



**TIAA-CREF Individual & Institutional Services, LLC**

**Advice & Planning Services**

**Disclosure Brochure**

**Form ADV Part 2A**

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July 31, 2023

This disclosure brochure (“Disclosure Brochure”) provides information about the qualifications and business practices of Advice & Planning Services, a division of TIAA-CREF Individual & Institutional Services, LLC. If you have any questions about the contents of this Disclosure Brochure, please contact us at 212-490-9000. The information in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration with the SEC does not imply a certain level of skill or training.

Additional information about Advice & Planning Services is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

Item 2 contains a summary of the material and other changes made to the TIAA-CREF Individual & Institutional Services, LLC Advice & Planning Services Disclosure Brochure since March 31, 2022.

### Item 5 (Fees and Compensation)

The Disclosure Brochure was updated to reflect that TIAA sold its wholly owned bank subsidiary, TIAA, FSB, to investors who will each own non-controlling interests in the bank (the “**Transaction**”). TIAA will retain less than 10% voting ownership interest in the bank. Pursuant to the Transaction, nearly all the bank’s current assets and business lines will be acquired by the new ownership, with the exception of the bank’s trust business, which will be retained by TIAA. The bank under new ownership will change its name to EverBank, N.A. and be rebranded as EverBank (“**EverBank**”). The trust business retained by TIAA will maintain a separate national trust bank charter under the name TIAA Trust, N.A. and will remain closely aligned with TIAA’s wealth business as a wholly owned subsidiary of TIAA. As part of the Transaction, TC Services will continue to use the TIAA Sweep Product provided by EverBank and will be paid to refer clients to EverBank for deposit products.

The Disclosure Brochure was updated on December 5, 2022 to reflect compensation changes for TIAA Financial Professionals. Changes were made to the compensation of WMAs and ACs that alter the way in which the variable compensation of the WMAs and ACs will be calculated. Additional changes were made to clarify how certain products, services and referrals will be included in those calculations.

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## Item 4 – Advisory Business

### About Us

TIAA-CREF Individual & Institutional Services, LLC (“TC Services”, “we” or “our”), is registered with the Securities and Exchange Commission (the “SEC”) as a registered investment adviser offering services to individuals through its Advice and Planning Services division (“TC Services’ advisory division”) since 2004.

Different TC Services’ financial professionals can assist you. Wealth Management Advisors (“WMAs”) service clients in local TIAA offices. Advisory Consultants service clients by phone. Both WMAs and Advisory Consultants (referred to collectively as “Advisors”) are registered as both investment adviser representatives and broker-dealer representatives. All other TC Services representatives (referred to as “Representatives”) are registered only as broker-dealer representatives, not as investment adviser representatives and can refer you to an Advisor for advisory services. Advisors and Representatives are collectively referred to as “financial professionals”.

TC Services’ advisory division offers the following registered investment adviser services:

- ***Financial Planning Services (referred to as the “Planning Services”).*** Planning Services are delivered to you or, when planning jointly, to you and your spouse or domestic partner (collectively referred to as “you” in this brochure), through Advisors, and are described in detail in this Item 4 below under “*About the Planning Services.*”
- ***The TIAA Portfolio Advisor and TIAA Personal Portfolio Managed Account Programs.*** The TIAA Portfolio Advisor and TIAA Personal Portfolio managed account programs provide discretionary investment management services through a centralized team of investment professionals for an asset-based “wrap” fee.

TIAA Portfolio Advisor is open to new investors. Where appropriate, Advisors can recommend that you open, contribute or consolidate assets (through a rollover or transfer) into a TIAA Portfolio Advisor account and provide assistance with enrollment for this program.

TIAA Personal Portfolio closed to new investors as of May 15, 2020. Where appropriate, Advisors can recommend that current clients contribute or consolidate assets into their existing TIAA Personal Portfolio account. This service is provided through an online interface with assistance available from Advisory Consultants as needed.

Advisors may also help fulfill client service requests regarding the TIAA Portfolio Advisor and TIAA Personal Portfolio programs. These programs (including enrollment services, recommendations to open, contribute to or consolidate assets, client servicing, and associated conflicts) are described in further detail in their respective disclosure brochures, which you can request for review or find at

[https://www.tiaa.org/public/pdf/portfolio\\_advisor\\_wrap\\_fee\\_program\\_disclosure\\_form\\_a\\_dv.pdf](https://www.tiaa.org/public/pdf/portfolio_advisor_wrap_fee_program_disclosure_form_a_dv.pdf) and

[https://www.tiaa.org/public/pdf/TIAA\\_Personal\\_Portfolio\\_Fee\\_Wrap\\_Program\\_Disclosure\\_Brochure\\_FormADV.pdf](https://www.tiaa.org/public/pdf/TIAA_Personal_Portfolio_Fee_Wrap_Program_Disclosure_Brochure_FormADV.pdf). You will also receive the TIAA Portfolio Advisor disclosure brochure prior to enrolling in the program. TIAA Personal Portfolio is closed to new investors.

- ***TIAA Trust Personal Trust and Private Asset Management (“PAM”) Sales and Servicing.*** Where appropriate, Advisors can recommend that you open, contribute or consolidate assets (through a rollover or transfer) into a separate high net worth discretionary investment management account and/or trust service offered by our affiliated trust bank company, TIAA Trust, N.A. (“TIAA Trust”). Advisors may also provide assistance with enrollment and may help fulfill client administrative requests regarding their PAM account. Recommendations, enrollments and client servicing for PAM are referred to as “PAM Sales and Servicing” in this brochure and is described in detail in this Item 4 below.

TIAA Portfolio Advisor, TIAA Personal Portfolio and PAM are collectively referred to as the “TIAA Managed Accounts” in this brochure.

TC Services is also registered with the SEC and Financial Industry Regulatory Authority (“FINRA”) as a broker-dealer and offers separate broker-dealer services to individuals through its TIAA Brokerage Services division (“TC Services’ brokerage division”), such as execution services and broker-dealer recommendations, and is described in detail in this Item 4 below under “*Separate Broker-Dealer Services.*”

TC Services is a subsidiary of Teachers Insurance and Annuity Association of America (“TIAA”), a life insurance company. TIAA administers one of the world’s largest retirement plan systems and since its founding in 1918 has helped people in the academic, research, medical and cultural fields plan for and live through retirement. Many of our clients have a pre-existing relationship with TIAA, often by participating in a TIAA administered employer sponsored retirement plan. TIAA is also the marketing name under which TIAA and its subsidiaries provide products and services.

## **Scope of Services and Applicable Standards**

This section describes the scope of the registered investment adviser (“RIA”) services provided by TC Services’ advisory division, the separate broker-dealer services provided by TC Services’ brokerage division and the standards of care that apply to each. Under the standards applicable to each, we are required to act in your best interest and not put our interests ahead of yours. There are also important differences in the standards and the way we make money for our services, as described here.

***Registered Investment Advisory Services.*** TC Services and its Advisors have a fiduciary obligation under the Investment Advisers Act of 1940 when providing registered investment advisory services. While both the fiduciary duty standard and the broker-dealer best interest standard described below require us to act in your best interest and not put our interests ahead of yours, the fiduciary duty applicable to investment advisory services provided by RIAs is a broader duty. This broader duty includes, among other things, the duty to provide ongoing advice as defined in our disclosures and/or agreements for the advisory services. However, it is important to note that the scope of our investment advisory services and our fiduciary duty differs depending on the investment advisory service we provide.

The fiduciary duty that extends to our investment advisory services is specific to each service and lasts for the duration of the service. Specifically:

- For the Planning Services, the fiduciary duty extends only to the provision of the financial plan and ends after an Advisor delivers the report generated in connection with the Planning Services.
- For the TIAA Portfolio Advisor and TIAA Personal Portfolio programs, the fiduciary duty extends to our recommendation of the program, the servicing and the portfolio management of your enrolled assets and lasts for as long as you are enrolled in the program.
- For our PAM Sales and Servicing, the fiduciary duty extends to our recommendation of PAM and our servicing of your PAM account for as long as you are enrolled in the account. Note that TIAA Trust (and not TC Services or its Advisors) is responsible for the investment management services provided through PAM. TIAA Trust has a fiduciary duty to clients under federal and state laws that applies to the investment management services it provides for PAM accounts under its trust powers as a bank (and not as a registered investment adviser).

***Broker-Dealer Services.*** TC Services also provides broker-dealer services through its Advisors and other Representatives. Any securities transactions recommended after you receive the Planning Services (except for TIAA Managed Account recommendations) are provided to you by TC Services, through its Advisors or other Representatives acting in their capacity as registered broker-dealer representatives. These broker-dealer recommendations and any subsequent implementation are separate and distinct from our investment advisory services (including the Planning Services, even if they are provided at the same meeting by the same financial professional as the one that delivered the Planning Services). See the chart below for a description of the types of recommendations we make as a broker-dealer.

When acting in a broker-dealer capacity, the recommendations provided are subject to a best interest standard under Regulation Best Interest of the Securities Exchange Act of 1934 (“Reg BI”). Reg BI requires us to act in your best interest at the time we make the recommendations without placing our interests ahead of yours. When acting in a broker-dealer capacity, we must also observe high standards of commercial honor and just and equitable principles of trade under FINRA rules. Under an applicable broker-dealer best interest standard, however, TC Services does not assume or agree to any ongoing duties with respect to these recommendations. We do not charge for the recommendations we provide as a broker-dealer, although you will bear the trading costs and underlying costs of the associated investments if you implement the recommendations.

Our Advisors and other Representatives who recommend insurance products, such as annuities and life insurance, also are licensed insurance agents and subject to standards of care under applicable state insurance laws.

We do not have an investment advisory relationship with you when acting as a broker-dealer or insurance agent. Additionally, we do not have a fiduciary obligation to you when acting as a broker-dealer or insurance agent, with the exception of when we provide certain types of recommendations to you with respect to your retirement plan or IRA at

TIAA (specifically, recommendations to enroll in an IRA, IRA and retirement plan rollover and transfer recommendations and recommendations to annuitize annuity holdings in a retirement plan or IRA at TIAA). We have a fiduciary obligation for these recommendations under other federal laws and our internal policies as set forth in additional disclosures you will receive at the time we provide such recommendations. Separately, a few states impose a fiduciary standard of conduct more broadly on the various types of investment recommendations we make as a broker-dealer to their residents under their respective laws. Additionally, some but not all of our representatives hold the Certified Financial Planner® (“CFP®”) designation and those individuals are bound by the CFP Code of Ethics and Standards of Conduct which requires they meet a fiduciary standard when making investment recommendations.

***Certain Recommendations Involving Retirement Plans and IRAs.*** In addition to the fiduciary standard that applies to our RIA services and the best interest standard that applies when we make recommendations to you as a BD service, there are circumstances under which we are subject to a fiduciary duty under the Internal Revenue Code (“IRC”), the Employee Retirement Securities Act of 1974 (“ERISA”) and our internal policies in connection with the advice we provide. Recommendations that we make involving employer retirement plans subject to ERISA and IRAs subject to the IRC (collectively, “plans”) are subject to a fiduciary duty under ERISA and the IRC, respectively. Covered recommendations include rollover/transfer recommendations, annuitization recommendations and recommendations to enroll in an IRA (“covered investment advice”). When we provide these recommendations to you, the way we make money creates some conflicts with your interests, so we operate under impartial conduct standards and internal policies and procedures that require us to act in your best interest and not put our interests ahead of yours. When we provide investment advice to you regarding your plan(s), we are fiduciaries within the meaning of the IRC and ERISA, as applicable. Certain employer retirement plans (like governmental plans) are not covered by ERISA and its impartial conduct standards. However, our internal policies and procedures require us to adhere to the same fiduciary standard and requirements when we provide you with these types of recommendations.

