that case, the Account would not receive rental income from the property while that tenant's space is vacant, and any such vacancy might impact the value of that property. Finally, as with respect to all third-party insurance, the Account is reliant on the continued financial health of such insurers and their ability to pay on valid claims. If the financial health of an insurer were to deteriorate quickly, the Account may not be able to find adequate coverage from another carrier on favorable terms, which could adversely impact the Account's investment returns.

Physical Climate Change Related Financial Risks. Many of the Account's commercial properties are located within geographical regions in the United States and likely foreign jurisdictions in the future that currently are, and in the future will continue to be, affected by increasingly severe and adverse weather conditions across the globe, including, among others, earthquakes, hurricanes, tsunamis, high winds, wildfires, changes in rainfall patterns, inland or coastal flooding, and rising sea levels. Impacts from climate change may include significant risks to global financial assets and economic growth. As regions experience changes to the climate and extreme weather events become more frequent and intense, commercial real estate assets within the Account that are located in such regions could be adversely impacted by direct damage to buildings and other improvements thereon and result in loss of revenue, the incurrence of unplanned capital and other expenses not covered by insurance, and increase operating expenses for such properties, including utility, insurance and maintenance costs. Climate related changes and resulting hazards may stress local populations (including as a result of malnutrition, mortality and population migration), real estate financing and operational systems, and local infrastructure to the point where such changes and hazards negatively impact local market attractiveness of such properties as investments, rental market growth, and ultimately decrease demand for and value of commercial real estate in such regions. Any resulting losses from such climate changes and hazards could adversely impact the Account's investment returns; however, should climate change assumptions be incorrect it may result in the Account forgoing investments that may have ultimately been beneficial to the Account.

Climate Change Transition Risks. Climate change poses long-term risks to investments that should be assessed and mitigated. Risks fall into two primary categories, as outlined within the Task Force on Climate Related Financial Disclosures ("TCFD"):

- Physical risk; and
- Transition risk: Transitioning to a low-carbon economy may entail extensive policy, legal, regulatory, technology and market changes to mitigate and adapt to climate change. Depending on the nature, speed and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organizations and, by definition, also to their investors and portfolio assets (such as those held by the Account). While transition risk is relevant across sectors, it is likely to be especially severe for carbon-intensive industries.

ESG Criteria Risks. Management of the Account looks to utilize industry recognized environmental, social and governance (ESG) criteria in its commercial real estate underwriting given TIAA's view that the application of such criteria, as part of the underwriting process, is beneficial in achieving positive long-term returns for the Account. In its evaluation of commercial real estate opportunities, the Account will take ESG considerations into account as part of the financial assessment of a commercial real estate portfolio asset, and not to achieve a desired outcome or as an investment qualification or screen. Ultimately, the Account will make an investment decision that incorporates ESG criteria only to the extent that the criteria is reasonably expected to enhance the ability to achieve desired returns for the Account. However, the Account's utilization of ESG criteria in its commercial real estate underwriting may, if economic risk or financial opportunity projections do not materialize in the way we have anticipated, result in the Account forgoing some commercial real estate market opportunities that could have ultimately been beneficial to the Account. Consequently, the Account may underperform other investment vehicles that do not utilize such ESG criteria in selecting portfolio properties.

Foreign Real Property Investment Risks. Investment in foreign commercial real properties, foreign real estate loans, and foreign debt investments may present the following special risks:

- The value of foreign investments or rental income can increase or decrease due to changes or fluctuations in foreign currency exchange rates, imposition of currency exchange control or market control regulations, possible expropriation or confiscatory taxation, political, social, diplomatic and economic developments and foreign regulations. The Account translates into U.S. dollars purchases and sales of securities, income receipts and expense payments made in foreign currencies at the exchange rates prevailing on the respective dates of the transactions. The effect of any changes in currency exchange rates on foreign debt investments and loans payable is included in the Account's net realized and unrealized gains and losses. As such, fluctuations in currency exchange rates, even if hedged, may impair or reduce the Account's returns and result in poorer overall performance of the Account than if it had not acquired such foreign investments or entered into any foreign currency hedging transactions.
- In managing any domestic or foreign commercial real property investments, the Account may, but is not required to, use or enter into forward currency contracts and foreign currency swaps, and may buy or sell put and call options and futures contracts on foreign currencies as well as other types of derivatives transactions (including interest rate swaps and options, futures contracts or swaps) in order to hedge against the risks of currency or exchange rate uncertainties, interest rate uncertainties and foreign currency or market fluctuations impacting the Account's domestic or foreign real estate investments. Changes in exchange rates and exchange control regulations or interest rates may increase or reduce the value of domestic or foreign real estate investments. Currency hedging, interest rate hedging and similar transactions involve special risks and may limit potential gains due to increases in a currency's value or changes in interest rates. Unanticipated changes in interest rates, domestic or foreign securities prices or currency exchange rates may result in poorer overall performance of the Account than if it had not entered into any such currency-related or interest rate-related hedging transactions for such real property investments. In addition, the Account could incur additional costs of paying hedge unwind fees, if it has to terminate cross-currency or interest rate swaps, futures contracts or options prematurely due to early repayment of domestic or foreign mortgage loans related to such properties. The Account does not intend to speculate in foreign currency exchange transactions, forward currency contracts, interest rate options, futures contracts or swaps or other types of hedging transactions related to its portfolio of domestic or foreign real property investments.
- Non-U.S. jurisdictions may impose withholding taxes on the Account as a result of its investment activity in that jurisdiction. TIAA may be eligible for a foreign tax credit in respect of such tax paid by the Account and such credit (if available to TIAA) would be reimbursed to the Account. However, there may be circumstances where TIAA is unable to receive some or all of the benefit of a foreign tax credit and the Account would thus not receive reimbursement, which could harm the value of the Account's units.
- Foreign real estate markets may have different liquidity and volatility attributes than U.S. markets.
- The regulatory environment in non-U.S. jurisdictions may disfavor owners and operators of real estate investment properties, resulting in less predictable and/or economically harmful outcomes if the Account were to face a significant dispute with a tenant or with a regulator itself.
- The Account may be subject to increased risk of regulatory scrutiny pursuant to U.S. federal statutes, such as the Foreign Corrupt Practices Act, which, among other things, requires robust compliance and oversight programs to help prevent violations. The costs associated with maintaining such programs, in addition to costs associated with a potential regulatory inquiry, could impair the Account's returns and divert management's attention from other Account activities.
- It may be more difficult for the Account to obtain and collect a judgment on foreign investments than on domestic investments, and the costs to the Account that are associated with contesting claims relating to foreign investments may exceed those costs associated with a similar claim on domestic investments.

RISKS OF INVESTING IN REAL ESTATE INVESTMENT TRUST (REIT) SECURITIES

The Account invests in registered and unregistered REIT securities for diversification, liquidity management and other purposes. The Account's investment in REITs may also increase, as a percentage of net assets, during periods in which the Account is experiencing large net inflow activity, in particular due to net contract owner transfers into the Account. As of December 31, 2020, the Account did not hold any REIT securities. Investments in REIT securities are part of the Account's real estate-related investment strategy and are subject to many of the same general risks associated with direct real property ownership. In particular, equity REITs may be affected by changes in the value of the underlying properties owned by the entity, while mortgage REITs may be affected by the quality of any credit extended. Moreover, changes in consumer behavior that affect the use of commercial spaces could negatively impact the value of properties underlying certain REITs. In addition to these risks, because REIT investments are securities and generally publicly traded, they may be exposed to market risk and potentially significant price volatility due to changing conditions in the financial markets and, in particular, changes in overall interest rates, regardless of the value of the underlying real estate such REIT may own. In general, during periods of high interest rates, REITs may lose some of their appeal for investors who may be able to obtain higher yields from other income-producing investments, such as long-term bonds. Rising interest rates generally increase the cost of financing for real estate projects, which could cause the value of an equity REIT to decline. During periods of declining interest rates, mortgagors may elect to prepay mortgages held by mortgage REITs, which could lower or diminish the yield on the REIT. Also, sales of REIT securities by the Account for liquidity management purposes may occur at times when values of such securities have declined and it is otherwise an inopportune time to sell the security. Volatility in REITs can cause significant fluctuations in the Account's AUV on a daily basis, as they are correlated to equity markets which have experienced significant day to day fluctuations over the past few years. Finally, certain REITs may be self-liquidating in that a specific term of existence is provided for in their trust document. In acquiring the securities of REITs, the Account runs the risk that it will sell them at an inopportune time. REITs do not pay federal income taxes if they distribute most of their earnings to their shareholders and meet other tax requirements. Many of the requirements to qualify as a REIT, however, are highly technical and complex. Failure to qualify as a REIT results in tax consequences, as well as disqualification from operating as a REIT for a period of time. Consequently, if the Account invests in securities of a REIT that later fails to qualify as a REIT, this may adversely affect the performance of our investment.

RISKS OF MORTGAGE-BACKED SECURITIES

The Account from time to time has invested in mortgage-backed securities and may in the future invest in such securities. Mortgage-backed securities, such as CMBS and RMBS, are subject to many of the same general risks inherent in real estate investing, making mortgage loans and investing in debt securities. The underlying mortgage loans may experience defaults with greater frequency than projected when such mortgages were underwritten, which would impact the values of these securities, and could hamper our ability to sell such securities. In particular, these types of investments may be subject to prepayment risk or extension risk (i.e., the risk that borrowers will repay the loans earlier or later than anticipated). If the underlying mortgage assets experience faster than anticipated prepayments of principal, the Account could fail to recoup some or all of its initial investment in these securities, since the original price paid by the Account was based in part on assumptions regarding the receipt of interest payments. If the underlying mortgage assets are repaid later than anticipated, the Account could lose the opportunity to reinvest the anticipated cash flows at a time when interest rates might be rising. The rate of prepayments depends on a variety of geographic, social and other functions, including prevailing market interest rates and general economic factors. Further, it is possible that issuers of U.S. Government Securities will not have the funds to meet their payment obligations in the future, and the U.S. Government may change its support of, and policies regarding, Fannie Mae and Freddie Mac, Fannie Mae and Freddie Mac have been operating under conservatorship, with the Federal Housing Finance Administration ("FHFA") acting as their conservator, since September 2008. The entities are dependent upon the continued support of the U.S. Department of the Treasury and FHFA in order to continue their business operations. These factors, among others, could affect the future status and role of Fannie Mae and Freddie Mac and the value of their securities and the securities which they guarantee. Even if the Account acquired such securities, such changes may have a negative effect on the pricing of such securities. Other policy changes impacting Fannie Mae and Freddie Mac and/or U.S. Government programs related to mortgages that may be implemented in the future could create market uncertainty and affect the actual or perceived credit quality of issued securities, adversely affecting mortgage-backed securities through an increased risk of loss.

Importantly, the fair market value of these securities is also highly sensitive to changes in interest rates, liquidity of the secondary market and economic conditions impacting financial institutions and the credit markets generally. Note that the potential for appreciation, which could otherwise be expected to result from a decline in interest rates, may be limited by any increased prepayments. Further, volatility and disruption in the mortgage market and credit markets generally may cause there to be a very limited or even no secondary market for these securities and they therefore may be harder to sell than other securities.

RISKS OF INVESTING IN MORTGAGE LOANS AND RELATED INVESTMENTS

The Account's investment strategy includes, to a limited extent, investments in mortgage loans (i.e., the Account serving as lender).

General Risks of Mortgage Loans. The Account will be subject to the risks inherent in making mortgage loans, including:

- The borrower may default on the loan, requiring that the Account foreclose on the underlying property to protect the value of its mortgage loan. Since its mortgage loans are usually non-recourse, the Account must rely solely on the value of a property for its security. In addition, there is a risk of delay in exercising any contractual remedies due to actions of the borrower, including, without limitation, bankruptcy or insolvency of the borrower.
- The larger the mortgage loan compared to the value of the property securing it, the greater the loan's risk. Upon default, the Account may not be able to sell the property for its estimated or appraised value. Also, certain liens on the property, such as mechanic's or tax liens, may have priority over the Account's security interest.
- A deterioration in the financial condition of tenants, which could be caused by general or local economic conditions or other factors beyond the control of the Account, or the bankruptcy or insolvency of a major tenant, may adversely affect the income of a property, which could increase the likelihood that the borrower will default under its obligations.
- The borrower may be unable to make a lump sum principal payment due under a mortgage loan at the end of the loan term, unless it can refinance the mortgage loan with another lender.
- If interest rates are volatile during the loan period, the Account's variable rate mortgage loans could have volatile yields. Further, to the extent the Account makes mortgage loans with fixed interest rates, it may receive lower yields than that which is then available in the market if interest rates rise generally.

Interest Rate Risk. The risk that the value or yield of fixed-income investments may decline if interest rates change. In general, when prevailing interest rates decline, the market values of outstanding fixed-income investments (particularly those paying a fixed rate of interest) tend to increase while yields on similar newly issued fixed-income investments tend to decrease, which could adversely affect the Account's income. Conversely, when prevailing interest rates increase, the market values of outstanding fixed-income investments (particularly those paying a fixed rate of interest) tend to decline while yields on similar newly issued fixed income investments tend to increase. If a fixed-income investment pays a floating or variable rate of interest, changes in prevailing interest rates may increase or decrease the investment's yield. Fixed-income investments with longer durations tend to be more sensitive to interest rate changes than shorter-term investments. Interest rate risk is generally heightened during periods when prevailing interest rates are low or negative. During periods of very low or negative interest rates, a fixed-income investment may not be able to maintain positive returns. As of the date of this report, interest rates in the United States and in certain foreign markets are at low levels. In general, changing interest rates could have unpredictable effects on the markets and may expose fixed-income and related markets to heightened volatility. A wide variety of factors can cause interest rates to rise (e.g., central bank monetary policies, inflation rates, or general economic conditions). Additional interest rate-related risk include the following:

- *London Interbank Offered Rate ("LIBOR") Risks.* LIBOR is an average interest rate, determined by the ICE Benchmark Administration, that banks charge one another for the use of short-term money. In addition, the terms of many investments, financings or other transactions in the U.S. and globally have been historically tied to LIBOR, which functions as a reference rate or benchmark for various commercial and financial contracts. The United Kingdom's ("UK") Financial Conduct Authority ("FCA") has announced plans to discontinue supporting LIBOR and transition away from LIBOR by the end of 2021. However, subsequent announcements by the FCA, the LIBOR administrator and other regulators indicate that it is possible that certain LIBOR tenors may continue beyond 2021 and the most widely used LIBOR tenors may continue until mid-2023. There remains uncertainty regarding the future use of LIBOR and the nature of any replacement rate, and any potential effects of the transition away from LIBOR on the Account or on certain instruments in which the Account invests are not known. Various financial industry groups have begun planning for that transition and certain regulators and industry groups have taken actions to establish alternative reference rates (e.g., the Secured Overnight Financing Rate, which measures the cost of overnight borrowings through repurchase agreement transactions collateralized with U.S. Treasury securities and is intended to replace U.S. dollar LIBOR with certain adjustments). The transition process may involve, among other things, an increase in volatility or illiquidity of markets for instruments that currently rely on LIBOR, a reduction in the value of certain instruments held by the Account or a reduction in the effectiveness of related Account transactions such as hedging transactions. Various pending legislation, including in the U.S. Congress and the New York state legislature, may affect the transition of LIBOR-based instruments as well by permitting trustees and calculation agents to transition instruments with no LIBOR transition language to an alternative reference rate selected by such agents. Those legislative proposals include safe harbors from liability, which may limit the recourse the Account may have if the alternative reference rate does not fully compensate the Account for the transition of an instrument from LIBOR. It is uncertain whether such legislative proposals will be signed into law. Any such effects, as well as other unforeseen effects, could result in losses to the Account; and

- *Negative Interest Rate Risk*. Certain European countries and Japan have pursued negative interest rate policies, the consequences of which are uncertain. In response to recent volatility and economic uncertainty, the U.S. government and certain foreign central banks have taken steps to stabilize markets by, among other things, reducing interest rates. A negative interest rate policy is an unconventional central bank monetary policy tool where nominal target interest rates are set with a negative value (i.e., below zero percent) intended to help create self-sustaining growth in the local economy. If a bank charges negative interest, instead of receiving interest on deposits, a depositor must pay the bank fees to keep money with the bank. As a result, certain debt instruments have recently begun to trade at negative yields, which means the purchaser of the instrument may receive at maturity less than the total amount invested. Negative interest rates may become more prevalent among foreign (non-U.S.) issuers, and potentially within the United States. These market conditions may increase the Account's exposure to the risks associated with rising interest rates. A wide variety of factors can cause interest rates or yields of U.S. Treasury securities (or yields of other types of bonds) to rise. This is especially true under current market conditions because, as of the date of this report, interest rates in the United States and in certain foreign markets are at low levels. Thus, the Account currently faces a heightened level of risk associated with rising interest rates. This could be driven by a variety of factors, including, but not limited, to central bank monetary policies, changing inflation or real growth rates, general economic conditions, increasing bond issuances or reduced market demand for low yielding investments. To the extent the Federal Reserve Board continues to raise interest rates, there is a risk that rates across the financial system may rise. To the extent the Account has a bank deposit or holds a debt or mortgage instrument with a negative interest rate to maturity, the Account would generate a negative return on that investment. A number of factors may contribute to debt instruments trading at a negative yield. While negative yields can be expected to reduce demand for fixed-income investments trading at a negative interest rate, investors may be willing to continue to purchase such investments for a number of reasons including, but not limited to, price insensitivity, arbitrage opportunities across fixed-income markets, rules-based investment strategies, capital preservation, reduced volatility, or decreased investment opportunities. If negative interest rates become more prevalent in the market, it is expected that investors will seek to reallocate assets to other income-producing assets such as investment-grade and high-yield debt instruments, or equity investments that pay a dividend. This increased demand for higher yielding assets may cause the price of such instruments to rise while triggering a corresponding decrease in yield and the value of debt instruments over time. In addition, a move to higher yielding investments may cause investors, including the Account, to seek fixed-income investments with longer duration and/or potentially reduced credit quality in order to seek the desired level of yield. These considerations may limit the Account's ability to locate fixed-income instruments containing the desired risk/return profile. Changing interest rates, including, but not limited to, rates that fall below zero, could have unpredictable effects on the markets and may expose fixed-income and related markets to heightened volatility and potential illiquidity, increasing the potential for losses for the Account.

Extension Risk. The risk that during periods of rising interest rates, borrowers pay off their mortgage loans later than expected, preventing the Account from reinvesting principal proceeds at higher interest rates, resulting in less income than potentially available. These risks are normally present in mortgage-backed securities and other ABS.

For example, homeowners have the option to prepay their mortgages. Therefore, the duration of a security backed by home mortgages can lengthen depending on homeowner prepayment activity. A decline in the prepayment rate and the resulting increase in duration of fixed-income securities held by the Account can result in losses to the Account.

Prepayment Risk. The Account's mortgage loan investments will usually be subject to the risk that the borrower repays a loan early. Also, the Account may be unable to reinvest the proceeds at as high an interest rate as the original mortgage loan rate, resulting in a decline in income. These risks are normally present in mortgage-backed securities and other ABS. For example, homeowners have the option to prepay their mortgages. Therefore, the duration of a security backed by home mortgages can shorten depending on homeowner prepayment activity. A rise in the prepayment rate and the resulting decline in duration of fixed-income securities held by the Account can result in losses to investors in the Account.

Interest Limitations. The interest rate we charge on mortgage loans may inadvertently violate state usury laws that limit rates, if, for example, state law changes during the loan term. If this happens, the Account could incur penalties or may be unable to enforce payment of the loan.

Risks of Investing in Domestic and Foreign Debt or Loans. The Account may invest from time to time in domestic and foreign mezzanine and other debts or loans to entities which own real estate assets. Generally these loans will be secured by a pledge of the equity securities of the entity, but not by a first lien security interest in the property itself. As such, the Account's recovery in the event of an adverse circumstance at the property (such as a default under a mortgage loan on the property) will be subordinated to the recovery available to the first lien mortgage lender(s) to the property. The Account's remedy may solely consist of foreclosing on the equity interest in the entity owning the property, and that equity interest will be junior in right of recovery to a loan secured by the property owned by the entity. Also, as a subordinated lender, the Account may have limited rights to exercise control over the process by which the mortgage loan is restructured or the property is liquidated following a default. Any of these circumstances may result in the Account being unable to recover some or all of its original investment.

Risks of Hedging Strategies for Domestic and Foreign Loans and Securities. In managing any domestic or foreign mezzanine debt or other domestic or foreign loans or securities, the Account may use or enter into forward currency contracts and foreign currency swaps, and may buy or sell put and call options and futures contracts on foreign currencies as well as other types of derivatives transactions (including interest rate swaps and options, futures contracts or swaps) in order to hedge against the risks of exchange rate uncertainties, interest rate uncertainties and foreign currency or market fluctuations impacting the Account's domestic or foreign loan and securities investments. Changes in exchange rates and exchange control regulations or interest rates may increase or reduce the value of domestic or foreign mezzanine debt or other types of loans and securities. Currency hedging, interest rate hedging and similar transactions involve special risks and may limit potential gains due to increases in a currency's value or changes in interest rates. Unanticipated changes in interest rates, domestic or foreign securities prices or currency exchange rates may result in poorer overall performance of the Account than if it had not entered into any such currency-related or interest rate-related hedging transactions for such loans and securities. In addition, the Account could incur additional costs of paying hedge unwind fees, if it has to terminate cross-currency or interest rate swaps, futures contracts or options prematurely due to early repayment of domestic or foreign mezzanine or other debt or securities. The Account does not intend to speculate in foreign currency exchange transactions, forward currency contracts, interest rate options, futures contracts or swaps or other types of hedging transactions relating to its portfolio of domestic and foreign loans and securities.

Risks of Participations. To the extent the Account invested in a participating mortgage, the following additional risks would apply:

- The participation feature, in tying the Account's returns to the performance of the underlying asset, might generate insufficient returns to make up for the higher interest rate the loan would have obtained without the participation feature.
- In very limited circumstances, a court may characterize the Account's participation interest as a partnership or joint venture with the borrower and the Account could lose the priority of its security interest or become liable for the borrower's debts.

RISKS OF U.S. GOVERNMENT AND GOVERNMENT AGENCY SECURITIES AND CORPORATE OBLIGATIONS

The Account invests in securities issued by U.S. Government agencies and U.S. Government-sponsored entities. Some of these issuers may not have their securities backed by the full faith and credit of the U.S. Government, which could adversely affect the pricing and value of such securities. U.S. Government securities that are supported by the full faith and credit of the United States present limited credit risk compared to other types of debt securities but are not free of risk. Other U.S. Government securities are supported by the right of the agency or instrumentality to borrow an amount limited to a specific line of credit from the U.S. Treasury or by the discretionary authority of the U.S. Government to purchase financial obligations of the agency or instrumentality, which are thus subject to a greater amount of credit risk than those supported by the full faith and credit of the United States. Still other U.S. Government securities are only supported by the credit of the issuing agency or instrumentality which are subject to greater credit risk as compared to other U.S. Government securities. The maximum potential liability of the issuers of some U.S. Government securities may exceed then current resources, including any legal right to support from the U.S. Treasury. Because the U.S. Government is not obligated by law to support an agency or instrumentality that it sponsors, or such agency's or instrumentality's securities, the Account only invests in U.S. Government securities when TIAA determines that the credit risk associated with the obligation is suitable for the Account.

It is possible that issuers of U.S. Government securities will not have the funds to meet their payment obligations in the future. Federal Home Loan Mortgage Corp. ("FHLMC") and Federal National Mortgage Association ("FNMA") have been operating under conservatorship, with the FHFA acting as their conservator, since September 2008. The FHFA and U.S. Presidential administration have made public statements regarding plans to consider ending the conservatorships. In the event that FHLMC or FNMA are taken out of conservatorships, it is unclear how their respective capital structure would be constructed and what impact, if any, there would be on FHLMC's or FNMA's creditworthiness and guarantees of certain mortgage-backed securities. The entities are dependent upon the continued support of the U.S. Department of the Treasury and FHFA in order to continue their business operations. These factors, among others, could affect the future status and role of FHLMC and FNMA and the value of their securities and the securities which they guarantee.

Uncertainty regarding the status of negotiations in the U.S. Congress to increase the statutory debt ceiling may increase the risk that the U.S. Government may default on payments on certain U.S. Government securities, including those held by the Account.

In addition, the Account may invest in corporate obligations (such as commercial paper and other types of corporate debt obligations) and while the Account seeks out such holdings in short-term or intermediate-term, higher-quality liquid instruments, the ability of the Account to sell these securities may be uncertain, particularly when there are general dislocations in the finance or credit markets. Any such volatility could have a negative impact on the value of these securities. Further, transaction activity may fluctuate significantly from time to time, which could impair the Account's ability to dispose of a security at a favorable time, regardless of the credit quality of the underlying issuer. Also, inherent with investing in any corporate obligation is the risk that the credit quality of the issuer will deteriorate, which could cause the obligations to be downgraded and hamper the value or the liquidity of these securities. Finally, any further downgrades or threatened downgrades of the credit rating for U.S. Government obligations generally could impact the pricing and liquidity of agency securities or corporate obligations in a manner which could impact the value of the Account's units. On one occasion, the long-term credit rating of the United States has been downgraded by at least one leading rating agency as a result of disagreements within the U.S. Government over raising the debt ceiling to repay outstanding obligations. Similar situations in the future could result in higher interest rates, lower prices of U.S. Treasury securities and increase the costs of various kinds of debt, which may adversely affect the Account.

RISKS OF LIQUID, FIXED-INCOME INVESTMENTS

The Account's investments in liquid, fixed-income investments, whether real estate-related securities (such as REITs, CMBS or some loans receivable) or non real estate-related securities (such as ABS, MBS, RMBS, CLOs, CMOs, CDOs, cash equivalents, municipal bond securities, other domestic and foreign government and corporate securities and structured securities), and whether debt or equity, are subject to the following general risks:

Issuer Risk (often called Financial Risk). The risk that an issuer's earnings or revenue prospects and overall financial position will deteriorate (or be perceived to deteriorate by market participants, rating agencies, pricing services or otherwise), causing a decline in the value of the issuer's financial instruments over short or extended periods of time. In times of market turmoil, perceptions of an issuer's credit risk can quickly change and even large, well-established issuers may deteriorate rapidly with little or no warning.

Credit Risk. The risk that the issuer of the fixed-income investments may not be able or willing to meet interest or principal payments when the payments become due, or, in the case of structured securities, the risk that the underlying collateral for the security may be insufficient to support such interest or principal payments, thereby causing a loss to the Account on the investment. Credit risk is heightened in times of market turmoil when perceptions of an issuer's credit risk can quickly change and even large, well-established issuers and/or governments or, in the case of structured securities, higher quality underlying collateral for the security, may deteriorate rapidly with little or no warning.

Credit Spread Risk. The risk that credit spreads (i.e., the difference in yield between securities that is due to differences in each security's respective credit quality) may increase when market participants believe that bonds generally have a greater risk of default. Increasing credit spreads may reduce the market values of the Account's securities. Credit spreads often increase more for lower-rated and unrated securities than for investment-grade securities. In addition, when credit spreads increase, reductions in market value will generally be greater for longer-maturity securities.

Market Volatility, Liquidity and Valuation Risk. The risk that volatile or dramatic reductions in trading activity, or the cessation of trading at any time, whether due to general market turmoil, limited dealer capacity, problems experienced by a single company or a market sector, or other factors, such as natural disasters or public emergencies (pandemics and epidemics), in securities markets make it difficult for the Account to properly value its investments. In such situations, the Account may not be able to purchase or sell a securities investment at an attractive price, if at all. This risk is particularly acute to the extent the Account holds equity securities, which have experienced significant short-term price volatility in recent years.

Interest Rate Risk. The risk that increases or volatility in interest rates can cause the prices of certain fixed-income investments to decline. This risk is heightened to the extent the Account invests in fixed-income investments and during periods when prevailing interest rates are low. Periods of very low or negative interest rates may challenge the Account's ability to maintain positive returns. As of the date of this report, interest rates in the United States and in certain foreign markets are near historic lows, which may increase the Account's exposure to risks associated with rising interest rates. In general, changing interest rates could have unpredictable effects on the markets and may expose fixed-income and related markets to heightened volatility. A wide variety of factors can cause interest rates to rise (e.g., central bank monetary policies, inflation rates, or general economic conditions).

Downgrade Risk. The risk that securities are subsequently downgraded should TIAA and/or rating agencies believe the issuer's business outlook or creditworthiness has deteriorated. If this occurs, the values of these investments may decline, or it may affect the issuer's ability to raise additional capital for operational or financial purposes and increase the chance of default, as a downgrade may be seen in the financial markets as a signal of an issuer's deteriorating financial position.

Income Volatility Risk. Income volatility refers to the degree and speed with which changes in prevailing market interest rates diminish the level of current income from the Account's portfolio of fixed-income securities. The risk of income volatility is that the level of current income from a portfolio of fixed-income securities may decline in certain interest rate environments.

Call Risk. The risk that an issuer will redeem a fixed-income investment prior to maturity. This often happens when prevailing interest rates are lower than the rate specified for the fixed-income investment. If a fixed-income investment is called early, the Account may not be able to benefit fully from the increase in value that other fixed-income investments experience when interest rates decline. Additionally, the Account would likely have to reinvest the payoff proceeds at current yields, which are likely to be lower than the fixed-income investment in which the Account originally invested, resulting in a decline in income.

Prepayment Risk. The risk that, during periods of falling interest rates, borrowers may pay off their loans sooner than expected, forcing the Account to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in income. These risks are normally present in mortgage-backed securities and other asset-backed securities. For example, borrowers have the option to prepay their mortgages. Therefore, the duration of a security backed by home mortgages can shorten depending on borrower prepayment activity. A rise in the prepayment rate and the resulting decline in duration of fixed-income securities held by the Account can result in losses to the Account.

Extension Risk. The risk that, during periods of rising interest rates, borrowers may pay off their mortgage loans later than expected, preventing a Fund from reinvesting principal proceeds at higher interest rates, resulting in less income than potentially available. These risks are normally present in mortgage-backed securities and other asset-backed securities. For example, homeowners have the option to prepay their mortgages. Therefore, the duration of a security backed by home mortgages can lengthen depending on homeowner prepayment activity. A decline in the prepayment rate and the resulting increase in duration of fixed-income securities held by the Account can result in losses to the Account.

U.S. Government Securities Risk. Securities issued by the U.S. Government or one of its agencies or instrumentalities may receive varying levels of support from the U.S. Government, which could affect the Account's ability to recover should they default. Therefore, securities issued by U.S. Government agencies or instrumentalities that are not backed by the full faith and credit of the U.S. Government may involve increased risk of loss of principal and interest. In addition, the value of U.S. Government securities may be affected by changes in the credit rating of the U.S. Government. To the extent the Account invests significantly in securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities, any market movements, regulatory changes or changes in political or economic conditions that affect the securities of the U.S. Government or its agencies or instrumentalities in which the Account invests may have a significant impact on the Account's performance. Events that would adversely affect the market prices of securities issued or guaranteed by one U.S. Government agency or instrumentality may adversely affect the market prices of securities issued or guaranteed by other agencies or instrumentalities.

State and Municipal Investment Risk. Events affecting states and municipalities may adversely affect the Account's investments and its performance. These events may include severe financial difficulties and continued budget deficits, economic or political policy changes, tax base erosion, state constitutional limits on tax increases, and changes in the credit ratings assigned to state and municipal issuers of debt instruments that the Account may hold. Since 2008, many states and municipalities have experienced—and continue to experience—severe financial difficulties. As a result, the economies and fiscal condition of these states and municipalities have deteriorated significantly as a result of a number of economic and other factors, including continued state and local housing crises, high unemployment levels, a drop in tax revenue and periods of larger national economic slowdown. The continued deterioration of state and municipal economies has resulted in large state and municipal budget deficits and it is unclear at this time when and how states and municipalities will close their budget gaps or how those solutions might affect state or municipal governments. A negative change in any one of these or other areas could affect the ability of state or municipal issuers to meet their debt obligations and result in losses to the Account.

Foreign Securities Investment Risk. Foreign investments, which may include securities of foreign issuers, securities or contracts traded or acquired in non-U.S. markets or on non-U.S. exchanges, or securities or contracts payable or denominated in non-U.S. currencies, can involve special risks that arise from one or more of the following events or circumstances: (1) changes in currency exchange rates; (2) possible imposition of market controls or currency exchange controls; (3) possible imposition of withholding taxes on dividends and interest; (4) possible seizure, expropriation or nationalization of assets; (5) more limited financial information or difficulties interpreting it because of foreign regulations and accounting standards; (6) lower liquidity and higher volatility in some foreign markets; (7) the impact of political, social or diplomatic events; (8) economic sanctions or other measures by the United States or other governments; (9) the difficulty of evaluating some foreign economic trends; and (10) the possibility that a foreign government could restrict an issuer from paying principal and interest to investors outside the country. Brokerage commissions and custodial and transaction costs are often higher for foreign investments, and it may be difficult for the Account to use foreign laws and courts to enforce financial or legal obligations. Foreign investments may also be subject to risk of loss because of more or less foreign government regulation, less public information, and less stringent investor protections and disclosure standards.

Emerging Markets Risk. The risk of foreign investment often increases in countries with emerging markets. For example, these countries may have more unstable governments than developed countries, and their economies may be based on only a few industries. Emerging markets countries may also have less stringent regulation of accounting, auditing, financial reporting, and recordkeeping requirements, which could affect the Account's ability to evaluate potential investments. Because their financial markets may be very small, share prices of financial instruments in emerging market countries may be volatile and difficult to determine. Financial instruments of issuers in these countries may have lower overall liquidity than those of issuers in more developed countries. In addition, foreign investors such as the Account are subject to a variety of special restrictions in many emerging market countries. The risks outlined above are often more pronounced in "frontier markets" in which the Account may invest. Moreover, legal remedies for investors in emerging markets (including derivative litigation) may be more limited, and U.S. authorities may have less ability to bring actions against bad actors in emerging markets countries. Frontier markets are those emerging markets that are considered to be among the smallest, least mature and least liquid. These factors may make investing in frontier market countries significantly riskier than investing in other countries.

Fixed-Income Foreign Investment Risk. Foreign fixed-income securities investments, including securities or contracts payable or denominated in non-U.S. currencies, can involve special risks that arise from one or more of the following events or circumstances: (1) changes in currency exchange rates; (2) possible imposition of market controls or currency exchange controls; (3) possible imposition of withholding taxes on dividends and interest; (4) possible seizure, expropriation or nationalization of assets; (5) more limited financial information about the foreign debt issuer or difficulties interpreting it because of foreign regulations and accounting standards; (6) lower liquidity and higher volatility in some foreign markets; (7) the impact of political, social or diplomatic events; (8) economic sanctions or other measures by the United States or other governments; (9) the difficulty of evaluating some foreign economic trends; and (10) the possibility that a foreign government could restrict an issuer from paying principal and interest on its debt obligations to investors outside the country. It may also be difficult to use foreign laws and courts to force a foreign issuer to make principal and interest payments on its debt obligations. In addition, the cost of servicing external debt will also generally be adversely affected by rising international interest rates because many external debt obligations bear interest at rates which are adjusted based upon international interest rates. The risks described above often increase in countries with emerging markets. For example, the ability of a foreign sovereign issuer, especially in an emerging market country, to make timely and ultimate payments on its debt obligations may be strongly influenced by the issuer's balance of payments, including export performance, its access to international credit and investments, fluctuations of interest rates and the extent of its foreign reserves. If a deterioration occurs in the foreign country's balance of payments, it could impose temporary restrictions on foreign capital remittances. In addition, there is a risk of restructuring certain foreign debt obligations that could reduce and reschedule interest and principal payments.

Sovereign Debt Risk. The risk that the issuer of non-U.S. sovereign debt or the governmental authorities that control the repayment of such debt may be unable or unwilling to repay principal or interest when due. This may result from political or social factors, the general economic environment of a country, levels of foreign debt or foreign currency exchange rates, among other possible reasons. To the extent the issuer or controlling governmental authority is unable or unwilling to repay principal or interest when due, the Account may have limited recourse to compel payment in the event of default and could result in losses to the Account.

Supranational Debt Risk. The risk that the issuer of multinational or supranational foreign debt (e.g., the European Union or the International Monetary Fund (IMF)) that controls the repayment of such debt may be unable or unwilling to repay principal or interest when due. This may result from, among other possible reasons, political or social factors (e.g., the sudden or gradual disintegration of the multinational or supranational organization), the general economic environment of the countries or foreign markets that comprise the organization, levels of foreign debt or foreign currency exchange rates. To the extent the issuer or controlling multinational or supranational authority is unable or unwilling to repay principal or interest when due, the Account may have limited recourse to compel payment in the event of default and could result in losses to the Account.

Active Management Risk. The risk that the Account's strategy, investment selection or trading execution for securities, including REIT stocks, may cause the Account to underperform relative to a stated benchmark index or funds or accounts with similar investment objectives.

Currency Risk. The risk of a decline in the value of a foreign currency versus the U.S. dollar, which reduces the dollar value of securities denominated in that foreign currency. The overall impact on the Account's holdings can be significant and long lasting depending on the currencies represented in the portfolio, how each currency appreciates or depreciates in relation to the U.S. dollar, and whether currency positions are hedged. Foreign currency exchange rates may fluctuate significantly over short periods of time, particularly with respect to emerging markets currencies. Currency exchange rates can also be affected unpredictably by intervention by U.S. or foreign governments or central banks, or by currency controls or political developments.

Derivatives Risk. The risks associated with investing in derivatives may be different and greater than the risks associated with directly investing in the underlying securities and other instruments. Derivatives such as swaps are subject to risks such as liquidity risk, interest rate risk, market risk, and credit risk. These derivatives involve the risk of mispricing or improper valuation and the risk that the prices of certain options, futures, swaps (including credit default swaps), forwards and other types of derivative instruments may not correlate perfectly with the prices or performance of the underlying security, currency, rate, index or other asset. Certain derivatives present counterparty risk, or the risk of default by the other party to the contract, and some derivatives are, or may suddenly become, illiquid. Some of these risks exist for futures, options and swaps which may trade on established markets. Unanticipated changes in interest rates, securities prices or currency exchange rates may result in poorer overall performance of the Account than if it had not entered into derivatives transactions. The potential for loss as a result of investing in derivatives, and the speed at which such losses can be realized, may be greater than investing directly in the underlying security or other instrument. Derivative investments can create leverage by magnifying investment losses or gains, and the Account could lose more than the amount invested.

Currency Management Strategies Risk. Currency management strategies, including forward currency contracts, may substantially change the Account's exposure to currency exchange rates and could result in losses to the Account if currencies do not perform as TIAA expects. In addition, currency management strategies, to the extent that such strategies reduce the Account's exposure to currency risks, may also reduce the Account's ability to benefit from favorable changes in currency exchange rates. There is no assurance that TIAA's use of currency management strategies will benefit the Account or that they will be, or can be, used at appropriate times. Furthermore, there may not be a perfect correlation between the amount of exposure to a particular currency and the amount of securities in the portfolio denominated in that currency. Currency markets are generally less regulated than securities markets. Derivatives transactions, especially forward currency contracts and currency-related futures contracts and swap agreements, may involve significant amounts of currency management strategies risk.

Counterparty and Third Party Risk. Transactions involving a counterparty to a derivative or other instrument, or a third party responsible for servicing the instrument, are subject to the credit risk of the counterparty or third party, and to the counterparties or third party's ability to perform in accordance with the terms of the transaction. If a counterparty defaults, the Account may have contractual remedies but the Account may be unable to enforce them due to the application of bankruptcy, insolvency and other laws affecting the rights of creditors. Counterparty risk is still present even if a counterparties' obligations are secured by collateral because, for example, the Account's interest in collateral may not be perfected or additional collateral may not be promptly posted as required. The Account is also subject to counterparty risk to the extent it executes a significant portion of its securities or derivatives transactions through a single broker, dealer, or futures commission merchant.

Rule 144A Securities Risk. The risk that SEC Rule 144A securities may be less liquid, and have less disclosure and investor protections, than publicly traded securities. Such securities may involve a high degree of business and financial risk and may result in losses to the Account.

Illiquid Investments Risk. The risk that illiquid investments may be difficult to sell for the value at which they are carried, if at all, or at any price within the desired time frame. Illiquid investments are those that are not reasonably expected to be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. The Account's investments in illiquid investments may reduce the returns of the Account because it may be unable to sell the illiquid investment at an advantageous time or price, which could prevent the Account from taking advantage of other investment opportunities. Illiquid investments may trade less frequently, in lower quantities and/or at a discount as compared to more liquid investments, which may cause the Account to receive distressed prices and incur higher transaction costs when selling such investments. Securities that are liquid at the time of purchase may subsequently become illiquid due to events such as adverse developments for an issuer, industry-specific developments, market events, rising interest rates, changing economic conditions or investor perceptions and geopolitical risk. Dislocations in certain parts of markets have resulted, and may continue to result, in reduced liquidity for certain investments. It is uncertain when financial markets will improve and economic conditions will stabilize. Liquidity of financial markets may also be affected by government intervention and political, social, health, economic or market developments. During periods of market stress, the Account's assets could potentially experience significant levels of illiquidity.

Deposit/Money Market Risk. The risk that, to the extent the Account's cash held in bank deposit accounts exceeds federally insured limits as to that bank, the Account could experience losses if banks fail. In addition, there is some risk that investments held in money market accounts or funds can suffer losses. Further, to the extent that a significant portion of the Account's net assets at any particular time consist of cash, cash equivalents and non-real estate-related liquid securities, the Account's returns may suffer as compared to the return that could have been generated by more profitable real estate-related investments. Such a potential negative impact on returns may be exacerbated in times of low prevailing interest rates payable on many classes of liquid securities, such as is the case as of the date hereof and which may persist in the future.

COVID-19-Related Risks to Liquid Securities. In addition to the risks noted above, the U.S. capital markets have continued to experience extreme volatility and disruption during the COVID-19 pandemic. Some economists and investment banks have expressed concern that the continued spread of COVID-19 globally could lead to a prolonged global economic downturn, which, in addition to affecting our investments in real property, would adversely impact the Account's investments in real-estate and non-real estate-related liquid assets. Disruptions in the capital markets have increased the spread between the yields realized on risk-free and higher risk securities, resulting in illiquidity in parts of the capital markets. Such disruptions may adversely affect the Account's business, financial position and results of operations.

Structured Securities Risk. The risk that the value of a structured security or its underlying collateral can rise or fall in inverse proportion to the movement of interest rates. In addition, structured securities are often subject to limited liquidity, market volatility, the credit risk of the issuer or the underlying collateral for the security, changes in credit spreads charged by the market for taking the issuer's or underlying collateral's credit risk, early termination events (which can lower the payout at maturity), contractual provisions that may impose maximum gains, participation rights or similar features that limit investment return on the security, and hidden fees and costs embedded in the price of the security, all of which can adversely impact the value of, and result in the loss of principal or interest on, the security at maturity.

