



North Carolina Supplemental Retirement Plans 403(b) Program

Second Quarter 2018 Performance Review



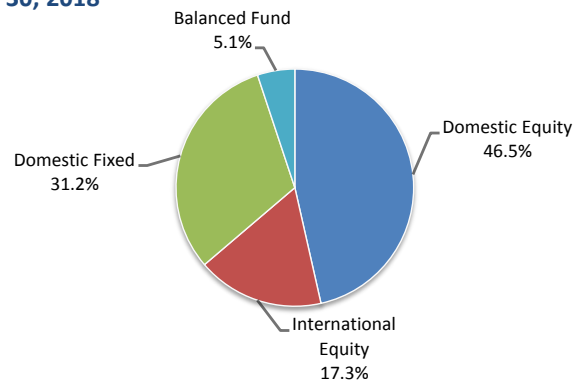
North Carolina
Total Retirement Plans
401k | 457 | 403b



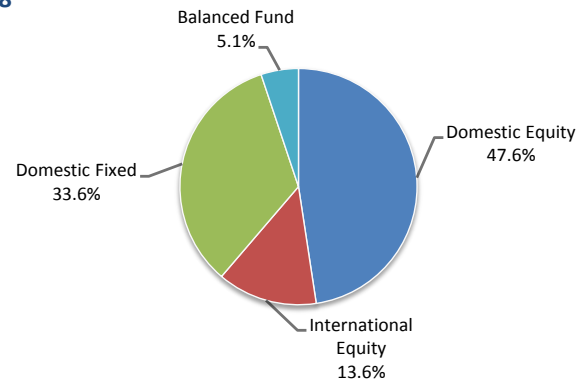
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Asset Allocation Summary

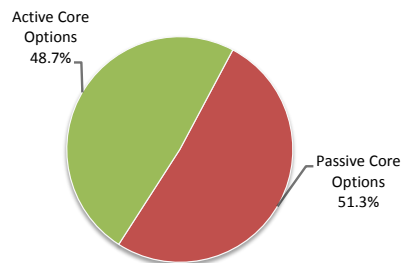
Current Asset Allocation
As of June 30, 2018



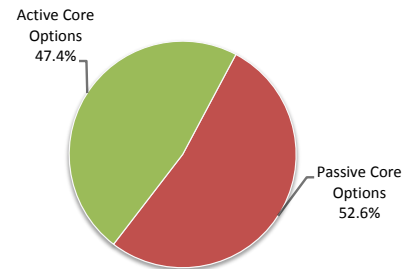
Prior Period Asset Allocation
As of March 31, 2018



Current Allocation
As of June 30, 2018



Prior Period Allocation
As of March 31, 2018



Source: Prudential



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Asset Allocation

As of June 30, 2018.

	Total Market Value	% of Portfolio	Passive Core Options	Active Core Options
Passive Core Options				
Vanguard Short-Term Bond Index Adm	1,616,402	10.8%	1,616,402	
Vanguard Total Bond Market Index Adm	722,276	4.8%	722,276	
Vanguard 500 Index Fund Admiral	3,996,436	26.7%	3,996,436	
Vanguard Extended Market Idx Adm	1,030,962	6.9%	1,030,962	
Vanguard Total International Stock Index Fund Adm	167,409	1.1%	167,409	
Vanguard Shrt-Term Infl-Prot Sec Indx Adm*	155,036	1.0%	155,036	
Active Core Options				
Metropolitan West Total Return Bd Plan	2,331,043	15.6%		2,331,043
PIMCO Inflation Response Multi-Asset Fund Inst	606,840	4.0%		606,840
Vanguard Windsor II Fund Adm	507,477	3.4%		507,477
T. Rowe Price Blue Chip Growth I	530,502	3.5%		530,502
DFA US Small Cap I	897,541	6.0%		897,541
Baillie Gifford International Equity K*	2,422,451	16.2%		2,422,451
Total	\$ 14,984,375	100.0%	7,688,521	7,295,854

*Fund added 6/1/2018



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Performance Summary

As of June 30, 2018. Returns are reported net of fees and are annualized for time periods over a year.

