



North Carolina Total Retirement Plans

1Q 2018 Board of Trustees Report

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

On: June 21, 2018

As of: March 31, 2018

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



For Plan Sponsor or Consultant Use Only



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Table of Contents	Page
• Goals and Summaries of Plans	8
• NC 401(k), 457 and 403(b) Deferred Compensation Plan Results	13
• Participant Service & Retirement Security Education Activity	43
• Plan Adoptions and Employer Contribution Updates	46
• Communication Accomplishments 1Q 2018	51
• Signature Newsletter 1Q 2018	57

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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.

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Prudential's Book of Business averages are as of 3/31/2018

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

57.56% of all active NC public servants are "retirement ready." 72.23% of all active NC public servants with a 401(k), 457 and/or 403(b) plan 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 67% in 2018:

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

Sub Goal	As of 3/31/2018	Stretch Goal	% to Stretch Goal	Contractual Goal	% to Contractual Goal
Average Monthly Contributions	\$193.52	\$180.61	107.15%	\$166.46	116.26%
Active Participation Rate	32.70%	28.99%	112.80%	28.56%	114.50%
GoalMaker Utilization Among New Members	94.63%	93%	101.75%	80%	118.29%
GoalMaker Utilization Among All Members	62.93%	57%	110.40%	N/A	N/A

1 Employer adopted the 401(k) Plan from the period of January 1, 2018 through March 31, 2018

10 Employers adopted the 457 Plan from the period of January 1, 2018 through March 31, 2018

4 Employers adopted the 403(b) Plan from the period of January 1, 2018 through March 31, 2018

As of 3/31/2018	
Consolidated Total Plan Assets	\$11,278,277,697
Consolidated Unique Participant Count	274,597

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

Investment Option	Asset Class	3/31/2016		# Participants Utilizing 3/31/2016		3/31/2017		# Participants Utilizing 3/31/2017		3/31/2018		# Participants Utilizing 3/31/2018	
		\$	%		%	\$	%		%	\$	%		%
North Carolina Stable Value Fund	Stable Value	\$2,355,048,409	25.86%	228,794		\$2,477,229,077	24.33%	232,661		\$2,550,268,963	22.64%	237,380	
North Carolina Fixed Income Fund	Fixed Income	\$612,325,553	6.72%	183,251		\$677,566,145	6.66%	190,174		\$749,515,542	6.65%	197,861	
North Carolina Fixed Income Index Fund	Fixed Income	\$389,801,071	4.28%	153,370		\$456,426,237	4.48%	162,925		\$532,015,806	4.72%	172,379	
North Carolina Large Cap Core Fund	Large-Cap Stock	\$0	0.00%	0		\$0	0.00%	0		\$2,136,954,777	18.97%	262,531	
North Carolina Large Cap Growth Fund	Large-Cap Stock	\$870,650,349	9.56%	239,350		\$943,124,927	9.26%	246,251		\$0	0.00%	0	
North Carolina Large Cap Index Fund	Large-Cap Stock	\$1,289,447,769	14.16%	239,271		\$1,450,574,788	14.25%	246,728		\$1,614,915,335	14.34%	256,400	
North Carolina Large Cap Value Fund	Large-Cap Stock	\$858,149,429	9.42%	239,205		\$977,752,811	9.60%	246,416		\$0	0.00%	0	
North Carolina Small / Mid Cap Core Fund	Small-Cap Stock	\$0	0.00%	0		\$0	0.00%	0		\$1,025,355,034	9.10%	220,540	
North Carolina Small/Mid Cap Growth Fund	Small-Cap Stock	\$345,842,039	3.80%	190,082		\$397,123,869	3.90%	200,592		\$0	0.00%	0	
North Carolina Small/Mid Cap Index Fund	Small-Cap Stock	\$215,661,211	2.37%	24,437		\$258,549,590	2.54%	23,744		\$290,592,040	2.58%	23,614	
North Carolina Small/Mid Cap Value Fund	Small-Cap Stock	\$445,587,848	4.89%	198,294		\$525,929,647	5.17%	208,418		\$0	0.00%	0	
North Carolina Global Equity Fund	Global Stock	\$775,488,986	8.52%	183,920		\$909,876,417	8.94%	194,686		\$1,051,619,077	9.34%	206,850	
North Carolina Inflation Responsive Fund	Specialty	\$358,434,459	3.94%	177,981		\$427,085,225	4.19%	189,654		\$505,966,302	4.49%	201,446	
North Carolina International Fund	International Stock	\$546,145,984	6.00%	205,435		\$628,525,236	6.17%	214,505		\$730,410,226	6.48%	225,328	
North Carolina International Index Fund	International Stock	\$44,557,565	0.49%	6,556		\$51,177,284	0.50%	6,533		\$76,731,546	0.68%	7,394	
Total Plan Assets		\$9,107,140,673	100.00%			\$10,180,941,255	100.00%			\$11,264,344,648	100.00%		

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 March 31, 2018 was 273,602.

The average monthly employee deferral from April 1, 2017 to March 31, 2018 was \$193.13 for the Combined 401(k) and 457 Plans.

The average active participation rate from April 1, 2017 to March 31, 2018 was 32.50% for the Combined 401(k) and 457 Plans.

The GoalMaker utilization among new members as of March 31, 2018 was 94.77% for the Combined 401(k) and 457 Plans.

The GoalMaker utilization among members as of March 31 2018 was 62.92% for the Combined 401(k) and 457 Plans.

Asset Allocation By Fund – 401(k) Plan

Investment Option	Asset Class	3/31/2016		# Participants Utilizing		3/31/2017		3/31/2018				
		\$	%	3/31/2016	%	3/31/2017	%	3/31/2018	%			
North Carolina Stable Value Fund	Stable Value	\$1,958,647,412	24.64%	185,434	23.27%	\$2,072,983,013	23.27%	188,257	21.73%	\$2,146,372,172	21.73%	192,248
North Carolina Fixed Income Fund	Fixed Income	\$538,419,449	6.77%	150,663	6.67%	\$594,512,824	6.67%	155,717	6.66%	\$657,744,996	6.66%	161,990
North Carolina Fixed Income Index Fund	Fixed Income	\$349,477,921	4.40%	125,184	4.59%	\$409,033,737	4.59%	132,502	4.82%	\$475,550,794	4.82%	140,250
North Carolina Large Cap Core Fund	Large-Cap Stock	\$0	0.00%	0	0.00%	\$0	0.00%	0	18.99%	\$1,875,777,040	18.99%	215,768
North Carolina Large Cap Growth Fund	Large-Cap Stock	\$758,298,748	9.54%	197,780	9.25%	\$823,792,492	9.25%	202,744	0.00%	\$0	0.00%	0
North Carolina Large Cap Index Fund	Large-Cap Stock	\$1,147,591,381	14.44%	200,397	14.46%	\$1,287,833,719	14.46%	205,526	14.51%	\$1,433,019,238	14.51%	213,087
North Carolina Large Cap Value Fund	Large-Cap Stock	\$756,171,154	9.51%	198,236	9.69%	\$863,494,690	9.69%	203,428	0.00%	\$0	0.00%	0
North Carolina Small / Mid Cap Core Fund	Small-Cap Stock	\$0	0.00%	0	0.00%	\$0	0.00%	0	8.84%	\$872,870,406	8.84%	177,087
North Carolina Small/Mid Cap Growth Fund	Small-Cap Stock	\$294,308,044	3.70%	151,513	3.81%	\$339,554,876	3.81%	159,862	0.00%	\$0	0.00%	0
North Carolina Small/Mid Cap Index Fund	Small-Cap Stock	\$198,187,517	2.49%	22,953	2.64%	\$234,872,747	2.64%	22,136	2.67%	\$263,556,175	2.67%	21,881
North Carolina Small/Mid Cap Value Fund	Small-Cap Stock	\$374,287,063	4.71%	159,339	4.96%	\$441,922,253	4.96%	167,252	0.00%	\$0	0.00%	0
North Carolina Global Equity Fund	Global Stock	\$723,169,110	9.10%	150,884	9.50%	\$846,087,461	9.50%	159,085	9.86%	\$974,027,004	9.86%	168,927
North Carolina Inflation Responsive Fund	Specialty	\$331,947,441	4.18%	145,913	4.43%	\$394,545,042	4.43%	154,844	4.72%	\$466,293,470	4.72%	164,353
North Carolina International Fund	International Stock	\$485,347,940	6.11%	166,297	6.29%	\$560,681,945	6.29%	173,302	6.59%	\$650,379,349	6.59%	182,196
North Carolina International Index Fund	International Stock	\$33,930,490	0.43%	5,460	0.44%	\$39,218,143	0.44%	5,416	0.61%	\$59,782,296	0.61%	6,128
Total Plan Assets		\$7,949,783,669	100.00%			\$8,908,532,943	100.00%			\$9,875,372,940	100.00%	

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

The total number of unique participants in the 401(k) Plan as of March 31, 2018 was 251,142.

The average monthly employee deferral from April 1, 2017 to March 31, 2018 was \$175.40 for the 401(k) Plan.

The average active participation rate from April 1, 2017 to March 31, 2018 was 29.34% for the 401(k) Plan.

The GoalMaker utilization among new members as of March 31, 2018 was 94.98% for the 401(k) Plan.

The GoalMaker utilization among members as of March 31, 2018 was 63.68% for the 401(k) Plan.

Asset Allocation By Fund – 457 Plan

Investment Option	Asset Class	# Participants Utilizing			# Participants Utilizing			# Participants Utilizing		
		3/31/2016	%	3/31/2016	3/31/2017	%	3/31/2017	3/31/2018	%	3/31/2018
North Carolina Stable Value Fund	Stable Value	\$396,400,996	34.25%	43,360	\$404,246,065	31.77%	44,404	\$403,896,791	29.08%	45,132
North Carolina Fixed Income Fund	Fixed Income	\$73,906,105	6.39%	32,588	\$83,053,321	6.53%	34,457	\$91,770,546	6.61%	35,871
North Carolina Fixed Income Index Fund	Fixed Income	\$40,323,150	3.48%	28,186	\$47,392,500	3.72%	30,423	\$56,465,012	4.07%	32,129
North Carolina Large Cap Core Fund	Large-Cap Stock	\$0	0.00%	0	\$0	0.00%	0	\$261,177,738	18.80%	46,763
North Carolina Large Cap Growth Fund	Large-Cap Stock	\$112,351,601	9.71%	41,570	\$119,332,435	9.38%	43,507	\$0	0.00%	0
North Carolina Large Cap Index Fund	Large-Cap Stock	\$141,856,389	12.26%	38,874	\$162,741,069	12.79%	41,202	\$181,896,097	13.10%	43,313
North Carolina Large Cap Value Fund	Large-Cap Stock	\$101,978,276	8.81%	40,969	\$114,258,121	8.98%	42,988	\$0	0.00%	0
North Carolina Small / Mid Cap Core Fund	Small-Cap Stock	\$0	0.00%	0	\$0	0.00%	0	\$152,484,628	10.98%	43,453
North Carolina Small/Mid Cap Growth Fund	Small-Cap Stock	\$51,533,995	4.45%	38,569	\$57,568,994	4.52%	40,730	\$0	0.00%	0
North Carolina Small/Mid Cap Index Fund	Small-Cap Stock	\$17,473,694	1.51%	1,484	\$23,676,842	1.86%	1,608	\$27,035,865	1.95%	1,733
North Carolina Small/Mid Cap Value Fund	Small-Cap Stock	\$71,300,786	6.16%	38,955	\$84,007,394	6.60%	41,166	\$0	0.00%	0
North Carolina Global Equity Fund	Global Stock	\$52,319,877	4.52%	33,036	\$63,788,956	5.01%	35,601	\$77,592,073	5.59%	37,923
North Carolina Inflation Responsive Fund	Specialty	\$26,487,018	2.29%	32,068	\$32,540,182	2.56%	34,810	\$39,672,832	2.86%	37,093
North Carolina International Fund	International Stock	\$60,798,044	5.25%	39,138	\$67,843,292	5.33%	41,203	\$80,030,878	5.76%	43,132
North Carolina International Index Fund	International Stock	\$10,627,075	0.92%	1,096	\$11,959,141	0.94%	1,117	\$16,949,249	1.22%	1,266
Total Plan Assets		\$1,157,357,004	100.00%		\$1,272,408,312	100.00%		\$1,388,971,708	100.00%	

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 March 31, 2018 was 54,265.

The average monthly employee deferral from April 1, 2017 to March 31, 2018 was \$143.70 for the 457 Plan.

The average active participation rate from April 1, 2017 to March 31, 2018 was 11.16% for the 457 Plan.

The GoalMaker utilization among new members as of March 31, 2018 was 94.09% for the 457 Plan.

The GoalMaker utilization among members as of March 31, 2018 was 67.10% for the 457 Plan.

Asset Allocation By Fund – 403(b) Plan

Investment Option	Asset Class	3/31/2017		# Participants Utilizing		3/31/2018	
		3/31/2017	%	3/31/2017	3/31/2018	%	3/31/2018
Metropolitan West Total Return Bd Plan	Fixed Income	\$1,063,893	10.34%	1,052	\$1,128,300	8.10%	1,042
Vanguard Short-Term Bond Index Adm	Fixed Income	\$1,878,882	18.26%	881	\$2,257,987	16.21%	885
Vanguard Total Bond Market Index Adm	Fixed Income	\$847,837	8.24%	1,024	\$1,291,658	9.27%	1,030
T. Rowe Price Blue Chip Growth I	Large-Cap Stock	\$622,993	6.06%	834	\$974,725	7.00%	863
Vanguard 500 Index Admiral	Large-Cap Stock	\$1,998,356	19.43%	1,158	\$2,686,213	19.28%	1,173
Vanguard Windsor II Admiral	Large-Cap Stock	\$735,922	7.15%	1,057	\$978,440	7.02%	1,062
Vanguard Extended Market Index Admiral	Mid-Cap Stock	\$733,170	7.13%	382	\$934,653	6.71%	366
DFA US Small Cap I	Small-Cap Stock	\$637,314	6.20%	973	\$1,079,908	7.75%	994
PIMCO Inflation Response MultiAsst Instl	Specialty	\$461,581	4.49%	792	\$736,296	5.28%	820
MFS Instl International Equity	International Stock	\$1,192,141	11.59%	1,025	\$1,702,929	12.22%	1,038
Vanguard Total Intl Stock Index Admiral	International Stock	\$114,933	1.12%	55	\$161,940	1.16%	66
Total Plan Assets		\$10,287,024	100.00%		\$13,933,049	100.00%	

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 March 31, 2018 was 1,212.

