



# North Carolina Total Retirement Plans

## 2Q 2015 Board of Trustees Report

Presented by: Michael McCann, Vice President, Key Account Management

On: September 17, 2015

As of: June 30, 2015

Report contains information up through the last business day of the period end.



North Carolina  
Total Retirement Plans

401k | 457

For Plan Sponsor or Consultant Use Only



Prudential

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# North Carolina Total Retirement Plans

## Prudential Disclosures

### **This is not a certified financial statement.**

Assets and contributions reflect actual participant account balances and do not include forfeiture and / or expense account assets.

Prudential monitors the contractual terms and service guarantees related to the contract for third-party administration of the supplemental retirement income plan of North Carolina and North Carolina public employee deferred compensation plan. Prudential communicates with Retirement Systems Division staff on our performance with these terms.

This information should not be considered an offer or solicitation of securities, insurance products or services. No offer is intended nor should this material be construed as an offer of any product. The information is being presented by us solely in our role as the plan's service provider and or record keeper.

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Prudential's Book of Business averages are as of 6/30/2015.



# North Carolina Total Retirement Plans

## Disclosures Provided by North Carolina Department of State Treasurer

### 1. Compliance with laws:

- The Contractor shall be required to comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of Federal, State, and local agencies having jurisdiction and/or authority
- Providing and maintain adequate insurance coverage is a material obligation of the Contractor and is of the essence of the agreement between the Contractor and the Department

### 2. Performance guarantees and required notifications to North Carolina:

- Whenever the Department, at its sole discretion, has grounds for insecurity with respect to Contractor's performance, it may, in writing, demand adequate assurance of due performance and the Contractor shall provide such information and documentation as the Department may require to receive such assurance
- The Contractor shall promptly notify the Department of any error by the Contractor that has affected five or more members' accounts – or – has in the aggregate reduced members' balances by more than \$5000.00
- The Contractor will notify the Department prior to changes in the assignment of key personnel
- If the Contractor shall retain a non-affiliated subcontractor(s) specifically for the purpose of providing services to the Department, the Contractor will provide complete copies of the contract(s) to the Department and retain the sole responsibility for the performance of its subcontractor(s)

## Disclosures Provided by North Carolina Department of State Treasurer

### 3. The Contractor warrants that:

- With respect to care of data and confidentiality, all steps necessary will be taken to safeguard data from loss or destruction, nor any data will be divulged to another party without prior written approval of the Plan (except as provided by NC G.S 135-37)
- Contractor employees, officers and subcontractors are not employees or agents of The North Carolina state, the Department or the Plan
- Contractor shall participate in an annual audit of the Plan assets and shall provide all pertinent financial information to the Department and the Independent Auditor
- Contractor shall facilitate the data transmission for the purpose of preparation of Annual Benefit Statement and its delivery to Plan participants

### 4. Contractual Plan Sponsor and Participating Employer relationship – additional services:

- Contractor may hold and facilitate meeting with representatives of the Plan and Participating Employers for the purpose of reviewing Contractor's performance
- Contractor may provide transition, implementation or training services to representatives of the Plan and Participating Employers
- Contractor may provide or make presentations at educational and enrollment meetings, benefits fairs, workshops for employees of Participating Employers



# North Carolina Total Retirement Plans

## Our Mission: Retirement Readiness

70% of all active NC public servants at age 62 or older are on track to replace 80% of their pre-retirement income in retirement. The following sub-goals are being pursued at a **Combined Plans** level to help us achieve our top-level metric of 70% in 2015:

### 401(k) & 457 Plans Combined Summary Goals:

Sub Goal	Goal	As of 6/30/2015	% to Goal
Average Monthly Contributions	\$180	\$179.57	99.76%
Active Participation Rate	30.50%	27.69%	90.79%
GoalMaker Utilization Among New Members	89.50%	93.39%	104.35%
GoalMaker Utilization Among All Members	54.50%	55.24%	101.36%

4 Employers adopted the 401(k) Plan from the period of January 1, 2015 through June 30, 2015  
19 Employers adopted the 457 Plan from the period of January 1, 2015 through June 30, 2015



# North Carolina Total Retirement Plans

## Asset Allocation By Fund – Combined Plans

Investment Option	Asset Class	6/30/2013		# Participants Utilizing		6/30/2014		6/30/2015			
		\$	%		%	\$	%	\$	%		
NC STABLE VALUE-401K	Stable Value	\$1,872,007,295	24.83%	175,819		\$1,890,208,993	21.50%	182,743	\$1,920,238,399	20.91%	190,376
NC STABLE VALUE-457	Stable Value	\$390,367,212	5.18%	37,771		\$395,866,964	4.50%	41,916	\$396,809,525	4.32%	45,164
NORTH CAROLINA FIXED INCOME FUND	Fixed Income	\$515,409,669	6.84%	161,298		\$559,707,147	6.37%	172,894	\$594,813,114	6.48%	185,679
NORTH CAROLINA FIXED INCOME INDEX	Fixed Income	\$260,064,086	3.45%	123,471		\$325,495,779	3.70%	137,090	\$372,393,981	4.06%	151,846
NORTH CAROLINA LARGE CAP GROWTH FUND	Large-Cap Stock	\$753,174,642	9.99%	214,970		\$854,367,547	9.72%	229,493	\$897,343,570	9.77%	244,171
NORTH CAROLINA LARGE CAP INDEX FUND	Large-Cap Stock	\$1,151,835,946	15.28%	214,116		\$1,236,872,595	14.07%	228,643	\$1,303,869,465	14.20%	243,954
NORTH CAROLINA LARGE CAP VALUE FUND	Large-Cap Stock	\$810,774,311	10.75%	215,643		\$912,759,265	10.38%	230,163	\$919,594,308	10.02%	244,499
NORTH CAROLINA SMALL/MID CAP GROWTH FUND	Small-Cap Stock	\$161,639,816	2.14%	156,445		\$320,265,661	3.64%	173,060	\$347,895,949	3.79%	189,668
NORTH CAROLINA SMALL/MID CAP INDEX FUND	Small-Cap Stock	\$403,744,135	5.36%	169,459		\$218,435,651	2.48%	26,474	\$236,507,153	2.58%	26,347
NORTH CAROLINA SMALL/MID CAP VALUE FUND	Small-Cap Stock	\$265,341,330	3.52%	167,057		\$449,798,741	5.12%	183,011	\$462,989,821	5.04%	199,172
NORTH CAROLINA GLOBAL EQUITY FUND	Global/Intl Stock	\$183,122,349	2.43%	148,443		\$711,147,327	8.09%	165,140	\$767,402,902	8.36%	182,577
NORTH CAROLINA INTERNATIONAL FUND	Global/Intl Stock	\$454,990,029	6.04%	176,358		\$547,901,761	6.23%	191,563	\$558,646,794	6.08%	207,184
NORTH CAROLINA INTERNATIONAL INDEX FUND	Global/Intl Stock	\$316,479,377	4.20%	149,179		\$42,799,520	0.49%	6,632	\$47,436,075	0.52%	6,910
NORTH CAROLINA INFLATION RESPONSIVE FUND	Specialty	\$0	0.00%	0		\$325,752,954	3.71%	156,026	\$355,629,180	3.87%	175,381
Total Plan Assets		\$7,538,950,196	100.00%			\$8,791,379,904	100.00%		\$9,181,570,239	100.00%	

Assets reflect actual participant account balances and do not include expense account assets.

The total number of unique participants across both Plans combined as of June 30, 2015 was 276,017.

The average monthly employee deferral from July 1, 2014 to June 30, 2015 was \$179.57 for the Combined Plans.

The active participation rate as of June 30, 2015 was 27.69% for the Combined Plans.

The GoalMaker utilization among new members as of June 30, 2015 was 93.39% for the Combined Plans.

The GoalMaker utilization among members as of June 30, 2015 was 55.24% for the Combined Plans.

# North Carolina Total Retirement Plans

## Asset Allocation By Fund – 401(k) Plan

Investment Option	Asset Class	6/30/2013		# Participants Utilizing		6/30/2014		6/30/2015		# Participants Utilizing		
		\$	%	6/30/2013	%	6/30/2014	%	6/30/2015	%	6/30/2015		
NC STABLE VALUE-401K	Stable Value	\$1,872,007,295	28.54%	175,819		\$1,890,208,993	24.65%	182,743		\$1,920,238,399	23.98%	190,376
NORTH CAROLINA FIXED INCOME FUND	Fixed Income	\$452,026,793	6.89%	136,006		\$494,263,063	6.45%	143,404		\$524,152,133	6.55%	152,391
NORTH CAROLINA FIXED INCOME INDEX	Fixed Income	\$238,531,165	3.64%	103,967		\$296,872,126	3.87%	113,148		\$335,624,528	4.19%	123,707
NORTH CAROLINA LARGE CAP GROWTH FUND	Large-Cap Stock	\$660,731,255	10.07%	181,740		\$746,434,090	9.73%	191,089		\$782,648,442	9.77%	201,253
NORTH CAROLINA LARGE CAP INDEX FUND	Large-Cap Stock	\$1,035,128,387	15.78%	184,473		\$1,102,303,040	14.38%	193,757		\$1,160,166,598	14.49%	204,242
NORTH CAROLINA LARGE CAP VALUE FUND	Large-Cap Stock	\$716,082,832	10.92%	182,874		\$803,030,410	10.47%	192,245		\$809,315,986	10.11%	202,132
NORTH CAROLINA SMALL/MID CAP GROWTH FUND	Small-Cap Stock	\$124,838,744	1.90%	126,552		\$269,715,927	3.52%	138,015		\$293,833,184	3.67%	150,087
NORTH CAROLINA SMALL/MID CAP INDEX FUND	Small-Cap Stock	\$382,687,393	5.84%	146,541		\$203,737,493	2.66%	25,099		\$217,317,377	2.71%	24,831
NORTH CAROLINA SMALL/MID CAP VALUE FUND	Small-Cap Stock	\$206,828,637	3.15%	136,684		\$371,413,246	4.84%	147,508		\$384,754,970	4.81%	159,098
NORTH CAROLINA GLOBAL EQUITY FUND	Global/Intl Stock	\$171,478,893	2.61%	125,921		\$669,002,954	8.72%	137,229		\$717,110,509	8.96%	149,561
NORTH CAROLINA INTERNATIONAL FUND	Global/Intl Stock	\$401,651,043	6.12%	145,614		\$483,405,422	6.30%	155,770		\$494,889,387	6.18%	166,882
NORTH CAROLINA INTERNATIONAL INDEX FUND	Global/Intl Stock	\$296,308,717	4.52%	126,471		\$33,438,104	0.44%	5,555		\$36,327,387	0.45%	5,763
NORTH CAROLINA INFLATION RESPONSIVE FUND	Specialty	\$0	0.00%	0		\$303,966,457	3.96%	129,512		\$330,329,859	4.13%	143,608
Total Plan Assets		\$6,558,301,154	100.00%			\$7,667,791,326	100.00%			\$8,006,708,761	100.00%	

Assets reflect actual participant account balances and do not include expense account assets.

The total number of unique participants in the 401(k) Plan as of June 30, 2015 was 253,362.

The average monthly employee deferral from July 1, 2014 to June 30, 2015 was \$162.32 for the 401(k) Plan.

The active participation rate as of June 30, 2015 was 25.05% for the 401(k) Plan.

The GoalMaker utilization among new members as of June 30, 2015 was 93.08% for the 401(k) Plan.

The GoalMaker utilization among members as of June 30, 2015 was 56.65% for the 401(k) Plan.

# North Carolina Total Retirement Plans

## Asset Allocation By Fund – 457 Plan

Investment Option	Asset Class	6/30/2013		# Participants Utilizing		6/30/2014		6/30/2015				
		\$	%		%	\$	%	\$	%			
NC STABLE VALUE-457	Stable Value	\$390,367,212	39.81%	37,771		\$395,866,964	35.23%	41,916		\$396,809,525	33.78%	45,164
NORTH CAROLINA FIXED INCOME FUND	Fixed Income	\$63,382,875	6.46%	25,292		\$65,444,084	5.82%	29,490		\$70,660,981	6.01%	33,288
NORTH CAROLINA FIXED INCOME INDEX	Fixed Income	\$21,532,921	2.20%	19,504		\$28,623,653	2.55%	23,942		\$36,769,453	3.13%	28,139
NORTH CAROLINA LARGE CAP GROWTH FUND	Large-Cap Stock	\$92,443,387	9.43%	33,230		\$107,933,457	9.61%	38,404		\$114,695,128	9.76%	42,918
NORTH CAROLINA LARGE CAP INDEX FUND	Large-Cap Stock	\$116,707,559	11.90%	29,643		\$134,569,554	11.98%	34,886		\$143,702,867	12.23%	39,712
NORTH CAROLINA LARGE CAP VALUE FUND	Large-Cap Stock	\$94,691,479	9.66%	32,769		\$109,728,855	9.77%	37,918		\$110,278,322	9.39%	42,367
NORTH CAROLINA SMALL/MID CAP GROWTH FUND	Small-Cap Stock	\$36,801,071	3.75%	29,893		\$50,549,734	4.50%	35,045		\$54,062,764	4.60%	39,581
NORTH CAROLINA SMALL/MID CAP INDEX FUND	Small-Cap Stock	\$21,056,742	2.15%	22,918		\$14,698,158	1.31%	1,375		\$19,189,776	1.63%	1,516
NORTH CAROLINA SMALL/MID CAP VALUE FUND	Small-Cap Stock	\$58,512,694	5.97%	30,373		\$78,385,495	6.98%	35,503		\$78,234,851	6.66%	40,074
NORTH CAROLINA GLOBAL EQUITY FUND	Global/Intl Stock	\$11,643,455	1.19%	22,522		\$42,144,372	3.75%	27,911		\$50,292,393	4.28%	33,016
NORTH CAROLINA INTERNATIONAL FUND	Global/Intl Stock	\$53,338,987	5.44%	30,744		\$64,496,339	5.74%	35,793		\$63,757,408	5.43%	40,302
NORTH CAROLINA INTERNATIONAL INDEX FUND	Global/Intl Stock	\$20,170,661	2.06%	22,708		\$9,361,416	0.83%	1,077		\$11,108,688	0.95%	1,147
NORTH CAROLINA INFLATION RESPONSIVE FUND	Specialty	\$0	0.00%	0		\$21,786,497	1.94%	26,514		\$25,299,321	2.15%	31,773
<b>Total Plan Assets</b>		<b>\$980,649,042</b>	<b>100.00%</b>			<b>\$1,123,588,578</b>	<b>100.00%</b>			<b>\$1,174,861,478</b>	<b>100.00%</b>	

Assets reflect actual participant account balances and do not include expense account assets.

