



SCHOLARSHARE COLLEGE SAVINGS PLAN

Annual Report

June 30, 2019

**SCHOLARSHARE COLLEGE SAVINGS PLAN
INDEX**

June 30, 2019

	<u>Page</u>
Report of Independent Auditors.....	2
Management’s Discussion and Analysis.....	4
Financial Statements:	
Statement of Fiduciary Net Position.....	6
Statement of Changes in Fiduciary Net Position.....	7
Notes to Financial Statements.....	8
Supplemental Information:	
Statements of Fiduciary Net Position.....	14
Statements of Changes in Fiduciary Net Position.....	22
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	29



Report of Independent Auditors

To the Trustee of the Golden State ScholarShare College Savings Trust

Report on the Financial Statements

We have audited the accompanying financial statements of the ScholarShare College Savings Plan, which comprise the statement of fiduciary net position as of June 30, 2019, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the ScholarShare College Savings Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ScholarShare College Savings Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the ScholarShare College Savings Plan, as of June 30, 2019, and the changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required supplementary information

The accompanying management's discussion and analysis on pages 4 through 5 are required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

Our audit was conducted for the purpose of forming an opinion on the ScholarShare College Savings Plan's basic financial statements taken as a whole. The supplemental information on pages 14 through 28 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2019 on our consideration of the ScholarShare College Savings Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the ScholarShare College Savings Plan's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

Charlotte, North Carolina
September 13, 2019

SCHOLARSHARE COLLEGE SAVINGS PLAN MANAGEMENT'S DISCUSSION AND ANALYSIS

(unaudited)

As plan manager of the Scholarshare College Savings Plan (the "Plan"), TIAA-CREF Tuition Financing, Inc. ("TFI") offers readers of the Plan's financial statements this discussion and analysis of the financial performance for the year ended June 30, 2019. Readers should consider the information presented in this section in conjunction with the Plan's financial statements and notes to financial statements. The Plan is comprised of 19 investment portfolios (the "Portfolios") in which account owners ("Account Owners") may invest.

Financial Highlights

During the year ended June 30, 2019, the Portfolios within the Plan posted returns as follows:

<u>Active Age-Based Portfolio:</u>		<u>Passive Age-Based Portfolio:</u>	
Ages 0-4	5.96%	Ages 0-4	7.11%
Ages 5-8	6.01	Ages 5-8	7.19
Ages 9-10	6.22	Ages 9-10	7.23
Ages 11-12	6.29	Ages 11-12	7.23
Ages 13-14	6.36	Ages 13-14	7.14
Age 15	6.01	Age 15	6.61
Age 16	5.47	Age 16	6.05
Age 17	4.69	Age 17	5.29
Ages 18 & Over	4.04	Ages 18 & Over	4.39
 <u>Active Multi-Fund Portfolios:</u>		 <u>Passive Multi-Fund Portfolios:</u>	
Active Diversified Equity Portfolio	5.70%	Passive Diversified Equity Portfolio	6.98%
Active Growth Portfolio	6.04	Passive Growth Portfolio	7.09
Active Moderate Growth Portfolio	6.39	Passive Moderate Growth Portfolio	7.22
Active Conservative Portfolio	4.11	Passive Conservative Portfolio	4.43
Active International Equity Portfolio	0.45	Passive Diversified Fixed Income Portfolio	7.17
Active Diversified Fixed Income Portfolio	6.77	Index International Equity Portfolio	1.35
		 <u>Single Fund Portfolios:</u>	
		Social Choice Portfolio	8.86%
		Index Bond Portfolio	7.73
		Index U.S. Large Cap Equity Portfolio	10.34
		Index U.S. Equity Portfolio	8.90
		Principal Plus Interest Portfolio	1.47

The Plan received \$229.0 million in net subscriptions from Account Owners during the year ended June 30, 2019.

The Plan earned \$199.6 million of investment income, incurred \$3.9 million of operating expenses and had a net increase in fair value of investments of \$343.6 million during the year ended June 30, 2019.

Overview of the Financial Statements

The Plan's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

This report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements are comprised of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position, and Notes to Financial Statements that explain the information in the financial statements and provide more detailed information. The measurement focus of economic resources is where a set of financial statements report all inflows, outflows and balances effecting an entity's net position.

The Statement of Fiduciary Net Position presents information on the Plan's assets and liabilities, with the difference between the two reported as net position as of June 30, 2019. This statement, along with all of the Plan's financial statements, is prepared using the accrual

basis of accounting. Subscriptions are recognized when enrollment in the Plan is finalized; subsequent subscriptions and redemptions are recognized on trade date; expenses and liabilities are recognized when services are provided regardless of when cash is disbursed.

The Statement of Changes in Fiduciary Net Position presents information showing how the Plan's assets changed during the year. Changes in net position are reported as soon as the underlying event giving rise to the current change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years.

This report presents the operating results and financial status of the Plan, which the State of California reports as a fiduciary fund. Fiduciary fund reporting is used to account for resources held for the benefit of parties outside the governmental entity.

Financial Analysis

Net position - The following are condensed Statements of Fiduciary Net Position as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Investments	\$ 9,358,688,547	\$ 8,590,274,081
Cash	32,214	—
Receivables	19,230,039	15,917,694
Total Assets	9,377,950,800	8,606,191,775
Payables	19,942,378	16,551,917
Total Liabilities	19,942,378	16,551,917
Total Net Position	\$ 9,358,008,422	\$ 8,589,639,858

Net position represents total subscriptions from Account Owners, plus the net increases (decreases) from operations, less redemptions and expenses.

Investments are approximately 100% of total net position, and consist of the Portfolios, each of which invests in varying percentages in multiple TIAA-CREF Funds, and/or other third-party mutual funds, or a funding agreement ("Funding Agreement") issued by TIAA-CREF Life Insurance Company to the Board as the policy holder on behalf of the Plan. Receivables consist of securities sold, subscriptions, and accrued income. Liabilities consist mainly of payables for securities purchased, redemptions, and accrued expenses.