GLOBAL ECONOMIC RISKS

National and regional economies and financial markets have become increasingly interconnected, which increases the possibilities that conditions in one country, region or market might adversely impact issuers in a different country, region or market. Changes in legal, political, regulatory, tax and economic conditions may cause fluctuations in markets and securities and commercial real property prices around the world, which could negatively impact the value of the Account's investments. For example, the United Kingdom's referendum decision to leave the European Union resulted in the depreciation in value of the British pound, short term declines in the stock markets and ongoing economic and political uncertainty concerning the consequences of the exit. Similar major economic or political disruptions, particularly in large economies like China, may have global negative economic and market repercussions. Additionally, events such as war, terrorism, natural and environmental disasters and the spread of infectious illnesses, pandemics or other public health emergencies may adversely affect the global economy and the securities, local commercial real estate markets and issuers in which the Account invests. Recent examples of such events include the outbreak of the COVID-19 pandemic, resulting in government imposed shutdowns across the globe. These events have reduced and could continue to reduce consumer demand and economic output, result in market closures, travel restrictions or quarantines, and generally have a significant impact on the economy, including the commercial real estate sector. Governmental and quasi-governmental authorities and regulators throughout the world have responded to the current impact of the COVID-19 pandemic with a variety of significant fiscal and monetary policy changes, including, but not limited to, direct capital infusions into companies, new monetary programs and lower interest rates. An unexpected or quick reversal of these policies, or the ineffectiveness of these policies, could increase volatility in securities and commercial real estate markets, which could adversely affect the Account's investments.

CONFLICTS OF INTEREST WITHIN TIAA

General. TIAA and its affiliates (including Nuveen Alternatives Advisors, LLC ("NAA") and Teachers Advisors, LLC ("TAL"), its wholly owned subsidiaries and registered investment advisers, and Nuveen Real Estate, LLC ("NRE"), its wholly owned subsidiary) have interests in other real estate programs and accounts and also engage in other business activities. As such, they will have conflicts of interest in allocating their time between the Account's business and these other activities. Also, the Account may be buying properties at the same time as TIAA affiliates that may have similar investment objectives to those of the Account. There is also a risk that TIAA will choose a property that provides lower returns to the Account than a property purchased by TIAA and its affiliates. Further, the Account will likely acquire properties in geographic areas where TIAA and its affiliates own or manage properties. In addition, the Account may desire to sell a property at the same time another TIAA affiliate is selling a property in an overlapping market. Conflicts could also arise because some properties owned or managed by TIAA and its affiliates may compete with the Account's properties for tenants. Among other things, if one of the TIAA entities attracts a tenant that the Account is competing for, the Account could suffer a loss of revenue due to delays in locating another suitable tenant. TIAA has adopted allocation policies and procedures applicable to the purchasing conflicts scenario, but the resolution of such conflicts may be economically disadvantageous to the Account. As a result of TIAA's and its affiliates' obligations to TIAA itself and to other current and potential investment vehicles sponsored by TIAA affiliates with similar objectives to those of the Account, there is no assurance that the Account will be able to take advantage of every attractive investment opportunity that otherwise is in accordance with the Account's investment objectives.

Liquidity Guarantee. In addition, as discussed elsewhere in this report, the TIAA General Account provides a liquidity guarantee to the Account. While an independent fiduciary is responsible under the prohibited transaction exemption issued to the Account in 1996 under PTE 96-76 ("PTE 96-76") for establishing a "trigger point" (a percentage of TIAA's ownership of liquidity units beyond which TIAA's ownership may be reduced at the fiduciary's direction), there is no express cap on the amount TIAA may be obligated to fund under this guarantee. Further, the Account's independent fiduciary oversees any redemption of TIAA liquidity units. TIAA's ownership of liquidity units (including the potential for changes in its levels of ownership in the future) from time to time could result in the perception that TIAA is taking into account its own economic interests while serving as investment manager for the Account. In particular, the value of TIAA's liquidity units fluctuates in the same manner as the value of accumulation units held by all contract owners. Any perception of a conflict of interest could cause contract owners to transfer accumulations out of the Account to another investment option, which could have an adverse impact on the Account's ability to act most optimally upon its investment strategy.

RISKS OF SECURITIES LENDING

In lending its securities, the Account bears the market risk with respect to the investment of collateral and the risk the borrower or securities lending agent (the "Agent") may default on its contractual obligations to the Account. Each Agent bears the risk that the borrower may default on its obligation to return the loaned securities as the Agent is contractually obligated to indemnify the Account if at the time of a default by a borrower some or all of the loaned securities have not been returned. Substitute payments for dividends received by the Account for securities loaned out by the Account will not be considered as qualified dividend income or as eligible for the corporate dividend received deduction.

REQUIRED PROPERTY SALES UNDER THE PTE

If TIAA were to own too large a percentage of the Account's accumulation units through funding the liquidity guarantee (as determined by the Account's independent fiduciary), the independent fiduciary could, pursuant to its obligations under PTE 96-76, require the Account to sell commercial real properties or other portfolio assets in the Account to reduce TIAA's ownership interest. Any such required sales could occur at times and at prices that depress the sale proceeds to the Account and result in losses to the Account.

NO OPPORTUNITY FOR PRIOR REVIEW OF TRANSACTIONS

Investors do not have the opportunity to evaluate the economic or financial merit of the purchase, sale or financing of a property or other investment before the Account completes the transaction, so investors will need to rely solely on TIAA's judgment and ability to select investments consistent with the Account's investment objective and policies. Further, the Account may change its investment objective and pursue specific investments in accordance with any such amended investment objective without the consent of the Account's investors.

RISKS OF REGISTRATION UNDER THE INVESTMENT COMPANY ACT OF 1940

The Account has not registered, and management intends to continue to operate the Account so that it will not have to register, as an "investment company" under the Investment Company Act of 1940, as amended (the "Investment Company Act"). Generally, a company is an "investment company" and required to register under the Investment Company Act if, among other things, it holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities, or it is engaged or proposes to engage in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire investment securities having a value exceeding 40% of the value of such company's total assets (exclusive of government securities and cash items) on an unconsolidated basis.

If in the future the Account elected to or was obligated to register as an investment company, the Account would have to comply with a variety of substantive requirements under the Investment Company Act that impose, among other things, limitations on capital structure, restrictions on certain investments, compliance with reporting, record-keeping, voting and proxy disclosure requirements and other rules and regulations that could significantly increase its operating expenses and reduce its operating flexibility. To maintain compliance with the exemptions from the Investment Company Act, the Account may be unable to sell assets it would otherwise want to sell and may be unable to purchase securities it would otherwise want to purchase, which might materially adversely impact the Account's performance.

CYBERSECURITY AND OTHER BUSINESS CONTINUITY RISKS

With the increased use of connected technologies such as the Internet to conduct business, the Account and its service providers (including, but not limited to, TIAA, Services, the independent fiduciary and the Account's custodian and financial intermediaries) are susceptible to cybersecurity risks. In general, cybersecurity attacks can result from infection by computer viruses or other malicious software or from deliberate actions or unintentional events, including gaining unauthorized access through "hacking" or other means to digital systems, networks, or devices that are used to service the Account's operations in order to misappropriate assets or sensitive information, corrupt data, or cause operational disruption. Cybersecurity attacks can also be carried out in a manner that does not require gaining unauthorized access, including by carrying out a "denial-of-service" attack on the Account or its service providers. In addition, authorized persons could inadvertently or intentionally release and possibly destroy confidential or proprietary information stored on the Account's systems or the systems of its service providers.

Cybersecurity failures by the Account or any of its service providers, or the issuers of any portfolio securities in which the Account invests (e.g., issuers of REIT stocks or debt securities), have the ability to result in disruptions to and impacts on business operations and may adversely affect the Account and the value of your accumulation units. Such disruptions or impacts may result in: financial losses; interference with the processing of contract transactions, including the processing of orders from TIAA's website; interfere with the Account's ability to calculate AUVs; barriers to trading and order processing; Account contract owners' inability to transact business with the Account; violations of applicable federal and state privacy or other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs; or additional compliance costs. The Account and its service providers may also maintain sensitive information (including relating to personally identifiable information of investors) and a cybersecurity breach may cause such information to be lost, improperly accessed, used or disclosed. The Account may incur additional, incremental costs to prevent and mitigate the risks of cybersecurity attacks or incidents in the future. The Account and its contract owners could be negatively impacted by such cybersecurity attacks or incidents. Although the Account has established business continuity plans and risk-based processes and controls to address such cybersecurity risks, there are inherent limitations in such plans and systems in part due to the evolving nature of technology and cybersecurity attack tactics. As a result, it is possible that the Account or the Account's service providers will not be able to adequately identify or prepare for all cybersecurity attacks. In addition, the Account cannot directly control the cybersecurity plans or systems implemented by its service providers.

Other disruptive events, including, but not limited to, natural disasters and public health or pandemic crises (such as the COVID-19 pandemic), may adversely affect the Account's ability to conduct business. Such adverse effects may include the inability of TIAA's employees, or the employees of its affiliates and the Account's service providers, to perform their responsibilities as a result of any such event. Any resulting disruptions to the Account's business operations can interfere with our processing of contract transactions (including the processing of orders from our website), impact our ability to calculate annuity unit values, or cause other operational issues.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

Not applicable.

ITEM 2. PROPERTIES.

THE PROPERTIES—GENERAL

In the table below, contract owners will find general information about each of the Account's investments as of December 31, 2020. The Account's investments include both properties that are wholly owned by the Account and properties owned by the Account's joint venture investments. Certain investments include a portfolio of properties.

Property	Location	Ownership Percentage	Rentable Area (Sq. ft.)[1]	Percent Leased	Fair Value[2] (millions)
OFFICE PROPERTIES					
1001 Pennsylvania Ave	Washington, D.C.	100.00%	763,307	88.8%	$ 806.8 [3]
99 High Street	Boston, MA	100.00%	730,210	92.8%	540.2 [3]
Lincoln Centre	Dallas, TX	100.00%	1,621,293	78.2%	467.7
701 Brickell Avenue	Miami, FL	100.00%	685,660	89.5%	421.5 [3]
780 Third Avenue	New York, NY	100.00%	507,611	72.1%	354.3 [3]
Colorado Center	Santa Monica, CA	50.00%	1,128,600	93.6%	346.4 [4]
1900 K Street, NW	Washington, D.C.	100.00%	346,197	96.7%	338.0 [3]
Four Oaks Place	Houston, TX	51.00%	2,342,049	83.6%	336.2 [4]
Wilshire Rodeo Plaza	Beverly Hills, CA	100.00%	255,891	82.9%	311.4
Foundry Square II	San Francisco, CA	50.10%	520,218	96.9%	307.5
21 Penn Plaza	New York, NY	100.00%	380,994	79.4%	302.5
Fort Point Creative Exchange Portfolio	Boston, MA	100.00%	406,625	61.4%	264.6
One Boston Place	Boston, MA	50.25%	805,586	82.0%	259.3
409 & 499 Illinois Street	San Francisco, CA	40.00%	463,985	99.0%	242.8
225 Binney Street	Cambridge, MA	70.00%	305,212	100.0%	233.6
1401 H Street, NW	Washington, D.C.	100.00%	359,789	86.3%	217.1 [3]
837 Washington Street	New York, NY	100.00%	55,497	100.0%	211.0
88 Kearny Street	San Francisco, CA	100.00%	228,825	79.5%	199.3
501 Boylston	Boston, MA	50.10%	610,075	99.3%	195.1 [4]
Campus Pointe 1	San Diego, CA	45.00%	449,759	99.2%	177.3
Fourth & Madison	Seattle, WA	51.00%	845,533	96.5%	172.0 [4]
Campus Pointe 2 & 3	San Diego, CA	45.00%	305,006	100.0%	154.7
440 Ninth Avenue	New York, NY	88.52%	410,815	88.8%	133.1 [4]
Campus Pointe 6	San Diego, CA	45.00%	314,103	95.7%	130.6
Vista Station Office Portfolio	Draper, UT	100.00%	400,000	100.0%	116.3 [3]
1600 Broadway Street	Denver, CO	100.00%	444,595	91.9%	116.0
Pacific Plaza	San Diego, CA	100.00%	218,164	74.5%	111.0
150 Industrial Road	San Carlos, CA	98.00%	229,640	100.0%	101.2
Wilton Woods Corporate Campus	Wilton, CT	100.00%	531,606	76.0%	100.0
101 Pacific Coast Highway	El Segundo, CA	100.00%	200,228	90.8%	94.7
1500 Owens	San Francisco, CA	49.90%	158,267	100.0%	89.8
The Ellipse at Ballston	Arlington, VA	100.00%	197,226	76.8%	79.8
The Hub	Long Island City, NY	95.00%	345,643	17.2%	79.2 [4]
Juniper MOB Portfolio[7]	Various	50.00%	325,396	78.7%	65.4
9625 Towne Centre Drive	San Diego, CA	49.90%	163,648	100.0%	60.6
200 Middlefield Road	Menlo Park, CA	100.00%	43,081	85.7%	60.2
West Lake North Business Park	Westlake Village, CA	100.00%	197,366	78.7%	58.3
101 North Tryon Street	Charlotte, NC	85.00%	546,615	79.4%	56.0 [4]
Camelback Center	Phoenix, AZ	100.00%	232,615	55.0%	52.0

Property	Location	Ownership Percentage	Rentable Area (Sq. ft.)[1]	Percent Leased	Fair Value[2] (millions)
8270 Greensboro Drive	McLean, VA	100.00%	158,341	71.1%	$ 46.0
Campus Pointe 5	San Diego, CA	45.00%	269,048	100.0%	45.0
3131 McKinney	Dallas, TX	100.00%	146,467	60.5%	39.3
30700 Russell Ranch	Westlake Village, CA	100.00%	136,262	97.7%	36.5
817 Broadway	New York, NY	61.46%	139,312	21.8%	26.0 [4]
Campus Pointe 4	San Diego, CA	45.00%	44,034	100.0%	11.2
Subtotal—Office Properties				**85.2%**	**$ 8,567.5**
INDUSTRIAL PROPERTIES					
Ontario Industrial Portfolio	Various, U.S.A.	100.00%	3,361,602	73.6%	$ 540.4
Dallas Industrial Portfolio	Dallas and Coppell, TX	100.00%	3,684,941	100.0%	258.3
Great West Industrial Portfolio	Rancho Cucamonga and Fontana, CA	100.00%	1,358,925	100.0%	215.1
Cerritos Industrial Park	Cerritos, CA	100.00%	934,213	97.6%	171.8
Rainier Corporate Park	Fife, WA	100.00%	1,104,071	97.5%	169.9
Southern CA RA Industrial Portfolio	Los Angeles, CA	100.00%	920,078	86.4%	160.9
Pinto Business Park	Houston, TX	100.00%	1,641,141	80.9%	153.8
South River Road Industrial	Cranbury, NJ	100.00%	858,957	100.0%	138.5
Regal Logistics Campus	Seattle, WA	100.00%	968,535	100.0%	132.0
Seneca Industrial Park	Pembroke Park, FL	100.00%	882,182	98.4%	128.7
Oakmont IE West Portfolio	Fontana, CA	100.00%	709,941	100.0%	123.9
Northern CA RA Industrial Portfolio	Oakland, CA	100.00%	625,442	87.1%	117.2
Shawnee Ridge Industrial Portfolio	Atlanta, GA	100.00%	1,422,922	100.0%	104.0
Frontera Industrial Business Park	San Diego, CA	100.00%	691,407	87.3%	101.2
Rancho Cucamonga Industrial Portfolio	Rancho Cucamonga, CA	100.00%	573,000	100.0%	95.4
Chicago Caleast Industrial Portfolio	Chicago, IL	100.00%	1,145,152	100.0%	85.3
Weston Business Center	Weston, FL	100.00%	455,268	100.0%	81.7
Ontario Mills Industrial Portfolio	Ontario, CA	100.00%	435,733	100.0%	79.2
Northwest Houston Industrial Portfolio	Houston, TX	100.00%	1,010,957	68.3%	75.5
Pinnacle Industrial Portfolio	Grapevine, TX	100.00%	899,200	80.2%	75.5
Stevenson Point	Newark, CA	100.00%	312,885	100.0%	75.0
Broward Industrial Portfolio	Various, FL	100.00%	355,088	100.0%	68.5
Pacific Corporate Park	Fife, WA	100.00%	388,783	86.7%	66.8
Centre Pointe and Valley View	Los Angeles County, CA	100.00%	307,685	97.7%	62.1
200 Milik Street	Carteret, NJ	100.00%	232,134	100.0%	59.1
Landover Logistics	Landover, MD	100.00%	360,550	46.4%	54.3
Midway 840	Mount Juliet, TN	100.00%	670,680	56.5%	50.9
Northwest RA Industrial Portfolio	Seattle, WA	100.00%	312,321	100.0%	49.6
Northeast RA Industrial Portfolio	Boston, MA	100.00%	384,126	100.0%	44.2
Atlanta Industrial Portfolio	Lawrenceville, GA	100.00%	495,440	100.0%	41.5
Otay Mesa Industrial Portfolio	San Diego, CA	100.00%	265,712	100.0%	40.2
One Beeman Road	Northborough, MA	100.00%	342,900	100.0%	36.0
Chicago Industrial Portfolio	Chicago, IL	100.00%	334,824	100.0%	33.0
Riverside 202 Industrial	Phoenix, AZ	100.00%	319,860	100.0%	30.4
10 New Maple	Pine Brook, NJ	100.00%	266,338	83.0%	21.0

Property	Location	Ownership Percentage	Rentable Area (Sq. ft.)[1]	Percent Leased	Fair Value[2] (millions)	
Park 10 Distribution	Houston, TX	100.00%	152,638	91.2%	$ 12.0	
Chisolm Trail	Houston, TX	100.00%	86,904	85.9%	5.2	
Subtotal—Industrial Properties				**90.9%**	**$ 3,758.1**	
RETAIL PROPERTIES						
The Florida Mall	Orlando, FL	50.00%	1,734,626	89.5%	$ 655.8	(4)
Fashion Show	Las Vegas, NV	50.00%	1,901,477	94.6%	568.7	(4)
The Forum at Carlsbad	Carlsbad, CA	100.00%	264,915	97.0%	203.0	(3)
Pacific City	Huntington Beach, CA	100.00%	189,951	77.6%	158.0	(3)
Florida Retail Portfolio	Various, FL	80.00%	450,822	98.2%	155.5	
Westwood Marketplace	Los Angeles, CA	100.00%	202,202	100.0%	150.0	
Village Crossing	Skokie, IL	100.00%	722,457	95.4%	136.1	
Bridgepointe Shopping Center	San Mateo, CA	100.00%	231,519	66.7%	124.1	
West Town Mall	Knoxville, TN	50.00%	1,339,417	94.0%	122.9	(4)
350 Washington	Boston, MA	100.00%	147,273	92.5%	121.0	
Miami International Mall	Miami, FL	50.00%	1,084,218	95.2%	110.0	(4)
Birkdale Village	Huntersville, NC	93.00%	334,892	91.7%	109.0	(4)
Plaza America	Reston, VA	100.00%	164,232	82.0%	103.0	
Fayette Pavilion	Fayetteville, GA	100.00%	1,521,852	90.5%	101.4	
Marketfair	West Windsor, NJ	100.00%	243,356	96.7%	98.4	
Charleston Plaza	Mountain View, CA	100.00%	132,590	100.0%	95.3	
Valencia Town Center	Valencia, CA	50.00%	979,809	93.4%	93.0	(4)
The Shops at Wisconsin Place	Chevy Chase, MD	100.00%	117,202	79.3%	89.3	(5)
Marketplace at Mill Creek	Buford, GA	100.00%	401,896	99.2%	76.4	(3)
Publix at Weston Commons	Weston, FL	100.00%	126,922	93.6%	69.6	
South Denver Marketplace	Denver, CO	100.00%	261,135	100.0%	65.1	
Overlook At King Of Prussia	King of Prussia, PA	100.00%	193,068	94.5%	55.6	(3)
Pavilion at Turkey Creek	Knoxville, TN	100.00%	452,771	96.2%	51.1	
32 South State Street	Chicago, IL	100.00%	96,354	100.0%	48.5	(3)
Southside at McEwen	Franklin, TN	100.00%	92,470	94.9%	48.2	
Creeks at Virginia Center	Glen Allen, VA	100.00%	265,973	92.5%	47.5	
Columbiana Station	Columbia, SC	100.00%	435,592	91.9%	47.0	
Winslow Bay Commons	Mooresville, NC	100.00%	441,773	99.7%	46.9	(3)
Heritage Pavilion	Smyrna, GA	100.00%	255,971	92.7%	40.6	
Newnan Pavilion	Newnan, GA	100.00%	466,503	96.5%	40.0	
Alexander Place	Raleigh, NC	100.00%	198,175	89.5%	39.9	
Riverchase Village	Hoover, AL	100.00%	175,673	94.4%	36.1	
Cypress Trace	Fort Myers, FL	100.00%	279,171	98.2%	35.9	
Woodstock Square	Woodstock, GA	100.00%	392,859	99.7%	32.0	
Town and Country	Knoxville, TN	100.00%	650,229	87.0%	30.7	
River Ridge	Birmingham, AL	100.00%	349,734	98.2%	29.0	
401 West 14th Street	New York, NY	42.19%	62,200	92.1%	27.1	(4)
Market Square	Fort Myers, FL	100.00%	118,945	89.6%	20.1	
Shoppes at Lake Mary	Lake Mary, FL	100.00%	74,234	93.9%	19.6	
Warwick Shopping Center	Warwick, RI	100.00%	159,958	85.3%	17.8	

Property	Location	Ownership Percentage	Rentable Area (Sq. ft.)[1]	Percent Leased	Fair Value[2] (millions)	
1619 Walnut Street	Philadelphia, PA	100.00%	34,047	100.0%	$ 16.7	
Eisenhower Crossing	Macon, GA	100.00%	591,832	76.8%	12.9	
Bellevue Place	Nashville, TN	100.00%	77,099	95.9%	8.4	
Subtotal—Retail Properties				**92.7%**	**$ 4,157.2**	
OTHER PROPERTIES						
Storage Portfolio II	Various, U.S.A.	90.00%	2,674,252	96.9%	$ 131.7	(4)
Storage Portfolio I	Various, U.S.A.	66.02%	1,683,881	96.7%	93.6	(4)
Lincoln Centre - Hilton Dallas	Dallas, TX	100.00%	384,791	20.2%	63.6	
Storage Portfolio III	Various, U.S.A.	90.00%	355,825	94.1%	53.3	
I-35 Logistics Center	Fort Worth, TX	95.00%	N/A	N/A	33.1	(6)
Fairfield Tolenas Development	Fairfield, CA	95.00%	N/A	N/A	26.6	(6)
Almond Avenue	Fontana, CA	100.00%	N/A	N/A	13.4	(6)
Subtotal—Other Properties				**90.8%**	**$ 415.3**	
Subtotal—Commercial Properties				**89.8%**	**$ 16,898.1**	
RESIDENTIAL PROPERTIES						
Simpson Housing Portfolio	Various, U.S.A.	80.00%	N/A	92.3%	$ 427.6	(4)
Palomino Park	Highlands Ranch, CO	100.00%	N/A	94.7%	352.1	
The Colorado	New York, NY	100.00%	N/A	89.7%	243.1	(3)
THP Student Housing Portfolio	Various, U.S.A.	97.00%	N/A	90.7%	188.6	(4)
Stella	Marina Del Rey, CA	100.00%	N/A	91.4%	161.0	
The Louis at 14th	Washington, D.C.	100.00%	N/A	91.8%	160.1	
Mass Court	Washington, D.C.	100.00%	N/A	88.9%	160.0	
Houston Apartment Portfolio	Houston, TX	100.00%	N/A	89.2%	157.3	
Holly Street Village	Pasadena, CA	100.00%	N/A	92.8%	153.1	(3)
The Legacy at Westwood	Los Angeles, CA	100.00%	N/A	86.1%	149.1	(3)
BLVD63	San Diego, CA	100.00%	N/A	81.5%	145.1	
Larkspur Courts	Larkspur, CA	100.00%	N/A	88.7%	141.0	
Terra House	San Jose, CA	100.00%	N/A	88.2%	140.2	
The Manor at Flagler Village	Fort Lauderdale, FL	100.00%	N/A	87.7%	131.2	
The Palatine	Arlington, VA	100.00%	N/A	92.7%	125.0	(3)
Union - South Lake Union	Seattle, WA	100.00%	N/A	87.3%	111.0	(3)
Ashford Meadows Apartments	Herndon, VA	100.00%	N/A	95.9%	107.4	
Henley at Kingstowne	Alexandria, VA	100.00%	N/A	90.2%	107.4	(3)
Regents Court	San Diego, CA	100.00%	N/A	91.6%	103.0	(3)
Sole at Brandon	Riverview, FL	100.00%	N/A	91.8%	100.0	
Casa Palma	Coconut Creek, FL	100.00%	N/A	92.9%	98.7	
Circa Green Lake	Seattle, WA	100.00%	N/A	92.5%	96.0	(3)
Rancho Del Mar	San Clemente, CA	100.00%	N/A	90.4%	93.5	
803 Corday	Naperville, IL	100.00%	N/A	94.3%	92.6	
MiMA	New York, NY	70.00%	N/A	99.8%	92.2	(4)
Oceano at Warner Center	Woodland Hills, CA	100.00%	N/A	93.9%	90.1	
Creekside Alta Loma	Rancho Cucamonga, CA	100.00%	N/A	93.8%	85.5	
Greene Crossing	Columbia, SC	100.00%	N/A	100.0%	81.3	
Sole at Brandon	Riverview, FL	100.00%	N/A	91.0%	78.0	

Property	Location	Ownership Percentage	Rentable Area (Sq. ft.)[1]	Percent Leased	Fair Value[2] (millions)
Centric Gateway	Charlotte, NC	100.00%	N/A	85.2%	$ 74.0
Fusion 1560	St. Petersburg, FL	100.00%	N/A	96.0%	72.7 [3]
Biltmore at Midtown	Atlanta, GA	100.00%	N/A	86.2%	72.6 [3]
The District at La Frontera	Austin, TX	100.00%	N/A	92.0%	72.4 [3]
Churchill on the Park	Dallas, TX	100.00%	N/A	90.2%	72.3
Ascent at Windward	Alpharetta, GA	100.00%	N/A	94.2%	72.3 [3]
The Residences at the Village of Merrick Park	Coral Gables, FL	100.00%	N/A	90.8%	69.5
Prescott Wallingford Apartments	Seattle, WA	100.00%	N/A	89.0%	67.4
Carrington Park	Plano, TX	100.00%	N/A	93.4%	66.7
The Bridges	Minneapolis, MN	100.00%	N/A	96.9%	66.0
Lofts at SoDo	Orlando, FL	100.00%	N/A	94.2%	65.3 [3]
Boca Arbor Club	Boca Raton, FL	100.00%	N/A	95.4%	63.9
5 West	Tampa, FL	100.00%	N/A	94.0%	63.0
Allure at Camarillo	Camarillo, CA	100.00%	N/A	97.6%	62.0
Glen Lake	Atlanta, GA	100.00%	N/A	93.0%	59.0
The Maroneal	Houston, TX	100.00%	N/A	87.4%	58.8
Cherry Knoll	Germantown, MD	100.00%	N/A	93.7%	57.8 [3]
Westcreek	Westlake Village, CA	100.00%	N/A	95.2%	55.4
Orion on Orpington	Orlando, FL	100.00%	N/A	96.8%	51.6
Lakepointe at Jacaranda	Plantation, FL	100.00%	N/A	95.9%	48.7
The Manor Apartments	Plantation, FL	100.00%	N/A	91.9%	47.5
Cliffs at Barton Creek	Austin, TX	100.00%	N/A	87.1%	45.6
Park Creek	Fort Worth, TX	100.00%	N/A	93.7%	43.1
The Cordelia	Portland, OR	100.00%	N/A	91.9%	40.8
The Knoll	Minneapolis, MN	100.00%	N/A	96.0%	37.2
The Ashton	Washington, D.C.	100.00%	N/A	85.7%	30.7
Subtotal—Residential Properties				**91.6%**	**$ 5,707.5**
Total—All Properties				**90.2%**	**$ 22,605.6**

(1) The square footage is an approximate measure and is subject to periodic remeasurement.
(2) Wholly owned properties are represented at fair value and gross of any debt, while joint venture properties are represented at the net equity value.
(3) Property is subject to a mortgage. The fair value shown represents the Account's interest gross of debt.
(4) The fair value reflects the Account's interest in the joint venture and is net of debt.
(5) Fair value shown reflects a retail property wholly-owned by the Account, as well as the Account's 33.33% interest in a joint venture investment.
(6) Investment represents land currently under development.
(7) Medical Office Building ("MOB").

Commercial (Non-Residential) Investments

Major Tenants: The following tables list the Account's ten most significant tenants based on the total space they occupied as of December 31, 2020 in each of the Account's commercial property types.

Major Office Tenants	Occupied Sq. Ft.	% of Total Rentable Area of Account's Office Properties	% of Total Rentable Area of Non-Residential Properties
BHP Petroleum (Americas), Inc.(1)	1,023,456	5.1 %	1.5 %
WeWork(3)	433,417	2.2 %	0.6 %
Crowell & Moring LLP(2)	391,757	2.0 %	0.6 %
Bank of America(3)	325,950	1.6 %	0.5 %
Atmos Energy Corporation(2)	312,238	1.6 %	0.5 %
Biogen MA Inc(1)	305,212	1.5 %	0.5 %
Eli Lilly and Company(1)	305,006	1.5 %	0.5 %
Leidos, Inc.(1)	269,048	1.3 %	0.4 %
Hulu LLC(1)	261,823	1.3 %	0.4 %
Signal Pharmaceuticals(1)	251,893	1.3 %	0.4 %

Major Industrial Tenants	Occupied Sq. Ft.	% of Total Rentable Area of Account's Industrial Properties	% of Total Rentable Area of Non-Residential Properties
Wal-Mart Stores, Inc.(2)	1,099,112	3.8 %	1.6 %
Federal Express (2)	1,036,064	3.5 %	1.5 %
Regal West Corporation (2)	968,535	3.3 %	1.4 %
Kumho Tire U.S.A. Inc.(2)	830,485	2.8 %	1.2 %
Del Monte Fresh Product, N.A., Inc.(2)	689,660	2.4 %	1.0 %
R.R Donnelley & Sons Company (2)	659,157	2.3 %	1.0 %
Rheem Sales Company, Inc.(2)	656,600	2.2 %	1.0 %
Global Equipment Company, Inc.(2)	647,228	2.2 %	1.0 %
Campbell Soup Supply Company (2)	573,000	2.0 %	0.8 %
Meiko America, Inc.(2)	557,500	1.9 %	0.8 %

Major Retail Tenants	Occupied Sq. Ft.	% of Total Rentable Area of Account's Retail Properties	% of Total Rentable Area of Non-Residential Properties
Target Corporation (2)	911,351	4.9 %	1.3 %
Dick's Sporting Goods, Inc. (3)	564,453	3.1 %	0.8 %
Macy's Inc. (1)	496,603	2.7 %	0.7 %
Belk, Inc. (3)	372,812	2.0 %	0.6 %
Kohl's Corporation (3)	348,057	1.9 %	0.5 %
J.C. Penney Corporation, Inc (1)	330,096	1.8 %	0.5 %
PetSmart, Inc.(2)	313,559	1.7 %	0.5 %
Best Buy Co., Inc. (2)	313,219	1.7 %	0.5 %
Nordstrom Inc. (3)	304,610	1.7 %	0.5 %
Bed Bath and Beyond Inc. (2)	274,897	1.5 %	0.4 %

(1) Tenant occupied space within joint venture investments.
(2) Tenant occupied space within wholly-owned investments.
(3) Tenant occupied space within wholly-owned and joint venture investments.

The following tables list the rentable area for long term leases subject to expiring leases during the next ten years and an aggregate figure for expirations in 2031 and after, in the Account's commercial (non-residential) properties that are both wholly-owned by the Account and held within the Account's joint venture investments. While many of the leases contain renewal options with varying terms, these charts assume that none of the tenants exercise their renewal options, including those with terms that expired on December 31, 2020 or are month to month leases.

Office Properties

Year of Lease Expiration	Number of Tenants with Expiring Leases	Base Rent Associated with Such Leases (millions)(1)	Expiring Rent as a % of Rental Income(1)	Rentable Area Subject to Expiring Leases (sq. ft.)	% of Total Rentable Area of Account's Office Properties Represented by Expiring Leases
2021	141	$ 51.0	2.9 %	2,542,305	12.7 %
2022	125	34.2	1.9 %	1,743,241	8.7 %
2023	96	43.3	2.4 %	1,626,132	8.1 %
2024	91	35.0	2.0 %	1,704,018	8.5 %
2025	88	60.5	3.4 %	1,685,787	8.4 %
2026	49	36.3	2.0 %	1,452,810	7.3 %
2027	32	24.0	1.3 %	968,266	4.8 %
2028	44	37.0	2.1 %	1,427,508	7.1 %
2029	23	17.2	1.0 %	516,212	2.6 %
2030	18	16.4	0.9 %	565,415	2.8 %
Thereafter	57	96.1	5.4 %	2,643,893	13.2 %
Total	764	$ 451.0	25.3 %	16,875,587	84.2 %

Industrial Properties

Year of Lease Expiration	Number of Tenants with Expiring Leases	Base Rent Associated with Such Leases (millions)(1)	Expiring Rent as a % of Rental Income(1)	Rentable Area Subject to Expiring Leases (sq. ft.)	% of Total Rentable Area of Account's Industrial Properties Represented by Expiring Leases
2021	88	$ 19.2	1.1 %	5,192,994	17.7 %
2022	104	20.3	1.1 %	5,710,664	19.5 %
2023	87	17.4	1.0 %	4,967,727	17.0 %
2024	85	17.0	1.0 %	3,285,746	11.2 %
2025	51	11.1	0.6 %	3,003,316	10.3 %
2026	26	10.2	0.6 %	3,158,932	10.8 %
2027	13	3.4	0.2 %	758,832	2.6 %
2028	6	2.5	0.1 %	624,957	2.1 %
2029	3	0.6	— %	142,306	0.5 %
2030	1	0.1	— %	45,220	0.2 %
Thereafter	4	2.8	0.2 %	922,928	3.2 %
Total	468	$ 104.6	5.9 %	27,813,622	95.1 %

Retail Properties

Year of Lease Expiration	Number of Tenants with Expiring Leases	Base Rent Associated with Such Leases (millions)[(1)]	Expiring Rent as a % of Rental Income[(1)]	Rentable Area Subject to Expiring Leases (sq. ft.)	% of Total Rentable Area of Account's Retail Properties Represented by Expiring Leases
2021	283	$ 18.6	1.0 %	1,678,421	10.1 %
2022	270	15.9	0.9 %	2,182,808	13.1 %
2023	267	20.9	1.2 %	1,784,425	10.7 %
2024	221	18.7	1.0 %	1,605,336	9.6 %
2025	199	24.7	1.4 %	1,593,958	9.6 %
2026	131	11.9	0.7 %	1,396,544	8.4 %
2027	85	9.2	0.5 %	570,389	3.4 %
2028	60	6.1	0.3 %	506,237	3.0 %
2029	48	3.7	0.2 %	378,786	2.3 %
2030	74	14.8	0.8 %	605,626	3.6 %
Thereafter	49	11.3	0.6 %	1,594,807	9.6 %
Total	1,687	$ 155.8	8.6 %	13,897,337	83.4 %

(1) Includes base rent from wholly-owned properties and properties held through joint ventures.

Certain leases provide for additional rental amounts based upon the recovery of actual operating expenses in excess of specified base amounts, sales volume or contractual increases as defined in the lease agreement. These contractual contingent rentals are not included in the table above.

The following table details the leasing activity during the year ended December 31, 2020.

	Leasing Activity (sq. ft.)
Vacant space beginning of year	5,166,442
Vacant space acquired during the year	382,862
Vacant space disposed of during the year	(50,516)
Vacant space placed into service during the year	(6,386,585)
Expiring leases during the year	8,154,709
Vacant space end of year	7,266,912
Average remaining lease term*	46 months

*Includes office, industrial and retail properties.

Based on leases in place at December 31, 2020, leases representing approximately 13.8% of net rentable area are scheduled to expire throughout 2021. Rents associated with such lease expirations are generally at or below prevailing market rents in the Account's primary metropolitan markets.

Residential Investments

The Account's residential property investment portfolio is comprised of first class or luxury multi-family, garden, mid-rise, and high-rise apartment buildings. The complexes generally contain one to three bedroom apartment units with a range of amenities, such as patios or balconies, washers and dryers, and central air conditioning. Many of these apartment communities have on-site fitness facilities, including some with swimming pools. Rents on each of the properties tend to be comparable with competitive communities and are not subject to rent regulation. The Account is responsible for the expenses of operating its residential properties. As of December 31, 2020, the Account's residential properties had an aggregate fair value of approximately $5.7 billion.

The following table contains detailed information regarding the apartment complexes in the Account's portfolio as of December 31, 2020.

Property	Location	Number Of Units	Average Unit Size (Sq. Ft.)
The Ashton	Washington, D.C.	49	1,627
The Residences at the Village of Merrick Park	Coral Gables, FL	120	1,231
Glen Lake	Atlanta, GA	270	1,199
The Legacy at Westwood	Los Angeles, CA	187	1,181
Houston Apartment Portfolio(1)	Houston, TX	877	1,158
Birkdale Village	Huntersville, NC	320	1,147
Casa Palma	Coconut Creek, FL	350	1,123
Palomino Park(1)	Highlands Ranch, CO	1,184	1,100
Ascent at Windward	Alpharetta, GA	328	1,075
Sole at Brandon	Riverview, FL	366	1,060
The Palatine	Arlington, VA	262	1,055
Ashford Meadows Apartments	Herndon, VA	440	1,050
Simpson Housing Portfolio(1)	Various, U.S.A.	3,827	1,010
Larkspur Courts	Larkspur, CA	248	1,001
5 West	Tampa, FL	318	978
The Manor Apartments	Plantation, FL	197	977
Cherry Knoll	Germantown, MD	300	968
The Manor at Flagler Village	Fort Lauderdale, FL	382	964
Stella	Marina Del Rey, CA	246	963
Lofts at SoDo	Orlando, FL	308	961
Cliffs at Barton Creek	Austin, TX	210	952
Westcreek	Westlake Village, CA	126	951
803 Corday	Naperville, IL	440	937
Carrington Park	Plano, TX	364	936
Oceano at Warner Center	Woodland Hills, CA	244	935
Henley at Kingstowne	Alexandria, VA	358	930
The Maroneal	Houston, TX	309	928
District at La Frontera	Austin, TX	512	920
Boca Arbor Club	Boca Raton, FL	304	896
Centric Gateway	Charlotte, NC	297	890
Creekside Alta Loma	Rancho Cucamonga, CA	290	887
Regents Court	San Diego, CA	251	886
Allure at Camarillo	Camarillo, CA	165	880
Lakepointe at Jacaranda	Plantation, FL	246	880
Holly Street Village	Pasadena, CA	374	879
The Colorado	New York, NY	175	877
Churchill on the Park	Dallas, TX	448	868
Avana	San Clemente, CA	250	841
Mass Court	Washington, DC	371	836
Fusion 1560	St. Petersburg, FL	325	834
Park Creek Apartments	Fort Worth, TX	300	833
Sole at City Center	West Balm Beach, FL	317	822
Terra House	San Jose, CA	348	814
Biltmore at Midtown	Atlanta, GA	276	766

Property	Location	Number Of Units	Average Unit Size (Sq. Ft.)
Circa Green Lake	Seattle, WA	199	765
MiMA	New York, NY	500	739
Union - South Lake Union	Seattle, WA	284	695
The Cordelia	Portland, OR	135	667
Prescott Wallingford Apartments	Seattle, WA	154	665
The Louis at 14th	Washington, DC	268	665
The Bridges(2)	Minneapolis, MN	720	523
The Knoll(2)	Minneapolis, MN	452	459
Greene Crossing(2)	Columbia, SC	726	444
THP Student Housing Portfolio(1)(2)	Various, U.S.A.	4,143	433
BLVD 63(2)	San Diego, CA	1,379	361
Orion on Orpington(2)	Orlando, FL	624	324

(1) Represents a portfolio containing multiple properties.
(2) Investment is a student housing asset. Units are rented per bedroom, and multiple bedrooms can exist in one apartment.

Other Real Estate Investments

In addition to the Account's commercial and residential real estate investments, the Account has other real estate investments comprised of three storage portfolios, three properties under development, and a hotel. The storage portfolios are held through joint ventures with an established operator in the self-storage industry. The storage portfolios are diversified throughout the United States, with exposure present in more than twenty metropolitan areas. The properties under development are industrial sites located in metropolitan areas where tenant demand for space is strong and is expected to continue over the long term. The hotel, located in Dallas, TX, is located within the Lincoln Centre campus, which is also the location of an office property held by the Account.

ITEM 3. LEGAL PROCEEDINGS.

In the normal course of business, the Account may be named, from time to time, as a defendant or may be involved in various legal actions, including arbitrations, class actions and other litigation.

The Account establishes an accrual for all litigation and regulatory matters when it believes it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. Once established, accruals are adjusted, as appropriate, in light of additional information. The amount of loss ultimately incurred in relation to those matters may be higher or lower than the amounts accrued for those matters.

As of the date of this annual report, management of the Account does not believe that the results of any such claims or litigation, individually or in the aggregate, will have a material effect on the Account’s business, financial position or results of operations.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S SECURITIES, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES.

Market Information. There is no established public trading market for securities issued by the Account. Accumulation units in the Account are sold to eligible contract owners at the Account's current accumulation unit value, which is based on the value of the Account's then current net assets, and are redeemable in accordance with the terms of the contract owner's annuity contract. For the period from January 1, 2020 to December 31, 2020, the high and low accumulation unit values for the Account were $442.781 and $433.383, respectively. For the period January 1, 2019 to December 31, 2019, the high and low accumulation unit values for the Account were $440.422 and $416.977, respectively.

Holders. The approximate number of Account contract owners at December 31, 2020 was 994,479.

Securities Authorized for Issuance under Equity Compensation Plans. Not applicable.

Use of Proceeds. Not applicable.

Purchases of Equity Securities by Issuer. Not applicable.

ITEM 6. SELECTED FINANCIAL DATA.

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE ACCOUNT'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis of the Account's financial condition and results of operations should be read together with the Consolidated Financial Statements and notes contained in this report and with consideration to the sub-section entitled "Forward-looking Statements," which begins below, and the section entitled "Item 1A. Risk Factors." The past performance of the Account is not indicative of future results.

Forward-looking Statements

Some statements in this Form 10-K which are not historical facts may be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements about management's expectations, beliefs, intentions or strategies for the future, include the assumptions and beliefs underlying these forward-looking statements, and are based on current expectations, estimates and projections about the real estate industry, domestic and global economic conditions, including conditions in the credit and capital markets, the sectors, and markets in which the Account invests and operates, and the transactions described in this Form 10-K. While management believes the assumptions underlying its forward-looking statements and information to be reasonable, such information may be subject to uncertainties and may involve certain risks which may be difficult to predict and are beyond management's control. These risks and uncertainties could cause actual results to differ materially from those contained in any forward-looking statement. These risks and uncertainties include, but are not limited to, those described under "Item 1—Summary Risk Factors."

More detailed discussions of certain of these risk factors are contained in the section of this Form 10-K entitled "Item 1A. Risk Factors" and also in the section entitled "Item 7A. Quantitative and Qualitative Disclosures About Market Risk," that could cause actual results to differ materially from historical experience or management's present expectations.

Caution should be taken not to place undue reliance on management's forward-looking statements, which represent management's views only as of the date that this report is filed. Neither management nor the Account undertake any obligation to update publicly or revise any forward-looking statement, whether as a result of new information, changed assumptions, future events or otherwise.

Commercial real estate market statistics discussed in this section are obtained by the Account from sources that management considers reliable, but some of the data is preliminary for the year or quarter ended December 31, 2020 and may be subsequently revised. Prior period data may have been adjusted to reflect updated calculations. Investors should not rely exclusively on the data presented below in forming a judgment regarding the current or prospective performance of the commercial real estate market generally.

