



Report to the Board of Trustees
June 7, 2012
For Period Ending First Quarter, 2012

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Executive Summary 401(k) and 457 Plans As of March 31, 2012

Expanding Plan Adoption (Page 41)

- YTD 18 employers adopted the 457 Plan

Employers Adding 401(k) Employer Contribution

- City of Claremont adding 5% employer contributions

Assets and Participation (Pages 6 - 12)

- NC 401(k) – as of March 226,768 members with \$5,789,225,355 assets in the Plan
- NC 457 – as of March 37,294 members with \$873,907,626 assets in the Plan

Enrollments (Page 13)

Keep enrollments within 10% of prior year enrollments

- NC 401(k) – YTD enrollments decreased 3.18% over 2011
- NC 457 – YTD enrollments decreased 4.09% over 2011
- Combined YTD enrollments decreased 1.81% over 2011

Contributions (Pages 14 - 19)

Maintain 401(k) Employee Voluntary average deferral of *5%

- As of March the average deferral rate *5.76%. Average contribution \$200.51

YTD NC 401(k) Contributions - \$108,360,148

- Employee Pre-Tax – \$54,598,132
- Employer - \$40,017,247
- Employee Roth - \$6,021,738
- Rollovers – \$7,723,031

*The average deferral rate was calculated using a salary base of \$41,804. Source Office of State Personnel website.

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Executive Summary 401(k) and 457 Plans As of March 31, 2012

Contributions Continued (Pages 14 - 19)

Maintain 457 Employee Voluntary average deferral of *5%

- As of March the average deferral rate *4.87%. Average contribution \$169.79

457 Contributions - \$14,396,378

- Employee Pre-Tax - \$11,222,899
- Roth 457 - \$153,141
- Rollovers - \$3,020,338

*The average deferral rate was calculated using a salary base of \$41,804. Source Office of State Personnel website.

Loans (Pages 27 - 28)

NC 401(k) 46,575 members with \$251,577,926 total loan balance

Goal: Keep the average percent of members with a loan within 2.5% of national average *25.6%

- 24.03% of members have a loan

NC 457 4,493 members with \$13,531,626 total outstanding loan balance

Goal: Keep the average percent of members with a loan within 2.5% of national average *25.6%

- 14.58% of members have a loan

*Source Hewitt "How Well Are Employees Saving and Investing" 2011 Universe Benchmark is 25.6% of participants have an outstanding loan.

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Executive Summary 401(k) and 457 Plans As of March 31, 2012

GoalMaker Participation (Pages 20 – 26)

- NC 401(k) Plan 108,066 members with \$2,158,835,061 in assets
- NC 401(k) Plan GoalMaker Participation Rate 47.65%

Goal: Capture 70% of new enrollees into the 401(k) GoalMaker Program

- 89.40% of the NC 401(k) Plan new enrollees elected GoalMaker
- NC 457 Plan 13,934 members with \$109,832,149 in assets
- NC 457 Plan GoalMaker Participation Rate 37.36%

Goal: Capture 70% of new enrollees into the 457 GoalMaker Program

- 88.99% of the NC 457 Plan new enrollees elected GoalMaker

Disbursements (Pages 29 – 33)

401(k) YTD Disbursements - \$81,275,082

457 YTD Disbursements - \$14,244,517

Education and Enrollment Activity (Page 39)

- YTD Proactive Calls – 578
- YTD Meetings – 1,306
- YTD Attendance – 23,347

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March 2011 NC 401(k) Asset Allocation and Diversification

Investment Option	18-29		30-39		40-49		50-59		60-69		70+		No DOB		Grand Total	
	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count
NC STABLE VALUE-401K	\$15,722,353	13,915	\$96,375,977	32,268	\$304,908,208	43,274	\$611,990,645	44,760	\$502,479,161	21,523	\$96,484,586	3,089	\$1,221,005	950	\$1,629,181,935	159,779
North Carolina Large Cap Index Fund	\$21,381,019	16,418	\$138,249,874	40,242	\$292,766,520	48,906	\$306,852,468	40,928	\$179,696,612	17,675	\$30,814,631	2,099	\$12,495	131	\$969,773,620	166,399
North Carolina Large Cap Value Fund	\$10,779,644	16,241	\$78,543,814	39,581	\$182,117,731	48,302	\$212,644,535	40,684	\$137,333,329	17,568	\$28,849,028	2,157	\$5,812	131	\$650,273,893	164,664
North Carolina Large Cap Growth Fund	\$11,713,190	16,418	\$92,941,113	39,852	\$194,177,304	48,063	\$199,937,890	40,118	\$117,569,262	17,130	\$21,118,084	2,017	\$25,065	132	\$637,481,909	163,730
North Carolina Fixed Income Fund	\$4,902,798	16,330	\$33,264,257	34,937	\$77,241,973	38,262	\$125,308,373	31,833	\$84,860,498	13,591	\$9,323,265	1,211	\$7,429	131	\$334,908,593	136,295
North Carolina SMID Cap Index Fund	\$9,142,341	16,196	\$51,678,919	33,470	\$87,618,167	35,468	\$81,944,562	28,161	\$36,647,072	10,379	\$3,948,207	766	\$4,598	131	\$270,983,865	124,571
North Carolina International Fund	\$6,545,146	16,280	\$40,261,880	33,249	\$71,820,852	35,212	\$71,868,892	28,113	\$39,223,656	10,610	\$4,985,601	790	\$2,820	131	\$234,708,848	124,385
North Carolina SMID Value Fund	\$4,727,413	16,130	\$24,233,782	30,226	\$46,365,139	31,583	\$51,332,537	25,521	\$27,715,569	9,518	\$2,882,361	637	\$2,909	131	\$157,259,709	113,746
North Carolina Global Equity Fund	\$7,008,646	15,594	\$27,754,814	27,481	\$45,569,557	28,050	\$39,497,449	22,248	\$15,239,804	7,720	\$1,207,598	496	\$4,365	130	\$136,282,233	101,719
North Carolina Fixed Income Index	\$3,378,470	15,111	\$12,914,550	26,554	\$29,544,587	27,047	\$45,789,238	21,531	\$24,360,275	7,394	\$1,792,417	469	\$6,045	128	\$117,785,580	98,234
North Carolina International Index Fund	\$5,365,248	15,615	\$22,067,232	27,594	\$36,506,007	28,170	\$32,654,458	22,388	\$14,150,545	7,803	\$1,179,501	504	\$3,226	130	\$111,926,217	102,204
North Carolina SMID Growth Fund	\$3,901,863	15,631	\$15,687,999	27,551	\$26,931,236	28,153	\$26,414,304	22,401	\$11,883,055	7,823	\$1,049,776	502	\$2,843	130	\$85,871,077	102,191
American Funds Growth Fund of Amer R4	\$50,548	24	\$892,452	187	\$4,215,545	455	\$5,714,871	519	\$6,921,941	356	\$616,101	42	\$0	0	\$18,411,457	1,583
Invesco Van Kampen Growth & Income Fund A	\$28,429	22	\$753,962	175	\$3,391,331	425	\$5,935,189	498	\$6,311,692	309	\$832,159	42	\$0	0	\$17,252,762	1,471
American Funds EuroPacific Growth Fund R4	\$59,927	24	\$754,408	157	\$3,287,393	346	\$4,351,615	392	\$4,175,049	236	\$777,736	29	\$0	0	\$13,406,129	1,184
Invesco Van Kampen Equity and Income Fund A	\$34,083	22	\$541,426	132	\$2,149,622	259	\$2,976,112	305	\$2,740,790	192	\$266,773	16	\$0	0	\$8,708,805	926
Fidelity Intermediate Bond Fund	\$4,167	17	\$148,901	88	\$863,763	219	\$3,247,777	322	\$2,300,079	186	\$413,193	24	\$0	0	\$6,977,879	856
Fidelity Magellan Fund	\$0	0	\$14,254	3	\$915,561	38	\$1,582,711	56	\$3,925,588	74	\$490,184	12	\$0	0	\$6,928,298	183
Oppenheimer Main Street Small & Mid Cap A	\$40,803	19	\$470,507	138	\$1,963,938	306	\$2,244,558	314	\$1,920,690	158	\$74,362	11	\$0	0	\$6,714,857	946
Goldman Sachs Mid Cap Value Fund A	\$38,020	21	\$330,464	123	\$1,390,336	260	\$2,519,607	294	\$1,732,489	162	\$289,789	17	\$0	0	\$6,300,705	877
Fidelity Equity Income Fund	\$0	0	\$793	1	\$246,993	17	\$337,083	20	\$1,800,806	37	\$46,470	4	\$0	0	\$2,432,144	79
Fidelity Spartan U.S. Equity Index	\$0	0	\$0	0	\$151,058	12	\$412,286	18	\$530,607	25	\$38,169	2	\$0	0	\$1,132,120	57
Putnam Multi-Cap Growth Fund	\$0	0	\$0	0	\$55,323	12	\$50,006	10	\$138,078	13	\$36,291	2	\$0	0	\$279,697	37
T. Rowe Price International Stock Fund	\$0	0	\$39	1	\$45,808	4	\$58,541	3	\$109,886	9	\$0	0	\$0	0	\$214,274	17
Fidelity Balanced Fund	\$0	0	\$0	0	\$33,089	6	\$58,585	4	\$79,479	10	\$0	0	\$0	0	\$171,153	20
BB&T Sterling Capital Small Cap Value I	\$0	0	\$169	1	\$33,031	7	\$27,882	6	\$28,503	6	\$9,794	2	\$0	0	\$99,380	22
Fidelity Freedom 2010	\$0	0	\$0	0	\$0	0	\$0	0	\$8,297	2	\$0	0	\$0	0	\$8,297	2
Putnam Capital Opportunities Fund	\$0	0	\$0	0	\$295	1	\$0	0	\$5,212	2	\$0	0	\$0	0	\$5,507	3
Federated Capital Appreciation Fund	\$0	0	\$0	0	\$202	1	\$0	0	\$2,851	1	\$0	0	\$0	0	\$3,053	2
Fidelity Freedom 2020	\$0	0	\$0	0	\$223	1	\$0	0	\$2,671	1	\$0	0	\$0	0	\$2,894	2
Fidelity Freedom 2000	\$0	0	\$0	0	\$0	0	\$0	0	\$2,195	1	\$0	0	\$0	0	\$2,195	1
Grand Total	\$104,824,106		\$637,881,585		\$1,414,310,793		\$1,835,752,175		\$1,223,895,740		\$207,526,076		\$1,298,611		\$5,425,489,086	
Percentage of Assets	1.93%		11.76%		26.07%		33.84%		22.56%		3.83%		0.02%		100.00%	
Total Members	19,096		49,746		63,457		57,870		28,573		4,290		950		223,982	
Average Account Balance	\$5,489		\$12,823		\$22,288		\$31,722		\$42,834		\$48,374		\$1,367		\$24,223	

The funds highlighted in yellow denote inclusion in the GoalMaker product.

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

For Plan Sponsor Use Only. See page 6 for disclosure.



March 2012 NC 401(k) Asset Allocation and Diversification

Investment Option	18-29		30-39		40-49		50-59		60-69		70+		No DOB		Grand Total	
	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count
NC STABLE VALUE-401K	\$13,391,502	13,729	\$87,935,920	31,964	\$303,887,526	44,361	\$636,799,001	46,009	\$570,431,163	23,802	\$114,900,092	3,603	\$1,326,675	1,269	\$1,728,671,879	164,737
North Carolina Large Cap Index Fund	\$15,800,369	16,330	\$113,378,146	39,554	\$275,051,520	50,428	\$286,859,574	42,255	\$178,322,060	19,048	\$35,764,084	2,460	\$83,240	660	\$905,258,992	170,735
North Carolina Large Cap Growth Fund	\$7,850,938	16,332	\$75,361,501	39,260	\$187,515,416	49,722	\$196,577,518	41,578	\$129,051,814	18,587	\$24,324,687	2,391	\$59,402	664	\$620,741,277	168,534
North Carolina Large Cap Value Fund	\$7,118,804	16,205	\$60,556,257	38,948	\$169,158,090	49,859	\$199,897,133	42,074	\$143,385,379	18,967	\$32,716,467	2,542	\$36,517	660	\$612,868,647	169,255
North Carolina Fixed Income Fund	\$3,654,558	12,451	\$28,893,805	27,214	\$84,817,781	34,189	\$153,910,582	32,831	\$114,333,051	14,995	\$13,776,493	1,516	\$30,560	627	\$399,416,829	123,823
North Carolina International Fund	\$12,278,157	16,250	\$64,675,371	34,061	\$117,555,413	37,360	\$105,187,182	30,141	\$53,772,408	11,975	\$6,579,755	978	\$59,092	662	\$360,107,378	131,427
North Carolina SMID Cap Index Fund	\$10,272,143	16,207	\$58,475,966	34,261	\$104,416,041	37,751	\$92,011,747	30,228	\$46,199,116	11,853	\$4,748,746	951	\$49,593	663	\$316,173,351	131,914
North Carolina International Index Fund	\$11,913,455	15,841	\$50,465,146	29,297	\$83,637,635	30,744	\$67,096,418	24,727	\$28,168,875	9,185	\$2,264,296	626	\$61,552	659	\$243,607,377	111,079
North Carolina Fixed Income Index	\$3,026,308	11,798	\$12,066,610	20,470	\$40,689,382	24,002	\$82,504,086	23,379	\$51,660,136	8,943	\$4,356,515	598	\$29,565	626	\$194,332,601	89,816
North Carolina SMID Value Fund	\$5,143,305	16,184	\$26,787,090	31,561	\$52,041,693	33,887	\$52,158,240	27,675	\$29,448,396	10,913	\$3,360,713	796	\$24,620	661	\$168,964,055	121,677
North Carolina Global Equity Fund	\$6,569,538	15,808	\$27,634,079	29,186	\$47,420,708	30,596	\$39,985,045	24,558	\$16,666,156	9,089	\$1,500,093	626	\$37,551	661	\$139,813,168	110,524
North Carolina SMID Growth Fund	\$4,530,257	15,853	\$19,172,713	29,253	\$32,959,231	30,785	\$27,880,667	24,764	\$13,451,711	9,223	\$1,251,074	626	\$24,148	660	\$99,269,801	111,164
Grand Total	\$101,549,333		\$625,402,604		\$1,499,150,438		\$1,940,867,191		\$1,374,890,263		\$245,543,014		\$1,822,513		\$5,789,225,355	
Percentage of Assets	1.75%		10.80%		25.90%		33.53%		23.75%		4.24%		0.03%		100.00%	
Total Members	18,511		48,058		64,456		58,703		30,766		4,969		1,305		226,768	
Average Account Balance	\$5,486		\$13,013		\$23,259		\$33,062		\$44,689		\$49,415		\$1,397		\$25,529	

The funds highlighted in yellow denote inclusion in the GoalMaker product.

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

For Plan Sponsor Use Only. See page 6 for disclosure.