Changes in net position - The following are condensed Statements of Changes in Fiduciary Net Position for the years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Additions:		
Subscriptions	\$ 4,243,668,018	\$ 4,122,551,996
Investment Income	199,623,612	170,666,843
Net increase in fair value of investments	343,605,537	386,611,064
Total Additions	4,786,897,167	4,679,829,903
Deductions:		
Redemptions	(4,014,630,344)	(3,810,401,760)
Plan manager fee	(2,502,116)	(2,353,200)
Administrative fee	(1,396,143)	(1,292,087)
Total Deductions	(4,018,528,603)	(3,814,047,047)
Changes in Net Position	768,368,564	865,782,856
Net position - beginning of year	8,589,639,858	7,723,857,002
Net position - end of year	\$ 9,358,008,422	\$ 8,589,639,858

SCHOLARSHARE COLLEGE SAVINGS PLAN
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2019

ASSETS

Cash	\$	32,214
Investments, at value (Cost: \$8,205,453,215)		9,358,688,547
Dividends and interest receivable		14,100,082
Receivable from securities transactions		1,167,056
Receivable from Plan units sold		3,962,748
Other		153
TOTAL ASSETS		<u>9,377,950,800</u>

LIABILITIES

Accrued Plan manager fee		437,193
Accrued Administrative fee		244,047
Payable for securities transactions		16,485,343
Payable for Plan units redeemed		2,775,795
TOTAL LIABILITIES		<u>19,942,378</u>

NET POSITION

Held in trust for Account Owners in the Plan	\$	<u>9,358,008,422</u>
--	----	----------------------

See notes to financial statements

**SCHOLARSHARE COLLEGE SAVINGS PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019**

ADDITIONS

Subscriptions	\$ 4,243,668,018
Investment income:	
Interest	19,169,675
Dividends	180,453,937
Total investment income	<u>199,623,612</u>
Net increase in fair value of investments	<u>343,605,537</u>
Total additions	<u>4,786,897,167</u>

DEDUCTIONS

Redemptions	(4,014,630,344)
Plan manager fee	(2,502,116)
Administrative fee	(1,396,143)
Total deductions	<u>(4,018,528,603)</u>
Changes in net position	768,368,564
Net position – beginning of year	8,589,639,858
Net position – end of year	<u><u>\$ 9,358,008,422</u></u>

See notes to financial statements

SCHOLARSHARE COLLEGE SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS

Note 1 – Organization and Significant Accounting Policies

The ScholarShare College Savings Plan (“Plan”) was created by the State of California to encourage individuals to save for postsecondary education. The ScholarShare Investment Board (“Board”), as trustee of the Golden State ScholarShare College Savings Trust (“Trust”), implemented and administers the Plan. The responsibilities of the Board with respect to the plan include: making and entering into contracts necessary for the administration of the Trust and the Plan, approving the investment portfolios offered in the Plan, managing and operating the Plan, and adopting regulations for the administration of the Plan. TIAA-CREF Tuition Financing, Inc. (“TFI”), a wholly owned direct subsidiary of Teachers Insurance and Annuity Association of America (“TIAA”), and the Board have entered into a management agreement (“Management Agreement”) under which TFI provides certain services to the Plan. The Plan is intended to meet the requirements of a qualified tuition program under Section 529 of the Internal Revenue Code (“Code”). The Plan is currently the only qualified tuition program offered by the Board. Investment portfolios (the “Portfolios” or individually “Portfolio”) allocations and fees, as approved by the Board, are described in the current Disclosure Booklet for the Plan.

The assets in the Principal Plus Interest Portfolio are allocated to a funding agreement (“Funding Agreement”) issued by TIAA-CREF Life Insurance Company (“TIAA Life”), which is an affiliate of TFI, to the Board, as policyholder. The Funding Agreement provides for a return of principal plus a guaranteed rate of interest and allows for the possibility that additional interest may be credited as declared periodically by TIAA Life. In addition, certain other Portfolios also invest some percentage of their allocation to a separate TIAA Life Funding Agreement.

Teachers Advisors, LLC (“Advisors”), an affiliate of TFI, is registered with the Securities and Exchange Commission as an investment adviser and provides investment advisory services to the TIAA-CREF Funds (the “Funds”). TIAA-CREF Individual & Institutional Services, LLC (“Services”), a wholly owned, direct subsidiary of TIAA, serves as the primary distributor and underwriter for the Plan and provides certain underwriting and distribution services in furtherance of TFI’s marketing plan for the Plan. Services is registered as a broker-dealer under the Securities Exchange Act of 1934, as amended and is a member of the Financial Industry Regulatory Authority.

The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (“GASB”) which may require the use of estimates made by management and the evaluation of subsequent events. Actual results may differ from those estimates. The following is a summary of the significant accounting policies consistently followed by the Plan.

Investment income: Securities transactions are accounted for as of the trade date for financial reporting purposes. Interest income is recorded as earned. Dividend income and capital gain distributions from the underlying mutual funds are recorded on the ex-dividend date. Income distributions from underlying mutual funds are included in total investment income and gain distributions are included in net increase in fair value of investments. Realized gains and losses are based upon the specific identification method.

Income tax: No provision for federal income tax has been recorded. The Plan is designed to constitute a qualified tuition program under Section 529 of the Code and does not expect to have any unrelated business income subject to tax.

Units: The beneficial interests for each account owner (“Account Owner”) in the Portfolios are represented by Plan units. Subscriptions and redemptions are recorded upon receipt of Account Owner’s instructions in good order, based on the next determined net position value per unit (“Unit Value”). Unit Values for each Portfolio are determined at the close of business of the New York Stock Exchange. The Unit Value for financial reporting purposes may differ from the Unit Value for processing transactions. The Unit Value for financial reporting purposes includes security and shareholder transactions through the date of this report. There are no distributions of net investment gains or net investment income to the Portfolio’s Account Owners or beneficiaries.

Subscriptions and Redemptions: Subscriptions on the Statement of Changes in Fiduciary Net Position include any subscriptions to the Plan made by Account Owners and any exchanges within the Plan that result in a reinvestment of assets. Redemptions on the Statement of Changes in Fiduciary Net Position include any redemptions from the Plan made by Account Owners and any exchanges within the Plan that result in a withdrawal and subsequent reinvestment of assets.

SCHOLARSHARE COLLEGE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 – Valuation of Investments

Fair value measurements are grouped categorically into three levels, as defined by the GASB. The levels are defined as follows:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, credit spreads, etc.)
- Level 3 – significant unobservable inputs (including the Plan’s own assumptions in determining the fair value of investments)

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

A description of the valuation techniques applied to the Plan’s major categories of investments follows:

Investments in registered investment companies: These investments are valued at their published net asset value on the valuation date. These investments are categorized in Level 1 of the fair value hierarchy.

Funding Agreements: The Funding Agreements, to which the Active Age-Based Portfolio, Passive Age-Based Portfolio, Active Conservative Portfolio, Passive Conservative Portfolio and Principal Plus Interest Portfolio allocate assets, are considered a nonparticipating interest-earning investment contract and are accounted for at cost. Because the Funding Agreements are valued at cost, they are not included in the fair value hierarchy.

Note 3 – Plan Fees

Each Portfolio (with the exception of the Principal Plus Interest Portfolio) pays the Plan manager fee at an annual rate of 0.03% of the average daily net assets held by that Portfolio.

The Active Age-Based portfolios, Active Multi-Fund portfolios and Social Choice portfolio pay to the Board a fee equal to 0.05% of the average daily net assets held by such portfolios to pay for expenses related to the administration of the Plan.

These amounts are reflected in the expenses on the Statement of Changes in Fiduciary Net Position.

In addition, Advisors is paid investment management fees on the underlying investments in the Funds.