***Representatives Acting in Different Capacities with the Same Client.*** As an example of how our financial professionals may act in different capacities, during your interaction you may receive:

- A Planning Service in which your Advisor acts as an investment adviser representative;
- A broker-dealer recommendation in which your Advisor or Representative acts as a broker dealer representative (and insurance agent for annuity transactions), such as the recommendations in the Investment Plan (described in detail in this Item 4 below under “*Separate Broker-Dealer Services*”) on how to allocate assets within your employer sponsored retirement plan (for which TIAA serves as record keeper); and/or
- A recommendation to open, contribute to or consolidate assets into a TIAA Managed Account where your Advisor acts as an investment adviser representative.

This chart below summarizes the types of investment advisory and broker-dealer services we provide:

We provide investment advisory services under a fiduciary duty when . . .	We provide recommendations to you as a broker-dealer service under a best interest standard* when . . .
<ul style="list-style-type: none"> <li>• We provide you with the <b><i>Planning Services</i></b> described in this disclosure document.</li> <li>• You enroll in the <b><i>TIAA Portfolio Advisor</i></b> or <b><i>TIAA Personal Portfolio (closed to new investors)</i></b> wrap fee managed account services and we manage your account on an ongoing basis.</li> <li>• We recommend <b><i>that you open, contribute to, or consolidate assets into our TIAA Portfolio Advisor and TIAA Personal Portfolio (closed to new investors) wrap fee programs or TIAA Trust's PAM.</i></b></li> </ul> <p>Note: our affiliated trust bank, TIAA Trust, provides investment management services for PAM as a fiduciary under its trust powers (and not as a registered investment adviser) when you enroll in PAM.</p>	<ul style="list-style-type: none"> <li>• We provide you with an Investment Plan report or otherwise recommend you purchase or sell specific investments within your employer plans record kept by TIAA ("TIAA Plan"), the TIAA IRAs or certain TIAA-CREF Life Insurance Company ("TIAA Life") annuities;</li> <li>• We recommend you open, contribute or enroll in a brokerage account, self-directed IRA or variable annuity, including consolidating assets via an IRA or plan rollover or transfer;</li> <li>• We recommend you create a lifetime income stream by annuitizing affiliated variable annuity holdings at TIAA; or</li> </ul>

\* As described above, our broker -dealer services involving the recommendations described above for your retirement plan and IRA assets at TIAA also are subject to a fiduciary standard of conduct under other federal laws or our internal policies. Separately, a few states impose a fiduciary standard of conduct more broadly on the investment recommendations described above that we make as a broker-dealer to their residents under their respective laws. Additionally, some but not all of our representatives hold the CFP designation and those individuals are bound by the CFP Code of Ethics and Standards of Conduct which requires they meet a fiduciary standard when making investment recommendations.

We also offer broker-dealer educational services through TIAA client facing representatives that do not involve a recommendation and thus are not subject to Reg BI or a separate fiduciary standard, including:

- Information about investing;
- Information about accounts/products available at TIAA;
- Education and enrollment services, including help with contributions, servicing and distribution needs for your TIAA Plans and other TIAA accounts; and
- Various educational online tools and calculators available through TIAA.org.

For more information on these services see our Form CRS and Reg BI disclosures which can be found at <https://www.tiaa.org/public/support/regbi>.

***Compensation Conflicts of Interest.*** The way we are compensated for our services creates some conflicts with your interests. We have an incentive to recommend that clients invest in TIAA Managed Accounts over a self-directed taxable brokerage account



sponsored by TC Services when the client is eligible for both. More revenue is generated for TIAA overall, and for TC Services in particular, when clients accept our recommendation to invest in TIAA Managed Accounts rather than a brokerage account because the asset-based fee you pay on a TIAA Managed Account likely is greater than the total fees, charges and other income that TC Services and other TIAA entities can earn when you invest via a brokerage account. You should understand and ask us about these conflicts as they can affect the investment advice and recommendations we provide to you. This disclosure brochure includes a discussion of conflicts associated with our Planning Services and PAM Sales and Servicing. If you enroll in a TIAA Managed Account, you will receive the separate disclosure document which includes a discussion of the conflicts associated with that program or service. Specifically, for TIAA Portfolio Advisor you will receive the brochure found at [https://www.tiaa.org/public/pdf/portfolio\\_advisor\\_wrap\\_fee\\_program\\_disclosure\\_form\\_adv.pdf](https://www.tiaa.org/public/pdf/portfolio_advisor_wrap_fee_program_disclosure_form_adv.pdf), for TIAA Personal Portfolio you will receive the brochure found at [https://www.tiaa.org/public/pdf/TIAA\\_Personal\\_Portfolio\\_Fee\\_Wrap\\_Program\\_Disclosure\\_Brochure\\_FormADV.pdf](https://www.tiaa.org/public/pdf/TIAA_Personal_Portfolio_Fee_Wrap_Program_Disclosure_Brochure_FormADV.pdf), and for PAM you will receive the disclosure brochure found at <https://www.tiaa.org/public/pdf/PTandPAMDisclosures.pdf>. If you receive broker-dealer recommendations from us, you will receive a separate disclosure document that includes a discussion of the conflicts associated with such recommendation at the time of the recommendation, found at [https://www.tiaa.org/public/pdf/t/TIAA\\_RegBIDisclosure.pdf](https://www.tiaa.org/public/pdf/t/TIAA_RegBIDisclosure.pdf).

## About the Planning Services

The Planning Services include the following discrete services: (1) Life Goals Analysis, (2) Personal Financial Plan, and (3) Investment Review. Each Planning Service is described in detail here under “*Types of Planning Services*.”

As part of the Life Goals Analysis and Personal Financial Plan services engagement, an Advisor will work with you to help identify and prioritize your goals. In the process, the Advisor will gather relevant documents from you such as bank and brokerage statements, retirement plan statements and other documents reflecting your assets and liabilities to help assess your financial situation and formulate the analysis to be provided through the Life Goals Analysis and Personal Financial Plan services. The Advisor may ask you to complete a questionnaire to help you identify a risk tolerance level for your investment assets. This risk tolerance level will inform the asset allocation guidance provided through the Planning Services. The guidance assumes a long-term investment time horizon for such assets, unless we note otherwise. This information will be used to assess your financial situation and formulate the plan to be provided through the Life Goals Analysis and Personal Financial Plan services described below.

The Planning Services are provided to you on a one-time or episodic basis, meaning they are provided to you based on your needs at a particular point in time. As a result, there is no ongoing monitoring of your situation or needs. The Planning Services end after the report generated in connection with the Planning Services has been delivered to you. After delivering this report to you, your Advisor ceases to provide Planning Services on behalf of TC Services’ advisory division. We reserve the right to limit, modify or discontinue offering these Planning Services, with or without notice to you. Any notice delivered to one party when planning jointly will be deemed notice to both parties. We do not provide legal or tax advice. You are under no obligation to purchase or enroll in other products or services as a condition to obtaining the Planning Services.



## Types of Planning Services:

The Planning Services provided to you may include one or more of the following discrete services:

***Life Goals Analysis.*** A Life Goals Analysis assists you in developing a strategy to help achieve your financial goals. Essentially, it is intended to help address critical questions such as: whether you are on track to meet your financial goals; how you should allocate your investment assets; and how you can take action. The analysis, depending on which areas and goals you address, is based primarily on your risk tolerance, net worth, investment holdings, sources of income, goals and objectives. The analysis generally assumes a long-term investment time horizon for investment assets. You cannot impose restrictions on the asset classes that the analysis recommends.

The analysis will include a report with important disclosures that you should carefully review. The content and detail of the report may vary based on your needs and circumstances. You should carefully consider all relevant factors before deciding how or whether to implement strategies provided through the Planning Services, including consulting with a tax advisor on tax matters and an attorney on legal matters. If you elect to deviate from the report's recommendations, then the results and impacts described in the report (such as whether you are on track to meet your financial goals) will change.

We may also agree to discuss additional issues within the Life Goals Analysis, such as the adequacy of any assets you have allocated toward emergency savings or towards savings for the cost of college and the question of whether you have sufficient income, capital and life insurance in order to cover your surviving beneficiaries' cash flow needs. These evaluations are general in nature and are limited to a brief analysis of any funding shortfalls or surpluses you may face.

The Life Goals Analysis may also provide projected rates of returns as a means of comparison. The analysis may rely upon assumptions about future events such as tax status and the rate of inflation. While these projections are based upon accepted principles of portfolio management, these projections are only estimates, and not a guarantee of future results. The projections and other information generated about the likelihood of various investment outcomes are hypothetical and may vary with each analysis over time. Moreover, actual results may vary significantly depending upon any changes in your circumstances and economic trends.

We do not monitor the recommendations provided by a Life Goals Analysis. As a general matter, upon your request and at our discretion, you may participate in a new analysis session on a periodic basis.

***Personal Financial Plan.*** We may provide a Personal Financial Plan to certain clients that have significant assets, complex planning needs, and/or general estate planning considerations. A Personal Financial Plan may be provided in addition to or in lieu of the Life Goals Analysis and is offered on a limited basis at our discretion. If you receive this service, we will help you determine which topics to address in the report. The plan will provide a summary of topics addressed within and identify issues for your further consideration.

The Personal Financial Plan provides plan strategies such as modifying current facts (i.e., income, expenses, distribution order or retirement age), adding new facts (i.e., expenses,

income, or insurance), gifts, wealth transfer planning, and stress testing. This is not a comprehensive list of all plan strategies available within the Personal Financial Plan. Plan Strategies will be applied to your plan according to the information you provide, which includes but is not limited to your net worth, investment holdings, sources of income, goals and objectives. Personal Financial Plan will analyze the impact of selected plan strategies in comparison to your financial plan without those plan strategies applied. This analysis assumes your current investment portfolio, or a potential alternate investment asset allocation strategy, will be rebalanced annually according to the current or applied model allocation. Restrictions cannot be imposed on the asset classes presented. The plan will estimate the likelihood of success and impacts to your net worth, legacy goals, taxes and expenses over the life of the plan.

The Personal Financial Plan may also provide projected rates of returns as a means of comparison if asset allocation strategies are applied. The analysis may rely upon assumptions about future events such as tax status and the rate of inflation. While these projections are based upon accepted principles of portfolio management, the projections are only estimates and not a guarantee of future results. The projections and other information generated about the likelihood of various investment outcomes are hypothetical and may vary with each analysis over time. Moreover, actual results may vary significantly depending upon any changes in your circumstances and economic trends.

The Personal Financial Plan may address legacy life insurance as one option to help fund legacy goals and still have sufficient assets to meet retirement income needs. This analysis is based upon numeric values and premium amounts of a hypothetical life insurance illustration based upon current age and gender. The purpose of this is not to promote life insurance or promote one type of life insurance policy over another.

The Personal Financial Plan may also address general estate planning considerations by illustrating both lifetime and at-death transfers to heirs and charities as of the date of death. This illustration makes certain assumptions, which may or may not be appropriate for your circumstances. The terms of the estate plan and the order of death can impact federal and state inheritance and estate taxes differently and may not be accounted for in the illustration. Consult with your legal or tax advisor on your specific situation before making planning decisions.

For any stock option or deferred compensation issues, the plan discusses the estimated current value of the options or deferred compensation and proposed distribution strategies, based upon your feedback and retirement plan restrictions.

We do not monitor the plan's output, provide any updates, or provide any reports other than the one written report associated with the Personal Financial Plan. As a general matter, upon your request and at our discretion, you may participate in a new analysis session on a periodic basis.

***Investment Review.*** The Investment Review provides a detailed analysis of all or portions of your existing investment portfolio. It is designed to help you assess your current holdings (mutual funds, exchange traded funds, common stock, closed end funds and variable annuities, but not individual bonds, alternative investments or preferred stock) against a customized benchmark. That benchmark is either derived from your responses to a risk tolerance questionnaire or from a prior risk tolerance we have for you on record from a prior planning engagement.

Generally, this review is limited to a review of assets held outside of your employer sponsored retirement plan(s) at TIAA. A report produced from the Investment Review analyzes your holdings by asset class, investment style, sector weighting, regional exposure, performance history, and risk analysis. The Investment Review is an analytical tool and does not provide investment recommendations. The Investment Review may be offered independently, or in connection with a Life Goals Analysis or Personal Financial Plan.

