

Savings Plus Program
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Governor Edmund G. Brown Jr.
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Gain a better understanding of your Savings Plus retirement benefits.

Annual Fee Disclosure Statement

When it comes to saving for retirement, knowledge is power. That is why we provide the people, tools and resources to help you achieve your retirement goals.

The enclosed Annual Fee Disclosure Statement can help you understand how the investment decisions you make today can impact your long-term savings goals. The statement is our way of being straightforward about your Savings Plus benefit, and how cost-effective and competitive our fees are. The statement includes:

- Plan offerings and expenses
- Investment options, past performance and associated costs
- Where to go for assistance with your account

As a reminder, we provide additional support through:



Education & Insights

Our workshops and proactive communications can simplify the complexities of retirement planning.



Actionable tools

Bridge the gap between knowledge and application through an array of easy-to-use tools.



Consultative guidance

We can help you identify goals and create personalized investment plans.

Be sure to take full advantage of your Savings Plus retirement plan benefits and consider making regular contribution increases to improve your retirement readiness. After all, tomorrow is a good reason to contribute more today.

Simply visit savingsplusnow.com to increase your contributions and learn more about how we can help you save for retirement. You can also call Savings Plus at (855) 616-4776 or visit our Walk-in Service Center at 1810 16th Street, Room 108, Sacramento.

Sincerely,
Savings Plus

Annual Fee Disclosure Statement as of September 30, 2016

This statement covers the fees, tools and fund options available through Savings Plus — and may help you feel more confident about your retirement planning decisions. It includes information on:

- Investing preferences
- Applicable fees
- Fund options

Savings Plus

Savings Plus provides resources, information, and online tools to help you make confident and informed retirement planning decisions. It offers:

- Savings through convenient payroll deductions
- Both pre-tax and Roth after-tax contributions
- A comprehensive fund line-up that is monitored by the plans' investment committee
- One-on-one and group support from Retirement Specialists in the field and in our Walk-In Service Center in Sacramento

1. Investing preferences

How you invest is very important. Savings Plus offers a variety of fund options to serve individual styles – and makes it easy for you to understand the available options and applicable fees.

Keep in mind that investing styles and preferences translate into varying investment selections and fee structures.

The investment approaches available through Savings Plus are:

“Do it for me”

Target Date Funds offer the convenience of a single, diversified investment strategy that automatically becomes more conservative as the fund approaches a target date. You choose one fund based on the time frame in which you expect to begin taking distributions from your account. This date is selected in alignment with your date of birth.

ProAccount[®] (Professionally Managed Account) allows you to have advisors create and maintain a personalized retirement strategy for your Savings Plus account for an additional management fee.

“Do it myself”

Core Fund Options are our primary fund options for you to select from to create your own diversified investment portfolio.

Schwab Personal Choice Retirement Account (PCRA) gives you access to a marketplace of retail investment options and is generally for more experienced investors or those who desire more investment options. The Savings Plus Investment Committee does not review the investments available through the self-directed brokerage account.

Before you purchase or sell securities through the PCRA, it is important to learn about the fees associated with the particular investment you are trading. A fee schedule is available in the Investment Information section of savingsplusnow.com (see Investment Styles). There is no initial or ongoing transfer minimum to the PCRA. A minimum amount of the lesser of \$2,500.00 or 50 percent of your account balance must remain in your core accounts when you use the PCRA (includes Target Date Funds).

“Guided”

Free online advice tools are offered through Wilshire Associates, Inc. to help you fine-tune your investment strategy based on your selection from the Core Funds.

A number of factors can determine your investment strategy, including your age, lifestyle, accumulated wealth, years to retirement and comfort level with investment risk.

To make changes to your Savings Plus allocations:

1. Log into your account
2. Click “Manage My Funds”

Additional resources are available:

Visit our Walk-in Service Center located at 1810 16th Street, North Building, Room 108 in Sacramento Monday through Friday from 8 a.m. to 5 p.m.

Call us at (855) 616-4776 with any questions (TTY 800-848-0833).

Investment elections can be changed on any day the market is open.

Visit [savingsplusnow.com](https://www.savingsplusnow.com)

Here you will find detailed information about the fund options available to you, tools to help you determine your style of investing, and:

- Our Investment Policy Statement
- Quarterly Investment Performance Report (IPR)
- Fund Fact Sheets with the investment managers comprising each fund portfolio
- Personal Choice Retirement Account (PCRA) investing option available through Charles Schwab & Associates
- Nationwide ProAccount® information
- Investor Personality and Investing Style questionnaires to help you evaluate the different investing approaches
- My Interactive Retirement Planner, an interactive calculator that helps you holistically determine your current financial situation and make the decisions that are right for you
- Glossary of investment terms

2. Applicable fees

As with other investments, fees and expenses for Savings Plus accounts are paid by investors, the participants. Types of fees include:

Asset-based fees

Featured as Expense Ratios in performance reports, these fees express the percentage of assets deducted for fund expenses, including management fees, administrative fees, operating expenses, and all other asset-based costs incurred by the fund. You will not see these fees directly because they are deducted from investment earnings. They are more fully explained in Section 3.

