



**SCHOLARSHARE**

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CALIFORNIA'S 529 COLLEGE SAVINGS PLAN  
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SCHOLARSHARE COLLEGE SAVINGS PLAN

Annual Report

June 30, 2015



# SCHOLARSHARE COLLEGE SAVINGS PLAN

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## **Independent Auditor's Report**

To the Trustee of the Golden State ScholarShare College Savings Trust:

We have audited the accompanying basic financial statements of the ScholarShare College Savings Plan (the "Plan"), which comprise the Statement of Fiduciary Net Position as of June 30, 2015 and the related Statement of Changes in Fiduciary Net Position for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the ScholarShare College Savings Plan, at June 30, 2015, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matter***

The accompanying management's discussion and analysis on pages 4 through 6 are required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance



with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise the Plan's basic financial statements. The accompanying supplemental information of the Statements of Fiduciary Net Position on pages 14 through 20 and Statements of Changes in Fiduciary Net Position on pages 22 through 28 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2015 on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

*PricewaterhouseCoopers LLP*

September 10, 2015

# SCHOLARSHARE COLLEGE SAVINGS PLAN

## MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

As plan manager of the Scholarshare College Savings Plan (the "Plan"), TIAA-CREF Tuition Financing, Inc. ("TFI") offers readers of the Plan's financial statements this discussion and analysis of the financial performance for the year ended June 30, 2015. Readers should consider the information presented in this section in conjunction with the Plan's financial statements and notes to financial statements. The Plan is comprised of 19 investment portfolios (the "Portfolios") in which account owners ("Account Owners") may invest.

### Financial Highlights

During the year ended June 30, 2015, the Portfolios within the Plan posted returns as follows:

<u>Active Age-Based Portfolio:</u>		<u>Passive Age-Based Portfolio:</u>	
Ages 0-4	3.47%	Ages 0-4	3.16%
Ages 5-8	3.23	Ages 5-8	2.91
Ages 9-10	2.97	Ages 9-10	2.65
Ages 11-12	2.55	Ages 11-12	2.30
Ages 13-14	2.33	Ages 13-14	1.99
Age 15	2.04	Age 15	1.74
Age 16	2.10	Age 16	1.61
Age 17	1.76	Age 17	1.57
Ages 18 & Over	1.56	Ages 18 & Over	1.34
<u>Active Multi-Fund Investment Portfolios:</u>		<u>Passive Multi-Fund Investment Portfolios:</u>	
Active Diversified Equity Portfolio	4.10%	Passive Diversified Equity Portfolio	3.84%
Active Growth Portfolio	3.16	Passive Growth Portfolio	3.06
Active Moderate Growth Portfolio	2.46	Passive Moderate Growth Portfolio	2.08
Active Conservative Portfolio	1.19	Passive Conservative Portfolio	0.86
Active International Equity Portfolio	(5.34)	Passive Diversified Fixed Income Portfolio	0.74
Active Diversified Fixed Income Portfolio	1.29	Index International Equity Portfolio	(4.24)%
		<u>Single Fund Investment Portfolios:</u>	
		Social Choice Portfolio	3.31
		Index Bond Portfolio	1.70
		Index U.S. Large Cap Equity Portfolio	7.33
		Index U.S. Equity Portfolio	7.16
		Principal Plus Interest Portfolio	1.06

The Plan received \$244.0 million in net contributions from Account Owners during the year ended June 30, 2015.

The Plan earned \$126.1 million of investment income and incurred \$3.8 million of operating expenses during the year ended June 30, 2015.

### Overview of the Financial Statements

The Plan's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Government Accounting Standards Board Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*, as amended.

This report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements are composed of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position, and Notes to Financial Statements that explain some of the information in the financial statements and provide more detailed information.

The Statement of Fiduciary Net Position presents information on the Plan's assets and liabilities, with the difference between the two reported as net position as of June 30, 2015. This statement, along with all of the Plan's financial statements, is prepared using the accrual basis of accounting. Contributions are recognized when enrollment in the Plan is finalized; subsequent subscriptions and

redemptions are recognized on trade date; expenses and liabilities are recognized when services are provided regardless of when cash is disbursed.

The Statement of Changes in Fiduciary Net Position presents information showing how the Plan’s assets changed during the most recent fiscal period. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years.

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

This report presents the operating results and financial status of the Plan, which the State of California reports as a fiduciary fund. Fiduciary fund reporting is used to account for resources held for the benefit of parties outside the governmental entity.

**Financial Analysis**

**Net position** - The following are condensed Statements of Fiduciary Net Position as of June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Investments	\$ 6,426,303,136	\$ 6,022,524,390
Cash	716	6,605
Receivables	<u>8,545,348</u>	<u>8,442,569</u>
<b>Total Assets</b>	<b><u>6,434,849,200</u></b>	<b><u>6,030,973,564</u></b>
Payables	<u>8,929,410</u>	<u>8,968,981</u>
<b>Total Liabilities</b>	<b><u>8,929,410</u></b>	<b><u>8,968,981</u></b>
<b>Total Net Position</b>	<b><u>\$ 6,425,919,790</u></b>	<b><u>\$ 6,022,004,583</u></b>

Net position represents total contributions from Account Owners, plus the net increases (decreases) from operations, less withdrawals and expenses.

Investments are approximately 100% of total net position, and consist of the Portfolios, each of which invests in varying percentages in multiple TIAA-CREF Funds, and/or other third-party mutual funds, or a funding agreement (“Funding Agreement”) issued by TIAA-CREF Life Insurance Company to the Board as the policy holder on behalf of the Plan. Receivables consist of securities sold, contributions, and accrued income. Liabilities consist mainly of payables for securities purchased, withdrawals, and accrued expenses.

**Changes in net position** - The following are condensed Statements of Changes in Fiduciary Net Position for the years ended June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Additions:		
Subscriptions	\$ 3,017,246,557	\$ 2,753,223,761
Interest and dividends from underlying funds	126,125,179	108,466,934
Net increase in fair value of investments	<u>37,641,548</u>	<u>649,088,885</u>
<b>Total Additions</b>	<b><u>3,181,013,284</u></b>	<b><u>3,510,779,580</u></b>
Deductions:		
Redemptions	(2,773,266,351)	(2,530,669,774)
Plan manager fee	(2,967,272)	(2,628,008)
Administrative fee	<u>(864,454)</u>	<u>(1,395,443)</u>
<b>Total Deductions</b>	<b><u>(2,777,098,077)</u></b>	<b><u>(2,534,693,225)</u></b>
<b>Changes in Net Position</b>	<b><u>403,915,207</u></b>	<b><u>976,086,355</u></b>
Net position - beginning of year	<u>6,022,004,583</u>	<u>5,045,918,228</u>
<b>Net position - end of year</b>	<b><u>\$ 6,425,919,790</u></b>	<b><u>\$ 6,022,004,583</u></b>

**SCHOLARSHARE COLLEGE SAVINGS PLAN  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2015**

**ASSETS**

Cash	\$	716
Investments, at value (Cost: \$5,632,875,836)		6,426,303,136
Dividends and interest receivable		4,565,781
Receivable from securities transactions		982,454
Receivable from Plan units sold		2,997,113
<b>TOTAL ASSETS</b>		<u>6,434,849,200</u>

**LIABILITIES**

Accrued Plan manager fee		519,500
Accrued administrative fee		154,290
Payable for securities transactions		6,233,586
Payable for Plan units redeemed		2,022,034
<b>TOTAL LIABILITIES</b>		<u>8,929,410</u>

**NET POSITION**

Held in trust for Account Owners in the Plan	\$	<u>6,425,919,790</u>
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**SCHOLARSHARE COLLEGE SAVINGS PLAN  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

**ADDITIONS**

Subscriptions \$ 3,017,246,557

Investment income:

Interest 2,955,903

Dividends 123,169,276

Total investment income 126,125,179

Net increase in fair value of investments 37,641,548

Total additions 3,181,013,284

**DEDUCTIONS**

Redemptions (2,773,266,351)