The average monthly employee deferral from April 1, 2017 to March 31, 2018 was \$238.09 for the 403(b) Plan.

The average active participation rate from April 1, 2017 to March 31, 2018 was 1.36% for the 403(b) Plan.

The GoalMaker utilization among new members as of March 31, 2018 was 72.73% for the 403(b) Plan.

The GoalMaker utilization among members as of March 31, 2018 was 59.82% for the 403(b) Plan.

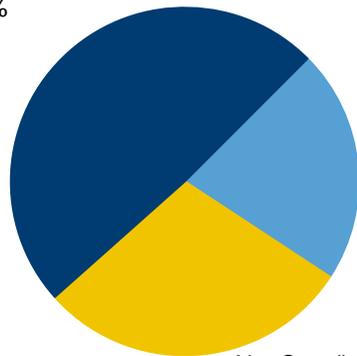
North Carolina Total Retirement Plans

401(k) Plan				
	1Q 2017	1Q 2018	Difference #	Difference %
Members with an Account Balance	246,261	251,142	4,881	1.98%
Average Account Balance	\$36,175	\$39,322	\$3,147	8.70%
Median Account Balance	\$11,856	\$12,359	\$503	4.24%

401(k) Plan Percentage Gain						
	Assets (3/31/2017)	Contributions	Distributions	Earnings	Assets (3/31/2018)	Percentage Gain
NC 401(k) Plan	\$8,908,532,943	\$544,282,673	\$503,746,389	\$926,303,712	\$9,875,372,940	10.35%

401(k) Member Breakdown

Active -
Contributing,
49.07%



Term/Retired,
21.74%

Not Contributing,
29.19%



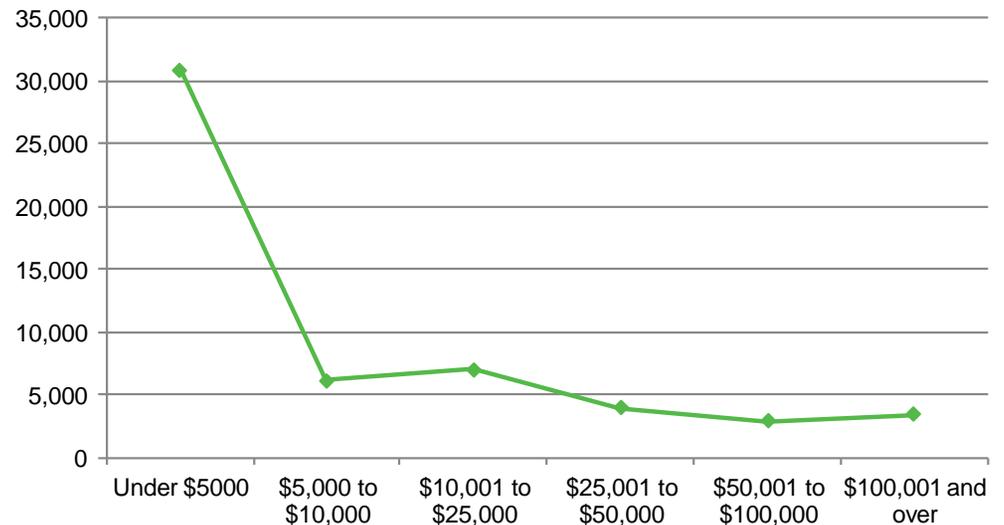
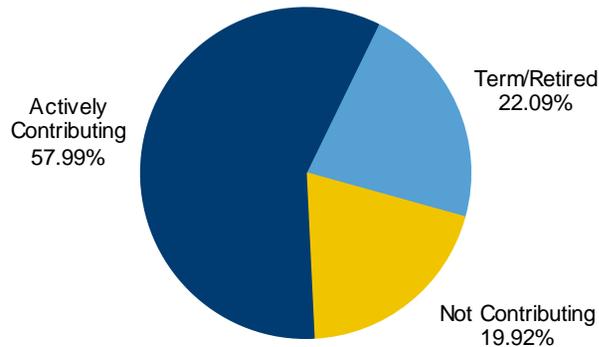
Member breakdown reflects status on recordkeeping system updated from limited indicative data received from employers which may cause the active status to be inflated

North Carolina Total Retirement Plans

457 Plan				
	1Q 2017	1Q 2018	Difference #	Difference %
Members with an Account Balance	52,884	54,265	1,381	2.61%
Average Account Balance	\$24,060	\$25,596	\$1,536	6.38%
Median Account Balance	\$3,051	\$3,305	\$254	8.33%

457 Plan Percentage Gain						
	Assets (3/31/2017)	Contributions	Distributions	Earnings	Assets (3/31/2018)	Percentage Gain
NC 457 Plan	\$1,272,408,312	\$78,576,048	\$81,064,772	\$119,052,120	\$1,388,971,708	9.37%

457 Member Breakdown



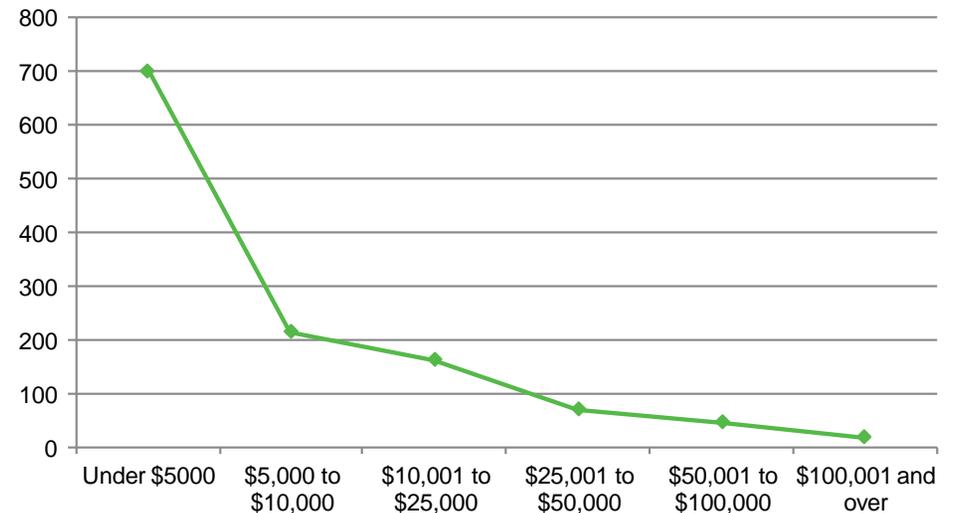
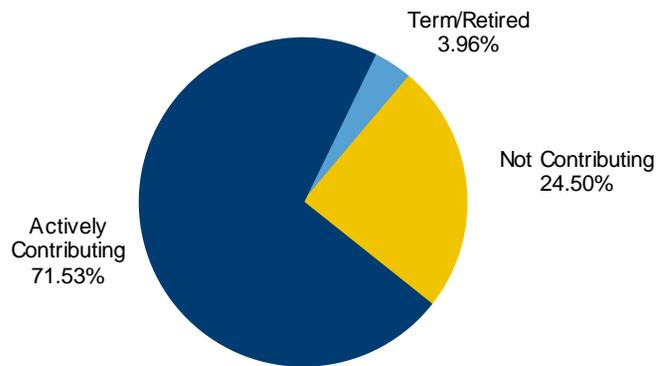
Member breakdown reflects status on recordkeeping system updated from limited indicative data received from employers which may cause the active status to be inflated

North Carolina Total Retirement Plans

403(b) Plan				
	1Q2017	1Q2018	Difference #	Difference %
Members with an Account Balance	1,196	1,212	16	1.34%
Average Account Balance	\$8,601	\$11,496	\$2,895	33.66%
Median Account Balance	\$2,907	\$4,248	\$1,341	46.13%

403(b) Plan Percentage Gain						
	Assets (3/31/2017)	Contributions	Distributions	Earnings	Assets (3/31/2018)	Percentage Gain
NC 457 Plan	\$10,287,024	\$3,556,787	\$479,054	\$568,292	\$13,933,049	4.25%

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

	1Q 2015	1Q 2016	1Q 2016 % of Change	1Q 2017	1Q 2017 % of Change	1Q 2018	1Q 2018 % of Change
Enrollments	4,065	3,727	-9.07%	4,024	7.97%	3,755	-6.68%
% of New Hires Enrolled in Plan	67.42%	44.45%	-51.69%	38.57%	-13.23%	39.85%	3.33%
GoalMaker Elections	3,746	3,464	-8.14%	3,535	2.05%	3,528	-0.20%
Contribution Changes							
Deferral Decreases	2,264	4,291	89.53%	5,384	25.47%	3,493	-35.12%
Deferral Increases	8,050	5,877	-26.99%	7,634	29.90%	9,421	23.41%
Pre-tax Participation Rate	20.42%	20.48%	0.29%	21.16%	3.32%	21.09%	-0.33%
Roth Participation Rate	7.31%	7.89%	7.93%	8.29%	5.07%	8.49%	2.41%
Voluntary (Employee & Roth) Participation Rate	27.50%	26.24%	-4.58%	27.15%	3.47%	27.14%	-0.04%

401(k) Plan Quarterly Enrollments & Contribution Change Method

	1Q 2015	1Q 2016	1Q 2017	1Q 2018
Method of Enrollment				
Paper Form	76.54%	75.15%	75.51%	78.62%
Pseudo Enrollment	16.68%	17.35%	16.77%	18.08%
Internet	6.78%	7.50%	7.72%	3.30%
Method of Contribution Change				
Internet	98.50%	99.31%	99.74%	96.13%
Paper Form	1.10%	0.31%	0.08%	3.37%
Participant Service Center	0.09%	0.03%	0.01%	0.45%
VRU	0.31%	0.35%	0.17%	0.05%

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

	1Q 2015	1Q 2016	1Q 2016 % of Change	1Q 2017	1Q 2017 % of Change	1Q 2018	1Q 2018 % of Change
Enrollments	1,554	1,085	-30.18%	1,363	25.62%	1,356	-0.51%
% of New Hires Enrolled in Plan	42.11%	20.29%	-51.82%	18.95%	-6.60%	20.05%	5.82%
GoalMaker Elections	1,411	949	-32.74%	1,263	33.09%	1,281	1.43%
Contribution Changes							
Deferral Decreases	751	1,074	43.01%	3,680	242.64%	708	-80.76%
Deferral Increases	1,894	1,372	-27.56%	1,706	24.34%	1,728	1.29%
Pre-tax Participation Rate	10.51%	10.39%	-1.14%	10.00%	-3.75%	9.35%	-0.65%
Roth Participation Rate	1.13%	1.31%	15.93%	1.52%	16.03%	1.71%	12.50%
Voluntary (Employee & Roth) Participation Rate	11.19%	11.24%	0.45%	10.62%	-5.52%	10.24%	-3.58%

457 Plan Quarterly Enrollments & Contribution Change Method

	1Q 2015	1Q 2016	1Q 2017	1Q 2018
Method of Enrollment				
Paper Form	89.84%	86.14%	85.00%	93.66%
Pseudo Enrollment	1.48%	2.13%	3.60%	2.29%
Internet	8.68%	11.74%	11.40%	4.06%
Method of Contribution Change				
Internet	98.69%	99.76%	99.95%	99.68%
Paper Form	0.96%	0.18%	0.00%	0.00%
Participant Service Center	0.11%	0.00%	0.05%	0.32%
VRU	0.24%	0.06%	0.00%	0.00%

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.

403(b) Plan YTD Enrollments & Contribution Changes

	2Q 2017	3Q 2017	3Q 2017 % of Change	4Q 2017	4Q 2017 % of Change	1Q 2018	1Q 2018 % of Change
Enrollments	6	15	150.00%	28	86.67%	25	-10.71%
% of New Hires Enrolled in Plan	1.88%	0.32%	-82.98%	2.18%	574.01%	1.66%	-23.80%
GoalMaker Elections	5	8	60.00%	19	137.50%	17	-10.53%
Contribution Changes							
Deferral Decreases	12	8	-33.33%	7	-12.50%	21	200.00%
Deferral Increases	18	21	16.67%	27	28.57%	34	25.93%
Pre-tax Participation Rate	1.17%	1.12%	-4.27%	1.05%	-6.62%	1.04%	-0.95%
Roth Participation Rate	0.32%	0.31%	0.00%	0.29%	-6.34%	0.27%	-6.90%
Voluntary (Employee & Roth) Participation Rate	1.39%	1.34%	-3.60%	1.25%	-6.38%	1.24%	-0.80%

403(b) Plan YTD Enrollments & Contribution Change Method

	2Q 2017	3Q 2017	4Q 2017	1Q 2018
Method of Enrollment				
Paper Form	100.00%	100.00%	100.00%	93.66%
Pseudo Enrollment	0.00%	0.00%	0.00%	2.29%
Internet	0.00%	0.00%	0.00%	4.06%
Method of Contribution Change				
Internet	100.00%	100.00%	100.00%	100.00%
Paper	0.00%	0.00%	0.00%	0.00%
Participant Service Center	0.00%	0.00%	0.00%	0.00%
VRU	0.00%	0.00%	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.