Note 4 – Investments

Cash deposits: Cash deposits at June 30, 2019 were covered by federal depository insurance coverage.

Investments: As of June 30, 2019, net unrealized appreciation (depreciation) of Portfolio investments was \$1,153,235,332 consisting of gross unrealized appreciation of \$1,159,776,176 and gross unrealized depreciation of \$6,540,844.

SCHOLARSHARE COLLEGE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (continued)

As of June 30, 2019, the Plan's investments consist of the following:

	<u>Units</u>		<u>Cost</u>		<u>Value</u>
TIAA-CREF Funds (Institutional Class):					
Bond Index Fund	122,891,401	\$	1,322,045,485	\$	1,351,805,416
Emerging Markets Equity Index Fund	12,530,773		124,490,394		138,840,965
Equity Index Fund	87,029,072		1,305,536,641		1,878,957,673
High-Yield Fund	19,259,251		187,001,700		187,777,701
Inflation-Linked Bond Fund	30,190,642		345,702,849		346,588,566
International Equity Index Fund	31,757,539		552,493,075		613,238,074
Quant Small-Cap Equity Fund	6,170,108		105,117,265		102,893,032
Real Estate Securities Fund	16,703,383		234,572,854		289,135,554
S&P 500 Index Fund	15,123,578		332,741,797		493,179,879
Social Choice Equity Fund	9,289,438		132,129,527		181,887,191
DFA Emerging Markets Core Equity Portfolio (Institutional Class)	3,715,434		73,576,300		77,764,029
DFA Large Cap International Portfolio (Institutional Class)	15,306,851		323,389,977		342,871,676
MetWest Total Return Bond Fund (Institutional Class)	52,906,779		528,315,886		542,823,552
PIMCO Income Fund (Institutional Class)	17,824,635		215,112,234		216,034,576
PIMCO Real Return Fund (Institutional Class)	17,209,777		190,574,757		191,200,621
T. Rowe Price Inst. Floating Rate Fund (Institutional Class)	9,653,766		96,571,689		94,993,062
T. Rowe Price Inst. Large-Cap Growth Fund (Institutional Class)	10,599,396		334,540,258		446,976,510
T. Rowe Price Inst. Large-Cap Value Fund (Institutional Class)	18,519,036		363,720,797		423,900,740
TIAA-CREF Life Insurance Company:					
Funding Agreements	1,026,070,097		1,437,819,730		1,437,819,730
			<u>\$ 8,205,453,215</u>		<u>\$ 9,358,688,547</u>

Note 5 – Investment Risks

Certain investments are subject to a variety of investment risks based on the amount of risk in the underlying funds. GASB requires that entities disclose certain essential risk information about deposits and investments. All of the Plan's Portfolios are uninsured, unregistered and are held by a custodian in the Plan's name.

Investment Policy: The Plan does not have specific investment policies which address credit, interest rate, foreign currency or custodial credit risk. The Plan's Portfolios are managed based on specific investment objectives and strategies which are disclosed in the Plan's current Disclosure Booklet.

Custodial credit risk: Custodial credit risk represents the potential inability of a custodian to return Direct Plan deposits and investments in the event of a failure. An Account Owner has an investment in a Portfolio and not a direct investment in any mutual fund or other investment vehicle to which funds in that Portfolio may be allocated. Because of this ownership structure, the custodial credit risk is mitigated.

Credit risk: The mutual funds investing primarily in fixed income securities are subject to credit risk. Credit risk refers to the ability of the issuer to make timely payments of interest and principal. The mutual funds do not carry a formal credit quality rating. The Funding Agreement is a guaranteed insurance product issued by TIAA Life. TIAA Life had a Standard & Poor's credit rating of AA+ at June 30, 2019.

SCHOLARSHARE COLLEGE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (concluded)

Interest rate risk: Interest rate risk represents exposure to changes in the fair value of investments due to volatility in interest rates. At June 30, 2019, the average maturities for the fixed income mutual funds are as follows:

<u>Investment</u>	<u>Value</u>	<u>Weighted Average Maturity</u>
TIAA-CREF Funds (Institutional Class):		
Bond Index Fund	\$ 1,351,805,416	7.65 years
High-Yield Fund	187,777,701	6.55 years
Inflation-Linked Bond Fund	346,588,566	5.34 years
MetWest Total Return Bond Fund (Institutional Class)	542,823,552	7.55 years
PIMCO Income Fund (Institutional Class)	216,034,576	3.30 years
PIMCO Real Return Fund (Institutional Class)	191,200,621	8.16 years
T. Rowe Price Institutional Floating Rate Fund (Institutional Class)	94,993,062	5.21 years

Foreign currency risk: Foreign currency risk represents exposure to changes in the fair value of investments due to volatility in exchange rates. The Plan does not have any direct investment in foreign securities. Certain Plan Portfolios allocate assets to mutual funds that are exposed to foreign currency risk. At June 30, 2019, the value of investments in mutual funds that significantly invest in foreign denominated contracts are as follows:

<u>Investment</u>	<u>Value</u>
TIAA-CREF Funds (Institutional Class):	
Emerging Markets Equity Index Fund	\$ 138,840,965
International Equity Index Fund	613,238,074
DFA Emerging Markets Core Equity Portfolio (Institutional Class)	77,764,029
DFA Large Cap International Portfolio (Institutional Class)	342,871,676
PIMCO Income Fund (Institutional Class)	216,034,576

Note 6 - Guarantees and Indemnifications

Under the Plan's organizational documents, each officer, employee or other agent of the Plan (including TFI) is indemnified against certain liabilities that may arise out of performance of their duties to the Plan. Additionally, in the normal course of business, the Plan enters into contracts that contain a variety of indemnification clauses. The Plan's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Plan that have not yet occurred. However, the Plan has not had prior claims or losses pursuant to these contracts, and management expects the risk of loss to be remote.

[This page intentionally left blank]

SUPPLEMENTAL INFORMATION

The following information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the ScholarShare College Savings Plan (the “Plan”). It shows financial information relating to the investment portfolios, which are included in the Plan during the year ended June 30, 2019.