Plan manager fee (2,967,272)

Administrative fee (864,454)

Total deductions (2,777,098,077)

Changes in net position 403,915,207

Net position – beginning of year 6,022,004,583

**Net position – end of year** **\$ 6,425,919,790**

# SCHOLARSHARE COLLEGE SAVINGS PLAN

## NOTES TO FINANCIAL STATEMENTS

### Note 1 – Organization and Significant Accounting Policies

The ScholarShare College Savings Plan (“Plan”) was created by the State of California to encourage individuals to save for postsecondary education. The ScholarShare Investment Board (“Board”), as trustee of the Golden State ScholarShare College Savings Trust (“Trust”), implemented and administers the Plan. The responsibilities of the Board with respect to the plan include: making and entering into contracts necessary for the administration of the Trust and the Plan, approving the investment portfolios offered in the Plan, managing and operating the Plan, and adopting regulations for the administration of the Plan. TIAA-CREF Tuition Financing, Inc. (“TFI”), a wholly owned direct subsidiary of Teachers Insurance and Annuity Association of America (“TIAA”), and the Board have entered into a management agreement (“Management Agreement”) under which TFI provides certain services to the Plan. The Plan is intended to meet the requirements of a qualified tuition program under Section 529 of the Internal Revenue Code (“Code”). The Plan is currently the only qualified tuition program offered by the Board. Investment portfolios (the “Portfolios” or individually “Portfolio”) allocations and fees, as approved by the Board, are described in the current Disclosure Booklet for the Plan.

The assets in the Principal Plus Interest Portfolio are allocated to a funding agreement (“Funding Agreement”) issued by TIAA-CREF Life Insurance Company (“TIAA-CREF Life”), which is an affiliate of TFI, to the Board, as policyholder. The Funding Agreement provides for a return of principal plus a guaranteed rate of interest and allows for the possibility that additional interest may be credited as declared periodically by TIAA-CREF Life. In addition, certain other Portfolios also invest some percentage of their allocation to a separate TIAA-CREF Life Funding Agreement.

Teachers Advisors, Inc. (“Advisors”), an affiliate of TFI, is registered with the Securities and Exchange Commission as an investment adviser and provides investment advisory services to the TIAA-CREF Funds (the “Funds”).

The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (“GASB”) which may require the use of estimates made by management and the evaluation of subsequent events. Actual results may differ from those estimates. The following is a summary of the significant accounting policies consistently followed by the Plan.

**Investment income:** Securities transactions are accounted for as of the trade date for financial reporting purposes. Interest income is recorded as earned. Dividend income and capital gain distributions from the underlying mutual funds are recorded on the ex-dividend date. Income distributions from underlying mutual funds are included in total investment income and gain distributions are included in net increase in fair value of investments. Realized gains and losses are based upon the specific identification method.

**Income tax:** No provision for federal income tax has been made. The Plan is designed to constitute a qualified tuition program under Section 529 of the Code and does not expect to have any unrelated business income subject to tax.

**Units:** The beneficial interests for each account owner (“Account Owner”) in the Portfolios are represented by Plan units. Subscriptions and redemptions are recorded upon receipt of Account Owner’s instructions in good order, based on the next determined net position value per unit (“Unit Value”). Unit Values for each Portfolio are determined at the close of business of the New York Stock Exchange. The Unit Value for financial reporting purposes may differ from the Unit Value for processing transactions. The Unit Value for financial reporting purposes includes security and shareholder transactions through the date of the report. There are no distributions of net investment gains or net investment income to the Portfolio’s Account Owners or beneficiaries.

**Subscriptions and Redemptions:** Subscriptions on the Statement of Changes in Fiduciary Net Position include any contributions to the Plan made by Account Owners and any exchanges within the Plan that result in a reinvestment of assets. Redemptions on the Statement of Changes in Fiduciary Net Position include any withdrawals from the Plan made by Account Owners and any exchanges within the Plan that result in a reinvestment of assets.

**New accounting pronouncement:** In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application* (the “Statement”). The Statement provides guidance for enhanced disclosures about fair value measurements. The Statement is effective for financial statements for periods beginning after June 15, 2015. The Plan has early adopted this new guidance beginning with the June 30, 2015 financial statements. Adoption of the Statement did require additional notes disclosure around fair value measurement.

## SCHOLARSHARE COLLEGE SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS (continued)

### Note 2 – Valuation of Investments

Certain investments are valued at fair value utilizing various valuation methods. GASB establishes a hierarchy that prioritizes market inputs to fair valuation methods. The three levels of inputs are:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, credit spreads, etc.)
- Level 3 – significant unobservable inputs (including the Plan's own assumptions in determining the fair value of investments)

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

A description of the valuation techniques applied to the Plan's major categories of investments follows:

**Investments in registered investment companies:** These investments are valued at their published net asset value on the valuation date. These investments are categorized in Level 1 of the fair value hierarchy.

**Funding Agreement:** The Funding Agreements, to which the Principal Plus Interest Portfolio, Active Age-Based Portfolio, Passive Age-Based Portfolio, Active Conservative Portfolio and Passive Conservative Portfolio allocate assets, is considered a nonparticipating interest-earning investment contract and is accounted for at cost. Because the Funding Agreement is valued at cost, it is not included in the fair value hierarchy.

As of June 30, 2015, 100% of the value of mutual fund investments in the Plan were valued based on Level 1 inputs.

### Note 3 – Plan Fees

Each Portfolio (with the exception of the Principal Plus Interest Portfolio) pays the Plan manager fee at an annual rate of 0.05% of the average daily net assets held by that Portfolio. In addition, Advisors is paid investment management fees on the underlying investments in the Funds.

Certain Portfolios pay to the Board a fee equal to 0.05% of the average daily net assets held by such Portfolios to pay for expenses related to the administration of the Plan.

The Principal Plus Interest Portfolio does not pay a Plan manager fee or a Board administrative fee. TIAA-CREF Life, the issuer of the funding agreement in which this Investment Portfolio invests and an affiliate of TFI, makes payments to TFI as Plan manager. TIAA-CREF Life also pays the Board a fee, equal to 0.05% of the average daily net assets held by the Principal Plus Interest Portfolio.

## SCHOLARSHARE COLLEGE SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS (continued)

### Note 4 – Investments

**Cash deposits:** Cash deposits at June 30, 2015 were covered by federal depository insurance coverage.

**Investments:** As of June 30, 2015, net unrealized appreciation (depreciation) of Portfolio investments was \$793,427,300 consisting of gross unrealized appreciation of \$821,591,614 and gross unrealized depreciation of \$(28,164,314).

As of June 30, 2015, the Plan's investments consist of the following:

	<u>Units</u>	<u>Cost</u>	<u>Value</u>
TIAA-CREF Funds (Institutional Class):			
Bond Index Fund	97,332,625	\$ 1,049,070,788	\$ 1,049,245,700
Bond Plus Fund	27,806,377	298,256,071	293,079,216
Emerging Markets Equity Index Fund	10,855,965	108,529,291	110,188,045
Equity Index Fund	91,324,611	1,012,458,846	1,443,842,108
High-Yield Fund	14,754,654	146,801,142	144,448,062
Inflation-Linked Bond Fund	22,021,839	261,372,667	250,168,094
International Equity Index Fund	28,889,352	454,979,834	536,764,166
Real Estate Securities Fund	13,826,345	162,432,800	198,961,100
S&P 500 Index Fund	9,219,836	159,702,247	215,098,770
Small-Cap Equity Fund	3,734,731	60,105,037	68,158,843
Social Choice Equity Fund	7,717,393	92,833,964	128,957,634
Non-Proprietary Funds (Institutional Class):			
DFA Emerging Markets Core Equity Portfolio	2,637,497	50,886,377	50,877,309
DFA Large Cap International Portfolio	10,480,596	206,822,652	225,437,624
PIMCO Income Fund	10,088,978	120,365,248	124,699,767
PIMCO Real Return Fund	10,466,799	121,989,647	113,564,764
T. Rowe Price Institutional Floating Rate Fund	5,548,081	56,240,341	56,202,066
T. Rowe Price Institutional Large-Cap Growth Fund	9,946,740	213,230,191	290,643,742
T. Rowe Price Institutional Large-Cap Value Fund	13,740,956	210,598,422	279,765,855
TIAA-CREF Life Insurance Company:			
Funding Agreements	596,085,498	846,200,271	846,200,271
		<u>\$ 5,632,875,836</u>	<u>\$ 6,426,303,136</u>

### Note 5 – Investment Risks

Certain investments are subject to a variety of investment risks based on the amount of risk in the underlying funds. GASB requires that entities disclose certain essential risk information about deposits and investments. All of the Plan's Portfolios are uninsured and unregistered and are held by a custodian in the Plan's name.