North Carolina Total Retirement Plans

401(k) Contributions

	1Q 2015	1Q 2016	1Q 2016 Change %	1Q 2017	1Q 2017 Change %	1Q 2018	1Q 2018 Change %
Employee Contributions	\$53,254,463	\$54,132,538	1.65%	\$57,625,052	6.45%	\$60,309,379	4.66%
Roth	\$9,033,706	\$10,034,926	11.08%	\$11,157,798	11.19%	\$13,199,331	18.30%
Total Employee Contributions	\$62,288,170	\$64,167,464	3.02%	\$68,782,850	7.19%	\$73,508,710	6.87%
Employer Contributions	\$43,658,639	\$45,117,792	3.34%	\$48,115,881	6.65%	\$50,313,657	4.57%
Rollovers	\$12,090,810	\$11,055,210	-8.57%	\$14,992,583	35.62%	\$17,384,649	15.95%
Total Contributions	\$118,037,619	\$120,340,466	1.95%	\$131,891,314	9.60%	\$141,207,016	7.06%
Average Voluntary Contributions	\$161	\$173	7.41%	\$192	10.94%	\$207	8.07%
Average Roth Contributions	\$93	\$95	1.35%	\$101	7.02%	\$115	13.57%
Average Employee Contributions	\$184	\$186	0.86%	\$179	-3.37%	\$196	9.22%

457 Contributions

	1Q 2015	1Q 2016	1Q 2016 Change %	1Q 2017	1Q 2017 Change %	1Q 2018	1Q 2018 Change %
Employee Contributions	\$13,888,773	\$13,689,750	-1.43%	\$14,829,691	8.33%	\$14,841,736	0.08%
Roth	\$846,874	\$989,083	16.79%	\$1,214,939	22.83%	\$1,791,984	47.50%
Total Employee Contributions	\$14,735,647	\$14,678,833	-0.39%	\$16,044,630	100.00%	\$16,633,720	3.67%
Employer Contributions	\$327,006	\$353,067	0.00%	\$470,987	0.00%	\$719,061	52.67%
Rollovers	\$3,582,037	\$2,417,573	-32.51%	\$2,553,919	5.64%	\$3,362,547	31.66%
Total Contributions	\$18,644,689	\$17,449,473	-6.41%	\$19,069,536	9.28%	\$20,715,328	8.63%
Average Voluntary Contributions	\$142	\$134	-5.41%	\$144	7.29%	\$163	13.38%
Average Roth Contributions	\$137	\$126	-8.46%	\$120	-4.44%	\$134	11.69%
Average Employee Contributions	\$142	\$135	-5.12%	\$147	9.08%	\$166	12.99%

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					
	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2018 Change %
Employee Contributions	\$553,957	\$388,250	\$638,386	\$503,833	-21.08%
Roth	\$87,070	\$58,275	\$92,066	\$77,085	-16.27%
Total Employee Contributions	\$641,027	\$446,525	\$730,452	\$580,918	-20.47%
Employer Contributions	\$0	\$0	\$100	\$100	0.00%
Rollovers	\$0	\$190,890	\$165,314	\$259,655	57.07%
Total Contributions	\$641,027	\$637,415	\$895,866	\$840,673	-6.16%
Average Voluntary Contributions	\$275	\$216	\$285	\$226	-20.70%
Average Roth Contributions	\$177	\$124	\$189	\$161	-14.81%
Average Employee Contributions	\$261	\$203	\$272	\$326	19.85%

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

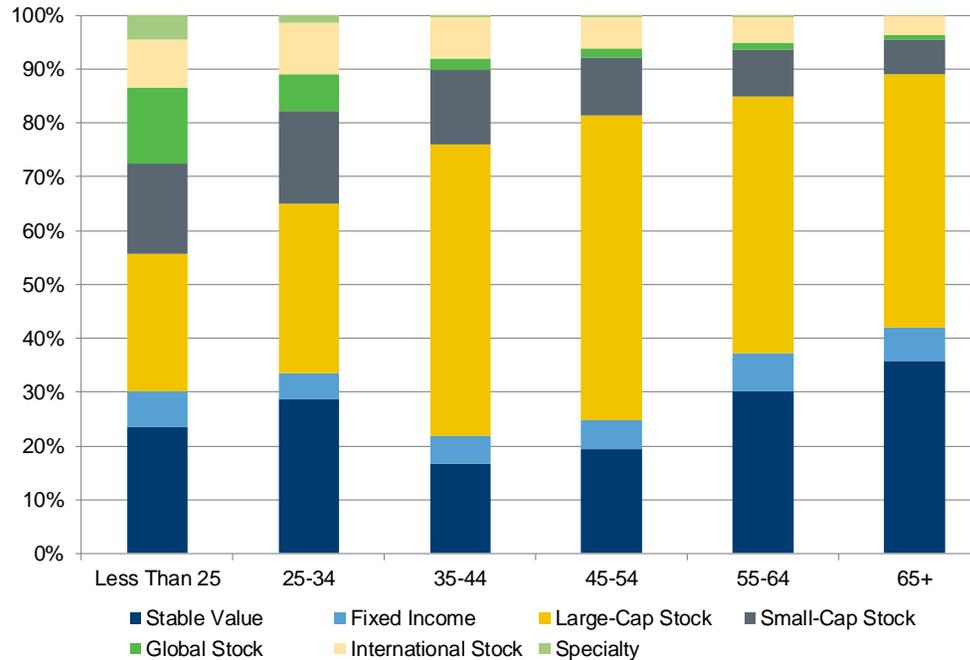
	3/31/2015	3/31/2016	3/31/2017	3/31/2018
Total Plan Assets in GoalMaker	\$3,439,314,807	\$3,526,593,516	\$4,107,685,123	\$4,722,269,956
Total # of Participants in GoalMaker	139,969	144,410	151,047	159,925
Year to Date % of New Enrollments with Goalmaker Election	92.11%	92.45%	88.07%	93.95%
Total Participation Rate	56.14%	59.04%	61.34%	63.68%
Prudential's Book of Business GoalMaker Average Participation Rate*	45.19%	47.29%	49.98%	50.42%
Total % of Assets	43.10%	44.36%	46.11%	47.82%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	1,282	2,994	1,275	5,551
Age 25-34	7,907	17,571	10,093	35,571
Age 35-44	7,820	19,570	12,498	39,888
Age 45-54	8,578	20,867	11,293	40,738
Age 55-64	8,774	15,427	5,483	29,684
Age 65+	3,094	4,070	1,329	8,493
Total	37,455	80,499	41,971	159,925

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	\$2,898,368.00	\$7,270,593.06	\$3,761,178.24	\$13,930,139
Age 25-34	\$54,830,395.00	\$150,095,318.49	\$149,800,857.31	\$354,726,571
Age 35-44	\$103,423,976.00	\$398,722,445.07	\$445,568,164.85	\$947,714,586
Age 45-54	\$214,346,000.00	\$701,177,695.93	\$642,648,729.15	\$1,558,172,425
Age 55-64	\$320,214,219.00	\$660,425,895.06	\$338,719,605.80	\$1,319,359,720
Age 65+	\$171,189,831.00	\$244,165,966.40	\$113,010,717.49	\$528,366,515
Total	\$866,902,789	\$2,161,857,914	\$1,693,509,253	\$4,722,269,956

*Prudential's Defined Contribution book of business average as of 3/31/2018.

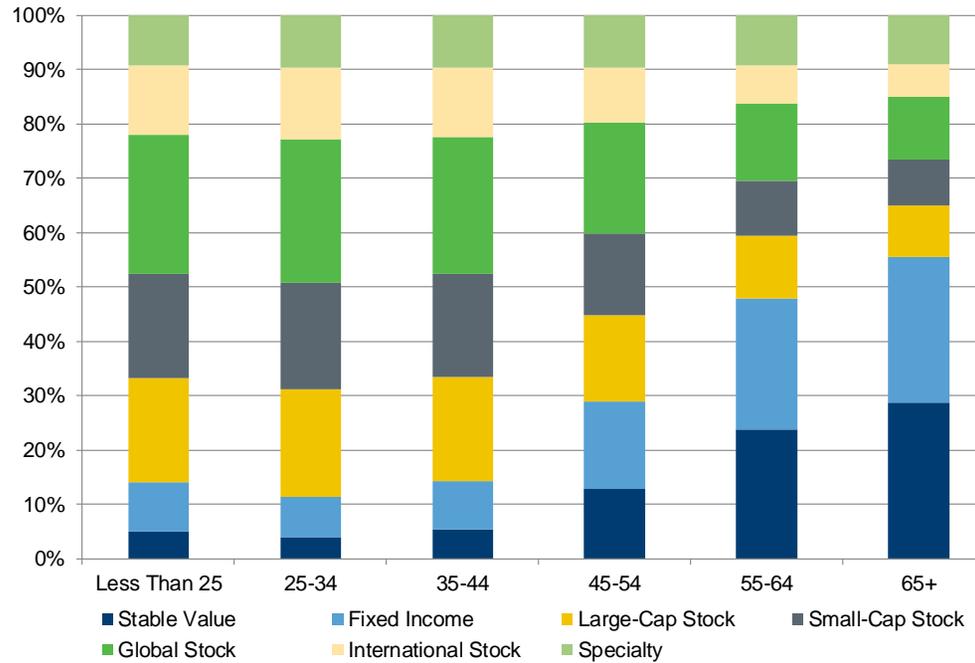
401(k) Asset Allocation by Age Group – Assets Not in GoalMaker As of March 31, 2018



Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$307,413	\$12,578,790	\$78,340,517	\$284,061,448	\$511,163,017	\$527,140,987	\$1,413,592,173
Fixed Income	\$86,785	\$2,077,318	\$25,055,813	\$77,900,731	\$118,689,153	\$92,259,667	\$316,069,467
Large-Cap Stock	\$334,904	\$13,774,504	\$255,222,931	\$829,671,496	\$811,759,600	\$693,263,299	\$2,604,026,734
Small-Cap Stock	\$219,363	\$7,524,831	\$65,078,335	\$158,109,094	\$146,002,317	\$94,638,444	\$471,572,383
Global Stock	\$184,481	\$3,056,922	\$10,526,113	\$23,707,913	\$22,228,499	\$11,204,305	\$70,908,233
International Stock	\$117,561	\$4,185,377	\$35,614,362	\$86,092,003	\$80,984,804	\$50,823,760	\$257,817,868
Specialty	\$58,687	\$602,712	\$2,200,097	\$5,722,011	\$6,799,041	\$3,733,578	\$19,116,126
Total Assets	\$1,309,195	\$43,800,454	\$472,038,167	\$1,465,264,697	\$1,697,626,430	\$1,473,064,041	\$5,153,102,983
% Assets	0.03%	0.85%	9.16%	28.43%	32.94%	28.59%	100.00%
Total Participants	370	3,645	14,421	28,328	25,974	18,479	91,217
Average Account Balance	\$3,538	\$12,017	\$32,733	\$51,725	\$65,359	\$79,716	\$56,493

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.

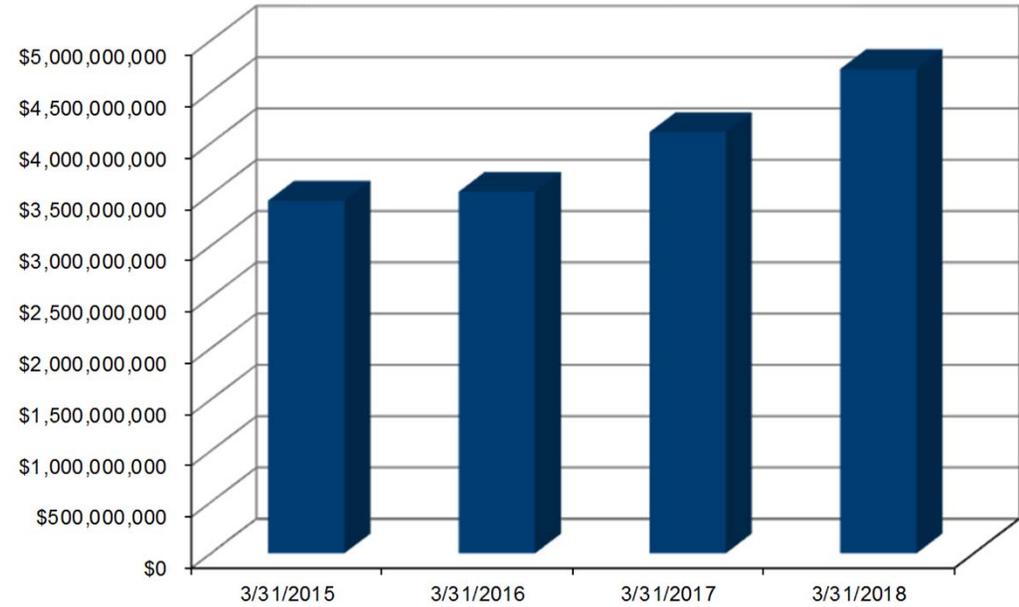
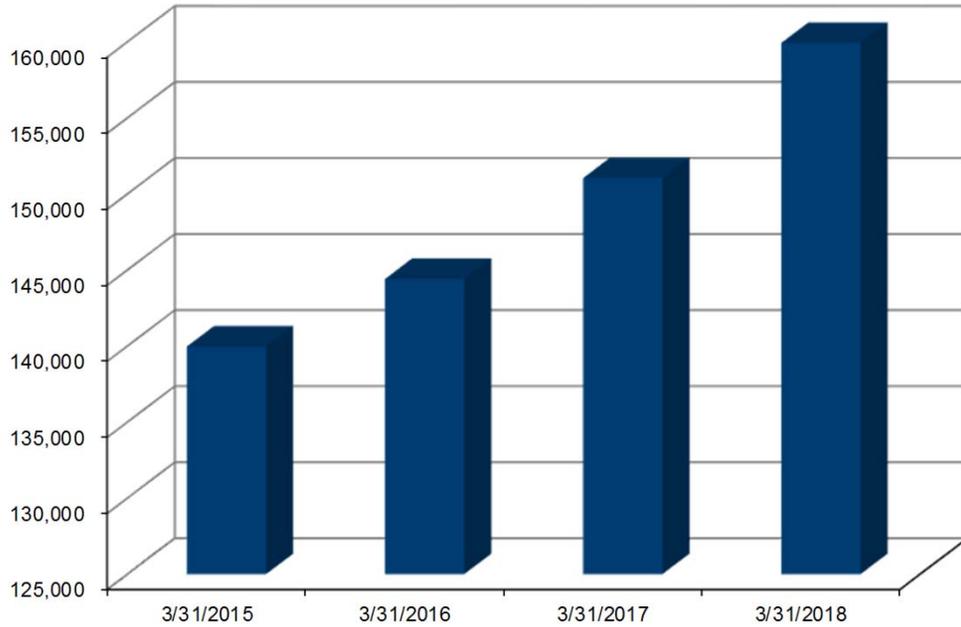
401(k) Asset Allocation by Age Group – Assets in GoalMaker As of March 31, 2018