The total number of unique participants in the 457 Plan as of June 30, 2015 was 54,071.

The average monthly employee deferral from July 1, 2014 to June 30, 2015 was \$132.77 for the 457 Plan.

The active participation rate as of June 30, 2015 was 10.58% for the 457 Plan.

The GoalMaker utilization among new members as of June 30, 2015 was 94.25% for the 457 Plan.

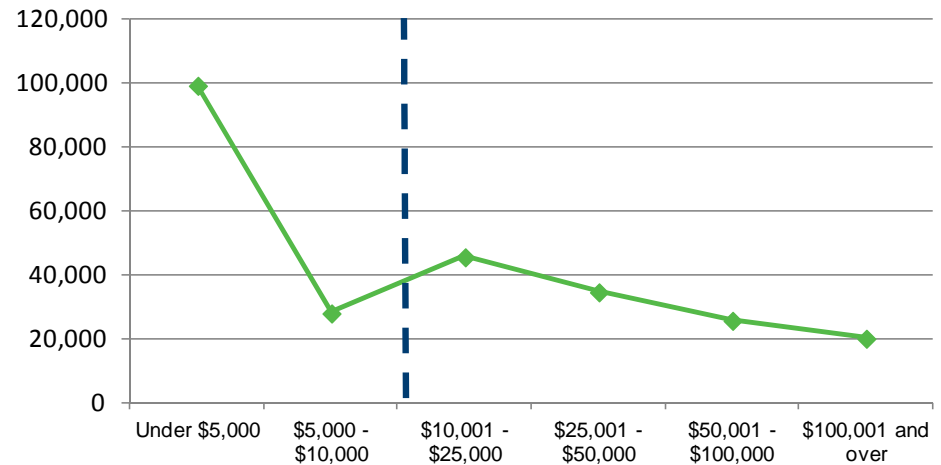
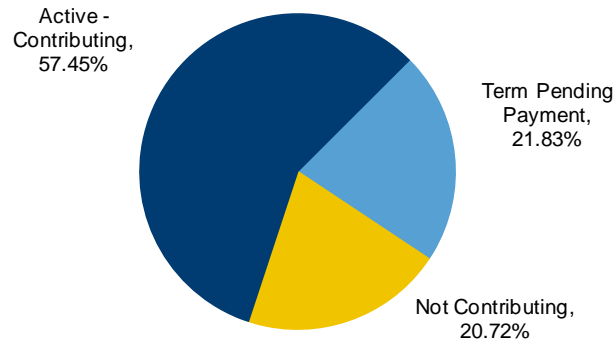
The GoalMaker utilization among members as of June 30, 2015 was 58.85% for the 457 Plan.

# North Carolina Total Retirement Plans

401(k) Plan				
	2Q 2014	2Q 2015	Difference #	Difference %
Members with an Account Balance	244,534	253,362	8,828	3.61%
Average Account Balance	\$31,277	\$31,512	\$235	0.75%
Median Account Balance	\$10,493	\$9,899	(\$594)	-5.66%

401(k) Plan Percentage Gain						
	Assets (6/30/2014)	Contributions	Distributions	Earnings	Assets (6/30/2015)	Percentage Gain
NC 401(k) Plan	\$7,667,791,326	\$427,067,700	\$410,525,968	\$322,375,703	\$8,006,708,761	4.20%

## 401(k) Member Breakdown



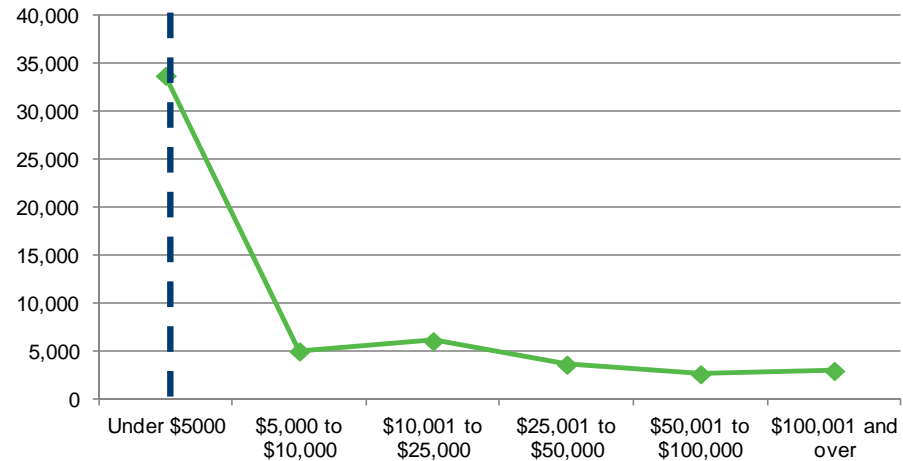
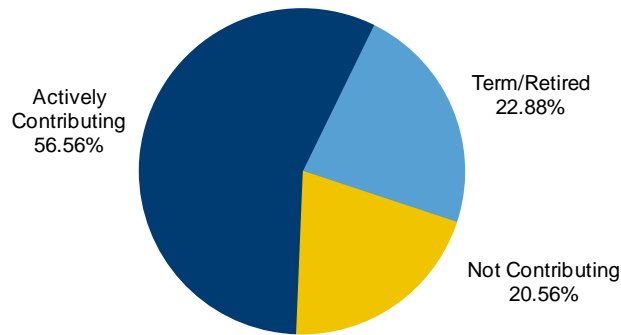
Member breakdown reflects status on recordkeeping system updated from limited indicative data received from employers which may cause the active status to be inflated

# North Carolina Total Retirement Plans

457 Plan				
	2Q 2014	2Q 2015	Difference #	Difference %
Members with an Account Balance	49,792	54,071	4,279	8.59%
Average Account Balance	\$22,536	\$21,698	(\$838)	-3.72%
Median Account Balance	\$2,250	\$2,080	(\$170)	-7.56%

457 Plan Percentage Gain						
	Assets (6/30/2014)	Contributions	Distributions	Earnings	Assets (6/30/2015)	Percentage Gain
NC 457 Plan	\$1,123,588,578	\$59,491,591	\$65,678,066	\$57,459,376	\$1,174,861,478	5.14%

## 457 Member Breakdown



Member breakdown reflects status on recordkeeping system updated from limited indicative data received from employers which may cause the active status to be inflated

# North Carolina Total Retirement Plans

## 401(k) Plan Quarterly Enrollments & Contribution Changes & 401(k) Plan Quarterly Enrollments & Contribution Change Method

401(k) Plan Quarterly Enrollments & Contribution Changes							
	2Q 2012	2Q 2013	2Q 2013 % of Change	2Q 2014	2Q 2014 % of Change	2Q 2015	2Q 2015 % of Change
<b>Enrollments</b>	3,027	3,562	15.02%	3,253	-8.67%	4,044	24.32%
% of New Hires Enrolled in Plan	57.91%	70.42%	17.77%	57.19%	-18.79%	58.06%	1.52%
<b>GoalMaker Elections</b>	2,670	3,195	16.43%	2,979	-6.76%	3,744	20.43%
<b>Contribution Changes</b>							
Deferral Decreases	1,731	2,387	27.48%	2,950	23.59%	2,599	-11.90%
Deferral Increases	3,695	6,445	42.67%	6,778	5.17%	7,635	12.64%
Pre-tax Participation Rate	21.34%	20.66%	-3.29%	20.37%	-1.40%	20.47%	0.49%
Roth Participation Rate	4.85%	5.69%	14.76%	6.69%	17.57%	7.44%	11.21%
Voluntary (Employee & Roth) Participation Rate	24.80%	24.86%	0.24%	25.16%	1.21%	27.60%	9.70%

401(k) Plan Quarterly Enrollments & Contribution Change Method				
	2Q 2012	2Q 2013	2Q 2014	2Q 2015
<b>Method of Enrollment</b>				
Paper Form	80.86%	82.11%	78.20%	79.13%
Pseudo Enrollment	16.37%	14.07%	16.08%	15.03%
Internet	2.77%	3.82%	5.72%	5.84%
<b>Method of Contribution Change</b>				
Internet	89.59%	97.30%	98.51%	98.31%
Paper Form	8.82%	1.95%	1.10%	1.38%
Participant Service Center	0.82%	0.42%	0.05%	0.05%
VRU	0.77%	0.33%	0.34%	0.26%

Participation rates for YTD and quarter are based on the population actively contributing for the time period reported.  
As a result, the participation results will vary.

# North Carolina Total Retirement Plans

## 401(k) Plan YTD Enrollments & Contribution Changes & 401(k) Plan YTD Enrollments & Contribution Change Method

401(k) Plan YTD Enrollments & Contribution Changes							
	2012	2013	2013 % of Change	2014	2014 % of Change	2015	2015 % of Change
<b>Enrollments</b>	6,147	7,342	16.28%	6,451	-12.14%	8,109	25.70%
% of New Hires Enrolled in Plan	59.29%	59.92%	1.04%	51.52%	-14.01%	62.41%	21.13%
<b>GoalMaker Elections</b>	5,460	6,511	16.14%	5,869	-9.86%	7,490	27.62%
<b>Contribution Changes</b>							
Deferral Decreases	3,646	4,773	23.61%	5,181	8.55%	4,863	-6.14%
Deferral Increases	8,416	12,410	32.18%	13,653	10.02%	15,685	14.88%
Pre-tax Participation Rate	21.94%	21.29%	-3.05%	20.76%	-2.49%	20.81%	0.24%
Roth Participation Rate	5.00%	5.88%	14.97%	6.80%	15.65%	7.58%	11.47%
Voluntary (Employee & Roth) Participation Rate	25.44%	25.57%	0.51%	25.57%	0.00%	28.17%	10.17%

401(k) Plan YTD Enrollments & Contribution Change Method				
	2012	2013	2014	2015
<b>Method of Enrollment</b>				
Paper Form	81.58%	82.68%	74.81%	77.83%
Pseudo Enrollment	15.62%	13.51%	19.18%	15.86%
Internet	2.80%	3.81%	6.01%	6.31%
<b>Method of Contribution Change</b>				
Internet	88.96%	97.66%	98.22%	98.41%
Paper	9.71%	1.76%	1.40%	1.23%
Participant Service Center	0.75%	0.22%	0.05%	0.07%
VRU	0.59%	0.36%	0.34%	0.28%

Participation rates for YTD and quarter are based on the population actively contributing for the time period reported.  
As a result, the participation results will vary.

# North Carolina Total Retirement Plans

## 457 Plan Quarterly Enrollments & Contribution Changes & 457 Plan Quarterly Enrollments & Contribution Change Method

457 Plan Quarterly Enrollments & Contribution Changes							
	2Q 2012	2Q 2013	2Q 2013 % of Change	2Q 2014	2Q 2014 % of Change	2Q 2015	2Q 2015 % of Change
<b>Enrollments</b>	1,580	1,887	19.43%	1,432	-24.11%	1,655	15.57%
% of New Hires Enrolled in Plan	50.58%	70.46%	39.32%	40.32%	-42.79%	35.82%	-11.14%
<b>GoalMaker Elections</b>	1,425	1,696	19.02%	1,319	-22.23%	1,540	16.76%
<b>Contribution Changes</b>							
Deferral Decreases	403	567	40.69%	921	62.43%	696	-24.43%
Deferral Increases	803	1,262	57.16%	1,750	38.67%	1,724	-1.49%
Pre-tax Participation Rate	9.71%	9.73%	0.21%	10.77%	10.69%	10.41%	-3.34%
Roth Participation Rate	0.27%	0.50%	85.19%	0.92%	84.00%	1.16%	26.09%
Voluntary (Employee & Roth) Participation Rate	9.99%	10.24%	2.50%	10.55%	3.03%	11.15%	5.69%

457 Plan Quarterly Enrollments & Contribution Change Method				
	2Q 2012	2Q 2013	2Q 2014	2Q 2015
<b>Method of Enrollment</b>				
Paper Form	79.55%	91.51%	91.34%	91.12%
Pseudo Enrollment	15.44%	0.74%	1.40%	1.15%
Internet	5.01%	7.75%	7.26%	7.73%
<b>Method of Contribution Change</b>				
Internet	91.21%	96.19%	99.78%	98.91%
Paper Form	6.72%	2.14%	0.00%	0.89%
Participant Service Center	1.66%	1.11%	0.11%	0.00%
VRU	0.41%	0.56%	0.11%	0.20%

Participation rates for YTD and quarter are based on the population actively contributing for the time period reported.  
As a result, the participation results will vary.



