



North Carolina Total Retirement Plans

4Q 2014 Board of Trustees Report

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

On: March 19, 2015

As of: December 31, 2014

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



North Carolina
Total Retirement Plans | 401k | 457

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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.

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Prudential's Book of Business averages are as of 12/31/2014.



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 to help us achieve our top-level metric of 70% in 2014:

401(k) Plan:

Sub Goal	Goal	As of 12/31/2014	% to Goal
Increase use of GoalMaker utilization among new members	89.5%	92.29%	103.12%
Increase use of GoalMaker utilization among members	55%	55.50%	100.91%
Increase the average monthly employee deferral	\$160	\$160.91	100.57%
Increase active participation	27%	27.19%	100.70%

5 Employers adopted the 401(k) Plan from the period of January 1, 2014 through December 31, 2014

457 Plan:

Sub Goal	Goal	As of 12/31/2014	% to Goal
Increase use of GoalMaker utilization among new members	91.5%	90.53%	98.94%
Increase use of GoalMaker utilization among members	55%	56.77%	103.22%
Increase the average monthly employee deferral	\$130	\$130.72	100.55%
Increase active participation	12.25%	11.57%	94.45%

30 Employers adopted the 457 Plan from the period of January 1, 2014 through December 31, 2014

Asset Allocation By Fund – Combined Plans

Investment Option	Asset Class			# Participants Utilizing				# Participants Utilizing			
		12/31/2012	%	12/31/2012	12/31/2013	%	12/31/2013	12/31/2014	%	12/31/2014	
NC STABLE VALUE-401K	Stable Value	\$1,824,113,976	26.09%	169,906	\$1,868,132,836	22.26%	181,223	\$1,900,799,326	21.16%	185,793	
NC STABLE VALUE-457	Stable Value	\$379,448,630	5.43%	35,078	\$391,476,370	4.66%	40,878	\$393,130,858	4.38%	43,553	
NORTH CAROLINA FIXED INCOME FUND	Fixed Income	\$511,374,592	7.31%	152,506	\$529,963,556	6.31%	169,158	\$573,137,497	6.38%	178,694	
NORTH CAROLINA FIXED INCOME INDEX	Fixed Income	\$241,842,243	3.46%	114,186	\$292,713,355	3.49%	132,033	\$345,812,824	3.85%	144,241	
NORTH CAROLINA LARGE CAP GROWTH FUND	Large-Cap Stock	\$688,682,554	9.85%	203,958	\$839,986,022	10.01%	225,107	\$884,702,175	9.85%	236,088	
NORTH CAROLINA LARGE CAP INDEX FUND	Large-Cap Stock	\$1,028,879,670	14.72%	202,471	\$1,166,576,725	13.90%	224,072	\$1,301,205,508	14.48%	235,603	
NORTH CAROLINA LARGE CAP VALUE FUND	Large-Cap Stock	\$704,391,528	10.07%	204,127	\$861,720,410	10.27%	225,706	\$936,485,171	10.42%	236,590	
NORTH CAROLINA SMALL/MID CAP GROWTH FUND	Small-Cap Stock	\$141,138,048	2.02%	145,975	\$306,547,435	3.65%	167,164	\$330,149,194	3.68%	180,939	
NORTH CAROLINA SMALL/MID CAP INDEX FUND	Small-Cap Stock	\$353,946,587	5.06%	158,448	\$207,762,368	2.48%	26,870	\$219,914,642	2.45%	26,065	
NORTH CAROLINA SMALL/MID CAP VALUE FUND	Small-Cap Stock	\$229,294,960	3.28%	156,290	\$418,878,783	4.99%	177,382	\$460,462,496	5.13%	190,726	
NORTH CAROLINA GLOBAL EQUITY FUND	Global/Intl Stock	\$163,483,274	2.34%	137,786	\$665,466,584	7.93%	158,904	\$730,793,096	8.14%	173,530	
NORTH CAROLINA INTERNATIONAL FUND	Global/Intl Stock	\$436,252,896	6.24%	165,804	\$518,937,845	6.18%	186,297	\$536,784,130	5.98%	198,851	
NORTH CAROLINA INTERNATIONAL INDEX FUND	Global/Intl Stock	\$289,193,866	4.14%	138,499	\$38,523,960	0.46%	6,602	\$41,054,444	0.46%	6,652	
NC INFLATION RESPONSIVE FUND	Specialty	\$0	0.00%	0	\$287,177,921	3.42%	149,400	\$328,748,317	3.66%	164,618	
Total Plan Assets		\$6,992,042,824	100.00%		\$8,393,864,170	100.00%		\$8,983,179,677	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 December 31, 2014 was 270,208.

The average monthly employee deferral from January 1, 2014 to December 31, 2014 was \$177.28 for the combined Plans.

The active participation rate as of December 31, 2014 was 30.06% for the combined Plans.

The GoalMaker utilization among new members as of December 31, 2014 was 91.48% for the combined Plans.

The GoalMaker utilization among members as of December 31, 2014 was 53.98% for the combined Plans.

North Carolina Total Retirement Plans

Asset Allocation By Fund – 401(k) Plan

Investment Option	Asset Class			# Participants Utilizing		# Participants Utilizing				# Participants Utilizing
		12/31/2012	%	12/31/2012	12/31/2013	%	12/31/2013	12/31/2014	%	12/31/2014
NC STABLE VALUE-401K	Stable Value	\$1,824,113,976	30.00%	169,906	\$1,868,132,836	25.53%	181,223	\$1,900,799,326	24.26%	185,793
NORTH CAROLINA FIXED INCOME FUND	Fixed Income	\$446,400,934	7.34%	129,984	\$466,968,715	6.38%	141,010	\$505,703,492	6.45%	147,264
NORTH CAROLINA FIXED INCOME INDEX	Fixed Income	\$221,520,750	3.64%	97,578	\$268,416,025	3.67%	109,657	\$312,547,387	3.99%	118,086
NORTH CAROLINA LARGE CAP GROWTH FUND	Large-Cap Stock	\$604,661,678	9.94%	174,049	\$733,025,380	10.02%	188,324	\$772,339,452	9.86%	195,405
NORTH CAROLINA LARGE CAP INDEX FUND	Large-Cap Stock	\$925,047,336	15.21%	176,237	\$1,040,816,859	14.22%	190,974	\$1,157,365,042	14.77%	198,213
NORTH CAROLINA LARGE CAP VALUE FUND	Large-Cap Stock	\$623,402,628	10.25%	174,710	\$758,144,069	10.36%	189,408	\$823,798,167	10.51%	196,401
NORTH CAROLINA SMALL/MID CAP GROWTH FUND	Small-Cap Stock	\$109,256,204	1.80%	119,346	\$255,498,482	3.49%	133,781	\$279,426,558	3.57%	143,625
NORTH CAROLINA SMALL/MID CAP INDEX FUND	Small-Cap Stock	\$337,047,630	5.54%	139,009	\$194,181,199	2.65%	25,549	\$203,967,375	2.60%	24,657
NORTH CAROLINA SMALL/MID CAP VALUE FUND	Small-Cap Stock	\$179,407,237	2.95%	129,222	\$346,216,272	4.73%	143,566	\$381,711,171	4.87%	152,907
NORTH CAROLINA GLOBAL EQUITY FUND	Global/Intl Stock	\$153,692,002	2.53%	118,663	\$627,890,115	8.58%	132,949	\$685,176,127	8.74%	142,992
NORTH CAROLINA INTERNATIONAL FUND	Global/Intl Stock	\$383,790,009	6.31%	138,318	\$458,256,251	6.26%	152,157	\$475,906,185	6.07%	160,793
NORTH CAROLINA INTERNATIONAL INDEX FUND	Global/Intl Stock	\$271,986,071	4.47%	119,213	\$30,327,610	0.41%	5,541	\$31,641,188	0.40%	5,550
NC INFLATION RESPONSIVE FUND	Specialty	\$0	0.00%	0	\$269,579,046	3.68%	124,933	\$306,125,308	3.91%	135,443
Total Plan Assets		\$6,080,326,455	100.00%		\$7,317,452,859	100.00%		\$7,836,506,778	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 December 31, 2014 was 247,850.

The average monthly employee deferral from January 1, 2014 to December 31, 2014 was \$160.91 for the 401(k) Plan.

The active participation rate as of December 31, 2014 was 27.19% for the 401(k) Plan.

The GoalMaker utilization among new members as of December 31, 2014 was 92.29% for the 401(k) Plan.

The GoalMaker utilization among members as of December 31, 2014 was 55.50% for the 401(k) Plan.

Asset Allocation By Fund – 457 Plan

Investment Option	Asset Class			# Participants Utilizing				# Participants Utilizing			
		12/31/2012	%	12/31/2012	12/31/2013	%	12/31/2013	12/31/2014	%	12/31/2014	
NC STABLE VALUE-457	Stable Value	\$379,448,630	41.62%	35,078	\$391,476,370	36.37%	40,878	\$393,130,858	34.28%	43,553	
NORTH CAROLINA FIXED INCOME FUND	Fixed Income	\$64,973,658	7.13%	22,522	\$62,994,841	5.85%	28,148	\$67,434,005	5.88%	31,430	
NORTH CAROLINA FIXED INCOME INDEX	Fixed Income	\$20,321,493	2.23%	16,608	\$24,297,329	2.26%	22,376	\$33,265,437	2.90%	26,155	
NORTH CAROLINA LARGE CAP GROWTH FUND	Large-Cap Stock	\$84,020,876	9.22%	29,909	\$106,960,642	9.94%	36,783	\$112,362,722	9.80%	40,683	
NORTH CAROLINA LARGE CAP INDEX FUND	Large-Cap Stock	\$103,832,335	11.39%	26,234	\$125,759,866	11.68%	33,098	\$143,840,466	12.54%	37,390	
NORTH CAROLINA LARGE CAP VALUE FUND	Large-Cap Stock	\$80,988,900	8.88%	29,417	\$103,576,341	9.62%	36,298	\$112,687,005	9.83%	40,189	
NORTH CAROLINA SMALL/MID CAP GROWTH FUND	Small-Cap Stock	\$31,881,844	3.50%	26,629	\$51,048,953	4.74%	33,383	\$50,722,636	4.42%	37,314	
NORTH CAROLINA SMALL/MID CAP INDEX FUND	Small-Cap Stock	\$16,898,957	1.85%	19,439	\$13,581,169	1.26%	1,321	\$15,947,267	1.39%	1,408	
NORTH CAROLINA SMALL/MID CAP VALUE FUND	Small-Cap Stock	\$49,887,724	5.47%	27,068	\$72,662,512	6.75%	33,816	\$78,751,325	6.87%	37,819	
NORTH CAROLINA GLOBAL EQUITY FUND	Global/Intl Stock	\$9,791,272	1.07%	19,123	\$37,576,470	3.49%	25,955	\$45,616,969	3.98%	30,538	
NORTH CAROLINA INTERNATIONAL FUND	Global/Intl Stock	\$52,462,887	5.75%	27,486	\$60,681,594	5.64%	34,140	\$60,877,944	5.31%	38,058	
NORTH CAROLINA INTERNATIONAL INDEX FUND	Global/Intl Stock	\$17,207,795	1.89%	19,286	\$8,196,350	0.76%	1,061	\$9,413,257	0.82%	1,102	
NC INFLATION RESPONSIVE FUND	Specialty	\$0	0.00%	0	\$17,598,874	1.63%	24,467	\$22,623,008	1.97%	29,175	
Total Plan Assets		\$911,716,370	100.00%		\$1,076,411,310	100.00%		\$1,146,672,899	100.00%		

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 December 31, 2014 was 51,892.

The average monthly employee deferral from January 1, 2014 to December 31, 2014 was \$130.72 for the 457 Plan.

The active participation rate as of December 31, 2014 was 11.57% for the 457 Plan.

The GoalMaker utilization among new members as of December 31, 2014 was 90.53% for the 457 Plan.