2020 U.S. ECONOMIC AND COMMERCIAL REAL ESTATE OVERVIEW

Economic Overview and Outlook

Key Macro Economic Indicators*

	Actuals					Forecast	
	2020	1Q 2020	2Q 2020	3Q 2020	4Q 2020	2021	2022
Economy(1)							
Gross Domestic Product ("GDP")	(3.5)%	(5.0)%	(31.4)%	33.4%	4.0%	4.1%	3.5%
Employment Growth (Thousands)	(781)	(908)	(13,281)	3,911	904	369	248
Unemployment Rate	6.7%	4.4%	11.1%	7.9%	6.7%	6.0%	5.0%
Interest Rates(2)							
10 Year Treasury	0.9%	1.4%	0.7%	0.7%	0.9%	1.3%	1.7%

Sources: Blue Chip Economic Indicators, Blue Chip Financial Forecasts, BEA, Bureau of Labor Statistics, Federal Reserve and Moody's Analytics

* Data subject to revision

(1) GDP growth rates are annual rates. Quarterly unemployment rates are the reported value for the final month of the quarter while average annual values represent a twelve-month average.

(2) The Treasury rates are an average over the stated period.

U.S. GDP increased 4.0% in the fourth quarter of 2020 after a 33.4% rebound in the third quarter of 2020, however, still 3.5% lower than U.S. GDP in fourth quarter of 2019. Labor markets have restored 12.3 million of the 21 million jobs lost at the beginning of the pandemic, as measured by non-farm employment, bringing the unemployment rate to 6.7% as of December 2020. However, the economy lost 140,000 jobs in December's non-farm payroll measurement, indicating that some job losses will be permanent.

With respect to the COVID-19 pandemic, the 7-day moving average of U.S. daily COVID-19 deaths and positive cases rose to 2,500 and 200,000, respectively, by the end of December 2020. However, investors have become more optimistic about the country's ability to combat the pandemic due to the successful trials and approval of multiple COVID-19 vaccines that soon may enable vaccines to be administered on a large scale. Mandatory business closures in the U.S. are less sweeping than during the initial wave last spring. However, for many businesses and industries, activity has not returned to normal even when the pandemic's severity has temporarily subsided. We do not expect the U.S. economy to fully rebound until the vast majority of Americans have been vaccinated.

However, the parts of the economy that can function during a pandemic are doing so, and many are thriving. For example, the U.S. housing market has staged a V-shaped recovery, thanks to shifting demographics, low-interest rates, and migration towards the suburbs. Most importantly, consumers are exhibiting considerable resilience. On average, with limited spending options and financial aid from the federal government, household balance sheets have strengthened. Savings rates remain unusually high, and incomes have generally risen with the help of fiscal policy stimulus.

At its last meeting of 2020, the Federal Reserve's Open Market Committee ("FOMC") upgraded its economic outlook for the coming years while warning that COVID-19 still represents a significant near-term risk. The FOMC has made clear that its goal is not merely to provide emergency relief during the COVID-19 pandemic but also to ensure that the U.S. economy returns to its former strength as quickly as possible after the crisis subsides.

The economy may continue to struggle as the COVID-19 pandemic continues. In particular, unsupported U.S. small businesses are at greater risk of failure as states lockdown or customers stay away. School closures are also affecting the labor market, with parents forced to choose between working and supervising at-home students, which has caused an increase in participants to leave the labor force. This trend could lead to a sluggish recovery similar to the aftermath of the last recession. A slow recovery following the end of the pandemic would produce flat yield curves and favor the shrinking number of higher growth assets in portfolios, particularly in the technology and consumer discretionary sectors.

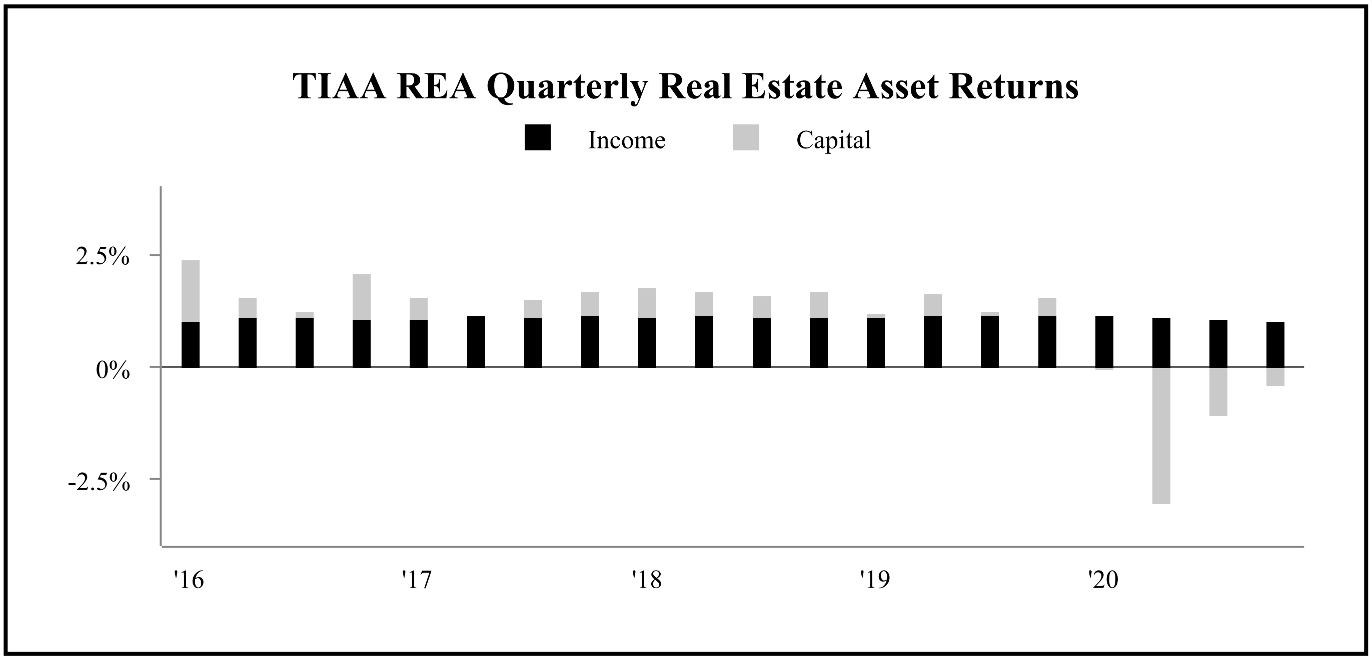
Real Estate Market Conditions and Outlook

We expect the economic recovery is likely to continue, but it is growing more uneven across regions, cities, and property types. We expect the U.S. real estate recovery to track with the broader economic recovery, especially after the vaccine has been widely administered by mid-to-late 2021. Commercial real estate should benefit from a low-interest-rate environment, attracting more investors to the space as they seek higher-yielding alternatives relative to fixed income assets.

Commercial real estate prices have started to recover, increasing by 3.5% since April, after falling by 10% at the outset of the pandemic, as calculated by the Green Street Advisor Commercial Property Price Index ("CPPI"). The pandemic has continued to severely impact real estate property types that depend on social interactions such as retail and lodging. According to the CPPI, retail and lodging property values have fallen 20% or more since February 2020. Simultaneously, the pandemic has accelerated online shopping, the movement to the suburbs and Sunbelt cities, and the shift to the digital economy. As a result, warehouse, single-family rentals, and data center values have risen since the onset of the crisis. Additionally, health care and medical research spending is increasing, which has been beneficial to the life science and medical office sectors.

According to Real Capital Analytics, real estate transaction volumes were down 32% in 2020 relative to 2019. During this period, apartments and industrial captured almost 60% of total U.S. transaction volumes, illustrating the strong investor interest in these two property types. U.S. real estate values could start to fall again if interest in those property types wanes to an unstable economic recovery.

For the year ending December 31, 2020, the Account's directly held real estate assets generated a return of -0.19%.



Data for the Account's top five markets in terms of market value as of December 31, 2020 are provided below. The five markets presented below represent 42.9% of the Account's total real estate portfolio. Across all markets, the Account's properties are 90.2% leased.

Top 5 Metro Areas by Fair Value	Account % Leased Fair Value Weighted*	Number of Property Investments	Metro Area Fair Value as a % of Total RE Portfolio**	Metro Area Fair Value as a % of Total Investments**
Washington-Arlington-Alexandria, DC-VA-MD-WV	82.1%	17	11.2%	9.9%
Los Angeles-Long Beach-Anaheim, CA	91.8%	16	10.1%	8.9%
Boston-Cambridge-Newton, MA-NH	89.1%	8	7.6%	6.7%
New York-Newark-Jersey City, NY-NJ-PA	78.2%	12	7.5%	6.6%
San Francisco-Oakland-Hayward, CA	91.8%	10	6.5%	5.7%

*Weighted by fair value, which differs from the calculations provided for market comparisons to CBRE-EA data and are used here to reflect the fair value of the Account's monetary investments in those markets.

**Wholly-owned properties are represented at fair value and gross of any debt, while joint venture properties are represented at the net equity value.

<u>Office</u>

As the effects of the COVID-19 pandemic remain, it is expected that office vacancy will continue to trend at a high rate. While many states have opened sufficiently to allow employees back into physical offices, many companies are moving cautiously and planning for gradual reentry into the office throughout 2021. As a result, companies are continuing to invest in telecommuting options and infrastructure to facilitate remote work (e.g. new hardware, additional data storage), which will likely persist after the pandemic subsides. Companies may begin requiring less space due to reduced on-site employee presence, however, some companies may require additional space to better facilitate open-office concepts that incorporate distancing between employees. The uncertainty around demand for office space is expected to keep investment volume in the sector low through 2021.

Vacancy nationwide increased from 10.7% in the third quarter of 2020 to 11.2% in the fourth quarter, as reported by CoStar. New construction effectively stalled with the arrival of the COVID-19 pandemic, but the completion of construction already underway has continued to deliver new supply into a weak leasing environment. The new supply continues to be the main driver behind the national vacancy increase. The vacancy rate of the Account's office portfolio increased to 14.8% in the fourth quarter of 2020, as compared to 14.1% in the prior quarter, driven primarily by scheduled lease expirations, most notably in the Los Angeles metro area. The above-average vacancy rate in the New York metro area is driven by two properties currently undergoing redevelopment to increase the long term value of the properties. The vacancy rate in the New York metro will remain elevated over the near term as legacy tenants fully vacate the properties and redevelopment efforts continue.

As of December 31, 2020, the Account's rents from office tenants were not materially affected, but the duration of the COVID-19 pandemic remains unknown. Tenants requesting rent relief have generally requested rent deferrals for a limited period of time (i.e., less than six months), with the unpaid rent to be paid over the duration of the remaining lease. If the severity of the COVID-19 pandemic persists throughout 2021, the likelihood that tenants may request additional rent deferrals, rent concessions or default increases. Additionally, if tenants vacate due to lease expirations, redeployment of the vacated space may be challenging in the near term due to unfavorable leasing conditions.

Top 5 Office Metropolitan Areas	Total Sector by Metro Area ($M)	% of Total Investments	Account Square Foot Weighted Average Vacancy		Market Vacancy*	
			2020 Q4	2020 Q3	2020 Q4	2020 Q3
Account / Nation			**14.8%**	**14.1%**	**11.2%**	**10.7%**
Boston-Cambridge-Newton, MA-NH	$ 1,492.8	5.8%	12.5%	12.7%	8.7%	8.2%
Washington-Arlington-Alexandria, DC-VA-MD-WV	1,487.7	5.8%	13.0%	12.4%	13.9%	13.8%
New York-Newark-Jersey City, NY-NJ-PA	1,106.1	4.3%	35.9%	36.3%	9.8%	8.8%
San Francisco-Oakland-Hayward, CA	1,000.9	3.9%	4.5%	4.3%	10.5%	9.2%
Los Angeles-Long Beach-Anaheim, CA	810.8	3.2%	9.9%	4.7%	12.2%	11.6%

*Source: CoStar. Market vacancy is defined as the percentage of space available for rent. The Account's vacancy is defined as the square foot-weighted percentage of unleased space.

Industrial

The industrial sector continues to demonstrate resiliency through the COVID-19 pandemic. The pandemic has accelerated consumers' long-term shift to e-commerce, and this shift has allowed demand for industrial space to remain stable. When compared against the other three core real estate sectors, the industrial sector is best positioned to weather the economic uncertainty caused by the COVID-19 pandemic. Investors continue to view the sector favorably, as reflected in the outsized weighting of industrial assets in sales transactions closed in 2020.

The national industrial availability rate decreased slightly in the fourth quarter of 2020 to 5.6%, down from 5.7% in the prior quarter, as reported by CoStar. The average vacancy rate of the Account's industrial properties held steady at 9.1% from third quarter to fourth quarter 2020, as scheduled lease expirations were offset by new leases.

As of December 31, 2020, the Account's rents from industrial tenants were not materially affected, but the duration of the COVID-19 pandemic remains unknown. Tenants requesting rent relief have generally requested rent deferrals for a limited period of time (i.e., less than six months), with the unpaid rent to be paid over the duration of the remaining lease. If the severity of the COVID-19 pandemic persists throughout 2021, the likelihood that tenants may request additional rent deferrals, rent concessions or default increases. Additionally, if tenants vacate due to lease expirations, redeployment of the vacated space may be challenging in the near term due to unfavorable leasing conditions, though demand for industrial space has been relatively steady throughout the pandemic.

Top 5 Industrial Metropolitan Areas	Total Sector by Metro Area ($M)	% of Total Investments	Account Square Foot Weighted Average Vacancy		Market Vacancy*	
			2020 Q4	2020 Q3	2020 Q4	2020 Q3
Account / Nation			**9.1%**	**9.1%**	**5.6%**	**5.7%**
Riverside-San Bernardino-Ontario, CA	$ 1,054.0	4.1%	13.8%	13.8%	3.7%	3.8%
Seattle-Tacoma-Bellevue, WA	418.3	1.6%	2.9%	2.9%	5.3%	5.4%
Los Angeles-Long Beach-Anaheim, CA	394.7	1.5%	7.1%	5.7%	3.3%	3.2%
Dallas-Fort Worth-Arlington, TX	333.8	1.3%	3.9%	4.9%	7.1%	6.8%
Miami-Fort Lauderdale-West Palm Beach, FL	278.9	1.1%	0.8%	—%	5.4%	5.9%

*Source: CoStar. Market vacancy is defined as the percentage of space available for rent. The Account's vacancy is the square foot-weighted percentage of unleased space.

Multi-Family

Apartment demand is driven by a combination of economic and demographic forces including job growth, household formations, and changes in the U.S. homeownership rate. Lost wages due to the COVID-19 pandemic resulted in a demand for more affordable housing inventory and young adults found themselves moving back home to financially weather the recession. Urban submarkets were impacted more than suburban submarkets as amenities normally associated with urban living became limited (i.e. entertainment, restaurants/bars, public transit) and people desired areas with more living space as they began spending more time at home. Student housing properties are also challenged by the pandemic, as many universities utilize remote learning options for the 2020-2021 school year. The multi-family sector is expected to rebound in 2021, with suburban submarkets leading the recovery.

The national apartment vacancy rate remained unchanged from third quarter to fourth quarter 2020, holding at 4.2%, as reported by RealPage. This can be attributed to low vacancy and moderate growth in the more affordable markets.The vacancy rate of the Account's apartment properties decreased to 8.4% in the fourth quarter of 2020 as compared to 8.5% in the prior quarter. Minimal lease expirations and new leases kept the vacancy rate relatively flat quarter over quarter.

As of December 31, 2020, the Account's rents from multifamily tenants were not materially affected, but the duration of the COVID-19 pandemic remains unknown. If the severity of the COVID-19 pandemic persists throughout 2021, the likelihood that tenants may request rent deferrals, rent concessions or default increases. Additionally, if tenants vacate due to lease expirations, redeployment of the vacated space may be challenging in the near term due to unfavorable leasing conditions. Rent concessions for new tenants have moderately increased in recent months, most notably among luxury apartments in densely populated metro areas, as the pandemic has cooled demand for these units.

			Account Units Weighted Average Vacancy		Market Vacancy*	
Top 5 Apartment Metropolitan Areas	**Total Sector by Metro Area ($M)**	**% of Total Investments**	**2020 Q4**	**2020 Q3**	**2020 Q4**	**2020 Q3**
Account / Nation			**8.4%**	**8.5%**	**4.2%**	**4.2%**
Washington-Arlington-Alexandria, DC-VA-MD-WV	$ 748.3	2.9%	7.9%	7.6%	5.2%	4.7%
Los Angeles-Long Beach-Anaheim, CA	669.8	2.6%	8.6%	8.9%	4.5%	4.8%
Miami-Fort Lauderdale-West Palm Beach, FL	559.5	2.2%	7.8%	8.3%	4.8%	4.8%
Denver-Aurora-Lakewood, CO	413.5	1.6%	5.5%	7.1%	5.1%	4.7%
New York-Newark-Jersey City, NY-NJ-PA	335.3	1.3%	2.8%	1.3%	4.0%	3.4%

*Source: RealPage. Market vacancy is the percentage of units vacant. The Account's vacancy is the percentage of unleased units.

Retail

While all core real estate sectors have been negatively impacted by the COVID-19 pandemic to some degree, the impact to the retail sector has been especially pronounced. Retailers have attempted to find alternative ways to deliver products to customers through e-commerce solutions, but retail is still highly dependent on customer traffic in stores to generate revenue. Most states have reopened sufficiently to allow for customer traffic to return, but some consumers remain hesitant to venture into enclosed spaces, and most states still maintain strict occupancy limits. Traditional retail was facing ongoing challenges from e-commerce platforms long before the COVID-19 pandemic, and the pandemic has accelerated the shift in consumers' preferences from brick-and-mortar retail to digital storefronts. However, there is an expectation that brick-and-mortar retail locations will begin seeing more traffic in 2021. As COVID-19 restrictions ease and with the delivery of the COVID-19 vaccines, it is expected that consumers will desire a more physical buying experience New retail concepts, health and wellness, grocery stores, and quick services restaurants, among others, are expected to repurpose space vacated by previous retailers, eliminating the immediate need for new inventory.

The Account's retail portfolio is composed primarily of high-end lifestyle shopping centers and regional malls in large metropolitan or tourist centers. The retail portfolio is managed to minimize significant exposure to any single retailer. The Account has over 1,100 retailers across its portfolio, with its largest retail exposure comprising less than 5.0% of total retail rentable area. The Account's retail vacancy increased to 7.3% in the fourth quarter of 2020 from 6.9% in the prior quarter, driven by scheduled lease expirations.

Requests for rent relief were more common among retail tenants than other sectors. Tenants requesting rent relief have generally requested rent deferrals for a limited period of time (i.e., less than six months), with the unpaid rent to be paid over the duration of the remaining lease. If the severity of the COVID-19 pandemic persists throughout 2021, the likelihood that tenants may request additional rent deferrals, rent concessions or default increases. Additionally, if tenants vacate due to lease expirations, redeployment of the vacated space may be challenging in the near term due to unfavorable leasing conditions. The Account is closely monitoring the collectability of accrued rental income and adjusting its allowances for uncollectible rent as needed.

			Account Square Foot Weighted Average Vacancy		Market Vacancy*	
	Total by Retail Type ($M)	% of Total Investments	2020 Q4	2020 Q3	2020 Q4	2020 Q3
National Retail			**7.3%**	**6.9%**	**5.1%**	**5.0%**
Lifestyle & Mall	$ 2,099.2	8.2%	7.2%	7.1%	6.6%	6.3%
Neighborhood, Community & Strip**	1,413.1	5.5%	7.4%	6.7%	7.9%	7.8%
Power Center**	602.7	2.4%	7.1%	6.5%	5.5%	5.3%

*Source: CoStar. Market vacancy is the percentage of space available for rent. The Account's vacancy is the square foot-weighted percentage of unleased space.

**The Power Center designation is reserved for properties with three or more anchor units. Anchor units are leased to large retailers such as department stores, home improvement stores, and warehouse clubs. Properties with the Neighborhood, Community and Strip designation consist of two or less anchor units.

Hotel

The impact of the COVID-19 pandemic on the hospitality sector has been especially severe among hotels that cater primarily to business travelers. Business travel has been curtailed significantly, with travel limited primarily to those who must travel for essential reasons. Business travel is likely to continue to be significantly depressed in the coming months, with businesses shifting to virtual meetings and conferences. Leisure travel has partially recovered domestically, benefiting from the inability of American travelers to travel overseas. All hotel operators are faced with rising costs from measures taken to mitigate the spread of the virus, and few operators are experiencing increases in revenue to offset those costs. The duration and severity of the COVID-19 pandemic remains unknown, and its significant impact on travel increases the likelihood that hotel revenues and occupancy rates will continue to be challenged over the near term. Recovery in markets with significant drive-to destinations and outdoor attractions, such as beaches and mountains, are expected to be seen later in 2021, while we expect recovery will begin to even out across all markets by 2022 and 2023.

The Account's exposure to the hospitality sector is limited to one hotel in the Dallas metro area. The hotel is located in a business park in the Dallas metro area and caters largely to business travelers. Key metrics to track hotel performance include occupancy, the average daily rate ("ADR") and revenue per available room ("RevPAR"). For the quarter ended December 31, 2020, occupancy of the property decreased to 20.2%, as compared to 24.8% in the previous quarter. ADR and RevPAR were $92.21 and $18.66, respectively, for the fourth quarter of 2020, as compared to $115.86 and $28.70, respectively, in the prior quarter.

INVESTMENTS

As of December 31, 2020, the Account had total net assets of $23.2 billion, a 14.9% decrease from December 31, 2019.

As of December 31, 2020, the Account held 88.6% of its total investments in real estate and real estate joint ventures. The Account also held investments in loans receivable, including those with related parties, representing 6.0% of total investments, U.S. treasury securities representing 2.3% of total investments, real estate funds representing 1.5% of total investments, a real estate operating business representing 1.0% of total investments and U.S. government agency notes representing 0.6% of total investments

The outstanding principal on loans payable on the Account's wholly-owned real estate portfolio as of December 31, 2020 was $2.3 billion. The Account's proportionate share of outstanding principal on loans payable within its joint venture investments was $3.0 billion, which is netted against the underlying properties when determining the joint venture investments fair value presented on the Consolidated Schedules of Investments. Total outstanding principal on the Account's portfolio as of December 31, 2020, inclusive of loans payable within the joint venture investments and a $51.2 million loan collateralized by a loan receivable, was $5.4 billion, which represented a loan-to-value ratio of 18.5%.

Management believes that the Account's real estate portfolio is diversified by location and property type. The Account does not intend to buy and sell its real estate investments simply to make short-term profits. Rather, the Account's general strategy in selling real estate investments is to dispose of those assets that management believes (i) have maximized in value, (ii) have underperformed or face deteriorating property-specific or market conditions, (iii) need significant capital infusions in the future, (iv) are appropriate to dispose of in order to remain consistent with the Account's intent to diversify the Account by property type and geographic location (including reallocating the Account's exposure to or away from certain property types in certain geographic locations), or (v) otherwise do not satisfy the investment objectives of the Account. Management, from time to time, will evaluate the need to manage liquidity in the Account as part of its analysis as to whether to undertake a particular asset sale. The Account may reinvest any sale proceeds that it does not need to pay operating expenses or to meet debt service or redemption requests (e.g., contract owner withdrawals or benefit payments).

The following charts reflect the diversification of the Account's real estate assets by region and property type and the Account's ten largest investments based on fair value at December 31, 2020.

Diversification by Fair Value[1]

	West	East	South	Midwest	Total
Office	13.6 %	18.7 %	5.7 %	0.1 %	38.1 %
Apartment	9.8 %	6.4 %	8.1 %	1.1 %	25.4 %
Retail	6.4 %	3.4 %	7.5 %	0.8 %	18.1 %
Industrial	9.8 %	1.5 %	4.9 %	0.5 %	16.7 %
Other[2]	0.6 %	0.4 %	0.7 %	— %	1.7 %
Total	40.2 %	30.4 %	26.9 %	2.5 %	100.0 %

(1) Wholly-owned properties are represented at fair value and gross of any debt, while joint venture properties are represented at the net equity value.

(2) Represents interests in Storage Portfolio investments, a hotel investment and land.

Properties in the "West" region are located in: AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY
Properties in the "East" region are located in: CT, DC, DE, KY, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV
Properties in the "South" region are located in: AL, AR, FL, GA, LA, MS, OK, TN, TX
Properties in the "Midwest" region are located in: IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI

Ten Largest Real Estate Investments

Property Investment Name	Ownership Percentage	City	State	Type	Gross Real Estate Fair Value(1)	Debt Fair Value(2)	Net Real Estate Fair Value(3)	Property as a % of Total Real Estate Portfolio(4)	Property as a % of Total Investments(5)
Fashion Show	50%	Las Vegas	NV	Retail	$ 972.4	$ 428.4	$ 544.0	3.8%	3.4%
1001 Pennsylvania Avenue	100%	Washington	D.C.	Office	806.8	317.1	489.7	3.2%	2.8%
Simpson Housing Portfolio	80%	Various	U.S.A.	Apartment	806.6	389.1	417.5	3.2%	2.8%
The Florida Mall	50%	Orlando	FL	Retail	791.7	153.3	638.4	3.1%	2.8%
Colorado Center	50%	Santa Monica	CA	Office	610.6	280.2	330.4	2.4%	2.1%
Ontario Industrial Portfolio	100%	Ontario	CA	Industrial	540.4	—	540.4	2.1%	1.9%
99 High Street	100%	Boston	MA	Office	540.2	285.0	255.2	2.1%	1.9%
Lincoln Centre	100%	Dallas	TX	Office	467.7	—	467.7	1.8%	1.6%
701 Brickell Avenue	100%	Miami	FL	Office	421.5	185.5	236.0	1.7%	1.5%
Four Oaks Place	51%	Houston	TX	Office	413.6	83.9	329.7	1.6%	1.5%

(1) The Account's share of the fair value of the property investment, gross of debt.
(2) Debt fair values are presented at the Account's ownership interest.
(3) The Account's share of the fair value of the property investment, net of debt.
(4) Total real estate portfolio is the aggregate fair value of the Account's wholly-owned properties and the properties held within a joint venture, gross of debt.
(5) Total investments are the aggregate fair value of all investments held by the Account, gross of debt. Total investments, as calculated within this table, will vary from total investments, as calculated in the Account's Schedule of Investments, as joint venture investments are presented in the Schedule of Investments at their net equity position in accordance with U.S. Generally Accepted Accounting Principals ("GAAP").

Property Investments Acquired in 2020 (millions)

Property Name	Ownership Percentage	Property Type	City	State	Net Purchase Price (less closing costs(1)	Mortgage Debt
Wholly-Owned						
Sole at City Center	100.00%	Apartments	West Palm Beach	FL	$ 103.6	$ —
Park Creek Apartments	100.00%	Apartments	Fort Worth	TX	41.7	—
Warwick Shopping Center(3)	100.00%	Retail	Warwick	RI	11.1	—
Overlook at King of Prussia(3)	100.00%	Retail	King of Prussia	PA	55.1	40.8
Shoppes at Lake Mary(3)	100.00%	Retail	Lake Mary	FL	21.0	—
Winslow Bay Commons(3)	100.00%	Retail	Mooresville	NC	50.9	25.8
Bellevue Place(3)	100.00%	Retail	Nashville	TN	7.8	—
Eisenhower Crossing(3)	100.00%	Retail	Macon	GA	10.1	—
Pavilion at Turkey Creek(3)	100.00%	Retail	Knoxville	TN	49.9	—
Town and Country(3)	100.00%	Retail	Knoxville	TN	30.1	—
Creeks at Virginia Center(3)	100.00%	Retail	Glen Allen	VA	41.7	—
Alexander Place(3)	100.00%	Retail	Raleigh	NC	39.9	—
Market Square(3)	100.00%	Retail	Ft. Myers	FL	20.4	—
Cypress Trace(3)	100.00%	Retail	Ft. Myers	FL	39.7	—
Columbiana Station(3)	100.00%	Retail	Columbia	SC	43.8	—
Village Crossing(3)	100.00%	Retail	Skokie	IL	160.7	—
Birkdale Village Retail(3)	100.00%	Retail	Huntersville	NC	128.9	78.4
Birkdale Village Apartments(3)	100.00%	Apartments	Huntersville	NC	70.8	—

Property Investments Acquired in 2020 (millions)

Property Name	Ownership Percentage	Property Type	City	State	Net Purchase Price (less closing costs)[1]	Mortgage Debt
River Ridge[3]	100.00%	Retail	Birmingham	AL	$ 28.0	$ —
Woodstock Square[3]	100.00%	Retail	Woodstock	GA	33.7	—
Newnan Pavilion[3]	100.00%	Retail	Newnan	GA	39.7	—
Marketplace at Mill Creek[3]	100.00%	Retail	Buford	GA	71.5	39.6
Heritage Pavilion[3]	100.00%	Retail	Smyrna	GA	41.6	—
Fayette Pavilion[3]	100.00%	Retail	Fayetteville	GA	88.4	—
Pacific City[4]	100.00%	Retail	Huntington Beach	CA	153.9	105.0
Midway 840	100.00%	Industrial	Mount Juliet	TN	51.0	—
Total Wholly-Owned					$ 1,435.0	$ 289.6
Joint Ventures						
Storage Portfolio III[5]	90.00%	Storage	Atlanta	GA	$ 16.4	$ —
Fairfield Tolenas Development	95.00%	Land	Fairfield	CA	8.2	—
Birkdale Village[7]	93.00%	Retail	Huntersville	NC	172.1	71.9
Juniper MOB Portfolio	50.00%	Office	Various	U.S.A.	62.4	—
Total Joint Ventures					$ 259.1	$ 71.9
Total Properties Acquired					$ 1,694.1	$ 361.5

Property Investments Sold in 2020 (millions)

Property Name	Ownership Percentage	Property Type	City	State	Net Sales Price (less selling expense)[2]	Mortgage Loan Payoff
Wholly-Owned						
The Woodley	100.00%	Apartments	Washington	D.C.	$ 176.7	$ —
Beltway North Commerce Center	100.00%	Industrial	Houston	TX	29.8	—
250 North 10th Street	100.00%	Apartments	Brooklyn	NY	137.1	—
Colony Industrial Portfolio[6]	100.00%	Industrial	Various	U.S.A.	159.0	—
Birkdale Village Retail[7]	100.00%	Retail	Huntersville	NC	109.1	77.3
Birkdale Village Apartments[7]	100.00%	Apartments	Huntersville	NC	74.8	—
Total Wholly-Owned					$ 686.5	$ 77.3
Joint Ventures						
DDRTC Core Retail Fund, LLC[3]	85.00%	Retail	Various	U.S.A.	$ 932.8	$ 156.8
PC Borrower, LLC[4]	70.00%	Retail	Huntington Beach	CA	107.7	73.5
Total Joint Ventures					$ 1,040.5	$ 230.3
Total Properties Sold					$ 1,727.0	$ 307.6

(1) The net purchase price represents the Account's interest.
(2) The net sales price represents the Account's interest.
(3) On February 19, 2020, the Account purchased the 15% ownership interest of SITE Centers Corp in DDRTC Core Retail Fund, LLC, a joint venture between the Account and SITE Centers Corp. All properties and associated debt formerly held within DDRTC Core Retail Fund, LLC are now wholly-owned by the Account.
(4) On March 9, 2020, the Account purchased the 30% ownership interest of DJM Capital in PC Borrower, LLC, a joint venture between the Account and DJM Capital. The retail property and associated debt formerly held within PC Borrower, LLC is now wholly-owned by the Account.
(5) Partial acquisition.
(6) Of the 15 properties held in Colony Industrial Portfolio, 14 were sold in 2020.
(7) On November 19, 2020, the Account sold 7% of its 100% ownership in Birkdale Village, along with debt associated with the property, retaining a 93% ownership in TREA NAP Birkdale Village LLC, a joint venture with North American Properties.

Results of Operations

Year Ended December 31, 2020 Compared to Year Ended December 31, 2019

Net Investment Income

The following table shows the results of operations for the years ended December 31, 2020 and 2019 and the dollar and percentage changes for those periods (millions).

	Years Ended December 31,		Change	
	2020	2019	$	%
INVESTMENT INCOME				
Real estate income, net				
Rental income	$ 1,192.6	$ 1,103.5	$ 89.1	8.1 %
Real estate property level expenses:				
Operating expenses	261.1	237.5	23.6	9.9 %
Real estate taxes	209.2	187.4	21.8	11.6 %
Interest expense	97.5	105.7	(8.2)	(7.8)%
Total real estate property level expenses	567.8	530.6	37.2	7.0 %
Real estate income, net	624.8	572.9	51.9	9.1 %
Income from real estate joint ventures and funds	157.2	214.0	(56.8)	(26.5)%
Interest	105.7	173.0	(67.3)	(38.9)%
Dividends	18.0	23.2	(5.2)	(22.4)%
TOTAL INVESTMENT INCOME	905.7	983.1	(77.4)	(7.9)%
Expenses				
Investment management charges	65.3	68.1	(2.8)	(4.1)%
Administrative charges	48.5	50.0	(1.5)	(3.0)%
Distribution charges	26.5	31.7	(5.2)	(16.4)%
Mortality and expense risk charges	1.2	1.3	(0.1)	(7.7)%
Liquidity guarantee charges	59.4	57.8	1.6	2.8 %
TOTAL EXPENSES	200.9	208.9	(8.0)	(3.8)%
INVESTMENT INCOME, NET	$ 704.8	$ 774.2	$ (69.4)	(9.0)%

The table below illustrates and compares rental income, operating expenses and real estate taxes for properties held by the Account for the entirety of each respective year, "same property," as compared to the comparative increases or decreases associated with the acquisition and disposition of properties throughout each respective year.

	Rental Income				Operating Expenses				Real Estate Taxes			
			Change				Change				Change	
	2020	2019	$	%	2020	2019	$	%	2020	2019	$	%
Same Property	$ 976.4	$ 977.4	$ (1.0)	(0.1)%	$ 214.6	$ 212.1	$ 2.5	1.2 %	$ 175.4	$ 172.5	$ 2.9	1.7 %
Properties Acquired	187.8	22.2	165.6	N/M	41.7	4.9	36.8	N/M	30.5	3.4	27.1	N/M
Properties Sold	28.4	103.9	(75.5)	—	4.8	20.5	(15.7)	—	3.3	11.5	(8.2)	—
Impact of Properties Acquired/Sold	216.2	126.1	90.1	71.5 %	46.5	25.4	21.1	—	33.8	14.9	18.9	N/M
Total Property Portfolio	$1,192.6	$1,103.5	$ 89.1	8.1 %	$ 261.1	$ 237.5	$ 23.6	9.9 %	$ 209.2	$ 187.4	$ 21.8	11.6 %

N/M—Not meaningful

Rental Income:

Rental income increased $89.1 million, or 8.1%, primarily driven by net acquisition activity, offset slightly by declines in income from retail properties resulting from shut-downs related to the COVID-19 pandemic.

Operating Expenses:

Operating expenses increased $23.6 million, or 9.9%, primarily attributed to net acquisition activity and modest increases to expenses across the apartment and industrial portfolios. These increases were partially offset by a decline in operating expenses related to office properties, as many still remain closed due to the COVID-19 pandemic with plans to continue working remotely into 2021.

Real Estate Taxes:

Real estate taxes increased $21.8 million, or 11.6%, primarily attributed to net acquisition activity as well as rising property tax assessments across the Account's portfolio, most notably within the office and apartment sectors.

Interest Expense:

Interest expense decreased $8.2 million, or 7.8%, primarily due to a lower average interest rate on outstanding principal balances of loans payable as compared to the same period in 2019.

Income from Real Estate Joint Ventures and Funds:

Income from real estate joint ventures and funds decreased $56.8 million, or 26.5%, which is attributed primarily to the full acquisition of DDRTC Core Retail Fund LLC in the first quarter of 2020, which changed balance sheet classification from joint venture to wholly-owned, paired with a decline in income from multiple retail investments, which have struggled during the year due to the ongoing COVID-19 pandemic.

Interest and dividend income:

Interest income decreased $67.3 million, primarily attributed to the reduction of short-term securities held by the Account. Dividend income decreased $5.2 million due to the Account selling its remaining REIT holdings.

Expenses:

Investment management, administrative and distribution charges are costs associated with managing the Account. Investment advisory charges are comprised primarily of fixed components, but fluctuate based on the size of the Account's portfolio of investments, whereas administrative and distribution charges are comprised of more variable components that generally correspond with movements in net assets. The expenses decreased $9.5 million, or 6.3% from the prior year, consistent with the overall decrease of the Account's net assets.

Mortality and expense risk and liquidity guarantee expenses are contractual charges to the Account from TIAA for TIAA's assumption of these risks and provision of the liquidity guarantee. The rate for these charges is established annually and are charged at a fixed rate based on the Account's net assets. These expenses increased $1.5 million, or 2.5%, as a result of the four basis point increase to the expense charge for the liquidity guarantee in 2019, which became effective on August 1, 2019, partially offset by the decline in average net assets.

Net Realized and Unrealized Gains and Losses on Investments and Loans Payable

The following table shows the net realized and unrealized (losses) gains on investments and loans payable for the years ended December 31, 2020 and 2019 and the dollar and percentage changes for those periods (millions).

	Years Ended December 31,		Change	
	2020	2019	$	%
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND LOANS PAYABLE				
Net realized gain (loss) on investments:				
Real estate properties	$ (52.8)	$ 583.1	$ (635.9)	N/M
Real estate joint ventures and funds	(460.5)	(114.4)	(346.1)	N/M
Marketable securities	103.0	301.1	(198.1)	(65.8)%
Loans receivable	(1.6)	—	(1.6)	N/M
TOTAL REALIZED (LOSS) GAIN ON INVESTMENTS	(411.9)	769.8	(1,181.7)	N/M
Net change in unrealized appreciation (depreciation) on:				
Real estate properties	(296.1)	(56.8)	(239.3)	N/M
Real estate joint ventures and funds	(40.8)	50.3	(91.1)	N/M
Real estate operating business	(0.2)	—	(0.2)	N/M
Marketable securities	(148.1)	0.7	(148.8)	N/M
Loans receivable	(33.0)	(3.8)	(29.2)	N/M
Loans receivable with related parties	0.4	(0.3)	0.7	N/M
Loans payable	(3.1)	(107.1)	104.0	(97.1)%
NET CHANGE IN UNREALIZED DEPRECIATION ON INVESTMENTS AND LOANS PAYABLE	(520.9)	(117.0)	(403.9)	N/M
NET REALIZED AND UNREALIZED (LOSS) GAIN ON INVESTMENTS AND LOANS PAYABLE	$ (932.8)	$ 652.8	$ (1,585.6)	N/M

N/M—Not meaningful

Real Estate Properties:

Wholly-owned real estate investments experienced net realized and unrealized losses of $348.9 million during 2020, compared to gains of $526.3 million during 2019. Net losses within the portfolio were driven by the continued uncertainty in the real estate market due to concerns about occupancy, market rent, and other unfavorable consequences stemming from the COVID-19 pandemic. The largest declines were observed in the Northeast office sector and the Western and Eastern retail sector, although losses were experienced throughout the sector as a whole.

Real Estate Joint Ventures and Funds:

Real estate joint ventures and funds incurred net realized and unrealized losses of $501.3 million in 2020, compared to $64.1 million in net losses during 2019. Net losses are primarily attributed to the disposition of the DDRTC Core Retail Fund LLC joint venture investment in the first quarter of 2020.

Marketable Securities:

The Account's marketable securities positions experienced net realized and unrealized losses of $45.1 million for the year ended December 31, 2020, compared to net realized and unrealized gains of $301.8 million for 2019. The performance of the Account's REIT portfolio was generally in line with the FTSE NAREIT All Equity REITs Index during the year. U.S. Treasuries, government agency notes and investment-grade corporate bonds had a nominal impact in both periods due to the short and intermediate-term nature of these investments, respectively.

Loans Receivable, including those with related parties:

Loans receivable, including loans receivable with related parties, experienced net realized and unrealized losses of $34.2 million during the 2020 compared to losses of $4.1 million in 2019. Net losses are attributed to uncertainty caused by the COVID-19 pandemic, as the market has growing concern that cash flow from real estate collateral will be insufficient to cover debt service, most notably mezzanine loans collateralized by office and hospitality properties.

Loans Payable:

Loans payable experienced unrealized losses of $3.1 million during 2020, compared to unrealized losses of $107.1 million during 2019. The first half of 2020 saw unrealized gains, attributed to widening credit spreads in response to the market instability introduced by the COVID-19 pandemic, most notably at the beginning of the pandemic. However, during the third quarter of 2020, credit spreads began to narrow and continued to narrow into the fourth quarter, resulting in overall unrealized losses for the year.

Year Ended December 31, 2019 Compared to Year Ended December 31, 2018

Net Investment Income

The following table shows the results of operations for the years ended December 31, 2019 and 2018 and the dollar and percentage changes for those periods (millions).

	Years Ended December 31,		Change	
	2019	2018	$	%
INVESTMENT INCOME				
Real estate income, net				
Rental income	$ 1,103.5	$ 1,083.2	$ 20.3	1.9 %
Real estate property level expenses:				
Operating expenses	237.5	228.6	8.9	3.9 %
Real estate taxes	187.4	178.9	8.5	4.8 %
Interest expense	105.7	113.9	(8.2)	(7.2)%
Total real estate property level expenses	530.6	521.4	9.2	1.8 %
Real estate income, net	572.9	561.8	11.1	2.0 %
Income from real estate joint ventures and funds	214.0	204.7	9.3	4.5 %
Interest	173.0	120.4	52.6	43.7 %
Dividends	23.2	50.8	(27.6)	(54.3)%
TOTAL INVESTMENT INCOME	983.1	937.7	45.4	4.8 %
Expenses				
Investment management charges	68.1	62.1	6.0	9.7 %
Administrative charges	50.0	50.9	(0.9)	(1.8)%
Distribution charges	31.7	28.0	3.7	13.2 %
Mortality and expense risk charges	1.3	1.3	—	— %
Liquidity guarantee charges	57.8	50.5	7.3	14.5 %
TOTAL EXPENSES	208.9	192.8	16.1	8.4 %
INVESTMENT INCOME, NET	$ 774.2	$ 744.9	$ 29.3	3.9 %

The table below illustrates and compares rental income, operating expenses and real estate taxes for properties held by the Account for the entirety of each respective year, "same property," as compared to the comparative increases or decreases associated with the acquisition and disposition of properties throughout each respective year.

	Rental Income				Operating Expenses				Real Estate Taxes			
			Change				Change				Change	
	2019	2018	$	%	2019	2018	$	%	2019	2018	$	%
Same Property	$ 914.3	$ 893.6	$ 20.7	2.3 %	$ 193.5	$ 191.0	$ 2.5	1.3 %	$ 156.2	$ 153.0	$ 3.2	2.1 %
Properties Acquired	118.4	37.5	80.9	N/M	29.9	8.1	21.8	N/M	20.8	6.7	14.1	N/M
Properties Sold	70.8	152.1	(81.3)	N/M	14.1	29.5	(15.4)	N/M	10.4	19.2	(8.8)	N/M
Impact of Properties Acquired/Sold	189.2	189.6	(0.4)	N/M	44.0	37.6	6.4	N/M	31.2	25.9	5.3	N/M
Total Property Portfolio	$1,103.5	$1,083.2	$ 20.3	1.9 %	$ 237.5	$ 228.6	$ 8.9	3.9 %	$ 187.4	$ 178.9	$ 8.5	4.8 %

N/M—Not meaningful

Rental Income:

Rental income increased $20.3 million, or 1.9%, driven by rising market rents, scheduled lease step-ups and declining rent concessions as compared to the previous year. The largest increases were concentrated in the office and and industrial sectors in the West and Northeast regions, most notably in cities such as Los Angeles, San Francisco, and Boston.

