



# North Carolina Total Retirement Plans

## 3Q 2014 Board of Trustees Report

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

**On: December 11, 2014**

**As of: September 30, 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.

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## 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 9/30/2014	% to Goal
Increase use of GoalMaker utilization among new members	89.5%	92.43%	103.27%
Increase use of GoalMaker utilization among members	55%	54.78%	99.60%
Increase the average monthly employee deferral	\$160	\$160.70	100.44%
Increase active participation	27%	26.63%	98.63%

3 Employers adopted the 401(k) Plan from the period of January 1, 2014 through September 30, 2014

### 457 Plan:

Sub Goal	Goal	As of 9/30/2014	% to Goal
Increase use of GoalMaker utilization among new members	91.5%	93.06%	101.70%
Increase use of GoalMaker utilization among members	55%	55.27%	100.49%
Increase the average monthly employee deferral	\$130	\$132.39	101.84%
Increase active participation	12.25%	11.22%	91.59%

26 Employers adopted the 457 Plan from the period of January 1, 2014 through September 30, 2014

## Asset Allocation By Fund – Combined Plans

Investment Option	Asset Class	# Participants Utilizing				# Participants Utilizing				
		9/30/2012	%	9/30/2012	9/30/2013	%	9/30/2013	9/30/2014	%	9/30/2014
NC STABLE VALUE-401K	Stable Value	\$1,785,968,908	26.08%	167,717	\$1,844,941,046	23.25%	180,404	\$1,893,018,335	21.72%	183,902
NC STABLE VALUE-457	Stable Value	\$376,321,153	5.50%	33,527	\$389,536,801	4.91%	40,194	\$393,262,457	4.51%	42,509
NORTH CAROLINA FIXED INCOME FUND	Fixed Income	\$498,993,967	7.29%	148,509	\$530,875,122	6.69%	166,931	\$564,697,466	6.48%	175,357
NORTH CAROLINA FIXED INCOME INDEX	Fixed Income	\$237,009,929	3.46%	109,578	\$286,197,130	3.61%	129,052	\$335,985,521	3.86%	140,217
NORTH CAROLINA LARGE CAP GROWTH FUND	Large-Cap Stock	\$693,310,794	10.13%	200,005	\$771,608,280	9.72%	222,626	\$850,651,700	9.76%	232,280
NORTH CAROLINA LARGE CAP INDEX FUND	Large-Cap Stock	\$1,030,568,959	15.05%	198,458	\$1,064,136,119	13.41%	221,686	\$1,241,050,589	14.24%	231,589
NORTH CAROLINA LARGE CAP VALUE FUND	Large-Cap Stock	\$697,086,282	10.18%	200,176	\$790,814,615	9.96%	223,422	\$899,569,167	10.32%	232,892
NORTH CAROLINA SMALL/MID CAP GROWTH FUND	Small-Cap Stock	\$134,485,025	1.96%	141,083	\$278,486,287	3.51%	163,603	\$305,162,501	3.50%	176,586
NORTH CAROLINA SMALL/MID CAP INDEX FUND	Small-Cap Stock	\$336,714,632	4.92%	153,717	\$188,070,210	2.37%	26,985	\$206,564,031	2.37%	26,276
NORTH CAROLINA SMALL/MID CAP VALUE FUND	Small-Cap Stock	\$216,488,914	3.16%	151,590	\$385,738,140	4.86%	174,149	\$430,991,004	4.95%	186,483
NORTH CAROLINA GLOBAL EQUITY FUND	Global/Intl Stock	\$154,489,896	2.26%	132,703	\$607,116,265	7.65%	155,226	\$704,387,752	8.08%	168,931
NORTH CAROLINA INTERNATIONAL FUND	Global/Intl Stock	\$414,700,243	6.06%	161,335	\$486,067,645	6.12%	183,310	\$525,763,770	6.03%	194,800
NORTH CAROLINA INTERNATIONAL INDEX FUND	Global/Intl Stock	\$271,078,153	3.96%	133,367	\$34,802,972	0.44%	6,535	\$42,525,906	0.49%	6,679
NC INFLATION RESPONSIVE FUND	Specialty	\$0	0.00%	0	\$277,655,428	3.50%	144,887	\$320,584,190	3.68%	159,948
Total Plan Assets		\$6,847,216,854	100.00%		\$7,936,046,060	100.00%		\$8,714,214,390	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 September 30, 2014 was 267,955.

The average monthly employee deferral from October 1, 2013 to September 30, 2014 was \$177.03 for the combined Plans.

The active participation rate as of September 30, 2014 was 29.41% for the combined Plans.

The GoalMaker utilization among new members as of September 30, 2014 was 92.61% for the combined Plans.

The GoalMaker utilization among members as of September 30, 2014 was 54.79% for the combined Plans.

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

Investment Option	Asset Class	# Participants Utilizing				# Participants Utilizing				
		9/30/2012	%	9/30/2012	9/30/2013	%	9/30/2013	9/30/2014	%	9/30/2014
NC STABLE VALUE-401K	Stable Value	\$1,785,968,908	30.02%	167,717	\$1,844,941,046	26.70%	180,404	\$1,893,018,335	24.91%	183,902
NORTH CAROLINA FIXED INCOME FUND	Fixed Income	\$436,554,203	7.34%	127,644	\$467,985,856	6.77%	139,717	\$497,824,857	6.55%	145,087
NORTH CAROLINA FIXED INCOME INDEX	Fixed Income	\$217,421,755	3.65%	94,740	\$262,896,678	3.80%	107,769	\$305,049,747	4.01%	115,386
NORTH CAROLINA LARGE CAP GROWTH FUND	Large-Cap Stock	\$608,279,352	10.22%	171,886	\$672,914,018	9.74%	186,888	\$743,266,594	9.78%	192,966
NORTH CAROLINA LARGE CAP INDEX FUND	Large-Cap Stock	\$925,711,245	15.56%	174,104	\$948,384,149	13.72%	189,663	\$1,104,456,071	14.53%	195,693
NORTH CAROLINA LARGE CAP VALUE FUND	Large-Cap Stock	\$616,404,041	10.36%	172,558	\$694,646,968	10.05%	188,130	\$791,803,821	10.42%	194,074
NORTH CAROLINA SMALL/MID CAP GROWTH FUND	Small-Cap Stock	\$103,649,799	1.74%	116,296	\$232,481,523	3.36%	131,342	\$257,769,630	3.39%	140,625
NORTH CAROLINA SMALL/MID CAP INDEX FUND	Small-Cap Stock	\$320,982,655	5.39%	136,321	\$176,546,560	2.55%	25,709	\$191,811,251	2.52%	24,882
NORTH CAROLINA SMALL/MID CAP VALUE FUND	Small-Cap Stock	\$168,942,889	2.84%	126,362	\$317,948,442	4.60%	141,414	\$356,488,479	4.69%	150,036
NORTH CAROLINA GLOBAL EQUITY FUND	Global/Intl Stock	\$145,588,535	2.45%	115,625	\$574,266,262	8.31%	130,570	\$661,435,213	8.70%	139,934
NORTH CAROLINA INTERNATIONAL FUND	Global/Intl Stock	\$364,914,572	6.13%	135,669	\$428,526,564	6.20%	150,231	\$464,876,553	6.12%	158,088
NORTH CAROLINA INTERNATIONAL INDEX FUND	Global/Intl Stock	\$255,605,160	4.30%	116,123	\$27,319,126	0.40%	5,498	\$32,981,590	0.43%	5,587
NC INFLATION RESPONSIVE FUND	Specialty	\$0	0.00%	0	\$261,215,066	3.78%	122,003	\$298,543,967	3.93%	132,320
Total Plan Assets		\$5,950,023,113	100.00%		\$6,910,072,258	100.00%		\$7,599,326,109	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 September 30, 2014 was 245,819.

The average monthly employee deferral from October 1, 2013 to September 30, 2014 was \$160.70 for the 401(k) Plan.

The active participation rate as of September 30, 2014 was 26.63% for the 401(k) Plan.

The GoalMaker utilization among new members as of September 30, 2014 was 92.43% for the 401(k) Plan.

The GoalMaker utilization among members as of September 30, 2014 was 54.78% for the 401(k) Plan.

## Asset Allocation By Fund – 457 Plan

Investment Option	Asset Class	# Participants Utilizing				# Participants Utilizing				
		9/30/2012	%	9/30/2012	9/30/2013	%	9/30/2013	9/30/2014	%	9/30/2014
NC STABLE VALUE-457	Stable Value	\$376,321,153	41.94%	33,527	\$389,536,801	37.97%	40,194	\$393,262,457	35.27%	42,509
NORTH CAROLINA FIXED INCOME FUND	Fixed Income	\$62,439,764	6.96%	20,865	\$62,889,266	6.13%	27,214	\$66,872,609	6.00%	30,270
NORTH CAROLINA FIXED INCOME INDEX	Fixed Income	\$19,588,174	2.18%	14,838	\$23,300,452	2.27%	21,283	\$30,935,773	2.77%	24,831
NORTH CAROLINA LARGE CAP GROWTH FUND	Large-Cap Stock	\$85,031,442	9.48%	28,119	\$98,694,262	9.62%	35,738	\$107,385,107	9.63%	39,314
NORTH CAROLINA LARGE CAP INDEX FUND	Large-Cap Stock	\$104,857,714	11.69%	24,354	\$115,751,970	11.28%	32,023	\$136,594,518	12.25%	35,896
NORTH CAROLINA LARGE CAP VALUE FUND	Large-Cap Stock	\$80,682,241	8.99%	27,618	\$96,167,646	9.37%	35,292	\$107,765,346	9.67%	38,818
NORTH CAROLINA SMALL/MID CAP GROWTH FUND	Small-Cap Stock	\$30,835,226	3.44%	24,787	\$46,004,764	4.48%	32,261	\$47,392,871	4.25%	35,961
NORTH CAROLINA SMALL/MID CAP INDEX FUND	Small-Cap Stock	\$15,731,977	1.75%	17,396	\$11,523,650	1.12%	1,276	\$14,752,780	1.32%	1,394
NORTH CAROLINA SMALL/MID CAP VALUE FUND	Small-Cap Stock	\$47,546,025	5.30%	25,228	\$67,789,698	6.61%	32,735	\$74,502,525	6.68%	36,447
NORTH CAROLINA GLOBAL EQUITY FUND	Global/Intl Stock	\$8,901,361	0.99%	17,078	\$32,850,004	3.20%	24,656	\$42,952,538	3.85%	28,997
NORTH CAROLINA INTERNATIONAL FUND	Global/Intl Stock	\$49,785,671	5.55%	25,666	\$57,541,082	5.61%	33,079	\$60,887,217	5.46%	36,712
NORTH CAROLINA INTERNATIONAL INDEX FUND	Global/Intl Stock	\$15,472,993	1.72%	17,244	\$7,483,846	0.73%	1,037	\$9,544,316	0.86%	1,092
NC INFLATION RESPONSIVE FUND	Specialty	\$0	0.00%	0	\$16,440,361	1.60%	22,884	\$22,040,224	1.98%	27,628
<b>Total Plan Assets</b>		<b>\$897,193,742</b>	<b>100.00%</b>		<b>\$1,025,973,802</b>	<b>100.00%</b>		<b>\$1,114,888,281</b>	<b>100.00%</b>	

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

The total number of unique participants in the 457 Plan as of September 30, 2014 was 50,589.

The average monthly employee deferral from October 1, 2013 to September 30, 2014 was \$132.39 for the 457 Plan.

The active participation rate as of September 30, 2014 was 11.22% for the 457 Plan.

The GoalMaker utilization among new members as of September 30, 2014 was 93.06% for the 457 Plan.

