



NC Total Retirement Plans

NC 403(b) Program Report

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Data as of: October 31, 2014

Presented on: December 11, 2014



North Carolina | 403b
Total Retirement Plans



Financial Services

Table of Contents

- I. Executive Summary
- II. 403(b) Program Goals for 2015
- III. 403(b) Metrics Overview
 - a). Plan Assets
 - b). Contributions
 - c). Participant Demographics
 - d). Participant Engagement
- IV. 403(b) Structure
 - a). Program Adoption
 - b). Program Fees
 - c). NC RIA Network
- V. Oversight & Compliance
 - a). CTPAs
 - b). Plan Documents
- VI. Looking Forward

I. Executive Summary

- **33** Districts enrolled: 3 Sole Recordkeeping decisions, 9 decisions for new enrollees to the State 403(b) only, 21 Multi-Vendor decisions. We are targeting an additional 17 districts by the end of 2014.
- **72,875** employees are now eligible for the program.
- **\$399,125** in assets under management with **\$139,668** in contributions as of 10/31/14. **460** participants are now enrolled in the 403(b) Program.
- Participant Engagement: **22** group seminars (estimated 900 employees attending) & **136** counseling sessions have been delivered across the state.

II. 403b Goals for 2015

Contributions: average monthly deferral TBD

Participation: 2,500 employees as of 12/31/2015

Asset Allocation:

- a) 90% utilization of Lifecycle funds for new contributions
- b) 55% of all plan assets invested in Lifecycle funds
- c) 1,500 one-on-one counseling sessions across all channels (Phone, Web, In person)

Enrollments:

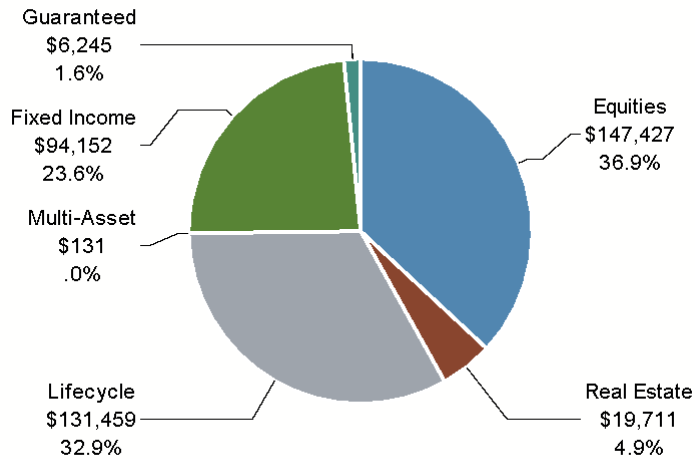
- a) Enroll 50 School Districts by 12/31/14
- b) Enroll 90 School Districts by 12/31/15

III. NC 403(b) Program Quarterly Report for Period Ending 10/31/14

Plan Assets

DATA AS OF: 10/31/2014

Plan Assets - By Category Class



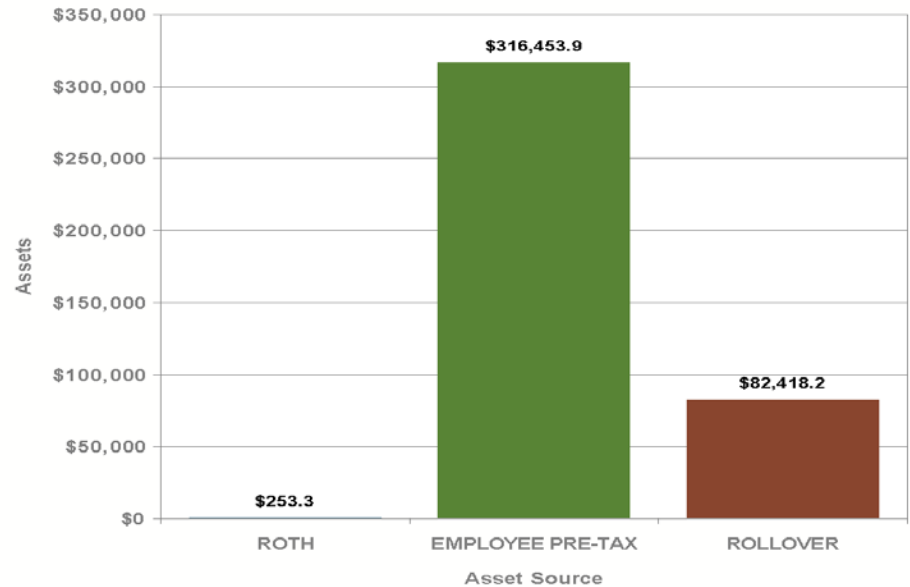
Total Plan Assets: \$399,125

-Avg. Account Balance: \$868

-Rollovers/Transfers in: \$253,809

-No Loans Issued at this time

-Distributions: two in-service distributions have been processed totaling \$303.54