**SCHOLARSHARE COLLEGE SAVINGS PLAN
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2019**

Active Age-Based Portfolio

	Ages 0-4	Ages 5-8	Ages 9-10	Ages 11-12	Ages 13-14	Age 15	Age 16
ASSETS							
Investments, at value:							
TIAA-CREF Funds:							
Quant Small-Cap Equity Fund	\$ 7,153,514	\$ 17,896,604	\$ 13,175,053	\$ 14,532,976	\$ 9,567,314	\$ 3,487,473	\$ 2,809,813
Real Estate Securities Fund	6,328,864	17,521,766	13,593,578	16,339,845	10,314,703	3,768,830	3,074,345
SUBTOTAL	13,482,378	35,418,370	26,768,631	30,872,821	19,882,017	7,256,303	5,884,158
DFA Emerging Market Core Equity Portfolio	3,738,501	13,158,334	8,502,021	10,472,099	6,528,408	2,304,599	1,873,760
DFA Large Cap International Portfolio	21,258,333	52,254,573	42,422,681	44,925,479	28,210,886	10,181,622	8,183,919
MetWest Total Return Bond Fund	11,715,839	50,828,363	56,957,498	101,604,981	90,367,323	43,137,283	37,788,296
PIMCO Income Fund	3,198,189	15,747,127	21,293,511	39,746,576	37,352,345	18,100,965	16,189,477
PIMCO Real Return Fund	3,083,793	15,184,715	19,097,053	36,133,714	33,063,868	14,681,987	13,166,186
T. Rowe Price Inst. Floating Rate Fund	863,542	5,678,080	9,069,527	17,995,382	16,487,757	7,960,847	7,088,705
T. Rowe Price Inst. Large-Cap Growth Fund	27,089,319	70,529,306	55,667,404	66,041,677	40,740,108	15,122,566	10,206,093
T. Rowe Price Inst. Large-Cap Value Fund	26,571,064	63,008,140	55,780,028	62,828,119	39,297,560	14,530,795	11,507,798
SUBTOTAL	97,518,580	286,388,638	268,789,723	379,748,027	292,048,255	126,020,664	106,004,234
TIAA-CREF Life Insurance Company:							
Funding Agreement	—	—	—	—	—	11,480,135	24,267,073
TOTAL INVESTMENTS	111,000,958	321,807,008	295,558,354	410,620,848	311,930,272	144,757,102	136,155,465
Cash	267	713	642	653	460	237	71
Dividends and interest receivable	386,812	1,112,600	1,018,123	1,361,771	1,026,529	461,769	412,773
Receivable from securities transactions	—	—	14,415	—	—	—	—
Receivable from Plan units sold	144,615	171,464	83,565	89,640	85,779	31,702	48,075
Other	37	1	17	—	—	—	—
TOTAL ASSETS	111,532,689	323,091,786	296,675,116	412,072,912	313,043,040	145,250,810	136,616,384
LIABILITIES							
Accrued Plan manager fee	5,899	16,450	15,011	20,224	14,813	7,198	6,670
Accrued administrative fee	9,832	27,417	25,019	33,706	24,687	11,997	11,117
Payable for securities transactions	526,090	1,239,606	1,018,123	1,447,130	1,063,311	486,608	460,919
Payable for Plan units redeemed	5,564	45,171	98,623	4,334	49,457	7,000	—
TOTAL LIABILITIES	547,385	1,328,644	1,156,776	1,505,394	1,152,268	512,803	478,706
NET POSITION	\$ 110,985,304	\$ 321,763,142	\$ 295,518,340	\$ 410,567,518	\$ 311,890,772	\$ 144,738,007	\$ 136,137,678
UNITS OUTSTANDING	5,162,729	15,732,255	15,304,223	22,508,766	18,112,521	9,012,079	8,940,632
NET POSITION VALUE PER UNIT	\$ 21.50	\$ 20.45	\$ 19.31	\$ 18.24	\$ 17.22	\$ 16.06	\$ 15.23
INVESTMENTS AT COST	\$ 107,434,375	\$ 293,249,691	\$ 269,185,152	\$ 375,972,660	\$ 286,134,257	\$ 135,677,549	\$ 129,833,864

	Age 17	Ages 18 & Over	Total
\$	2,204,890	\$ 4,260,559	\$ 75,088,196
	2,381,574	4,646,757	77,970,262
	4,586,464	8,907,316	153,058,458
	1,464,870	2,962,426	51,005,018
	6,420,691	12,757,399	226,615,583
	27,142,866	56,576,137	476,118,586
	12,160,634	25,050,656	188,839,480
	10,045,942	21,531,106	165,988,364
	5,624,368	11,819,507	82,587,715
	9,057,872	18,483,153	312,937,498
	8,990,672	17,596,107	300,110,283
	80,907,915	166,776,491	1,804,202,527
	41,643,768	155,429,497	232,820,473
	127,138,147	331,113,304	2,190,081,458
	13	831	3,887
	340,179	775,394	6,895,950
	—	82,278	96,693
	18,838	87,061	760,739
	—	—	55
	127,497,177	332,058,868	2,197,838,782
	6,081	15,283	107,629
	10,134	25,471	179,380
	346,020	775,394	7,363,201
	13,010	170,169	393,328
	375,245	986,317	8,043,538
\$	127,121,932	\$ 331,072,551	\$ 2,189,795,244
	8,894,406	24,700,902	
\$	14.29	\$ 13.40	
\$	122,273,468	\$ 324,458,417	\$ 2,044,219,433

**SCHOLARSHARE COLLEGE SAVINGS PLAN
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2019**

Passive Age-Based Portfolio

	Ages 0-4	Ages 5-8	Ages 9-10	Ages 11-12	Ages 13-14	Age 15	Age 16
ASSETS							
Investments, at value:							
TIAA-CREF Funds:							
Bond Index Fund	\$ 31,152,471	\$ 65,277,072	\$ 79,972,179	\$ 137,237,823	\$ 220,870,680	\$ 146,486,201	\$ 147,692,091
Emerging Markets Equity Index Fund	8,601,739	12,020,931	10,940,962	6,873,830	10,537,513	5,645,688	5,615,925
Equity Index Fund	115,263,183	148,123,988	110,123,235	126,430,498	151,114,807	73,107,002	67,302,792
High-Yield Fund	3,555,311	6,967,795	8,997,163	17,530,521	32,667,553	22,250,427	23,341,623
Inflation-Linked Bond Fund	7,243,426	19,616,118	23,113,381	39,055,741	57,893,585	38,528,436	43,252,019
International Equity Index Fund	40,608,520	54,802,167	37,329,723	45,320,417	54,245,268	26,844,491	25,803,054
Real Estate Securities Fund	13,315,040	19,839,614	16,384,849	17,599,616	21,969,851	10,371,407	9,525,308
SUBTOTAL	219,739,690	326,647,685	286,861,492	390,048,446	549,299,257	323,233,652	322,532,812
TIAA-CREF Life Insurance Company:							
Funding Agreement	—	—	—	—	—	27,002,289	69,681,742
TOTAL INVESTMENTS	219,739,690	326,647,685	286,861,492	390,048,446	549,299,257	350,235,941	392,214,554
Cash	1,097	1,170	190	148	662	277	20,320
Dividends and interest receivable	90,317	186,207	227,213	406,997	676,875	480,867	545,369
Receivable from securities transactions	—	—	—	—	—	—	—
Receivable from Plan units sold	347,758	295,529	65,765	258,239	224,975	50,773	58,226
TOTAL ASSETS	220,178,862	327,130,591	287,154,660	390,713,830	550,201,769	350,767,858	392,838,469
LIABILITIES							
Accrued Plan manager fee	11,078	16,506	14,309	19,933	28,077	17,518	19,498
Payable for securities transactions	423,938	430,760	293,168	665,079	902,507	527,554	565,580
Payable for Plan units redeemed	15,290	52,146	—	305	—	4,363	58,335
TOTAL LIABILITIES	450,306	499,412	307,477	685,317	930,584	549,435	643,413
NET POSITION	\$ 219,728,556	\$ 326,631,179	\$ 286,847,183	\$ 390,028,513	\$ 549,271,185	\$ 350,218,423	\$ 392,195,056
UNITS OUTSTANDING	10,798,800	16,979,950	15,855,684	23,067,441	34,542,187	23,612,056	27,624,699
NET POSITION VALUE PER UNIT	\$ 20.35	\$ 19.24	\$ 18.09	\$ 16.91	\$ 15.90	\$ 14.83	\$ 14.20
INVESTMENTS AT COST	\$ 205,703,914	\$ 287,666,651	\$ 250,026,536	\$ 342,190,762	\$ 482,958,548	\$ 318,333,571	\$ 361,561,616