Ending June 30, 2018										
	3 Mo (%)	Peer Rank (%)	YTD (%)	Peer Rank (%)	1 Yr (%)	Peer Rank (%)	3 Yrs (%)	Peer Rank (%)	5 Yrs (%)	Peer Rank (%)
Passive Core Options										
Vanguard Short-Term Bond Index Adm	0.2	67	(0.3)	67	(0.2)	67	0.8	67	1.0	67
Bloomberg Barclays US 1-5Y GovCredit FIAAdj TR USD	0.2	100	(0.3)	75	(0.2)	1	0.8	1	1.1	1
Morningstar Institutional Category = Short/Intermediate Inv. Grade (2.5-4)	0.2		(0.3)		(0.2)		0.8		1.1	
Vanguard Total Bond Market Index Adm	(0.2)	100	(1.6)	100	(0.5)	17	1.7	1	2.2	1
Bloomberg Barclays US Agg Bond TR USD	(0.2)	100	(1.6)	100	(0.4)	17	1.7	1	2.3	1
Morningstar Institutional Category = Intermediate Government (4-6) Index	0.1		(1.2)		(0.8)		0.8		1.3	
Vanguard 500 Index Fund Admiral	3.4	10	2.6	10	14.3	9	11.9	6	13.4	4
S&P 500 TR USD	3.4	5	2.6	4	14.4	3	11.9	2	13.4	1
Morningstar Institutional Category = S&P 500 Tracking	3.3		2.5		14.0		11.5		13.0	
Vanguard Extended Market Idx Adm	6.0	7	6.1	7	16.8	14	10.3	9	12.6	7
S&P Completion TR USD	5.9	28	6.1	28	16.7	24	10.2	26	12.5	26
Morningstar Institutional Category = SMID Core Index	5.9		5.9		16.3		9.9		12.1	
Vanguard Total International Stock Index Fund Adm	(3.2)	86	(3.6)	82	7.1	14	5.3	11	6.4	15
FTSE Global All Cap ex US (USA) NR USD	(2.6)	69	(3.7)	85	7.6	4	5.5	8	6.5	6
Morningstar Institutional Category = Foreign Large Core	(1.8)		(2.9)		6.3		4.7		6.0	
Vanguard Short-Term Inflation-Protected Sec Index**	0.5	83	0.7	25	1.3	83	1.1	87	0.6	87
Bloomberg Barclays U.S. Treasury TIPS 0-5Y TR USD	0.5	77	0.7	23	1.4	54	1.1	67	0.7	67
Morningstar Institutional Category = Inflation-Protected Bond Index	0.7		0.1		1.5		1.8		1.5	
Active Core Options										
Metropolitan West Total Return Bd Plan	(0.0)	39	(1.3)	46	(0.2)	43	1.6	34	2.5	18
Bloomberg Barclays US Agg Bond TR USD	(0.2)	47	(1.6)	55	(0.4)	52	1.7	30	2.3	28
Morningstar Institutional Category = A-Rated	(0.2)		(1.5)		(0.3)		1.4		1.8	
PIMCO Inflation Response Multi-Asset Fund Inst	(0.1)	87	(0.2)	16	5.9	1	3.6	1	2.5	1
PIMCO Inflation Response Index*	(0.0)	86	(0.7)	49	3.0	2	1.3	31	0.4	55
Morningstar Institutional Category = Inflation-Protected Bond	0.3		(0.7)		1.0		0.8		0.5	
Vanguard Windsor II Fund Adm	2.3	21	(0.7)	19	7.6	39	8.1	33	10.1	24
Russell 1000 Value TR USD	1.2	53	(1.7)	51	6.8	49	8.3	30	10.3	18
Morningstar Institutional Category = Large Core Value	1.2		(1.7)		6.7		7.3		9.1	
T. Rowe Price Blue Chip Growth I	5.7	36	11.8	9	28.0	2	17.3	1	18.8	1
Russell 1000 Growth TR USD	5.8	36	7.3	47	22.5	20	15.0	8	16.4	8
Morningstar Institutional Category = Large Core Growth	5.0		6.8		19.9		12.4		14.1	
DFA US Small Cap I	7.0	68	5.4	77	15.3	54	10.4	37	12.2	30
Russell 2000 TR USD	7.8	35	7.7	24	17.6	19	11.0	27	12.5	23
Morningstar Institutional Category = Small Core	7.4		7.0		15.6		9.9		11.5	
Baillie Gifford International Equity K**	(2.9)	87	(3.0)	87	9.0	62	8.3	25	8.7	22
MSCI ACWI Ex USA NR USD	(2.6)	85	(3.8)	93	7.3	79	5.1	72	6.0	84
Morningstar Institutional Category = Foreign Large Growth	(0.8)		(0.7)		11.0		6.1		7.5	
MFS Intl International Equity***	0.2	18	(1.2)	31	7.2	44	5.8	28	7.2	22
MSCI EAFE GR USD	(1.0)	37	(2.4)	45	7.4	42	5.4	32	6.9	27
Morningstar Institutional Category = Foreign Large Growth	(1.8)		(2.6)		6.4		4.5		6.1	
Total										