Operating Expenses:

Operating expenses increased $8.9 million, or 3.9%, primarily attributed to net acquisition activity coupled with rising pricing for services such as groundskeeping, security, and property maintenance. The U.S. labor market continues to support wage inflation, and the rising pricing reflects vendors' efforts to pass along such costs.

Real Estate Taxes:

Real estate taxes increased $8.5 million, or 4.8%, primarily attributed to net acquisition activity as well as rising property tax assessments across the Account's portfolio, most notably within the office and industrial sectors.

Interest Expense:

Interest expense decreased $8.2 million, or 7.2%, primarily due to lower average outstanding principal balances on outstanding loans.

Income from Real Estate Joint Ventures and Funds:

Income from real estate joint ventures and funds increased $9.3 million, or 4.5%, attributed primarily to a larger portfolio of joint venture and real estate fund investments. The increase is also attributed to the impact of rising market rents, most notably among the Account's joint venture office investments.

Interest and Dividend Income:

Interest income increased $52.6 million, primarily attributed due to a larger loan receivable portfolio in 2019 as compared to the prior year. Additional contributing factors include higher average short-term interest rates in 2019 as compared to 2018, and the acquisition of investment-grade corporate bonds midway through 2019. Investment grade corporate bonds provide moderately higher yields than short-term U.S. government securities. Dividend income decreased $27.6 million due to a smaller REIT portfolio in 2019 as compared to 2018.

Expenses:

Investment management, administrative and distribution charges are costs charged to the Account associated with managing the Account. Investment advisory charges are comprised primarily of fixed components, but fluctuate based on the size of the Account’s portfolio of investments, whereas administrative and distribution charges are comprised of more variable components that generally correspond with movements in net assets. The expenses increased $8.8 million, or 6.2% from the prior year, consistent with the overall growth of the Account's net assets.

Mortality and expense risk and liquidity guarantee expenses are contractual charges to the Account from TIAA for TIAA’s assumption of these risks and provision of the liquidity guarantee. The rate for these charges is established annually and are charged at a fixed rate based on the Account’s net assets. These expenses increased $7.3 million or 14.1% as a result of the increase in the net assets of the Account paired with a four basis point increase to the expense charge for the liquidity guarantee effective August 1, 2019.

Net Realized and Unrealized Gains and Losses on Investments and Loans Payable

The following table shows the net realized and unrealized gains (losses) on investments and loans payable for the years ended December 31, 2019 and 2018 and the dollar and percentage changes for those periods (millions).

	Years Ended December 31,		Change	
	2019	2018	$	%
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND LOANS PAYABLE				
Net realized gain (loss) on investments:				
Real estate properties	$ 583.1	$ 242.7	$ 340.4	N/M
Real estate joint ventures and funds	(114.4)	75.9	(190.3)	N/M
Marketable securities	301.1	12.8	288.3	N/M
Loans payable	—	(0.4)	0.4	N/M
Total realized gain on investments:	769.8	331.0	438.8	N/M
Net change in unrealized appreciation (depreciation) on:				
Real estate properties	(56.8)	73.1	(129.9)	N/M
Real estate joint ventures and funds	50.3	55.5	(5.2)	(9.4)%
Marketable securities	0.7	(103.0)	103.7	N/M
Loans receivable	(3.8)	0.3	(4.1)	N/M
Loans receivable with related parties	(0.3)	—	(0.3)	N/M
Loans payable	(107.1)	79.8	(186.9)	N/M
Net change in unrealized (depreciation) appreciation on investments and loans payable	(117.0)	105.7	(222.7)	N/M
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS AND LOANS PAYABLE	$ 652.8	$ 436.7	$ 216.1	49.5 %

N/M—Not meaningful

Real Estate Properties:

Wholly-owned real estate investments experienced net realized and unrealized gains of $526.3 million during 2019, compared to $315.8 million during 2018. Gains were driven most notably by the Account's ground lease investment in New York City, which was sold in 2019. Appreciation within the portfolio was strongest among the industrial and office investments in the West and Northeast regions of the country, due to rising market rents driven by strong tenant demand.

Real Estate Joint Ventures and Funds:

Real estate joint ventures and funds incurred net realized and unrealized losses of $64.1 million in 2019, compared to $131.4 million in net gains during 2018. Net losses were driven by the joint venture retail portfolio; retail rents have flattened across many markets, and competition among lessors has driven up rental concessions. Appreciation among the Account's joint venture office investments were a notable offsetting factor during the year, driven by rising market rents.

Marketable Securities:

The Account’s marketable securities positions experienced net realized and unrealized gains of $301.8 million for the year ended December 31, 2019, compared to net realized and unrealized losses of $90.2 million for 2018. The performance of the Account’s REIT portfolio was generally in line with the FTSE NAREIT All Equity REITs Index during the year. U.S. Treasuries, government agency notes and investment-grade corporate bonds had a nominal impact in both periods due to the short and intermediate-term nature of these investments, respectively.

Loans Receivable, including those with related parties:

Loans receivable, including loans receivable with related parties, experienced an unrealized loss of $4.1 million during the 2019 compared to a $0.3 million gain in 2018. The changes in both periods were minimal as there were no significant changes in the credit quality of the underlying collateral of the debt investments in either period.

Loans Payable:

Loans payable experienced unrealized losses of $107.1 million during 2019 compared to net realized and unrealized gains of $79.4 million during 2018. The changes in both periods were consistent with the directional movement of U.S. Treasury rates.

Liquidity and Capital Resources

As of December 31, 2020 and 2019, the Account's cash and cash equivalents and non-real estate-related marketable securities had a value of $0.8 billion and $4.2 billion, respectively (3.3% and 15.2% of the Account's net assets at such dates, respectively). The Account's liquid assets continue to be available to purchase suitable real estate properties, meet the Account's debt obligations, expense needs, and contract owner redemption requests (i.e., contract owner withdrawals or benefit payments).

Liquidity Guarantee

The liquidity guarantee ensures that the account will be able to meet its cash requirements (particularly with respect to redeeming accumulation unit contract owners) both in the short- and long-term. In accordance with the liquidity guarantee obligation, TIAA guarantees that all contract owners in the Account may redeem their accumulation units at their accumulation unit value next determined after their transfer or cash withdrawal request is received in good order. The Account pays TIAA a fee for the risks associated with providing the liquidity guarantee through a daily deduction from the Account's net assets.

Management cannot predict whether any future TIAA liquidity unit purchases will be required under this liquidity guarantee. If net outflows continue to occur as they did in 2020, it could have a negative impact on the Account's operations and returns and could require TIAA to purchase additional liquidity units, perhaps to a significant degree, as was the case in late 2008 and early 2009.

TIAA's obligation to provide Account contract owners liquidity through purchases of liquidity units is not subject to an express regulatory or contractual limitation, although as described in the following paragraph, the independent fiduciary may (but is not obligated to) require the reduction of TIAA's interest through sales of assets from the Account if TIAA's interest exceeds the trigger point. Even if the independent fiduciary so requires TIAA's obligation to provide liquidity under the guarantee, which is required by the New York State Department of Financial Services, will continue. Management believes that TIAA has the ability to meet its obligations under this liquidity guarantee.

Whenever TIAA owns liquidity units, the duties of the Account's independent fiduciary, as part of its monitoring of the Account, include reviewing the purchase and redemption of liquidity units by TIAA to ensure the Account uses the correct accumulation unit values. In addition, the independent fiduciary's responsibilities include:

- establishing the percentage of total accumulation units that TIAA's ownership should not exceed (the "trigger point") and creating a method for reviewing the trigger point;
- approving any adjustment of TIAA's ownership interest in the Account and, in its discretion, requiring an adjustment if TIAA's ownership of liquidity units reaches the trigger point; and
- once the trigger point has been reached, participating in any program to reduce TIAA's ownership in the Account by utilizing cash flow or liquid investments in the Account, or by utilizing the proceeds from asset sales. If the independent fiduciary were to determine that TIAA's ownership should be reduced following the trigger point, its role in participating in any asset sales program would include (i) participating in the selection of properties for sale, (ii) providing sales guidelines and (iii) approving those sales if, in the independent fiduciary's opinion, such sales are desirable to reduce TIAA's ownership of liquidity units.

In establishing the appropriate trigger point, including whether or not to require certain actions once the trigger point has been reached, the independent fiduciary will assess, among other things and to the extent consistent with PTE 96-76 with respect to the liquidity guarantee and the independent fiduciary's duties under ERISA, the risk that a conflict of interest could arise due to the level of TIAA's ownership interest in the Account.

Redemption of Liquidity Units. The independent fiduciary is vested with oversight and approval over any redemption of TIAA's liquidity units, acting in the best interests of Account contract owners.

As a general matter, the independent fiduciary may authorize or direct the redemption of all or a portion of liquidity units at any time and TIAA will request the approval of the independent fiduciary before any liquidity units are redeemed. Upon termination and liquidation of the Account (wind-up), any liquidity units held by TIAA will be the last units redeemed, unless the independent fiduciary directs otherwise.

Net Income and Marketable Securities

Net investment income continues to be an additional source of liquidity for the Account. Net investment income was $704.8 million for the year ended December 31, 2020 as compared to $774.2 million in the prior year. Total net investment income decreased as described more fully in the *Results of Operations* section.

Leverage

As of December 31, 2020, the Account's ratio of outstanding principal amount of debt (inclusive of the Account's proportionate share of debt held within its joint venture investments and any loans outstanding on the Account's Credit Agreements) to total gross asset value (i.e., a "loan-to-value ratio") was 18.5%. The Account intends to maintain its loan-to-value ratio at or below 30% (this ratio is measured at the time of incurrence and after giving effect thereto). The Account's total gross asset value, for these purposes, is equal to the total fair value of the Account's assets (including the fair value of the Account's net equity interest in joint ventures), with no reduction associated with any indebtedness on such assets.

As of December 31, 2020, total principal and interest payments due for mortgages on properties held directly by the account, and one collateralized by a loan receivable, are $2.4 billion and $396.1 million, respectively. See Contractual Obligations table below for future payment schedule. Principal and interest payments due in the next twelve months for mortgages on properties held directly by the Account are $19.7 million and $91.3 million, respectively. The Account currently has sufficient liquidity in the form of cash and cash equivalents and short term securities to meet its current mortgage obligations.

The Account's Credit Agreements, both of which are $500.0 million unsecured revolving credit loans, are used to facilitate short-term cash needs. As of December 31, 2020, the Account had no outstanding borrowings on either line of credit.

In times of high net inflow activity, in particular during times of high net contract owner transfer inflows, management may determine to apply a portion of such cash flows to make prepayments of indebtedness prior to scheduled maturity, which would have the effect of reducing the Account's loan-to-value ratio.

Contractual Obligations[(1)]

The following table sets forth a summary regarding the Account's known contractual obligations, including required interest payments for those items that are interest bearing, as of December 31, 2020 (millions):

	Amounts Due During Years Ending December 31,						
	2021	**2022**	**2023**	**2024**	**2025**	**Thereafter**	**Total**
Loans Payable:							
Principal Payments	$ 19.7	$ 458.6	$ 523.1	$ 165.3	$ 512.7	$ 701.9	$ 2,381.3
Interest Payments[(2)]	91.3	83.3	64.8	51.7	36.3	68.7	396.1
Total Loans Payable	$ 111.0	$ 541.9	$ 587.9	$ 217.0	$ 549.0	$ 770.6	$ 2,777.4
Ground Leases[(3)]	2.2	2.3	2.3	2.3	2.3	402.8	414.2
Other Commitments[(4)]	761.0	—	—	—	—	—	761.0
Tenant improvements[(5)]	42.4	—	—	—	—	—	42.4
Total Contractual Obligations	$ 916.6	$ 544.2	$ 590.2	$ 219.3	$ 551.3	$ 1,173.4	$ 3,995.0

(1) The contractual obligations do not include payments on debt held in joint ventures, which are the obligation of the individual joint venture entities.

(2) These amounts represent interest payments due on loans payable based on the stated rates at December 31, 2020.

(3) These amounts represent future minimum annual payments related to ground leases at December 31, 2020.

(4) This includes the Account’s commitment to purchase interest in its real estate funds and remaining funding commitments on loans receivable, which could be called by the partner or borrower at any time.

(5) This amount represents tenant improvements and leasing inducements committed by the Account as of December 31, 2020.

Recent Transactions

The following describes property and property-related transactions by the Account during the fourth quarter of 2020. Except as noted, the expenses for operating the properties purchased are either borne or reimbursed, in whole or in part, by the property tenants, although the terms vary under each lease.

Real Estate Properties and Joint Ventures

Purchases

Property Name	Purchase Date	Ownership Percentage	Sector	Location	Net Purchase Price [1]
Mercy Healthcare Center[2]	11/13/2020	50.00%	Office	Coon Rapids, MN	$ 7.2
Birkdale Village[3]	11/19/2020	93.00%	Retail	Huntersville, NC	172.1
City Center Professional Building[2]	12/7/2020	50.00%	Office	Plymouth, MN	7.8
Saddleback[2]	12/8/2020	50.00%	Office	Laguna Hills, CA	40.8
Town Center Professional Building[2]	12/29/2020	50.00%	Office	Laguna Hills, CA	6.6
Midway 840	12/29/2020	100.00%	Industrial	Mount Juliet, TN	51.0

(1) The net purchase price represents the purchase price and closing costs.

(2) Property held in Juniper Medical Office Building (" MOB") Portfolio.

(3) On November 19, 2020, the Account sold 7% of its 100% ownership in Birkdale Village, along with debt associated with the property, retaining a 93% ownership in TREA NAP Birkdale Village LLC, a joint venture with North American Properties.

Sales

Property Name	Sales Date	Ownership Percentage	Sector	Location	Net Sales Price [1]	Realized Gain (Loss) on Sale[2]
Colony Industrial Portfolio[3]	10/5/2020	100.00%	Industrial	Various, U.S.A.	$ 153.4	$ 25.1
Birkdale Village Retail[4]	11/19/2020	100.00%	Retail	Huntersville, NC	109.1	(20.5)
Birkdale Village Apartments[4]	11/19/2020	100.00%	Apartments	Huntersville, NC	74.8	3.6

(1) The net sales price represents the sales price, less selling expenses.

(2) Majority of the realized gain has been previously recognized as unrealized gains in the Account's Consolidated Statements of Operations.

(3) Represents the sale of 13 of the 14 properties held within Colony Industrial Portfolio. The remaining property is represented as Chisolm Trail in the Account's Consolidated Schedules of Investments.

(4) On November 19, 2020, the Account sold 7% of its 100% ownership in Birkdale Village, along with debt associated with the property, retaining a 93% ownership in TREA NAP Birkdale Village LLC, a joint venture with North American Properties.

Real Estate Operating Business

Name	Ownership Percentage	Amount of Initial Capital Contribution	Total Commitment
Colony Zeus Partners LP	34.7%	$ 250.0	$ 250.0

Financings

Assumption of debt

Property Name	Transaction Date	Ownership Percentage	Interest Rate	Sector	Maturity Date	Location	Transaction Amount
Birkdale Village[1]	11/19/2020	93.00%	4.30%	Retail	04/01/2024	Huntersville, NC	$ 71.9

Assignment of Debt

Property Name	Transaction Date	Ownership Percentage	Interest Rate	Sector	Maturity Date	Location	Transaction Amount
Birkdale Village[1]	11/19/2020	100.00%	4.30%	Retail	04/01/2024	Huntersville, NC	$ 77.3

(1) On November 19, 2020, the Account sold 7% of its 100% ownership in Birkdale Village, along with debt associated with the property, retaining a 93% ownership in TREA NAP Birkdale Village LLC, a joint venture with North American Properties.

Transactions - Other

Description	Transaction Date	Transaction Type	Transaction Amount
Real estate-related marketable securities	10/2/2020	Sale	$ 100.00
Real estate-related marketable securities	10/5/2020	Sale	100.00
Line of Credit I	10/6/2020	Payoff	91.00
Real estate-related marketable securities	10/8/2020	Sale	100.00
Real estate-related marketable securities	11/9/2020	Sale	200.00
Real estate-related marketable securities[1]	11/10/2020	Sale	186.00

(1) The sale resulted in the liquidation of the Account's real estate-related marketable securities holdings.

Critical Accounting Estimates

Management’s discussion and analysis of the Account’s financial condition and results of operations is based on the Account’s Consolidated Financial Statements, which have been prepared by management in accordance with GAAP. The preparation of the Account’s financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the financial statements and disclosures. Some of these estimates and assumptions require application of difficult, subjective, and/or complex judgments about the effect of matters that are inherently uncertain and that may change in subsequent periods. Management evaluates its estimates and assumptions on an ongoing basis. Management bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities of the Account that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. However, such estimates, assumptions and sensitivity of the reported amounts to the methods, assumptions and estimates underling their calculations, have not materially changed over the relevant period covered by this report.

For a detailed discussion of such critical accounting estimates and the registrant’s significant accounting policies, please see *Note 1–Organization and Significant Accounting Policies* to the Account’s Consolidated Financial Statements included herewith.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Account’s real estate holdings, including real estate joint ventures, funds, an operating business and loans receivable including those with related parties, which, as of December 31, 2020, represented 97.1% of the Account’s total investments, expose the Account to a variety of risks. These risks include, but are not limited to:

- General Real Estate Risk—The risk that the Account’s property values or rental and occupancy rates could go down due to general economic conditions, a weak market for real estate generally, disruptions in the credit and/or capital markets, or changing supply and demand for certain types of properties;
- Appraisal Risk—The risk that the sale price of an Account property (i.e., the value that would be determined by negotiations between independent parties) might differ substantially from its estimated or appraised value, leading to losses or reduced profits to the Account upon sale;
- Risk Relating to Property Sales—The risk that the Account might not be able to sell a property at a particular time for its full value, particularly in a poor market. This might make it difficult to raise cash quickly and also could lead to Account losses;
- Risks of Borrowing—The risk that interest rate changes may impact Account returns if the Account takes out a mortgage on a property, buys a property subject to a mortgage or holds a property subject to a mortgage, and

hedging against such interest rate changes, if undertaken by the Account, may entail additional costs and be unsuccessful; and

- Foreign Currency Risk—The risk that the value of the Account's foreign investments, related debt, or rental income could increase or decrease due to changes in foreign currency exchange rates or foreign currency exchange control regulations, and hedging against such currency changes, if undertaken by the Account, may entail additional costs and be unsuccessful.

The Account believes the diversification of its real estate portfolio, both geographically and by sector, along with its quarterly valuation procedure, helps manage the real estate and appraisal risks described above.

As of December 31, 2020, 2.9% of the Account's total investments were comprised of marketable securities. Marketable securities may include high-quality debt instruments (i.e., government agency notes) and REIT securities. The Account's Consolidated Statements of Investments sets forth the general financial terms of these instruments, along with their fair values, as determined in accordance with procedures described earlier in Critical Accounting Estimates section above and in *Note 1–Organization and Significant Accounting Policies* to the Account's Consolidated Financial Statements included herewith. As of the date of this report, the Account does not invest in derivative financial investments, nor does the Account engage in any hedging activity, although it may do so in selected circumstances in the future.

Risks associated with investments in real estate-related liquid assets (which could include, from time to time, REIT securities and CMBS), and non-real estate-related liquid assets, include the following:

- Financial/Credit Risk—The risk, for debt securities, that the issuer will not be able to pay principal and interest when due (and/or declare bankruptcy or be subject to receivership) and, for equity securities such as common or preferred stock, that the issuer's current earnings will fall or that its overall financial soundness will decline, reducing the security's value.
- Market Volatility Risk—The risk that the Account's investments will experience price volatility due to changing conditions in the financial markets regardless of the credit quality or financial condition of the underlying issuer. This risk is particularly acute to the extent the Account holds equity securities, which have experienced significant short-term price volatility over the past year. Also, to the extent the Account holds debt securities, changes in overall interest rates can cause price fluctuations.
- Interest Rate Volatility—The risk that interest rate volatility may affect the Account's current income from an investment.
- Deposit/Money Market Risk—The risk that, to the extent the Account's cash held in bank deposit accounts exceeds federally insured limits as to that bank, the Account could experience losses if banks fail. The Account does not believe it has exposure to significant concentration of deposit risk. In addition, there is some risk that investments held in money market accounts can suffer losses.

In addition, to the extent the Account were to hold mortgage-backed securities (including commercial mortgage-backed securities) these securities are subject to prepayment risk or extension risk (i.e., the risk that borrowers will repay the loans earlier or later than anticipated). If the underlying mortgage assets experience faster than anticipated repayments of principal, the Account could fail to recoup some or all of its initial investment in these securities, since the original price paid by the Account was based in part on assumptions regarding the receipt of interest payments. If the underlying mortgage assets are repaid later than anticipated, the Account could lose the opportunity to reinvest the anticipated cash flows at a time when interest rates might be rising. The rate of prepayment depends on a variety of geographic, social and other functions, including prevailing market interest rates and general economic factors. The fair value of these securities is also highly sensitive to changes in interest rates. Note that the potential for appreciation, which could otherwise be expected to result from a decline in interest rates, may be limited by any increased prepayments. These securities may be harder to sell than other securities.

In addition to these risks, real estate equity securities (such as REIT stocks and mortgage-backed securities) would be subject to many of the same general risks inherent in real estate investing, making mortgage loans and investing in debt securities. For more information on the risks associated with all of the Account's investments, see "Item 1A. Risk Factors" in this Form 10-K.

ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
TIAA REAL ESTATE ACCOUNT

REPORT OF MANAGEMENT RESPONSIBILITY

To the Participants of the TIAA Real Estate Account:

The accompanying consolidated financial statements of the TIAA Real Estate Account ("Account") of Teachers Insurance and Annuity Association of America ("TIAA") are the responsibility of TIAA's management. They have been prepared in accordance with accounting principles generally accepted in the United States of America and have been presented fairly and objectively in accordance with such principles.

TIAA has established and maintains an effective system of internal controls over financial reporting designed to provide reasonable assurance that assets are properly safeguarded, that transactions are properly executed in accordance with management's authorization, and to carry out the ongoing responsibilities of management for reliable consolidated financial statements. In addition, TIAA's internal audit personnel provide regular reviews and assessments of the internal controls and operations of the Account, and the Senior Managing Director, Chief Auditor of Internal Audit regularly reports to the Audit Committee of the TIAA Board of Trustees.

The independent registered public accounting firm of PricewaterhouseCoopers LLP has audited the accompanying consolidated financial statements for the years ended December 31, 2020, 2019 and 2018. The report of the independent registered public accounting firm expresses an independent opinion on the fairness of presentation of the Account's consolidated financial statements.

The Audit Committee of the TIAA Board of Trustees, comprised entirely of independent, non-management trustees, meets regularly with management, representatives of the independent registered public accounting firm and internal audit group personnel to review matters relating to financial reporting, internal controls and auditing. In addition to the annual independent audit of the Account's consolidated financial statements, the New York State Department of Financial Services and other state insurance departments regularly examine the operations and consolidated financial statements of the Account as part of their periodic corporate examinations.

March 11, 2021

/s/ Liza M. Tyler

Senior Managing Director, Lifetime Income, Teachers Insurance and Annuity Association of America

(Principal Executive Officer)

/s/ Austin P. Wachter

Senior Vice President, Chief Accounting Officer and Corporate Controller of Teachers Insurance and Annuity Association of America

(Principal Financial and Accounting Officer)

REPORT OF THE AUDIT COMMITTEE

To the Participants of the TIAA Real Estate Account:

The TIAA Audit Committee ("Committee") oversees the financial reporting process of the TIAA Real Estate Account ("Account") on behalf of TIAA's Board of Trustees. The Committee operates in accordance with a formal written charter (copies of which are available upon request) which describes the Audit Committee's responsibilities. All members of the Committee are independent, as defined under the listing standards of the New York Stock Exchange.

Management has the primary responsibility for the Account's Consolidated Financial Statements, development and maintenance of a strong system of internal controls and disclosure controls, and compliance with applicable laws and regulations. In fulfilling its oversight responsibilities, the Committee reviewed and approved the audit plans of the internal audit group and the independent registered public accounting firm in connection with their respective audits of the Account. The Committee also meets regularly with the internal audit group and the independent registered public accounting firm, both with and without management present, to discuss the results of their examinations, their evaluation of internal controls, and the overall quality of financial reporting. As required by its charter, the Committee will formally evaluate rotation of the independent registered public accounting firm whenever circumstances warrant, but in no event will the evaluation be less frequent than every ten years of the engagement.

The Committee reviewed and discussed the accompanying audited Consolidated Financial Statements with management, including a discussion of the quality and appropriateness of the accounting principles and financial reporting practices followed, the reasonableness of significant judgments, and the clarity and completeness of disclosures in the consolidated financial statements. The Committee has also discussed the audited Consolidated Financial Statements with PricewaterhouseCoopers LLP, the independent registered public accounting firm responsible for expressing an opinion on the conformity of these audited Consolidated Financial Statements with accounting principles generally accepted in the United States of America.

The discussion with PricewaterhouseCoopers LLP focused on their judgments concerning the quality and appropriateness of the accounting principles and financial reporting practices followed by the Account, the clarity and completeness of the audited Consolidated Financial Statements and related disclosures, and other significant matters, such as any significant changes in accounting policies, internal controls, management judgments and estimates, and the nature of any uncertainties or unusual transactions. In addition, the Committee discussed with PricewaterhouseCoopers LLP, the auditors' independence from management and the Account, and has received a written disclosure regarding such independence, as required by the Securities and Exchange Commission.

Based on the review and discussions referred to above, the Committee has approved the release of the accompanying audited Consolidated Financial Statements for publication and filing with appropriate regulatory authorities.

Lisa W. Hess, Audit Committee Chair

Jeffrey R. Brown, Audit Committee Member

Maureen O'Hara, Audit Committee Member

Donald K. Peterson, Audit Committee Member

Dorothy K. Robinson, Audit Committee Member

March 11, 2021

TIAA REAL ESTATE ACCOUNT
AUDITED CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
(In millions, except per accumulation unit amounts)

	December 31, 2020	December 31, 2019
ASSETS		
Investments, at fair value:		
Real estate properties (cost: $13,986.3 and $13,048.5)	$ 16,476.7	$ 15,835.0
Real estate joint ventures and funds (cost: $5,395.2 and $6,244.4)	6,522.1	7,516.0
Real estate operating business (cost: $250.2 and $—)	250.0	—
Marketable securities:		
Real estate related (cost: $— and $686.0)	—	825.7 (1)
Other (cost: $739.3 and $4,144.7)	739.3	4,150.2
Loans receivable (cost: $1,527.6 and $1,504.5)	1,493.2	1,503.1
Loans receivable with related parties (cost: $69.3 and $69.3)	69.4	69.0
Total investments (cost: $21,967.9 and $25,697.4)	25,550.7	29,899.0
Cash and cash equivalents	37.8	15.1
Due from investment manager	17.9	5.5
Other	331.4	290.3 (2)
TOTAL ASSETS	25,937.8	30,209.9
LIABILITIES		
Loans payable, at fair value		
(principal outstanding: $2,381.3 and $2,338.0)	2,411.4	2,365.0
Line of credit, at fair value	—	250.0
Accrued real estate property expenses	246.5	225.9
Payable for collateral for securities loaned	—	25.7
Other	36.0	35.4
TOTAL LIABILITIES	2,693.9	2,902.0
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Accumulation Fund	22,729.0	26,759.1
Annuity Fund	514.9	548.8
TOTAL NET ASSETS	$ 23,243.9	$ 27,307.9
NUMBER OF ACCUMULATION UNITS OUTSTANDING	52.0	60.8
NET ASSET VALUE, PER ACCUMULATION UNIT	$ 436.722	$ 440.422

(1) Includes securities loaned of $25.2 million at December 31, 2019.
(2) Includes cash collateral for securities loaned of $25.7 million at December 31, 2019.

See notes to the audited consolidated financial statements

TIAA REAL ESTATE ACCOUNT
AUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(millions)

	Years Ended December 31,		
	2020	**2019**	**2018**
INVESTMENT INCOME			
Real estate income, net			
Rental income	$ 1,192.6	$ 1,103.5	$ 1,083.2
Real estate property level expenses and taxes:			
Operating expenses	261.1	237.5	228.6
Real estate taxes	209.2	187.4	178.9
Interest expense	97.5	105.7	113.9
Total real estate property level expenses and taxes	567.8	530.6	521.4
Real estate income, net	624.8	572.9	561.8
Income from real estate joint ventures and funds	157.2	214.0	204.7
Interest	105.7	173.0	120.4
Dividends	18.0	23.2	50.8
TOTAL INVESTMENT INCOME	905.7	983.1	937.7
Expenses			
Investment management charges	65.3	68.1	62.1
Administrative charges	48.5	50.0	50.9
Distribution charges	26.5	31.7	28.0
Mortality and expense risk charges	1.2	1.3	1.3
Liquidity guarantee charges	59.4	57.8	50.5
TOTAL EXPENSES	200.9	208.9	192.8
INVESTMENT INCOME, NET	704.8	774.2	744.9
NET REALIZED AND UNREALIZED (LOSS) GAIN ON INVESTMENTS AND LOANS PAYABLE			
Net realized (loss) gain on investments			
Real estate properties	(52.8)	583.1	242.7
Real estate joint ventures and funds	(460.5)	(114.4)	75.9
Marketable securities	103.0	301.1	12.8
Loans receivable	(1.6)	—	—
Loans payable	—	—	(0.4)
Net realized (loss) gain on investments	(411.9)	769.8	331.0
Net change in unrealized appreciation (depreciation) on			
Real estate properties	(296.1)	(56.8)	73.1
Real estate joint ventures and funds	(40.8)	50.3	55.5
Real estate operating business	(0.2)	—	—
Marketable securities	(148.1)	0.7	(103.0)
Loans receivable	(33.0)	(3.8)	0.3
Loans receivable with related parties	0.4	(0.3)	—
Loans payable	(3.1)	(107.1)	79.8
Net change in unrealized (depreciation) appreciation on investments and loans payable	(520.9)	(117.0)	105.7
NET REALIZED AND UNREALIZED (LOSS) GAIN ON INVESTMENTS AND LOANS PAYABLE	(932.8)	652.8	436.7
NET (DECREASE) INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$ (228.0)	$ 1,427.0	$ 1,181.6

See notes to the audited consolidated financial statements

TIAA REAL ESTATE ACCOUNT
AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
(millions)

	Years Ended December 31,		
	2020	**2019**	**2018**
FROM OPERATIONS			
Investment income, net	$ 704.8	$ 774.2	$ 744.9
Net realized (loss) gain on investments	(411.9)	769.8	331.0
Net change in unrealized (depreciation) appreciation on investments and loans payable	(520.9)	(117.0)	105.7
NET (DECREASE) INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	(228.0)	1,427.0	1,181.6
FROM PARTICIPANT TRANSACTIONS			
Premiums	2,025.9	2,655.9	2,637.4
Annuity payments	(47.8)	(47.3)	(45.0)
Withdrawals and death benefits	(5,814.1)	(2,570.3)	(2,874.0)
NET (DECREASE) INCREASE IN NET ASSETS RESULTING FROM PARTICIPANT TRANSACTIONS	(3,836.0)	38.3	(281.6)
NET (DECREASE) INCREASE IN NET ASSETS	(4,064.0)	1,465.3	900.0
NET ASSETS			
Beginning of period	27,307.9	25,842.6	24,942.6
End of period	$ 23,243.9	$ 27,307.9	$ 25,842.6

See notes to the audited consolidated financial statements

TIAA REAL ESTATE ACCOUNT
AUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)

	Years Ended December 31,		
	2020	**2019**	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (decrease) increase in net assets resulting from operations	$ (228.0)	$ 1,427.0	$ 1,181.6
Adjustments to reconcile net changes in net assets resulting from operations to net cash provided by (used in) operating activities:			
Net realized loss (gain) on investments	411.9	(769.8)	(331.0)
Net change in unrealized depreciation (appreciation) on investments and loans payable	520.9	117.0	(105.7)
Purchase of real estate properties	(1,147.7)	(1,059.7)	(786.3)
Capital improvements on real estate properties	(242.4)	(304.4)	(228.6)
Proceeds from sale of real estate properties	612.1	1,285.4	1,462.7
Purchases of long term investments	(1,322.6)	(1,373.4)	(1,422.2)
Proceeds from long term investments	2,357.7	1,210.5	756.4
Purchases and originations of loans receivable	(118.0)	(695.5)	(939.2)
Purchases and originations of loans receivable with related parties	—	(69.3)	—
Proceeds from sales of loans receivable	63.0	50.8	257.3
Proceeds from payoffs of loans receivable	28.6	50.8	68.0
Decrease (Increase) in other investments	3,398.5	(54.9)	(200.8)
Change in due from investment manager	(12.4)	(3.3)	(1.2)
(Increase) Decrease in other assets	(43.1)	23.3	(59.7)
(Increase) Decrease in other liabilities	(2.9)	(70.4)	63.0
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	4,275.6	(235.9)	(285.7)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from line of credit	540.0	250.0	—
Payments on line of credit	(790.0)	—	—
Mortgage loan proceeds received	—	47.5	712.8
Payments on mortgage loans	(168.9)	(106.8)	(152.2)
Premiums	2,025.9	2,655.9	2,637.4
Annuity payments	(47.8)	(47.3)	(45.0)
Withdrawals and death benefits	(5,814.1)	(2,570.3)	(2,874.0)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(4,254.9)	229.0	279.0
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	20.7	(6.9)	(6.7)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH			
Beginning of period cash, cash equivalents and restricted cash	40.4	47.3	54.0
Net increase (decrease) in cash, cash equivalents and restricted cash	20.7	(6.9)	(6.7)
End of period cash, cash equivalents and restricted cash	$ 61.1	$ 40.4	$ 47.3
SUPPLEMENTAL DISCLOSURES			
Cash paid for interest	$ 97.8	$ 107.8	$ 108.7
Mortgage loan assumed as part of a real estate acquisition	$ 289.6	$ 181.0	$ 105.1
Loan receivable converted to equity in real estate investment	$ (1.7)	$ —	$ —
Loan assignment as part of a real estate disposition	$ 77.4	$ 471.8	$ 216.5
Stock consideration received from the merger of marketable securities	$ —	$ —	$ 6.1

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the Consolidated Statements of Assets and Liabilities that sum to the total of the same such amounts shown in the Consolidated Statements of Cash Flows (millions):

	As of December 31,		
	2020	**2019**	**2018**
Cash and cash equivalents	$ 37.8	$ 15.1	$ 3.8
Restricted cash[1]	23.3	25.3	43.5
TOTAL CASH, CASH EQUIVALENTS AND RESTRICTED CASH	$ 61.1	$ 40.4	$ 47.3

[1] Restricted cash is included within other assets on the Account's Consolidated Statements of Assets and Liabilities.

See notes to the audited consolidated financial statements

Note 1—Organization and Significant Accounting Policies

Business: The TIAA Real Estate Account ("Account") is an insurance separate account of Teachers Insurance and Annuity Association of America ("TIAA") and was established by resolution of TIAA's Board of Trustees (the "Board") on February 22, 1995, under the insurance laws of the State of New York for the purpose of funding variable annuity contracts issued by TIAA. The Account offers individual and group accumulating annuity contracts (with contributions made on a pre-tax or after-tax basis), as well as individual lifetime and term-certain variable payout annuity contracts (including the payment of death benefits to beneficiaries). Investors are entitled to transfer funds to or from the Account and make withdrawals from the Account on a daily basis under certain circumstances. Funds invested in the Account for each category of contract are expressed in terms of units, and unit values will fluctuate depending on the Account's performance.

The investment objective of the Account is to seek favorable total returns primarily through rental income and appreciation of a diversified portfolio of directly held, private real estate investments and real estate-related investments while offering investors guaranteed, daily liquidity. The Account holds real estate properties directly and through subsidiaries wholly-owned by TIAA for the sole benefit of the Account. The Account also holds limited interests in real estate joint ventures and funds, as well as investments in loans receivable with commercial real estate properties as underlying collateral. Additionally, the Account invests in real estate-related and non-real estate-related publicly traded securities, cash and other instruments to maintain adequate liquidity levels for operating expenses, capital expenditures and to fund benefit payments (withdrawals, transfers and related transactions).

Use of Estimates: The Consolidated Financial Statements were prepared in accordance with accounting principles generally accepted in the United States of America, which requires the use of estimates made by management. Actual results may vary from those estimates, and such differences may be material.

The outbreak of the novel coronavirus (commonly known as "COVID-19") and the subsequent global pandemic began significantly impacting the U.S. and global financial markets and economies during the first quarter of 2020. During the second and third quarters of 2020, the Account received multiple requests for rent and loan payment relief as a result of the COVID-19 pandemic, however, the requests were minimal during the fourth quarter of 2020. Requests have generally been comprised of deferrals, with payments postponed for a brief period (i.e., less than six months) and then repaid over the remaining duration of the contract.

As of December 31, 2020, the Account has not had material exposure to rent concessions, tenant defaults or loan defaults. The duration and extent of COVID-19 over the long-term cannot be reasonably estimated at this time. The ultimate impact of the COVID-19 pandemic and the extent to which the COVID-19 pandemic impacts the Account's business, results of operations, investments, and cash flows will depend on future developments, which are highly uncertain and difficult to predict.

Basis of Presentation: The accompanying Consolidated Financial Statements include the Account and those subsidiaries wholly-owned by TIAA for the benefit of the Account. All significant intercompany accounts and transactions between the Account and such subsidiaries have been eliminated.

The Accumulation Unit Value ("AUV") used for financial reporting purposes may differ from the AUV used for processing transactions. The AUV used for financial reporting purposes includes security and participant transactions effective through the period end date to which this report relates. Total return is computed based on the AUV used for processing transactions.

Determination of Investments at Fair Value: The Account reports all investments at fair value in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 946, *Financial Services—Investment Companies.* Further in accordance with the adoption of the fair value option allowed under ASC 825, *Financial Instruments*, and at the election of Account management, loans payable and a line of credit are reported at fair value. The FASB has defined fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants excluding transaction costs.

The following is a description of the valuation methodologies used to determine the fair value of the Account's investments and investment related loans payable.

Valuation of Real Estate Properties—Investments in real estate properties are stated at fair value, as determined in accordance with policies and procedures reviewed by the Investment Committee of the Board and in accordance with the responsibilities of the Board as a whole. Accordingly, the Account does not record depreciation. Determination of fair value involves significant levels of judgment because the actual fair value of real estate can be determined only by negotiation between the parties in a sales transaction.

The Account's primary objective when valuing its real estate investments will be to produce a valuation that represents a reasonable estimate of the fair value of its investments. Implicit in the Account's definition of fair value are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Property and investment values are affected by, among other things, the availability of capital, occupancy rates, rental rates, and interest and inflation rates. As a result, determining real estate and investment values involves many assumptions. Key inputs and assumptions include, but are not limited to, rental income and expense amounts, related rental income and expense growth rates, capital expenditures, discount rates and capitalization rates. Valuation techniques include discounted cash flow analysis, prevailing market capitalization rates or multiples applied to earnings from the property, analysis of recent comparable sales transactions, actual sale negotiations and bona fide purchase offers received from third parties. Amounts ultimately realized from each investment may vary significantly from the fair value presented.

Real estate properties owned by the Account are initially valued based on an independent third party appraisal, as reviewed by TIAA's internal appraisal staff and as applicable by the Account's independent fiduciary at the time of the closing of the purchase. Such initial valuation may result in a potential unrealized gain or loss reflecting the difference between an investment's fair value (i.e., exit price) and its cost basis (which is inclusive of transaction costs).

Subsequently, each property is appraised each quarter by an independent third party appraiser, reviewed by TIAA's internal appraisal staff and as applicable the Account's independent fiduciary. In general, the Account obtains appraisals of its real estate properties spread out throughout the quarter, which is intended to result in appraisal adjustments, and thus, adjustments to the valuations of its holdings (to the extent such adjustments are made) that happen regularly throughout each quarter and not on one specific day or month in each period.

Further, management reserves the right to order an appraisal and/or conduct another valuation outside of the normal quarterly process when facts or circumstances at a specific property change. For example, under certain circumstances a valuation adjustment could be made when the account receives a bona fide bid for the sale of a property held within the Account or one of the Account's joint ventures. Adjustments may be made for events or circumstances indicating an impairment of a tenant's ability to pay amounts due to the Account under a lease (including due to a bankruptcy filing of that tenant). Alternatively, adjustments may be made to reflect the execution or renewal of a significant lease. Also, adjustments may be made to reflect factors (such as sales values for comparable properties or local employment rate) bearing uniquely on a particular region in which the Account holds properties. TIAA's internal appraisal staff oversees the entire appraisal process, in conjunction with the Account's independent fiduciary (the independent fiduciary is more fully described in the following paragraph). Any differences in the conclusions of TIAA's internal appraisal staff and the independent appraiser will be reviewed by the independent fiduciary, which will make a final determination on the matter (which may include ordering a subsequent independent appraisal).

The independent fiduciary, RERC, LLC, has been appointed by a special subcommittee of the Investment Committee of the Board to, among other things, oversee the appraisal process. The independent fiduciary must approve all independent appraisers used by the Account. All appraisals are performed in accordance with Uniform Standards of Professional Appraisal Practices, the real estate appraisal industry standards created by The Appraisal Foundation. Real estate appraisals are estimates of property values based on a professional's opinion. Appraisals of properties held outside of the U.S. are performed in accordance with industry standards commonly applied in the applicable jurisdiction. These independent appraisers are always expected to be MAI-designated members of the Appraisal Institute (or its European equivalent, Royal Institute of Chartered Surveyors) and state certified appraisers from national or regional firms with relevant property type experience and market knowledge. Under the Account's current procedures, each independent appraisal firm will be rotated off of a particular property at least every three years, although such appraisal firm may perform appraisals of other Account properties subsequent to such rotation.

Also, the independent fiduciary can require additional appraisals if factors or events have occurred that could materially change a property's value (including those identified above) and such change is not reflected in the quarterly valuation review, or otherwise to ensure that the Account is valued appropriately. The independent fiduciary must also approve any valuation change of real estate-related assets where a property's value changed by more than 6% from the most recent independent annual appraisal, or if the value of the Account would change by more than 4% within any calendar quarter or more than 2% since the prior calendar month. When a real estate property is subject to a mortgage, the property is valued independently of the mortgage and the property and mortgage fair values are reported separately (see *Valuation of Loans Payable*). The independent fiduciary reviews and approves all mortgage valuation adjustments before such adjustments are recorded by the Account. The Account continues to use the revised value for each real estate property and loan payable to calculate the Account's daily net asset value until the next valuation review or appraisal.

Valuation of Real Estate Joint Ventures—Real estate joint ventures are stated at the fair value of the Account's ownership interests of the underlying entities. The Account's ownership interests are valued based on the fair value of the underlying real estate, any related loans payable, and other factors, such as ownership percentage, ownership rights, buy/sell agreements, distribution provisions and capital call obligations. The fair value of real estate and loans payable held by joint ventures is determined in the same manner described above in *Valuation of Real Estate Properties.* The independent fiduciary reviews and approves all valuation adjustments before such adjustments are recorded by the Account. Upon the disposition of all real estate investments by an investee entity, the Account will continue to state its equity in the remaining net assets of the investee entity during the wind down period, if any, which occurs prior to the dissolution of the investee entity.

