



# North Carolina Total Retirement Plans

## 3Q 2017 Board of Trustees Report

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

**On: December 14, 2017**

**As of: September 30, 2017**

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



For Plan Sponsor or Consultant Use Only



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## Prudential Disclosures

**This is not a certified financial statement.**

Assets and contributions reflect actual participant account balances and do not include forfeiture and / or expense account assets.

Prudential monitors the contractual terms and service guarantees related to the contract for third-party administration of the Supplemental Retirement Income Plan of North Carolina, the North Carolina Public Employee Deferred Compensation Plan and the North Carolina Public School Teachers' and Professional Educators' Investment Plan 403(b) Program. Prudential communicates with Retirement Systems Division staff on our performance with these terms.

This information should not be considered an offer or solicitation of securities, insurance products or services. No offer is intended nor should this material be construed as an offer of any product. The information is being presented by us solely in our role as the plan's service provider and or record keeper.

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Prudential's Book of Business averages are as of 9/30/2017.

## Disclosures Provided by North Carolina Department of State Treasurer

### 1. Compliance with laws:

- The Contractor shall be required to comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of Federal, State, and local agencies having jurisdiction and/or authority
- Providing and maintain adequate insurance coverage is a material obligation of the Contractor and is of the essence of the agreement between the Contractor and the Department

### 2. Performance guarantees and required notifications to North Carolina:

- Whenever the Department, at its sole discretion, has grounds for insecurity with respect to Contractor's performance, it may, in writing, demand adequate assurance of due performance and the Contractor shall provide such information and documentation as the Department may require to receive such assurance
- The Contractor shall promptly notify the Department of any error by the Contractor that has affected five or more members' accounts – or – has in the aggregate reduced members' balances by more than \$5000.00
- The Contractor will notify the Department prior to changes in the assignment of key personnel
- If the Contractor shall retain a non-affiliated subcontractor(s) specifically for the purpose of providing services to the Department, the Contractor will provide complete copies of the contract(s) to the Department and retain the sole responsibility for the performance of its subcontractor(s)



## Disclosures Provided by North Carolina Department of State Treasurer

### 3. The Contractor warrants that:

- With respect to care of data and confidentiality, all steps necessary will be taken to safeguard data from loss or destruction, nor any data will be divulged to another party without prior written approval of the Plan (except as provided by NC G.S 135-37)
- Contractor employees, officers and subcontractors are not employees or agents of The North Carolina state, the Department or the Plan
- Contractor shall participate in an annual audit of the Plan assets and shall provide all pertinent financial information to the Department and the Independent Auditor
- Contractor shall facilitate the data transmission for the purpose of preparation of Annual Benefit Statement and its delivery to Plan participants

### 4. Contractual Plan Sponsor and Participating Employer relationship – additional services:

- Contractor may hold and facilitate meeting with representatives of the Plan and Participating Employers for the purpose of reviewing Contractor's performance
- Contractor may provide transition, implementation or training services to representatives of the Plan and Participating Employers
- Contractor may provide or make presentations at educational and enrollment meetings, benefits fairs, workshops for employees of Participating Employers

## Our Mission: Retirement Readiness

58.04% of all active NC public servants are "retirement ready." Retirement readiness is defined as the ability to replace 80% of pre-retirement income, beginning at age 62 and continuing throughout 30 years of retirement. The following sub-goals are being pursued at a Combined Plans level to help us achieve our top-level metric of 66% in 2017:

## 401(k), 457 and 403(b) Plans Combined Summary Goals:

Sub Goal	As of 9/30/2017	Stretch Goal	% to Stretch Goal	Contractual Goal	% to Contractual Goal
Average Monthly Contributions*	\$173.73	\$180.61	96.19%	\$163.20	106.45%
Active Participation Rate*	32.86%	28.99%	113.35%	28.28%	116.20%
GoalMaker Utilization Among New Members	93.48%	93%	100.52%	80%	116.85%
GoalMaker Utilization Among All Members	61.68%	57%	108.21%	N/A	N/A

\*Calculations include information from October 1, 2016 to September 30, 2017 for the 401(k) & 457 Plans, and from March 1, 2017 to September 30, 2017 for the 403(b) Plan.

- 4 Employers adopted the 401(k) Plan from the period of January 1, 2017 through September 30, 2017
- 26 Employers adopted the 457 Plan from the period of January 1, 2017 through September 30, 2017
- 8 Employers adopted the 403(b) Plan from the period of March 1, 2017 through September 30, 2017

## Asset Allocation By Fund – Combined 401(k) and 457 Plans

Investment Option	Asset Class			# Participants Utilizing		# Participants Utilizing		# Participants Utilizing		
		9/30/2015	%	9/30/2015	9/30/2016	%	9/30/2016	9/30/2017	%	9/30/2017
North Carolina Stable Value Fund	Stable Value	\$2,322,728,196	26.65%	237,750	\$2,437,396,215	25.31%	229,752	\$2,514,981,182	23.20%	235,006
North Carolina Fixed Income Fund	Fixed Income	\$586,318,876	6.73%	188,499	\$659,995,792	6.85%	185,850	\$711,052,673	6.56%	194,125
North Carolina Fixed Income Index Fund	Fixed Income	\$366,436,909	4.20%	155,466	\$426,920,949	4.43%	157,534	\$487,064,032	4.49%	167,722
North Carolina Large Cap Core Fund	Large-Cap Stock	\$0	0.00%	0	\$0	0.00%	0	\$2,085,130,994	19.24%	258,464
North Carolina Large Cap Growth Fund	Large-Cap Stock	\$836,902,869	9.60%	247,030	\$922,044,953	9.58%	241,668	\$0	0.00%	0
North Carolina Large Cap Index Fund	Large-Cap Stock	\$1,210,518,300	13.89%	246,784	\$1,351,507,636	14.04%	241,700	\$1,555,659,153	14.35%	251,226
North Carolina Large Cap Value Fund	Large-Cap Stock	\$829,192,285	9.51%	247,179	\$900,504,546	9.35%	241,582	\$0	0.00%	0
North Carolina Small / Mid Cap Core Fund	Small-Cap Stock	\$0	0.00%	0	\$0	0.00%	0	\$1,016,264,734	9.38%	215,333
North Carolina Small/Mid Cap Growth Fund	Small-Cap Stock	\$315,813,769	3.62%	193,884	\$370,480,364	3.85%	194,369	\$0	0.00%	0
North Carolina Small/Mid Cap Index Fund	Small-Cap Stock	\$210,019,228	2.41%	25,940	\$234,084,826	2.43%	23,805	\$273,285,795	2.52%	23,472
North Carolina Small/Mid Cap Value Fund	Small-Cap Stock	\$421,442,836	4.83%	202,944	\$475,871,011	4.94%	202,233	\$0	0.00%	0
North Carolina Global Equity Fund	Global/Intl Stock	\$722,940,647	8.29%	186,843	\$840,505,397	8.73%	188,319	\$997,908,980	9.21%	200,514
North Carolina International Fund	Global/Intl Stock	\$513,813,170	5.89%	210,753	\$574,055,420	5.96%	208,963	\$685,863,734	6.33%	219,727
North Carolina International Index Fund	Global/Intl Stock	\$42,340,365	0.49%	6,801	\$46,613,206	0.48%	6,436	\$63,871,697	0.59%	6,854
North Carolina Inflation Responsive Fund	Specialty	\$338,156,463	3.88%	179,996	\$388,878,992	4.04%	183,069	\$448,625,416	4.14%	195,399
<b>Total Plan Assets</b>		<b>\$8,716,623,913</b>	<b>100.00%</b>		<b>\$9,628,859,307</b>	<b>100.00%</b>		<b>\$10,839,708,391</b>	<b>100.00%</b>	

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

The total number of unique participants across the 401(k) and 457 Plans combined as of September 30, 2017 was 270,748.

The average monthly employee deferral from October 1, 2016 to September 30, 2017 was \$173.83 for the Combined 401(k) and 457 Plans.

The average active participation rate from October 1, 2016 to September 30, 2017 was 32.67% for the Combined 401(k) and 457 Plans.

The GoalMaker utilization among new members as of September 30, 2017 was 93.53% for the Combined 401(k) and 457 Plans.

The GoalMaker utilization among members as of September 30, 2017 was 61.67% for the Combined 401(k) and 457 Plans.

# North Carolina Total Retirement Plans

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

Investment Option	Asset Class			# Participants Utilizing				# Participants Utilizing			
		9/30/2015	%	9/30/2015	9/30/2016	%	9/30/2016	9/30/2017	%	9/30/2017	
North Carolina Stable Value Fund	Stable Value	\$1,925,959,405	25.36%	192,120	\$2,033,880,941	24.17%	186,253	\$2,110,255,008	22.22%	190,440	
North Carolina Fixed Income Fund	Fixed Income	\$516,067,491	6.79%	154,608	\$579,873,221	6.89%	152,662	\$624,435,508	6.58%	159,164	
North Carolina Fixed Income Index Fund	Fixed Income	\$330,083,916	4.35%	126,578	\$381,956,724	4.54%	128,543	\$435,896,214	4.59%	136,646	
North Carolina Large Cap Core Fund	Large-Cap Stock	\$0	0.00%	0	\$0	0.00%	0	\$1,830,016,844	19.27%	212,737	
North Carolina Large Cap Growth Fund	Large-Cap Stock	\$728,616,153	9.59%	203,421	\$804,126,760	9.55%	199,588	\$0	0.00%	0	
North Carolina Large Cap Index Fund	Large-Cap Stock	\$1,077,132,836	14.18%	206,304	\$1,202,232,951	14.28%	202,127	\$1,380,964,856	14.54%	209,245	
North Carolina Large Cap Value Fund	Large-Cap Stock	\$729,974,055	9.61%	204,154	\$794,999,411	9.45%	200,072	\$0	0.00%	0	
North Carolina Small / Mid Cap Core Fund	Small-Cap Stock	\$0	0.00%	0	\$0	0.00%	0	\$864,580,672	9.11%	172,986	
North Carolina Small/Mid Cap Growth Fund	Small-Cap Stock	\$266,331,885	3.51%	153,517	\$315,453,987	3.75%	155,203	\$0	0.00%	0	
North Carolina Small/Mid Cap Index Fund	Small-Cap Stock	\$192,978,775	2.54%	24,424	\$213,846,119	2.54%	22,296	\$248,067,197	2.61%	21,831	
North Carolina Small/Mid Cap Value Fund	Small-Cap Stock	\$351,588,566	4.63%	162,145	\$400,976,669	4.76%	162,666	\$0	0.00%	0	
North Carolina Global Equity Fund	Global/Intl Stock	\$674,730,466	8.88%	152,879	\$783,381,943	9.31%	154,456	\$926,549,985	9.76%	164,022	
North Carolina International Fund	Global/Intl Stock	\$455,937,833	6.00%	169,730	\$510,621,230	6.07%	169,247	\$610,241,788	6.43%	177,816	
North Carolina International Index Fund	Global/Intl Stock	\$32,398,099	0.43%	5,672	\$35,329,888	0.42%	5,346	\$50,027,627	0.53%	5,671	
North Carolina Inflation Responsive Fund	Specialty	\$313,520,656	4.13%	147,210	\$359,744,135	4.27%	150,050	\$414,036,659	4.36%	159,696	
<b>Total Plan Assets</b>		<b>\$7,595,320,137</b>	<b>100.00%</b>		<b>\$8,416,423,977</b>	<b>100.00%</b>		<b>\$9,495,072,359</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 401(k) Plan as of September 30, 2017 was 248,772.

The average monthly employee deferral from October 1, 2016 to September 30, 2017 was \$155.59 for the 401(k) Plan.

The average active participation rate from October 1, 2016 to September 30, 2017 was 29.62% for the 401(k) Plan.

The GoalMaker utilization among new members as of September 30, 2017 was 93.52% for the 401(k) Plan.

The GoalMaker utilization among members as of September 30, 2017 was 62.54% for the 401(k) Plan.

# North Carolina Total Retirement Plans

## Asset Allocation By Fund – 457 Plan

Investment Option	Asset Class			# Participants Utilizing		# Participants Utilizing		# Participants Utilizing		
		9/30/2015	%	9/30/2015	9/30/2016	%	9/30/2016	9/30/2017	%	9/30/2017
North Carolina Stable Value Fund	Stable Value	\$396,768,791	35.38%	45,630	\$403,515,274	33.28%	43,499	\$404,726,174	30.10%	44,566
North Carolina Fixed Income Fund	Fixed Income	\$70,251,385	6.27%	33,891	\$80,122,571	6.61%	33,188	\$86,617,165	6.44%	34,961
North Carolina Fixed Income Index Fund	Fixed Income	\$36,352,993	3.24%	28,888	\$44,964,226	3.71%	28,991	\$51,167,819	3.81%	31,076
North Carolina Large Cap Core Fund	Large-Cap Stock	\$0	0.00%	0	\$0	0.00%	0	\$255,114,150	18.97%	45,727
North Carolina Large Cap Growth Fund	Large-Cap Stock	\$108,286,716	9.66%	43,609	\$117,918,193	9.73%	42,080	\$0	0.00%	0
North Carolina Large Cap Index Fund	Large-Cap Stock	\$133,385,464	11.90%	40,480	\$149,274,685	12.31%	39,573	\$174,694,297	12.99%	41,981
North Carolina Large Cap Value Fund	Large-Cap Stock	\$99,218,230	8.85%	43,025	\$105,505,136	8.70%	41,510	\$0	0.00%	0
North Carolina Small / Mid Cap Core Fund	Small-Cap Stock	\$0	0.00%	0	\$0	0.00%	0	\$151,684,062	11.28%	42,347
North Carolina Small/Mid Cap Growth Fund	Small-Cap Stock	\$49,481,884	4.41%	40,367	\$55,026,377	4.54%	39,166	\$0	0.00%	0
North Carolina Small/Mid Cap Index Fund	Small-Cap Stock	\$17,040,453	1.52%	1,516	\$20,238,707	1.67%	1,509	\$25,218,598	1.88%	1,641
North Carolina Small/Mid Cap Value Fund	Small-Cap Stock	\$69,854,269	6.23%	40,799	\$74,894,342	6.18%	39,567	\$0	0.00%	0
North Carolina Global Equity Fund	Global/Intl Stock	\$48,210,181	4.30%	33,964	\$57,123,455	4.71%	33,863	\$71,358,995	5.31%	36,492
North Carolina International Fund	Global/Intl Stock	\$57,875,338	5.16%	41,023	\$63,434,190	5.23%	39,716	\$75,621,946	5.62%	41,911
North Carolina International Index Fund	Global/Intl Stock	\$9,942,266	0.89%	1,129	\$11,283,318	0.93%	1,090	\$13,844,070	1.03%	1,183
North Carolina Inflation Responsive Fund	Specialty	\$24,635,807	2.20%	32,786	\$29,134,858	2.40%	33,019	\$34,588,757	2.57%	35,703
<b>Total Plan Assets</b>		<b>\$1,121,303,776</b>	<b>100.00%</b>		<b>\$1,212,435,330</b>	<b>100.00%</b>		<b>\$1,344,636,032</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, 2017 was 53,310.

The average monthly employee deferral from October 1, 2016 to September 30, 2017 was \$138.72 for the 457 Plan.

The average active participation rate from October 1, 2016 to September 30, 2017 was 11.19% for the 457 Plan.

The GoalMaker utilization among new members as of September 30, 2017 was 93.55% for the 457 Plan.

The GoalMaker utilization among members as of September 30, 2017 was 65.81% for the 457 Plan.

## Asset Allocation By Fund – 403(b) Plan

Investment Option	Asset Class			# Participants Utilizing				# Participants Utilizing			
		7/31/2017	%	7/31/2017	8/31/2017	%	8/31/2017	9/30/2017	%	9/30/2017	
Metropolitan West Total Return Bd Plan	Fixed Income	\$1,076,918	9.38%	1,038	\$1,105,034	9.42%	1,038	\$1,119,137	9.33%	1,034	
Vanguard Short-Term Bond Index Adm	Fixed Income	\$2,085,139	18.16%	869	\$2,129,337	18.16%	869	\$2,091,908	17.44%	865	
Vanguard Total Bond Market Index Adm	Fixed Income	\$969,433	8.44%	1,011	\$995,731	8.49%	1,012	\$1,005,187	8.38%	1,012	
T. Rowe Price Blue Chip Growth I	Large-Cap Stock	\$777,759	6.77%	832	\$805,843	6.87%	832	\$797,709	6.65%	832	
Vanguard 500 Index Admiral	Large-Cap Stock	\$2,106,682	18.35%	1,145	\$2,153,581	18.37%	1,145	\$2,237,225	18.66%	1,147	
Vanguard Windsor II Admiral	Large-Cap Stock	\$832,917	7.25%	1,047	\$831,587	7.09%	1,046	\$872,996	7.28%	1,046	
Vanguard Extended Market Index Admiral	Mid-Cap Stock	\$763,724	6.65%	372	\$763,265	6.51%	369	\$798,954	6.66%	368	
DFA US Small Cap I	Small-Cap Stock	\$775,346	6.75%	967	\$788,139	6.72%	969	\$886,713	7.39%	971	
PIMCO Inflation Response MultiAsst Instl	Specialty	\$566,916	4.94%	789	\$593,773	5.06%	791	\$584,034	4.87%	792	
MFS Instl International Equity	International Stock	\$1,412,954	12.31%	1,020	\$1,445,266	12.33%	1,019	\$1,480,162	12.34%	1,020	
Vanguard Total Intl Stock Index Admiral	International Stock	\$113,254	0.99%	55	\$113,568	0.97%	54	\$118,488	0.99%	54	
<b>Total Plan Assets</b>		<b>\$11,481,042</b>	<b>100.00%</b>		<b>\$11,725,123</b>	<b>100.00%</b>		<b>\$11,992,514</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 403(b) Plan as of September 30, 2017 was 1,183.