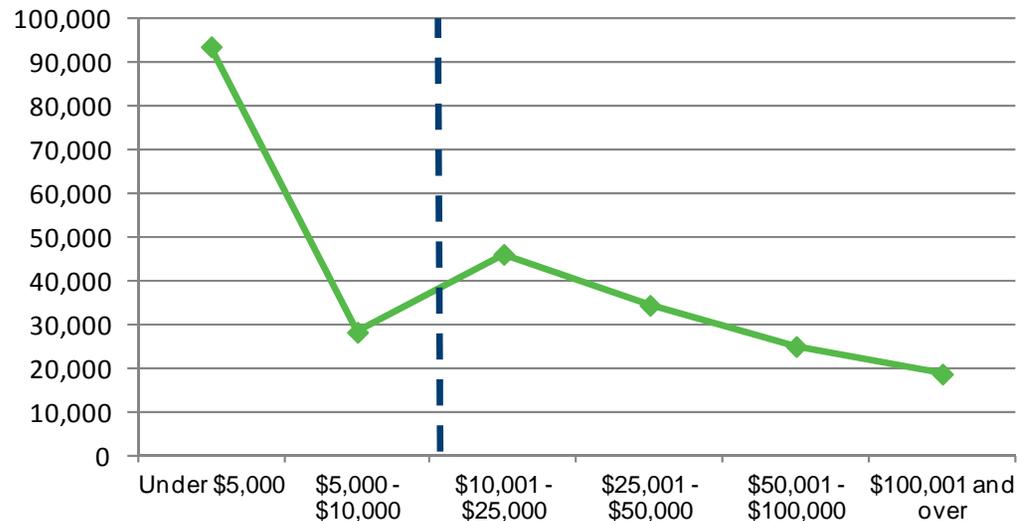
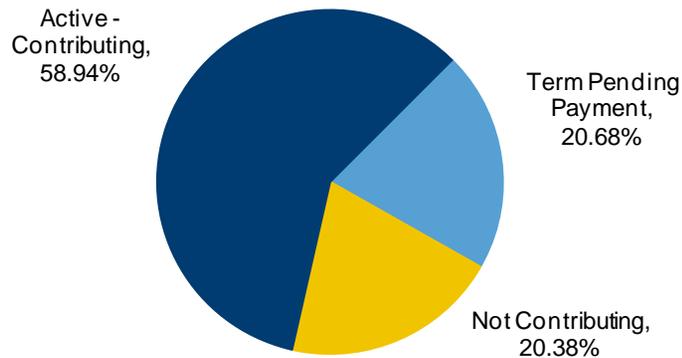
The GoalMaker utilization among members as of September 30, 2014 was 55.27% for the 457 Plan.

# North Carolina Total Retirement Plans

401(k) Plan				
	3Q 2013	3Q 2014	Difference #	Difference %
Members with an Account Balance	242,450	245,819	3,369	1.39%
Average Account Balance	\$28,501	\$30,836	\$2,335	8.19%
Median Account Balance	\$9,866	\$10,273	\$407	4.12%

401(k) Plan Percentage Gain						
	Assets (9/30/2013)	Contributions	Distributions	Earnings	Assets (9/30/2014)	Percentage Gain
NC 401(k) Plan	\$6,910,072,258	\$415,993,098	\$375,875,078	\$649,135,831	\$7,599,326,109	9.34%

## 401(k) Member Breakdown



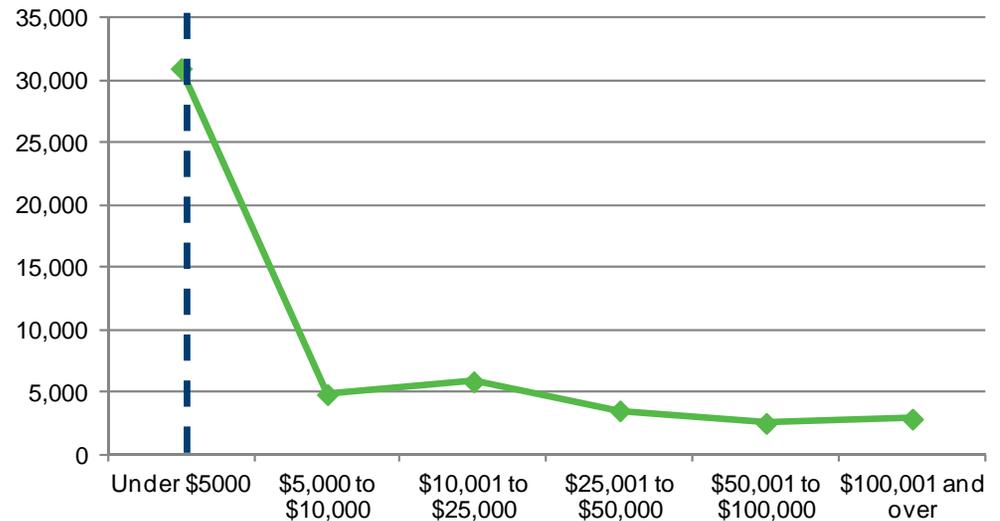
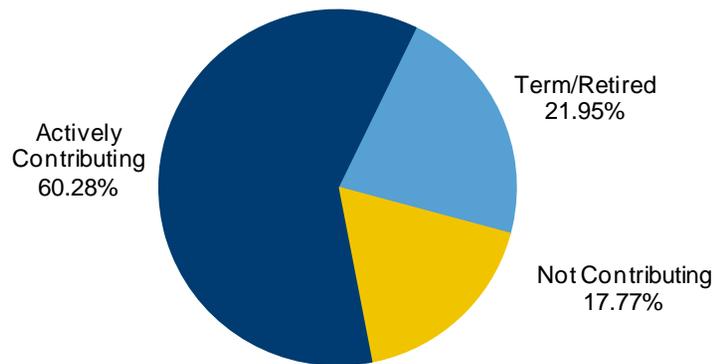
Member breakdown reflects status on recordkeeping system updated from limited indicative data received from employers which may cause the active status to be inflated

# North Carolina Total Retirement Plans

457 Plan				
	3Q 2013	3Q 2014	Difference #	Difference %
Members with an Account Balance	47,616	50,589	2,973	6.24%
Average Account Balance	\$21,547	\$22,009	\$462	2.14%
Median Account Balance	\$2,344	\$2,275	(\$69)	-2.94%

457 Plan Percentage Gain						
	Assets (9/30/2013)	Contributions	Distributions	Earnings	Assets (9/30/2014)	Percentage Gain
NC 457 Plan	\$1,025,973,802	\$56,415,647	\$58,592,184	\$91,091,016	\$1,114,888,281	8.90%

## 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							
	3Q 2011	3Q 2012	3Q 2012 % of Change	3Q 2013	3Q 2013 % of Change	3Q 2014	3Q 2014 % of Change
<b>Enrollments</b>	3,398	4,332	21.56%	4,360	0.65%	4,529	3.88%
% of New Hires Enrolled in Plan	32.84%	25.13%	-30.68%	34.79%	38.44%	33.29%	-4.31%
<b>GoalMaker Elections</b>	3,052	3,723	18.02%	3,973	6.72%	4,251	6.54%
<b>Contribution Changes</b>							
Deferral Decreases	2,502	2,376	-5.30%	4,125	73.61%	2,353	-42.96%
Deferral Increases	3,705	5,089	27.20%	7,241	42.29%	7,241	0.00%
Pre-tax Participation Rate	22.80%	20.64%	-10.47%	20.56%	-0.39%	20.22%	-1.65%
Roth Participation Rate	4.81%	5.10%	5.69%	6.19%	21.37%	6.78%	9.53%
Voluntary (Employee & Roth) Participation Rate	24.53%	24.22%	-1.28%	24.97%	3.10%	25.10%	0.52%

401(k) Plan Quarterly Enrollments & Contribution Change Method				
	3Q 2011	3Q 2012	3Q 2013	3Q 2014
<b>Method of Enrollment</b>				
Paper Form	78.34%	80.66%	82.05%	77.92%
Pseudo Enrollment	17.83%	15.36%	14.92%	17.42%
Internet	3.83%	3.98%	3.03%	4.66%
<b>Method of Contribution Change</b>				
Internet	83.51%	91.50%	97.54%	98.66%
Paper Form	14.52%	7.19%	1.96%	1.07%
Participant Service Center	1.31%	0.82%	0.17%	0.05%
VRU	0.66%	0.49%	0.34%	0.21%

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
<b>Enrollments</b>	9,583	10,479	8.55%	11,702	11.67%	10,980	-6.17%
% of New Hires Enrolled in Plan	52.82%	37.96%	-39.15%	47.21%	24.37%	42.03%	-10.97%
<b>GoalMaker Elections</b>	8,490	9,183	7.55%	10,484	14.17%	10,120	-3.47%
<b>Contribution Changes</b>							
Deferral Decreases	6,247	6,022	-3.74%	8,898	47.76%	7,534	-15.33%
Deferral Increases	12,251	13,505	9.29%	19,651	45.51%	20,894	6.33%
Pre-tax Participation Rate	23.74%	22.17%	-7.08%	22.12%	-0.23%	21.85%	-1.22%
Roth Participation Rate	5.16%	5.49%	6.01%	6.63%	20.77%	7.34%	10.71%
Voluntary (Employee & Roth) Participation Rate	26.98%	26.74%	-0.90%	26.74%	0.00%	27.02%	1.05%

401(k) Plan YTD Enrollments & Contribution Change Method				
	2011	2012	2013	2014
<b>Method of Enrollment</b>				
Paper Form	77.58%	81.18%	82.44%	76.10%
Pseudo Enrollment	18.53%	15.51%	14.04%	18.44%
Internet	3.89%	3.31%	3.52%	5.45%
<b>Method of Contribution Change</b>				
Internet	84.93%	90.18%	97.61%	98.37%
Paper	12.44%	8.50%	1.84%	1.28%
Participant Service Center	1.96%	0.78%	0.20%	0.05%
VRU	0.66%	0.54%	0.35%	0.30%

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							
	3Q 2011	3Q 2012	3Q 2012 % of Change	3Q 2013	3Q 2013 % of Change	3Q 2014	3Q 2014 % of Change
<b>Enrollments</b>	1,568	1,864	18.88%	2,351	26.13%	1,803	-23.31%
% of New Hires Enrolled in Plan	25.52%	18.24%	-28.53%	32.65%	79.00%	19.98%	-38.80%
<b>GoalMaker Elections</b>	1,411	1,684	19.35%	2,149	27.61%	1,677	-21.96%
<b>Contribution Changes</b>							
Deferral Decreases	457	460	0.66%	598	30.00%	760	27.09%
Deferral Increases	751	765	1.86%	1,198	56.60%	1,623	35.48%
Pre-tax Participation Rate	10.43%	9.23%	-11.51%	10.05%	8.88%	10.18%	1.29%
Roth Participation Rate	0.50%	0.56%	12.00%	0.90%	60.71%	0.99%	10.00%
Voluntary (Employee & Roth) Participation Rate	10.49%	9.33%	-11.06%	10.30%	10.40%	10.55%	2.43%

457 Plan Quarterly Enrollments & Contribution Change Method				
	3Q 2011	3Q 2012	3Q 2013	3Q 2014
<b>Method of Enrollment</b>				
Paper Form	95.22%	93.11%	90.92%	90.63%
Pseudo Enrollment	0.77%	1.52%	3.85%	2.81%
Internet	4.02%	5.37%	5.22%	6.56%
<b>Method of Contribution Change</b>				
Internet	81.61%	96.82%	96.29%	99.50%
Paper Form	15.82%	1.51%	3.41%	0.00%
Participant Service Center	2.24%	1.27%	0.13%	0.28%
VRU	0.33%	0.40%	0.17%	0.22%

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

## 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
<b>Enrollments</b>	4,506	4,897	8.68%	6,226	27.14%	4,404	-29.26%
% of New Hires Enrolled in Plan	42.98%	29.77%	-30.74%	36.14%	21.40%	26.70%	-26.13%
<b>GoalMaker Elections</b>	4,045	4,411	9.05%	5,624	27.50%	4,016	-28.59%
<b>Contribution Changes</b>							
Deferral Decreases	1,157	1,302	12.53%	755	-42.01%	2,747	263.84%
Deferral Increases	2,366	2,568	8.54%	3,846	49.77%	4,787	24.47%
Pre-tax Participation Rate	11.10%	11.02%	-0.72%	10.81%	-1.91%	10.67%	-1.30%
Roth Participation Rate	0.51%	0.60%	0.00%	0.89%	48.33%	1.04%	16.85%
Voluntary (Employee & Roth) Participation Rate	11.16%	11.07%	-0.81%	11.07%	0.00%	11.03%	-0.36%

457 Plan YTD Enrollments & Contribution Change Method				
	2011	2012	2013	2014
<b>Method of Enrollment</b>				
Paper Form	79.57%	82.95%	91.97%	90.26%
Pseudo Enrollment	14.15%	11.64%	1.87%	1.99%
Internet	6.29%	5.41%	6.16%	7.74%
<b>Method of Contribution Change</b>				
Internet	83.91%	91.51%	97.60%	99.45%
Paper	13.21%	6.98%	1.75%	0.17%
Participant Service Center	2.56%	1.16%	0.41%	0.18%
VRU	0.32%	0.35%	0.24%	0.20%