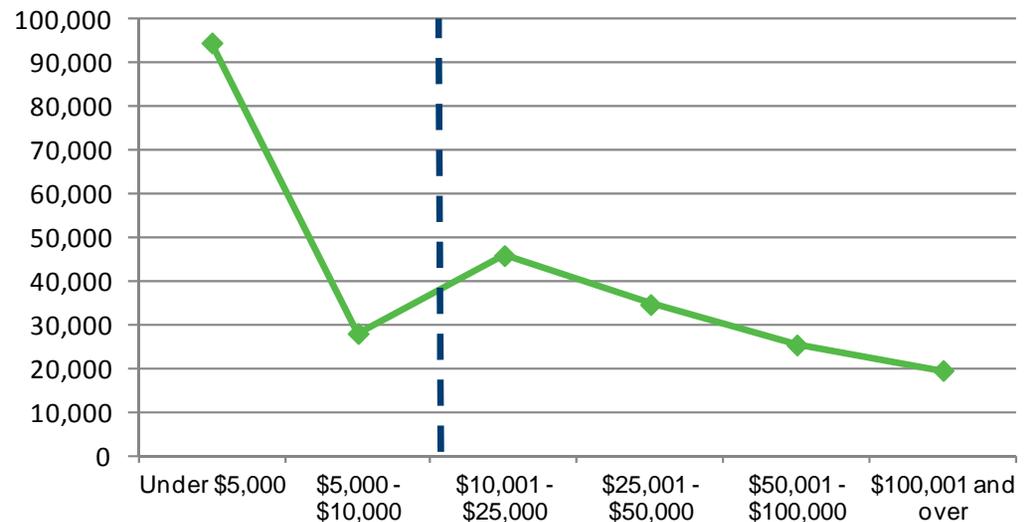
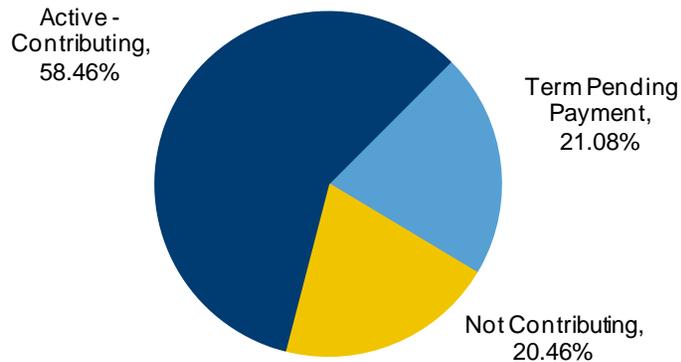
The GoalMaker utilization among members as of December 31, 2014 was 56.77% for the 457 Plan.

North Carolina Total Retirement Plans

401(k) Plan				
	4Q 2013	4Q 2014	Difference #	Difference %
Members w ith an Account Balance	243,010	247,850	4,840	1.99%
Average Account Balance	\$30,112	\$31,618	\$1,506	5.00%
Median Account Balance	\$10,378	\$10,343	(\$35)	-0.34%

401(k) Plan Percentage Gain						
	Assets (12/31/2013)	Contributions	Distributions	Earnings	Assets (12/31/2014)	Percentage Gain
NC 401(k) Plan	\$7,317,452,859	\$466,878,369	\$383,451,281	\$435,626,831	\$7,836,506,778	5.89%

401(k) Member Breakdown



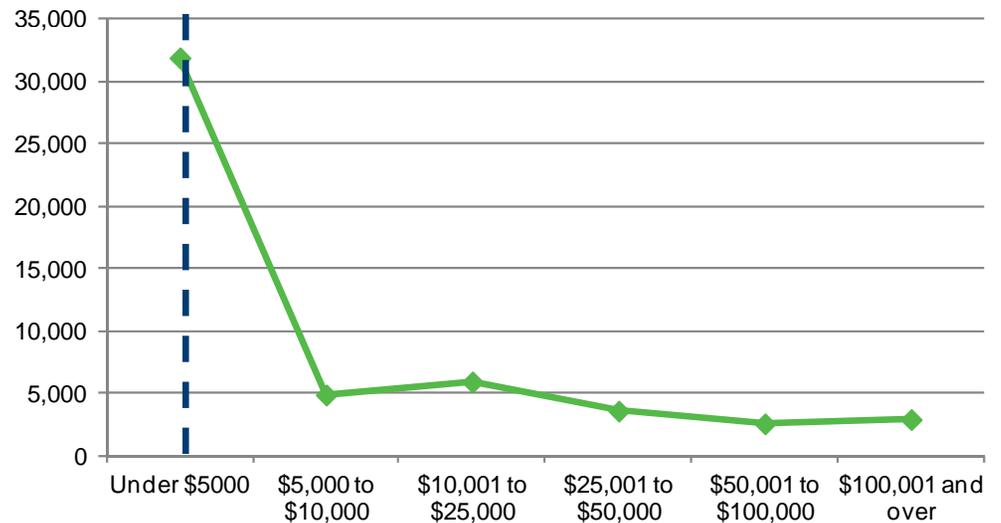
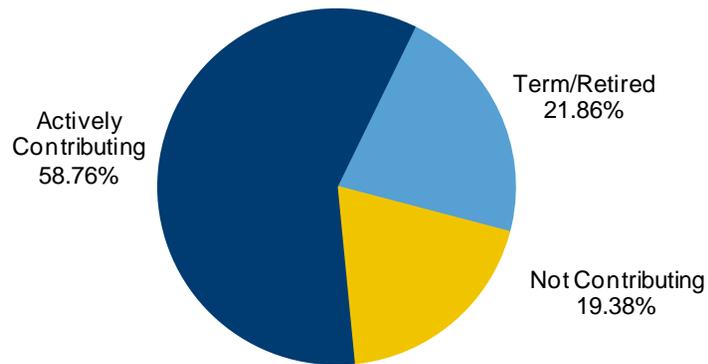
Member breakdown reflects status on recordkeeping system updated from limited indicative data received from employers which may cause the active status to be inflated

North Carolina Total Retirement Plans

457 Plan				
	4Q 2013	4Q 2014	Difference #	Difference %
Members w ith an Account Balance	48,374	51,892	3,518	7.27%
Average Account Balance	\$22,247	\$22,097	(\$150)	-0.67%
Median Account Balance	\$2,388	\$2,224	(\$164)	-6.87%

457 Plan Percentage Gain						
	Assets (12/31/2013)	Contributions	Distributions	Earnings	Assets (12/31/2014)	Percentage Gain
NC 457 Plan	\$1,076,411,310	\$71,432,418	\$60,099,652	\$58,928,823	\$1,146,672,899	5.42%

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

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

401(k) Plan Quarterly Enrollments & Contribution Changes							
	4Q 2011	4Q 2012	4Q 2012 % of Change	4Q 2013	4Q 2013 % of Change	4Q 2014	4Q 2014 % of Change
Enrollments	2,441	3,743	34.78%	3,370	-9.97%	4,123	22.34%
% of New Hires Enrolled in Plan	47.68%	47.33%	-0.74%	69.37%	46.57%	69.15%	-0.31%
GoalMaker Elections	2,108	3,274	35.61%	3,049	-6.87%	3,767	19.06%
Contribution Changes							
Deferral Decreases	2,082	2,047	-1.71%	2,238	9.33%	2,466	10.19%
Deferral Increases	3,449	5,010	31.16%	5,313	6.05%	6,972	31.23%
Pre-tax Participation Rate	21.43%	21.23%	-0.94%	20.59%	-3.01%	20.31%	-1.36%
Roth Participation Rate	4.67%	5.56%	16.01%	6.41%	15.29%	7.08%	10.45%
Voluntary (Employee & Roth) Participation Rate	24.53%	25.08%	2.19%	25.21%	0.52%	27.16%	7.74%

401(k) Plan Quarterly Enrollments & Contribution Change Method				
	4Q 2011	4Q 2012	4Q 2013	4Q 2014
Method of Enrollment				
Paper Form	77.92%	77.86%	77.37%	76.67%
Pseudo Enrollment	15.86%	17.42%	16.21%	13.56%
Internet	6.22%	4.72%	6.42%	9.77%
Method of Contribution Change				
Internet	87.62%	93.59%	98.06%	98.86%
Paper Form	10.52%	5.37%	1.58%	0.87%
Participant Service Center	1.21%	0.54%	0.11%	0.07%
VRU	0.65%	0.50%	0.25%	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.

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

401(k) Plan YTD Enrollments & Contribution Changes							
	2011	2012	2012 % of Change	2013	2013 % of Change	2014	2014 % of Change
Enrollments	12,024	14,207	15.37%	15,072	6.09%	15,103	0.21%
% of New Hires Enrolled in Plan	51.69%	40.00%	-29.23%	50.84%	27.11%	47.07%	-7.42%
GoalMaker Elections	10,580	12,447	15.00%	13,533	8.72%	13,887	2.62%
Contribution Changes							
Deferral Decreases	10,085	8,028	-25.62%	11,136	38.71%	10,000	-10.20%
Deferral Increases	18,788	28,761	34.68%	24,964	-13.20%	27,866	11.62%
Pre-tax Participation Rate	23.74%	23.33%	-1.76%	22.92%	-1.76%	21.60%	-5.76%
Roth Participation Rate	5.16%	6.09%	15.27%	7.10%	16.58%	7.52%	5.92%
Voluntary (Employee & Roth) Participation Rate	26.98%	27.37%	1.42%	27.83%	1.68%	28.89%	3.81%

401(k) Plan YTD Enrollments & Contribution Change Method				
	2011	2012	2013	2014
Method of Enrollment				
Paper Form	76.85%	79.60%	81.30%	76.26%
Pseudo Enrollment	17.28%	15.60%	14.53%	17.12%
Internet	5.86%	4.80%	4.18%	6.63%
Method of Contribution Change				
Internet	85.98%	90.75%	97.75%	98.50%
Paper	11.42%	8.38%	1.76%	1.17%
Participant Service Center	1.92%	0.70%	0.17%	0.06%
VRU	0.68%	0.18%	0.32%	0.27%

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.



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

457 Plan Quarterly Enrollments & Contribution Changes							
	4Q 2011	4Q 2012	4Q 2012 % of Change	4Q 2013	4Q 2013 % of Change	4Q 2014	4Q 2014 % of Change
Enrollments	1,199	2,022	68.64%	1,444	-28.59%	1,709	18.35%
% of New Hires Enrolled in Plan	40.42%	43.21%	6.90%	56.65%	31.10%	46.04%	-18.73%
GoalMaker Elections	1,008	1,841	82.64%	1,294	-29.71%	1,561	20.63%
Contribution Changes							
Deferral Decreases	368	384	4.35%	580	51.04%	682	17.59%
Deferral Increases	750	991	32.13%	789	-20.38%	1,446	83.27%
Pre-tax Participation Rate	10.45%	10.31%	-1.34%	10.11%	-1.94%	10.53%	4.15%
Roth Participation Rate	0.29%	0.47%	62.07%	0.70%	48.94%	1.11%	58.57%
Voluntary (Employee & Roth) Participation Rate	11.55%	11.91%	3.12%	10.50%	-11.84%	11.20%	6.67%

457 Plan Quarterly Enrollments & Contribution Change Method				
	4Q 2011	4Q 2012	4Q 2013	4Q 2014
Method of Enrollment				
Paper Form	93.50%	92.37%	88.60%	87.72%
Pseudo Enrollment	1.36%	1.44%	1.60%	1.23%
Internet	5.14%	6.19%	9.81%	11.05%
Method of Contribution Change				
Internet	87.59%	94.72%	99.09%	99.54%
Paper Form	10.54%	4.22%	0.66%	0.41%
Participant Service Center	1.43%	0.58%	0.11%	0.05%
VRU	0.45%	0.48%	0.15%	0.00%

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.



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

457 Plan YTD Enrollments & Contribution Changes							
	2011	2012	2012 % of Change	2013	2013 % of Change	2014	2014 % of Change
Enrollments	5,827	6,919	18.74%	7,670	10.85%	6,113	-20.30%
% of New Hires Enrolled in Plan	43.32%	32.74%	-24.42%	38.78%	18.45%	30.25%	-22.00%
GoalMaker Elections	5,586	6,249	11.87%	6,918	10.71%	5,577	-19.38%
Contribution Changes							
Deferral Decreases	1,398	1,505	7.65%	1,335	-11.30%	3,429	156.85%
Deferral Increases	3,168	3,623	14.36%	4,635	27.93%	6,233	34.48%
Pre-tax Participation Rate	10.06%	12.61%	25.35%	13.86%	9.91%	11.11%	-19.84%
Roth Participation Rate	0.30%	0.48%	0.00%	0.70%	45.83%	0.86%	22.86%
Voluntary (Employee & Roth) Participation Rate	11.93%	13.18%	10.48%	11.32%	-14.11%	11.85%	4.68%

457 Plan YTD Enrollments & Contribution Change Method				
	2011	2012	2013	2014
Method of Enrollment				
Paper Form	93.58%	92.78%	91.33%	89.55%
Pseudo Enrollment	1.06%	1.20%	1.82%	1.78%
Internet	5.35%	6.02%	6.85%	8.67%
Method of Contribution Change				
Internet	85.09%	91.67%	98.00%	99.47%
Paper	12.18%	7.40%	1.46%	0.24%
Participant Service Center	2.38%	0.67%	0.33%	0.14%
VRU	0.35%	0.25%	0.21%	0.14%

