

CASE STUDY

Nuveen

Core Impact Bond Fund

nuveen
A TIAA Company

Year established	2007 ⁷⁰
Fund domicile	United States
Strategy-level AUM (USD)	\$ 16.8 billion ⁷¹
Target market	Primarily developed markets
Primary investments	Corporate bonds, mortgage-backed securities, asset-backed securities, municipal bonds, sovereign, supranational, and agency bonds
Management team	3 dedicated portfolio managers
Aligned standard(s) & regulation	SFDR Article 9; OPIM; UNPRI; ICMA; Orange Bond Initiative

Strategy overview

Nuveen, a subsidiary of TIAA, was founded in 1898 with a focus on municipal bond underwriting. Today, the firm is a global asset manager investing across public and private asset classes, with roughly half of its \$1.3 trillion of AUM in fixed income.⁷² Following TIAA’s acquisition in 2014, Nuveen remains widely recognized for the expertise and scale of its impact fixed income practice, as demonstrated by its

inclusion within BlueMark’s [practice leaderboard](#). Its proprietary approach to impact fixed income is centered on the principles of transparency and disclosure and predicated on direct UoPs and measurable outcomes. Nuveen selects securities that finance social, environmental, and sustainable projects from issuers demonstrating commitment to robust outcomes-based impact reporting.

70. Inception date of the Core Impact Bond Strategy
71. AUM of the Core Impact Bond Strategy, inclusive of the mutual fund, UCITS, separate accounts, and the bond sleeve of CREF Social Choice Account
72. As of December 31, 2024

Nuveen’s impact management approach prioritizes relative value and transparent outcomes. The team refers to its approach as “direct and measurable.” “Direct” refers to the selection of UoP bonds that enables allocation of capital towards specific populations and/or impact

outcomes. “Measurable” refers to assessing and monitoring the robustness of issuers’ impact reporting throughout the holding period. Nuveen also significantly emphasizes issuer and field-level engagement in its impact approach.

Core characteristics

Focus

The investor selects securities based on their stated UoPs’ or revenues’ contribution to specific impact themes.

Nuveen assesses whether a security’s UoPs are aligned to one or more of its four impact themes—each of which includes pre-defined impact outcomes and eligible project types. Further granular assessment of the anticipated impact of each investment is conducted to determine what impact is being generated, who it benefits, and how much impact is created, while also surfacing any associated impact risks. Nuveen has also created qualification scenarios that provide illustrative examples of what types of investments would align with Nuveen’s impact themes. The scenarios guide and mainstream impact assessment by including lists of associated project types and intended outcomes—further defining Nuveen’s investment universe.

Responsibility

The investor assesses an issuer’s ESG performance and ethical footprint (e.g., reputational checks, thematic exclusions).

To be included within the portfolio, securities must either qualify based on impact or ESG leadership. All potential holdings are assessed on a relative value basis as the team pursues a non-concessionary approach to impact and ESG investing. ESG assessment is conducted on a deal-by-deal basis and entails review of relevant materials, such as SPOs and other ESG ratings (e.g., MSCI). On an ad hoc basis, Nuveen’s investment team conducts calls with issuers to monitor ESG performance, while also monitoring their annual reporting. In the case of ESG underperformance, Nuveen reevaluates securities and may pursue additional engagement or divestment.

Completeness

The investor takes a holistic approach to impact assessment—considering UoPs/revenue, the issuer’s practices, and securities’ structure, while also calibrating assessment to the theme and sub-asset class at hand.

Nuveen’s approach evaluates securities based on a variety of factors, including the alignment of stated UoPs, the issuer’s commitment to delivering transparent and timely impact reporting, and the financial materiality of the outcome(s) relative to the issuer’s business model or mission. UoPs must clearly align with one or more of Nuveen’s four impact themes. The issuer must also provide outcomes-based reporting beyond project allocation using relevant metrics/KPIs. Depending on the type of security, this reporting may be available upfront at time of investment or may be a commitment made by the issuer and followed by regular post-investment reporting. This approach enables Nuveen to direct capital to specified projects and outcomes without relying on bond labeling.

Engagement

The investor leverages impact data to optimize their portfolio and engages with issuers to improve their impact.

In addition to engaging with issuers to address underperformance, Nuveen proactively engages with issuers to provide feedback on how new bonds should ideally be structured, to clarify what is needed to meet investor demand, and to strengthen impact reporting—contributing to building the supply of “direct and measurable” fixed income securities. At the market level, Nuveen participates in industry working groups, including ICMA, and engages with other relevant stakeholders (e.g., banks, asset owners, and other managers) to grow and strengthen the market.