Administrative fees

These fees are generally charged to your account and may include:

- **Administrative fee:** \$1.50 per plan per month is deducted from each participant's account.
- **Loan fee:** A \$50.00 fee will be deducted from your account when you take a loan.
- **Domestic Relations Order fee (DRO):** A processing fee of \$300.00 is assessed and equally split by the participant and the alternate payee, unless the Court Decree orders differently. The fee is deducted from your account before the order is applied.

- **Check writing fee:** If you elect to receive a check in lieu of a direct deposit you will have a \$2.00 check fee deducted from your account for each distribution.
- **Redemption fees:** Our excessive trading policy imposes a 2.5 percent redemption fee on the sale of securities in the International Fund and in the International Index Fund if the sale occurs within 30 calendar days of purchase (the "holding period").

Enhanced services fees

These fees are for additional investing service options:

Schwab Personal Choice Retirement Account fee: If you establish a self-directed brokerage account within the plan(s), depending upon the investments purchased and sold in the self-directed brokerage account, commissions and fees may apply. These fees are deducted directly from the assets in your self-directed brokerage account.

Professionally Managed Advice Program fee: If you choose to have your account professionally managed using Nationwide's (ProAccount®), your account will be charged an annual fee which is taken quarterly based on the following assets in your account:

• Up to the first \$250,000 (0.125% per quarter)	0.50%
• The next \$150,000 (0.1125% per quarter)	0.45%
• The next \$100,000 (0.100% per quarter)	0.40%
• \$500,001 and above (0.0875% per quarter)	0.35%

The Advice Program Fee is calculated daily based on the market value of your Account (also known as "average daily balance") and payable quarterly, in arrears.

The cumulative effect of fees and expenses can reduce the growth of a participant's or beneficiary's retirement account. Participants and beneficiaries can visit the Employee Benefit Security Administration's (EBSA's) website at [www.dol.gov/ebsa/publications/401\(k\)_employee.html](http://www.dol.gov/ebsa/publications/401(k)_employee.html) for an example demonstrating the long-term effect of fees and expenses.

Fees are only one of several factors to consider when making investment decisions. Carefully consider other key factors, including asset class, risk, principal investment strategies, and historical performance

when selecting investments. Investing involves market risk. Read the Fund Fact Sheets carefully before investing. No investment strategy or program can guarantee a profit or avoid losses.

Nationwide Investment Advisors (NIA) exercises discretionary authority to allocate and rebalance a participant's account to implement the advice Wilshire provides. Because investing involves market risk, there is no guarantee that Nationwide ProAccount will achieve an investor's objectives. Wilshire is a service mark of Wilshire Associates, Inc., which is not affiliated with Savings Plus or NIA. Nationwide ProAccount is a service mark of Nationwide Mutual Insurance Company.

3. Fund options

The table on the next page provides you with details on the fund options available to you, including:

General information about the fund, including fund name, benchmark and asset class.

Fee information, including asset-based fees, referred to as Expense Ratio in the table, plus other shareholder-type fees and investment restrictions.

Important Fund and Fee disclosures are footnoted in the table and featured at the bottom of this page.



For more information about Savings Plus or this statement, visit our Walk-in Service Center:

1810 16th Street, Room 108
Sacramento, CA 95811
Monday through Friday, 8 a.m. - 5 p.m.



Or call (855) 616-4776 Monday through Friday, 5 a.m. to 8 p.m. (PT)

End Notes

- (1) This fund is a separately managed portfolio of assets managed specifically for Savings Plus. It is not a mutual fund. See the Fund Fact Sheet for more information.
- (2) This fund is a passively managed commingled fund (collective trust). It is not a mutual fund. See the Fund Fact Sheet for more information.
- (3) International funds are subject to a short term trade restriction policy. Redemption fees may apply. See the Transfer Restrictions and Redemption Fees document on the savingsplusnow.com website. Refer to the Fund Fact Sheet for more information.
- (4) The Target Date Funds replaced the Asset Allocation Funds as of market close March 21, 2014 and have a limited return history. See the Fund Fact Sheet for more information.
- (5) Market indexes have been provided for benchmark comparison purposes only. They are unmanaged and no fees or expenses have been reflected here. Individuals cannot invest directly in a market index. Although gathered from reliable sources, data accuracy and completeness cannot be guaranteed.