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

	4Q 2011	4Q 2012	4Q 2012 Change %	4Q 2013	4Q 2013 Change %	4Q 2014	4Q 2014 Change %
Employee Contributions	\$56,029,786	\$55,955,441	-0.13%	\$55,069,001	-1.58%	\$56,137,829	1.94%
Roth	\$6,242,043	\$7,056,531	13.05%	\$7,939,461	12.51%	\$9,092,176	14.52%
Total Employee Contributions	\$62,271,829	\$63,011,972	1.19%	\$63,008,462	-0.01%	\$65,230,005	3.53%
Employer Contributions	\$40,151,493	\$42,380,106	5.55%	\$43,051,230	1.58%	\$44,698,282	3.83%
Rollovers	\$8,021,685	\$13,125,912	63.63%	\$16,823,145	28.17%	\$14,430,246	-14.22%
Total Contributions	\$110,445,007	\$118,517,991	7.31%	\$122,882,838	3.68%	\$124,358,533	1.20%
Average Voluntary Contributions	\$192	\$192	0.02%	\$194	0.74%	\$199	2.58%
Average Roth Contributions	\$104	\$99	-5.11%	\$95	-4.58%	\$97	2.92%
Average Employee Contributions	\$187	\$184	-1.56%	\$182	-1.35%	\$173	-4.56%

401(k) Contributions

	2011	2012	2012 Change %	2013	2013 Change %	2014	2014 Change %
Employee Contributions	\$218,372,938	\$215,848,506	-1.16%	\$214,331,937	-0.70%	\$214,486,634	0.07%
Roth	\$22,596,356	\$25,623,714	13.40%	\$29,313,101	14.40%	\$33,323,175	13.68%
Total Employee Contributions	\$240,969,294	\$241,472,220	0.21%	\$243,645,038	0.90%	\$247,809,808	1.71%
Employer Contributions	\$157,958,247	\$162,977,164	3.18%	\$167,275,273	2.64%	\$172,051,885	2.86%
Rollovers	\$35,705,650	\$41,390,337	15.92%	\$62,216,716	50.32%	\$47,016,676	-24.43%
Total Contributions	\$434,633,191	\$445,839,722	2.58%	\$473,137,027	6.12%	\$466,878,369	-1.32%
Average Voluntary Contributions	\$166	\$164	-1.02%	\$167	1.49%	\$173	3.56%
Average Roth Contributions	\$86	\$81	-5.65%	\$78	-3.60%	\$82	4.55%
Average Employee Contributions	\$162	\$158	-2.65%	\$157	-0.55%	\$150	-4.45%

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

	4Q 2011	4Q 2012	4Q 2012 Change %	4Q 2013	4Q 2013 Change %	4Q 2014	4Q 2014 Change %
Employee Contributions	\$11,492,010	\$12,764,183	11.07%	\$13,386,916	4.88%	\$13,789,503	3.01%
Roth	\$97,982	\$350,565	257.79%	\$528,649	50.80%	\$834,904	57.93%
Total Employee Contributions	\$11,589,992	\$13,114,748	13.16%	\$13,915,566	100.00%	\$14,624,407	5.09%
Employer Contributions	\$0	\$0	0.00%	\$72,353	0.00%	\$269,831	100.00%
Rollovers	\$3,412,150	\$3,726,264	9.21%	\$3,149,821	-15.47%	\$5,188,925	64.74%
Total Contributions	\$15,002,142	\$16,841,012	12.26%	\$17,137,739	1.76%	\$20,083,162	17.19%
Average Voluntary Contributions	\$164	\$160	-2.44%	\$146	-8.75%	\$148	1.36%
Average Roth Contributions	\$82	\$123	50.00%	\$122	-0.81%	\$141	15.44%
Average Employee Contributions	\$163	\$161	-1.23%	\$152	-5.59%	\$148	-2.33%

457 Contributions

	2011	2012	2012 Change %	2013	2013 Change %	2014	2014 Change %
Employee Contributions	\$44,747,589	\$47,874,423	6.99%	\$52,782,181	10.25%	\$53,705,093	1.75%
Roth	\$217,605	\$972,432	346.88%	\$2,042,202	110.01%	\$2,623,293	28.45%
Total Employee Contributions	\$44,965,194	\$48,846,855	8.63%	\$54,824,382	12.24%	\$56,328,386	2.74%
Employer Contributions	\$0	\$0	0.00%	\$84,898	100.00%	\$993,580	1070.32%
Rollovers	\$13,015,418	\$13,524,119	3.91%	\$11,859,364	-12.31%	\$14,894,237	25.59%
Total Contributions	\$57,980,611	\$62,370,973	7.57%	\$66,768,645	7.05%	\$72,216,203	8.16%
Average Voluntary Contributions	\$149	\$139	-6.71%	\$134	-3.60%	\$129	-3.95%
Average Roth Contributions	\$38	\$75	97.37%	\$93	24.00%	\$99	6.65%
Average Employee Contributions	\$148	\$139	-6.08%	\$135	-2.88%	\$152	12.41%

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.

401(k) GoalMaker Participation

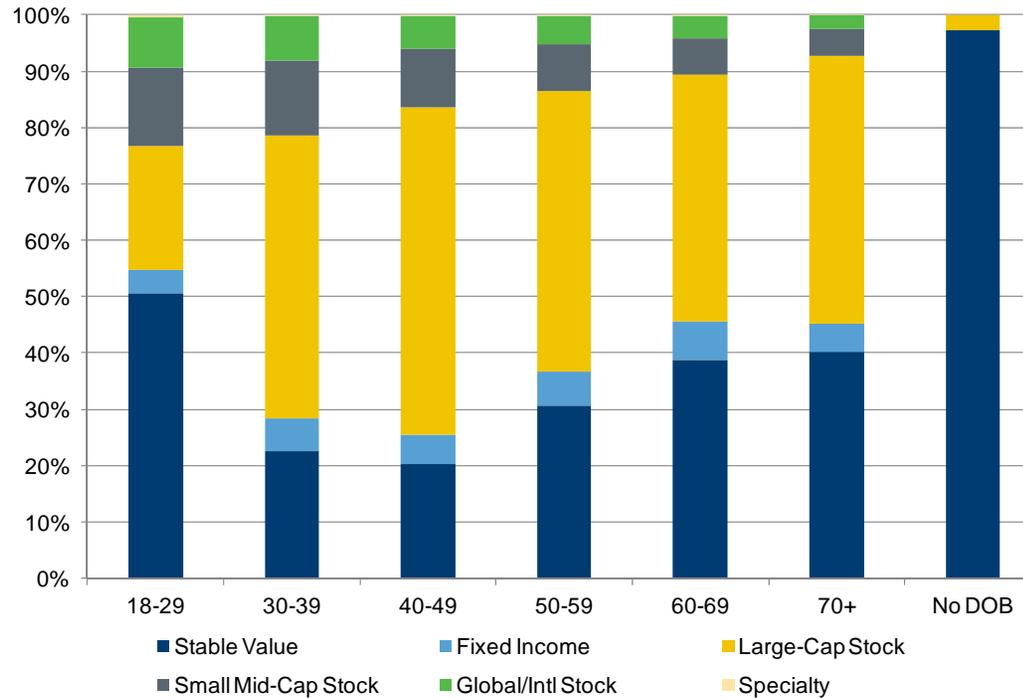
	12/31/2011	12/31/2012	12/31/2013	12/31/2014
Total Plan Assets in GoalMaker	\$1,938,375,944	\$2,383,758,737	\$3,011,817,640	\$3,336,249,701
Total # of Participants in GoalMaker	106,049	115,723	128,189	137,557
Year to Date % of New Enrollments w ith Goalmaker Election	87.50%	87.97%	89.83%	92.29%
Total Participation Rate	46.87%	50.09%	52.75%	55.50%
Prudential's Book of Business GoalMaker Average Participation Rate*	39.34%	42.29%	43.22%	45.48%
Total % of Assets	36.42%	39.20%	41.16%	42.57%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	4,595	8,887	4,562	18,044
Age 30-39	7,713	16,782	10,947	35,442
Age 40-49	7,604	18,112	11,272	36,988
Age 50-59	8,397	16,084	6,603	31,084
Age 60-69	4,816	6,573	2,376	13,765
Age 70+	568	534	262	1,364
No DOB	74	745	51	870
Total	33,767	67,717	36,073	137,557

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	\$17,441,006	\$41,288,146	\$34,457,345	\$93,186,497
Age 30-39	\$65,442,493	\$212,241,957	\$226,348,012	\$504,032,462
Age 40-49	\$116,139,751	\$416,790,111	\$445,943,550	\$978,873,412
Age 50-59	\$216,080,977	\$528,944,599	\$332,608,495	\$1,077,634,071
Age 60-69	\$180,249,870	\$293,456,115	\$133,150,234	\$606,856,219
Age 70+	\$25,548,452	\$30,888,389	\$15,953,207	\$72,390,048
No DOB	\$567,095	\$2,339,166	\$370,732	\$3,276,992
Total	\$621,469,644	\$1,525,948,483	\$1,188,831,574	\$3,336,249,701

*Prudential's Defined Contribution book of business averages.

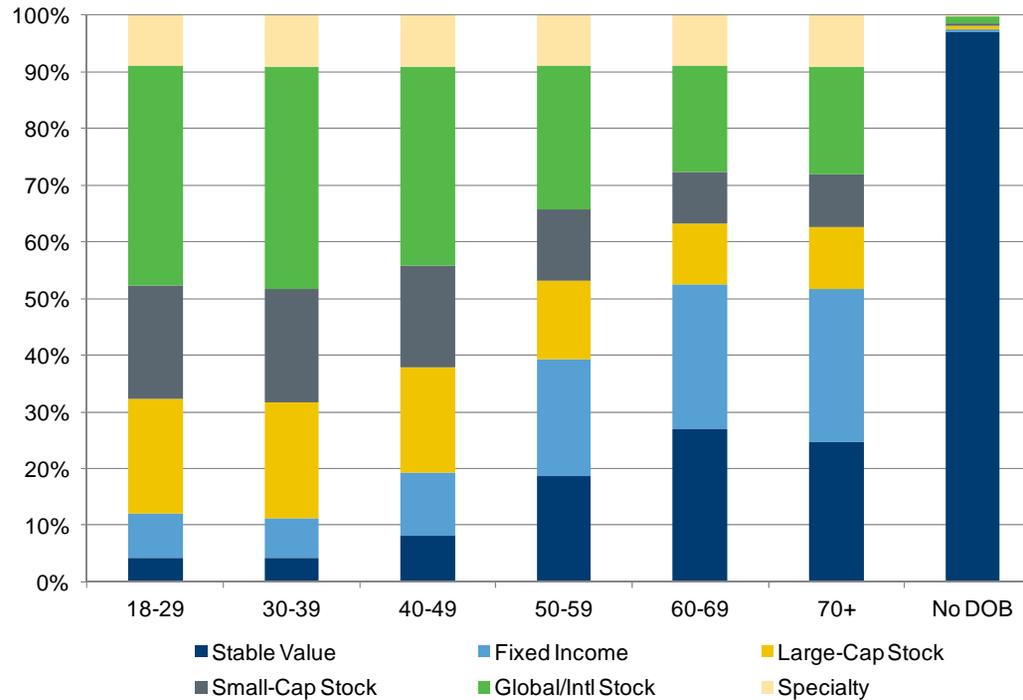
401(k) Asset Allocation by Age Group – Assets Not in GoalMaker As of December 31, 2014



Asset Class	18-29	30-39	40-49	50-59	60-69	70+	No DOB	Total
Stable Value	\$5,501,689	\$51,773,103	\$202,460,597	\$453,486,076	\$533,250,984	\$162,549,883	\$1,322,548	\$1,410,344,880
Fixed Income	\$436,827	\$13,357,165	\$51,674,529	\$90,653,824	\$93,522,609	\$20,169,966	\$0	\$269,814,920
Large-Cap Stock	\$2,409,215	\$114,709,495	\$581,637,315	\$736,497,230	\$600,270,328	\$192,227,559	\$35,970	\$2,227,787,112
Small Mid-Cap Stock	\$1,500,288	\$30,479,450	\$105,161,444	\$124,024,349	\$89,653,944	\$19,162,691	\$0	\$369,982,165
Global/Intl Stock	\$977,743	\$18,205,723	\$58,709,946	\$73,956,298	\$53,817,481	\$10,041,923	\$0	\$215,709,114
Specialty	\$41,631	\$437,020	\$1,111,565	\$2,436,372	\$2,296,946	\$295,351	\$0	\$6,618,885
Total Assets	\$10,867,393	\$228,961,956	\$1,000,755,396	\$1,481,054,150	\$1,372,812,291	\$404,447,373	\$1,358,518	\$4,500,257,076
% Assets	0.24%	5.09%	22.24%	32.91%	30.51%	8.99%	0.03%	100.00%
Total Participants	1,879	12,756	31,206	32,919	24,505	7,312	2	110,579
Average Account Balance	\$5,784	\$17,949	\$32,069	\$44,991	\$56,022	\$55,313	\$679,259	\$40,697

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.