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

# North Carolina Total Retirement Plans

## 401(k) Contributions

	3Q 2011	3Q 2012	3Q 2012 Change %	3Q 2013	3Q 2013 Change %	3Q 2014	3Q 2014 Change %
Employee Contributions	\$52,500,115	\$50,067,404	-4.63%	\$51,796,492	3.45%	\$51,016,245	-1.51%
Roth	\$5,630,973	\$6,136,981	8.99%	\$7,293,012	18.84%	\$8,025,316	10.04%
<b>Total Employee Contributions</b>	<b>\$58,131,088</b>	<b>\$56,204,385</b>	<b>-3.31%</b>	<b>\$59,089,504</b>	<b>5.13%</b>	<b>\$59,041,560</b>	<b>-0.08%</b>
Employer Contributions	\$41,320,089	\$41,532,526	0.51%	\$42,458,533	2.23%	\$43,155,389	1.64%
Rollovers	\$11,464,119	\$10,786,540	-5.91%	\$19,909,605	84.58%	\$10,384,775	-47.84%
<b>Total Contributions</b>	<b>\$110,915,296</b>	<b>\$108,523,451</b>	<b>-2.16%</b>	<b>\$121,457,641</b>	<b>11.92%</b>	<b>\$112,581,724</b>	<b>-7.31%</b>
Average Voluntary Contributions	\$175	\$170	-2.86%	\$176	3.53%	\$167	-5.31%
Average Roth Contributions	\$97	\$92	-5.15%	\$89	-3.26%	\$90	0.92%
Average Employee Contributions	\$170	\$164	-3.53%	\$166	1.22%	\$178	7.09%

## 401(k) Contributions

	2011	2012	2012 Change %	2013	2013 Change %	2014	2014 Change %
Employee Contributions	\$162,343,152	\$159,893,065	-1.51%	\$159,262,935	-0.39%	\$158,468,024	-0.50%
Roth	\$16,354,313	\$18,567,183	13.53%	\$21,373,640	15.12%	\$24,210,286	13.27%
<b>Total Employee Contributions</b>	<b>\$178,697,465</b>	<b>\$178,460,249</b>	<b>-0.13%</b>	<b>\$180,636,576</b>	<b>1.22%</b>	<b>\$182,678,310</b>	<b>1.13%</b>
Employer Contributions	\$117,806,754	\$120,597,058	2.37%	\$124,224,043	3.01%	\$127,255,095	2.44%
Rollovers	\$27,683,965	\$28,264,425	2.10%	\$45,393,570	60.60%	\$32,586,431	-28.21%
<b>Total Contributions</b>	<b>\$324,188,184</b>	<b>\$327,321,732</b>	<b>0.97%</b>	<b>\$350,254,189</b>	<b>7.01%</b>	<b>\$342,519,836</b>	<b>-2.21%</b>
Average Voluntary Contributions	\$168	\$167	-0.60%	\$169	1.20%	\$160	-5.30%
Average Roth Contributions	\$89	\$86	-3.37%	\$81	-5.81%	\$83	2.53%
Average Employee Contributions	\$164	\$161	-1.83%	\$159	-1.24%	\$171	7.52%

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

	3Q 2011	3Q 2012	3Q 2012 Change %	3Q 2013	3Q 2013 Change %	3Q 2014	3Q 2014 Change %
Employee Contributions	\$11,383,842	\$12,135,674	6.60%	\$13,411,459	10.51%	\$13,052,158	-2.68%
Roth	\$86,047	\$272,700	216.92%	\$557,375	104.39%	\$649,350	16.50%
<b>Total Employee Contributions</b>	<b>\$11,469,889</b>	<b>\$12,408,374</b>	<b>8.18%</b>	<b>\$13,968,834</b>	<b>100.00%</b>	<b>\$13,701,508</b>	<b>-1.91%</b>
Employer Contributions	\$0	\$0	0.00%	\$12,546	0.00%	\$276,178	100.00%
Rollovers	\$3,595,735	\$2,891,351	-19.59%	\$2,950,248	2.04%	\$4,269,781	44.73%
<b>Total Contributions</b>	<b>\$15,065,624</b>	<b>\$15,299,725</b>	<b>1.55%</b>	<b>\$16,931,627</b>	<b>10.67%</b>	<b>\$18,247,467</b>	<b>7.77%</b>
Average Voluntary Contributions	\$170	\$160	-5.88%	\$149	-6.88%	\$143	-4.08%
Average Roth Contributions	\$95	\$119	25.26%	\$123	3.36%	\$123	-0.28%
Average Employee Contributions	\$170	\$161	-5.29%	\$151	-6.21%	\$141	-6.70%

## 457 Contributions

	2011	2012	2012 Change %	2013	2013 Change %	2014	2014 Change %
Employee Contributions	\$33,255,579	\$35,110,240	5.58%	\$39,395,264	12.20%	\$39,915,611	1.32%
Roth	\$119,623	\$621,867	419.86%	\$1,513,552	143.39%	\$1,818,389	20.14%
<b>Total Employee Contributions</b>	<b>\$33,375,202</b>	<b>\$35,732,107</b>	<b>7.06%</b>	<b>\$40,908,816</b>	<b>14.49%</b>	<b>\$41,734,001</b>	<b>2.02%</b>
Employer Contributions	\$0	\$0	0.00%	\$12,546	100.00%	\$723,749	5668.76%
Rollovers	\$9,603,268	\$9,797,855	2.03%	\$8,709,543	-11.11%	\$8,891,507	2.09%
<b>Total Contributions</b>	<b>\$42,978,470</b>	<b>\$45,529,962</b>	<b>5.94%</b>	<b>\$49,618,360</b>	<b>8.98%</b>	<b>\$51,349,256</b>	<b>3.49%</b>
Average Voluntary Contributions	\$155	\$144	-7.10%	\$136	-5.56%	\$135	-0.84%
Average Roth Contributions	\$42	\$82	95.24%	\$102	24.39%	\$104	1.71%
Average Employee Contributions	\$155	\$144	-7.10%	\$138	-4.17%	\$133	-3.53%

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

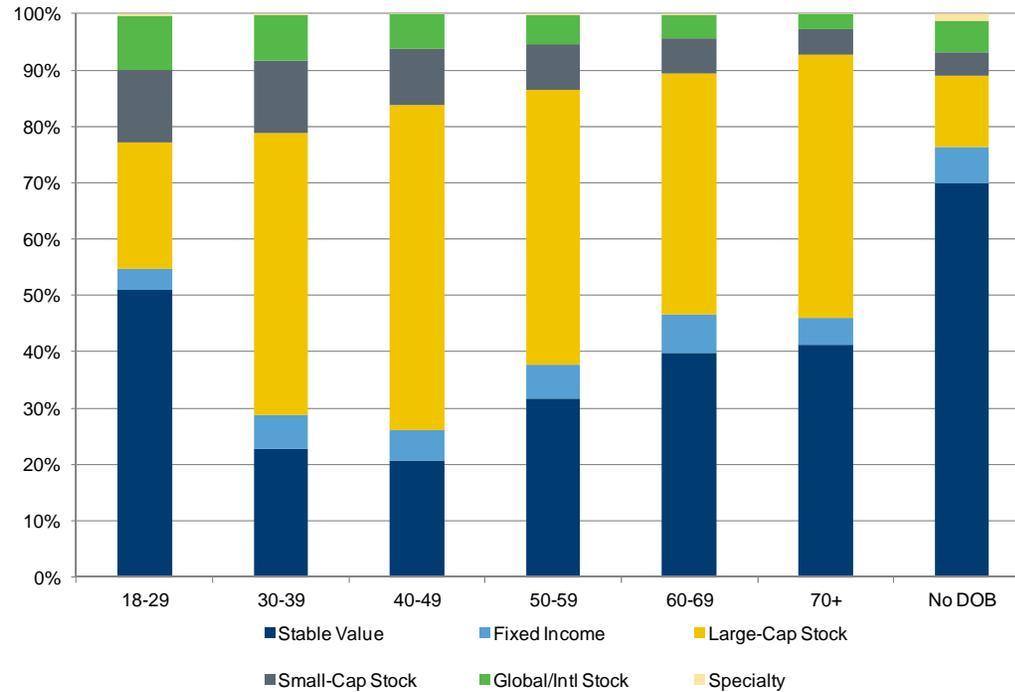
	9/30/2011	9/30/2012	9/30/2013	9/30/2014
Total Plan Assets in GoalMaker	\$1,773,288,834	\$2,284,726,758	\$2,828,730,848	\$3,215,253,901
Total # of Participants in GoalMaker	104,382	112,838	126,051	134,658
Year to Date % of New Enrollments w ith Goalmaker Election	88.01%	87.74%	89.77%	93.86%
Total Participation Rate	46.29%	49.55%	51.97%	54.78%
Prudential's Book of Business GoalMaker Average Participation Rate*	38.14%	41.08%	43.90%	44.51%
Total % of Assets	35.74%	38.41%	40.95%	42.31%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	4,535	8,641	4,486	17,662
Age 30-39	7,539	16,455	10,832	34,826
Age 40-49	7,512	17,788	11,037	36,337
Age 50-59	8,205	15,674	6,421	30,300
Age 60-69	4,675	6,320	2,363	13,358
Age 70+	534	512	244	1,290
No DOB	77	753	55	885
Total	33,077	66,143	35,438	134,658

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	\$17,293,650	\$40,305,443	\$34,142,722	\$91,741,815
Age 30-39	\$63,176,208	\$206,576,128	\$221,433,914	\$491,186,249
Age 40-49	\$114,110,038	\$405,338,452	\$429,760,512	\$949,209,002
Age 50-59	\$209,985,255	\$509,671,815	\$315,503,057	\$1,035,160,126
Age 60-69	\$171,494,254	\$273,154,271	\$133,080,039	\$577,728,563
Age 70+	\$23,784,048	\$29,679,283	\$13,759,327	\$67,222,658
No DOB	\$540,695	\$2,113,530	\$351,262	\$3,005,487
Total	\$600,384,148	\$1,466,838,922	\$1,148,030,832	\$3,215,253,901

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

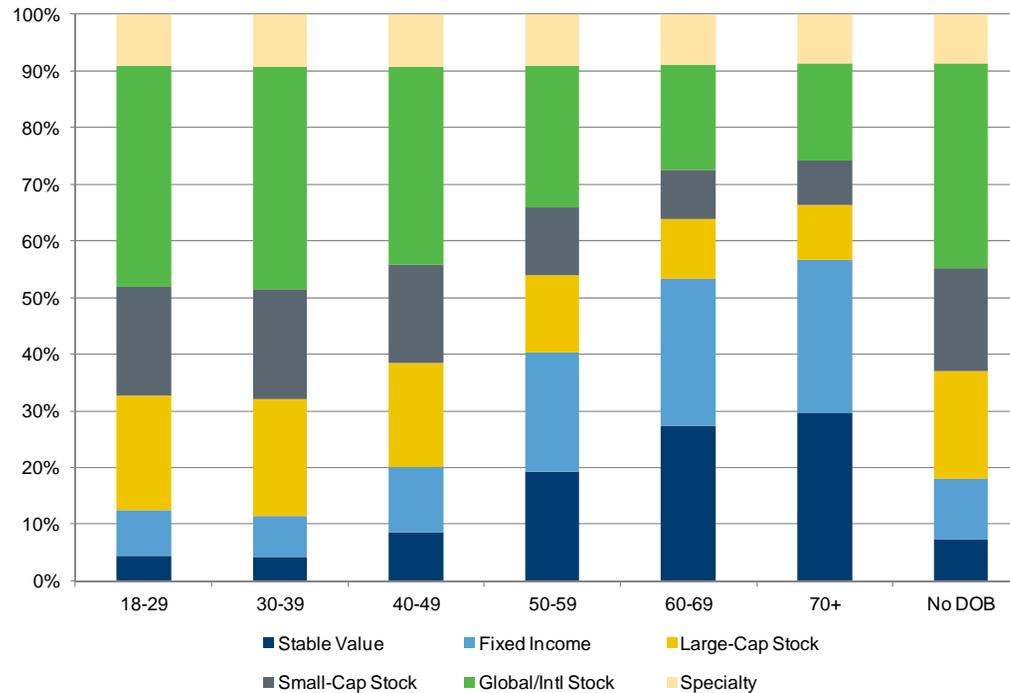
## 401(k) Asset Allocation by Age Group – Assets Not in GoalMaker As of September 30, 2014