**Custodial credit risk:** Custodial credit risk is the risk that in the event of a failure, the Plan deposits and investments may not be returned. An Account Owner has an investment in a Portfolio and not a direct investment in any underlying mutual fund or other investment vehicle to which funds in that Portfolio may be allocated. Because of this ownership structure, the custodial credit risk is mitigated.

**Investment Policy:** The Plan does not have specific investment policies which address credit, interest rate, foreign currency or custodial credit risk. The Plan's Portfolios are managed based on specific investment objectives and strategies which are disclosed in the current Plan's Disclosure Booklet.

**Credit risk:** The underlying mutual funds investing primarily in fixed income securities are subject to credit risk. Credit risk refers to the ability of the issuer to make timely payments of interest and principal. The underlying mutual funds do not carry a formal credit quality rating. The underlying Funding Agreement is a guaranteed insurance product issued by TIAA-CREF Life. TIAA-CREF Life had a Standard & Poor's credit rating of AA+ at June 30, 2015.

**SCHOLARSHARE COLLEGE SAVINGS PLAN**  
**NOTES TO FINANCIAL STATEMENTS (concluded)**

**Interest rate risk:** Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. At June 30, 2015, the average maturities for the underlying fixed income mutual funds are as follows:

<u>Investment</u>	<u>Value</u>	<u>Average Maturity</u>
TIAA-CREF Funds (Institutional Class):		
Bond Index Fund	\$ 1,049,245,701	7.41 years
Bond Plus	293,079,216	7.76 years
High-Yield Fund	144,448,062	6.86 years
Inflation-Linked Bond Fund	250,168,094	8.30 years
Non-Proprietary Funds (Institutional Class):		
PIMCO Income Fund	124,699,767	4.99 years
PIMCO Real Return Fund	113,564,764	8.53 years
T. Rowe Price Institutional Floating Rate Fund	56,202,066	5.23 years

**Foreign currency risk:** Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of investments in foreign securities. The Plan does not have any direct investment in foreign securities. Certain Plan Portfolios allocate assets to underlying mutual funds that are exposed to foreign currency risk. At June 30, 2015, the value of investments in underlying mutual funds that significantly invest in foreign denominated contracts are as follows:

<u>Investment</u>	<u>Value</u>
TIAA-CREF Funds (Institutional Class):	
Emerging Markets Equity Index Fund	\$ 110,188,045
International Equity Index Fund	536,764,166
Non-Proprietary Funds (Institutional Class):	
DFA Emerging Markets Core Equity Portfolio	50,877,309
DFA Large Cap International Portfolio	225,437,624
PIMCO Income Fund	124,699,767

### **SUPPLEMENTAL INFORMATION**

The following information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the ScholarShare College Savings Plan (the "Plan"). It shows financial information relating to the investment portfolios, which are included in the Plan during the year ended June 30, 2015.

**SCHOLARSHARE COLLEGE SAVINGS PLAN  
STATEMENTS OF NET POSITION  
JUNE 30, 2015**

**Active Age-Based Portfolio**

	<b>Ages 0-4</b>	<b>Ages 5-8</b>	<b>Ages 9-10</b>	<b>Ages 11-12</b>	<b>Ages 13-14</b>	<b>Age 15</b>	<b>Age 16</b>
<b>ASSETS</b>							
Investments, at value:							
TIAA-CREF Funds (Institutional Class):							
Bond Plus Fund	\$ 9,542,112	\$ 52,024,062	\$ 32,653,488	\$ 36,747,845	\$ 41,278,058	\$ 21,948,078	\$ 18,186,135
Real Estate Securities Fund	6,247,991	17,922,820	7,416,485	5,801,715	4,430,602	1,696,904	1,420,594
Small-Cap Equity Fund	7,123,780	18,968,992	7,725,864	6,000,228	4,639,965	1,791,479	1,467,465
SUBTOTAL	<u>22,913,883</u>	<u>88,915,874</u>	<u>47,795,837</u>	<u>48,549,788</u>	<u>50,348,625</u>	<u>25,436,461</u>	<u>21,074,194</u>
Non-Proprietary Funds:							
DFA Emerging Markets Core Equity Portfolio	5,141,513	11,843,579	5,139,603	3,946,745	2,961,914	1,149,601	951,484
DFA Large Cap International Portfolio	21,849,264	56,975,618	23,901,135	18,432,739	14,067,977	5,466,592	4,476,472
PIMCO Income Fund	4,173,530	20,879,334	13,678,810	15,854,440	18,146,325	9,380,027	8,523,320
PIMCO Real Return Fund	4,564,092	22,638,145	10,911,632	15,118,991	17,131,241	7,262,015	6,651,752
T. Rowe Price Inst. Floating Rate Fund	1,582,241	9,149,851	6,130,636	7,060,930	8,000,282	4,151,117	3,762,566
T. Rowe Price Inst. Large-Cap Growth Fund	29,425,110	78,668,223	34,401,449	25,250,897	18,703,883	7,343,524	5,034,557
T. Rowe Price Inst. Large-Cap Value Fund	27,449,973	80,389,152	32,761,088	24,064,115	17,626,378	6,986,639	6,612,025
SUBTOTAL	<u>94,185,723</u>	<u>280,543,902</u>	<u>126,924,353</u>	<u>109,728,857</u>	<u>96,638,000</u>	<u>41,739,515</u>	<u>36,012,176</u>
TIAA-CREF Life Insurance Company:							
Funding Agreement	—	—	—	—	—	6,215,927	14,235,674
TOTAL INVESTMENTS	<u>117,099,606</u>	<u>369,459,776</u>	<u>174,720,190</u>	<u>158,278,645</u>	<u>146,986,625</u>	<u>73,391,903</u>	<u>71,322,044</u>
Cash	—	444	—	500	—	—	—
Dividends and interest receivable	55,141	268,549	160,633	196,399	215,541	120,790	105,660
Receivable from securities transactions	—	—	—	—	—	—	—
Receivable from Plan units sold	202,559	217,993	90,810	92,992	163,500	33,524	25,626
TOTAL ASSETS	<u>117,357,306</u>	<u>369,946,762</u>	<u>174,971,633</u>	<u>158,568,536</u>	<u>147,365,666</u>	<u>73,546,217</u>	<u>71,453,330</u>
<b>LIABILITIES</b>							
Overdraft payable	—	—	7,148	—	—	—	—
Accrued Plan manager fee	10,818	32,159	14,041	13,528	12,108	6,275	5,648
Accrued administrative fee	10,818	32,159	14,041	13,528	12,108	6,275	5,648
Payable for securities transactions	246,590	458,908	232,727	281,803	340,819	149,232	126,869
Payable for Plan units redeemed	—	9,700	5,360	50	23,891	50	—
TOTAL LIABILITIES	<u>268,226</u>	<u>532,926</u>	<u>273,317</u>	<u>308,909</u>	<u>388,926</u>	<u>161,832</u>	<u>138,165</u>
NET POSITION	<u>\$ 117,089,080</u>	<u>\$ 369,413,836</u>	<u>\$ 174,698,316</u>	<u>\$ 158,259,627</u>	<u>\$ 146,976,740</u>	<u>\$ 73,384,385</u>	<u>\$ 71,315,165</u>
UNITS OUTSTANDING	<u>7,550,528</u>	<u>24,580,375</u>	<u>12,005,683</u>	<u>11,256,941</u>	<u>10,808,341</u>	<u>5,644,568</u>	<u>5,640,537</u>
NET POSITION VALUE PER UNIT	<u>\$ 15.51</u>	<u>\$ 15.03</u>	<u>\$ 14.55</u>	<u>\$ 14.06</u>	<u>\$ 13.60</u>	<u>\$ 13.00</u>	<u>\$ 12.64</u>
INVESTMENTS AT COST	<u>\$ 110,461,016</u>	<u>\$ 313,022,507</u>	<u>\$ 153,465,658</u>	<u>\$ 142,864,419</u>	<u>\$ 135,413,925</u>	<u>\$ 69,549,213</u>	<u>\$ 68,254,368</u>