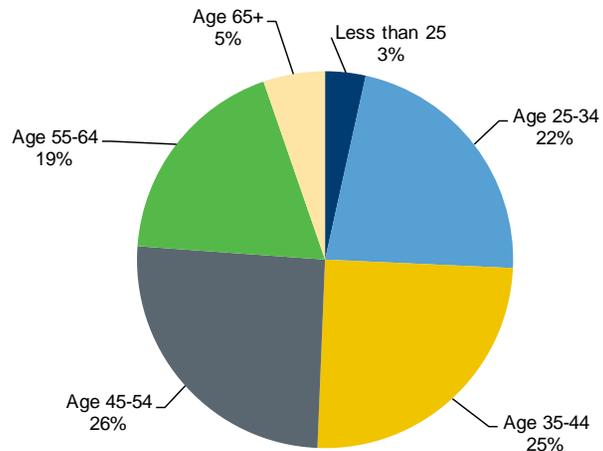
Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$681,742	\$14,133,659	\$51,900,377	\$200,541,814	\$314,270,552	\$151,251,856	\$732,779,999
Fixed Income	\$1,270,554	\$25,896,447	\$82,519,766	\$248,185,110	\$317,681,949	\$141,672,498	\$817,226,323
Large-Cap Stock	\$2,681,768	\$70,456,584	\$182,292,334	\$247,467,400	\$151,072,507	\$50,798,949	\$704,769,543
Small-Cap Stock	\$2,666,330	\$69,762,180	\$179,257,687	\$235,237,013	\$134,017,300	\$43,913,687	\$664,854,198
Global Stock	\$3,569,690	\$93,625,061	\$239,793,415	\$318,645,853	\$186,346,780	\$61,137,973	\$903,118,771
International Stock	\$1,761,029	\$46,683,780	\$119,662,109	\$158,614,661	\$94,035,375	\$31,586,823	\$452,343,778
Specialty	\$1,299,715	\$34,183,960	\$92,284,669	\$149,436,779	\$121,984,763	\$47,987,459	\$447,177,345
Total Assets	\$13,930,828	\$354,741,670	\$947,710,357	\$1,558,128,630	\$1,319,409,225	\$528,349,246	\$4,722,269,956
% Assets	0.30%	7.51%	20.07%	33.00%	27.94%	11.19%	100.00%
Total Participants	5,551	35,571	39,888	40,738	29,684	8,493	159,925
Average Account Balance	\$2,510	\$9,973	\$23,759	\$38,248	\$44,448	\$62,210	\$29,528

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.

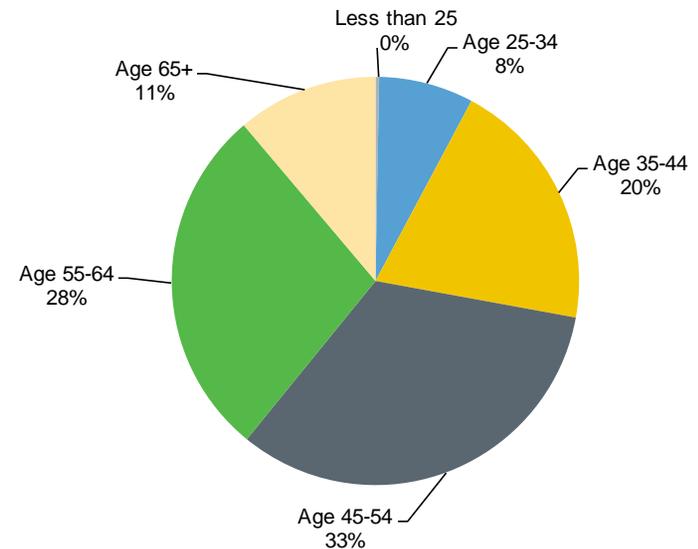
401(k) GoalMaker Participation



Participation by Age Range



Assets by Age Range



457 GoalMaker Participation

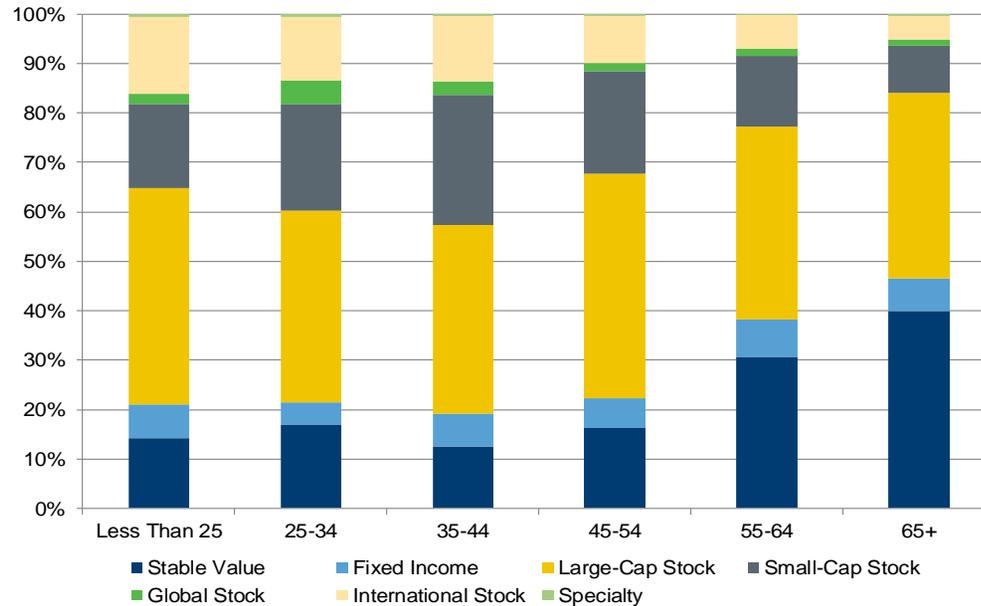
	3/31/2015	3/31/2016	3/31/2017	3/31/2018
Total Plan Assets in GoalMaker	\$248,161,775	\$269,654,429	\$326,837,162	\$387,781,164
Total # of Participants in GoalMaker	30,461	31,810	34,261	36,412
Year to Date % of New Enrollments w ith Goalmaker Election	90.71%	87.71%	92.87%	94.47%
Total Participation Rate	57.87%	61.82%	64.79%	67.10%
Prudential's Book of Business GoalMaker Average Participation Rate*	45.19%	47.29%	49.98%	50.42%
Total % of Assets	21.26%	23.30%	25.69%	27.92%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	230	574	264	1,068
Age 25-34	2,048	4,138	2,420	8,606
Age 35-44	2,172	4,516	2,627	9,315
Age 45-54	2,718	5,034	2,490	10,242
Age 55-64	1,992	2,849	1,050	5,891
Age 65+	549	559	182	1,290
Total	9,709	17,670	9,033	36,412

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	\$144,221.23	\$394,215.54	\$309,811.24	\$619,490
Age 25-34	\$2,968,203.49	\$9,080,455.89	\$9,100,474.78	\$21,149,134
Age 35-44	\$6,065,692.61	\$23,842,281.59	\$23,132,925.20	\$53,040,899
Age 45-54	\$19,378,470.13	\$52,485,616.74	\$40,335,533.26	\$112,199,620
Age 55-64	\$29,248,352.54	\$64,490,481.97	\$30,944,341.73	\$124,683,176
Age 65+	\$26,326,494.94	\$35,984,024.46	\$13,549,566.17	\$75,860,086
Total	\$84,131,435	\$186,277,076	\$117,372,652	\$387,781,164

*Prudential's Defined Contribution book of business average as of 3/31/2018.

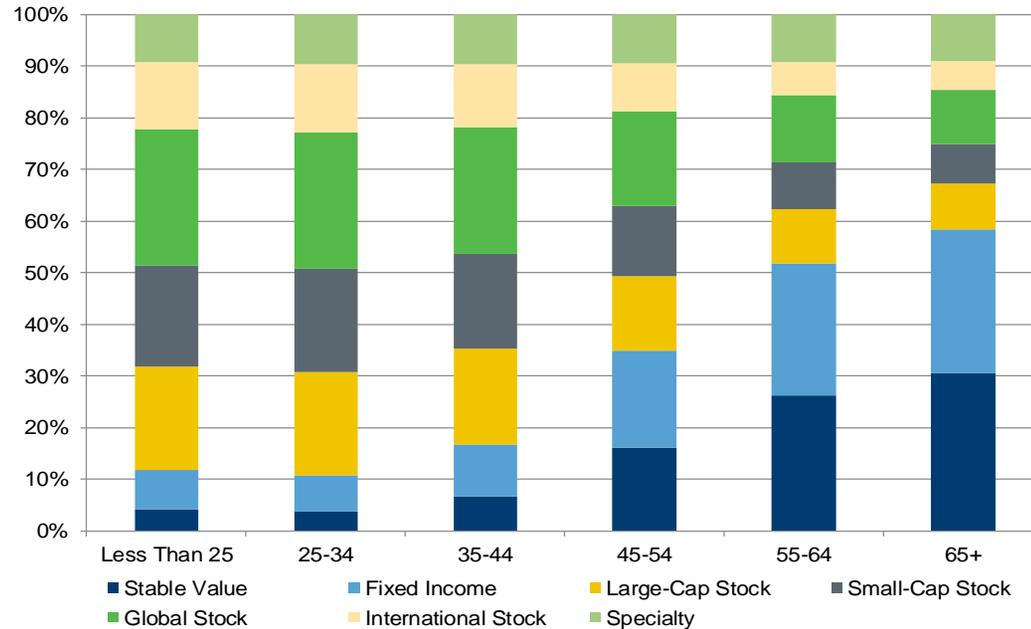
457 Asset Allocation by Age Group – Assets Not in GoalMaker As of March 31, 2018



Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$15,734	\$697,846	\$4,489,301	\$24,676,534	\$90,895,623	\$204,909,473	\$325,684,511
Fixed Income	\$7,572	\$185,821	\$2,366,517	\$9,014,108	\$22,347,975	\$33,318,799	\$67,240,792
Large-Cap Stock	\$48,480	\$1,594,923	\$13,644,923	\$68,913,407	\$115,578,704	\$192,866,812	\$392,647,249
Small-Cap Stock	\$18,864	\$886,675	\$9,422,564	\$31,389,622	\$42,281,234	\$49,126,181	\$133,125,140
Global Stock	\$2,137	\$203,846	\$973,844	\$2,667,069	\$4,150,295	\$6,067,327	\$14,064,517
International Stock	\$17,291	\$521,918	\$4,743,376	\$14,347,925	\$20,238,708	\$25,084,803	\$64,954,022
Specialty	\$694	\$28,804	\$182,018	\$714,436	\$893,245	\$1,655,116	\$3,474,314
Total Assets	\$110,773	\$4,119,833	\$35,822,542	\$151,723,101	\$296,385,785	\$513,028,510	\$1,001,190,545
% Assets	0.01%	0.41%	3.58%	15.15%	29.60%	51.24%	100.00%
Total Participants	37	721	2,374	4,714	5,288	4,719	17,853
Average Account Balance	\$2,994	\$5,714	\$15,090	\$32,186	\$56,049	\$108,716	\$56,080

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.

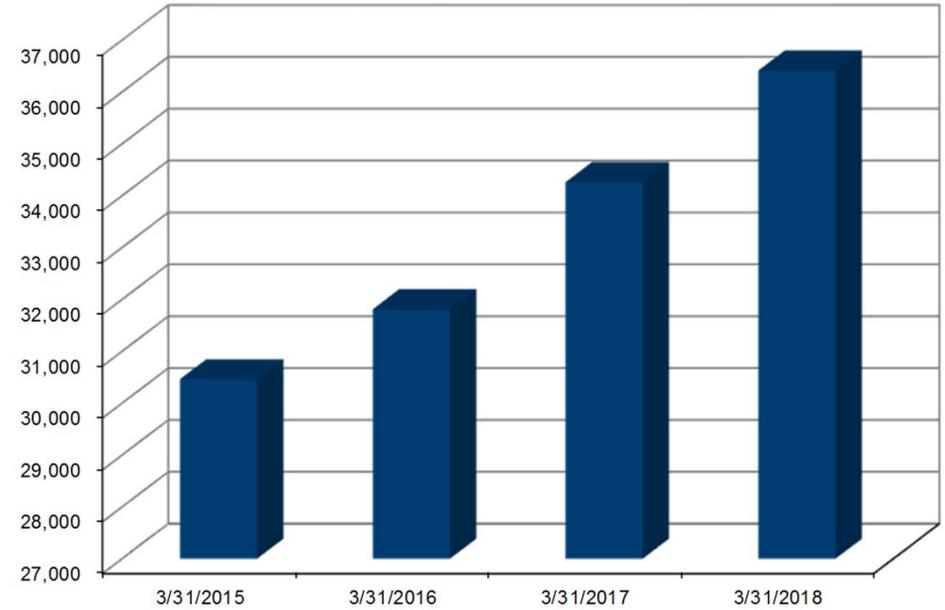
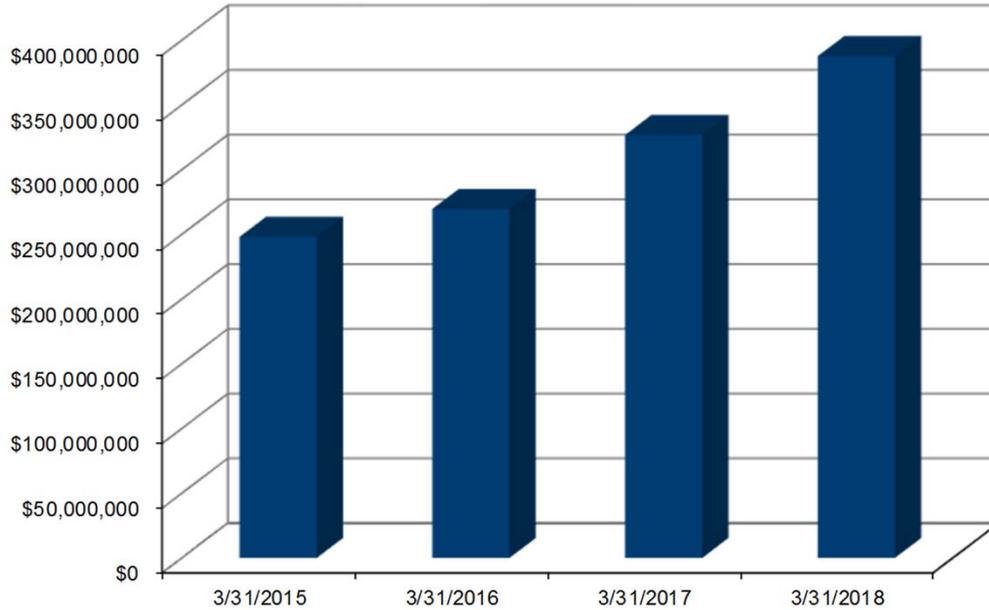
457 Asset Allocation by Age Group – Assets in GoalMaker As of March 31, 2018



