



North Carolina Total Retirement Plans

1Q 2015 Board of Trustees Report

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

On: June 18, 2015

As of: March 31, 2015

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



North Carolina
Total Retirement Plans | 401k | 457

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Prudential

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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 and North Carolina public employee deferred compensation plan. Prudential communicates with Retirement Systems Division staff on our performance with these terms.

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

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Prudential's Book of Business averages are as of 3/31/2015.

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

70% of all active NC public servants at age 62 or older are on track to replace 80% of their pre-retirement income in retirement.

- Retirement Readiness Score: 64.01%
- Retirement Readiness Score among members not in the 401(k) and/or 457 Plans: 55.42%
- Retirement Readiness Score among members not in the 401(k) and/or 457 Plans: 75.75%

The following sub-goals are being pursued at a **Combined Plans** level to drive our retirement readiness goal:

Sub Goal	Goal	As of 3/31/2015	% to Goal
Average Monthly Contributions	\$180	\$177	98.37%
Active Participation Rate	30.50%	30.02%	98.43%
GoalMaker Utilization Among New Members	89.50%	91.69%	102.45%
GoalMaker Utilization Among All Members	54.50%	54.67%	100.31%

2 Employers adopted the 401(k) Plan from the period of January 1, 2015 through March 31, 2015

11 Employers adopted the 457 Plan from the period of January 1, 2015 through March 31, 2015

North Carolina Total Retirement Plans

Asset Allocation By Fund – Combined Plans

Investment Option	Asset Class	3/31/2013	%	# Participants Utilizing		%	# Participants Utilizing		%	# Participants Utilizing	
				3/31/2013	3/31/2014		3/31/2014	3/31/2015		3/31/2015	3/31/2015
NC STABLE VALUE-401K	Stable Value	\$1,851,752,222	24.94%	174,640	\$1,876,646,493	22.02%	181,895	\$1,906,590,728	20.85%	187,040	
NC STABLE VALUE-457	Stable Value	\$385,588,826	5.19%	36,633	\$392,795,810	4.61%	41,220	\$392,996,234	4.30%	44,094	
NORTH CAROLINA FIXED INCOME FUND	Fixed Income	\$527,595,402	7.11%	158,447	\$539,441,577	6.33%	170,698	\$592,933,270	6.48%	181,235	
NORTH CAROLINA FIXED INCOME INDEX	Fixed Income	\$257,057,094	3.46%	119,927	\$307,130,618	3.60%	134,327	\$365,483,180	4.00%	147,392	
NORTH CAROLINA LARGE CAP GROWTH FUND	Large-Cap Stock	\$740,792,326	9.98%	211,836	\$837,951,273	9.83%	227,115	\$902,135,258	9.86%	238,984	
NORTH CAROLINA LARGE CAP INDEX FUND	Large-Cap Stock	\$1,128,267,890	15.20%	210,817	\$1,185,132,940	13.91%	226,089	\$1,308,757,635	14.31%	238,647	
NORTH CAROLINA LARGE CAP VALUE FUND	Large-Cap Stock	\$780,005,063	10.51%	212,427	\$885,019,746	10.39%	227,616	\$929,660,553	10.16%	239,411	
NORTH CAROLINA SMALL/MID CAP GROWTH FUND	Small-Cap Stock	\$155,073,801	2.09%	152,308	\$303,992,663	3.57%	169,927	\$340,234,460	3.72%	184,570	
NORTH CAROLINA SMALL/MID CAP INDEX FUND	Small-Cap Stock	\$392,739,402	5.29%	165,392	\$212,349,155	2.49%	26,690	\$233,483,304	2.55%	26,039	
NORTH CAROLINA SMALL/MID CAP VALUE FUND	Small-Cap Stock	\$259,469,692	3.50%	163,064	\$428,811,505	5.03%	179,868	\$470,209,103	5.14%	194,218	
NORTH CAROLINA GLOBAL EQUITY FUND	Global/Intl Stock	\$178,056,041	2.40%	144,127	\$677,549,633	7.95%	161,774	\$758,574,597	8.29%	177,296	
NORTH CAROLINA INTERNATIONAL FUND	Global/Intl Stock	\$457,806,113	6.17%	172,723	\$534,030,022	6.27%	188,587	\$559,013,783	6.11%	202,071	
NORTH CAROLINA INTERNATIONAL INDEX FUND	Global/Intl Stock	\$309,813,001	4.17%	144,966	\$39,649,415	0.47%	6,591	\$44,687,520	0.49%	6,679	
NORTH CAROLINA INFLATION RESPONSIVE FUND	Specialty	\$0	0.00%	0	\$301,334,730	3.54%	152,392	\$341,689,480	3.74%	168,334	
Total Plan Assets		\$7,424,016,873	100.00%		\$8,521,835,579	100.00%		\$9,146,449,104	100.00%		

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

The total number of unique participants across both Plans combined as of March 31, 2015 was 271,606.

The average monthly employee deferral from April 1, 2014 to March 31, 2015 was \$177.07 for the Combined Plans.

The active participation rate as of March 31, 2015 was 30.02% for the Combined Plans.

The GoalMaker utilization among new members as of March 31, 2015 was 91.69% for the Combined Plans.

The GoalMaker utilization among members as of March 31, 2015 was 54.67% for the Combined Plans.

North Carolina Total Retirement Plans

Asset Allocation By Fund – 401(k) Plan

Investment Option	Asset Class	3/31/2013	%	# Participants Utilizing		%	# Participants Utilizing		%	# Participants Utilizing	
				3/31/2013	3/31/2014		3/31/2014	3/31/2015		3/31/2015	3/31/2015
NC STABLE VALUE-401K	Stable Value	\$1,851,752,222	28.67%	174,640	\$1,876,646,493	25.26%	181,895	\$1,906,590,728	23.89%	187,040	
NORTH CAROLINA FIXED INCOME FUND	Fixed Income	\$461,236,753	7.14%	134,356	\$476,607,170	6.42%	142,048	\$522,718,071	6.55%	149,068	
NORTH CAROLINA FIXED INCOME INDEX	Fixed Income	\$236,089,249	3.65%	101,754	\$280,738,030	3.78%	111,313	\$328,921,154	4.12%	120,379	
NORTH CAROLINA LARGE CAP GROWTH FUND	Large-Cap Stock	\$650,432,188	10.07%	179,994	\$730,663,368	9.83%	189,680	\$787,341,355	9.87%	197,431	
NORTH CAROLINA LARGE CAP INDEX FUND	Large-Cap Stock	\$1,014,520,899	15.71%	182,652	\$1,057,212,808	14.23%	192,270	\$1,164,916,475	14.60%	200,315	
NORTH CAROLINA LARGE CAP VALUE FUND	Large-Cap Stock	\$688,946,427	10.67%	181,047	\$778,986,413	10.49%	190,694	\$817,991,043	10.25%	198,371	
NORTH CAROLINA SMALL/MID CAP GROWTH FUND	Small-Cap Stock	\$119,392,015	1.85%	123,851	\$253,052,980	3.41%	135,874	\$287,160,572	3.60%	146,357	
NORTH CAROLINA SMALL/MID CAP INDEX FUND	Small-Cap Stock	\$373,501,268	5.78%	144,091	\$198,166,569	2.67%	25,324	\$216,154,561	2.71%	24,598	
NORTH CAROLINA SMALL/MID CAP VALUE FUND	Small-Cap Stock	\$202,427,679	3.13%	134,134	\$353,845,933	4.76%	145,398	\$389,758,589	4.88%	155,494	
NORTH CAROLINA GLOBAL EQUITY FUND	Global/Intl Stock	\$166,907,493	2.58%	123,192	\$638,278,820	8.59%	135,012	\$710,050,153	8.90%	145,719	
NORTH CAROLINA INTERNATIONAL FUND	Global/Intl Stock	\$403,623,031	6.25%	143,365	\$471,872,694	6.35%	153,813	\$495,904,760	6.21%	163,147	
NORTH CAROLINA INTERNATIONAL INDEX FUND	Global/Intl Stock	\$290,905,308	4.50%	123,835	\$31,049,030	0.42%	5,520	\$34,455,998	0.43%	5,580	
NORTH CAROLINA INFLATION RESPONSIVE FUND	Specialty	\$0	0.00%	0	\$282,199,510	3.80%	127,101	\$317,483,604	3.98%	138,116	
Total Plan Assets		\$6,459,734,532	100.00%		\$7,429,319,819	100.00%		\$7,979,447,064	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, 2015 was 249,314.

The average monthly employee deferral from April 1, 2014 to March 31, 2015 was \$160.30 for the 401(k) Plan.

The active participation rate as of March 31, 2015 was 29.26% for the 401(k) Plan.

The GoalMaker utilization among new members as of March 31, 2015 was 92.11% for the 401(k) Plan.

The GoalMaker utilization among members as of March 31, 2015 was 56.14% for the 401(k) Plan.