# North Carolina Total Retirement Plans

## 457 Plan YTD Enrollments & Contribution Changes & 457 Plan YTD Enrollments & Contribution Change Method

457 Plan YTD Enrollments & Contribution Changes							
	2012	2013	2013 % of Change	2014	2014 % of Change	2015	2015 % of Change
<b>Enrollments</b>	3,033	3,875	27.76%	2,601	-32.88%	3,209	23.38%
% of New Hires Enrolled in Plan	48.64%	38.64%	-20.56%	34.80%	-9.94%	38.62%	10.96%
<b>GoalMaker Elections</b>	2,727	3,475	27.43%	2,339	-32.69%	2,951	26.17%
<b>Contribution Changes</b>							
Deferral Decreases	842	1,157	37.41%	1,987	71.74%	1,447	-27.18%
Deferral Increases	1,803	2,648	46.87%	3,164	19.49%	3,618	14.35%
Pre-tax Participation Rate	10.03%	9.84%	-1.89%	10.43%	6.00%	10.60%	1.63%
Roth Participation Rate	0.29%	0.53%	0.00%	0.94%	77.36%	1.18%	25.53%
Voluntary (Employee & Roth) Participation Rate	10.89%	11.22%	3.03%	10.75%	-4.19%	11.36%	5.67%

457 Plan YTD Enrollments & Contribution Change Method				
	2012	2013	2014	2015
<b>Method of Enrollment</b>				
Paper Form	79.91%	92.60%	90.00%	90.50%
Pseudo Enrollment	14.68%	0.67%	1.42%	1.31%
Internet	5.42%	6.72%	8.57%	8.19%
<b>Method of Contribution Change</b>				
Internet	86.47%	98.19%	99.42%	98.79%
Paper	12.17%	1.02%	0.26%	0.93%
Participant Service Center	1.06%	0.53%	0.12%	0.06%
VRU	0.30%	0.26%	0.19%	0.22%

Participation rates for YTD and quarter are based on the population actively contributing for the time period reported.  
As a result, the participation results will vary.

# North Carolina Total Retirement Plans

## 401(k) Contributions

	2Q 2012	2Q 2013	2Q 2013 Change %	2Q 2014	2Q 2014 Change %	2Q 2015	2Q 2015 Change %
Employee Contributions	\$55,227,529	\$55,913,108	1.24%	\$55,233,064	-1.22%	\$56,176,034	1.71%
Roth	\$6,408,464	\$7,359,693	14.84%	\$8,429,707	14.54%	\$9,446,059	12.06%
<b>Total Employee Contributions</b>	<b>\$61,635,993</b>	<b>\$63,272,801</b>	<b>2.66%</b>	<b>\$63,662,772</b>	<b>0.62%</b>	<b>\$65,622,093</b>	<b>3.08%</b>
Employer Contributions	\$39,047,285	\$41,507,865	6.30%	\$42,130,227	1.50%	\$43,305,006	2.79%
Rollovers	\$9,754,854	\$12,451,801	27.65%	\$11,747,313	-5.66%	\$12,151,672	3.44%
<b>Total Contributions</b>	<b>\$110,438,133</b>	<b>\$117,232,468</b>	<b>6.15%</b>	<b>\$117,540,312</b>	<b>0.26%</b>	<b>\$121,078,771</b>	<b>3.01%</b>
Average Voluntary Contributions	\$188	\$191	1.64%	\$192	0.49%	\$197	2.43%
Average Roth Contributions	\$99	\$94	-4.20%	\$94	-0.01%	\$96	1.28%
Average Employee Contributions	\$181	\$181	-0.40%	\$180	-0.46%	\$170	-5.16%

## 401(k) Contributions

	2012	2013	2013 Change %	2014	2014 Change %	2015	2015 Change %
Employee Contributions	\$109,825,661	\$107,466,444	-2.15%	\$107,461,319	0.00%	\$109,459,123	1.86%
Roth	\$12,430,202	\$14,080,628	13.28%	\$16,267,835	15.53%	\$18,484,070	13.62%
<b>Total Employee Contributions</b>	<b>\$122,255,863</b>	<b>\$121,547,072</b>	<b>-0.58%</b>	<b>\$123,729,154</b>	<b>1.80%</b>	<b>\$127,943,193</b>	<b>3.41%</b>
Employer Contributions	\$79,064,532	\$81,765,510	3.42%	\$84,170,668	2.94%	\$86,999,270	3.36%
Rollovers	\$17,477,885	\$25,483,965	45.81%	\$22,093,152	-13.31%	\$24,283,332	9.91%
<b>Total Contributions</b>	<b>\$218,798,280</b>	<b>\$228,796,548</b>	<b>4.57%</b>	<b>\$229,992,973</b>	<b>0.52%</b>	<b>\$239,225,795</b>	<b>4.01%</b>
Average Voluntary Contributions	\$177	\$178	0.84%	\$181	1.82%	\$186	2.37%
Average Roth Contributions	\$93	\$87	-5.68%	\$89	2.07%	\$91	2.07%
Average Employee Contributions	\$170	\$168	-1.23%	\$170	0.98%	\$161	-5.38%

Average contributions for YTD and the quarter are based on the population actively contributing for the time period reported.  
As a result, the average contribution amounts will vary.

# North Carolina Total Retirement Plans

## 457 Contributions

	2Q 2012	2Q 2013	2Q 2013 Change %	2Q 2014	2Q 2014 Change %	2Q 2015	2Q 2015 Change %
Employee Contributions	\$11,751,667	\$13,327,389	13.41%	\$13,627,832	2.25%	\$14,312,183	5.02%
Roth	\$196,026	\$489,918	149.93%	\$598,504	22.16%	\$928,407	55.12%
<b>Total Employee Contributions</b>	<b>\$11,947,693</b>	<b>\$13,817,307</b>	<b>15.65%</b>	<b>\$14,226,336</b>	<b>100.00%</b>	<b>\$15,240,590</b>	<b>7.13%</b>
Employer Contributions	\$0	\$0	0.00%	\$256,627	0.00%	\$292,670	100.00%
Rollovers	\$3,886,166	\$3,304,844	-14.96%	\$2,410,548	-27.06%	\$5,063,256	110.05%
<b>Total Contributions</b>	<b>\$15,833,859</b>	<b>\$17,122,151</b>	<b>8.14%</b>	<b>\$16,893,511</b>	<b>-1.34%</b>	<b>\$20,596,516</b>	<b>21.92%</b>
Average Voluntary Contributions	\$159	\$152	-4.33%	\$146	-3.70%	\$147	0.69%
Average Roth Contributions	\$98	\$119	21.54%	\$123	3.14%	\$139	13.19%
Average Employee Contributions	\$157	\$156	-1.04%	\$148	-4.66%	\$147	-1.01%

## 457 Contributions

	2012	2013	2013 Change %	2014	2014 Change %	2015	2015 Change %
Employee Contributions	\$22,974,566	\$25,983,805	13.10%	\$26,863,453	3.39%	\$28,224,701	5.07%
Roth	\$349,167	\$956,177	173.85%	\$1,169,040	22.26%	\$1,775,290	51.86%
<b>Total Employee Contributions</b>	<b>\$23,323,733</b>	<b>\$26,939,982</b>	<b>15.50%</b>	<b>\$28,032,493</b>	<b>4.06%</b>	<b>\$29,999,992</b>	<b>7.02%</b>
Employer Contributions	\$0	\$0	0.00%	\$447,571	100.00%	\$619,676	38.45%
Rollovers	\$6,906,504	\$5,739,053	-16.90%	\$4,621,726	-19.47%	\$8,645,293	87.06%
<b>Total Contributions</b>	<b>\$30,230,237</b>	<b>\$32,679,035</b>	<b>8.10%</b>	<b>\$33,101,790</b>	<b>1.29%</b>	<b>\$39,264,960</b>	<b>18.62%</b>
Average Voluntary Contributions	\$149	\$154	3.33%	\$139	-9.59%	\$140	0.41%
Average Roth Contributions	\$82	\$112	36.89%	\$112	-0.03%	\$127	13.83%
Average Employee Contributions	\$147	\$153	3.97%	\$141	-7.72%	\$139	-1.54%

Average contributions for YTD and the quarter are based on the population actively contributing for the time period reported.  
As a result, the average contribution amounts will vary.

# North Carolina Total Retirement Plans

## 401(k) GoalMaker Participation

	6/30/2012	6/30/2013	6/30/2014	6/30/2015
Total Plan Assets in GoalMaker	\$2,140,379,894	\$2,631,422,171	\$3,236,019,257	\$3,486,029,302
Total # of Participants in GoalMaker	110,273	121,861	132,120	143,539
Year to Date % of New Enrollments with Goalmaker Election	89.04%	88.68%	90.98%	93.08%
Total Participation Rate	48.43%	51.55%	55.87%	56.65%
Prudential's Book of Business GoalMaker Average Participation Rate*	40.16%	44.10%	44.24%	48.27%
Total % of Assets	37.60%	40.12%	49.34%	43.54%

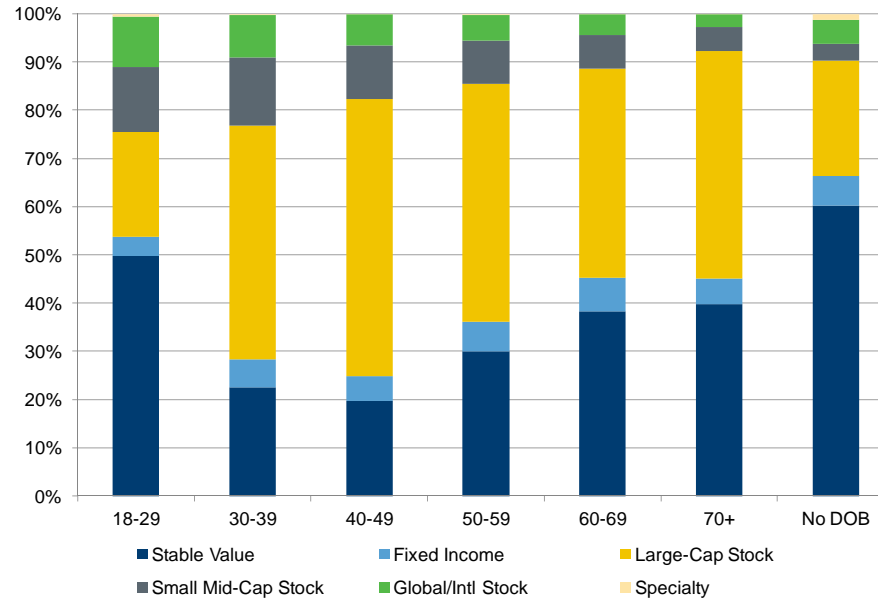
Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	4,589	9,306	4,671	18,566
Age 30-39	8,018	17,365	11,352	36,735
Age 40-49	7,780	18,753	11,682	38,215
Age 50-59	8,677	16,834	6,978	32,489
Age 60-69	5,294	7,220	2,601	15,115
Age 70+	631	639	311	1,581
No DOB	68	722	48	838
Total	35,057	70,839	37,643	143,539

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	\$16,844,494	\$41,228,806	\$33,695,185	\$91,768,485
Age 30-39	\$68,273,177	\$218,872,297	\$234,050,942	\$521,196,416
Age 40-49	\$115,791,014	\$432,070,575	\$466,657,710	\$1,014,519,299
Age 50-59	\$225,792,803	\$553,692,427	\$347,964,046	\$1,127,449,276
Age 60-69	\$188,476,479	\$314,540,334	\$143,881,900	\$646,898,713
Age 70+	\$27,953,778	\$35,085,531	\$17,986,697	\$81,026,007
No DOB	\$414,960	\$2,327,252	\$428,893	\$3,171,106
Total	\$643,546,705	\$1,597,817,222	\$1,244,665,375	\$3,486,029,302

\*Prudential's Defined Contribution book of business averages.