Asset Class	18-29	30-39	40-49	50-59	60-69	70+	No DOB	Total
Stable Value	\$5,573,411	\$53,075,546	\$202,344,464	\$457,079,218	\$531,766,719	\$160,009,944	\$974,008	\$1,410,823,309
Fixed Income	\$412,583	\$13,904,062	\$51,040,010	\$87,133,760	\$91,283,625	\$18,768,612	\$91,039	\$262,633,691
Large-Cap Stock	\$2,451,373	\$116,398,708	\$562,826,900	\$703,182,808	\$569,312,632	\$181,534,930	\$176,126	\$2,135,883,476
Small-Cap Stock	\$1,428,398	\$29,878,191	\$98,460,436	\$117,282,870	\$84,627,872	\$17,439,733	\$56,719	\$349,174,219
Global/Intl Stock	\$1,042,628	\$18,879,926	\$59,232,446	\$74,915,446	\$54,504,914	\$10,327,891	\$79,790	\$218,983,041
Specialty	\$36,778	\$403,478	\$1,006,380	\$2,473,422	\$2,374,486	\$263,423	\$16,505	\$6,574,473
<b>Total Assets</b>	<b>\$10,945,171</b>	<b>\$232,539,910</b>	<b>\$974,910,635</b>	<b>\$1,442,067,524</b>	<b>\$1,333,870,248</b>	<b>\$388,344,533</b>	<b>\$1,394,187</b>	<b>\$4,384,072,208</b>
% Assets	0.25%	5.30%	22.24%	32.89%	30.43%	8.86%	0.03%	100.00%
Total Participants	1,901	13,265	31,475	33,100	24,350	6,514	559	111,161
Average Account Balance	\$5,758	\$17,530	\$30,974	\$43,567	\$54,779	\$59,617	\$2,494	\$39,439

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) Fund Allocation by Age Group – Assets in GoalMaker As of September 30, 2014

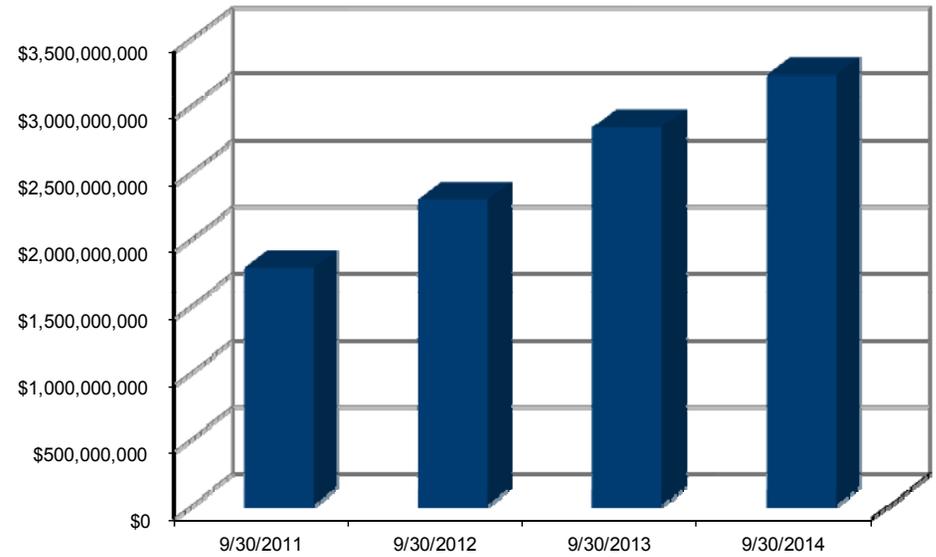
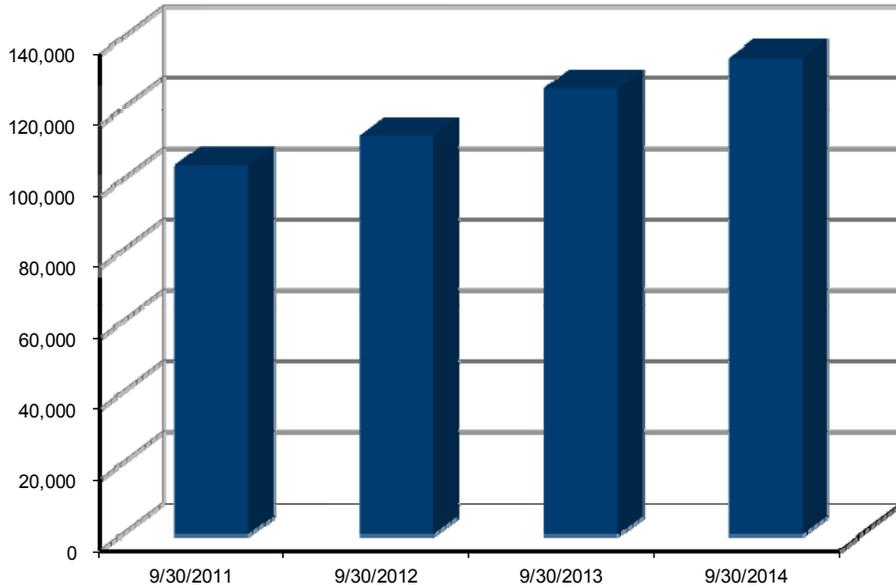


Asset Class	18-29	30-39	40-49	50-59	60-69	70+	No DOB	Total
Stable Value	\$4,061,810	\$20,781,861	\$80,824,629	\$199,105,999	\$157,351,066	\$19,848,482	\$221,177	\$482,195,026
Fixed Income	\$7,418,952	\$35,770,819	\$109,601,134	\$218,441,756	\$150,453,107	\$18,233,119	\$322,027	\$540,240,914
Large-Cap Stock	\$18,511,218	\$100,506,951	\$175,260,590	\$141,710,319	\$60,616,724	\$6,468,183	\$569,026	\$503,643,010
Small-Cap Stock	\$17,613,152	\$95,425,882	\$163,338,448	\$123,964,177	\$50,641,238	\$5,365,575	\$546,670	\$456,895,141
Global/Intl Stock	\$35,795,228	\$193,176,860	\$332,197,139	\$258,810,869	\$107,798,152	\$11,448,095	\$1,083,973	\$940,310,316
Specialty	\$8,341,456	\$45,523,876	\$87,987,062	\$93,127,006	\$50,868,276	\$5,859,204	\$262,614	\$291,969,494
Total Assets	\$91,741,815	\$491,186,249	\$949,209,002	\$1,035,160,126	\$577,728,563	\$67,222,658	\$3,005,487	\$3,215,253,901
% Assets	2.85%	15.28%	29.52%	32.20%	17.97%	2.09%	0.09%	100.00%
Total Participants	17,662	34,826	36,337	30,300	13,358	1,290	885	134,658
Average Account Balance	\$5,194	\$14,104	\$26,122	\$34,164	\$43,250	\$52,111	\$3,396	\$23,877

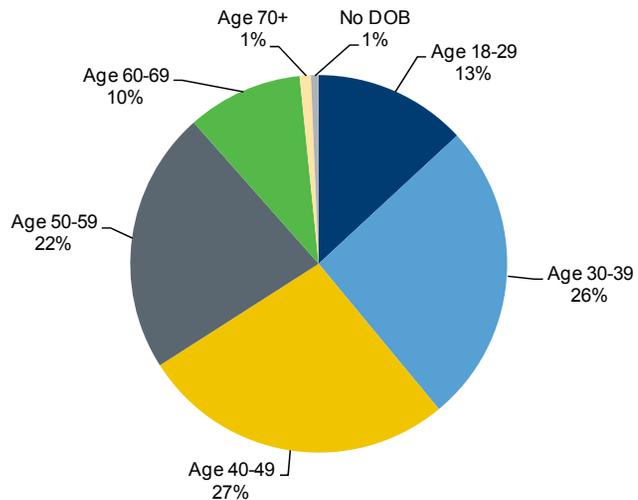
Total Participant counts are not Unique Participant counts as a participant may be in multiple SubPlans. A participant could be invested in GoalMaker in one SubPlan and not invested in GoalMaker in another SubPlan in which they hold a balance.



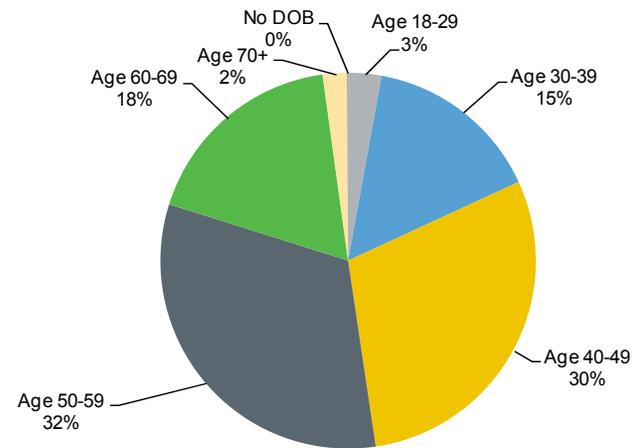
## 401(k) GoalMaker Participation



Participation by Age Range



Assets by Age Range



## 457 GoalMaker Participation

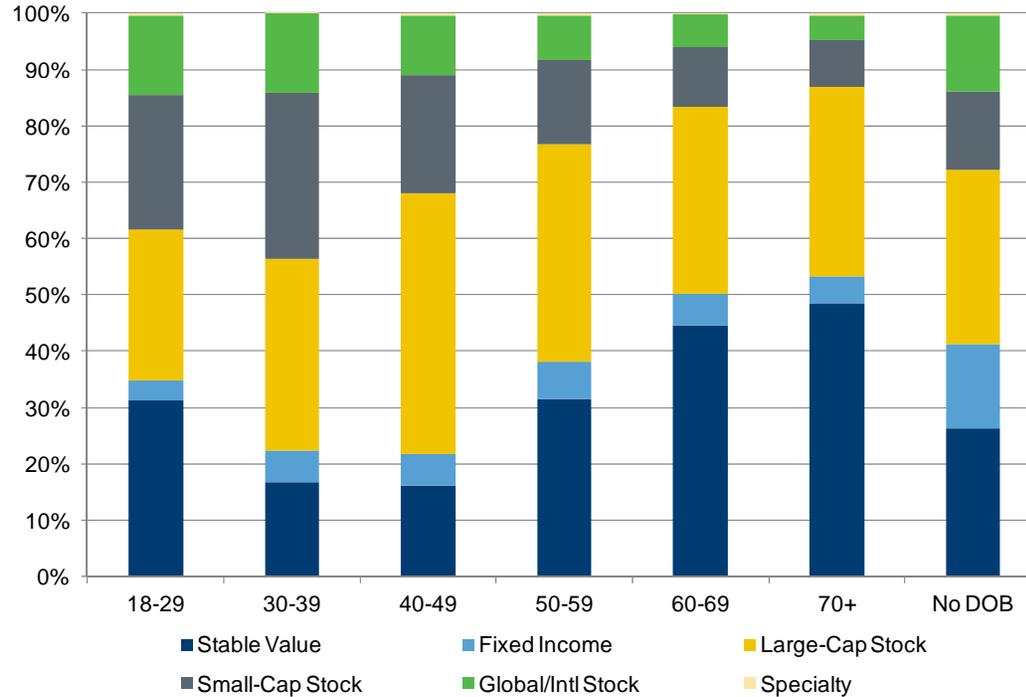
	9/30/2011	9/30/2012	9/30/2013	9/30/2014
Total Plan Assets in GoalMaker	\$80,274,027	\$127,759,403	\$173,540,523	\$219,557,682
Total # of Participants in GoalMaker	11,450	16,478	23,799	27,959
Year to Date % of New Enrollments w ith Goalmaker Election	90.12%	88.97%	90.55%	93.01%
Total Participation Rate	32.37%	41.98%	49.97%	55.27%
Prudential's Book of Business GoalMaker Average Participation Rate*	35.18%	39.34%	42.29%	44.51%
Total % of Assets	10.42%	14.24%	16.92%	19.69%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	1,290	1,842	1,057	4,189
Age 30-39	2,034	3,242	1,924	7,200
Age 40-49	2,279	3,901	2,019	8,199
Age 50-59	2,134	3,023	1,092	6,249
Age 60-69	751	758	292	1,801
Age 70+	74	70	27	171
No DOB	48	77	25	150
Total	8,610	12,913	6,436	27,959

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	\$730,846	\$1,705,850	\$1,422,647	\$3,859,343
Age 30-39	\$2,428,779	\$7,550,364	\$8,384,328	\$18,363,471
Age 40-49	\$6,945,539	\$21,723,345	\$19,281,381	\$47,950,265
Age 50-59	\$16,301,094	\$35,490,417	\$20,489,190	\$72,280,700
Age 60-69	\$18,039,142	\$29,088,580	\$14,706,591	\$61,834,314
Age 70+	\$5,732,112	\$6,336,884	\$2,934,523	\$15,003,520
No DOB	\$60,740	\$184,651	\$20,679	\$266,070
Total	\$50,238,253	\$102,080,090	\$67,239,339	\$219,557,682