III. NC 403(b) Program Quarterly Report for Period Ending 10/31/14

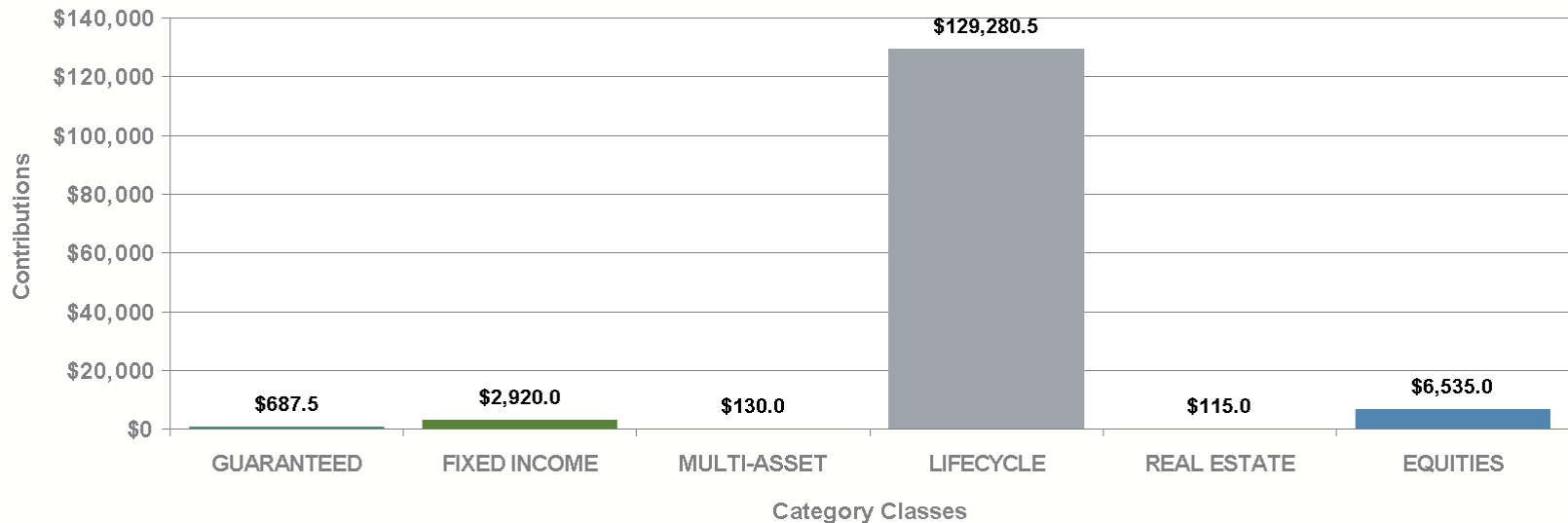
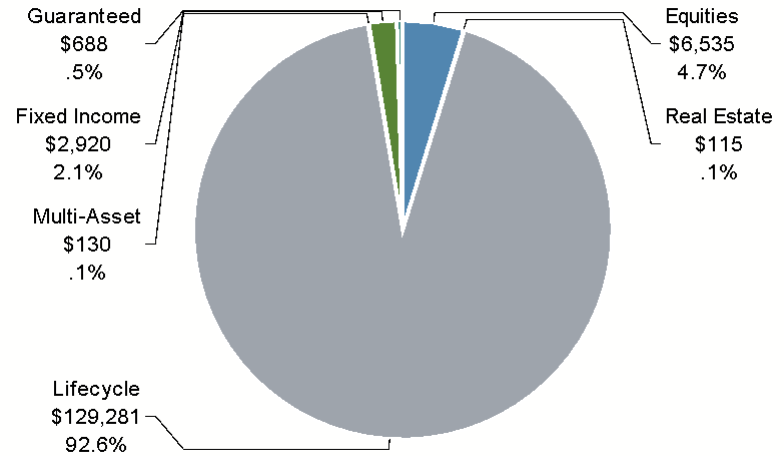
Plan Assets - By Investment Option