We do not monitor the Investment Review's guidance, provide any updates or provide any additional reports, other than the report associated with the Investment Review. The Investment Review's analysis is developed by and relies upon software developed by Morningstar, which is an independent provider of investment information.

## About PAM Sales and Servicing and Role of WMAs

PAM Sales and Servicing includes recommendations by WMAs to open, contribute to or consolidate assets (through a rollover or transfer) into a TIAA Trust PAM account, as well as enrollment assistance and fulfillment of client administrative service requests for the account. Recommendations to open, contribute to or consolidate assets (through rollover or transfer) into PAM typically occur alongside or after the delivery of the Planning Services and are made for clients with sufficient assets where enrollment in PAM can help meet the client's general investing and financial planning goals and is in the client's best interest.

A WMA will meet with you to assess whether PAM is in your best interest based on your investing needs, objectives and circumstances. See *"Methods of Analysis, Investment and Risk of Loss"* under Item 8 below for more information.

PAM Sales and Servicing is provided based on your expressed investing needs and financial planning goals and occurs upon the initial recommendation and enrollment into PAM or at a point in the future when you check-in with your WMA regarding your PAM account. At least annually, we will attempt to contact you to review whether there have been any changes in your financial situation or investment objectives. See Item 14 *"Review of Accounts"* below for more information.

WMAs are providing this service on behalf of TC Services as a registered investment adviser. While they are able to assess your goals and make a recommendation for PAM, as well as assist you with enrollment and servicing, WMAs do not provide advice on how to invest assets within PAM nor manage the assets enrolled in PAM. PAM investment professionals are the only personnel who provide investment management and related services for PAM managed account clients. Clients with a PAM account are assigned a Portfolio Manager, who are personnel of TIAA Trust, to manage the investment of their PAM portfolio pursuant to an agreed upon investing plan as set forth in the client's Investment Policy Statement. Clients with a PAM account are also assigned a Trust Administrator, who are personnel of TIAA Trust, who will provide administrative services for the account.

PAM Sales and Servicing also includes general support services such as transmitting documents including account opening, closing and disclosure documents, obtaining customer signatures, assisting with scheduling and arranging calls with you and TIAA

Trust personnel (such as Portfolio Managers and Trust Administrators) and other administrative and support services.

TC Services has a conflict of interest when providing PAM Sales and Servicing because: (i) the greater the market value of assets in your PAM account, the more its affiliate, TIAA Trust, will receive in fees; (ii) TC Services is compensated by TIAA Trust for providing the PAM Sales and Servicing to clients and is paid for each account opened and maintained based on the market value of the asset invested as described in detail in Item 5 below under *“How TC Services is Compensated for the Registered Investment Adviser Services.”* WMAs have a conflict of interest in providing the PAM Sales and Servicing because they have an incentive to encourage you to open and increase assets in PAM, as described in detail in Item 5 below under *“Compensation of TC Services Financial Professionals.”* These conflicts of interest create an incentive for TC Services and WMAs to recommend that you open, contribute to, or consolidate assets into PAM. We mitigate these conflicts by disclosing them to you and by requiring that all recommendations to open, contribute or consolidate assets into a PAM account are reviewed in accordance with applicable regulatory standards, to determine whether they are appropriate for client’s financial needs.

***Special Considerations regarding Individual Retirement Accounts.*** The recommendation by the TC Services’ WMAs also can include recommendations on how to fund the account – for example, through an asset transfer or rollover from another account into an IRA managed by PAM. Prior to rolling over or transferring assets into an IRA, you should consider the features, costs and surrender charges associated with consolidating the assets in one place. For instance, IRA rollovers and transfers may be subject to differences in features, costs and surrender charges. You should consider all the options prior to rolling over assets into an IRA. A detailed description of these considerations may be found at [https://www.tiaa.org/public/pdf/Know\\_Your\\_Options\\_from\\_TIAA.pdf](https://www.tiaa.org/public/pdf/Know_Your_Options_from_TIAA.pdf).

You may be able to leave assets in your current plans, withdraw cash subject to potential penalties or rollover the assets into a new employer’s plan if one is available and rollovers are permitted. You should review your options and consult with an Advisor for more information. However, please note that neither TC Services, nor its Advisors provide tax advice. TIAA Trust benefits when you move funds from your employer sponsored retirement plan to a PAM account because of the fee charged by the account, which would not be charged if your assets remained in an employer sponsored retirement plan. This creates a conflict of interest. TC Services seeks to mitigate this conflict by disclosing it to you and by requiring its financial professionals to discuss your options when making a rollover recommendation. We also require that rollover transactions recommended by Advisors be reviewed as required by applicable regulatory standards to determine whether they are appropriate to meet client’s financial needs.

***The Role of Advisors for PAM.*** Once you have decided to enroll in PAM, the role of the Advisor is to help facilitate enrollment by: (i) introducing you to TIAA Trust personnel, *i.e.*, the Portfolio Manager that will be managing your assets and the Trust Administrator that will be providing administrative services for the account; (ii) assist with collecting pertinent information from you, including assisting you with completing risk tolerance questionnaires and other account opening documentation, such as the account application and agreement for the service; (iii) discussing the needs and objectives identified by you with your Portfolio Manager; and (iv) attending the introductory call between you, the

Portfolio Manager and Trust Administrator, whereby the Portfolio Manager discusses the relevant information learned to date in order to manage your portfolio in alignment with your goals and investment objectives and where you and the Portfolio Manager agree on a proposed plan to establish your Investment Policy Statement.

Advisors will also attempt to contact you at least annually to meet and inquire as to whether your investment objectives, risk tolerance and needs have changed relative to your overall financial needs identified through the Planning Services and, if they have, will meet with you and the Portfolio Manager to discuss such changes so that the Portfolio Manager can work with you to amend the Investment Policy Statement for your account, as needed, or, where appropriate, terminate your enrollment in the service. Advisors may also attend periodic meetings with you and the Portfolio Manager regarding your investment objectives, risk tolerance and needs relative to your overall financial needs identified through the Planning Services.

***PAM by TIAA Trust.*** While PAM is recommended by TC Services' Advisors, it is operated by TIAA Trust, a federal trust bank. Advisors are employed by TIAA and are registered with and supervised by TC Services, not by TIAA Trust.

TIAA Trust provides the following services and options to its clients:

- PAM, a discretionary investment management account, subject to a fee based on the market value of the assets in the account plus transaction charges for each applicable transaction;
- A non-discretionary account that the client manages, which is optional for clients with a PAM account, subject to a separate fee schedule provided upon enrollment in this service (Note: Advisors can refer clients to TIAA Trust regarding these accounts, but do not recommend them); and
- Fiduciary services whereby TIAA Trust can act as the trustee or executor for the account, subject to a separate fee schedule provided upon enrollment in this service.

***Discretionary investment management.*** PAM accounts are typically appropriate for clients with at least \$1,000,000 in investable assets. These assets can be invested in mutual funds, exchange traded funds ("ETFs"), separately managed accounts, stocks and/or bonds by a dedicated Portfolio Manager pursuant to an agreed upon investing plan as set forth in the client's Investment Policy Statement. Portfolio Managers are personnel of TIAA Trust. The PAM account is also supported by a Trust Administrator, also personnel of TIAA Trust, who assists with administrative services for the account.

PAM is described in further detail in the PAM disclosure brochure, which is delivered to you upon enrollment or which you can request for review or find at <https://www.tiaa.org/public/pdf/PTandPAMDisclosures.pdf>.

TC Services' advisory division periodically evaluates the quality of investment management services that TIAA Trust provides for PAM and the investment performance of PAM. However, TC Services and WMAs do not monitor your individual account performance as part of the PAM Sales and Servicing. Clients should review the investments in their account and associated performance with the TIAA Trust Portfolio Manager assigned to their account.

TC Services' advisory division has a conflict of interest performing this oversight function because: (i) the greater the market value of assets in a client's PAM account, the more its affiliate, TIAA Trust will receive in fees, (ii) TC Services is compensated by TIAA Trust for providing the PAM Sales and Servicing to clients and is paid for each account opened and maintained based on the market value of the asset invested as described in detail in Item 5 below under "*Compensation of TC Services Financial Professionals.*" These conflicts of interest create an incentive for TC Services' advisory division to continue offering PAM accounts. We mitigate this conflict by disclosing it to you and by requiring that PAM recommendations are reviewed as required by applicable regulatory standards to determine whether they are appropriate to meet clients' financial needs.

## Key Differences in TIAA Managed Account Programs and Services

We refer to all the managed account programs and services offered by TC Services and TIAA Trust described above (TIAA Portfolio Advisor, TIAA Personal Portfolio and PAM) collectively as the "TIAA Managed Accounts" in this brochure. An important distinction between wrap fee programs such as TIAA Portfolio Advisor and TIAA Personal Portfolio versus PAM is that the fees for the wrap fee programs are inclusive of most transaction costs and are generally lower than the fees for PAM. TIAA Portfolio Advisor and TIAA Personal Portfolio also use model portfolios that are constructed based on the client's expressed risk tolerance, time horizon and investment preferences, whereas PAM's discretionary account provides a customized portfolio based on the client's investment plan set forth in the client's Investment Policy Statement for the account and the investments are managed by a dedicated Portfolio Manager and administered by a Trust Administrator. WMAs will recommend the account that is in the client's best interest.

Some key differences between the TIAA Managed Accounts are highlighted in this chart and are as of the date of this brochure (and are subject to change):

Account	<b><u>TIAA Personal Portfolio (closed to new accounts)</u></b>	<b><u>TIAA Portfolio Advisor</u></b>	<b><u>Private Asset Management discretionary investment management accounts</u></b>
Operated by	TC Services, a registered investment adviser	TC Services, a registered investment adviser	TIAA Trust
Serviced by	Self-service online	WMAs and Advisory Consultants (collectively, "Advisors")	WMAs and TIAA Trust Investment Professionals, Portfolio Managers and Trust Administrators
Discretion	Discretionary management only	Discretionary management only	Discretionary management only
Investment types	Mutual funds and ETFs	Mutual funds and ETFs	Mutual funds, ETFs, separately managed

			accounts, stocks and bonds
Investments available	Investments available at Pershing, LLC (“Pershing”) that do not include a surcharge on purchases and sales and that meet TIAA Trust’s (as sub-advisor) criteria for purchase and retention in discretionary client accounts	Investments available at Pershing that do not include a surcharge on purchases and sales and that meet TIAA Trust’s (as sub-advisor) criteria for purchase and retention in discretionary client accounts	Investments available at SEI Private Trust Company that meet TIAA Trust’s criteria for purchase and retention in discretionary client accounts
Portfolio Construction	Model portfolio based on risk, time and one client preference	Customized model portfolio based on risk, time and seven client preferences	Customized portfolio with dedicated Portfolio Manager, managed based on client-approved Investment Policy Statement tailored to client’s individual goals and objectives
Minimum Recommended	\$5,000	\$50,000 (or \$25,000 for TIAA employees)	\$1,000,000 of investable assets in all accounts in the client’s relationship or “household” with the fiduciary division of TIAA Trust
Fee Type	“wrap fee” of 30 basis points annually based on assets managed	“wrap fee” based on the market value of assets in the account pursuant to a blended fee schedule with brackets that range from 1.15% to 0.40% annually	Asset-based fee calculated on the market value of assets in the account pursuant to a fee schedule with brackets that range from 0.50% to 0.15% annually for a fixed income portfolio plus transaction costs for each applicable transaction; and from 0.90% to 0.40% for a blended portfolio of investable assets, plus transaction costs for each applicable transaction