March 2011 NC 457

Asset Allocation and Diversification

Investment Option	18-29		30-39		40-49		50-59		60-69		70+		70+		No DOB		Grand Total		70+	
	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count
NC STABLE VALUE-457	\$389,741	1,313	\$3,343,640	4,066	\$21,442,901	7,639	\$92,332,201	8,740	\$154,290,636	5,290	\$73,757,413	1,299	\$5,574	10	\$345,562,106	28,357				
North Carolina Large Cap Index Fund	\$255,815	1,559	\$3,850,311	3,379	\$15,844,042	5,093	\$31,582,119	4,556	\$30,436,076	2,102	\$13,545,392	399	\$924	2	\$95,514,679	17,090				
North Carolina Large Cap Growth Fund	\$193,582	1,713	\$3,103,774	4,426	\$15,853,313	6,614	\$26,900,921	5,752	\$27,310,934	2,606	\$9,196,908	430	\$1,921	4	\$82,561,352	21,545				
North Carolina Large Cap Value Fund	\$306,031	1,723	\$2,840,866	4,344	\$10,738,273	6,297	\$23,047,167	5,570	\$28,732,729	2,650	\$12,614,515	502	\$465	3	\$78,280,046	21,089				
North Carolina SMID Value Fund	\$320,118	1,724	\$2,986,385	4,243	\$9,669,943	5,789	\$15,644,643	4,680	\$14,500,927	1,757	\$4,161,229	181	\$415	3	\$47,283,659	18,377				
North Carolina International Fund	\$299,358	1,716	\$2,586,111	4,237	\$8,550,407	5,884	\$14,301,810	4,866	\$15,490,447	1,973	\$4,742,320	262	\$563	3	\$45,971,015	18,941				
North Carolina Fixed Income Fund	\$101,524	1,410	\$1,326,159	3,250	\$5,315,828	4,710	\$14,330,324	4,146	\$16,872,915	1,838	\$5,730,675	253	\$624	2	\$43,678,048	15,609				
North Carolina SMID Growth Fund	\$220,404	1,708	\$2,186,799	4,202	\$6,352,023	5,661	\$10,214,804	4,525	\$8,118,603	1,643	\$2,122,003	165	\$971	3	\$29,215,606	17,907				
North Carolina SMID Cap Index Fund	\$81,909	1,251	\$837,170	2,160	\$2,414,526	2,862	\$2,969,936	2,127	\$2,444,295	621	\$1,271,271	64	\$1	1	\$10,019,108	9,086				
North Carolina International Index Fund	\$54,280	1,245	\$620,379	2,158	\$1,639,543	2,841	\$2,108,690	2,088	\$1,905,571	605	\$612,647	61	\$1	1	\$6,941,111	8,999				
North Carolina Global Equity Fund	\$68,350	1,241	\$601,888	2,120	\$1,519,097	2,806	\$1,987,801	2,044	\$1,637,386	564	\$364,268	51	\$1	1	\$6,178,791	8,827				
North Carolina Fixed Income Index	\$29,270	1,208	\$247,815	2,061	\$1,062,124	2,715	\$2,348,689	1,947	\$1,739,769	521	\$445,369	44	\$3	1	\$5,873,039	8,497				
Fidelity Contrafund	\$987	3	\$166,210	16	\$846,025	65	\$2,063,589	105	\$3,502,803	113	\$1,255,382	29	\$0	0	\$7,834,996	331				
Dodge & Cox Stock Fund	\$247	2	\$70,430	11	\$482,346	60	\$1,365,540	84	\$1,493,128	80	\$623,846	23	\$0	0	\$4,035,537	260				
American Funds EuroPacific Growth Fund A	\$2,949	4	\$39,086	16	\$418,447	66	\$1,112,977	86	\$1,786,101	99	\$558,650	25	\$0	0	\$3,918,210	296				
Fidelity Equity Income Fund	\$1,148	2	\$35,153	11	\$333,223	28	\$731,203	49	\$1,657,127	63	\$802,416	21	\$0	0	\$3,560,271	174				
T. Rowe Price Blue Chip Growth Fund	\$3,080	2	\$88,598	13	\$486,789	47	\$878,936	75	\$1,096,316	71	\$479,455	21	\$0	0	\$3,033,175	229				
PIMCO Total Return Fund Admin	\$30	1	\$14,446	6	\$160,558	36	\$637,217	62	\$1,342,269	74	\$460,530	13	\$0	0	\$2,615,049	192				
T. Rowe Price Small-Cap Value	\$1,675	4	\$21,765	15	\$206,987	45	\$848,637	70	\$1,125,403	61	\$193,746	13	\$0	0	\$2,398,213	208				
Artisan Mid Cap Fund Inv	\$1,185	4	\$17,067	10	\$224,519	38	\$525,302	58	\$741,193	51	\$358,126	9	\$0	0	\$1,867,392	170				
American Funds American Balanced A	\$0	0	\$11,188	2	\$122,848	18	\$300,069	31	\$639,574	36	\$309,629	14	\$0	0	\$1,383,310	101				
Lord Abbett Mid Cap Value Fund	\$938	3	\$11,432	9	\$139,665	42	\$344,901	58	\$503,493	45	\$82,887	9	\$0	0	\$1,083,316	166				
Baron Small Cap	\$9	1	\$493	3	\$99,502	27	\$240,719	43	\$167,482	28	\$176,745	10	\$0	0	\$684,951	112				
Grand Total	\$2,332,627		\$25,007,166		\$103,922,931		\$246,818,195		\$317,535,177		\$133,865,422		\$11,462		\$829,492,981					
Percentage of Assets	0.28%		3.01%		12.53%		29.76%		38.28%		16.14%		0.00%		100.00%					
Total Participants	1,997		5,569		9,104		9,553		5,595		1,356		12		33,186					
Average Account Balance	\$1,168		\$4,490		\$11,415		\$25,837		\$56,753		\$98,721		\$955		\$24,995					

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March 2012 NC 457

Asset Allocation and Diversification

Investment Option	18-29		30-39		40-49		50-59		60-69		70+		70+		No DOB		Grand Total		70+	
	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count	Assets	Member Count
NC STABLE VALUE-457	\$391,180	1,869	\$3,530,954	4,806	\$21,487,061	8,520	\$93,817,528	9,532	\$166,370,539	5,680	\$82,117,387	1,423	\$4,724	26	\$367,719,372	31,856				
North Carolina Large Cap Index Fund	\$300,899	2,276	\$3,559,480	4,579	\$16,055,643	6,542	\$32,377,493	5,623	\$34,466,395	2,487	\$15,986,204	486	\$1,324	26	\$102,747,437	22,019				
North Carolina Large Cap Growth Fund	\$181,609	2,369	\$2,638,831	5,462	\$15,931,359	7,921	\$27,357,550	6,736	\$29,903,665	2,939	\$10,814,391	504	\$2,257	28	\$86,829,663	25,959				
North Carolina Large Cap Value Fund	\$239,418	2,366	\$2,537,533	5,408	\$10,554,932	7,596	\$22,445,072	6,532	\$31,032,891	2,989	\$13,567,012	576	\$628	27	\$80,377,486	25,494				
North Carolina Fixed Income Fund	\$91,413	1,729	\$1,437,787	3,737	\$6,203,983	5,626	\$17,580,563	5,215	\$21,540,739	2,197	\$8,013,145	314	\$793	20	\$54,868,424	18,838				
North Carolina International Fund	\$338,570	2,359	\$3,008,219	5,325	\$9,303,717	7,222	\$15,636,633	5,920	\$16,514,503	2,304	\$5,128,925	308	\$757	27	\$49,931,323	23,465				
North Carolina SMID Value Fund	\$243,931	2,368	\$2,788,869	5,342	\$9,338,052	7,157	\$15,272,087	5,742	\$16,018,208	2,119	\$4,853,253	234	\$514	27	\$48,514,914	22,989				
North Carolina SMID Growth Fund	\$194,829	2,359	\$2,055,323	5,303	\$6,587,339	7,057	\$10,506,548	5,601	\$9,206,612	1,991	\$2,490,382	208	\$1,104	27	\$31,042,137	22,546				
North Carolina Fixed Income Index	\$46,287	1,618	\$384,859	2,778	\$2,503,441	3,914	\$5,831,263	3,211	\$5,464,440	920	\$1,922,867	90	\$127	19	\$16,153,284	12,550				
North Carolina SMID Cap Index Fund	\$184,424	2,080	\$1,321,084	3,616	\$3,592,093	4,594	\$4,248,507	3,385	\$3,121,023	990	\$1,752,795	97	\$180	25	\$14,220,105	14,787				
North Carolina International Index Fund	\$216,007	2,072	\$1,518,431	3,604	\$3,691,722	4,542	\$4,365,555	3,356	\$2,886,378	960	\$867,900	91	\$214	25	\$13,546,207	14,650				
North Carolina Global Equity Fund	\$119,581	2,069	\$737,214	3,575	\$2,062,236	4,503	\$2,511,111	3,302	\$1,793,849	918	\$733,152	83	\$130	25	\$7,957,275	14,475				
Grand Total	\$2,548,147		\$25,518,584		\$107,311,578		\$251,949,909		\$338,319,242		\$148,247,414		\$12,752		\$873,907,626					
Percentage of Assets	0.29%		2.92%		12.28%		28.83%		38.71%		16.96%		0.00%		100.00%					
Total Members	2,643		6,530		10,195		10,394		6,011		1,487		34		37,294					
Average Account Balance	\$964		\$3,908		\$10,526		\$24,240		\$56,283		\$99,696		\$375		\$23,433					

The funds highlighted in yellow denote inclusion in the GoalMaker product.

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

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Disclaimers

Keep in mind that 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.

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

Fixed income investment (bond) funds are subject to interest rate risk; their value will decline as interest rates rise.

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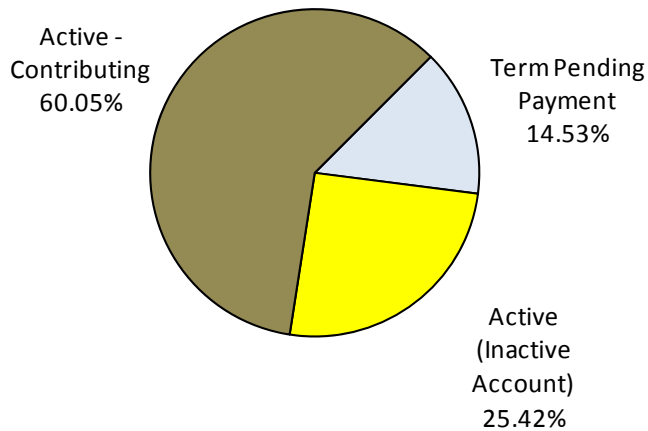
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NC 401(k) Member Breakdown

401(k)				
	1Q 2011	1Q 2012	Difference #	Difference %
Members with an Account Balance	223,982	226,768	2,786	1.24%
Average Account Balance	\$24,223	\$25,529	\$1,306	5.39%
Median Account Balance	\$9,367	\$9,770	\$403	4.30%

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.

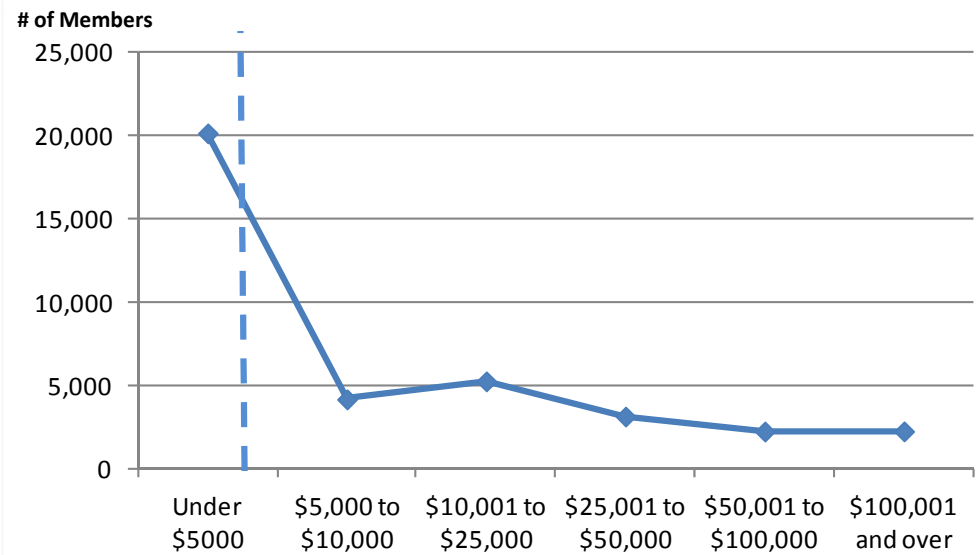
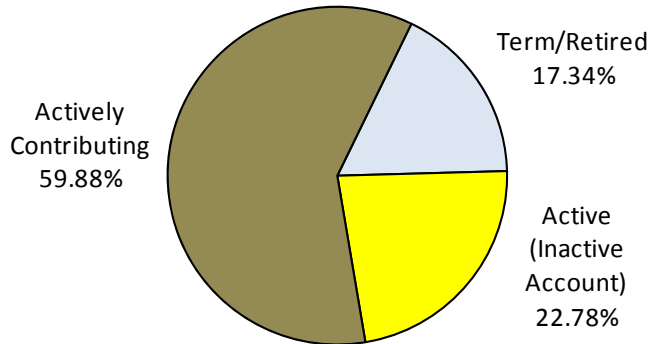
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NC 457 Member Breakdown

457				
	1Q 2011	1Q 2012	Difference #	Difference %
Members with an Account Balance	33,186	37,294	4,108	12.38%
Average Account Balance	\$24,995	\$23,433	(\$1,562)	-6.25%
Median Account Balance	\$5,006	\$3,919	(\$1,087)	-21.72%

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.

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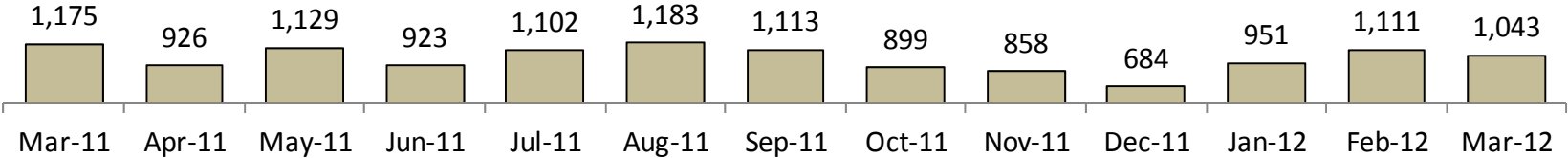
Enrollments				
	1Q 2011	1Q 2012	Difference #	Difference %
401(k) Enrollments	3,207	3,105	-102	-3.18%
457 Enrollments	1,515	1,453	-62	-4.09%
Total Combined Enrollments	4,722	4,558	-164	-3.47%

2012 Goal: Keep enrollments within 10% of prior year enrollments
 As of March NC 401(k) enrollments decreased 3.18%
 As of March NC 457 enrollments decreased 4.09%

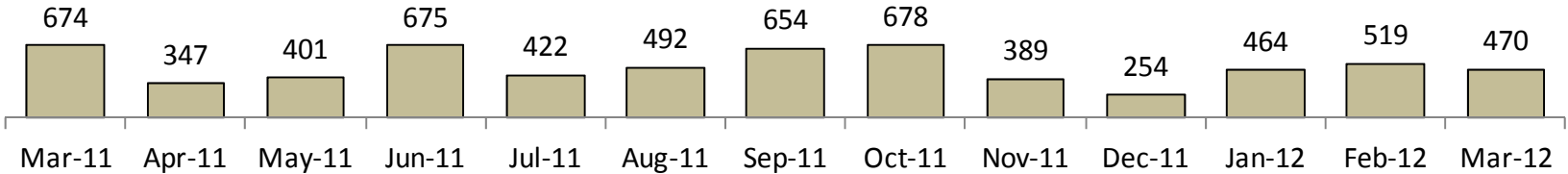
YTD 60.41% of eligible new hires enrolled in the 401(k) Plan
 YTD 46.71% of eligible new hires enrolled in the 457 Plan

Breakdown by Age	401(k)	457
Less Than 20	0.38%	0.00%
20 - 29	31.35%	23.40%
30 - 39	23.49%	26.17%
40 - 49	16.11%	24.26%
50 - 59	16.30%	17.23%
60 - 69	5.56%	5.11%
70 - 79	0.19%	0.21%
No Date of Birth	6.62%	3.62%

401(k) Enrollments



457 Enrollments



- 401(k) Plan had 182 on-line enrollments for the quarter.
- 457 Plan had 102 on-line enrollments for the quarter.