FUND/ACCOUNT	ASSETS	Percentage of Total
Guaranteed		
TIAA STABLE VALUE	\$6,245	1.56%
Guaranteed Total	\$6,245	1.56%
Fixed Income		
JPMORGAN CORE BOND FUND R6	\$61,759	15.47%
VANGUARD SHT-TRM BD IND FD ADM	\$32,394	8.12%
Fixed Income Total	\$94,152	23.59%
Multi-Asset		
PIMCO ALL ASSET INST CLASS	\$131	0.03%
Multi-Asset Total	\$131	0.03%
Lifecycle		
WELLS FARGO ADV DJ TGT 2020 R6	\$49,795	12.48%
WELLS FARGO ADV DJ TGT 2030 R6	\$32,044	8.03%
WELLS FARGO ADV DJ TGT 2040 R6	\$35,941	9.00%
WELLS FARGO ADV DJ TGT 2050 R6	\$8,283	2.08%
WELLS FARGO ADV DJ TGT TDAY R6	\$5,396	1.35%
Lifecycle Total	\$131,459	32.94%
Real Estate		
TIAA REAL ESTATE	\$19,711	4.94%
Real Estate Total	\$19,711	4.94%
Equities		
ALLIANZGI NFJ INTL VALUE INST	\$140	0.04%
AMERICAN EUROPAC GROWTH R6	\$50	0.01%
DFA INTL SMALL CO. PORTFOLIO	\$12	0.00%
T ROWE PRICE GROWTH AND INCOME	\$154	0.04%
TIAA-CREF SOCIAL CH EQ-INST	\$18	0.00%
VAN MID CAPITALIZTN IDX ADMIRAL	\$9,016	2.26%
VAN SMALL CAP INDEX ADMIRAL	\$3,731	0.93%
VANGUARD 500 INDEX FUND	\$105,858	26.52%
VANGUARD TTL INTL STK IDX ADM	\$28,318	7.09%
VANGUARD WINDSOR II ADMIRAL	\$132	0.03%
Equities Total	\$147,427	36.94%
Total	\$399,125	100%

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CONTRIBUTIONS - Total and Average by Category Class

Total Contributions: \$139,668
Average Contributions: \$304



III. NC 403(b) Program Quarterly Report for Period Ending 10/31/14

CONTRIBUTIONS - By Investment Option

FUND/ACCOUNT	CONTRIBUTIONS	Percentage of Total
Guaranteed		
TIAA STABLE VALUE	\$688	49%
Guaranteed Total	\$688	0.49%
Fixed Income		
JPMORGAN CORE BOND FUND R6	\$1,016	0.73%
VANGUARD SHT-TRM BD IND FD ADM	\$1,904	1.36%
Fixed Income Total	\$2,920	2.09%
Multi-Asset		
PIMCO ALL ASSET INST CLASS	\$130	0.09%
Multi-Asset Total	\$130	0.09%
Lifecycle		
WELLS FARGO ADV DJ TGT 2020 R6	\$59,952	42.92%
WELLS FARGO ADV DJ TGT 2030 R6	\$35,162	25.18%
WELLS FARGO ADV DJ TGT 2040 R6	\$20,260	14.51%
WELLS FARGO ADV DJ TGT 2050 R6	\$8,192	5.87%
WELLS FARGO ADV DJ TGT TDAY R6	\$5,715	4.09%
Lifecycle Total	\$129,281	92.56%
Real Estate		
TIAA REAL ESTATE	\$115	0.08%
Real Estate Total	\$115	0.08%
Equities		
ALLIANZGI NFJ INTL VALUE INST	\$130	0.09%
AMERICAN EUROPAC GROWTH R6	\$25	0.02%
T ROWE PRICE GROWTH AND INCOME	\$130	0.09%
VAN MID CAPITALIZTN IDX ADMIRAL	\$1,679	1.20%
VAN SMALL CAP INDEX ADMIRAL	\$732	0.52%
VANGUARD 500 INDEX FUND	\$3,137	2.25%
VANGUARD TTL INTL STK IDX ADM	\$614	0.44%
VANGUARD WINDSOR II ADMIRAL	\$90	0.06%
Equities Total	\$6,535	4.68%
Totals	\$139,668	100.00%