<u>Age 17</u>	<u>Ages 18 &amp; Over</u>	<u>Total</u>
\$ 14,876,426	\$ 28,559,659	\$ 255,815,863
1,129,637	2,026,632	48,093,380
1,173,963	2,093,960	50,985,696
<u>17,180,026</u>	<u>32,680,251</u>	<u>354,894,939</u>
762,030	1,424,193	33,320,662
3,584,313	6,515,451	155,269,561
6,401,425	11,976,584	109,013,795
5,443,106	10,571,180	100,292,154
3,081,182	5,893,994	48,812,799
5,476,889	9,738,960	214,043,492
4,477,826	8,030,578	208,397,774
<u>29,226,771</u>	<u>54,150,940</u>	<u>869,150,237</u>
22,715,903	79,071,283	122,238,787
<u>69,122,700</u>	<u>165,902,474</u>	<u>1,346,283,963</u>
—	—	944
96,926	200,479	1,420,118
18,995	52,438	71,433
21,047	83,331	931,382
<u>69,259,668</u>	<u>166,238,722</u>	<u>1,348,707,840</u>
—	1,310	8,458
5,780	12,870	113,227
5,780	12,870	113,227
96,926	200,479	2,134,353
36,435	122,846	198,332
<u>144,921</u>	<u>350,375</u>	<u>2,567,597</u>
<u>\$ 69,114,747</u>	<u>\$ 165,888,347</u>	<u>\$ 1,346,140,243</u>
<u>5,686,239</u>	<u>14,173,964</u>	
<u>\$ 12.15</u>	<u>\$ 11.70</u>	
<u>\$ 66,407,405</u>	<u>\$ 163,904,424</u>	<u>\$ 1,223,342,935</u>

**SCHOLARSHARE COLLEGE SAVINGS PLAN  
STATEMENTS OF NET POSITION  
JUNE 30, 2015**

**Passive Age-Based Portfolio**

	<b>Ages 0-4</b>	<b>Ages 5-8</b>	<b>Ages 9-10</b>	<b>Ages 11-12</b>	<b>Ages 13-14</b>	<b>Age 15</b>	<b>Age 16</b>
<b>ASSETS</b>							
Investments, at value:							
TIAA-CREF Funds (Institutional Class):							
Bond Index Fund	\$ 13,211,283	\$ 69,395,946	\$ 92,118,337	\$ 172,724,077	\$ 224,704,907	\$ 107,568,146	\$ 87,729,808
Emerging Markets Equity Index Fund	4,254,858	14,271,700	8,113,164	11,786,352	10,954,906	4,106,719	3,205,708
Equity Index Fund	54,758,774	153,838,377	131,709,665	168,285,128	144,490,694	53,443,470	41,425,750
High-Yield Fund	1,595,878	8,347,508	11,777,766	23,468,337	31,731,121	15,709,688	13,559,115
Inflation-Linked Bond Fund	3,888,831	18,036,273	24,789,426	38,093,703	51,967,293	26,042,818	22,395,999
International Equity Index Fund	20,236,142	54,591,152	49,223,670	62,566,371	55,346,594	20,418,358	16,055,027
Real Estate Securities Fund	5,736,414	17,383,869	15,360,910	17,781,812	17,078,796	6,288,258	4,926,568
<b>SUBTOTAL</b>	<b>103,682,180</b>	<b>335,864,825</b>	<b>333,092,938</b>	<b>494,705,780</b>	<b>536,274,311</b>	<b>233,577,457</b>	<b>189,297,975</b>
TIAA-CREF Life Insurance Company:							
Funding Agreement	—	—	—	—	—	22,393,554	46,865,695
<b>TOTAL INVESTMENTS</b>	<b>103,682,180</b>	<b>335,864,825</b>	<b>333,092,938</b>	<b>494,705,780</b>	<b>536,274,311</b>	<b>255,971,011</b>	<b>236,163,670</b>
Cash	—	—	8,200	1,075	809	100	—
Dividends and interest receivable	35,049	175,748	233,914	436,486	563,713	281,774	261,395
Receivable from securities transactions	—	—	—	—	—	320	—
Receivable from Plan units sold	91,920	80,941	61,786	99,928	276,194	57,272	98,188
<b>TOTAL ASSETS</b>	<b>103,809,149</b>	<b>336,121,514</b>	<b>333,396,838</b>	<b>495,243,269</b>	<b>537,115,027</b>	<b>256,310,477</b>	<b>236,523,253</b>
<b>LIABILITIES</b>							
Overdraft payable	—	6	—	—	—	—	—
Accrued Plan manager fee	9,668	30,205	29,559	42,851	45,426	20,838	19,693
Payable for securities transactions	112,328	210,911	255,420	510,981	681,325	281,775	339,093
Payable for Plan units redeemed	6,335	34,499	37,389	83	134,699	41,000	7,350
<b>TOTAL LIABILITIES</b>	<b>128,331</b>	<b>275,621</b>	<b>322,368</b>	<b>553,915</b>	<b>861,450</b>	<b>343,613</b>	<b>366,136</b>
<b>NET POSITION</b>	<b>\$ 103,680,818</b>	<b>\$ 335,845,893</b>	<b>\$ 333,074,470</b>	<b>\$ 494,689,354</b>	<b>\$ 536,253,577</b>	<b>\$ 255,966,864</b>	<b>\$ 236,157,117</b>
<b>UNITS OUTSTANDING</b>	<b>6,892,866</b>	<b>23,189,914</b>	<b>23,933,785</b>	<b>37,080,364</b>	<b>41,819,321</b>	<b>20,842,826</b>	<b>19,731,334</b>
<b>NET POSITION VALUE PER UNIT</b>	<b>\$ 15.04</b>	<b>\$ 14.48</b>	<b>\$ 13.92</b>	<b>\$ 13.34</b>	<b>\$ 12.82</b>	<b>\$ 12.28</b>	<b>\$ 11.97</b>
<b>INVESTMENTS AT COST</b>	<b>\$ 96,578,767</b>	<b>\$ 281,327,610</b>	<b>\$ 280,407,530</b>	<b>\$ 424,712,356</b>	<b>\$ 480,753,327</b>	<b>\$ 236,952,034</b>	<b>\$ 221,762,911</b>

<u>Age 17</u>	<u>Ages 18 &amp; Over</u>	<u>Total</u>
\$ 65,369,881	\$ 136,459,100	\$ 969,281,485
2,354,950	4,938,426	63,986,783
32,822,336	65,399,637	846,173,831
10,238,012	21,931,736	138,359,161
16,816,298	36,665,997	238,696,638
11,865,967	24,251,527	314,554,808
3,673,646	7,494,105	95,724,378
<u>143,141,090</u>	<u>297,140,528</u>	<u>2,666,777,084</u>
70,056,082	280,244,360	419,559,691
<u>213,197,172</u>	<u>577,384,888</u>	<u>3,086,336,775</u>
4,500	—	14,684
223,143	543,608	2,754,830
91,372	484,371	576,063
23,477	150,680	940,386
<u>213,539,664</u>	<u>578,563,547</u>	<u>3,090,622,738</u>
—	5,380	5,386
17,702	44,702	260,644
223,142	543,608	3,158,583
105,545	590,882	957,782
<u>346,389</u>	<u>1,184,572</u>	<u>4,382,395</u>
<u>\$ 213,193,275</u>	<u>\$ 577,378,975</u>	<u>\$ 3,086,240,343</u>
<u>18,288,935</u>	<u>50,945,223</u>	
<u>\$ 11.66</u>	<u>\$ 11.33</u>	
<u>\$ 202,049,001</u>	<u>\$ 567,581,694</u>	<u>\$ 2,792,125,230</u>