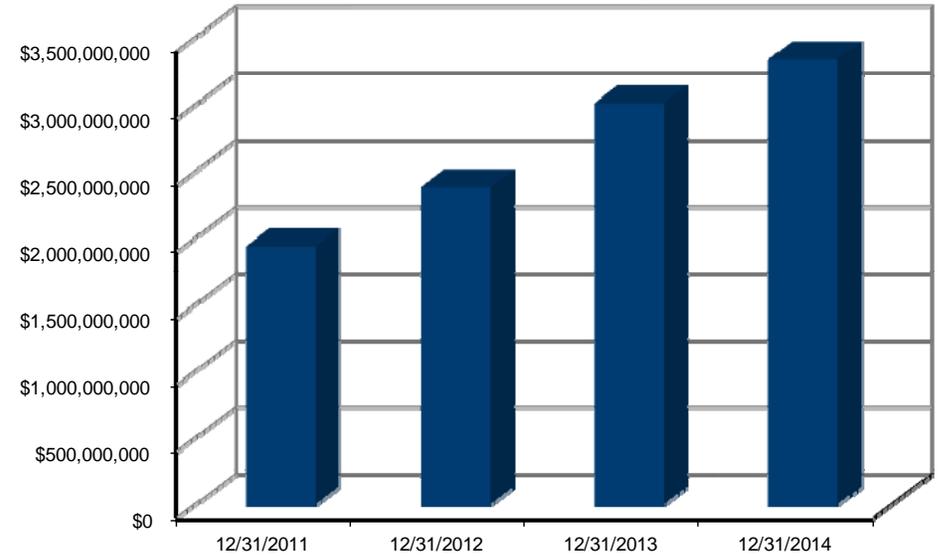
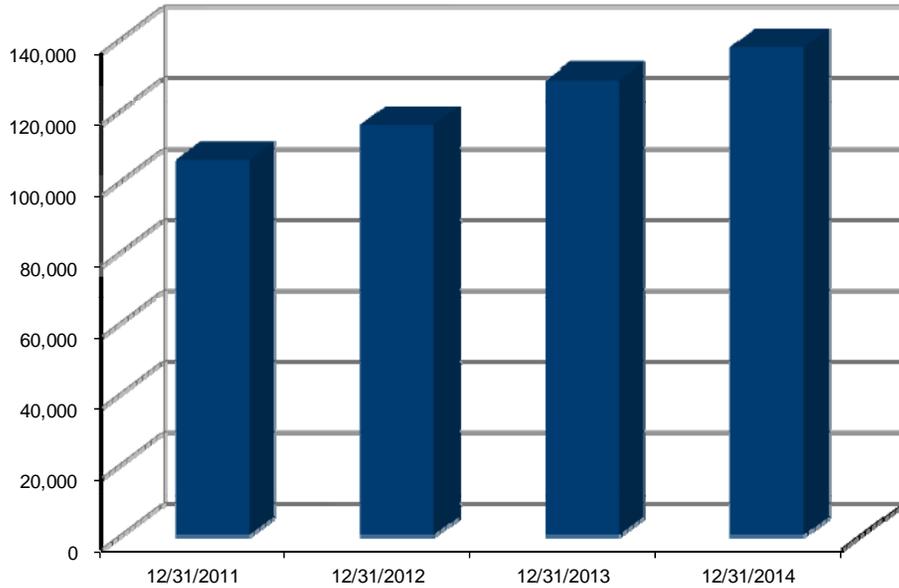
401(k) Asset Allocation by Age Group – Assets in GoalMaker As of December 31, 2014



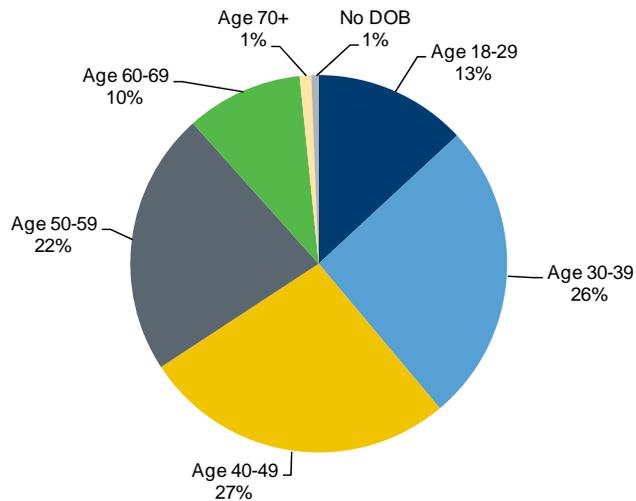
Asset Class	18-29	30-39	40-49	50-59	60-69	70+	No DOB	Total
Stable Value	\$3,973,540	\$20,648,829	\$80,351,222	\$201,401,670	\$163,087,929	\$17,809,223	\$3,182,032	\$490,454,445
Fixed Income	\$7,305,617	\$35,747,779	\$109,232,502	\$221,101,264	\$155,428,824	\$19,602,958	\$17,015	\$548,435,958
Large-Cap Stock	\$18,769,747	\$102,776,396	\$181,311,934	\$150,148,906	\$64,805,332	\$7,886,604	\$16,630	\$525,715,548
Small-Cap Stock	\$18,624,826	\$101,745,610	\$175,869,471	\$136,124,204	\$55,955,329	\$6,786,666	\$16,833	\$495,122,939
Global/Intl Stock	\$36,225,350	\$197,399,490	\$342,859,023	\$272,528,215	\$114,247,780	\$13,718,437	\$36,091	\$977,014,386
Specialty	\$8,287,416	\$45,714,358	\$89,249,261	\$96,329,811	\$53,331,026	\$6,586,161	\$8,392	\$299,506,424
Total Assets	\$93,186,497	\$504,032,462	\$978,873,412	\$1,077,634,071	\$606,856,219	\$72,390,048	\$3,276,992	\$3,336,249,701
% Assets	2.79%	15.11%	29.34%	32.30%	18.19%	2.17%	0.10%	100.00%
Total Participants	18,044	35,442	36,988	31,084	13,765	1,364	870	137,557
Average Account Balance	\$5,164	\$14,221	\$26,465	\$34,668	\$44,087	\$53,072	\$3,767	\$24,254

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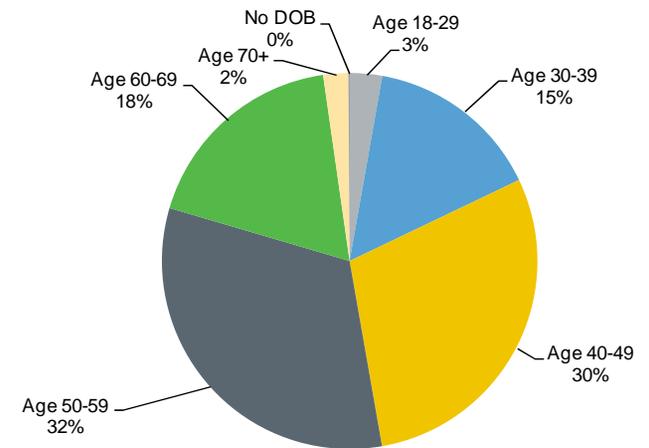
401(k) GoalMaker Participation



Participation by Age Range



Assets by Age Range



457 GoalMaker Participation

	12/31/2011	12/31/2012	12/31/2013	12/31/2014
Total Plan Assets in GoalMaker	\$93,033,520	\$136,959,829	\$190,448,638	\$233,271,798
Total # of Participants in GoalMaker	12,888	18,486	25,041	29,457
Year to Date % of New Enrollments w/ Goalmaker Election	88.84%	89.61%	90.35%	90.53%
Total Participation Rate	35.18%	42.88%	51.75%	56.77%
Prudential's Book of Business GoalMaker Average Participation Rate*	39.34%	42.29%	43.22%	45.48%
Total % of Assets	11.40%	14.52%	17.69%	20.34%

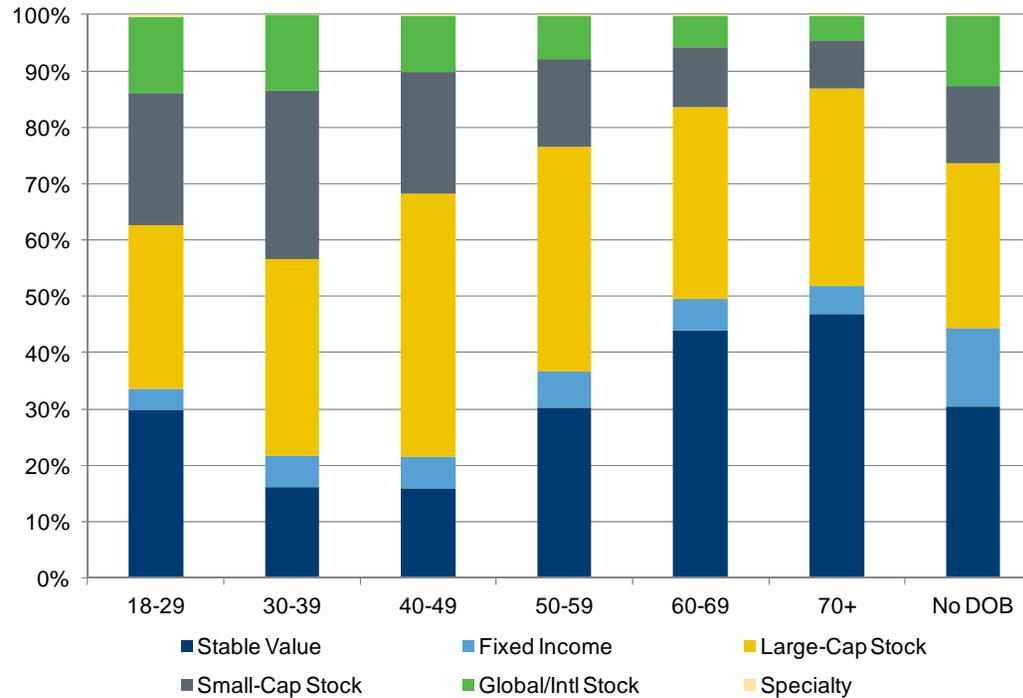
Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	1,327	1,974	1,120	4,421
Age 30-39	2,161	3,424	2,036	7,621
Age 40-49	2,377	4,085	2,127	8,589
Age 50-59	2,259	3,196	1,161	6,616
Age 60-69	773	803	314	1,890
Age 70+	77	71	27	175
No DOB	45	75	25	145
Total	9,019	13,628	6,810	29,457

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	\$790,068	\$1,827,171	\$1,553,242	\$4,170,481
Age 30-39	\$2,699,673	\$8,099,702	\$8,840,962	\$19,640,336
Age 40-49	\$7,038,605	\$23,363,564	\$20,595,630	\$50,997,799
Age 50-59	\$17,284,121	\$37,593,978	\$22,493,041	\$77,371,141
Age 60-69	\$18,931,577	\$31,139,057	\$14,758,253	\$64,828,888
Age 70+	\$6,183,607	\$6,740,041	\$3,080,621	\$16,004,269
No DOB	\$37,304	\$196,894	\$24,687	\$258,885
Total	\$52,964,956	\$108,960,406	\$71,346,436	\$233,271,798

*Prudential's Defined Contribution book of business averages.



