

CalPERS 457 Plan

January 31, 2018

This document includes important information to help you compare the investment options under your retirement plan. If you want additional information about your investment options, you can go to <https://calpers.voya.com>.

A free paper copy of the information available on the website can be obtained by contacting:

Voya Financial
Attn: CalPERS 457 Plan
PO Box 5166
Boston, MA 02206-5166
(800) 260-0659

Document Summary

This document has two parts. Part I consists of performance information for the plan investment options. This part shows you how well the investments have performed in the past. Part I also shows the total annual operating expenses of each investment option.

Part II provides additional information concerning Plan administrative fees that may be charged to your individual account.

CalPERS 457 PLAN

Part I. Performance Information For Periods Ended

January 31, 2018

<https://calpers.voya.com>

Table 1 focuses on the performance of investment options that do not have a fixed or stated rate of return. Table 1 shows how these options have performed over time and allows you to compare them with an appropriate benchmark for the same time periods¹. Past performance does not guarantee how the investment option will perform in the future. Your investment in these options could lose money. Information about an investment option's principal risks is available on the website listed above.

Table 1 also shows the Total Annual Operating Expenses of each investment option. Total Annual Operating Expenses are expenses that reduce the rate of return of the investment option². The cumulative effect of fees and expenses can substantially reduce the growth of your retirement savings. Visit the U.S. Department of Labor's website for an example showing the long-term fees and expenses at <http://www.dol.gov/ebsa>. Fees and expenses are only one of many factors to consider when you decide to invest in an option. You may also want to think about whether an investment in a particular option, along with your other investments, will help you achieve your financial goals.

| Table 1 - Variable Net Return Investments | | | | | | | | |
|---|----------------|----------------|------------------------|----------|-----------------|----------------|--|------------|
| Name of Fund / Name of Benchmark | Performance | | Annualized Performance | | | | Total Annual Operating Expenses ^{3,4} | |
| | 3 Month | 1 Year | 5 Years | 10 Years | Since Inception | Inception Date | As a % | Per \$1000 |
| Equity Funds | | | | | | | | |
| State Street Russell All Cap Index Fund - Class 1 <i>Russell 3000 Index</i> | 9.46 9.55 | 24.68 25.16 | - - | - - | 13.89 14.26 | 10/07/13 | 0.41% | \$4.10 |
| State Street Global All Cap Equity ex-US Index Fund - Class 1 <i>MSCI ACWI ex-USA IMI Index (net)</i> | 8.82 8.94 | 29.95 30.15 | - - | - - | 6.87 7.15 | 10/07/13 | 0.46% | \$4.60 |
| Fixed Income | | | | | | | | |
| State Street US ShortTerm Gov't/Credit Bond Index Fund - Class 1 <i>Barclays Cap US 1-3 yr Gov't/Credit Bond Index</i> | -0.59 -0.45 | -0.10 0.39 | - - | - - | 0.27 0.80 | 10/07/13 | 0.45% | \$4.50 |
| State Street US Bond Fund Index - Class 1 <i>Barclays Capital US Aggregate Bond Index</i> | -0.94 -0.83 | 1.80 2.15 | - - | - - | 2.33 2.63 | 10/07/13 | 0.40% | \$4.00 |
| Real Assets | | | | | | | | |
| State Street Real Asset Fund - Class A <i>State Street Custom Benchmark⁵</i> | 3.71 3.89 | 7.47 7.96 | - - | - - | 1.19 1.65 | 10/08/13 | 0.55% | \$5.50 |
| Cash (Cash Equivalents) | | | | | | | | |
| State Street STIF <i>BofA ML 3-month US T-Bill</i> | 0.24 0.31 | 0.72 0.93 | - - | - - | 0.18 0.40 | 09/02/14 | 0.45% | \$4.50 |
| Target Retirement Date Funds⁶ | | | | | | | | |
| CalPERS Target Income Fund <i>SIP Income Policy Benchmark⁷</i> | 1.41 1.49 | 6.29 6.53 | 3.35 3.60 | - - | 5.65 6.30 | 12/01/08 | 0.42% | \$4.20 |
| CalPERS Target Retirement 2015 <i>SIP 2015 Policy Benchmark⁷</i> | 1.41 1.49 | 6.29 6.53 | 3.88 4.15 | - - | 7.11 7.79 | 12/01/08 | 0.42% | \$4.20 |
| CalPERS Target Retirement 2020 <i>SIP 2020 Policy Benchmark⁷</i> | 1.79 1.86 | 7.52 7.77 | 4.59 4.86 | - - | 7.83 8.48 | 12/01/08 | 0.43% | \$4.30 |
| CalPERS Target Retirement 2025 <i>SIP 2025 Policy Benchmark⁷</i> | 3.21 3.29 | 11.23 11.47 | 5.85 6.11 | - - | 8.86 9.48 | 12/01/08 | 0.43% | \$4.30 |
| CalPERS Target Retirement 2030 <i>SIP 2030 Policy Benchmark⁷</i> | 4.25 4.33 | 13.94 14.20 | 6.90 7.16 | - - | 9.92 10.51 | 12/01/08 | 0.44% | \$4.40 |
| CalPERS Target Retirement 2035 <i>SIP 2035 Policy Benchmark⁷</i> | 5.38 5.46 | 16.96 17.23 | 7.90 8.17 | - - | 10.78 11.44 | 12/01/08 | 0.44% | \$4.40 |
| CalPERS Target Retirement 2040 <i>SIP 2040 Policy Benchmark⁷</i> | 6.42 6.52 | 19.95 20.25 | 8.81 9.06 | - - | 11.37 11.99 | 12/01/08 | 0.44% | \$4.40 |
| CalPERS Target Retirement 2045 <i>SIP 2045 Policy Benchmark⁷</i> | 7.56 7.67 | 22.65 22.98 | 9.45 9.71 | - - | 11.67 12.36 | 12/01/08 | 0.44% | \$4.40 |
| CalPERS Target Retirement 2050 <i>SIP 2050 Policy Benchmark⁷</i> | 7.53 7.67 | 22.65 22.98 | 9.45 9.71 | - - | 11.78 12.36 | 12/01/08 | 0.44% | \$4.40 |
| CalPERS Target Retirement 2055 <i>SIP 2055 Policy Benchmark⁷</i> | 7.56 7.67 | 22.65 22.98 | - - | - - | 8.40 8.82 | 10/07/13 | 0.44% | \$4.40 |
| Broad-Based Benchmarks⁸ | | | | | | | | |
| <i>Russell 3000 Index</i> | 9.55 | 25.16 | 15.53 | - | - | - | - | - |
| <i>MSCI ACWI ex-USA IMI Index (net)</i> | 8.94 | 30.15 | 7.50 | - | - | - | - | - |
| <i>Barclays Capital US Aggregate Bond Index</i> | -0.83 | 2.15 | 2.01 | - | - | - | - | - |