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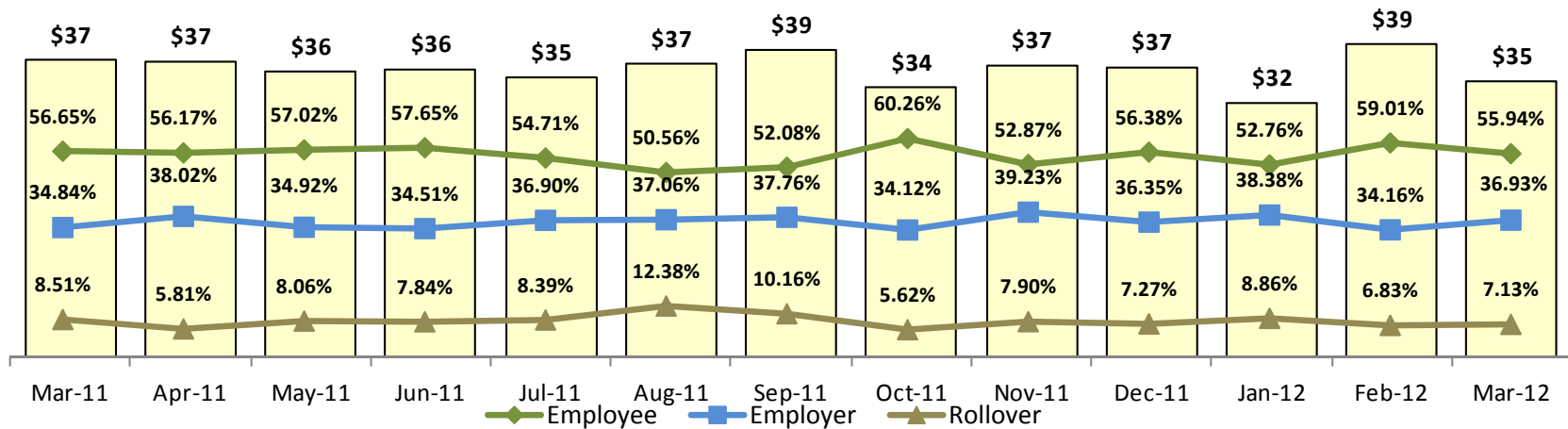


401(k) Contributions

	1Q 2011	1Q 2012	Difference #	Difference %
Employee	\$53,021,233	\$54,598,132	\$1,576,899	2.97%
Employer	\$37,249,072	\$40,017,247	\$2,768,175	7.43%
Roth	\$5,180,389	\$6,021,738	\$841,348	16.24%
Rollover	\$8,312,979	\$7,723,031	(\$589,949)	-7.10%
Total Contributions	\$103,763,674	\$108,360,148	\$4,596,474	4.43%

2012 Maintain 401(k) Employee Voluntary average deferral of 5%
 As of March the average deferral rate 5.76 %* Average contribution \$200.51

□ Total Contributions in Millions



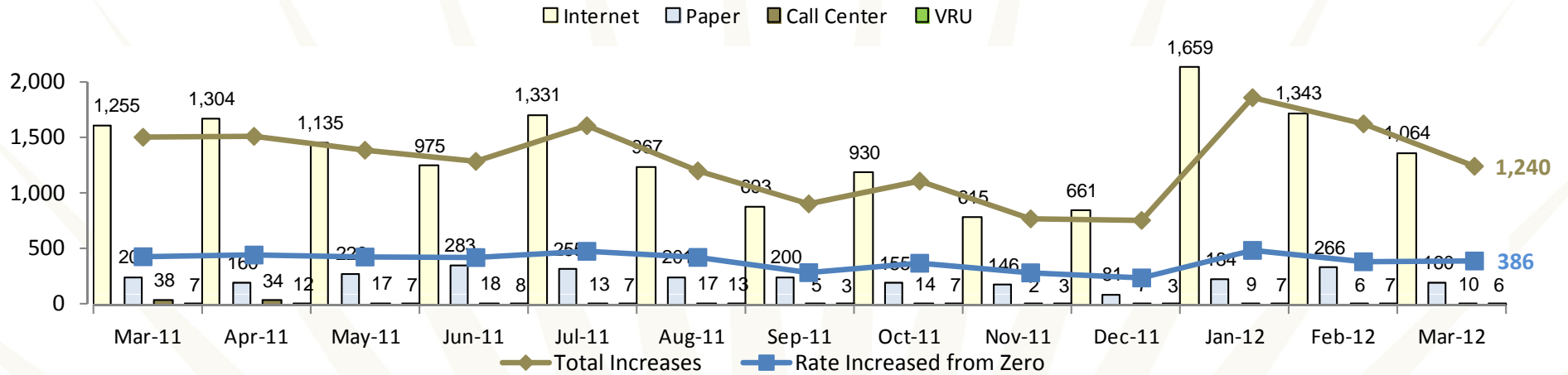
*The average deferral rate was calculated using a salary base of \$41,804. Source Office of State Personnel website.

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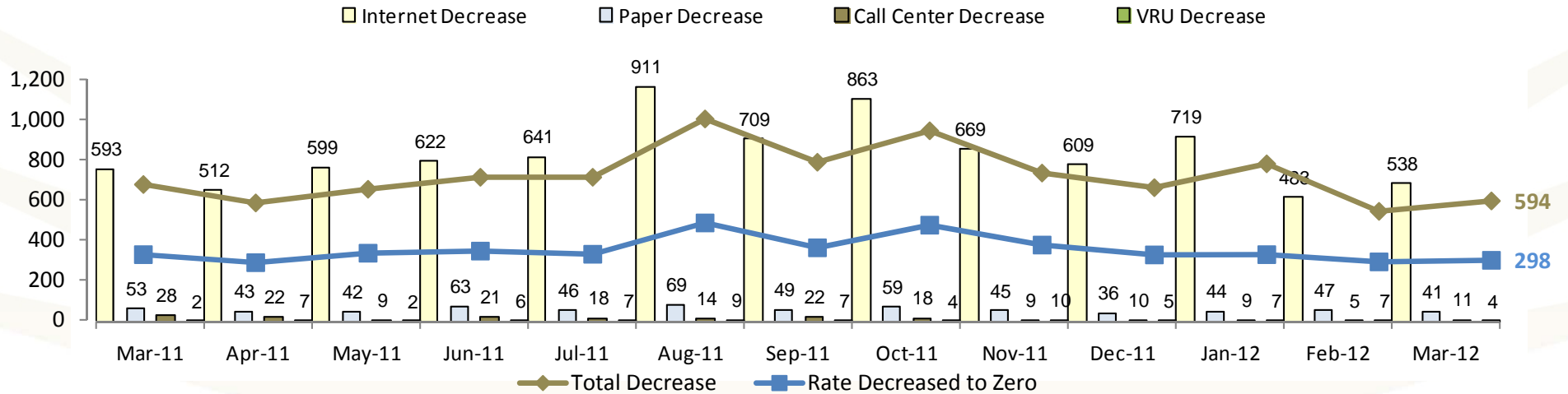


401(k) Employee & Roth Rate Change

Increase



Decrease



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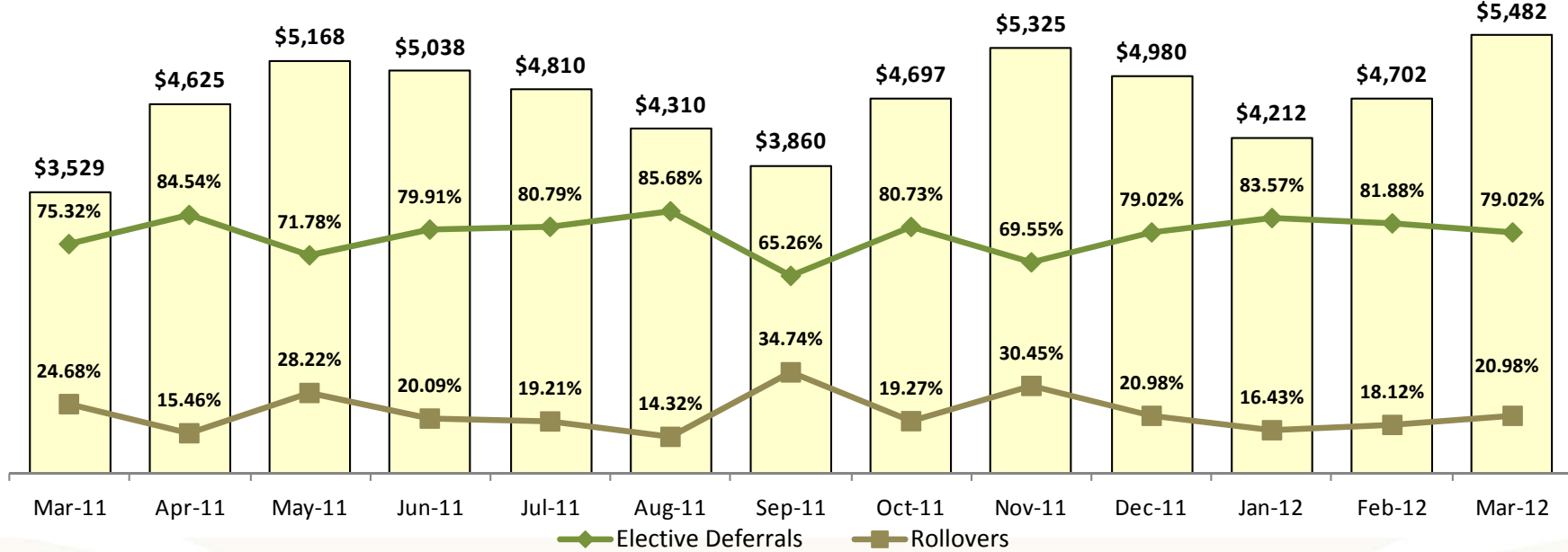


457 Contributions

	1Q 2011	1Q 2012	Difference #	Difference %
Elective Deferrals	\$10,515,734	\$11,222,899	\$707,165	6.72%
Roth 457(b)	\$0	\$153,141	\$153,141	N/A
Rollovers	\$2,566,877	\$3,020,338	\$453,461	17.67%
Total Contributions	\$13,082,610	\$14,396,378	\$1,313,767	10.04%

2012 Maintain 457 Employee Voluntary average deferral of 5%
As of March the average deferral rate 4.87%* Average contribution \$169.79

□ Total Contributions in Thousands



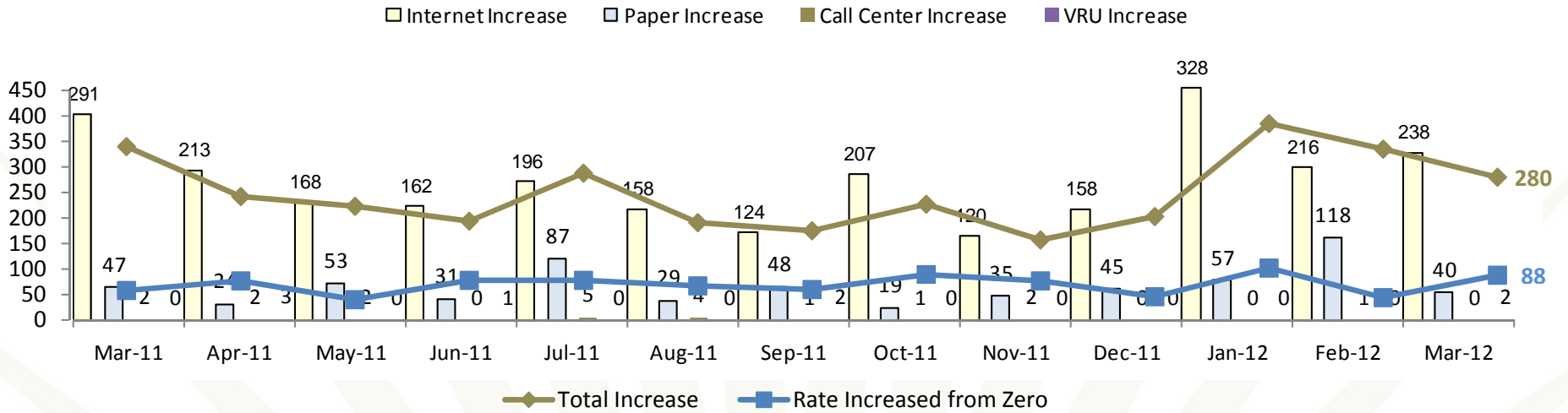
*The average deferral rate was calculated using a salary base of \$41,804. Source Office of State Personnel website.