# North Carolina Total Retirement Plans

## 401(k) Asset Allocation by Age Group – Assets Not in GoalMaker As of June 30, 2015

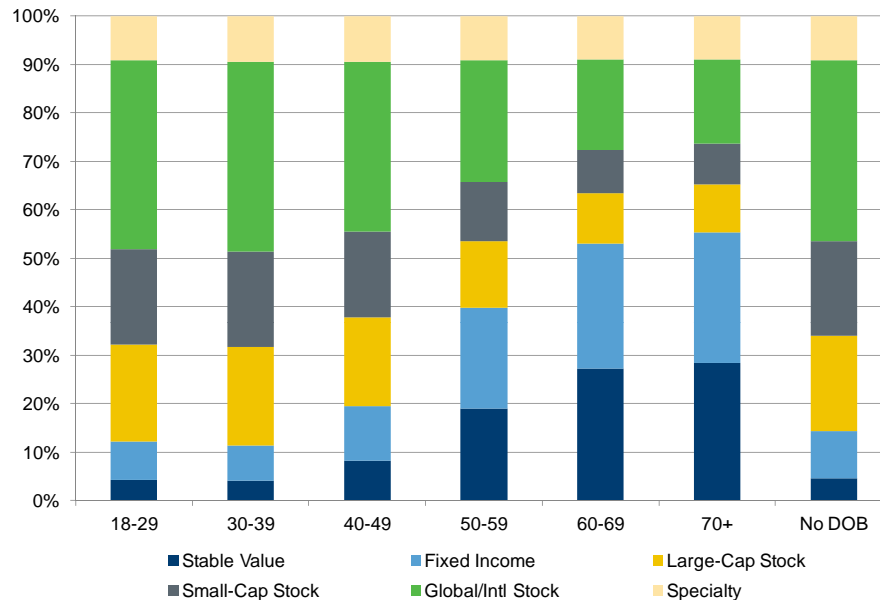


Asset Class	18-29	30-39	40-49	50-59	60-69	70+	No DOB	Total
Stable Value	\$5,241,342	\$48,251,716	\$195,703,748	\$444,665,671	\$530,016,293	\$174,194,610	\$770,580	\$1,398,843,959
Fixed Income	\$410,210	\$12,490,218	\$51,189,407	\$91,179,416	\$96,354,959	\$23,249,587	\$78,676	\$274,952,473
Large-Cap Stock	\$2,284,835	\$103,601,958	\$568,681,167	\$731,773,882	\$599,378,606	\$207,055,421	\$306,430	\$2,213,082,299
Small Mid-Cap Stock	\$1,421,118	\$30,392,476	\$109,497,974	\$132,359,158	\$97,220,475	\$21,958,906	\$45,605	\$392,895,711
Global/Intl Stock	\$1,090,987	\$18,787,732	\$63,982,369	\$79,631,588	\$58,189,861	\$11,707,839	\$63,654	\$233,454,031
Specialty	\$69,869	\$462,172	\$1,493,674	\$2,875,939	\$2,222,789	\$311,495	\$15,047	\$7,450,986
Total Assets	\$10,518,361	\$213,986,272	\$990,548,339	\$1,482,485,654	\$1,383,382,984	\$438,477,858	\$1,279,991	\$4,520,679,459
% Assets	0.23%	4.73%	21.91%	32.79%	30.60%	9.70%	0.03%	100.00%
Total Participants	1,774	11,764	30,643	32,517	25,332	7,372	533	109,935
Average Account Balance	\$5,929	\$18,190	\$32,325	\$45,591	\$54,610	\$59,479	\$2,401	\$41,121

Total Participant counts are not Unique Participant counts as a participant may be in multiple SubPlans. A participant could be invested in GoalMaker in one SubPlan and not invested in GoalMaker in another SubPlan in which they hold a balance.

# North Carolina Total Retirement Plans

## 401(k) Asset Allocation by Age Group – Assets in GoalMaker As of June 30, 2015

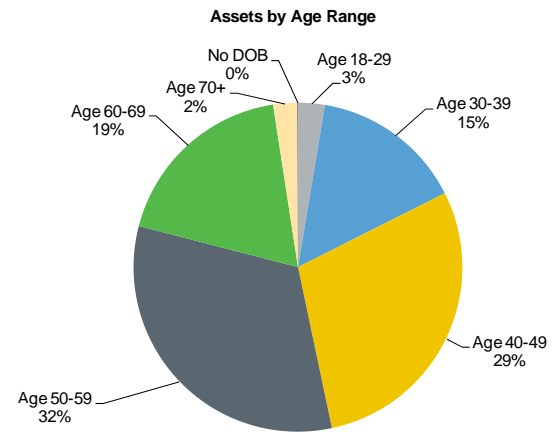
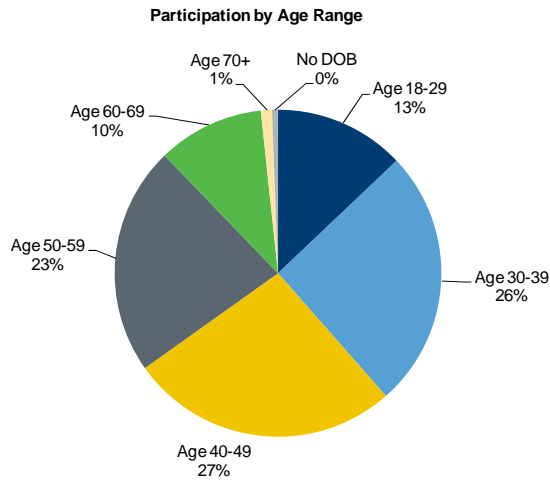
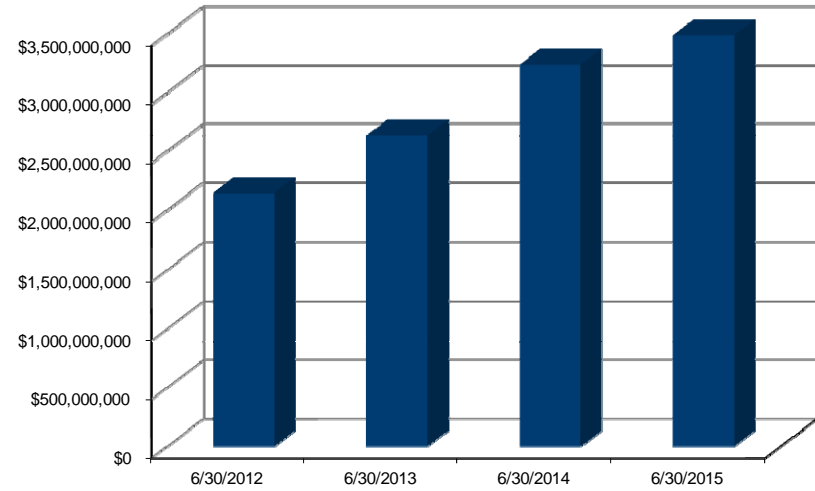
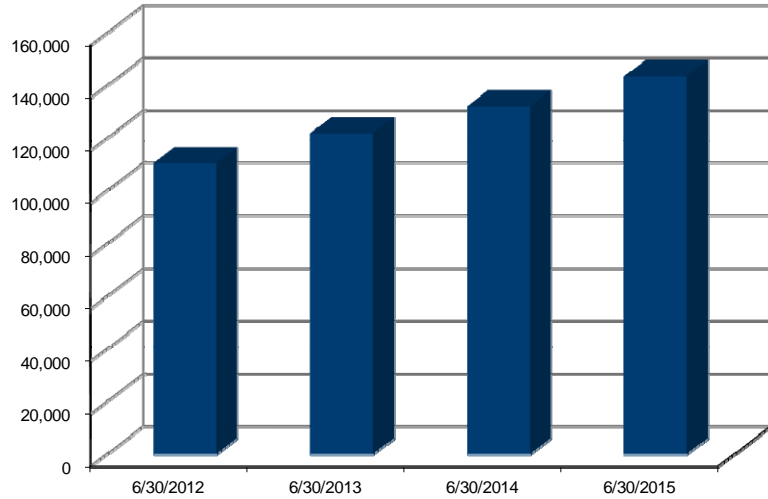


Asset Class	18-29	30-39	40-49	50-59	60-69	70+	No DOB	Total
Stable Value	\$3,977,213	\$21,834,894	\$83,245,196	\$213,494,999	\$175,740,363	\$22,954,355	\$147,422	\$521,394,441
Fixed Income	\$7,257,123	\$37,841,270	\$114,593,423	\$235,445,322	\$167,515,824	\$21,863,570	\$307,657	\$584,824,187
Large-Cap Stock	\$18,279,947	\$105,114,192	\$185,917,259	\$153,805,263	\$67,253,222	\$8,057,591	\$621,253	\$539,048,727
Small-Cap Stock	\$17,996,155	\$102,930,146	\$178,694,005	\$138,270,748	\$57,705,275	\$6,795,577	\$617,915	\$503,009,821
Global/Intl Stock	\$35,801,973	\$204,375,489	\$356,122,350	\$282,792,183	\$120,485,911	\$14,107,457	\$1,187,890	\$1,014,873,253
Specialty	\$8,456,075	\$49,100,426	\$95,947,066	\$103,640,761	\$58,198,119	\$7,247,457	\$288,969	\$322,878,873
Total Assets	\$91,768,485	\$521,196,416	\$1,014,519,299	\$1,127,449,276	\$646,898,713	\$81,026,007	\$3,171,106	\$3,486,029,302
% Assets	2.63%	14.95%	29.10%	32.34%	18.56%	2.32%	0.09%	100.00%
Total Participants	18,566	36,735	38,215	32,489	15,115	1,581	838	143,539
Average Account Balance	\$4,943	\$14,188	\$26,548	\$34,702	\$42,798	\$51,250	\$3,784	\$24,286

Total Participant counts are not Unique Participant counts as a participant may be in multiple SubPlans. A participant could be invested in GoalMaker in one SubPlan and not invested in GoalMaker in another SubPlan in which they hold a balance.

# North Carolina Total Retirement Plans

## 401(k) GoalMaker Participation



# North Carolina Total Retirement Plans

## 457 GoalMaker Participation

	6/30/2012	6/30/2013	6/30/2014	6/30/2015
Total Plan Assets in GoalMaker	\$115,062,628	\$159,203,248	\$215,348,950	\$256,516,013
Total # of Participants in GoalMaker	15,161	21,767	26,900	31,823
Year to Date % of New Enrollments with Goalmaker Election	89.91%	89.68%	89.93%	94.25%
Total Participation Rate	39.62%	49.14%	60.71%	58.85%
Prudential's Book of Business GoalMaker Average Participation Rate*	40.16%	44.10%	44.24%	48.27%
Total % of Assets	13.35%	16.23%	21.96%	21.83%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	1,361	2,172	1,209	4,742
Age 30-39	2,311	3,708	2,186	8,205
Age 40-49	2,476	4,386	2,349	9,211
Age 50-59	2,443	3,517	1,298	7,258
Age 60-69	818	909	354	2,081
Age 70+	86	83	29	198
No DOB	42	65	21	128
Total	9,537	14,840	7,446	31,823

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	\$859,336	\$1,944,314	\$1,839,027	\$4,642,678
Age 30-39	\$2,931,042	\$8,703,537	\$9,600,330	\$21,234,910
Age 40-49	\$7,229,363	\$25,324,184	\$22,680,464	\$55,234,012
Age 50-59	\$19,882,796	\$42,268,386	\$24,971,670	\$87,122,852
Age 60-69	\$19,284,194	\$33,984,618	\$17,017,729	\$70,286,542
Age 70+	\$6,318,308	\$8,170,501	\$3,275,128	\$17,763,937
No DOB	\$44,162	\$156,138	\$30,784	\$231,084
Total	\$56,549,202	\$120,551,679	\$79,415,133	\$256,516,013

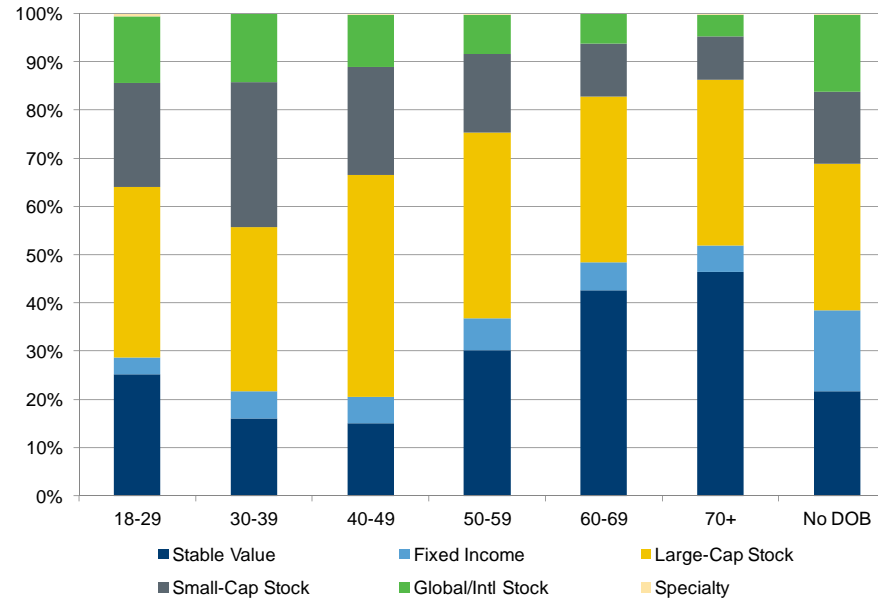
\*Prudential's Defined Contribution book of business averages.





