

## STATUS UPDATE

### Recordkeeping and Communication Services RFP #07-S12023 Trust and Custodian Services RFP #07-S12024

#### North Carolina Supplemental Retirement Board Meeting June 2015

##### Background

Following the two RFP projects noted above, the Board selected Prudential and Bank of New York Mellon at the March 19, 2015 Board meeting. Both selections are contingent on successful contract negotiations. Some enhancements that will result from these contracts include:

##### Prudential

- Enhanced GoalMaker tool (e.g. investment flexibility, participant migration)
- Expanded retirement education meeting content (e.g. Closer Look at Social Security Benefits, other seminars)
- Field realignment including retiree advocate position developed
- Expanded targeted marketing (e.g. mailings, e-mail)
- Reduced participant fees
- Unbundled investment structure to provide increased transparency and control

##### Bank of New York Mellon

- Facilitate unbundled investment structure for increased transparency and control
- Improved reporting capabilities
- Improved investment compliance monitoring capabilities
- Custodian contract to provide clarity of responsibilities and fees

##### Updates This Quarter

Progress was made in several areas following the March 19 selection of Prudential and BNY Mellon. These include:

- **Kick-off discussions** – conference calls were held separately with Prudential and BNY Mellon in early April
- **Services review** – meeting held in early May with Prudential, BNY Mellon and Mercer to review services moving away from Prudential in future state

- **Project management** – both Prudential and BNY Mellon have a dedicated project manager and implementation team; BNY Mellon will maintain an implementation plan and an action items log for the transition; Mercer project manager assisting with oversight
- **Implementation target** – new target date is Monday January 4, 2016; pushing the implementation back a couple weeks to the beginning of 2016 is expected to be cleaner from an auditing and financial perspective
- **Investment structure** – discussions held with Prudential, BNY Mellon and Mercer to consider investment vehicles and structure (i.e. separate accounts and collective trust vehicles); contacts at each fund house provided
- **Group trust** – structure is being reviewed; group trust document is being drafted
- **Contracting** – working with Prudential and BNY Mellon to draft agreements

### **Next Steps**

Work on the implementation for the next quarter is expected to include:

- **Project management** – weekly/regular implementation status meetings with staff, Prudential, BNY Mellon and Mercer; maintenance of project plan and action log
- **Contracting** – continued development of agreements with Prudential and BNY Mellon
- **Investment structure** – determine investment structure and begin process to re-paper contracts with existing managers
- **Group trust** – develop group trust to support unbundled investment structure