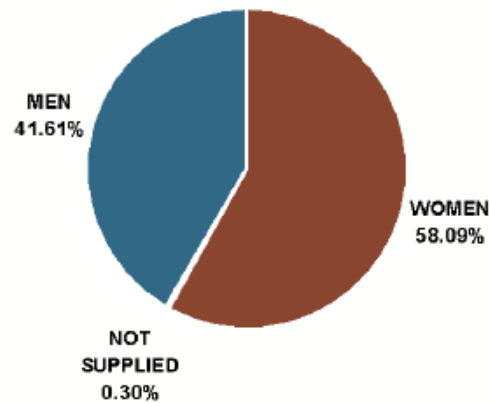
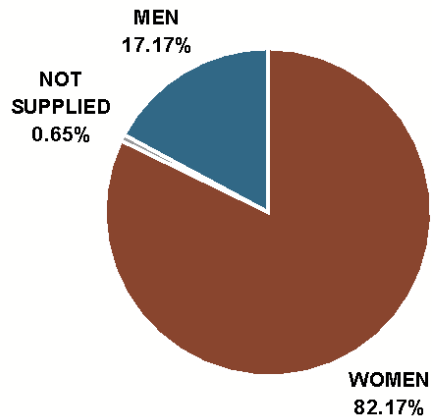
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PARTICIPANT DEMOGRAPHICS - Participant Count By Gender & Age

Participant Counts	
Men:	79
Women:	378
Not Supplied:	3
Total:	460

Plan Assets	
Men:	\$166,075
Women:	\$231,847
Not Supplied:	\$1,203
Total:	\$399,125

Under 25:	13
25 to 34:	88
35 to 44:	128
45 to 54:	127
55 to 64:	98
65 and over:	6
Average Age:	44



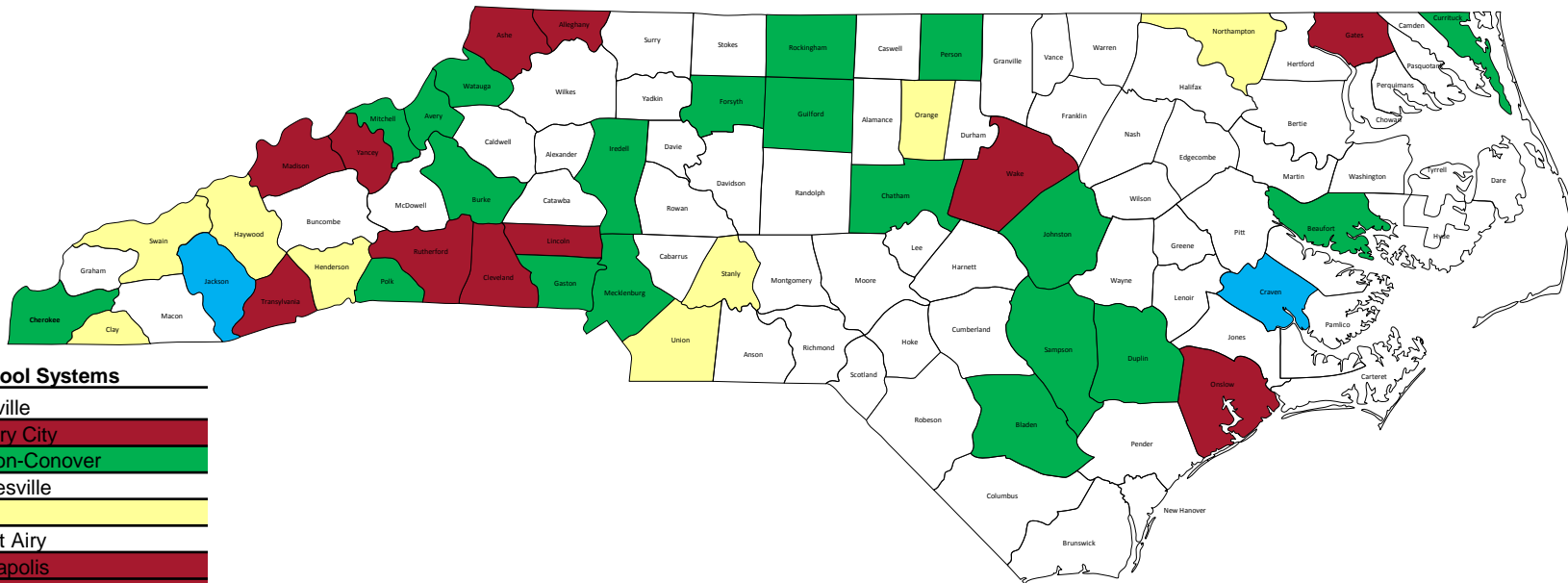
III. Participant Engagement

- **22...** group seminars held
- **900...** Estimated total number of employees attended (Craven, Orange, Duplin, Jackson, Polk, Elkin, Swain)
- **136...** one-on-one Advice sessions held with a TIAA-CREF Financial Consultant since September (29% of current participants)
- **264...** web logins to the secure website
- **69...** phone calls to our contact support center