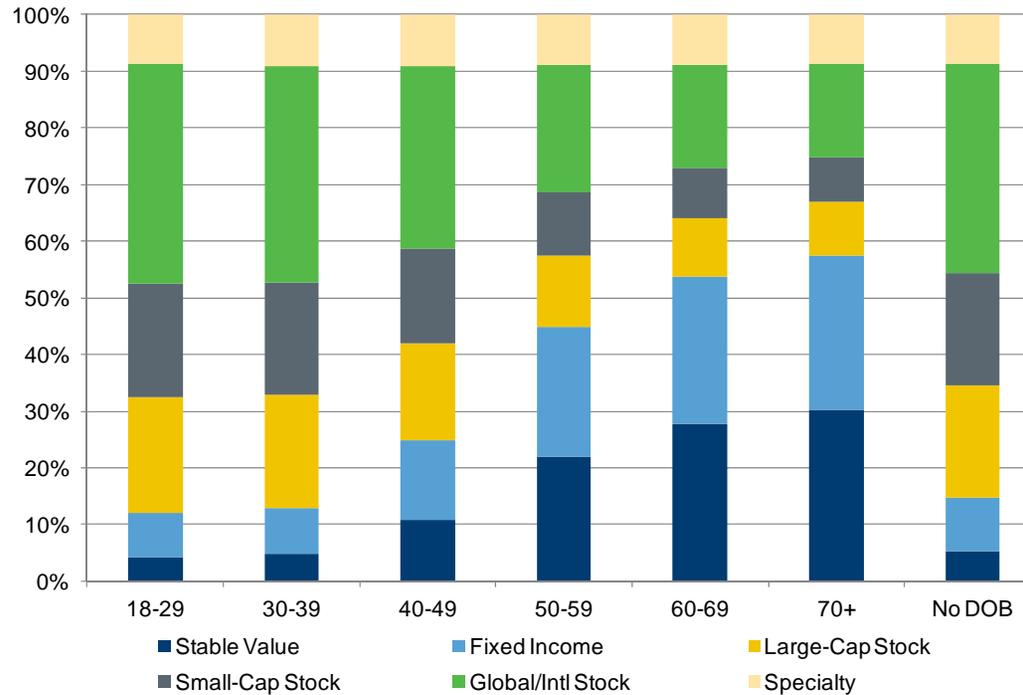
457 Asset Allocation by Age Group – Assets Not in GoalMaker As of December 31, 2014



Asset Class	18-29	30-39	40-49	50-59	60-69	70+	No DOB	Total
Stable Value	\$203,316	\$2,267,572	\$13,885,734	\$69,898,005	\$158,592,534	\$101,853,109	\$8,787	\$346,709,057
Fixed Income	\$25,749	\$796,104	\$5,002,455	\$15,119,663	\$20,798,500	\$10,909,101	\$4,029	\$52,655,601
Large-Cap Stock	\$199,262	\$4,938,194	\$40,926,050	\$92,243,757	\$122,574,973	\$76,417,382	\$8,460	\$337,308,078
Small-Cap Stock	\$159,163	\$4,230,090	\$18,894,722	\$35,825,920	\$38,757,962	\$18,662,603	\$3,911	\$116,534,371
Global/Intl Stock	\$92,283	\$1,904,801	\$8,799,961	\$17,770,961	\$20,401,943	\$9,324,712	\$3,627	\$58,298,289
Specialty	\$3,101	\$12,395	\$176,034	\$596,285	\$464,173	\$643,673	\$44	\$1,895,705
Total Assets	\$682,872	\$14,149,157	\$87,684,956	\$231,454,592	\$361,590,085	\$217,810,581	\$28,858	\$913,401,101
% Assets	0.07%	1.55%	9.60%	25.34%	39.59%	23.85%	0.00%	100.00%
Total Participants	404	2,347	5,039	6,677	5,863	2,121	17	22,468
Average Account Balance	\$1,690	\$6,029	\$17,401	\$34,664	\$61,673	\$102,692	\$1,698	\$40,653

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.

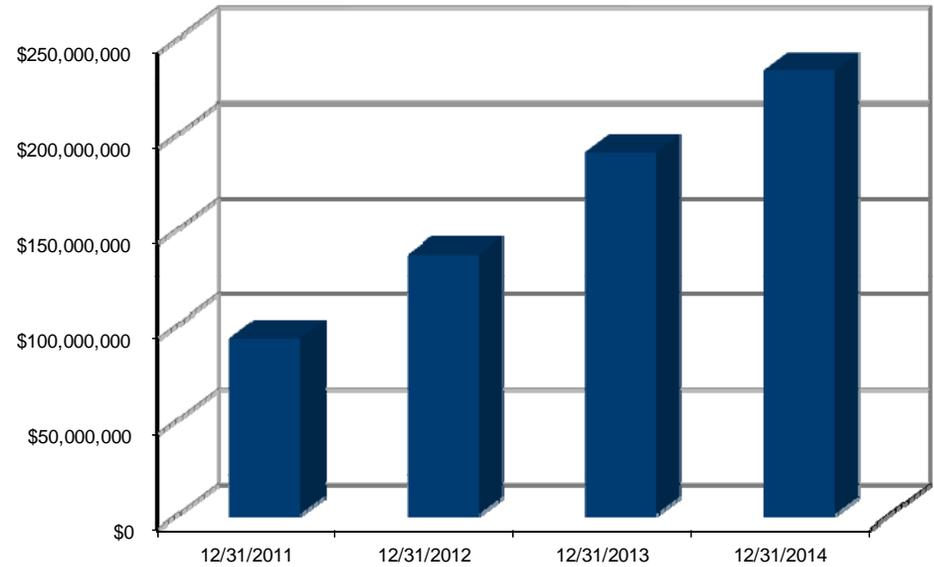
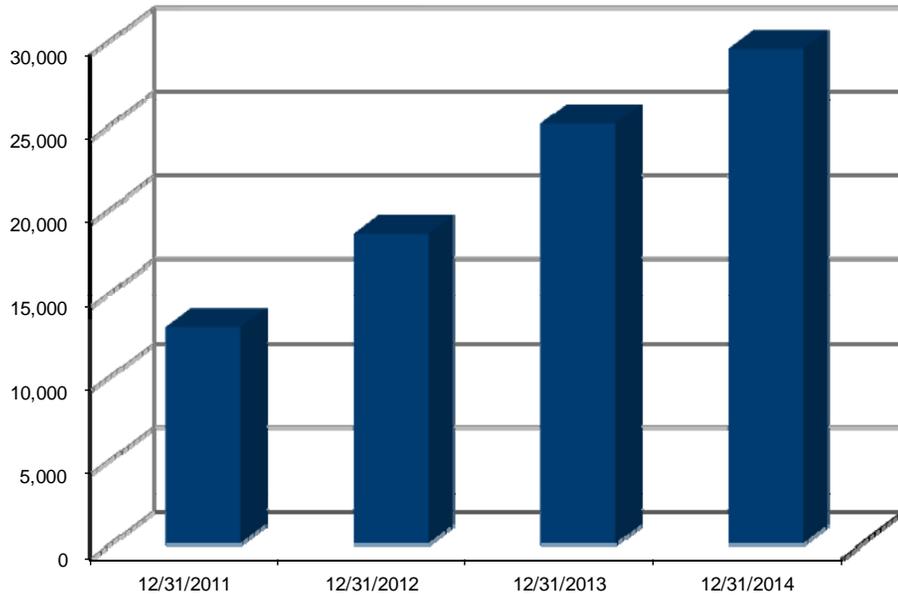
457 Asset Allocation by Age Group – Assets in GoalMaker As of December 31, 2014



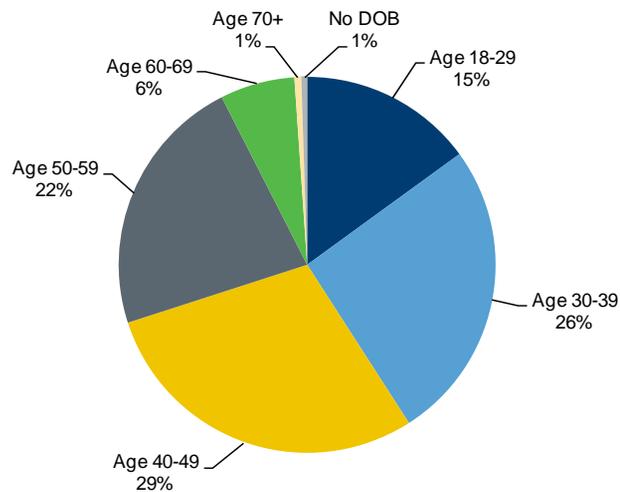
Asset Class	18-29	30-39	40-49	50-59	60-69	70+	No DOB	Total
Stable Value	\$177,727	\$950,392	\$5,529,805	\$16,943,891	\$17,978,891	\$4,827,697	\$13,399	\$46,421,801
Fixed Income	\$324,346	\$1,565,052	\$7,094,720	\$17,788,626	\$16,864,242	\$4,381,987	\$24,869	\$48,043,841
Large-Cap Stock	\$854,774	\$3,952,175	\$8,817,507	\$9,721,862	\$6,689,178	\$1,495,275	\$51,344	\$31,582,115
Small-Cap Stock	\$835,996	\$3,885,042	\$8,448,814	\$8,621,496	\$5,770,523	\$1,273,669	\$51,318	\$28,886,857
Global/Intl Stock	\$1,614,281	\$7,523,017	\$16,504,776	\$17,411,660	\$11,825,367	\$2,635,048	\$95,731	\$57,609,881
Specialty	\$363,358	\$1,764,658	\$4,602,177	\$6,883,605	\$5,700,687	\$1,390,593	\$22,225	\$20,727,303
Total Assets	\$4,170,481	\$19,640,336	\$50,997,799	\$77,371,141	\$64,828,888	\$16,004,269	\$258,885	\$233,271,798
% Assets	1.79%	8.42%	21.86%	33.17%	27.79%	6.86%	0.11%	100.00%
Total Participants	4,421	7,621	8,589	6,616	1,890	175	145	29,457
Average Account Balance	\$943	\$2,577	\$5,938	\$11,695	\$34,301	\$91,453	\$1,785	\$7,919

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.

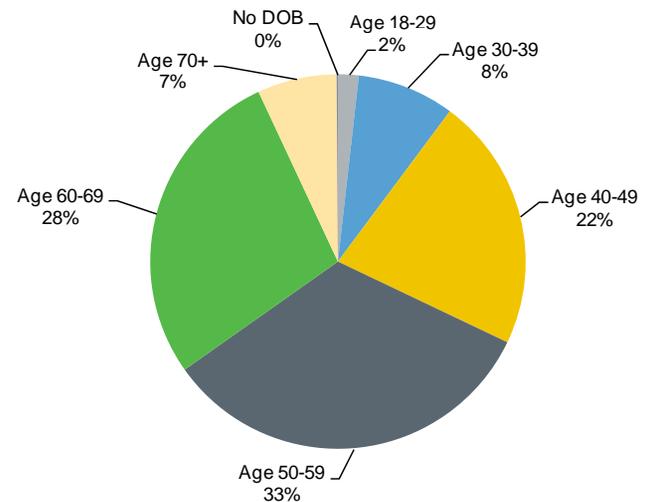
457 GoalMaker Participation



Participation by Age Range



Assets by Age Range



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					
	2011	2012	2013	2014	Change %
% of Members in Plan with a Loan	25.66%	24.35%	24.70%	24.63%	-0.28%
# of Outstanding Loans	49,855	47,470	48,039	47,923	-0.24%
# of New Loans 3Q	4,085	4,230	4,114	3,845	-6.54%
# of New Loans YTD	17,466	16,944	17,020	16,458	-3.30%
Average Loan Balance	\$5,210	\$5,519	\$5,692	\$5,973	4.94%
Total Outstanding Loan Balance	\$259,766,327	\$261,965,765	\$273,433,337	\$286,224,122	4.68%

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

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

457 YTD Loans					
	2011	2012	2013	2014	Change %
% of Members in Plan with a Loan	14.99%	14.21%	14.36%	14.02%	-2.37%
# of Outstanding Loans	4,514	4,831	5,372	5,617	4.56%
# of New Loans 2Q	432	513	585	572	0.00%
# of New Loans YTD	1,809	1,931	2,160	2,201	1.90%
Average Loan Balance	\$3,001	\$3,037	\$3,112	\$3,293	5.83%
Total Outstanding Loan Balance	\$13,547,404	\$14,670,312	\$16,716,042	\$18,496,480	10.65%

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

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

401(k) Disbursements – Quarterly

401(k) Disbursements							
	4Q 2011	4Q 2012	4Q 2012 Change %	4Q 2013	4Q 2013 Change %	4Q 2014	4Q 2014 Change %
Term - Lump Sum	\$41,895,475	\$50,881,139	21.45%	\$72,225,254	41.95%	\$80,964,625	12.10%
In-Service	\$9,624,913	\$11,065,820	14.97%	\$5,907,046	-46.62%	\$5,138,362	-13.01%
State Retirement System	\$6,181,177	\$5,784,787	-6.41%	\$4,561,308	-21.15%	\$4,229,022	-7.28%
Hardship	\$1,511,866	\$1,510,211	-0.11%	\$1,503,724	-0.43%	\$1,305,907	-13.16%
Systematic	\$2,254,246	\$2,734,049	21.28%	\$3,044,290	11.35%	\$3,179,909	4.45%
Total Disbursements	\$61,467,677	\$71,976,006	17.10%	\$87,241,621	21.21%	\$94,817,825	8.68%

401(k) Disbursements							
	4Q 2011	4Q 2012	4Q 2012 Change %	4Q 2013	4Q 2013 Change %	4Q 2014	4Q 2014 Change %
Term – Lump Sum	5,061	5,403	6.76%	7,370	36.41%	5,987	-18.77%
In-Service	1,516	1,892	24.80%	1,503	-20.56%	3,331	121.62%
State Retirement System	183	204	11.48%	166	-18.63%	158	-4.82%
Hardship	595	611	2.69%	597	-2.29%	524	-12.23%
Systematic	2,628	3,117	18.61%	3,410	9.40%	3,197	-6.25%
Total Disbursements	9,983	11,227	12.46%	13,046	16.20%	13,197	1.16%

401(k) Disbursements – Year to Date

401(k) Disbursements							
	2011	2012	2012 Change %	2013	2013 Change %	2014	2014 Change %
Term - Lump Sum	\$178,679,042	\$209,749,458	17.39%	\$265,695,033	26.67%	\$324,157,202	22.00%
In-Service	\$48,462,361	\$51,617,794	6.51%	\$38,906,213	-24.63%	\$26,857,256	-30.97%
State Retirement System	\$29,817,272	\$23,890,639	-19.88%	\$16,038,434	-32.87%	\$14,478,356	-9.73%
Hardship	\$6,187,094	\$6,190,334	0.05%	\$6,822,353	10.21%	\$5,904,266	-13.46%
Systematic	\$8,261,345	\$8,832,207	6.91%	\$9,929,878	12.43%	\$12,054,202	21.39%
Total Disbursements	\$271,407,114	\$300,280,434	10.64%	\$337,391,910	12.36%	\$383,451,282	13.65%