Part II. Explanation of CalPERS 457 Plan Expenses January 31, 2018

<https://calpers.voya.com>

Table 2 provides information concerning Plan administrative fees and expenses that may be charged to your individual account if you take advantage of certain features of the Plan. In addition to the fees and expenses described in Table 2 below, some of the Plan's administrative expenses are paid from the Total Annual Operating Expenses of the Plan's investment options.

| Table 2 - Fees and Expenses | | | | |
|--|-------------------------------|---|-----------------------------|--|
| Individual Expenses ⁹ | | | | |
| Service | Fee Amount | Frequency | Who do you pay this fee to? | Description |
| Loan Origination Fee | \$50 | Per loan application | Voya | The charge covers the processing of your loan and applies each time you request a loan from your retirement account. This fee is deducted from your Plan account. |
| Self-Managed Account (SMA) Maintenance Fee | \$50 | Annual fee deducted monthly on a pro-rata basis | Voya | Schwab Personal Choice Retirement Account is available to you if your Employer has elected it as an option. This fee is deducted pro rata on a monthly basis from your core fund investments ¹⁰ in your CalPERS 457 account. For more information about SMAs, including a complete list of fees charged by Schwab for different types of investment transactions, please contact Schwab at (888) 393-PCRA (7272). Fees may also be incurred as a result of actual brokerage account trades. Before purchasing or selling any investment through the SMA, you should contact Schwab at (888) 393-PCRA (7272) to inquire about any fees, including any undisclosed fees, associated with the purchase or sale of such investment. |
| Self-Managed Account (SMA) Plan Administrative Fee | 0.38% (\$3.80 per \$1,000) | Annual fee deducted monthly on a pro-rata basis | Voya | The SMA Plan Administrative fee pays for recordkeeping costs for assets in your SMA account. This fee is deducted pro rata on a monthly basis from your core fund investments in your CalPERS 457 account. The SMA Plan Administrative Fee is subject to change based on total Plan assets. |

Footnotes for Table 1 and Table 2:

1 Fund returns shown are net of investment management fees unless otherwise noted. CalPERS does not collect an investment management fee for running these funds. Benchmark performance returns do not reflect any management fees, transaction costs or expenses. Benchmarks are unmanaged. You cannot invest directly in a benchmark.

2 Historical annual operating expenses are not available. Reported annual operating expenses are estimated based on SSgA investment management, Voya recordkeeping, and SSgA capped operating expenses.

3 Acquired fund fees and expenses reflect the estimated amount of the fees and expenses incurred indirectly by a fund through its investments in the underlying funds.

4 Estimated fees and expenses.

5 State Street Real Asset Fund has a custom benchmark comprised of 25% Bloomberg Roll Select Commodity Index, 25% S&P® Global LargeMidCap Commodity and Resources Index, 15% Dow Jones U.S. Select REIT Index, 25% Barclays U.S. TIPS Index, 10% S&P Global Infrastructure Index NL SF Class A.

7 The benchmark for each Target Retirement Date Fund is a composite of asset class benchmarks that are weighted according to each Fund's policy target weights. The asset class benchmarks are Russell 3000 Index, MSCI ACWI ex-USA IMI Index (net), Barclays Cap US 1-3 yr Gov't/Credit Bond Index, Barclays Capital US Aggregate Bond Index, the SSgA customized benchmark for Real Assets (see footnote 5), and BofA ML 3-month US T-Bill.

8 Broad-based benchmarks grouped here provide comparative performance standards for domestic equity, international equity and fixed income.

9 The CalPERS Board of Administration periodically reviews the plan administrative fees and adjusts fees to reflect expenses incurred by the Plan. Participant fees are charged to reimburse CalPERS for actual administrative fees of the Plan.

10 Core fund investments are listed in Table 1 above the Target Retirement Date funds. Core funds include: State Street Russell All Cap Index Fund (Class 1), State Street Global All Cap Equity ex-US Index Fund (Class 1), State Street US Short Term Government/Credit Bond Index Fund (Class 1), State Street US Bond Fund Index (Class 1), State Street Real Asset Fund (Class A), and State Street Short Term Investment Fund ("STIF").