The average monthly employee deferral from March 1, 2017 to September 30, 2017 was \$240.89 for the 403(b) Plan.

The average active participation rate from March 1, 2017 to September 30, 2017 was 1.41% for the 403(b) Plan.

The GoalMaker utilization among new members as of September 30, 2017 was 66.67% for the 403(b) Plan.

The GoalMaker utilization among members as of September 30, 2017 was 59.43% for the 403(b) Plan.

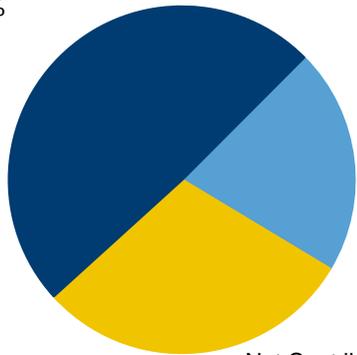
# North Carolina Total Retirement Plans

401(k) Plan				
	3Q 2016	3Q 2017	Difference #	Difference %
Members with an Account Balance	244,175	248,772	4,597	1.88%
Average Account Balance	\$34,469	\$38,168	\$3,699	10.73%
Median Account Balance	\$11,395	\$12,319	\$924	8.11%

401(k) Plan Percentage Gain						
	Assets (9/30/2016)	Contributions	Distributions	Earnings	Assets (9/30/2017)	Percentage Gain
NC 401(k) Plan	\$8,416,423,977	\$535,959,315	\$464,539,085	\$1,007,228,152	\$9,495,072,359	11.87%

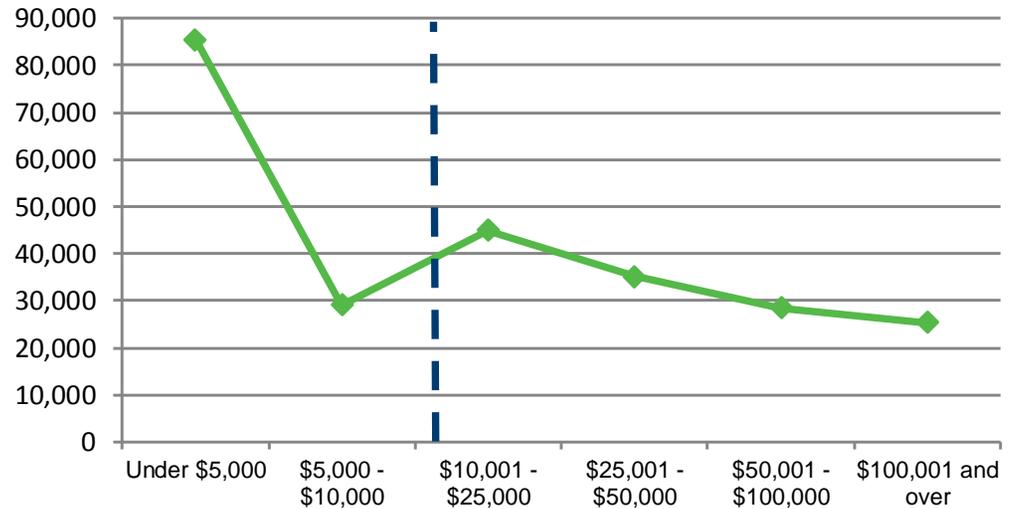
## 401(k) Member Breakdown

Active -  
Contributing,  
49.21%



Term/Retired,  
21.12%

Not Contributing,  
29.67%



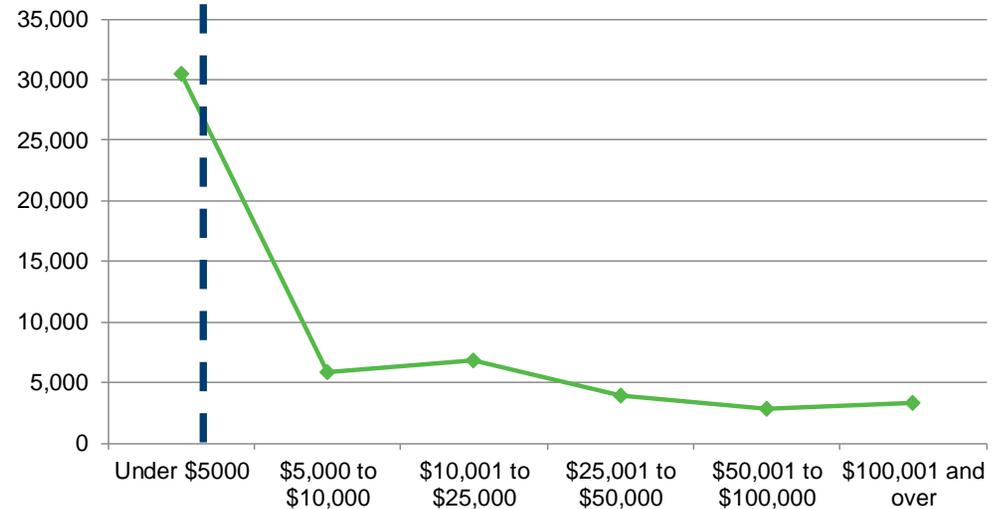
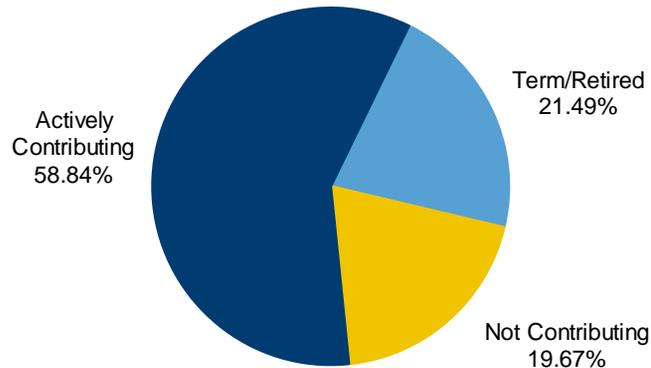
Member breakdown reflects status on recordkeeping system updated from limited indicative data received from employers which may cause the active status to be inflated

# North Carolina Total Retirement Plans

457 Plan				
	3Q 2016	3Q 2017	Difference #	Difference %
Members with an Account Balance	51,634	53,310	1,676	3.25%
Average Account Balance	\$23,481	\$25,223	\$1,742	7.42%
Median Account Balance	\$2,892	\$3,278	\$386	13.35%

457 Plan Percentage Gain						
	Assets (9/30/2016)	Contributions	Distributions	Earnings	Assets (9/30/2017)	Percentage Gain
NC 457 Plan	\$1,212,435,330	\$82,270,728	\$40,373,846	\$90,303,821	\$1,344,636,032	7.20%

## 457 Member Breakdown



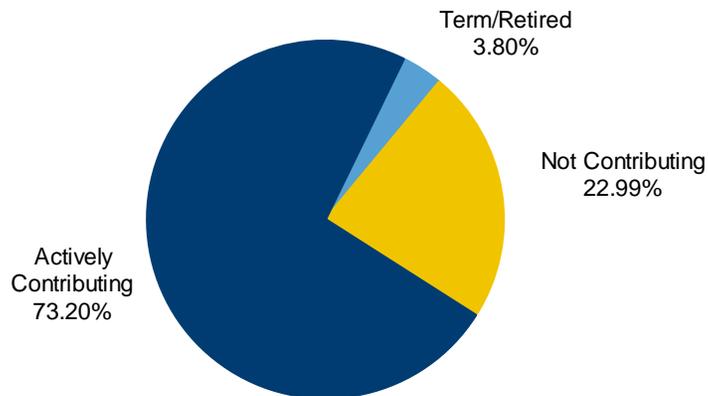
Member breakdown reflects status on recordkeeping system updated from limited indicative data received from employers which may cause the active status to be inflated

# North Carolina Total Retirement Plans

403(b) Plan				
	2Q2017	3Q2017	Difference #	Difference %
Members with an Account Balance	1,186	1,183	-3	-0.25%
Average Account Balance	\$9,504	\$10,137	\$633	6.66%
Median Account Balance	\$3,373	\$3,669	\$296	8.78%

403(b) Plan Percentage Gain						
	Assets (2/28/2017)	Contributions	Distributions	Earnings	Assets (9/30/2017)	Percentage Gain
NC 457 Plan	\$9,914,759	\$1,825,747	\$391,773	\$643,780	\$11,992,514	5.67%

## 403(b) 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

	3Q 2014	3Q 2015	3Q 2015 % of Change	3Q 2016	3Q 2016 % of Change	3Q 2017	3Q 2017 % of Change
<b>Enrollments</b>	4,529	5,871	22.86%	4,539	-22.69%	4,538	-0.02%
% of New Hires Enrolled in Plan	33.29%	49.02%	32.09%	28.67%	-41.51%	31.84%	11.04%
<b>GoalMaker Elections</b>	4,251	5,587	23.91%	4,058	-27.37%	4,308	5.80%
<b>Contribution Changes</b>							
Deferral Decreases	2,353	2,901	18.89%	5,198	79.18%	5,418	4.23%
Deferral Increases	7,241	6,752	-7.24%	6,244	-7.52%	6,998	12.08%
Pre-tax Participation Rate	20.22%	20.44%	1.08%	20.70%	1.27%	21.19%	2.37%
Roth Participation Rate	6.78%	7.60%	10.79%	8.06%	6.05%	8.41%	4.34%
Voluntary (Employee & Roth) Participation Rate	25.10%	25.96%	3.31%	26.53%	2.20%	27.21%	2.56%

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

	3Q 2014	3Q 2015	3Q 2016	3Q 2017
<b>Method of Enrollment</b>				
Paper Form	77.92%	68.11%	78.88%	74.52%
Pseudo Enrollment	17.42%	27.27%	15.33%	20.56%
Internet	4.66%	4.62%	5.79%	4.92%
<b>Method of Contribution Change</b>				
Internet	98.66%	98.79%	99.69%	99.83%
Paper Form	1.07%	1.04%	0.04%	0.01%
Participant Service Center	0.05%	0.03%	0.02%	0.00%
VRU	0.21%	0.14%	0.26%	0.16%

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

	2014	2015	2015 % of Change	2016	2016 % of Change	2017	2017 % of Change
<b>Enrollments</b>	10,980	13,980	21.46%	11,987	-14.26%	12,302	2.63%
% of New Hires Enrolled in Plan	42.03%	55.99%	24.93%	40.83%	-27.07%	40.15%	-1.67%
<b>GoalMaker Elections</b>	10,120	13,077	22.61%	10,948	-16.28%	11,318	3.38%
<b>Contribution Changes</b>							
Deferral Decreases	7,534	7,764	2.96%	14,138	82.10%	15,591	10.28%
Deferral Increases	20,894	22,437	6.88%	18,266	-18.59%	21,868	19.72%
Pre-tax Participation Rate	21.85%	21.36%	-2.29%	22.28%	4.31%	22.81%	2.38%
Roth Participation Rate	7.34%	7.90%	7.09%	8.67%	9.75%	8.99%	3.69%
Voluntary (Employee & Roth) Participation Rate	27.02%	27.03%	0.04%	28.48%	5.36%	29.15%	2.35%

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

	2014	2015	2016	2017
<b>Method of Enrollment</b>				
Paper Form	76.10%	73.72%	77.44%	75.69%
Pseudo Enrollment	18.44%	20.69%	15.97%	17.67%
Internet	5.45%	5.60%	6.59%	6.65%
<b>Method of Contribution Change</b>				
Internet	98.37%	98.54%	99.58%	99.75%
Paper	1.28%	1.17%	0.15%	0.08%
Participant Service Center	0.05%	0.05%	0.02%	0.01%
VRU	0.30%	0.24%	0.26%	0.16%

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

	3Q 2014	3Q 2015	3Q 2015 % of Change	3Q 2016	3Q 2016 % of Change	3Q 2017	3Q 2017 % of Change
<b>Enrollments</b>	1,803	1,793	-0.55%	1,239	-30.90%	1,198	-3.31%
% of New Hires Enrolled in Plan	19.98%	21.38%	6.97%	11.92%	-44.25%	11.76%	-1.35%
<b>GoalMaker Elections</b>	1,677	1,669	-0.48%	1,130	-32.29%	1,112	-1.59%
<b>Contribution Changes</b>							
Deferral Decreases	760	875	15.13%	761	-13.03%	728	-4.34%
Deferral Increases	1,623	1,409	-13.19%	1,411	0.14%	1,509	6.95%
Pre-tax Participation Rate	10.18%	10.59%	4.03%	9.91%	-6.42%	9.72%	-1.92%
Roth Participation Rate	0.99%	1.24%	25.25%	1.34%	8.06%	1.57%	17.16%
Voluntary (Employee & Roth) Participation Rate	10.55%	11.39%	7.96%	10.43%	-8.43%	10.42%	-0.10%

## 457 Plan Quarterly Enrollments & Contribution Change Method

	3Q 2014	3Q 2015	3Q 2016	3Q 2017
<b>Method of Enrollment</b>				
Paper Form	90.63%	90.66%	84.49%	88.38%
Pseudo Enrollment	2.81%	2.00%	4.34%	2.07%
Internet	6.56%	7.34%	11.17%	9.54%
<b>Method of Contribution Change</b>				
Internet	99.50%	99.59%	99.80%	99.95%
Paper Form	0.00%	0.00%	0.03%	0.00%
Participant Service Center	0.28%	0.38%	0.03%	0.03%
VRU	0.22%	0.03%	0.14%	0.03%

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

	2014	2015	2015 % of Change	2016	2016 % of Change	2017	2017 % of Change
<b>Enrollments</b>	4,404	5,002	13.58%	3,366	-32.71%	3,620	7.55%
% of New Hires Enrolled in Plan	26.70%	29.96%	12.21%	17.49%	-41.60%	16.81%	-3.93%
<b>GoalMaker Elections</b>	4,016	4,620	15.04%	3,031	-34.39%	3,318	9.47%
<b>Contribution Changes</b>							
Deferral Decreases	2,747	2,322	-15.47%	2,589	11.50%	5,152	99.00%
Deferral Increases	4,787	5,027	5.01%	4,350	-13.47%	4,782	9.93%
Pre-tax Participation Rate	10.67%	10.71%	0.37%	10.32%	-3.64%	10.47%	1.46%
Roth Participation Rate	1.04%	1.40%	0.00%	1.43%	2.14%	1.72%	20.28%
Voluntary (Employee & Roth) Participation Rate	11.03%	12.61%	14.32%	10.87%	-13.80%	11.22%	3.22%

## 457 Plan YTD Enrollments & Contribution Change Method

	2014	2015	2016	2017
<b>Method of Enrollment</b>				
Paper Form	90.26%	90.56%	86.03%	86.57%
Pseudo Enrollment	1.99%	1.56%	2.81%	2.76%
Internet	7.74%	7.89%	11.16%	10.67%
<b>Method of Contribution Change</b>				
Internet	99.45%	99.05%	99.83%	99.84%
Paper	0.17%	0.63%	0.07%	0.04%
Participant Service Center	0.18%	0.16%	0.02%	0.03%
VRU	0.20%	0.16%	0.08%	0.09%

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

## 403(b) Plan Quarterly Enrollments & Contribution Changes

	February 2017	March 2017	2Q 2017	3Q 2017	3Q 2017 % of Change
<b>Enrollments</b>	0	2	6	15	150.00%
% of New Hires Enrolled in Plan	0.00%	0.14%	1.88%	0.32%	-82.72%
<b>GoalMaker Elections</b>	0	1	5	8	60.00%
<b>Contribution Changes</b>					
Deferral Decreases	0	0	12	8	-33.33%
Deferral Increases	0	0	18	21	16.67%
Pre-tax Participation Rate	1.32%	1.20%	1.17%	1.12%	-4.27%
Roth Participation Rate	0.38%	0.29%	0.32%	0.31%	-3.13%
Voluntary (Employee & Roth) Participation Rate	1.47%	1.40%	1.39%	1.34%	-3.60%

