

Low Carbon Value Equity ESG

Marketing communication | As of 31 Mar 2025

Strategy description

Low Carbon Value Equity ESG seeks favorable long-term total return, delivering large cap value exposure with a limited carbon footprint. The portfolio invests in Low Carbon and ESG (environmental, social and governance) companies whose current valuations underestimate earnings potential.

At-a-glance

Benchmark	Russell 1000® Value Index
Number of positions	50 – 80
Tracking error	200 – 600 basis points
Market capitalization	> \$3 B
Maximum position size	6%
Active position (%)	0.5 – 2.0
Active sector weight	+/- 15%
Annual turnover	~20%

Investment process

The investment process employs a pragmatic value approach, assessing company earnings and market prices while seeking signs of improvement to construct a “value spread” aware portfolio. The portfolio evaluates current and future carbon emissions to identify companies with a lower carbon footprint. Multi-level risk controls maintain a consistent approach and adherence to investment guidelines.

Average annualized total returns (%)

	Inception date	QTD	YTD	1 year	3 years	5 years	Since inception
Gross	01 Nov 15	0.87	0.87	6.83	7.88	17.39	11.49
Net	01 Nov 15	0.12	0.12	3.68	4.70	13.95	8.21
Benchmark		2.14	2.14	7.18	6.64	16.15	9.52

Performance data shown represents past performance and does not predict or guarantee future results. Performance shown is based on the composite. The value of the portfolio will fluctuate based on the value of the underlying securities. Individual returns may vary based on factors such as the account type, market value, cash flows and fees. Current performance is preliminary and may be higher or lower than the performance shown. Final numbers are available upon request. Total returns for a period of less than one year are cumulative.

Portfolio management

Charles J. Carr, CFA | 32 years industry experience

Head of responsible investing

Amy M. O'Brien | 33 years industry experience

Portfolio statistics

	Portfolio	Benchmark
Number of positions	72	870
Median market cap (\$B)	\$139.4	\$97.3
Weighted average market cap (\$B)	\$237.1	\$190.5
Dividend yield	1.8	2.0
Historical 5 year EPS growth (%)	8.1	6.8

Market capitalization (%)

	Portfolio	Benchmark
Over \$50 Billion	86.0	67.0
\$15 Billion - \$50 Billion	12.1	21.4
\$2 Billion - \$15 Billion	1.9	11.6
\$300 Million - \$2 Billion	0.0	0.1
Under \$300 Million	0.0	0.0

Portfolio scoring

	Portfolio	Benchmark
MSCI ESG Score weighted average	6.6	
MSCI ESG Rating weighted average	A	
MSCI Controversy Score weighted average	4.8	

Top ten positions (%)

	Portfolio
JPMorgan Chase & Co	4.1
UnitedHealth Group Inc	3.1
Procter & Gamble Co/The	2.6
Bank of America Corp	2.6
Johnson & Johnson	2.5
Wells Fargo & Co	2.4
Accenture PLC	2.1
Intercontinental Exchange Inc	1.9
Abbott Laboratories	1.9
Blackrock Inc	1.8

Sector allocation (%)

	Portfolio	Benchmark
Communication Services	7.2	4.6
Consumer Discretionary	8.1	5.8
Consumer Staples	5.4	8.2
Energy	1.0	7.1
Financials	28.2	23.2
Health Care	16.4	14.8
Industrials	12.6	14.1
Information Technology	11.3	8.7
Materials	3.4	4.2
Real Estate	1.8	4.7
Short Term Investments, Other Assets & Liabilities, Net	1.2	0.0
Utilities	3.5	4.8

Data source: FactSet. Portfolio characteristics have been determined using a representative account deemed appropriate and are supplemental information to the performance disclosure at the end of this document. Individual accounts may vary due to restrictions, substitutions and other factors. Characteristics shown are subject to change and may not equal 100% due to rounding.

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Year	Composite total return net of fees (%)	Composite total return gross of fees (%)	Benchmark return (%)	Composite 3-year standard deviation (%)	Benchmark 3-year standard deviation (%)	Number of accounts	Composite internal dispersion (%)	% Non fee paying portfolios	Composite assets at period end (\$ millions)	Firm assets at period end (\$ billions)
2023	11.09	14.44	11.46	17.28	16.51	</= 5	N/A	0.5	520.4	614.5
2022	-13.55	-10.89	-7.54	21.31	21.25	</= 5	N/A	0.5	485.1	556.7
2021	24.33	28.05	25.16	18.71	19.06	</= 5	N/A	94	2.9	673.1
2020	6.69	9.93	2.80	19.36	19.62	</= 5	N/A	94	2.1	639.6
2019	26.49	30.26	26.54	12.28	11.85	</= 5	N/A	94	1.9	582.1
2018	-10.35	-7.60	-8.27	11.35	10.82	</= 5	N/A	100	1.4	340.8
2017	15.75	19.22	13.66	N/A	N/A	</= 5	N/A	100	1.5	378.5
2016	12.94	16.34	17.34	N/A	N/A	</= 5	N/A	100	1.3	327.5
2015*	-1.23	-0.73	-1.78	N/A	N/A	</= 5	N/A	100	1.1	310.0