**SCHOLARSHARE COLLEGE SAVINGS PLAN  
STATEMENTS OF NET POSITION  
JUNE 30, 2015**

**Active Multi-Fund Investment Portfolios**

	<b>Active Diversified Equity Portfolio</b>	<b>Active Growth Portfolio</b>	<b>Active Moderate Growth Portfolio</b>	<b>Active Conservative Portfolio</b>	<b>Active International Equity Portfolio</b>	<b>Active Diversified Fixed Income Portfolio</b>	<b>Total</b>
<b>ASSETS</b>							
Investments, at value:							
TIAA-CREF Funds (Institutional Class):							
Bond Plus Fund	\$ —	\$ 13,777,452	\$ 8,568,928	\$ 7,267,743	\$ —	\$ 7,649,230	\$ 37,263,353
Real Estate Securities Fund	10,903,070	4,752,657	906,147	—	—	—	16,561,874
Small-Cap Equity Fund	11,335,900	4,906,157	931,090	—	—	—	17,173,147
<b>SUBTOTAL</b>	<b>22,238,970</b>	<b>23,436,266</b>	<b>10,406,165</b>	<b>7,267,743</b>	<b>—</b>	<b>7,649,230</b>	<b>70,998,374</b>
Non-Proprietary Funds:							
DFA Emerging Markets Core Equity Portfolio	10,351,201	3,259,314	673,203	—	3,272,929	—	17,556,647
DFA Large Cap International Portfolio	38,834,840	15,141,696	2,980,632	—	13,210,895	—	70,168,063
PIMCO Income Fund	—	5,587,192	3,755,732	3,004,043	—	3,339,005	15,685,972
PIMCO Real Return Fund	—	4,444,086	3,216,470	2,570,508	—	3,041,546	13,272,610
T. Rowe Price Inst. Floating Rate Fund	—	2,496,411	1,766,435	1,523,806	—	1,602,615	7,389,267
T. Rowe Price Inst. Large-Cap Growth Fund	50,143,405	22,086,551	4,370,294	—	—	—	76,600,250
T. Rowe Price Inst. Large-Cap Value Fund	46,332,319	20,997,135	4,038,627	—	—	—	71,368,081
<b>SUBTOTAL</b>	<b>145,661,765</b>	<b>74,012,385</b>	<b>20,801,393</b>	<b>7,098,357</b>	<b>16,483,824</b>	<b>7,983,166</b>	<b>272,040,890</b>
TIAA-CREF Life Insurance Company:							
Funding Agreement	—	—	—	13,753,074	—	—	13,753,074
<b>TOTAL INVESTMENTS</b>	<b>167,900,735</b>	<b>97,448,651</b>	<b>31,207,558</b>	<b>28,119,174</b>	<b>16,483,824</b>	<b>15,632,396</b>	<b>356,792,338</b>
Dividends and interest receivable	—	69,450	45,283	49,322	—	40,858	204,913
Receivable from securities transactions	—	—	—	14,037	30,826	3,708	48,571
Receivable from Plan units sold	79,345	47,426	39,362	9,262	—	—	175,395
<b>TOTAL ASSETS</b>	<b>167,980,080</b>	<b>97,565,527</b>	<b>31,292,203</b>	<b>28,191,795</b>	<b>16,514,650</b>	<b>15,676,962</b>	<b>357,221,217</b>
<b>LIABILITIES</b>							
Overdraft payable	9	—	—	1,059	—	—	1,068
Accrued Plan manager fee	14,248	8,208	2,593	2,364	1,373	1,304	30,090
Accrued administrative fee	14,248	8,208	2,593	2,364	1,373	1,304	30,090
Payable for securities transactions	52,829	80,401	72,257	49,322	—	40,858	295,667
Payable for Plan units redeemed	22,344	31,841	5,512	19,879	29,178	23,564	132,318
<b>TOTAL LIABILITIES</b>	<b>103,678</b>	<b>128,658</b>	<b>82,955</b>	<b>74,988</b>	<b>31,924</b>	<b>67,030</b>	<b>489,233</b>
<b>NET POSITION</b>	<b>\$ 167,876,402</b>	<b>\$ 97,436,869</b>	<b>\$ 31,209,248</b>	<b>\$ 28,116,807</b>	<b>\$ 16,482,726</b>	<b>\$ 15,609,932</b>	<b>\$ 356,731,984</b>
<b>UNITS OUTSTANDING</b>	<b>10,174,833</b>	<b>6,485,207</b>	<b>2,271,967</b>	<b>2,543,118</b>	<b>1,224,775</b>	<b>1,325,563</b>	
<b>NET POSITION VALUE PER UNIT</b>	<b>\$ 16.50</b>	<b>\$ 15.02</b>	<b>\$ 13.74</b>	<b>\$ 11.06</b>	<b>\$ 13.46</b>	<b>\$ 11.78</b>	
<b>INVESTMENTS AT COST</b>	<b>\$ 132,207,818</b>	<b>\$ 83,861,129</b>	<b>\$ 29,835,975</b>	<b>\$ 28,387,158</b>	<b>\$ 16,002,086</b>	<b>\$ 15,987,840</b>	<b>\$ 306,282,006</b>

## Passive Multi-Fund Investment Portfolios

	Passive Diversified Equity Portfolio	Passive Growth Portfolio	Passive Moderate Growth Portfolio	Passive Conservative Portfolio	Passive Diversified Fixed Income Portfolio	Index International Equity Portfolio	Total
<b>ASSETS</b>							
Investments, at value:							
TIAA-CREF Funds (Institutional Class):							
Bond Index Fund	\$ —	\$ 15,891,128	\$ 9,833,588	\$ 10,345,784	\$ 5,306,155	\$ —	\$ 41,376,655
Emerging Markets Equity Index Fund	25,358,883	2,535,415	539,855	—	—	17,767,109	46,201,262
Equity Index Fund	342,570,377	34,774,063	6,747,537	—	—	—	384,091,977
High-Yield Fund	—	2,062,339	1,436,931	1,759,757	829,874	—	6,088,901
Inflation-Linked Bond Fund	—	4,665,618	2,640,181	2,723,557	1,442,100	—	11,471,456
International Equity Index Fund	128,149,893	12,455,929	2,387,010	—	—	79,216,526	222,209,358
Real Estate Securities Fund	34,055,163	3,811,932	714,373	—	—	—	38,581,468
SUBTOTAL	<u>530,134,316</u>	<u>76,196,424</u>	<u>24,299,475</u>	<u>14,829,098</u>	<u>7,578,129</u>	<u>96,983,635</u>	<u>750,021,077</u>
TIAA-CREF Life Insurance Company:							
Funding Agreement	—	—	—	14,211,221	—	—	14,211,221
TOTAL INVESTMENTS	<u>530,134,316</u>	<u>76,196,424</u>	<u>24,299,475</u>	<u>29,040,319</u>	<u>7,578,129</u>	<u>96,983,635</u>	<u>764,232,298</u>
Dividends and interest receivable	—	38,511	24,368	38,782	13,602	—	115,263
Receivable from securities transactions	283,606	—	—	2,781	—	—	286,387
Receivable from Plan units sold	128,722	82,023	53,956	18,047	2,571	29,234	314,553
TOTAL ASSETS	<u>530,546,644</u>	<u>76,316,958</u>	<u>24,377,799</u>	<u>29,099,929</u>	<u>7,594,302</u>	<u>97,012,869</u>	<u>764,948,501</u>
<b>LIABILITIES</b>							
Accrued Plan manager fee	45,474	6,362	1,977	2,426	619	8,275	65,133
Payable for securities transactions	—	115,108	73,348	38,782	14,459	15,504	257,201
Payable for Plan units redeemed	398,297	2,651	1,000	18,463	1,499	12,335	434,245
TOTAL LIABILITIES	<u>443,771</u>	<u>124,121</u>	<u>76,325</u>	<u>59,671</u>	<u>16,577</u>	<u>36,114</u>	<u>756,579</u>
NET POSITION	<u>\$ 530,102,873</u>	<u>\$ 76,192,837</u>	<u>\$ 24,301,474</u>	<u>\$ 29,040,258</u>	<u>\$ 7,577,725</u>	<u>\$ 96,976,755</u>	<u>\$ 764,191,922</u>
UNITS OUTSTANDING	<u>32,666,769</u>	<u>5,263,702</u>	<u>1,900,039</u>	<u>2,748,218</u>	<u>699,544</u>	<u>7,272,369</u>	
NET POSITION VALUE PER UNIT	<u>\$ 16.23</u>	<u>\$ 14.48</u>	<u>\$ 12.79</u>	<u>\$ 10.57</u>	<u>\$ 10.83</u>	<u>\$ 13.33</u>	
INVESTMENTS AT COST	<u>\$ 374,631,100</u>	<u>\$ 65,568,746</u>	<u>\$ 23,453,808</u>	<u>\$ 29,222,086</u>	<u>\$ 7,694,830</u>	<u>\$ 84,132,682</u>	<u>\$ 584,703,252</u>