## 403(b) Plan Quarterly Enrollments & Contribution Change Method

	February 2017	March 2017	2Q 2017	3Q 2017
<b>Method of Enrollment</b>				
Paper Form	0.00%	100.00%	100.00%	100.00%
Pseudo Enrollment	0.00%	0.00%	0.00%	0.00%
Internet	0.00%	0.00%	0.00%	0.00%
<b>Method of Contribution Change</b>				
Internet	0.00%	92.00%	100.00%	100.00%
Paper Form	0.00%	0.00%	0.00%	0.00%
Participant Service Center	0.00%	0.00%	0.00%	0.00%
VRU	0.00%	8.00%	0.00%	0.00%

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

403(b) Plan YTD Enrollments & Contribution Changes	
	February to September 2017
<b>Enrollments</b>	23
% of New Hires Enrolled in Plan	1.29%
<b>GoalMaker Elections</b>	14
<b>Contribution Changes</b>	
Deferral Decreases	20
Deferral Increases	39
Pre-tax Participation Rate	1.19%
Roth Participation Rate	0.33%
Voluntary (Employee & Roth) Participation Rate	1.41%

403(b) Plan YTD Enrollments & Contribution Change Method	
	February to September 2017
<b>Method of Enrollment</b>	
Paper Form	100.00%
Pseudo Enrollment	0.00%
Internet	0.00%
<b>Method of Contribution Change</b>	
Internet	98.06%
Paper	0.00%
Participant Service Center	0.00%
VRU	1.94%

Participation rates for each month 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 2014	3Q 2015	3Q 2015 Change %	3Q 2016	3Q 2016 Change %	3Q 2017	3Q 2017 Change %
Employee Contributions	\$51,016,245	\$49,847,366	-2.29%	\$55,389,750	11.12%	\$56,659,712	2.29%
Roth	\$8,025,316	\$8,791,620	9.55%	\$22,928,193	160.80%	\$11,641,913	-49.22%
<b>Total Employee Contributions</b>	<b>\$59,041,560</b>	<b>\$58,638,987</b>	<b>-0.68%</b>	<b>\$78,317,942</b>	<b>33.56%</b>	<b>\$68,301,625</b>	<b>-12.79%</b>
Employer Contributions	\$43,155,389	\$45,087,837	4.48%	\$35,445,543	-21.39%	\$49,918,629	40.83%
Rollovers	\$10,384,775	\$10,737,504	3.40%	\$13,015,070	21.21%	\$11,680,956	-10.25%
<b>Total Contributions</b>	<b>\$112,581,724</b>	<b>\$114,464,327</b>	<b>1.67%</b>	<b>\$126,778,555</b>	<b>10.76%</b>	<b>\$129,901,210</b>	<b>2.46%</b>
Average Voluntary Contributions	\$167	\$160	-4.23%	\$186	16.02%	\$190	2.49%
Average Roth Contributions	\$90	\$87	-3.28%	\$96	9.74%	\$104	8.77%
Average Employee Contributions	\$178	\$172	-3.50%	\$173	0.72%	\$180	3.77%

## 401(k) Contributions

	2014	2015	2015 Change %	2016	2016 Change %	2017	2017 Change %
Employee Contributions	\$158,468,024	\$159,274,037	0.51%	\$167,186,145	4.97%	\$174,510,735	4.38%
Roth	\$24,210,286	\$27,273,221	12.65%	\$43,471,332	59.39%	\$34,693,173	-20.19%
<b>Total Employee Contributions</b>	<b>\$182,678,310</b>	<b>\$186,547,258</b>	<b>2.12%</b>	<b>\$210,657,477</b>	<b>12.92%</b>	<b>\$209,203,908</b>	<b>-0.69%</b>
Employer Contributions	\$127,255,095	\$132,047,097	3.77%	\$127,203,072	-3.67%	\$147,469,976	15.93%
Rollovers	\$32,586,431	\$34,907,832	7.12%	\$37,374,100	7.07%	\$39,686,626	6.19%
<b>Total Contributions</b>	<b>\$159,841,526</b>	<b>\$353,502,188</b>	<b>121.16%</b>	<b>\$375,234,649</b>	<b>6.15%</b>	<b>\$396,360,510</b>	<b>5.63%</b>
Average Voluntary Contributions	\$160	\$161	0.60%	\$176	9.18%	\$181	3.20%
Average Roth Contributions	\$83	\$85	1.86%	\$88	4.05%	\$96	8.98%
Average Employee Contributions	\$171	\$173	1.20%	\$164	-5.40%	\$171	4.51%

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 2014	3Q 2015	3Q 2015 Change %	3Q 2016	3Q 2016 Change %	3Q 2017	3Q 2017 Change %
Employee Contributions	\$13,052,158	\$13,906,734	6.55%	\$14,506,703	4.31%	\$13,513,238	-6.85%
Roth	\$649,350	\$957,706	47.49%	\$1,086,192	13.42%	\$1,338,068	23.19%
<b>Total Employee Contributions</b>	<b>\$13,701,508</b>	<b>\$14,864,439</b>	<b>8.49%</b>	<b>\$15,592,895</b>	<b>4.90%</b>	<b>\$14,851,306</b>	<b>-4.76%</b>
Employer Contributions	\$276,178	\$335,737	21.57%	\$324,219	-3.43%	\$511,221	57.68%
Rollovers	\$4,269,781	\$4,126,591	-3.35%	\$2,485,402	-39.77%	\$2,963,330	19.23%
<b>Total Contributions</b>	<b>\$18,247,467</b>	<b>\$19,326,767</b>	<b>5.91%</b>	<b>\$18,402,516</b>	<b>-4.78%</b>	<b>\$18,325,857</b>	<b>-0.42%</b>
Average Voluntary Contributions	\$143	\$140	-1.82%	\$144	2.37%	\$141	-1.57%
Average Roth Contributions	\$123	\$131	6.98%	\$126	-3.73%	\$117	-7.70%
Average Employee Contributions	\$141	\$141	0.09%	\$147	4.49%	\$145	-1.74%

## 457 Contributions

	2014	2015	2015 Change %	2016	2016 Change %	2017	2017 Change %
Employee Contributions	\$39,915,611	\$42,107,430	5.49%	\$42,310,163	0.48%	\$43,253,106	2.23%
Roth	\$1,818,389	\$2,732,986	50.30%	\$3,115,053	13.98%	\$3,885,667	24.74%
<b>Total Employee Contributions</b>	<b>\$41,734,001</b>	<b>\$44,840,417</b>	<b>7.44%</b>	<b>\$45,425,217</b>	<b>1.30%</b>	<b>\$47,138,774</b>	<b>3.77%</b>
Employer Contributions	\$723,749	\$955,413	0.00%	\$1,035,119	100.00%	\$1,510,826	45.96%
Rollovers	\$8,891,507	\$12,746,245	43.35%	\$7,854,161	-38.38%	\$9,463,399	20.49%
<b>Total Contributions</b>	<b>\$51,349,256</b>	<b>\$58,542,074</b>	<b>14.01%</b>	<b>\$54,314,496</b>	<b>-7.22%</b>	<b>\$58,112,999</b>	<b>6.99%</b>
Average Voluntary Contributions	\$135	\$123	-8.60%	\$135	9.18%	\$137	1.93%
Average Roth Contributions	\$104	\$109	4.75%	\$109	0.06%	\$101	-6.90%
Average Employee Contributions	\$133	\$124	-6.55%	\$138	10.76%	\$140	1.27%

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.

403(b) Contributions					
	February 2017	March 2017	2Q 2017	3Q 2017	3Q 2017 Change %
Employee Contributions	\$5,298	\$276,008	\$553,957	\$388,250	-29.91%
Roth	\$200	\$44,231	\$87,070	\$58,275	-33.07%
<b>Total Employee Contributions</b>	<b>\$5,498</b>	<b>\$320,239</b>	<b>\$641,027</b>	<b>\$446,525</b>	<b>-30.34%</b>
Employer Contributions	\$0	\$0	\$0	\$0	0.00%
Rollovers	\$0	\$0	\$0	\$190,890	100.00%
<b>Total Contributions</b>	<b>\$5,498</b>	<b>\$320,239</b>	<b>\$641,027</b>	<b>\$637,415</b>	<b>-0.56%</b>
Average Voluntary Contributions	\$7,018	\$364	\$275	\$216	-21.41%
Average Roth Contributions	\$3,673	\$297	\$177	\$124	-29.68%
Average Employee Contributions	\$6,753	\$357	\$261	\$203	-22.20%

403(b) Contributions	
	February to September 2017
Employee Contributions	\$1,223,513
Roth	\$519,752
<b>Total Employee Contributions</b>	<b>\$1,743,265</b>
Employer Contributions	\$0
Rollovers	\$190,890
<b>Total Contributions</b>	<b>\$1,934,155</b>
Average Voluntary Contributions	\$251
Average Roth Contributions	\$159
Average Employee Contributions	\$187

Average contributions for each month 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

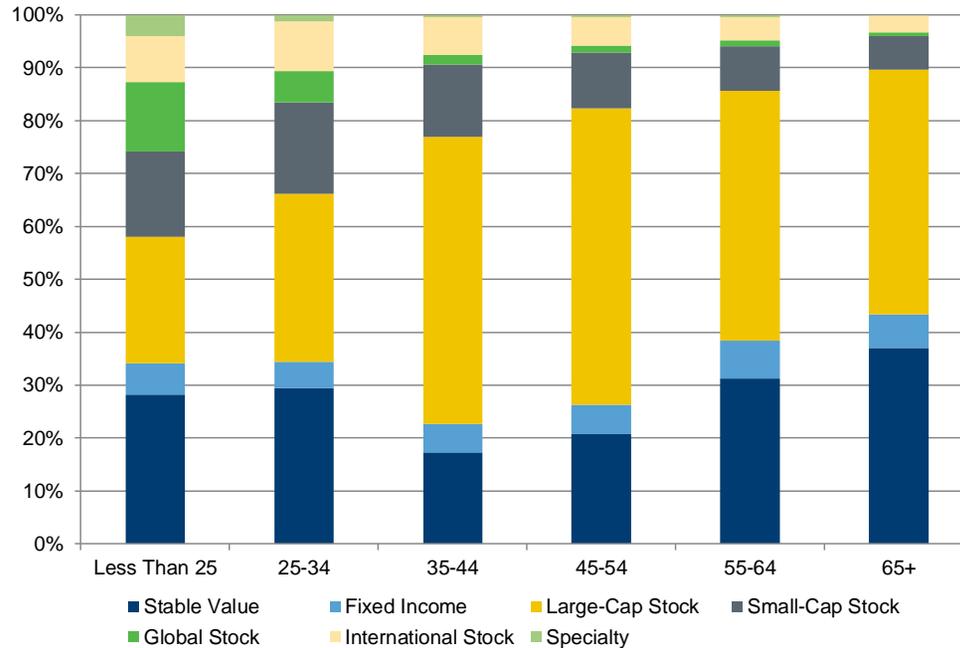
	9/30/2014	9/30/2015	9/30/2016	9/30/2017
Total Plan Assets in GoalMaker	\$3,215,253,901	\$3,314,144,050	\$3,813,094,130	\$4,457,009,575
Total # of Participants in GoalMaker	134,658	146,857	147,273	155,592
Year to Date % of New Enrollments with Goalmaker Election	93.86%	92.39%	90.58%	93.52%
Total Participation Rate	54.78%	57.59%	60.31%	62.54%
Prudential's Book of Business GoalMaker Average Participation Rate*	44.51%	44.88%	48.30%	50.49%
Total % of Assets	42.31%	43.63%	45.31%	46.94%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	1,264	2,914	1,141	5,319
Age 25-34	7,847	17,116	9,738	34,701
Age 35-44	7,614	19,235	12,166	39,015
Age 45-54	8,510	20,525	10,862	39,897
Age 55-64	8,641	14,810	5,209	28,660
Age 65+	2,866	3,905	1,229	8,000
Total	36,742	78,505	40,345	155,592

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	\$2,670,388	\$6,622,742	\$3,439,983	\$12,733,113
Age 25-34	\$53,934,164	\$145,898,003	\$141,954,766	\$341,786,933
Age 35-44	\$98,865,550	\$383,095,767	\$421,659,342	\$903,620,658
Age 45-54	\$203,497,404	\$671,050,988	\$596,832,654	\$1,471,381,046
Age 55-64	\$311,232,558	\$622,666,440	\$314,788,074	\$1,248,687,073
Age 65+	\$158,210,179	\$218,301,452	\$102,289,120	\$478,800,751
Total	\$828,410,242	\$2,047,635,393	\$1,580,963,940	\$4,457,009,575

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

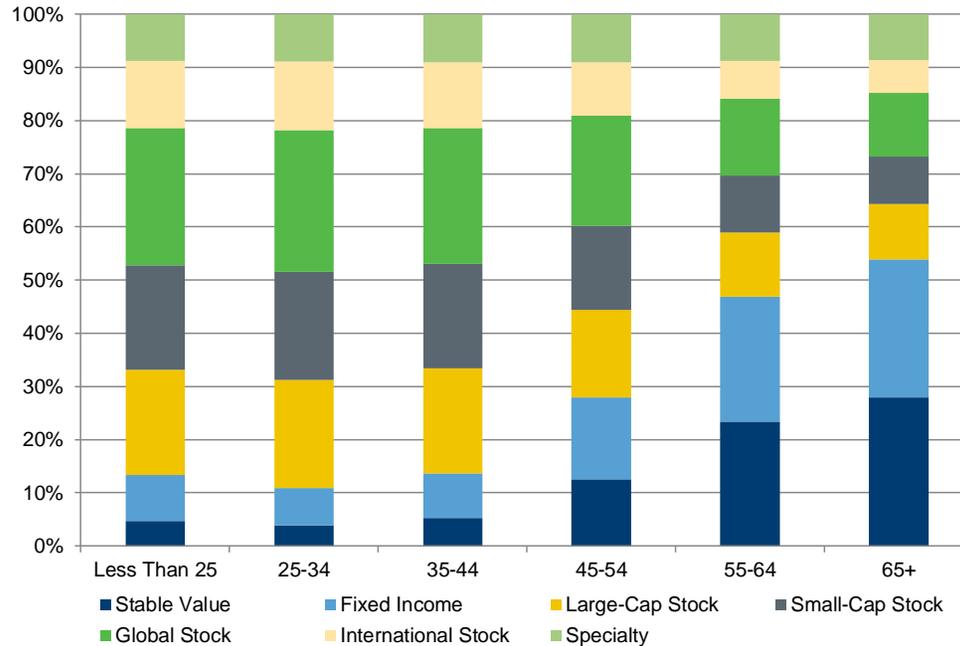
## 401(k) Asset Allocation by Age Group – Assets Not in GoalMaker As of September 30, 2017



Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$351,102	\$13,364,365	\$83,211,419	\$298,942,213	\$521,420,054	\$519,907,646	\$1,437,196,800
Fixed Income	\$74,069	\$2,310,018	\$26,161,479	\$79,329,455	\$119,286,042	\$89,550,681	\$316,711,744
Large-Cap Stock	\$297,253	\$14,403,831	\$262,113,558	\$803,828,407	\$788,145,995	\$649,218,586	\$2,518,007,630
Small-Cap Stock	\$199,737	\$7,855,674	\$65,738,077	\$151,195,942	\$141,692,084	\$88,514,304	\$455,195,819
Global Stock	\$164,432	\$2,695,675	\$9,120,612	\$19,063,180	\$18,375,649	\$9,067,845	\$58,487,394
International Stock	\$107,643	\$4,281,129	\$34,479,656	\$78,996,180	\$74,157,888	\$44,583,220	\$236,605,716
Specialty	\$49,839	\$559,330	\$1,939,328	\$4,923,914	\$5,694,094	\$2,691,177	\$15,857,683
Total Assets	\$1,244,076	\$45,470,022	\$482,764,130	\$1,436,279,291	\$1,668,771,807	\$1,403,533,458	\$5,038,062,784
% Assets	0.02%	0.90%	9.58%	28.51%	33.12%	27.86%	100.00%
Total Participants	427	3,799	15,500	28,945	26,466	18,095	93,181
Average Account Balance	\$2,914	\$11,969	\$31,146	\$49,621	\$63,053	\$77,565	\$54,067