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

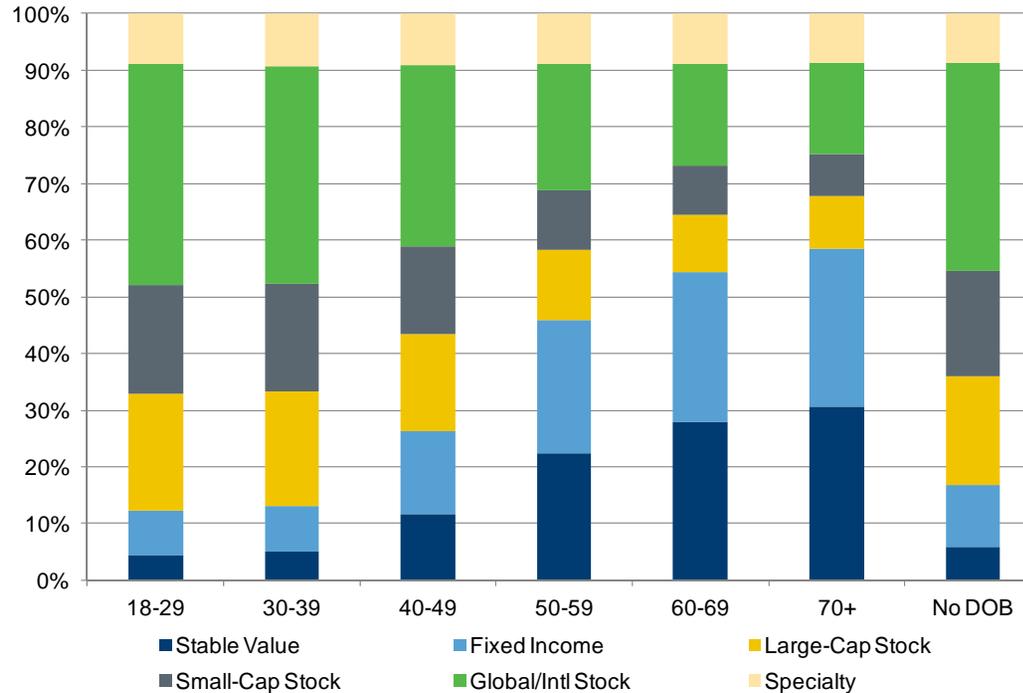
## 457 Asset Allocation by Age Group – Assets Not in GoalMaker As of September 30, 2014



Asset Class	18-29	30-39	40-49	50-59	60-69	70+	No DOB	Total
Stable Value	\$231,104	\$2,301,581	\$14,289,375	\$70,611,890	\$159,410,812	\$101,723,797	\$6,808	\$348,575,368
Fixed Income	\$26,416	\$794,563	\$4,968,862	\$14,820,411	\$20,705,150	\$10,035,677	\$3,880	\$51,354,959
Large-Cap Stock	\$198,437	\$4,694,894	\$40,709,934	\$86,815,142	\$119,020,447	\$70,930,228	\$8,038	\$322,377,121
Small-Cap Stock	\$175,938	\$4,067,507	\$18,623,206	\$33,387,591	\$37,566,316	\$17,050,934	\$3,593	\$110,875,085
Global/Intl Stock	\$105,160	\$1,922,193	\$9,342,177	\$17,801,490	\$21,074,544	\$9,511,466	\$3,486	\$59,760,515
Specialty	\$2,608	\$14,240	\$296,848	\$788,353	\$566,544	\$718,825	\$133	\$2,387,551
<b>Total Assets</b>	<b>\$739,663</b>	<b>\$13,794,979</b>	<b>\$88,230,401</b>	<b>\$224,224,878</b>	<b>\$358,343,813</b>	<b>\$209,970,927</b>	<b>\$25,937</b>	<b>\$895,330,599</b>
% Assets	0.08%	1.54%	9.85%	25.04%	40.02%	23.45%	0.00%	100.00%
Total Participants	428	2,405	5,170	6,692	5,887	2,041	18	22,641
Average Account Balance	\$1,728	\$5,736	\$17,066	\$33,506	\$60,870	\$102,876	\$1,441	\$39,545

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.

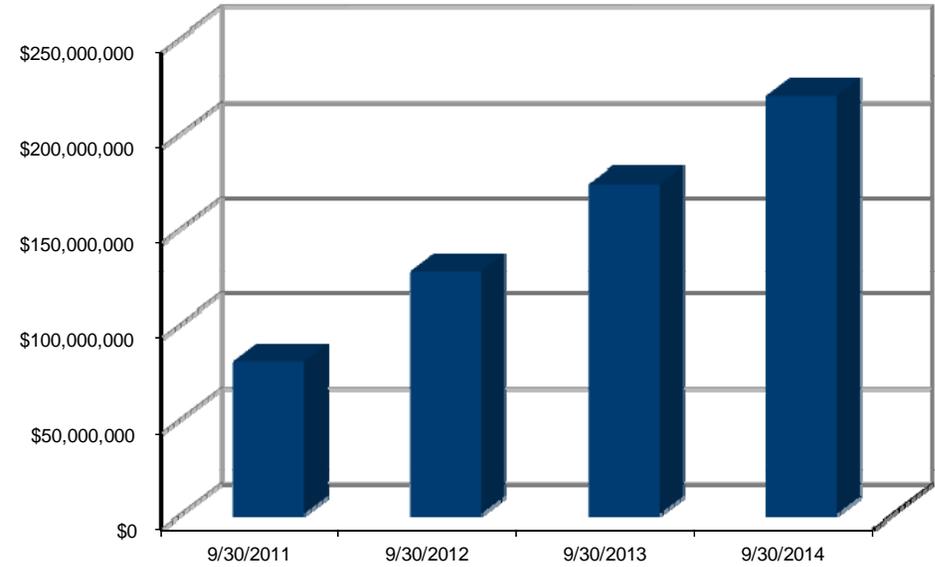
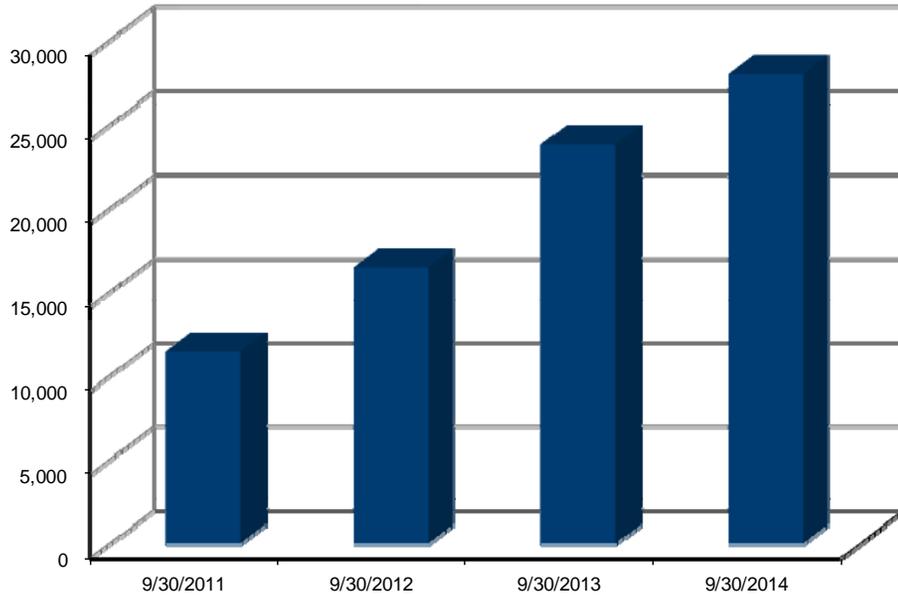
## 457 Asset Allocation by Age Group – Assets in GoalMaker As of September 30, 2014



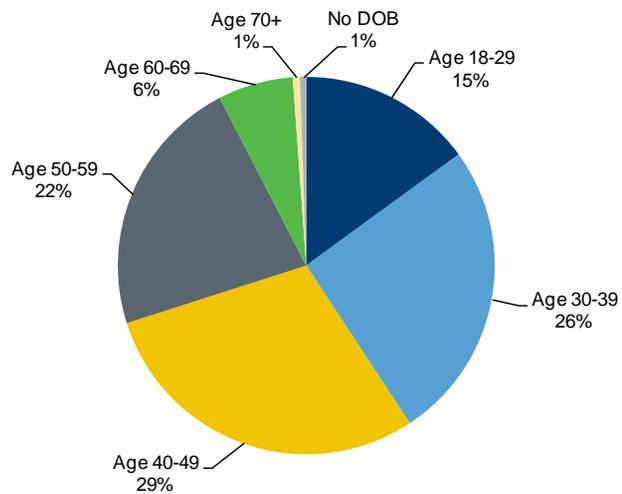
Asset Class	18-29	30-39	40-49	50-59	60-69	70+	No DOB	Total
Stable Value	\$168,337	\$905,138	\$5,565,400	\$16,208,492	\$17,240,123	\$4,584,100	\$15,499	\$44,687,089
Fixed Income	\$305,962	\$1,492,260	\$7,044,049	\$17,039,017	\$16,346,996	\$4,195,977	\$29,162	\$46,453,423
Large-Cap Stock	\$793,108	\$3,707,977	\$8,164,791	\$8,939,755	\$6,335,468	\$1,375,456	\$51,294	\$29,367,849
Small-Cap Stock	\$743,913	\$3,497,245	\$7,490,456	\$7,612,529	\$5,255,570	\$1,124,174	\$49,204	\$25,773,092
Global/Intl Stock	\$1,504,065	\$7,071,822	\$15,296,410	\$16,025,984	\$11,206,279	\$2,421,188	\$97,809	\$53,623,557
Specialty	\$343,958	\$1,689,029	\$4,389,160	\$6,454,924	\$5,449,878	\$1,302,624	\$23,101	\$19,652,673
<b>Total Assets</b>	<b>\$3,859,343</b>	<b>\$18,363,471</b>	<b>\$47,950,265</b>	<b>\$72,280,700</b>	<b>\$61,834,314</b>	<b>\$15,003,520</b>	<b>\$266,070</b>	<b>\$219,557,682</b>
% Assets	1.76%	8.36%	21.84%	32.92%	28.16%	6.83%	0.12%	100.00%
Total Participants	4,189	7,200	8,199	6,249	1,801	171	150	27,959
Average Account Balance	\$921	\$2,550	\$5,848	\$11,567	\$34,333	\$87,740	\$1,774	\$7,853

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.

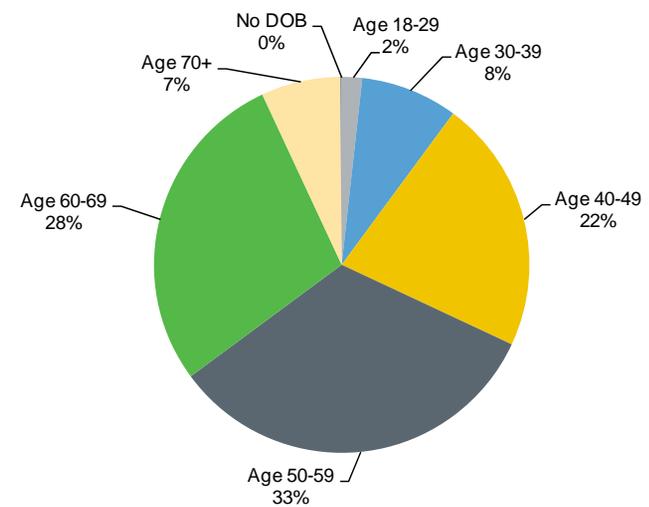
## 457 GoalMaker Participation



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	20.55%	20.71%	19.70%	19.62%	-0.39%
# of Outstanding Loans	46,348	47,440	47,784	48,236	0.95%
# of New Loans 3Q	4,822	4,532	4,786	4,592	-4.05%
# of New Loans YTD	13,352	12,675	12,981	12,703	-2.14%
Average Loan Balance	\$5,390	\$5,514	\$5,705	\$5,965	4.56%
Total Outstanding Loan Balance	\$249,794,599	\$261,567,366	\$272,607,113	\$287,711,747	5.54%

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	12.27%	12.06%	10.94%	10.96%	0.21%
# of Outstanding Loans	4,341	4,744	5,207	5,546	6.51%
# of New Loans 2Q	539	559	583	616	0.00%
# of New Loans YTD	1,380	1,415	1,579	1,635	3.55%
Average Loan Balance	\$3,048	\$3,058	\$3,105	\$3,229	3.99%
Total Outstanding Loan Balance	\$13,229,875	\$14,507,851	\$16,166,650	\$17,906,575	10.76%