**SCHOLARSHARE COLLEGE SAVINGS PLAN  
STATEMENTS OF NET POSITION  
JUNE 30, 2015**

**Single Fund Investment Portfolios**

	<b>Social Choice Portfolio</b>	<b>Index Bond Portfolio</b>	<b>Index U.S. Large Cap Equity Portfolio</b>	<b>Index U.S. Equity Portfolio</b>	<b>Principal Plus Interest Portfolio</b>	<b>Total</b>
<b>ASSETS</b>						
Investments, at value:						
TIAA-CREF Funds (Institutional Class):						
Bond Index Fund	\$ —	\$ 38,587,560	\$ —	\$ —	\$ —	\$ 38,587,560
Equity Index Fund	—	—	—	213,576,300	—	213,576,300
S&P 500 Index Fund	—	—	215,098,770	—	—	215,098,770
Social Choice Equity Fund	128,957,634	—	—	—	—	128,957,634
<b>SUBTOTAL</b>	<b>128,957,634</b>	<b>38,587,560</b>	<b>215,098,770</b>	<b>213,576,300</b>	<b>—</b>	<b>596,220,264</b>
TIAA-CREF Life Insurance Company:						
Funding Agreement	—	—	—	—	276,437,498	276,437,498
<b>TOTAL INVESTMENTS</b>	<b>128,957,634</b>	<b>38,587,560</b>	<b>215,098,770</b>	<b>213,576,300</b>	<b>276,437,498</b>	<b>872,657,762</b>
Dividends and interest receivable	—	70,657	—	—	—	70,657
Receivable from Plan units sold	108,198	15,087	145,871	98,609	267,632	635,397
<b>TOTAL ASSETS</b>	<b>129,065,832</b>	<b>38,673,304</b>	<b>215,244,641</b>	<b>213,674,909</b>	<b>276,705,130</b>	<b>873,363,816</b>
<b>LIABILITIES</b>						
Accrued Plan manager fee	10,973	3,231	18,187	18,015	—	50,406
Accrued administrative fee	10,973	—	—	—	—	10,973
Payable for securities transactions	94,193	80,153	116,726	71,794	24,916	387,782
Payable for Plan units redeemed	8,007	3,902	21,144	23,588	242,716	299,357
<b>TOTAL LIABILITIES</b>	<b>124,146</b>	<b>87,286</b>	<b>156,057</b>	<b>113,397</b>	<b>267,632</b>	<b>748,518</b>
<b>NET POSITION</b>	<b>\$ 128,941,686</b>	<b>\$ 38,586,018</b>	<b>\$ 215,088,584</b>	<b>\$ 213,561,512</b>	<b>\$ 276,437,498</b>	<b>\$ 872,615,298</b>
<b>UNITS OUTSTANDING</b>	<b>7,662,882</b>	<b>3,584,937</b>	<b>12,139,247</b>	<b>11,988,526</b>	<b>26,322,725</b>	
<b>NET POSITION VALUE PER UNIT</b>	<b>\$ 16.83</b>	<b>\$ 10.76</b>	<b>\$ 17.72</b>	<b>\$ 17.81</b>	<b>\$ 10.50</b>	
<b>INVESTMENTS AT COST</b>	<b>\$ 92,833,964</b>	<b>\$ 38,645,305</b>	<b>\$ 159,702,247</b>	<b>\$ 158,803,399</b>	<b>\$ 276,437,498</b>	<b>\$ 726,422,413</b>

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**SCHOLARSHARE COLLEGE SAVINGS PLAN  
STATEMENTS OF CHANGES IN NET POSITION  
JUNE 30, 2015**

**Active Age-Based Portfolio**

	<u>Ages 0-4</u>	<u>Ages 5-8</u>	<u>Ages 9-10</u>	<u>Ages 11-12</u>	<u>Ages 13-14</u>	<u>Age 15</u>	<u>Age 16</u>
<b>ADDITIONS</b>							
Subscriptions	\$ 46,667,484	\$ 111,302,626	\$ 112,739,753	\$ 97,909,340	\$ 92,676,678	\$ 79,335,390	\$ 75,998,699
Increase from investment operations:							
Dividends from underlying funds	2,201,132	7,093,047	3,286,855	3,651,611	3,664,454	1,865,861	1,604,691
Realized gain distributions from underlying funds	4,110,890	10,213,267	3,714,251	3,162,971	2,539,618	1,036,498	921,181
Net realized gain on investments in underlying fund shares	13,807,620	10,201,623	533,311	1,763,446	1,866,872	239,373	1,269,295
Net increase from investment operations	<u>20,119,642</u>	<u>27,507,937</u>	<u>7,534,417</u>	<u>8,578,028</u>	<u>8,070,944</u>	<u>3,141,732</u>	<u>3,795,167</u>
<b>TOTAL ADDITIONS</b>	<u>\$ 66,787,126</u>	<u>\$ 138,810,563</u>	<u>\$ 120,274,170</u>	<u>\$ 106,487,368</u>	<u>\$ 100,747,622</u>	<u>\$ 82,477,122</u>	<u>\$ 79,793,866</u>
<b>DEDUCTIONS</b>							
Redemptions	\$ 65,405,294	\$ 105,186,904	\$ 83,354,943	\$ 78,223,189	\$ 77,810,200	\$ 71,184,051	\$ 69,163,707
Expenses:							
Plan manager fee	64,777	183,356	76,118	74,596	68,229	34,677	31,962
Administrative fee	64,777	183,356	76,118	74,596	68,229	34,677	31,962
Total expenses	<u>129,554</u>	<u>366,712</u>	<u>152,236</u>	<u>149,192</u>	<u>136,458</u>	<u>69,354</u>	<u>63,924</u>
Net unrealized depreciation on underlying fund shares	14,989,895	14,989,972	3,270,722	4,584,299	4,839,104	1,611,649	2,516,943
<b>TOTAL DEDUCTIONS</b>	<u>\$ 80,524,743</u>	<u>\$ 120,543,588</u>	<u>\$ 86,777,901</u>	<u>\$ 82,956,680</u>	<u>\$ 82,785,762</u>	<u>\$ 72,865,054</u>	<u>\$ 71,744,574</u>
<b>NET POSITION</b>							
Net increase (decrease) in fiduciary net position	(13,737,617)	18,266,975	33,496,269	23,530,688	17,961,860	9,612,068	8,049,292
Beginning of year	<u>130,826,697</u>	<u>351,146,861</u>	<u>141,202,047</u>	<u>134,728,939</u>	<u>129,014,880</u>	<u>63,772,317</u>	<u>63,265,873</u>
End of year	<u>\$ 117,089,080</u>	<u>\$ 369,413,836</u>	<u>\$ 174,698,316</u>	<u>\$ 158,259,627</u>	<u>\$ 146,976,740</u>	<u>\$ 73,384,385</u>	<u>\$ 71,315,165</u>