Fees TC Services Earns	Asset-based advisory fees (which is a portion of the wrap fee less costs incurred, such as custody charges, trading costs and fees paid to sub-advisors)	Asset-based advisory fees (which is a portion of the wrap fee less costs incurred, such as custody charges, trading costs and fees paid to sub-advisors)	Portion of the asset-based fee that you pay to TIAA Trust on assets invested in PAM
Cash	Target of 1% invested in cash at no charge	Target of 1% invested in cash at no charge	Level of investment in cash is discretionary with parameters based on asset allocation applicable to client's approved investment objective for client's account; cash is charged an asset-based fee in accordance with the applicable PAM fee schedule
Sweep Options	TIAA Sweep Product with overflow to Liquid Insured Deposits ("LIDs")	TIAA Sweep Product with overflow to Liquid Insured Deposits ("LIDs")	Default option of the Cash Deposit Account. Overflow from main account and all cash held in separately managed accounts to third-party sweep; third-party money market mutual fund may be selected at TIAA Trust's discretion
Treatment of securities transferred into the account	Can be sold at any time at TC Services' discretion	Can be sold at any time at TC Services' discretion	Can be sold at any time at TIAA Trust's discretion, while seeking to minimize tax impacts

## Separate Broker-Dealer Services

As a separate broker-dealer service, our financial professionals may educate you regarding certain financial considerations or recommend or refer you to other products and services available through TIAA. These education, recommendation and referral services are provided in TC Services' capacity as a broker-dealer and the financial professional's capacity as a broker-dealer representative. Recommendations made are subject to the standards of conduct depending on the type of recommendation, and these standards of conduct are described in detail in this Item 4 above under *"Scope of Services and Applicable Standards."* These services are not intended to, and should not, serve as

the sole or primary basis for your investment decisions. Our education, recommendation and referral services include the following:

***Rollover Recommendations.*** Our financial professionals may recommend you roll over assets into TIAA accounts (other than TIAA Managed Accounts). Prior to rolling over retirement plan assets into an IRA, you should consider all your options. You may be able to leave assets in your current employer plan, withdraw cash or roll over the assets into a new employer's plan if one is available and rollovers are permitted. You should compare the differences in investment options, services, fees and expenses, withdrawal options, required minimum distributions, other plan features and tax treatment. A detailed description of these considerations may be found at [http://www.tiaa.org/public/pdf/Know\\_Your\\_Options\\_from\\_TIAA.pdf](http://www.tiaa.org/public/pdf/Know_Your_Options_from_TIAA.pdf). You should speak with a financial professional for additional information. You should also consider consulting with your tax advisor regarding your situation. As described in detail in this Item 4 above under “*Scope of Services and Applicable Standards*,” we are acting as a fiduciary when we recommend you rollover retirement plan assets into a TIAA account.

***Investment Plan Recommendations.*** You may receive a separate “Investment Plan” along with the Planning Services setting forth fund and annuity specific recommendations on the menu of investment options available in your employer sponsored retirement plan(s) at TIAA if the sponsor of your plan has authorized us to provide it. Additionally, if you have an Investment Solutions IRA (“IS IRA”) or a TIAA IRA (or have indicated a desire to open a TIAA IRA), the Investment Plan may also include recommendations on the core investment options under the IRA. The recommendations are limited to TIAA annuities and mutual funds and are made by Morningstar, an independent third party. The plan sponsor, and not TC Services, is responsible for selecting the investments available within your plan, including associated share classes of mutual funds available through your plan. The Investment Plan does not include recommendations on investment options available in an optional self-directed brokerage window to an employer sponsored retirement plan or an IRA, nor does it provide recommendations on other account types at TIAA (e.g., an IRA enrolled in a managed account program) or your external assets. Multiple share classes, including lower-cost share classes of the Affiliated Funds, are available in the self-directed brokerage window available to employer sponsored retirement plans, but Affiliated Funds are not offered through the self-directed brokerage window to the TIAA IRA or IS IRA. Lower-cost share classes also may be available in other accounts such as your plan account(s), our managed accounts and accounts outside of TIAA. The IS IRA is closed to new investors. You may accept, reject or deviate from the recommendations. In each case, you are solely responsible for implementing any advice provided. Although TC Services’ advisory division acts as a fiduciary when initially selecting Morningstar to formulate the recommendations in the Investment Plan, neither TC Services nor its financial professionals act as fiduciaries with respect to those recommendations or their implementation. We do not exercise discretionary authority or responsibility with respect to the investments. The recommendations are provided based on your needs at the time of the recommendation. Neither TC Services nor its financial professionals review, assess, monitor or implement the recommendations in your Investment Plan. We do not provide any associated ongoing monitoring or rebalancing services in connection with the Investment Plan. You are responsible for periodically reviewing and rebalancing your holdings.

You can also receive these types of recommendations online through TC Services’ Retirement Advisor tool. In some cases, the plan sponsor of your employer sponsored

retirement plans at TIAA (if you have one) may authorize the provision of the Retirement Plan Portfolio Manager Service, which is a separate fee-based rebalancing service for plan participants. This service, where available and elected by you, is provided by TIAA Trust (and not TC Services). Refer to the separate disclosure document for this service where available.

**Education.** Our financial professionals may provide you with education on various investing and retirement topics not covered by the registered investment adviser services or as a supplement to these services, such as retirement income illustrations and information about various retirement income options. In some cases, a Retirement Income Review report or Retirement Income Evaluator may be provided to educate you about potential retirement income strategies, including annuitization. Education services may also include providing information about various TC Services and TIAA account types and investment products such as brokerage accounts and IRAs, mutual funds, annuities and life insurance products and other investment options, including investment options in employer sponsored plans administered by TIAA.

## Assets Under Management

As of December 31, 2022, TC Services' advisory division managed \$30,906,830,115 on a discretionary basis, and \$0 on a non-discretionary basis.

## Item 5 – Fees and Compensation

### How TC Services is Compensated for Registered Investment Adviser Services

**Planning Services.** We do not charge you a separate fee for the Planning Services, but reserve the right to do so in the future. However, TC Services, its financial professionals and TIAA affiliates receive compensation if you choose an account, product or buy or sell securities we recommend after receiving the Planning Services. You will pay the fees and costs associated with the account, product, purchase or sale.

If you choose a broker-dealer account or product you can find more information about their fees and how TC Services, its financial professionals and affiliates are compensated and the associated conflicts of interest in our Regulation Best Interest disclosure brochure available at [https://www.tiaa.org/public/pdf/t/TIAA\\_RegBIDDisclosure.pdf](https://www.tiaa.org/public/pdf/t/TIAA_RegBIDDisclosure.pdf). TC Services and its affiliates provide distribution and administrative services to the mutual funds and variable annuities available through employer sponsored retirement plans at TIAA, the TIAA IRA and the IS IRA and receives shareholder servicing and other administrative fees in connection with these services.

If you choose a registered investment adviser account or product, you can find a summary about their fees and how TC Services, its financial professionals and affiliates are compensated as described in detail in this Item 5 below under “*Compensation of TC Services Financial Professionals*” and more information in the applicable disclosure brochure available at [www.tiaa.org/regbi](http://www.tiaa.org/regbi).

**PAM Sales and Servicing.** We do not charge you a separate fee for the PAM Sales and Servicing. However, you will pay all fees and costs associated with the PAM account as

summarized below and described in detail in the PAM disclosure brochure available at <https://www.tiaa.org/public/pdf/PTandPAMDisclosures.pdf>.

TC Services is compensated by TIAA Trust for PAM Sales and Servicing. For discretionary PAM accounts, TIAA Trust, pays TC Services 27.5% of the asset-based fee TIAA Trust receives for the account for the duration of your investment in PAM. For PAM accounts for which TIAA Trust acts as trustee or executor, TIAA Trust pays TC Services an additional fee: TC Services receives 100% of the first-year trustee's fees, but not any subsequent years' trustee's fees. All payments to TC Services take into account any fee discounts, fee reversals, fee rebates or similar accommodations made with respect to the account. These fees create a conflict of interest for TC Services to provide PAM Sales and Servicing, and specifically incentivizes TC Services and its WMAs to recommend that you open, contribute to or consolidate your assets into PAM. We mitigate this conflict by disclosing it to you and by requiring that all recommendations to open, contribute or consolidate assets into a PAM account are reviewed in accordance with applicable regulatory standards, to determine whether they are appropriate for a client's financial needs.

## **Fees and Costs Considerations for Managed Accounts**

TIAA Managed Accounts charge advisory fees and have additional costs associated with them. Below is a general description of the material differences in fees and costs you pay and the associated conflicts of interest that you should consider. For a detailed description of the fees, costs and associated conflicts of interest for the TIAA Managed Accounts, you can request for review a copy of their respective disclosure brochures or find them at [www.tiaa.org/regbi](http://www.tiaa.org/regbi).

***Management Fees and Frequency.*** Each TIAA Managed Account charges an advisory management fee. For TIAA Portfolio Advisor and TIAA Personal Portfolio, this fee is a "wrap fee" charged quarterly based on the market value of the assets in the account inclusive of transaction costs for each trade made for the account through TC Services' brokerage division and are non-negotiable. For PAM, this fee is charged monthly based on the market value of assets in the account plus transaction costs for each applicable trade made for the account through unaffiliated broker-dealers selected at TIAA Trust's discretion. TIAA Trust may negotiate fee arrangements, at its discretion, based on account type, client relationship, complexity and extent of services provided, number of different accounts and total assets under management or custody, or other factors. For PAM, the more trades that occur, the more you pay. Specific transaction costs for PAM are disclosed to you at or before enrollment in the service, but are typically (a) \$0.004 per share for all domestic equity and ETF transactions, which may vary based on broker selection and trading practices (as described in detail in Item 12 below under "*Brokerage Practices*"); (b) a basis point fee that varies depending on the local market for each transaction in foreign ordinaries; and/or (c) \$13.00 for each sell transaction per million dollar of assets.

TIAA Personal Portfolio charges 30 basis points annually for the assets in the account. Both Portfolio Advisor and PAM use fee schedules to calculate the advisory management fee. The fee schedules for the discretionary accounts have been provided below for comparative purposes and are current as of the date of this brochure. They are subject to change with notice only to materially impacted clients enrolled in either Portfolio Advisor

or PAM. Both Portfolio Advisor and PAM provide the benefit of householding accounts in each service for fee reduction purposes.

Portfolio Advisor Blended Fee Schedule	
Value Bracket	Annual Fee as %
First \$150,000	1.15%
Next \$150,001 - \$300,000	1.00%
Next \$300,001 - \$750,000	0.85%
Next \$750,001 - \$1,000,000	0.75%
Next \$1,000,001 - \$1,500,000	0.70%
Next \$1,500,001 - \$3,000,000	0.65%
Next \$3,000,001 - \$4,000,000	0.60%
Next \$4,000,001 - \$5,000,000	0.50%
Over \$5,000,000	0.40%

PAM Exclusively Fixed Income Fee Schedule		PAM Blended Fee Schedule	
Value Bracket	Annual Fee as %	Value Bracket	Annual Fee as %
First \$1,000,000 of market value	0.50%	First \$1,000,000 of market value	0.90%
Next \$2,000,000	0.35%	Next \$2,000,000	0.70%
Next \$2,000,000	0.25%	Next \$2,000,000	0.50%
Next \$5,000,000	0.20%	Over \$5,000,000	0.40%
Over \$10,000,000	0.15%		

Based on a comparison of advisory management fees and without regard to the cost of the additional services provided in the PAM program, including a dedicated Portfolio Manager, TIAA typically has an incentive for TC Services to recommend a PAM account over a Portfolio Advisor account when the client is eligible for both. This is because the blended fee rate that you pay on a PAM account can be greater than the rate you would pay on a Portfolio Advisor account (depending on account size and mix of asset classes). PAM also offers trust services and a supplemental non-discretionary account for an additional fee. TIAA Personal Portfolio and TIAA Portfolio Advisor do not offer trust services or non-discretionary accounts.

**Other Fees.** In addition to the advisory management fees and any transaction costs associated with PAM, clients pay additional fees that are largely similar among the TIAA Managed Accounts. These fees include: (i) investment expenses associated with the mutual funds and ETFs held in the account and are disclosed in each fund's prospectus, and (ii) contingent deferred sales charges or other charges that may be incurred upon the sale of a security transferred into an account at the client's request. TIAA Portfolio Advisor and TIAA Personal Portfolio could also charge account fees that can include various account maintenance fees, transfer fees, a termination fee, distribution, shareholder servicing fees, and/or redemption fees.

