INVESTOR GUIDE
Understand Your Investment Options with Savings Plus
Savings Plus is a complementary plan to your CalPERS pension and is a valuable state benefit offered by CalHR. We encourage you to make the most of your participation by using the many tools and resources developed to help you on your path to retirement. Savings Plus is with you for life!

As a participant with Savings Plus, you’re both a saver and an investor. Every investor is different. Therefore, Savings Plus offers an array of options to serve your individual preferences. In this guide, you’ll find an overview of your options.

**Not sure where to start?**
Use My Interactive Retirement PlannerSM, an interactive tool on savingsplusnow.com that can help you evaluate and project your potential retirement savings.

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**Account summary**

**Total balance**

$1,128

**Retirement readiness**

Based on your information, you’re on track to get

$10,978\text{mo} \text{ in retirement starting at age 64}

Gap $193\text{mo}

You might need $11,171\text{mo} \text{ in retirement}

How did we get these numbers?

Results are a hypothetical view of what your retirement may look like, based on the information you provided. Please note future retirement income is not guaranteed. Read the full disclosure.
Plan and Contribution Types

Savings Plus has created multiple plans to allow employees like you to put aside money from each paycheck toward retirement. These plans may help bridge any gap between what you have in your pension, savings, and Social Security, and how much you will need in retirement, including the time after retirement and before you start drawing on Social Security.

Contribution types — Pre-tax vs. Roth
Savings Plus offers you flexibility in how you save for retirement. You may choose to make pre-tax, Roth, or both types of contributions to both the 401(k) and 457(b).

Pre-tax contributions
- Come out of your pay before taxes are deducted. Meaning more money goes into your account than comes out of your take-home pay
- Lower your taxable income now
- Earnings grow tax-deferred until withdrawn
- Withdrawals are taxed as ordinary income

Roth contributions
- Come out of your pay after taxes are deducted
- Contributions and related earnings may be withdrawn tax-free during retirement if certain criteria are met
- Participation has no income restrictions (unlike a Roth IRA)
- Can be used for estate planning
- Offer tax planning flexibility in retirement

Contributions can be specified as a percentage of your pay or a dollar amount.
What Type of Investor Are You?

To help you determine how to build your portfolio, you will need to know your investor style. If you’re unsure, the following quick survey can help. Write your scores for each question in the right-hand column. Remember, your assessment should only be used as a starting point in planning your investing approach.

<table>
<thead>
<tr>
<th>Question</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. How would you rate your knowledge of the following investing concepts?</td>
<td></td>
</tr>
<tr>
<td>Asset allocation</td>
<td>Excellent</td>
</tr>
<tr>
<td>Investment risk</td>
<td>3</td>
</tr>
<tr>
<td>2. How often do you perform the following tasks in your 401(k) and/or 457(b) account(s)?</td>
<td></td>
</tr>
<tr>
<td>Check your 401(k)/457(b) balance(s)</td>
<td>Weekly</td>
</tr>
<tr>
<td>Change the investments in your 401(k)/457(b) account(s)</td>
<td>3</td>
</tr>
<tr>
<td>3. How confident are you that you understand the following aspects of your 401(k) and/or 457(b) account(s)?</td>
<td></td>
</tr>
<tr>
<td>Investment choices</td>
<td>Very</td>
</tr>
<tr>
<td>Retirement income and savings rate projection tools</td>
<td>3</td>
</tr>
<tr>
<td>4. How confident are you about your ability to:</td>
<td></td>
</tr>
<tr>
<td>Choose the right investments</td>
<td>Very</td>
</tr>
<tr>
<td>Forecast your income needs in retirement</td>
<td>3</td>
</tr>
<tr>
<td>5. In the past, how satisfied have you been in your ability to:</td>
<td></td>
</tr>
<tr>
<td>Choose the right investments</td>
<td>Very</td>
</tr>
<tr>
<td>Know the right time to make changes to your portfolio</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total score</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total score</th>
<th>Likely investing style</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 15</td>
<td>Do it for me or Manage it for me</td>
</tr>
<tr>
<td>15 or more</td>
<td>Do it myself</td>
</tr>
</tbody>
</table>
Multiple Investor Styles Are Available

You have a wide range of investor styles available through Savings Plus. This gives you the ability to select an approach that fits your needs and comfort with investing.