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							
	3Q 2011	3Q 2012	3Q 2012 Change %	3Q 2013	3Q 2013 Change %	3Q 2014	3Q 2014 Change %
Term - Lump Sum	\$48,057,251	\$57,116,574	18.85%	\$68,332,002	19.64%	\$85,713,970	25.44%
In-Service	\$13,401,687	\$15,536,156	15.93%	\$15,374,346	-1.04%	\$6,878,763	-55.26%
State Retirement System	\$7,253,677	\$5,697,298	-21.46%	\$4,326,520	-24.06%	\$4,005,652	-7.42%
Hardship	\$2,056,185	\$1,919,531	-6.65%	\$2,241,712	16.78%	\$1,691,665	-24.54%
Systematic	\$1,902,233	\$1,982,031	4.19%	\$2,348,782	18.50%	\$3,025,072	28.79%
<b>Total Disbursements</b>	<b>\$72,671,034</b>	<b>\$82,251,590</b>	<b>13.18%</b>	<b>\$92,623,363</b>	<b>12.61%</b>	<b>\$101,315,121</b>	<b>9.38%</b>

401(k) Disbursements							
	3Q 2011	3Q 2012	3Q 2012 Change %	3Q 2013	3Q 2013 Change %	3Q 2014	3Q 2014 Change %
Term – Lump Sum	4,055	3,760	-7.27%	6,348	68.83%	5,393	-15.04%
In-Service	1,602	2,131	33.02%	1,974	-7.37%	1,617	-18.09%
State Retirement System	200	243	21.50%	212	-12.76%	126	-40.57%
Hardship	812	749	-7.76%	747	-0.27%	643	-13.92%
Systematic	2,369	2,778	17.26%	2,984	7.42%	3,127	4.79%
<b>Total Disbursements</b>	<b>9,038</b>	<b>9,661</b>	<b>6.89%</b>	<b>12,265</b>	<b>26.95%</b>	<b>10,906</b>	<b>-11.08%</b>

## 401(k) Disbursements – Year to Date

401(k) Disbursements							
	2011	2012	2012 Change %	2013	2013 Change %	2014	2014 Change %
Term - Lump Sum	\$135,153,688	\$158,868,319	17.55%	\$193,469,779	21.78%	\$243,192,577	25.70%
In-Service	\$37,746,944	\$40,551,974	7.43%	\$32,999,167	-18.63%	\$21,718,894	-34.18%
State Retirement System	\$23,528,424	\$18,105,852	-23.05%	\$11,477,125	-36.61%	\$10,249,335	-10.70%
Hardship	\$4,675,228	\$4,680,124	0.10%	\$5,318,629	13.64%	\$4,598,359	-13.54%
Systematic	\$6,007,100	\$6,098,159	1.52%	\$6,885,588	12.91%	\$8,874,293	28.88%
<b>Total Disbursements</b>	<b>\$207,111,384</b>	<b>\$228,304,428</b>	<b>10.23%</b>	<b>\$250,150,289</b>	<b>9.57%</b>	<b>\$288,633,456</b>	<b>15.38%</b>

401(k) Disbursements							
	2011	2012	2012 Change %	2013	2013 Change %	2014	2014 Change %
Term – Lump Sum	11,575	11,684	0.94%	14,984	28.24%	15,535	3.68%
In-Service	4,541	5,328	17.33%	5,341	0.24%	4,569	-14.45%
State Retirement System	672	597	-11.16%	438	-26.63%	338	-22.83%
Hardship	1,910	1,821	-4.66%	1,895	4.06%	1,639	-13.51%
Systematic	6,970	7,852	12.65%	9,043	15.17%	9,396	3.90%
<b>Total Disbursements</b>	<b>25,668</b>	<b>27,282</b>	<b>6.29%</b>	<b>31,701</b>	<b>16.20%</b>	<b>31,477</b>	<b>-0.71%</b>

## 457 Disbursements – Quarterly

457 Disbursements							
	3Q 2011	3Q 2012	3Q 2012 Change %	3Q 2013	3Q 2013 Change %	3Q 2014	3Q 2014 Change %
Term - Lump Sum	\$9,718,110	\$7,910,926	-18.60%	\$12,808,970	61.91%	\$16,191,202	26.41%
In-Service	\$48,493	\$350,821	623.45%	\$201,342	-42.61%	\$50,158	-75.09%
State Retirement System	\$587,869	\$221,827	-62.27%	\$132,342	-40.34%	\$223,299	68.73%
Hardship	\$158,217	\$99,740	-36.96%	\$178,894	79.36%	\$149,751	-16.29%
Systematic	\$1,240,252	\$1,190,998	-3.97%	\$1,310,773	10.06%	\$1,264,625	-3.52%
<b>Total Disbursements</b>	<b>\$11,752,941</b>	<b>\$9,774,312</b>	<b>-16.84%</b>	<b>\$14,632,321</b>	<b>49.70%</b>	<b>\$17,879,035</b>	<b>22.19%</b>

457 Disbursements							
	3Q 2011	3Q 2012	3Q 2012 Change %	3Q 2013	3Q 2013 Change %	3Q 2014	3Q 2014 Change %
Term – Lump Sum	1,179	835	-29.18%	2,196	162.99%	1,065	-51.50%
In-Service	20	112	460.00%	22	-80.36%	5	-77.27%
State Retirement System	7	11	57.14%	9	-18.18%	10	11.11%
Hardship	99	87	-12.12%	112	28.74%	125	11.61%
Systematic	1,202	1,466	21.96%	1,587	8.25%	1,510	-4.85%
<b>Total Disbursements</b>	<b>2,507</b>	<b>2,511</b>	<b>0.16%</b>	<b>3,926</b>	<b>56.35%</b>	<b>2,715</b>	<b>-30.85%</b>

## 457 Disbursements – Year to Date

457 Disbursements							
	2011	2012	2012 Change %	2013	2013 Change %	2014	2014 Change %
Term - Lump Sum	\$27,274,896	\$29,483,769	8.10%	\$32,425,005	9.98%	\$38,103,299	17.51%
In-Service	\$375,572	\$563,749	50.10%	\$1,977,751	250.82%	\$98,215	-95.03%
State Retirement System	\$1,099,969	\$592,717	-46.12%	\$4,153,111	600.69%	\$447,844	-89.22%
Hardship	\$404,629	\$371,357	-8.22%	\$459,681	23.78%	\$419,674	-8.70%
Systematic	\$3,530,529	\$3,762,194	6.56%	\$3,948,564	4.95%	\$4,245,301	7.52%
<b>Total Disbursements</b>	<b>\$32,685,594</b>	<b>\$34,773,786</b>	<b>6.39%</b>	<b>\$42,964,112</b>	<b>23.55%</b>	<b>\$43,314,333</b>	<b>0.82%</b>

457 Disbursements							
	2011	2012	2012 Change %	2013	2013 Change %	2014	2014 Change %
Term – Lump Sum	3,376	3,241	-4.00%	3,494	7.81%	3,060	-12.42%
In-Service	69	154	123.19%	54	-64.94%	15	-72.22%
State Retirement System	33	34	3.03%	21	-38.24%	25	19.05%
Hardship	220	255	15.91%	343	34.51%	304	-11.37%
Systematic	3,637	3,850	5.86%	4,791	24.44%	4,552	-4.99%
<b>Total Disbursements</b>	<b>7,335</b>	<b>7,534</b>	<b>2.71%</b>	<b>8,703</b>	<b>15.52%</b>	<b>7,956</b>	<b>-8.58%</b>

## 401(k) Plan Asset Allocation/Net Cash Flow July 1, 2014 to September 30, 2014

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$102,686,986	\$723,726,159	\$1,924,119,637	\$2,477,227,650	\$1,911,598,811	\$455,567,191	\$4,399,674	\$7,599,326,109
% Assets	1.35%	9.52%	25.32%	32.60%	25.15%	5.99%	0.06%	100.00%
Total Contributions	\$7,212,768	\$17,915,715	\$29,617,872	\$30,941,829	\$15,272,422	\$881,460	\$354,885	\$102,196,949
Rollovers In	\$332,325	\$800,560	\$1,246,325	\$3,389,106	\$3,847,977	\$768,483	\$0	\$10,384,775
Total Distributions including:	(\$1,082,343)	(\$6,194,661)	(\$11,686,659)	(\$24,689,717)	(\$48,783,677)	(\$8,878,064)	\$0	(\$101,315,121)
Rollovers Out	(\$267,918)	(\$2,571,002)	(\$5,968,440)	(\$13,942,566)	(\$33,031,863)	(\$3,666,833)	\$0	(\$59,448,621)
Cash Distributions	(\$814,425)	(\$3,623,659)	(\$5,718,219)	(\$10,747,151)	(\$15,751,814)	(\$5,211,231)	\$0	(\$41,866,500)
Net Cash Flow	\$6,462,750	\$12,521,615	\$19,177,537	\$9,641,217	(\$29,663,278)	(\$7,228,122)	\$354,885	\$11,266,603
Total Unique Participants	19,563	48,091	67,812	63,400	37,705	7,804	1,444	245,819
Avg. Account Balance	\$5,249	\$15,049	\$28,374	\$39,073	\$50,699	\$58,376	\$3,047	\$30,914
<i>Prudential Participant Avg. Account Balance</i>	\$6,534	\$23,925	\$52,125	\$81,010	\$98,728	\$111,162	\$2,606	\$57,225

## 401(k) Plan Asset Allocation/Net Cash Flow January 1, 2014 to September 30, 2014

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$102,686,986	\$723,726,159	\$1,924,119,637	\$2,477,227,650	\$1,911,598,811	\$455,567,191	\$4,399,674	\$7,599,326,109
% Assets	1.35%	9.52%	25.32%	32.60%	25.15%	5.99%	0.06%	100.00%
Total Contributions	\$20,375,777	\$53,354,764	\$89,024,015	\$94,998,550	\$48,282,454	\$2,948,881	\$948,964	\$309,933,405
Rollovers In	\$699,350	\$2,724,835	\$5,924,391	\$10,503,871	\$9,971,915	\$2,762,069	\$0	\$32,586,431
Total Distributions including:	(\$2,502,662)	(\$16,445,678)	(\$31,863,151)	(\$76,871,187)	(\$135,550,688)	(\$25,393,554)	(\$6,538)	(\$288,633,456)
Rollovers Out	(\$669,174)	(\$7,108,960)	(\$15,802,320)	(\$44,003,300)	(\$82,375,959)	(\$10,466,453)	\$0	(\$160,426,167)
Cash Distributions	(\$1,833,488)	(\$9,336,717)	(\$16,060,830)	(\$32,867,887)	(\$53,174,729)	(\$14,927,101)	(\$6,538)	(\$128,207,290)
Net Cash Flow	\$18,572,465	\$39,633,921	\$63,085,256	\$28,631,234	(\$77,296,319)	(\$19,682,604)	\$942,427	\$53,886,380
Total Unique Participants	19,563	48,091	67,812	63,400	37,705	7,804	1,444	245,819
Avg. Account Balance	\$5,249	\$15,049	\$28,374	\$39,073	\$50,699	\$58,376	\$3,047	\$30,914
<i>Prudential Participant Avg. Account Balance</i>	\$6,534	\$23,925	\$52,125	\$81,010	\$98,728	\$111,162	\$2,606	\$57,225

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

## 457 Plan Asset Allocation/Net Cash Flow July 1, 2014 to September 30, 2014

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$4,599,006	\$32,158,449	\$136,180,666	\$296,505,579	\$420,178,127	\$224,974,447	\$292,007	\$1,114,888,281
% Assets	0.41%	2.88%	12.21%	26.60%	37.69%	20.18%	0.03%	100.00%
Total Contributions	\$464,362	\$1,517,277	\$3,401,660	\$5,138,185	\$3,030,917	\$400,651	\$24,634	\$13,977,686
Rollovers In	\$0	\$110,873	\$266,289	\$967,813	\$1,178,216	\$1,746,217	\$374	\$4,269,781
Total Distributions including:	(\$62,447)	(\$223,452)	(\$826,447)	(\$2,925,931)	(\$9,501,331)	(\$4,339,427)	\$0	(\$17,879,035)
Rollovers Out	(\$1,814)	(\$49,662)	(\$458,746)	(\$1,498,726)	(\$7,278,536)	(\$2,189,464)	\$0	(\$11,476,946)
Cash Distributions	(\$60,634)	(\$173,791)	(\$367,701)	(\$1,427,205)	(\$2,222,795)	(\$2,149,963)	\$0	(\$6,402,089)
Net Cash Flow	\$401,915	\$1,404,698	\$2,841,502	\$3,180,066	(\$5,292,198)	(\$2,192,559)	\$25,008	\$368,431
Total Unique Participants	4,617	9,605	13,369	12,939	7,683	2,208	168	50,589
Avg. Account Balance	\$996	\$3,348	\$10,186	\$22,916	\$54,689	\$101,891	\$1,738	\$22,038
<i>Prudential Participant Avg. Account Balance</i>	<i>\$6,534</i>	<i>\$23,925</i>	<i>\$52,125</i>	<i>\$81,010</i>	<i>\$98,728</i>	<i>\$111,162</i>	<i>\$2,606</i>	<i>\$57,225</i>