Transparency

The investor collects, aggregates, and transparently reports on the impact of its investments.

Nuveen requires impact reporting from its issuers and publishes an annual Global Fixed Income Impact Report. Nuveen’s reporting shares theme- and geography-specific outcomes-based KPIs and equivalencies. Reports outline Nuveen’s approach and methodology to advance and encourage industry best practices. Nuveen reports on several aggregated impact metrics by theme—for example, “carbon sequestered” or “people reached through community programs.” Additionally, Nuveen provides case studies to provide human interest to the firm’s impact approach.

Featured practice: *Investor contribution*

As one of world's largest and most long-standing fixed income managers, Nuveen has developed strong relationships with stakeholders globally, including issuers, standard-setters, underwriters, peer investors, and policymakers. These relationships enable Nuveen to play a prominent role in building the market, innovating new types of deals, and elevating fixed income as an asset class with significant impact potential.

Nuveen proactively engages with issuers and financial intermediaries to enhance their impact reporting, influence the structure of emergent securities, and improve ESG-related business practices. At the market level, representatives from Nuveen's team have participated in prominent industry working groups, such as ICMA's inaugural Executive Committee, which codified the Green Bond Standards. Nuveen has also served as lead investor on several innovative fixed income deals, including the Ecuador/Galapagos debt-for-nature swap—a blue bond supporting conservation of marine areas between the Galapagos and Costa Rica—and the world's first Wildlife Conservation Bond (“Rhino Bond”) issued to increase the population of endangered Black Rhinos in South Africa.

Highlighted transaction: *The Amazon Conservation Bond*

In 2024, Nuveen invested in the Amazon Conservation Bond, a debt-for-nature swap in Ecuador focused on Amazon rainforest conser-

vation. The transaction protects 6.4 million hectares of habitat, including 4.6 million hectares of existing protected areas and an additional 1.8 million hectares of forests and wetlands, and 18,000 kilometers of rivers in the Amazon region. The debt service savings from the bond will enable Ecuador to increase environmental funding for the Amazon by up to 10x, totaling \$400 million over its lifetime. Most of the conservation funding unlocked by the bond will be distributed by an independent conservation trust fund, with the involvement of local indigenous groups. The investment follows Nuveen's earlier participation in Ecuador's first debt-for-nature swap in May 2023, which supported marine conservation in the Galapagos Islands, and complements Nuveen's position as anchor investor in the World Bank Amazon reforestation linked bond from August 2024, demonstrating the Fund's approach to environmental impact investing across fixed income markets.

Investor spotlight:
Mercy Investment Services

Mercy Investment Services, a ministry of the Sisters of Mercy of the Americas, first invested in Nuveen's Core Impact Bond strategy in 2020. In alignment with the values of the Sisters of Mercy, Mercy Investment Services invests with a goal to benefit people, communities, and creation and effect systemic change through corporate policies and initiatives. Mercy Investment Services engaged Nuveen because of their experience with fixed income

and thoughtful impact reporting practices, which have become more comprehensive over time. Nuveen's track record helps Mercy Investment Services towards its goal of outper-

forming benchmarks while elevating the environmental and social justice themes that are aligned with the critical concerns of the Sisters of Mercy.

Credit risk arises from an issuer's ability to make interest and principal payments when due, as well as the prices of bonds declining when an issuer's credit quality is expected to deteriorate. **Interest rate risk** occurs when interest rates rise causing bond prices to fall. The issuer of a debt security may be able to repay principal prior to the security's maturity, known as **prepayment (call) risk**, because of an improvement in its credit quality or falling interest rates. In this event, this principal may have to be reinvested in securities with lower interest

rates than the original securities, reducing the potential for income. **Non-U.S. investments** involve risks such as currency fluctuation, political and economic instability, lack of liquidity and differing legal and accounting standards. Investments in below investment grade or **high yield securities** are subject to liquidity risk and heightened credit risk. These and other risk considerations, such as active management, extension, issuer, illiquid investments, income volatility, and derivatives risk, are described in detail in the Fund's prospectus.

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Mutual fund investing involves risk; principal loss is possible. There is no guarantee the Funds investment objectives will be achieved. The Fund will include only holdings deemed consistent with the applicable Environmental Social Governance (ESG) guidelines. As a result, the universe of investments available to the Fund will be more limited than other funds

that do not apply such guidelines. ESG criteria risk is the risk that because the Funds ESG criteria exclude securities of certain issuers for nonfinancial reasons, the Fund may forgo some market opportunities available to funds that don't use these criteria.

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