**Do it for me**
For investors who prefer a less hands-on investing experience, Savings Plus offers Target Date Funds (TDFs).

TDFs offer a single, diversified investment strategy that gradually becomes more conservative over time. Savings Plus TDFs most closely align with your date of birth.

**Do it myself**
You can build and manage a customized portfolio with Savings Plus’s core investment funds that cover a range of asset classes with different risk/reward potential. These funds are featured in the table on the following page in order of their level of risk, with the most conservative listed first.

**Manage it for me**
Nationwide ProAccount® is a fee-based, managed account service that creates and maintains a personalized retirement investment strategy.
Do It for Me

An option for investors who want to pick one fund that appropriately keeps pace with each stage of life

Target Date Funds

If you don’t select how you want your contributions invested when you first enroll, your contributions will post to the Target Date Fund that most closely aligns with your date of birth. Refer to the table below to see the fund that would apply to you.

<table>
<thead>
<tr>
<th>If you were born between...</th>
<th>You might choose this fund (assumes taking a distribution at age 62)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955 or earlier</td>
<td>Target Date Fund–Income</td>
</tr>
<tr>
<td>1956 – 1960</td>
<td>Target Date Fund–2020</td>
</tr>
<tr>
<td>1961 – 1965</td>
<td>Target Date Fund–2025</td>
</tr>
<tr>
<td>1966 – 1970</td>
<td>Target Date Fund–2030</td>
</tr>
<tr>
<td>1971 – 1975</td>
<td>Target Date Fund–2035</td>
</tr>
<tr>
<td>1976 – 1980</td>
<td>Target Date Fund–2040</td>
</tr>
<tr>
<td>1981 – 1985</td>
<td>Target Date Fund–2045</td>
</tr>
<tr>
<td>1986 – 1990</td>
<td>Target Date Fund–2050</td>
</tr>
<tr>
<td>1991 – 1995</td>
<td>Target Date Fund–2055</td>
</tr>
<tr>
<td>1996 – 2000</td>
<td>Target Date Fund–2060</td>
</tr>
<tr>
<td>2001 – 2005</td>
<td>Target Date Fund–2065</td>
</tr>
</tbody>
</table>

Our TDFs are custom-built investment portfolios that are designed and managed by investment professionals to maintain a well-diversified investment portfolio that appropriately keeps pace with each stage of life. The fund aligns with the year you turn 62 (the qualified default investment alternative), and automatically rebalances to maintain the target allocation of the underlying investment strategies. The fund gradually shifts to become more conservative over time.

TDFs invest in a wide variety of underlying funds to help reduce investment risk. Like other funds, TDFs are subject to market risk and loss. 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.

Do It Myself

An option for investors who want to manage their investments

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Fund</th>
</tr>
</thead>
</table>
| Short-Term Investments | Short-Term Investment Fund - Cash (A)  
                      | Short-Term Investment Fund (A)                     |
| Bonds                | Bond Fund (A)                                      |
|                      | Bond Index Fund (P)                                |
| Diversified Real Return | Diversified Real Return Fund (A)                  |
| Balanced             | Socially Responsible Fund (A)                      |
| Large Cap Stocks     | Large Cap Fund (A)                                 |
|                      | Large Cap Index Fund (P)                           |
| Mid Cap Stocks       | Mid Cap Fund (A)                                   |
|                      | Mid Cap Index Fund (P)                             |
| International Stocks | International Fund (A)                             |
|                      | International Index Fund (P)                       |
| Small Cap Stocks     | Small Cap Fund (A)                                 |
|                      | Small Cap Index Fund (P)                           |

For more details about these funds, view the Fund Fact Sheets on savingsplusnow.com.

Our Asset Allocation tool, My Investment Planner, can help you build your investment model online. This tool is offered through Wilshire Associates (Wilshire) and provides advice on what investments to choose based on your input. You can then implement or modify the provided recommendations. Visit the Investment Information section of savingsplusnow.com to start this process.