# North Carolina Total Retirement Plans

## 457 Asset Allocation by Age Group – Assets Not in GoalMaker As of June 30, 2015

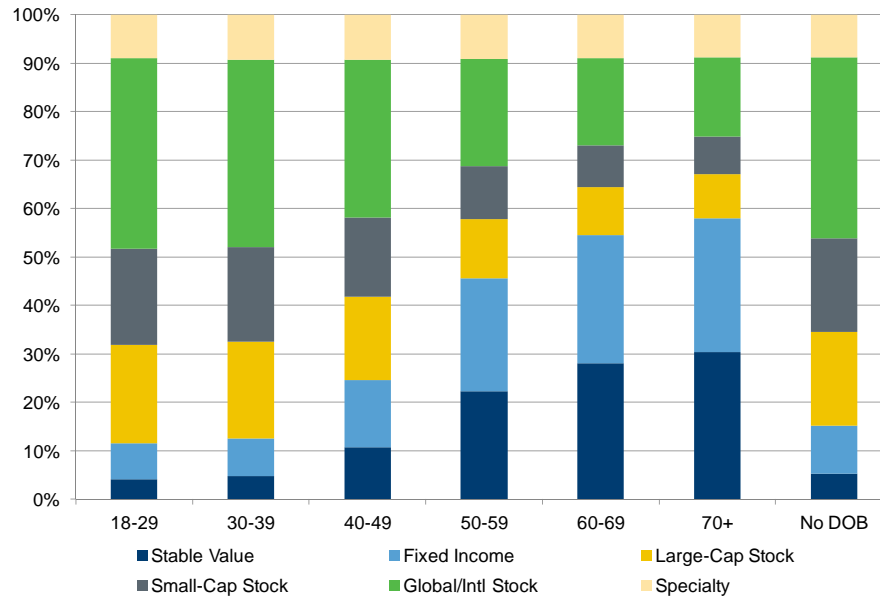


Asset Class	18-29	30-39	40-49	50-59	60-69	70+	No DOB	Total
Stable Value	\$173,674	\$2,183,463	\$12,967,181	\$67,120,636	\$154,902,139	\$107,783,178	\$6,888	\$345,137,159
Fixed Income	\$24,051	\$762,379	\$4,731,304	\$14,618,377	\$21,404,822	\$12,454,403	\$5,279	\$54,000,615
Large-Cap Stock	\$243,516	\$4,635,987	\$39,847,911	\$85,562,555	\$124,459,355	\$79,895,138	\$9,632	\$334,654,094
Small-Cap Stock	\$148,944	\$4,081,476	\$19,362,684	\$36,045,667	\$40,188,750	\$20,730,445	\$4,747	\$120,562,713
Global/Intl Stock	\$95,890	\$1,921,602	\$9,375,462	\$18,262,729	\$22,107,751	\$10,344,804	\$5,042	\$62,113,280
Specialty	\$3,760	\$14,339	\$190,930	\$512,603	\$499,490	\$656,418	\$62	\$1,877,603
Total Assets	\$689,835	\$13,599,246	\$86,475,473	\$222,122,567	\$363,562,308	\$231,864,386	\$31,650	\$918,345,464
% Assets	0.08%	1.48%	9.42%	24.19%	39.59%	25.25%	0.00%	100.00%
Total Participants	372	2,259	4,878	6,575	5,870	2,286	17	22,257
Average Account Balance	\$1,854	\$6,020	\$17,728	\$33,783	\$61,936	\$101,428	\$1,862	\$41,261

Total Participant counts are not Unique Participant counts as a participant may be in multiple SubPlans. A participant could be invested in GoalMaker in one SubPlan and not invested in GoalMaker in another SubPlan in which they hold a balance.

# North Carolina Total Retirement Plans

## 457 Asset Allocation by Age Group – Assets in GoalMaker As of June 30, 2015

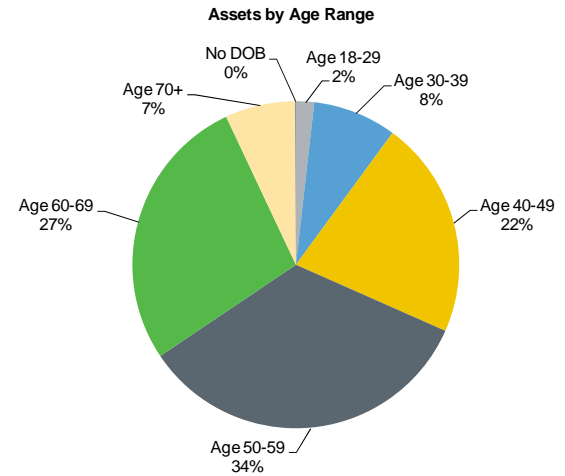
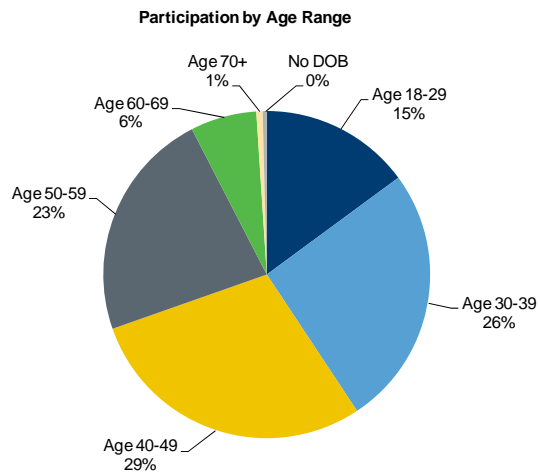
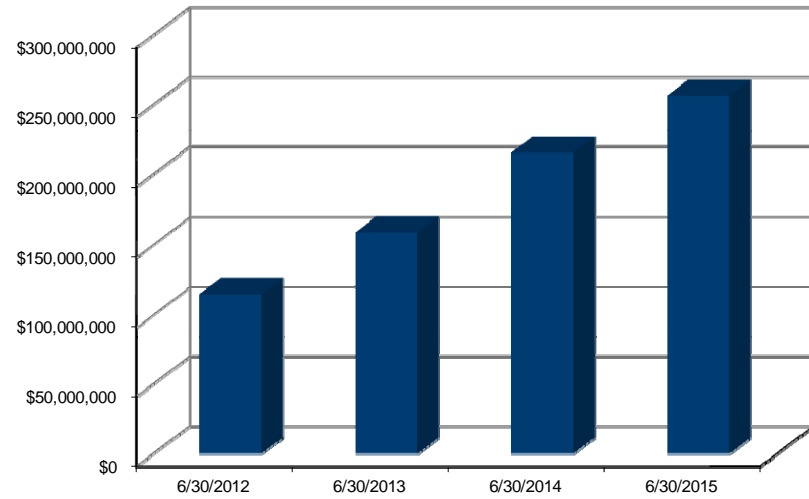
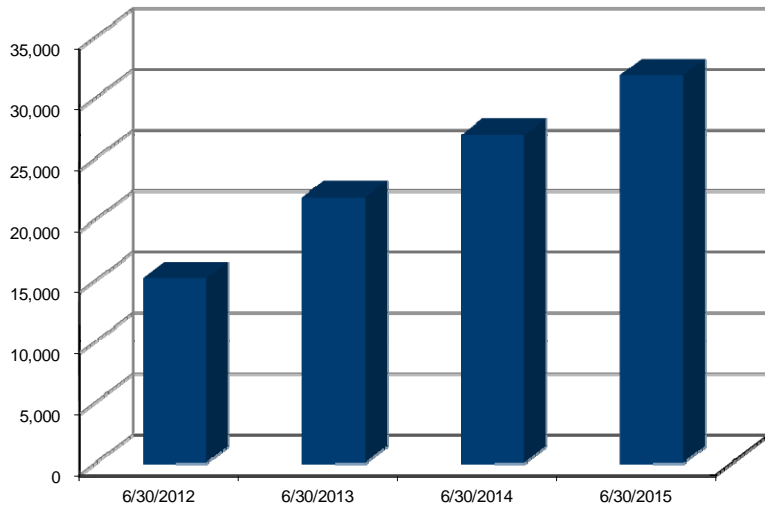


Asset Class	18-29	30-39	40-49	50-59	60-69	70+	No DOB	Total
Stable Value	\$191,614	\$1,005,160	\$5,918,128	\$19,394,319	\$19,762,779	\$5,388,133	\$12,233	\$51,672,367
Fixed Income	\$346,814	\$1,670,773	\$7,656,533	\$20,335,837	\$18,497,992	\$4,899,037	\$22,833	\$53,429,819
Large-Cap Stock	\$940,335	\$4,236,306	\$9,469,380	\$10,673,599	\$7,037,036	\$1,620,717	\$44,852	\$34,022,223
Small-Cap Stock	\$921,447	\$4,139,586	\$9,019,783	\$9,390,624	\$6,035,715	\$1,373,010	\$44,513	\$30,924,677
Global/Intl Stock	\$1,824,616	\$8,208,138	\$18,011,033	\$19,387,130	\$12,624,698	\$2,903,370	\$86,223	\$63,045,208
Specialty	\$417,852	\$1,974,946	\$5,159,155	\$7,941,343	\$6,328,322	\$1,579,670	\$20,431	\$23,421,719
Total Assets	\$4,642,678	\$21,234,910	\$55,234,012	\$87,122,852	\$70,286,542	\$17,763,937	\$231,084	\$256,516,013
% Assets	1.81%	8.28%	21.53%	33.96%	27.40%	6.93%	0.09%	100.00%
Total Participants	4,742	8,205	9,211	7,258	2,081	198	128	31,823
Average Account Balance	\$979	\$2,588	\$5,997	\$12,004	\$33,775	\$89,717	\$1,805	\$8,061

Total Participant counts are not Unique Participant counts as a participant may be in multiple SubPlans. A participant could be invested in GoalMaker in one SubPlan and not invested in GoalMaker in another SubPlan in which they hold a balance.

# North Carolina Total Retirement Plans

## 457 GoalMaker Participation



# North Carolina Total Retirement Plans

## Loan Information

In 2010, 28% of participants reported having an outstanding loan.

Source: "More raid retirement accounts to pay bills,"  
Washington Post Michael A. Fletcher, January 15, 2013

401(k) YTD Loans					
	2012	2013	2014	2015	Change %
% of Members in Plan with a Loan	24.32%	24.25%	19.58%	24.16%	23.41%
# of Outstanding Loans	47,047	47,327	47,926	47,384	-1.13%
# of New Loans 2Q	4,361	4,563	4,537	4,624	1.92%
# of New Loans YTD	8,160	8,251	8,193	8,226	0.40%
Average Loan Balance	\$5,469	\$5,640	\$5,863	\$6,169	5.22%
Total Outstanding Loan Balance	\$257,299,003	\$266,943,446	\$280,978,950	\$292,296,437	4.03%

In 2011, 15% of participants have an outstanding loan.

Source: "PLAN SPONSOR Defined Contribution Survey," 2012  
Industry Report 457 Plans

457 YTD Loans					
	2012	2013	2014	2015	Change %
% of Members in Plan with a Loan	12.05%	14.04%	10.96%	13.88%	26.64%
# of Outstanding Loans	4,610	5,059	5,461	5,722	4.78%
# of New Loans 2Q	483	587	577	627	0.00%
# of New Loans YTD	851	988	1,027	1,117	8.76%
Average Loan Balance	\$3,043	\$3,083	\$3,195	\$3,382	5.85%
Total Outstanding Loan Balance	\$14,029,384	\$15,597,436	\$17,449,539	\$19,353,072	10.91%

# North Carolina Total Retirement Plans

One in Four American workers with 401(k) and other retirement savings accounts use them to pay current expenses.