	Age 17	Ages 18 & Over	Total
\$	120,709,403	\$ 247,451,675	\$ 1,196,849,595
	4,377,611	9,330,343	73,944,542
	51,627,399	118,129,045	961,221,949
	18,680,139	41,187,438	175,177,970
	29,114,044	66,102,824	323,919,574
	20,047,151	42,364,935	347,365,726
	7,437,360	15,497,653	131,940,698
	251,993,107	540,063,913	3,210,420,054
	120,668,281	493,903,724	711,256,036
	372,661,388	1,033,967,637	3,921,676,090
	88	1,173	25,125
	521,982	1,356,577	4,492,404
	—	216,843	216,843
	74,165	209,750	1,585,180
	373,257,623	1,035,751,980	3,927,995,642
	18,122	47,699	192,740
	560,023	1,356,577	5,725,186
	36,112	427,765	594,316
	614,257	1,832,041	6,512,242
\$	372,643,366	\$ 1,033,919,939	\$ 3,921,483,400
	27,527,822	80,464,533	
\$	13.54	\$ 12.85	
\$	352,748,626	\$ 1,005,153,585	\$ 3,606,343,809

**SCHOLARSHARE COLLEGE SAVINGS PLAN
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2019**

Active Multi-Fund Portfolios

	Active Diversified Equity Portfolio	Active Growth Portfolio	Active Moderate Growth Portfolio	Active Conservative Portfolio	Active International Equity Portfolio	Active Diversified Fixed Income Portfolio	Total
ASSETS							
Investments, at value:							
TIAA-CREF Funds:							
Quant Small-Cap Equity Fund	\$ 17,255,802	\$ 8,692,190	\$ 1,856,844	\$ —	\$ —	\$ —	\$ 27,804,836
Real Estate Securities Fund	18,491,289	9,427,487	2,045,777	—	—	—	29,964,553
SUBTOTAL	35,747,091	18,119,677	3,902,621	—	—	—	57,769,389
DFA Emerging Market Core Equity Portfolio	13,866,577	5,702,950	1,328,646	—	5,860,838	—	26,759,011
DFA Large Cap International Portfolio	59,424,752	27,860,003	5,600,442	—	23,370,896	—	116,256,093
MetWest Total Return Bond Fund	—	25,400,046	18,454,876	10,184,363	—	12,665,681	66,704,966
PIMCO Income Fund	—	9,575,637	7,403,989	4,626,653	—	5,588,817	27,195,096
PIMCO Real Return Fund	—	9,038,283	7,570,617	3,697,592	—	4,905,765	25,212,257
T. Rowe Price Inst. Floating Rate Fund	—	4,174,039	3,387,864	2,203,269	—	2,640,175	12,405,347
T. Rowe Price Inst. Large-Cap Growth Fund	85,325,978	40,390,575	8,322,459	—	—	—	134,039,012
T. Rowe Price Inst. Large-Cap Value Fund	78,342,605	38,483,813	6,964,039	—	—	—	123,790,457
SUBTOTAL	236,959,912	160,625,346	59,032,932	20,711,877	29,231,734	25,800,438	532,362,239
TIAA-CREF Life Insurance Company:							
Funding Agreement	—	—	—	18,595,504	—	—	18,595,504
TOTAL INVESTMENTS	272,707,003	178,745,023	62,935,553	39,307,381	29,231,734	25,800,438	608,727,132
Cash	1,021	224	143	231	—	5	1,624
Dividends and interest receivable	919,187	590,031	212,948	97,472	364,215	89,374	2,273,227
Receivable from securities transactions	—	123,655	—	8,426	5,492	1,476	139,049
Receivable from Plan units sold	67,607	45,825	14,357	57,609	5,987	—	191,385
Other	92	—	—	—	6	—	98
TOTAL ASSETS	273,694,910	179,504,758	63,163,001	39,471,119	29,607,434	25,891,293	611,332,515
LIABILITIES							
Accrued Plan manager fee	13,364	8,774	3,080	1,953	1,437	1,271	29,879
Accrued administrative fee	22,274	14,623	5,133	3,254	2,395	2,117	49,796
Payable for securities transactions	941,689	590,031	223,499	97,472	364,216	89,374	2,306,281
Payable for Plan units redeemed	46,025	169,703	3,942	66,267	11,472	1,481	298,890
TOTAL LIABILITIES	1,023,352	783,131	235,654	168,946	379,520	94,243	2,684,846
NET POSITION	\$ 272,671,558	\$ 178,721,627	\$ 62,927,347	\$ 39,302,173	\$ 29,227,914	\$ 25,797,050	\$ 608,647,669
UNITS OUTSTANDING	11,489,682	8,769,404	3,600,961	3,231,692	1,861,624	1,903,015	
NET POSITION VALUE PER UNIT	\$ 23.73	\$ 20.38	\$ 17.48	\$ 12.16	\$ 15.70	\$ 13.56	
INVESTMENTS AT COST	\$ 220,081,816	\$ 155,292,038	\$ 59,663,503	\$ 39,095,095	\$ 28,477,490	\$ 25,475,043	\$ 528,084,985