<u>Age 17</u>	<u>Ages 18 &amp; Over</u>	<u>Total</u>
\$ 74,897,245	\$ 76,927,817	\$ 768,455,032
1,437,747	2,755,781	27,561,179
729,022	1,189,822	27,617,520
275,435	1,291,257	31,248,232
<u>2,442,204</u>	<u>5,236,860</u>	<u>86,426,931</u>
<u>\$ 77,339,449</u>	<u>\$ 82,164,677</u>	<u>\$ 854,881,963</u>
\$ 65,241,362	\$ 49,768,585	\$ 665,338,235
32,081	69,831	635,627
32,081	69,831	635,627
<u>64,162</u>	<u>139,662</u>	<u>1,271,254</u>
1,197,124	3,057,622	51,057,330
<u>\$ 66,502,648</u>	<u>\$ 52,965,869</u>	<u>\$ 717,666,819</u>
10,836,801	29,198,808	137,215,144
<u>58,277,946</u>	<u>136,689,539</u>	<u>1,208,925,099</u>
<u>\$ 69,114,747</u>	<u>\$ 165,888,347</u>	<u>\$ 1,346,140,243</u>

**SCHOLARSHARE COLLEGE SAVINGS PLAN  
STATEMENTS OF CHANGES IN NET POSITION  
JUNE 30, 2015**

**Passive Age-Based Portfolio**

	<u>Ages 0-4</u>	<u>Ages 5-8</u>	<u>Ages 9-10</u>	<u>Ages 11-12</u>	<u>Ages 13-14</u>	<u>Age 15</u>	<u>Age 16</u>
<b>ADDITIONS</b>							
Subscriptions	\$ 40,983,645	\$ 103,636,048	\$ 178,040,921	\$ 260,695,627	\$ 303,466,414	\$ 270,062,499	\$ 250,454,127
Increase from investment operations:							
Dividends from underlying funds	2,623,228	8,148,754	8,078,133	11,267,437	11,529,195	4,983,709	4,378,097
Realized gain distributions from underlying funds	522,923	1,555,743	1,429,789	1,779,673	1,685,505	654,062	534,864
Net realized gain on investments in underlying fund shares	13,065,752	26,409,867	20,350,427	11,314,713	5,449,543	147,280	266,730
Net increase from investment operations	<u>16,211,903</u>	<u>36,114,364</u>	<u>29,858,349</u>	<u>24,361,823</u>	<u>18,664,243</u>	<u>5,785,051</u>	<u>5,179,691</u>
<b>TOTAL ADDITIONS</b>	<u>\$ 57,195,548</u>	<u>\$ 139,750,412</u>	<u>\$ 207,899,270</u>	<u>\$ 285,057,450</u>	<u>\$ 322,130,657</u>	<u>\$ 275,847,550</u>	<u>\$ 255,633,818</u>
<b>DEDUCTIONS</b>							
Redemptions	\$ 58,361,464	\$ 157,125,933	\$ 235,149,953	\$ 277,498,841	\$ 271,573,951	\$ 241,822,991	\$ 220,165,987
Expenses:							
Plan manager fee	58,077	183,746	182,747	253,034	259,584	117,644	110,426
Total expenses	<u>58,077</u>	<u>183,746</u>	<u>182,747</u>	<u>253,034</u>	<u>259,584</u>	<u>117,644</u>	<u>110,426</u>
Net unrealized depreciation on underlying fund shares	11,936,765	24,446,427	19,626,930	12,351,706	8,043,504	1,848,323	1,665,616
<b>TOTAL DEDUCTIONS</b>	<u>\$ 70,356,306</u>	<u>\$ 181,756,106</u>	<u>\$ 254,959,630</u>	<u>\$ 290,103,581</u>	<u>\$ 279,877,039</u>	<u>\$ 243,788,958</u>	<u>\$ 221,942,029</u>
<b>NET POSITION</b>							
Net increase (decrease) in fiduciary net position	(13,160,758)	(42,005,694)	(47,060,360)	(5,046,131)	42,253,618	32,058,592	33,691,789
Beginning of year	<u>116,841,576</u>	<u>377,851,587</u>	<u>380,134,830</u>	<u>499,735,485</u>	<u>493,999,959</u>	<u>223,908,272</u>	<u>202,465,328</u>
End of year	<u>\$ 103,680,818</u>	<u>\$ 335,845,893</u>	<u>\$ 333,074,470</u>	<u>\$ 494,689,354</u>	<u>\$ 536,253,577</u>	<u>\$ 255,966,864</u>	<u>\$ 236,157,117</u>

<u>Age 17</u>	<u>Ages 18 &amp; Over</u>	<u>Total</u>
\$ 227,798,273	\$ 237,453,999	\$ 1,872,591,553
3,694,486	8,213,894	62,916,933
422,246	784,771	9,369,576
547,290	6,269,266	83,820,868
<u>4,664,022</u>	<u>15,267,931</u>	<u>156,107,377</u>
<u>\$ 232,462,295</u>	<u>\$ 252,721,930</u>	<u>\$ 2,028,698,930</u>
\$ 213,183,947	\$ 174,868,307	\$ 1,849,751,374
101,116	252,580	1,518,954
<u>101,116</u>	<u>252,580</u>	<u>1,518,954</u>
1,575,517	8,675,587	90,170,375
<u>\$ 214,860,580</u>	<u>\$ 183,796,474</u>	<u>\$ 1,941,440,703</u>
17,601,715	68,925,456	87,258,227
<u>195,591,560</u>	<u>508,453,519</u>	<u>2,998,982,116</u>
<u>\$ 213,193,275</u>	<u>\$ 577,378,975</u>	<u>\$ 3,086,240,343</u>

**SCHOLARSHARE COLLEGE SAVINGS PLAN  
STATEMENTS OF CHANGES IN NET POSITION  
JUNE 30, 2015**

**Active Multi-Fund Investment Portfolios**

	<b>Active Diversified Equity Portfolio</b>	<b>Active Growth Portfolio</b>	<b>Active Moderate Growth Portfolio</b>	<b>Active Conservative Portfolio</b>	<b>Active International Equity Portfolio</b>	<b>Active Diversified Fixed Income Portfolio</b>	<b>Total</b>
<b>ADDITIONS</b>							
Subscriptions	\$ 29,251,731	\$ 24,093,882	\$ 10,669,291	\$ 6,391,031	\$ 5,525,031	\$ 4,491,894	\$ 80,422,860
Increase from investment operations:							
Dividends from underlying funds	2,069,919	1,722,232	741,103	661,711	377,020	545,795	6,117,780
Realized gain distributions from underlying funds	5,475,528	2,401,041	532,985	94,348	—	94,779	8,598,681
Net realized gain on investments in underlying fund shares	4,757,341	488,447	182,377	43,934	119,783	—	5,591,882
Net increase from investment operations	12,302,788	4,611,720	1,456,465	799,993	496,803	640,574	20,308,343
<b>TOTAL ADDITIONS</b>	<b>\$ 41,554,519</b>	<b>\$ 28,705,602</b>	<b>\$ 12,125,756</b>	<b>\$ 7,191,024</b>	<b>\$ 6,021,834</b>	<b>\$ 5,132,468</b>	<b>\$ 100,731,203</b>
<b>DEDUCTIONS</b>							
Redemptions	\$ 18,150,889	\$ 10,391,235	\$ 4,866,680	\$ 6,260,893	\$ 2,055,333	\$ 2,806,151	\$ 44,531,181
Expenses:							
Plan manager fee	79,091	44,368	14,050	13,968	7,284	7,332	166,093
Administrative fee	79,091	44,368	14,050	13,968	7,284	7,332	166,093
Total expenses	158,182	88,736	28,100	27,936	14,568	14,664	332,186
Net unrealized depreciation on underlying fund shares	5,881,178	1,780,684	760,517	465,520	1,267,652	365,961	10,521,512
Net realized loss on investments in underlying fund shares	—	—	—	—	—	79,904	79,904
<b>TOTAL DEDUCTIONS</b>	<b>\$ 24,190,249</b>	<b>\$ 12,260,655</b>	<b>\$ 5,655,297</b>	<b>\$ 6,754,349</b>	<b>\$ 3,337,553</b>	<b>\$ 3,266,680</b>	<b>\$ 55,464,783</b>
<b>NET POSITION</b>							
Net increase in fiduciary net position	17,364,270	16,444,947	6,470,459	436,675	2,684,281	1,865,788	45,266,420
Beginning of year	150,512,132	80,991,922	24,738,789	27,680,132	13,798,445	13,744,144	311,465,564
End of year	\$ 167,876,402	\$ 97,436,869	\$ 31,209,248	\$ 28,116,807	\$ 16,482,726	\$ 15,609,932	\$ 356,731,984