## 401(k) Disbursements – Quarterly

Source: "More raid retirement accounts to pay bills," Washington Post Michael A. Fletcher, January 15, 2013

401(k) Disbursements							
	2Q 2012	2Q 2013	2Q 2013 Change %	2Q 2014	2Q 2014 Change %	2Q 2015	2Q 2015 Change %
Term - Lump Sum	\$46,239,478	\$63,970,646	38.35%	\$75,055,565	17.33%	\$87,392,239	16.44%
In-Service	\$10,967,902	\$8,783,137	-19.92%	\$7,353,973	-16.27%	\$6,998,451	-4.83%
State Retirement System	\$4,081,945	\$3,324,983	-18.54%	\$3,294,778	-0.91%	\$3,695,881	12.17%
Hardship	\$1,451,705	\$1,519,562	4.67%	\$1,364,314	-10.22%	\$1,470,139	7.76%
Systematic	\$2,036,726	\$2,188,822	7.47%	\$2,828,768	29.24%	\$2,895,834	2.37%
<b>Total Disbursements</b>	<b>\$64,777,756</b>	<b>\$79,787,150</b>	<b>23.17%</b>	<b>\$89,897,398</b>	<b>12.67%</b>	<b>\$102,452,544</b>	<b>13.97%</b>

401(k) Disbursements							
	2Q 2012	2Q 2013	2Q 2013 Change %	2Q 2014	2Q 2014 Change %	2Q 2015	2Q 2015 Change %
Term – Lump Sum	3,647	4,211	15.46%	4,811	14.25%	27,130	463.92%
In-Service	1,727	1,736	0.52%	1,583	-8.81%	1,478	-6.63%
State Retirement System	135	106	-21.48%	110	3.77%	128	16.36%
Hardship	594	624	5.05%	560	-10.26%	576	2.86%
Systematic	2,566	3,049	18.82%	3,113	2.10%	3,187	2.38%
<b>Total Disbursements</b>	<b>8,669</b>	<b>9,726</b>	<b>12.19%</b>	<b>10,177</b>	<b>4.64%</b>	<b>32,499</b>	<b>219.34%</b>

# North Carolina Total Retirement Plans

## 401(k) Disbursements – Year to Date

401(k) Disbursements							
	2012	2013	2013 Change %	2014	2014 Change %	2015	2015 Change %
Term - Lump Sum	\$101,751,745	\$125,137,777	22.98%	\$157,478,607	25.84%	\$183,675,229	16.64%
In-Service	\$25,015,818	\$17,624,821	-29.55%	\$14,840,131	-15.80%	\$14,148,976	-4.66%
State Retirement System	\$12,408,554	\$7,150,605	-42.37%	\$6,243,683	-12.68%	\$7,799,292	24.91%
Hardship	\$2,760,593	\$3,076,917	11.46%	\$2,906,694	-5.53%	\$3,021,945	3.97%
Systematic	\$4,116,127	\$4,536,806	10.22%	\$5,849,221	28.93%	\$5,747,581	-1.74%
<b>Total Disbursements</b>	<b>\$146,052,838</b>	<b>\$157,526,926</b>	<b>7.86%</b>	<b>\$187,318,336</b>	<b>18.91%</b>	<b>\$214,393,023</b>	<b>14.45%</b>

401(k) Disbursements							
	2012	2013	2013 Change %	2014	2014 Change %	2015	2015 Change %
Term – Lump Sum	7,924	8,636	8.99%	10,142	17.44%	33,063	226.00%
In-Service	3,197	3,367	5.32%	2,952	-12.33%	2,887	-2.20%
State Retirement System	354	226	-36.16%	212	-6.19%	255	20.28%
Hardship	1,072	1,148	7.09%	996	-13.24%	954	-4.22%
Systematic	5,074	6,059	19.41%	6,269	3.47%	6,347	1.24%
<b>Total Disbursements</b>	<b>17,621</b>	<b>19,436</b>	<b>10.30%</b>	<b>20,571</b>	<b>5.84%</b>	<b>43,506</b>	<b>111.49%</b>

# North Carolina Total Retirement Plans

## 457 Disbursements – Quarterly

457 Disbursements							
	2Q 2012	2Q 2013	2Q 2013 Change %	2Q 2014	2Q 2014 Change %	2Q 2015	2Q 2015 Change %
Term - Lump Sum	\$9,028,155	\$8,152,680	-9.70%	\$10,165,920	24.69%	\$12,335,343	21.34%
In-Service	\$97,532	\$157,746	61.74%	\$35,557	-77.46%	\$17,908	-49.64%
State Retirement System	\$87,272	\$79,524	-8.88%	\$81,346	2.29%	\$102,908	26.51%
Hardship	\$139,749	\$153,798	10.05%	\$127,186	-17.30%	\$168,281	32.31%
Systematic	\$1,402,249	\$1,390,877	-0.81%	\$1,587,239	14.12%	\$1,618,642	1.98%
<b>Total Disbursements</b>	<b>\$10,754,957</b>	<b>\$9,934,625</b>	<b>-7.63%</b>	<b>\$11,997,249</b>	<b>20.76%</b>	<b>\$14,243,082</b>	<b>18.72%</b>

457 Disbursements							
	2Q 2012	2Q 2013	2Q 2013 Change %	2Q 2014	2Q 2014 Change %	2Q 2015	2Q 2015 Change %
Term – Lump Sum	1,158	714	-38.34%	909	27.31%	5,128	464.14%
In-Service	21	32	52.38%	7	-78.13%	5	-28.57%
State Retirement System	4	3	-25.00%	7	133.33%	13	85.71%
Hardship	96	118	22.92%	101	-14.41%	132	30.69%
Systematic	1,175	1,587	35.06%	1,512	-4.73%	1,461	-3.37%
<b>Total Disbursements</b>	<b>2,454</b>	<b>2,454</b>	<b>0.00%</b>	<b>2,536</b>	<b>3.34%</b>	<b>6,739</b>	<b>165.73%</b>

# North Carolina Total Retirement Plans

## 457 Disbursements – Year to Date

457 Disbursements							
	2012	2013	2013 Change %	2014	2014 Change %	2015	2015 Change %
Term - Lump Sum	\$21,572,843	\$19,788,659	-8.27%	\$21,912,097	10.73%	\$27,197,178	24.12%
In-Service	\$292,908	\$216,264	-26.17%	\$48,058	-77.78%	\$72,020	49.86%
State Retirement System	\$370,890	\$263,324	-29.00%	\$224,544	-14.73%	\$388,685	73.10%
Hardship	\$271,617	\$262,664	-3.30%	\$269,923	2.76%	\$320,710	18.82%
Systematic	\$2,571,196	\$2,742,420	6.66%	\$2,980,675	8.69%	\$3,035,120	1.83%
<b>Total Disbursements</b>	<b>\$25,079,454</b>	<b>\$23,273,331</b>	<b>-7.20%</b>	<b>\$25,435,298</b>	<b>9.29%</b>	<b>\$31,013,712</b>	<b>21.93%</b>

457 Disbursements							
	2012	2013	2013 Change %	2014	2014 Change %	2015	2015 Change %
Term – Lump Sum	2,409	1,568	-34.91%	1,995	27.23%	6,403	220.95%
In-Service	42	51	21.43%	10	-80.39%	11	10.00%
State Retirement System	23	14	-39.13%	15	7.14%	26	73.33%
Hardship	168	197	17.26%	179	-9.14%	202	12.85%
Systematic	2,384	3,176	33.22%	3,042	-4.22%	2,945	-3.19%
<b>Total Disbursements</b>	<b>5,026</b>	<b>5,006</b>	<b>-0.40%</b>	<b>5,241</b>	<b>4.69%</b>	<b>9,587</b>	<b>82.92%</b>



# North Carolina Total Retirement Plans

## 401(k) Plan Asset Allocation/Net Cash Flow April 1, 2015 to June 30, 2015

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$102,286,846	\$735,182,688	\$2,005,067,639	\$2,609,934,930	\$2,030,281,697	\$519,503,865	\$4,451,097	\$8,006,708,761
% Assets	1.28%	9.18%	25.04%	32.60%	25.36%	6.49%	0.06%	100.00%
Total Contributions	\$7,720,786	\$18,743,883	\$31,321,058	\$33,771,295	\$16,089,671	\$975,922	\$304,483	\$108,927,099
Rollovers In	\$140,975	\$1,192,930	\$2,058,911	\$4,018,643	\$4,001,594	\$738,618	\$0	\$12,151,672
Total Distributions including:								
Rollovers Out	(\$214,533)	(\$2,092,971)	(\$7,396,873)	(\$16,794,949)	(\$27,516,476)	(\$4,811,341)	\$0	(\$58,827,142)
Cash Distributions	(\$612,374)	(\$2,941,542)	(\$6,356,952)	(\$12,204,261)	(\$16,291,961)	(\$5,217,793)	(\$520)	(\$43,625,402)
Net Cash Flow	\$7,034,854	\$14,902,301	\$19,626,145	\$8,790,729	(\$23,717,172)	(\$8,314,593)	\$303,963	\$18,626,226
Total Unique Participants	20,340	48,499	68,852	64,981	40,407	8,907	1,376	253,362
Avg. Account Balance	\$5,029	\$15,159	\$29,121	\$40,165	\$50,246	\$58,325	\$3,235	\$31,602
Prudential Participant Avg. Account Balance	\$6,503	\$24,486	\$54,252	\$85,440	\$102,982	\$113,585	\$3,181	\$59,613

## 401(k) Plan Asset Allocation/Net Cash Flow January 1, 2015 to June 30, 2015

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$102,286,846	\$735,182,688	\$2,005,067,639	\$2,609,934,930	\$2,030,281,697	\$519,503,865	\$4,451,097	\$8,006,708,761
% Assets	1.28%	9.18%	25.04%	32.60%	25.36%	6.49%	0.06%	100.00%
Total Contributions	\$15,001,932	\$37,106,333	\$61,852,003	\$66,387,527	\$32,111,068	\$1,902,956	\$580,644	\$214,942,463
Rollovers In	\$421,068	\$2,088,363	\$4,492,587	\$7,099,861	\$8,659,859	\$1,521,595	\$0	\$24,283,332
Total Distributions including:								
Rollovers Out	(\$465,422)	(\$5,235,611)	(\$16,017,556)	(\$33,318,652)	(\$54,806,143)	(\$9,921,855)	\$0	(\$119,765,238)
Cash Distributions	(\$1,086,764)	(\$6,245,162)	(\$12,209,509)	(\$26,092,138)	(\$36,538,193)	(\$12,450,110)	(\$5,910)	(\$94,627,785)
Net Cash Flow	\$13,870,814	\$27,713,923	\$38,117,525	\$14,076,597	(\$50,573,409)	(\$18,947,413)	\$574,734	\$24,832,772
Total Unique Participants	20,340	48,499	68,852	64,981	40,407	8,907	1,376	253,362
Avg. Account Balance	\$5,029	\$15,159	\$29,121	\$40,165	\$50,246	\$58,325	\$3,235	\$31,602
Prudential Participant Avg. Account Balance	\$6,503	\$24,486	\$54,252	\$85,440	\$102,982	\$113,585	\$3,181	\$59,613

\*Prudential's Defined Contribution book of business averages.

# North Carolina Total Retirement Plans

## 457 Plan Asset Allocation/Net Cash Flow April 1, 2015 to June 30, 2015

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$5,332,513	\$34,834,155	\$141,709,485	\$309,245,418	\$433,848,849	\$249,628,323	\$262,734	\$1,174,861,478
% Assets	0.45%	2.96%	12.06%	26.32%	36.93%	21.25%	0.02%	100.00%
Total Contributions	\$621,965	\$1,795,664	\$3,850,905	\$5,523,461	\$3,229,095	\$492,786	\$19,384	\$15,533,260
Rollovers In	\$18,599	\$109,019	\$656,976	\$359,389	\$1,013,493	\$2,905,397	\$384	\$5,063,256
Total Distributions including:								
Rollovers Out	(\$54,943)	(\$334,490)	(\$558,114)	(\$3,447,062)	(\$6,097,354)	(\$3,751,119)	\$0	(\$14,243,082)
Cash Distributions	(\$41,938)	(\$222,268)	(\$393,407)	(\$1,591,455)	(\$2,195,866)	(\$2,337,657)	\$0	(\$6,782,591)
Net Cash Flow	\$585,622	\$1,570,193	\$3,949,766	\$2,435,788	(\$1,854,767)	(\$352,936)	\$19,768	\$6,353,434
Total Unique Participants	5,114	10,464	14,089	13,832	7,947	2,465	160	54,071
Avg. Account Balance	\$1,043	\$3,329	\$10,058	\$22,357	\$54,593	\$101,269	\$1,642	\$21,728
<i>Prudential Participant Avg. Account Balance</i>	\$6,503	\$24,486	\$54,252	\$85,440	\$102,982	\$113,585	\$3,181	\$59,613

## 457 Plan Asset Allocation/Net Cash Flow January 1, 2015 to June 30, 2015

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$5,332,513	\$34,834,155	\$141,709,485	\$309,245,418	\$433,848,849	\$249,628,323	\$262,734	\$1,174,861,478
% Assets	0.45%	2.96%	12.06%	26.32%	36.93%	21.25%	0.02%	100.00%
Total Contributions	\$1,198,166	\$3,425,108	\$7,467,263	\$11,040,376	\$6,517,903	\$932,038	\$38,815	\$30,619,668
Rollovers In	\$69,042	\$282,391	\$743,004	\$1,091,665	\$2,494,150	\$3,964,277	\$764	\$8,645,293
Total Distributions including:								
Rollovers Out	(\$105,149)	(\$560,427)	(\$1,267,289)	(\$6,506,192)	(\$14,799,548)	(\$7,775,107)	\$0	(\$31,013,712)
Cash Distributions	(\$77,951)	(\$373,305)	(\$832,991)	(\$3,106,449)	(\$4,858,392)	(\$5,235,906)	\$0	(\$14,484,994)
Net Cash Flow	\$1,162,059	\$3,147,071	\$6,942,978	\$5,625,848	(\$5,787,495)	(\$2,878,793)	\$39,579	\$8,251,248
Total Unique Participants	5,114	10,464	14,089	13,832	7,947	2,465	160	54,071
Avg. Account Balance	\$1,043	\$3,329	\$10,058	\$22,357	\$54,593	\$101,269	\$1,642	\$21,728
<i>Prudential Participant Avg. Account Balance</i>	\$6,503	\$24,486	\$54,252	\$85,440	\$102,982	\$113,585	\$3,181	\$59,613

\*Prudential's Defined Contribution book of business averages.

