



North Carolina Supplemental Retirement Plans 403(b) Program

Fourth Quarter 2019 Performance Review

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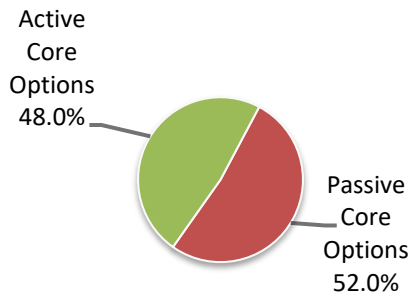
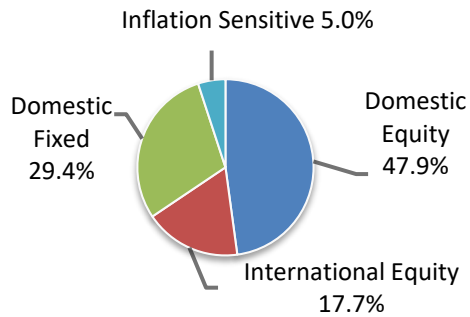
North Carolina
Total Retirement Plans
401k | 457 | 403b



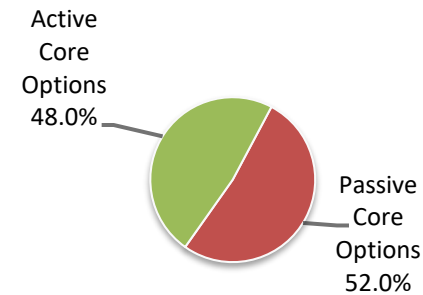
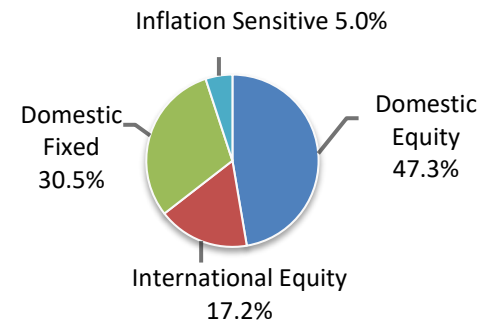
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Asset Allocation Summary

Current Asset Allocation
As of December 31, 2019



Prior Period Asset Allocation
As of September 30, 2019



Asset Allocation

As of December 31, 2019

	Total Market Value	% of Portfolio	Passive Core Options	Active Core Options
Passive Core Options				
Vanguard Short-Term Bond Index Admiral	1,989,058	9.6%	1,989,058	
Vanguard Total Bond Market Index Admiral	975,451	4.7%	975,451	
Vanguard 500 Index Fund Admiral	5,769,612	27.9%	5,769,612	
Vanguard Extended Market Index Admiral	1,406,675	6.8%	1,406,675	
Vanguard Total International Stock Index Fund Admiral	376,072	1.8%	376,072	
Vanguard Shrt-Term Infl-Prot Sec Index Admiral	246,246	1.2%	246,246	
Active Core Options				
Metropolitan West Total Return Bd Plan	3,116,846	15.1%		3,116,846
Principal Diversified Real Asset Fund R6	793,687	3.8%		793,687
Vanguard Windsor II Fund Admiral	706,103	3.4%		706,103
T. Rowe Price Blue Chip Growth I	752,360	3.6%		752,360
DFA US Small Cap I	1,265,071	6.1%		1,265,071
Baillie Gifford International Alpha K	3,290,835	15.9%		3,290,835
Total	\$ 20,688,017	100.0%	10,763,114	9,924,903

Performance Summary

As of December 31, 2019. Returns are reported net of fees and are annualized for time periods over one year

