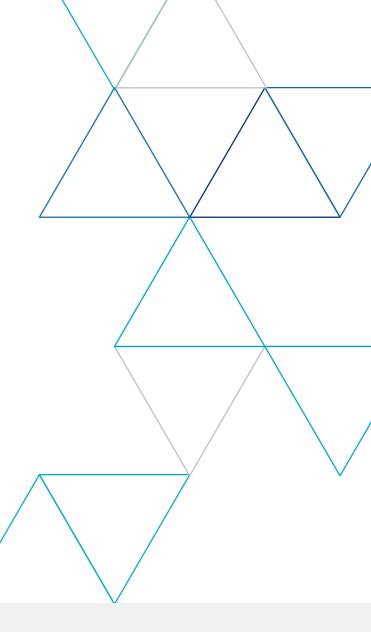
## NORTH CAROLINA SUPPLEMENTAL RETIREMENT PLANS

ANNUAL REVIEW SUMMARY

Kelly Henson Will Dillard, CFA



## NC ANNUAL REVIEW OF PLANS

- **1. NC Plan Structure Highlights** –In line with Mercer best practices, as participants have the choice between passive, active and asset allocation Funds
  - 12 Investment options offered in the Plan (4 passive, 7 active and GM), which is slightly below DC median of 15.5<sup>1</sup>
  - GoalMaker QDIA for Plan 90.3% of large DC Plans utilize TDF's as default Plan investment

#### **Market Trends**

- Auto Enrollment Currently 41.3% of large DC plans utilize auto-enrollment
- 54.5% of Large DC Plans offer Professionally Managed Accounts
- Retirement Income 64.5% of Large DC Plans offer a Systematic withdrawal option at Retirement
- 3. The new passive TIPS fund will be added to the line-up at the end of the quarter
- 4. The Global Equity fund will be removed at the end of the guarter

Mercer does not recommend any additional plan options or removal of any plan options at this time.

<sup>1</sup>Based on the 2017 PlanSponsor DC Survey for Large DC Plans (\$>1B)

## TRENDS

# MERCER'S 2018: TOP PRIORITIES FOR DC PLAN SPONSORS

### **ENSURING SOUND PLAN MANAGEMENT**

### DRIVING PARTICIPANT SUCCESS



- Conduct an employee financial needs analysis
- Establish success measures



- Explore a combination 401(k)/Rainy Day fund
- Promote overall financial wellness



- Diversify through multi-manager/white label funds
- Consider managed accounts (individualization)
- Consider ESG options
- Explore retiree-focused investments and tools

© MERCER 2018

## INVESTMENT POLICY REVIEW

- Recent changes to the IPS include the updates to the new GM glidepath
- Updates were made to move the plan structure from style funds to core funds in the US equity asset classes
- Mercer does not recommend any additional changes at this time

© MERCER 2018

### IMPORTANT NOTICES

© 2018 Mercer LLC. All rights reserved.

This contains confidential and proprietary information of Mercer and is intended for the exclusive use of the parties to whom it was provided by Mercer. Its content may not be modified, sold or otherwise provided, in whole or in part, to any other person or entity, without Mercer's prior written permission.

Mercer does not provide tax or legal advice. You should contact your tax advisor, accountant and/or attorney before making any decisions with tax or legal implications.

The findings, ratings and/or opinions expressed herein are the intellectual property of Mercer and are subject to change without notice. They are not intended to convey any guarantees as to the future performance of the investment products, asset classes or capital markets discussed. Past performance does not guarantee future results. Mercer's ratings do not constitute individualized investment advice.

Information contained herein has been obtained from a range of third party sources. While the information is believed to be reliable, Mercer has not sought to verify it independently. As such, Mercer makes no representations or warranties as to the accuracy of the information presented and takes no responsibility or liability (including for indirect, consequential or incidental damages), for any error, omission or inaccuracy in the data supplied by any third party.

This does not constitute an offer or a solicitation of an offer to buy or sell securities, commodities and/or any other financial instruments or products or constitute a solicitation

For the most recent approved ratings of an investment strategy, and a fuller explanation of their meanings, contact your Mercer representative.

For Mercer's conflict of interest disclosures, contact your Mercer representative or see <a href="https://www.mercer.com/conflictsofinterest">www.mercer.com/conflictsofinterest</a>.

Returns for periods greater than one year are annualized. Returns are calculated gross of investment management fees, unless noted as net of fees.

Mercer universes: Mercer's universes are intended to provide collective samples of strategies that best allow for robust peer group comparisons over a chosen timeframe. Mercer does not assert that the peer groups are wholly representative of and applicable to all strategies available to investors.

© MERCER 2018