401(k) Disbursements							
	2011	2012	2012 Change %	2013	2013 Change %	2014	2014 Change %
Term – Lump Sum	16,636	17,087	2.71%	22,354	30.82%	21,522	-3.72%
In-Service	6,057	7,220	19.20%	6,844	-5.21%	7,900	15.43%
State Retirement System	855	801	-6.32%	604	-24.59%	496	-17.88%
Hardship	2,505	2,432	-2.91%	2,492	2.47%	2,163	-13.20%
Systematic	9,598	10,969	14.28%	12,453	13.53%	12,593	1.12%
Total Disbursements	35,651	38,509	8.02%	44,747	16.20%	44,674	-0.16%

457 Disbursements – Quarterly

457 Disbursements							
	4Q 2011	4Q 2012	4Q 2012 Change %	4Q 2013	4Q 2013 Change %	4Q 2014	4Q 2014 Change %
Term - Lump Sum	\$9,747,495	\$11,065,321	13.52%	\$13,065,600	18.08%	\$14,424,197	10.40%
In-Service	\$142,650	\$286,116	100.57%	\$151,148	-47.17%	\$38,899	-74.26%
State Retirement System	\$95,705	\$661,047	590.71%	\$204,516	-69.06%	\$227,117	11.05%
Hardship	\$136,083	\$206,655	51.86%	\$161,017	-22.08%	\$176,438	9.58%
Systematic	\$1,274,275	\$1,579,076	23.92%	\$1,695,570	7.38%	\$1,877,429	10.73%
Total Disbursements	\$11,396,208	\$13,798,215	21.08%	\$15,277,851	10.72%	\$16,744,080	9.60%

457 Disbursements							
	4Q 2011	4Q 2012	4Q 2012 Change %	4Q 2013	4Q 2013 Change %	4Q 2014	4Q 2014 Change %
Term – Lump Sum	1,529	1,308	-14.45%	1,777	35.86%	1,779	0.11%
In-Service	26	5	-80.77%	10	100.00%	7	-30.00%
State Retirement System	12	12	0.00%	12	0.00%	11	-8.33%
Hardship	79	110	39.24%	112	1.82%	101	-9.82%
Systematic	1,261	1,642	30.21%	1,649	0.43%	1,585	-3.88%
Total Disbursements	2,907	3,077	5.85%	3,560	15.70%	3,483	-2.16%

457 Disbursements – Year to Date

457 Disbursements							
	2011	2012	2012 Change %	2013	2013 Change %	2014	2014 Change %
Term - Lump Sum	\$37,022,390	\$40,549,090	9.53%	\$45,490,605	12.19%	\$52,527,496	15.47%
In-Service	\$518,222	\$849,865	64.00%	\$2,128,899	150.50%	\$137,114	-93.56%
State Retirement System	\$1,195,675	\$1,253,764	4.86%	\$4,357,627	247.56%	\$674,960	-84.51%
Hardship	\$540,712	\$578,012	6.90%	\$620,698	7.38%	\$596,112	-3.96%
Systematic	\$4,804,804	\$5,341,270	11.17%	\$5,644,134	5.67%	\$6,122,729	8.48%
Total Disbursements	\$44,081,803	\$48,572,001	10.19%	\$58,241,963	19.91%	\$60,058,412	3.12%

457 Disbursements							
	2011	2012	2012 Change %	2013	2013 Change %	2014	2014 Change %
Term – Lump Sum	4,905	4,549	-7.26%	5,271	15.87%	4,839	-8.20%
In-Service	95	159	67.37%	64	-59.75%	22	-65.63%
State Retirement System	45	46	2.22%	33	-28.26%	36	9.09%
Hardship	299	365	22.07%	455	24.66%	405	-10.99%
Systematic	4,898	5,492	12.13%	6,440	17.26%	6,137	-4.70%
Total Disbursements	10,242	10,611	3.60%	12,263	15.57%	11,439	-6.72%

401(k) Plan Asset Allocation/Net Cash Flow October 1, 2014 to December 31, 2014

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$104,053,890	\$732,994,418	\$1,979,628,807	\$2,558,688,220	\$1,979,668,510	\$476,837,421	\$4,635,510	\$7,836,506,778
% Assets	1.33%	9.35%	25.26%	32.65%	25.26%	6.08%	0.06%	100.00%
Total Contributions	\$7,688,936	\$18,951,261	\$32,014,207	\$34,266,963	\$15,690,560	\$980,339	\$336,022	\$109,928,287
Rollovers In	\$239,529	\$1,413,626	\$2,122,971	\$4,651,502	\$5,024,421	\$978,197	\$0	\$14,430,246
Total Distributions including:	(\$902,337)	(\$5,555,972)	(\$9,502,320)	(\$23,668,693)	(\$38,980,661)	(\$16,187,018)	(\$20,823)	(\$94,817,824)
Rollovers Out	(\$340,046)	(\$1,955,200)	(\$4,635,021)	(\$15,855,549)	(\$25,502,708)	(\$4,504,223)	\$0	(\$52,792,747)
Cash Distributions	(\$562,291)	(\$3,600,772)	(\$4,867,299)	(\$7,813,145)	(\$13,477,952)	(\$11,682,795)	(\$20,823)	(\$42,025,077)
Net Cash Flow	\$7,026,128	\$14,808,914	\$24,634,858	\$15,249,773	(\$18,265,680)	(\$14,228,483)	\$315,199	\$29,540,709
Total Unique Participants	19,905	48,152	68,097	63,927	38,230	8,126	1,413	247,850
Avg. Account Balance	\$5,228	\$15,223	\$29,071	\$40,025	\$51,783	\$58,680	\$3,281	\$31,618
<i>Prudential Participant Avg. Account Balance</i>	\$6,490	\$24,061	\$52,819	\$82,572	\$100,622	\$111,239	\$3,435	\$57,988

401(k) Plan Asset Allocation/Net Cash Flow January 1, 2014 to December 31, 2014

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$104,053,890	\$732,994,418	\$1,979,628,807	\$2,558,688,220	\$1,979,668,510	\$476,837,421	\$4,635,510	\$7,836,506,778
% Assets	1.33%	9.35%	25.26%	32.65%	25.26%	6.08%	0.06%	100.00%
Total Contributions	\$27,077,273	\$71,597,494	\$120,337,500	\$129,657,577	\$65,854,505	\$4,182,962	\$1,154,382	\$419,861,693
Rollovers In	\$906,078	\$4,141,215	\$8,042,383	\$14,851,324	\$15,079,192	\$3,996,485	\$0	\$47,016,676
Total Distributions including:	(\$3,110,987)	(\$21,736,355)	(\$40,780,789)	(\$98,054,192)	(\$176,450,111)	(\$43,291,484)	(\$27,361)	(\$383,451,281)
Rollovers Out	(\$908,208)	(\$8,992,228)	(\$19,869,897)	(\$59,481,092)	(\$107,757,706)	(\$16,209,781)	\$0	(\$213,218,914)
Cash Distributions	(\$2,202,779)	(\$12,744,127)	(\$20,910,892)	(\$38,573,100)	(\$68,692,405)	(\$27,081,703)	(\$27,361)	(\$170,232,367)
Net Cash Flow	\$24,872,363	\$54,002,353	\$87,599,093	\$46,454,709	(\$95,516,415)	(\$35,112,037)	\$1,127,021	\$83,427,089
Total Unique Participants	19,905	48,152	68,097	63,927	38,230	8,126	1,413	247,850
Avg. Account Balance	\$5,228	\$15,223	\$29,071	\$40,025	\$51,783	\$58,680	\$3,281	\$31,618
<i>Prudential Participant Avg. Account Balance</i>	\$6,490	\$24,061	\$52,819	\$82,572	\$100,622	\$111,239	\$3,435	\$57,988

*Prudential's Defined Contribution book of business averages.

457 Plan Asset Allocation/Net Cash Flow October 1, 2014 to December 31, 2014

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$4,853,353	\$33,789,493	\$138,682,755	\$308,825,732	\$426,418,973	\$233,814,849	\$287,743	\$1,146,672,899
% Assets	0.42%	2.95%	12.09%	26.93%	37.19%	20.39%	0.03%	100.00%
Total Contributions	\$530,306	\$1,639,634	\$3,669,862	\$5,382,692	\$3,190,772	\$455,729	\$25,243	\$14,894,237
Rollovers In	\$15,095	\$273,290	\$1,104,627	\$1,817,155	\$1,091,126	\$887,255	\$377	\$5,188,925
Total Distributions including:	(\$66,095)	(\$177,779)	(\$699,864)	(\$1,838,767)	(\$6,016,343)	(\$7,927,509)	(\$58,963)	(\$16,785,319)
Rollovers Out	(\$8,934)	(\$20,597)	(\$357,985)	(\$1,031,709)	(\$4,221,934)	(\$1,833,554)	(\$58,963)	(\$7,533,676)
Cash Distributions	(\$57,161)	(\$157,182)	(\$341,878)	(\$807,058)	(\$1,794,410)	(\$6,093,954)	\$0	(\$9,251,643)
Net Cash Flow	\$479,305	\$1,735,144	\$4,074,625	\$5,361,081	(\$1,734,445)	(\$6,584,525)	(\$33,342)	\$3,297,843
Total Unique Participants	4,824	9,964	13,619	13,284	7,749	2,289	163	51,892
Avg. Account Balance	\$1,006	\$3,391	\$10,183	\$23,248	\$55,029	\$102,147	\$1,765	\$22,097
<i>Prudential Participant Avg. Account Balance</i>	\$6,490	\$24,061	\$52,819	\$82,572	\$100,622	\$111,239	\$3,435	\$57,988

457 Plan Asset Allocation/Net Cash Flow January 1, 2014 to December 31, 2014

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$4,853,353	\$33,789,493	\$138,682,755	\$308,825,732	\$426,418,973	\$233,814,849	\$287,743	\$1,146,672,899
% Assets	0.42%	2.95%	12.09%	26.93%	37.19%	20.39%	0.03%	100.00%
Total Contributions	\$1,829,507	\$6,002,257	\$13,530,802	\$21,059,022	\$12,869,257	\$1,934,145	\$96,976	\$57,321,966
Rollovers In	\$22,131	\$581,826	\$1,707,159	\$4,017,624	\$4,798,748	\$2,981,475	\$1,489	\$14,110,452
Total Distributions including:	(\$181,462)	(\$851,045)	(\$2,760,689)	(\$9,010,096)	(\$26,516,211)	(\$20,721,185)	(\$58,963)	(\$60,099,652)
Rollovers Out	(\$22,036)	(\$185,687)	(\$1,210,502)	(\$4,066,347)	(\$17,048,227)	(\$7,646,721)	(\$58,963)	(\$30,238,482)
Cash Distributions	(\$159,426)	(\$665,358)	(\$1,550,188)	(\$4,943,749)	(\$9,467,984)	(\$13,074,465)	\$0	(\$29,861,170)
Net Cash Flow	\$1,670,176	\$5,733,038	\$12,477,272	\$16,066,549	(\$8,848,206)	(\$15,805,565)	\$39,503	\$11,332,766
Total Unique Participants	4,824	9,964	13,619	13,284	7,749	2,289	163	51,892
Avg. Account Balance	\$1,006	\$3,391	\$10,183	\$23,248	\$55,029	\$102,147	\$1,765	\$22,097
<i>Prudential Participant Avg. Account Balance</i>	\$6,490	\$24,061	\$52,819	\$82,572	\$100,622	\$111,239	\$3,435	\$57,988

*Prudential's Defined Contribution book of business averages.

401(k) Plan Retirement Preparation Analysis

10/1/2014 - 12/31/2014	
Total Retirement Income Calculator Completions	10,099
Unique Completions	8,588
Contribution Rate Increase	554

1/1/2014 - 12/31/2014	
Total Retirement Income Calculator Completions	35,880
Unique Completions	24,417
Contribution Rate Increase	1,860

Since Inception for Currently Active Participants as of 12/31/2014	
Average Balance, RIC Participant	\$53,365
Average Balance, Non-RIC Participant	\$25,317
Average Contribution Rate, RIC Participant	6.32%
Average Contribution Rate, Non-RIC Participant	4.63%
Total Number of RIC Users Who Completed the RIC with a Gap	30,023
Average RIC Gap	\$2,803
Total Number of RIC Users Who Completed the RIC with a Surplus	7,261
Average RIC Surplus	\$2,062

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.