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

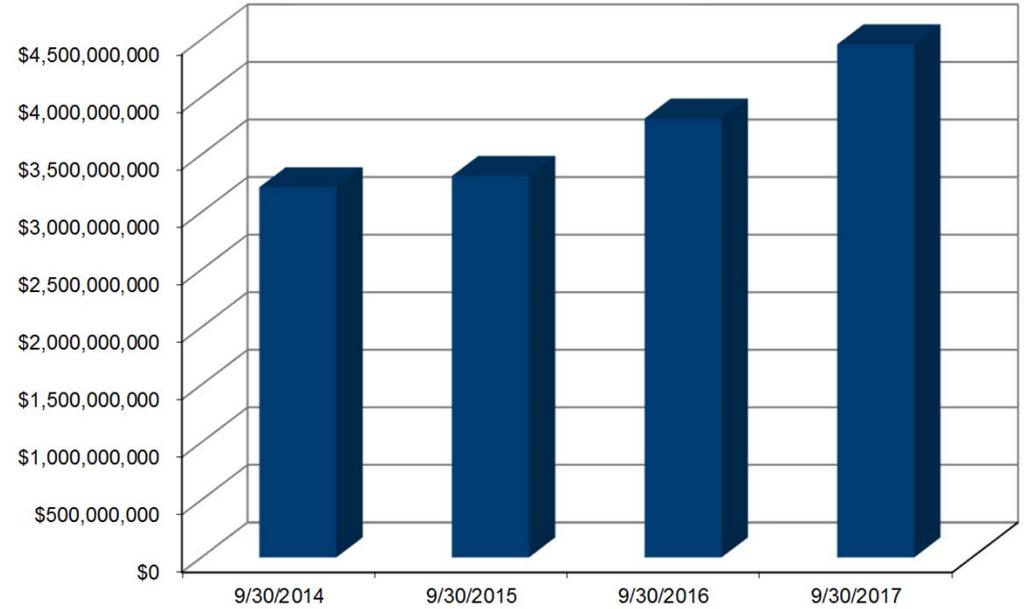
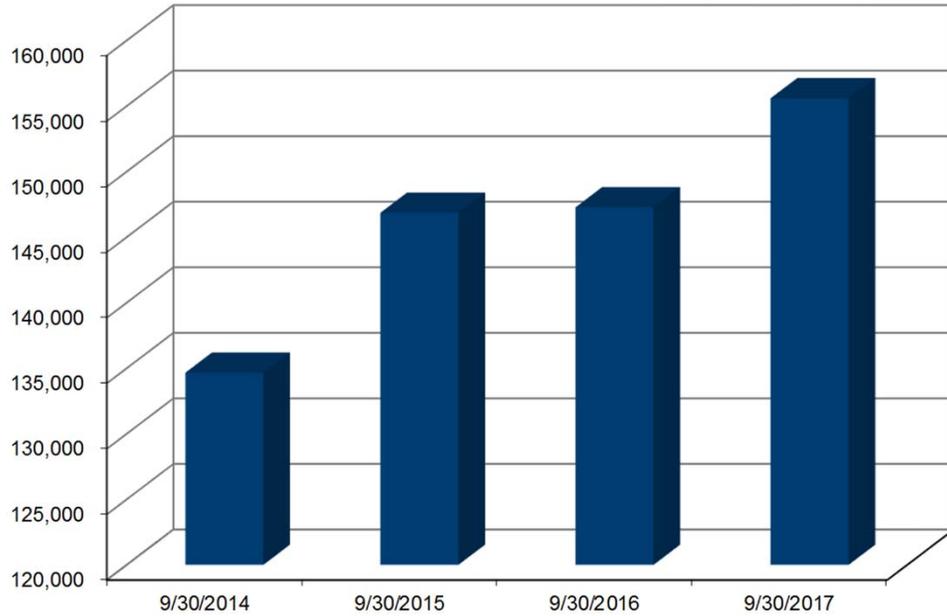
## 401(k) Asset Allocation by Age Group – Assets in GoalMaker As of September 30, 2017



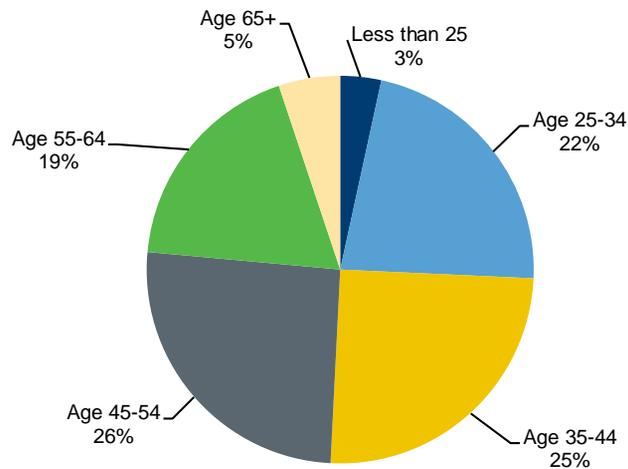
Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$600,115	\$13,274,058	\$47,682,546	\$184,919,975	\$292,820,945	\$133,760,570	\$673,058,209
Fixed Income	\$1,103,853	\$23,999,084	\$75,425,975	\$226,613,887	\$292,037,567	\$124,439,612	\$743,619,978
Large-Cap Stock	\$2,507,263	\$69,480,431	\$178,785,961	\$242,238,078	\$150,478,577	\$49,483,760	\$692,974,070
Small-Cap Stock	\$2,500,400	\$69,411,579	\$177,242,626	\$231,833,513	\$133,749,001	\$42,714,932	\$657,452,051
Global Stock	\$3,300,561	\$90,814,430	\$230,459,461	\$305,045,921	\$180,788,420	\$57,653,798	\$868,062,591
International Stock	\$1,599,012	\$44,140,700	\$112,040,953	\$147,967,238	\$88,819,578	\$29,096,219	\$423,663,699
Specialty	\$1,121,909	\$30,666,651	\$81,983,136	\$132,762,434	\$109,992,985	\$41,651,860	\$398,178,976
<b>Total Assets</b>	<b>\$12,733,113</b>	<b>\$341,786,933</b>	<b>\$903,620,658</b>	<b>\$1,471,381,046</b>	<b>\$1,248,687,073</b>	<b>\$478,800,751</b>	<b>\$4,457,009,575</b>
% Assets	0.29%	7.67%	20.27%	33.01%	28.02%	10.74%	100.00%
Total Participants	5,319	34,701	39,015	39,897	28,660	8,000	155,592
Average Account Balance	\$2,394	\$9,849	\$23,161	\$36,879	\$43,569	\$59,850	\$28,645

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.

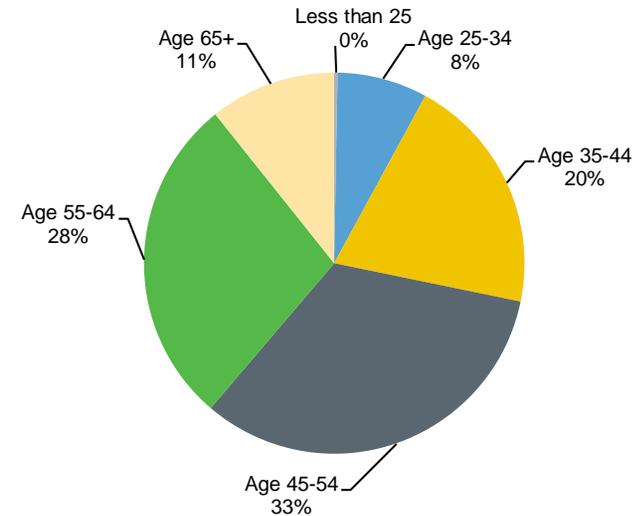
## 401(k) GoalMaker Participation



Participation by Age Range



Assets by Age Range



## 457 GoalMaker Participation

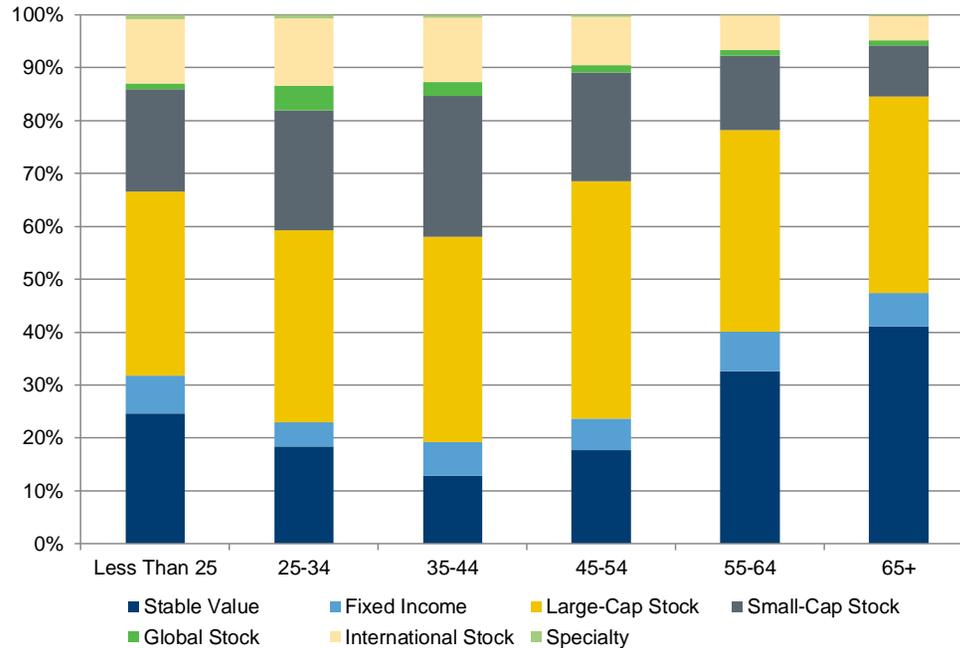
	9/30/2014	9/30/2015	9/30/2016	9/30/2017
Total Plan Assets in GoalMaker	\$219,557,682	\$250,453,528	\$294,854,848	\$357,664,380
Total # of Participants in GoalMaker	27,959	32,802	32,597	35,083
Year to Date % of New Enrollments with Goalmaker Election	93.01%	93.28%	89.73%	93.55%
Total Participation Rate	55.27%	60.03%	63.13%	65.81%
Prudential's Book of Business GoalMaker Average Participation Rate*	44.51%	44.88%	48.30%	50.49%
Total % of Assets	19.69%	22.34%	24.32%	26.60%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	233	559	240	1,032
Age 25-34	2,058	3,922	2,306	8,286
Age 35-44	2,166	4,317	2,481	8,964
Age 45-54	2,737	4,920	2,357	10,014
Age 55-64	1,951	2,683	973	5,607
Age 65+	508	507	165	1,180
Total	9,653	16,908	8,522	35,083

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	\$128,081	\$395,295	\$263,818	\$619,490
Age 25-34	\$2,692,640	\$8,224,772	\$8,205,666	\$19,123,078
Age 35-44	\$5,704,401	\$21,333,669	\$21,155,382	\$48,193,452
Age 45-54	\$18,349,415	\$49,464,951	\$36,999,823	\$104,814,189
Age 55-64	\$28,031,077	\$59,327,343	\$27,645,994	\$115,004,414
Age 65+	\$23,534,475	\$33,473,068	\$12,734,511	\$69,742,053
Total	\$78,440,089	\$172,219,098	\$107,005,194	\$357,664,380

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

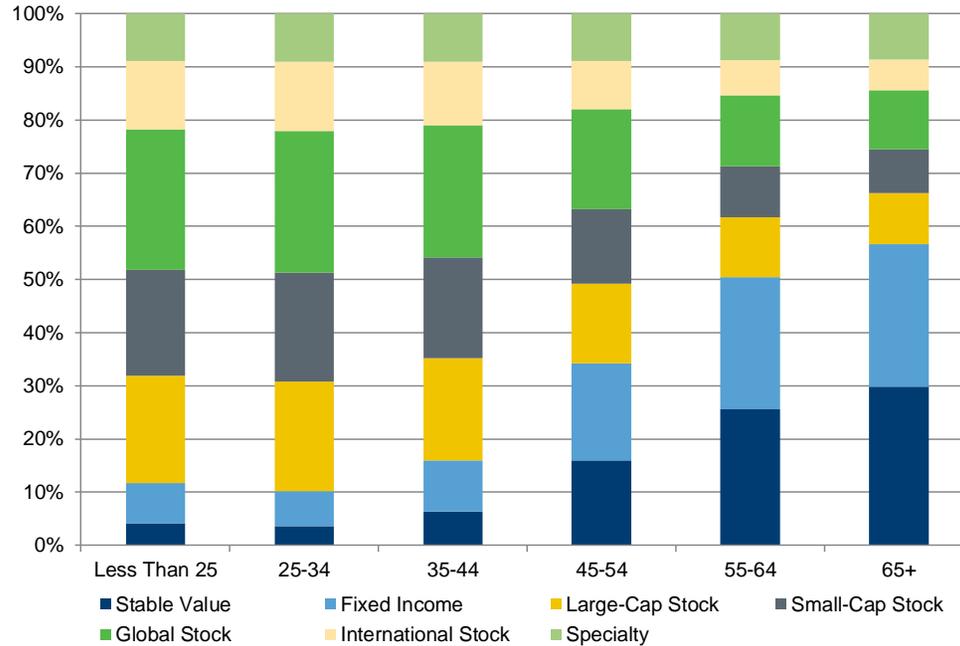
## 457 Asset Allocation by Age Group – Assets Not in GoalMaker As of September 30, 2017



Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$25,571	\$713,524	\$4,749,236	\$26,328,000	\$97,974,474	\$204,162,771	\$333,953,575
Fixed Income	\$7,446	\$179,365	\$2,312,361	\$8,779,429	\$22,667,685	\$31,447,761	\$65,394,047
Large-Cap Stock	\$36,061	\$1,407,478	\$14,257,374	\$66,781,040	\$114,517,718	\$184,281,141	\$381,280,813
Small-Cap Stock	\$20,079	\$879,282	\$9,759,159	\$30,590,905	\$42,173,088	\$48,570,425	\$131,992,938
Global Stock	\$1,127	\$184,456	\$935,804	\$2,040,872	\$3,518,446	\$4,805,484	\$11,486,190
International Stock	\$12,640	\$493,113	\$4,482,784	\$13,428,989	\$19,289,476	\$22,292,172	\$59,999,174
Specialty	\$853	\$26,832	\$197,946	\$625,460	\$538,020	\$1,475,804	\$2,864,915
<b>Total Assets</b>	<b>\$103,778</b>	<b>\$3,884,051</b>	<b>\$36,694,664</b>	<b>\$148,574,694</b>	<b>\$300,678,907</b>	<b>\$497,035,558</b>	<b>\$986,971,652</b>
% Assets	0.01%	0.39%	3.72%	15.05%	30.46%	50.36%	100.00%
Total Participants	43	769	2,509	4,874	5,399	4,639	18,227
Average Account Balance	\$2,413	\$5,051	\$14,625	\$30,483	\$55,692	\$107,143	\$54,149

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.