Remember to check in regularly to make sure you’re on track to reach your retirement savings goals. Savings Plus offers an Automatic Asset Rebalancing service at no additional charge. Sign up, and Savings Plus will reallocate your investments to your chosen investment model each quarter.

If you prefer to build your investment model on paper instead of online, complete the Asset Allocation Questionnaire beginning on page 8.
Manage It for Me

An option for investors who want an investment professional to handle their account

Professionally managed service

Nationwide ProAccount® is a fee-based, managed account service that creates and maintains a personalized retirement investment strategy. This service manages your account using the Savings Plus core investment funds lineup.

Fees associated with ProAccount are as follows:

<table>
<thead>
<tr>
<th>Account Balance</th>
<th>Annual Program Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>The first $99,999</td>
<td>0.45%</td>
</tr>
<tr>
<td>The next $150,000</td>
<td>0.40%</td>
</tr>
<tr>
<td>The next $150,000</td>
<td>0.35%</td>
</tr>
<tr>
<td>The next $100,000</td>
<td>0.30%</td>
</tr>
<tr>
<td>Assets of $500,000 and above</td>
<td>0.25%</td>
</tr>
</tbody>
</table>

For example, the fee assessed on an account with an average balance of $10,000 would be $45 per year or $11.25 charged on a quarterly basis.

To enroll in the Nationwide ProAccount Professional Management program or obtain additional information, contact our Solutions Center at (855) 616-4776.

Nationwide ProAccount will select a personalized plan, put the plan into action, and routinely monitor your account.

You can cancel anytime without penalty.

The importance of diversification

Diversification means allocating your money across several different asset classes, which may help limit your risk. If your investments are diversified, your account is less likely to be impacted by the poor performance of any one single asset class.

You may achieve a diversified investment mix simply by choosing a Target Date Fund, or by building your own investment mix from the Savings Plus core investment funds. If you build your own mix, your allocation should generally be based upon your overall investment goals, time horizon, and risk tolerance. As these change, you may need to modify your investment allocation accordingly.

You can invest through the Schwab Personal Choice Retirement Account® (PCRA), a Self-Directed Brokerage Option. The PCRA provides greater flexibility by allowing you the freedom to select and manage your portfolio from a much larger array of investments that include mutual funds, individual stocks, bonds and a variety of other options. Additional transaction fees may apply. Refer to the PCRA Pricing Guide (PDF) and PCRA Pricing Summary (PDF) on savingsplusnow.com for additional details. You must maintain a minimum balance of $2,500, or 50% of your account, whichever is less, in the Savings Plus core investment funds.

1 Fund transfers into the PCRA from the Savings Plus core investment funds can be entered as a dollar amount or a percentage from your pre-tax and/or Roth Contribution money type. Once your money is invested in the PCRA, the pre-tax and Roth money types are not tracked separately. When you transfer your assets back to the core, funds will be applied using your current money type ratio in the core account at the time the transfer is processed.
Asset Allocation Questionnaire

Making the best asset allocation decision for you depends on knowing who you are as an investor and what options are available to balance your preferences with your goals.

The following two steps provide the information you need to help make your investment decisions. Once you have completed these steps, the core investment options that are available will be presented.

Step 1:

Find your personal tolerance for risk — Wilshire, a global independent investment consulting firm, developed the Asset Allocation Questionnaire and the related asset allocations. Answer the following questions to determine your personal tolerance for risk. Choose the answer that’s right for you and enter the associated point value in the box provided.