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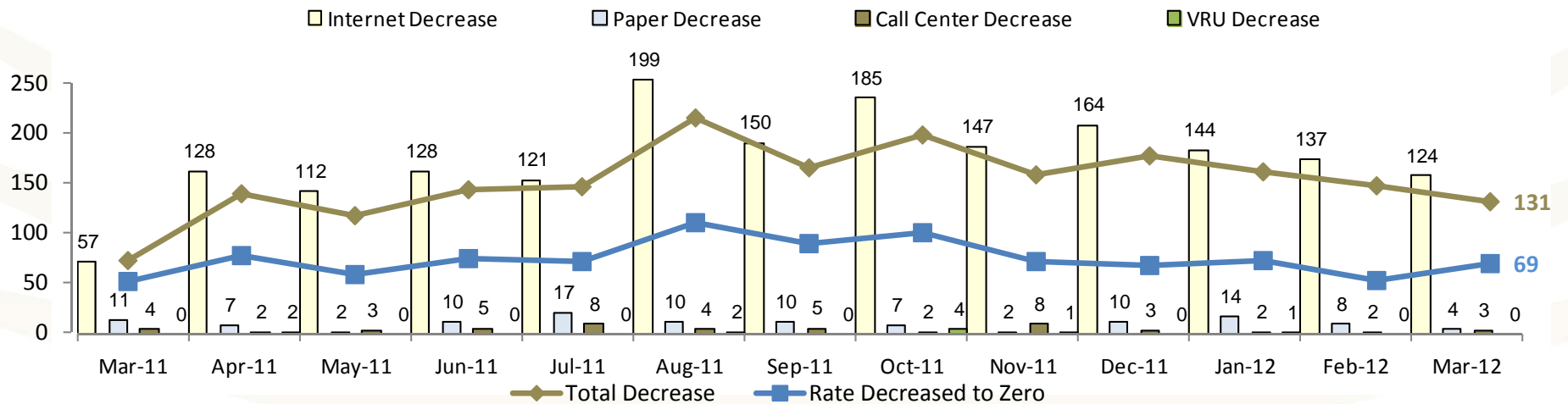


457 Employee & Roth Rate Change

Increase



Decrease



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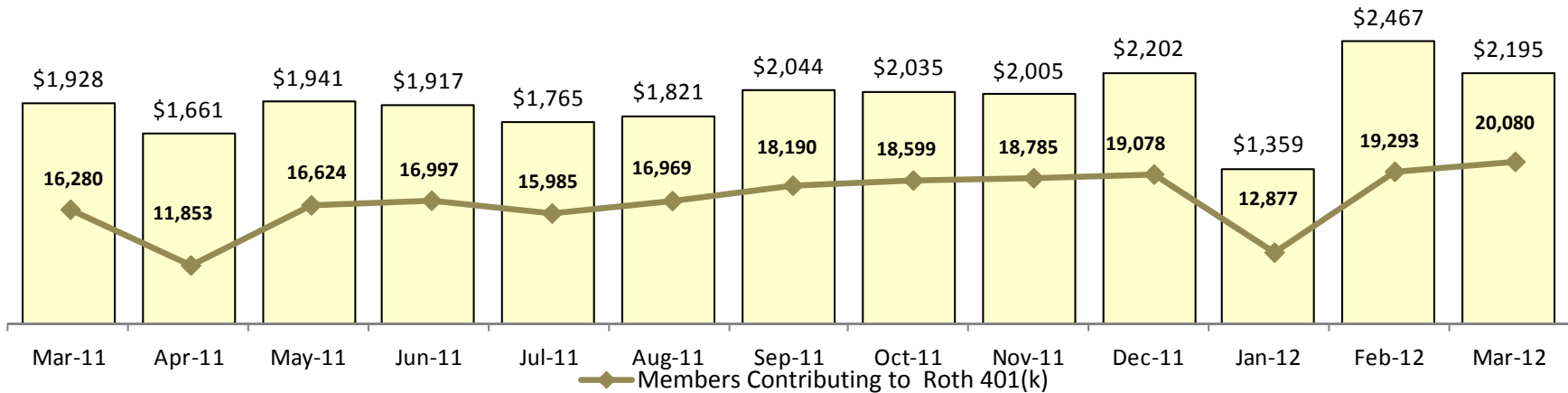
NC 401(k) Roth Contributions

Breakdown by Age	
18 - 29	19.97%
30 - 39	27.85%
40 - 49	28.48%
50 - 59	19.35%
60 - 69	3.79%
70 +	0.11%
Unknown	0.45%

Average Employee Roth Contribution Per Month: \$109.33

Roth Contributions

In Thousands



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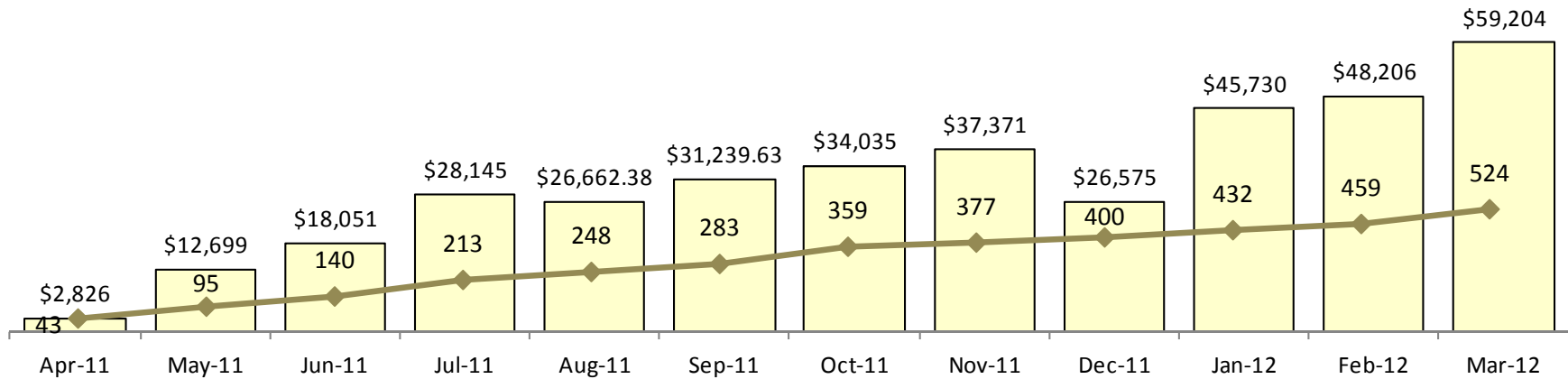


NC 457 Roth Contributions

Breakdown by Age	
18 - 29	15.84%
30 - 39	27.67%
40 - 49	32.06%
50 - 59	20.04%
60 - 69	3.82%
70 +	0.38%
Unknown	0.19%

Average Employee Roth Contribution Per Month: \$112.99

Roth 457 Contributions



◆ Members Contributing to Roth 457

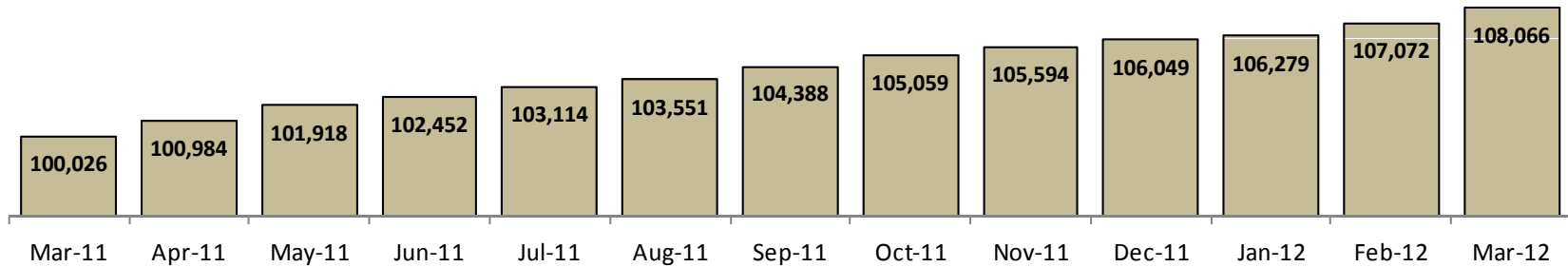
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NC 401(k) GoalMaker Members/Participation Rate

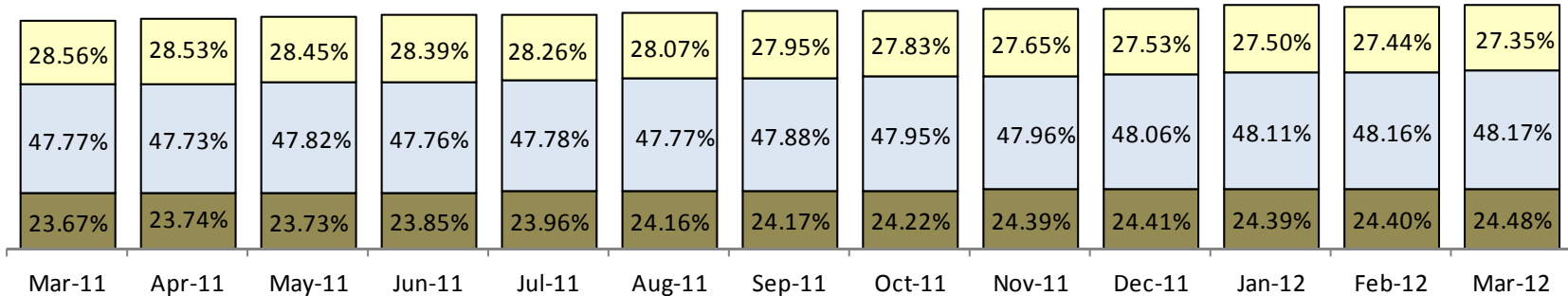
2012 Goal: Capture 70% of new enrollees into the GoalMaker Program
 As of March 89.40% of the NC 401(k) Plan new enrollees elected GoalMaker

Number of Members in GoalMaker



As of March 2012 GoalMaker Participation Rate 47.65%

Conservative Moderate Aggressive



Keep in mind that 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.

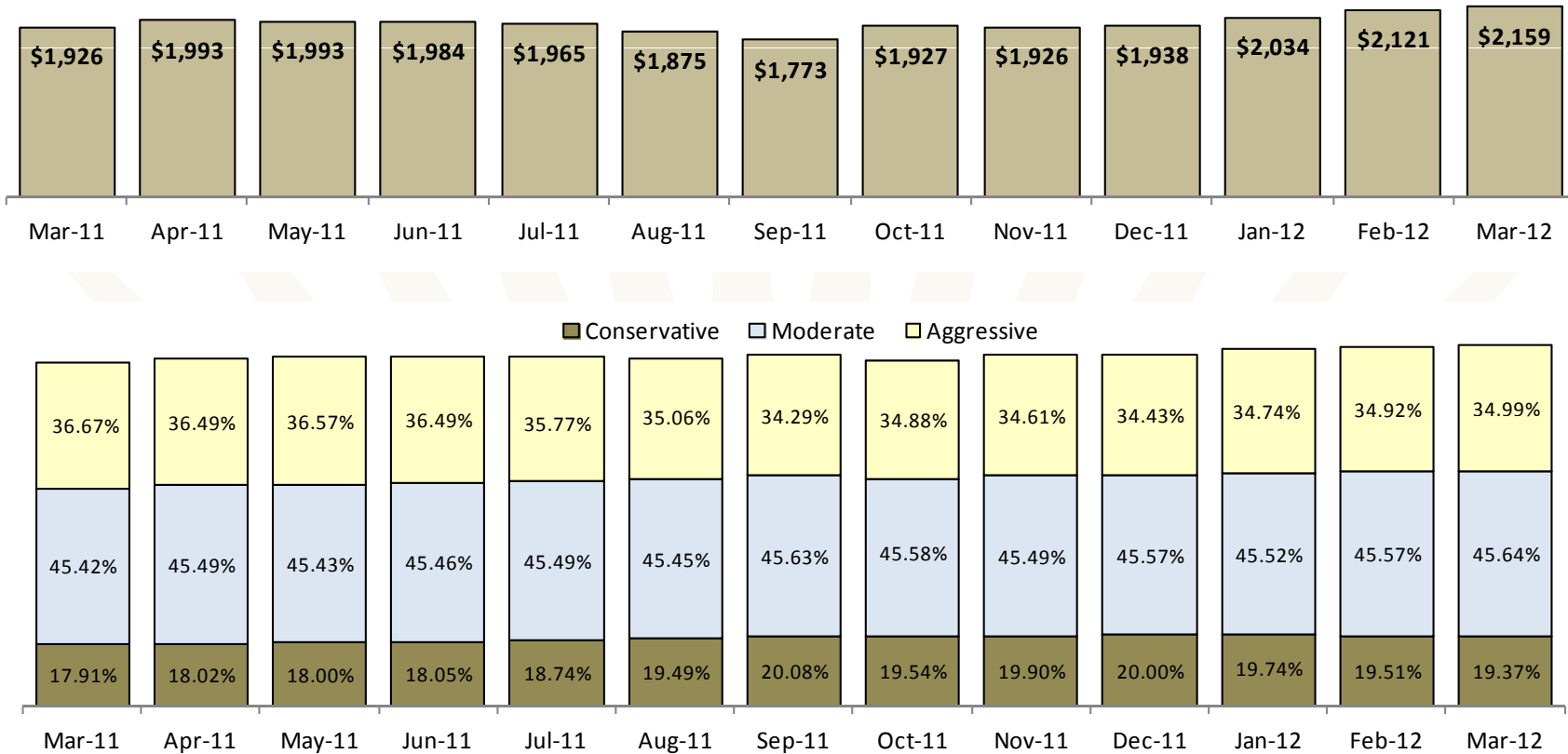
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NC 401(k) GoalMaker Total Assets / Asset Rate

GoalMaker Assets 37.29% as March 2012

GoalMaker Assets In Millions



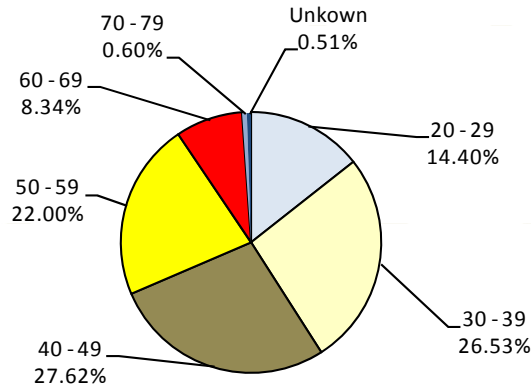
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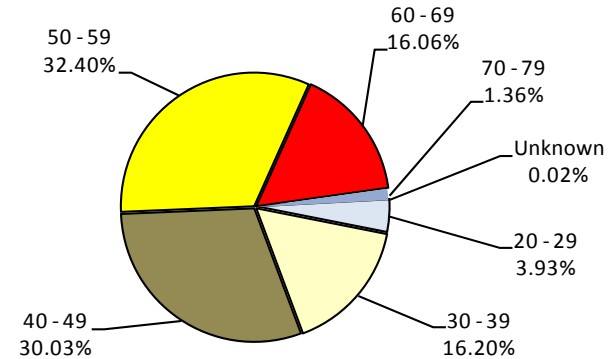


NC 401(k) GoalMaker Breakdown

Members Enrolled in GoalMaker



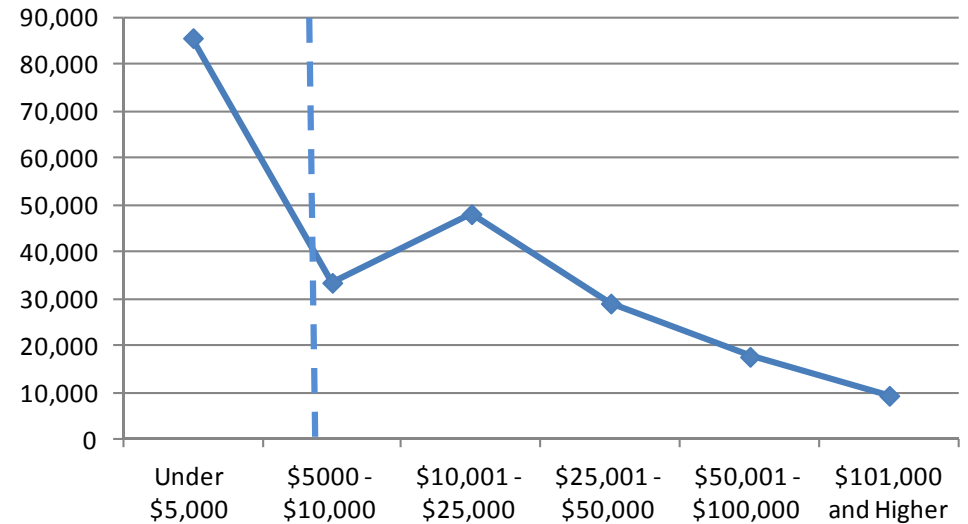
Total(GM Portfolio) Assets



401(k)

