



SCHOLARSHARE COLLEGE SAVINGS PLAN

August 24, 2015

ScholarShare 529 Plan

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ScholarShare Highlights

Plan Assets and Accounts (as of June 30, 2015)

Total Plan Assets	\$6.43 billion
Total Open Accounts	265,941
Average Account Balance	\$24,161

Investment Portfolios and Funds

Active and Passive Age-Based Portfolios (featuring nine age bands)

12 Multi-Fund Portfolios

Four Single-Fund Portfolios (including the Social Choice Portfolio)

One Principal Plus Interest Portfolio

Multi-manager investment structure with underlying funds managed by TIAA-CREF, T. Rowe Price, PIMCO, and Dimensional Fund Advisors

Fees

Total Annual Asset-Based Fees* – Passive Portfolios	0.11% - 0.23%
Total Annual Asset-Based Fees* – Active Portfolios	0.28% - 0.60%
Annual Account Maintenance Fees	None

*Includes Plan Manager Fee, Board Administrative Fee and Underlying Fund Expenses.

ScholarShare Features

Plan Features

- ScholarShare is California's Internal Revenue Code Section 529 College Savings Plan
- Plan is administered by ScholarShare Investment Board
- Plan is managed by TIAA-CREF Tuition Financing, Inc.
- Any earnings are federal and state tax-free when used for qualified higher education expenses
- Qualified higher education expenses include tuition and fees, books, certain room and board costs, and equipment required for enrollment
- Funds can be used at eligible educational institutions
- Accounts can be opened with as little as \$25
- An automatic contribution plan may be set-up from a bank account or paycheck, if offered by employer
- Account Owner maintains control of account
- Family and friends may make gift contributions
- Variety of investment options

Timeline

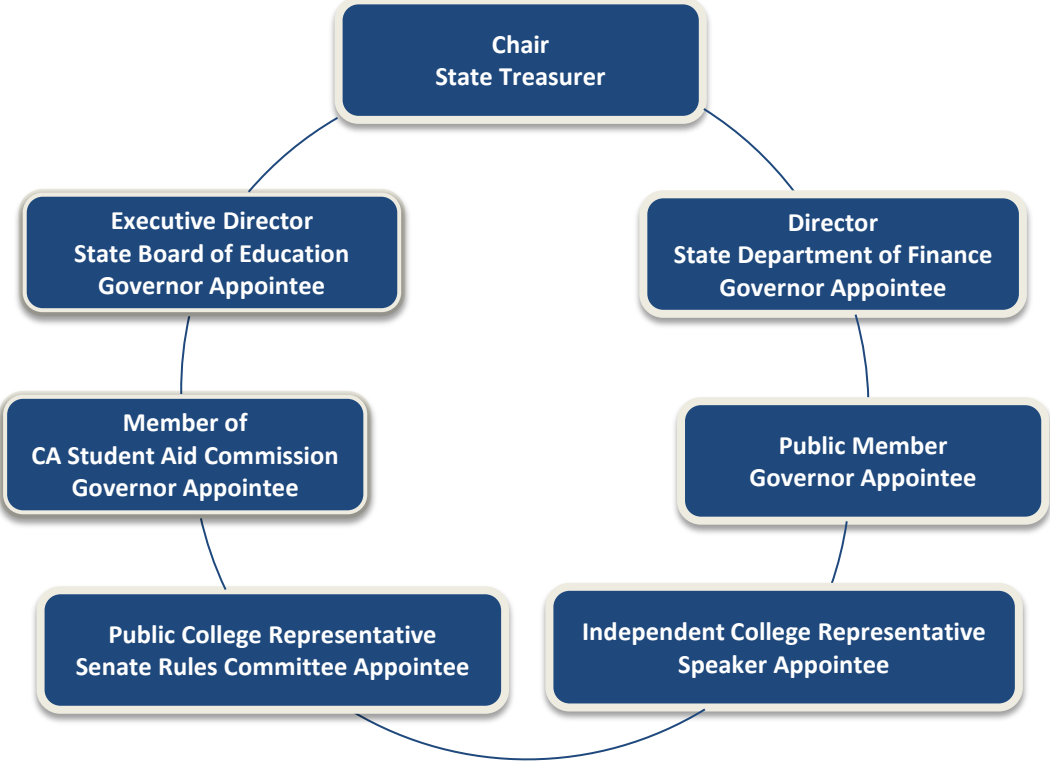
1997	Golden State ScholarShare Act Established; ScholarShare Investment Board (SIB) Created
1998	ScholarShare Statement of Investment Policy Adopted
1998	Adoption of Initial Program Regulations
1998-1999	Request for Proposals (RFP) for Program Manager Released; Program Manager Hired
1999	ScholarShare 529 Plan Launched
2000	Program Administration Moves from California Student Aid Commission to Restructured Seven-Member SIB
2000	Independent Investment Consultant Hired
2000-2001	Four Additional Options Added to the Plan's Investment Line-up
2002	Performance Criteria and Monitoring Procedures Adopted

