

Financial Strength: The TIAA General Account

September 30, 2021

TIAA General Account

9/30/21

Total General Account assets—\$285.7 billion¹

Total statutory capital—\$42.4 billion²

Option-adjusted duration is 8³

Key advantages

Strong capital position

Teachers Insurance and Annuity Association of America (TIAA) is one of only three insurance groups in the United States to currently hold the highest possible rating from three of the four leading insurance company rating agencies for its stability, claims-paying ability and overall financial strength.⁵

Diversified portfolio

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

Scale and consistency of investment flows

TIAA is one of the world's largest institutional investors, investing on average about \$27 billion per year since 2000. This has allowed us to build our asset base, develop specialized investment expertise and realize economies of scale that smaller investors do not enjoy.

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

The TIAA General Account is the largest general account to commit to achieving net zero carbon emissions by 2050⁴



“We believe climate risk is an investment risk that we must manage over time, so this pledge is an affirmation of our responsibility to achieve the best possible investment outcomes for our clients,” said TIAA President and CEO Thasunda Brown Duckett.

“As an active manager of a diversified investment account, we will get to net zero over time through investment selection, portfolio repositioning and continued engagement with companies and carbon producers to reduce emissions around the world.”

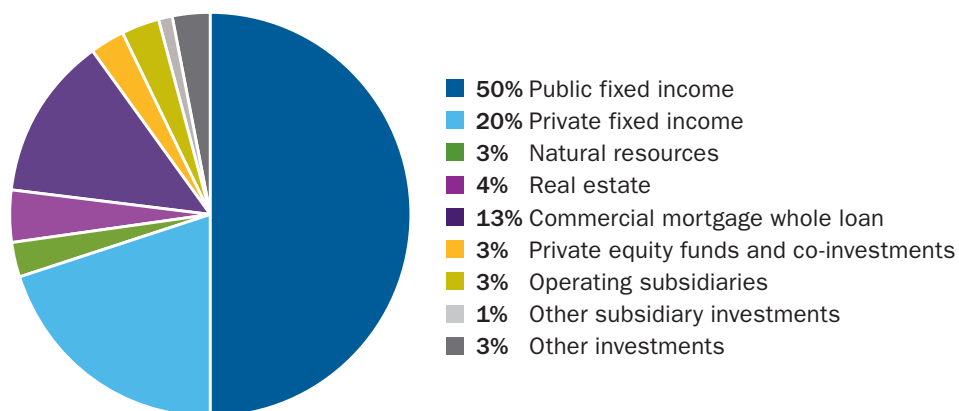
We pledge to:

- Significantly reduce the carbon footprint of the investments and balance any remaining emissions with investments that remove carbon at a rate consistent with the Paris Agreement.
- Increasingly seek investments in climate solutions, such as holdings in renewable energy, energy-efficient real estate and companies transitioning to a low carbon economy.
- Contribute to achieving net zero carbon emissions with nature-based solutions including afforestation, reforestation and sustainable farming.

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TIAA General Account diversification

(For details, see the next page.)



Corporate and government bonds and structured finance

| Bonds | % Bonds |
|-----------------------------------|-------------|
| Investment Grade (NAIC Class 1-2) | 91.90% |
| Medium Grade (NAIC Class 3) | 4.90% |
| High Yield (Class 4-6) | 3.20% |
| Mortgages | % Mortgages |
| In Good Standing | 100.00% |
| Foreclosure in Process | 0.00% |
| Bonds | % Bonds |
| Treasury | 7.01% |
| Agency | 9.88% |
| AAA | 5.27% |
| AA | 9.46% |
| A | 26.35% |
| BBB | 33.58% |
| BB | 4.22% |
| B | 2.84% |
| Below B | 0.71% |
| NR | 0.66% |

Rating agency

TIAA financial strength rating⁵

| | |
|--|----------------------------|
| Moody's Investors Service (as of 5/2021) | Aa1 (Very strong) |
| Standard & Poor's (as of 9/2021) | AA+ (Very strong) |
| A.M. Best (as of 7/2021) | A++ (Superior) |
| Fitch (as of 11/2021) | AAA (Exceptionally strong) |