## 457 Plan Asset Allocation/Net Cash Flow January 1, 2014 to September 30, 2014

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$4,599,006	\$32,158,449	\$136,180,666	\$296,505,579	\$420,178,127	\$224,974,447	\$292,007	\$1,114,888,281
% Assets	0.41%	2.88%	12.21%	26.60%	37.69%	20.18%	0.03%	100.00%
Total Contributions	\$1,353,702	\$4,439,194	\$10,126,666	\$15,549,864	\$9,480,326	\$1,401,160	\$76,816	\$42,427,729
Rollovers In	\$7,036	\$308,537	\$660,383	\$2,143,544	\$3,746,459	\$2,054,456	\$1,112	\$8,921,528
Total Distributions including:	(\$125,017)	(\$671,636)	(\$2,149,752)	(\$7,370,210)	(\$20,339,342)	(\$12,658,377)	\$0	(\$43,314,333)
Rollovers Out	(\$13,102)	(\$166,801)	(\$853,389)	(\$3,157,906)	(\$12,704,397)	(\$5,809,211)	\$0	(\$22,704,807)
Cash Distributions	(\$111,914)	(\$504,835)	(\$1,296,362)	(\$4,212,304)	(\$7,634,944)	(\$6,849,167)	\$0	(\$20,609,527)
Net Cash Flow	\$1,235,722	\$4,076,094	\$8,637,297	\$10,323,198	(\$7,112,556)	(\$9,202,761)	\$77,928	\$8,034,923
Total Unique Participants	4,617	9,605	13,369	12,939	7,683	2,208	168	50,589
Avg. Account Balance	\$996	\$3,348	\$10,186	\$22,916	\$54,689	\$101,891	\$1,738	\$22,038
<i>Prudential Participant Avg. Account Balance</i>	<i>\$6,534</i>	<i>\$23,925</i>	<i>\$52,125</i>	<i>\$81,010</i>	<i>\$98,728</i>	<i>\$111,162</i>	<i>\$2,606</i>	<i>\$57,225</i>

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

## 401(k) Plan Retirement Preparation Analysis

7/1/2014 - 9/30/2014	
Total Retirement Income Calculator Completions	8,894
Unique Completions	7,289
Contribution Rate Increase	427

1/1/2014 - 9/30/2014	
Total Retirement Income Calculator Completions	25,781
Unique Completions	21,096
Contribution Rate Increase	1,306

Since Inception for Currently Active Participants as of 9/30/2014	
Average Balance, RIC Participant	\$52,719
Average Balance, Non-RIC Participant	\$25,083
Average Contribution Rate, RIC Participant	6.13%
Average Contribution Rate, Non-RIC Participant	4.65%
Total Number of RIC Users Who Completed the RIC with a Gap	28,008
Average RIC Gap	\$2,804
Total Number of RIC Users Who Completed the RIC with a Surplus	6,855
Average RIC Surplus	\$2,041

**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

7/1/2014 - 9/30/2014	
Total Retirement Income Calculator Completions	3,064
Unique Completions	2,546
Contribution Rate Increase	84

1/1/2014 - 9/30/2014	
Total Retirement Income Calculator Completions	8,478
Unique Completions	7,080
Contribution Rate Increase	266

Since Inception for Currently Active Participants as of 9/30/2014	
Average Balance, RIC Participant	\$26,719
Average Balance, Non-RIC Participant	\$14,293
Average Contribution Rate, RIC Participant	6.06%
Average Contribution Rate, Non-RIC Participant	5.78%
Total Number of RIC Users Who Completed the RIC with a Gap	5,541
Average RIC Gap	\$2,954
Total Number of RIC Users Who Completed the RIC with a Surplus	1,433
Average RIC Surplus	\$3,128

**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	7/1/2014	\$3,641,200.91	
June 2014 Separate Account Asset Based Fees	7/9/2014		\$129,109.46
2Q 2014 Separate Account Asset Based Fees	7/22/2014		\$117,442.98
Invoice - Department of State Treasury	8/25/2014		(\$255,000.00)
July 2014 Separate Account Asset Based Fees	9/8/2014		\$131,418.15
August 2014 Separate Account Asset Based Fees	9/10/2014		\$121,157.01
Gain/loss in account value			\$46,495.17
Closing Account Value		\$3,931,823.68	

457 State Account			
Account Activity	Date	Opening/Closing Balance	Debits/Credits
Opening account value	7/1/2014	\$579,636.82	
June 2014 Separate Account Asset Based Fees	7/9/2014		\$16,264.45
2Q 2014 Separate Account Asset Based Fees	7/22/2014		\$24,594.62
Invoice 000002-13 - Department of Treasury	8/25/2014		(\$45,000.00)
July 2014 Separate Account Asset Based Fees	9/8/2014		\$16,572.29
August 2014 Separate Account Asset Based Fees	9/10/2014		\$16,148.57
Gain/loss in account value			\$6,826.16
Closing Account Value	6/30/2014	\$615,042.91	

## Participant Service Center Statistics

<b>401(k) &amp; 457 Quarterly Participant Service Center Statistics</b>				
	<b>3Q 2011</b>	<b>3Q 2012</b>	<b>3Q 2013</b>	<b>3Q 2014</b>
Service Center Calls	42,255	4,180	43,717	40,375
Service Percentage	86%	84%	88%	86%
Average Speed to Answer (seconds)	10 sec	20 sec	11 sec	14 sec
Abandon Percentage	0.40%	118.00%	0.58%	0.50%

<b>401(k) &amp; 457 YTD Participant Service Center Statistics</b>				
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Service Center Calls	119,326	119,450	126,454	113,391
Service Percentage	84%	85%	89%	76%
Average Speed to Answer (seconds)	12 sec	14 sec	11 sec	33 sec
Abandon Percentage	0.49%	0.84%	0.51%	1.20%



## Retirement Security Education Information

401(k) & 457 Quarterly Retirement Security Education Team Activity				
	3Q 2011	3Q 2012	3Q 2013	3Q 2014
Member Meetings	1,181	1,194	1,220	2,978
Number of Members Attending Meeting	26,074	30,450	27,764	25,593
Proactive Calls to Employers	663	637	581	656

401(k) & 457 YTD Retirement Security Education Team Activity				
	2011	2012	2013	2014
Member Meetings	3,447	3,738	3,934	5,938
Number of Members Attending Meeting	79,444	78,808	79,307	67,471
Proactive Calls to Employers	2,019	1,777	1,823	1,645

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%	18%	81%
Presenter's clarity in response to questions	0%	0%	0%	0%	1%	15%	84%
Length of presentation	0%	0%	0%	0%	3%	20%	77%
Did the presentation increase your awareness of the importance of saving for your retirement?				<b>Yes</b>	<b>No</b>		
				100%	0%		

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

### Other

Smithfield Housing Authority  
Western Piedmont Council of Governments

## Employers Adopting the 457 Plan in 2014

### County

Carteret County  
Stanly County

### 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

### Community College

Davidson County Community College  
Piedmont Community College

### Other

Alamance Community Fire Dept  
Centralina Council of Governments  
Downtown Salisbury, Inc.  
Lenoir County ABC Board  
Salisbury Rowan County CVB  
Youngsville ABC Board

### Schools

Ashe County Schools  
Rockingham County Schools



## 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.
- 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	2	21,456
MUNICIPAL	14	10	17	11	10,368
OTHER	9	11	13	6	2,956
SCHOOL	13	10	10	2	106,642











# Communication Accomplishments

## 3Q14



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# NC 401(k) & NC 457 Communication Accomplishments 3Q14

- Age Adjustment Campaign
- 1,886 emailed
- 3,600 mailed

**North Carolina Total Retirement Plans | 401k | 457**

**Consider Electing GoalMaker's Age Adjustment Feature Today!**

This exciting communication because you have elected to use GoalMaker's optional asset allocation program designed to help the government out of adjusting your 401(k) Plan investments, an important step toward Retirement Freedom. However, we based on your investment mix is not automatically updating, and you are not to be with your retirement future horizon.

**Why It's Important to Elect the Age Adjustment Feature Today!**

When you elect the Age Adjustment feature, your investments will automatically adjust based on your age. This means you can stay invested in a mix of investments suitable for the time you plan to begin withdrawing your retirement savings.

**Key Takeaways:**

- Age Adjustment was not available until recently, but you can elect it now!
- Age Adjustment is based on your age, not your investment mix.
- Age Adjustment is automatic, so you don't have to worry about it.
- Age Adjustment is based on your age, not your investment mix.

**How It Works:**

When you elect the Age Adjustment feature, your investments will automatically adjust based on your age. This means you can stay invested in a mix of investments suitable for the time you plan to begin withdrawing your retirement savings.

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# NC 401(k) & NC 457 Communication Accomplishments 3Q14

- 2Q14 Signature Newsletter Mailed
  - 2Q14 Statement Message
  - 2Q14 Signature Newsletter
  - 252,671 total participant statements
    - 149,465 mailed
    - 103,206 electronic



Now is a great time to identify your next best retirement savings step! For example, are you getting a tax refund? If so, a sound next step could be to use it to save more for retirement. Fortunately, the NC 401(k) Plan and the NC 457 Plan offer two great tools to help you evaluate how small, simple steps can lead to big long-term outcomes. Read more about these tools, the enhanced Retirement Income Calculator and the Annual Benefits Statement, and how they can work together giving you hypothetical views of what your financial future could look like, in your 1st Quarter 2014 Signature Newsletter. For more information on the Retirement Income Calculator and the Annual Benefits Statement, visit [www.NCPlans.Prudential.com](http://www.NCPlans.Prudential.com), or call 1-866-NCPlans (1-866-627-5267).

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.

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# NC 401(k) & NC 457 Communication Accomplishments 3Q14

- 2Q14 Employer Newsletter
- 2,471 electronic



# NC 401(k) & NC 457 Communication Accomplishments 3Q14

## Awards

- NAGDCA

North Carolina | 401k|457  
**INCREASING CONTRIBUTIONS CAMPAIGN**  
 Target audience: members not taking full advantage of their employer match

**"Initial Outreach"**

- A personalized member email
  - Calculating the member's current contribution rate compared to their employer's contribution amount
  - With a link to the animation below
  - With a link to take immediate action online

The educational animation showing how an employer contribution works

**5%**  
 Increased contributions

North Carolina | 401k|457  
 INCREASING CONTRIBUTIONS CAMPAIGN (continued)

**"Close Loop Sequence"**

- Reminder email to [nc401k.com](http://nc401k.com)

Congratulations email to those who increased contributions

**70%**  
 taking full advantage of their employer match

**2.5%**  
 average contribution increase

North Carolina | 401k|457  
**EMPLOYER CONTRIBUTION CAMPAIGN**  
 Target audience: employers able to make employer contributions

**"Decision Makers"**

- Employer letters to send employers or management
- Flyer

Directory of all Employers Contributing and Amounts

As of May 22, 2014, **459** employers are making some type of employee contribution

North Carolina | 401k|457  
 EMPLOYER CONTRIBUTION CAMPAIGN (continued)

**"Influencers"**

- Employer emails to send employers or management
- Flyer and Directory of Employers Contributing and Amounts to use at a site

Participation rate of those employers who offer a contribution is those who don't

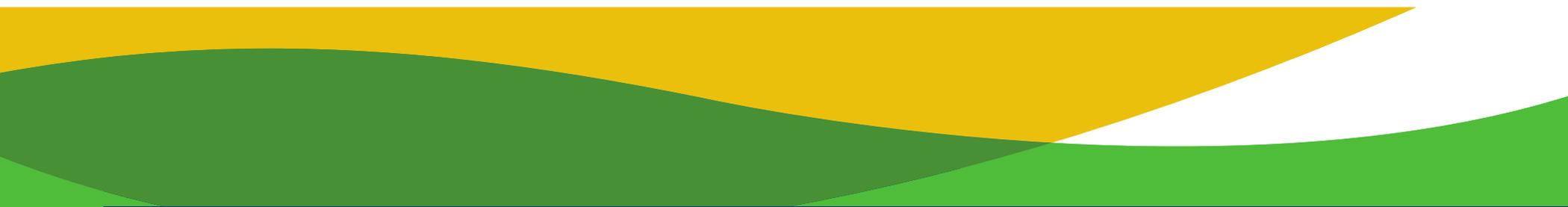
**60%**  
 vs.  
**20%**  
\*National Client Survey

# NC 401(k) & NC 457 Communication Accomplishments 3Q14

- NC Center for Non-Profit Ad
- Individualized Banners for RREMs
- Rebranded Window & Non-Window Envelopes
- Created Pocketed Folder for Site Visit
- Rebranded Termination Flyer
- Updated RREM County Contact Flyer with Personnel Change



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# Signature Newsletter

## 3Q14



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# Signature NEWSLETTER

3<sup>RD</sup> QUARTER 2014

## National Save for Retirement Week

National Save for Retirement Week is October 19–25, 2014. It's a week devoted to efforts to raise public awareness about the importance of saving for retirement.