457 Plan Retirement Preparation Analysis

10/1/2014 - 12/31/2014	
Total Retirement Income Calculator Completions	3,798
Unique Completions	3,155
Contribution Rate Increase	108

1/1/2014 - 12/31/2014	
Total Retirement Income Calculator Completions	12,276
Unique Completions	8,419
Contribution Rate Increase	374

Since Inception for Currently Active Participants as of 12/31/2014	
Average Balance, RIC Participant	\$26,553
Average Balance, Non-RIC Participant	\$14,177
Average Contribution Rate, RIC Participant	6.30%
Average Contribution Rate, Non-RIC Participant	6.09%
Total Number of RIC Users Who Completed the RIC with a Gap	6,186
Average RIC Gap	\$2,903
Total Number of RIC Users Who Completed the RIC with a Surplus	1,539
Average RIC Surplus	\$3,004

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.

Expense Account Information

401(k) State Account			
Account Activity	Date	Opening/Closing Balance	Debits/Credits
Opening account value	10/1/2014	\$3,931,823.68	
September 2014 Separate Account Asset Based Fees	10/15/2014		\$136,113.46
3Q 2014 Separate Account Asset Based Fees	10/20/2014		\$119,295.61
Invoice - Department of State Treasury	11/11/2014		(\$255,000.00)
October 2014 Separate Account Asset Based Fees	11/14/2015		\$127,499.42
November 2014 Separate Account Asset Based Fees	12/15/2014		\$120,925.34
Gain/loss in account value			\$65,033.28
Closing Account Value		\$4,245,690.79	

457 State Account			
Account Activity	Date	Opening/Closing Balance	Debits/Credits
Opening account value	10/1/2014	\$615,042.91	
September 2014 Separate Account Asset Based Fees	10/15/2014		\$17,216.05
3Q 2014 Separate Account Asset Based Fees	10/20/2014		\$24,839.13
October 2014 Separate Account Asset Based Fees	11/11/2014		\$16,169.12
Invoice - Department of Treasury	11/14/2014		(\$45,000.00)
November 2014 Separate Account Asset Based Fees	12/15/2015		\$15,344.01
Gain/loss in account value			\$9,578.93
Closing Account Value		\$653,190.15	



Participant Service Center Statistics

401(k) & 457 Quarterly Participant Service Center Statistics				
	4Q 2011	4Q 2012	4Q 2013	4Q 2014
Service Center Calls	36,020	42,680	36,486	35,786
Service Percentage	84%	89%	80%	90%
Average Speed to Answer (seconds)	13 sec	12 sec	23 sec	10 sec
Abandon Percentage	0.60%	0.83%	0.98%	0.40%

401(k) & 457 YTD Participant Service Center Statistics				
	2011	2012	2013	2014
Service Center Calls	155,346	160,130	162,940	149,177
Service Percentage	84%	86%	87%	80%
Average Speed to Answer (seconds)	13 sec	14 sec	14 sec	27 sec
Abandon Percentage	0.52%	0.84%	0.63%	1.00%



Retirement Security Education Information

401(k) & 457 Quarterly Retirement Security Education Team Activity				
	4Q 2011	4Q 2012	4Q 2013	4Q 2014
Member Meetings	959	1,064	1,074	2,091
Number of Members Attending Meeting	28,517	33,740	29,402	28,787
Proactive Calls to Employers	530	584	586	579

401(k) & 457 YTD Retirement Security Education Team Activity				
	2011	2012	2013	2014
Member Meetings	4,345	4,802	5,008	7,276
Number of Members Attending Meeting	102,707	112,548	108,729	96,158
Proactive Calls to Employers	2,630	2,361	2,409	2,224

401(k) & 457 Retirement Security Education Team Survey Results							
667 Surveys Returned	1	2	3	4	5	6	7
Presenter's explanation of the benefits of the Plan(s)	0%	0%	0%	0%	1%	15%	84%
Presenter's clarity in response to questions	0%	0%	0%	0%	1%	12%	87%
Length of presentation	0%	0%	0%	0%	3%	17%	80%
Did the presentation increase your awareness of the importance of saving for your retirement?				Yes	No		
				100%	0%		

Beginning in Q2 2014 member meetings were tracked on an individual and group level. Totals above reflect the combined types. Survey ratings are from 1 to 7, with 1 being poor and 7 being outstanding.



Employers Adopting the 401(k) Plan in 2014

Charter Schools

Neuse Charter School

Municipalities

Town of Fountain

Other

Bertie County ABC Board
Smithfield Housing Authority
Western Piedmont Council of Governments

Employers Adopting the 457 Plan in 2014

County

Carteret County
Henderson County
Stanly County

Community College

Davidson County Community College
Piedmont Community College

Schools

Ashe County Schools
Iredell-Statesville Schools
Rockingham County Schools

Municipalities

City of Goldsboro
City of Oxford
City of Raeford
City of Roxboro
Town of Micro
Town of Pembroke
Town of Pine Knoll Shores
Town of Roseboro
Town of Southern Pines
Town of Swansboro
Town of Youngsville

Charter Schools

Corvian Community School
Neuse Charter School
The Expedition School

Other

Alamance Community Fire Dept
Bertie County ABC Board
Centralina Council of Governments
Downtown Salisbury, Inc.
Isothermal Planning and Development Commission
Lenoir County ABC Board
Salisbury Rowan County CVB
Youngsville ABC Board



401(k) Employers Increasing Employer Contribution

Laurinburg-Maxton Airport Commission increased their Employer Contribution from 2% to 4% across the board.

Scotland County ABC Board increased their Employer Contribution from 3% to 5% across the board.

Town of Blowing Rock increased their Employer Contribution from 2% to 3% across the board.

Town of Candor increased their Employer Contribution from 2% to 5% across the board.

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

Town of Biscoe has changed their Employer Contribution to an Employer Match as follows: 0.75% of 1% contribution up to 6%.

401(k) Employers Adding An Employer Match

Town of Eastover added an up to 5% match.

Town of Forest City added a \$10 match.

401(k) Employers Adding An Employer Contribution

Martin County Travel & Tourism Authority added a 3% Employer Contribution regardless of participation.

Town of Kernersville added an up to 1% Employer Contribution across the board.

401(k) Employers Changing their Employer Contribution and/or Employer Match

Mideast Planning Commission has changed their Employer Match and added an Employer Contribution as follows: Change from 3% across the board to 3% provided employee contributes 1%.

Moore County has changed their Employer Contribution to 1.5% for all employees with less than 3 years service, and 3% after 3 years of service.

Orange County has changed their Employer Contribution and added an Employer Match as follows: \$27.50 across the board, plus a match up to \$63.00 (or up to a total of \$90.50).

Scotland County has changed their Employer Contribution and added an Employer Match as follows: Matches a \$20 or 1% employee contribution with a 2% contribution.

Town of Liberty has changed their Employer Match and added an Employer Contribution as follows: Matches a \$20 employee contribution with 3% contribution.

457 Employers Adding An Employer Match

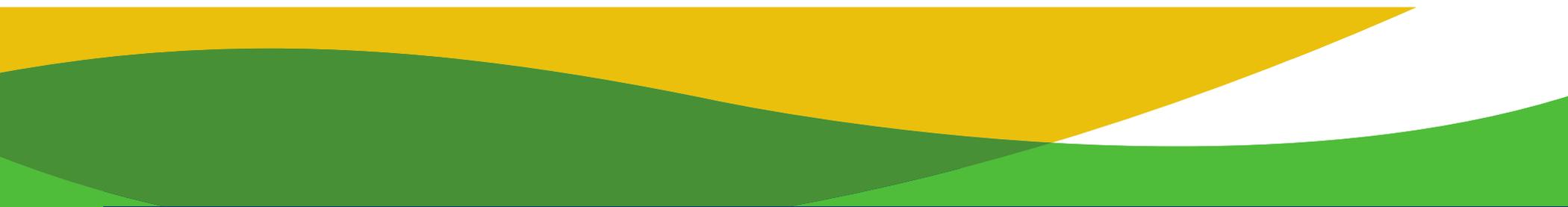
- Downtown Salisbury, Inc. added a 3% match.
- Salisbury Rowan County CVB added a 3% match.
- The Expedition School added a 2-6% \$ for \$ match.
- Town of Eastover added an up to 5% match.
- Town of Forest City added a \$10 match.
- Town of Pineville added a 5% match.

457 Employers Changing their Employer Contribution and/or Employer Match

- Moore County has changed their Employer Contribution to 1.5% for all employees with less than 3 years service, and 3% after 3 years of service.
- Scotland County has changed their Employer Contribution and added an Employer Match as follows: Matches a \$20 or 1% employee contribution with a 2% contribution.

Employers Adopting the 457 Plan

457 Additions					
Employer Type	2011	2012	2013	2014	# of Eligible
CHARTER SCHOOL	6	3	5	3	791
COMMUNITY COLLEGE	6	10	3	2	10,699
COUNTY	10	6	4	3	22,192
MUNICIPAL	14	10	17	11	10,368
OTHER	9	11	13	8	2,995
SCHOOL	13	10	10	3	109,253



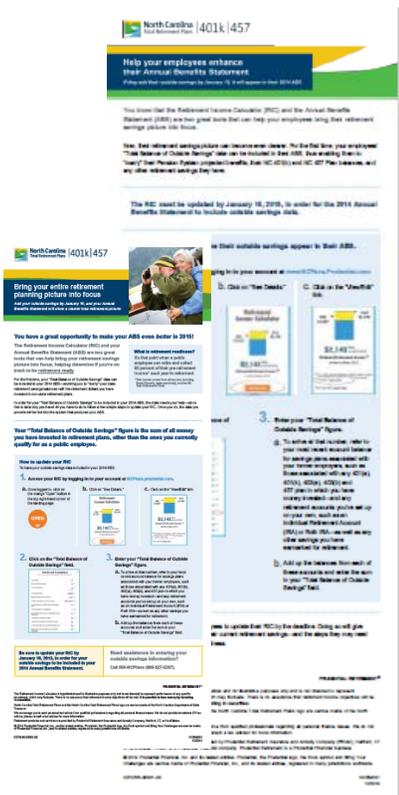
Communication Accomplishments 4Q14



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NC 401(k) & NC 457 Communication Accomplishments 4Q14

- ABS 2015 Enhancements Electronic Outreach to Employees & Employers
 - 130,174 employee recipients
 - 2,595 employer recipients
 - Age Adjustment Outreach
 - 1,827 recipients
- Results: 4.4% take action



NC 401(k) & NC 457 Communication Accomplishments 4Q14

- Employer Holiday Card
-1,442 recipients
- Enrollment Campaign:
 - 4 Segmented Micro-sites
 - 2 Segmented Postcards
 9,014 recipients
 Results: 3.67% take action



NC 401(k) & NC 457 Communication Accomplishments 4Q14

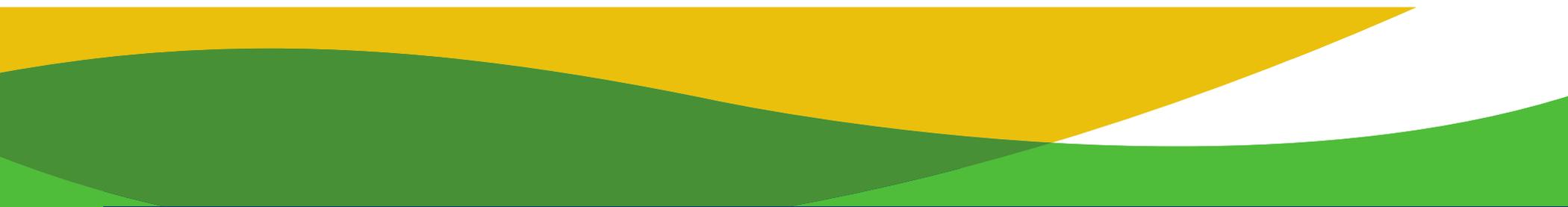
- 3Q14 Signature Newsletter
 - 253,245 total participant statements
 - 147,109 mailed
 - 106,136 electronic



NC 401(k) & NC 457 Communication Accomplishments 4Q14

- 3Q14 Employer Newsletter
-2,521 recipients
- Year-end Employer Email
-2,521 recipients





Signature Newsletter 4Q14



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Signature

NEWSLETTER

4TH QUARTER 2014

Happy Birthday!

The NC 457 Plan turned **40 YEARS OLD** in 2014! In 2015, the NC 401(k) Plan will be **30!** These plans have already helped 68% of state and local employees get on track for retirement readiness. That's a gift that keeps on giving...

In this issue...

Staying Connected: Make your retirement planning picture even *clearer!*

Making Cents: Financially Fit New Year

Fund Facts: Investing Made Easy With GoalMaker



A Message from North Carolina's State Treasurer

How many times have you made a New Year's resolution, only to have it last a few weeks? 2015 can be the year you can make lasting changes by focusing on retirement readiness.