Current benchmark: Russell 1000® Value Index

** Partial period starting 01 Nov 2015

- TIAA Investments claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. TIAA Investments has been independently verified for the period 01 Jan 2008 through 31 Dec 2020 by ACA Performance Services, LLC. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.
- TIAA Investments ("TIAA") is an asset management division that provides investment advice and portfolio management services to the TIAA-CREF group of companies through Teachers Insurance and Annuity Association ("TIAA") and the following registered investment advisers: Teachers Advisors, LLC ("TAL") and TIAA-CREF Investment Management, LLC ("TCIM"). Both registered investment advisers are wholly-owned subsidiaries of TIAA. TIAAI is an affiliate of Nuveen, the investment management arm of TIAA and was created in 2017 as a result of reorganization within TIAA.
- The composite consists of direct-advisory fully discretionary, retail separately managed accounts and a seed account managed in a Low Carbon Value Equity ESG style. The Low Carbon Value Equity ESG composite seeks to offer competitive, long-term returns by integrating fundamental equity research and analysis with ESG research and investment guidelines. It seeks to provide portfolios of well-managed companies that are best-in-class ESG leaders within their respective sectors and whose current valuations underestimate their normalized earnings potential. The composite includes a thematic overlay to address investor interest in low carbon investment options.
- The composite internal dispersion is calculated using the asset-weighted standard deviation of the annual gross returns of all portfolios included in the composite for the entire year. Dispersion is not presented for periods where there are five or fewer accounts included in the composite for the full year as it is not considered statistically meaningful.
- The composite inception date is 01 Nov 2015; the composite creation date is January 2018.
- For direct-advisory institutional accounts, returns on a gross-of-fees basis include the deduction of trading commissions and other transaction costs but not investment management fees; returns on a net-of-fees basis do include the deduction of investment management fees. For direct-advisory fee-in-lieu accounts and advisor-sponsored accounts, returns on a gross-of-fees basis do not include the deduction of trading commissions, other transaction costs or fees; returns on a net-of-fees basis do include the deduction of fees and certain other expenses in the form of a bundled fee.
- Performance results are presented both gross and net of fees. Gross of fee returns are calculated gross of management and custodial fees and net of transaction costs.
- Effective 2020, the net of fee performance was calculated using a model annual fee of 3.00% and was retroactively applied. This fee was applied monthly. The net effect of the deduction of fees on the annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account's investment performance. Results reflect the reinvestment of dividends and other earnings.
- All returns represent the reinvestment of income.
- Effective 2018, TIAAI began managing the assets for the TIAA General account, resulting in the 2018 increase in firm AUM.
- To receive a list of composite descriptions, pooled fund descriptions for limited distribution pooled funds, and broad distribution pooled funds, please contact the GIPS Compliance Team at DL_PerfTeam@tiaa.org.
- Valuations and returns are computed and stated in U.S. dollars.
- Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.
- The benchmark for this composite is the Russell 1000® Value Index. The Russell 1000 Value Index is a subset of the Russell 1000 Index, which tracks the stocks of large domestic companies, based on total market capitalization. Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower relative forecasted growth values.
- Portfolio returns are net of all foreign non-reclaimable withholding taxes. Reclaimable withholding taxes are recognized when accrued.
- The three-year annualized standard deviation measures the variability of the composite and the benchmark over the preceding 36-month period and is calculated using gross returns.
- As of 31 Dec 2022, the composite consisted of 0.5% of non-fee paying seed accounts and 0.03% bundled fee account assets. As of 31 Dec 2021, 31 Dec 2020, and 31 Dec 2019 the composite consists of 94% non-fee paying seed account assets and 6% bundled fee account assets. As of 31 Dec 2018, 31 Dec 2017, 31 Dec 2016, and 31 Dec 2015 the composite consisted of 100% non-fee paying seed account assets.
- Please consider all risks carefully prior to investing. Portfolios within the composite are subject to certain risks, such as market and investment-style risks. Because its ESG criteria exclude some investments, the portfolio may not be able to take advantage of the same opportunities or market trends as strategies that do not use such criteria. Investments in small- to medium-sized corporations are more vulnerable to financial risks and other risks than larger corporations and may involve a higher degree of price volatility than investments in the general equity markets.
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Minimum investment is \$100,000.

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