Key Risks

- (6) Bond funds have the same interest rate, inflation and credit risks that are associated with the underlying bonds owned by the fund.
- (7) Stocks of small or emerging companies may have less liquidity than those of larger, established companies and may be subject to greater price volatility and risk than the overall stock market.
- (8) Investing internationally involves risks not associated with investing solely in the U.S., such as currency fluctuation, political risk, differences in accounting and the limited availability of information.
- (9) Target Date Funds invest in a wide variety of underlying investment options to help reduce investment risk. Their expense ratio represents a weighted average of the expense ratios and any fees charged by the underlying investment options in which the Funds invest. The Funds do not charge any expense or fees of their own. Like other funds, target date funds are subject to market risk and loss of principal can occur at any time, including before, at or after the target date. There is no guarantee that target date funds will provide enough income for retirement or that asset allocation, diversification or any investment strategy will assure a profit or avoid losses.
- (10) Redemption fee of 2.5% of the transfer amount if assets not held for at least 30 days.

General Information		Historical Performance							Fee Information		
Fund Name/Benchmark	Asset Class	Qtr	Year to Date	Annualized Returns (%)				Since Inception	Net Expense Per \$1000 Investment (\$)	Gross Expense Per \$1000 Investment (\$)	Net Expense Ratio (%)
				1 Yr	3 Yr	5 Yr	10 Yr				
Target Date Funds											
Target Date Fund Income ^{1, 4, 6, 7, 8, 9}	Target Date	1.84	4.58	5.51	N/A	N/A	N/A	2.29	2.30	2.30	0.23
Benchmark: Target Date Income Custom Index ⁵		1.70	5.07	5.95	3.04	4.18	4.06	N/A			
Target Date Fund 2015 ^{1, 4, 6, 7, 8, 9}	Target Date	1.93	4.55	5.54	N/A	N/A	N/A	2.30	2.30	2.30	0.23
Benchmark: Target Date 2015 Custom Index ⁵		1.70	5.07	5.95	3.04	4.18	4.06	N/A			
Target Date Fund 2020 ^{1, 4, 6, 7, 8, 9}	Target Date	2.47	4.96	6.45	N/A	N/A	N/A	2.27	2.50	2.50	0.25
Benchmark: Target Date 2020 Custom Index ⁵		2.14	5.52	6.81	3.30	4.97	4.27	N/A			
Target Date Fund 2025 ^{1, 4, 6, 7, 8, 9}	Target Date	3.01	5.50	7.47	N/A	N/A	N/A	2.35	2.70	2.70	0.27
Benchmark: Target Date 2025 Custom Index ⁵		2.68	6.07	7.87	3.61	5.95	4.49	N/A			
Target Date Fund 2030 ^{1, 4, 6, 7, 8, 9}	Target Date	3.54	5.94	8.44	N/A	N/A	N/A	2.36	2.90	2.90	0.29
Benchmark: Target Date 2030 Custom Index ⁵		3.23	6.61	8.92	3.91	6.92	4.69	N/A			
Target Date Fund 2035 ^{1, 4, 6, 7, 8, 9}	Target Date	4.10	6.36	9.36	N/A	N/A	N/A	2.34	3.20	3.20	0.32
Benchmark: Target Date 2035 Custom Index ⁵		3.78	7.13	9.96	4.20	7.87	4.85	N/A			
Target Date Fund 2040 ^{1, 4, 6, 7, 8, 9}	Target Date	4.66	6.81	10.36	N/A	N/A	N/A	2.35	3.40	3.40	0.34
Benchmark: Target Date 2040 Custom Index ⁵		4.33	7.65	10.98	4.47	8.82	4.97	N/A			
Target Date Fund 2045 ^{1, 4, 6, 7, 8, 9}	Target Date	5.02	7.14	10.98	N/A	N/A	N/A	2.35	3.60	3.60	0.36
Benchmark: Target Date 2045 Custom Index ⁵		4.78	8.05	11.80	4.68	9.58	5.04	N/A			
Target Date Fund 2050 ^{1, 4, 6, 7, 8, 9}	Target Date	5.03	7.10	10.94	N/A	N/A	N/A	2.34	3.50	3.50	0.35
Benchmark: Target Date 2050 Custom Index ⁵		4.78	8.05	11.80	4.68	9.58	5.04	N/A			