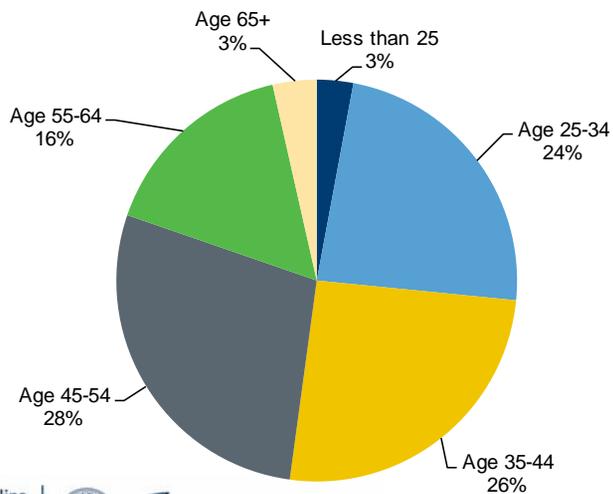
Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$35,333	\$801,981	\$3,501,656	\$18,020,779	\$32,622,769	\$23,229,762	\$78,212,280
Fixed Income	\$64,977	\$1,469,073	\$5,324,464	\$21,033,331	\$31,982,445	\$21,120,477	\$80,994,766
Large-Cap Stock	\$169,178	\$4,248,436	\$9,925,551	\$16,261,838	\$13,116,531	\$6,705,052	\$50,426,586
Small-Cap Stock	\$166,549	\$4,196,832	\$9,723,049	\$15,181,984	\$11,368,241	\$5,758,700	\$46,395,353
Global Stock	\$222,996	\$5,611,035	\$12,983,228	\$20,746,473	\$15,960,609	\$8,003,213	\$63,527,556
International Stock	\$109,988	\$2,794,932	\$6,458,829	\$10,331,871	\$8,131,555	\$4,198,931	\$32,026,105
Specialty	\$79,227	\$2,029,803	\$5,124,512	\$10,623,344	\$11,501,027	\$6,840,605	\$36,198,518
Total Assets	\$848,248	\$21,152,092	\$53,041,288	\$112,199,620	\$124,683,176	\$75,856,739	\$387,781,164
% Assets	0.22%	5.45%	13.68%	28.93%	32.15%	19.56%	100.00%
Total Participants	1,068	8,606	9,315	10,242	5,891	1,290	36,412
Average Account Balance	\$794	\$2,458	\$5,694	\$10,955	\$21,165	\$58,804	\$10,650

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.

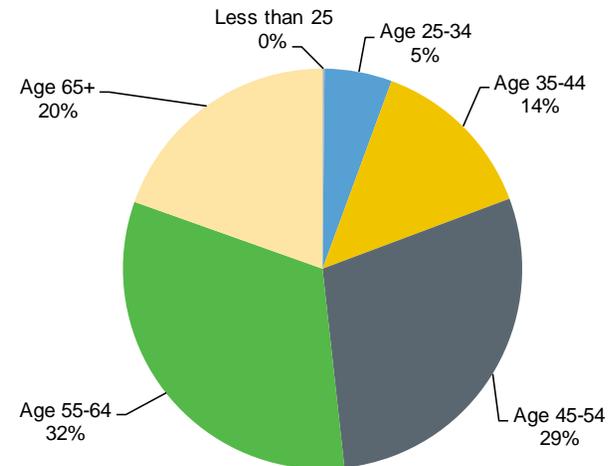
457 GoalMaker Participation



Participation by Age Range



Assets by Age Range



403(b) GoalMaker Participation

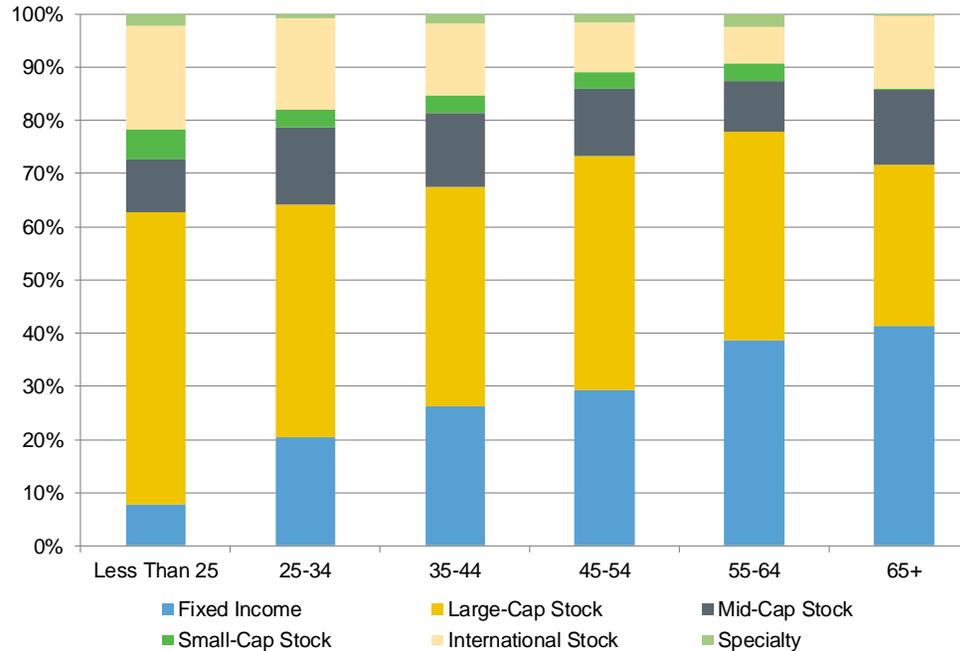
	3/31/2017	3/31/2018
Total Plan Assets in GoalMaker	\$4,038,672	\$6,160,542
Total # of Participants in GoalMaker	703	725
Year to Date % of New Enrollments w ith Goalmaker Election	50.00%	68.00%
Total Participation Rate	58.78%	59.82%
Prudential's Book of Business GoalMaker Average Participation Rate*	49.98%	50.42%
Total % of Assets	39.26%	44.22%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	0	3	0	3
Age 25-34	1	112	8	121
Age 35-44	2	188	2	192
Age 45-54	3	211	5	219
Age 55-64	4	165	4	173
Age 65+	0	16	1	17
Total	10	695	20	725

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	\$0.00	\$1,877.27	\$0.00	\$619,490
Age 25-34	\$358.43	\$385,056.12	\$30,324.32	\$415,739
Age 35-44	\$1,069.54	\$1,324,624.17	\$27,453.84	\$1,353,148
Age 45-54	\$36,079.88	\$1,810,352.43	\$133,988.74	\$1,980,421
Age 55-64	\$14,199.71	\$2,196,526.50	\$46,593.32	\$2,257,320
Age 65+	\$0.00	\$116,231.10	\$35,806.93	\$152,038
Total	\$51,708	\$5,834,668	\$274,167	\$6,160,542

*Prudential's Defined Contribution book of business averages.

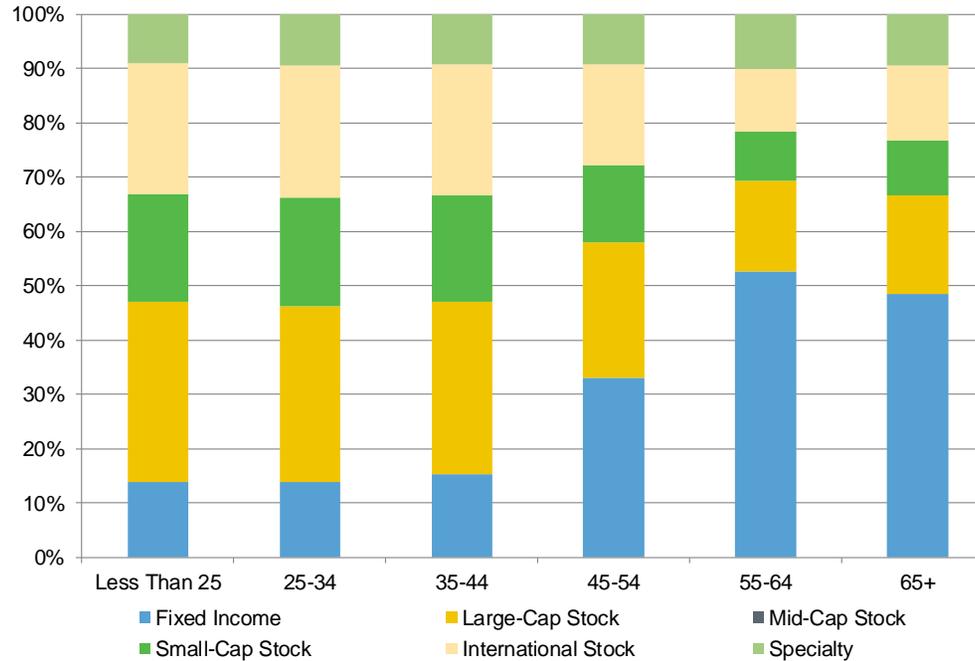
403(b) Asset Allocation by Age Group – Assets Not in GoalMaker As of March 31, 2018



Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Fixed Income	\$1,751	\$84,984	\$440,381	\$725,599	\$1,046,731	\$199,066	\$2,498,510
Large-Cap Stock	\$12,311	\$183,450	\$689,731	\$1,081,316	\$1,060,554	\$145,979	\$3,173,342
Mid-Cap Stock	\$2,250	\$60,597	\$231,444	\$313,398	\$259,744	\$67,220	\$934,653
Small-Cap Stock	\$1,271	\$13,960	\$55,688	\$73,164	\$89,648	\$999	\$234,730
International Stock	\$4,376	\$71,201	\$227,116	\$229,790	\$187,249	\$66,320	\$786,052
Specialty	\$497	\$3,827	\$30,649	\$43,173	\$65,385	\$1,688	\$145,219
Total Assets	\$22,457	\$418,019	\$1,675,008	\$2,466,440	\$2,709,311	\$481,272	\$7,772,507
% Assets	0.29%	5.38%	21.55%	31.73%	34.86%	6.19%	100.00%
Total Participants	4	97	131	143	97	15	487
Average Account Balance	\$5,614	\$4,309	\$12,786	\$17,248	\$27,931	\$32,085	\$15,960

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.

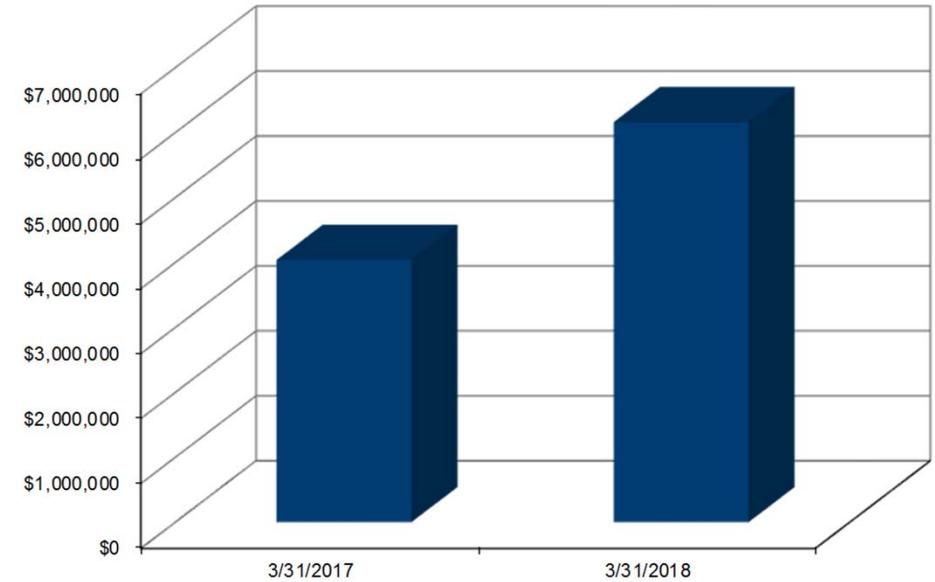
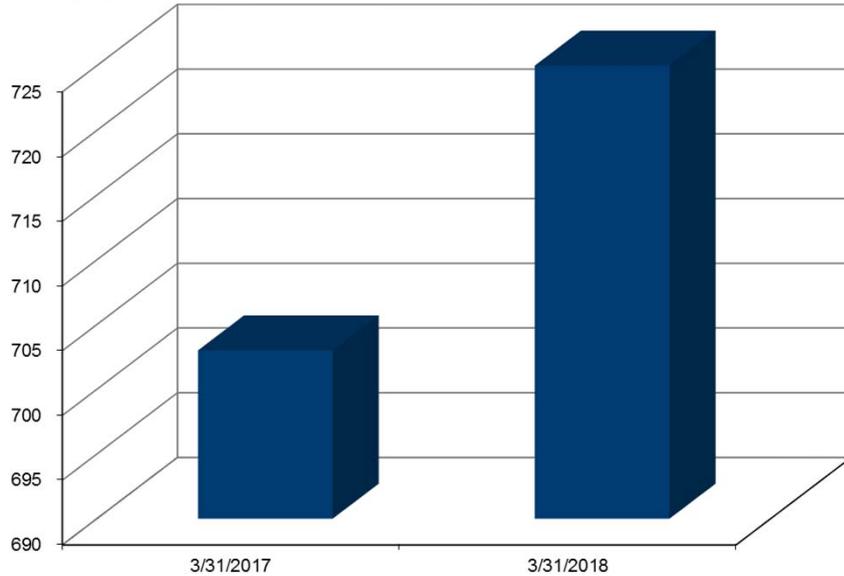
403(b) Asset Allocation by Age Group – Assets in GoalMaker As of March 31, 2018