North Carolina Total Retirement Plans

Asset Allocation By Fund – 457 Plan

Investment Option	Asset Class	3/31/2013	%	# Participants Utilizing		%	# Participants Utilizing		%	# Participants Utilizing	
				3/31/2013	3/31/2014		3/31/2014	3/31/2015		3/31/2015	3/31/2015
NC STABLE VALUE-457	Stable Value	\$385,588,826	39.99%	36,633	\$392,795,810	35.95%	41,220	\$392,996,234	33.68%	44,094	
NORTH CAROLINA FIXED INCOME FUND	Fixed Income	\$66,358,649	6.88%	24,091	\$62,834,407	5.75%	28,650	\$70,215,198	6.02%	32,167	
NORTH CAROLINA FIXED INCOME INDEX	Fixed Income	\$20,967,845	2.17%	18,173	\$26,392,588	2.42%	23,014	\$36,562,026	3.13%	27,013	
NORTH CAROLINA LARGE CAP GROWTH FUND	Large-Cap Stock	\$90,360,139	9.37%	31,842	\$107,287,904	9.82%	37,435	\$114,793,903	9.84%	41,553	
NORTH CAROLINA LARGE CAP INDEX FUND	Large-Cap Stock	\$113,746,990	11.80%	28,165	\$127,920,132	11.71%	33,819	\$143,841,160	12.33%	38,332	
NORTH CAROLINA LARGE CAP VALUE FUND	Large-Cap Stock	\$91,058,636	9.44%	31,380	\$106,033,334	9.71%	36,922	\$111,669,511	9.57%	41,040	
NORTH CAROLINA SMALL/MID CAP GROWTH FUND	Small-Cap Stock	\$35,681,786	3.70%	28,457	\$50,939,683	4.66%	34,053	\$53,073,888	4.55%	38,213	
NORTH CAROLINA SMALL/MID CAP INDEX FUND	Small-Cap Stock	\$19,238,133	2.00%	21,301	\$14,182,585	1.30%	1,366	\$17,328,743	1.48%	1,441	
NORTH CAROLINA SMALL/MID CAP VALUE FUND	Small-Cap Stock	\$57,042,013	5.92%	28,930	\$74,965,572	6.86%	34,470	\$80,450,514	6.89%	38,724	
NORTH CAROLINA GLOBAL EQUITY FUND	Global/Intl Stock	\$11,148,548	1.16%	20,935	\$39,270,812	3.59%	26,762	\$48,524,444	4.16%	31,577	
NORTH CAROLINA INTERNATIONAL FUND	Global/Intl Stock	\$54,183,082	5.62%	29,358	\$62,157,328	5.69%	34,774	\$63,109,022	5.41%	38,924	
NORTH CAROLINA INTERNATIONAL INDEX FUND	Global/Intl Stock	\$18,907,693	1.96%	21,131	\$8,600,385	0.79%	1,071	\$10,231,522	0.88%	1,099	
NORTH CAROLINA INFLATION RESPONSIVE FUND	Specialty	\$0	0.00%	0	\$19,135,219	1.75%	25,291	\$24,205,876	2.07%	30,218	
Total Plan Assets		\$964,282,341	100.00%		\$1,092,515,760	100.00%		\$1,167,002,040	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, 2015 was 52,637.

The average monthly employee deferral from April 1, 2014 to March 31, 2015 was \$131.37 for the 457 Plan.

The active participation rate as of March 31, 2015 was 11.92% for the 457 Plan.

The GoalMaker utilization among new members as of March 31, 2015 was 90.71% for the 457 Plan.

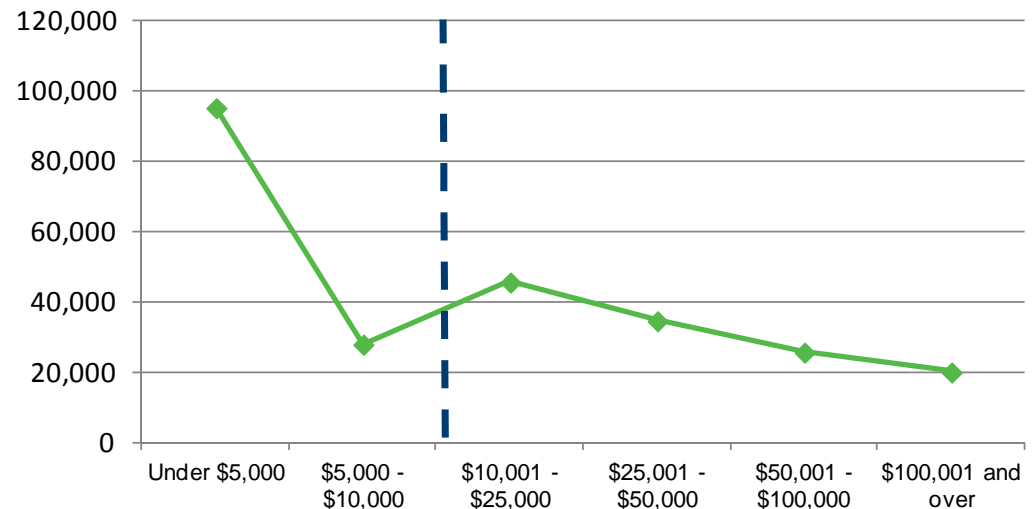
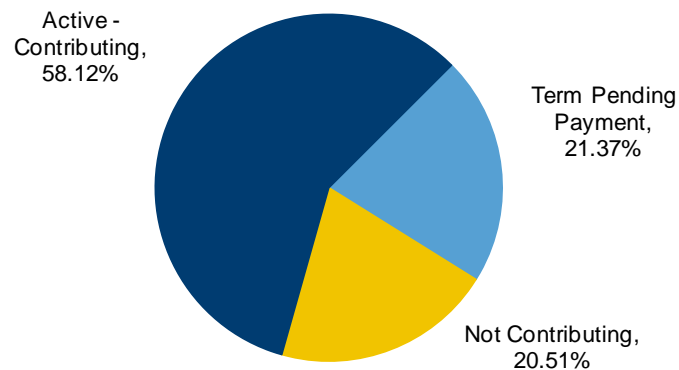
The GoalMaker utilization among members as of March 31, 2015 was 57.87% for the 457 Plan.

North Carolina Total Retirement Plans

401(k) Plan				
	1Q 2014	1Q 2015	Difference #	Difference %
Members with an Account Balance	243,644	249,314	5,670	2.33%
Average Account Balance	\$30,493	\$32,006	\$1,513	4.96%
Median Account Balance	\$10,409	\$10,185	(\$224)	-2.15%

401(k) Plan Percentage Gain						
	Assets (3/31/2014)	Contributions	Distributions	Earnings	Assets (3/31/2015)	Percentage Gain
NC 401(k) Plan	\$7,429,319,819	\$472,606,691	\$397,970,822	\$475,491,376	\$7,979,447,064	6.34%

401(k) Member Breakdown



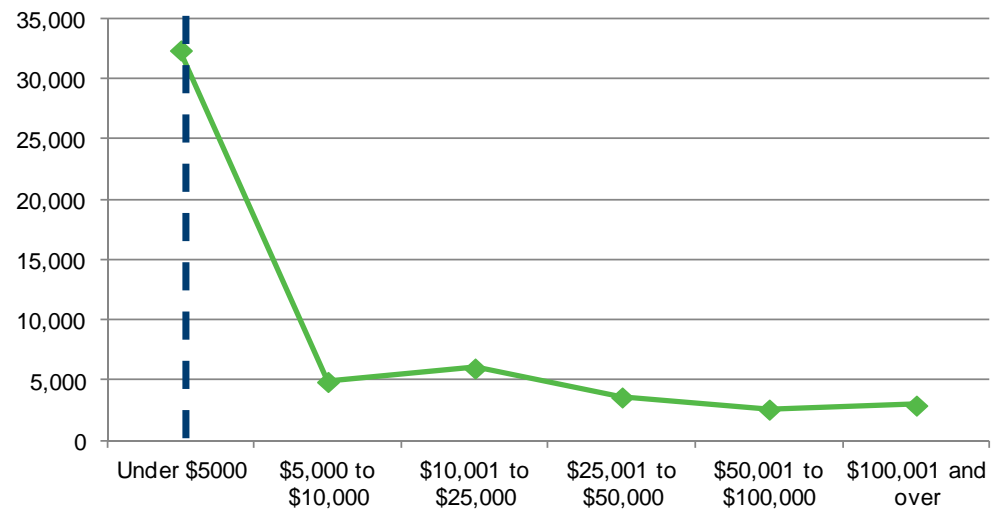
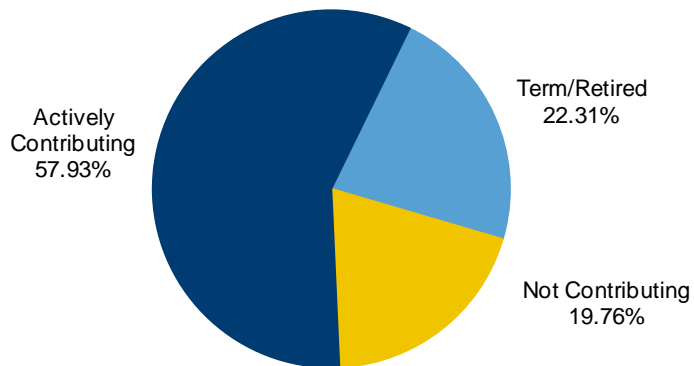
Member breakdown reflects status on recordkeeping system updated from limited indicative data received from employers which may cause the active status to be inflated

