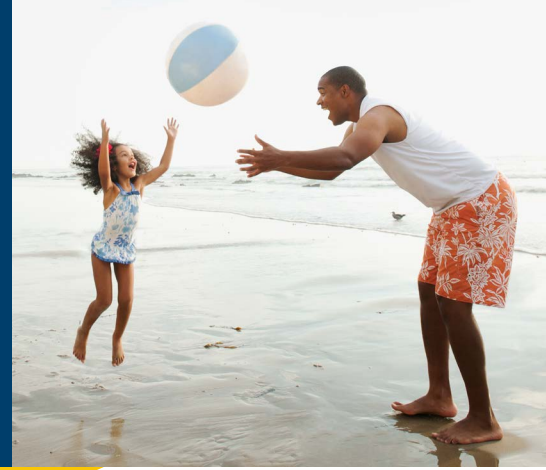


Signature

NEWSLETTER



In this issue...

Read about GoalMaker® changes effective June 1st and where to find more information. Also, learn why reviewing your beneficiary designation is important. Plus, you will also see how inflation and compounding can influence the growth of your savings over time.



Plan milestones and enhancements



Make sure your loved ones are protected



Why inflation and compounding matter



Investment basics: The North Carolina International Index Fund



PIA: Participants in action

NEWSWORTHY AND NOTEWORTHY



Plan milestones and enhancements



The NC 401(k) and NC 457 Plans combined have reached new heights as of December 31, 2025, by hitting \$20B in assets, reflecting a strong commitment by participants. This shows how supportive the supplemental plans are as one works toward retirement readiness.



Enjoy the benefits of another fee holiday, an extension from last year, when the administrative fee was waived (March 1, 2026, for 12 months) and the recordkeeping fee was waived in the first quarter of 2026. This enables more of your balance to remain invested and grow over time.



In addition, enhancements to GoalMaker, effective June 1, 2026, introduce a more transparent and cost-effective investment approach. These updates simplify and provide a clearer path toward retirement. We shared details about these enhancements and the impact in May.



Make sure your loved ones are protected

Keeping your beneficiary information up to date helps honor your wishes and protect the people who matter most. So, take a moment to review the important tips below.

Beneficiary guidelines to keep in mind

Tip #1

Name a beneficiary for each Plan (pension plan, NC 401(k), NC 457); beneficiary designations do not carry over from one Plan to another



Tip #2

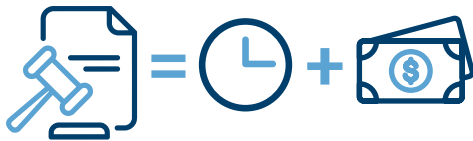
Beneficiaries who keep inherited assets in the NC 401(k) and NC 457 Plans may name their own beneficiary



If no beneficiary is on file or if it is outdated

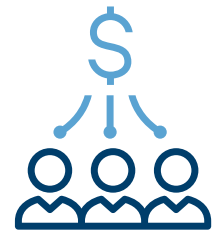
Tip #1

If you do not have a beneficiary on file, your account will be paid to your estate and may go through probate, which can cause delays and added costs



Tip #2

Assets will be paid according to your most recent beneficiary on file with each Plan, even if a former spouse is listed or different instructions are provided in a will



Review and update your beneficiary regularly

Be sure to review your beneficiary information at least once each year and after major life events such as:

- birth
- death
- marriage
- divorce



To update or elect your beneficiary, log in to your Plan account at myNCPlans.gov and review the beneficiary listed for your account(s) to ensure they are current.

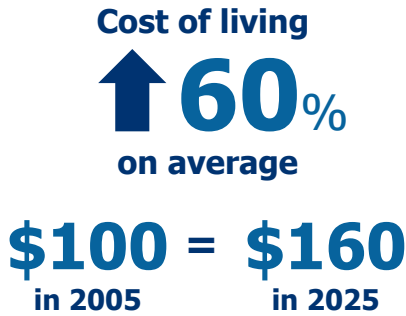


Why inflation and compounding matter

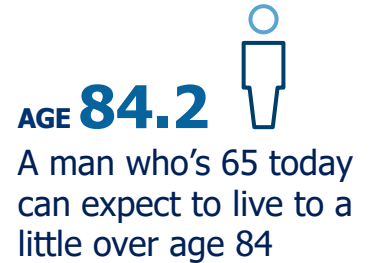
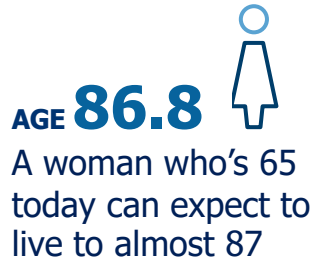
Inflation and compounding both shape your retirement savings over time. Inflation reduces purchasing power, while compounding helps your savings grow. Understanding both can help you make smarter retirement decisions.

Plan for rising costs and a longer life

Planning for rising expenses over a longer retirement is an important part of preparing for the future.