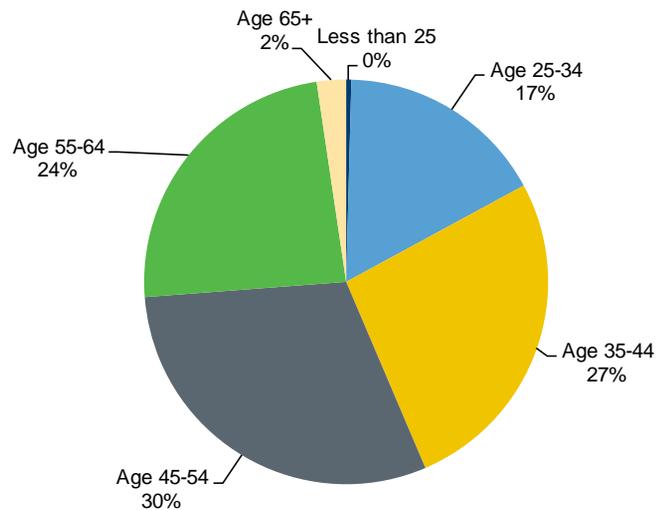
Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Fixed Income	\$259	\$57,411	\$205,866	\$655,667	\$1,186,434	\$73,797	\$2,179,434
Large-Cap Stock	\$623	\$135,065	\$431,368	\$493,258	\$378,235	\$27,488	\$1,466,036
Mid-Cap Stock	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Small-Cap Stock	\$372	\$82,475	\$264,261	\$279,236	\$203,432	\$15,402	\$845,178
International Stock	\$453	\$101,661	\$324,892	\$367,507	\$263,334	\$20,971	\$1,078,817
Specialty	\$170	\$39,126	\$126,761	\$184,753	\$225,886	\$14,381	\$591,077
Total Assets	\$1,877	\$415,739	\$1,353,148	\$1,980,421	\$2,257,320	\$152,038	\$6,160,542
% Assets	0.03%	6.75%	21.96%	32.15%	36.64%	2.47%	100.00%
Total Participants	3	121	192	219	173	17	725
Average Account Balance	\$626	\$3,436	\$7,048	\$9,043	\$13,048	\$8,943	\$8,497

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.

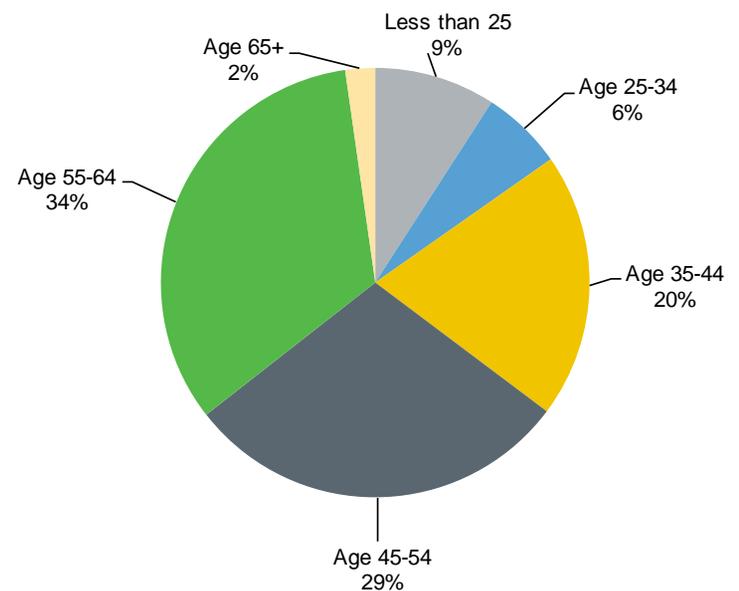
403(b) GoalMaker Participation



Participation by Age Range



Assets by Age Range



Loan Information

401(k) YTD Loans					
	2015	2016	2017	2018	Change %
% of Members in Plan with a Loan	24.18%	23.32%	23.22%	23.09%	-0.56%
# of Outstanding Loans	47,221	46,443	45,432	45,387	-0.10%
# of New Loans YTD	3,602	3,384	3,598	3,701	2.86%
Average Loan Balance	\$6,038	\$6,242	\$6,318	\$6,494	2.78%
Total Outstanding Loan Balance	\$285,134,956	\$289,900,269	\$287,034,526	\$294,722,884	2.68%

457 YTD Loans					
	2015	2016	2017	2018	Change %
% of Members in Plan with a Loan	13.93%	13.72%	14.11%	14.64%	3.76%
# of Outstanding Loans	5,659	5,783	5,907	6,190	4.79%
# of New Loans YTD	490	393	549	521	-5.10%
Average Loan Balance	\$3,303	\$3,261	\$3,272	\$3,358	2.61%
Total Outstanding Loan Balance	\$16,773,846	\$18,694,043	\$18,858,589	\$20,783,479	10.21%

403(b) YTD Loans		
	February & March 2017	1Q 2018
% of Members in Plan with a Loan	0.52%	1.03%
# of Outstanding Loans	6	12
# of New Loans	0	3
Average Loan Balance	\$10,805	\$6,992
Total Outstanding Loan Balance	\$64,830	\$83,909

401(k) Disbursements – Year to Date

401(k) Disbursements							
	1Q 2015	1Q 2016	1Q 2016 Change %	1Q 2017	1Q 2017 Change %	1Q 2018	1Q 2018 Change %
Term - Lump Sum	\$92,289,026	\$87,329,043	-5.37%	\$105,915,636	21.28%	\$128,693,378	21.51%
In-Service	\$11,805,676	\$13,428,569	13.75%	\$17,777,866	32.39%	\$15,904,179	-10.54%
State Retirement System	\$4,103,410	\$2,622,423	-36.09%	\$3,748,312	42.93%	\$3,113,192	-16.94%
Hardship	\$1,551,805	\$1,178,628	-24.05%	\$1,341,798	13.84%	\$1,234,068	-8.03%
Systematic	\$2,413,185	\$2,494,438	3.37%	\$2,738,321	9.78%	\$2,984,092	8.98%
Total Disbursements	\$112,163,103	\$107,053,101	-4.56%	\$131,521,934	22.86%	\$151,928,909	15.52%

401(k) Disbursements							
	1Q 2015	1Q 2016	1Q 2016 Change %	1Q 2017	1Q 2017 Change %	1Q 2018	1Q 2018 Change %
Term – Lump Sum	6,016	20,731	244.60%	6,744	-67.47%	7,464	10.68%
In-Service	1,514	1,477	-2.44%	1,525	3.25%	1,669	9.44%
State Retirement System	127	98	-22.83%	109	11.22%	96	-11.93%
Hardship	378	407	7.67%	428	5.16%	403	-5.84%
Systematic	3,017	3,079	2.06%	3,201	3.96%	3,401	6.25%
Total Disbursements	11,052	25,792	133.37%	12,007	-53.45%	13,033	8.55%

457 Disbursements – Year to Date

457 Disbursements							
	1Q 2015	1Q 2016	1Q 2016 Change %	1Q 2017	1Q 2017 Change %	1Q 2018	1Q 2018 Change %
Term - Lump Sum	\$14,601,020	\$15,452,131	5.83%	\$17,910,048	15.91%	\$17,851,704	-0.33%
In-Service	\$477,184	\$226,452	-52.54%	\$777,366	243.28%	\$438,845	-43.55%
State Retirement System	\$285,777	\$1,815,764	535.38%	\$1,673,654	-7.83%	\$1,227,604	-26.65%
Hardship	\$152,429	\$106,057	-30.42%	\$184,633	74.09%	\$140,702	-23.79%
Systematic	\$1,257,318	\$1,280,654	1.86%	\$1,268,673	-0.94%	\$1,208,626	-4.73%
Total Disbursements	\$16,773,728	\$18,881,058	12.56%	\$21,814,375	15.54%	\$20,867,481	-4.34%

457 Disbursements							
	1Q 2015	1Q 2016	1Q 2016 Change %	1Q 2017	1Q 2017 Change %	1Q 2018	1Q 2018 Change %
Term – Lump Sum	1,309	5,680	333.92%	1,473	-74.07%	1,478	0.34%
In-Service	10	13	30.00%	9	-30.77%	9	0.00%
State Retirement System	13	22	69.23%	18	-18.18%	18	0.00%
Hardship	70	79	12.86%	90	13.92%	90	0.00%
Systematic	1,450	1,347	-7.10%	1,294	-3.93%	1,294	0.00%
Total Disbursements	2,852	7,141	150.39%	2,884	-59.61%	2,889	0.17%

403(b) Disbursements – Year to Date

403(b) Disbursements			
	February & March 2017	1Q 2018	1Q 2018 Change %
Term - Lump Sum	\$0	\$43,823	100.00%
In-Service	\$0	\$0	0.00%
State Retirement System	\$0	\$29,113	100.00%
Hardship	\$0	\$0	0.00%
Systematic	\$0	\$0	0.00%
Total Disbursements	\$0	\$72,936	100.00%

403(b) Disbursements			
	February & March 2017	1Q 2018	1Q 2018 Change %
Term – Lump Sum	0	6	100.00%
In-Service	0	0	0.00%
State Retirement System	0	2	100.00%
Hardship	0	0	0.00%
Systematic	0	0	0.00%
Total Disbursements	0	8	100.00%

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

401(k) Plan Asset Allocation/Net Cash Flow January 1, 2017 to March 31, 2017

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$12,912,531	\$370,079,449	\$1,321,250,265	\$2,731,675,775	\$2,761,587,598	\$1,711,027,325	\$8,908,532,943
% Assets	0.14%	4.15%	14.83%	30.66%	31.00%	19.21%	100.00%
Total Contributions	\$2,281,735	\$16,558,931	\$25,559,020	\$36,885,196	\$29,828,660	\$5,785,190	\$116,898,731
Rollovers In	\$32,222	\$1,223,298	\$2,129,892	\$3,670,335	\$5,670,629	\$2,266,208	\$14,992,583
Total Distributions including:							
Rollovers Out	(\$15,407)	(\$1,060,059)	(\$3,589,444)	(\$11,958,568)	(\$34,496,455)	(\$19,116,750)	(\$70,236,681)
Cash Distributions	(\$49,255)	(\$1,907,637)	(\$3,739,711)	(\$10,750,182)	(\$27,536,682)	(\$17,301,786)	(\$61,285,252)
Net Cash Flow	\$2,249,295	\$14,814,533	\$20,359,758	\$17,846,781	(\$26,533,848)	(\$28,367,138)	\$369,380
Total Unique Participants	5,454	38,017	54,755	68,475	54,423	25,137	246,261
Avg. Account Balance	\$2,368	\$9,735	\$24,130	\$39,893	\$50,743	\$68,068	\$36,175
<i>Prudential Participant Avg. Account Balance</i>	\$2,652	\$13,426	\$38,871	\$73,250	\$101,568	\$118,201	\$62,941

401(k) Plan Asset Allocation/Net Cash Flow January 1, 2018 to March 31, 2018

	Less Than 25	25-34	35-44	45-54	55-64	65+	TOTAL
Total Plan Assets	\$15,239,335	\$398,527,026	\$1,419,752,418	\$3,023,437,122	\$3,016,986,149	\$2,001,430,889	\$9,875,372,940
% Assets	0.15%	4.04%	14.38%	30.62%	30.55%	20.27%	100.00%
Total Contributions	\$2,627,975	\$17,893,747	\$26,857,313	\$39,142,914	\$31,200,478	\$6,099,942	\$123,822,367
Rollovers In	\$48,009	\$1,136,149	\$2,888,111	\$4,404,620	\$5,358,130	\$3,549,629	\$17,384,649
Total Distributions including:							
Rollovers Out	(\$21,691)	(\$1,569,605)	(\$3,883,543)	(\$11,375,036)	(\$33,428,335)	(\$26,044,986)	(\$76,323,196)
Cash Distributions	(\$103,076)	(\$1,761,329)	(\$4,746,635)	(\$17,388,960)	(\$30,004,547)	(\$21,601,167)	(\$75,605,714)
Net Cash Flow	\$2,551,218	\$15,698,961	\$21,115,247	\$14,783,537	(\$26,874,274)	(\$37,996,581)	(\$10,721,893)
Total Unique Participants	5,921	39,216	54,309	69,066	55,658	26,972	251,142
Avg Account Balance	\$2,574	\$10,162	\$26,140	\$43,764	\$54,189	\$74,179	\$39,314
<i>Prudential Participant Avg. Account Balance</i>	\$3,125	\$14,948	\$42,464	\$81,756	\$111,369	\$116,518	\$67,930

*Prudential's Defined Contribution book of business averages.