North Carolina Total Retirement Plans

457 Plan				
	1Q 2014	1Q 2015	Difference #	Difference %
Members with an Account Balance	48,887	52,637	3,750	7.67%
Average Account Balance	\$22,348	\$22,171	(\$177)	-0.79%
Median Account Balance	\$2,403	\$2,211	(\$192)	-7.99%

457 Plan Percentage Gain						
	Assets (3/31/2014)	Contributions	Distributions	Earnings	Assets (3/31/2015)	Percentage Gain
NC 457 Plan	\$1,092,515,760	\$73,892,585	\$63,432,234	\$64,025,929	\$1,167,002,040	5.80%

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

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

401(k) Plan Quarterly Enrollments & Contribution Changes							
	1Q 2012	1Q 2013	1Q 2013 % of Change	1Q 2014	1Q 2014 % of Change	1Q 2015	1Q 2015 % of Change
Enrollments	3,105	3,780	17.86%	3,198	-15.40%	4,065	27.11%
% of New Hires Enrolled in Plan	60.41%	52.53%	-15.00%	46.80%	-10.90%	67.42%	44.06%
GoalMaker Elections	2,771	3,300	16.03%	2,890	-12.42%	3,746	22.85%
Contribution Changes							
Deferral Decreases	1,915	2,386	19.74%	2,231	-6.50%	2,264	1.48%
Deferral Increases	5,289	5,965	11.33%	6,875	15.26%	8,050	17.09%
Pre-tax Participation Rate	21.30%	20.63%	-3.25%	20.64%	0.05%	20.42%	-1.07%
Roth Participation Rate	4.86%	5.64%	13.83%	6.57%	16.49%	7.31%	11.26%
Voluntary (Employee & Roth) Participation Rate	24.55%	24.60%	0.20%	25.35%	3.05%	27.50%	8.48%

401(k) Plan Quarterly Enrollments & Contribution Change Method				
	1Q 2012	1Q 2013	1Q 2014	1Q 2015
Method of Enrollment				
Paper Form	80.55%	84.36%	71.36%	76.54%
Pseudo Enrollment	13.61%	13.88%	22.33%	16.68%
Internet	5.84%	1.76%	6.32%	6.78%
Method of Contribution Change				
Internet	87.49%	97.79%	97.97%	98.50%
Paper Form	11.18%	1.69%	1.65%	1.10%
Participant Service Center	0.75%	0.16%	0.04%	0.09%
VRU	0.57%	0.37%	0.34%	0.31%

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



457 Plan YTD Enrollments & Contribution Changes & 457 Plan YTD Enrollments & Contribution Change Method

457 Plan Quarterly Enrollments & Contribution Changes							
	1Q 2012	1Q 2013	1Q 2013 % of Change	1Q 2014	1Q 2014 % of Change	1Q 2015	1Q 2015 % of Change
Enrollments	1,453	1,988	36.82%	1,169	-41.20%	1,554	32.93%
% of New Hires Enrolled in Plan	46.71%	27.05%	-42.09%	29.81%	10.20%	42.11%	41.29%
GoalMaker Elections	1,302	1,779	36.64%	1,020	-42.66%	1,411	38.33%
Contribution Changes							
Deferral Decreases	439	590	34.40%	1,066	80.68%	751	-29.55%
Deferral Increases	1,000	1,386	38.60%	1,414	2.02%	1,894	33.95%
Pre-tax Participation Rate	9.48%	9.81%	3.48%	10.27%	4.69%	10.51%	2.34%
Roth Participation Rate	0.45%	0.64%	42.22%	0.93%	45.31%	1.13%	21.51%
Voluntary (Employee & Roth) Participation Rate	9.60%	10.00%	4.17%	10.56%	5.60%	11.19%	5.97%

457 Plan Quarterly Enrollments & Contribution Change Method				
	1Q 2012	1Q 2013	1Q 2014	1Q 2015
Method of Enrollment				
Paper Form	92.42%	95.78%	88.37%	89.84%
Pseudo Enrollment	0.61%	0.73%	1.45%	1.48%
Internet	6.96%	3.49%	10.18%	8.68%
Method of Contribution Change				
Internet	82.49%	97.81%	99.10%	98.69%
Paper Form	16.75%	1.13%	0.50%	0.96%
Participant Service Center	0.56%	0.71%	0.13%	0.11%
VRU	0.21%	0.35%	0.27%	0.24%

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



North Carolina Total Retirement Plans

401(k) Contributions

	1Q 2012	1Q 2013	1Q 2013 Change %	1Q 2014	1Q 2014 Change %	1Q 2015	1Q 2015 Change %
Employee Contributions	\$54,598,132	\$51,553,336	-5.58%	\$52,218,715	1.29%	\$53,283,090	2.04%
Roth	\$6,021,738	\$6,720,935	11.61%	\$7,819,875	16.35%	\$9,038,011	15.58%
Total Employee Contributions	\$60,619,870	\$58,274,271	-3.87%	\$60,038,590	3.03%	\$62,321,101	3.80%
Employer Contributions	\$40,017,247	\$40,257,645	0.60%	\$41,988,747	4.30%	\$43,694,264	4.06%
Rollovers	\$7,723,031	\$13,032,164	68.74%	\$10,391,366	-20.26%	\$12,131,660	16.75%
Total Contributions	\$108,360,148	\$111,564,080	2.96%	\$112,418,703	0.77%	\$118,147,025	5.10%
Average Voluntary Contributions	\$170	\$175	2.94%	\$169	-3.43%	\$161	-4.89%
Average Roth Contributions	\$97	\$91	-6.19%	\$91	-0.08%	\$93	2.67%
Average Employee Contributions	\$175	\$186	6.29%	\$180	-3.23%	\$184	2.29%

457 Contributions

	1Q 2012	1Q 2013	1Q 2013 Change %	1Q 2014	1Q 2014 Change %	1Q 2015	1Q 2015 Change %
Employee Contributions	\$11,222,899	\$12,656,416	12.77%	\$13,235,600	4.58%	\$13,912,518	5.11%
Roth	\$153,141	\$466,259	204.46%	\$540,536	15.93%	\$846,884	56.67%
Total Employee Contributions	\$11,376,040	\$13,122,675	15.35%	\$13,776,136	100.00%	\$14,759,402	7.14%
Employer Contributions	\$0	\$0	0.00%	\$190,944	0.00%	\$327,006	100.00%
Rollovers	\$3,020,338	\$2,434,209	-19.41%	\$2,241,198	-7.93%	\$3,582,037	59.83%
Total Contributions	\$14,396,378	\$15,556,884	8.06%	\$16,208,278	4.19%	\$18,668,445	15.18%
Average Voluntary Contributions	\$162	\$162	0.00%	\$142	-12.27%	\$142	-0.33%
Average Roth Contributions	\$93	\$128	37.63%	\$119	-6.87%	\$137	15.06%
Average Employee Contributions	\$165	\$160	-3.03%	\$144	-9.96%	\$142	-1.46%

Average contributions for YTD and the quarter are based on the population actively contributing for the time period reported.
As a result, the average contribution amounts will vary.



North Carolina Total Retirement Plans

401(k) GoalMaker Participation

	3/31/2012	3/31/2013	3/31/2014	3/31/2015
Total Plan Assets in GoalMaker	\$2,158,835,061	\$2,568,631,493	\$3,087,795,831	\$3,439,314,807
Total # of Participants in GoalMaker	108,066	119,401	130,076	139,969
Year to Date % of New Enrollments with Goalmaker Election	89.24%	87.30%	90.37%	92.11%
Total Participation Rate	47.65%	50.75%	53.39%	56.14%
Prudential's Book of Business GoalMaker Average Participation Rate*	39.14%	43.23%	43.07%	45.19%
Total % of Assets	37.29%	39.76%	41.56%	43.10%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	4,607	9,189	4,667	18,463
Age 30-39	7,897	17,044	11,106	36,047
Age 40-49	7,671	18,383	11,458	37,512
Age 50-59	8,504	16,404	6,759	31,667
Age 60-69	4,889	6,732	2,431	14,052
Age 70+	593	562	280	1,435
No DOB	70	672	51	793
Total	34,231	68,986	36,752	139,969

