



The Forum for Sustainable and Responsible Investment

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## Sustainable, Responsible and Impact Mutual Fund and ETF Chart

**Fund Profile:**

### TIAA-CREF Social Choice Equity Retirement

#### General Fund Information

**Ticker:** TRSCX

**Assets under management (AUM):** \$5015.78M (in US\$ millions)

**General Fund Type:** Equity Specialty

**Specific Sizes or Types of Investments:** Primarily invests in large, mid, and small cap US equity that meet or exceed certain environmental, social, and governance (ESG) criteria.

**Financial Objective:** The Fund seeks a favorable long-term total return that reflects the investment performance of the overall U.S. stock market while giving special consideration to certain ESG criteria.

**Specific ESG Focus:** Invests in companies that are leaders in their respective sectors according to a broad set of Environment, Social, and Governance factors. Typically, environmental assessment categories include climate change, natural resource use, waste management and environmental opportunities. Social evaluation categories include human capital, product safety and social opportunities. Governance assessment categories include corporate governance, business ethics and government & public policy. Involvement in major ESG controversies (relating to environment, customers, human rights & community, labor rights & supply chain, and governance) are other considerations.

**To invest, call:** 800 842-2252

#### Fund Institution Information

**Institution Name:**

TIAA-CREF Asset Management

**Mutual Funds Description:** TIAA-CREF Asset Management is responsible for portfolio management of approximately \$502 billion in total assets under management as of December 31, 2012 (both active and quantitative), research and trading within the derivatives, equity, fixed income and real estate markets. The division is focused on delivering tailored investment solutions to its client segment. TIAA-CREF Asset Management has 327 staff members (as of December 31, 2012) located in New York City, Charlotte, NC, San Francisco, Newport Beach, CA, Boston and London. Our aim is to provide consistent, positive risk-adjusted performance that meets your long-term investment objectives. TIAA-CREF Asset Management's investment philosophy is grounded in our heritage of nonprofit values and reflects a sustained commitment to put our clients' interests first and foremost. Across the full breadth of our equity, fixed income, and real estate investments that we manage, we apply four basic principles, which include: 1) pure and consistent exposure across the various asset types of investments that we make, to ensure that investment portfolios do not drift from their mandate and leave clients potentially at odds with their intended strategy; 2) close management of costs to allow our clients to most effectively reach their savings and investment goals; 3) disciplined active management primarily based on intensive, company or investment-specific bottom-up analysis; and 4) an emphasis on asset allocation and diversification, frequent rebalancing of risks, and comprehensive risk management. TIAA-CREF has a historical commitment to Socially Responsible Investing (SRI) encompassing three key approaches: social screening, community investing, and corporate engagement, which we believe embody our clients' values and are consistent with our nonprofit heritage. In line with that commitment, the TIAA-CREF Global Social and Community Investing Department was formed in July 2006 as a unit within Asset Management to increase the Investment Management area's focus on several aspects of socially responsible investing. Led by Amy O'Brien, the department works closely with other parts of Investment

Management to enhance our existing socially responsible funds (e.g., CREF Social Choice Account), develop new socially responsible investment options, and implement a series of social investment programs in the thematic areas of Affordable Housing, Inclusive Finance, and Community & Economic Development. The department also supports TIAA-CREF Asset Management, the Executive Management team and Trustees on emerging environmental, social, and governance (ESG) issues and their possible impact on asset management.

**Contact info:**

730 Third Avenue  
New York, NY 10017  
USA  
Phone: 800-842-2733  
Email: [jpanagakis@ttaa-cref.org](mailto:jpanagakis@ttaa-cref.org)  
Web: <https://www.ttaa-cref.org/public/>

## Account Minimums

**Minimum Account:** \$2,500 initial; \$100 automatic investment

**Minimum IRA:** \$2,000 initial; \$100 automatic investment

## Methodology

**Screening Venue:** In-house and outside

**Screening Party:** TIAA-CREF licenses the MSCI USA IMI ESG Index and considers companies in the index as meeting the ESG criteria for potential inclusion in the fund. The Global Social and Community Investing team coordinates annually a comprehensive review of the firm's a

