



# Short Term Investment Fund - Cash

as of 3/31/19

CALIFORNIA STATE EMPLOYEE 401(k) & 457(b) PLANS

## Objective

The goal of the Short Term Investment Fund - Cash (STIF-Cash) is to provide safety and stability with savings account-like returns or better through a diversified combination of money market funds and Federal Deposit Insurance Corporation (FDIC) insured savings accounts. STIF-Cash includes Government Money Market funds that invest primarily in U.S. Government related securities, and FDIC insured\* accounts which have guarantees on deposits backed by the full faith and credit of the U.S. Government.

## Strategy

The STIF-Cash is a blend of traditional savings accounts and Government Money Market funds. There are two Government Money Market mutual fund managers and two depositories for the FDIC insured component.\* The Government Money Market fund managers are RBC Global Asset Management (U.S.) Inc. and Goldman Sachs Asset Management, LP, and the depositories are Bank of Oklahoma, NA and MUFG Union Bank, N.A. (Union Bank) Bank of Oklahoma pays a rate based on the 3 Month LIBOR\*\* minus 0.20% with a minimum rate of 0.10%. Union Bank pays a rate based on the 3 Month LIBOR\*\* minus 0.15% or the 3 Month Treasury Bill plus 0.25%, whichever is greater. The Government Money Market funds invest in U.S. Government related securities which are managed to a consistent \$1.00 net asset value (NAV) while seeking to provide short-term market rates for yield. The Government Money Market funds invest to provide a yield intended to exceed the 30 Day T-Bill. The assets are divided between the four providers in a manner intended to balance yield and safety.

The performance of the Fund is measured against the performance of the 90-day Treasury Bill Index (see Additional Disclosures for definition).

\* Up to \$250,000 per individual per financial institution. Additionally, the depositories provide collateral for amounts in excess of the FDIC limit.

\*\* LIBOR is the base interest rate paid on deposits traded between banks in London. LIBOR's cost of money is a widely monitored international interest indicator.

## Investment Managers

Investment Option Inception Date: 1-01-2001

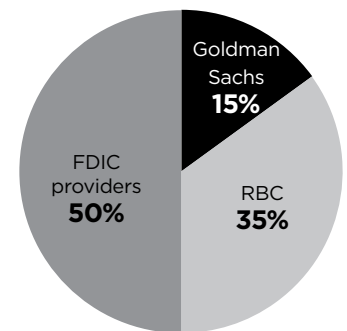
Goldman Sachs Asset Management, L.P.  
200 West St.  
New York, NY 10282  
Team Managed - STIF Cash  
www.gsam.com

RBC Global Asset Management (U.S.) Inc.  
50 South 6<sup>th</sup> St., Ste 2350  
Minneapolis MN 55402  
Team Managed  
www.rbcgam.us

### FDIC Providers:

Bank of Oklahoma  
Bank of Oklahoma Tower  
9520 N. May Ave., Ste. 110  
Oklahoma City OK 73120  
Team Managed  
www.bokf.com

Union Bank  
445 S. Figueroa St. 5<sup>th</sup> Floor  
Los Angeles, CA 90071  
www.unionbank.com



Manager Allocation

## Estimated Fees

No transaction fees are charged. Instead, the Fund indirectly incurs management fees that are charged by the underlying Investment Managers. The estimated expense ratio consists of operating expenses, including management fees and nominal trustee services fees, and an administrative expense reimbursement of 2.15 basis points (0.0215%). These fees are netted out of the performance of the Fund. A shareholder reimbursement of approximately 2.85 basis points (0.0285%) is reimbursed to Savings Plus from the Government Money Market fund managers. The shareholder reimbursement plus the administrative expense reimbursement totals five basis points (0.05%), which is equitable to the other Savings Plus investment options.

|                                | Gross expense | Net expense |
|--------------------------------|---------------|-------------|
| Expenses per \$1000 investment | \$1.10        | \$1.10      |
| Total expense ratio            | 0.11%         | 0.11%       |
| Operating expenses             | 0.09%         | 0.09%       |
| Administrative expenses        | 0.0215%       | 0.0215%     |

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## Fund Performance

|   | Qtr.  | Year to Date | 1 Year | 3 Year | 5 Year | Since Inception |
|---|-------|--------------|--------|--------|--------|-----------------|
| Short Term Investment Fund - Cash (net of fees) | 0.62% | 0.62%        | 2.19%  | 1.22%  | 0.79%  | 1.63%           |
| 90-day Treasury Bill Index                      | 0.60% | 0.60%        | 2.12%  | 1.19%  | 0.74%  | N/A             |

*The results shown represent past performance and do not represent expected future performance or experience. Past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's units, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the data quoted. Performance data current to the most recent month-end may be obtained by visiting [savingsplusnow.com](http://savingsplusnow.com).*

The index returns do not include the deduction of investment management fees, expense reimbursement and custodial fees, which would lower a participant's return.

## Important Information About Risk

Investment in the Fund involves a certain amount of risk and is only suitable for individuals who fully understand and are capable of bearing the risks of an investment in the Fund. The following is a general discussion of certain risks and merits of different types of investments which the Fund may make.

The following disclosure only applies to STIF-Cash investments:

Investments in the STIF-Cash Fund will be allocated equally between Deposit Accounts which are FDIC insured ("FDIC Accounts") and Government Money Market Funds ("GMMFs"). As to that portion of your principal allocated to the FDIC Accounts, there is no risk to principal as a result of fluctuation of market returns, or other vagaries of the market. The risk to principal involves the possibility that the bank could fail, in which event you may not be able to recover 100% of your deposit and there may be a prolonged delay in your ability to recover your deposit. However, since your deposit is FDIC insured, in the case of a bank failure, your deposit would only be at risk to the extent your total deposits with the bank exceed the maximum FDIC insured amount.

