



December 2018

Important update on your retirement plan's recordkeeping and investment management fees

We're writing with some good news: Each year, The University of Washington sets aside money to cover the administrative and recordkeeping cost of running the retirement plan. And, over the last year, that cost was lower than expected.

As a result, effective December 31, 2018, TIAA will distribute this money in the form of revenue credits to your retirement account. The first credit will be based upon your average daily balance in each of your accounts for the period October 1, 2018 through December 31, 2018. Subsequent credits will occur on the last business day of each calendar quarter.

The credit, called a *Plan Servicing Credit*, will be applied to the accounts that generated the credit. In early January, you'll receive a confirmation statement describing the credit. This information will also appear on your year-end quarterly statement that you'll receive in early January.

TIAA as recordkeeper provides a "plan services expense offset" for each of the annuity accounts to assist in paying the plan's administrative and recordkeeping costs of 0.035% (\$0.35 for each \$1,000 invested). Since the offsets exceed the total administration cost, a credit will be applied to each account for the difference. These Plan Servicing Credits will be shown on your next quarterly statement.

For information on investment-specific expenses and Plan Servicing Credits, please refer to the investment table(s) provided. You can also find the expense ratios and other fees and expenses at TIAA.org/washington or in the prospectuses at TIAA.org/performance.

The University of Washington is delighted to be able to pass along these savings, adding value for your retirement income needs.

Sincerely,

Institutional Client Transitions
TIAA



UW Retirement Plan restricted annuities and credits

The following table includes retirement plan annuities in the Retirement Annuity (RA) and Group Supplemental Retirement Annuity (GSRA) contract(s). Those annuity accounts with an asterisk are restricted, as participant contributions are no longer accepted. These annuities will, however, continue to receive Plan Servicing Credits.

| Account or Fund | Ticker | Investment Expenses | | Plan Servicing Fee Calculations (A+B=C) | | |
|---|--------|------------------------------------|----------------------------------|--|---|-------------------------------|
| | | Gross Expense Ratio ¹ % | Net Expense Ratio ¹ % | A. Plan Services expense offset ² % | B. Plan Servicing (Credit) ³ % | C. Total Administrative Fee % |
| CREF Bond Market Account R3* (variable annuity) | QCBMIX | 0.310 | 0.310 | 0.10 | (0.065) | 0.035 |
| CREF Equity Index Account R3* (variable annuity) | QCEQIX | 0.230 | 0.230 | 0.10 | (0.065) | 0.035 |
| CREF Global Equities Account R3* (variable annuity) | QCGLIX | 0.340 | 0.340 | 0.10 | (0.065) | 0.035 |
| CREF Growth Account R3* (variable annuity) | QCGRIX | 0.260 | 0.260 | 0.10 | (0.065) | 0.035 |
| CREF Inflation-Linked Bond Account R3* (variable annuity) | QCILIX | 0.240 | 0.240 | 0.10 | (0.065) | 0.035 |
| CREF Money Market Account R3 (variable annuity) | QCMMIX | 0.240 | 0.240 | 0.10 | (0.065) | 0.035 |
| CREF Social Choice Account R3 (variable annuity) | QCSCIX | 0.270 | 0.270 | 0.10 | (0.065) | 0.035 |
| CREF Stock Account R3 (variable annuity) | QCSTIX | 0.310 | 0.310 | 0.10 | (0.065) | 0.035 |
| TIAA Real Estate Account (variable annuity) | QREARX | 0.790 | 0.790 | 0.24 | (0.205) | 0.035 |
| TIAA Traditional Annuity (guaranteed annuity) | N/A | 0.000 | 0.000 | 0.15 | (0.115) | 0.035 |



- ¹ Gross expense ratio includes all of an investment's expenses. Net expense ratio takes into account any investment fee waivers and expense reductions, giving an indication of what is currently being charged.
- ² Please note that TIAA Traditional, TIAA Real Estate Account and all CREF Annuity accounts do not have revenue sharing. Rather, TIAA may provide a "plan services expense offset" that may be applied to the plan's administrative and recordkeeping costs. A plan services expense offset is a reduction to the TIAA recordkeeping fee that TIAA and your plan sponsor agreed to for TIAA's recordkeeping services. The reduction may be available when TIAA and CREF products are offered through the plan.
- ³ Plan servicing credit is determined by subtracting the amount of plan services expense offset provided by each investment option you choose from 0.035%, the plan's cost for administrative services.
- ⁴ This guaranteed option is a fixed annuity that pays you interest at competitive crediting rates that are announced in advance. There is no expense ratio because these are fixed annuities. Any guarantees under annuities issued by TIAA are subject to TIAA's claims-paying ability.
- ⁵ TIAA Traditional is a guaranteed insurance contracts and not an investment(s) for federal securities law purposes.

This material is for informational or educational purposes only and does not constitute investment advice under ERISA. This material does not take into account any specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on the investor's own objectives and circumstances.

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

Investment products may be subject to market and other risk factors. See the applicable product literature, or visit TIAA.org/washington for details.

You should consider the investment objectives, risks, charges, and expenses carefully before investing. Please call 877-518-9161 or go to TIAA.org/washington for current product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.

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