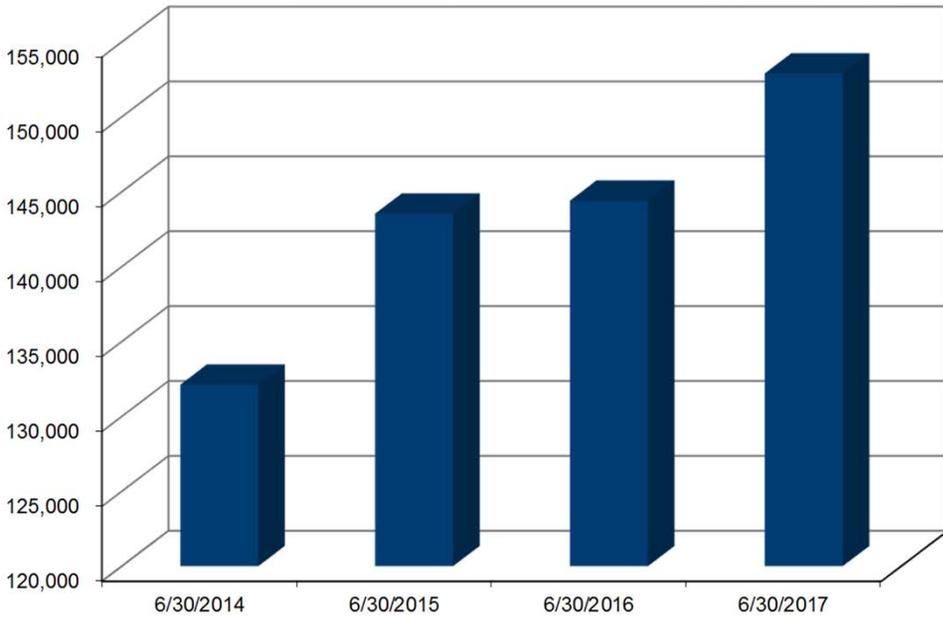
## 457 Asset Allocation by Age Group – Assets in GoalMaker As of September 30, 2017



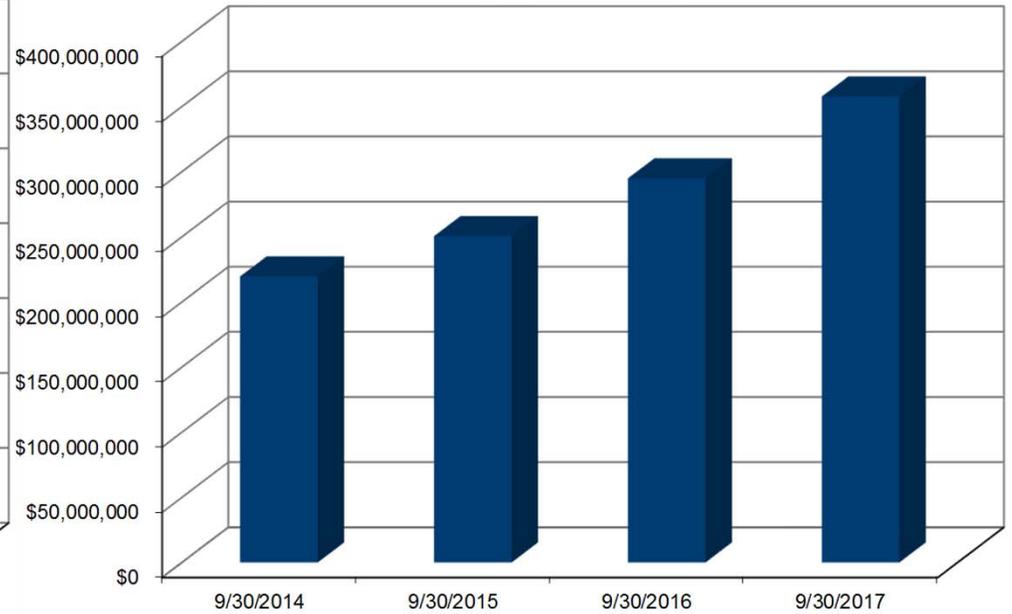
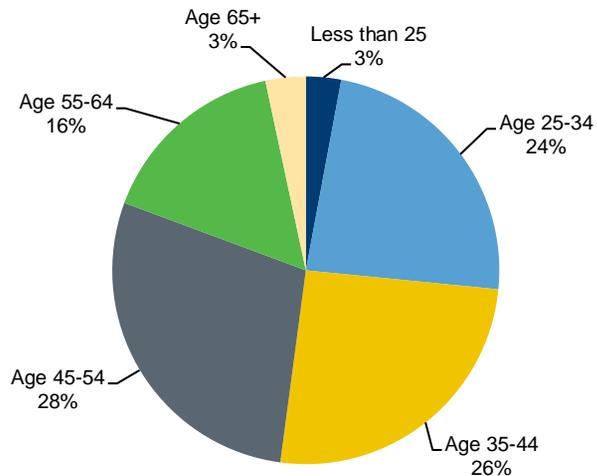
Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$32,551	\$697,462	\$3,063,047	\$16,694,747	\$29,498,063	\$20,786,729	\$70,772,599
Fixed Income	\$59,619	\$1,266,605	\$4,622,221	\$19,184,293	\$28,574,601	\$18,683,598	\$72,390,937
Large-Cap Stock	\$159,186	\$3,930,878	\$9,271,291	\$15,678,021	\$12,810,435	\$6,677,823	\$48,527,634
Small-Cap Stock	\$156,822	\$3,898,903	\$9,150,890	\$14,738,217	\$11,189,900	\$5,774,990	\$44,909,722
Global Stock	\$207,707	\$5,115,861	\$11,934,891	\$19,606,783	\$15,223,839	\$7,783,725	\$59,872,805
International Stock	\$101,396	\$2,492,948	\$5,791,556	\$9,526,766	\$7,570,114	\$3,984,061	\$29,466,842
Specialty	\$69,913	\$1,720,421	\$4,359,556	\$9,385,363	\$10,137,463	\$6,051,127	\$31,723,842
<b>Total Assets</b>	<b>\$787,194</b>	<b>\$19,123,078</b>	<b>\$48,193,452</b>	<b>\$104,814,189</b>	<b>\$115,004,414</b>	<b>\$69,742,053</b>	<b>\$357,664,380</b>
% Assets	0.22%	5.35%	13.47%	29.31%	32.15%	19.50%	100.00%
Total Participants	1,032	8,286	8,964	10,014	5,607	1,180	35,083
Average Account Balance	\$763	\$2,308	\$5,376	\$10,467	\$20,511	\$59,103	\$10,195

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.

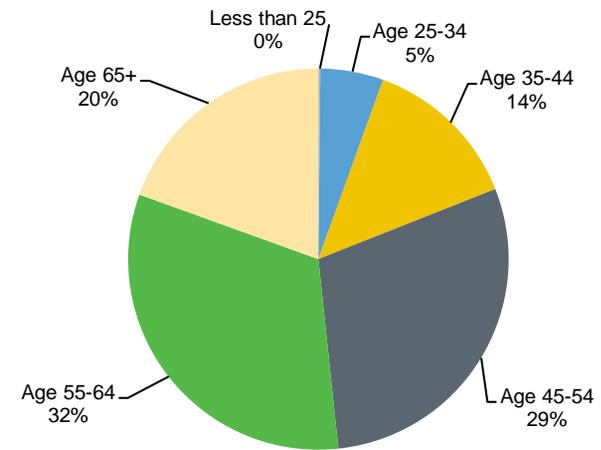
## 457 GoalMaker Participation



Participation by Age Range



Assets by Age Range



## 403(b) GoalMaker Participation

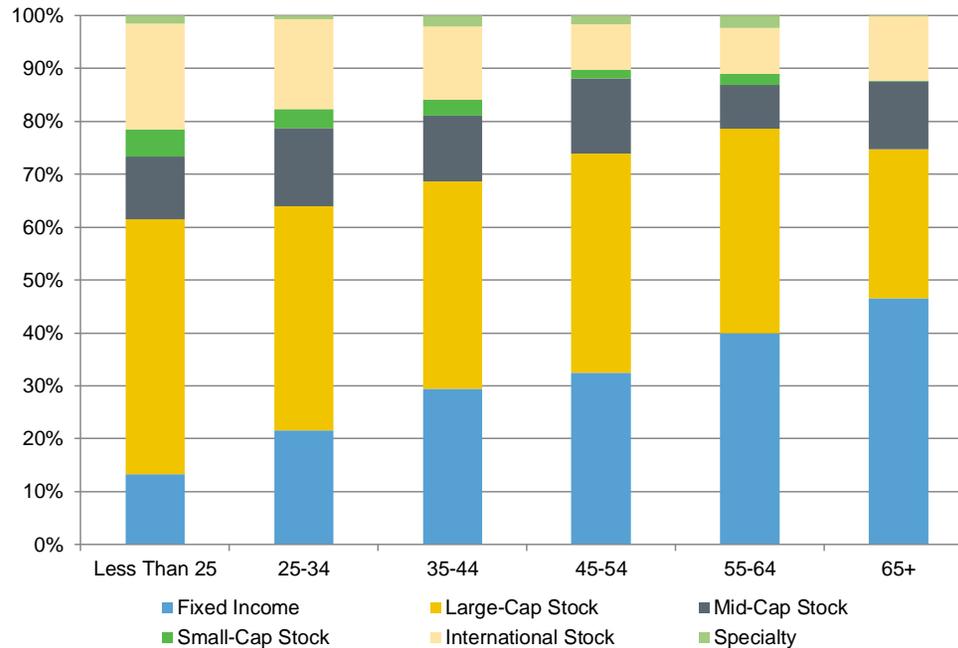
	3/31/2017	6/30/2017	9/30/2017
Total Plan Assets in GoalMaker	\$4,038,672	\$4,736,149	\$5,241,866
Total # of Participants in GoalMaker	703	700	703
Year to Date % of New Enrollments with Goalmaker Election	50.00%	75.00%	66.67%
Total Participation Rate	58.78%	59.02%	59.43%
Prudential's Book of Business GoalMaker Average Participation Rate*	49.98%	50.79%	50.49%
Total % of Assets	39.26%	42.02%	43.71%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	0	3	0	3
Age 25-34	0	124	4	128
Age 35-44	0	178	0	178
Age 45-54	1	208	4	213
Age 55-64	3	160	2	165
Age 65+	0	16	0	16
Total	4	689	10	703

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	\$0.00	\$1,028	\$0.00	\$619,490
Age 25-34	\$0.00	\$433,037	\$12,865	\$445,902
Age 35-44	\$0.00	\$921,768	\$0.00	\$921,768
Age 45-54	\$17,412	\$1,661,091	\$147,680	\$1,826,183
Age 55-64	\$15,801	\$1,896,245	\$37,258	\$1,949,304
Age 65+	\$0.00	\$97,680	\$0.00	\$97,680
Total	\$33,213	\$5,010,849	\$197,803	\$5,241,866

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

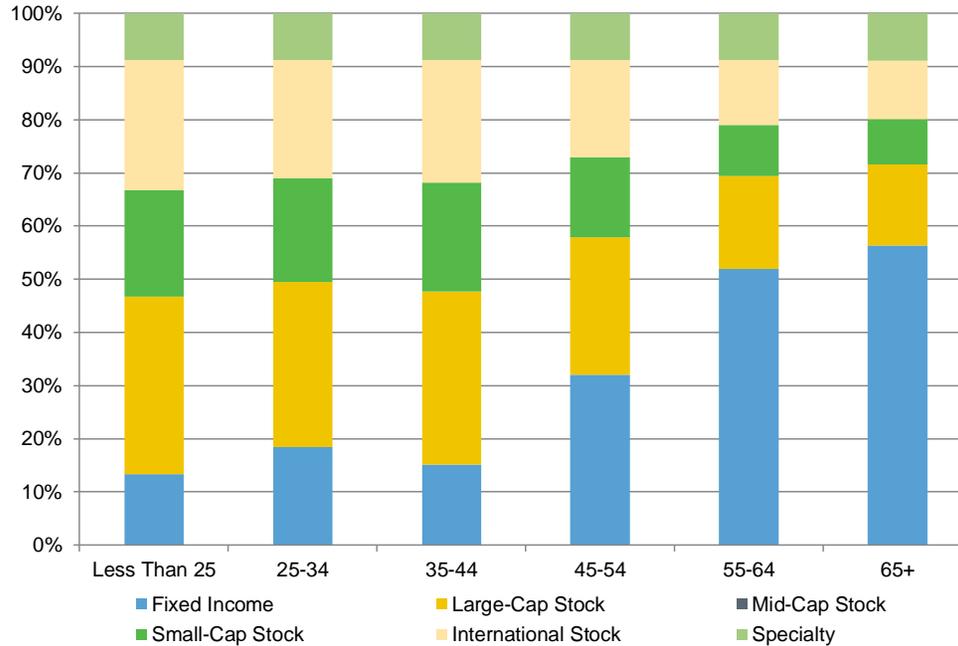
## 403(b) Asset Allocation by Age Group – Assets Not in GoalMaker As of September 30, 2017



Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Fixed Income	\$2,916	\$70,095	\$425,249	\$735,715	\$895,511	\$211,073	\$2,340,559
Large-Cap Stock	\$10,538	\$137,241	\$564,433	\$940,354	\$866,332	\$127,164	\$2,646,061
Mid-Cap Stock	\$2,590	\$47,711	\$180,759	\$323,731	\$185,665	\$58,498	\$798,954
Small-Cap Stock	\$1,121	\$11,466	\$43,696	\$35,647	\$47,168	\$684	\$139,782
International Stock	\$4,376	\$55,181	\$197,907	\$194,933	\$195,223	\$55,142	\$702,762
Specialty	\$325	\$2,157	\$30,237	\$37,327	\$52,085	\$399	\$122,529
Total Assets	\$21,867	\$323,850	\$1,442,281	\$2,267,708	\$2,241,984	\$452,959	\$6,750,648
% Assets	0.32%	4.80%	21.37%	33.59%	33.21%	6.71%	100.00%
Total Participants	7	95	130	143	91	14	480
Average Account Balance	\$3,124	\$3,409	\$11,094	\$15,858	\$24,637	\$32,354	\$14,064

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.

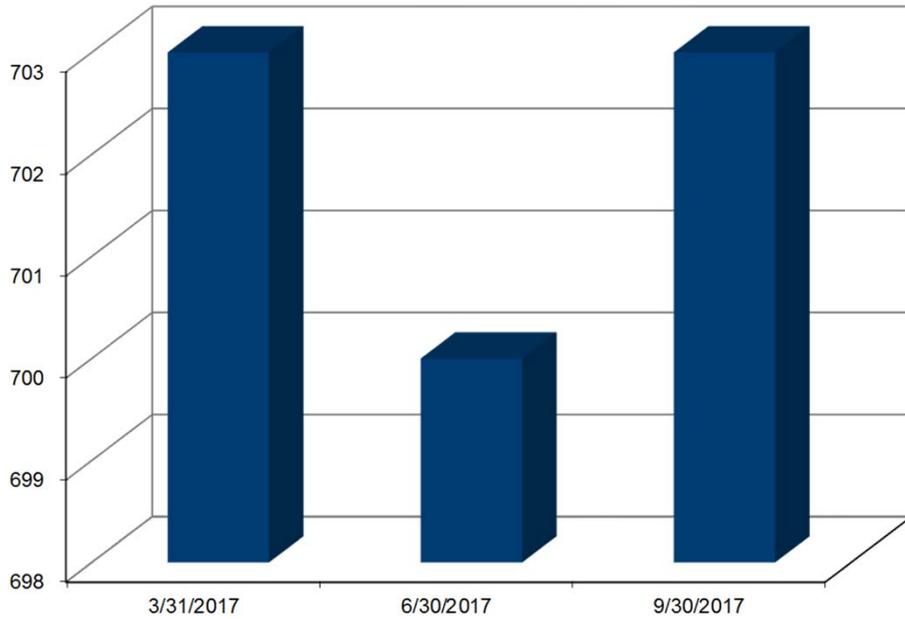
## 403(b) Asset Allocation by Age Group – Assets in GoalMaker As of September 30, 2017



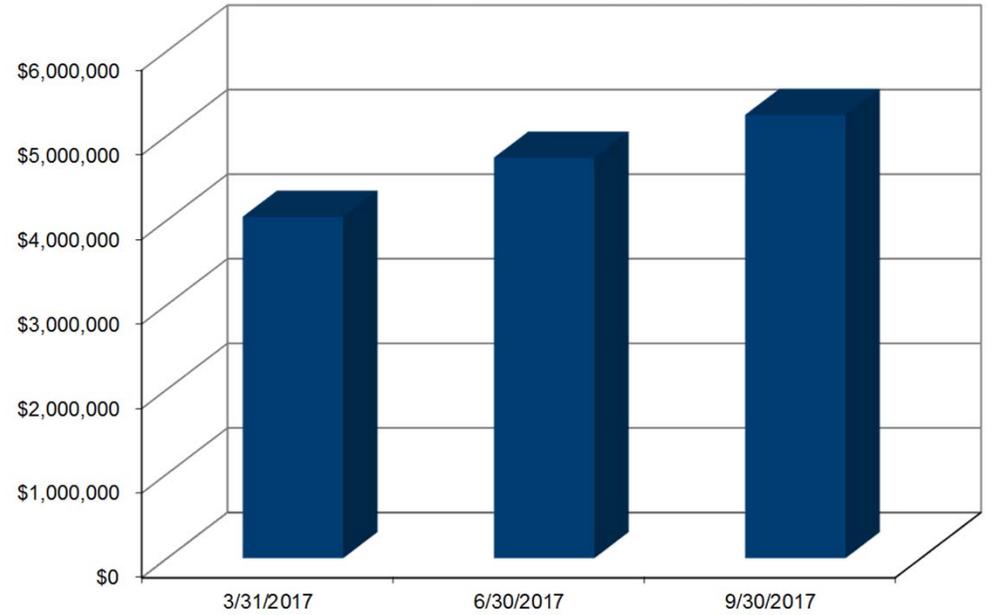
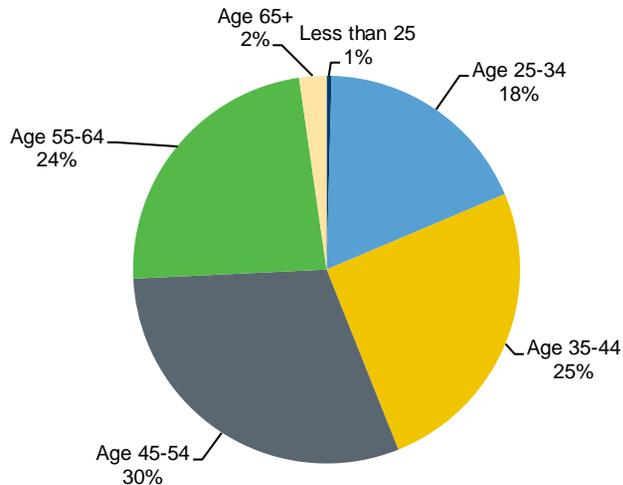
Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Fixed Income	\$138	\$82,171	\$140,165	\$584,579	\$1,013,623	\$54,996	\$1,875,673
Large-Cap Stock	\$343	\$138,487	\$298,856	\$470,891	\$338,332	\$14,960	\$1,261,869
Mid-Cap Stock	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Small-Cap Stock	\$205	\$86,892	\$188,897	\$275,955	\$186,677	\$8,304	\$746,930
International Stock	\$252	\$99,223	\$213,551	\$333,544	\$238,542	\$10,777	\$895,889
Specialty	\$90	\$39,129	\$80,299	\$161,213	\$172,130	\$8,643	\$461,504
Total Assets	\$1,028	\$445,902	\$921,768	\$1,826,183	\$1,949,304	\$97,680	\$5,241,866
% Assets	0.02%	8.51%	17.58%	34.84%	37.19%	1.86%	100.00%
Total Participants	3	128	178	213	165	16	703
Average Account Balance	\$343	\$3,484	\$5,178	\$8,574	\$11,814	\$6,105	\$7,456

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.