	1Q 2011	1Q 2012	Difference #	Difference %
Average Account Balance	\$20,245	\$18,222	(\$2,023)	-9.99%
Median Account Balance	\$7,062	\$7,200	\$138	1.95%

of Members



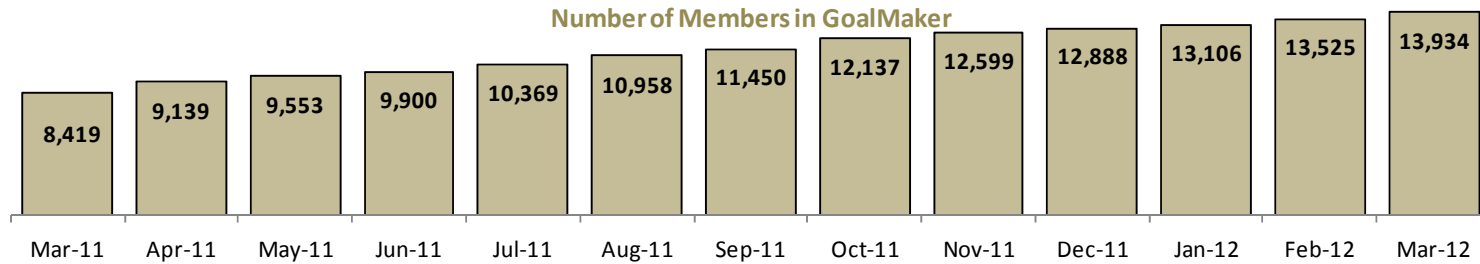
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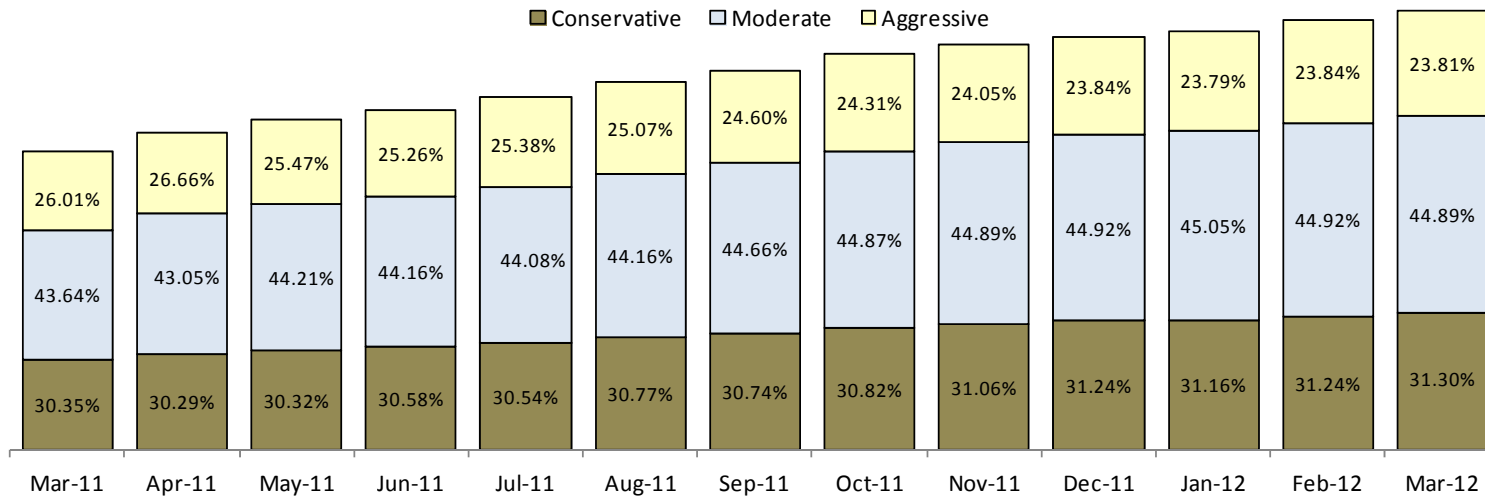


NC 457 GoalMaker Members/Participation Rate

2012 Goal: Capture 70% of new enrollees into the GoalMaker Program
 As of March 88.99% of the NC 457 Plan new enrollees elected GoalMaker



As of March GoalMaker Participation Rate 37.36%



Keep in mind that 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.

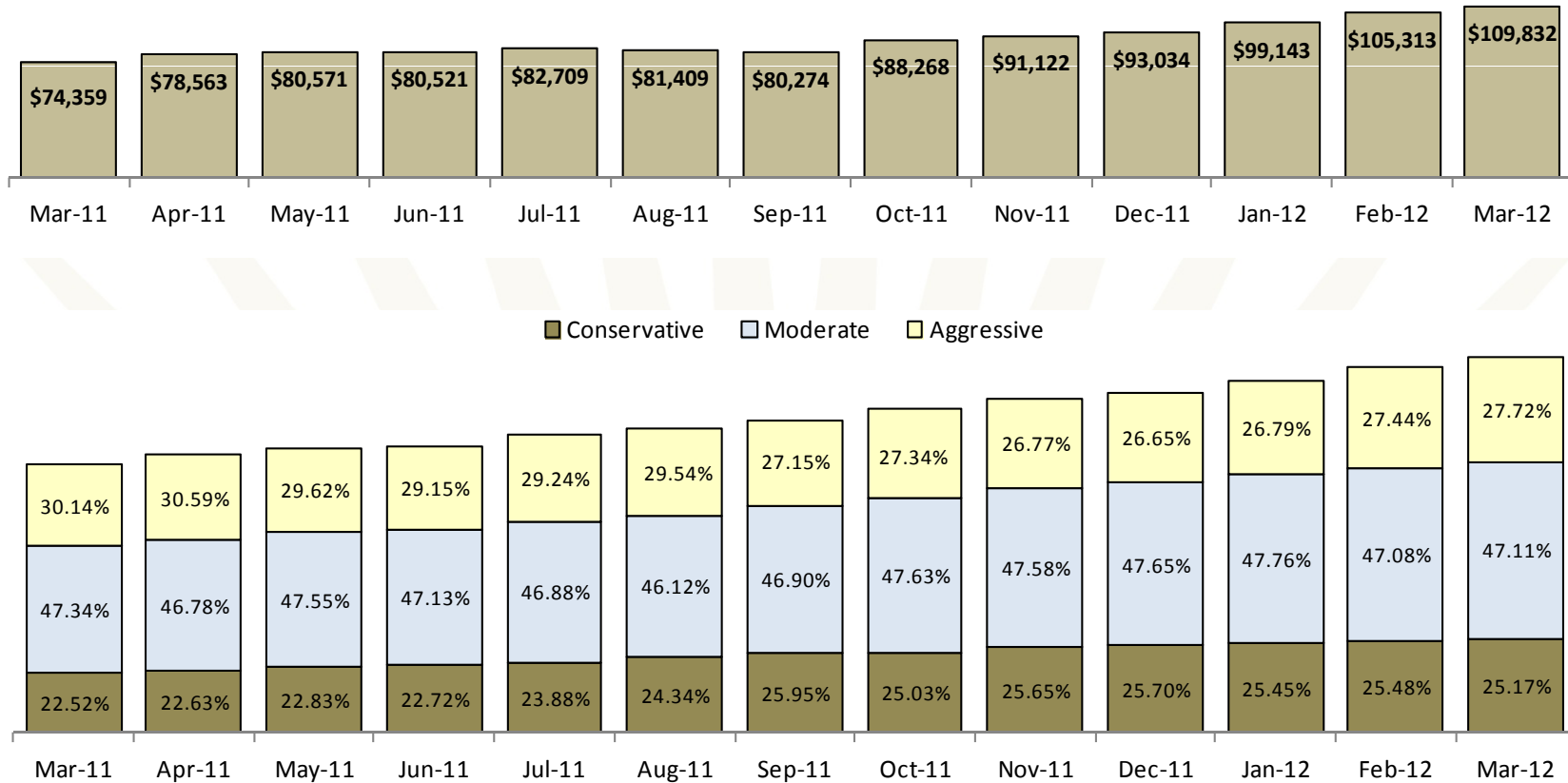
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NC 457 GoalMaker Total Assets / Asset Rate

GoalMaker 12.57% Assets in the Plan as of March 2012

Assets in Thousands



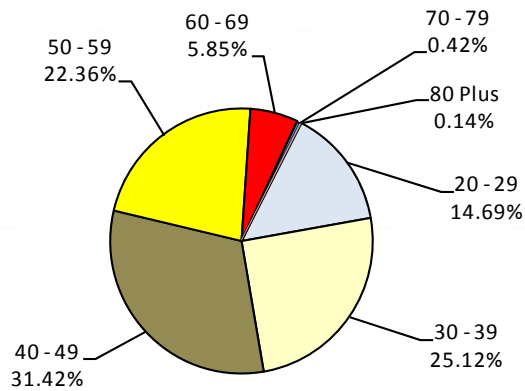
Keep in mind that application of asset allocation and diversification concepts does not ensure a profit or protect against loss in a declining market. It is possible to lose money by investing in securities.

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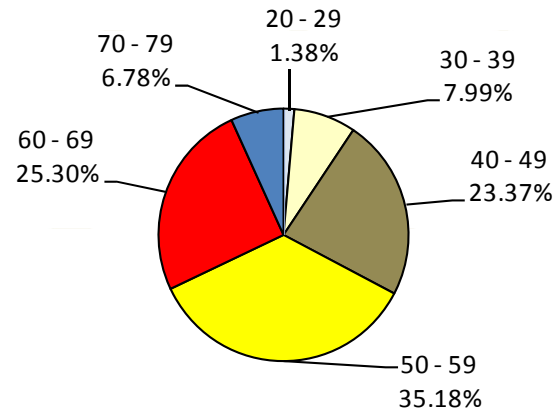


NC 457 GoalMaker Breakdown

Members Enrolled in GoalMaker



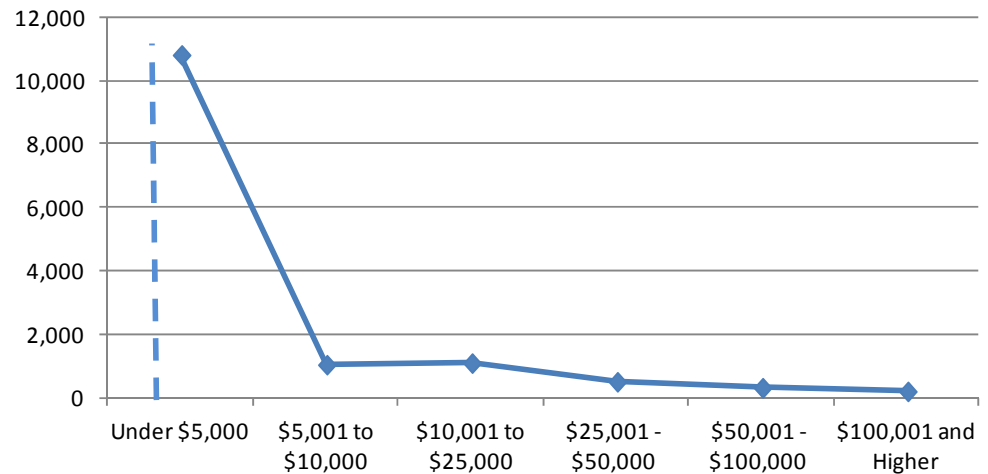
Total(GM Portfolio) Assets



457

	1Q 2011	1Q 2012	Difference #	Difference %
Average Account Balance	\$12,187	\$10,998	(\$1,189)	-9.76%
Median Account Balance	\$790	\$745	(\$45)	-5.69%

of Members



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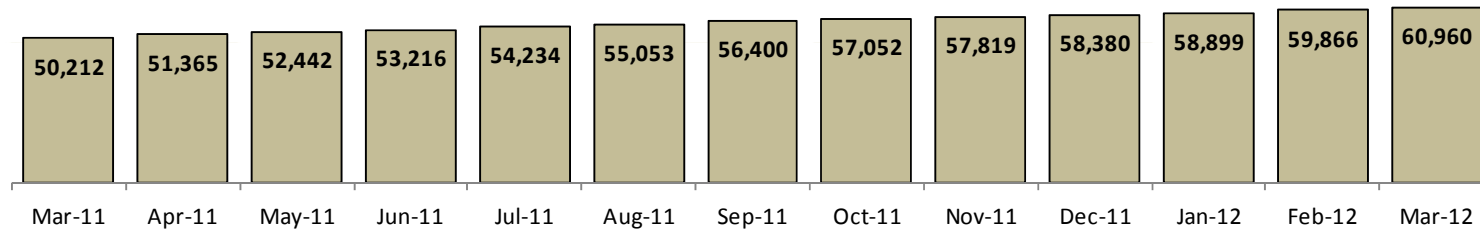
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GoalMaker Age Adjustment

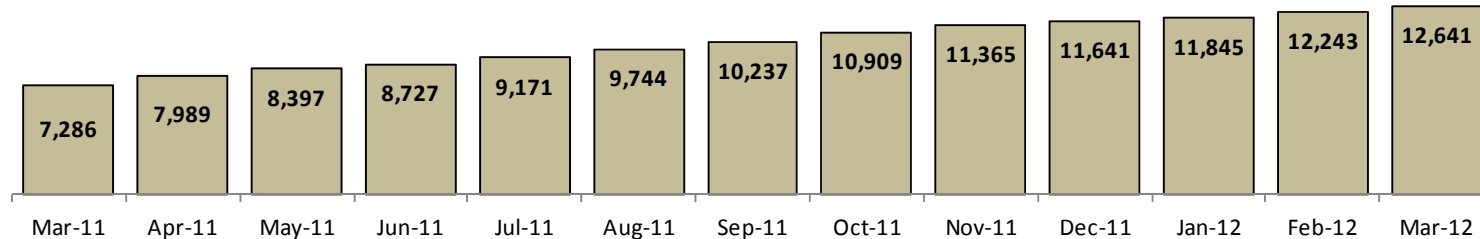
401(k) Age Adjustment

56.41% of the members enrolled in GoalMaker elected Age Adjustment



457 Age Adjustment

90.72% of the members enrolled in GoalMaker elected Age Adjustment



- Age adjustment was offered as a new feature to NC 401(k) members in June 2006.
- GoalMaker with age adjustment was offered to NC 457 members in March of 2009.