Passive Multi-Fund Portfolios

	Passive Diversified Equity Portfolio	Passive Growth Portfolio	Passive Moderate Growth Portfolio	Passive Conservative Portfolio	Passive Diversified Fixed Income Portfolio	Index International Equity Portfolio	Total
ASSETS							
Investments, at value:							
TIAA-CREF Funds:							
Bond Index Fund	\$ —	\$ 27,680,941	\$ 24,833,230	\$ 17,090,799	\$ 15,600,672	\$ —	\$ 85,205,642
Emerging Markets Equity Index Fund	35,321,080	4,351,402	1,358,547	—	—	23,865,394	64,896,423
Equity Index Fund	385,190,572	61,752,519	15,706,297	—	—	—	462,649,388
High-Yield Fund	—	3,515,120	3,601,766	2,994,461	2,488,384	—	12,599,731
Inflation-Linked Bond Fund	—	6,775,410	7,156,601	4,476,277	4,260,704	—	22,668,992
International Equity Index Fund	134,494,455	22,166,838	5,644,999	—	—	103,566,056	265,872,348
Real Estate Securities Fund	39,931,935	7,355,041	1,973,065	—	—	—	49,260,041
SUBTOTAL	594,938,042	133,597,271	60,274,505	24,561,537	22,349,760	127,431,450	963,152,565
TIAA-CREF Life Insurance Company:							
Funding Agreement	—	—	—	22,344,419	—	—	22,344,419
TOTAL INVESTMENTS	594,938,042	133,597,271	60,274,505	46,905,956	22,349,760	127,431,450	985,496,984
Cash	418	15	193	5	3	13	647
Dividends and interest receivable	—	79,490	72,639	82,595	47,709	—	282,433
Receivable from securities transactions	80,292	—	—	—	22,311	11,193	113,796
Receivable from Plan units sold	98,468	26,962	79,147	73,681	1,771	41,328	321,357
TOTAL ASSETS	595,117,220	133,703,738	60,426,484	47,062,237	22,421,554	127,483,984	986,215,217
LIABILITIES							
Accrued Plan manager fee	29,246	6,569	2,916	2,270	1,102	6,230	48,333
Payable for securities transactions	—	82,317	143,342	153,112	47,709	—	426,480
Payable for Plan units redeemed	179,177	24,105	8,637	3,169	24,085	52,534	291,707
TOTAL LIABILITIES	208,423	112,991	154,895	158,551	72,896	58,764	766,520
NET POSITION	\$ 594,908,797	\$ 133,590,747	\$ 60,271,589	\$ 46,903,686	\$ 22,348,658	\$ 127,425,220	\$ 985,448,697
UNITS OUTSTANDING	26,050,018	6,965,554	3,794,070	4,066,214	1,823,626	8,078,393	
NET POSITION VALUE PER UNIT	\$ 22.84	\$ 19.18	\$ 15.89	\$ 11.53	\$ 12.26	\$ 15.77	
INVESTMENTS AT COST	\$ 380,172,442	\$ 112,542,084	\$ 56,302,086	\$ 46,547,133	\$ 21,850,858	\$ 114,177,313	\$ 731,591,916

**SCHOLARSHARE COLLEGE SAVINGS PLAN
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2019**

Single Fund Portfolios

	Social Choice Portfolio	Index Bond Portfolio	Index U.S. Large Cap Equity Portfolio	Index U.S. Equity Portfolio	Principal Plus Interest Portfolio	Total
ASSETS						
Investments, at value:						
TIAA-CREF Funds:						
Bond Index Fund	\$ —	\$ 69,750,179	\$ —	\$ —	\$ —	\$ 69,750,179
Equity Index Fund	—	—	—	455,086,336	—	455,086,336
S&P 500 Index Fund	—	—	493,179,879	—	—	493,179,879
Social Choice Equity Fund	181,887,191	—	—	—	—	181,887,191
SUBTOTAL	181,887,191	69,750,179	493,179,879	455,086,336	—	1,199,903,585
TIAA-CREF Life Insurance Company:						
Funding Agreement	—	—	—	—	452,803,298	452,803,298
TOTAL INVESTMENTS	181,887,191	69,750,179	493,179,879	455,086,336	452,803,298	1,652,706,883
Cash	665	103	105	58	—	931
Dividends and interest receivable	—	156,068	—	—	—	156,068
Receivable from securities transactions	97,180	—	503,495	—	—	600,675
Receivable from Plan units sold	27,168	14,841	156,677	184,305	721,096	1,104,087
TOTAL ASSETS	182,012,204	69,921,191	493,840,156	455,270,699	453,524,394	1,654,568,644
LIABILITIES						
Accrued Plan manager fee	8,922	3,384	24,088	22,218	—	58,612
Accrued administrative fee	14,871	—	—	—	—	14,871
Payable for securities transactions	0	165,586	0	32,480	466,129	664,195
Payable for Plan units redeemed	125,013	5,426	660,265	151,883	254,967	1,197,554
TOTAL LIABILITIES	148,806	174,396	684,353	206,581	721,096	1,935,232
NET POSITION	\$ 181,863,398	\$ 69,746,795	\$ 493,155,803	\$ 455,064,118	\$ 452,803,298	\$ 1,652,633,412
UNITS OUTSTANDING	7,216,548	5,749,949	18,046,752	16,908,035	41,053,664	
NET POSITION VALUE PER UNIT	\$ 25.20	\$ 12.13	\$ 27.33	\$ 26.91	\$ 11.03	
INVESTMENTS AT COST	\$ 132,129,527	\$ 68,407,567	\$ 332,741,797	\$ 309,130,883	\$ 452,803,298	\$ 1,295,213,072

[This page intentionally left blank.]

**SCHOLARSHARE COLLEGE SAVINGS PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019**

Active Age-Based Portfolio

	Ages 0-4	Ages 5-8	Ages 9-10	Ages 11-12	Ages 13-14	Age 15	Age 16
ADDITIONS							
Subscriptions	\$ 35,756,255	\$ 95,732,943	\$ 156,069,888	\$ 216,123,568	\$ 182,642,469	\$ 149,509,533	\$ 140,831,334
Increase from investment operations:							
Interest	—	—	—	—	—	162,602	336,802
Dividends from underlying funds	2,364,365	7,207,266	7,133,575	9,593,867	7,548,163	3,546,406	3,031,279
Realized gain distributions from underlying funds	4,553,562	10,426,507	8,536,572	8,153,679	4,959,048	1,904,944	1,417,370
Net unrealized appreciation on underlying fund shares	—	—	—	5,824,304	5,050,803	2,292,631	1,899,472
Net realized gain on investments in underlying fund shares	6,761,105	11,680,561	11,883,233	978,958	308,224	587,154	178,927
Net increase from investment operations	13,679,032	29,314,334	27,553,380	24,550,808	17,866,238	8,493,737	6,863,850
TOTAL ADDITIONS	\$ 49,435,287	\$ 125,047,277	\$ 183,623,268	\$ 240,674,376	\$ 200,508,707	\$ 158,003,270	\$ 147,695,184
DEDUCTIONS							
Redemptions	\$ 54,473,330	\$ 135,815,519	\$ 191,396,224	\$ 167,493,644	\$ 144,990,636	\$ 134,240,497	\$ 126,363,608
Expenses:							
Plan manager fee	36,103	99,695	90,687	111,110	81,376	39,797	36,901
Administrative fee	60,171	166,159	151,144	185,183	135,626	66,329	61,500
Total expenses	96,274	265,854	241,831	296,293	217,002	106,126	98,401
Net unrealized depreciation on underlying fund shares	6,680,999	10,107,936	9,565,480	—	—	—	—
TOTAL DEDUCTIONS	\$ 61,250,603	\$ 146,189,309	\$ 201,203,535	\$ 167,789,937	\$ 145,207,638	\$ 134,346,623	\$ 126,462,009
NET POSITION							
Net increase (decrease) in fiduciary net position	(11,815,316)	(21,142,032)	(17,580,267)	72,884,439	55,301,069	23,656,647	21,233,175
Beginning of year	122,800,620	342,905,174	313,098,607	337,683,079	256,589,703	121,081,360	114,904,503
End of year	\$ 110,985,304	\$ 321,763,142	\$ 295,518,340	\$ 410,567,518	\$ 311,890,772	\$ 144,738,007	\$ 136,137,678

