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

Socially Responsible Fund

as of 9/30/18

Objective

The Fund seeks to provide long-term capital appreciation and current income by investing in companies that meet certain environmental, social and governance criteria, resulting in a total investment return consistent with a balanced investment approach.

Strategy

The Socially Responsible Fund invests in stocks, bonds and money market instruments in order to provide a complete investment portfolio of socially responsible investments. The Fund tactically alters the allocation of assets between stocks and bonds based on the investment managers assessment of the market outlook and the relative attractiveness of the underlying asset classes in order to optimize portfolio return and reduce portfolio risk. The Fund will generally hold 60% stocks and 40% bonds; however, the allocation of stocks can range from 45% to 75%. The Fund will primarily invest in high-quality, large and mid-capitalization equity securities as well as investment-grade bonds; a small portion (up to 15%) of the equity allocation may be invested in foreign stocks.

The Fund is managed by Boston Trust & Investment Management Co.

The performance of the Fund will be measured against a blended benchmark consisting of 60% S&P 500 Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index (see Additional Disclosures for definition).

Portfolio Manager

Investment Option Inception Date: 11-07-2007

Boston Trust & Investment Management Co.
One Beacon St., 33rd Fl.
Boston MA 02108
Manager: William Apfel
www.waldenassetmgmt.com

Manager Allocation

Estimated Fees

No transaction fees are charged. Instead, the funds indirectly incur management fees that are charged by the underlying investment funds in which the funds invest. The estimated expense ratio consists of operating expenses, including management fees and nominal trustee services fees, and an administrative expense of five basis points expense reimbursement. Fees are netted out of the performance of the funds.

	Gross expense	Net expense
Expenses per $1000 investment	$3.80	$3.80
Total expense ratio	0.38%	0.38%
Operating expenses	0.33%	0.33%
Administrative expenses	0.05%	0.05%

Fund Performance

	Qtr.	Year to Date	1 Year	3 Year	5 Year	Since Inception
Socially Responsible Fund (net of fees)	6.10%	6.30%	12.44%	11.64%	9.56%	8.50%
60% S&P 500 Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index	4.59%	5.64%	9.99%	10.77%	9.22%	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.

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 Funds 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 Funds. The following is a general discussion of certain risks and merits of different types of investments which the Fund may make.

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 Equity Security/ Stock Market Volatility.

In general, each Fund is subject to the risks associated with investments in common stocks and other equity securities. Stock values fluctuate in response to the activities of individual companies and in response to general market and economic conditions. Accordingly, the value of the stocks that a Fund holds may decline over short or extended periods. The U.S. stock markets tend to be cyclical, with periods when stock prices generally rise and periods when prices generally decline.

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 exiting 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.

Risks of Investing in REITs.

Income-producing real estate is often owned and operated by real estate investment trusts ("REITs"). Qualification and treatment as a REIT will depend on a Fund's ability to meet, on a continuing basis, various tests including tests relating to its income, assets, distributions, diversity of ownership, as well as other qualification requirements imposed on REITs. If a REIT fails to qualify as a REIT for any particular year, it would be taxed at U.S. federal income tax rates applicable to corporations on all of its income, whether or not distributed to its shareholders, and this would substantially reduce the amount of cash otherwise available to be distributed to the shareholders. In addition, unless entitled to relief under specific statutory provisions, the REIT also will be disqualified from reelecting taxation as a REIT for the four taxable years following the year during which the REIT qualification was lost. If the requirements for taxation as a REIT are met, a REIT is allowed a deduction for dividends paid to its shareholders, substantially eliminating the "double taxation" at both the corporate and shareholder levels that general results from the use of corporations. However, a REIT will still be subject to tax in certain circumstances even if it qualifies as a REIT, including without limitation: a tax on any taxable income or capital gain not distributed to its shareholders, and an additional 4% excise tax if it fails to make certain distributions for a calendar year; a tax of 100% on net income from any "prohibited transaction," which is a sale of property held primarily for sale to customers in the ordinary course of a trade or business, unless the property is held for at least two years and certain other requirements are satisfied; and the corporate "alternative minimum tax."

Geographic Concentration.

Political and economic conditions and changes in regulatory, tax, or economic policy in a country could significantly affect the market in that country and in surrounding or related countries.

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 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.

Financial Services Exposure.