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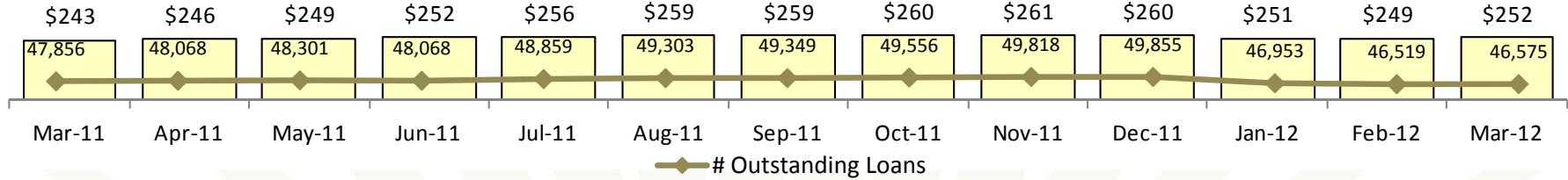
401(k) Loans

	1Q 2011	1Q 2012	Difference #	Difference %
Number of Outstanding Loans	47,856	46,575	-1,281	-2.68%
Loan Account Balance	\$243,335,129	\$251,577,926	\$8,242,797	3.39%
New Loan Initiations	3,806	3,733	-73	-1.92%
Loan Initiations	\$32,421,991	\$31,533,233	(\$888,757)	-2.74%
Loan Repayments	\$27,907,198	\$29,907,446	\$2,000,247	7.17%

Goal: Keep the average percent of members with a loan within 2.5% of national average 25.6%*
As of March 24.03% of members have a loan

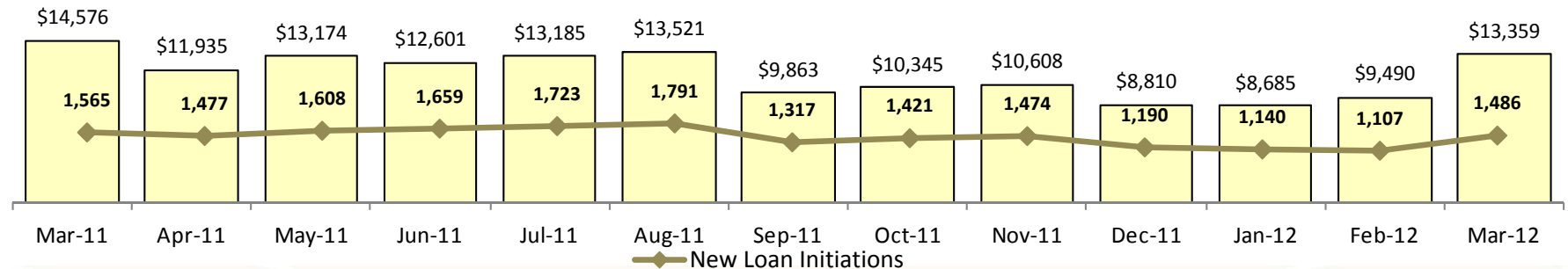
Outstanding Loans

Assets in Millions



Loan Initiations

Assets in Thousands



*Source Hewitt "How Well Are Employees Saving and Investing" 2011 Universe Benchmark is 25.6% of participants have an outstanding loan.

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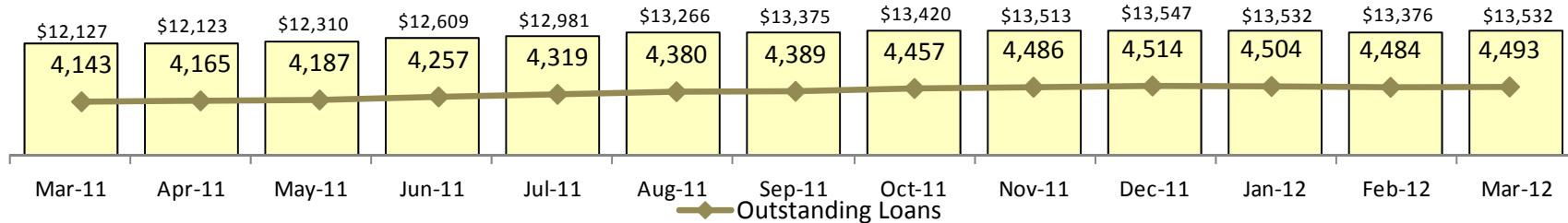
457 Loans

	1Q 2011	1Q 2012	Difference #	Difference %
Number of Outstanding Loans	4,143	4,493	350	8.45%
Loan Account Balance	\$12,127,063	\$13,531,626	\$1,404,563	11.58%
New Loan Initiations	333	372	39	11.71%
Loan Initiations	\$1,564,010	\$1,888,164	\$324,154	20.73%
Loan Repayments	\$1,311,389	\$1,624,032	\$312,642	23.84%

Goal: Keep the average percent of members with a loan within 2.5% of national average 25.6%*
As of March 14.58% of members have a loan

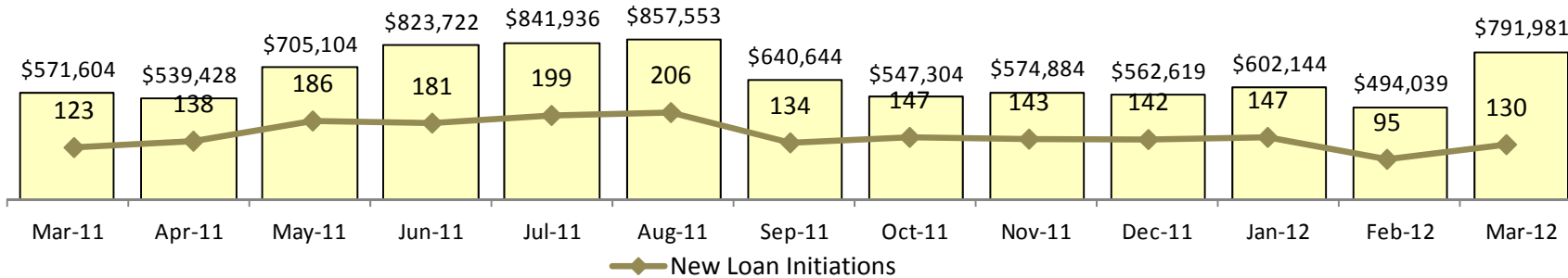
Outstanding Loans

Assets in Thousands



Loan Initiations

Assets In Thousands



*Source Hewitt "How Well Are Employees Saving and Investing" 2011 Universe Benchmark is 25.6% of participants have an outstanding loan.

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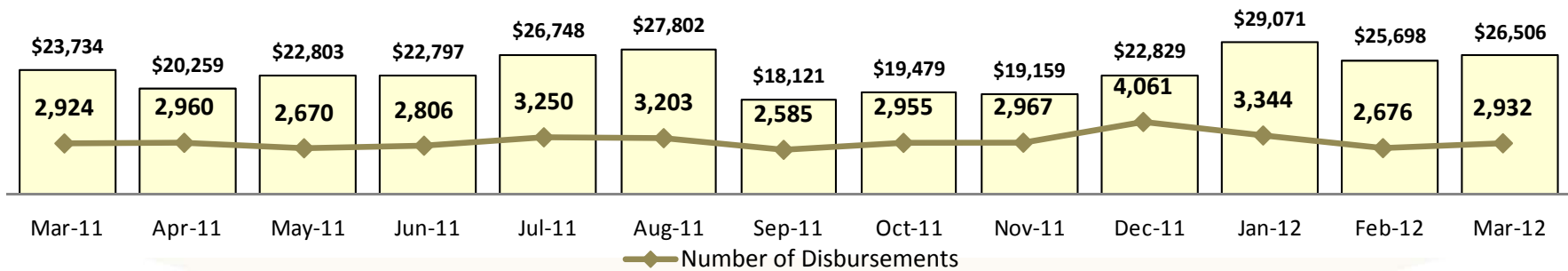
401(k) Disbursements

	1Q 2011	1Q 2012	Difference #	Difference %
Term – Lump Sum	\$45,743,856	\$55,512,267	\$9,768,412	21.35%
In-Service	\$11,922,485	\$14,047,917	\$2,125,431	17.83%
State Retirement System	\$7,692,486	\$8,326,609	\$634,123	8.24%
Hardship	\$2,037,939	\$1,308,888	(\$729,051)	-35.77%
Systematic	\$2,037,939	\$2,079,401	\$41,462	2.03%
Total Disbursements	\$69,434,705	\$81,275,082	\$11,840,377	17.05%

401(k) Disbursements

	1Q 2011	1Q 2012	Difference #	Difference %
Term – Lump Sum	3,904	4,277	373	9.55%
In-Service	1,356	1,470	114	8.41%
State Retirement System	206	219	13	6.31%
Hardship	461	478	17	3.69%
Systematic	2,267	2,508	241	10.63%
Total Disbursements	8,194	8,952	758	9.25%

Disbursements in Thousands



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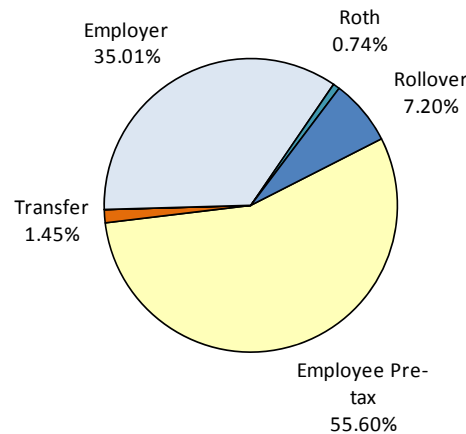
1st Quarter 2012 401(k) Bailey Exempt Assets Disbursed

In-Service	Average Disbursement
50 - 59	\$20,421
60 - 69	\$11,443
70 - 79	\$25,689
Average	\$12,599

Partial Term	Average Disbursement
40 - 49	\$12,223
50 - 59	\$15,023
60 - 69	\$9,361
70 - 79	\$5,413
Average	\$9,929

Total Term	Average Disbursement
40 - 49	\$88,909
50 - 59	\$44,177
60 - 69	\$17,445
70 - 79	\$41,002
Average	\$32,521

% of Assets Disbursed



- 66 Service Credit Transfers to the State Retirement System with assets of \$3,889,803 transferred for the quarter.
- 1 In Plan Roth Conversion with assets of \$184,964 for the quarter.
- 80 Bailey Exempt members rolled assets of \$6,677,222 out of the 401(k) Plan for the quarter.
- 36 beneficiary distributions with \$96,705 assets disbursed for the quarter.
- 1 QDRO distribution with \$5,213 assets disbursed for the quarter.
- 90 minimum distributions with \$633,834 assets disbursed for the quarter.

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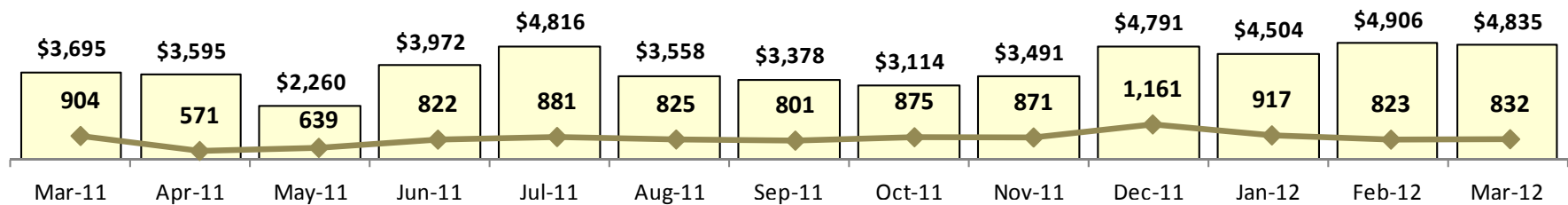
457 Disbursements

	1Q 2011	1Q 2012	Difference #	Difference %
Term - Lump Sum	\$8,890,945	\$12,544,688	\$3,653,743	41.10%
In-Service	\$98,063	\$104,480	\$6,416	6.54%
In-Service (deminimis)	\$26,493	\$10,917	(\$15,576)	-58.79%
State Retirement System	\$356,444	\$283,618	(\$72,826)	-20.43%
Unforeseen Emergency	\$64,437	\$131,868	\$67,431	104.65%
Systematic	\$1,056,776	\$1,168,947	\$112,171	10.61%
Total Disbursements	\$10,493,158	\$14,244,517	\$3,751,360	35.75%

457 Disbursements

	1Q 2011	1Q 2012	Difference #	Difference %
Term - Lump Sum	1,242	1,251	9	0.72%
In-Service	7	8	1	14.29%
In-Service (deminimis)	18	13	-5	-27.78%
State Retirement System	14	19	5	35.71%
Unforeseen Emergency	39	72	33	84.62%
Systematic	1,223	1,209	-14	-1.14%
Total Disbursements	2,543	2,572	29	1.14%

□ Assets in Thousands



◆ Number of Disbursements

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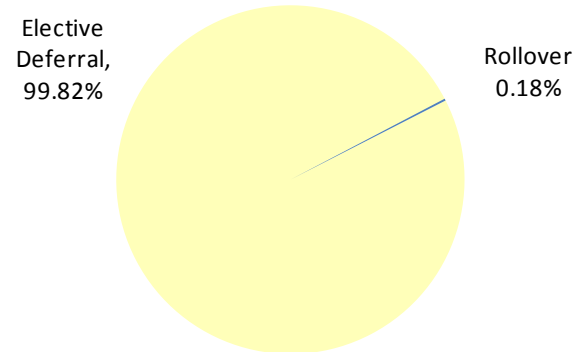


1st Quarter 2012 457 Bailey Exempt Assets Disbursed

Partial Term	Average Disbursement
40 - 49	\$34,000
50 - 59	\$5,009
60 - 69	\$5,785
70 - 79	\$5,002
Average	\$5,388

Total Term	Average Disbursement
50 - 59	\$18,097
60 - 69	\$27,478
70 - 79	\$90,997
Average	\$44,718

% of Assets Disbursed



- 1 Service Credit Transfer to the State Retirement System with \$70,591 in assets disbursed for the quarter.
- 16 members rolled assets totaling \$1,839,619 out of the 457 Plan for the quarter.
- 6 beneficiary disbursements with \$32,808 in assets disbursed for the quarter.
- 2 QDRO disbursements with \$10,000 in assets disbursed for the quarter.
- 69 minimum distributions with \$400,106 in assets disbursed for the quarter.