Ages 17	Ages 18 & Over	Total
\$ 134,764,041	\$ 135,795,420	\$ 1,247,225,451
564,290	2,007,435	3,071,129
2,220,720	4,404,151	47,049,792
1,137,782	2,135,037	43,224,501
1,180,406	2,172,907	18,420,523
408,475	934,581	33,721,218
5,511,673	11,654,111	145,487,163
\$ 140,275,714	\$ 147,449,531	\$ 1,392,712,614

\$ 118,665,872	\$ 99,557,739	\$ 1,172,997,069
33,775	84,789	614,233
56,292	141,314	1,023,718
90,067	226,103	1,637,951
—	—	26,354,415
\$ 118,755,939	\$ 99,783,842	\$ 1,200,989,435

21,519,775	47,665,689	191,723,179
105,602,157	283,406,862	1,998,072,065
\$ 127,121,932	\$ 331,072,551	\$ 2,189,795,244

**SCHOLARSHARE COLLEGE SAVINGS PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019**

Passive Age-Based Portfolio

	Ages 0-4	Ages 5-8	Ages 9-10	Ages 11-12	Ages 13-14	Age 15	Age 16
ADDITIONS							
Subscriptions	\$ 101,268,089	\$ 118,790,621	\$ 156,821,916	\$ 206,365,470	\$ 279,724,480	\$ 355,243,056	\$ 399,135,713
Increase from investment operations:							
Interest	—	—	—	—	—	420,236	1,005,078
Dividends from underlying funds	4,367,181	7,605,928	6,871,441	10,180,978	15,075,138	8,771,013	8,227,371
Realized gain distributions from underlying funds	445,085	671,987	508,085	599,542	732,925	338,292	287,506
Net unrealized appreciation on underlying fund shares	2,789,584	1,747,307	—	443,362	6,805,004	7,691,810	12,024,365
Net realized gain on investments in underlying fund shares	7,778,576	12,628,277	13,437,161	16,442,012	16,038,126	5,432,160	954,536
Net increase from investment operations	15,380,426	22,653,499	20,816,687	27,665,894	38,651,193	22,653,511	22,498,856
TOTAL ADDITIONS	\$ 116,648,515	\$ 141,444,120	\$ 177,638,603	\$ 234,031,364	\$ 318,375,673	\$ 377,896,567	\$ 421,634,569
DEDUCTIONS							
Redemptions	\$ 61,992,980	\$ 127,403,882	\$ 168,418,277	\$ 239,002,740	\$ 344,790,464	\$ 384,590,272	\$ 371,799,458
Expenses:							
Plan manager fee	57,856	95,492	83,530	117,880	168,771	104,522	109,658
Total expenses	57,856	95,492	83,530	117,880	168,771	104,522	109,658
Net unrealized depreciation on underlying fund shares	—	—	846,314	—	—	—	—
TOTAL DEDUCTIONS	\$ 62,050,836	\$ 127,499,374	\$ 169,348,121	\$ 239,120,620	\$ 344,959,235	\$ 384,694,794	\$ 371,909,116
NET POSITION							
Net increase (decrease) in fiduciary net position	54,597,679	13,944,746	8,290,482	(5,089,256)	(26,583,562)	(6,798,227)	49,725,453
Beginning of year	165,130,877	312,686,433	278,556,701	395,117,769	575,854,747	357,016,650	342,469,603
End of year	\$ 219,728,556	\$ 326,631,179	\$ 286,847,183	\$ 390,028,513	\$ 549,271,185	\$ 350,218,423	\$ 392,195,056

Ages 17	Ages 18 & Over	Total
\$ 384,412,906	\$ 405,289,392	\$ 2,407,051,643
1,703,805	6,403,547	9,532,666
6,385,110	12,445,652	79,929,812
221,968	449,971	4,255,361
8,026,566	16,401,067	55,929,065
1,437,324	3,376,979	77,525,151
17,774,773	39,077,216	227,172,055
\$ 402,187,679	\$ 444,366,608	\$ 2,634,223,698

\$ 368,022,348 \$ 287,973,888 \$ 2,353,994,309

103,139	264,519	1,105,367
103,139	264,519	1,105,367
—	—	846,314
\$ 368,125,487	\$ 288,238,407	\$ 2,355,945,990

34,062,192	156,128,201	278,277,708
338,581,174	877,791,738	3,643,205,692
\$ 372,643,366	\$ 1,033,919,939	\$ 3,921,483,400

**SCHOLARSHARE COLLEGE SAVINGS PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019**

Active Multi-Fund Portfolios

	Active Diversified Equity Portfolio	Active Growth Portfolio	Active Moderate Growth Portfolio	Active Conservative Portfolio	Active International Equity Portfolio	Active Diversified Fixed Income Portfolio	Total
ADDITIONS							
Subscriptions	\$ 35,271,709	\$ 30,702,410	\$ 14,298,295	\$ 10,185,097	\$ 4,455,944	\$ 7,354,578	\$ 102,268,033
Increase from investment operations:							
Interest	—	—	—	262,387	—	—	262,387
Dividends from underlying funds	4,315,648	3,624,725	1,591,547	697,783	826,554	840,900	11,897,157
Realized gain distributions from underlying funds	10,883,627	5,168,268	1,003,159	—	—	—	17,055,054
Net unrealized appreciation on underlying fund shares	—	—	884,113	661,865	—	834,777	2,380,755
Net realized gain on investments in underlying fund shares	5,196,628	1,654,449	221,477	—	266,884	—	7,339,438
Net increase from investment operations	20,395,903	10,447,442	3,700,296	1,622,035	1,093,438	1,675,677	38,934,791
TOTAL ADDITIONS	\$ 55,667,612	\$ 41,149,852	\$ 17,998,591	\$ 11,807,132	\$ 5,549,382	\$ 9,030,255	\$ 141,202,824
DEDUCTIONS							
Redemptions	\$ 37,113,919	\$ 23,052,381	\$ 9,466,775	\$ 6,709,997	\$ 5,609,606	\$ 4,990,489	\$ 86,943,167
Expenses:							
Plan manager fee	77,984	49,888	17,202	10,916	8,654	6,877	171,521
Administrative fee	129,972	83,146	28,668	18,194	14,423	11,461	285,864
Total expenses	207,956	133,034	45,870	29,110	23,077	18,338	457,385
Net unrealized depreciation on underlying fund shares	5,560,842	198,431	—	—	982,159	—	6,741,432
Net realized loss on investments in underlying fund shares	—	—	—	52,702	—	97,448	150,150
TOTAL DEDUCTIONS	\$ 42,882,717	\$ 23,383,846	\$ 9,512,645	\$ 6,791,809	\$ 6,614,842	\$ 5,106,275	\$ 94,292,134
NET POSITION							
Net increase (decrease) in fiduciary net position	12,784,895	17,766,006	8,485,946	5,015,323	(1,065,460)	3,923,980	46,910,690
Beginning of year	259,886,663	160,955,621	54,441,401	34,286,850	30,293,374	21,873,070	561,736,979
End of year	\$ 272,671,558	\$ 178,721,627	\$ 62,927,347	\$ 39,302,173	\$ 29,227,914	\$ 25,797,050	\$ 608,647,669