Timeline

2003	Independent 529 Industry Consultant Hired
2005	ScholarShare Proxy Policy Adopted
2005-2006	RFP for Program Manager Released; Program Management Transition Completed; Updated Investment Line-up Offered; ScholarShare Advisor-sold Plan Launched
2007	ScholarShare Outreach & Public Education Plan Adopted
2009	ScholarShare Plan Fees Reduced
2010	New Option Added to the Plan's Investment Line-up
2011	RFP for Program Manager Released; Program Management Transition Completed; Updated Investment Line-up Offered
2012	Executive Director of State Board of Education Replaces Secretary of Education as SIB Member
2012	ScholarShare Advisor-sold Plan Closes
2013	ScholarShare Plan Fees Reduced

ScholarShare Investment Board Structure

- The ScholarShare Investment Board is an agency of the State of California responsible for the administration of the ScholarShare College Savings Plan.
- Mission: To help Californians achieve their higher education goals and a better future by investing in a ScholarShare 529 college savings plan.



Fiduciary Role

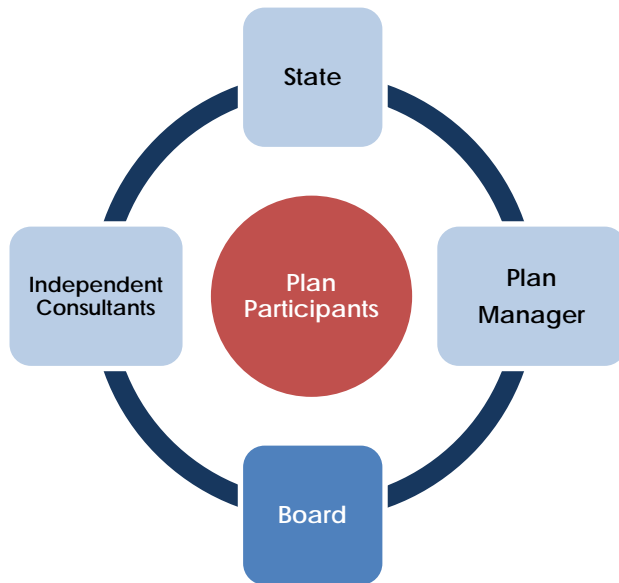
Fiduciary to the Trust

Duty of Loyalty

Board acts solely in the interest of the Plan

Duty of Care

Board manages Trust assets as a "prudent investor"



The seven-member Board administers the Plan in collaboration with the State, the Plan manager and the independent consultants.

- The Board is responsible for overseeing the Trust and meeting all IRC section 529 requirements and California state statutory requirements and regulations.
- In addition to oversight of the Trust and Plan Manager, the Board also oversees a staff of 10 responsible for administration of the Plan and two scholarship programs.
- In March 2014, the Board completed fiduciary and investment training conducted by SIB's independent consultants.
- The Plan Manager and SIB's independent consultants are registered municipal advisors as directed by the Board.

Fiduciary Role

Recent Board Activity

Fund Change

October 2014

Following the departure of Bill Gross at PIMCO, the Board votes to place all PIMCO funds on watch and to replace any or all funds, upon evaluation of PIMCO management changes and impact to the Plan. The PIMCO Total Return Fund was replaced with the TIAA-CREF Bond Plus Fund as recommended by Plan manager and independent investment consultant and pursuant to the SIB's Monitoring Procedures and Criteria.

December 2014

The Board approves updates to the Investment Policy and Monitoring Procedures and Criteria. The Board directs staff, in collaboration with Plan manager and the independent investment consultant, to conduct a review of the fixed income universe to evaluate best Plan options with respect to the investment change made in October 2014.

June 2015

Following a review of the fixed income universe conducted by both the Plan manager and the independent investment consultant and pursuant to the Monitoring Procedures and Criteria, the Board reviews the fund options and approves the transfer of assets from the TIAA-CREF Bond Plus Fund to the Met West Total Return Fund.