The TIAA Managed Accounts have processes intended to select funds that do not charge distribution, administrative, sub-transfer agency, or shareholder services (such as 12b-1 fees). If funds with these fees are selected within TIAA Portfolio Advisor and TIAA Personal Portfolio they will be rebated to clients. If funds with these fees are selected within PAM they will be paid to SEI Private Trust Company.

For more information on these other fees and rebate practices, see each TIAA Managed Account's disclosure brochure, which you can request from our financial professionals or find at [www.tiaa.org/regbi](http://www.tiaa.org/regbi).

**Affiliated Funds.** TIAA Managed Accounts can invest in funds that are sponsored, managed, advised or manufactured by TIAA affiliates, such as the TIAA family of mutual funds and the various registered funds of Nuveen Investments, Inc. ("Affiliated Funds"). The amount of Affiliated Funds included in your account will vary among accounts.

TIAA and its affiliates have a conflict of interest in selecting Affiliated Funds for TIAA Managed Accounts because TIAA affiliates earn compensation for advisory, distribution and administrative services provided to the Affiliated Funds. This compensation is in addition to the fee associated with the TIAA Managed Account, resulting in the receipt of two levels of fees. We seek to address the conflict associated with investing TIAA Managed Accounts in Affiliated Funds in multiple ways, including disclosing them to clients and providing clients with detailed information about their account's allocation to individual positions. We also seek to mitigate this conflict for IRAs by providing certain fee credits for Affiliated Funds invested within the TIAA Managed Accounts. These additional fees may be significant, both in absolute dollar amounts and relative to TIAA's net income. The receipt and retention by TIAA and its affiliates of these fees create an incentive for TIAA to cause the TIAA Managed Accounts to select and continue to retain Affiliated Funds over unaffiliated Funds. A more detailed discussion of the additional fees that TIAA and its affiliates receive from the use of Affiliated Funds and the ways we address the associated conflicts of interest appear in each TIAA Managed Accounts' disclosure brochure, which you can request or find at [www.tiaa.org/regbi](http://www.tiaa.org/regbi). You should consider this additional fund related compensation when evaluating the amount and appropriateness of the fees we earn in connection with the TIAA Managed Accounts.

**Cash Allocations.** There are material differences among how cash balances are treated in the TIAA Managed Accounts. Below is a general description of these material differences and the associated conflicts of interest that you should consider. For a detailed description of the cash in these accounts, you can request for review a copy of their applicable disclosure brochures or find them at [www.tiaa.org/regbi](http://www.tiaa.org/regbi).

TIAA Portfolio Advisor and TIAA Personal Portfolio programs do not charge on cash balances in the account and target cash allocations in the accounts at 1%, which will only

shift based on clients' direction to deposit or withdraw cash or due to market fluctuations. PAM charges on cash balances and has limitations on the cash allocations in the account, which are pursuant to the client's Investment Policy Statement.

The Disclosure Brochure was updated to reflect that TIAA sold its wholly owned bank subsidiary, TIAA, FSB, to investors who will each own non-controlling interests in the bank (the "**Transaction**"). TIAA will retain less than 10% voting ownership interest in the bank. Pursuant to the Transaction, nearly all the bank's current assets and business lines will be acquired by the new ownership, with the exception of the bank's trust business, which will be retained by TIAA. The bank under new ownership will change its name to EverBank, N.A. and be rebranded as EverBank ("EverBank"). The trust business retained by TIAA will maintain a separate national trust bank charter under the name TIAA Trust, N.A. and will remain closely aligned with TIAA's wealth business as a wholly owned subsidiary of TIAA. As part of the Transaction, TC Services will continue to use the TIAA Sweep Product provided by EverBank and will be paid to refer clients to EverBank for deposit products.

Additionally, the TIAA Managed Accounts have different sweep options for cash in the account. TIAA Portfolio Advisor and TIAA Personal Portfolio allow for all cash balances, up to a maximum deposit amount (currently \$248,500), to be swept into an omnibus deposit account at EverBank. EverBank is a national bank. See the TIAA Sweep Product terms and conditions found at [https://www.tiaa.org/public/pdf/Bank\\_Sweep\\_TC.pdf](https://www.tiaa.org/public/pdf/Bank_Sweep_TC.pdf) for more information. Cash balances in excess of the maximum deposit amount are deposited into a separate overflow bank sweep product sponsored by Pershing and Reich & Tang Deposit Solutions, LLC – the Liquid Insured Deposits product ("LIDs"). Through LIDs, a variety of participating banks unaffiliated with TIAA may receive deposits. See the LIDs terms and conditions found at [https://www.tiaa.org/public/pdf/m/managedaccounts\\_lids\\_termsconditions.pdf](https://www.tiaa.org/public/pdf/m/managedaccounts_lids_termsconditions.pdf) for more information. PAM sweeps your cash balances into a Cash Deposit Account at EverBank. See the TIAA Cash Deposit Account deposit program terms and conditions found at <https://www.tiaa.org/public/pdf/PTandPAMDisclosures.pdf>. Rates among sweep vehicles differ, but rates for the Cash Deposit Account used for PAM accounts have historically been higher than rates for the TIAA Sweep Product used in TIAA Portfolio Advisor and TIAA Personal Portfolio.

EverBank as well as other banks that may receive deposits through bank sweep vehicles and cash deposit accounts, earn net income from the difference between the amount that the bank pays to clients and the income the bank earns on loans, investments and other assets.

EverBank sets the interest rates for deposits through the TIAA Cash Deposit Account and the TIAA Sweep Product and earns more when there are higher deposit amounts and lower interest rates paid. As a result, EverBank benefits when your cash is swept into either the TIAA Cash Deposit Account or the TIAA Sweep Product with LIDs overflow. Use of the TIAA Sweep Product for TIAA Portfolio Advisor and TIAA Personal Portfolio also presents a conflict of interest for TC Services because: (1) TC Services earns compensation (an asset based fee) based on the amount of assets in the TIAA Sweep Product from non-managed brokerage accounts (TC Services does not earn any fees for TIAA Portfolio Advisor and TIAA Personal Portfolio assets placed in the TIAA Sweep Product); (2) TIAA owns a minority interest in EverBank and EverBank earns



compensation on deposits it accepts through the TIAA Sweep Product; and, (3) TIAA benefited in the Transaction by agreeing to use the TIAA Sweep Product for a pre-determined amount of time even when other options could generate a higher yield for you. Note however that as part of the Transaction, EverBank must maintain the TIAA Sweep Product rates at a rate that is no less than the rates offered by LIDs. Should the TIAA Sweep Product rates not meet the minimum requisite rate, TC Services may replace the TIAA Sweep Product with a more advantageous cash option.

In addition to the TIAA Cash Deposit Account program described above, PAM also offers money market mutual fund sweep options. PAM only allows a money market mutual fund sweep option in limited circumstances at its discretion. When money market mutual funds are selected, the money market mutual fund typically deducts an advisory fee, which is part of the money market mutual fund's expense ratio that clients bear indirectly as shareholders of the money market mutual fund. TIAA and its affiliates earn more where the TIAA Cash Deposit Account or the TIAA Sweep Product are the sweep vehicle than it does where a money market mutual fund is the sweep vehicle. TC Services seeks to address these conflicts of interest by disclosing them to you. For more information, see the disclosure brochures for each of the TIAA Managed Accounts at [www.tiaa.org/public/support/regbi](http://www.tiaa.org/public/support/regbi). Current rates for the TIAA Sweep Product option offered for TIAA Portfolio Advisor and TIAA Personal Portfolio can be accessed at [www.tiaa.org/BrokerageForms](http://www.tiaa.org/BrokerageForms) or by calling (800) 927-3059. Current rates for the TIAA Cash Deposit Account and the money market mutual fund sweep options can be accessed by calling an Advisor, or the Portfolio Manager or Trust Administrator assigned to your PAM account.

## Compensation of TC Services Financial Professionals

WMAs, Advisory Consultants and other TIAA representatives (collectively as “**Financial Professionals**”) will receive compensation as a result of assisting you. Their compensation is comprised of a salary and variable bonus (collectively, “**Compensation**”). The size of the bonus compensation is based on a number of factors, including the performance of TIAA and its affiliates, including TC Services, and the individual performance of the Financial Professional (and in some cases on team performance). Individual performance of the Financial Professional varies by role. As described below, financial consultants are compensated for, among others, sales of TIAA products and services, customer satisfaction surveys and plan enrollments. WMAs and Advisory Consultants are compensated according to sales of TIAA products and services, the amount of assets they keep at TIAA, surveys and other behavior-based measures. For WMAs and Advisory Consultants, part of their bonus compensation is based on the product or service recommended for clients. All products and services recommended receive equal credit with the exception of WMAs receiving less for self-directed taxable brokerage accounts. This presents a material conflict of interest because Financial Professionals (including WMAs) have an incentive to recommend products or services available through TIAA that increase their compensation and the compensation to TIAA and its affiliates, including TC Services. We address this and other compensation related conflicts in two ways. First, we disclose the conflict of interest to you. Second, we review all recommendations of TIAA products, services and accounts, in accordance with the applicable regulatory standard, to determine whether they are appropriate for clients' financial needs.

**Compensation of WMAs.** TIAA's compensation philosophy aims to reward WMAs with appropriate bonus compensation for sales of products and services available through

TIAA, the maintenance of client relationships and the associated retention of assets in products and services at TIAA. WMAs are eligible for a variable compensation bonus. TIAA pays WMAs the same bonus compensation for gathering and retaining assets in retirement products and services available through TIAA (specifically, TIAA Plans and the TIAA IRA and IS IRA) as for gathering and retaining assets in TIAA Managed Accounts. Within TIAA Plans, TIAA pays WMAs the same bonus compensation for providing asset allocation advice for plans and IRAs as it does for clients who have enrolled in asset rebalancing services in Plans such as Retirement Plan Portfolio Manager (“**RPPM**”). Bonus compensation differs for self-directed taxable brokerage accounts and referrals.

The way bonus compensation is calculated and the differences in bonus compensation among products and services are described below. The variable bonus for WMAs is determined based on: the assets attributable to the WMA’s book of business (“**Book Award**”); new dollars into TIAA products and services from outside TIAA (“**Inflows**”); and behavior-based measures. On average, the Book Award accounts for approximately 70% of a WMA’s bonus compensation; Inflows account for approximately 15% and approximately 15% is based on behavior-based measures.

All of the awards to WMAs may be reduced if a WMA fails to meet minimum performance standards for among others, Book Award, Inflows, or behavioral measures. TIAA in its discretion can reduce the final determination of award amounts for other reasons, such as failure to comply with company policies.

**Book Award:** WMAs receive bonus compensation for assets held in the following types of client accounts:

- employer-sponsored retirement plans (“**Plans**”) (including deferred or immediate annuities),
- discretionary managed accounts,
- individual retirement accounts administered by TIAA (including brokerage window accounts),
- funds that have been annuitized in exchange for a life-time income stream, and
- after tax annuities.

Assets associated with direct held mutual funds, banking, taxable self-directed brokerage, life insurance, long-term care insurance, or 529 products are not included in the Book Award.

WMAs will only receive Book Awards in the following “activation” circumstances: i) Clients transferring at least \$1,000 of new assets to TIAA based on a recommendation or referral from a TIAA Advisor (the transfer can be to a Plan or a non-Plan product or service and includes new assets resulting from referrals to TIAA Trust and tuition financing); ii) Clients fully implementing investment advice provided by TC Services within the last twenty-four months; iii) Clients enrolling in RPPM or holding assets in TIAA RetirePlus; or iv) Clients owning a managed account. These activation triggers create conflicts because WMAs and TC Services have an incentive for you to enroll in managed accounts, RPPM and RetirePlus, to fully implement investment advice and to transfer new assets to TIAA. WMAs and TC Services are equally incented, through the activation triggers, to implement in-plan investment allocation advice as they are for a client’s adoption of advisory services in Plan such as RPPM and RetirePlus. TIAA receives ongoing differential compensation for a client’s participation in RPPM and

RetirePlus. WMAs generally receive the greatest percentage of their bonus compensation for the Book Award.