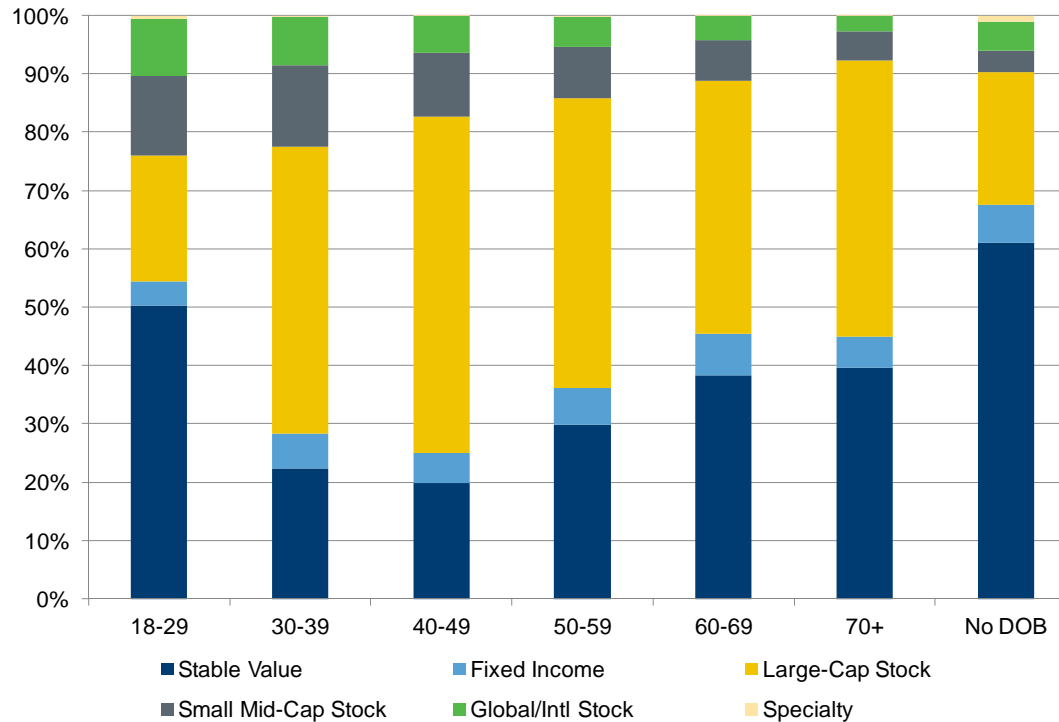
Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	\$17,346,298	\$42,171,474	\$34,975,662	\$94,493,435
Age 30-39	\$67,609,719	\$217,155,179	\$231,627,146	\$516,392,044
Age 40-49	\$116,794,219	\$427,753,854	\$460,654,898	\$1,005,202,971
Age 50-59	\$224,352,486	\$545,405,024	\$343,563,166	\$1,113,320,676
Age 60-69	\$183,527,164	\$305,906,956	\$140,094,528	\$629,528,648
Age 70+	\$27,292,517	\$32,952,294	\$17,090,360	\$77,335,172
No DOB	\$402,775	\$2,228,827	\$410,260	\$3,041,862
Total	\$637,325,179	\$1,573,573,608	\$1,228,416,021	\$3,439,314,807

*Prudential's Defined Contribution book of business averages.



North Carolina Total Retirement Plans

401(k) Asset Allocation by Age Group – Assets Not in GoalMaker As of March 31, 2015



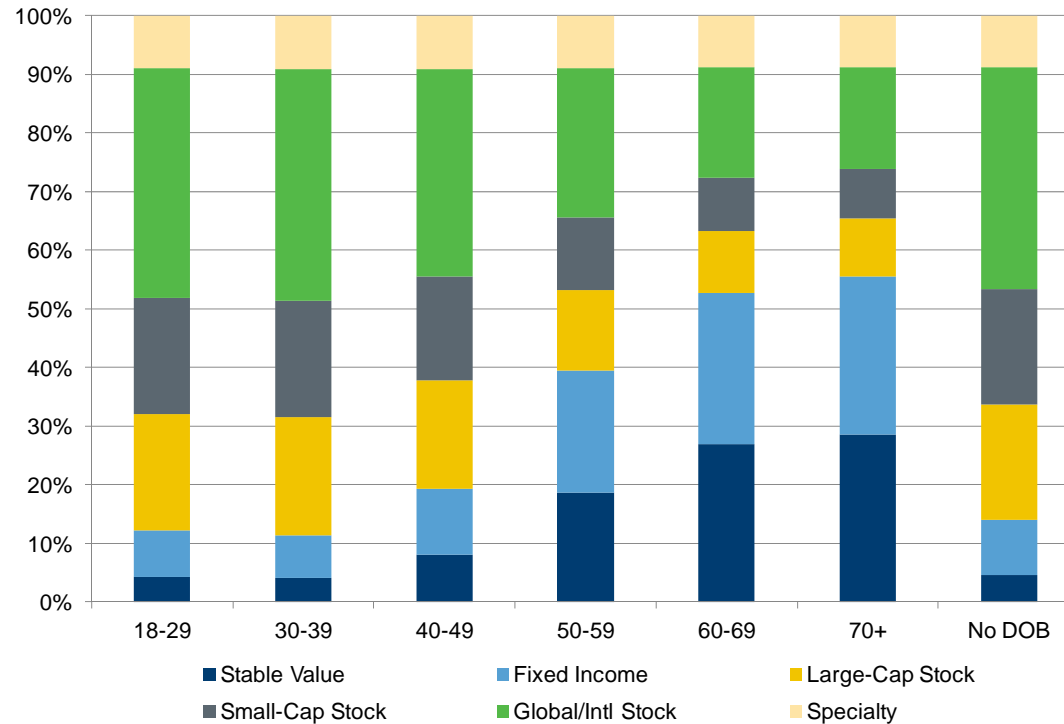
Asset Class	18-29	30-39	40-49	50-59	60-69	70+	No DOB	Total
Stable Value	\$5,365,374	\$49,979,099	\$200,038,033	\$444,928,847	\$530,190,796	\$168,248,665	\$859,529	\$1,399,610,343
Fixed Income	\$442,381	\$13,077,911	\$52,202,062	\$93,219,189	\$97,421,333	\$22,649,402	\$90,992	\$279,103,270
Large-Cap Stock	\$2,310,971	\$109,710,438	\$578,778,009	\$741,857,359	\$600,853,927	\$201,086,534	\$320,111	\$2,234,917,349
Small Mid-Cap Stock	\$1,465,187	\$31,218,320	\$110,411,409	\$131,456,156	\$95,651,310	\$21,430,192	\$53,696	\$391,686,269
Global/Intl Stock	\$1,051,996	\$18,741,931	\$62,699,791	\$77,349,779	\$56,754,058	\$11,298,313	\$68,766	\$227,964,633
Specialty	\$53,710	\$405,891	\$1,364,862	\$2,556,596	\$2,149,028	\$304,823	\$15,482	\$6,850,392
Total Assets	\$10,689,620	\$223,133,589	\$1,005,494,165	\$1,491,367,926	\$1,383,020,452	\$425,017,929	\$1,408,575	\$4,540,132,256
% Assets	0.24%	4.91%	22.15%	32.85%	30.46%	9.36%	0.03%	100.00%
Total Participants	1,857	12,242	30,916	32,667	24,449	6,946	557	109,634
Average Account Balance	\$5,756	\$18,227	\$32,523	\$45,654	\$56,568	\$61,189	\$2,529	\$41,412

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.



North Carolina Total Retirement Plans

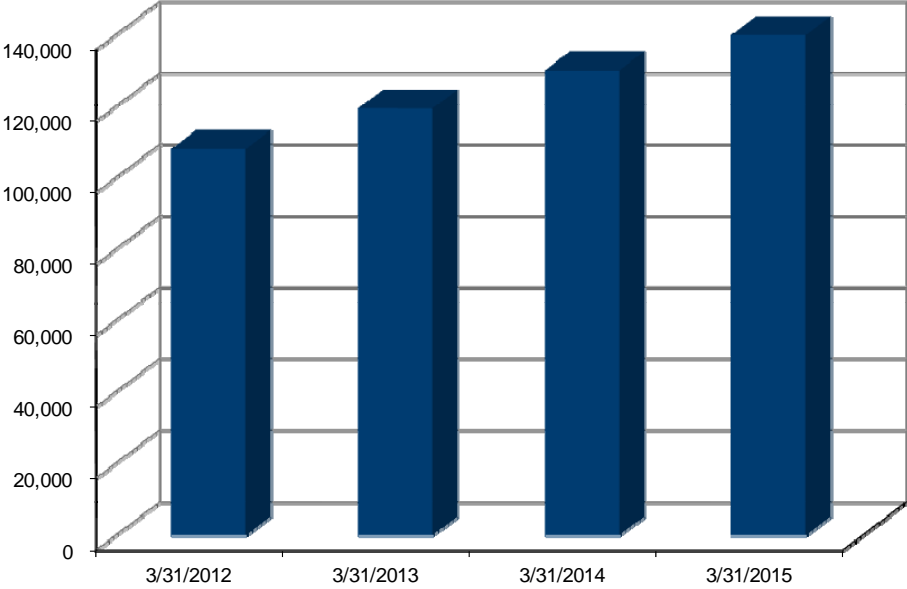
401(k) Asset Allocation by Age Group – Assets in GoalMaker As of March 31, 2015