457 Plan Asset Allocation/Net Cash Flow January 1, 2017 to March 31, 2017

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$848,084	\$20,564,814	\$80,472,678	\$242,662,045	\$402,362,309	\$525,498,383	\$1,272,408,312
% Assets	0.07%	1.62%	6.32%	19.07%	31.62%	41.30%	100.00%
Total Contributions	\$156,422	\$1,442,597	\$2,806,598	\$5,424,941	\$5,160,356	\$1,524,703	\$16,515,617
Rollovers In	\$0	\$151,756	\$211,065	\$469,797	\$978,544	\$742,758	\$2,553,919
Total Distributions including:	(\$2,754)	(\$275,520)	(\$401,840)	(\$2,051,059)	(\$6,866,339)	(\$12,216,863)	(\$21,814,375)
Rollovers Out	(\$331)	(\$122,203)	(\$100,246)	(\$1,100,278)	(\$4,087,013)	(\$6,554,108)	(\$11,964,179)
Cash Distributions	(\$2,423)	(\$153,317)	(\$301,594)	(\$950,781)	(\$2,779,326)	(\$5,662,754)	(\$9,850,196)
Net Cash Flow	\$153,668	\$1,318,833	\$2,615,823	\$3,843,679	(\$727,440)	(\$9,949,402)	(\$2,744,839)
Total Unique Participants	1,058	8,981	11,478	14,881	10,849	5,637	52,884
Avg. Account Balance	\$802	\$2,290	\$7,011	\$16,307	\$37,088	\$93,223	\$24,060
<i>Prudential Participant Avg. Account Balance</i>	\$2,652	\$13,426	\$38,871	\$73,250	\$101,568	\$118,201	\$62,941

457 Plan Asset Allocation/Net Cash Flow January 1, 2018 to March 31, 2018

	Less Than 25	25-34	35-44	45-54	55-64	65+	TOTAL
Total Plan Assets	\$959,021	\$25,268,967	\$88,863,441	\$263,922,721	\$421,068,961	\$588,888,596	\$1,388,971,708
% Assets	0.1%	1.8%	6.4%	19.0%	30.3%	42.4%	100.0%
Total Contributions	\$204,565	\$1,796,627	\$3,230,156	\$5,752,168	\$4,934,857	\$1,434,408	\$17,352,781
Rollovers In	\$0	\$121,996	\$525,946	\$353,532	\$500,253	\$1,860,821	\$3,362,547
Total Distributions including:	(\$10,907)	(\$418,015)	(\$381,182)	(\$2,469,411)	(\$6,369,194)	(\$11,218,772)	(\$20,867,481)
Rollovers Out	(\$3,097)	(\$194,027)	(\$118,640)	(\$1,163,301)	(\$3,454,917)	(\$4,899,223)	(\$9,833,205)
Cash Distributions	(\$7,809)	(\$223,988)	(\$262,542)	(\$1,306,110)	(\$2,914,277)	(\$6,319,549)	(\$11,034,275)
Net Cash Flow	\$193,659	\$1,500,608	\$3,374,920	\$3,636,288	(\$934,085)	(\$7,923,543)	(\$152,152)
Total Unique Participants	1,105	9,327	11,689	14,956	11,179	6,009	54,265
Avg Account Balance	\$868	\$2,709	\$7,602	\$17,647	\$37,666	\$98,001	\$25,596
<i>Prudential Participant Avg. Account Balance</i>	\$3,125	\$14,948	\$42,464	\$81,756	\$111,369	\$116,518	\$67,930

*Prudential's Defined Contribution book of business averages.

403(b) Plan Asset Allocation/Net Cash Flow February 1, 2017 to March 31, 2017

	Less Than 25	25-34	35-44	45-54	55-64	65+	TOTAL
Total Plan Assets	\$41,055	\$660,811	\$2,005,314	\$3,582,631	\$3,527,804	\$469,408	\$10,287,024
% Assets	0.4%	6.4%	19.5%	34.8%	34.3%	4.6%	100.0%
Total Contributions	\$4,285	\$31,576	\$68,174	\$109,393	\$100,234	\$12,075	\$325,737
Rollovers In	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Distributions including:	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Distributions	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rollovers Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Flow	\$4,285	\$31,576	\$68,174	\$109,393	\$100,234	\$12,075	\$325,737
Total Unique Participants	20	227	309	357	255	28	1,196
Avg Account Balance	\$2,053	\$2,911	\$6,490	\$10,035	\$13,835	\$16,765	\$8,601
<i>Prudential Participant Avg. Account Balance</i>	\$2,652	\$13,426	\$38,871	\$73,250	\$101,568	\$118,201	\$62,941

403(b) Plan Asset Allocation/Net Cash Flow January 1, 2018 to March 31, 2018

	Less Than 25	25-34	35-44	45-54	55-64	65+	TOTAL
Total Plan Assets	\$24,334	\$833,758	\$3,028,156	\$4,446,861	\$4,966,630	\$633,310	\$13,933,049
% Assets	0.2%	6.0%	21.7%	31.9%	35.6%	4.5%	100.0%
Total Contributions	\$4,035	\$60,884	\$116,321	\$189,900	\$181,403	\$28,475	\$581,018
Rollovers In	\$0	\$0	\$142,838	\$107,414	\$9,403	\$0	\$259,655
Total Distributions including:	\$0	\$0	\$0	(\$18,780)	(\$54,156)	\$0	(\$72,936)
Rollovers Out	\$0	\$0	\$0	\$0	(\$27,897)	\$0	(\$27,897)
Cash Distributions	\$0	\$0	\$0	(\$18,780)	(\$26,259)	\$0	(\$45,039)
Net Cash Flow	\$4,035	\$60,884	\$259,159	\$278,534	\$136,650	\$28,475	\$767,738
Total Unique Participants	7	218	323	362	270	32	1,212
Avg Account Balance	\$3,476	\$3,825	\$9,375	\$12,284	\$18,395	\$19,791	\$11,496
<i>Prudential Participant Avg. Account Balance</i>	\$3,125	\$14,948	\$42,464	\$81,756	\$111,369	\$116,518	\$67,930

*Prudential's Defined Contribution book of business averages.

401(k) Plan Retirement Preparation Analysis

1/1/2018 - 3/31/2018	
Total Retirement Income Calculator Completions	11,034
Unique Completions	9,599
Contribution Rate Increase	932

Since Inception for Currently Active Participants as of 3/31/2018	
Average Balance, RIC Participant	\$57,402
Average Balance, Non-RIC Participant	\$26,151
Average Contribution Rate, RIC Participant	6.33%
Average Contribution Rate, Non-RIC Participant	4.56%
Total Count of Participants with a RIC Gap	49,215
Average RIC Gap	\$2,922
Total Count of Participants with a RIC Surplus	9,889
Average RIC Surplus	\$2,549

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

1/1/2018 - 3/31/2018	
Total Retirement Income Calculator Completions	2,880
Unique Completions	2,492
Contribution Rate Increase	146

Since Inception for Currently Active Participants as of 3/31/2018	
Average Balance, RIC Participant	\$24,464
Average Balance, Non-RIC Participant	\$13,942
Average Contribution Rate, RIC Participant	6.40%
Average Contribution Rate, Non-RIC Participant	5.42%
Total Count of Participants with a RIC Gap	11,183
Average RIC Gap	\$2,783
Total Count of Participants with a RIC Surplus	2,246
Average RIC Surplus	\$2,719

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

1/1/2018 - 3/31/2018	
Total Retirement Income Calculator Completions	47
Unique Completions	40
Contribution Rate Increase	4

Since Inception for Currently Active Participants as of 3/31/2018	
Average Balance, RIC Participant	\$20,223
Average Balance, Non-RIC Participant	\$10,423
Average Contribution Rate, RIC Participant	23.71%
Average Contribution Rate, Non-RIC Participant	14.38%
Total Count of Participants with a RIC Gap	116
Average RIC Gap	\$2,806
Total Count of Participants with a RIC Surplus	33
Average RIC Surplus	\$2,505

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.

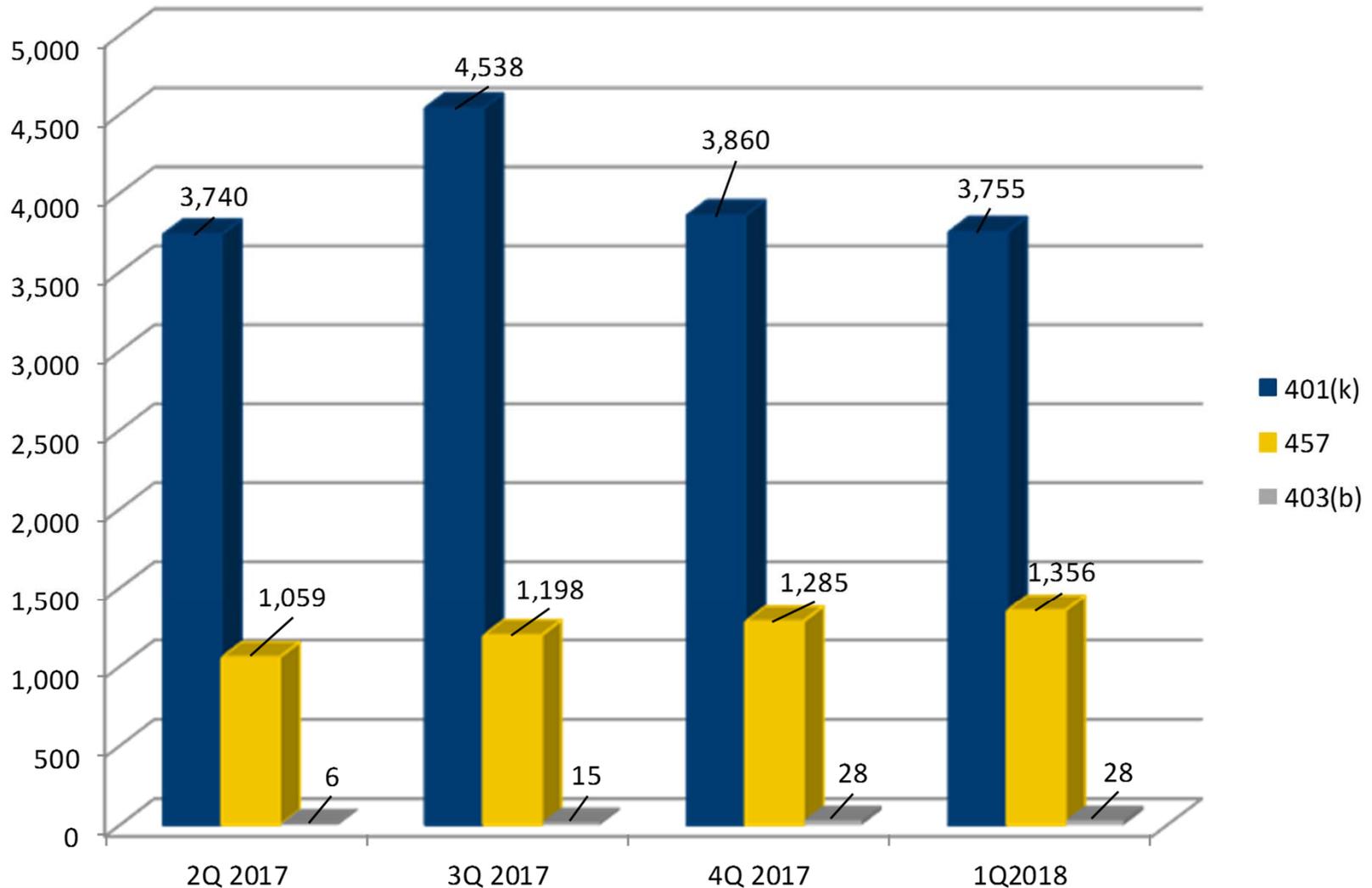
Participant Service Center Statistics

401(k), 457 & 403(b) Quarterly Participant Service Center Statistics				
	1Q 2015	1Q 2016	1Q 2017	1Q 2018
Service Center Calls	37,209	37,162	39,247	43,160
Service Percentage	81%	77%	62%	83%
Average Speed to Answer (seconds)	21 sec	27 sec	39 sec	11 sec
Abandon Percentage	0.80%	1.50%	1.70%	0.30%

Retirement Security Education Information

401(k), 457 & 403(b) Quarterly Retirement Security Education Team Activity				
Meeting Activity	January 2018	February 2018	March 2018	1Q 2018
Group Meetings - Number of Meetings	241	248	265	754
Group Meetings - Number of Attendees	5,668	7,815	6,930	20,413
Individual Meetings	2,624	2,397	2,518	7,539
Employer Meetings	319	262	271	852
Total On-Site Visits	457	497	476	1,430
Total Meeting Attendees: Individual Meetings and Group Attendees	8,292	10,212	9,448	27,952

Retirement Security Education Information – Enrollment Activity by Quarter



Employers Adopting the 401(k) Plan in 2018

Municipalities
Town of Cedar Point

Employers Adopting the 403(b) Plan in 2018

Community College
Durham Technical Community College

Schools
Madison County Schools
Caswell County School
Cleveland County Schools



Employers Adopting the 457 Plan in 2018

Community College
Craven Community College

County
Davidson County
Surry County

Municipalities
Town of Mars Hill
Town of Cedar Point
Town of Rural Hall

Other
South Granville Water & Sewer Authority
Kingston Housing Authority

School
Madison County Schools

Employers Adopting the 457 Plan in 2018

457 Additions						
Employer Type	2014	2015	2016	2017	2018	# of Eligible
CHARTER SCHOOL	4	3	3	4	4	1,631
COMMUNITY COLLEGE	2	8	8	1	2	14,077
COUNTY	2	4	4	5	8	36,596
MUNICIPAL	15	9	9	9	15	15,546
OTHER	9	8	8	9	12	4,110
SCHOOL	5	5	5	4	5	129,364

457 Employers Making Changes in 2018

457 Employers Adding an Employer Match and/or Employer Contributions
 City of Asheville added dollar-for-dollar match up to a maximum of four percent (4%) of pay

Employers Adopting Contribution Accelerator in 2018

Municipalities
Town of Cedar Point
Town of Biscoe
Town of Wake Forest
Town of Pineville
Town of Sedalia
City of Mebane
Town of Sandy Creek

County
Caswell County

Other
Locust ABC Board

Communication Accomplishments 1Q 2018



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



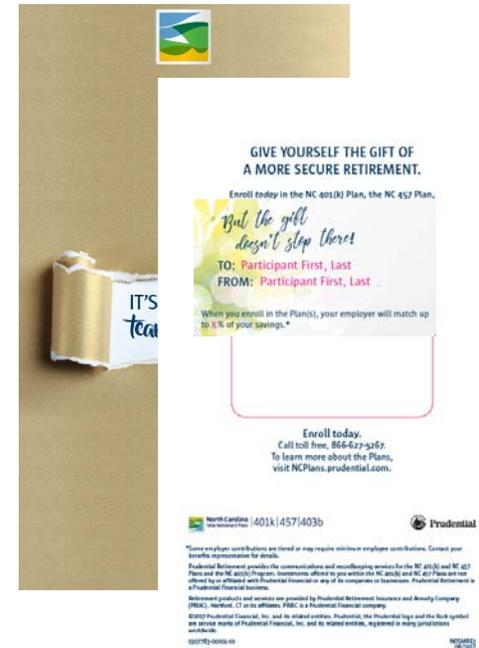
Dale R. Folwell, CPA
YOUR FINANCIAL ADVISOR
DALE R. FOLWELL, CPA