Passive Multi-Fund Portfolios

	Passive Diversified Equity Portfolio	Passive Growth Portfolio	Passive Moderate Growth Portfolio	Passive Conservative Portfolio	Passive Diversified Fixed Income Portfolio	Index International Equity Portfolio	Total
ADDITIONS							
Subscriptions	\$ 53,381,200	\$ 21,420,741	\$ 18,576,137	\$ 15,506,448	\$ 10,474,795	\$ 14,334,019	\$ 133,693,340
Increase from investment operations:							
Interest	—	—	—	299,969	—	—	299,969
Dividends from underlying funds	12,374,236	2,981,845	1,405,587	665,379	583,409	3,599,342	21,609,798
Realized gain distributions from underlying funds	1,648,739	259,246	61,693	—	—	—	1,969,678
Net unrealized appreciation on underlying fund shares	6,160,251	3,522,957	1,834,702	957,192	918,276	—	13,393,378
Net realized gain on investments in underlying fund shares	19,181,978	2,082,586	514,691	—	—	1,955,900	23,735,155
Net increase from investment operations	39,365,204	8,846,634	3,816,673	1,922,540	1,501,685	5,555,242	61,007,978
TOTAL ADDITIONS	<u>\$ 92,746,404</u>	<u>\$ 30,267,375</u>	<u>\$ 22,392,810</u>	<u>\$ 17,428,988</u>	<u>\$ 11,976,480</u>	<u>\$ 19,889,261</u>	<u>\$ 194,701,318</u>
DEDUCTIONS							
Redemptions	\$ 93,172,569	\$ 19,221,253	\$ 11,531,894	\$ 9,060,659	\$ 5,480,287	\$ 19,553,405	\$ 158,020,067
Expenses:							
Plan manager fee	173,768	37,538	15,824	12,396	5,651	37,232	282,409
Total expenses	173,768	37,538	15,824	12,396	5,651	37,232	282,409
Net unrealized depreciation on underlying fund shares	—	—	—	—	—	3,910,205	3,910,205
Net realized loss on investments in underlying fund shares	—	—	—	70,929	82,561	—	153,490
TOTAL DEDUCTIONS	<u>\$ 93,346,337</u>	<u>\$ 19,258,791</u>	<u>\$ 11,547,718</u>	<u>\$ 9,143,984</u>	<u>\$ 5,568,499</u>	<u>\$ 23,500,842</u>	<u>\$ 162,366,171</u>
NET POSITION							
Net increase (decrease) in fiduciary net position	(599,933)	11,008,584	10,845,092	8,285,004	6,407,981	(3,611,581)	32,335,147
Beginning of year	595,508,730	122,582,163	49,426,497	38,618,682	15,940,677	131,036,801	953,113,550
End of year	<u>\$ 594,908,797</u>	<u>\$ 133,590,747</u>	<u>\$ 60,271,589</u>	<u>\$ 46,903,686</u>	<u>\$ 22,348,658</u>	<u>\$ 127,425,220</u>	<u>\$ 985,448,697</u>

**SCHOLARSHARE COLLEGE SAVINGS PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019**

Single Fund Portfolios

	Social Choice Portfolio	Index Bond Portfolio	Index U.S. Large Cap Equity Portfolio	Index U.S. Equity Portfolio	Principal Plus Interest Portfolio	Total
ADDITIONS						
Subscriptions	\$ 19,221,824	\$ 18,637,793	\$ 86,461,460	\$ 77,657,157	\$ 151,451,317	\$ 353,429,551
Increase from investment operations:						
Interest	—	—	—	—	6,003,524	6,003,524
Dividends from underlying funds	2,656,012	1,675,541	8,238,197	7,397,628	—	19,967,378
Realized gain distributions from underlying funds	11,399,099	—	3,126,481	1,462,595	—	15,988,175
Net unrealized appreciation on underlying fund shares	—	3,090,196	27,779,175	22,904,690	—	53,774,061
Net realized gain on investments in underlying fund shares	4,960,222	—	6,580,158	5,579,115	—	17,119,495
Net increase from investment operations	19,015,333	4,765,737	45,724,011	37,344,028	6,003,524	112,852,633
TOTAL ADDITIONS	\$ 38,237,157	\$ 23,403,530	\$ 132,185,471	\$ 115,001,185	\$ 157,454,841	\$ 466,282,184
DEDUCTIONS						
Redemptions	\$ 24,608,573	\$ 9,270,195	\$ 54,334,838	\$ 52,115,807	\$ 102,346,319	\$ 242,675,732
Expenses:						
Plan manager fee	51,937	18,001	133,789	124,859	—	328,586
Administrative fee	86,561	—	—	—	—	86,561
Total expenses	138,498	18,001	133,789	124,859	—	415,147
Net unrealized depreciation on underlying fund shares	4,008,896	—	—	—	—	4,008,896
Net realized loss on investments in underlying fund shares	—	60,569	—	—	—	60,569
TOTAL DEDUCTIONS	\$ 28,755,967	\$ 9,348,765	\$ 54,468,627	\$ 52,240,666	\$ 102,346,319	\$ 247,160,344
NET POSITION						
Net increase in fiduciary net position	9,481,190	14,054,765	77,716,844	62,760,519	55,108,522	219,121,840
Beginning of year	172,382,208	55,692,030	415,438,959	392,303,599	397,694,776	1,433,511,572
End of year	\$ 181,863,398	\$ 69,746,795	\$ 493,155,803	\$ 455,064,118	\$ 452,803,298	\$1,652,633,412



Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Trustee of the Golden State ScholarShare College Savings Trust

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the ScholarShare College Savings Plan, which comprise the statement of fiduciary net position as of June 30, 2019, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 13, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the ScholarShare College Savings Plan's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the ScholarShare College Savings Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the ScholarShare College Savings Plan's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the ScholarShare College Savings Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers LLP

Charlotte, North Carolina
September 13, 2019