Financial services companies are highly dependent on the supply of short-term financing. The value of securities of issuers in the financial services sector can be sensitive to changes in government regulation and interest rates and to economic downturns in the United States and abroad.

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.

Prepayment.

Many types of debt securities, including mortgage securities, are subject to prepayment risk. Prepayment occurs when the issuer of a security can repay principal prior to the security's maturity. Securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. In addition, the potential impact of prepayment features on the price of a debt security can be difficult to predict and result in greater volatility.

Issuer-Specific Changes.

Change in the financial condition of an issuer, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can affect the credit quality or value of an issuer's securities. Entities providing credit support or a maturity-shortening structure also can be affected by these types of changes. If the structure of a security fails to function as intended, the security could decline in value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources. Lower-quality debt securities (those of less than investment-grade quality) and certain types of other securities tend to be particularly sensitive to these changes.

Lower-quality debt securities and certain types of other securities involve greater risk of default or price changes due to changes in the credit quality of the issuer. The value of lower-quality debt securities and certain types of other securities often fluctuates in response to company, political, or economic developments and can decline significantly over short periods of time or during periods of general or regional economic difficulty. Lower-quality debt securities can be thinly traded or have restrictions on resale, making them difficult to sell at an acceptable price. The default rate for lower-quality debt securities is likely to be higher during economic recessions or periods of high interest rates.

"Growth" Investing.

"Growth" stocks can react differently to issuer, political, market, and economic developments than the market as a whole and other types of stocks. "Growth" stocks tend to be more expensive relative to their earnings or assets compared to other types of stocks. As a result, "growth" stocks tend to be sensitive to changes in their earnings and more volatile than other types of stocks.

"Value" Investing.

"Value" stocks can react differently to issuer, political, market, and economic developments than the market as a whole and other types of stocks. "Value" stocks tend to be inexpensive relative to their earnings or assets compared to other types of stocks. However, "value" stocks can continue to be inexpensive for long periods of time and may not ever realize their full value.

Quantitative Investing.

The value of securities selected using quantitative analysis can react differently to issuer, political, market, and economic developments than the market as a whole or securities selected using only fundamental analysis and the weight placed on those factors may not be predictive of a security's value. In addition, factors that affect a security's value can change over time and these changes may not be reflected in the quantitative model.

Risks Related to Soundness of Financial Institutions.

Routine funding or settlement transactions could be adversely affected by the actions and commercial soundness of domestic or foreign financial institutions. The operations of U.S. and global financial services institutions are highly interconnected and a decline in the financial condition of one or more financial services institutions may expose the Funds to credit losses or defaults, limit their access to liquidity or otherwise disrupt their operations.

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.

Socially Responsible Fund — as of 9/30/18

Prospectus Information

The Socially Responsible Fund 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 S&P 500 Index is widely regarded as the best single gauge of the U.S. equities market. This world-renowned index includes 500 leading companies in leading industries of the U.S. economy. Although the S&P 500 Index focuses on the large cap segment of the market, with approximately 75% coverage of U.S. equities, it is also an ideal proxy for the total market. The S&P 500 Index is part of a series of S&P U.S. indices that can be used as building blocks for portfolio construction.

The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency). Provided the necessary inclusion rules are met, U.S. Aggregate eligible securities also contribute to the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt. The U.S. Aggregate Index was created in 1986 with history backfilled to January 1, 1976.

No fees or commissions are subtracted from index returns and it is not possible to invest directly in a market index.

The Fund may use futures, options, or other derivatives, and is operated by a person who has claimed an exclusion from the definition of a commodity pool operator under the Commodity Exchange Act and is, therefore, not subject to registration or regulation under that Act. The investment managers may use futures, options, swaps, or other derivatives as a substitute for taking a position in the underlying asset; to seek to take advantage of changes in securities prices, interest rates, and other factors affecting value; to hedge risk; to maintain liquidity; or for other reasons. Each of these strategies has its own risks and could decrease the value of the Fund. The managers of the Fund currently do not expect to make significant use of derivatives in implementing its investment strategy.

Top 10 holdings information can be obtained by contacting the Savings Plus Program at (855) 616-4776, Monday through Friday 5 am – 8 pm PT. Due to the fund structure, top ten holdings must be calculated by combining information provided by each manager and are typically not available until at least 90 days after the end of the quarter.