***Inflows into Client Accounts:*** TIAA also bases bonus compensation on the volume of advisor assisted external sales into TIAA. Advisors are only compensated when the source of the funds is external to TIAA. All WMAs are paid the same for Inflows into Plan and non-Plan products and services. The WMA's compensation does not vary based on the account type or product. Inflows associated with banking, annuitization/life-time income, self-directed taxable brokerage assets and 529 products are not included in this computation with one exception. New funds deposited into a self-directed brokerage account, which are moved into a managed account within 60 days, will receive inflow credit.

The Book Award and Inflow metrics create conflicts of interest because they give WMAs an incentive to recommend that clients transfer external assets into products, services and accounts at TIAA and an incentive to recommend that clients retain assets at TIAA. WMAs also have an incentive to recommend that clients transfer in and maintain assets in taxable managed accounts over self-directed taxable brokerage accounts.

***Behavior-Based Measures:*** Behavior-based measures account for approximately 15% of bonus compensation. Fifty percent (50%) of behavior-based measures consist of subjective assessments that consider customer satisfaction based on client survey results and adherence with TIAA values. The remaining 50% is based on key activities: the delivery of financial planning reports (35%) and referrals (15%).

***Key Activities:*** TIAA assesses the number of times the WMA provides to a client: (1) a financial planning report, such as a Life Goals Analysis; (2) allocation recommendations made in retirement advice sessions for Plans or TIAA/IS IRA through a third party service provided to the client at no additional charge; and (3) reports analyzing how to generate sufficient income in retirement through Social Security, annuitization of holdings within a Plan or a TIAA/IS IRA and systematic withdrawals ("retirement income reports"). It also assesses the number of times the WMA conducts a check in with a managed account client. TIAA awards more credit for financial planning reports and most reports analyzing how to generate sufficient income in retirement than it does for check-ins with clients and allocation recommendations.

***Referrals:*** The bonus compensation rewards client referrals by the WMA to EverBank for deposit products and to TIAA Trust for trust and endowment services, and enrollments in state education savings plans administered by TIAA-CREF Tuition Financing, Inc. The referrals measure also assesses the number of times the WMA refers clients to another TC Services financial consultant or Advisory Consultant or refers a client for life insurance or long-term care insurance. Referrals for Trust Services receive the most credit; referrals for EverBank deposit products receive the least credit and the remaining referrals receive median credit. TIAA assesses the key activities and referrals by comparing the WMA's efforts to the efforts of other WMAs.

The Key Activities and Referrals measures create a conflict because WMAs have an incentive to: (1) deliver financial planning reports, retirement income reports, and provide clients with third-party investment advice; (2) refer clients to use educational savings from TIAA affiliates; and (3) refer clients to use deposit products from EverBank. It also creates incentives for WMAs to do so more often than their peers as the WMA's efforts are compared against other WMAs' efforts. The measures also create a

conflict because TIAA and its affiliates benefit through receipt of additional compensation when clients purchase products and services available through TIAA and its affiliates as a result of the WMA's recommendations and referrals.

***The Amount of the Variable Bonus Relative to Salary:*** While salaries are set according to schedules, the size of a WMA's bonus compensation is not limited. The percentage of a WMA's compensation represented by the variable bonus can be and is often significantly higher than the salary portion of compensation. On average, a WMA's bonus ranges from approximately 45% to 85% of their total compensation with more senior WMAs receiving the most. Moreover, WMAs receive differentiated compensation for their book award based on the advisors' role, with Executive and Vice President WMAs generally receiving greater compensation.

The size of the variable bonus, relative to the salary paid to WMAs, depends on how successful the WMA is in gathering and retaining client assets in products and services at TIAA. The percentage of a WMA's compensation represented by the variable bonus component typically increases with the seniority of the WMA with the most successful WMAs advancing to more senior roles. The portion of the variable bonus attributed to the WMA's compensation typically differs in magnitude as follows:

- Executive WMAs are estimated to earn a significant majority of their compensation through the variable bonus as compared with salary;
- Vice President WMAs typically earn a majority of their compensation through the variable bonus as compared with salary;
- WMAs typically earn slightly less than half of their compensation through the variable bonus and half through salary.

If you are not sure of your WMA's title or role, or impact of the bonus on the WMA's total compensation, please contact your WMA for more information.

***Compensation of Advisory Consultants.*** In assessing individual and team performance for purposes of the annual variable bonus, TIAA primarily considers quantitative metrics related to financial results such as gathering and retaining client assets across various "TIAA Solutions" (the accounts, products and services TC Services may recommend as a broker-dealer). Other factors such as use of a range of investment tools with clients, client survey results, service quality, leadership, teamwork and adherence to company policy and regulatory standards are also considered in assessing individual and team performance.

The financial results measures include credit for gathering client assets in appropriate TIAA Solutions and rewards Advisory Consultants for successful enrollments or sales equally regardless of the type of TIAA Solution.

Financial results also include an assessment of the number of times the Advisory Consultant's client base has taken any of the following actions: (1) transfers of assets from one type of account at TIAA to another (for example, rollovers from a Plan to an IRA), (2) implementation of the recommendations made in retirement advice sessions for Plans or TIAA and IS IRA through a service provided to the client at no additional charge or; (3) creates a lifetime income stream within a Plan or a TIAA IRA and IS IRA; and (4) refers a client to a third-party intermediary who may in turn recommend life insurance and long-term care offered through various external carriers. It also includes a separate assessment of the number of times the Advisory Consultant delivers reports to clients

relating to financial planning and retirement income; the number of discussions they have relating to in-plan advice services and meetings held with managed account clients relating to a review of their goals. The financial results assessments are made by comparing the Advisory Consultant's efforts to the efforts of other Advisory Consultants.

Financial results also measure and award the Advisory Consultant for assets that are retained at TIAA following meetings with the consultants. These metrics create conflicts of interest as a result of the incentives they create for Advisory Consultants. They give Advisory Consultants an incentive to recommend that clients transfer or rollover external assets into products, services and accounts at TIAA. The retention metric gives Advisory Consultants an incentive to recommend that clients continue to maintain assets at TIAA and they may recommend you do so. We address the conflicts created by the Advisory Consultants' compensation arrangements by disclosing them to you and by requiring that recommendations to purchase TIAA products and services by Advisory Consultants be reviewed, in accordance with applicable regulatory standards, to determine whether they are appropriate for a client's financial needs. Additionally, recommendations delivered in retirement advice sessions concerning the investments in Plans and mutual funds and annuities from TIAA affiliates available through the TIAA IRA and IS IRA are made by an independent third party.

***Compensation of Representatives for Referrals to Wealth Management Advisors and Advisory Consultants.*** Where appropriate, other client facing representatives associated with TC Services, including field consultants, national contact center financial consultants, and individual financial consultants (collectively, "Representatives"), acting in their capacity as broker-dealer representatives, refer clients with more complex investment needs to WMAs. Representatives also refer clients to the Advisory Consultants. Whether a referral results in clients enrolling in other products and services offered through TIAA is one factor among several other qualitative and quantitative factors that TIAA will consider in determining the referring employee's annual variable bonus. These compensation arrangements create a conflict of interest by incentivizing these individuals to refer you to WMAs and Advisory Consultants. We address this conflict by disclosing it to you and requiring that transactions recommended to purchase our products and services by WMAs and Advisory Consultants be reviewed by supervisory personnel, in accordance with the applicable regulatory standards, to determine whether they are appropriate for the client's financial needs.

***Managers of TC Services' Financial Professionals.*** Managers of WMAs, Advisory Consultants and other TIAA representatives described above are compensated based on qualitative metrics, such as their leadership abilities (which include training, monitoring, and oversight), as well as quantitative metrics, such as the performance (financial or otherwise) and productivity of the financial professionals they supervise. This compensation arrangement creates a conflict of interest by incentivizing managers to encourage those they manage to gather, retain and consolidate client assets in products and services at TIAA. We address this conflict by disclosing it to you and by supervising the managers.

***Compensation of TIAA Trust Personnel.*** Additionally, if you enroll in PAM, the Portfolio Managers and Trust Administrators that will assist you are compensated by TIAA Trust in accordance with TIAA Trust's compensation plan. TIAA Trust Portfolio Managers and Trust Administrators do not make referrals to TC Services.

***Other Payments.*** In certain instances, mutual funds and ETFs (through their investment managers or other affiliated companies) will sponsor educational events and pay expenses

of Advisors attending those events. TIAA policies require that the training or educational portion of these events comprise substantially all of the event.

***TIAA Personnel.*** TIAA and its affiliates have intercompany arrangements whereby one or more affiliates share personnel for one or more purposes. Any such shared personnel are subject to the policies and procedures of the applicable affiliate when acting on its affiliate's behalf. Any such shared personnel will have potentially conflicting interests when playing these various roles. For example, such personnel will not necessarily be devoted exclusively, or even predominately, to TC Services.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

We do not charge performance-based fees, which are fees based on a share of an account's capital gains or appreciation.

## **Item 7 – Types of Clients**

### **Clients of the Registered Investment Adviser Services**

We primarily provide the registered investment adviser services to individuals who have a pre-existing relationship with TIAA, often through their participation within a TIAA administered employer sponsored retirement plan such as a 403(b) plan. However, we also provide registered investment adviser services to other individuals without a pre-existing relationship with TIAA, and also to organizations such as trusts, estates, partnerships, corporate entities, and small retirement plans. We only provide registered investment adviser services to U.S. residents.

### **Requirements of the Registered Investment Adviser Services and TIAA Managed Accounts**

Registered investment adviser services are subject to certain requirements:

***Planning Services.*** The Planning Services are generally appropriate for individuals who have holistic planning needs not limited to retirement and/or more complex financial planning needs.

***TIAA Managed Accounts.*** TIAA Managed Accounts are subject to certain minimums. As of the date of this brochure, (i) for TIAA Personal Portfolio there is a minimum investment amount of \$5,000; (ii) For TIAA Portfolio Advisor there is a minimum investment amount of \$50,000 (\$25,000 for TIAA employees); and PAM does not have a minimum investment amount, but charges a minimum fee of \$5,000 annually for exclusively fixed income portfolios and \$9,000 annually for blended portfolios, which makes the account appropriate for clients with at least \$1,000,000 available for investing within accounts that are part of their account relationship with PAM. These minimums are subject to change with notice only to impacted clients enrolled in the applicable program.

For more information about these requirements, you can request for review a copy of each TIAA Managed Account's disclosure brochures or find it at [www.tiaa.org/regbi](http://www.tiaa.org/regbi).



## Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

### Planning Services

The advice provided through the Planning Services is based on strategies consistent with prudent long-term investing and diversification principals and on information you provide as well as certain assumptions (e.g., life expectancy). The analysis includes projections regarding the likelihood of various investment incomes. These projections are hypothetical in nature, neither reflect investment results nor the deduction of investment fees and expenses and are not guarantees of future results. Any investment is subject to risk of loss that you should be prepared to bear. The rate of return for various portfolios reflects a composite rate for all the asset classes included in those portfolios. The projections are dependent in part on subjective assumptions about the rate of inflation and rates of return for different asset classes. It is difficult to predict these rates accurately and historical averages may not recur in the future. Changes in the law, financial markets, or your circumstances can each cause substantial deviations from the projections.

The asset allocation models used in connection with the Planning Services range from very conservative to very aggressive. These models include equities, fixed income, cash equivalents/money market funds and guaranteed income investments. Equities historically provide higher returns than other asset classes, but at considerable risk to principal. Fixed income investments historically provide lower returns than equities and are sensitive to interest rate changes, but provide less risk to principal. These risks are described in detail in the respective disclosure documents for each security, which contain important information that investors should read carefully before investing. Guaranteed income investments (e.g., fixed annuities) are subject to the claims paying ability of the insurance company issuing the annuity.