It may be difficult to picture yourself in retirement; therefore, difficult to put money away paycheck after paycheck for some time in the distant --or even near --future. That's why the NC 401(k) and NC 457 Plans give you the option of electing GoalMaker with Age Adjustment --a quick and easy solution to saving for retirement. GoalMaker ensures your retirement portfolio stays in line with an appropriate asset allocation. The additional Age Adjustment feature automatically adjusts your investment mix to be more conservative as you approach retirement --or the time you wish to begin withdrawing funds.

If you log in to your account now and opt for GoalMaker with Age Adjustment (or if you're already in GoalMaker and just need to opt in for the Age Adjustment feature), you're starting the new year off in the right direction. Unlike other New Year's resolutions, this is something you can essentially set and forget. GoalMaker with Age Adjustment continues to target the investment options that are best suited to your retirement goals.

The NC 401(k) and NC 457 are longstanding and trusted retirement savings vehicles, both celebrating milestone anniversaries: The NC 401(k) turns 30 this month, and the NC 457 turned 40 this past November. See what these Plans can do for your retirement by making a resolution to elect GoalMaker with Age Adjustment. Have a happy and prosperous year!

Sincerely,


Janet Cowell, State Treasurer

Staying Connected



Make your retirement planning picture even clearer!

Update your RIC with your outside savings balance by January 16.

You may already know that the Retirement Income Calculator (RIC), when used with your Annual Benefits Statement (ABS), can help you achieve "retirement readiness."



You have a limited-time opportunity to make your ABS even *better* in 2015!

For the first time, your “Total Balance of Outside Savings” data can be included in your 2014 ABS—enabling you to “marry” your state retirement balances with the retirement dollars you have invested in non-state retirement plans.

Your “Total Balance of Outside Savings” figure is the sum of all money you have invested in retirement plans other than the ones you currently qualify for as a public employee. This includes retirement savings plans associated with former employers—and any retirement accounts they have set up on their own, such as an Individual Retirement Account (IRA) or Roth IRA—as well as any other savings they have earmarked for retirement.

Be sure to update your RIC by Jan. 16, 2015, in order for your outside savings to be included in your 2014 Annual Benefits Statement.



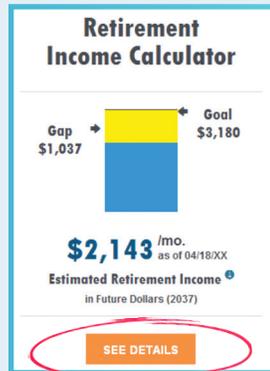
Including your outside assets into your Annual Benefit Statement is as easy as 1-2-3!

1 Access your RIC by logging in to your account at www.NCPlans.Prudential.com:

A. Once logged in, click on the orange “open” button in the top right-hand corner of the landing page.



B. Click on “See Details.”



C. Click on the “View/Edit” link.



2 Click on the “Total Balance of Outside Savings” field.

Details and Assumptions	
<i>Here you can adjust factors that affect your retirement calculations.</i>	
Current Age	42
Expected Retirement Age	65 <input type="checkbox"/>
Years in Retirement	20 <input type="checkbox"/>
Current Annual Pay	\$60,000 <input type="checkbox"/>
Estimated Annual Salary Increase	2.50% <input type="checkbox"/>
Total Account Value (used in your estimate)	\$311,834.75 <input type="checkbox"/>
Contribution Rate for ABC Defined Contribution Plan	6% <input type="checkbox"/>
Your Organization's Contributions	— <input type="checkbox"/>
Annual Deferral Rate for Non-Qualified Plan(s) for Retirement	2% <input type="checkbox"/>
Total Balance of Outside Savings	\$0 <input type="checkbox"/>
Total Annual Contributions to Outside Savings	\$0
Total Outside Pensions and Other Monthly Income	\$0 <input type="checkbox"/>
Estimated Social Security Income Per Month at Retirement	\$0 <input type="checkbox"/>

3 Enter your “Total Balance of Outside Savings” figure.

- A.** To arrive at that number, refer to your most recent account balance for savings plans associated with your former employers, such as those associated with any 401(a), 401(k), 403(a), 403(b), and 457 plan in which you have money invested—and any retirement accounts you’ve set up on your own, such as an Individual Retirement Account (IRA) or Roth IRA—as well as any other savings you have earmarked for retirement.
- B.** Add up the balances from each of these accounts and enter the sum in your “Total Balance of Outside Savings” field.



Five Financial Resolutions for the New Year

- 1. Bring your retirement savings into focus:** Make it a top priority for 2015. Be sure to update your RIC by January 16, 2015, so you can have your outside savings included in your 2014 ABS. (Easy-to-follow instructions are in the article, “Make your retirement planning picture even clearer!”)
- 2. Make an appointment** with your Retirement Education Consultant to discuss your retirement planning strategy.
- 3. Learn whether or not you’ve achieved retirement readiness**—and what it takes to stay there if you have.
- 4. Develop a strategy to increase your Plan contribution level regularly over time**—so you can achieve even greater financial security in retirement.
- 5. Make sure you have chosen the Plan investments that are right for you.** Visit NCPlans@prudential.com, call [866-NCPlans](tel:866-627-5267) (866-627-5267), or consult your Regional Retirement Education Consultant. And be sure to see “Investing Made Easy With GoalMaker” in this issue.



Making Cents

Financially Fit New Year

It’s that time of year; time to commit to bettering ourselves. The New Year is an ideal time to assess your financial well-being and make plans to improve it. Here are a few personal finance tips to include in this year’s personal finance resolve:

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.

Check your credit. Credit can offer opportunities or limit your access to things. Use this time to review your credit report for errors. You can access your free annual credit report at 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 cut this time.

Review 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, check with your human resources coordinator.

Whatever your 2015 resolutions include, do not let the start of the year escape you without developing a real plan for you and your family’s finances.

Fund Facts

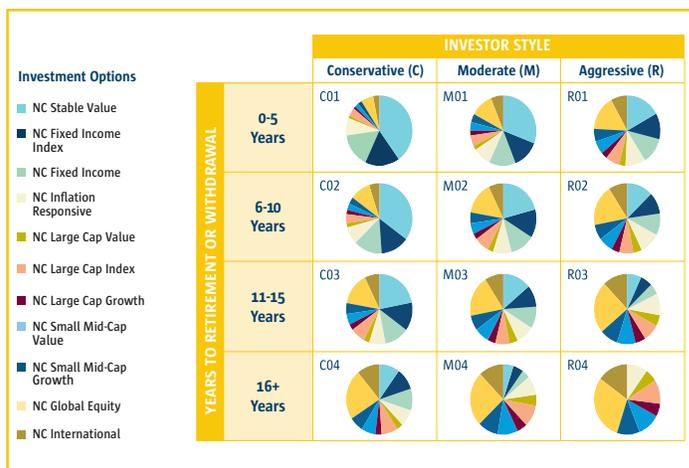
Investing Made Easy With GoalMaker®

One way you can help yourself achieve retirement readiness is by choosing Plan investments best suited for your risk tolerance and the number of years you have until you retire or begin taking withdrawals.

GoalMaker®, an asset allocation program available through the Plans at no additional cost, can help you take the guesswork out of investing.

With GoalMaker, answer a few simple questions, and you’ll be presented with a portfolio of investments for your consideration.

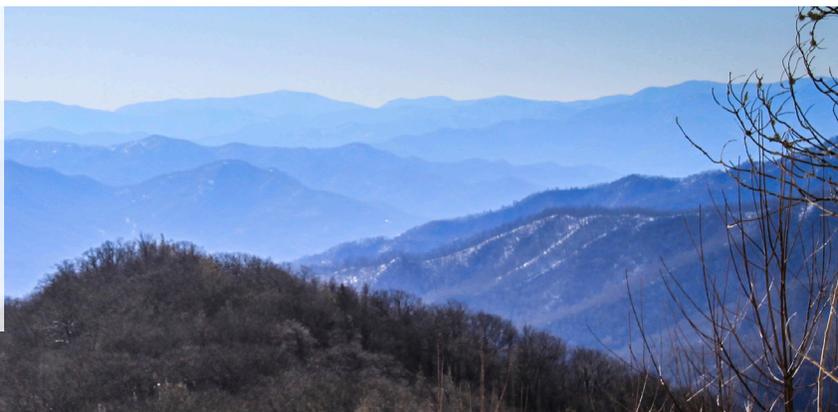
You do **not** have to choose what GoalMaker suggests. You may choose *any* of the available GoalMaker portfolios that you feel may help you reach your retirement income goals.



To enroll in GoalMaker, visit NCPlans@prudential.com and log in to your account—or call [866-NCPlans](tel:866-627-5267) (866-627-5267).

GoalMaker may be ideal for you if you:

- Feel you don’t have the financial knowledge to choose your Plan investments;
- Don’t have the time to select your investments and monitor your account; or
- Want to make investing for retirement easier than ever before.



BOARD MEMBER SPOTLIGHT



The Supplemental Retirement Board of Trustees is proud to welcome its newest member, Michael Lewis, who was appointed by the Speaker of the North Carolina House of Representatives in July of 2014. A partner with Raleigh investment banking firm, Chartwell Property Group, Michael is responsible for initiating, financing, and closing development and acquisition transactions—to the tune of more than \$300,000,000 over his career.

Prior to this, Michael served as vice president of capital markets and co-head of property management at Craig Davis Properties, where he was responsible for overseeing debt and equity investments, and co-managing the property management portfolio of 3.5 million square feet.

He adds being named to the Supplemental Retirement Board of Trustees to his list of accomplishments.

“It is an honor to serve the state of North Carolina in any role, but it is especially rewarding to serve the state employees by helping them attain their retirement goals,” explains Michael. “It is my goal to help us continue to offer what is one of the best supplemental retirement plans in the nation to our members.”

This Raleigh native has a B.S. in business administration from the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill, and an MBA from the Fuqua School of Business at Duke University, where he was the recipient of a Fuqua merit scholarship. He enjoys playing golf, and spending time with his two children.

Changes to the NC Fixed Income Fund

The North Carolina Supplemental Retirement Board of Trustees is responsible for the selection of the investment managers within the NC 401(k) and NC 457 Plans.

Upon receiving guidance on the North Carolina Fixed Income Fund from Mercer Investment Consulting, the Plans' investment consultant, the Board decided to consent to PRIAC's* decision to replace PIMCO with Prudential Investment Management (PIM) as the sub-advisor of the PIMCO Core Plus Bond Fund separate account.

Effective December 15, 2014, Prudential Investment Management, Inc. (PIM) will replace Pacific Investment Management Company LLC (PIMCO) as the investment manager of the PIMCO Core Plus Bond Fund separate account within the North Carolina Fixed Income Fund. The separate account will be renamed as the PIM Core Plus Bond Fund on the same date. The other 50 percent of the North Carolina Fixed Income Fund assets remain within the JPMorgan Core Bond Fund.

As a result of this change, effective December 15, 2014, the total expense ratio of the Fund will be 0.345%, a reduction of 0.055%. The North Carolina Fixed Income Fund is also an investment option within GoalMaker®.

PRSD7139

PRUDENTIAL RETIREMENT®

*PIM is an indirect, wholly-owned subsidiary of Prudential Financial, Inc., and an affiliate of the Prudential Retirement Insurance and Annuity Company (PRIAC). Prudential Fixed Income is PIM's largest public fixed-income asset management unit and is responsible for the management of the Fund.

*Prudential Retirement's group variable annuity contracts are issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT, a Prudential Financial company.

GoalMaker's model allocations are based on generally accepted financial theories that take into account the historic returns of different asset classes. But, of course, past performance of any investment does not guarantee future results. Prudential Financial encourages participants to consider their other assets, income and investments when enrolling in the GoalMaker program. We also recommend participants periodically reassess their GoalMaker investments to make sure their model portfolio continues to correspond to their changing attitudes and retirement time horizon. The GoalMaker model portfolios are subject to change including, for example, the replacement of investment options and allocations within the model portfolios.

North Carolina Total Retirement Plans and the North Carolina Total Retirement Plans logo are service marks of the North Carolina Department of State Treasurer.

Go to 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.

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.

This material is provided solely for your use and is for informational purposes only. It is not an offer or solicitation to buy or sell any securities.

The Prudential Stable Value Fund is a trust product and is comprised of a group annuity contract issued by The Prudential Insurance Company of America, and a portfolio of assets owned by the Supplemental Retirement Income Plan of North Carolina or designee. The group annuity contract is subject to approval by the North Carolina Department of Insurance. The Prudential Insurance Company of America, Newark, NJ, is a Prudential Financial company.

We encourage you to seek personalized advice from qualified professionals regarding all personal finance issues. We do not provide investment OR tax advice; please consult a tax advisor for more information.

Regional Retirement Educational Managers are registered representatives of Prudential Investment Management Services LLC (PIMS), Three Gateway Center, 14th Floor, Newark, NJ 07102-4077. PIMS is a Prudential Financial company.

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Thank you



Prudential

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