On average, the cost of living has risen by about 60% in the last 20 years. And the same item that cost \$100 in 2005 now costs \$160.¹



People are living longer, and retirement can last 20 to 30 years or more.^{2,3}

Inflation erodes purchasing power over time

Understanding how rising prices reduce purchasing power can help you better prepare for future expenses.



Milk

2005	\$3.13	
2025	\$4.17	+33.3%



Bread

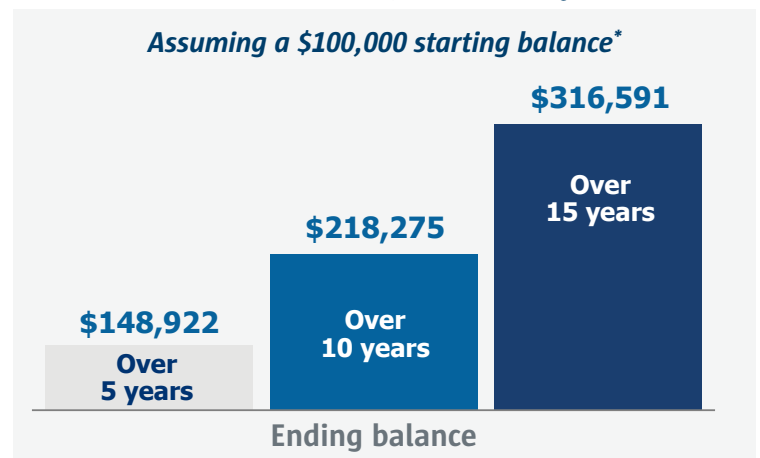
2005	\$1.05	
2025	\$1.84	+75%

Inflation means that prices for goods and services, such as milk and bread, increase over time.^{4,5}

Leverage compounding growth

On the other hand, compounding is a powerful tailwind in which your potential investment earnings may generate their own earnings over time. This growth could outpace inflation and could be a primary way to help offset inflation. So, the longer your money stays invested, the greater the potential impact of compounding.

How compounding affects \$100 monthly contribution over 5, 10 and 15 years:⁶



*Assumed 7% hypothetical rate of return



Investment basics: The North Carolina International Index Fund⁷

The North Carolina International Index Fund (the “Fund”) offers participants in the NC 401(k) and NC 457 Plans a passively managed international fund option.

Investment objective

The Fund seeks long-term capital growth by investing in the publicly traded equities of non-U.S. companies. The Fund aims to provide returns through a combination of dividend income and capital appreciation. The performance of the Fund is benchmarked to the MSCI ACWI ex-US IMI Index.⁸

- Are comfortable with the risks associated with international investing
- Have a long-term investment horizon and can tolerate fluctuations in account value

Investment management

The Fund’s assets are allocated entirely to a collective trust fund managed by BlackRock.

Investor profile & benchmark

The Fund may be appropriate for investors who:

- Seek long-term capital growth
- Want exposure to publicly traded companies outside the United States

To view the fund fact sheets for the Plans’ investments, visit myNCPlans.gov and click on *Employee information* and then *Investment Information* on the right navigation.



PIA: Participants in action*

**9,677**

participants have increased their contributions

**15,456**

attended group meetings

**5,275**

NC 401(k)/NC 457 Plans’ Retirement Plan Counselor meetings with individuals

*First quarter 2026 data

¹ 2025 CPI Inflation Calculator, U.S. Bureau of Labor Statistics. www.bls.gov/data/inflation_calculator.htm. This calculator uses the Consumer Price Index for All Urban Consumers (CPI-U) U.S. city average series for all items, not seasonally adjusted.

² United States Life Tables, 2020; National Vital Statistics Reports, Vol. 71, No. 1, August 8, 2022.

³ SSA.gov Life Expectancy Calculator, 2024.

⁴ Federal Reserve Bank of St. Louis <<https://fred.stlouisfed.org/series/APU0000709112>>

⁵ Federal Reserve Bank of St. Louis <<https://fred.stlouisfed.org/series/APU0000702111>>

⁶ Source: Compound Interest Calculator, Bankrate.com. Assumes a beginning balance of \$100,000 and monthly contributions of \$100 over 5, 10 and 15 years with a hypothetical 7% annual effective rate of return on investments, monthly compounding and reinvestment. This hypothetical chart is for illustrative purposes to demonstrate the effects of compounding. It does not reflect the actual performance of any specific investment. Individual experience will likely vary. Past performance of investments or asset classes does not guarantee future results.

⁷ *Carefully consider the investment option’s objectives, risks, fees and expenses. Contact the Plans at 866-NCPlans (866-627-5267) for a prospectus, summary prospectus for SEC-registered products or disclosure document for unregistered products, if available, containing this information. Read each carefully before investing.*

⁸ The MSCI ACWI ex USA Index captures large and mid cap securities exhibiting overall value style characteristics across 22 Developed and 26 Emerging Markets countries. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

It is possible to lose money when investing in securities.

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