Target Date Fund 2055 ^{1, 4, 6, 7, 8, 9}	Target Date	5.13	6.46	9.78	N/A	N/A	N/A	1.72	3.60	3.60	0.36
Benchmark: Target Date 2055 Custom Index ⁵		4.78	8.05	11.80	4.68	9.58	5.04	N/A			
Target Date Fund 2060 ^{1, 4, 6, 7, 8, 9}	Target Date	4.80	5.60	8.99	N/A	N/A	N/A	1.29	3.50	3.50	0.35
Benchmark: Target Date 2060 Custom Index ⁵		4.78	8.05	11.80	4.68	9.58	5.04	N/A			
Core Funds											
Socially Responsible Fund ¹	Balanced	1.94	7.36	11.29	8.08	11.71	5.48	8.21	3.90	3.90	0.39
Benchmark: 60% S&P 500 Index and 40% Barclays U.S. Aggregate Bond Index ⁵		2.49	7.13	11.43	8.41	11.05	6.56	N/A			
Short Term Investment Fund - Cash ¹	Short Term	0.08	0.23	0.26	0.21	0.22	1.17	1.67	1.30	1.30	0.13
Benchmark: 90 Day U.S. Treasury Bill ⁵		0.10	0.24	0.27	0.11	0.10	0.92	N/A			
Short Term Investment Fund ¹	Short Term	0.22	1.95	1.72	1.32	1.57	2.38	4.89	1.50	1.50	0.15
Benchmark: Barclays U.S. 1-3 Year Government/ Credit Bond Index ⁵		0.02	1.68	1.31	1.09	1.05	2.59	N/A			
Bond Index Fund ^{1, 6}	Bond	0.40	5.67	5.05	3.88	2.93	N/A	4.70	0.80	0.80	0.08
Benchmark: Barclays U.S. Aggregate Bond Index ⁵		0.46	5.80	5.19	4.03	3.08	4.79	N/A			
Bond Fund ^{1, 6}	Bond	1.15	6.60	6.04	3.32	3.06	N/A	4.56	3.20	3.20	0.32
Benchmark: 60% Barclays U.S. Aggregate Bond Index and 40% Barclays Global Aggregate Bond Index (Unhedged) ⁵		0.60	7.41	6.65	3.28	2.55	4.60	N/A			
Diversified Real Return Fund ¹	Diversified Real Return	2.34	13.13	11.11	-1.01	0.79	N/A	-0.89	6.90	6.90	0.69
Benchmark: CPI + 3% ⁵		0.89	3.19	4.19	3.94	4.18	4.71	N/A			
Large Cap Index Fund ¹	Large Cap	3.91	7.83	15.40	11.15	16.33	N/A	6.28	0.60	0.60	0.06
Benchmark: S&P 500 Index ⁵		3.85	7.84	15.43	11.16	16.37	7.24	N/A			
Large Cap Fund ¹	Large Cap	4.06	5.21	11.98	9.56	15.67	N/A	5.83	3.70	3.70	0.37
Benchmark: Russell 1000 Index ⁵		4.03	7.92	14.93	10.78	16.41	7.40	N/A			
Mid Cap Index Fund ¹	Mid Cap	4.10	12.37	15.28	9.24	16.36	N/A	8.11	0.80	0.80	0.08
Benchmark: S&P Mid Cap 400 Index ⁵		4.14	12.40	15.33	9.35	16.50	9.11	N/A			
Mid Cap Fund ¹	Mid Cap	4.58	8.43	12.92	8.95	15.71	N/A	7.78	4.50	4.50	0.45
Benchmark: Russell Mid Cap Index ⁵		4.52	10.26	14.25	9.70	16.67	8.32	N/A			
International Index Fund ^{2, 3, 8, 10}	International	7.11	6.10	9.69	-0.06	5.61	N/A	-2.12	1.20	1.20	0.12
Benchmark: MSCI ACWI ex-U.S. IMI (net) ⁵		7.05	6.08	9.81	0.62	6.37	2.47	N/A			
International Fund ^{1, 3, 8, 10}	International	7.54	5.00	9.77	0.28	6.62	N/A	-1.00	5.80	5.80	0.58
Benchmark: MSCI ACWI ex-U.S. IMI (net) ⁵		7.05	6.08	9.81	0.62	6.37	2.47	N/A			
Small Cap Index Fund ^{2, 7}	Small Cap	8.97	10.84	14.58	6.30	15.54	N/A	6.31	0.80	0.80	0.08
Benchmark: Russell 2000 Index ⁵		9.05	11.46	15.47	6.71	15.82	7.07	N/A			
Small Cap Fund ^{1, 7}	Small Cap	9.00	10.20	13.95	5.87	15.77	N/A	6.22	7.30	7.30	0.73
Benchmark: Russell 2000 Index ⁵		9.05	11.46	15.47	6.71	15.82	7.07	N/A			

Past performance does not guarantee how the investment will perform in the future. Information about fund options is available at savingsplusnow.com.

Before investing, carefully consider each fund's investment objectives, risks, charges and expenses. Fund Fact Sheets contain this and other important information. Fund Fact Sheets may be downloaded from savingsplusnow.com or by calling (855) 616-4776.

Fund and fee disclosures are located at the bottom of page 3.