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TIAA invested asset allocation as of 9/30/2021—\$285.70 billion

| | | | |
|--|------------------|--|-----------------|
| Public fixed income | | Real estate by investment type | |
| Percentage of Total Account | 49.60% | Percentage of Total Account | 4.24% |
| U.S. Government Bonds (Treasury) | \$13,978 | Apartment | \$1,273 |
| U.S. Government-Related Bonds | \$2,828 | Industrial | \$1,890 |
| Other Developed Markets Government Bonds | \$1,013 | Land | \$259 |
| Municipal Bonds | \$15,249 | Real Estate Funds | \$4,900 |
| Investment-Grade Corporate Bonds | \$58,471 | Mixed Use/Other | \$605 |
| High-Yield Corporate Bonds | \$3,606 | Office Buildings | \$1,687 |
| Leveraged Loan | \$3,163 | Retail | \$727 |
| Emerging Market Bonds | \$8,509 | Impact Real Estate | \$777 |
| Agency MBS Securities | \$19,674 | | \$12,118 |
| Non-Agency MBS Securities | \$2,195 | Commercial mortgage whole loan by investment type | |
| Residential Mortgages | \$618 | Percentage of Total Account | 12.72% |
| Structured Credit (ABS, CLO, CDO) | \$3,512 | Apartment | \$8,569 |
| CMBS SECURITIES (AAA) | \$8,902 | Hotel/Motel | - |
| | \$141,717 | Industrial | \$5,448 |
| Private fixed income | | Mixed Use/Other | \$4,630 |
| Percentage of Total Account | 20.11% | Office Buildings | \$9,934 |
| Investment-Grade Private Placements | \$24,366 | Residential | 0 |
| Investment-Grade Project Finance | \$8,156 | Shopping Center | \$7,758 |
| Credit Tenant Loans | \$11,951 | | \$36,339 |
| SLL/DIT/MEZZ | \$5,360 | Private equity funds and co-investments | |
| CMBS Securities (Subordinated) | \$985 | Percentage of Total Account | 3.16% |
| Distressed | \$107 | Leveraged Buyout Funds | \$4,797 |
| Private ABS | \$6,540 | Leveraged Buyout—Eq Co-invest | \$1,393 |
| | \$57,465 | Mezzanine Funds | \$548 |
| Natural resources | | Mezzanine—Direct Eq Co-Invest | \$109 |
| Percentage of Total Account | 2.51% | Distressed Funds | \$271 |
| Agriculture | \$3,459 | Distressed Eq Co-Invest | 0 |
| Timberlands | \$1,266 | Real Estate Private Debt | \$289 |
| Energy & Infrastructure | \$2,448 | Venture Funds | \$375 |
| | \$7,172 | Venture Eq Co-Invest | - |
| | | Impact Investing | \$717 |
| | | GAO Private Equity | \$345 |
| | | PE FUNDS (TEPS) | \$165 |
| | | Structured Equity | \$17 |
| | | | \$9,027 |
| | | Other investments | |
| | | Percentage of Total Account | 7.65% |
| | | Operating Subsidiaries | \$9,692 |
| | | Other Subsidiary Investments | \$2,817 |
| | | Other Investments | \$9,356 |
| | | | \$21,865 |



¹ Total assets \$338.8 billion. Total TIAA assets include, in addition to the General Account, separately managed accounts such as the Real Estate Account and TIAA Stable Value.

² Total statutory capital is composed of capital and surplus, and asset valuation reserve for TIAA.

³ The individual option-adjusted duration is calculated for the holdings of the General Account, excluding commercial mortgages, real estate, equities (REIT equities, funds and common stock), cash and certain other investment products.

⁴ As of 12/31/2020, 2020 Cash and Invested Assets \$288,827,001, ranking based on U.S. insurers.

⁵ For its stability, claims-paying ability and overall financial strength, Teachers Insurance and Annuity Association of America (TIAA) is a member of one of only three insurance groups in the United States to currently hold the highest rating available to U.S. insurers from three of the four leading insurance company rating agencies: **A.M. Best (A++ as of 7/21)**, **Fitch (AAA as of 11/21)** and **Standard & Poor's (AA+ as of 9/21)**, and the second highest possible rating from **Moody's Investors Service (Aa1 as of 5/21)**. There is no guarantee that current ratings will be maintained. The financial strength ratings represent a company's ability to meet policyholders' obligations and do not apply to variable annuities or any other product or service not fully backed by TIAA's claims-paying ability. The ratings also do not apply to the safety or the performance of the variable accounts, which will fluctuate in value.

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

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

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

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