Time horizon questions

1. Your current age is:
   A. Over 70 .................................................. 1 point
   B. 60 – 70 ..................................................... 4 points
   C. 50 – 59 ..................................................... 8 points
   D. 35 – 49 ..................................................... 12 points
   E. 34 or younger ........................................... 16 points  

   Score ________

2. When do you anticipate taking regular cash distributions from your account?
   A. Less than 5 years ........................................... 2 points
   B. 5 – 9 years .................................................. 5 points
   C. 10 – 15 years ............................................... 7 points
   D. More than 15 years, or I don’t anticipate taking cash distributions ........................................... 10 points  

   Score ________

3. In addition to your 401(k) or similar retirement plan, does your employer actively sponsor other retirement plan benefits such as a defined benefit pension or defined contribution profit-sharing plan that are available to the majority of current employees?
   A. No ......................................................... 0 points
   B. Yes ......................................................... 20 points  

   Score ________
4. Your risk tolerance describes your willingness to accept fluctuations in your account value in order to achieve the long-term objective of your retirement savings. Which statement best describes your tolerance for risk?

A. Avoiding loss in my account value is more important to me than experiencing long-term growth. .................. 1 point

B. I desire long-term growth of my account value, but I am more concerned with avoiding losses ................. 4 points

C. I am concerned with avoiding losses, but this is outweighed by my desire to achieve long-term growth .................. 7 points

D. To maximize the chance of experiencing high long-term growth, I am willing to accept losses ....................... 10 points

Score ____________

5. While riskier than bond investments, stock investments offer the potential of higher long-term investment returns. What is your feeling about investing a portion of your money in stock investments?

A. I am concerned that stock investments are too risky and would prefer a higher allocation to bonds .................. 1 point

B. I understand there is additional risk with stock investments and would consider a more balanced allocation to stocks and bonds................................. 5 points

C. I understand there may be some additional risks in stock investing, but the opportunity to achieve long-term growth with a higher allocation to equities is worth serious consideration................................. 9 points

D. I understand the risks, but recognize there are growth opportunities in stock markets, and would like to maximize those opportunities ................................. 12 points

Score ____________

6. Given the volatility of the capital markets, your account value will fluctuate over time. The three choices below show potential account value ranges after a three year investment period. If you were to invest $50,000, which portfolio would you select?

A. Account value range of $48,000 – $53,000 .................. 2 points

B. Account value range of $45,000 – $58,000 .................. 6 points

C. Account value range of $40,000 – $60,000 ................. 10 points

Score ____________
Using the point values from the six questions on the previous page, enter your total points below. This number can help you determine the portfolio model appropriate for your personal tolerance for risk.

Total points _______

Your total points align with portfolio model as follows:

<table>
<thead>
<tr>
<th>Points Total</th>
<th>Portfolio Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 7</td>
<td>Conservative</td>
</tr>
<tr>
<td>8 – 16</td>
<td>Conservative Growth</td>
</tr>
<tr>
<td>17–26</td>
<td>Moderate Conservative</td>
</tr>
<tr>
<td>27–39</td>
<td>Moderate</td>
</tr>
<tr>
<td>40–57</td>
<td>Moderate Aggressive</td>
</tr>
<tr>
<td>58–78</td>
<td>Aggressive Growth</td>
</tr>
</tbody>
</table>

**Step 2:**

Choose your funds — Now that you have identified your personal tolerance for risk, it’s time to select a portfolio model from the following table.

**Choose your portfolio model**

Put a check mark in the box below that best represents your portfolio model.
Addendum: Asset Classes

Savings Plus offers different types of investment options with various risk and reward potential.

When planning your retirement, Savings Plus provides many investment options to help you design a portfolio based upon your risk comfort levels. Risk and reward go hand in hand; where there’s greater risk, there’s a greater potential for performance to be rewarded. Funds ranking high on a risk-adjusted return scale demonstrate a favorable trade-off between risk and reward.

Know your asset classes

The investment choices offered by Savings Plus fall into the following asset classes: Short-Term Investments, Bonds, Large Cap, Mid Cap, International and Small Cap. Diversifying your investment selections across asset classes can increase your return potential according to the level of risk you’re willing to accept.

**Short Term Investments** refers to short term securities, such as bank certificates of deposit (CDs) and money market funds. Typically, short term investments encounter less market risk than do stocks and bonds because of their short duration. Therefore, they usually provide a lower rate of return than investments in those classes.

**Bonds** are loans or debt instruments issued by governments or corporations that need to raise money. When investors buy bonds, they’re lending money to those governments or corporations. Bonds are issued for a set period, during which interest payments are made to the bondholder. Bonds are more stable than stocks and provide a more steady flow of income than stocks. However, over a long time period, they often provide a lower rate of return than stocks.