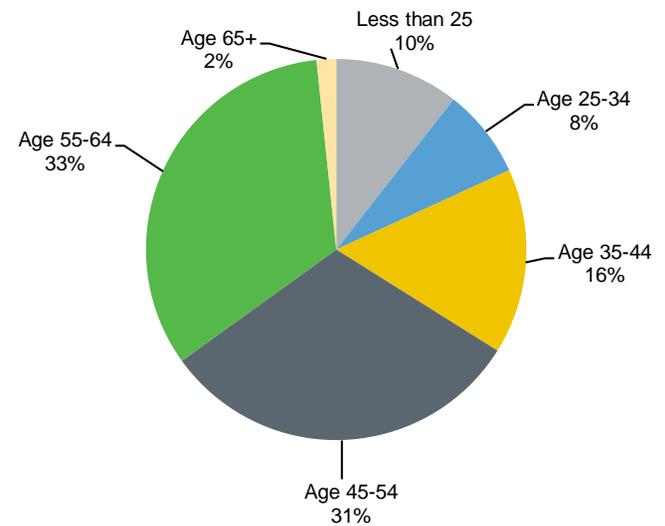
## 403(b) GoalMaker Participation



Participation by Age Range



Assets by Age Range



## Loan Information

401(k) YTD Loans					
	2014	2015	2016	2017	Change %
% of Members in Plan with a Loan	19.62%	18.55%	23.57%	23.23%	-1.42%
# of Outstanding Loans	48,236	47,418	46,188	45,665	-1.13%
# of New Loans 3Q	4,592	4,319	4,221	4,158	-1.49%
# of New Loans YTD	12,703	12,554	11,731	12,079	2.97%
Average Loan Balance	\$5,965	\$6,256	\$6,325	\$6,419	1.48%
Total Outstanding Loan Balance	\$287,711,747	\$296,647,825	\$292,148,967	\$293,119,178	0.33%

457 YTD Loans					
	2014	2015	2016	2017	Change %
% of Members in Plan with a Loan	10.96%	10.60%	11.30%	14.59%	29.13%
# of Outstanding Loans	5,546	5,800	5,838	6,114	4.73%
# of New Loans 3Q	616	596	602	692	14.95%
# of New Loans YTD	1,635	1,713	1,566	1,874	19.67%
Average Loan Balance	\$3,229	\$3,367	\$3,266	\$3,413	4.51%
Total Outstanding Loan Balance	\$17,906,575	\$19,529,843	\$19,064,445	\$20,865,741	9.45%

403(b) YTD Loans				
	February & March 2017	February to June 2017	February to September 2017	Change %
% of Members in Plan with a Loan	0.52%	0.79%	0.96%	22.65%
# of Outstanding Loans	6	9	11	22.22%
# of New Loans	0	5	9	80.00%
Average Loan Balance	\$10,805	\$3,486	\$6,306	80.92%
Total Outstanding Loan Balance	\$64,830	\$31,371	\$69,369	121.13%

## 401(k) Disbursements – Quarterly

401(k) Disbursements							
	3Q 2014	3Q 2015	3Q 2015 Change %	3Q 2016	3Q 2016 Change %	3Q 2017	3Q 2017 Change %
Term - Lump Sum	\$77,806,798	\$87,294,779	12.19%	\$95,035,119	8.87%	\$93,315,083	-1.81%
In-Service	\$15,498,603	\$12,525,527	-19.18%	\$11,864,225	-5.28%	\$13,152,893	10.86%
State Retirement System	\$4,005,652	\$3,309,823	-17.37%	\$3,836,548	15.91%	\$3,771,455	-1.70%
Hardship	\$1,691,665	\$1,741,965	2.97%	\$1,717,279	-1.42%	\$1,932,015	12.50%
Systematic	\$2,345,513	\$2,452,566	4.56%	\$2,457,959	0.22%	\$2,774,898	12.89%
<b>Total Disbursements</b>	<b>\$101,348,231</b>	<b>\$107,324,660</b>	<b>5.90%</b>	<b>\$114,911,130</b>	<b>7.07%</b>	<b>\$114,946,345</b>	<b>0.03%</b>

401(k) Disbursements							
	3Q 2014	3Q 2015	3Q 2015 Change %	3Q 2016	3Q 2016 Change %	3Q 2017	3Q 2017 Change %
Term – Lump Sum	5,346	7,503	40.35%	6,189	-17.51%	6,416	3.67%
In-Service	1,818	1,576	-13.31%	1,581	0.32%	1,684	6.51%
State Retirement System	126	108	-14.29%	144	33.33%	119	-17.36%
Hardship	643	648	0.78%	606	-6.48%	609	0.50%
Systematic	2,989	3,070	2.71%	3,091	0.68%	3,300	6.76%
<b>Total Disbursements</b>	<b>10,922</b>	<b>12,905</b>	<b>18.16%</b>	<b>11,611</b>	<b>-10.03%</b>	<b>12,128</b>	<b>4.45%</b>

## 401(k) Disbursements – Year to Date

401(k) Disbursements							
	2014	2015	2015 Change %	2016	2016 Change %	2017	2017 Change %
Term - Lump Sum	\$222,422,196	\$262,757,337	18.13%	\$263,469,678	0.27%	\$290,911,347	10.42%
In-Service	\$44,278,477	\$36,126,228	-18.41%	\$40,376,215	11.76%	\$43,956,275	8.87%
State Retirement System	\$10,249,335	\$11,109,114	8.39%	\$9,701,567	-12.67%	\$11,644,740	20.03%
Hardship	\$4,598,421	\$4,763,910	3.60%	\$4,388,678	-7.88%	\$4,539,860	3.44%
Systematic	\$6,981,711	\$7,210,833	3.28%	\$7,403,488	2.67%	\$8,154,089	10.14%
<b>Total Disbursements</b>	<b>\$288,530,139</b>	<b>\$321,967,421</b>	<b>11.59%</b>	<b>\$325,339,626</b>	<b>1.05%</b>	<b>\$359,206,311</b>	<b>10.41%</b>

401(k) Disbursements							
	2014	2015	2015 Change %	2016	2016 Change %	2017	2017 Change %
Term – Lump Sum	15,468	40,731	163.32%	32,859	-19.33%	19,169	-41.66%
In-Service	5,141	4,691	-8.75%	4,768	1.64%	4,885	2.45%
State Retirement System	338	363	7.40%	352	-3.03%	334	-5.11%
Hardship	1,639	1,602	-2.26%	1,517	-5.31%	1,565	3.16%
Systematic	8,967	9,121	1.72%	9,246	1.37%	9,751	5.46%
<b>Total Disbursements</b>	<b>31,553</b>	<b>56,508</b>	<b>79.09%</b>	<b>48,742</b>	<b>-13.74%</b>	<b>35,704</b>	<b>-26.75%</b>

## 457 Disbursements – Quarterly

457 Disbursements							
	3Q 2014	3Q 2015	3Q 2015 Change %	3Q 2016	3Q 2016 Change %	3Q 2017	3Q 2017 Change %
Term - Lump Sum	\$15,772,473	\$15,623,774	-0.94%	\$14,999,380	-4.00%	\$15,508,443	3.39%
In-Service	\$547,652	\$144,029	-73.70%	\$14,820	-89.71%	\$51,154	245.17%
State Retirement System	\$223,299	\$2,151,246	863.39%	\$3,847,345	78.84%	\$2,436,551	-36.67%
Hardship	\$149,751	\$169,685	13.31%	\$180,816	6.56%	\$146,662	-18.89%
Systematic	\$1,185,892	\$1,278,637	7.82%	\$1,280,295	0.13%	\$1,269,465	-0.85%
<b>Total Disbursements</b>	<b>\$17,879,067</b>	<b>\$19,367,371</b>	<b>8.32%</b>	<b>\$20,322,656</b>	<b>4.93%</b>	<b>\$19,412,275</b>	<b>-4.48%</b>

457 Disbursements							
	3Q 2014	3Q 2015	3Q 2015 Change %	3Q 2016	3Q 2016 Change %	3Q 2017	3Q 2017 Change %
Term – Lump Sum	1,081	1,538	42.28%	1,394	-9.36%	1,393	-0.07%
In-Service	14	6	-57.14%	3	-50.00%	6	100.00%
State Retirement System	10	34	240.00%	29	-14.71%	17	-41.38%
Hardship	125	112	-10.40%	128	14.29%	97	-24.22%
Systematic	1,490	1,399	-6.11%	1,319	-5.72%	1,308	-0.83%
<b>Total Disbursements</b>	<b>2,720</b>	<b>3,089</b>	<b>13.57%</b>	<b>2,873</b>	<b>-6.99%</b>	<b>2,821</b>	<b>-1.81%</b>

## 457 Disbursements – Year to Date

457 Disbursements							
	2014	2015	2015 Change %	2016	2016 Change %	2017	2017 Change %
Term - Lump Sum	\$37,690,589	\$42,811,283	13.59%	\$45,101,073	5.35%	\$46,752,961	3.66%
In-Service	\$969,287	\$639,103	-34.06%	\$253,810	-60.29%	\$966,857	280.94%
State Retirement System	\$447,844	\$2,539,931	467.15%	\$8,347,710	228.66%	\$6,987,949	-16.29%
Hardship	\$419,675	\$490,395	16.85%	\$424,192	-13.50%	\$492,197	16.03%
Systematic	\$3,749,149	\$3,903,452	4.12%	\$3,857,637	-1.17%	\$3,831,163	-0.69%
<b>Total Disbursements</b>	<b>\$43,276,544</b>	<b>\$50,384,163</b>	<b>16.42%</b>	<b>\$57,984,423</b>	<b>15.08%</b>	<b>\$59,031,127</b>	<b>1.81%</b>

457 Disbursements							
	2014	2015	2015 Change %	2016	2016 Change %	2017	2017 Change %
Term – Lump Sum	3,112	8,010	157.39%	8,392	4.77%	4,146	-50.60%
In-Service	69	22	-68.12%	21	-4.55%	24	14.29%
State Retirement System	25	60	140.00%	77	28.33%	56	-27.27%
Hardship	304	314	3.29%	304	-3.18%	299	-1.64%
Systematic	4,478	4,273	-4.58%	4,003	-6.32%	3,904	-2.47%
<b>Total Disbursements</b>	<b>7,988</b>	<b>12,679</b>	<b>58.73%</b>	<b>12,797</b>	<b>0.93%</b>	<b>8,429</b>	<b>-34.13%</b>

## 403(b) Disbursements – Quarterly & Year to Date

403(b) Disbursements				
	February & March 2017	2Q 2017	3Q 2017	3Q 2017 Change %
Term - Lump Sum	\$0	\$173,806	\$216,310	24.45%
In-Service	\$0	\$0	\$0	0.00%
State Retirement System	\$0	\$0	\$0	0.00%
Hardship	\$0	\$1,656	\$0	-100.00%
Systematic	\$0	\$0	\$0	0.00%
<b>Total Disbursements</b>	<b>\$0</b>	<b>\$175,462</b>	<b>\$216,310</b>	<b>23.28%</b>

403(b) Disbursements		
	February to June 2017	February to September 2017
Term - Lump Sum	\$173,806	\$390,116
In-Service	\$0	\$0
State Retirement System	\$0	\$0
Hardship	\$1,656	\$1,656
Systematic	\$0	\$0
<b>Total Disbursements</b>	<b>\$175,462</b>	<b>\$391,773</b>

403(b) Disbursements				
	February & March 2017	2Q 2017	3Q 2017	3Q 2017 Change %
Term – Lump Sum	0	11	15	36.36%
In-Service	0	0	0	0.00%
State Retirement System	0	0	0	0.00%
Hardship	0	1	0	-100.00%
Systematic	0	0	0	0.00%
<b>Total Disbursements</b>	<b>0</b>	<b>12</b>	<b>15</b>	<b>25.00%</b>

403(b) Disbursements		
	February to June 2017	February to September 2017
Term – Lump Sum	11	26
In-Service	0	0
State Retirement System	0	0
Hardship	1	1
Systematic	0	0
<b>Total Disbursements</b>	<b>12</b>	<b>27</b>

Please note that there were no distributions during the months of February or March 2017.

## 401(k) Plan Asset Allocation/Net Cash Flow July 1, 2017 to September 30, 2017

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$13,977,189	\$387,256,956	\$1,386,384,788	\$2,907,660,337	\$2,917,458,879	\$1,882,334,209	\$9,495,072,359
% Assets	0.15%	4.08%	14.60%	30.62%	30.73%	19.82%	100.00%
Total Contributions	\$2,439,960	\$17,125,406	\$26,043,122	\$37,290,592	\$29,532,470	\$5,788,704	\$118,220,254
Rollovers In	\$41,570	\$934,585	\$1,583,701	\$3,349,696	\$3,338,677	\$2,432,728	\$11,680,956
Total Distributions including:	(\$97,449)	(\$3,510,028)	(\$8,398,753)	(\$22,260,134)	(\$48,107,804)	(\$32,572,177)	(\$114,946,345)
Rollovers Out	(\$8,243)	(\$1,166,773)	(\$3,612,298)	(\$10,591,000)	(\$26,218,120)	(\$16,593,610)	(\$58,190,045)
Cash Distributions	(\$89,206)	(\$2,343,255)	(\$4,786,455)	(\$11,669,134)	(\$21,889,684)	(\$15,978,566)	(\$56,756,299)
Net Cash Flow	\$2,384,081	\$14,549,962	\$19,228,070	\$18,380,154	(\$15,236,657)	(\$24,350,744)	\$14,954,865
Total Unique Participants	5,746	38,498	54,505	68,832	55,111	26,080	248,772
Avg. Account Balance	\$2,433	\$10,059	\$25,436	\$42,243	\$52,938	\$72,175	\$38,168
<i>Prudential Participant Avg. Account Balance</i>	<i>\$2,841</i>	<i>\$14,213</i>	<i>\$41,374</i>	<i>\$78,762</i>	<i>\$107,780</i>	<i>\$123,039</i>	<i>\$66,735</i>

## 401(k) Plan Asset Allocation/Net Cash Flow January 1, 2017 to September 30, 2017

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$13,977,189	\$387,256,956	\$1,386,384,788	\$2,907,660,337	\$2,917,458,879	\$1,882,334,209	\$9,495,072,359
% Assets	0.15%	4.08%	14.60%	30.62%	30.73%	19.82%	100.00%
Total Contributions	\$7,131,009	\$50,921,895	\$78,132,082	\$112,599,579	\$90,419,303	\$17,470,016	\$356,673,884
Rollovers In	\$115,400	\$3,090,235	\$6,250,074	\$10,318,601	\$13,217,076	\$6,695,239	\$39,686,626
Total Distributions including:	(\$258,122)	(\$9,456,337)	(\$24,344,293)	(\$65,586,660)	(\$160,056,278)	(\$99,504,621)	(\$359,206,311)
Rollovers Out	(\$30,948)	(\$3,171,571)	(\$11,161,808)	(\$31,990,344)	(\$87,527,370)	(\$50,489,218)	(\$184,371,259)
Cash Distributions	(\$227,174)	(\$6,284,767)	(\$13,182,485)	(\$33,596,316)	(\$72,528,908)	(\$49,015,403)	(\$174,835,052)
Net Cash Flow	\$6,988,287	\$44,555,793	\$60,037,863	\$57,331,521	(\$56,419,899)	(\$75,339,366)	\$37,154,199
Total Unique Participants	5,746	38,498	54,505	68,832	55,111	26,080	248,772
Avg. Account Balance	\$2,433	\$10,059	\$25,436	\$42,243	\$52,938	\$72,175	\$38,168
<i>Prudential Participant Avg. Account Balance</i>	<i>\$2,841</i>	<i>\$14,213</i>	<i>\$41,374</i>	<i>\$78,762</i>	<i>\$107,780</i>	<i>\$123,039</i>	<i>\$66,735</i>