**Screening Database Used:** MSCI USA IMI ESG Index

**Screening Process:** The TIAA-CREF Social Choice Equity Strategy's underlying philosophy is to offer competitive returns through an investment portfolio that takes companies' environmental, social, and governance (ESG) records explicitly into account during portfolio construction. Through partnership with independent research providers that specialize in ESG performance analysis, we start by identifying an eligible universe of companies from an ESG perspective, and then utilize portfolio optimization to attempt to replicate the characteristics of the broad equity Russell 3000 index using only those stocks which fulfill the ESG criteria. All companies within the strategy must meet minimum ESG performance standards to be eligible for inclusion. The ESG evaluation process is conducted on an industry-specific basis and involves the identification of key performance indicators, which are given more relative weight compared to the broader range of potential assessment categories. Concerns in one area do not automatically eliminate an issuer from being an eligible investment for the Fund. When ESG concerns exist, the evaluation process gives careful consideration to how companies address the risks and opportunities they face in the context of their industry and relative to their peers. The social and environmental impact of corporate activities related to the production and sale of alcohol, tobacco, military weapons, firearms, nuclear power and gambling products are quantified and incorporated into a company's overall ESG performance assessment. While not automatically excluded from the strategy, most companies involved in these industries are ineligible for investment due to their poor overall ESG performance. Once a universe of ESG-eligible companies is established, quantitative investment techniques are then applied to attempt to closely match, to the extent practicable, the overall risk characteristics of the benchmark index (the Russell 3000 index). Holdings in the strategy will generally consist of a subset of the eligible investment universe. The strategy does not require investment in all companies that meet the ESG criteria.

## Proxy Voting Information

**Proxy Voting Guidelines or Policies:** [Open external link in new window](#)

**Proxy Voting Records:** [Open external link in new window](#)

## Specific Screening Information by Category

## Environment

- **Climate / Clean Technology:** *Positive Investment* - The ESG assessment process favors companies that show leadership in ESG performance relative to sector peers in Climate-related areas such as reducing carbon emissions, improving energy efficiency, reducing product carbon footprint, and exploring environmental opportunities in clean tech, green building, and renewable energy. A best-in-class balanced approach is applied. When ESG concerns exist, the evaluation process gives careful consideration to how companies address the risks and opportunities they face in the context of their industry and relative to their peers. Concerns in one area do not automatically eliminate an issuer from being an eligible fund investment.
- **Pollution / Toxics:** *Positive Investment* - The ESG assessment process favors companies that show leadership in ESG performance relative to sector peers with regards to programs and policies that reduce or control toxic emissions and waste, packaging material waste, and electronic waste. A best-in-class balanced approach is applied. When ESG concerns exist, the evaluation process gives careful consideration to how companies address the risks and opportunities they face in the context of their industry and relative to their peers. Concerns in one area do not automatically eliminate an issuer from being an eligible fund investment.
- **Other Environmental:** *Positive Investment* - The ESG assessment process favors companies that show leadership in ESG performance relative to sector peers in other environment-relevant themes such as Water Stress, Biodiversity and Land Use, and Raw Material Sourcing. A best-in-class balanced approach is applied. When ESG concerns exist, the evaluation process gives careful consideration to how companies address the risks and opportunities they face in the context of their industry and relative to their peers. Concerns in one area do not automatically eliminate an issuer from being an eligible fund investment.

## Social

- **Community Development:** *Positive Investment* - The ESG assessment process favors companies that show leadership in ESG performance relative to sector peers with regards to the extent that company business activities and initiatives support communities by developing infrastructure and capabilities that promote access to products or services in underserved communities, particularly in the areas of: access to communications, access to healthcare, and access to finance. A best-in-class balanced approach is applied. When ESG concerns exist, the evaluation process gives careful consideration to how companies address the risks and opportunities they face in the context of their industry and relative to their peers. Concerns in one area do not automatically eliminate an issuer from being an eligible fund investment.
- **Diversity & Equal Employment Opportunity:** *Positive Investment* - The ESG assessment process favors companies that show leadership in ESG performance relative to sector peers in areas related to human capital development, which includes considerations of discrimination and workforce diversity, in addition to other factors such as employee compensation and benefits, and professional development. A best-in-class balanced approach is applied. When ESG concerns exist, the evaluation process gives careful consideration to how companies address the risks and opportunities they face in the context of their industry and relative to their peers. Concerns in one area do not automatically eliminate an issuer from being an eligible fund investment.
- **Human Rights:** *Positive Investment* - The ESG assessment process favors companies that show leadership in ESG performance relative to sector peers with regards to policies and practices in place to monitor and mitigate human rights abuses within the supply chain. A best-in-class balanced approach is applied. When ESG concerns exist, the evaluation process gives careful consideration to how companies address the risks and opportunities they face in the context of their industry and relative to their peers. Concerns in one area do not automatically eliminate an issuer from being an eligible fund investment.
- **Labor Relations:** *Positive Investment* - The ESG assessment process favors companies that show leadership in ESG performance relative to sector peers in areas of labor management that consider union relations, employee health and safety, compensation and benefits, and professional development. A best-in-class balanced approach is applied. When ESG concerns exist, the evaluation process gives careful consideration to how companies address the risks and opportunities they face in the context of their industry and relative to their peers. Concerns in one area do not automatically eliminate an issuer from being an eligible fund investment.
- **Conflict Risk:** *No Investment*