All performance data taken from Morningstar database

Fund benchmarks match those defined within fund prospectus documents unless otherwise footnoted

Fund universe categories are defined by the respective Morningstar Institutional Mutual Fund Universe (except for PIMCO Inflation Response Multi-Asset Fund for which the Inflation-Protected Bond universe was deemed a better fit)

*PIMCO Inflation Response Index deemed most appropriate benchmark for PIMCO Inflation Response Index Multi-Asset Fund

**Fund added 6/1/2018

***Fund terminated 6/1/2018



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Fund Expenses

As of June 30, 2018. Expense Ratios do not include plan recordkeeping costs. Median Net Expense Ratios based off of Morningstar defined universes unless otherwise specified.

Fund	Style	Fund Balance	Estimated Annual Fund Expense	Fund Gross Expense Ratio	Fund Net Expense Ratio	Change From Prior Quarter	Median Net Expense Ratio*	Net Expense Diff.
Vanguard Short-Term Bond Index Admiral	US Fixed	1,616,402	1,131	0.07%	0.07%	0.00%	0.06%	0.01%
Vanguard Total Bond Market Index Admiral	US Fixed	722,276	361	0.05%	0.05%	0.00%	0.17%	-0.12%
Vanguard 500 Index Fund Admiral	US Large Cap Equity	3,996,436	1,599	0.04%	0.04%	0.00%	0.39%	-0.35%
Vanguard Extended Market Index Fund Admiral	US SMID Cap Equity	1,030,962	825	0.08%	0.08%	0.00%	0.05%	0.03%
Vanguard Total International Stock Index Fund Admiral	International Equity	167,409	184	0.11%	0.11%	0.00%	0.31%	-0.20%
Metropolitan West Total Return Bond	US Fixed	2,331,043	8,625	0.37%	0.37%	-0.01%	0.69%	-0.32%
PIMCO Inflation Response Multi-Asset Fund Institutional **	Balanced	606,840	7,403	1.06%	0.83%	0.00%	0.70%	0.52%
Vanguard Short-Term Inflation-Protected Security Index Fund ***	Inflation Protected	155,036	93	0.06%	0.06%	0.00%	0.06%	0.00%
Vanguard Windsor II Fund Admiral	US Large Cap Equity	507,477	1,319	0.26%	0.26%	0.01%	0.95%	-0.69%
T Rowe Price Blue Chip Growth	US Large Cap Equity	530,502	3,024	0.57%	0.57%	-0.01%	0.95%	-0.38%
DFA US Small Cap Institutional	US Small Cap Equity	897,541	3,321	0.37%	0.37%	0.00%	1.07%	-0.70%
Baillie Gifford International Equity K***	International Equity	2,422,451	15,261	0.63%	0.63%	0.00%	1.13%	-0.50%
MFS Intl International Equity****	International Equity	-	-	0.71%	0.71%	0.00%	1.00%	-0.29%
Total		\$ 14,984,375	\$ 43,147	0.30%	0.29%	0.00%	0.57%	-0.29%

Source: Morningstar Direct

*Median institutional share class prospectus net expense ratio as defined by the respective Morningstar Institutional Mutual Fund Universe (passive mutual fund peer universes only include funds which are categorized as "Index Fund")

**PIMCO Fees: As noted in the prospectus in effect as of June 30, 2018, PIMCO's gross expense ratio is 1.06%; the net expense ratio shown above of 0.83% includes interest expense of 0.14%; excluding interest expense, the net expense ratio is 0.69%. The difference between the gross and net expense ratio is a fee waiver of 0.23% by PIMCO. The interest expense is based on the actual interest expense for the fund's previous fiscal year and may differ significantly from the actual interest expense incurred by the fund. As noted in the prospectus in effect as of July 30, 2018, PIMCO's gross expense ratio will be increasing to 1.51%, the net expense ratio will be increasing to 1.22%, including interest expense of 0.53%.

***Fund added 6/1/2018

****Fund terminated 6/1/2018



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Questions



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Thank you



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