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

## 457 Plan Asset Allocation/Net Cash Flow July 1, 2017 to September 30, 2017

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$890,972	\$23,007,129	\$84,888,116	\$253,388,883	\$415,683,321	\$566,777,612	\$1,344,636,032
% Assets	0.07%	1.71%	6.31%	18.84%	30.91%	42.15%	100.00%
Total Contributions	\$163,259	\$1,538,982	\$2,718,865	\$5,079,928	\$4,577,224	\$1,284,269	\$15,362,527
Rollovers In	\$4,811	\$76,207	\$152,835	\$200,664	\$983,268	\$1,545,545	\$2,963,330
Total Distributions including:	(\$19,061)	(\$217,940)	(\$416,825)	(\$2,654,048)	(\$5,967,754)	(\$10,136,648)	(\$19,412,275)
Rollovers Out	(\$1,402)	(\$58,800)	(\$171,040)	(\$1,554,224)	(\$3,531,671)	(\$5,624,283)	(\$10,941,419)
Cash Distributions	(\$17,659)	(\$159,140)	(\$245,785)	(\$1,099,824)	(\$2,436,083)	(\$4,512,365)	(\$8,470,855)
Net Cash Flow	\$149,009	\$1,397,250	\$2,454,875	\$2,626,544	(\$407,262)	(\$7,306,833)	(\$1,086,417)
Total Unique Participants	1,075	9,055	11,472	14,886	11,004	5,818	53,310
Avg. Account Balance	\$829	\$2,541	\$7,400	\$17,022	\$37,776	\$97,418	\$25,223
<i>Prudential Participant Avg. Account Balance</i>	<i>\$2,841</i>	<i>\$14,213</i>	<i>\$41,374</i>	<i>\$78,762</i>	<i>\$107,780</i>	<i>\$123,039</i>	<i>\$66,735</i>

## 457 Plan Asset Allocation/Net Cash Flow January 1, 2017 to September 30, 2017

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$890,972	\$23,007,129	\$84,888,116	\$253,388,883	\$415,683,321	\$566,777,612	\$1,344,636,032
% Assets	0.07%	1.71%	6.31%	18.84%	30.91%	42.15%	100.00%
Total Contributions	\$485,093	\$4,556,471	\$8,484,210	\$16,077,847	\$14,698,514	\$4,347,465	\$48,649,600
Rollovers In	\$4,811	\$310,314	\$569,067	\$1,461,743	\$3,163,624	\$3,953,842	\$9,463,400
Total Distributions including:	(\$31,231)	(\$721,234)	(\$1,417,660)	(\$6,671,672)	(\$19,877,514)	(\$30,311,816)	(\$59,031,127)
Rollovers Out	(\$1,732)	(\$272,252)	(\$638,585)	(\$3,542,582)	(\$11,989,671)	(\$15,631,989)	(\$32,076,812)
Cash Distributions	(\$29,499)	(\$448,982)	(\$779,075)	(\$3,129,090)	(\$7,887,843)	(\$14,679,826)	(\$26,954,314)
Net Cash Flow	\$458,673	\$4,145,552	\$7,635,616	\$10,867,917	(\$2,015,377)	(\$22,010,508)	(\$918,127)
Total Unique Participants	1,075	9,055	11,472	14,886	11,004	5,818	53,310
Avg. Account Balance	\$829	\$2,541	\$7,400	\$17,022	\$37,776	\$97,418	\$25,223
<i>Prudential Participant Avg. Account Balance</i>	<i>\$2,841</i>	<i>\$14,213</i>	<i>\$41,374</i>	<i>\$78,762</i>	<i>\$107,780</i>	<i>\$123,039</i>	<i>\$66,735</i>

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

## 403(b) Plan Asset Allocation/Net Cash Flow July 1, 2017 to September 30, 2017

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$22,894	\$769,752	\$2,364,050	\$4,093,891	\$4,191,288	\$550,639	\$11,992,514
% Assets	0.19%	6.42%	19.71%	34.14%	34.95%	4.59%	100.00%
Total Contributions	\$2,995	\$52,300	\$84,132	\$150,817	\$143,656	\$12,625	\$446,525
Rollovers In	\$0	\$0	\$41,496	\$53,705	\$95,689	\$0	\$190,890
Total Distributions including:	\$0	(\$721)	(\$13,920)	(\$116,602)	(\$83,352)	(\$1,715)	(\$216,310)
Rollovers Out	\$0	(\$1,938)	(\$13,920)	(\$114,731)	(\$80,183)	\$0	(\$210,773)
Cash Distributions	\$0	\$1,217	\$0	(\$1,870)	(\$3,169)	(\$1,715)	(\$5,537)
Net Cash Flow	\$2,995	\$51,578	\$111,708	\$87,920	\$155,993	\$10,910	\$421,104
Total Unique Participants	10	223	308	356	256	30	1,183
Avg. Account Balance	\$2,289	\$3,452	\$7,675	\$11,500	\$16,372	\$18,355	\$10,137
<i>Prudential Participant Avg. Account Balance</i>	<i>\$2,841</i>	<i>\$14,213</i>	<i>\$41,374</i>	<i>\$78,762</i>	<i>\$107,780</i>	<i>\$123,039</i>	<i>\$66,735</i>

## 403(b) Plan Asset Allocation/Net Cash Flow February 1, 2017 to September 30, 2017

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$22,894	\$769,752	\$2,364,050	\$4,093,891	\$4,191,288	\$550,639	\$11,992,514
% Assets	0.19%	6.42%	19.71%	34.14%	34.95%	4.59%	100.00%
Total Contributions	\$14,630	\$150,209	\$285,065	\$489,116	\$432,275	\$41,995	\$1,413,290
Rollovers In	\$0	\$0	\$41,496	\$58,818	\$312,143	\$0	\$412,457
Total Distributions including:	\$0	(\$1,938)	(\$19,615)	(\$127,527)	(\$222,436)	(\$20,257)	(\$391,773)
Rollovers Out	\$0	(\$1,938)	(\$16,329)	(\$125,657)	(\$207,098)	(\$18,542)	(\$369,564)
Cash Distributions	\$0	\$0	(\$3,286)	(\$1,870)	(\$15,337)	(\$1,715)	(\$22,209)
Net Cash Flow	\$14,630	\$148,271	\$306,946	\$420,408	\$521,982	\$21,738	\$1,433,974
Total Unique Participants	10	223	308	356	256	30	1,183
Avg. Account Balance	\$2,289	\$3,452	\$7,675	\$11,500	\$16,372	\$18,355	\$10,137
<i>Prudential Participant Avg. Account Balance</i>	<i>\$2,841</i>	<i>\$14,213</i>	<i>\$41,374</i>	<i>\$78,762</i>	<i>\$107,780</i>	<i>\$123,039</i>	<i>\$66,735</i>

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

## 401(k) Plan Retirement Preparation Analysis

7/1/2017 - 9/30/2017	
Total Retirement Income Calculator Completions	11,831
Unique Completions	9,617
Contribution Rate Increase	809

1/1/2017 - 9/30/2017	
Total Retirement Income Calculator Completions	34,019
Unique Completions	27,700
Contribution Rate Increase	2,361

Since Inception for Currently Active Participants as of 9/30/2017	
Average Balance, RIC Participant	\$56,518
Average Balance, Non-RIC Participant	\$25,816
Average Contribution Rate, RIC Participant	6.36%
Average Contribution Rate, Non-RIC Participant	4.62%
Total Count of Participants with a RIC Gap	46,365
Average RIC Gap per month	\$2,884
Total Count of Participants with a RIC surplus	9,444
Average RIC Surplus per month	\$2,444

**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

7/1/2017 - 9/30/2017	
Total Retirement Income Calculator Completions	3,834
Unique Completions	2,460
Contribution Rate Increase	168

Since Inception for Currently Active Participants as of 9/30/2017	
Average Balance, RIC Participant	\$24,412
Average Balance, Non-RIC Participant	\$13,769
Average Contribution Rate, RIC Participant	6.59%
Average Contribution Rate, Non-RIC Participant	5.59%
Total Count of Participants with a RIC Gap	10,435
Average RIC Gap per month	\$2,801
Total Count of Participants with a RIC surplus	2,135
Average RIC Surplus per month	\$2,689

1/1/2017 - 9/30/2017	
Total Retirement Income Calculator Completions	11,878
Unique Completions	8,800
Contribution Rate Increase	388

**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.

## 403(b) Plan Retirement Preparation Analysis

7/1/2017 - 9/30/2017	
Total Retirement Income Calculator Completions	37
Unique Completions	30
Contribution Rate Increase	0

2/1/2017 - 9/30/2017	
Total Retirement Income Calculator Completions	116
Unique Completions	92
Contribution Rate Increase	2

Since Inception for Currently Active Participants as of 9/30/2017	
Average Balance, RIC Participant	\$19,022
Average Balance, Non-RIC Participant	\$9,399
Average Contribution Rate, RIC Participant	33.00%
Average Contribution Rate, Non-RIC Participant	17.00%
Total Count of Participants with a RIC Gap	80
Average RIC Gap per month	\$2,838
Total Count of Participants with a RIC surplus	26
Average RIC Surplus per month	\$3,645

**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.

## Participant Service Center Statistics

<b>401(k), 457 &amp; 403(b) Quarterly Participant Service Center Statistics</b>				
	<b>3Q 2014</b>	<b>3Q 2015</b>	<b>3Q 2016</b>	<b>3Q 2017</b>
Service Center Calls	40,375	38,553	36,824	39,788
Service Percentage	86%	88%	78%	86%
Average Speed to Answer (seconds)	14 sec	16 sec	15 sec	11 sec
Abandon Percentage	0.50%	0.60%	0.40%	0.40%

<b>401(k), 457 &amp; 403(b) YTD Participant Service Center Statistics</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Service Center Calls	113,391	115,263	110,905	111,391
Service Percentage	76%	85%	78%	77%
Average Speed to Answer (seconds)	33 sec	17 sec	20 sec	22 sec
Abandon Percentage	1.20%	0.70%	0.90%	0.90%

*Please note that 403(b) statistics are from February moving forward..*

## Retirement Security Education Information

### 401(k), 457 & 403(b) Quarterly Retirement Security Education Team Activity

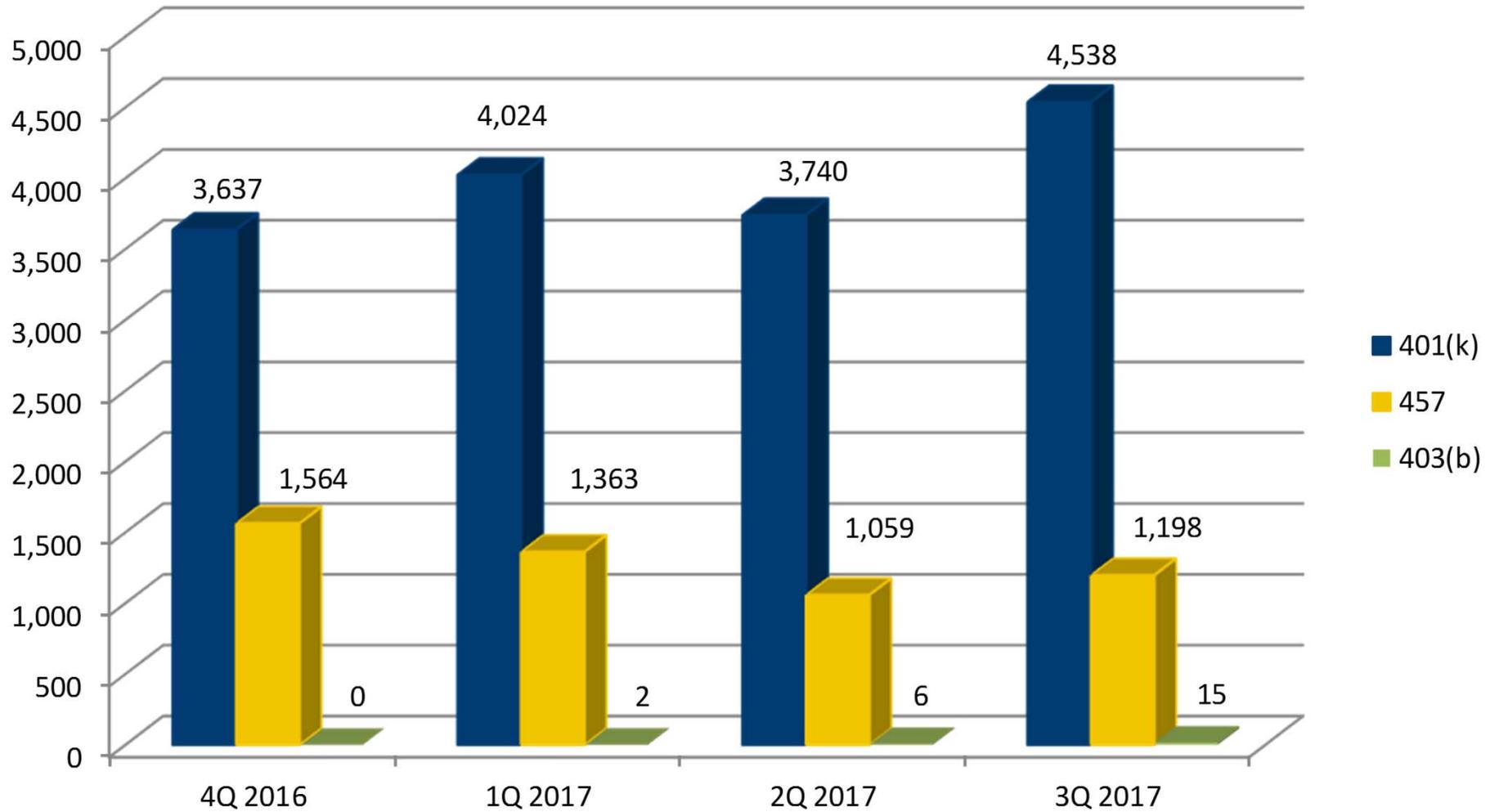
Meeting Activity	July 2017	August 2017	September 2017	3Q 2017
Group Meetings - Number of Meetings	219	305	278	802
Group Meetings - Number of Attendees	3,667	13,726	9,467	26,860
Individual Meetings - Number of Meetings	2,008	2,593	2,546	7,147
Employer Meetings	324	332	260	916
Total On-Site Visits	471	619	467	1,557
Total Meeting Attendees	5,675	16,319	12,013	34,007

### 401(k), 457 & 403(b) YTD Retirement Security Education Team Activity

Meeting Activity	1Q 2017	2Q 2017	3Q 2017	YTD 2017
Group Meetings - Number of Meetings	830	1,260	802	2,892
Group Meetings - Number of Attendees	18,326	39,214	26,860	84,400
Individual Meetings - Number of Meetings	7,264	11,216	7,147	25,627
Employer Meetings	1,078	1,029	916	3,023
Total On-Site Visits	1,581	1,779	1,557	4,917
Total Meeting Attendees	25,590	50,430	34,007	110,027

Please note that 403(b) statistics are from February moving forward..

## Retirement Security Education Information – Enrollment Activity by Quarter



## Employers Adopting the 401(k) Plan in 2017

### Charter Schools

Cornerstone Charter Academy

### Other

Airport Commission of Forsyth County

Marion ABC Board

NC Department of Military and Veteran Affairs

## Employers Making Changes in 2017

### 401(k) Employers Increasing Employer Contribution or Match

City of Archdale increased their Employer Match from 4% to 5%.

Laurinburg-Maxton Airport Comm increased from a 4% to a 5% Employer Contribution across the board.

Town of Forest City increased their match from up to \$30 to up to \$40.

Town of Kernersville increased from a 1% to a 2% Employer Contribution across the board.

Town of Laurel Park increased from a 4.5% to a 5% Employer Contribution across the board.

Town of Mills River increased their match from 2% to 4%.

Town of Woodfin increased their Employer Match from up to 6% to up to 8%.

### 401(k) Employers Adding An Employer Contribution and/or Employer Match

Albemarle Regional Health Services added a 1% Employer Contribution across the board.

Granville County added a match up to 1%.

Indian Trail ABC Board added a match up to 1%.

Marion ABC Board added a 2% Employer Contribution across the board.

Town of Carolina Beach added a 1% across the board employer contribution and a 1% match for up to 2%.

Town of Red Springs added a 2% Employer Contribution across the board.

Village of Sugar Mountain added a match up to 5%.

Western Piedmont Council of Governments added an up to 1% match to plan of choice - 401(k), 457 or Non Prudential 403(b).

### 457 Employers Adding An Employer Match and/or an Employer Contribution

Western Piedmont Council of Governments added an up to a 1% match to NC Plan of choice, 401(k), 457 or Non Prudential 403(b).