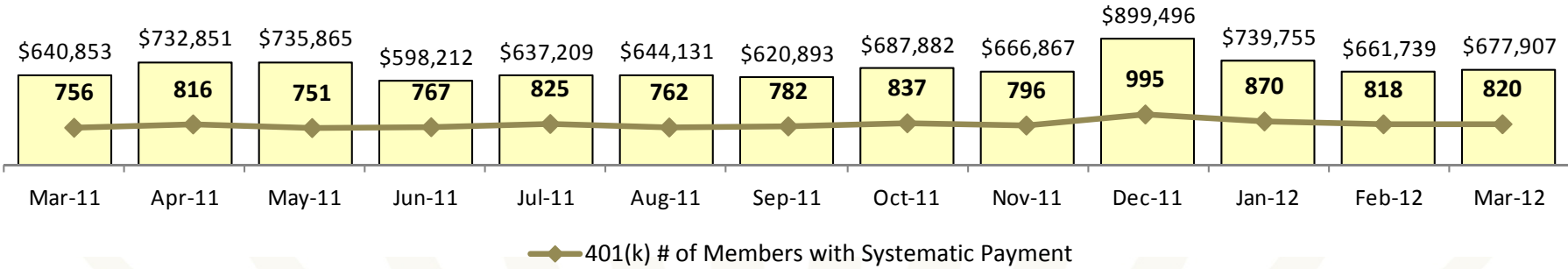
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Systematic Payment

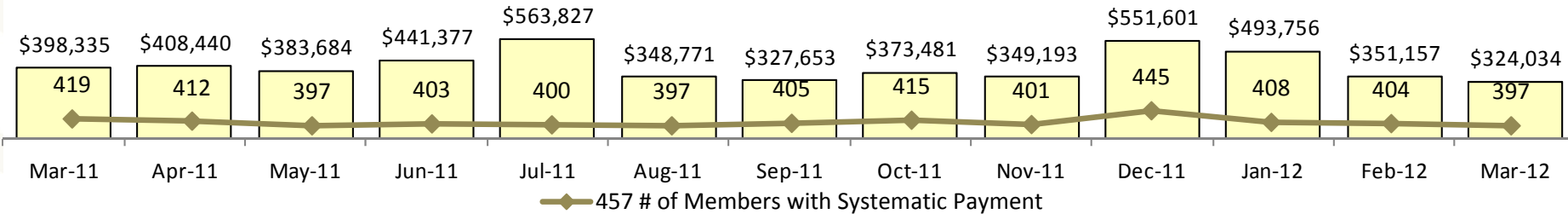
401 (k) Systematic

Assets in Thousands



457 Systematic

Assets in Thousands



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401(k) Transactions

	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12
Average Number of Funds Per Member	7.00	7.03	7.06	6.92	6.93	6.95	7.00	6.97	6.99	7.00	7.02	7.05	7.08
Number of Unique Exchanges	80,502	1,336	1,034	99,758	1,972	2,097	95,598	1,824	1,142	86,784	1,342	1,248	89,411
Internet Logins	123,552	128,708	106,172	101,822	123,037	131,368	102,834	128,246	99,372	100,802	142,977	132,788	128,555
Unique Logins	25,309	29,813	25,043	23,982	31,411	27,376	22,128	32,187	21,470	21,148	36,102	25,945	25,915

457 Transactions

	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12
Average Number of Funds Per Member	5.93	6.05	6.14	6.13	6.20	6.28	6.33	6.42	6.49	6.53	6.57	6.63	6.69
Number of Unique Exchanges	3,940	291	229	2,689	409	410	7,536	321	247	5,923	280	270	6,945
Internet Logins	37,565	38,861	33,107	30,662	37,802	39,261	30,173	40,566	31,182	32,278	44,712	40,906	41,851
Unique Logins	7,350	8,410	7,394	7,052	9,233	7,921	6,637	9,726	6,495	6,346	10,573	7,746	8,127

401(k) Plan Market Timer

Transaction Activity	Notices Mailed	Impacted Funds	Impacted Dollar Amounts
Active Trading	2	NC Fixed Income Index NC Large Cap Growth	Exchanges In: \$189,371.47 Exchanges Out: \$134,314.15

- Market Timers - none to report in the 457 Plan for the 1st Quarter.
- The spike in number of exchanges and number of unique exchanges for March 2011, June 2011 September 2011 December 2011 and March 2012 is due to the GoalMaker rebalance.

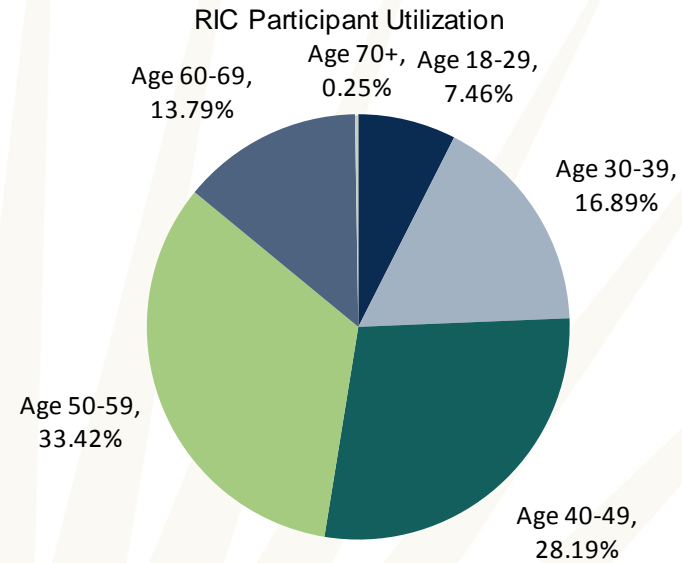
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401(k) Retirement Income Calculator

Retirement Income Calculator (RIC) Activity	01/01/2012 - 03/31/2012
Total Number of Participants in Plan	226,768
Number of Visits to RIC	2,908
Number of Participants Utilizing RIC	2,813
% of Participants Utilizing RIC	1.24%
Number of Participants Taking Action	448
% of Participants Utilizing RIC and Taking Action	15.93%

Retirement Income Calculator (RIC) Utilization	01/01/2012 - 03/31/2012
Participants Increasing Deferral Percentage	372
Average Deferral Change	5.03%
Average Annualized Dollar Increase	\$2,289
% of Participants Increasing After Utilizing RIC	13.22%
Participants Decreasing Deferral Percentage	76
Average Deferral Change	-9.56%
Average Annualized Dollar Decrease	(\$4,360)
% of Participants Decreasing After Utilizing RIC	2.70%



Total number of participants in plan - Includes active, terminated, retired, and suspended employees.

Number of visits to RIC - Number of times participants visited the Retirement Income Calculator during the reporting period. Each time a participant uses RIC is considered a visit.

% of participants utilizing RIC - Percent of participants in the plan who utilized the Retirement Income Calculator.

Number of participants taking action - Number of participants who changed their deferral rate after utilizing the Retirement Income Calculator during the reporting period.

% of participants utilizing RIC and taking action - Percent of participants utilizing the Retirement Income Calculator who made a deferral change after utilizing RIC during the reporting period.

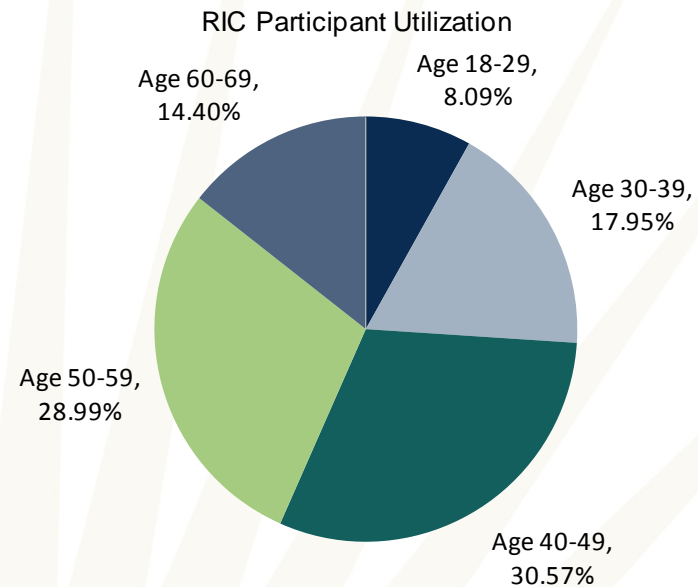
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457 Retirement Income Calculator

Retirement Income Calculator (RIC) Activity	01/01/2012 - 03/31/2012
Total Number of Participants in Plan	37,294
Number of Visits to RIC	523
Number of Participants Utilizing RIC	507
% of Participants Utilizing RIC	1.36%
Number of Participants Taking Action	78
% of Participants Utilizing RIC and Taking Action	15.38%

Retirement Income Calculator (RIC) Utilization	01/01/2012 - 03/31/2012
Participants Increasing Deferral Percentage	67
Average Deferral Change	4.01%
Average Annualized Dollar Increase	\$1,934
% of Participants Increasing After Utilizing RIC	13.21%
Participants Decreasing Deferral Percentage	11
Average Deferral Change	-8.64%
Average Annualized Dollar Decrease	(\$4,935)
% of Participants Decreasing After Utilizing RIC	2.17%



Total number of participants in plan - Includes active, terminated, retired, and suspended employees.

Number of visits to RIC - Number of times participants visited the Retirement Income Calculator during the reporting period. Each time a participant uses RIC is considered a visit.

% of participants utilizing RIC - Percent of participants in the plan who utilized the Retirement Income Calculator.

Number of participants taking action - Number of participants who changed their deferral rate after utilizing the Retirement Income Calculator during the reporting period.

% of participants utilizing RIC and taking action - Percent of participants utilizing the Retirement Income Calculator who made a deferral change after utilizing RIC during the reporting period.

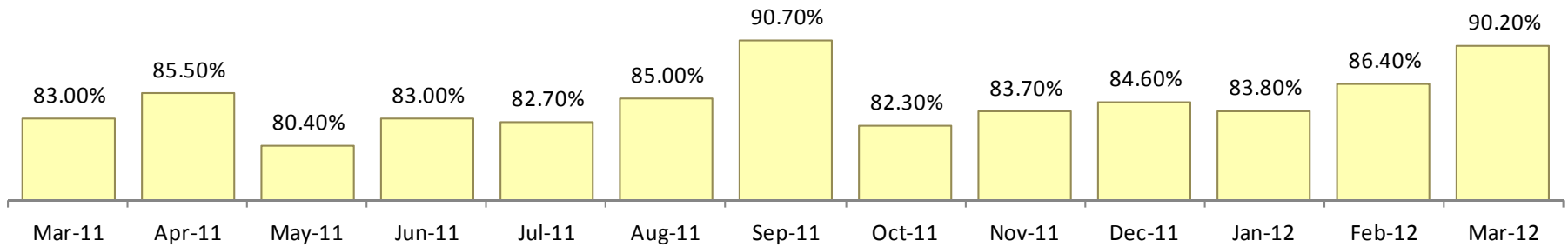
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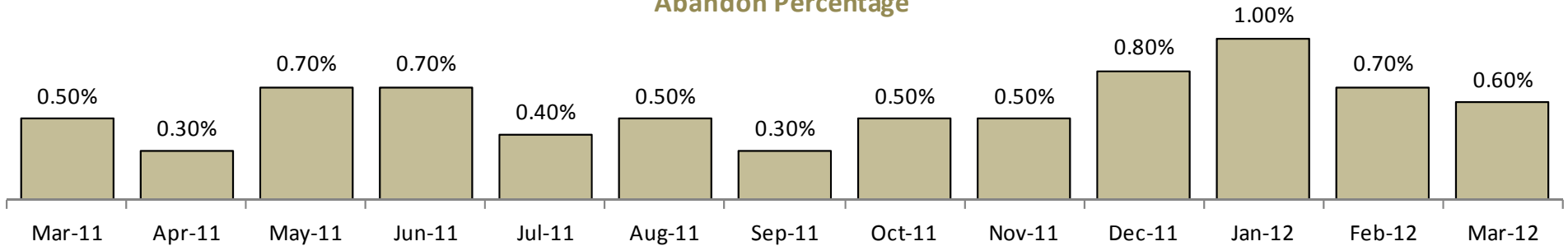
401(k) & 457 Call Center Statistics

	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12
Service Center Calls	13,242	12,672	12,541	14,167	15,602	15,442	11,211	12,871	11,931	11,218	13,540	12,282	12,194
Service Percentage	83.00%	85.50%	80.40%	83.00%	82.70%	85.00%	90.70%	82.30%	83.70%	84.60%	83.80%	86.40%	90.20%
Average Speed to Answer	14 sec	10 sec	13 sec	12 sec	11 sec	12 sec	7 sec	14 sec	13 sec	12 sec	13 sec	9 sec	6 sec
Abandon Percentage	0.50%	0.30%	0.70%	0.70%	0.40%	0.50%	0.30%	0.50%	0.50%	0.80%	1.00%	0.70%	0.60%

Service Percentage



Abandon Percentage



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401(k) Call Reasons

Reason	Sub Reason	Percent of Calls
Loan Inquiry	Payoff	11.5%
Loan Inquiry	Loan Initiation	7.5%
Distribution Inquiry	Termination	6.2%
Loan Inquiry	Available Amount	5.5%
Loan Inquiry	Loan Status	5.3%
Distribution Inquiry	In-Service Withdrawl	5.0%
Distribution Inquiry	Status	4.7%
Internet Assistance	General	4.2%
Account Maintenance	Address Change	3.5%
Distribution Inquiry	Hardship Status	3.5%
Loan Inquiry	Outstanding Loan Balance	3.2%
General Information	Account Balance	3.0%
Distribution Inquiry	Help Member with Form	2.6%
Distribution Inquiry	Request Form	2.6%
Distribution Inquiry	General Information	2.5%
General Information	General Retirement Plan	2.4%

457 Call Reasons

Reason	Sub Reason	Percent of Calls
Loan Inquiry	Payoff Questions	6.7%
Loan Inquiry	Loan Initiation	5.7%
Contribution Inquiry	Contribution Rate Change	3.7%
Contribution Inquiry	General Information	3.4%
Loan Inquiry	Available Amount	3.4%
Other	General Information	3.3%
General Information	Account Balance	3.1%
Internet Assistance	General	2.9%
Distribution Inquiry	General Information	2.8%
General Information	General Retirement Plan Information	2.7%
Loan Inquiry	Outstanding Loan Balance	2.7%
Distribution Inquiry	Unforeseen Emergency	2.6%
Account Maintenance	Address Change	2.4%
Distribution Inquiry	Help Member with Form	2.4%

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401(k) & 457 Education & Enrollment Team

	1Q 2011	1Q 2012	Difference #	Difference %
Member Meetings	1,144	1,306	162	14.16%
Number of Members Attending Meeting	28,561	23,347	(5,214)	-18.26%
Proactive Calls to Employers	705	578	(127)	-18.01%

401(k) & 457 Education & Enrollment Team Activity Survey

280 Surveys Returned	5	6	7
Presenter's explanation of the benefits of the Plan(s)	1%	22%	76%
Presenter's clarity in response to questions	1%	17%	81%
Length of presentation	3%	18%	78%
Increased awareness of importance of saving for retirement?	Yes	No	
	99%	1%	

Survey ratings are from 1 to 7, with 1 being poor and 7 being outstanding.