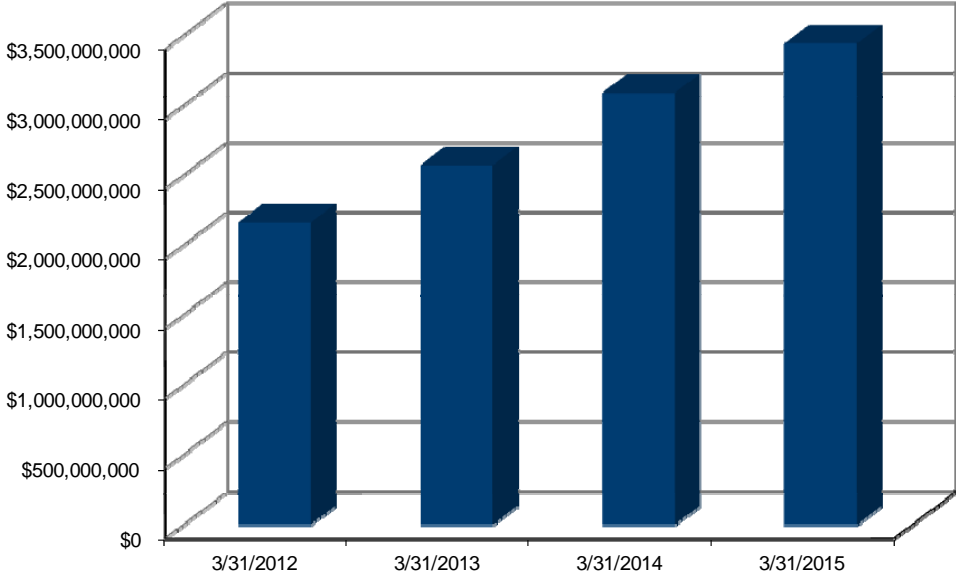
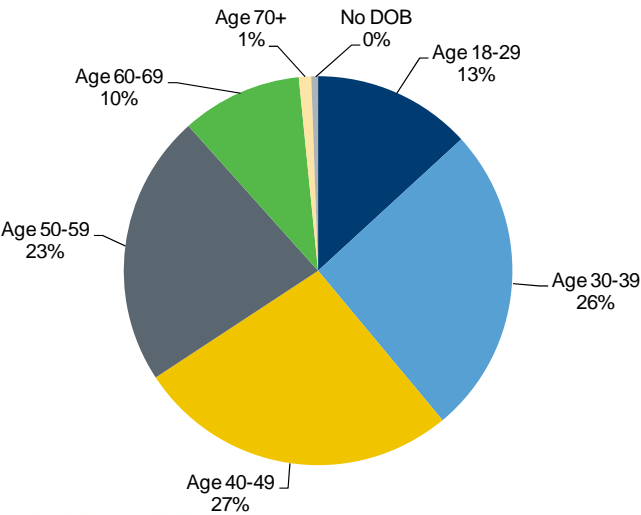
Asset Class	18-29	30-39	40-49	50-59	60-69	70+	No DOB	Total
Stable Value	\$4,041,750	\$21,338,189	\$81,781,332	\$208,355,614	\$169,237,213	\$22,087,569	\$138,717	\$506,980,385
Fixed Income	\$7,435,708	\$37,271,692	\$112,847,978	\$231,164,448	\$162,661,997	\$20,865,996	\$288,137	\$572,535,956
Large-Cap Stock	\$18,847,857	\$104,301,566	\$184,692,216	\$153,046,796	\$66,186,161	\$7,658,277	\$598,651	\$535,331,524
Small-Cap Stock	\$18,619,317	\$102,520,604	\$178,102,115	\$138,066,949	\$57,004,820	\$6,475,651	\$597,997	\$501,387,453
Global/Intl Stock	\$37,069,995	\$203,702,335	\$355,368,031	\$282,724,872	\$118,954,740	\$13,477,142	\$1,149,163	\$1,012,446,278
Specialty	\$8,478,808	\$47,257,659	\$92,411,299	\$99,961,997	\$55,483,716	\$6,770,538	\$269,197	\$310,633,213
Total Assets	\$94,493,435	\$516,392,044	\$1,005,202,971	\$1,113,320,676	\$629,528,648	\$77,335,172	\$3,041,862	\$3,439,314,807
% Assets	2.75%	15.01%	29.23%	32.37%	18.30%	2.25%	0.09%	100.00%
Total Participants	18,463	36,047	37,512	31,667	14,052	1,435	793	139,969
Average Account Balance	\$5,118	\$14,326	\$26,797	\$35,157	\$44,800	\$53,892	\$3,836	\$24,572

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.

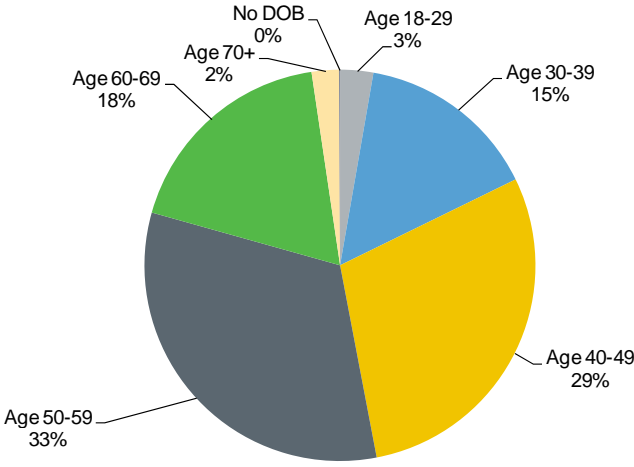
401(k) GoalMaker Participation



Participation by Age Range



Assets by Age Range



457 GoalMaker Participation

	3/31/2012	3/31/2013	3/31/2014	3/31/2015
Total Plan Assets in GoalMaker	\$109,832,149	\$150,574,417	\$201,593,243	\$248,161,775
Total # of Participants in GoalMaker	13,934	20,221	25,792	30,461
Year to Date % of New Enrollments with Goalmaker Election	89.61%	89.49%	87.25%	90.71%
Total Participation Rate	37.36%	47.08%	52.76%	57.87%
Prudential's Book of Business GoalMaker Average Participation Rate*	39.14%	43.23%	43.07%	45.19%
Total % of Assets	12.57%	15.62%	18.45%	21.26%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	1,341	2,062	1,175	4,578
Age 30-39	2,239	3,535	2,087	7,861
Age 40-49	2,411	4,199	2,233	8,843
Age 50-59	2,338	3,335	1,237	6,910
Age 60-69	774	848	328	1,950
Age 70+	80	73	26	179
No DOB	45	73	22	140
Total	9,228	14,125	7,108	30,461

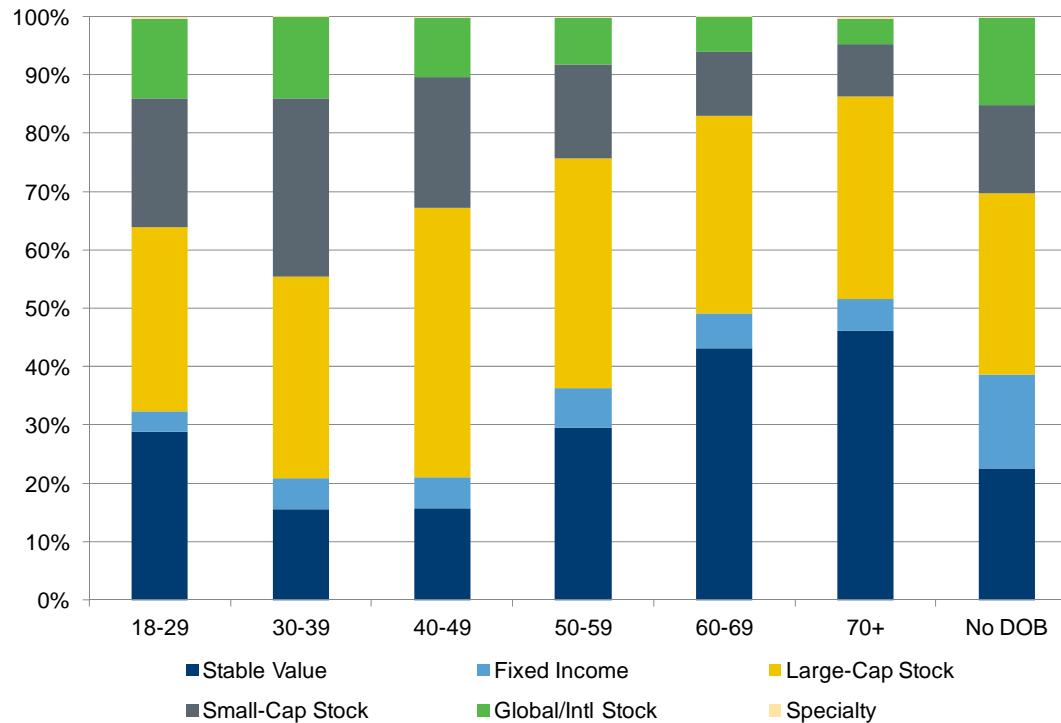
Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	\$833,196	\$1,900,674	\$1,757,405	\$4,491,275
Age 30-39	\$2,835,665	\$8,607,933	\$9,427,117	\$20,870,715
Age 40-49	\$7,196,535	\$24,684,774	\$22,095,472	\$53,976,781
Age 50-59	\$18,900,409	\$40,281,671	\$23,991,083	\$83,173,163
Age 60-69	\$19,511,998	\$32,693,667	\$16,242,296	\$68,447,961
Age 70+	\$6,373,931	\$7,322,899	\$3,218,684	\$16,915,515
No DOB	\$41,803	\$216,584	\$27,978	\$286,365
Total	\$55,693,538	\$115,708,201	\$76,760,035	\$248,161,775

*Prudential's Defined Contribution book of business averages.