### TIAA Managed Accounts

WMAs that provide the Planning Services can recommend the TIAA Managed Accounts. Advisory Consultants that provide the Planning Services can recommend only the TIAA Portfolio Advisor account or additional contributions to the TIAA Personal Portfolio Account. Advisory Consultants can refer you to WMAs for a recommendation to PAM. Advisors do not typically recommend both Portfolio Advisor and PAM accounts to you, but rather believe that it is in your best interest to have one or the other, particularly because as your assets in either of these accounts increase, your fees on additional assets may decrease.

When formulating a recommendation for a client to open, contribute or consolidate assets into either a PAM account or a Portfolio Advisor Account, our methods of analysis are based on the client's needs and circumstances, which may include the following: product minimums (whether a client can meet the applicable minimum investment requirement for the account), fees and expenses (the advisory fee and underlying expenses for the account), tax implications (potential tax consequences related to the account without providing tax advice), level of service needed (the client's desire to control their accounts), appropriate strategy (the type of strategy the client would receive in the account based on their age, net worth, needs and preferences), other alternatives (other



account types that may be appropriate for the client) and, in the case of a rollover, any lost benefits in moving assets to the account.

Recommendations for current TIAA Personal Portfolio clients to contribute or rollover funds into an existing TIAA Personal Portfolio Account are also made based on the above factors. Given the lower minimum investment amount, low cost, digital nature of the account and that the account is a self-service account, TC Services clients may have both a TIAA Personal Portfolio account and either a TIAA Portfolio Advisor or PAM account.

All recommendations to open, contribute or consolidate assets into a TIAA Managed Account are reviewed by a centralized team at TC Services, in accordance with applicable regulatory standards, to determine whether they are appropriate for clients' financial needs.

As described in detail in Item 4 above under *"About PAM Sales and Servicing,"* WMAs do not provide advice on how to invest assets within PAM nor manage the assets enrolled in PAM. TC Services and WMAs do not review individual account performance. Clients should review the investments in their account and associated performance with the TIAA Trust Portfolio Manager assigned to their account.

## **Risk of Loss.**

Any investment is subject to risk of loss that you should be prepared to bear. Risks associated with specific investments used in the TIAA Managed Accounts are described in detail in the respective disclosure document for each security, which contain additional important information that investors should read carefully before investing.

The methods of analysis for the investment strategies used in the TIAA Managed Accounts and associated risks are also described in detail in their respective brochure. You can also request for review a copy of each of the TIAA Managed Account's disclosure brochures or find them at [www.tiaa.org/regbi](http://www.tiaa.org/regbi).

## **Item 9 – Disciplinary Information**

1. On July 13, 2021, TC Services entered into settlements with the SEC and the New York Attorney General ("NYAG"), without admitting or denying the findings. The settlements state that during the period January 1, 2012 to March 30, 2018, TC Services made false, inaccurate or misleading statements in the marketing of Portfolio Advisor managed accounts, and (1) failed to correctly or adequately disclose to clients the financial incentives and conflicts of interest for WMAs to recommend rollovers from a TIAA Plan to the Portfolio Advisor program, over other investment options that would earn less compensation for the WMA and less revenue for TC Services; (2) provided clients with incomplete and misleading information about their investment options, including the existence of other investment options with lower costs and/or better net-of-fees modeled returns, particularly the option of retaining assets in employer-sponsored plans; and (3) provided training that confused WMAs, who made inaccurate and confusing statements concerning the legal standard under which WMAs were acting when making investment recommendations, with WMAs believing and stating that they were acting as fiduciaries.

In the settlements, TC Services was found to have violated, and was ordered to cease and desist from committing or causing further violations of: (1) Sections 206(2), 206(4) and 206(4)(7) of the Investment Advisers Act of 1940; (2) Sections 17(a)(2)

and 17(a)(3) of the Securities Act of 1933; and (3) the Martin Act, New York Executive Law section 63(12) and New York common law. TC Services also was ordered to provide client restitution in the amount of \$97 million, which included a \$9,000,000 SEC penalty, return of a portion of fees in the amount of \$73,985,572 and prejudgment interest of \$14,014,428, to approximately 20,000 former or current clients who opened a Portfolio Advisor account using assets from a TIAA-administered retirement plan between January 1, 2012 and March 30, 2018.

In resolving the matter, the NYAG and SEC acknowledged certain measures taken by TC Services prior to and during the investigations, including: (1) changes to WMA compensation to remove differential compensation between managed accounts and other retirement plan options; (2) the decision to hold all WMAs to a fiduciary standard when recommending the Portfolio Advisor program; and (3) enhancements to training, disclosures, supervision, and policies and procedures to improve its practices regarding the issues in the settlement. Pursuant to the settlements' terms, TC Services has undertaken to notify affected clients of the terms of the settlements, to continue to hold all WMAs to a fiduciary standard when recommending the Portfolio Advisor program, to review and improve as necessary the training programs and disclosures, and to report to the SEC and NYAG regarding compliance with the undertakings and relief provisions.

For a copy of the SEC order, see <https://www.sec.gov/litigation/admin/2021/33-10954.pdf>

2. On March 11, 2019, the SEC issued an order regarding conduct TC Services had self-reported to the SEC in connection with the Share Class Selection Disclosure Initiative (the "Initiative"). Without admitting or denying the findings, TC Services consented to the entry of an order (the "Settlement Order") finding that it violated Sections 206(2) and 207 of the Advisers Act by not adequately disclosing to clients enrolled in the Portfolio Advisor and Portfolio Manager programs certain conflicts of interest related to the receipt of 12b-1 fees and selection of mutual fund share classes that pay such fees. Pursuant to the Settlement Order, TC Services consented to a censure and was ordered to cease and desist from committing or causing further violations of Sections 206(2) and 207 of the Advisers Act. TC Services also was ordered to disgorge a total of \$2,102,380.21 in 12b-1 fees received, plus \$293,342.08 in prejudgment interest, to affected investors and to notify affected investors of the Settlement Order's terms including the following undertakings: (1) review and correct as necessary all relevant disclosure documents concerning mutual fund share class selection and 12b-1 fees; (2) evaluate whether existing clients should be moved to a lower-cost share class and to move clients as necessary; and (3) evaluate, update and review for the effectiveness of their implementation, TC Services policies and procedures to ensure that they are reasonably designed to prevent violations of the Advisers Act in connection with disclosures regarding mutual fund share class selection. The SEC did not impose a civil penalty on TC Services based on TC Services self-reporting through the Initiative.
3. On November 22, 2016, TC Services entered into a settlement, known as a letter of acceptance, waiver and consent ("AWC") with FINRA, a self-regulatory organization for broker-dealers. The settlement related to how TC Services confirmed transactions it effected between 2004 and 2015 for employer retirement plans record-kept by TIAA. TC Services accepted and consented to the entry of findings (without

admitting or denying the findings) that it failed to deliver confirmations for certain transactions and delayed delivery of confirmations due to technological issues and ambiguities in a vendor contract, and did not denote the firm's capacity as agent on certain confirmations, resulting in violations of Securities Exchange Act Rule 10b-10, NASD Rule 2230 and FINRA Rule 2232 related to customer confirmations, and NASD Rule 2110 and FINRA Rule 2010 related to standards of commercial honor and principles of trade. TC Services further consented to a censure and fine of \$275,000. In resolving the matter, FINRA recognized that TC Services: (1) timely self-reported the foregoing confirmation issues to FINRA; (2) prior to detection or intervention by a regulator, engaged outside counsel and an independent consultant to conduct an internal forensic investigation of the relevant issues; (3) promptly took corrective action and revised its policies and procedures regarding confirmation production and delivery; (4) hired additional staff dedicated to ensuring proper confirmation production and delivery; and (5) provided substantial assistance to FINRA by sharing the results of its internal investigation and voluntarily and promptly providing updates regarding additional confirmation delivery issues discovered during its internal investigation.

## **Item 10 – Other Financial Industry Activities and Affiliations**

TC Services is also registered with the SEC as a broker-dealer and many of its management persons are registered with the Financial Industry Regulatory Authority as representatives of TC Services (if registration is necessary and appropriate to perform their responsibilities).

TC Services has certain relationships or arrangements with related persons that are material to its advisory business or its clients. Below is a description of such relationships and some of the conflicts of interest that arise from them.

TIAA is the sole owner of TC Services and provides a variety of services that are material to TC Services' registered investment adviser services, including administrative, legal and marketing support. All TC Services financial professionals are employees of TIAA and are deemed supervised persons of TC Services. Certain officers and directors of TC Services also serve in similar capacities with other affiliated investment advisers.

TC Services has an arrangement in place with TIAA Trust whereby TIAA Trust compensates TC Services for providing the PAM Sales and Servicing. More information about this arrangement and the related conflicts of interests are described in Item 5 above under *"How TC Services is Compensated for Registered Investment Adviser Services."*

TC Services does not recommend or select other investment advisers for its clients.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

TC Services' advisory division has a Code of Ethics and Personal Trading Policy ("Code of Ethics Policy") that regulates the personal securities trading activities of investment personnel and other persons with access to confidential trading information (collectively "access persons") and requires them to address conflicts of interest, appropriately, *e.g.*, when investing in or making additional contributions to investments that are branded,

sponsored, advised or sub-advised by TIAA or its affiliates. It ultimately seeks to ensure that access persons place the interests of clients of TC Services ahead of their own interests with respect to their personal securities trading activities. All access persons and members of their households must report their personal holdings and transactions in covered securities. Certain access persons are subject to certain restrictions and prohibitions in trading for their own accounts and are subject to pre-clearance of certain securities transactions by a compliance unit. The Code of Ethics Policy also prohibits the misuse of material nonpublic information and confidential information. TC Services' advisory division prohibits or limits the purchase of securities in initial public offerings and private placements. Our financial professionals may purchase or sell for their personal account securities recommended to you, subject to the limitations of the aforementioned Code of Ethics Policy. You may request a copy of the Code of Ethics Policy.

SEC rules require broker-dealers to maintain a minimum amount of working capital. TC Services may invest this working capital in money market mutual funds, mortgage-backed securities, investment grade corporate bonds or U.S. Treasury Securities. Except for securities invested for this limited purpose, TC Services does not generally buy or sell its own portfolio securities that it may recommend to you.

As described in Item 5 above under *"How TC Services is Compensated for Registered Investment Adviser Services,"* TC Services and its affiliates receive compensation for services they provide to TIAA affiliated products, including variable annuities, mutual funds, including but not limited to distribution, administrative and advisory services. Refer to the prospectuses and statements of additional information of the applicable affiliated product for a complete description of these fees and payments. Investing in affiliated products poses a conflict of interest as TIAA and its affiliates receive more revenue than when recommending unaffiliated products. To address this potential conflict, the Planning Services and PAM Sales and Servicing do not recommend specific securities to you.

## **Item 12 – Brokerage Practices**

### **Planning Services**

The Planning Services do not provide investment recommendations and therefore do not select or recommend broker-dealers for client transactions. Neither TC Services nor TIAA Trust engage in soft dollar practices. No client referrals are received as a result of selecting or recommending a broker-dealer.

### **TIAA Managed Accounts**

TIAA Managed Accounts execution and trade aggregation practices differ as described in this section. See the chart in Item 4 above under *"Key Differences in TIAA Managed Account Programs and Services"* for other key differences in practices among the TIAA Managed Accounts.

***Execution and Trade Aggregation Practices for TIAA Portfolio Advisor and TIAA Personal Portfolio.*** TC Services' advisory division directs that clients execute transactions through TC Services' brokerage division and Pershing because any transaction costs incurred through other broker-dealers are in addition to, and not

included within, the “wrap fee” for these accounts. Not all advisers require their clients to direct brokerage. TC Services’ advisory division has an incentive to maintain Pershing as a clearing broker because Pershing provides TC Services with certain economic benefits by allowing TC Services to use TC Services’ brokerage division as the broker-dealer for its advisory program accounts, rather than an unaffiliated broker-dealer. This presents a conflict of interest for TC Services’ advisory division because a greater portion of your fee remains within the TIAA family of companies than if TC Services’ advisory division used a third party to provide these services. We mitigate this conflict by disclosing it to you and by reviewing TC Services’ brokerage divisions and Pershing’s execution quality.