Valuation of Real Estate Funds—Real estate fund interests are stated at the fair value of the Account's ownership in the fund. Management uses net asset value information provided by limited partners as a practical expedient to estimate fair value. The Account receives estimates from limited partners on a quarterly basis, and audited information is provided annually. Upon receipt of the information, management reviews and concludes on whether the net asset values provided are an appropriate representation of the fair value of the Account's interests in the real estate funds and makes valuation adjustments as necessary. Valuation of real estate funds proceeds under the direction of the Investment Committee of the Board and in accordance with the responsibilities of the Board as a whole.

Valuation of Real Estate Operating Businesses—Real estate operating businesses are held at fair value, which is equal to their cost basis on the initial investment date. Subsequently, valuations are completed on a quarterly basis, with a third-party vendor utilized semi-annually and the interim quarters completed by TIAA's internal valuation department. Valuations are subject to review by the independent fiduciary. Fair value is based on the enterprise value of the business, subject to any preferential distributions that would be required upon liquidation, if applicable.
Management reserves the right to order an external valuation outside of the normal quarterly process when facts or circumstances at the business materially change from the latest available valuation. Any differences in the conclusions of TIAA's internal valuation department and the external vendor will be reviewed by the independent

fiduciary, which will make a final determination on the matter (which may include ordering a subsequent additional valuation).

Valuation of Marketable Securities—Equity securities listed or traded on any national market or exchange are valued at the last sale price as of the close of the principal securities market or exchange on which such securities are traded or, if there is no sale, at the mean of the last bid and asked prices on such market or exchange, exclusive of transaction costs.

Valuation of Debt Securities—Debt securities with readily available market quotations, other than money market instruments, are generally valued at the most recent bid price or the equivalent quoted yield for such securities (or those of comparable maturity, quality and type). Debt securities for which market quotations are not readily available, are valued at fair value as determined by management and the Investment Committee of the Board and in accordance with the responsibilities of the Board as a whole.

Short-term investments are valued in the same manner as debt securities, as described above.

Money market instruments are valued at amortized cost, which approximates fair value.

Valuation of Loans Receivable (i.e. the Account as a creditor)—Loans receivable are stated at fair value and are initially valued at the face amount of the loan funding. Subsequently, loans receivable are valued at least quarterly by TIAA's internal valuation department based on market factors, such as market interest rates and spreads for comparable loans, the liquidity for loans of similar characteristics, the performance of the underlying collateral (such as the loan-to-value ratio and the cash flow of the underlying collateral) and the credit quality of the counterparty. The independent fiduciary reviews and approves all loan receivable valuation adjustments before such adjustments are recorded by the Account. The Account continues to use the revised value for each loan receivable to calculate the Account's daily net asset value until the next valuation review.

Valuation of Loans Payable (i.e. the Account as a debtor)—Mortgage or other loans payable, including the Accounts line of credit, are stated at fair value. The estimated fair value of loans payable is generally based on the amount at which the liability could be transferred in a current transaction, exclusive of transaction costs. Fair values are estimated based on market factors, such as market interest rates and spreads on comparable loans, the liquidity for loans of similar characteristics, the performance of the underlying collateral (such as the loan-to-value ratio and the cash flow of the underlying collateral), the maturity date of the loan, the return demands of the market, and the credit quality of the Account. Different assumptions or changes in future market conditions could significantly affect estimated fair values. At times, the Account may assume debt in connection with the purchase of real estate, including under the Credit Agreements (as defined below) or additional credit facilities or other lines of credit in the future or the issuance (if permitted by applicable insurance law) of debt securities by the Account.

See *Note 5—Assets and Liabilities Measured at Fair Value on a Recurring Basis* for further discussion and disclosure regarding the determination of the fair value of the Account's investments.

Accumulation and Annuity Funds: The accumulation fund represents the net assets attributable to contract owners in the accumulation phase of their investment ("Accumulation Fund"). The annuity fund represents the net assets attributable to the contract owners currently receiving annuity payments ("Annuity Fund"). The net increase or decrease in net assets from investment operations is apportioned between the accounts based upon their relative daily net asset values. Once an Account participant begins receiving lifetime annuity income benefits, payment levels cannot be reduced as a result of the Account's actual mortality experience. In addition, the contracts pursuant to which the Account is offered are required to stipulate the maximum expense charge for all Account level expenses that can be assessed, which is not to exceed 2.5% of average net assets per year. The Account pays a fee to TIAA to assume mortality and expense risks.

Accounting for Investments: The investments held by the Account are accounted for as follows:

Real Estate Properties—Rent from real estate properties consists of all amounts earned under tenant operating leases, including base rent, recoveries of real estate taxes and other expenses and charges for miscellaneous services provided to tenants. Rental income is recognized in accordance with the billing terms of the lease agreements. The

Account bears the direct expenses of the real estate properties owned. These expenses include, but are not limited to, fees to local property management companies, property taxes, utilities, maintenance, repairs, insurance, and other operating and administrative costs. An estimate of the net operating income earned from each real estate property is accrued by the Account on a daily basis and such estimates are adjusted when actual operating results are determined.

Real Estate Joint Ventures—The Account has ownership interests in various real estate joint ventures (collectively, the "joint ventures"). The Account records its contributions as increases to its investments in the joint ventures, and distributions from the joint ventures are treated as income within income from real estate joint ventures and real estate funds in the Account's Consolidated Statements of Operations. Distributions that are identified as returns of capital are recorded as a reduction to the cost basis of the investment, whereas distributions identified as capital gains or losses are recorded as realized gains or losses. Income distributions from the joint ventures are recorded based on the Account's proportional interest of the income distributed by the joint ventures. Income and losses incurred but not yet distributed or realized from the Account by the joint ventures are recorded as unrealized gains and losses.

Real Estate Funds—The Account has limited ownership interests in various private real estate funds. The Account records its contributions as increases to the investments, and distributions from the investments are treated as income within income from real estate joint ventures and funds in the Account's Consolidated Statements of Operations. Distributions that are identified as returns of capital are recorded as a reduction to the cost basis of the investment, whereas distributions identified as capital gains or losses are recorded as realized gains or losses. Unrealized gains and losses are recorded based upon the changes in the net asset values of the real estate funds as determined from the financial statements of the real estate funds when received by the Account. Prior to the receipt of the financial statements from the real estate funds, the Account estimates the value of its interest using information provided by the limited partners. Changes in value based on such estimates are recorded by the Account as unrealized gains and losses.

Real Estate Operating Business—The Account has a non-controlling ownership interest in one real estate operating business. The Account records contributions into the business as increases to the cost basis of its investment. Distributions are characterized by the business as either income, capital gains, or return of capital. Distributions classified as income are presented within income from real estate joint ventures, funds, and operating businesses in the Account's Consolidated Statements of Operations. Distributions identified as capital gains are presented as realized gains in the Account's Consolidated Statements of Operations. Distributions identified as returns of capital are recorded as a reduction to the cost basis of the investment. Unrealized gains and losses are recorded based upon the changes in the fair value of the enterprise value of the business.

Marketable Securities—Transactions in marketable securities are accounted for as of the date the securities are purchased or sold (trade date). Interest income is recorded as earned. Dividend income is recorded on the ex-dividend date within dividend income. Dividends that are identified as returns of capital are recorded as a reduction to the cost basis of the investment, whereas dividends identified as capital gains or losses are recorded as realized gains or losses. Realized gains and losses on securities transactions are accounted for on the specific identification method.

Loans Receivable—The Account may originate, purchase or sell loans collateralized by real estate. The cost basis of originated loans is comprised of the principal balance and direct costs incurred that represent a component of loan's reported fair value. The cost basis of purchased loans consists of the purchase price of the loan and additional direct costs incurred that represent a component of the loan's reported fair value. Additional costs incurred by the Account to originate or purchase loans that do not represent a component of a loan's fair value are recorded as expenses in the period incurred. Nonrefundable origination fees paid by borrowers are recognized as interest income once all activities required to execute the loan are completed. Prepayment fees received from the payoff of loans in advance of their maturity date are recognized as interest income on the date the payoff occurs. Interest income from loans in accrual status is recognized based on the current coupon rate of the loans.

Interest income from loans in accrual status is recognized based on the current coupon rate of the loans. Interest income accruals are suspended when a loan becomes a non-performing loan, defined as a loan more than ninety days in arrears or at any point when management believes the full collection of principal is doubtful. Interest income on non-performing loans is recognized only as cash payments are received. Loans can be rehabilitated to normal accrual status once all past due interest has been collected and management believes the full collection of principal is likely.

Realized and Unrealized Gains and Losses—Realized gains and losses are recorded at the time an investment is sold or a distribution is received in relation to an investment sale from a joint venture or fund. Real estate and loan receivable transactions are accounted for as of the date on which the purchase or sale transactions close (settlement date). The Account recognizes a realized gain on the sale of an investment to the extent that the contract sales price exceeds the cost-to-date of the investment being sold. A realized loss occurs when the cost-to-date exceeds the sales price. Realized gains and losses from partial sales of non-financial assets are recognized in accordance with ASC 610-20 - *Gains and Losses from the Derecognition of Nonfinancial Assets*. Realized gains and losses from the sale of financial assets are recognized in accordance with ASC 860 - *Transfers and Servicing*. Unrealized gains and losses are recorded as the fair values of the Account's investments are adjusted, and as discussed within the *Real Estate Joint Ventures, Real Estate Funds and Loans Receivable* sections above.

Net Assets—The Account's net assets as of the close of each valuation day are valued by taking the sum of:

- the value of the Account's cash; cash equivalents, and short-term and other debt instruments;
- the value of the Account's other securities and other non-real estate assets;
- the value of the individual real properties (based on the most recent valuation of that property) and other real estate-related investments owned by the Account;
- an estimate of the net operating income accrued by the Account from its properties, other real estate-related investments and non-real estate-related investments (including short-term marketable securities) since the end of the prior valuation day; and
- actual net operating income earned from the Account's properties, other real estate-related investments and non-real estate-related investments (but only to the extent any such item of income differs from the estimated income accrued for on such investments),

and then reducing the sum by liabilities held within the Account, including the daily investment management fee, administration and distribution fees, mortality and expense fee, liquidity guarantee fee, and certain other expenses attributable to operating the Account. Daily estimates of net operating income are adjusted to reflect actual net operating income on a monthly basis, at which time such adjustments (if any) are reflected in the Account's unit value.

After the end of every quarter, the Account reconciles the amount of expenses deducted from the Account (which is established in order to approximate the costs that the Account will incur) with the expenses the Account actually incurred. If there is a difference, the Account adds it to or deducts it from the Account in equal daily installments over the remaining days of the following quarter. Material differences may be repaid in the current calendar quarter. The Account's at-cost deductions are based on projections of Account assets and overall expenses, and the size of any adjusting payments will be directly affected by the difference between management's projections and the Account's actual assets or expenses.

Variable Interest Entities: Variable interests are financial relationships which expose a reporting entity to the risks and rewards of variability in the entity's assets and operations. When variable interests exist, they are subject to evaluation under the variable interest entity ("VIE") model if any one of the following four characteristics are present: a) the entity is insufficiently capitalized; b) the equity holders do not have power to control the activities that most significantly impact the entity's financial performance; c) the voting rights of the equity holders are not proportionate to their economic interests; or d) the equity holders are not exposed to the residual losses or benefits that would normally be associated with equity interests.

ASC 810 - *Consolidation* prohibits a reporting entity that qualifies as an investment company under ASC 946 - *Financial Services - Investment Companies* from consolidating an investee that is not an investment company. This scope exception does not apply to situations in which an investment company has an interest in another investment company. Accordingly, the Account's investments in other investment companies (e.g., real estate funds) are subject to evaluation under the VIE model.

The Account consolidates a VIE if it concludes that the Account is the primary beneficiary of the VIE. The primary beneficiary has both: a) the power to direct the activities of a VIE that most significantly impact the VIE's economic performance; and b) the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. The following activities have been identified by the Account as having the most significant impact on a VIE's economic performance:

- control over the ability to acquire and dispose of investments held by the entity;
- the ability to kick out a managing entity without cause, either unilaterally or with a group of equity investors;
- the ability to modify the power of the managing entity without its consent; and
- control over the day-to-day decision making of the underlying investments

An equity investor in a VIE may not actively be involved in the significant activities (i.e., it may cede day-to-day decision making to a third party), but if the equity investor has approval rights or some other mechanism to retain ultimate control, the equity investor with these rights would be concluded as having power over the activity.

On a quarterly basis, the Account evaluates all involvements with VIEs, including any changes to governing powers of continuing VIEs. The consolidation status of VIEs may change as a result of such continued evaluation. At the reporting date, the Account was not deemed to be the primary beneficiary of any VIEs. Refer to *Note 7—Investments in Real Estate Funds* for additional detail.

Cash and Cash Equivalents: Cash and cash equivalents are balances held by the Account in bank deposit accounts which, at times, may exceed federally insured limits. The Account's management monitors these balances to mitigate the exposure of risk due to concentration and has not experienced any losses from such concentration.

Other Assets and Other Liabilities: Other assets and other liabilities consist of operating assets and liabilities utilized and held at each individual real estate property investment. Other assets consist of, amongst other items, cash, tenant receivables and prepaid expenses; whereas other liabilities primarily consist of security deposits. Other assets also include cash collateral held for securities on loan.

Federal Income Taxes: Based on provisions of the Internal Revenue Code, Section 817, the Account is taxed as a segregated asset account of TIAA and as such, the Account incurs no material federal income tax attributable to the net investment activity of the Account. The Account's federal income tax return is generally subject to examination for a period of three years after filed. State and local tax returns may be subject to examination for an additional period of time depending on the jurisdiction. Management has analyzed the Account's tax positions taken for all open federal income tax years and has concluded that no provision for federal income tax is required in the Account's Consolidated Financial Statements.

Restricted Cash: The Account held restricted cash in escrow accounts for security deposits, as required by certain states, as well as property taxes, insurance, and various other property related matters as required by certain creditors related to outstanding loans payable collateralized by certain real estate investments. These amounts are recorded within other assets on the Consolidated Statements of Assets and Liabilities. See *Note 9—Loans Payable* for additional information regarding the Account's outstanding loans payable.

Changes in Net Assets: Premiums include premiums paid by existing accumulation unit holders in the Account and transfers into the Account. Withdrawals and death benefits include withdrawals out of the Account which include transfers out of the Account and required minimum distributions.

Due to/from Investment Manager: Due to/from investment manager represents amounts that are to be paid or received by TIAA on behalf of the Account. Amounts generally are paid or received by the Account within one or two business days and no interest is contractually charged on these amounts.

Securities Lending: The Account may lend securities to qualified borrowers to earn additional income. The Account receives cash collateral against the loaned securities and maintains cash collateral in an amount not less than 100% of the market value of loaned securities during the period of the loan; any additional collateral required due to changes in security values is delivered to the Account the next business day. Cash collateral received by the Account is invested exclusively in an interest-bearing deposit account. The value of the loaned securities and the liability to return the cash collateral received are reflected in the Consolidated Statements of Assets and Liabilities. When loaning securities, the Account retains the benefits of owning the securities, including the economic equivalent of dividends or interest generated by the securities. All income generated by the securities lending program is reflected within interest income on the Consolidated Statements of Operations.

Securities lending transactions are for real-estate related equity securities, and the resulting loans are continuous, can be recalled at any time, and have no set maturity. Securities lending income recognized by the Account consists of interest earned on cash collateral and lending fees, net of any rebates to the borrower and compensation to the agent. Such income is reflected within interest income on the Consolidated Statements of Operations. In lending its securities, the Account bears the market risk with respect to the investment of collateral and the risk that the agent may default on its contractual obligations to the Account. The agent bears the risk that the borrower may default on its obligation to return the loaned securities as the agent is contractually obligated to indemnify the Account if at the time of a default by a borrower some or all of the loan securities have not been returned.

Recent Accounting Pronouncements: In March 2020, the FASB issued ASU 2020-04, Facilitation of the Effects of Reference Rate Reform on Financial Reporting (“ASU 2020-04”). The guidance provides optional expedients and exceptions for applying generally accepted accounting principles to contract modifications and hedging 12 relationships, subject to meeting certain criteria, that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued. The expedients and exceptions are effective for the period from March 12, 2020 through December 31, 2022. Management does not expect the guidance to materially impact the Account.

Note 2—Related Party Transactions

Investment management, administrative and distribution services are provided to the Account at cost by TIAA. Services provided at cost are paid by the Account on a daily basis based upon projected expenses to be provided to the Account. Payments are adjusted periodically to ensure daily payments are as close as possible to the Account’s actual expenses incurred. Differences between actual expenses and the amounts paid by the Account are reconciled and adjusted quarterly.

Investment management services for the Account are provided by TIAA officers, under the direction and control of the Board, pursuant to investment management procedures adopted by TIAA for the Account. TIAA’s investment management decisions for the Account are subject to review by the Account’s independent fiduciary. TIAA also provides various portfolio accounting and related services for the Account.

The Account is a party to the Distribution Agreement for the Contracts Funded by the TIAA Real Estate Account (the “Distribution Agreement”), dated January 1, 2008, by and among TIAA, for itself and on behalf of the Account, and TIAA-CREF Individual and Institutional Services, LLC (“Services”), a wholly-owned subsidiary of TIAA, a registered broker-dealer and a member of the Financial Industry Regulatory Authority. Pursuant to the Distribution Agreement, Services performs distribution services for the Account which include, among other things, (i) distribution of annuity contracts issued by TIAA and funded by the Account, (ii) advising existing annuity contract owners in connection with their accumulations and (iii) helping employers implement and manage retirement plans. In addition, TIAA performs administrative functions for the Account, which include, among other things, (i) maintaining accounting records and performing accounting services, (ii) receiving and allocating premiums, (iii) calculating and making annuity payments, (iv) processing withdrawal requests, (v) providing regulatory compliance and reporting services, (vi) maintaining the Account’s records of contract ownership and (vii) otherwise assisting generally in all aspects of the Account’s operations. Both distribution services (pursuant to the Distribution Agreement) and administrative services are provided to the Account by Services and TIAA, as applicable, on an at cost basis. The Distribution Agreement is terminable by either party upon 60 days written notice and terminates automatically upon any assignment thereof.

In addition to providing the services described above, TIAA charges the Account fees to bear certain mortality and expense risks and risks with providing the liquidity guarantee. These fees are charged as a percentage of the net assets of the Account. Rates for these fees are established annually.

Once an Account participant begins receiving lifetime annuity income benefits, payment levels cannot be reduced as a result of the Account's actual mortality experience. As such, mortality and expense risk expenses are contractual charges for TIAA's assumption of this risk.

The liquidity guarantee ensures that sufficient funds are available to meet participant transfer and cash withdrawal requests in the event that the Account's cash flows and liquid investments are insufficient to fund such requests.

Expenses for the services and fees described above are identified as such in the accompanying Consolidated Statements of Operations and are further identified as "Expenses" in *Note 11—Financial Highlights.*

The independent fiduciary, which has the right to adjust the trigger point, has established the trigger point at 45% of the outstanding accumulation units and it will continue to monitor TIAA's ownership interest in the Account and provide further recommendations as necessary.

The Account has loans receivable outstanding with related parties as of December 31, 2020. The loans are with joint ventures in which the Account also has an equity interest. The loans are held at fair value in accordance with the valuation policies described in *Note 1—Organization and Significant Accounting Policies.* The following table presents the key terms of the loans as of the reporting date:

Principal						Fair Value at	
2020	2019	Related Party	Equity Ownership Interest	Interest Rate	Maturity Date	December 31, 2020	December 31, 2019
36.5	36.5	MRA Hub 34 Holding, LLC	95.00%	2.50% + LIBOR	9/1/2022	$ 36.5	$ 36.5
32.8	32.8	THP Student Housing, LLC	97.00%	3.20%	9/1/2024	32.9	32.5
		TOTAL LOANS RECEIVABLE WITH RELATED PARTIES				**$ 69.4**	**$ 69.0**

Note 3—Concentration Risk

Concentration risk may arise when a number of properties are located in a similar geographic region such that the economic conditions of that region could impact tenants' obligations to meet their contractual obligations or cause the values of individual properties to decline. Additionally, concentrations of risk may arise if any one tenant comprises a significant amount of the Account's rent or if tenants are concentrated in a particular industry.

As of December 31, 2020, the Account had no significant concentrations of tenants as no single tenant had annual contract rent that made up more than 4% of the rental income of the Account. Moreover, the Account's tenants have no notable concentration present in any one industry. There are no significant lease expirations scheduled to occur over the next twelve months.

The Account's wholly-owned real estate investments and investments in joint ventures are located in the United States. The following table represents the diversification of the Account's portfolio by region and property type as of December 31, 2020:

Diversification by Fair Value[1]					
	West	East	South	Midwest	Total
Office	13.6 %	18.7 %	5.7 %	0.1 %	38.1 %
Apartment	9.8 %	6.4 %	8.1 %	1.1 %	25.4 %
Retail	6.4 %	3.4 %	7.5 %	0.8 %	18.1 %
Industrial	9.8 %	1.5 %	4.9 %	0.5 %	16.7 %
Other[2]	0.6 %	0.4 %	0.7 %	— %	1.7 %
Total	40.2 %	30.4 %	26.9 %	2.5 %	100.0 %

(1) Wholly-owned properties are represented at fair value and gross of any debt, while joint venture properties are represented at the net equity value.

(2) Represents interests in Storage Portfolio investments, a hotel investment and land.

Properties in the "West" region are located in: AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY

Properties in the "East" region are located in: CT, DC, DE, KY, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

Properties in the "South" region are located in: AL, AR, FL, GA, LA, MS, OK, TN, TX

Properties in the "Midwest" region are located in: IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI

Note 4—Leases

The Account's wholly-owned real estate properties are leased to tenants under operating lease agreements which expire on various dates through 2051. Rental income is recognized in accordance with the billing terms of the lease agreements. The leases do not have material variable payments, material residual value guarantees or material restrictive covenants. Certain leases have the option to extend or terminate at the tenant's discretion, with termination options resulting in additional fees due to the Account. Aggregate minimum annual rentals for wholly-owned real estate investments owned by the Account through the non-cancelable lease term, excluding short-term residential leases, are as follows (millions):

	For the Years Ending December 31,
2021	$ 638.6
2022	576.0
2023	504.6
2024	430.2
2025	353.2
Thereafter	1,037.6
Total	$ 3,540.2

Certain leases provide for additional rental amounts based upon the recovery of actual operating expenses in excess of specified base amounts, sales volume or contractual increases as defined in the lease agreement. These contractual contingent rentals are not included in the table above.

The Account has ground leases for which the Account is the lessee. The leases do not contain material residual value guarantees or material restrictive covenants. The fair value of right-of-use assets and leases liabilities related to ground leases are reflected on the balance sheet within other assets and other liabilities, respectively.

The fair values and key terms of the right-of-use assets and lease liabilities related to the Account's ground leases are as follows (millions):

	As of December 31, 2020
Assets:	
Right-of-use assets, at fair value	$ 36.8
Liabilities:	
Ground lease liabilities, at fair value	$ 36.8
Key Terms	
Weighted-average remaining lease term (years)	69.4
Weighted-average discount rate(1)	8.05 %

(1) Discount rates are reflective of the rates utilized during the most recent appraisal of the associated real estate investments.

For the year ended December 31, 2020, operating lease costs related to ground leases were $2.2 million. These costs include variable lease costs, which are immaterial. Aggregate future minimum annual payments for ground leases held by the Account are as follows (millions):

	For the Years Ending December 31,
2021	$ 2.2
2022	2.3
2023	2.3
2024	2.3
2025	2.3
Thereafter	402.8
Total	$ 414.2

In April 2020, the FASB staff released guidance focused on treatment of concessions related to the effects of COVID-19 on the application of lease modification guidance in Accounting Standards Codification ("ASC") 842, "Leases." The guidance provides a practical expedient to forgo the associated reassessments required by ASC 842 when changes to a lease result in similar or lower future consideration. There was no material exposure to rent concessions or lease defaults for tenants impacted by the COVID-19 pandemic for the year ended December 31, 2020.

Note 5—Assets and Liabilities Measured at Fair Value on a Recurring Basis

Valuation Hierarchy: The Account's fair value measurements are grouped categorically into three levels, as defined by the FASB. The levels are defined as follows:

- Level 1 fair value inputs are quoted prices for identical items in active, liquid and visible markets such as stock exchanges.
- Level 2 fair value inputs are observable information for similar items in active or inactive markets, and appropriately consider counterparty creditworthiness in the valuations.
- Level 3 fair value inputs reflect our best estimate of inputs and assumptions market participants would use in pricing an asset or liability at the measurement date. The inputs are unobservable in the market and significant to the valuation estimate.

An investment's categorization within the valuation hierarchy described above is based upon the lowest level of input that is significant to the fair value measurement. Real estate fund investments are excluded from the valuation hierarchy, as these investments are fair valued using their net asset value as a practical expedient since market quotations or values from independent pricing services are not readily available. See *Note 1 - Organization and Significant Accounting Policies* for further discussion regarding the use of a practical expedient for the valuation of real estate funds.

The Account's determination of fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon vendor-provided, evaluated prices or internally developed models that primarily use market-based or independently sourced market data, including interest rate yield curves, market spreads, and currency rates. Valuation adjustments will be made to reflect changes in credit quality, counterparty's creditworthiness, the Account's creditworthiness, liquidity, and other observable and unobservable inputs that are applied consistently over time.

The methods described above are considered to produce fair values that represent an estimate by management of what an unaffiliated buyer in the marketplace would pay to purchase the asset or would receive to transfer the liability. Since fair value calculations involve significant professional judgment in the application of both observable and unobservable attributes, actual realizable values or future fair values may differ from amounts reported. Furthermore, while the Account believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments, while reasonable, could result in different estimates of fair value at the reporting date. As discussed in *Note 1—Organization and Significant Accounting Policies* in more detail, the Account generally obtains independent third party appraisals on a quarterly basis; there may be circumstances in the interim in which the true realizable value of a property is not reflected in the Account's daily net asset value calculation or in the Account's periodic Consolidated Financial Statements. This disparity may be more apparent when the commercial and/or residential real estate markets experience an overall and possibly dramatic decline (or increase) in property values in a relatively short period of time between appraisals.

The following tables show the major categories of assets and liabilities measured at fair value on a recurring basis as of December 31, 2020 and 2019, using unadjusted quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); significant unobservable inputs (Level 3); and Practical Expedient (millions):

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Fair Value Using Practical Expedient	Total at December 31, 2020
Real estate properties	$ —	$ —	$ 16,476.7	$ —	$ 16,476.7
Real estate joint ventures	—	—	6,128.9	—	6,128.9
Real estate funds	—	—	—	393.2	393.2
Real estate operating business	—	—	250.0	—	250.0
Marketable securities:					
Government agency notes	—	157.0	—	—	157.0
United States Treasury securities	—	582.3	—	—	582.3
Loans receivable[(1)]	—	—	1,562.6	—	1,562.6
Total Investments at December 31, 2020	$ —	$ 739.3	$ 24,418.2	$ 393.2	$ 25,550.7
Loans payable	$ —	$ —	$ (2,411.4)	$ —	$ (2,411.4)
Line of credit	$ —	$ —	$ —	$ —	$ —

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Fair Value Using Practical Expedient	Total at December 31, 2019
Real estate properties	$ —	$ —	$ 15,835.0	$ —	$ 15,835.0
Real estate joint ventures	—	—	7,204.2	—	7,204.2
Real estate funds	—	—	—	311.8	311.8
Marketable securities:					
Real estate-related	825.7	—	—	—	825.7
Government agency notes	—	259.6	—	—	259.6
United States Treasury securities	—	2,589.1	—	—	2,589.1
Corporate bonds	—	1,268.3	—	—	1,268.3
Municipal bonds	—	33.2	—	—	33.2
Loans receivable[1]	—	—	1,572.1	—	1,572.1
Total Investments at December 31, 2019	$ 825.7	$ 4,150.2	$ 24,611.3	$ 311.8	$ 29,899.0
Loans payable	$ —	$ —	$ (2,365.0)	$ —	$ (2,365.0)
Line of credit	$ —	$ —	$ (250.0)	$ —	$ (250.0)

[1] Amount shown is reflective of loans receivable and loans receivable with related parties.

The following tables show the reconciliation of the beginning and ending balances for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended December 31, 2020 and 2019 (millions):

	Real Estate Properties	Real Estate Joint Ventures	Real Estate Operating Business	Loans Receivable[3]	Total Level 3 Investments	Loans Payable	Line of Credit
For the year ended December 31, 2020							
Beginning balance January 1, 2020	$ 15,835.0	$ 7,204.2	$ —	$ 1,572.1	$ 24,611.3	$ (2,365.0)	$ (250.0)
Total realized and unrealized (losses) gains included in changes in net assets	(348.9)	(477.0)	(0.2)	(34.2)	(860.3)	(3.1)	—
Purchases[1]	1,680.1	247.2	250.2	118.0	2,295.5	(289.6)	(540.0)
Sales	(689.5)	—	—	(64.7)	(754.2)	—	—
Settlements[2]	—	(845.5)	—	(28.6)	(874.1)	246.3	790.0
Ending balance December 31, 2020	$ 16,476.7	$ 6,128.9	$ 250.0	$ 1,562.6	$ 24,418.2	$ (2,411.4)	$ —

	Real Estate Properties	Real Estate Joint Ventures	Loans Receivable[3]	Total Level 3 Investments	Loans Payable	Line of Credit
For the year ended December 31, 2019						
Beginning balance January 1, 2019	$ 15,531.1	$ 6,356.6	$ 913.0	$ 22,800.7	$ (2,608.0)	$ —
Total realized and unrealized gains (losses) included in changes in net assets	526.3	(100.3)	(4.1)	421.9	(107.1)	—
Purchases[1]	1,534.9	953.0	764.8	3,252.7	(228.5)	(250.0)
Sales	(1,757.3)	—	—	(1,757.3)	—	—
Settlements[2]	—	(5.1)	(101.6)	(106.7)	578.6	—
Ending balance December 31, 2019	$ 15,835.0	$ 7,204.2	$ 1,572.1	$ 24,611.3	$ (2,365.0)	$ (250.0)

(1) Includes purchases, contributions for joint ventures, capital expenditures, lending for loans receivable and assumption of loans payable.
(2) Includes operating income for real estate joint ventures net of distributions, principal payments and payoffs of loans receivable, and principal payments and extinguishment of loans payable.
(3) Amount shown is reflective of loans receivable and loans receivable with related parties.

The following table shows quantitative information about unobservable inputs related to the Level 3 fair value measurements as of December 31, 2020.

Type	Asset Class	Valuation Technique(s)	Unobservable Inputs	Range (Weighted Average)
Real Estate Properties and Joint Ventures	Office	Income Approach—Discounted Cash Flow	Discount Rate	5.5%–9.0% (6.7%)
			Terminal Capitalization Rate	4.0%–8.3% (5.6%)
		Income Approach—Direct Capitalization	Overall Capitalization Rate	4.0%–8.0% (5.0%)
	Industrial	Income Approach—Discounted Cash Flow	Discount Rate	5.2% - 9.0% (6.6%)
			Terminal Capitalization Rate	4.3% - 7.3% (5.4%)
		Income Approach—Direct Capitalization	Overall Capitalization Rate	3.8% - 7.0% (4.8%)
	Residential	Income Approach—Discounted Cash Flow	Discount Rate	5.5% - 7.8% (6.4%)
			Terminal Capitalization Rate	4.3% - 6.8% (5.1%)
		Income Approach—Direct Capitalization	Overall Capitalization Rate	3.8% - 6.0% (4.6%)
	Retail	Income Approach—Discounted Cash Flow	Discount Rate	5.0% - 12.0% (6.8%)
			Terminal Capitalization Rate	4.3% - 9.4% (5.7%)
		Income Approach—Direct Capitalization	Overall Capitalization Rate	4.0% - 11.5% (5.2%)
	Hotel	Income Approach—Discounted Cash Flow	Discount Rate	10.3%
			Terminal Capitalization Rate	7.8%
		Income Approach—Direct Capitalization	Overall Capitalization Rate	7.8%
Real Estate Operating Business		Income Approach—Discounted Cash Flow	Discount Rate	7.3%
			Terminal Growth Rate	2.5%
		Market Approach	EBITDA Multiple	13.9x
Loans Payable	Office	Discounted Cash Flow	Loan-to-Value Ratio	35.4% - 54.9% (45.5%)
			Equivalency Rate	2.4% - 3.3% (3.0%)
		Net Present Value	Loan-to-Value Ratio	35.4% - 54.9% (45.5%)
			Weighted Average Cost of Capital Risk Premium Multiple	1.2 - 1.4 (1.3)

Type	Asset Class	Valuation Technique(s)	Unobservable Inputs	Range (Weighted Average)
	Industrial	Discounted Cash Flow	Loan-to-Value Ratio	54.6% - 59.2% (56.6%)
			Equivalency Rate	3.3% - 3.3% (3.3%)
		Net Present Value	Loan-to-Value Ratio	54.6% - 59.2% (56.6%)
			Weighted Average Cost of Capital Risk Premium Multiple	1.4 - 1.5 (1.5)
	Residential	Discounted Cash Flow	Loan-to-Value Ratio	29.6% - 65.9% (48.2%)
			Equivalency Rate	2.3% - 3.2% (2.8%)
		Net Present Value	Loan-to-Value Ratio	29.6% - 65.9% (48.2%)
			Weighted Average Cost of Capital Risk Premium Multiple	1.2 - 1.7 (1.4)
	Retail	Discounted Cash Flow	Loan-to-Value Ratio	40.2% - 73.4% (47.6%)
			Equivalency Rate	2.8% - 4.2% (3.0%)
		Net Present Value	Loan-to-Value Ratio	40.2% - 73.4% (47.6%)
			Weighted Average Cost of Capital Risk Premium Multiple	1.3 - 1.8 (1.4)
Loans Receivable, including those with related parties	Office	Discounted Cash Flow	Loan-to-Value Ratio	50.6% - 91.8% (77.2%)
			Equivalency Rate	3.5% - 9.6% (6.6%)
	Industrial	Discounted Cash Flow	Loan-to-Value Ratio	30.9% - 90.2% (69.1%)
			Equivalency Rate	4.3% - 12.7% (6.8%)
	Residential	Discounted Cash Flow	Loan-to-Value Ratio	47.4% - 74.7% (64.1%)
			Equivalency Rate	3.2% - 7.0% (4.9%)
	Retail & Hospitality	Discounted Cash Flow	Loan-to-Value Ratio	61.2% - 86.2% (68.7%)
			Equivalency Rate	5.4% - 9.9% (6.3%)

The following table shows quantitative information about unobservable inputs related to the Level 3 fair value measurements as of December 31, 2019.

Type	Asset Class	Valuation Technique(s)	Unobservable Inputs	Range (Weighted Average)
Real Estate Properties and Joint Ventures	Office	Income Approach—Discounted Cash Flow	Discount Rate	5.5%–8.5% (6.6%)
			Terminal Capitalization Rate	4.0%–7.5% (5.5%)
		Income Approach—Direct Capitalization	Overall Capitalization Rate	3.9%–7.0% (5.0%)
	Industrial	Income Approach—Discounted Cash Flow	Discount Rate	5.3% - 9.0% (6.7%)
			Terminal Capitalization Rate	4.3% - 8.1% (5.5%)
		Income Approach—Direct Capitalization	Overall Capitalization Rate	3.9% - 7.4% (4.9%)
	Residential	Income Approach—Discounted Cash Flow	Discount Rate	5.3% - 7.8% (6.4%)
			Terminal Capitalization Rate	4.3% - 6.8% (5.1%)
		Income Approach—Direct Capitalization	Overall Capitalization Rate	3.8% - 6.0% (4.6%)
	Retail	Income Approach—Discounted Cash Flow	Discount Rate	5.3% - 11.7% (6.6%)
			Terminal Capitalization Rate	4.8% - 9.4% (5.4%)
		Income Approach—Direct Capitalization	Overall Capitalization Rate	3.3% - 11.0% (4.9%)
	Hotel	Income Approach—Discounted Cash Flow	Discount Rate	10.0%
			Terminal Capitalization Rate	7.8%
		Income Approach—Direct Capitalization	Overall Capitalization Rate	7.5%

Type	Asset Class	Valuation Technique(s)	Unobservable Inputs	Range (Weighted Average)
Loans Payable	Office and Industrial	Discounted Cash Flow	Loan-to-Value Ratio	31.6% - 59.5% (46.3%)
			Equivalency Rate	3.1% - 4.3% (3.4%)
		Net Present Value	Loan-to-Value Ratio	31.6% - 59.5% (46.3%)
			Weighted Average Cost of Capital Risk Premium Multiple	1.2 - 1.5 (1.3)
	Residential	Discounted Cash Flow	Loan-to-Value Ratio	30.2% - 69.0% (47.8%)
			Equivalency Rate	3.0% - 3.6% (3.3%)
		Net Present Value	Loan-to-Value Ratio	30.2% - 69.0% (47.8%)
			Weighted Average Cost of Capital Risk Premium Multiple	1.2 - 1.7 (1.3)
	Retail	Discounted Cash Flow	Loan-to-Value Ratio	33.3% - 63.3% (41.1%)
			Equivalency Rate	3.3% - 4.0% (3.5%)
		Net Present Value	Loan-to-Value Ratio	33.3% - 63.3% (41.1%)
			Weighted Average Cost of Capital Risk Premium Multiple	1.2 - 1.5 (1.3)
Loans Receivable, including those with related parties	Residential, Hotel, Industrial, Office, Retail and Storage	Discounted Cash Flow	Loan-to-Value Ratio	31.7% - 81.5% (72.5%)
			Equivalency Rate	3.2% - 8.4% (6.0%)

Real Estate Properties and Joint Ventures: The significant unobservable inputs used in the fair value measurement of the Account’s real estate property and joint venture investments are the selection of certain investment rates (Discount Rate, Terminal Capitalization Rate, and Overall Capitalization Rate). Significant increases (decreases) in any of those inputs in isolation would result in significantly lower (higher) fair value measurements, respectively.

Real Estate Operating Business: The significant unobservable inputs used in the fair value measurement of the Account's real estate operating business are the selection of certain investment rates and ratios (Discount Rate, Terminal Growth Rate, and EBITDA Multiple). Significant increases (decreases) in any of those inputs in isolation would result in significantly lower (higher) fair value measurements, respectively.

Loans Payable: The significant unobservable inputs used in the fair value measurement of the Account’s loans payable are the loan-to-value ratios and the selection of certain credit spreads and weighted average cost of capital risk premiums. Significant increases (decreases) in any of those inputs in isolation would result in a significantly lower (higher) fair value, respectively.

Loans Receivable: The significant unobservable inputs used in the fair value measurement of the Account’s loans receivable are the loan-to-value ratios and the selection of certain credit spreads. Significant increases (decreases) in any of those inputs in isolation would result in a significantly lower (higher) fair value, respectively.

During the years ended December 31, 2020 and 2019 there were no transfers between Levels 1, 2 or 3.

The amount of total net unrealized (losses) gains included in changes in net assets attributable to the change in net unrealized gains relating to Level 3 investments and loans payable using significant unobservable inputs still held as of the reporting date is as follows (millions):

	Real Estate Properties	Real Estate Joint Ventures	Real Estate Operating Business	Loans Receivable	Total Level 3 Investments	Mortgage Loans Payable
For the year ended December 31, 2020	$ (344.2)	$ (382.8)	$ (0.2)	$ (32.7)	$ (759.9)	$ (3.1)
For the year ended December 31, 2019	$ 355.2	$ (94.7)	$ —	$ (4.1)	$ 256.4	$ (96.8)

Note 6—Investments in Joint Ventures

The Account owns interests in several real estate properties through joint ventures and receives distributions and allocations of profits and losses from the joint ventures based on the Account's ownership interest in those investments. Several of these joint ventures have loans payable collateralized by the properties owned by the aforementioned joint ventures. At December 31, 2020, the Account held investments in joint ventures with ownership interest percentages that ranged from 33.3% to 98.0%. Certain joint ventures are subject to adjusted distribution percentages when earnings in the investment reach a pre-determined threshold.

A condensed summary of the gross financial position and results of operations of the combined joint ventures is shown below (millions):

	December 31, 2020	December 31, 2019
Assets		
Real estate properties, at fair value	$ 15,494.7	$ 17,455.8
Other assets	696.0	485.9
Total assets	$ 16,190.7	$ 17,941.7
Liabilities & Equity		
Mortgage notes payable and other obligations, at fair value	$ 4,959.6	$ 5,185.3
Other liabilities	250.0	256.3
Total liabilities	5,209.6	5,441.6
Total equity	10,981.1	12,500.1
Total liabilities and equity	$ 16,190.7	$ 17,941.7

	Years ended December 31, 2020	2019	2018
Operating Revenue and Expenses			
Revenues	$ 1,021.6	$ 1,126.5	$ 950.6
Expenses	571.9	604.1	487.1
Excess of revenues over expenses	$ 449.7	$ 522.4	$ 463.5

Note 7—Investments in Real Estate Funds

The Account has ownership interests in real estate funds (each a "Fund", and collectively the "Funds"). The Funds are setup as limited partnerships or entities similar to a limited partnership, and as such, meet the definition of a VIE as the limited partners collectively lack the power, through voting or similar rights, to direct the activities of the Fund that most significantly impact the Fund's economic performance. Management has determined that the Account is not the primary beneficiary for any of the Funds, as the Account lacks the power to direct the activities of each Fund that most significantly impact the respective Fund's economic performance, and the Account further lacks substantive kick-out rights to remove the entity with these powers. Refer to *Note 1—Organization and Significant Accounting Policies* for a description of the methodology used to determine the primary beneficiary of a VIE.

No financial support (such as loans or financial guarantees) was provided to the Funds during the year ended December 31, 2020. The Account is contractually obligated to make additional capital contributions in certain Funds in future years. These commitments are identified in *Note 13—Commitments and Contingencies*.

The carrying amount and maximum exposure to loss relating to unconsolidated VIEs in which the Company holds a variable interest but is not the primary beneficiary were as follows at December 31, 2020 (in millions):

Fund Name	Carrying Amount	Maximum Exposure to Loss	Liquidity Provisions	Investment Strategy
LCS SHIP Venture I, LLC (90.0% Account Interest)	$ 200.9	$ 200.9	Redemptions prohibited prior to liquidation. Liquidation estimated to begin no earlier than 2025. The Account is permitted to sell or transfer its interest in the fund, subject to consent and approval of the manager.	To invest in senior housing properties.
Veritas - Trophy VI, LLC (90.4% Account Interest)	$ 54.6	$ 54.6	Redemptions prohibited prior to liquidation. The Account is not permitted to sell or transfer its interest in the fund until August 2022. After this date, the Account can sell or transfer its interest in the fund with the consent and approval of the manager.	To invest in multi-family properties primarily in the San Francisco Bay and Los Angeles MSA.
Taconic New York City GP Fund, LP (60.0% Account Interest)	$ 31.6	$ 31.6	Redemptions prohibited prior to liquidation. Liquidation estimated to begin no earlier than 2024. The Account is permitted to sell its interest in the fund, subject to consent and approval of the general partner.	To invest in real estate and real estate-related assets in the New York City metropolitan statistical area ("MSA").
SP V - II, LLC (61.8% Account Interest)	$ 31.3	$ 31.3	Redemptions prohibited prior to liquidation. Liquidation estimated to begin no earlier than 2022. The Account is permitted to sell or transfer its interest in the fund, subject to consent and approval of the manager.	To invest in medical office properties in the U.S.
IDR - Core Property Index Fund, LLC (2.0% Account Interest)	$ 24.6	$ 24.6	Redemptions are permitted for a full calendar quarter and upon at least 90 days prior written notice, subject to fund availability. The Account is permitted to sell its interest in the fund, subject to consent and approval of the manager.	To invest primarily in open-ended funds that fall within the NFI-ODCE Index and are actively managed.
Silverpeak - REA Alt Inv Fund LP (90.0% Account Interest)	$ 18.8	$ 18.8	Redemptions prohibited prior to liquidation. Liquidation estimated to begin no earlier than 2028. The Account is permitted to sell its interest in the fund to qualified institutional investors, subject to consent and approval of the manager.	To invest in alternative real estate investments primarily in major U.S. metropolitan markets.
Grubb Southeast Real Estate Fund VI, LLC (66.7% Account Interest)	$ 18.0	$ 18.0	Redemptions prohibited prior to liquidation. Liquidation estimated to begin no earlier than 2026. The Account is not permitted to sell or transfer its interest in the fund until June 2021. After this date, the Account can sell or transfer its interest in the fund with the consent and approval of the manager.	To acquire office investments across the Southeast.
JCR Capital - REA Preferred Equity Parallel Fund (39.7% Account Interest)	$ 7.2	$ 7.2	Redemptions prohibited prior to liquidation. Liquidation estimated to begin no earlier than 2026. The Account is prohibited from transferring its interest in the fund without consent by the general partner, which can be withheld in their sole discretion.	To invest primarily in multi-family properties.