# North Carolina Total Retirement Plans

## 401(k) Plan Retirement Preparation Analysis

4/1/2015 - 6/30/2015	
Total Retirement Income Calculator Completions	8,670
Unique Completions	8,100
Contribution Rate Increase	401

1/1/2015 - 6/30/2015	
Total Retirement Income Calculator Completions	18,620
Unique Completions	17,333
Contribution Rate Increase	916

Since Inception for Currently Active Participants as of 6/30/2015	
Average Balance, RIC Participant	\$52,660
Average Balance, Non-RIC Participant	\$24,840
Average Contribution Rate, RIC Participant	6.14%
Average Contribution Rate, Non-RIC Participant	4.63%
Total Count of Participants with a RIC Gap	33,527
Average RIC Gap per month	\$2,770
Total Count of Participants with a RIC surplus	7,590
Average RIC Surplus per month	\$2,130

**Total Retirement Income Calculator Completions** - Number of RIC completions for the given time period. If a single participant completed the RIC multiple times within the given time period, they would be counted multiple times.

**Unique Completions**: Total number of unique active/eligibles that completed the retirement income calculator during the reporting period

**Contribution Rate Increases**: Total number of active/eligibles that completed the retirement income calculator and increased their contribution rate.

**Average Balance RIC Participant** - For participants who have a balance greater than \$0 that have previously completed the RIC - The total balance of active participants divided by the total count of active participants

**Average Balance Non-RIC Participant** - For participants who have a balance greater than \$0 that have NOT previously completed the RIC - The total balance of active participants divided by the total count of active participants

**Average Contribution Rate RIC Participant** - For participants who have completed the RIC - The total of all contribution rates (%) for active participants who have completed the RIC divided by the number of active participants that have completed the RIC who have non-zero contribution rates.

**Average Contribution Rate Non RIC Participant** - For participants who have NOT completed the RIC - The total of all contribution rates (%) for active participants who have completed the RIC divided by the number of active participants that have completed the RIC who have non-zero contribution rates.

**Average RIC Gap** - The total RIC gaps of all active participants who have completed the RIC divided by the total count of active participants that have completed the RIC with a gap.

**Total Count of Participants with a RIC Gap** - Total number of RIC users who completed the RIC with a gap

**Average RIC Surplus** - The total of all RIC surpluses of all active participants who have completed the RIC divided by the total count of active participants that have completed the RIC with a surplus.

**Total Count of Participants with a RIC surplus** - Total number of RIC users who completed the RIC with a surplus

**Participant** - An individual who has enrolled in the plan and has a non-zero account balance.

# North Carolina Total Retirement Plans

## 457 Plan Retirement Preparation Analysis

4/1/2015 - 6/30/2015	
Total Retirement Income Calculator Completions	3,056
Unique Completions	2,800
Contribution Rate Increase	78

4/1/2015 - 6/30/2015	
Total Retirement Income Calculator Completions	6,489
Unique Completions	5,943
Contribution Rate Increase	171

Since Inception for Currently Active Participants as of 6/30/2015	
Average Balance, RIC Participant	\$25,026
Average Balance, Non-RIC Participant	\$13,578
Average Contribution Rate, RIC Participant	6.02%
Average Contribution Rate, Non-RIC Participant	5.71%
Total Count of Participants with a RIC Gap	7,147
Average RIC Gap per month	\$2,849
Total Count of Participants with a RIC surplus	1,660
Average RIC Surplus per month	\$3,038

**Total Retirement Income Calculator Completions** - Number of RIC completions for the given time period. If a single participant completed the RIC multiple times within the given time period, they would be counted multiple times.

**Unique Completions**: Total number of unique active/eligibles that completed the retirement income calculator during the reporting period

**Contribution Rate Increases**: Total number of active/eligibles that completed the retirement income calculator and increased their contribution rate.

**Average Balance RIC Participant** - For participants who have a balance greater than \$0 that have previously completed the RIC - The total balance of active participants divided by the total count of active participants

**Average Balance Non-RIC Participant** - For participants who have a balance greater than \$0 that have NOT previously completed the RIC - The total balance of active participants divided by the total count of active participants

**Average Contribution Rate RIC Participant** - For participants who have completed the RIC - The total of all contribution rates (%) for active participants who have completed the RIC divided by the number of active participants that have completed the RIC who have non-zero contribution rates.

**Average Contribution Rate Non RIC Participant** - For participants who have NOT completed the RIC - The total of all contribution rates (%) for active participants who have completed the RIC divided by the number of active participants that have completed the RIC who have non-zero contribution rates.

**Average RIC Gap** - The total RIC gaps of all active participants who have completed the RIC divided by the total count of active participants that have completed the RIC with a gap.

**Total Count of Participants with a RIC Gap** - Total number of RIC users who completed the RIC with a gap

**Average RIC Surplus** - The total of all RIC surpluses of all active participants who have completed the RIC divided by the total count of active participants that have completed the RIC with a surplus.

**Total Count of Participants with a RIC surplus** - Total number of RIC users who completed the RIC with a surplus

**Participant** - An individual who has enrolled in the plan and has a non-zero account balance.

# North Carolina Total Retirement Plans

## Expense Account Information

401(k) State Account			
Account Activity	Date	Opening/Closing Balance	Debits/Credits
Opening account value		\$4,538,822.41	
March 2015 Asset Based Fees	04/07/2015		\$139,457.89
2Q 2015 Asset Based Fees	04/21/2015		\$117,310.47
To Pay portion of States Audit Fees	5/4/2015		\$53,000.00
Invoice - Department of State Treasury	5/7/2015		(\$255,000.00)
April 2015 Asset Based Fees	5/13/2015		\$126,590.20
Reimburse Plan for Attorney Fees - Groom Law Group	5/15/2015		\$1,024.24
May 2015 Asset Based Fees	6/10/2015		\$123,006.36
Gain/loss in account value			\$40,768.06
Closing Account Value		\$4,761,973.27	

457 State Account			
Account Activity	Date	Opening/Closing Balance	Debits/Credits
Opening account value		\$687,860.65	
March 2015 Asset Based Fees	04/07/2015		\$17,766.05
2Q 2015 Asset Based Fees	04/21/2015		\$24,207.53
Invoice - Department of Treasury	05/04/2015		\$10,000.00
Invoice - Department of Treasury	05/07/2015		(\$45,000.00)
April 2015 Asset Based Fees	05/13/2015		\$16,143.50
May 2015 Asset Based Fees	6/10/2015		\$15,694.75
Gain/loss in account value			\$5,935.21
Closing Account Value		\$716,912.94	

# North Carolina Total Retirement Plans

## Participant Service Center Statistics

401(k) & 457 Quarterly Participant Service Center Statistics				
	2Q 2012	2Q 2013	2Q 2014	2Q 2015
Service Center Calls	39,954	40,982	37,107	39,501
Service Percentage	83%	91%	86%	88%
Average Speed to Answer (seconds)	13 sec	8 sec	15 sec	14 sec
Abandon Percentage	0.57%	0.42%	0.50%	0.60%

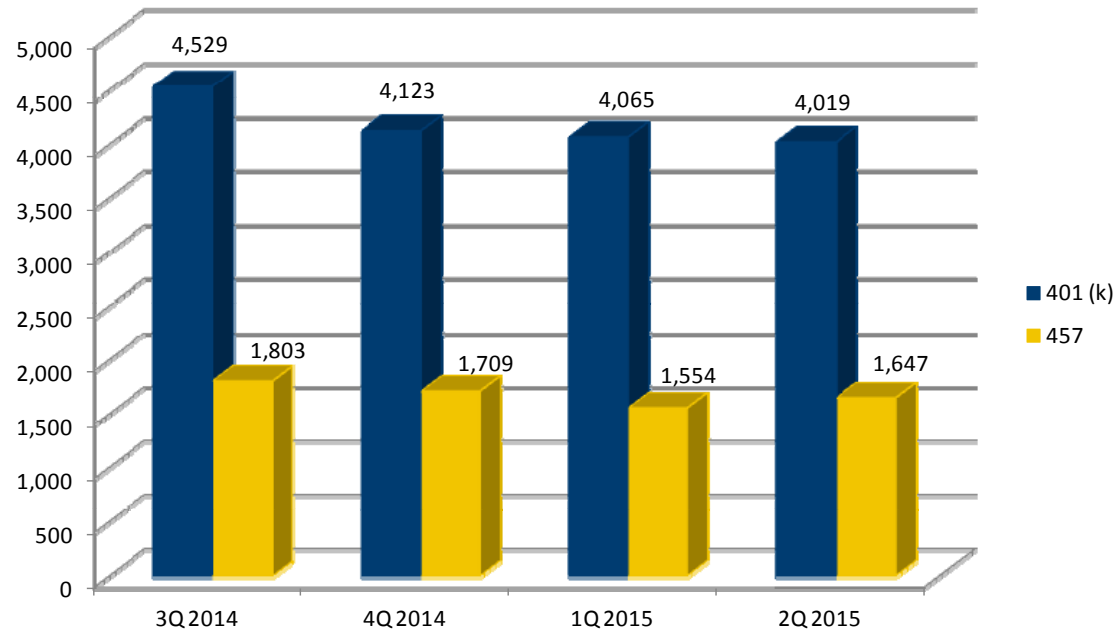
401(k) & 457 YTD Participant Service Center Statistics				
	2012	2013	2014	2015
Service Center Calls	77,970	82,737	73,016	76,710
Service Percentage	85%	90%	72%	84%
Average Speed to Answer (seconds)	11 sec	11 sec	42 sec	18 sec
Abandon Percentage	0.67%	0.48%	1.50%	0.70%

# North Carolina Total Retirement Plans

## Retirement Security Education Information

401(k) & 457 Quarterly Retirement Security Education Team Activity				
Meeting Activity	April 2015	May 2015	June 2015	2Q 2015
Group Meetings - Number of Meetings	293	269	339	901
Group Meetings - Number of Attendees	8,776	10,596	8,661	28,033
Individual Meetings - Number of Meetings	414	353	311	1,078
Employer Meetings	169	152	173	494
Total Meeting Site Visits	876	774	823	2,473
Total Meeting Attendees	9,190	10,949	8,972	29,111

## Enrollment Activity by Quarter



# North Carolina Total Retirement Plans

## Employers Adopting the 457 Plan in 2015

457 Additions					
Employer Type	2012	2013	2014	2015	# of Eligible
CHARTER SCHOOL	3	5	3	3	947
COMMUNITY COLLEGE	10	3	2	1	11,045
COUNTY	6	4	3	1	23,616
MUNICIPAL	10	17	11	9	11,577
OTHER	11	13	8	2	3,109
SCHOOL	10	10	3	3	118,936

## Employers Making Changes to the 457 Plan in 2015

### 457 Employers Changing from Employer Contribution to Employer Match

The City of Graham has changed their Employer Contribution of 5% to an Employer Match of 5%.





# North Carolina Total Retirement Plans

## Employers Adopting the 457 Plan in 2015

### County

Nash County

### Community College

Haywood Community College

### Charter Schools

Arapahoe Charter School  
Mountain Community School  
Southeastern Academy Charter School

### Municipalities

City of Hendersonville  
NC League of Municipalities  
Town of Biltmore Forest  
Town of Burgaw  
Town of Newton Grove  
Town of Pine Level  
Town of Stedman  
Town of Walnut Cove  
Town of Wilson's Mills

### Other

Carteret County ABC Board  
Pleasant Garden Fire Dept

### Schools

Asheboro City Schools  
Gates County Board of Education  
Graham County Schools



# North Carolina Total Retirement Plans

## Employers Adopting the 401(k) Plan in 2015

### Charter Schools

Mountain Community School  
Southeastern Academy Charter School

### Municipalities

NC League of Municipalities  
Town of Bolton

## Employers Making Changes to the 401(k) Plan in 2015


### 401(k) Employers Adding An Employer Match

Harnett County added an up to 2% match.  
NC League of Municipalities added an up to 3% match.

### 401(k) Employers Changing from Employer Contribution to Employer Match

The City of Graham has changed their Employer Contribution of 5% to an Employer Match of 5%.





# Communication Accomplishments 2Q15



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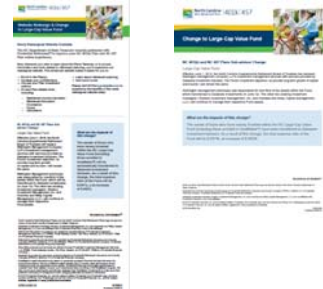
## NC 401(k) & NC 457 Communication Accomplishments 2Q15

- ABS Roll-out Resources
  - Video updated
  - User Guide updated
  - Flyer updated
- Employer Enrollment E-Toolkit
  - Email targeting employers containing enrollment tools
- ABS Follow Up Enrollment Campaign... *Some Gaps Are Cute*
  - 84,000 recipients (customized by savings shortfall & employer match)



## NC 401(k) & NC 457 Communication Accomplishments 2Q15

- Large Cap Value Sub-Advisor Change
  - Employer email – 2,432 recipients
  - Participant email – 133,466 recipients
  - Web article
- 1Q15 Signature Newsletter
  - 256,204 total participant statements
  - 144,267 mailed
  - 111,937 electronic
- 1Q Employer Newsletter



# NC 401(k) & NC 457 Communication Accomplishments 2Q15

- Quarterly Updates
  - Fees document
  - Performance document
  - Enrollment guides (3)
  - Group meeting flyer
  
- Submitted Awards
  - 3 NAGDCA
  - 3 PSCA



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# Signature Newsletter 2Q15



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# Signature NEWSLETTER

2<sup>ND</sup> QUARTER 2015

## What did your ABS tell you?

In this issue, we'll focus on how you can use your 2014 Annual Benefits Statement — and other great Plan tools — to help track your progress toward achieving retirement readiness.