**Diversified Real Return** includes three investment types: Treasury Inflation-Protected Securities (TIPS), Real Estate Investment Trusts (REITs), and commodities. Historically, these investment types have had a low correlation with one another.

**Large Cap Stocks** are instruments that signify part ownership in corporations. Usually, they encounter higher market risk than do short-term investments and bonds but offer the potential for higher long-term returns. Large cap typically refers to companies with market values exceeding $10 billion. Large cap stocks tend to be less volatile and offer lower risk than stocks of smaller cap companies.

**Mid Cap Stocks** typically refers to companies with market values between $2 billion and $10 billion. These funds can be somewhat more volatile than large cap funds, but are generally less risky than funds devoted exclusively to smaller companies.

**International Stocks**, also known as foreign funds, typically refers to companies located outside of the United States. Because of currency fluctuations, possible political instability, differences in accounting standards, and foreign regulations, international stocks carry risks not found with domestic stocks. Both risk and return potential are higher than the large cap and mid cap stock classes.

**Small Cap Stocks** typically refers to companies with market value less than $2 billion. Small companies can grow much faster than big companies, but tend to be more volatile, and their stocks tend to be more risky than the stocks of mid cap and large cap companies.

The chart above displays the range of relation between risk and reward potential of the following asset classes available through Savings Plus. Target Date and Socially Responsible Funds don’t appear because those funds diversify investments across several asset classes.
Maintain Your Savings Plus Account

Here are some tips to remember:

1. **Reaching your retirement goals takes time.** By investing consistently, you let time and the power of compounding work to your advantage. Compounding is the ability of assets to generate earnings, which are then reinvested in order to generate additional earnings.

2. **Markets and investment objectives can change.** Review your investment strategy often to make sure it still fits your goals.

3. **The more you earn, the more you may want to save.** You may want to consider increasing your Savings Plus contribution when your salary increases. Our Auto Increase feature allows you to automatically increase your contribution each year so that you don’t have to think about it.

4. **It could be advantageous to consolidate your assets.** Consider consolidating your previous employer’s retirement plan assets into your Savings Plus account.

5. **You’re saving for your future.** Saving now may assist you in meeting your retirement goals.

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Free one-on-one planning support

Savings Plus offers a full suite of support and services to help you manage your account. We provide, at no cost to you, one-on-one support with our licensed and noncommissioned Retirement Specialists, who are available throughout the state to help you plan for retirement and to work with you throughout your retirement. Visit savingsplusnow.com for more information.

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**Website**
savingsplusnow.com

**Savings Plus Solutions Center**
(855) 616-4776
5 a.m. - 8 p.m. PT

**Savings Plus Walk-In Center**
1810 16th Street, Room 108
Sacramento, CA 95811
8 a.m. - 5 p.m. PT

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Please consider the fund’s investment objectives, risks, and charges and expenses carefully before investing. The Fund Fact Sheets contain this and other important information about the investment company. Fund Fact Sheets are available on the website or by calling (855) 616-4776. Read the Fund Fact Sheets carefully before investing.

Information provided by Retirement Specialists is for educational purposes only and is not intended as investment advice.

Investing involves market risk, including possible loss of principal. Actual investment results will vary depending on your investment and market experience, and there is no guarantee that fund objectives will be met.

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.

Investment advice for Nationwide ProAccount is provided to plan participants by Nationwide Investment Advisors, LLC (NIA), an SEC-registered investment adviser. NIA has hired Wilshire Associates Incorporated (“Wilshire”) as the Independent Financial Expert for Nationwide ProAccount. Wilshire® is a service mark of Wilshire Associates, Inc., which is not affiliated with NIA or any Nationwide affiliate. Nationwide representatives are Registered Representatives of Nationwide Investment Services Corporation, member FINRA, Columbus, Ohio. Nationwide Retirement Specialists cannot offer investment, tax or legal advice. You should consult your own counsel before making retirement plan decisions.

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