Fund Name	Carrying Amount	Maximum Exposure to Loss	Liquidity Provisions	Investment Strategy
Townsend Group Value-Add Fund (98.8% Account Interest)	$ 5.8	$ 5.8	Redemptions prohibited prior to liquidation. Liquidation estimated to begin no earlier than 2027. The Account is prohibited from transferring its interest in the fund without consent by the general partner, which can be withheld in their sole discretion.	To invest in value-add real estate investment opportunities in the U.S. market.
Flagler REA Healthcare Properties Partnership (90.0% Account Interest)	$ 0.4	$ 0.4	Redemptions prohibited prior to liquidation. Liquidation estimated to begin no earlier than 2025. The Account is permitted to transfer its interest in the fund to a qualified institutional investor, subject to the right first offer by the partner, following the one year anniversary of the fund launch.	To acquire healthcare properties within the top 50 MSA's in the U.S.
Total	$ 393.2	$ 393.2		

Note 8—Loans Receivable

The Account’s loan receivable portfolio is primarily comprised of mezzanine loans secured by the borrower’s indirect interest in commercial real estate. Mezzanine loans are subordinate to first mortgages on the underlying real estate collateral. The following property types represent the underlying real estate collateral for the Account's mezzanine loans (in millions):

	December 31, 2020			December 31, 2019		
	Principal Outstanding	Fair Value	% of Fair Value	Principal Outstanding	Fair Value	% of Fair Value
Office[(1)]	$ 794.5	$ 778.4	49.9 %	$ 769.3	$ 768.0	48.8 %
Industrial	194.3	194.3	12.4 %	199.6	199.6	12.7 %
Retail	128.6	126.5	8.1 %	158.5	158.5	10.1 %
Storage	82.0	73.8	4.7 %	82.0	82.0	5.2 %
Apartments[(1)]	262.2	259.7	16.6 %	229.1	228.8	14.6 %
Hotel	135.3	129.9	8.3 %	135.3	135.2	8.6 %
	$ 1,596.9	$ 1,562.6	100.0 %	$ 1,573.8	$ 1,572.1	100.0 %

(1) Includes loans receivable with related parties.

The Account monitors the risk profile of the loan receivable portfolio with the assistance of a third-party rating service that models the loans and assigns risk ratings based on inputs such as loan-to-value ratios, yields, credit quality of the borrowers, property types of the collateral, geographic and local market dynamics, physical condition of the collateral, and the underlying structure of the loans. Ratings for loans are updated monthly. Assigned ratings can range from AAA to C, with an AAA designation representing debt with the lowest level of credit risk and C representing a greater risk of default or principal loss. Loans that are more than 90 days past due are classified as delinquent and assigned a D rating. Mezzanine debt in good health is typically reflective of a risk rating in the B range (e.g., BBB, BB, or B), as these ratings reflect borrowers' having adequate financial resources to service their financial commitments, but also acknowledging that adverse economic conditions, should they occur, would likely impede on a borrowers' ability to pay.

All borrowers of loans rated C or higher are current as of December 31, 2020. Two of the Account's loans are currently in forbearance. The forbearance allows for the deferral of the June, July and August 2020 debt service payments. The deferred payments will be repaid in 12 equal installments over the period from January 9, 2021 to December 9, 2021, at which time the forbearance period will end. Interest income continues to be accrued during the deferral period so long as future collection of the deferred payments are probable. The forbearance period is not based upon current COVID-19 relief provided under the CARES Act.

The following table presents the fair values of the Account's loan portfolio based on the risk ratings as of December 31, 2020, listed in order of the strength of the risk rating (from strongest to weakest):

	December 31, 2020			December 31, 2019		
	Number of Loans	Fair Value	% of Fair Value	Number of Loans	Fair Value	% of Fair Value
AA	—	—	— %	1	48.3	3.1 %
BBB	1	69.6	4.5 %	7	456.1	29.0 %
BB	10	444.6	28.5 %	13	787.4	50.1 %
B	11	758.2	48.5 %	3	205.0	13.0 %
C	2	147.0	9.4 %	—	—	— %
D	1	73.8	4.7 %	—	—	— %
NR[(1)]	2	69.4	4.4 %	3	75.3	4.8 %
	27	$ 1,562.6	100.0 %	27	$ 1,572.1	100.0 %

[(1)] "NR" designates loans not assigned an internal credit rating. As of December 31, 2020, this is comprised of two loans with related parties. The loans are collateralized by equity interests in real estate investments.

The following table represents loans receivable in nonaccrual status as of December 31, 2020 (in millions). Loans are placed in nonaccrual status when a loan is more than 90 days in arrears or at any point when management believes the full collection of principal is doubtful.

Aging	Number of Loans	Principal Outstanding	Fair Value
Past Due - 90 Days +	1	82.0	73.8

Note 9—Loans Payable

At December 31, 2020 and 2019, the Account had outstanding loans payable secured by the following properties (millions):

		Principal Amounts Outstanding as of December 31,		
Property	Interest Rate and Payment Frequency[(2)]	2020	2019	Maturity
Red Canyon at Palomino Park	5.34% paid monthly	$ —	$ 27.1	August 1, 2020
Green River at Palomino Park	5.34% paid monthly	—	33.2	August 1, 2020
Blue Ridge at Palomino Park	5.34% paid monthly	—	33.4	August 1, 2020
Ashford Meadows Apartments	5.17% paid monthly	—	44.6	August 1, 2020
The Knoll	3.98% paid monthly	—	16.4	December 5, 2020
Ascent at Windward	3.51% paid monthly	34.6	34.6	January 1, 2022
The Palatine[(1)]	4.25% paid monthly	74.4	75.9	January 10, 2022
The Forum at Carlsbad[(1)]	4.25% paid monthly	84.0	85.7	March 1, 2022
Fusion 1560	3.42% paid monthly	37.4	37.4	June 10, 2022
San Diego Office Portfolio[(4)]	3.62% paid monthly	51.2	48.2	August 15, 2022
The Colorado[(1)]	3.69% paid monthly	86.4	88.1	November 1, 2022
The Legacy at Westwood[(1)]	3.69% paid monthly	44.0	44.9	November 1, 2022
Regents Court[(1)]	3.69% paid monthly	37.3	38.1	November 1, 2022
1001 Pennsylvania Avenue[(1)]	3.70% paid monthly	314.3	320.7	June 1, 2023
Biltmore at Midtown	3.94% paid monthly	36.4	36.4	July 5, 2023
Cherry Knoll	3.78% paid monthly	35.3	35.3	July 5, 2023
Lofts at SoDo	3.94% paid monthly	35.1	35.1	July 5, 2023

Property	Interest Rate and Payment Frequency[2]	Principal Amounts Outstanding as of December 31, 2020	2019	Maturity
Pacific City	2.00% + LIBOR paid monthly	105.0	—	October 1, 2023
1401 H Street, NW	3.65% paid monthly	115.0	115.0	November 5, 2024
The District at La Frontera[1]	3.84% paid monthly	38.4	39.3	December 1, 2024
The District at La Frontera[1]	4.96% paid monthly	4.2	4.4	December 1, 2024
Circa Green Lake	3.71% paid monthly	52.0	52.0	March 5, 2025
Union - South Lake Union	3.66% paid monthly	57.0	57.0	March 5, 2025
Holly Street Village	3.65% paid monthly	81.0	81.0	May 1, 2025
Henley at Kingstowne[1]	3.60% paid monthly	70.3	71.0	May 1, 2025
32 South State Street	4.48% paid monthly	24.0	24.0	June 6, 2025
Vista Station Office Portfolio[1]	4.00% paid monthly	19.9	20.5	July 1, 2025
780 Third Avenue	3.55% paid monthly	150.0	150.0	August 1, 2025
780 Third Avenue	3.55% paid monthly	20.0	20.0	August 1, 2025
Vista Station Office Portfolio[1]	4.20% paid monthly	43.9	44.7	November 1, 2025
701 Brickell Avenue	3.66% paid monthly	184.0	184.0	April 1, 2026
Marketplace at Mill Creek	3.82% paid monthly	39.6	—	September 11, 2027
Overlook At King Of Prussia	3.82% paid monthly	40.8	—	September 11, 2027
Winslow Bay	3.82% paid monthly	25.8	—	September 11, 2027
1900 K Street, NW	3.93% paid monthly	163.0	163.0	April 1, 2028
99 High Street	3.90% paid monthly	277.0	277.0	March 1, 2030
Total Principal Outstanding		$ 2,381.3	$ 2,338.0	
Fair Value Adjustment[3]		30.1	27.0	
Total Loans Payable		$ 2,411.4	$ 2,365.0	

(1) The mortgage is adjusted monthly for principal payments.

(2) All interest rates are fixed except for Pacific City, which has a variable interest rate based on a spread above the one month London Interbank Offered Rate, as published by ICE Benchmark Administration Limited. Some mortgages held by the Account are structured to begin principal and interest payments after an initial interest only period.

(3) The fair value adjustment consists of the difference (positive or negative) between the principal amount of the outstanding debt and the fair value of the outstanding debt. See *Note 1—Organization and Significant Accounting Policies.*

(4) The loan is collateralized by a mezzanine loan receivable. The mezzanine loan receivable is collateralized by the property reflected within the table above.

Principal payment schedule on loans payable as of December 31, 2020 was as follows (in millions):

	Amount
2021	$ 19.7
2022	458.6
2023	523.1
2024	165.3
2025	512.7
Thereafter	701.9
Total maturities	$ 2,381.3

Note 10—Lines of Credit

The Account has two unsecured revolving credit agreements ("Credit Agreements"), each with a maximum total commitment of $500.0 million. Draws against the Credit Agreements can take the form of Eurodollar Loans or Alternate Base Rate Loans ("ABR Loans"). Eurodollar Loans and ABR Loans require a minimum funding of $5.0 million.

Eurodollar Loans are issued for a term of twelve months or less and bear interest during the period ("Interest Period") at a rate equal to the Adjusted London Interbank Offered Rate ("Adjusted LIBOR") plus a spread (the "Eurodollar Applicable Rate"), with the spread dependent upon the leverage ratio of the Account. Adjusted LIBOR is calculated by multiplying the Statutory Reserve Rate, as determined by the Federal Reserve Board for Eurodollar liabilities, by LIBOR, as determined by the Intercontinental Exchange on the date of issuance that corresponds to the length of the Interest Period. The Account may prepay Eurodollar Loans at any time during the life of the loan without penalty. The Account is limited to five active Eurodollar Loans on the Credit Agreements; however, the Account may retire and initiate new Eurodollar Loans without restriction so long as the total number of loans in active status does not exceed the limit.

ABR Loans are issued for a specific length of time and bear interest at a rate equal to the highest rate among the following calculations plus a spread (the "ABR Applicable Rate"), with the spread dependent on the leverage ratio of the Account: (i) the Prime Rate on the date of issuance, with the Prime Rate being defined as the rate of interest last quoted by the Wall Street Journal as the Prime Rate; (ii) the Federal Reserve Bank of New York ("NYFRB") rate as provided by the NYFRB on the date of issuance plus 0.5%; or (iii) the Adjusted LIBOR rate plus 1.0%. The Account may prepay ABR Loans at any time during the life of the loan without penalty.

For the years ended December 31, 2020 and 2019, expenses charged to the Account related to the Credit Agreements were $2.3 million and $0.1 million, respectively. As of December 31, 2020, the Account was in compliance with all covenants required by the Credit Agreements.

The following table provides a summary of the key characteristics of the Credit Agreements as of December 31, 2020:

	Line of Credit I	Line of Credit II
Current Balance	$ —	$ —
Maximum Capacity (in millions)	$ 500.0	$ 500.0
Inception Date	September 20, 2018	August 18, 2020
Maturity Date	September 20, 2021	August 16, 2021
Extension Option	Yes (1)	No
Eurodollar Applicable Rate Range	0.85% - 1.05%	1.60% - 1.80%
ABR Applicable Rate Range	0.85% - 1.05%	0.60% - 0.80%
Unused Fee(2)	0.20% per annum	0.25% per annum

(1) The line of credit expires on September 20, 2021, with an option to extend for two consecutive twelve month terms at the Account's election. The Account may request an additional $250.0 million in commitments from the Lenders at any time; however, this request is subject to approval at the sole discretion of the Lenders and is not a guarantee that an expansion beyond the original $500.0 million commitment will be granted.

(2) The Account is charged a fee on the unused portion of the Credit Agreements.

Note 11—Financial Highlights

Selected condensed financial information for an Accumulation Unit of the Account is presented below. Per Accumulation Unit data is calculated on average units outstanding.

	Years ended December 31,				
	2020	2019	2018	2017	2016
Per Accumulation Unit Data:					
Rental income	$ 21.145	$ 18.165	$ 17.757	$ 17.132	$ 16.433
Real estate property level expenses and taxes	10.067	8.734	8.548	7.722	7.534
Real estate income, net	11.078	9.431	9.209	9.410	8.899
Other income	4.980	6.752	6.162	4.762	3.594
Total income	16.058	16.183	15.371	14.172	12.493
Expense charges[1]	3.562	3.439	3.161	3.318	3.290
Investment income, net	12.496	12.744	12.210	10.854	9.203
Net realized and unrealized (loss)gain on investments and loans payable	(16.196)	10.262	6.877	5.839	9.660
Net increase in Accumulation Unit Value	(3.700)	23.006	19.087	16.693	18.863
Accumulation Unit Value:					
Beginning of period	$440.422	$417.416	$398.329	$381.636	$362.773
End of period	$436.722	$440.422	$417.416	$398.329	$381.636
Total return	(0.84)%	5.51 %	4.79 %	4.37 %	5.20 %
Ratios to Average net Assets:					
Expenses[1]	0.81 %	0.78 %	0.76 %	0.83 %	0.86 %
Investment income, net	2.85 %	2.90 %	2.95 %	2.72 %	2.41 %
Portfolio turnover rate:					
Real estate properties[2]	7.1 %	7.8 %	11.8 %	2.7 %	1.3 %
Marketable securities[3]	113.4 %	28.7 %	5.1 %	5.7 %	3.5 %
Accumulation Units outstanding at end of period (millions):	52.0	60.8	60.7	61.3	62.4
Net assets end of period (millions)	$23,243.9	$27,307.9	$25,842.6	$24,942.6	$24,304.7

(1) Expense charges per Accumulation Unit and the Ratio of Expenses to average net assets reflect the year to date Account level expenses and exclude real estate property level expenses which are included in real estate income, net.

(2) Real estate investment portfolio turnover rate is calculated by dividing the lesser of purchases or sales of real estate property investments (including contributions to, or return of capital distributions received from, existing joint venture and Funds investments) by the average value of the portfolio of real estate investments held during the period.

(3) Marketable securities portfolio turnover rate is calculated by dividing the lesser of purchases or sales of securities, excluding securities having maturity dates at acquisition of one year or less, by the average value of the portfolio securities held during the period.

Note 12—Accumulation Units

Changes in the number of Accumulation Units outstanding were as follows (in millions):

	Years ended December 31,		
	2020	2019	2018
Outstanding:			
Beginning of period	60.8	60.7	61.3
Credited for premiums	4.6	6.2	6.5
Annuity, other periodic payments, withdrawals and death benefits	(13.4)	(6.1)	(7.1)
End of period	52.0	60.8	60.7

Note 13—Commitments and Contingencies

Commitments—As of December 31, 2020 and 2019, the Account had the following immediately callable commitments to purchase additional interests in its real estate funds or provide additional funding through its loan receivable investments (in millions):

	Commitment Expiration	December 31, 2020	December 31, 2019
Real Estate Funds[1]			
TREA Flagler Venture, LLC	02/2021	$ 49.6	$ —
LCS SHIP Venture I, LLC	06/2021	28.1	28.1
Townsend Group Value-Add Fund	06/2021	241.9	250.0
Grubb Southeast Real Estate Fund VI, LLC	06/2021	81.5	86.6
Silverpeak - REA Alt Inv Fund LP	12/2021	81.1	—
Veritas Trophy VI, LLC[2]	08/2022	29.4	35.8
SP V - II, LLC	09/2022	67.1	74.9
JCR Capital - REA Preferred Equity Parallel Fund	12/2022	92.3	100.0
Taconic New York City GP Fund	11/2023	6.0	11.4
		$ 677.0	**$ 586.8**
Loans Receivable[3]			
SCG Oakland Portfolio Mezzanine	03/2021	$ 6.5	$ 7.0
BREP VIII Industrial Mezzanine	03/2021	15.5	14.1
311 South Wacker Mezzanine	06/2021	5.4	7.6
Rosemont Towson Mezzanine	09/2021	1.2	1.2
Liberty Park Mezzanine	11/2021	3.1	5.0
San Diego Office Portfolio Senior Loan	08/2022	7.0	10.0
San Diego Office Portfolio Mezzanine	08/2022	2.3	3.3
MRA Hub 34 Holding, LLC	09/2022	1.5	1.5
1330 Broadway Mezzanine	09/2022	10.9	14.0
Colony New England Hotel Portfolio Senior Loan	11/2022	14.1	14.1
Colony New England Hotel Portfolio Mezzanine	11/2022	4.7	4.7
Exo Apartments Senior Loan	01/2023	7.1	7.1
Exo Apartments Mezzanine	01/2023	2.4	2.4
Five Oak Mezzanine	03/2023	2.3	—
		$ 84.0	**$ 92.0**
TOTAL COMMITMENTS		**$ 761.0**	**$ 678.8**

(1) Additional capital can be called during the commitment period at any time. The commitment period can only be extended by the manager with the consent of the Account. The commitment expiration date is reflective of the most recent signed agreement between the Account and the fund manager, including any side letter agreements.

(2) The fund manager is granted 18 months from the initial contribution date, August 2019, to make its first capital call. If none have occurred, the Account's commitment will be reduced by $15.0 million. If a capital call occurs during the initial 18 month window, the commitment period will be modified to three years from the first capital call date.

(3) Advances from the Account can be requested during the commitment period at any time. The commitment expiration date is reflective of the most recent signed agreement between the Account and the borrower, including any side letter agreements. Certain loans contain extension clauses on the term of the loan that do not require the Account's prior consent. If elected, the Account's commitment may be extended through the extension term.

Contingencies—In the normal course of business, the Account may be named, from time to time, as a defendant or may be involved in various legal actions, including arbitration, class actions and other litigation.

The Account establishes an accrual for all litigation and regulatory matters when it believes it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. Once established, accruals are adjusted, as appropriate, in light of additional information. The amount of loss ultimately incurred in relation to those matters may be higher or lower than the amounts accrued for those matters.

As of the date of this report, management of the Account does not believe that the results of any such claims or litigation, individually or in the aggregate, will have a material effect on the Account's business, financial position or results of operations.

(Dollar values shown in millions)

REAL ESTATE PROPERTIES—64.5% and 53.0%

			Fair Value at December 31,	
Property Name	**Location**	**Property Type**	**2020**	**2019**
River Ridge	Alabama	Retail	$ 29.0	$ —
Riverchase Village	Alabama	Retail	36.1	40.3
Camelback Center	Arizona	Office	52.0	49.0
Riverside 202 Industrial	Arizona	Industrial	30.4	29.6
88 Kearny Street	California	Office	199.3	221.0
101 Pacific Coast Highway	California	Office	94.7	96.1
200 Middlefield Road	California	Office	60.2	68.0
30700 Russell Ranch	California	Office	36.5	39.0
Allure at Camarillo	California	Apartments	62.0	63.9
Almond Avenue	California	Land	13.4	9.5
BLVD63	California	Apartments	145.1	158.0
Bridgepointe Shopping Center	California	Retail	124.1	129.0
Centre Pointe and Valley View	California	Industrial	62.1	60.7
Cerritos Industrial Park	California	Industrial	171.8	164.0
Charleston Plaza	California	Retail	95.3	100.0
Creekside Alta Loma	California	Apartment	85.5	85.2
Frontera Industrial Business Park	California	Industrial	101.2	90.0
Great West Industrial Portfolio	California	Industrial	215.1	203.0
Holly Street Village	California	Apartments	153.1 (1)	158.1 (1)
Larkspur Courts	California	Apartments	141.0	155.0
Northern CA RA Industrial Portfolio	California	Industrial	117.2	111.9
Oakmont IE West Portfolio	California	Industrial	123.9	109.2
Oceano at Warner Center	California	Apartments	90.1	94.4
Ontario Industrial Portfolio	California	Industrial	540.4	506.9
Ontario Mills Industrial Portfolio	California	Industrial	79.2	65.4
Otay Mesa Industrial Portfolio	California	Industrial	40.2	33.7
Pacific City	California	Retail	158.0	—
Pacific Plaza	California	Office	111.0	112.7
Rancho Cucamonga Industrial Portfolio	California	Industrial	95.4	88.3
Rancho Del Mar	California	Apartment	93.5	94.7
Regents Court	California	Apartments	103.0 (1)	105.0 (1)
Southern CA RA Industrial Portfolio	California	Industrial	160.9	151.8
Stella	California	Apartments	161.0	175.1
Stevenson Point	California	Industrial	75.0	66.6
Terra House	California	Apartments	140.2	146.0
The Forum at Carlsbad	California	Retail	203.0 (1)	224.0 (1)
The Legacy at Westwood	California	Apartments	149.1 (1)	149.1 (1)
West Lake North Business Park	California	Office	58.3	62.3
Westcreek	California	Apartments	55.4	57.1
Westwood Marketplace	California	Retail	150.0	150.0
Wilshire Rodeo Plaza	California	Office	311.4	336.4
1600 Broadway	Colorado	Office	116.0	116.0
Palomino Park	Colorado	Apartments	352.1	361.0 (1)
South Denver Marketplace	Colorado	Retail	65.1	71.2

TIAA REAL ESTATE ACCOUNT
CONSOLIDATED SCHEDULES OF INVESTMENTS
(Dollar values shown in millions)

Property Name	Location	Property Type	Fair Value at December 31, 2020	2019
Wilton Woods Corporate Campus	Connecticut	Office	$ 100.0	$ 112.1
5 West	Florida	Apartments	63.0	62.3
701 Brickell Avenue	Florida	Office	421.5 (1)	406.6 (1)
Boca Arbor Club	Florida	Apartments	63.9	62.9
Broward Industrial Portfolio	Florida	Industrial	68.5	67.7
Casa Palma	Florida	Apartments	98.7	102.0
Cypress Trace	Florida	Retail	35.9	—
Fusion 1560	Florida	Apartments	72.7 (1)	84.1 (1)
Lakepointe at Jacaranda	Florida	Apartments	48.7	48.8
Lofts at SoDo	Florida	Apartments	65.3 (1)	64.7 (1)
Market Square	Florida	Retail	20.1	—
Orion on Orpington	Florida	Apartments	51.6	52.4
Publix at Weston Commons	Florida	Retail	69.6	74.5
Seneca Industrial Park	Florida	Industrial	128.7	126.7
Shoppes at Lake Mary	Florida	Retail	19.6	—
Sole at Brandon	Florida	Apartments	78.0	79.0
Sole at City Center	Florida	Apartments	100.0	—
The Manor Apartments	Florida	Apartments	47.5	51.5
The Manor at Flagler Village	Florida	Apartments	131.2	138.1
The Residences at the Village of Merrick Park	Florida	Apartments	69.5	72.3
Weston Business Center	Florida	Industrial	81.7	75.0
Ascent at Windward	Georgia	Apartments	72.3 (1)	68.4 (1)
Atlanta Industrial Portfolio	Georgia	Industrial	41.5	41.0
Biltmore at Midtown	Georgia	Apartments	72.6 (1)	73.5 (1)
Eisenhower Crossing	Georgia	Retail	12.9	—
Fayette Pavilion	Georgia	Retail	101.4	—
Glen Lake	Georgia	Apartments	59.0	55.3
Heritage Pavilion	Georgia	Retail	40.6	—
Marketplace at Mill Creek	Georgia	Retail	76.4 (1)	—
Newnan Pavilion	Georgia	Retail	40.0	—
Shawnee Ridge Industrial Portfolio	Georgia	Industrial	104.0	99.9
Woodstock Square	Georgia	Retail	32.0	—
32 South State Street	Illinois	Retail	48.5 (1)	51.4 (1)
803 Corday	Illinois	Apartments	92.6	93.8
Chicago Caleast Industrial Portfolio	Illinois	Industrial	85.3	85.6
Chicago Industrial Portfolio	Illinois	Industrial	33.0	30.1
Village Crossing	Illinois	Retail	136.1	—
Cherry Knoll	Maryland	Apartments	57.8 (1)	60.1 (1)
Landover Logistics Center	Maryland	Industrial	54.3	44.7
The Shops at Wisconsin Place	Maryland	Retail	72.1	65.6
99 High Street	Massachusetts	Office	540.2 (1)	543.7 (1)
350 Washington	Massachusetts	Retail	121.0	134.0
Fort Point Creative Exchange Portfolio	Massachusetts	Office	264.6	275.0
Northeast RA Industrial Portfolio	Massachusetts	Industrial	44.2	43.5
One Beeman Road	Massachusetts	Industrial	36.0	34.6

TIAA REAL ESTATE ACCOUNT
CONSOLIDATED SCHEDULES OF INVESTMENTS
(Dollar values shown in millions)

Property Name	Location	Property Type	Fair Value at December 31, 2020	2019
The Bridges	Minnesota	Apartments	$ 66.0	$ 67.2
The Knoll	Minnesota	Apartments	37.2	37.3 (1)
10 New Maple Avenue	New Jersey	Industrial	21.0	21.9
200 Milik Street	New Jersey	Industrial	59.1	56.4
Marketfair	New Jersey	Retail	98.4	106.2
South River Road Industrial	New Jersey	Industrial	138.5	133.5
21 Penn Plaza	New York	Office	302.5	334.9
250 North 10th Street	New York	Apartments	—	138.1
780 Third Avenue	New York	Office	354.3 (1)	389.1 (1)
837 Washington Street	New York	Office	211.0	232.0
The Colorado	New York	Apartments	243.1 (1)	259.0 (1)
Alexander Place	North Carolina	Retail	39.9	—
Centric Gateway	North Carolina	Apartments	74.0	75.0
Winslow Bay Commons	North Carolina	Retail	46.9 (1)	—
The Cordelia	Oregon	Apartments	40.8	43.2
1619 Walnut Street	Pennsylvania	Retail	16.7	23.0
Overlook At King Of Prussia	Pennsylvania	Retail	55.6 (1)	—
Warwick Shopping Center	Rhode Island	Retail	17.8	—
Columbiana Station	South Carolina	Retail	47.0	—
Greene Crossing	South Carolina	Apartments	81.3	79.7
Bellevue Place	Tennessee	Retail	8.4	—
Midway 840	Tennessee	Industrial	50.9	—
Pavilion at Turkey Creek	Tennessee	Retail	51.1	—
Southside at McEwen	Tennessee	Retail	48.2	49.2
Town and Country	Tennessee	Retail	30.7	—
3131 McKinney	Texas	Office	39.3	46.4
Beltway North Commerce Center	Texas	Industrial	—	30.2
Carrington Park	Texas	Apartments	66.7	67.3
Churchill on the Park	Texas	Apartments	72.3	73.0
Cliffs at Barton Creek	Texas	Apartments	45.6	47.2
Dallas Industrial Portfolio	Texas	Industrial	258.3	237.9
District on La Frontera	Texas	Apartments	72.4 (1)	76.6 (1)
Houston Apartment Portfolio	Texas	Apartments	157.3	162.3
Lincoln Centre	Texas	Office	467.7	413.2
Lincoln Centre - Hilton Dallas	Texas	Hotel	63.6	76.5
Chisolm Trail	Texas	Industrial	5.2 (9)	—
Northwest Houston Industrial Portfolio	Texas	Industrial	75.5	77.2
Park 10 Distribution	Texas	Industrial	12.0	11.1
Park Creek Apartments	Texas	Apartments	43.1	—
Pinnacle Industrial Portfolio	Texas	Industrial	75.5	66.7
Pinto Business Park	Texas	Industrial	153.8	154.1
The Maroneal	Texas	Apartments	58.8	56.4
Vista Station Office Portfolio	Utah	Office	116.3 (1)	115.4 (1)
8270 Greensboro Drive	Virginia	Office	46.0	49.6
Ashford Meadows Apartments	Virginia	Apartments	107.4	105.3 (1)

TIAA REAL ESTATE ACCOUNT
CONSOLIDATED SCHEDULES OF INVESTMENTS
(Dollar values shown in millions)

Property Name	Location	Property Type	Fair Value at December 31, 2020	Fair Value at December 31, 2019
Creeks at Virginia Center	Virginia	Retail	$ 47.5	$ —
Henley at Kingstowne	Virginia	Apartments	107.4 (1)	103.0 (1)
Plaza America	Virginia	Retail	103.0	113.3
The Ellipse at Ballston	Virginia	Office	79.8	82.2
The Palatine	Virginia	Apartments	125.0 (1)	128.0 (1)
Circa Green Lake	Washington	Apartments	96.0 (1)	102.0 (1)
Northwest RA Industrial Portfolio	Washington	Industrial	49.6	49.7
Pacific Corporate Park	Washington	Industrial	66.8	62.5
Prescott Wallingford Apartments	Washington	Apartments	67.4	70.6
Rainier Corporate Park	Washington	Industrial	169.9	161.3
Regal Logistics Campus	Washington	Industrial	132.0	121.0
Union - South Lake Union	Washington	Apartments	111.0 (1)	115.0 (1)
1001 Pennsylvania Avenue	Washington D.C.	Office	806.8 (1)	798.4 (1)
1401 H Street, NW	Washington D.C.	Office	217.1 (1)	211.4 (1)
1900 K Street, NW	Washington D.C.	Office	338.0 (1)	335.4 (1)
Mass Court	Washington D.C.	Apartments	160.0	169.0
The Ashton	Washington D.C.	Apartments	30.7	30.6
The Louis at 14th	Washington D.C.	Apartments	160.1	164.2
The Woodley	Washington D.C.	Apartments	—	180.3
Colony Industrial Portfolio	Various, U.S.A.	Industrial	—	135.9 (3)
TOTAL REAL ESTATE PROPERTIES				
(Cost $13,986.3 and $13,048.5)			**$ 16,476.7**	**$ 15,835.0**

REAL ESTATE JOINT VENTURES AND REAL ESTATE FUNDS—25.5% and 25.1%
REAL ESTATE JOINT VENTURES—24.0% and 24.1%

Entity/Property Name	Account Interest	Location	Property Type	Fair Value at December 31, 2020	Fair Value at December 31, 2019
Colorado Center LP Colorado Center	50.00%	California	Office	$ 346.4 (2)	$ 384.5 (2)
PC Borrower LLC Pacific City	70.00%	California	Retail	—	62.2 (2)
TREA GM Industrial Road Owner LLC 150 Industrial Road	98.00%	California	Office	101.2	98.0
ARE-SD Region No 39 LLC 9625 Towne Centre Drive	49.90%	California	Office	60.6	53.1
TREA Campus Pointe 1, LLC Campus Pointe 1	45.00%	California	Office	177.3	163.5
TREA Campus Pointe 2 & 3, LLC Campus Pointe 2 & 3	45.00%	California	Office(5)	154.7	143.6
ARE SD Region No 47 LLC Campus Pointe 4	45.00%	California	Office	11.2	9.6
TREA Campus Pointe 5, LLC Campus Pointe 5	45.00%	California	Office	45.0	37.4
ARE-SD Regions No 58, LLC Campus Pointe 6	45.00%	California	Office	130.6	116.6
ARE-San Francisco No 36 LLC 1500 Owens Street	49.90%	California	Office	89.8	81.5
TREA JP Venture Fairfield LLC Fairfield Tolenas Development	95.00%	California	Land	26.6	—

TIAA REAL ESTATE ACCOUNT
CONSOLIDATED SCHEDULES OF INVESTMENTS
(Dollar values shown in millions)

Entity/Property Name	Account Interest	Location	Property Type	Fair Value at December 31, 2020	Fair Value at December 31, 2019
T-C Foundry Square II Venture LLC Foundry Square II	50.10%	California	Office	$ 307.5	$ 318.4
ARE-San Francisco No 43 LLC 409-499 Illinois Street	40.00%	California	Office	242.8	237.5
Valencia Town Center Associates LP Valencia Town Center	50.00%	California	Retail	93.0 (2)	136.4 (2)
Florida Mall Associates Ltd The Florida Mall	50.00%	Florida	Retail	655.8 (2)	748.3 (2)
TREA Florida Retail, LLC Florida Retail Portfolio	80.00%	Florida	Retail	155.5	158.4
West Dade County Associates Miami International Mall	50.00%	Florida	Retail	110.0 (2)	157.5 (2)
WP Project Developer LLC The Shops at Wisconsin Place	33.33%	Maryland	Retail	17.2	29.9
One Boston Place REIT One Boston Place	50.25%	Massachusetts	Office	259.3	246.8
ARE-MA Region No 34 LLC 225 Binney Street	70.00%	Massachusetts	Office	233.6	231.5
T-C 501 Boylston Street Venture LLC 501 Boylston	50.10%	Massachusetts	Office	195.1 (2)	206.9 (2)
Fashion Show Holding I LLC Fashion Show	50.00%	Nevada	Retail	568.7 (2)	706.9 (2)
NAP Birkdale, LLC Birkdale Village	93.00%	North Carolina	Retail	109.0 (2,10)	—
401 West 14th Associates LLC 401 West 14th Street	42.19%	New York	Retail	27.1 (2)	44.8 (2)
440 Ninth Avenue Holdings LLC 440 Ninth Avenue	88.52%	New York	Office	133.1 (2)	133.1 (2)
817 Broadway Holdings LLC 817 Broadway	61.46%	New York	Office	26.0 (2)	33.7 (2)
MRA Hub 34 Holding LLC The Hub	95.00%	New York	Office	79.2 (2)	74.8 (2)
RGM 42 LLC MiMA	70.00%	New York	Apartments	92.2 (2)	113.0 (2)
Crescent/TREA 101 North Tryon Venture LLC 101 North Tryon Street	85.00%	North Carolina	Office	56.0 (2)	47.9 (2)
West Town Mall Joint Venture West Town Mall	50.00%	Tennessee	Retail	122.9 (2)	144.0 (2)
Four Oaks Venture LP Four Oaks Place	51.00%	Texas	Office	336.2 (2)	352.8 (2)
FW I-35 Logistics Center LLC I-35 Logistics Center	95.00%	Texas	Land	33.1	6.9
CLPF T-C 4th and Madison LLC Fourth and Madison	51.00%	Washington	Office	172.0 (2)	167.3 (2)
DDRTC Core Retail Fund LLC DDR Joint Venture	85.00%	Various, U.S.A.	Retail	—	878.0 (2,3)
Juniper MOB Investment Venture, LLC Juniper MOB Portfolio	50.00%	Various, U.S.A.	Office	65.4 (3)	—
TREA SH Venture LLC Simpson Housing Portfolio	80.00%	Various, U.S.A.	Apartments	427.5 (2,3)	431.2 (2,3)
THP Student Housing, LLC THP Student Housing Portfolio	97.00%	Various, U.S.A.	Apartments	188.7 (2,3)	186.8 (2,3)
Storage Portfolio I, LLC Storage Portfolio	66.02%	Various, U.S.A.	Storage	93.6 (2,3)	93.6 (2,3)

TIAA REAL ESTATE ACCOUNT
CONSOLIDATED SCHEDULES OF INVESTMENTS
(Dollar values shown in millions)

Entity/Property Name	Account Interest	Location	Property Type	Fair Value at December 31, 2020	2019
Storage Portfolio II, LLC					
Storage Portfolio II	90.00%	Various, U.S.A.	Storage	$ 131.7 (2,3)	$ 130.5 (2,3)
Storage Portfolio III JV LLC					
Storage Portfolio III	90.00%	Various, U.S.A.	Storage	53.3 (3)	37.3 (3)
TOTAL REAL ESTATE JOINT VENTURES (Cost $5,021.9 and $5,971.1)				**$ 6,128.9**	**$ 7,204.2**

REAL ESTATE FUNDS—1.5% and 1.0%

Fund Name	Account Interest	Fair Value at December 31, 2020	2019
LCS SHIP Venture I, LLC	90.00%	$ 200.9	$ 216.1
Veritas - Trophy VI, LLC	90.40%	54.6	4.2
Taconic New York City GP Fund	60.00%	31.6	29.8
SP V - II, LLC	61.80%	31.3	23.3
IDR - Core Property Index Fund, LLC	2.00%	24.6	25.0
Townsend Group Value-Add Fund	98.80%	5.8	—
Silverpeak - REA Alt Inv Fund LP	90.00%	18.8	—
Grubb Southeast Real Estate Fund VI, LLC	66.70%	18.0	13.4
JCR Capital - REA Preferred Equity Parallel Fund	39.70%	7.2	—
Flagler - REA Healthcare Properties Partnership	90.00%	0.4	—
TOTAL REAL ESTATE FUNDS (Cost $373.3 and $273.3)		**$ 393.2**	**$ 311.8**
TOTAL REAL ESTATE JOINT VENTURES AND FUNDS (Cost $5,395.2 and $6,244.4)		**$ 6,522.1**	**$ 7,516.0**

REAL ESTATE OPERATING BUSINESS—1.0% and 0.0%

Fund Name	Account Interest	Fair Value at December 31, 2020	2019
Colony Zeus Partners LP	34.70%	$ 250.0	$ —
TOTAL REAL ESTATE OPERATING BUSINESS (Cost $250.2 and $0.0)		**$ 250.0**	**$ —**

(Dollar values shown in millions)

MARKETABLE SECURITIES—2.9% and 16.7%
REAL ESTATE-RELATED MARKETABLE SECURITIES—0.0% and 2.8%

Shares			Fair Value at December 31,	
2020	2019	Issuer	2020	2019
—	25,333	Acadia Realty Trust	$ —	$ 0.7
—	77,213	Agree Realty Corporation	—	5.4
—	20,424	Alexander & Baldwin, Inc.	—	0.4
—	635	Alexander's, Inc.	—	0.2
—	114,902	Alexandria Real Estate Equities, Inc.	—	18.6
—	14,387	American Assets Trust, Inc.	—	0.7
—	40,898	American Campus Communities, Inc.	—	1.9
—	31,822	American Financial Trust, Inc.	—	0.4 (7)
—	241,918	American Homes 4 Rent	—	6.3
—	298,037	American Tower Corp.	—	68.5
—	247,312	Americold Realty Trust	—	8.7
—	44,204	Apartment Investment and Management Company	—	2.3
—	62,827	Apple Hospitality Inc.	—	1.0
—	15,666	Armada Hoffler Properties Inc.	—	0.3
—	26,793	Ashford Hospitality Trust, Inc.	—	0.1
—	106,486	Avalonbay Communities, Inc.	—	22.3
—	7,650	Bluerock Residential Growth, Inc.	—	0.1
—	106,065	Boston Properties, Inc.	—	14.6
—	8,938	Braemar Hotels & Resorts, Inc.	—	0.1
—	52,132	Brandywine Realty Trust	—	0.8
—	88,801	Brixmore Property Group Inc	—	1.9
—	19,539	Brookfield Property REIT	—	0.4
—	27,796	Camden Property Trust	—	2.9
—	28,420	CareTrust REIT Inc.	—	0.6
—	14,592	Catchmark Timber Trust, Inc.	—	0.2
—	50,454	CBL & Associates Properties, Inc.	—	0.1 (7)
—	25,522	Cedar Shopping Centers, Inc.	—	0.1
—	13,659	Chatham Lodging Trust	—	0.3
—	15,789	City Office REIT Inc.	—	0.2
—	5,192	Clipper Realty, Inc.	—	0.1
—	492,974	Colony Capital, Inc.	—	2.3
—	34,825	Columbia Property Trust Inc.	—	0.7
—	5,492	Community Healthcare Trust, Inc.	—	0.2
—	35,462	CoreCivic, Inc.	—	0.6
—	3,830	Corenergy Infrastructure Trust, Inc.	—	0.2
—	11,903	Corepoint Lodging, Inc.	—	0.1
—	11,149	CoreSite Realty Corporation	—	1.3
—	33,505	Corporate Office Properties Trust	—	1.0
—	43,565	Cousins Properties, Inc.	—	1.8
—	248,664	Crown Castle International Corporation	—	35.3
—	57,474	Cubesmart	—	1.8
—	60,485	CyrusOne Inc.	—	4.0

(Dollar values shown in millions)

Shares 2020	Shares 2019	Issuer	Fair Value at December 31, 2020	Fair Value at December 31, 2019
—	59,944	DiamondRock Hospitality Company	$ —	$ 0.7
—	94,906	Digital Realty Trust, Inc.	—	11.4
—	49,622	Douglas Emmett, Inc.	—	2.2
—	244,465	Duke Realty Corporation	—	8.5
—	22,034	Easterly Government Properties, Inc.	—	0.5
—	41,238	EastGroup Properties, Inc.	—	5.5
—	44,235	Empire State Realty Trust	—	0.6
—	23,023	EPR Properties	—	1.6
—	60,851	Equinix Inc.	—	35.5
—	256,618	Equity Lifestyle Properties, Inc.	—	18.1
—	283,999	Equity Residential	—	23.0
—	188,894	Essential Properties Realty	—	4.7
—	54,492	Essex Property Trust, Inc.	—	16.4
—	107,410	Extra Space Storage, Inc.	—	11.3
—	8,142	Farmland Partners, Inc.	—	0.1
—	66,222	Federal Realty Investment Trust	—	8.5
—	37,538	First Industrial Realty Trust, Inc.	—	1.6
—	20,389	Four Corners Property Trust	—	0.6
—	30,896	Franklin Street Properties Corp.	—	0.3
—	14,739	Front Yard Residential Corp.	—	0.2
—	180,230	Gaming and Leisure Properties, Inc.	—	7.8
—	160,000	GDS Holdings LTD ADR	—	4.0 (7)
—	35,427	GEO Group Inc./The	—	0.6
—	9,933	Getty Realty Corp.	—	0.3
—	9,121	Gladstone Commercial Corporation	—	0.2
—	6,226	Gladstone Land Corporation	—	0.1
—	9,380	Global Medical REIT, Inc.	—	0.1
—	26,663	Global Net Lease, Inc.	—	0.5
—	39,221	Healthcare Realty Trust Inc.	—	1.3
—	60,957	Healthcare Trust of America	—	1.8
—	496,493	Healthpeak Properties, Inc.	—	17.1
—	10,385	Hersha Hospitality Trust	—	0.2
—	30,535	Highwoods Properties, Inc.	—	1.5
—	661,737	Host Hotels & Resorts, Inc.	—	12.3
—	275,440	Hudson Pacific Properties, Inc.	—	10.4
—	26,784	Independence Realty Trust, Inc.	—	0.4
—	19,292	Industrial Logics Properties	—	0.4
—	134,775	Interxion Holding NV	—	7.0
—	3,467	Investors Real Estate Trust	—	0.3
—	559,204	Invitation Homes, Inc.	—	16.8
—	84,852	Iron Mountain Inc.	—	2.7
—	163,782	iShares Dow Jones US Real Estate Index Fund	—	15.2 (7)
—	36,559	JBG Smith Properties	—	1.5
—	95,936	Kilroy Realty Corporation	—	8.0
—	120,171	Kimco Realty Corporation	—	2.5