## In this issue...

Simple Steps to Help You Achieve Retirement Readiness "Through the Years"

Making Cents

Fund Facts: How Diversification Can Help You Achieve Retirement Readiness

Large Cap Value Fund: Sub-advisor Change



## A Message from North Carolina's State Treasurer

For many of you, summer vacation time is in full swing. Will it be a family barbecue by the lake? Or trip to the mountains or the beach? Or even a "staycation" at home. Like me, I'm sure many of you take your budget into consideration when making vacation plans. After reading Expedia's 2014 Vacation Spending Index, I was delighted to hear that a majority of people (71 percent) start saving for their vacation a year in advance. Let's

face it, we all want to provide our families with great vacation memories, but it's also important to look at the bigger financial picture when doing so.

Saving for a vacation — instead of just slapping the entire expenditure on a credit card — makes the most sense when budgeting your expenses for the entire year. It gives you time to consider how much vacation you can afford, with plenty of time to avoid those expensive last-minute reservations. Every "travel guru" sticks by the old adage that booking early produces the least expensive results, whether it is for air fare, train fare, hotel stays or car rentals. So, try to strategize your adventures at least three- to six-months out. Not only will you get more vacation for your buck, but you'll also avoid that post-vacation "hangover" you get when you open that credit card statement and realize you'll be paying interest on that vacation long after your tan has faded.

And finally, now that you've received your 2014 Annual Benefits Statement, you can determine how much more, if anything, you need to set aside to reach your retirement savings goals. For example, contributing an additional \$32 each paycheck will only reduce your take-home pay by \$24, and will add an additional \$21 to your overall retirement income. By taking advantage of tax-deferred savings like that, you'll definitely be able to afford that big family get-together this summer!

Planning and budgeting ahead will ensure that your vacation is memorable...for all the right reasons.

Sincerely,

Janet Cowell, State Treasurer

## Staying Connected

### Simple Steps to Help You Achieve Retirement Readiness "Through the Years"

***Making easy moves today may help give you a financially stronger tomorrow***

No matter where you are in your career, various personal concerns will always capture a lot of your time and attention. Naturally, while it's important to deal with those issues, at the same time, it's critical for you to make the right moves for your financial "tomorrow."





The NC 401(k) Plan and the NC 457 Plan give members valuable tools to help them achieve retirement readiness—regardless of what stage of life they may be in. Be sure to make the most of these tools for *your* financial future, *today!*

## Retirement Planning “Through the Ages”

If you are a...	You may be most concerned with <i>these issues</i> today...	But to help keep your eye on <i>tomorrow</i> , you may want to consider <i>taking</i> these steps now...
<b>Millennial</b> (ages 18-34)	<ul style="list-style-type: none"> <li>• Paying down debt</li> <li>• Setting up an emergency fund</li> <li>• Purchasing a home</li> </ul>	<ul style="list-style-type: none"> <li>• Enrolling in the Plan</li> <li>• Gradually increasing your Plan contribution level</li> <li>• Using your Annual Benefits Statement (ABS) and the Retirement Income Calculator (RIC) to see if you’re contributing enough to the Plan</li> <li>• Keeping your beneficiary designation up to date</li> </ul>
<b>Generation X’er</b> (ages 35-49)	<ul style="list-style-type: none"> <li>• Maintaining an emergency fund</li> <li>• Saving for college</li> <li>• Paying down debt</li> </ul>	<ul style="list-style-type: none"> <li>• Using your Annual Benefits Statement (ABS) and the Retirement Income Calculator (RIC) to see if you’re contributing enough to the Plan</li> <li>• Increasing your retirement savings, especially after a pay raise</li> <li>• Considering making after-tax Roth Plan contributions</li> <li>• Making sure your Plan investments are appropriate for your age and feelings about risk</li> <li>• Keeping your beneficiary designation up to date</li> </ul>
<b>Baby Boomer</b> (ages 50+)	<ul style="list-style-type: none"> <li>• Maintaining an emergency fund</li> <li>• Paying down debt</li> <li>• Saving for college</li> <li>• Paying for medical care</li> <li>• Caring for aging parents</li> </ul>	<ul style="list-style-type: none"> <li>• Using your ABS and the RIC to see if you’re contributing enough</li> <li>• Maximizing your retirement savings (including catch-up contributions)</li> <li>• Considering your taxes in retirement and whether traditional and/or after-tax Roth contributions make the most sense for you</li> <li>• Making sure your Plan investments are appropriate for your age and feelings about risk</li> <li>• Keeping your beneficiary designation up to date</li> </ul>

**rē·tire·ment `red·ē·ness:** When your total retirement income each year in retirement (from all sources, including pensions, Social Security and retirement savings) equals at least 80% of your last annual salary.

## The Tools to Help You Achieve Retirement Readiness



**The Tool:**  
Annual Benefits Statement (ABS)

### What You Need to Know About It

Each year, the State provides you with an ABS to help you project your total retirement benefits. By reviewing its Personal Gap Analysis section, you can learn if you are currently saving enough for retirement.

### How You Can Access It

1. Visit the State Treasurer’s website, [myncretirement.com](http://myncretirement.com), and click on the “ORBIT” button.
2. Log on to your personal ORBIT account.
3. Click on “View Annual Benefits Statement” and select the year to view.



**The Tool:**  
Retirement Income Calculator (RIC)

### What You Need to Know About It

The RIC is an interactive online tool that uses hypothetical assumptions to assess your retirement savings status. It takes into account your existing Plan account balances. And, if you enter your own data, it will also include in its calculations the savings balances from up to 10 other retirement savings accounts—including your potential State pension plan benefit (outlined in your ABS).

### How You Can Access It

1. Visit [NCPlans.prudential.com](http://NCPlans.prudential.com).
2. Log on to your NC 401(k) Plan or NC 457 Plan account.
3. Click the orange “open” button in the top right-hand corner of the landing page.



**The Tool:**  
Achievement Meter

### What You Need to Know About It

The Achievement Meter appears on the homepage of the Prudential Member Retirement Account Website—and also as an icon on your member statement. It’s a quick, at-a-glance measure of the progress you are making with your retirement planning.

### How You Can Access It

1. Visit [NCPlans.prudential.com](http://NCPlans.prudential.com).
2. Log on to your NC 401(k) Plan or NC 457 Plan account.
3. Click the blue and green meter on the top right-hand corner of the page.



## Making Cents

### Summertime Personal Finance Maintenance

You have braved the cold and are embracing the sunshine — summer is here! Summer presents an opportunity to assess your finances with time to make changes before the end of the year. Here are a few things to consider during your mid-year personal finance assessment.

**Get financial education.** Get yourself up to speed on personal finance basics. Managing your money can be intimidating, but understanding money can help you to address these financial fears. It is also critical to your financial stability. Your financial institution or advisor are great financial education resources, providing insight on things such as saving for rainy days, budgeting, estate planning, and preparing for homeownership.

**Think about your retirement goals and plans.** Access your Annual Benefits Statement via ORBIT. Then schedule a free retirement consultation with your Retirement Education Manager for retirement planning counseling. If you are unsure who your retirement contact is, speak with your human resources coordinator.

**Check your credit.** Credit can offer opportunities or limit your access to material goods and services. Use this time to review your credit

report for errors. You can access your free annual credit report at [www.annualcreditreport.com](http://www.annualcreditreport.com). If you are experiencing credit issues, consult with a trusted financial advisor or local non-profit credit counseling organization for steps you can take to rebuild your credit.

**Pay down debt.** Debt is often something that can hinder people from getting ahead. Review your monthly billing statements to get an idea of how much — and how long — you will pay to satisfy your debt at the current interest rate. You may find that paying only the minimum on a relatively small balance with a higher interest rate could take decades. You may also find that paying a little extra could dramatically reduce this time.

Make sure that whatever you are planning for the summer includes a personal finance check-in.

## Fund Facts

### How Diversification Can Help You Achieve Retirement Readiness

Financial professionals often recommend two investment concepts — asset allocation and diversification — to help their clients achieve retirement readiness.

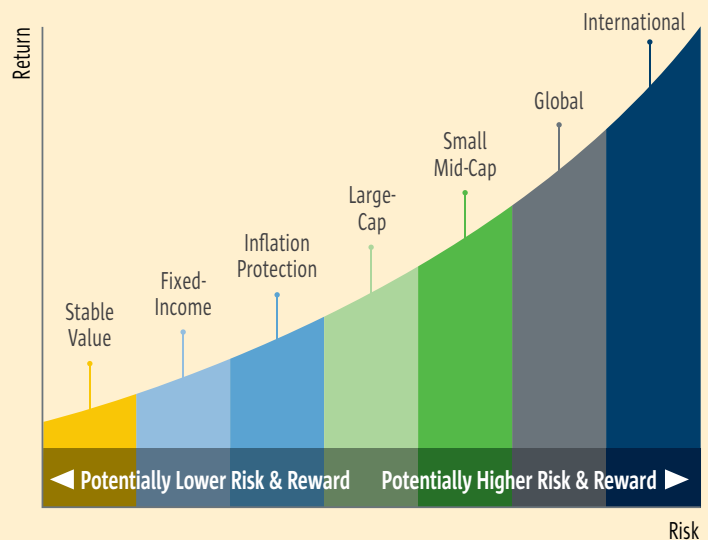
Asset allocation\* involves spreading your money across different kinds of asset classes, such as stocks, bonds, and stable value investments. This can help you avoid relying on any one investment and help manage your investment risk.

Diversification\* takes asset allocation one step further by investing in a variety of investments within each asset class (large-cap vs. small-cap stocks, for example). Diversification spreads risk around and helps to even out the returns of an asset class.

You can put asset allocation and diversification to work in your NC 401(k) or NC 457 Plan account by choosing your own investments — or by selecting GoalMaker®, a no-additional-cost, optional, easy-to-use program that helps to take the guesswork out of choosing an investment mix.

\* Keep in mind that the application of asset allocation and diversification concepts does not ensure a profit or protect against loss in a declining market. It is possible to lose money by investing in securities.

### Understanding Risk vs. Reward



This is a simplified illustration of the relationship between investment risk and potential rate of return. There is no assurance that higher risk investments will provide greater returns over time. Past performance is not indicative of future performance.

Log in here

On June 5, 2015, a custody fee reimbursement was made to plan participants invested in certain plan investment options. If your account received a reimbursement, you can view the details of this transaction within the Detailed Activity section of your online account. Visit [NCPlans.prudential.com](http://NCPlans.prudential.com) to log in to your account.



## NC 401(k) and NC 457 Plans Sub-advisor Change



### Large Cap Value Fund

Effective June 1, 2015, the North Carolina Supplemental Retirement Board of Trustees replaced Wellington Management Company LLP's investment management services with services provided by Delaware Investments. Wellington Management previously was responsible for one-third of the assets within the Fund, which was transitioned to Delaware Investments on June 1st. The other two existing investment managers—Robeco Investment Management, Inc. and Hotchkis and Wiley Capital Management, LLC—continue to manage their respective Fund assets.

The assets of those members who have money invested within the NC Large Cap Value Fund (including those enrolled in GoalMaker®) was automatically transferred to Delaware Investments.

## PRUDENTIAL RETIREMENT®

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Go to [www.NCPlans.prudential.com](http://www.NCPlans.prudential.com) for information on NC Total Retirement Plans or to access your account. You may also call 1-866-NCPlans (1-866-627-5267). Participant Service representatives are available Monday through Friday between 8 a.m. and 9 p.m. ET.

Delaware Investment Advisers, Robeco Investment Management, Inc. and Hotchkis and Wiley Capital Management, LLC are not affiliated with Prudential Financial or any of its affiliates.

The Retirement Income Calculator is hypothetical and for illustrative purposes only and is not intended to represent performance of any specific investment, which may fluctuate. There is no assurance that retirement income objectives will be met. It is possible to lose money by investing in securities.

All investing involves various risks, such as: fixed income (interest rate), default, small cap, international and sector—including the possible loss of principal. Keep in mind that application of asset allocation and diversification concepts does not ensure a profit or protect against loss. It is possible to lose money by investing in securities.

Investors should carefully consider a fund's investment objectives, risks, charges and expenses before investing. For more complete information about the investment options available through your plan, please contact your Prudential Retirement Representative at 1-866-627-5267 (1-866-NCPLANS) or visit [www.NCPlans.prudential.com](http://www.NCPlans.prudential.com).

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**Thank you**



280 Trumbull Street  
Hartford, CT 06103

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