## Governance

- **Board Issues:** *Positive Investment* - The ESG assessment process favors companies that show leadership in ESG performance relative to sector peers in Corporate Governance areas that consider board issues such as board independence, board diversity, policies related to corruption or ethical conduct of business, transparency in reporting, compensation/ remuneration, and shareholder rights. A best-in-class balanced approach is applied. When ESG concerns exist, the evaluation process gives careful consideration to how companies address the risks and opportunities they face in the context of their industry and relative to their peers. Concerns in one area do not automatically eliminate an issuer from being an eligible fund investment.

- **Executive Pay: Positive Investment** - While there is no explicit stand-alone indicator for Executive Pay, the ESG assessment process favors companies that show leadership in ESG performance relative to sector peers in Corporate Governance areas that includes considerations of compensation/renumeration among other factors. A best in-class balanced approach is applied. When ESG concerns exist, the evaluation process gives careful consideration to how companies address the risks and opportunities they face in the context of their industry and relative to their peers. Concerns in one area do not automatically eliminate an issuer from being an eligible fund investment.

## Products

- **Alcohol: Restricted/Exclusionary Investment** - The social and environmental impact of corporate activities related to the production and sale of alcohol are quantified and incorporated into a company's overall ESG performance assessment. While not automatically excluded from the strategy, most companies involved in the Alcohol industry are ineligible for investment due to their poor overall ESG performance.
- **Animal Welfare: No Screens**
- **Defense/Weapons: Restricted/Exclusionary Investment** - The social and environmental impact of corporate activities related to the production and sale of weapons (including both civilian and military weapons) are quantified and incorporated into a company's overall ESG performance assessment. While not automatically excluded from the strategy, most companies involved in the Defense/Weapons industry are ineligible for investment due to their poor overall ESG performance.
- **Gambling: Restricted/Exclusionary Investment** - The social and environmental impact of corporate activities related to the production and sale of gambling products/services are quantified and incorporated into a company's overall ESG performance assessment. While not automatically excluded from the strategy, most companies involved in the Gambling industry are ineligible for investment due to their poor overall ESG performance.
- **Tobacco: Restricted/Exclusionary Investment** - The social and environmental impact of corporate activities related to the production and sale of tobacco are quantified and incorporated into a company's overall ESG performance assessment. While not automatically excluded from the strategy, most companies involved in the Tobacco industry are ineligible for investment due to their poor overall ESG performance.

## Other

- **Other/Qualitative:** While not part of the core strategy, we have the capability to develop additional exclusions for involvement in the following issues: Abortion and Contraceptives Adult Entertainment Animal Welfare Diversity Genetic Engineering Nuclear Power Pork Predatory Lending Stem Cell
- **Shareholder Engagement - Shareholder Resolutions:** Filed or co-filed with companies on environmental, social or governance issues
- **Shareholder Engagement - Private Dialogue:** Conducted with companies on environmental, social or governance issues

## Performance Data

**Data provided by: Bloomberg** - Information current as of January 31, 2020

**Year-to-date rate of return:** -0.05%

**1-year rate of return:** 20.77%

**3-year rate of return:** 13.52%

**5-year rate of return:** 11.19%

**10-year rate of return:** 12.71%

**Previous year rate of return:** 31.16%

**Management fee:** 0.15%

**Expense ratio:** 0.42%

**Standard deviation:** 11.27%

**Benchmark used:** Russell 3000

**Disclaimer: --**

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1660 L Street NW, Suite 306  
Washington, DC 20036  
Phone (202) 872 5361 Fax (202) 775 8686