North Carolina Total Retirement Plans

457 Asset Allocation by Age Group – Assets Not in GoalMaker As of March 31, 2015



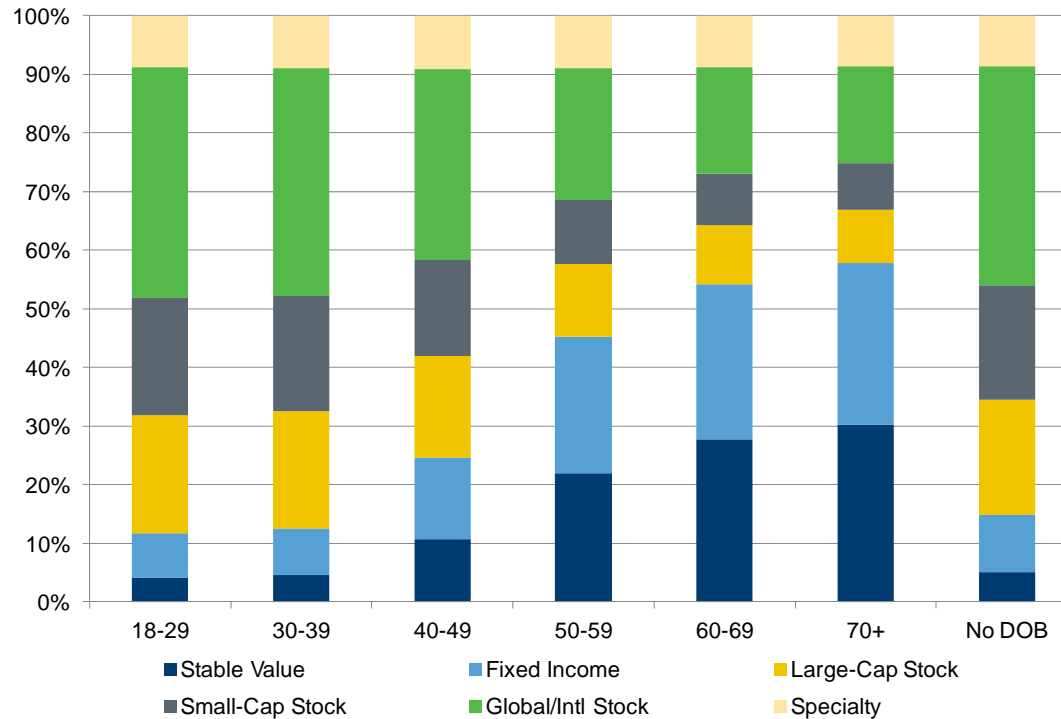
Asset Class	18-29	30-39	40-49	50-59	60-69	70+	No DOB	Total
Stable Value	\$201,210	\$2,157,639	\$13,700,174	\$67,550,072	\$155,908,924	\$104,086,425	\$6,641	\$343,611,084
Fixed Income	\$23,609	\$756,296	\$4,662,683	\$15,652,000	\$21,875,960	\$12,168,206	\$4,772	\$55,143,525
Large-Cap Stock	\$219,874	\$4,810,042	\$40,345,374	\$90,232,440	\$123,062,121	\$78,456,558	\$9,139	\$337,135,548
Small-Cap Stock	\$154,145	\$4,242,976	\$19,471,961	\$36,942,857	\$39,620,766	\$20,203,300	\$4,456	\$120,640,461
Global/Intl Stock	\$94,545	\$1,940,708	\$8,951,442	\$18,255,133	\$21,204,692	\$9,811,420	\$4,451	\$60,262,391
Specialty	\$3,269	\$13,797	\$170,871	\$490,526	\$546,615	\$822,128	\$50	\$2,047,257
Total Assets	\$696,653	\$13,921,458	\$87,302,504	\$229,123,028	\$362,219,078	\$225,548,036	\$29,508	\$918,840,266
% Assets	0.08%	1.52%	9.50%	24.94%	39.42%	24.55%	0.00%	100.00%
Total Participants	383	2,296	4,944	6,590	5,803	2,177	17	22,210
Average Account Balance	\$1,819	\$6,063	\$17,658	\$34,768	\$62,419	\$103,605	\$1,736	\$41,371

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.



North Carolina Total Retirement Plans

457 Asset Allocation by Age Group – Assets in GoalMaker As of March 31, 2015

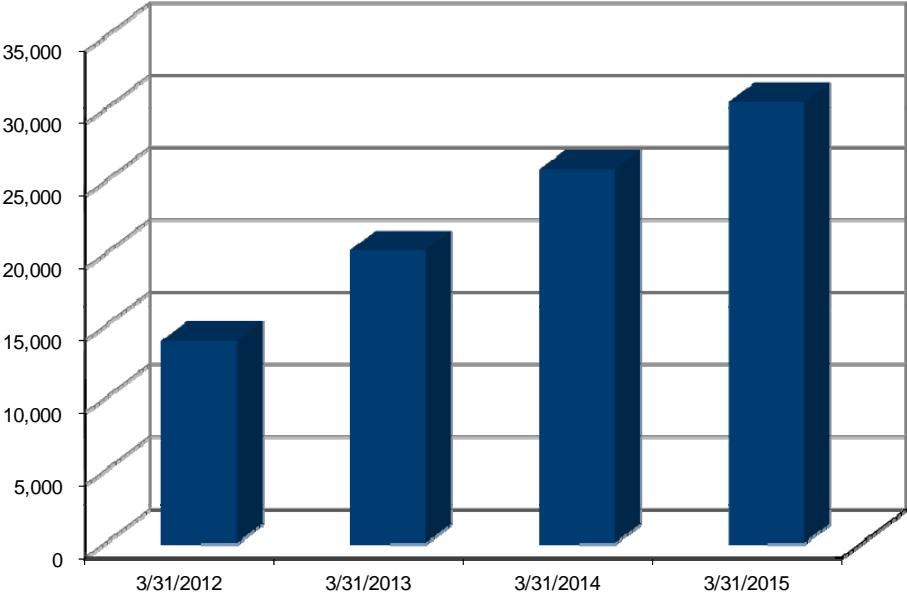


Asset Class	18-29	30-39	40-49	50-59	60-69	70+	No DOB	Total
Stable Value	\$183,982	\$973,063	\$5,790,999	\$18,322,686	\$18,999,898	\$5,099,727	\$14,796	\$49,385,151
Fixed Income	\$338,649	\$1,640,353	\$7,524,936	\$19,368,727	\$18,063,333	\$4,669,957	\$27,745	\$51,633,699
Large-Cap Stock	\$911,246	\$4,170,624	\$9,282,088	\$10,272,000	\$6,920,563	\$1,556,430	\$56,075	\$33,169,026
Small-Cap Stock	\$896,252	\$4,092,135	\$8,836,752	\$9,061,050	\$5,949,578	\$1,320,920	\$55,997	\$30,212,684
Global/Intl Stock	\$1,767,178	\$8,104,782	\$17,636,930	\$18,726,191	\$12,465,198	\$2,795,358	\$106,960	\$61,602,597
Specialty	\$393,968	\$1,889,758	\$4,905,075	\$7,422,509	\$6,049,392	\$1,473,124	\$24,792	\$22,158,619
Total Assets	\$4,491,275	\$20,870,715	\$53,976,781	\$83,173,163	\$68,447,961	\$16,915,515	\$286,365	\$248,161,775
% Assets	1.81%	8.41%	21.75%	33.52%	27.58%	6.82%	0.12%	100.00%
Total Participants	4,578	7,861	8,843	6,910	1,950	179	140	30,461
Average Account Balance	\$981	\$2,655	\$6,104	\$12,037	\$35,102	\$94,500	\$2,045	\$8,147