IV. NC 403(b) Structure – Program Adoption

Districts enrolled represent 38% of eligible employees as well as the 2nd, 3rd, 5th, 6th, 9th, & 10th largest districts in the state

SOLE RECORDKEEPING	3
ADDING TIAA-CREF AS PROVIDER, NEW ENROLLEES INTO STATE PLAN ONLY	9
ADDING TIAA-CREF AS ADDITIONAL PROVIDER	21
DISTRICTS CURRENTLY ENGAGED IN A CONTRACT THAT PREVENTS ADOPTION	15



- City School Systems**
- 1 Asheville
 - 2 Hickory City
 - 3 **Newton-Conover**
 - 4 Mooresville
 - 5 Elkin
 - 6 Mount Airy
 - 7 Kannapolis
 - 8 Thomasville
 - 9 Lexington
 - 10 Asheboro
 - 11 **Chapel Hill-Carrboro**
 - 12 Whiteville
 - 13 Clinton
 - 14 Roanoke Rapids
 - 15 Weldon

IV. NC 403(b) Program Fees

- Sole Recordkeeping Administrative Fee = 41 bps annually, Multi-Vendor = 44 bps annually
- NC Administrative Fee = 5 bps annually
- Average Expense Ratio for the 403(b) Program = 43.8 bps annually (Institutional & Admiral Class funds utilized)
- Weighted Avg. Expense Ratio for the NC 403(b) Program as of 10/31/14 = 41.5 bps annually

Program administrative fees will start being assessed in Q4 2014

IV. NC RIA Network

- We currently have 4 firms approved in the NC Network:
 - Verity Asset Management
 - Arky & Miller
 - Robinson & Associates
 - Vanderbilt Financial
- It is important to keep in mind that an independent third-party review is done by Fiduciary Risk Assessment (FRA). These review's are performed at both the Firm and Advisor levels.
- Each Advisor has agreed to cap their fee at 1% as a Network requirement.
- TIAA-CREF and the NC DST will be working together to create NC RIA Network webinars for Network Advisors. The first webinars will be held in January 2015.

Compliance Third-Party Administrators (CTPAs)

- TIAA-CREF continues to work closely with district administrators distributing the CTPA checklist/questionnaire. This document helps educate district administrators on the role their CTPA is playing within their district. This document also helps confirm the specific duties and roles the CTPA is fulfilling. There are 17 of the 33 districts have enrolled using a CTPA.
- 9 districts are using TIAA-CREF's **Compliance Coordinator** service. Compliance Coordinator is the online service offered by TIAA-CREF through the NC 403(b) Program. This service assists plan sponsors in aggregating data across multiple vendors for the purpose of approving Loans & Hardship withdrawal requests.

NC 403(b) Plan Documents

- 9 districts have adopted the NC plan documents (Craven, Chapel Hill-Carrboro, Union, Elkin City, Haywood, Swain, Jackson, Clay, Stanly).
- TIAA-CREF continues to work closely with the NC DST regarding additional addendums and amendments as needed.

VI. Looking Forward

- 2015 Marketing Plan to drive our goals and overall Retirement Readiness will be delivered in January 2015.
- A survey of 403(b) plan participants will be conducted and delivered in 2015.
- The NC 403(b) Program will be included in the Annual Benefits Statement provided in 2015.
- NC 403(b) Program will be working to implement a Custom Portfolios investment product in 2015 (targeted for 2Q 2015).

Investment products may be subject to market and other risk factors. See the applicable product literature or visit www.tiaa-cref.org/nc403b.

Distributions from 403(b) plans before age 59½, severance from employment, death, or disability may be prohibited, limited, and/or subject to substantial tax penalties. Different restrictions may apply to other types of plans.

TIAA-CREF or its affiliates do not provide tax advice. Please consult your tax adviser.

Investment, insurance and annuity products are not FDIC insured, are not bank guaranteed, are not bank deposits, are not insured by any federal government agency, are not a condition to any banking service or activity, and may lose value.

You should consider the investment objectives, risks, charges and expenses carefully before investing. Go to www.tiaa-cref.org/nc403b for current product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.

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