### Passive Multi-Fund Investment Portfolios

	Passive Diversified Equity Portfolio	Passive Growth Portfolio	Passive Moderate Growth Portfolio	Passive Conservative Portfolio	Passive Diversified Fixed Income Portfolio	Index International Equity Portfolio	Total
<b>ADDITIONS</b>							
Subscriptions	\$ 44,502,972	\$ 21,307,301	\$ 11,014,368	\$ 6,528,422	\$ 3,951,375	\$ 18,207,721	\$ 105,512,159
Increase from investment operations:							
Dividends from underlying funds	11,797,711	1,486,290	427,822	475,733	136,833	2,997,024	17,321,413
Realized gain distributions from underlying funds	2,596,369	277,914	62,495	31,481	12,203	116,248	3,096,710
Net realized gain on investments in underlying fund shares	14,818,168	1,548,082	132,647	8,724	—	724,844	17,232,465
Net increase from investment operations	<u>29,212,248</u>	<u>3,312,286</u>	<u>622,964</u>	<u>515,938</u>	<u>149,036</u>	<u>3,838,116</u>	<u>37,650,588</u>
<b>TOTAL ADDITIONS</b>	<u>\$ 73,715,220</u>	<u>\$ 24,619,587</u>	<u>\$ 11,637,332</u>	<u>\$ 7,044,360</u>	<u>\$ 4,100,411</u>	<u>\$ 22,045,837</u>	<u>\$ 143,162,747</u>
<b>DEDUCTIONS</b>							
Redemptions	\$ 66,847,240	\$ 8,753,195	\$ 2,690,035	\$ 5,666,236	\$ 1,649,549	\$ 11,480,178	\$ 97,086,433
Expenses:							
Plan manager fee	264,414	34,163	9,837	14,464	3,082	45,999	371,959
Total expenses	<u>264,414</u>	<u>34,163</u>	<u>9,837</u>	<u>14,464</u>	<u>3,082</u>	<u>45,999</u>	<u>371,959</u>
Net unrealized depreciation on underlying fund shares	9,139,447	1,272,209	252,452	250,215	99,255	7,921,410	18,934,988
Net realized loss on investments in underlying fund shares	—	—	—	—	18,943	—	18,943
<b>TOTAL DEDUCTIONS</b>	<u>\$ 76,251,101</u>	<u>\$ 10,059,567</u>	<u>\$ 2,952,324</u>	<u>\$ 5,930,915</u>	<u>\$ 1,770,829</u>	<u>\$ 19,447,587</u>	<u>\$ 116,412,323</u>
<b>NET POSITION</b>							
Net increase (decrease) in fiduciary net position	(2,535,881 )	14,560,020	8,685,008	1,113,445	2,329,582	2,598,250	26,750,424
Beginning of year	<u>532,638,754</u>	<u>61,632,817</u>	<u>15,616,466</u>	<u>27,926,813</u>	<u>5,248,143</u>	<u>94,378,505</u>	<u>737,441,498</u>
End of year	<u>\$ 530,102,873</u>	<u>\$ 76,192,837</u>	<u>\$ 24,301,474</u>	<u>\$ 29,040,258</u>	<u>\$ 7,577,725</u>	<u>\$ 96,976,755</u>	<u>\$ 764,191,922</u>

**SCHOLARSHARE COLLEGE SAVINGS PLAN  
STATEMENTS OF CHANGES IN NET POSITION  
JUNE 30, 2015**

**Single Fund Investment Portfolios**

	<b>Social Choice Portfolio</b>	<b>Index Bond Portfolio</b>	<b>Index U.S. Large Cap Equity Portfolio</b>	<b>Index U.S. Equity Portfolio</b>	<b>Principal Plus Interest Portfolio</b>	<b>Total</b>
<b>ADDITIONS</b>						
Subscriptions	\$ 16,986,822	\$ 9,913,847	\$ 56,527,887	\$ 47,649,080	\$ 59,187,317	\$ 190,264,953
Increase from investment operations:						
Interest	—	—	—	—	2,955,903	2,955,903
Dividends from underlying funds	1,746,419	796,172	3,301,308	3,408,072	—	9,251,971
Realized gain distributions from underlying funds	1,391,814	30,569	—	1,010,416	—	2,432,799
Net unrealized appreciation on underlying fund shares	—	—	8,384,938	7,439,725	—	15,824,663
Net realized gain on investments in underlying fund shares	1,388,206	32,347	1,401,115	1,474,359	—	4,296,027
Net increase from investment operations	<u>4,526,439</u>	<u>859,088</u>	<u>13,087,361</u>	<u>13,332,572</u>	<u>2,955,903</u>	<u>34,761,363</u>
<b>TOTAL ADDITIONS</b>	<b><u>\$ 21,513,261</u></b>	<b><u>\$ 10,772,935</u></b>	<b><u>\$ 69,615,248</u></b>	<b><u>\$ 60,981,652</u></b>	<b><u>\$ 62,143,220</u></b>	<b><u>\$ 225,026,316</u></b>
<b>DEDUCTIONS</b>						
Redemptions	\$ 11,066,361	\$ 4,797,409	\$ 20,431,898	\$ 20,660,582	\$ 59,602,878	\$ 116,559,128
Expenses:						
Plan manager fee	62,734	18,320	96,428	97,157	—	274,639
Administrative fee	62,734	—	—	—	—	62,734
Total expenses	<u>125,468</u>	<u>18,320</u>	<u>96,428</u>	<u>97,157</u>	<u>—</u>	<u>337,373</u>
Net unrealized depreciation on underlying fund shares	442,589	262,234	—	—	—	704,823
<b>TOTAL DEDUCTIONS</b>	<b><u>\$ 11,634,418</u></b>	<b><u>\$ 5,077,963</u></b>	<b><u>\$ 20,528,326</u></b>	<b><u>\$ 20,757,739</u></b>	<b><u>\$ 59,602,878</u></b>	<b><u>\$ 117,601,324</u></b>
<b>NET POSITION</b>						
Net increase in fiduciary net position	9,878,843	5,694,972	49,086,922	40,223,913	2,540,342	107,424,992
Beginning of year	<u>119,062,843</u>	<u>32,891,046</u>	<u>166,001,662</u>	<u>173,337,599</u>	<u>273,897,156</u>	<u>765,190,306</u>
End of year	<b><u>\$ 128,941,686</u></b>	<b><u>\$ 38,586,018</u></b>	<b><u>\$ 215,088,584</u></b>	<b><u>\$ 213,561,512</u></b>	<b><u>\$ 276,437,498</u></b>	<b><u>\$ 872,615,298</u></b>



**Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

To the Trustee of the Golden State ScholarShare College Savings Trust:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the ScholarShare College Savings Plan (the “Plan”), which comprise the Statement of Fiduciary Net Position as of June 30, 2015, and the related Statement of Changes in Fiduciary Net Position for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 10, 2015.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Plan’s internal control over financial reporting (“internal control”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Plan’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Plan’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PricewaterhouseCoopers LLP*

September 10, 2015