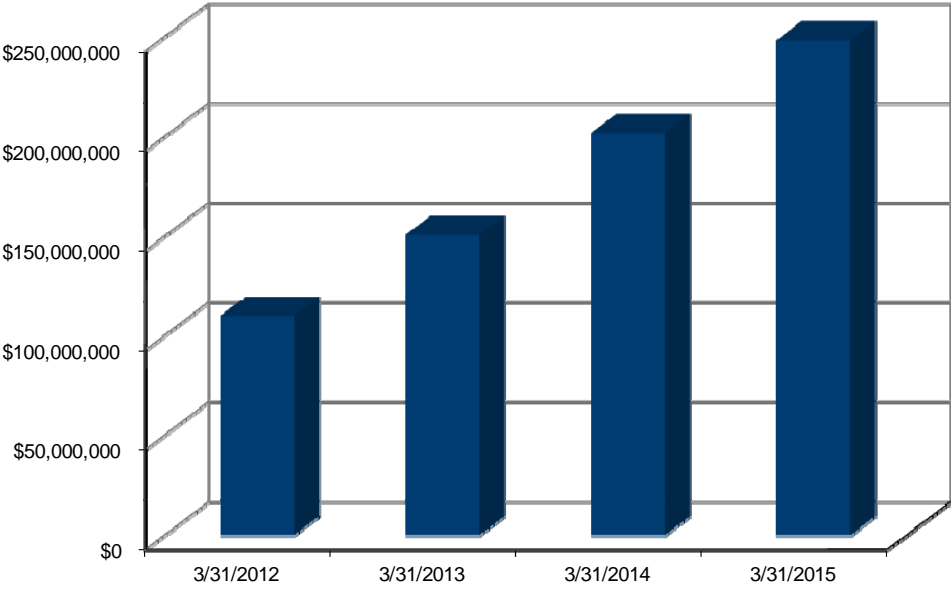
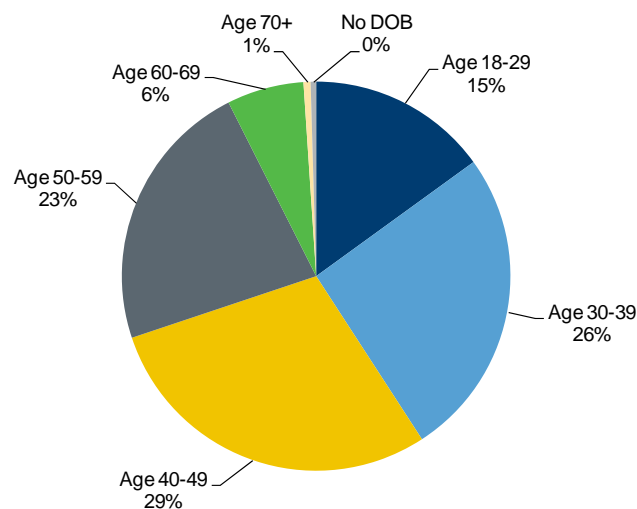
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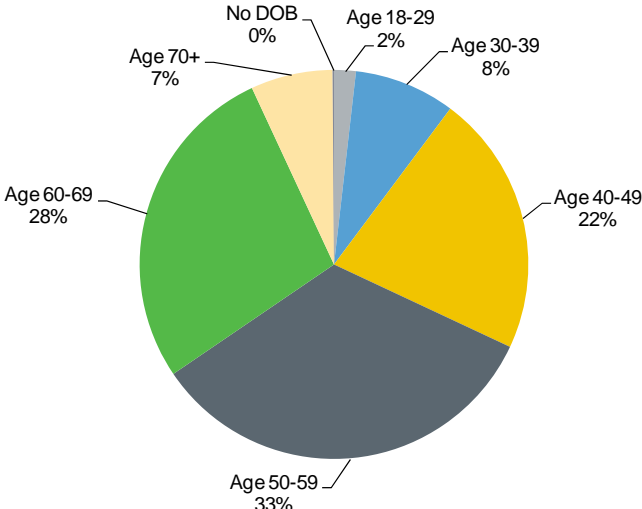
457 GoalMaker Participation



Participation by Age Range



Assets by Age Range



Loan Information

401(k) YTD Loans					
	2012	2013	2014	2015	Change %
% of Members in Plan with a Loan	24.03%	24.15%	24.47%	24.18%	-1.19%
# of Outstanding Loans	46,575	47,158	47,584	47,221	-0.76%
# of New Loans 1Q	3,733	3,595	3,668	3,602	-1.80%
Average Loan Balance	\$5,402	\$5,540	\$5,753	\$6,038	4.96%
Total Outstanding Loan Balance	\$251,577,926	\$261,262,898	\$273,728,886	\$285,134,956	4.17%

457 YTD Loans					
	2012	2013	2014	2015	Change %
% of Members in Plan with a Loan	14.58%	13.95%	14.25%	13.93%	-2.25%
# of Outstanding Loans	4,493	4,880	5,377	5,659	5.24%
# of New Loans 1Q	372	409	450	490	0.00%
Average Loan Balance	\$3,012	\$3,020	\$3,120	\$3,303	5.88%
Total Outstanding Loan Balance	\$13,531,626	\$14,739,629	\$16,773,846	\$18,694,043	11.45%



401(k) Disbursements – Year to Date

401(k) Disbursements							
	1Q 2012	1Q 2013	1Q 2013 Change %	1Q 2014	1Q 2014 Change %	1Q 2015	1Q 2015 Change %
Term - Lump Sum	\$55,512,267	\$61,167,131	10.19%	\$82,423,041	34.75%	\$96,282,990	16.82%
In-Service	\$14,047,917	\$8,841,684	-37.06%	\$7,486,158	-15.33%	\$7,150,525	-4.48%
State Retirement System	\$8,326,609	\$3,825,622	-54.06%	\$2,948,905	-22.92%	\$4,103,410	39.15%
Hardship	\$1,308,888	\$1,557,355	18.98%	\$1,542,380	-0.96%	\$1,551,805	0.61%
Systematic	\$2,079,401	\$2,347,984	12.92%	\$3,020,453	28.64%	\$2,851,748	-5.59%
Total Disbursements	\$81,275,082	\$77,739,776	-4.35%	\$97,420,938	25.32%	\$111,940,479	14.90%

401(k) Disbursements							
	1Q 2012	1Q 2013	1Q 2013 Change %	1Q 2014	1Q 2014 Change %	1Q 2015	1Q 2015 Change %
Term – Lump Sum	4,277	4,425	3.46%	5,331	20.47%	5,933	11.29%
In-Service	1,470	1,631	10.95%	1,369	-16.06%	1,409	2.92%
State Retirement System	219	120	-45.21%	102	-15.00%	127	24.51%
Hardship	478	524	9.62%	436	-16.79%	378	-13.30%
Systematic	2,508	3,010	20.02%	3,156	4.85%	3,160	0.13%
Total Disbursements	8,952	9,710	8.47%	10,394	7.04%	11,007	5.90%

457 Disbursements – Year to Date

457 Disbursements							
	1Q 2012	1Q 2013	1Q 2013 Change %	1Q 2014	1Q 2014 Change %	1Q 2015	1Q 2015 Change %
Term - Lump Sum	\$12,544,688	\$11,635,979	-7.24%	\$11,746,177	0.95%	\$14,861,835	26.52%
In-Service	\$104,480	\$54,190	-48.13%	\$12,501	-76.93%	\$54,112	332.86%
State Retirement System	\$283,618	\$183,800	-35.19%	\$143,198	-22.09%	\$285,777	99.57%
Hardship	\$131,868	\$108,866	-17.44%	\$142,737	31.11%	\$152,429	6.79%
Systematic	\$1,168,947	\$1,351,543	15.62%	\$1,393,436	3.10%	\$1,416,477	1.65%
Total Disbursements	\$14,233,601	\$13,334,378	-6.32%	\$13,438,049	0.78%	\$16,770,631	24.80%

457 Disbursements							
	1Q 2012	1Q 2013	1Q 2013 Change %	1Q 2014	1Q 2014 Change %	1Q 2015	1Q 2015 Change %
Term – Lump Sum	1,251	854	-31.73%	1,086	27.17%	1,275	17.40%
In-Service	8	18	125.00%	3	-83.33%	6	100.00%
State Retirement System	19	11	-42.11%	8	-27.27%	13	62.50%
Hardship	72	79	9.72%	78	-1.27%	70	-10.26%
Systematic	1,209	1,589	31.43%	1,530	-3.71%	1,484	-3.01%
Total Disbursements	2,559	2,551	-0.31%	2,705	6.04%	2,848	5.29%

North Carolina Total Retirement Plans

401(k) Plan Asset Allocation/Net Cash Flow January 1, 2014 to March 31, 2014

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$107,545,048	\$739,174,920	\$1,903,052,623	\$2,418,742,148	\$1,847,330,882	\$409,261,536	\$4,212,662	\$7,429,319,819
% Assets	1.45%	9.95%	25.62%	32.56%	24.87%	5.51%	0.06%	100.00%
Total Contributions	\$7,174,165	\$18,052,867	\$29,659,439	\$31,382,200	\$14,530,642	\$856,533	\$371,490	\$102,027,337
Rollovers In	\$197,302	\$1,000,778	\$1,839,544	\$3,651,800	\$3,111,643	\$590,299	\$0	\$10,391,366
Total Distributions including:	(\$935,215)	(\$5,906,942)	(\$11,215,249)	(\$29,948,248)	(\$41,393,190)	(\$8,016,291)	(\$5,803)	(\$97,420,938)
Rollovers Out	(\$279,496)	(\$2,889,833)	(\$5,601,633)	(\$17,058,166)	(\$23,589,543)	(\$2,811,084)	\$0	(\$52,229,755)
Cash Distributions	(\$655,719)	(\$3,017,109)	(\$5,613,616)	(\$12,890,082)	(\$17,803,647)	(\$5,205,207)	(\$5,803)	(\$45,191,183)
Net Cash Flow	\$6,436,252	\$13,146,704	\$20,283,734	\$5,085,753	(\$23,750,905)	(\$6,569,459)	\$365,686	\$14,997,765
Total Unique Participants	19,292	48,272	67,571	62,925	36,804	7,302	1,478	243,644
Avg. Account Balance	\$5,575	\$15,313	\$28,164	\$38,438	\$50,194	\$56,048	\$2,850	\$30,493
Prudential Participant Avg. Account Balance	\$6,990	\$24,602	\$52,527	\$79,843	\$97,058	\$108,465	\$2,474	\$56,897