## Employers Adopting the 457 Plan in 2017

457 Additions					
Employer Type	2014	2015	2016	2017	# of Eligible
CHARTER SCHOOL	4	3	3	4	1,520
COMMUNITY COLLEGE	2	8	8	1	13,566
COUNTY	2	4	4	4	34,030
MUNICIPAL	15	9	9	6	13,883
OTHER	9	8	8	8	3,923
SCHOOL	5	5	5	3	129,472

### Charter Schools

Central Park School for Children  
 Cornerstone Charter Academy  
 Raleigh Charter High School  
 Roxboro Community School

### Community College

Roanoke-Chowan Community College

### County

Bertie County  
 Cabarrus County  
 Guilford County  
 Iredell County

### Municipalities

City of Belmont  
 City of Southport  
 Town of Biscoe  
 Town of Carolina Beach  
 Town of Wadesboro  
 Town of Weaverville

### Other

Airport Commission of Forsyth County  
 Albemarle Dst Jail Comm  
 Asheboro Housing Authority  
 Land of Sky Regional Council of Governments  
 NC Department of Military and Veteran Affairs  
 Rocky Mount/Wilson Airport Authority  
 Western Piedmont Council of Governments  
 Western Piedmont Regional Transit Authority

### Schools

Catawba County Schools  
 Hyde County Schools  
 Mt Airy City Schools

## Employers Adopting the 403(b) Plan in 2017

### Community College

Alamance Community College  
Caldwell Community College  
Cleveland County Community College  
Robeson Community College  
South Piedmont Community College

### Schools

Mount Airy City School  
Tyrrell County Schools  
Wayne County Public Schools

## Employers Adopting Contribution Accelerator in 2017

### County

Randolph County  
Yadkin County

### Municipalities

Town of Davidson  
Town of Jamestown  
Town of Mills River  
Town of Morrisville  
Town of Stanley  
Town of Topsail Beach

### Charter Schools

Cornerstone Charter Academy  
Lake Norman Charter School  
Roxboro Community School

### Other

Guilford Fire District 13  
Raleigh Housing Authority  
Summerfield Fire District

# Communication Accomplishments

## 3Q 2017



North Carolina  
Total Retirement Plans  
401k|457|403b



*Dale R. Folwell, CPA*  
YOUR TRUSTEE BY NORTH CAROLINA  
DALE R. FOLWELL, CPA

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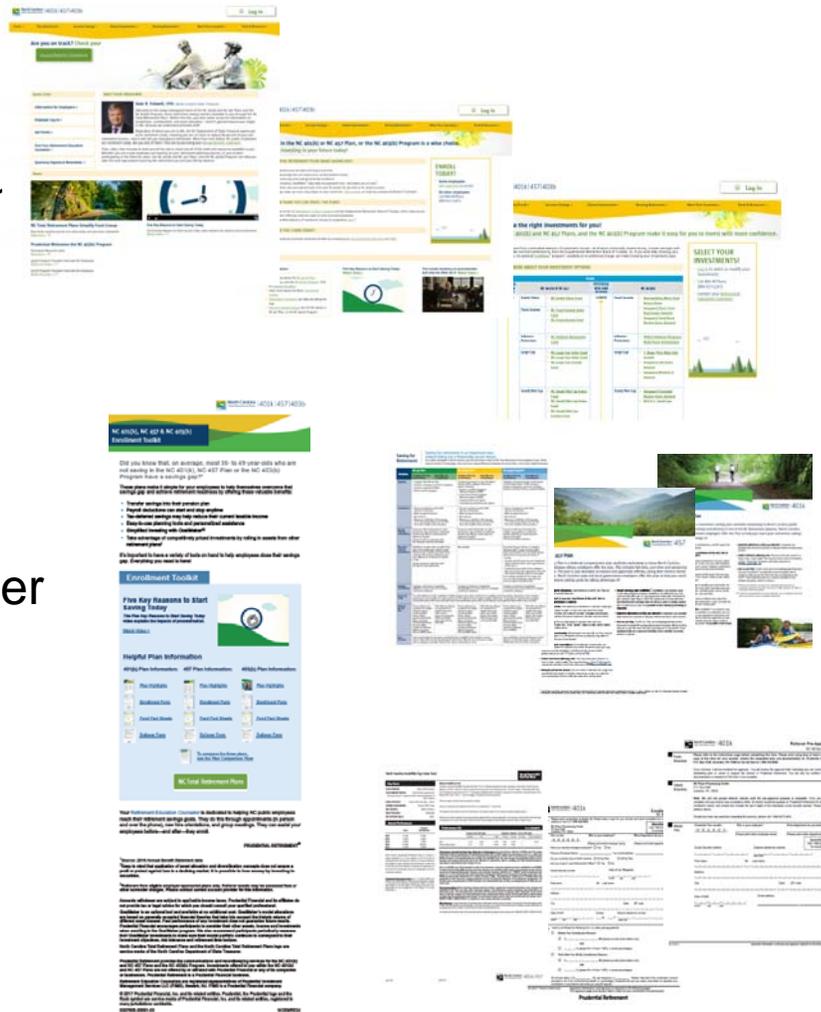
## NC 401(k) & NC 457 Communication Accomplishments 3Q '17

- (New)ABS Follow Up Enrollment Campaign
  - August
- 3 Targeted Emails to Nearing Retirees
  - July
  - August
  - September
- NC Fund Removal/Addition Participant Letter
  - 255,270 recipients



# NC 401(k) & NC 457 Communication Accomplishments 3Q '17

- 403(b) Inclusion
  - (New)Website updates
  - (New) Performance and fee documer Document
  - (New)Multi-topic Presentation
- (New)Employer Enrollment E-packet
- (New) Performance/Fee 401(k)/457 Flyer



## NC 401(k) & NC 457 Communication Accomplishments 3Q '17

- Signature Newsletter
  - 259,684 total participant statements
  - 132,006 direct mail
- Quarterly Statement Message
  - 259,684 statements
- Employer Newsletter
  - 2,692 recipients



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# Signature Newsletter

## 3Q 2017



North Carolina  
Total Retirement Plans  
401k|457|403b



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# Signature NEWSLETTER

3<sup>RD</sup> QUARTER 2017

## Choose the funds to suit your goals

One of the best ways you can help yourself achieve retirement readiness — aside from contributing as much as you can to your NC 401(k), NC 457, and/or NC 403(b) account — is to choose the investments that are aligned with your long-term goals and risk tolerance. In this issue, we share some key concepts (and a great resource) that can help you choose the investments that are best suited for you.

### In this issue...

**Staying Connected:**  
Choosing the Plan Investments that Work Best for You

**Fund Facts:**  
Fund Changes Coming to the NC 401(k) and NC 457 Plans

**Making Cents:**  
Loan Provision Addition for the NC 401(k) Plan



## A Message from North Carolina's State Treasurer

Since beginning my term as State Treasurer, I've set out to keep my promise to aggressively reduce all fees we pay to Wall Street, and we are on track to do just that. By summer, we had cut more than \$60 million in fees, which puts us on a path to cut \$240 million during my first term. To strengthen and protect the NC pension plans, as well as our NC 401(k), NC 457 Plans and the NC 403(b) Program, we'll continue our focus on increasing value and reducing complexity. In fact,

last month, four funds in the NC 401(k) and NC 457 Plans, were consolidated into two "blended" funds, further simplifying the Plans' fund line-up and reducing fees by nearly \$2.4 million for the nearly 270,000 Plan participants.

With National Retirement Security Week, October 15-21, fast approaching, now is an opportune time to reflect on your retirement goals. Are you on track to be retirement ready? In other words, are you on track to replace 80 percent of your pre-retirement income throughout retirement? Are you paying attention to fees you are paying? Are you choosing investments that match your comfort for risk and plans for retirement? (Read about the key concepts of asset allocation and diversification in this newsletter to help you answer that question.)

As Keeper of the Public Purse, you could certainly say that — for me — every day is "National Retirement Security Day." I'll keep doing my part to protect and strengthen the NC pension plan. I encourage you to use the opportunity of National Retirement Security Week to review your savings plan. You don't need to be an expert — the NC Total Retirement Plans have features that help make saving a lot less complex. Remember, at any time, you can meet face-to-face with your local retirement educational counselor for confidential assistance, too.

As Chair of the Supplemental Retirement Board of Trustees, I promise to continue strong oversight of the Plans, with a focus on lowering fees, increasing value and reducing complexity. Thank you for all you do to plan ahead for your secure retirement.

Sincerely,

Dale R. Folwell, CPA  
State Treasurer of North Carolina



## CHOOSING THE PLAN INVESTMENTS THAT WORK BEST FOR YOU

### What You Should Know Before You Begin

Choosing, and periodically reviewing, the investment mix for your NC 401(k), NC 457, and/or NC 403(b) account is one of the most important things you can do to help yourself become retirement ready. Before you begin, let's review two key investment concepts that may help you along the way:

- Asset allocation; and
- Diversification.

**Asset allocation** means investing in several funds from different asset “classes” — such as stable value, fixed income and stock/equity—to help manage investment risk. As the saying goes, this involves putting your “eggs” in multiple baskets.

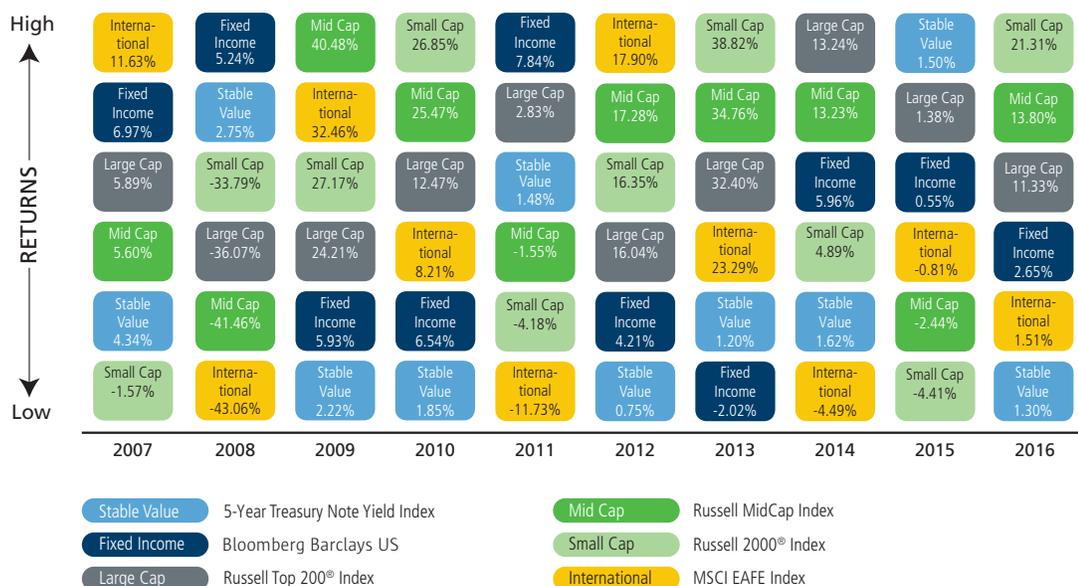
#### Asset Class Descriptions

- **Stable value** investments emphasize keeping your principal amount safe, while seeking income and access to liquid investments (cash).
- **Fixed income investments** are debts issued by corporations or governments. In exchange for an investor’s money, the corporation or government promises to repay the investor’s money at a specified date in the future and make periodic interest payments.
- **Stocks** represent shares of ownership in a corporation, whose capital (also called “cap”) is categorized based on total asset size. Companies of different sizes tend to perform in different ways over time. Stocks are classified as “large-cap,” “mid-cap,” or “small-cap.”

**Diversification** takes asset allocation one step further by spreading your money *within* each asset class among different investments in that category. Keep in mind that asset allocation and diversification do not ensure a profit or protect against loss in a declining market. **You can lose money by investing in securities.**

### Why Asset Allocation and Diversification Are So Important

It is very difficult to predict what type(s) of investment will perform well one year—and which *won't*. The chart below, which shows investment performance by asset class for the years 2007 through 2016, indicates how *true* this is. Percentages in each square identify investment performance for that asset class.



This example is as of December 31, 2016, and is for illustrative purposes only. It is not intended to represent the performance of any specific investment. For information about the funds offered in your plan, please refer to the fund fact sheets. Indexes are unmanaged—it is impossible to invest directly in an index. Past performance of investments or asset classes does not guarantee future results.

## Choosing Your Investments: Do It Yourself or Do It With Help

Regardless of which Plan(s) you participate in, you have a diversified selection of investment options from which to choose. And, your Supplemental Retirement Board of Trustees provides strong oversight of all fund managers and investments in the plans.

If you need help making your investment decisions—or if you don't have the time to choose your own investments—the plans offer GoalMaker®, an easy-to-use optional asset allocation program available to you at no additional charge.

### To change your investment choices:

Log in to your account at [NCPlans.prudential.com](https://ncplans.prudential.com) or call **866-NCPlans** (866-627-5267).

## Fund Facts

### FUND CHANGES COMING TO THE NC 401(k) AND NC 457 PLANS

The North Carolina Supplemental Retirement Board of Trustees works to ensure that the NC 401(k) and NC 457 Plans and the NC 403(b) Program help North Carolina's public servants prepare for a more secure retirement. As a key part of this effort, the Board provides continual, strong oversight of the Plans' fund investment lineup, fund managers and participant costs. Inherent in this oversight is an effort to reduce the complexity of the Plans, while increasing their value for participants.

As a result of this strong oversight, some investments in the large- and small-/mid-cap asset classes will be closed and two new funds will be created. These changes will begin to take place on **September 29, 2017**, and will affect *only* the NC 401(k) and NC 457 Plans.

#### Why are these changes being made?

The intent of these changes is to:

- **Add value**—Help manage costs for all plan participants
- **Lower complexity**—Simplify the investment options menu for the NC 401(k) and NC 457 Plans; and
- **Enhance investment offerings**—Provide new options that combine value, growth and index investment styles.

#### New Funds Will Combine Growth and Value Investing

In each asset class, two existing funds are being closed. In each asset class, a new fund will be created that consolidates growth and value investing styles, and includes an index component as well. The new funds are the NC Small/Mid Cap Core Fund and the NC Large Cap Core Fund.

#### If You Are Invested in GoalMaker ...

The GoalMaker portfolios will be modified to reflect these changes to the plans' investment lineup. If you are invested in GoalMaker, your portfolios will be adjusted *automatically* once these changes take place.

For information on these fund changes, visit [NCPlans.prudential.com](https://ncplans.prudential.com) or contact a Retirement Education Counselor. To find your counselor, visit [NCPlans.prudential.com](https://ncplans.prudential.com) or call **866-NCPlans** (866-627-5267).



**No action is required on your part.**

*While this fund update is for your information only, this would be a good time to review your investments and make any adjustments you feel are needed. Why not take this time to review your asset allocation and diversification?*





### LOAN PROVISION ADDITION FOR THE NC 401(k) PLAN

Plan participants may borrow from their NC 401(k) Plan account to purchase a primary residence and will have up to 15 years to repay their plan loan. (This provision is already in effect for NC 457 Plan participants.) For more information, call **866-NCPlans** (866-627-5267).

#### PRUDENTIAL RETIREMENT®

Prudential Retirement provides the communications and recordkeeping services for the NC 401(k) and NC 457 Plans and the NC 403(b) Program. Investments offered to you within the NC 401(k) and NC 457 Plans are not offered by or affiliated with Prudential Financial or any of its companies or businesses. Prudential Retirement is a Prudential Financial business.

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

Go to [NCPlans.prudential.com](http://NCPlans.prudential.com) for information on NC Total Retirement Plans or to access your account. 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.

5-Year Treasury Average Yield: The average daily treasury yield for U.S. Treasury Notes with a maturity of five years (negotiable debt obligations of the U.S. Government, considered intermediate in maturity).

MSCI EAFE Index (Europe, Australasia, Far East) Index is a broad-based, unmanaged, market-capitalization-weighted total return index which measures the performance of 21 developed-country global stock markets.

Bloomberg Barclays US Aggregate Bond Index represents securities that are U.S. domestic, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

Russell Midcap Index: A market capitalization-weighted index that measures the performance of the 800 smallest companies in the Russell 1000 Index, which represents approximately 31% of the total market capitalization of the Russell 1000 Index.

Russell 2000 Index: The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

The Russell Top 200 Index measures the performance of the largest cap segment of the U.S. equity universe. The Russell Top 200 is a subset of the Russell 3000® Index. It includes approximately 200 of the largest securities based on a combination of their market cap and current index membership and represents approximately 68% of the U.S. market.

Each index is presented to help you evaluate the performance of the broad market which they represent, and provide you with an understanding of that market's historic long-term performance. It is an unmanaged weighted index providing a broad indicator of price movement. Individual investors cannot invest directly in an index.

GoalMaker is an optional tool and available at no additional cost. GoalMaker's model allocations are based on generally accepted financial theories that take into account the historic returns of different asset classes. Past performance of any investment does not guarantee future results. Prudential Financial encourages participants to consider their other assets, income and investments when enrolling in the GoalMaker program. We also recommend participants periodically reassess their GoalMaker investments to make sure their model portfolio continues to correspond to their investment objectives, risk tolerance and retirement time horizon.

Application of asset allocation and diversification concepts does not ensure safety of investments. You can lose money by investing in securities.

Retirement Education Counselors are registered representatives of Prudential Investment Management Services LLC (PIMS), Newark, NJ, and a Prudential Financial company.

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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.

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Thank you



**Prudential**

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