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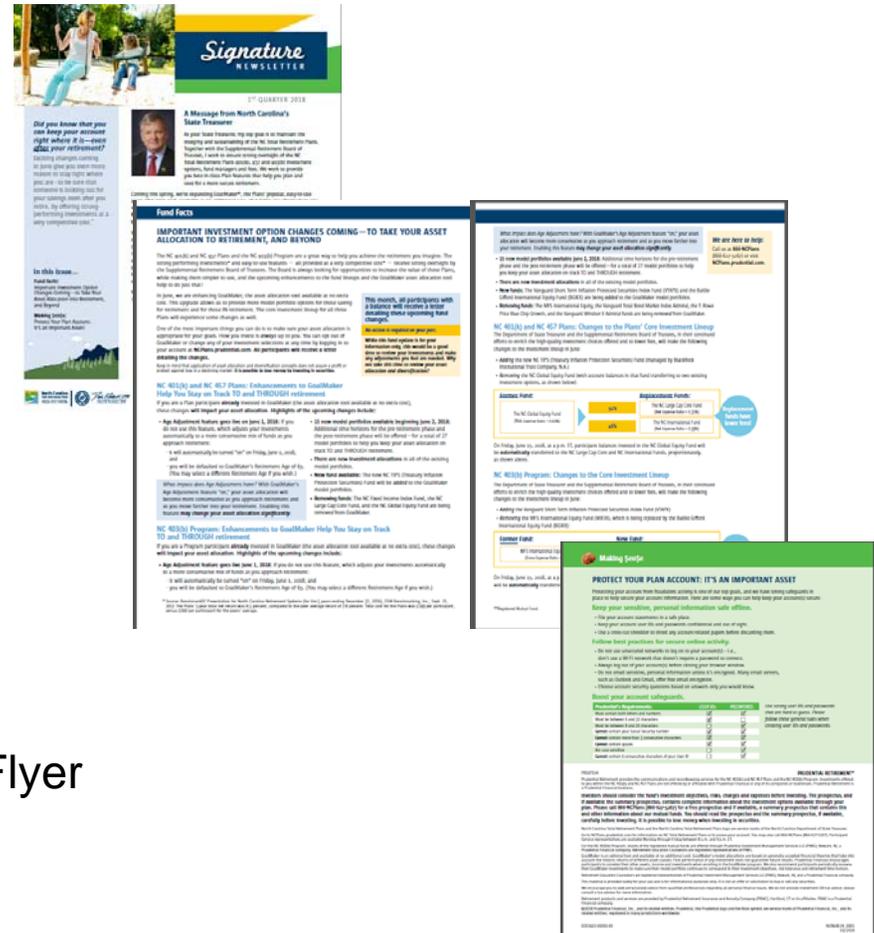
NC 401(k) & NC 457 Communication Accomplishments 1Q '18

- ABS Follow Up Enrollment Campaign Cont.
 - January
 - February
 - March
- Targeted Emails to Nearing Retirees Cont.
 - January
 - February
 - March



NC 401(k) & NC 457 Communication Accomplishments 1Q '18

- Quarterly Signature Newsletter
 - 261,328 total participant statements
 - 132,085 direct mail
- Quarterly Statement Message
 - 261,328 statements
- Quarterly Updates
 - Q4 403(b) Performance & Fee Flyer
 - Q4 401(k)/457 Plans' Performance & Fee Flyer
 - Fund Fact Sheets



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Signature Newsletter

1Q 2018



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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Signature NEWSLETTER

1ST QUARTER 2018

Did you know that you can keep your account right where it is—even after your retirement?

Exciting changes coming in June give you even more reason to stay right where you are - to be sure that someone is looking out for your savings even after you retire, by offering strong-performing investments at a very competitive cost.*

In this issue...

Fund Facts:

Important Investment Option Changes Coming—to Take Your Asset Allocation into Retirement, and Beyond

Making \$en\$e:

Protect Your Plan Account: It's an Important Asset!



A Message from North Carolina's State Treasurer

As your State Treasurer, my top goal is to maintain the integrity and sustainability of the NC Total Retirement Plans. Together with the Supplemental Retirement Board of Trustees, I work to ensure strong oversight of the NC Total Retirement Plans 401(k), 457 and 403(b) investment options, fund managers and fees. We work to provide you best-in-class Plan features that help you plan and save for a more secure retirement.

Coming this spring, we're expanding GoalMaker®, the Plans' popular, easy-to-use asset allocation tool, available at no additional cost, that helps you choose how you want your money to be invested. Read on to learn more about these enhancements. **Be on the lookout for a letter coming this month, as well, which will provide all the details.**

We also want to help you better understand where you stand toward meeting your retirement goals. To do so, we are releasing the new *myNC* Retirement Statement (formerly the Annual Benefits Statement) this spring. It will show you a more complete picture of whether you may be retirement ready or need to save more—not only sharing an estimate of your projected income at retirement, but helping you better understand the value your employer and the State of North Carolina place in the work you do. I hope you will use this great resource as you review your retirement savings plans.

We're excited to continue our efforts to increase the value of these Plans. Thank you for your service to the people of North Carolina.

Dale R. Folwell, CPA
State Treasurer of North Carolina

IMPORTANT INVESTMENT OPTION CHANGES COMING — TO TAKE YOUR ASSET ALLOCATION TO RETIREMENT, AND BEYOND

The NC 401(k) and NC 457 Plans and the NC 403(b) Program are a great way to help you achieve the retirement you imagine. The strong-performing investments* and easy-to-use features — all provided at a very competitive cost* — receive strong oversight by the Supplemental Retirement Board of Trustees. The Board is always looking for opportunities to increase the value of these Plans, while making them simpler to use, and the upcoming enhancements to the fund lineups and the GoalMaker asset allocation tool help to do just that!

In June, we are enhancing GoalMaker, the asset allocation tool available at no extra cost. This upgrade allows us to provide more model portfolio options for those saving for retirement and for those IN retirement. The core investment lineup for all three Plans will experience some changes as well.

One of the most important things you can do is to make sure your asset allocation is appropriate for your goals. How you invest is *always* up to you. You can opt out of GoalMaker or change any of your investment selections at any time by logging in to your account at NCPlans.prudential.com. **All participants will receive a letter detailing the changes.**

Keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. **It is possible to lose money by investing in securities.**

This month, all participants with a balance will receive a letter detailing these upcoming fund changes.

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?

NC 401(k) and NC 457 Plans: Enhancements to GoalMaker Help You Stay on Track TO and THROUGH retirement

If you are a Plan participant **already** invested in GoalMaker (the asset allocation tool available at no extra cost), these changes **will impact your asset allocation**. **Highlights of the upcoming changes include:**

- **Age Adjustment feature goes live on June 1, 2018:** If you do not use this feature, which adjusts your investments automatically to a more conservative mix of funds as you approach retirement:
 - it will automatically be turned “on” on Friday, June 1, 2018; and
 - you will be defaulted to GoalMaker’s Retirement Age of 65. (You may select a different Retirement Age if you wish.)
- **15 new model portfolios available beginning June 2, 2018:** Additional time horizons for the pre-retirement phase and the post-retirement phase will be offered—for a total of 27 model portfolios to help you keep your asset allocation on track TO and THROUGH retirement.
- **There are new investment allocations** in all of the existing model portfolios.
- **New fund available:** The new NC TIPS (Treasury Inflation Protection Securities) Fund will be *added* to the GoalMaker model portfolios.
- **Removing funds:** The NC Fixed Income Index Fund, the NC Large Cap Core Fund, and the NC Global Equity Fund are being *removed* from GoalMaker.

*What impact does Age Adjustment have? With GoalMaker’s Age Adjustment feature “on,” your asset allocation will become more conservative as you approach retirement and as you move farther into your retirement. Enabling this feature **may change your asset allocation significantly.***

NC 403(b) Program: Enhancements to GoalMaker Help You Stay on Track TO and THROUGH retirement

If you are a Program participant **already** invested in GoalMaker (the asset allocation tool available at no extra cost), these changes **will impact your asset allocation**. **Highlights of the upcoming changes include:**

- **Age Adjustment feature goes live June 1, 2018:** If you do not use this feature, which adjusts your investments automatically to a more conservative mix of funds as you approach retirement:
 - it will automatically be turned “on” on Friday, June 1, 2018; and
 - you will be defaulted to GoalMaker’s Retirement Age of 65. (You may select a different Retirement Age if you wish.)

* Source: BenchmarkDC Presentation for North Carolina Retirement Systems (for the 5 years ending December 31, 2016), CEM Benchmarking, Inc., Sept. 21, 2017. The Plans’ 5-year total net return was 8.5 percent, compared to the peer average return of 7.8 percent. Total cost for the Plans was \$149 per participant, versus \$160 per participant for the peers’ average.

What impact does Age Adjustment have? With GoalMaker's Age Adjustment feature "on," your asset allocation will become more conservative as you approach retirement and as you move farther into your retirement. Enabling this feature **may change your asset allocation significantly**.

We are here to help:

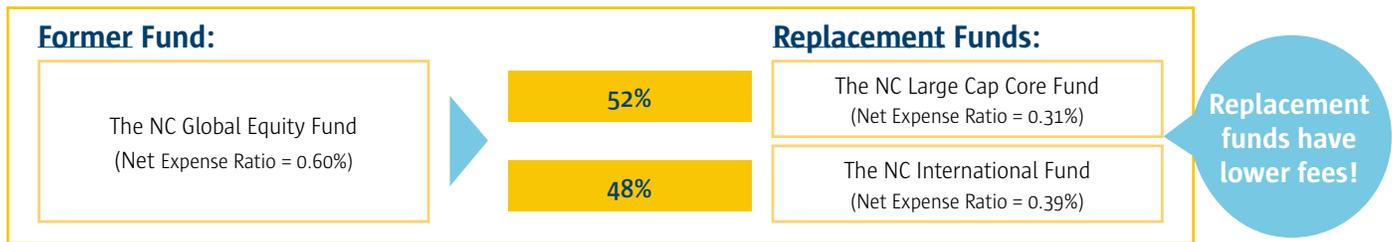
Call us at **866-NCPlans** (866-627-5267) or visit **NCPlans.prudential.com**.

- **15 new model portfolios available June 2, 2018:** Additional time horizons for the pre-retirement phase and the post-retirement phase will be offered—for a total of 27 model portfolios to help you keep your asset allocation on track TO and THROUGH retirement.
- **There are new investment allocations** in all of the existing model portfolios.
- **New funds:** The Vanguard Short Term Inflation Protected Securities Index Fund (VTAPX) and the Baillie Gifford International Equity Fund (BGIXX) are being *added* to the GoalMaker model portfolios.
- **Removing funds:** The MFS International Equity, the Vanguard Total Bond Market Index Admiral, the T. Rowe Price Blue Chip Growth, and the Vanguard Windsor II Admiral funds are being *removed* from GoalMaker.

NC 401(k) and NC 457 Plans: Changes to the Plans' Core Investment Lineup

The Department of State Treasurer and the Supplemental Retirement Board of Trustees, in their continued efforts to enrich the high-quality investment choices offered and to lower fees, will make the following changes to the investment lineup in June:

- **Adding** the new NC TIPS (Treasury Inflation Protection Securities) Fund (managed by BlackRock Institutional Trust Company, N.A.)
- **Removing** the NC Global Equity Fund (with account balances in that fund transferring to two existing investment options, as shown below):



On Friday, June 15, 2018, at 4 p.m. ET, participant balances invested in the NC Global Equity Fund will be **automatically** transferred to the NC Large Cap Core and NC International Funds, proportionately, as shown above.

NC 403(b) Program: Changes to the Core Investment Lineup

The Department of State Treasurer and the Supplemental Retirement Board of Trustees, in their continued efforts to enrich the high-quality investment choices offered and to lower fees, will make the following changes to the investment lineup in June:

- **Adding** the Vanguard Short Term Inflation Protected Securities Index Fund (VTAPX)
- **Removing** the MFS International Equity Fund (MIEIX), which is being *replaced* by the Baillie Gifford International Equity Fund (BGIXX):



On Friday, June 15, 2018, at 4 p.m. ET, participant balances invested in the MFS International Equity Fund will be **automatically** transferred to the Baillie Gifford International Equity Fund.

**Registered Mutual Fund.



PROTECT YOUR PLAN ACCOUNT: IT'S AN IMPORTANT ASSET

Protecting your account from fraudulent activity is one of our top goals, and we have strong safeguards in place to help secure your account information. Here are some ways you can help keep your account(s) secure:

Keep your sensitive, personal information safe offline.

- File your account statements in a safe place.
- Keep your account user IDs and passwords confidential and out of sight.
- Use a cross-cut shredder to shred any account-related papers before discarding them.

Follow best practices for secure online activity.

- Do not use unsecured networks to log on to your account(s)—i.e., don't use a Wi-Fi network that doesn't require a password to connect.
- Always log out of your account(s) before closing your browser window.
- Do not email sensitive, personal information unless it's encrypted. Many email servers, such as Outlook and Gmail, offer free email encryption.
- Choose account security questions based on answers only *you* would know.

Boost your account safeguards.

Prudential's Requirements:	USER IDs:	PASSWORDS:
Must contain both letters and numbers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Must be between 6 and 32 characters	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Must be between 8 and 20 characters	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cannot contain your Social Security number	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Cannot contain more than 3 consecutive characters	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Cannot contain spaces	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Are case sensitive	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cannot contain 6 consecutive characters of your User ID	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Use strong user IDs and passwords that are hard to guess. Please follow these general rules when creating user IDs and passwords.

PRSD7154

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.

Investors should consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus, and if available the summary prospectus, contains complete information about the investment options available through your plan. Please call 866-NCPlans (866-627-5267) for a free prospectus and if available, a summary prospectus that contains this and other information about our mutual funds. You should read the prospectus and the summary prospectus, if available, carefully before investing. It is possible to lose money when investing in securities.

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 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.

For the NC 403(b) Program, shares of the registered mutual funds are offered through Prudential Investment Management Services LLC (PIMS), Newark, NJ, a Prudential Financial company. Retirement Education Counselors are registered representatives of PIMS.

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.

Retirement Education Counselors are registered representatives of Prudential Investment Management Services LLC (PIMS), Newark, NJ, and a Prudential Financial company. This material is provided solely for your use and is for informational purposes only. It is not an offer or solicitation to buy or sell any securities.

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



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