### In this issue...

How is NC Stacking Up: Retirement Readiness and Financial Education

Making Cents Of Human Behavior

Fund Facts: How GoalMaker Can Help You Achieve Retirement Readiness



## A message from North Carolina's State Treasurer

North Carolina recently had the opportunity to host the National Association of State Retirement Administrators conference in Asheville. It was a great chance to interact with other retirement systems from across the country. I was proud to share with them that North Carolina has one of the nation's most competitive and fiscally sound retirement programs.

While our foundation is strong, successful retirement planning is not passive and requires active participation from members. Your defined benefit plan is one slice—or 60 percent—of the total retirement pie. Participation in a NC 401(k) and/or NC 457, along with your defined benefit portion, is needed to fully fund your retirement. As a Plan participant, you're definitely on the right track, but will it be enough?

October 19-25, is National Save for Retirement Week. This is an opportunity for everyone to re-evaluate their retirement plans because it's never too late to make changes. The online Retirement Income Calculator is a good place to start. The calculator, available to all Plan participants, uses hypothetical scenarios to assess the big picture of your retirement savings. You can include your existing NC 401(k) and/or NC 457 Plan account balances, as well as balances from up to 10 other retirement savings accounts, including your potential state of North Carolina pension plan benefits. This, along with your Annual Benefits Statement that you will receive in the spring of next year, can be helpful tools in planning your retirement.

On a final note, we will have information on the NC Total Retirement Plans at the NC State Fair from October 16-26. Be sure to stop by and get your questions answered, and most importantly get information on your retirement plan. We will be in the Kerr Scott Building. Hope to see you there!

Sincerely,

Janet Cowell, State Treasurer

## Staying Connected



### How is NC Stacking Up?

#### A Survey Sheds Light on NC Retirement Readiness and Financial Education

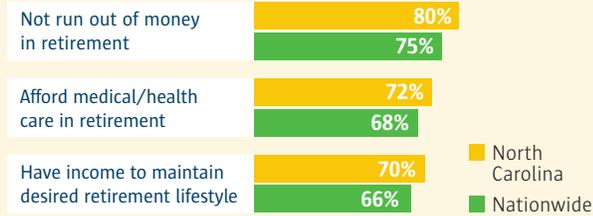
The survey focused on measuring North Carolinians' current level of retirement planning and readiness, their overall financial understanding, and their attitudes toward money and saving.



### A Snapshot of Results

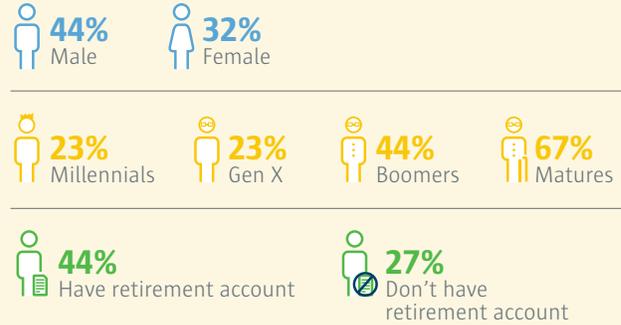
- ✓ North Carolina residents place a higher importance on achieving financial goals than their national counterparts.
- ✓ Not running out of money in retirement is the most important goal among North Carolina residents.

#### Three Most Important Financial Goals



### Level of Retirement Planning Among NC Public Sector Workers: How Do You Compare?

Public Sector Employees Rated Their Retirement Planning “Very Good or Excellent”...



### “Retirement Readiness” Today and Tomorrow:

According to many industry resources, Retirement Readiness is achieved when one can retire and collect at least 80 percent of their pre-retirement income each year in retirement. This retirement income can come from various sources, including Social Security, state pension(s), and the North Carolina Total Retirement Plans. For 2015, the goal is for 70 percent of public employees to achieve 80 percent replacement income.

### Use the NC 401(k) & NC 457 Features to Their Fullest

#### If you can relate...

Nearly 25 percent of those working-age and retired lack the basic knowledge of investing and saving for retirement.

Many do not understand fundamental concepts of economics and finance.

If you aren't among the 38 percent of public sector workers who report being “very good/excellent” at retirement planning.

#### Consider...

Using GoalMaker® to help select an investment portfolio designed with your risk tolerance and timeline in mind.

Contacting your Regional Retirement Education Consultant to help address savings questions and concerns.

Taking a look at your personal Annual Benefits statement via ORBIT and reviewing and using the Retirement Income Calculator after logging in to your account at [NCPlans.prudential.com](http://NCPlans.prudential.com). For information on how to access these tools, see below.

### The NC 401(k) and/or NC 457 Plans Can Help You Achieve Long-term Financial Security.

The Plans offer you several valuable tools that can help you achieve your Retirement Readiness goals, including:

- **The Annual Benefits Statement (ABS)** Your statement is provided to you once a year by the North Carolina Department of State Treasurer to give you a projection of your total retirement benefits.
- **The Retirement Income Calculator (RIC)** An easy-to-use interactive online tool that helps you assess your retirement savings progress. Its calculations take into account your existing NC 401(k) and/or NC 457 Plan account balances, as well as the savings balances you'd like to add—including your state of North Carolina pension plan benefits, as outlined in your ABS.
- **MyNCRetirement.com** The State Treasurer's website serves as your retirement planning gateway.

### How to Access the Annual Benefits Statement and Retirement Income Calculator

#### Annual Benefits Statement

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

#### Retirement Income Calculator

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





## Making Cents of Human Behavior

*We're all human.* The chart below shows you just a few human tendencies that can pop up during your retirement planning years—and how you can overcome them as you work to achieve Retirement Readiness:

The Human Tendency:	How to...	To Help Yourself Achieve Retirement Readiness:
"I'll do it later"	overcome procrastination and get ready for the future	<ol style="list-style-type: none"> <li>1. Check your Annual Benefits Statement (ABS) through ORBIT <i>today!</i></li> <li>2. Use the Retirement Income Calculator (RIC) and click the "Do It Now!" button.</li> </ol>
"I want it now"	resist short-term impulses that can undermine long-term gratification	<ol style="list-style-type: none"> <li>1. Check your ABS or the RIC to estimate your future retirement income.</li> <li>2. If there is a gap:               <ul style="list-style-type: none"> <li>• If you are already a Plan member, visit <a href="http://www.NCPlans.prudential.com">www.NCPlans.prudential.com</a> to increase your contributions.</li> </ul> </li> </ol>

## Fund Facts

### How GoalMaker Can Help You Achieve Retirement Readiness

Do you feel you don't have the financial knowledge to choose your Plan investments? If so, GoalMaker®, an asset allocation program available through the Plans, can help you take the guesswork out of selecting your investments.

- GoalMaker helps take the guesswork out of choosing your investments.
- GoalMaker can be an excellent choice for those who don't have the time—or the confidence—to choose their own investments.

The chart below shows you the GoalMaker portfolios currently available:

Investment Options	YEARS TO RETIREMENT OR WITHDRAWAL	INVESTOR STYLE		
		Conservative (C)	Moderate (M)	Aggressive (R)
<ul style="list-style-type: none"> <li>NC Stable Value</li> <li>NC Fixed Income Index</li> <li>NC Fixed Income</li> <li>NC Inflation Responsive</li> <li>NC Large Cap Value</li> <li>NC Large Cap Index</li> <li>NC Large Cap Growth</li> <li>NC Small Mid-Cap Value</li> <li>NC Small Mid-Cap Growth</li> <li>NC Global Equity</li> <li>NC International</li> </ul>	0-5 Years	C01	M01	R01
	6-10 Years	C02	M02	R02
	11-15 Years	C03	M03	R03
	16+ Years	C04	M04	R04

These model portfolios are provided as samples and not as investment recommendations. The model portfolios are based on generally accepted investment practices and take into account the principles of modern portfolio theory, in which allocations are adjusted in an effort to achieve maximum returns for a given level of risk. You may want to consider other assets, income, and investments you may have before applying these models to your individual situation. Please note that in addition to the specific investments used in the GoalMaker model portfolios, other investments may be available under your retirement program. Past performance of investments or asset classes does not guarantee future results. 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.

**Approach Retirement With More Confidence—When You Choose Age Adjustment.** When you choose the optional Age Adjustment feature, GoalMaker will automatically adjust your investments to be more conservative as retirement—or the time you may want to begin making withdrawals—approaches.

### How GoalMaker with Age Adjustment Works:



Do you have questions about GoalMaker or your Plan account? Visit [NCPlans@prudential.com](mailto:NCPlans@prudential.com) or call 866-NCPlans (866-627-5267).

# BOARD MEMBER SPOTLIGHT



**Walter Gray**  
*NC Supplemental Retirement Board of Trustees*

The Supplemental Retirement Board of Trustees is proud to have a member in Walter Gray, who was appointed to the Board by the Governor in 2013. With 15 years of corporate finance experience, Walt currently serves as the administrator for the North Carolina Industrial Commission in Raleigh, where he manages and formulates policy for day-to-day operations; participates in the development of agency program policies; and provides leadership, administrative direction, and supervision for the programs and employees of the agency.

Walt leverages this experience, along with several years working in real estate development, commercial brokerage, property management, sales, and marketing to drive his personal goals for the Board.

“Ensuring a secure financial future that allows retirees to enjoy their well-deserved retirement is important to all state employees,” explains Walt.

“I believe we have a responsibility to the participants of both our Supplemental Retirement Income Plan and Public Employee Deferred Compensation Plan to safeguard their nest eggs and maintain their trust in our judgment. That being said, my primary goal as a Board member is to ensure the Board exercises sound financial judgment in developing investment strategies that earn our participants a consistent rate of return without exposing their retirement accounts to unnecessary risk.”

Walt has both an M.S. in Accountancy and MBA from UNC-Wilmington, as well as a B.A. in Finance from Wofford College. He is a North Carolina Real Estate Broker and Certified Public Accountant, as well as an avid outdoorsman and sportsman, who enjoys skiing, surfing, and reading. He'll also be the first to tell you his hometown of Whiteville, N.C. has the world's best barbeque!



## Recent Change to the NC Large Cap Growth Fund

Effective August 12, 2014, Loomis Sayles & Company replaced Neuberger Berman LLC as one of the three sub-advisors for the NC Large Cap Growth Fund, which is one of the investment options in the NC 401(k) Plan and the NC 457 Plan. Neuberger Berman managed one-third of the assets within the Fund. The Fund's other two investment managers, Sands Capital Management, LLC and Wellington Management Company, LLP, will continue to provide the Fund with investment management services.

### The Fund's Investment Objective Remains the Same

The NC Large Cap Growth Fund seeks to provide long-term growth of capital.<sup>1</sup> It's best suited for those investors who are seeking long-term capital appreciation from stocks, have little or no need for current income, and can tolerate a potentially high level of balance fluctuation.

<sup>1</sup> There is no assurance the objective of the Fund will be met.

**PRUDENTIAL RETIREMENT®**

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Go to [www.NCPlans.prudential.com](http://www.NCPlans.prudential.com) for information on NC Total Retirement Plans or to access your account, obtain more information about the NC Total Retirement Plans and access more complete information about the investment options available through your plan (including the options that comprise the GoalMaker portfolios). You may also call 866-NCPlans (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.

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The Prudential Stable Value Fund is a trust product and is composed 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.

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

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Thank you



**Prudential**

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**North Carolina** | 401k | 457  
Total Retirement Plans

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