(Dollar values shown in millions)

Shares			Fair Value at December 31,	
2020	**2019**	**Issuer**	**2020**	**2019**
—	24,663	Kite Realty Group Trust	$ —	$ 0.5
—	25,456	Lamar Advertising Corporation	—	2.3
—	71,595	Lexington Realty Trust	—	0.8
—	46,357	Liberty Property Trust	—	2.8
—	13,885	Life Storage, Inc.	—	1.5
—	11,718	LTC Properties, Inc.	—	0.5
—	25,783	Mack-Cali Realty Corporation	—	0.6
—	152,801	Medical Properties Trust, Inc.	—	3.2
—	220,000	Megaport, LTD	—	1.7
—	85,000	MGM Growth Properties, L.L.C.	—	2.6
—	103,823	Mid-America Apartment Communities, Inc.	—	13.7
—	27,502	Monmouth Real Estate Investment Corporation	—	0.4
—	12,615	National Health Investors, Inc.	—	1.0
—	50,907	National Retail Properties, Inc.	—	2.7
—	17,663	National Storage Affiliates Trust	—	0.6
—	24,918	New Senior Investment Group	—	0.2
—	5,632	Nexpoint Residential Trust, Inc.	—	0.3
—	14,200	Office Properties Income Trust, Inc.	—	0.5
—	64,786	Omega Healthcare Investors, Inc.	—	2.7
—	4,628	One Liberty Properties, Inc.	—	0.1
—	42,727	Outfront Media Inc.	—	1.1
—	58,127	Paramount Group Inc.	—	0.8
—	71,359	Park Hotels & Resorts, Inc.	—	1.8
—	38,713	Pebblebrook Hotel Trust	—	1.0
—	20,665	Pennsylvania Real Estate Investment Trust	—	0.1 [7]
—	55,271	Physicians Realty Trust	—	1.0
—	37,274	Piedmont Office Realty Trust, Inc.	—	0.8
—	3,863	Plymouth Industrial REIT, Inc.	—	0.1
—	19,688	Potlatch Corporation	—	0.9
—	13,220	Preferred Apartment Communities, Inc.	—	0.2
—	472,201	ProLogis	—	42.1
—	5,958	PS Business Parks, Inc.	—	1.0
—	82,126	Public Storage, Inc.	—	17.5
—	105,041	QTS Realty Trust, Inc.	—	5.7
—	38,741	Rayonier, Inc.	—	1.3
—	197,129	Realty Income Corporation	—	14.4
—	159,520	Regency Centers Corporation	—	10.1
—	33,519	Retail Opportunity Investment	—	0.6
—	63,727	Retail Properties of America	—	0.9
—	4,440	Retail Value, Inc.	—	0.2
—	282,611	Rexford Industrial Realty Inc.	—	12.8
—	50,071	RLJ Lodging Trust	—	0.9
—	23,246	RPT Realty	—	0.3
—	13,660	Ryman Hospitality Properties	—	1.2
—	167,181	Sabra Health Care REIT Inc.	—	3.6

(Dollar values shown in millions)

Shares 2020	Shares 2019	Issuer	Fair Value at December 31, 2020	Fair Value at December 31, 2019
—	3,168	Safe Hold, Inc.	$ —	$ 0.1
—	3,537	Saul Centers, Inc.	—	0.2
—	76,914	SBA Communications Corporation	—	18.5
—	70,465	Senior Housing Properties Trust	—	0.6
—	48,715	Service Properties Trust	—	1.2
—	200,628	Simon Property Group, Inc.	—	29.9
—	394,633	Site Centers Corporation	—	5.5
—	115,766	SL Green Realty Corp.	—	10.6
—	29,513	Spirit Realty Capital Inc.	—	1.5
—	39,632	Stag Industrial, Inc.	—	1.3
—	228,776	STORE Capital Corporation	—	8.5
—	30,813	Summit Hotel Properties, Inc.	—	0.4
—	123,951	Sun Communities, Inc.	—	18.6
—	66,821	Sunstone Hotel Investors, L.L.C.	—	0.9
—	27,198	Tanger Factory Outlet Centers, Inc.	—	0.4 (7)
—	39,475	Taubman Centers, Inc.	—	1.2
—	139,538	Terreno Realty Corporation	—	7.6
—	42,266	The Macerich Company	—	1.1 (7)
—	86,400	UDR, Inc.	—	4.0
—	10,668	UMH Properties, Inc.	—	0.2
—	150,082	UNITI Group, Inc.	—	1.2 (7)
—	3,816	Universal Health Realty Income Trust	—	0.4
—	34,264	Urban Edge Properties	—	0.7
—	8,803	Urstadt Biddle Properties, Inc.	—	0.2
—	85,000	Vanguard Real Estate ETF	—	7.9
—	190,949	Ventas, Inc.	—	11.0
—	318,132	VEREIT, Inc.	—	2.9
—	377,486	Vici Properties, Inc.	—	9.6
—	51,469	Vornado Realty Trust	—	3.4
—	55,611	Washington Prime Group, Inc.	—	0.2 (7)
—	23,876	Washington Real Estate Investment Trust	—	0.7
—	36,198	Weingarten Realty Investors	—	1.1
—	300,767	Welltower Inc.	—	24.5
—	386,918	Weyerhaeuser Company	—	11.7
—	11,404	Whitestone Real Estate Investment Trust B	—	0.2
—	50,897	WP Carey Inc.	—	4.1
—	33,741	Xenia Hotels & Resorts, Inc.	—	0.7
TOTAL REAL ESTATE-RELATED MARKETABLE SECURITIES (Cost $0.0 and $686.0)			**$ —**	**$ 825.7**

(Dollar values shown in millions)

OTHER MARKETABLE SECURITIES—2.9% and 13.9%
U.S. GOVERNMENT AGENCY NOTES—0.6% and 0.7%

Principal 2020	Principal 2019	Issuer	Yield[4]	Maturity Date	Fair Value at December 31, 2020	Fair Value at December 31, 2019
$ —	$ 4.8	Federal Home Loan Bank Discount Notes	1.521%-1.572%	1/6/2020	$ —	$ 4.8
—	21.2	Federal Home Loan Bank Discount Notes	1.680%	1/10/2020	—	21.2
—	26.0	Federal Home Loan Bank Discount Notes	1.700%	1/15/2020	—	26.0
—	43.0	Federal Home Loan Bank Discount Notes	1.575%-1.593%	1/31/2020	—	42.9
24.0	—	Federal Home Loan Bank Discount Notes	0.086%	5/19/2021	24.0	—
65.0	—	Federal Home Loan Bank Discount Notes	0.091%	5/26/2021	65.0	—
43.0	—	Farmer Mac Discount Notes	0.101%	10/29/2021	43.0	—
10.0	65.4	Federal Home Loan Bank	1.734%	11/19/2021	10.0	65.5
15.0	50.0	Federal Home Loan Bank	1.700%	12/20/2021	15.0	50.0
TOTAL U.S. GOVERNMENT AGENCY NOTES (Cost $157.0 and $210.2)					**$ 157.0**	**$ 210.4**

FOREIGN GOVERNMENT AGENCY NOTES—0.0% and 0.2%

Principal 2020	Principal 2019	Issuer	Yield[4]	Maturity Date	Fair Value at December 31, 2020	Fair Value at December 31, 2019
$ —	$ 49.3	Japan Bank for International Cooperation	1.750%	10/17/2022	$ —	$ 48.9
—	0.2	Korea Development Bank	2.610%	10/1/2022	—	0.3
TOTAL FOREIGN GOVERNMENT AGENCY NOTES (Cost $0.0 and $49.5)					**$ —**	**$ 49.2**

UNITED STATES TREASURY SECURITIES—2.3% and 8.7%

Principal 2020	Principal 2019	Issuer	Yield[4]	Maturity Date	Fair Value at December 31, 2020	Fair Value at December 31, 2019
$ —	$ 11.9	United States Treasury Bills	1.540%	1/2/2020	$ —	$ 11.9
—	40.0	United States Treasury Bills	1.537%	1/14/2020	—	40.0
—	238.3	United States Treasury Bills	1.530%	1/21/2020	—	238.3
—	10.1	United States Treasury Bills	1.629%	1/23/2020	—	10.1
—	26.1	United States Treasury Bills	1.526%	1/30/2020	—	26.1
—	39.9	United States Treasury Bills	1.538%	2/4/2020	—	39.9
—	20.0	United States Treasury Bills	1.550%	2/6/2020	—	20.0
—	149.7	United States Treasury Bills	1.503%	2/11/2020	—	149.8
—	49.9	United States Treasury Bills	1.575%	2/13/2020	—	49.9
—	13.0	United States Treasury Bills	1.554%	2/20/2020	—	13.0
—	49.9	United States Treasury Bills	1.583%	2/27/2020	—	49.9
—	46.1	United States Treasury Bills	1.515%	3/5/2020	—	46.1
—	54.5	United States Treasury Bills	1.576%	3/12/2020	—	54.5
—	44.8	United States Treasury Bills	1.780%	3/19/2020	—	44.9
—	38.9	United States Treasury Bills	1.515%	4/2/2020	—	38.8
24.1	—	United States Treasury Bills	0.071%	1/19/2021	24.1	—
84.0	—	United States Treasury Bills	0.091%	1/21/2021	84.0	—
100.0	—	United States Treasury Bills	0.094%	1/28/2021	100.0	—
50.0	—	United States Treasury Bills	0.091%	2/23/2021	50.0	—
47.8	—	United States Treasury Bills	0.092%	3/2/2021	47.8	—

(Dollar values shown in millions)

Principal 2020	Principal 2019	Issuer	Yield(4)	Maturity Date	Fair Value at December 31, 2020	Fair Value at December 31, 2019
$ 80.0	$ —	United States Treasury Bills	0.092%	3/11/2021	$ 79.9	$ —
5.0	—	United States Treasury Cash Management Bill	0.010%	1/5/2021	5.0	—
56.5	—	United States Treasury Cash Management Bill	0.108%	1/12/2021	56.5	—
85.0	—	United States Treasury Cash Management Bill	0.086%	3/9/2021	85.0	—
50.0	—	United States Treasury Cash Management Bill	0.096%	4/13/2021	50.0	—
—	99.8	United States Treasury Notes	1.375%	5/31/2020	—	99.9
—	100.4	United States Treasury Notes	2.625%	7/31/2020	—	100.6
—	249.5	United States Treasury Notes	1.500%	8/15/2020	—	249.8
—	653.1	United States Treasury Notes	2.625%	8/15/2020	—	653.9
—	100.8	United States Treasury Notes	2.250%	4/30/2021	—	100.8
—	199.4	United States Treasury Notes	1.625%	6/30/2021	—	200.0
—	99.9	United States Treasury Notes	1.750%	7/31/2021	—	100.2
—	49.6	United States Treasury Notes	1.250%	10/31/2021	—	49.7
—	100.0	United States Treasury Notes	1.750%	7/15/2022	—	100.3
—	100.7	United States Treasury Notes	1.875%	7/31/2022	—	100.7
TOTAL UNITED STATES TREASURY SECURITIES (Cost $582.3 and $2,586.3)					**$ 582.3**	**$ 2,589.1**

CORPORATE BOND SECURITIES—0.0% and 4.2%

Principal 2020	Principal 2019	Issuer	Coupon Rate	Credit Rating(8)	Maturity Date	Fair Value at December 31, 2020	Fair Value at December 31, 2019
$ —	$ 11.5	Air Lease Corporation	2.250%	BBB	1/15/2023	$ —	$ 11.5
—	13.8	American Honda Finance	1.700%	A	9/9/2021	—	13.7
—	19.7	American Honda Finance	2.050%	A	1/10/2023	—	19.7
—	27.7	Apple, Inc.	1.700%	AA+	9/11/2022	—	27.7
—	29.2	Banco Santander SA	3.500%	A-	4/11/2022	—	30.0
—	12.0	Bank of America Corporation	2.369%	A-	7/21/2021	—	12.0
—	21.6	Bank of America Corporation	2.503%	A-	10/21/2022	—	21.8
—	29.5	Bank of New York Mellon Corporation	1.950%	A	8/23/2022	—	29.6
—	8.1	Truist	2.150%	A-	2/1/2021	—	8.1
—	3.5	Berkshire Hathaway Energy	2.400%	A-	2/1/2020	—	3.5
—	10.0	Boeing Co.	1.650%	A-	10/30/2020	—	10.0
—	28.9	Boeing Co.	2.300%	A-	8/1/2021	—	29.0
—	10.9	BPCE SA	2.750%	A+	12/2/2021	—	11.0
—	8.0	Canadian National Railway	2.400%	A	2/3/2020	—	8.0
—	21.8	Capital One, NA	2.150%	BBB+	9/6/2022	—	21.8
—	4.8	Caterpillar Financial Service	1.850%	A	9/4/2020	—	4.7
—	42.5	Caterpillar Financial Service	2.185%	A	3/8/2021	—	42.6
—	12.0	Centerpoint Energy Resource	4.500%	BBB+	1/15/2021	—	12.2
—	27.0	Columbia Pipeline Group	3.300%	A3	6/1/2020	—	27.1
—	24.5	Diageo Capital PLC	4.828%	A-	7/15/2020	—	24.9
—	34.5	Exxon Mobil Corporation	1.902%	AA+	8/16/2022	—	34.7
—	14.0	Fifth Third Bank	2.875%	BBB+	7/27/2020	—	14.1
—	5.0	Fifth Third Bank	2.250%	A-	6/14/2021	—	5.0
—	4.0	General Dynamics Corporation	2.875%	A+	5/11/2020	—	4.0
—	2.3	Georgia Power Company	2.000%	A-	3/30/2020	—	2.3
—	15.0	Georgia Power Company	2.000%	A-	9/8/2020	—	15.0
—	8.0	Georgia Power Company	2.400%	A-	4/1/2021	—	8.0

(Dollar values shown in millions)

Principal 2020	Principal 2019	Issuer	Coupon Rate	Credit Rating(8)	Maturity Date	Fair Value at December 31, 2020	Fair Value at December 31, 2019
$ —	$ 7.5	Goldman Sachs Group, Inc.	2.600%	BBB+	4/23/2020	$ —	$ 7.5
—	12.2	Goldman Sachs Group, Inc.	2.600%	BBB+	12/27/2020	—	12.2
—	25.0	Goldman Sachs Group, Inc.	2.350%	BBB+	11/15/2021	—	25.1
—	10.5	HSBC Bank USA, NA	4.875%	A	8/24/2020	—	10.7
—	11.7	John Deere Capital Corporation	1.950%	A	6/13/2022	—	11.7
—	25.0	JP Morgan Chase Bank, NA	2.604%	A+	2/1/2021	—	25.0
—	20.0	JP Morgan Chase Bank, NA	3.086%	A+	4/26/2021	—	20.1
—	65.0	Mitsubishi UFJ Financial Group	2.190%	A-	9/13/2021	—	65.2
—	9.2	Morgan Stanley	2.650%	BBB+	1/27/2020	—	9.2
—	20.0	Morgan Stanley	2.800%	BBB+	6/16/2020	—	20.1
—	8.3	Morgan Stanley	2.500%	BBB+	4/21/2021	—	8.4
—	7.0	Morgan Stanley	2.625%	BBB+	11/17/2021	—	7.1
—	18.4	MPLX LP	2.785%	BBB	9/9/2021	—	18.5
—	50.8	Nextera Energy Capital	2.403%	BBB+	9/1/2021	—	51.2
—	20.0	Occidental Petroleum Corporation	2.854%	BBB	2/8/2021	—	20.1
—	14.9	Occidental Petroleum Corporation	2.600%	BBB	8/13/2021	—	15.0
—	31.1	Occidental Petroleum Corporation	2.700%	BBB	8/15/2022	—	31.4
—	35.0	Omnicom GP/Omnicom CAP	4.450%	BBB+	8/15/2020	—	35.5
—	20.0	Oracle Corporation	1.900%	A+	9/15/2021	—	20.0
—	11.6	Paccar Financial Corporation	2.000%	A+	9/26/2022	—	11.7
—	19.3	Paypal Holdings, Inc.	2.200%	BBB+	9/26/2022	—	19.4
—	20.0	Skandinaviska Enskilda	1.875%	A+	9/13/2021	—	19.9
—	5.0	Sumitomo Mitsui Financial Group	2.934%	A-	3/9/2021	—	5.1
—	5.0	Sumitomo Mitsui Financial Group	2.058%	A-	7/14/2021	—	5.0
—	23.0	The Walt Disney Company	2.157%	A	9/1/2021	—	23.1
—	17.1	Toronto Dominion Bank	2.500%	AA-	12/14/2020	—	17.2
—	14.5	Toronto Dominion Bank	2.170%	A	3/17/2021	—	14.5
—	20.0	United Technologies Corporation	1.900%	BBB+	5/4/2020	—	20.0
—	12.8	Wells Fargo Bank, NA	3.325%	A+	7/23/2021	—	12.9
—	30.0	Wells Fargo Bank, NA	2.082%	A+	9/9/2022	—	30.0
—	10.0	Toronto Dominion Bank	1.900%	A	12/1/2022	—	10.0
—	32.9	Citigroup, Inc.	2.312%	BBB+	11/4/2022	—	32.9
—	19.6	DTE Energy Corporation	2.250%	BBB	11/1/2022	—	19.6
—	101.4	Swedish Export Credit	1.625%	AA+	11/14/2022	—	101.0
—	20.0	PNC Bank, NA	2.315%	A	12/9/2022	—	20.0
—	20.0	PNC Bank, NA	2.028%	A	12/9/2022	—	20.0
—	20.0	MUFG Union Bank, NA	2.100%	A	12/9/2022	—	20.0
TOTAL CORPORATE BOND SECURITIES (Cost $0.0 and $1,265.4)						**$ —**	**$ 1,268.3**

MUNICIPAL BOND SECURITIES—0.0% and 0.1%

Principal 2020	Principal 2019	Issuer	Coupon Rate	Credit Rating(8)	Maturity Date	Fair Value at December 31, 2020	Fair Value at December 31, 2019
$ —	$ 0.7	Broward County Florida Airport System Revenue	1.844%	A+	10/1/2020	$ —	$ 0.6
—	0.6	Broward County Florida Airport System Revenue	1.874%	A+	10/1/2021	—	0.5
—	0.6	Broward County Florida Airport System Revenue	1.936%	A+	10/1/2022	—	0.6
—	2.0	California State Health Facilities Financing Authority	1.896%	AA-	6/1/2021	—	2.0

(Dollar values shown in millions)

Principal 2020	Principal 2019	Issuer	Coupon Rate	Credit Rating[8]	Maturity Date	Fair Value at December 31, 2020	Fair Value at December 31, 2019
$ —	$ 1.0	California State Health Facilities Financing Authority	1.893%	AA-	6/1/2022	$ —	$ 1.0
—	1.3	Colorado State Health Facilities Authority HOS	2.075%	A+	11/1/2020	—	1.2
—	0.8	Colorado State Health Facilities Authority HOS	2.185%	A+	11/1/2021	—	0.8
—	1.1	Colorado State Health Facilities Authority HOS	2.237%	A+	11/1/2022	—	1.1
—	0.8	Florida State Municipal Power Agency	1.966%	A2	10/1/2020	—	0.8
—	1.1	Florida State Municipal Power Agency	1.986%	A2	10/1/2021	—	1.2
—	1.0	Florida State Municipal Power Agency	2.064%	A2	10/1/2022	—	1.0
—	0.6	Hamilton County Ohio Healthcare Facilities	2.135%	AA	6/1/2020	—	0.6
—	0.9	Harris County Texas Cultural Education Facilities	2.015%	AA-	5/15/2020	—	0.9
—	1.3	Harris County Texas Cultural Education Facilities	2.065%	AA-	5/15/2021	—	1.3
—	1.3	Harris County Texas Cultural Education Facilities	2.102%	AA-	5/15/2022	—	1.3
—	0.5	Indiana State Finance Authority	2.242%	AA-	3/1/2020	—	0.5
—	1.1	Lansing Michigan Board of Water and Light Utility System	1.952%	AA-	7/1/2022	—	1.2
—	7.1	Massachusetts State Water Resources	1.661%	AA+	8/1/2020	—	7.1
—	1.2	Massachusetts State Water Resources	1.702%	AA+	8/1/2021	—	1.2
—	2.9	Massachusetts State Water Resources	1.734%	AA+	8/1/2022	—	2.9
—	0.3	Matanuska-Susitna Borough Alaska	2.016%	AA+	3/1/2023	—	0.3
—	0.5	Midland County Texas Fresh Water Supply	1.872%	AA-	9/15/2021	—	0.5
—	0.5	Midland County Texas Fresh Water Supply	1.910%	AA-	9/15/2022	—	0.5
—	0.2	Park Creek Metropolitan District Revenue	2.292%	AA	12/1/2022	—	0.2
—	0.2	Stockton California Public Financing Authority	1.942%	AA	10/1/2020	—	0.2
—	0.2	Stockton California Public Financing Authority	2.048%	AA	10/1/2021	—	0.2
—	0.1	Stockton California Public Financing Authority	2.145%	AA	10/1/2022	—	0.1
—	0.7	Texas State University System Revenue Finance	1.760%	Aa2	3/15/2020	—	0.7
—	0.5	Texas State University System Revenue Finance	1.810%	Aa2	3/15/2021	—	0.5
—	1.7	Texas State University System Revenue Finance	1.839%	Aa2	3/15/2022	—	1.7
—	0.5	University of Akron	1.976%	A1	1/1/2021	—	0.5
TOTAL MUNICIPAL BOND SECURITIES (Cost $0.0 and $33.3)						**$ —**	**$ 33.2**
TOTAL OTHER MARKETABLE SECURITIES (Cost $739.3 and $4,144.7)						**$ 739.3**	**$ 4,150.2**
TOTAL MARKETABLE SECURITIES (Cost $739.3 and $4,830.7)						**$ 739.3**	**$ 4,975.9**

(Dollar values shown in millions)

LOANS RECEIVABLE—5.8% and 5.0%

Principal 2020	Principal 2019	Borrower	Property Type	Interest Rate[6]	Maturity Date	Fair Value at December 31, 2020	Fair Value at December 31, 2019
$ —	$ 6.3	DJM Capital Partners Mezzanine	Retail	5.000%	3/9/2020	$ —	$ 6.3
54.3	53.8	SCG Oakland Portfolio	Office	4.25% + LIBOR	3/1/2022	54.3	53.8
—	20.0	Crest at Las Colinas Station Mezzanine	Apartments	5.11% + LIBOR	5/10/2021	—	20.0
89.7	87.5	311 South Wacker Mezzanine	Office	4.70% + LIBOR	6/7/2021	86.5	86.8
60.0	60.0	River North Point Junior Mezzanine	Office	4.30% + LIBOR	7/9/2021	59.2	60.0
68.6	92.2	Blackstone RioCan Retail Portfolio Mezzanine	Retail	4.65% + LIBOR	7/9/2021	66.5	92.2
60.0	60.0	SoNo Collection Mezzanine	Retail	6.75% + LIBOR	8/6/2021	60.0	60.0
124.7	128.6	Project Glacier Mezzanine	Industrial	4.40% + LIBOR	10/9/2021	124.7	128.6
16.7	14.7	Liberty Park	Office	6.080%	11/9/2021	16.6	14.7
125.0	125.0	State Street Financial Center Mezzanine	Office	6.500%	11/10/2021	122.0	124.4
20.0	20.0	Modera Observatory Park Mezzanine	Apartments	4.34% + LIBOR	6/10/2022	19.7	20.0
17.1	16.2	San Diego Office Portfolio Mezzanine	Office	2.45% + LIBOR	8/9/2022	16.1	16.1
51.2	48.2	San Diego Office Portfolio Senior Loan	Office	2.45% + LIBOR	8/9/2022	51.6	48.2
20.8	20.8	Rosemont Towson Mezzanine	Apartments	4.15% + LIBOR	9/9/2022	20.7	20.8
33.8	33.8	Colony New England Hotel Portfolio Mezzanine	Hotel	2.80% + LIBOR	11/9/2022	30.5	33.8
101.4	101.4	Colony New England Hotel Portfolio Senior Loan	Hotel	2.80% + LIBOR	11/9/2022	99.4	101.4
33.9	33.9	Exo Apartments Mezzanine	Apartments	2.30% + LIBOR	1/9/2023	32.0	33.9
101.6	101.6	Exo Apartments Senior Loan	Apartments	2.30% + LIBOR	1/9/2023	102.9	101.6
13.4	—	Five Oak Mezzanine	Office	2.35% + LIBOR	4/9/2023	13.4	—
30.6	27.5	1330 Broadway Mezzanine	Office	5.01% + LIBOR	8/10/2023	30.2	27.5
82.0	82.0	Great Value Storage Portfolio Mezzanine	Storage	7.875%	12/6/2023	73.8	82.0
85.0	85.0	Park Avenue Tower Mezzanine	Office	4.35% + LIBOR	3/9/2024	85.0	85.0
69.6	71.0	BREP VIII Industrial Loan Facility Mezzanine	Industrial	5.00% + LIBOR	3/9/2026	69.6	71.0
20.0	20.0	Aspen Lake Office Portfolio Mezzanine	Office	8.250%	3/10/2028	20.0	20.0
95.0	95.0	Merritt on the River Office Portfolio Mezzanine	Office	8.000%	8/1/2028	87.0	95.0
100.0	100.0	Charles River Plaza North Mezzanine	Office	6.080%	4/6/2029	100.0	100.0
53.0	—	Sol y Luna	Apartments	6.550%	1/6/2030	51.5	—
TOTAL LOANS RECEIVABLE (Cost $1,527.6 and $1,504.5)						**$ 1,493.2**	**$ 1,503.1**

(Dollar values shown in millions)

LOANS RECEIVABLE WITH RELATED PARTIES—0.3% and 0.2%

Principal					Maturity	Fair Value at December 31,	
2020	**2019**	**Borrower**	**Property Type**	**Interest Rate[6]**	**Date**	**2020**	**2019**
$ 36.5	$ 36.5	MRA Hub 34 Holding, LLC	Office	2.50% + LIBOR	9/1/2022	$ 36.5	$ 36.5
32.8	32.8	THP Student Housing, LLC	Apartments	3.200%	9/1/2024	32.9	32.5
TOTAL LOANS RECEIVABLE WITH RELATED PARTIES (Cost $69.3 and $69.3)						**$ 69.4**	**$ 69.0**
TOTAL INVESTMENTS (Cost $21,967.9 and $25,697.4)						**$ 25,550.7**	**$ 29,899.0**

(1) The investment has a loan payable outstanding, as indicated in *Note 9 - Loans Payable*.
(2) The fair value reflects the Account's interest in the joint venture and is net of debt.
(3) Properties within this investment are located throughout the United States.
(4) For zero-coupon securities issued at a discount or premium to par, yield represents the annualized yield to maturity. For all other securities, the coupon rate is presented.
(5) A portion of this investment consists of land currently under development.
(6) Fixed interest rate loans are represented with a single rate. Variable interest rate loans are presented with their base spread and the corresponding index rate. All variable interest loans currently held by the Account use the one month London Interbank Offered Rate ("LIBOR") rate on U.S. dollar deposits as the index rate, as published by ICE Benchmark Administration Limited.
(7) All or a portion of these securities are out on loan. The aggregate value of securities on loan at December 31, 2019 was $25.2 million.
(8) Credit ratings are sourced from Standard & Poor's ("S&P"), Moody's or Fitch. Ratings are presented using the S&P rating tier definition.
(9) Property previously held within Colony Industrial Portfolio.
(10) On November 19, 2020, the Account sold 7% of its ownership in Birkdale Village, retaining a 93% ownership in TREA NAP Birkdale Village LLC, a joint venture with North American Properties.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees of Teachers Insurance and Annuity Association of America and Participants of TIAA Real Estate Account

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of assets and liabilities, including the consolidated schedules of investments, of TIAA Real Estate Account and its subsidiaries (the "Account") as of December 31, 2020 and 2019, and the related consolidated statements of operations, of changes in net assets and of cash flows for each of the three years in the period ended December 31, 2020, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Account as of December 31, 2020 and 2019, and the results of its operations, the changes in its net assets and its cash flows for each of the three years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Account's management. Our responsibility is to express an opinion on the Account's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Account in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Account is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Account's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of Real Estate Properties and Real Estate Joint Ventures

As described in Notes 1 and 5 to the consolidated financial statements, the Account had total investments in real estate properties of $16.5 billion and real estate joint ventures of $6.1 billion as of December 31, 2020. Investments in real estate properties are stated at fair value and investments in real estate joint ventures are stated at fair value of the Account's ownership based on the fair value of the underlying real estate, any related loans payable, and other factors. To determine the valuation of the real estate properties and the real estate joint ventures, management utilizes the income approach, either the discounted cash flow or direct capitalization valuation model, provided by an independent third party appraiser, using key inputs and assumptions including, but not limited to, rental income and expense amounts, related rental income and expense growth rates, capital expenditures, discount rates, and capitalization rates (terminal capitalization rates for the discounted cash flow model and overall capitalization rates for the direct capitalization model).

The principal considerations for our determination that performing procedures relating to valuation of real estate properties and real estate joint ventures is a critical audit matter are (i) the significant judgment by management in establishing significant inputs and assumptions related to the discount rate, terminal capitalization rate, and rental income and expense amounts, which in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to these significant inputs and assumptions; and (ii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the valuation of real estate properties and real estate joint ventures, including controls over the review of the competency and qualifications of third party appraisers, the completeness and accuracy of data used by the appraisers in the valuation models, and the completeness of consideration of material events subsequent to the appraisal. These procedures also included, among others (i) testing management's process for determining the fair value of the real estate properties and real estate joint ventures; (ii) testing the completeness and accuracy of certain data used in the models; (iii) evaluating the appropriateness of the valuation models; and (iv) evaluating the significant inputs and assumptions used by management related to the discount rate, terminal capitalization rate, and rental income and expense amounts by comparing assumptions to external market data and considering current and past performance of the real estate properties and real estate joint ventures. Professionals with specialized skill and knowledge were used to assist in the evaluation of the assumptions.

/s/ PricewaterhouseCoopers LLP
Charlotte, North Carolina
March 11, 2021

We have served as the Account's auditor since 2005.

ADDITIONAL INFORMATION

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES.

(a) The registrant maintains a system of disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in the registrant's reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the registrant's Principal Executive Officer ("PEO") and the Principal Financial Officer ("PFO"), as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and participation of the registrant's management, including the registrant's PEO and PFO, the registrant conducted an evaluation (as required under Rules 13a-15(b) and 15d-15(b) under the Exchange Act, under the supervision and with the participation of our PEO and PFO, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based upon management's review, the PEO and the PFO concluded with reasonable assurance that the registrant's disclosure controls and procedures were effective as of December 31, 2020.

(b) Management's Report on Internal Control over Financial Reporting. Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting, as defined in Exchange Act Rules 13a-15(f) and 15d-15(f), is a process designed by, or under the supervision of the Account's PEO and PFO to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Account's Consolidated Financial Statements for external purposes in accordance with U.S. generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has made a comprehensive review, evaluation, and assessment of the Account's internal control over financial reporting as of December 31, 2020. In making its assessment of internal control over financial reporting, management used the criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control-Integrated Framework* (2013 Framework). Based on this assessment, management has concluded that as of December 31, 2020, the Account's internal control over financial reporting was effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

This annual report does not include an attestation report of the registrant's independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Registrant's independent registered public accounting firm pursuant to the rules of the U.S. Securities and Exchange Commission that permit the company to provide only management's report in this annual report.

(c) Changes in internal control over financial reporting. There have been no changes in the registrant's internal control over financial reporting that occurred during the registrant's last fiscal quarter that materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not applicable.

PART III

ITEMS 10 AND 11. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE OF THE REGISTRANT; EXECUTIVE COMPENSATION.

The TIAA Real Estate Account has no officers or directors. Rather, TIAA officers, under the direction and control of the Board, manage the investment of the Account's assets, following investment management procedures that TIAA has adopted for the Account. No TIAA Trustee or executive officer receives compensation from the Account. The Trustees and certain executive officers of TIAA as of March 1, 2021, their years of birth and their principal occupations during at least the past five years, are as follows:

<u>**Trustees**</u>

Ronald L. Thompson (Chairman of the TIAA Board of Trustees), YOB: 1949
Senior Non-Executive Director, Fiat Chrysler Automobiles (2014 to 2021). Lead Director (2011 to 2014) and Director (2009 to 2014), Chrysler Group LLC. Member, Plymouth Ventures Partnership II Advisory Board (2010 to present). Director, Medical University of South Carolina Foundation (2013 to present). Trustee, Washington University in St. Louis (1987 to 2013 and 2014 to present).

Jeffrey R. Brown, YOB: 1968
Josef and Margot Lakonishok Professor of Business and Dean of the Gies College of Business at the University of Illinois at Urbana-Champaign (2015 to present). Chair (2019 to present) and Member (2016 to present), Board of Managers of UI Singapore Research, LLC. Member, Board of Managers of University of Illinois Research Park (2016 to present). Board Member, Center for Audit Quality (2016 to present). Member, Carle Foundation Finance Committee (2020 to present). Professor of Finance and Director of the Center for Business and Public Policy, University of Illinois at Urbana-Champaign (2007 to 2015).

Priscilla Sims Brown, YOB: 1957
Group Executive, Marketing and Corporate Affairs, Commonwealth Bank of Australia (2019 to present). Chief Executive Officer, Emerge.me (2017 to 2019). Senior Executive Vice President and Chief Marketing Officer, AXA Financial, Inc. (2014 to 2016). Senior Vice President, Chief Marketing & Development Strategy Officer, Amerihealth Caritas (2013 to 2014).

James R. Chambers, YOB: 1957
Director, President and Chief Executive Officer (2013 to 2016), and Special Advisor, Board (2016), Weight Watchers International, Inc. Chairman (2018 to present), Director (2012 to present), Big Lots, Inc.

Lisa W. Hess, YOB: 1955
President and Managing Partner, SkyTop Capital (2010 to 2020). Director, Radian Group, Inc. (2011 to present). Director, TIAA, FSB (a wholly owned subsidiary of TIAA) (2015 to present).

Edward M. Hundert, M.D., YOB: 1956
Dean for Medical Education, Associate Director of the Center for Bioethics and Daniel D. Federman, M.D. Professor in Residence of Global Health and Social Medicine and Medical Education, Harvard Medical School (2014 to present). Faculty member, Massachusetts General Hospital Center for Law, Brain and Behavior (2011 to present).

Maureen O'Hara, YOB: 1953
R.W. Purcell Professor of Finance, Johnson Graduate School of Management, Cornell University (1992 to present), where she has taught since 1979. Professor of Finance, University of Technology Sydney (2016 to 2018).

Donald K. Peterson, YOB: 1949
Trustee, AllianceBernstein Multi-Manager Alternative Fund (2019 to present). Director, Bernstein Fund Inc. (2015 to present). Director, Sanford C. Bernstein Fund Inc. (2007 to present). Trustee Emeritus, Worcester Polytechnic Institute (2015 to present). Director, TIAA, FSB (a wholly owned subsidiary of TIAA) (2015 to present). Director, National Organization for Disorders of the Corpus Colossum (2020 to present).

Dorothy K. Robinson, YOB: 1951
Senior Of Counsel, K&L Gates (2016 to present). Senior Counselor to the President (2014 to 2015), General Counsel (1986 to 2014), and Vice President (1995 to 2014), Yale University. Trustee, Swarthmore College (2019 to present). Trustee, Yale University Press, London (2015 to present). Director, Oak Spring Garden Foundation (2018 to present). Director, TIAA, FSB (a wholly owned subsidiary of TIAA) (2015 to present).

Kim M. Sharan, YOB: 1957
Founder and CEO, Kim M. Sharan, LLC (2014 to present). President of Financial Planning and Wealth Strategies and Chief Marketing Officer, Ameriprise Financial (2005 to 2014). Board Member, PartnerHere (2014 to present). Executive Advisor, Own the Room (2016 to present). Executive Advisor, Hearsay Social (2019 to present). Member, Council for Economic Education (2021 to present). Director, TIAA, FSB (a wholly owned subsidiary of TIAA) (2020 to present).

Marta Tienda, YOB: 1950
Maurice P. During '22 Professor in Demographic Studies (1999 to present) and Professor of Sociology and Public Affairs (1997 to present), Princeton University. Director, Robin Hood Foundation (2017 to present). Trustee (2004 to present), Board Chair (2017 to present), Alfred P. Sloan Foundation. Trustee, Urban Institute (2019 to present). Director, Holdsworth Center (2019 to present).

Officer—Trustees

Roger W. Ferguson, Jr., YOB: 1951
President and Chief Executive Officer of TIAA and CREF (since 2008).

Other TIAA Executive Officers

Liza M. Tyler, YOB: 1969
Senior Managing Director, Lifetime Income, TIAA; Senior Managing Director, Variable Annuity Product Management, CREF. Prior positions: Managing Director, Variable Annuity Product Management, TIAA; Managing Director, CREF.

Glenn Richter, YOB: 1962
Senior Executive Vice President, Chief Financial Officer, TIAA. Prior positions: Senior Executive Vice President, Chief Administrative Officer, TIAA; Executive Vice President, Chief Operating Officer, TIAA Global Asset Management ("TGAM"); Chief Operating Officer, Nuveen Investments.

Austin P. Wachter, YOB: 1974
Senior Vice President, Chief Accounting Officer and Corporate Controller, TIAA; Senior Vice President, Corporate Controller, CREF. Prior positions: Senior Managing Director, Controller, Nuveen; Senior Managing Director, Nuveen Controller, CREF; Managing Director, Nuveen Controller, CREF; Vice President, Funds Treasurer TGAM Controller, TIAA; Vice President, Funds Treasurer, TIAA; Vice President, Advisor & Broker Dealer Accounting, TIAA.

Portfolio Management Team

Randy Giraldo, YOB: 1975
Managing Director, Portfolio Manager, Head of TIAA Real Estate Account, TIAA. Prior position: Managing Director, TIAA.

Audit Committee Financial Expert

On February 13, 2020, the Board of Trustees of TIAA determined that Jeffrey R. Brown, James R. Chambers, Lisa W. Hess, Maureen O'Hara and Donald K. Peterson qualify as Audit Committee Financial Experts. Each such Trustee is independent (as that term is used in Item 7(d)(3)(iv) of Schedule 14A under the Securities Exchange Act of 1934) and has not accepted, directly or indirectly, any consulting, advisory or other compensatory fee from TIAA, other than in his or her capacity as Trustee.

Code of Conduct

The Board of Trustees of TIAA has adopted a code of conduct for senior financial officers, including its principal executive officer, principal financial officer, principal accounting officer, or controller, and persons performing similar functions, in conformity with rules promulgated under the Sarbanes-Oxley Act of 2002.

The code of conduct is filed as an exhibit to this annual report.

During the reporting period, there were no implicit or explicit waivers granted by the Registrant from any provision of the code of conduct.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Not applicable.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

The TIAA General Account plays a significant role in operating the Account, including providing a liquidity guarantee, and investment advisory, administrative, and other services. In addition, Services, a wholly-owned subsidiary of TIAA, provides distribution services for the Account.

Liquidity Guarantee. If the Account's liquid assets and its cash flow from operating activities and participant transactions are insufficient to fund redemption requests, the TIAA general account has agreed to purchase liquidity units. TIAA thereby guarantees that a participant can redeem accumulation units at their net asset value next determined. For the year ended December 31, 2020, the Account expensed $59.4 million for this liquidity guarantee from TIAA through a daily deduction from the net assets of the Account.

Investment Advisory and Administration Services/Mortality and Expense Risks Borne by TIAA. Deductions are made each valuation day from the net assets of the Account for various services required to manage investments, administer the Account and distribute the contracts. These services are performed at cost by TIAA and Services. Deductions are also made each valuation day to cover mortality and expense risks borne by TIAA.

For the year ended December 31, 2020, the Account expensed $65.3 million for investment management services and $1.2 million for mortality and expense risks provided/borne by TIAA. For the same period, the Account expensed $75.0 million for administrative and distribution services provided by TIAA and Services.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

PricewaterhouseCoopers LLP (“PwC”) performs independent audits of the registrant’s consolidated financial statements. To maintain auditor independence and avoid even the appearance of conflicts of interest, the registrant, as a policy, does not engage PwC for management advisory or consulting services.

Audit Fees. PwC’s fees for professional services rendered for the audits of the registrant’s annual consolidated financial statements for the years ended December 31, 2020 and 2019 and review of consolidated financial statements included in the registrant’s quarterly reports were $1,181,332 and $1,139,969 respectively.

Audit-Related Fees. The registrant had no audit-related services for the years ended December 31, 2020 and 2019.

Tax Fees. PwC had no tax fees with respect to registrant for the years ended December 31, 2020 and 2019.

All Other Fees. Other than as set forth above, there were no additional fees with respect to registrant.

Preapproval Policy. The audit committee of the Board (“Audit Committee”) has adopted a Preapproval Policy for External Audit Firm Services (the “Policy”), which applies to the registrant. The Policy describes the types of services that may be provided by the independent auditor to the registrant without impairing the auditor’s independence. Under the Policy, the Audit Committee is required to preapprove services to be performed by the registrant’s independent auditor in order to ensure that such services do not impair the auditor’s independence.