The portion of your principal allocated to non-FDIC insured accounts is subject to the following risks.

### Risk of Investment Loss - Generally.

No warranty is given by the Trustee or Investment Adviser as to the performance or profitability of any Fund, and there is no guarantee that any Fund will achieve its investment objective. A Fund may suffer loss of principal, and income, if any, will fluctuate. The value of a Fund's investments will be affected by a variety of factors, including, but not limited to, economic and political developments, interest rates, issuer-specific events, market conditions and sector positions. Investment in a Fund is not a deposit or obligation of the Trustee or of any other bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation, Securities Investor

Protection Corporation, or any other government agency or instrumentality.

### Risks of Investing in Fixed Income Securities.

To the extent that a Fund invests in fixed income securities, it will be subject to the risks associated with investments in fixed income securities. These risks include interest rate risk, credit risk and call/extension risk. In general, interest rate risk involves the risk that when interest rates decline, the market value of fixed income securities tends to increase (although many Mortgage-Backed Securities will have less potential than other debt securities for capital appreciation during periods of declining rates). Conversely, when interest rates increase, the market value of fixed income securities tends to decline. Credit risk involves the risk that the issuer could default on its obligations, and a Fund will not recover its investment. For example, increases in interest rates and/or a weakening of economic conditions caused by another recession or otherwise could adversely impact the ability of homeowners to repay mortgages or the value of the housing securing these mortgages. Call risk and extension risk are normally present in Mortgage-Backed Securities and asset-backed securities. For example, homeowners have the option to prepay their mortgages. Therefore, the duration of a security backed by home mortgages can either shorten (call risk) or lengthen (extension risk). In general, if interest rates on new mortgage loans fall sufficiently below the interest rates on existing outstanding mortgage loans, the rate of prepayment would be expected to increase. Conversely, if mortgage loan interest rates rise above the interest rates on existing outstanding mortgage loans, the rate of prepayment would be expected to decrease. In either case, a change in the prepayment rate can result in losses to Participating Trusts.

### Interest Rate Changes.

Debt and money market securities have varying levels of sensitivity to changes in interest rates. In general, the price of a debt or money market security can fall when interest rates rise and can rise when interest rates fall. Securities with longer maturities, mortgage securities, and the securities of issuers in the financial services sector can be more sensitive to interest rate changes. In other words, the longer the maturity of a security, the greater the impact a change in interest rates could have on the security's price. In addition, short-term and long-term interest rates do not necessarily move in the same amount or the same direction. Short-term securities tend to react to changes in short-term interest rates, and long-term securities tend to react to changes in long-term interest rates.

### Conflicts of Interest.

The involvement of the Trustee and/or the investment Adviser and their affiliates in the management of, or their interest in, other accounts may present conflicts of interest with respect to each Fund or limit its investment activities. The Trustee and the Investment Adviser and their other advisory affiliates, may engage in proprietary trading and advise accounts and funds which have investment objectives similar to those of the Funds and/or which engage in and compete for transactions in the same types of securities, currencies and instruments as the Funds. The Investment Adviser will not have any obligation to make available any information regarding their proprietary activities or strategies, or the activities or strategies used for other accounts managed by them, for the benefit of the management of the Funds. Therefore, it is possible that a Fund

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could sustain losses during periods in which the Investment Adviser and its affiliates and other accounts achieve significant profits on their trading for proprietary or other accounts. In addition, the Funds may, from time to time, enter into transactions in which other clients of Investment Adviser have an adverse interest.

## Industry Concentration.

Market conditions, interest rates, and economic, regulatory, or financial developments could significantly affect a group of related industries, and the securities of companies in that group of related industries could react similarly to these or other developments.

The technology industries can be significantly affected by obsolescence of existing technology, short product cycles, falling prices and profits, and competition from new market entrants.

## Operational Risks.

Operation of the Funds may be subject to risk of loss resulting from human error, inadequate or failed internal processes and systems, or external events. Operational risks also include the risk of fraud by employees, clerical and record-keeping errors, nonperformance by vendors, threats to cybersecurity, and computer/telecommunications malfunctions.

## Important Facts

### Price

The unit value of the Fund changes daily, based upon the market value of the underlying securities. The Fund is subject to wide fluctuations in unit value because it holds virtually all assets in common stocks.

### Information Accessibility

Since this is not a mutual fund, information is not available from a newspaper or other public information sources. The plan's recordkeeper will provide your account information over the internet and through an automated telephone system.

### Prospectus Information

The STIF-Cash is a portfolio of assets managed specifically for your plan. Unlike a mutual fund, only the participants of your plan can invest in the Fund. Therefore, because it is not a mutual fund, a prospectus is not available. This summary is designed to provide descriptive information.

## Additional Disclosures

The 90-day Treasury Bill Index is based on the auction rates that the U.S. Treasury provides for 90-day Treasury Bills. No fees or commissions are subtracted from index returns and it is not possible to invest directly in a market index.

While the STIF-Cash trades are received by Nationwide Retirement Solutions on days on which the NYSE is open and the Federal Reserve Bank of Philadelphia is closed, the underlying Goldman Sachs U.S. Government Money Market Fund is closed. Therefore, trades received on days when the Goldman Sachs U.S. Government Money Market Fund is closed will be processed the next business day when the Goldman Sachs U.S. Government Money Market Fund is open. Therefore, your trade out of the STIF-Cash will be subject to a one day delay. Currently the only scheduled days on which the NYSE is open and the Federal Reserve Bank of Philadelphia is closed are Columbus Day and Veterans' Day.

For questions or concerns regarding this fund please contact the Savings Plus Program at (855) 616-4776, Monday through Friday 5 am - 8 pm.