By routing all orders through Pershing for execution, TC Services may not be able to achieve most favorable execution on any given transaction, however, TC Services performs ongoing reviews of Pershing’s execution quality for account transactions utilizing analytics from a third-party provider and addresses exception items with Pershing, as needed.

TC Services’ advisory division seeks to aggregate client purchase and sale orders in the same securities and allocate trades in a manner designed to achieve fair and equitable treatment of its clients. Where consistent with TC Services’ duty to seek best execution, client orders will be aggregated for trading across both TIAA Portfolio Advisor and TIAA Personal Portfolio managed accounts. Where orders are aggregated, such orders will be allocated on a pro-rata, average price basis. Orders may be aggregated to facilitate seeking best execution, to negotiate more favorable commission rates, or to allocate equitably among TC Services clients the effects of any market fluctuations that might have otherwise occurred had these orders been placed independently.

More information about the execution and trade aggregation practices for these managed accounts can be found in the TIAA Portfolio Advisor disclosure brochure available at [https://www.tiaa.org/public/pdf/portfolio\\_advisor\\_wrap\\_fee\\_program\\_disclosure\\_form\\_adv.pdf](https://www.tiaa.org/public/pdf/portfolio_advisor_wrap_fee_program_disclosure_form_adv.pdf) and the TIAA Personal Portfolio disclosure brochure available at [https://www.tiaa.org/public/pdf/TIAA\\_Personal\\_Portfolio\\_Fee\\_Wrap\\_Program\\_Disclosure\\_Broc\\_hure\\_FormADV.pdf](https://www.tiaa.org/public/pdf/TIAA_Personal_Portfolio_Fee_Wrap_Program_Disclosure_Broc_hure_FormADV.pdf).

***Execution and Trade Aggregation Practices for PAM.*** TIAA Trust executes through unaffiliated broker-dealers that it selects at its discretion. In making this selection the primary objective is to seek to obtain the best execution of orders at the most favorable net price based on the circumstances prevailing at the time of the transaction. The selection may also be based on additional factors, including the ability to handle particular orders or special execution, competitiveness of commission rates, ability to execute transactions promptly, financial responsibility, quality of service provided, and general reputation in the industry. TIAA Trust does not give consideration to broker-dealers who provide research services to it. TIAA Trust may enter into cross trades on behalf of two or more clients in aiming to seek and obtain best execution. This represents a conflict of interest, which TIAA Trust addresses by obtaining independent pricing information from at least one unaffiliated broker-dealer.

TIAA Trust also aims to aggregate and allocate trading in a manner designed to achieve fair and equitable treatment of its clients. In certain circumstances it may not aggregate orders, which can result in higher costs and/or less flexibility in the execution of trades.

More information about the execution and trade aggregation practices for PAM is available at <https://www.tiaa.org/public/pdf/PTandPAMDisclosures.pdf>.

## Item 13 – Review of Accounts

### Planning Services

We offer the Planning Services on an episodic basis through the delivery of a report associated with the Planning Service. Once the report is provided, the advisory relationship ends. There is no ongoing monitoring of your circumstances or the advice provided, and you are solely responsible for implementing any advice provided. We do not monitor, review or update any advice, guidance or report provided as part of the Planning Services.

### TIAA Managed Accounts

TC Services' advisory division has an ongoing obligation to consider whether prior recommendations to open, contribute to or consolidate assets (through a rollover or transfer) into the TIAA Managed Accounts remain appropriate for its clients. TC Services fulfills this obligation by requiring its Advisors to attempt to reach out to clients that have TIAA Portfolio Adviser and PAM at least annually. During this outreach Advisors focus on whether the client's financial circumstances or their individual preferences for advisory services have changed materially in a way that might suggest that the account they have is no longer appropriate, or whether changes to the management of the client's Managed Account should be made (including whether the client wants to impose or modify any reasonable restrictions on the account). To ensure that the Managed Account and the investment strategy remain suitable, clients are instructed to promptly notify TC Services' advisory division or their Advisor of any material changes to their investment objectives and/or financial situation. Advisors do not individually determine whether TC Services or TIAA Trust continue to perform acceptably as investment manager, as that review is conducted by TC Services periodically and serves as the basis for making these account type recommendations to its clients.

In between these inquiries, TIAA Portfolio Adviser and PAM clients are invited to contact an Advisor whenever a material change occurs in their financial situation or investment objective, as either may affect the continued appropriateness of the account in which they are enrolled. TIAA Personal Portfolio clients are invited quarterly via email to contact an Advisory Consultant whenever a material change occurs in their financial situation or investment objective, as either may affect the continued appropriateness of the account. A review of the continued appropriateness of the account will be conducted, as needed, whenever this information is brought to TC Services' attention. TC Services will have no liability for your failure to provide it with accurate or complete information or to inform TC Services promptly of any changes in the information you previously provided. Examples of material changes include, but are not limited to changes in net worth, employment status, marital status, family size, occupation, residence, health or income level, investment objective or risk tolerance (for example, changes in your risk tolerance based on market events).

Any recommendations regarding the TIAA Managed Accounts that occur when clients reach out to the Advisor will be subject to the fiduciary duty described under "*Standards of Care*" in Item 4 above.

Note, however, that the TIAA Managed Accounts provide ongoing monitoring and discretion over assets being managed in the account and provide periodic reports. For



more information about the ongoing nature of the account you can request a copy of each TIAA Managed Account's disclosure brochure or find them at [www.tiaa.org/regbi](http://www.tiaa.org/regbi).

## **Item 14 - Client Referrals and Other Compensation**

As described in detail in Item 5 above under “*How TC Services is Compensated for Registered Investment Adviser Services*,” TC Services receives compensation from TIAA Trust for providing PAM Sales and Servicing which creates a conflict of interest.

TC Services compensates field consultants, national contact center financial consultants, and individual financial consultants, who act as broker-dealer representatives for client referrals to TC Services' advisory division. More information about how these financial professionals are compensated for these referrals is described in detail in Item 5 above under “*Compensation of TC Services Financial Professionals*.”

TC Services does not compensate, and has no referral arrangements with, any third parties for referrals they make to TC Services' advisory division.

## **Item 15 – Custody**

TC Services' advisory division does not take custody of assets to provide the Planning Services.

With regard to PAM Sales and Servicing, TC Services' advisory division does not have custody of assets enrolled in PAM. TIAA Trust provides investment management for PAM and has constructive custody over those assets. For more information see the PAM disclosure brochure available at <https://www.tiaa.org/public/pdf/PTandPAMDisclosures.pdf>.

In connection with TIAA Portfolio Advisor and TIAA Personal Portfolio managed accounts, Pershing, LLC (“Pershing”) is the qualified custodian for these assets. Pershing, a subsidiary of The Bank of New York Mellon N.A. that is unaffiliated with TC Services, acts as TC Services' clearing firm and holds TIAA Portfolio Advisor and TIAA Personal Portfolio account assets in its custody in fully disclosed brokerage accounts on its platform. You should compare the TIAA Portfolio Advisor and TIAA Personal Portfolio account statements received from Pershing with the quarterly reports received from TC Services, which can be requested from your Advisor. TC Services' advisory division has the authority to direct Pershing to deduct TIAA Portfolio Advisor and TIAA Personal Portfolio fees from the respective TIAA Portfolio Advisor and TIAA Personal Portfolio accounts. TC Services is deemed to have custody of TIAA Portfolio Advisor and TIAA Personal Portfolio assets under certain circumstances. For more information, see the TIAA Portfolio Advisor disclosure brochure available at [https://www.tiaa.org/public/pdf/portfolio\\_advisor\\_wrap\\_fee\\_program\\_disclosure\\_form\\_adv.pdf](https://www.tiaa.org/public/pdf/portfolio_advisor_wrap_fee_program_disclosure_form_adv.pdf), and the TIAA Personal Portfolio disclosure brochure available at [https://www.tiaa.org/public/pdf/TIAA\\_Personal\\_Portfolio\\_Fee\\_Wrap\\_Program\\_Disclosure\\_Brochure\\_FormADV.pdf](https://www.tiaa.org/public/pdf/TIAA_Personal_Portfolio_Fee_Wrap_Program_Disclosure_Brochure_FormADV.pdf).

## **Item 16 – Investment Discretion**

TC Services does not have investment discretion with regard to the Planning Services or PAM Sales and Servicing. However, if you enroll in TIAA Managed Accounts (except for a PAM trust account), TC Services will exercise discretion over the assets in TIAA



Portfolio Advisor and TIAA Personal Portfolio accounts and TIAA Trust will exercise investment discretion over the assets in PAM accounts.

To authorize discretion to TC Services, clients in TIAA Portfolio Advisor and TIAA Personal Portfolio must enter into an advisory agreement. For TIAA Personal Portfolio they must also answer a series of questions in an online interface to provide their risk level, time horizon and client preference. For TIAA Portfolio Advisor, clients work with an Advisor to answer a series of questions that provide their risk tolerance, time horizon and client preferences. Clients for these accounts also have the ability to impose reasonable restrictions on the management of their assets. More information regarding investment discretion and limitations for TIAA Portfolio Advisor can be found at [https://www.tiaa.org/public/pdf/portfolio\\_advisor\\_wrap\\_fee\\_program\\_disclosure\\_form\\_adv.pdf](https://www.tiaa.org/public/pdf/portfolio_advisor_wrap_fee_program_disclosure_form_adv.pdf). More information regarding investment discretion and limitations for TIAA Personal Portfolio can be found at [https://www.tiaa.org/public/pdf/TIAA\\_Personal\\_Portfolio\\_Fee\\_Wrap\\_Program\\_Disclosure\\_Brochure\\_FormADV.pdf](https://www.tiaa.org/public/pdf/TIAA_Personal_Portfolio_Fee_Wrap_Program_Disclosure_Brochure_FormADV.pdf).

To authorize discretion for TIAA Trust, clients in PAM must similarly enter into an advisory agreement, referred to as the Investment Management Agreement (accounts for which TIAA Trust services as trustee or executor are managed in accordance with the terms of the instrument governing the account, such as the trust agreement or Last Will and Testament, rather than the Investment Management Agreement). For PAM they must also work with the WMA to answer a series of questions that provide their risk tolerance and time horizon. The Portfolio Manager will review the client's responses and propose an investment objective for the client's account and create an Investment Policy Statement for the client's review and approval. Clients for these accounts also have the ability to impose limitations on the management of their assets, including types of assets they don't want in their portfolio. More information regarding investment discretion and limitations for PAM can be found at <https://www.tiaa.org/public/pdf/PTandPAMDisclosures.pdf>.

## **Item 17 – Voting Client Securities**

We do not vote or give advice about how to vote proxies in connection with the Planning Services or PAM Sales and Servicing. Additionally, we do not undertake to act on your behalf nor give advice with regards to class action claims or notices or any voluntary corporate action notices.

When you are enrolled in a TIAA Managed Account, all proxies are voted on your behalf unless you have requested to vote all proxies and take all corporate actions applicable to securities held in your account. For more information on voting practices related to the TIAA Managed Accounts, you can request for review each TIAA Managed Account's disclosure brochure or find it at [www.tiaa.org/regbi](http://www.tiaa.org/regbi).

## **Item 18 – Financial Information**

We do not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance and, thus, have not included a balance sheet of its most recent fiscal year. We are not aware of any financial condition that is reasonably likely to impair TC Services' ability to meet its contractual commitments to clients, nor has TC Services been the subject of a bankruptcy petition at any time during the past ten years.

## **Item 19 – Requirements for State-Registered Advisers**

TC Services is a federally registered investment adviser.