October 2015

Pursuant to the Board's action in June 2015 to transfer funds from the TIAA-CREF Bond Plus Fund to the Met West Total Return Fund, SIB and the Plan manager anticipate the fund change to be completed by October 2015.

Board Oversight

Investment Oversight

Statement of Investment Policy	Monitoring Procedures and Criteria	Proxy Policy
<ul style="list-style-type: none"> Initially adopted by the Board in 2000. Updated in 2014. Reviewed by the Board annually. Last updated in 2014. Program policies, purpose, objectives, and responsibilities. Investment listing, objective, description, benchmarks and asset allocation. 	<ul style="list-style-type: none"> Initially adopted by the Board in 2002. Reviewed by the Board annually. Last updated in 2014. Procedures for monitoring of Plan investments and performance of the Plan portfolios and underlying funds. Corrective measures for underperformance and other qualitative issues. 	<ul style="list-style-type: none"> Initially adopted by the Board in 2005. Reviewed by the Board as needed. Last updated in 2008. Shareholder Rights and Corporate Governance. Election of Trustees and Board Governance. Geopolitical and Social Issues.

Board Oversight

Service and Operations	Marketing and Outreach	Legislative Initiatives
<ul style="list-style-type: none">• Plan Enhancement and Features• Customer Service Experience• Benchmarks• Quarterly Performance Review• Due Diligence Meetings	<ul style="list-style-type: none">• ScholarShare Outreach and Public Education Plan (SCOPE) Plan• Annual Marketing Plan Review• Account and Asset Benchmarks• Quarterly Updates• Weekly Meetings	<ul style="list-style-type: none">• State Treasurer sponsors legislation proposing a refundable tax credit for contributions to a 529 Plan account. The legislation did not pass in the 2015 session. SIB intends to revisit this initiative during the next legislative session.• Following passage of bill in 2014, SIB implements new feature allowing taxpayers to contribute tax returns directly to their ScholarShare account.

Independent Oversight

Investment Consultant	529 Industry Consultant
Initially hired in 2000	Initially hired in 2003
Registered as Municipal Advisor	Registered as Municipal Advisor
Responsibilities include:	
Evaluate investment performance	Evaluate strategies to increase accounts and assets
Evaluate asset allocation and risk factors	Analyze 529 plan information, trends, marketing, and benchmarks
Monitor market conditions and investment climate	Monitor and evaluate 529 industry issues, trends, and best practices.
Make recommendations on <ul style="list-style-type: none"> • Investment personnel and strategy • Portfolio management and • Performance of program manager 	Make recommendations on <ul style="list-style-type: none"> • Program design • Structure • Best practices

Independent Oversight

Investment Consultant Oversight

Asset/Risk Allocation	Monitoring Process	Compliance Review
<ul style="list-style-type: none">• Asset Allocation• Glide Path Analysis• Performance Trends and Databases• Fund Comparisons and Suitability	<ul style="list-style-type: none">• Step 1. Establish Criteria• Step 2. Report Breaches of Criteria• Step 3. Monitor and Report on Improvement or Deterioration• Step 4. Terminate, Restore to Normal Status, or Continue to Monitor	<ul style="list-style-type: none">• Due Diligence Site Visits• Review of Portfolio Structure• Adherence to Investment Policy• Fee Reasonability Relative to Peers• Organizational Structure and Viability• Adherence to Contractual Agreements

Contact

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SCHOLARSHARE COLLEGE SAVINGS PLAN

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Disclosures

Consider the investment objectives, risks, charges and expenses before investing in the ScholarShare College Savings Plan. Visit ScholarShare.com, or call the Plan, for a Disclosure Booklet containing this and other information. Read it carefully.

Investments in the Plan are neither insured nor guaranteed except for TIAA-CREF Life Insurance Company's guarantee to the ScholarShare College Savings Plan under the Funding Agreement for the Principal Plus Interest Portfolio, and there is a risk of investment loss.

Before investing in a 529 plan, consider whether the state where you or your Beneficiary resides has a 529 plan that offers favorable state tax benefits that are available if you invest in that state's 529 plan.

The tax information contained herein is not intended to be used, and cannot be used, by any taxpayer for the purpose of avoiding tax penalties. Taxpayers should seek advice, based on their own particular circumstances, from an independent tax advisor.

Withdrawals that are not used for qualified higher education expenses may be subject to federal income tax and any applicable state income tax, as well as an additional 10% federal tax and California state tax of 2.5% on earnings.

TIAA-CREF Tuition Financing, Inc., Program Manager.

All ScholarShare social media platforms are managed by the State of CA.