The Policy requires the Audit Committee to: (i) appoint the independent auditor to perform the financial statement audit for the registrant and certain of its affiliates, including approving the terms of the engagement and (ii) preapprove the audit, audit-related and tax services to be provided by the independent auditor and the fees to be charged for provision of such services from year to year.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(1) (A) Distribution Agreement for the Contracts Funded by the TIAA Real Estate Account, dated as of January 1, 2008, by and among Teachers Insurance and Annuity Association of America, for itself and on behalf of the Account, and TIAA-CREF Individual & Institutional Services, LLC[4]

(3) (A) Restated Charter of TIAA (as amended)[5]

(B) Amended Bylaws of TIAA[6]

(4) (A) Forms of RA, GRA, GSRA, SRA, IRA Real Estate Account Endorsements,[2] Keogh Contract,[3] Retirement Select and Retirement Select Plus Contracts and Endorsements[1] and Retirement Choice and Retirement Choice Plus Contracts[3]

(B) Forms of Income-Paying Contracts[2]

(C) Form of Contract Endorsement for Internal Transfer Limitation[7]

(D) (1) Form of Non-ERISA Retirement Choice Plus Contract[9]
(2) Form of Non-ERISA Retirement Choice Plus Certificate[9]

(E) (1) Form of Trust Company Retirement Choice Contract[10]
(2) Form of Trust Company Retirement Choice Certificate[10]

(F) (1) Form of Trust Company Retirement Choice Plus Certificate[11]
(2) Form of Trust Company Retirement Choice Plus Contract[11]

(G) Form of Income Test Drive Endorsement for Retirement Annuity Contracts. After-Tax Retirement Annuity Contracts, Supplemental Retirement Annuity Contracts and IRA Contracts (including Rollover IRA, Contributory IRA, Roth IRA, OneIRA)[13]

(H) Form of Income Test Drive Endorsement for Group Retirement Annuity Certificates, Group Supplemental Retirement Annuity Certificates, Keogh Certificates, Retirement Choice Certificates, Retirement Choice Plus Certificates, Non-ERISA Retirement Choice Plus Certificates, Trust Retirement Choice Certificates, and Trust Retirement Choice Plus Certificates[14]

(I) Form of OneIRA Non-Qualified Deferred Annuity Contract (and Rate Schedule)[15]

(J) (1) Form of Endorsement to Retirement Choice and Retirement Choice Plus Contracts for Custom Portfolios[16]
(2) Form of Endorsement to Retirement Choice and Retirement Choice Plus Certificates for Custom Portfolios[16]

(K) Form of Endorsement to Group Supplemental Retirement Annuity (GSRA) Certificate[17]

(L) (1) Form of Contract, Rate Schedule and Certificate for Multiple Employer Plan Retirement Choice Annuity Contract [18]
(2) Form of Contract, Rate Schedule and Certificate for Multiple Employer Plan Retirement Choice Plus Annuity Contract [18]

(M) Form of Retirement Plan Loan Endorsement to Group Retirement Annuity Certificate*

(N) Form of Retirement Plan Loan Endorsement to Retirement Annuity Contract*

(O) Form of Retirement Plan Loan Endorsement to Supplemental Retirement Annuity Contract*

(P) Form of Required Minimum Distribution Endorsement to All Annuity Contracts*

(Q) Form of Required Minimum Distribution Endorsement to All Annuity Contracts*

(10) (A) Amended and Restated Independent Fiduciary Letter Agreement, dated as of February 21, 2018, between TIAA, on behalf of the Registrant, and RERC, LLC[12]

(B) Custodian Agreement, dated as of March 3, 2008, by and between TIAA, on behalf of the Registrant, and State Street Bank and Trust Company, N.A.[8]

(14) Code of Conduct of TIAA*

(31) Rule 13(a)-15(e)/ Rule 13a-15(e)/15d-15(e) Certifications*

(32) Section 1350 Certifications*

(101) The following financial information from the annual report on Form 10-K for the year ended December 31, 2020, formatted in XBRL (Extensible Business Reporting Language): (i) the Statements of Assets and Liabilities, (ii) the Statements of Operations, (iii) the Statements of Changes in Net Assets, (iv) the Statements of Cash Flows, and (v) the Notes to the Financial Statements. Any other required schedule has been omitted because the schedule is not applicable to the registrant.**

* Filed herewith.

** Furnished electronically herewith.

(1) Previously filed and incorporated herein by reference to Exhibit 4(A) to the Account's Pre-Effective Amendment No. 1 to the Registration Statement on Form S-1 filed April 29, 2004 (File No. 333-113602).

(2) Previously filed and incorporated herein by reference to the Account’s Post-Effective Amendment No. 2 to the Registration Statement on Form S-1 filed April 30, 1996 (File No. 33-92990).

(3) Previously filed and incorporated herein by reference to the Account’s Post-Effective Amendment No. 1 to the Registration Statement on Form S-1 filed May 2, 2005 (File No. 333-121493).

(4) Previously filed and incorporated herein by reference to Exhibit 1(A) to the Account’s Registration Statement on Form S-1, filed with the Commission on March 15, 2013 (File No. 333-187309).

(5) Previously filed and incorporated herein by reference to Exhibit 3(A) to the Account’s Registration Statement On Form S-1, filed with the Commission on April 22, 2015 (File No. 333-202583).

(6) Previously filed and incorporated herein by reference to Exhibit 3(B) to the Account’s Registration Statement on Form S-1, filed with the Commission on April 22, 2015 (File No. 333-202583).

(7) Previously filed and incorporated by reference to Exhibit 4(C) to the Account’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2010 and filed with the Commission on November 12, 2010 (File No. 33-92990).

(8) Previously filed and incorporated herein by reference to Exhibit 10(B) to the Annual Report on Form 10-K of the Account for the fiscal year ended December 31, 2012 and filed with the Commission on March 14, 2013 (File No. 33-92990).

(9) Previously filed and incorporated by reference to Exhibit 4(D)(1) and 4(D)(2) to the Account's Registration Statement on Form S-1, filed with the Commission on March 21, 2017 (File No. 333-216849).

(10) Previously filed and incorporated by reference to Exhibit 4(E)(1) and 4(E)(2) to the Account's Registration Statement on Form S-1, filed with the Commission on March 21, 2017 (File No. 333-216849).

(11) Previously filed and incorporated by reference to Exhibit 4(F)(1) and 4(F)(2) to the Account's Registration Statement on Form S-1, filed with the Commission on March 21, 2017 (File No. 333-216849).

(12) Previously filed and incorporated by reference to Exhibit 10.1 to the Account's Current Report on Form 8-K, filed with the Commission on March 1, 2018 (File No. 33-92990).

(13) Previously filed and incorporated by reference to Exhibit 4(G) to the Account’s Annual Report on Form 10-K, filed with the Commission on March 15, 2018 (File No. 33-92990).

(14) Previously filed and incorporated by reference to Exhibit 4(H) to the Account’s Annual Report on Form 10-K, filed with the Commission on March 15, 2018 (File No. 33-92990).

(15) Previously filed and incorporated by reference to Exhibit 4(I) to the Account’s Annual Report on Form 10-K, filed with the Commission on March 15, 2018 (File No. 33-92990).

(16) Previously filed and incorporated by reference to Exhibit 4(J)(1) and 4(J)(2) to the Account’s Annual Report on Form 10-K, filed with the Commission on March 14, 2019 (File No. 33-92990).

(17) Previously filed and incorporated by reference to Exhibit 4(K) to the Account’s Annual Report on Form 10-K, filed with the Commission on March 14, 2019 (File No. 33-92990).

(18) Previously filed and incorporated by reference to Exhibit 4(L)(1) and 4(L)(2) to the Account’s Annual Report on Form 10-K, filed with the Commission on March 12, 2020 (File No. 33-92990).

ITEM 16. FORM 10-K SUMMARY.

Not applicable.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant, TIAA Real Estate Account, has duly caused this annual report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, in New York, New York, on the 11th day of March, 2021.

TIAA REAL ESTATE ACCOUNT

By: TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA

March 11, 2021

/s/ Liza M. Tyler

Liza M. Tyler
Senior Managing Director, Lifetime Income, Teachers Insurance and Annuity Association of America (Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed by the following trustees and officers of Teachers Insurance and Annuity Association of America, in the capacities and on the dates indicated.

Signature	Title	Date
/s/ ROGER W. FERGUSON, JR.	President and Chief Executive Officer of Teachers Insurance and Annuity Association of America and Trustee	March 11, 2021
/s/ LIZA M. TYLER	Senior Managing Director, Lifetime Income, Teachers Insurance and Annuity Association of America (Principal Executive Officer)	March 11, 2021
/s/ AUSTIN P. WACHTER	Senior Vice President, Chief Accounting Officer and Corporate Controller of Teachers Insurance and Annuity Association of America (Principal Financial and Accounting Officer)	March 11, 2021
/s/ RONALD L. THOMPSON	Chairman of the TIAA Board of Trustees	March 11, 2021
/s/ JEFFREY R. BROWN	Trustee	March 11, 2021
/s/ PRISCILLA SIMS BROWN	Trustee	March 11, 2021
/s/ JAMES R. CHAMBERS	Trustee	March 11, 2021
/s/ LISA W. HESS	Trustee	March 11, 2021
/s/ EDWARD M. HUNDERT, M.D.	Trustee	March 11, 2021
/s/ MAUREEN O’HARA	Trustee	March 11, 2021
/s/ DONALD K. PETERSON	Trustee	March 11, 2021
/s/ DOROTHY K. ROBINSON	Trustee	March 11, 2021
/s/ KIM M. SHARAN	Trustee	March 11, 2021
/s/ MARTA TIENDA	Trustee	March 11, 2021

SUPPLEMENTAL INFORMATION TO BE FURNISHED WITH REPORTS FILED PURSUANT TO SECTION 15(D) OF THE ACT BY REGISTRANTS WHICH HAVE NOT REGISTERED SECURITIES PURSUANT TO SECTION 12 OF THE ACT

Because the Registrant has no voting securities, nor its own management or board of directors, no annual report or proxy materials will be sent to contract owners holding interests in the Account.

EXHIBIT 31

CERTIFICATIONS

I, Liza M. Tyler, certify that:

1. I have reviewed this annual report on Form 10-K of the TIAA Real Estate Account;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 11, 2021

/s/ Liza M. Tyler

Liza M. Tyler

Senior Managing Director, Lifetime Income, Teachers Insurance and Annuity Association of America

(Principal Executive Officer)

I, Austin P. Wachter, certify that:

1. I have reviewed this annual report on Form 10-K of the TIAA Real Estate Account;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 11, 2021

/s/ Austin P. Wachter

Austin P. Wachter

Senior Vice President, Chief Accounting Officer and Corporate Controller of Teachers Insurance and Annuity Association of America

(Principal Financial and Accounting Officer)

EXHIBIT 32

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Teachers Insurance and Annuity Association of America, do hereby certify, to such officer's knowledge, that:

The annual report on Form 10-K of the TIAA Real Estate Account (the "Account") for the year ended December 31, 2020 (the "Form 10-K") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Account.

March 11, 2021	/s/ Liza M. Tyler
	Liza M. Tyler
	Senior Managing Director, Lifetime Income, Teachers Insurance and Annuity Association of America
	(Principal Executive Officer)
March 11, 2021	/s/ Austin P. Wachter
	Austin P. Wachter
	Senior Vice President, Chief Accounting Officer and Corporate Controller of Teachers Insurance and Annuity Association of America
	(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to the TIAA Real Estate Account and will be retained by the Account and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 14

TIAA

Code of Business Conduct

A message from Roger Ferguson

As we enter our next century of making a difference for the individuals, institutions and communities we serve, each of us can take pride in the fact that TIAA remains one of the most respected names in the financial services industry. We have maintained this honored status not only for what we do, but how we do it: Maintaining the highest ethical standards. In fact, many of you chose to be a part of the TIAA family of companies because of our values and our commitment to “doing the right thing.”

Each year, we renew this commitment by reacquainting ourselves with our Code of Business Conduct and attesting to follow it. The Code embodies our high ethical standards and values, and it provides a firm foundation for our mission, brand and commitment to customers. It asks the best of who we are, and strongly encourages each of us to speak up without fear of retaliation when we suspect that something is not right. Please take the time not only to read it, but also to understand and rely upon it in the daily performance of your jobs.

As the TIAA family of companies continues to grow around the world, it is imperative that we continue to hold ourselves to the highest standards of conduct and integrity. I am grateful to every employee, past and present, who has contributed to our trusted reputation. The decisions we make today are foundational to the organization we will be tomorrow. I challenge each of us to do our part to help ensure the reputation and success of TIAA for generations to come.

Roger W. Ferguson, Jr.

Roger W. Ferguson, Jr.
President and CEO

The TIAA Code of Business Conduct contains the following sections and topics:

Our culture

TIAA's culture, values and brand have been critical factors in our success, and have served as the foundation for why we occupy a unique place in the world of financial services. Our expertise and our unwavering commitment to integrity and service have all contributed to the organization we are today. Simply stated, our culture comes down to each one of us and the values we bring to our work every day. As we live our values, they work to set us apart from others, reinforcing our stellar reputation and bringing new opportunities for our customers and the TIAA family of companies.

Our values

For Teachers Insurance and Annuity Association of America ("TIAA") and its family of companies, we exist to serve our customers and to provide outcomes that truly matter to them. It is our mission to serve, our ability to perform and the values we embrace that make us different. Here are the values that guide us:

Put the Customer First We serve amazing people and institutions. By helping our customers achieve financial well-being, we free them up to better serve the world.

Take Personal Accountability Promises matter. We live our values, take responsibility, deliver results and follow through on our commitments to our customers and colleagues.

Act with Integrity We are defined by who we are and how we conduct ourselves. We refuse to compromise our high ethical standards–ever. We trust each other and earn our customers' trust every day.

Operate as One Team We're all on the same team and stronger for it. We have each other's backs and depend on each other to bring unmatched value to our customers.

Deliver Excellence If it's worth doing, it's worth doing well. We have a winning spirit and strive for the best result in everything we do. We are empowered to look for new and better ways to do things for the benefit of our customers and each other.

Value Our People Our people make the difference and help TIAA stand above the rest. To exceed our customers' expectations, we need to help each other succeed. That means creating an inclusive environment and giving everyone opportunities to contribute and grow.

Why does TIAA have a Code of Business Conduct?

The Code of Business Conduct embodies the values and mission for all employees of the TIAA family of companies and makes plain our requirements of conduct for transacting business. The Code serves as an ethical framework for all of our business-related decisions, actions and interactions with our customers, business partners and each other. Our adherence to this framework remains essential for maintaining our trusted brand name, reputation for excellence and continued success worldwide. Solid corporate values have come to be expected in today's business world, but what sets us apart is the degree to which we incorporate our Code into our daily business conversations, behaviors and decisions.

We all must follow the Code of Business Conduct

Each employee of TIAA and its group of companies (which includes its subsidiaries, affiliates and companion companies (collectively, "Company") is required to comply with the TIAA Code of Business Conduct. Compliance with this Code is also expected of vendors, contingent workers and third parties serving this organization.

Each employee must attest to having read and understood the Code and agree to follow it. Any employee who does not comply with the Code or fails to cooperate fully in the investigation of an alleged violation is subject to disciplinary action up to and including termination of employment.

TIAA takes allegations of observed or suspected violations of the TIAA Code of Business Conduct seriously and conducts prompt investigations. We are all expected to cooperate fully with any such investigations by providing accurate and thorough responses.

The TIAA Code of Business Conduct specifies that we will:

Be Honest and Fair

Use Good Judgment

Be Accountable

Be Respectful and Promote Inclusion

Comply with Laws and Regulations

Protect Customer and Company Information

Ask Questions and Speak Up

The Code of Business Conduct with Guidelines

1. Be Honest and Fair

We are committed to conducting our business affairs honestly, fairly and with transparency, and believe all three are essential for winning and maintaining our customers' trust. We must maintain high standards of ethical business conduct and display personal integrity at all times. Doing so is paramount to protecting our Company's reputation and meeting our commitments to the people with whom we work and the customers and institutions we serve.

Honesty

fairness and straightforwardness of conduct; adherence to the facts

Fair

just, honorable

Guidelines for Being Honest and Fair

Deal fairly with everyone, including customers, suppliers, competitors and employees while also remembering your professional responsibility comes before your personal interests.

Do not take unfair advantage of another person or party through improper business practices, including: manipulation, fraud, coercion, intimidation, concealment, misuse of confidential information, misrepresentations or criminal wrongdoing.

Be clear and forthright concerning your motivations, priorities and decisions.

Deliver excellence through outstanding work and service to our customers.

Listen to our customers and help them make sound financial decisions.

Obtain appropriate approval before engaging in activities that could pose a potential conflict of interest, such as public office, board appointments, political contributions, secondary employment and other outside business activities, business investments and gifts. Your position at TIAA cannot be used for inappropriate personal gain for you or a member of your family.

2. Use Good Judgment

Exercising good judgment involves thinking things through and considering the short- and long-term consequences of a decision or action. This may involve sharing information, working through ideas with others and sometimes holding off on an action to avoid a harmful outcome. We should be thoughtful in our approach and conduct ourselves in a way that aligns with TIAA's mission and values.

Let's never forget that our Company's reputation is one of its most valuable assets. Using good judgment is an important way to safeguard it. Each of us plays a vital role in protecting the TIAA name and associated brands and has a stake in the success of our efforts.

Judgment

the process of forming an opinion or evaluation by discerning and comparing

Guidelines for Using Good Judgment

Obtain input and signoff as appropriate from key internal partners before finalizing a decision. Take action to ensure all relevant considerations are taken into account and appropriately weighed, consistent with the Company's mission and values.

Act as a brand ambassador whenever you represent the Company externally, whether for work, business travel or other reasons.

Exercise care in the use of email, the Internet and social media on behalf of the Company or when using Company resources.

Choose words carefully when responding to inquiries or representing our Company with customers or industry groups.

Direct all media-related inquiries to the Company to your Communications representative.

Uphold our Company's values and rules in regard to gifts, entertainment, sourcing and solicitation.

Comply with our organization's policies regarding conflicts of interest. If you are unsure, consult your Compliance Officer or Human Resources representative.

Understand, identify and mitigate risks that may arise from your responsibilities, which include knowing what options are available and the impact of your choices.

3. Be Accountable

We are personally accountable and answerable for what we do, say and write. We not only take ownership of our own job responsibilities, but support our managers, teams and colleagues as they carry out their duties and obligations. We accept the fact that we're only human and may make mistakes. When mistakes happen, we own our role and do what we can to correct them.

Accountable

to explain actions and decisions to someone; to be responsible for something

Guidelines for Being Accountable

Respect and follow internal policies and procedures.

Take personal responsibility for your words and actions.

Admit to mistakes and take action to correct them.

Keep your promises and commitments.

Help each other succeed in helping our customers.

Work with others to accomplish goals and objectives.

Prepare and submit timely and accurate financial reports.

4. Be Respectful and Promote Inclusion

Mutual respect and professional conduct are, and have always been, central to our corporate culture. We are aware of and value the diversity of our employees, and take steps to ensure that every company in the TIAA family provides an inclusive workplace for all employees. We understand that our differences make us stronger by vetting our ideas and plans against the experiences and opinions of others, and we value those experiences and opinions for their ability to lead us to better outcomes.

We cannot allow our differences to become a source of disrespect, exclusion or discrimination. Rather, they must always be a source of strength that is leveraged for the continued success of the Company.

Respect

regard, esteem, deference, admiration

Inclusion

action of including or bringing a person into a group or conversation for purposes of active participation

Guidelines for Respect and Inclusion

Respect differences of opinion, perspectives or approaches to a particular situation.

Treat everyone fairly, without regard to age, race, gender, ethnicity, sexual orientation, gender identity, disability, religion or any other category protected by applicable law. Discrimination, harassment and retaliation are strictly prohibited, as is engaging in intimidating, demeaning or offensive behavior.

Value and use diversity and its many dimensions to enrich our business results and practices.

5. Comply with Laws and Regulations

Our business activities are subject to many laws and regulations, including comprehensive regulations governing our insurance, retirement, asset management and banking activities. In addition, non-discrimination and other employment laws govern the workplace. We are committed to conducting our business in a compliant manner. All employees are responsible for understanding and following the specific legal and regulatory requirements that apply to our activities, as well as applicable policies and procedures.

Comply

to conform, submit or adapt as required or requested

Guidelines for Complying with Laws and Regulations

Know and comply with federal, state and local laws and regulations applicable to your job responsibilities.

Know and comply with corporate, business unit and support area policies and procedures applicable to your job responsibilities.

Complete mandatory training and required attestations on time.

Maintain required licenses and registrations, including continuing education.

Ask for guidance and/or clarification about applicable laws, regulations, policies and procedures when you have a question or are uncertain about their requirements.

Report any concerns about matters that may put the Company or our customers at risk or conduct that may violate this Code. You are encouraged to raise good faith concerns without fear of retaliation, which is not tolerated by the Company.

6. Protect Customer and Company Information

All of us who work in the TIAA family of companies are required to protect customer and Company information. That means we should review or share customer information only to the extent permitted, required and necessary to conduct the business of our Company.

Proprietary business information—including customer data, investment data, product information and business strategy—should be shared only with appropriate parties on a need-to-know basis.

Protect

to cover or shield from exposure, injury, damage or destruction; guard

Guidelines for Protecting Customer and Company Information

Follow information security and privacy standards and procedures for handling customer and business information.

Do not alter, misrepresent or manipulate company records or financial reports.

Accurate and thorough records must be maintained in accordance with record retention requirements, including the destruction of company records, as established by law, regulation or company policy.

Report any suspicious activity or behavior that could compromise Company or customer information.

Immediately report any possible breach of information security or compromise of proprietary data.

7. Ask Questions and Speak Up

Our corporate culture empowers employees to Speak Up by asking questions, voicing concerns and sharing opinions in good faith. We work in a complicated business with many legal, regulatory and business requirements, and we face numerous demands on our time. When we are unsure about how to proceed or just want clarification on a matter, we should feel free to ask questions.

When you have concerns, Speak Up. You should raise them by speaking to your manager or another manager, or by making a report through the Ethics Helpline. See the *Reporting Possible Misconduct* section for more information on how to report and to determine the most appropriate reporting solution for your concern.

Speak Up

means to ask questions, voice concerns and share opinions in good faith with intent to add value or mitigate a possible risk

Guidelines for Asking Questions and Speaking Up

If there is something you do not understand, ask someone who is in a position to help you.

If you have concerns about work-related issues, tell someone who can best do something about it.

Do not demean colleagues who express a different opinion, perspective or point of view.

Do not retaliate against an employee who Speaks Up.

Checklist for Ethical Business Conduct

Use the following questions to help you follow our Code when representing or making decisions on behalf of the Company. They provide guidance and direction for compliance that may be helpful to you on a daily basis.

Please remember...

Neither the Code nor these guidelines can anticipate every possible situation. If you need guidance or assistance on a matter related to ethical conduct, speak to your manager or to an employee in a supporting or advisory role, such as Human Resources, Compliance or Internal Investigations.

- ☑ **Is the proposed activity legal?**
- ☑ **Are you acting ethically, fairly and in good faith?**
- ☑ **Is this activity consistent with TIAA's values?**
- ☑ **Are you acting in the best interest of the customer?**
- ☑ **Could this activity be considered fraudulent or misleading?**
- ☑ **Could this activity damage TIAA's reputation or brand image?**
- ☑ **Could TIAA lose customers if this information were made publicly available?**
- ☑ **Would you be embarrassed if the detail of this activity were known by your colleagues, team members or family and friends, or if it appeared in a newspaper or on the Internet?**
- ☑ **Could this activity in any way be interpreted as, or appear to be, inappropriate or unethical behavior?**

Guidelines for managers

Take your management and supervision responsibilities seriously.

Address right away any suspicions of ethical concerns or misconduct brought to you in good faith and escalate serious concerns for further investigation.

Follow up on all reports brought to your attention.

Inform your team about options for reporting possible misconduct.

Point out and explain pertinent laws, regulations, policies and compliance manuals related to your work.

Never ignore a report of conduct that is in conflict with our policy of diversity and inclusion.

Seek assistance from your Human Resources Business Partner.

Do not engage in retaliation against an employee who Speaks Up.

Lead by example. Be a role model for personal integrity and ethical business conduct.

Encourage employees to ask questions and foster an environment that welcomes them.

Provide guidance to direct reports and others who are questioning a decision or course of action.

Answer questions promptly. The sooner you respond, the sooner the problem will be addressed.

Reporting Possible Misconduct

If you suspect or witness possible misconduct

If you suspect or witness what you believe in good faith to be a violation of this Code, law, regulation or Company policy, Speak Up immediately. It is much easier for TIAA to fix a problem than a damaged reputation. There are a number of different options and ways to relay your concerns.

Speak Up without fear of retaliation

TIAA encourages employees to voice concerns freely. Fear of retaliation should never be a deterrent to Speaking Up. We take seriously all claims of retaliation against those who Speak Up and will investigate all such claims. The Company does not tolerate retaliation against an employee who Speaks Up, as part of or outside of an investigation. Individuals who retaliate will be subject to disciplinary action up to and including termination of employment.

It is important that you call the correct Ethics Helpline number for your company/location.

A list of Ethics Helpline phone numbers can be found in the directory at the end of the Code.

Speak Up resources[1]: Lots of ways to be heard

Any manager

Employee Relations:
844-4-TIAAHR (option 7) or HRServices@tiaa.org

Any HR Business Partner or similar contact

Internal Investigations:
212-916-5668 or internalinvestigations@tiaa.org

Global Security Team:
866-800-0012 or sechotline@tiaa.org or corporatesecurity@tiaa.org

General Counsel for your organization

Compliance Officer for your organization

Ethics Helpline:
877-774-6492 (anonymous reporting where permitted by law) or use the web reporting form: **www.tiaaethics.org**

Guidelines for reporting misconduct

Always report in good faith.

If helpful, **seek guidance** from a trusted partner, such as your HR Business Partner, Compliance Officer, Internal Investigations or your manager. If you are subject to the Advisers Act, report possible noncompliance to your Compliance Officer.

Report to prevent or stop unfair or inappropriate behavior such as harassment or abuse.

Speak Up about any activity that could be harmful to a fellow employee, the brand or the reputation of the Company.

Be specific about the activity you observed or experienced.

Be clear about the problem or risk presented by the activity when reporting a concern.

Maintain your integrity.

Use **discretion.**

Cooperate with any subsequent investigation or other follow-up related to your report.

Helpline Directory

The TIAA Ethics Helpline has dedicated telephone numbers in the countries as indicated below:

India	**000-800-0501-964**
United Kingdom	**0800-069-8160**
United States	**1-877-774-6492**

For all other countries in the chart below, call center representatives of Convercent and My Safe Workplace will greet you. Please be prepared to provide your employer name so that your report is routed appropriately.

Ethics Helpline International Numbers

Australia

Australia **1-800-763-983**

Austria

Austria **0800-281119**

Brazil*

Brazil **0-800-892-2299**

Canada

Canada **1-800-235-6302**

Chile

Chile **1230-020-3559**

China

China **400-120-3062**

Colombia*

Colombia **844-397-3235**
Colombia (Bogota – local) **+57-13816523**

Denmark

Denmark **8082-0058**

Finland

Finland **0800-07-635**

France

France **0805-080339**

Germany

Germany **0800-181-2396**

Hong Kong

Hong Kong **800-906-069**

Italy

Italy **800-727-406**

Japan

Japan **0800-170-5621**

Luxembourg

Luxembourg **0-800-27-311**

Netherlands*

Netherlands **0-800-022-0441**

Panama

Panama **800-2066**

Poland

Poland **00-800-141-0213**

* Anonymous reporting not permitted.

Helpline Directory (cont'd)

Romania*

Romania **0-800-360-228**

Singapore

Singapore **800-852-3912**

Spain*

Spain **900-905460**

Sweden

Sweden **020-889-823**

Uruguay

Uruguay **000-401-912-22**

* Anonymous reporting not permitted.

Appendix

Our Obligations as a U.S. Government Contractor

Our Company has special obligations regarding fair employment practices and is subject to regulatory oversight of our hiring and workplace policies.

We are committed to providing equal opportunity in all of our employment practices, including hiring, promotion, transfer and compensation of all applicants and employees without regard to race, color, sex, sexual orientation, gender identity, religion, age, marital status, national origin, disability, citizenship status, veteran status, genetic information or any other "protected category" set by applicable law.

In addition to respecting protected categories, we are respectful and considerate of every individual in the conduct of our business, regardless of differences in belief systems, styles, experiences, perspectives and other things that shape their uniqueness.

Non-U.S. Operations

As the Company expands its operations internationally, the management principles established in the Code will apply absent potential conflicts with applicable laws in other jurisdictions. These conflicts may involve applicable laws of two or more countries or this Code and applicable non-U.S. laws. If such a circumstance presents, please consult with Oversight and Advocacy for guidance on how to resolve that conflict properly.

At-Will Employment

The Code and Guidelines are not intended to, and do not, create an employment contract (or other contractual obligation) of any kind with any Company employee. Unless otherwise provided by written agreement with your employer, your employment is "at-will," meaning that either you or your employer may end employment without notice for any reason or no reason at all. Further, nothing herein constitutes conditions of employment or should be construed as express or implied contractual commitments by the Company.

Respect for Your Rights

Nothing in this Code or any Company policy shall, or shall be construed to, limit any employee's right, if any, to discuss the terms and conditions of employment or to engage in protected concerted activity as defined by law (such as the Section 7 of the U.S. National Labor Relations Act). In addition, neither this Code nor any Company policy shall be construed to prohibit you from filing a complaint or communicating, reporting or assisting in the reporting or investigation of possible violations of federal, state or local law or regulations to any governmental agency or self-regulatory organization, or making other disclosures that reasonably may be protected under whistleblower or other provisions of any applicable federal, state or local law or regulation. Prior authorization of, or notice to, TIAA is not required to make any such reports or disclosures. However, the organization wants employees to share such concerns anonymously (in countries where permitted by law), if desired, by contacting the Ethics Helpline without fear of retaliation. Phone numbers for the Ethics Helpline can be found in the *Helpline Directory* section of this Code.

[1] For associates outside the United States, use the email addresses provided for Employee Relations, Internal Investigations and Global Security as the listed telephone numbers may not be appropriate. For associates in India, use **Grievance@in.tiaa.org** for Employee Relations and **DL_SecurityHelpdeskGodrejOne@tiaa.org** for Global Security. In some countries, international regulators provide confidential hotlines of which staff must be made aware at their workplace. Telephone instructions for the Ethics Helpline for international associates can be found in the TIAA Code of Business Conduct on pages 18 and 19.

TIAA Code of Business Conduct

141035160 (01/20)

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA
(TIAA)
730 Third Avenue, New York, NY 10017-3206
Telephone: [800-842-2733]

Endorsement to Your TIAA Group Retirement Annuity Certificate

[Effective Date: Attached at issue / Upon receipt / Specific date / Date of Issue, and as part of endorsement END-G1000.6-ACC or END-G1000.7-ACC, if such endorsements apply / Upon receipt, and as part of END-G1000.6-ACC or END-G1000.7-ACC, if such endorsements apply / Specific date, and as part of END-G1000.6-ACC or END-G1000.7-ACC, if such endorsements apply]

This endorsement modifies the provisions of your TIAA Group Retirement Annuity Certificate and becomes part of it. Please read this endorsement and attach it to your certificate.

The following provisions are added to your certificate:

The term **Investment Account** refers to the Real Estate Account or to any subaccount of any other Separate Account available under the certificate.

Retirement Plan Loans

A Retirement Plan Loan is a disbursement of some or all of your Investment Account accumulation to provide loans. To the extent your employer's plan so provides and in accordance with section 72(p) of the IRC, as amended, and ERISA, to the extent applicable, you may request a Retirement Plan Loan from your available Investment Account accumulations, at any time prior to the annuity starting date. Retirement Plan Loans are not available from your TIAA Traditional accumulations. The amount of a Retirement Plan Loan may generally not exceed the least of:

i) the total of your available Investment Account accumulations;
ii) [50%] of the present value of your vested accrued benefit under any of your employer's plans; and
iii) [$50,000]

In determining the amount available for a Retirement Plan Loan, all plans of your employer, including 403(b), 401(a), 403(a) and 457(b) plans, to the extent loans are available, and all such plans of any related employers under IRC Section 414(b), (c) or (m) shall be considered employer plans for this purpose.

A request for a Retirement Plan Loan must be made on or before the annuity starting date in accordance with the terms of your certificate. A Retirement Plan Loan will be effective as of the business day on which we receive your request, in a form acceptable to TIAA as well as any spousal waiver that may be required under ERISA or the terms of your employer's plan. TIAA will determine all values as of the end of the effective date. You can't revoke a request for a Retirement Plan Loan after its effective date.

A Retirement Plan Loan reduces the accumulations from which it is paid by the amount of the loan chosen. The loan will be issued in accordance with the terms of a loan agreement. The loan agreement will describe the terms, conditions and any fees or charges for the loan. Any loan repayments applied to the certificate will be applied as new premiums.

Roger W. Ferguson, Jr.

President and
Chief Executive Officer

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA
(TIAA)
730 Third Avenue, New York, NY 10017-3206
Telephone: [800-842-2733]

Endorsement to Your TIAA Retirement Annuity Contract

[Effective Date: Attached at issue / Upon receipt / Specific date / Date of Issue, and as part of endorsement END-1000.24-ACC, if such endorsement applies / Upon receipt, and as part of END-1000.24-ACC, if such endorsement applies / Specific date, and as part of END-1000.24-ACC, if such endorsement applies]

This endorsement modifies the provisions of your TIAA Retirement Annuity Contract and becomes part of it. Please read this endorsement and attach it to your contract.

The following provisions are added to your contract:

The term **Investment Account** refers to the Real Estate Account or to any subaccount of any other Separate Account available under the contract.

Retirement Plan Loans

A Retirement Plan Loan is a disbursement of some or all of your Investment Account accumulation to provide loans. To the extent your employer's plan so provides and in accordance with section 72(p) of the IRC, as amended, and ERISA, to the extent applicable, you may request a Retirement Plan Loan from your available Investment Account accumulations, at any time prior to the annuity starting date. Retirement Plan Loans are not available from your TIAA Traditional accumulations. The amount of a Retirement Plan Loan may generally not exceed the least of:

i) the total of your available Investment Account accumulations;
ii) [50%] of the present value of your vested accrued benefit under any of your employer's plans; and
iii) [$50,000]

In determining the amount available for a Retirement Plan Loan, all plans of your employer, including 403(b), 401(a), 403(a) and 457(b) plans, to the extent loans are available, and all such plans of any related employers under IRC Section 414(b), (c) or (m) shall be considered employer plans for this purpose.

A request for a Retirement Plan Loan must be made on or before the annuity starting date in accordance with the terms of your contract. A Retirement Plan Loan will be effective as of the business day on which we receive your request, in a form acceptable to TIAA as well as any spousal waiver that may be required under ERISA or the terms of your employer's plan. TIAA will determine all values as of the end of the effective date. You can't revoke a request for a Retirement Plan Loan after its effective date.

A Retirement Plan Loan reduces the accumulations from which it is paid by the amount of the loan chosen. The loan will be issued in accordance with the terms of a loan agreement. The loan agreement will describe the terms, conditions and any fees or charges for the loan. Any loan repayments applied to the contract will be applied as new premiums.

[Roger W. Ferguson, Jr.

President and

Chief Executive Officer]

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA
(TIAA)
730 Third Avenue, New York, NY 10017-3206
Telephone: [800-842-2733]

Endorsement to Your TIAA Supplemental Retirement Annuity Contract

[Effective Date: Attached at issue / Upon receipt / Specific date / Date of Issue, and as part of endorsement END-1200.8-ACC, if such endorsement applies / Upon receipt, and as part of END-1200.8-ACC, if such endorsement applies / Specific date, and as part of END-1200.8-ACC, if such endorsement applies]

This endorsement modifies the provisions of your TIAA Supplemental Retirement Annuity Contract and becomes part of it. Please read this endorsement and attach it to your contract.

The following provisions are added to your contract:

The term **Investment Account** refers to the Real Estate Account or to any subaccount of any other Separate Account available under the contract.

Retirement Plan Loans

A retirement plan loan is a disbursement of some or all of your accumulation to provide loans. To the extent your employer's plan so provides and in accordance with section 72(p) of the IRC, as amended, and ERISA, to the extent applicable, you may request a Retirement Plan Loan from your available Traditional Annuity accumulation or your Investment Account accumulations, at any time prior to the annuity starting date. The amount of a Retirement Plan Loan may generally not exceed the least of:

i) the total of your available Traditional Annuity accumulation and your Investment Account accumulations;
ii) [50%] of the present value of your vested accrued benefit under any of your employer's plans; and
iii) [$50,000]

In determining the amount available for a Retirement Plan Loan, all plans of your employer, including 403(b), 401(a), 403(a) and 457(b) plans, to the extent loans are available, and all such plans of any related employers under IRC Section 414(b), (c) or (m) shall be considered employer plans for this purpose.

A request for a Retirement Plan Loan must be made on or before the annuity starting date in accordance with the terms of your contract. A Retirement Plan Loan will be effective as of the business day on which we receive your request, in a form acceptable to TIAA as well as any spousal waiver that may be required under ERISA or the terms of your employer's plan. TIAA will determine all values as of the end of the effective date. You can't revoke a request for a Retirement Plan Loan after its effective date. TIAA may defer the payment of a Retirement Plan Loan from the available Traditional Annuity accumulation for up to six months.

If you request a Retirement Plan Loan from your available Traditional Annuity accumulation, we will disburse the portion of your Traditional Annuity accumulation you choose, less any charges.

A Retirement Plan Loan reduces the accumulations from which it is paid by the amount of the loan chosen. The loan will be issued in accordance with the terms of a loan agreement. The loan agreement will describe the terms, conditions and any fees or charges for the loan. Any loan repayments applied to the contract will be applied as new premiums. If you choose a Retirement Plan Loan from your available Traditional Annuity accumulation and different rate schedules apply to different parts of your accumulation, the reduction in your accumulation will be allocated among the parts on a pro-rata basis in accordance with procedures established by TIAA.

The provision defining the components of the ***Traditional Annuity accumulation*** *is modified such that the Traditional Annuity accumulation is reduced by the amount of any Retirement Plan Loan paid from the available Traditional Annuity accumulation.*

Roger W. Ferguson, Jr.

President and
Chief Executive Officer

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA (TIAA)
730 Third Avenue, New York, NY 10017-3206
Telephone: [800-842-2733]

Endorsement to Your TIAA Annuity Contract

Effective Date: [01-01-20xx]

This endorsement is part of your contract with TIAA. Please read this endorsement and attach it to your contract.

The following statement is added to the cover page of your contract:

This contract is subject to and will be administered to comply with all applicable laws and regulations, including the Employee Retirement Income Security Act (ERISA) and the Internal Revenue Code (IRC).

The following provisions are added to your contract:

Required Minimum Distributions. Payments made under this contract will not be considered to be required minimum distributions (RMD) under IRC Section 401(a)(9) until you reach RMD age, which occurs in the year you turn age 72 (70 ½, if born before July 1, 1949). Then, depending on the plan or contract funding this contract, payments made to you under this contract may be RMD. If the contract is purchased after you have attained RMD age, annuity payments made during the year of purchase count towards satisfaction of any RMD for the funding account or contract. In years after the year of purchase, this contract separately satisfies its own RMD, if any, under Treasury Regulation section 1.401(a)(9)-6. Each year of annuity payments made to you will automatically satisfy any RMD for that year. Payments to your beneficiary will also satisfy the RMD for this contract, provided that we limit the distribution period in accordance with IRC section 401(a)(9)(H), as added by the 2019 SECURE Act. This may result in payments being made for a period shorter than the remaining guaranteed period, as described below.

The SECURE Act generally requires all payments to individual beneficiaries under this contract to be completed by December 31 of the 10th year following the year of the owner's death. However, any remaining guaranteed period payments may continue to be made for the life expectancy of "eligible designated beneficiaries." These are the owner's spouse, a disabled or chronically-ill individual, a minor child of the owner, but only until reaching the age of majority, and anyone else who is not more than 10 years older than the owner. Once a minor child reaches the age of majority, a further 10 year distribution period begins.

We reserve the right to pay the commuted value of any remaining guaranteed period payments in a single sum in order to prevent such payments from violating IRC section 401(a)(9) including extending beyond, as applicable, the end of a 10-year distribution period or beyond the life expectancy of an eligible designated beneficiary. In lieu of such payment, if required by the Internal Revenue Service (IRS) or permitted and elected by you, we will make a constructive distribution that would permit annuity payments to continue under the terms of this contract. This means that we would report the commuted value of the remaining guaranteed period payments to you and the IRS as income.

Compliance with laws and regulations. TIAA will administer your contract to comply with all laws and regulations pertaining to the terms and conditions of your contract. You cannot elect any benefit or exercise any right under your contract if the election of that benefit or exercise of that right is prohibited under an applicable state or federal law or regulation. The choice of income option, issue date, beneficiary, second annuitant (if any), method of payment of the death benefit, and the availability of guaranteed periods, internal transfers, lump-sum or commuted value benefits as set forth in this contract are subject to the applicable restrictions, distribution requirements, and incidental benefit requirements of the ERISA and the IRC, and any rulings and regulations issued under ERISA and the IRC.

[Roger W. Ferguson, Jr.

President and
Chief Executive Officer]

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA (TIAA)
730 Third Avenue, New York, NY 10017-3206
Telephone: [800-842-2733]

Endorsement to Your TIAA Annuity Contract

Effective Date: [01-01-20xx]

This endorsement is part of your contract with TIAA. Please read this endorsement and attach it to your contract.

The following statement is added to the cover page of your contract:

This contract is subject to and will be administered to comply with all applicable laws and regulations, including the Employee Retirement Income Security Act (ERISA) and the Internal Revenue Code (IRC).

The following provisions are added to your contract:

Required Minimum Distributions. Payments made under this contract will not be considered to be required minimum distributions (RMD) under IRC Section 401(a)(9) until you reach RMD age, which occurs in the year you turn age 72 (70 ½, if born before July 1, 1949). Then, depending on the plan or contract funding this contract, payments made to you under this contract may be RMD. If the contract is purchased after you have attained RMD age, annuity payments made during the year of purchase count towards satisfaction of any RMD for the funding account or contract. In years after the year of purchase, this contract separately satisfies its own RMD, if any, under Treasury Regulation section 1.401(a)(9)-6. Each year of annuity payments made to you and after your death, to the second annuitant, if living, will automatically satisfy any RMD for that year. After all annuitants have died, payments to your beneficiary will also satisfy the RMD for this contract, provided that we limit the distribution period in accordance with IRC section 401(a)(9)(H), as added by the 2019 SECURE Act. This may result in payments being made for a period shorter than the remaining guaranteed period, as described below.

The SECURE Act generally requires all payments to individual beneficiaries under this contract to be completed by December 31 of the 10th year following the year of the owner's death. However, any remaining payments may continue to be made for the life or life expectancy of "eligible designated beneficiaries." These are the owner's spouse, a disabled or chronically-ill individual, a minor child of the owner, but only until reaching the age of majority, and anyone else who is not more than 10 years older than the owner. Once a minor child reaches the age of majority, a further 10 year distribution period begins. The second annuitant under this contract, if living, would continue to receive annuity payments for life.

If the second annuitant predeceases the owner, any remaining guaranteed period payments would be made to individual beneficiaries depending on whether they are eligible designated beneficiaries, as described above. If however, payments are made to the second annuitant, any individual beneficiaries would not be eligible designated beneficiaries and would be required to receive any remaining guaranteed period payments by December 31 of the 10th year following the year of the second annuitant's death.

We reserve the right to pay the commuted value of any remaining guaranteed period payments in a single sum in order to prevent such payments from violating IRC section 401(a)(9) including extending beyond, as applicable, the end of a 10-year distribution period or beyond the life expectancy of an eligible designated beneficiary. In lieu of such payment, if required by the Internal Revenue Service (IRS) or permitted and elected by you, we will make a constructive distribution that would permit annuity payments to continue under the terms of this contract. This means that we would report the commuted value of the remaining guaranteed period payments to you and the IRS as income.

Compliance with laws and regulations. TIAA will administer your contract to comply with all laws and regulations pertaining to the terms and conditions of your contract. You cannot elect any benefit or exercise any right under your contract if the election of that benefit or exercise of that right is prohibited under an applicable state or federal law or regulation. The choice of income option, issue date, beneficiary, second annuitant (if any), method of payment of the death benefit, and the availability of guaranteed periods, internal transfers, lump-sum or commuted value benefits as set forth in this contract are subject to the applicable restrictions, distribution requirements, and incidental benefit requirements of the ERISA and the IRC, and any rulings and regulations issued under ERISA and the IRC.

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