	3 Mo (%)	Peer Rank (%)	YTD (%)	Peer Rank (%)	1 Yr (%)	Peer Rank (%)	3 Yrs (%)	Peer Rank (%)	5 Yrs (%)	Peer Rank (%)
Passive Core Options										
Vanguard Short-Term Bond Index Admiral	0.36	81	4.86	37	4.86	37	2.45	44	1.95	47
<i>Bloomberg Barclays US 1-5Y GovCredit FIAdj TR USD</i>	0.50	58	5.01	32	5.01	32	2.54	38	2.03	40
<i>Short-Term Bond</i>	0.55		4.55		4.55		2.37		1.89	
Vanguard Total Bond Market Index Admiral	0.03	59	8.73	31	8.73	31	4.03	25	3.01	28
<i>Bloomberg Barclays US Agg Bond TR USD</i>	0.18	35	8.72	32	8.72	32	4.03	25	3.05	24
<i>Intermediate-Term Bond</i>	0.09		8.33		8.33		3.65		2.76	
Vanguard 500 Index Fund Admiral	9.06	30	31.46	22	31.46	22	15.23	15	11.66	8
<i>S&P 500 TR USD</i>	9.07	29	31.49	21	31.49	21	15.27	14	11.70	8
<i>Large Blend</i>	8.65		29.66		29.66		13.63		10.12	
Vanguard Extended Market Index Admiral	8.90	13	28.03	41	28.03	41	11.08	24	9.01	17
<i>Russell 2500 USD</i>	8.54	16	27.77	43	27.77	43	10.33	33	8.93	18
<i>Mid-Cap Blend</i>	6.93		26.82		26.82		9.06		7.36	
Vanguard Total International Stock Index Fund Admiral	9.01	39	21.51	58	21.51	58	9.87	29	5.85	28
<i>FTSE Global All Cap ex US (USA) NR USD</i>	9.30	30	22.19	44	22.19	44	10.16	21	6.15	20
<i>Foreign Large Blend</i>	8.72		21.85		21.85		9.06		5.32	
Vanguard Short-Term Inflation-Protected Sec Index	1.08	33	4.85	89	4.85	89	2.05	77	1.73	71
<i>Bloomberg Barclays U.S. Treasury TIPS 0-5Y TR USD</i>	1.14		4.85		4.85		2.09		1.81	
<i>Inflation-Protected Bond</i>	0.96		7.55		7.55		2.69		2.06	
Active Core Options										
Metropolitan West Total Return Bd Plan	0.28	56	9.23	50	9.23	50	4.27	38	3.11	56
<i>Bloomberg Barclays US Agg Bond TR USD</i>	0.18	67	8.72	66	8.72	66	4.03	56	3.05	59
<i>Intermediate Core-Plus Bond</i>	0.33		9.24		9.24		4.10		3.17	
Principal Diversified Real Asset R6	4.57	87	15.07	50	15.07	50	5.34	32	1.64	43
<i>Principal DRA Strat Ind</i>	3.96		14.86		14.86		5.54		3.12	
<i>Natural Resources</i>	7.38		15.04		15.04		1.77		0.83	
Vanguard Windsor II Fund Admiral	9.36	12	29.16	11	29.16	11	11.36	24	8.71	32
<i>Russell 1000 Value TR USD</i>	7.41	45	26.54	33	26.54	33	9.68	53	8.29	42
<i>Large Value</i>	7.19		25.25		25.25		9.80		7.97	
T. Rowe Price Blue Chip Growth I	9.36	53	30.13	69	30.13	69	22.03	14	15.36	6
<i>Russell 1000 Growth TR USD</i>	10.62	26	36.39	18	36.39	18	20.49	29	14.63	15
<i>Large Growth</i>	9.46		32.32		32.32		18.40		12.41	
• DFA US Small Cap I	8.46	43	21.75	74	21.75	74	5.66	69	7.10	56
<i>Russell 2000 TR USD</i>	9.94	16	25.53	35	25.53	35	8.59	23	8.23	31
<i>Small Blend</i>	8.14		24.25		24.25		7.10		7.36	
Baillie Gifford International Alpha K	12.14	13	32.16	17	32.16	17	14.15	30	8.88	23
<i>MSCI ACWI Ex USA NR USD</i>	8.92	64	21.51	96	21.51	96	9.87	88	5.51	83
<i>Foreign Large Growth</i>	9.69		27.86		27.86		12.45		7.10	

• Indicates fund currently on Watch List or Recommended for Removal

Source: Morningstar Data from eVestment database

Fund benchmarks match those defined within fund prospectus documents, except the Vanguard Extended Markets uses the Russell 2500 as a replacement for S&P 500 Completion Index due to availability in eVestment database.

Fund universe categories are those peer universes that were deemed to be a best fit within the respective Morningstar Institutional Mutual Fund Universe within the eVestment database and include both passive and active fund options

403(b) Program - Fund Expense Ratios *(as of Fourth Quarter 2019)*

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Fund	Style	Fund Balance	Estimated Annual Fund Expense	Fund Gross Expense Ratio	Fund Net Expense Ratio	Change From Prior Quarter
Vanguard Short-Term Bond Index Admiral	US Fixed	1,989,058	1,392	0.07%	0.07%	0.00%
Vanguard Total Bond Market Index Admiral	US Fixed	975,451	390	0.04%	0.04%	0.00%
Vanguard 500 Index Fund Admiral	US Large Cap Equity	5,769,612	2,308	0.04%	0.04%	0.00%
Vanguard Extended Market Index Fund Admiral	US SMID Cap Equity	1,406,675	985	0.07%	0.07%	0.00%
Vanguard Total International Stock Index Fund Admiral	International Equity	376,072	414	0.11%	0.11%	0.00%
Metropolitan West Total Return Bd Plan	US Fixed	3,116,846	11,532	0.37%	0.37%	0.00%
Principal Diversified Real Asset R6*	Inflation Sensitive	793,687	6,270	0.84%	0.79%	0.00%
Vanguard Shrt-Term Infl-Prot Sec Index Admiral	Inflation Sensitive	246,246	148	0.06%	0.06%	0.00%
Vanguard Windsor II Fund Admiral	US Large Cap Equity	706,103	1,765	0.26%	0.25%	0.00%
T Rowe Price Blue Chip Growth	US Large Cap Equity	752,360	4,288	0.57%	0.57%	0.00%
DFA US Small Cap Inst	US Small Cap Equity	1,265,071	4,681	0.37%	0.37%	0.00%
Baillie Gifford International Alpha K	International Equity	3,290,835	20,403	0.62%	0.62%	0.00%
Total		\$ 20,688,017	\$ 54,577	0.27%	0.26%	0.00%

Source: Morningstar data from eVestments database

Expense Ratios do not include plan recordkeeping costs

*Note: The net expense ratio for the Principal Diversified Real Asset Fund is increasing to 0.80% beginning 1/01/2020 due to underlying fund expenses. Beginning 03/31/2020, the net expense ratio is expected to decrease to 0.78% given anticipated changes to underlying fund allocations.

Questions



Thank you



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