

New retirement fund options offer socially conscious investment choices ^[1]



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Beginning in March, the University of Colorado's TIAA-administered retirement plans will add two new funds to their lineup of investment options. These new funds have been researched and chosen to offer employees investment options that have strong historical performance, low costs, and consider environmental, social, and governance (ESG) issues.

With these additions, the University will eliminate the TIAA-CREF Social Choice Equity Fund (Institutional) in the [CU 401\(a\) mandatory retirement plan](#) ^[3] and [CU 403\(b\) voluntary retirement plan](#) ^[4], and the CREF Social Choice Account (R3) Fund in the [Student Employee Retirement Plan \(SERP\)](#) ^[5].

Introducing two new options

CU's Retirement Plan Advisory Committee worked with Innovest Portfolio Solutions to assess TIAA's current ESG funds and research alternatives that may be a better fit. Innovest serves as an investment consultant to CU's Retirement Plan Advisory Committee. Innovest examined qualitative and quantitative factors including company and fund structure, investment style, historical performance, and fees to come to their recommendation to add two new funds.

"I am excited about these changes. We have great partnerships with our consultant, Innovest, and TIAA, our recordkeeper. Working together we were able to find and implement a solution for faculty, staff, and our student employees who were asking for more investment options that support their personal principles around socially responsible investing," said Michelle Martinez, CU's director of strategic benefits initiatives.

Vanguard FTSE Social Index Fund

The Vanguard FTSE Social Index Fund will be available to all TIAA retirement plan members — CU 401(a), CU 403(b), and SERP.

This fund invests in large cap US companies and seeks to track the investment performance of the FTSE4Good U.S. Select index. The index is built on social criteria such as workplace issues, environmental issues, product safety, human rights, and corporate responsibility. Its investments, as of November 30, 2022, include less than 0.4% holdings in the coal, oil and

gas industries, and fossil-fired utilities.

Parnassus Core Equity Fund

The Parnassus Core Equity Fund will only be available to TIAA's CU 401(a) and CU 403(b) plan members. It will not be an option for SERP members.

This fund invests in large cap U.S. companies. It excludes companies that derive significant revenue from alcohol, tobacco, weapons, fossil fuels, nuclear power, or gambling, then employs ESG quality and valuation screens to filter out about 85% of the universe through active management. The fund, as of November 30, 2022, had no direct stock holdings in the coal industry, oil and gas industry, fossil-fuel derived utilities, the top 30 coal-fired utilities, or the top 200 owners of carbon reserves.

Responding to faculty, staff, and students

Across CU's four campuses, many faculty, staff, and students have expressed a desire for the university to identify and offer alternative ESG investment options. This concern has been especially pronounced around the issue of climate change and global carbon emissions.

"I am pleased that the solution of adding these particular funds to the investment menu of the CU retirement plans seems to check off many boxes," said Wendy Dominguez, the president and co-founder of Innovest Portfolio Solutions.

"The new funds are low cost, have excellent historical performance, are different in that one is actively managed and one is passively managed, and seem to be better aligned with what many participants expect from an ESG perspective."

Taking advantage of the new investment options

The new funds will be available starting in late March. Those already invested in either the TIAA-CREF Social Choice Equity Fund (for CU 401(a) and CU 403(b) plan members) or the CREF Social Choice Account Fund (for SERP members) will have their investments directed to the Vanguard FTSE Social Index Fund until and unless they take action to move their investments.

Additionally, CU 401(a) and CU 403(b) plan members have the option to move their investments to the new Parnassus Core Equity Fund. These new options, in addition to the self-directed brokerage window ^[6], allow plan members to align their investments with their personal values and preferences.

Dig deeper into your retirement options

This is a great time to examine your investment stance and take advantage of the expert guidance offered by TIAA:

- **To schedule a TIAA personal financial consultation** ^[7]: Call 800-732-8353 from 6 a.m. to 8 p.m. (MT) weekdays or schedule a meeting online at [TIAA.org/schedulenow](https://www.tiaa.org/schedulenow) ^[8].
- **Phone**: Call TIAA at 800-842-2252, weekdays, 6 a.m. to 8 p.m. (MT).

- **Online account access:** Visit TIAA.org/cu [9] and log in to your account. If you are a first-time user, click “Log in” on the right side of the gray bar at the very top of the page, then select the “Need online access?” link and follow the prompts.
- **Monthly financial education webinars:** Watch your email for monthly TIAA webinar announcements that cover a wide range of financial topics. To view recordings of past webinars, visit TIAA.org/cu/webinars [10].

Finally, those employees who are nearing retirement age will benefit from our slate of **2023 Retirement Ready programming** [11]. Between Feb. 23 and March 23, you can join experts from TIAA, PERA, Social Security and Medicare via webinar to learn more about the full landscape of retirement considerations including health care, estate planning, and disbursement strategies.

[retirement](#) [12], [TIAA](#) [13], [voluntary retirement plans](#) [14], [401\(a\)](#) [15], [403\(b\)](#) [16], [serp](#) [17]

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