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401(k) State Account

Account Activity	Date	Opening/Closing Balance	Debits/Credits
Opening account value	1/1/2012	\$4,911,276.19	
December 2011 Separate Asset Based Fees	1/10/2012		\$79,673.65
4Q 2011 Separate Account Asset Based Fees	1/24/2012		\$105,812.37
4Q 2011 Frozen Funds 12b-1 Fees	1/31/2012		\$11,851.03
January 2012 Separate Asset Based Fees	2/15/2012		\$88,157.78
February 2012 Separate Account Asset Based Fees	3/8/2012		\$84,554.73
Gain/loss in account value	3/31/2012		\$35,327.56
Closing Account Value	3/31/2012	\$5,316,653.31	

457 State Account

Account Activity	Date	Opening/Closing Balance	Debits/Credits
Opening account value	1/1/2012	\$4,443,444.26	
December 2011 Separate Asset Based Fees	1/10/2012		\$9,930.58
4Q 2011 Separate Account Asset Based Fees	1/24/2012		\$23,047.32
4Q 2011 Frozen Funds 12b-1 Fees	1/31/2012		\$224.01
January 2012 Separate Account Asset Based Fees	2/15/2012		\$10,987.63
February 2012 Separate Account Asset Based Fees	3/8/2012		\$10,537.32
Gain/loss in account value	3/31/2012		\$31,480.35
Closing Account Value	3/31/2012	\$4,529,651.47	

Invoice Details:

- None to report.

Invoice Pending Payment:

- Invoice 000001-12 dated 4/30/2012 remit payment for \$250,000 from the 401(k) Plan expense account and \$100,000 from the 457 Plan expense account for operating budget expenses attributable to the 401(k) Plan and Deferred Compensation Plan.

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YTD 2012 Employers Adopting the 401(k) and 457 Plan

Employers Adopting 457 Plan

Schools

Columbus County Schools
Harnett County Schools
Haywood County Schools
Henderson County Schools
Jones County Schools
Moore County Schools
Scotland County Schools

County

Davie County
Harnett County
Hyde County

Community College

Alamance Community College
Blue Ridge Community College
Central Carolina Community College
Sandhills Community College
South Piedmont Community College

Municipalities

Town of Columbia
Town of Elizabethtown

Other

Martin-Tyrrell-Washington District Health Dept.

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NC 401(k) & 457 Communication Accomplishments

•4Q11 Employer Newsletter

2,295 emailed
156 mailed



•EZ Increase Flyer & Retiree Term Brochure updated



•Updated 19 RREM Bios



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Signature

News Letter



1st Quarter 2012

A message from North Carolina's State Treasurer



2012 is the "Year of the Dragon," the luckiest and most powerful year in the Chinese zodiac. Don't worry—I do not factor astrology into my investment decisions. However, as a student of Chinese language and culture, I like to think that this year will bring great opportunities to take control of your financial future.

According to Chinese tradition, those born in the "Year of the Dragon" are successful and self-assured in the face of challenges. In this New Year, I hope we can all embody these traits by making decisions with confidence and taking control of our retirement savings.

One of the best tools to help you make well-informed decisions about your retirement is your Annual Benefits Statement, which will be coming out in mid-2012 for all currently active employees. This one document contains all the information you need to assess your retirement savings, including pension, Social Security, and the NC 401(k) and NC 457 Plans. The statement also compares these figures to what you are likely to need in retirement, alerts you if there are any gaps, and provides guidance for getting your retirement savings on the right track.

Also, while 2012 might not seem so "lucky" to those of you who are managing day-to-day expenses during tough economic times, there are ways to make small changes to your plan contributions that can lead to the right path down the road. See page 3 to learn how cutting even small costs and pulling them toward your retirement plan has the potential to add up to big savings.

The Department of State Treasurer is involved in many financial literacy initiatives to help North Carolinians manage their money, stick to a budget, and plan for the future. Brenda Williams, our Director of Financial Literacy, is leading many of these efforts. Meet Brenda on page 4, or contact her at brenda.williams@ntreasurer.com if you have questions about our initiatives at the Department—or about your personal financial wellness.

Also, feel free to direct your questions to the Supplemental Retirement Board of Trustees at supplementalboard@ntreasurer.com.

I encourage you to take advantage of the tools offered by the Department of State Treasurer and Prudential Retirement to take control of your retirement savings. By doing so, you'll help make the "Year of the Dragon" one of good fortune and prosperity.

Sincerely,

Janet Cowell
State Treasurer



Your Annual Benefits Statement is Coming Soon... A great opportunity to get a clear picture of your retirement savings

Your 2011 Annual Benefits Statement will be available online in mid-2012. All of your retirement savings with the state, including Social Security, your state pension(s), and balances in the NC 401(k) and NC 457 Plans are displayed in this easy-to-read document provided by the North Carolina Retirement Systems. Even better, your statement analyzes this data to project your potential income streams in retirement. Your estimated retirement income is then compared to what you are likely to need in retirement to sustain a comfortable lifestyle. If there's a gap, you'll know you need to take action.

Active members (not including retirees) can view their personalized statements by logging on to ORBIT:

1. Visit  www.myncreirement.com
2. Click on the "ORBIT" link
3. Log in to your account
4. Select "View Annual Benefits Statement"

Continues on the next page. See "Statement"

In this issue...

- Annual Benefits Statement page 1
- Annual Benefits Statement continued page 2
- Cutting out the "extras" page 3
- Member Spotlight page 4
- Spotlight on Brenda Williams page 4
- Upcoming Events page 4

"Statement" continued from page 1

Your Annual Benefits Statement, available online in mid-2012

Four simple checkpoints point a realistic picture of your retirement scenario

Checkpoint 1:

Contributions—displays mandatory employee contributions made to the Retirement Systems
Years of Service Toward Retirement—shows the number of years credited to you through the end of 2011
Beneficiary Designation—beneficiaries you have chosen

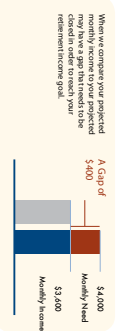
Checkpoint 2:

Sources of Retirement Income—Current contribution balance(s) in your NC 401(k) and NC 457 Plan accounts are used to project the amount of income that could be generated in retirement. Social Security estimated income may also be included.

Checkpoint 3: Your Personal Gap Analysis

The chart below illustrates the difference between the income you might have and the income you might need in retirement. To determine your monthly income in retirement, we used your prior benefit information, estimated Social Security benefit, and the projected value of your Supplemental Retirement Savings Plan(s).

We assumed that you retire at age 64 and spend 15 years in retirement. To determine your income need in retirement, we multiplied your monthly expenses by the number of years you will be in retirement (15 years) and then divided the result by 12 months to get the monthly income in retirement (equal to 100% of the pre-retirement salary).



- We assumed that you will retire at age 64 and spend 15 years in retirement. Consider how you may be able to improve your financial future. Here are some options:
 - Begin contributing or contribute more to your supplemental retirement savings plan(s) if you are not contributing the maximum contribution amount.
 - Learn more: Log on to www.ncpensions.com for more information about the personal benefits available to you. You may also access the Retirement Statement and the NC 457 Plan Supplemental Retirement Plan and the NC 401(k) Compensation Plan, and to use our interactive calculators.
 - Don't leave the money on the table. Be sure to take advantage of any dollars your employer will contribute to your account by contributing at least the maximum amount your employer will match.
- Your retirement income needs are determined by your living expenses and the lifestyle you desire in retirement. The Retirement Statement provides information that you may need to know or that you may need more or less than this general projection suggests.

Checkpoint 1: Your Current Retirement Savings and Service

	Plan 2	Plan 1	Disclaimer
Contributions			Member ID: NC101070
Balance on 12/31/10	\$12,171	\$19,200	Plan 1 and Plan 2 are defined contribution plans and are provided to you by the Retirement Systems. The Retirement Systems are not responsible for the investment performance of the investments in the plans. The Retirement Systems are not responsible for the investment performance of the investments in the plans. The Retirement Systems are not responsible for the investment performance of the investments in the plans.
2011 Contributions	\$75	\$50	
Retiree Earned in 2011	\$75	\$50	
Balance on 12/31/11	\$12,221	\$20,000	
Years of Service Toward Retirement			
Years of Service on 12/31/10	18,000	18,000	
Years of Service Included/Acquired	1,000	1,000	
Years of Membership Service Earned in 2011	19,000	20,000	
Years of Full-Benefit Service toward Retirement as of 12/31/2011	19,000	20,000	
Beneficiary Designation	Multiple		
Beneficiary for Return of Contributions	John Smith		
Beneficiary of Death Benefit	John Smith		

Checkpoint 2: Review the Sources of Your Retirement Income

The information below was used to generate your projected monthly income.

Plan Name	Yield	Total balance/benefit	Period end date	Projected value	Projected monthly income
Sample Plan 2	1.1221	\$12,221.4	12/31/11	N/A	\$1,250
Sample Plan 1	1.1110	\$20,000.0	12/31/11	N/A	\$850
Sample Plan 3	1.1332	\$13,332.0	12/31/11	\$252,014	\$900
Social Security	N/A	N/A	N/A	N/A	\$600
Total					\$1,600

- You are always fully vested in your contributions. Employer contributions are at the discretion of the plan and are not guaranteed.
- The yield rates are based on the current market rates for the investments in the plans. The Retirement Systems are not responsible for the investment performance of the investments in the plans.
- The date, holidays and management provided by the Retirement Systems.
- The data, calculations and management provided by the Retirement Systems.

Checkpoint 3: Monthly need

—estimates amount needed in retirement, calculated as 80% of current salary
Monthly income—same amount as estimated in Checkpoint 2

Using the projected monthly income calculated in Checkpoint 2, these graphically demonstrate if you are on track to meet your monthly income needs. If there is a shortfall, suggestions on how to make up the difference are included.

Checkpoint 4:

Displays how much more you could have in retirement if you were to increase your contributions to either Plan.

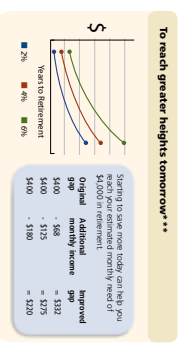
Checkpoint 4: Save More For Your Future

The chart below shows how adding more to an employee and dependent savings plan** like the NC 401(k) Plan or the NC 457 Plan or the Supplemental Retirement Savings Plan(s) might affect your retirement income. The chart also compares how your current take-home pay might be affected—

* Assume that you are 64 and you are contributing 10% of your salary to the plan. The chart shows the projected monthly income in retirement (15 years) and the projected monthly income in retirement (15 years) if you contribute 15% of your salary to the plan.

Take small steps today**

Contribution	Your monthly contribution	Amount take-home pay is reduced each month
2%	\$58	\$44
4%	\$116	\$87
6%	\$170	\$120



** The chart assumes the following conditions, and is based on your current pay and an assumed rate of return of 7%. The chart shows the projected monthly income in retirement (15 years) and the projected monthly income in retirement (15 years) if you contribute 15% of your salary to the plan.

We encourage you to take time to review your Annual Benefits Statement. If you would like to take action for your future by doing more in your NC 401(k) and NC 457 Plans, you can start by reaching out to your Regional Retirement Education Manager (REM), by calling a Participant Service Representative at **1-866-NCPlans** (1-866-627-5267) or by visiting **www.NCPlans.prudential.com**.

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.**



Pleasure now vs. security later:

How your “nice-to-have” purchases today can cost you in retirement

You work hard and should be able to spend your money on whatever you like, right? Sure, but even when you don't live an extravagant lifestyle, spending even a modest amount of money to buy many of the “extras” that are so common today can really add up.

- Suppose you didn't buy your coffee from that fancy café every morning...
- Suppose you didn't have to buy the latest pair of athletic shoes the moment they came out...
- Suppose you didn't go out to eat with your spouse every week...
- Suppose you opted for regular cable television rather than splurging on premium channels...

Consider the impact if, instead, you put the money you would normally have spent on those items into the NC 401(k) Plan or NC 457 Plan account. The long-term effect could be remarkable.


See for yourself how the money spent on some basic “nicer-to-haves” might add up if put into your retirement account:

Item	Cost Today*	Value Later*
Cup of regular coffee at a national chain	\$1.96/day	\$55,386.03
Dining out (for two)	\$45/week	\$254,323.59
Premium cable movie channel	\$17.99/month	\$23,462.98
Satellite radio	\$199/year	\$21,628.37
e-Book reader	\$199	\$1,514.84

*Costs are estimated and general and not related to any specific region, store, restaurant or carrier. Calculations are hypothetical and assume a 7% rate of return, compounded annually over 30 years. Does not consider taxes or penalties.

You certainly don't need to give up all enjoyment. But before you make these decisions, consider the potential impact these savings might have over time, especially when it comes to purchases that will cost you over and over again, such as subscriptions or daily habits. Ask yourself, “Do I really need this, or am I better off investing this money for my future?” When you really think about these purchases, you may decide that your long-term security is more important than your short-term pleasure.

For more tips on doing more for your retirement, contact your Regional Retirement Education Manager or call

 **1-866-NCPlans** (1-866-627-5267).

Member Spotlight

Stories from real members — just like you — who took action to help make a better tomorrow for themselves



Feature: Shannon Autry

Shannon Autry enrolled in the NC 401(k) when she began her job six years ago as a tax assistant for the Cumberland County Tax Administration Office. At first, Shannon held her contributions steady for several years, unaware that she was not on track to meet her retirement goals.

"I was more focused on the economy and the cost of living increases all around us — from the grocery store to the gas station — and and neglecting to think about my future, especially retirement," she said.

Shannon had her "aha moment" when she referred to the Retirement Income Calculator on Prudential Retirement's website. After plugging in her numbers, she was surprised to see a deficit pop up.

Since then, she has made huge strides in saving for retirement. She subsequently spoke with her Regional Retirement Education Manager and decided to enroll in the 457 Plan. She has also gradually increased her contributions, using income from such savings as last-year's payroll tax-cut extension."

Shannon admits that recent market ups and downs have given her pause, and that she often has to remind herself of the eventual payoff.

"I tell myself that this isn't a sprint," she said. "It's a marathon, and I'm in it for the long haul."

Shannon is now confident that she is on track to retire at age 65 when she reaches 30 years of employment with the county. When she last checked the Retirement Income Calculator, she saw that the deficit that had alarmed her years ago had dropped by 90 percent.

"Planning for my future is something only I can do," she said. "I have to think about my longterm goals, and the only way to make them happen is to be smart about my investments now."

If you would like to share your own retirement savings story, contact your **Regional Retirement Education Manager** or email NCPlans@prudential.com. You could be the next NC Plan member featured in this Spotlight.

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Spotlight on Brenda Williams



Brenda Williams joined the North Carolina Department of State Treasurer as its Director of Financial Literacy in January of last year. In her role, she oversees the Department's efforts to partner with state and local government agencies, private industry, and the nonprofit sector to provide financial coaching and education to citizens of all ages throughout the state.

"It is my privilege to help lead efforts to fulfill the Department's vision of a more financially secure North Carolina," Brenda said. "I'm looking forward to elevating the great work being done and helping expand outreach to underserved individuals and communities."

Prior to joining the Department, Brenda led the Family Financial Literacy Coalition, a program of Community Link in Charlotte designed to increase wealth for low-income individuals and families. Under her leadership, the coalition provided free tax preparation services and financial education to more than 17,000 low- to moderate-income households throughout Mecklenburg and surrounding counties.

"I've had the opportunity to interact with so many hardworking people doing the best they can to survive tough economic times," Brenda said. "What I enjoy most about my job is helping people to take charge of their financial futures and manage their resources with confidence."

Brenda currently serves on the North Carolina Financial Literacy Council and the Attorney General's Task Force on Fraud Against Older Adults. She is a member of the Board of Directors for the North Carolina Council on Economic Education. She has also been a licensed foster parent for five years.

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