401(k) Plan Asset Allocation/Net Cash Flow January 1, 2015 to March 31, 2015

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$105,183,055	\$739,525,633	\$2,010,697,136	\$2,604,688,602	\$2,012,549,100	\$502,353,100	\$4,450,437	\$7,979,447,064
% Assets	1.32%	9.27%	25.20%	32.64%	25.22%	6.30%	0.06%	100.00%
Total Contributions	\$7,656,754	\$18,502,024	\$30,727,012	\$32,602,397	\$15,377,803	\$849,702	\$299,672	\$106,015,365
Rollovers In	\$296,098	\$956,522	\$2,360,399	\$3,225,714	\$4,509,950	\$782,977	\$0	\$12,131,660
Total Distributions including:	(\$751,273)	(\$6,579,145)	(\$14,973,382)	(\$31,669,704)	(\$46,307,769)	(\$11,653,815)	(\$5,390)	(\$111,940,479)
Rollovers Out	(\$250,889)	(\$3,171,984)	(\$9,064,495)	(\$17,013,184)	(\$26,836,353)	(\$4,601,191)	\$0	(\$60,938,096)
Cash Distributions	(\$500,384)	(\$3,407,161)	(\$5,908,887)	(\$14,656,520)	(\$19,471,416)	(\$7,052,624)	(\$5,390)	(\$51,002,383)
Net Cash Flow	\$7,201,578	\$12,879,401	\$18,114,029	\$4,158,407	(\$26,420,016)	(\$10,021,135)	\$294,281	\$6,206,545
Total Unique Participants	20,308	48,256	68,366	64,266	38,426	8,330	1,362	249,314
Avg. Account Balance	\$5,179	\$15,325	\$29,411	\$40,530	\$52,375	\$60,306	\$3,268	\$32,006
Prudential Participant Avg. Account Balance	\$6,642	\$24,714	\$54,426	\$85,175	\$103,210	\$113,324	\$3,217	\$59,686

*Prudential's Defined Contribution book of business averages.



North Carolina | 401k | 457
Total Retirement Plans

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Please see page 5 for important notes and disclaimers.

North Carolina Total Retirement Plans

457 Plan Asset Allocation/Net Cash Flow January 1, 2014 to March 31, 2014

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$4,456,583	\$32,260,244	\$135,023,646	\$296,472,411	\$413,040,867	\$210,988,997	\$273,011	\$1,092,515,760
% Assets	0.41%	2.95%	12.36%	27.14%	37.81%	19.31%	0.02%	100.00%
Total Contributions	\$488,217	\$1,480,605	\$3,373,936	\$5,286,056	\$2,885,223	\$427,293	\$25,750	\$13,967,080
Rollovers In	\$9,492	\$113,519	\$294,489	\$477,574	\$1,227,712	\$118,045	\$368	\$2,241,198
Total Distributions including:	(\$31,502)	(\$238,992)	(\$684,179)	(\$2,828,254)	(\$5,666,831)	(\$3,988,292)	\$0	(\$13,438,049)
Rollovers Out	(\$7,669)	(\$91,870)	(\$151,215)	(\$1,197,735)	(\$2,630,142)	(\$1,403,200)	\$0	(\$5,481,830)
Cash Distributions	(\$23,833)	(\$147,122)	(\$532,964)	(\$1,630,520)	(\$3,036,689)	(\$2,585,092)	\$0	(\$7,956,219)
Net Cash Flow	\$466,208	\$1,355,132	\$2,984,246	\$2,935,375	(\$1,553,896)	(\$3,442,954)	\$26,118	\$2,770,229
Total Unique Participants	4,321	9,178	12,958	12,684	7,472	2,094	180	48,887
Avg. Account Balance	\$1,031	\$3,515	\$10,420	\$23,374	\$55,278	\$100,759	\$1,517	\$22,348
Prudential Participant Avg. Account Balance	\$6,990	\$24,602	\$52,527	\$79,843	\$97,058	\$108,465	\$2,474	\$56,897

457 Plan Asset Allocation/Net Cash Flow January 1, 2015 to March 31, 2015

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$5,187,928	\$34,792,173	\$141,279,285	\$312,296,191	\$430,667,038	\$242,463,551	\$315,873	\$1,167,002,040
% Assets	0.44%	2.98%	12.11%	26.76%	36.90%	20.78%	0.03%	100.00%
Total Contributions	\$607,411	\$1,654,175	\$3,668,686	\$5,506,925	\$3,199,907	\$425,284	\$24,021	\$15,086,408
Rollovers In	\$50,442	\$173,504	\$86,626	\$839,086	\$1,373,119	\$1,058,880	\$380	\$3,582,037
Total Distributions including:	(\$54,065)	(\$222,635)	(\$721,589)	(\$3,413,459)	(\$8,478,822)	(\$3,880,061)	\$0	(\$16,770,631)
Rollovers Out	(\$14,193)	(\$74,900)	(\$269,591)	(\$1,867,692)	(\$5,841,266)	(\$1,000,586)	\$0	(\$9,068,227)
Cash Distributions	(\$39,872)	(\$147,735)	(\$451,998)	(\$1,545,768)	(\$2,637,555)	(\$2,879,475)	\$0	(\$7,702,403)
Net Cash Flow	\$603,788	\$1,605,044	\$3,033,723	\$2,932,551	(\$3,905,796)	(\$2,395,897)	\$24,401	\$1,897,814
Total Unique Participants	4,961	10,155	13,781	13,495	7,744	2,329	172	52,637
Avg. Account Balance	\$1,046	\$3,426	\$10,252	\$23,142	\$55,613	\$104,106	\$1,836	\$22,171
Prudential Participant Avg. Account Balance	\$6,642	\$24,714	\$54,426	\$85,175	\$103,210	\$113,324	\$3,217	\$59,686

*Prudential's Defined Contribution book of business averages.

401(k) Plan Retirement Preparation Analysis

1/1/2015 - 3/31/2015	
Total Retirement Income Calculator Completions	9,950
Unique Completions	9,233
Contribution Rate Increase	515

Since Inception for Currently Active Participants as of 3/31/2015	
Average Balance, RIC Participant	\$53,498
Average Balance, Non-RIC Participant	\$25,278
Average Contribution Rate, RIC Participant	6.19%
Average Contribution Rate, Non-RIC Participant	4.62%
Total Number of RIC Users Who Completed the RIC with a Gap	32,006
Average RIC Gap	\$2,787
Total Number of RIC Users Who Completed the RIC with a Surplus	7,456
Average RIC Surplus	\$2,127

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

1/1/2015 - 3/31/2015	
Total Retirement Income Calculator Completions	3,433
Unique Completions	3,143
Contribution Rate Increase	93

Since Inception for Currently Active Participants as of 3/31/2015	
Average Balance, RIC Participant	\$25,892
Average Balance, Non-RIC Participant	\$13,994
Average Contribution Rate, RIC Participant	5.93%
Average Contribution Rate, Non-RIC Participant	5.75%
Total Number of RIC Users Who Completed the RIC with a Gap	6,662
Average RIC Gap	\$2,900
Total Number of RIC Users Who Completed the RIC with a Surplus	1,593
Average RIC Surplus	\$3,065

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.

Expense Account Information

401(k) State Account			
Account Activity	Date	Opening/Closing Balance	Debits/Credits
Opening account value		\$4,245,690.79	
December 2014 Asset Based Fees	1/13/2015		\$143,309.91
4Q 2014 Asset Based Fees	1/22/2015		\$119,839.17
Invoice - Department of State Treasury	2/6/2015		(\$255,000.00)
January 2015 Asset Based Fees	2/10/2015		\$135,917.27
February 2015 Asset Based Fees	3/17/2015		\$130,041.76
Gain/loss in account value			\$19,023.51
Closing Account Value		\$4,538,822.41	

457 State Account			
Account Activity	Date	Opening/Closing Balance	Debits/Credits
Opening account value		\$653,190.15	
December 2014 Asset Based Fees	1/13/2015		\$18,195.44
4Q 2014 Asset Based Fees	1/22/2015		\$24,871.21
Invoice - Department of Treasury	2/6/2015		(\$45,000.00)
January 2015 Asset Based Fees	2/10/2015		\$17,253.04
February 2015 Asset Based Fees	3/17/2015		\$16,541.56
Gain/loss in account value			\$2,809.25
Closing Account Value		\$687,860.65	



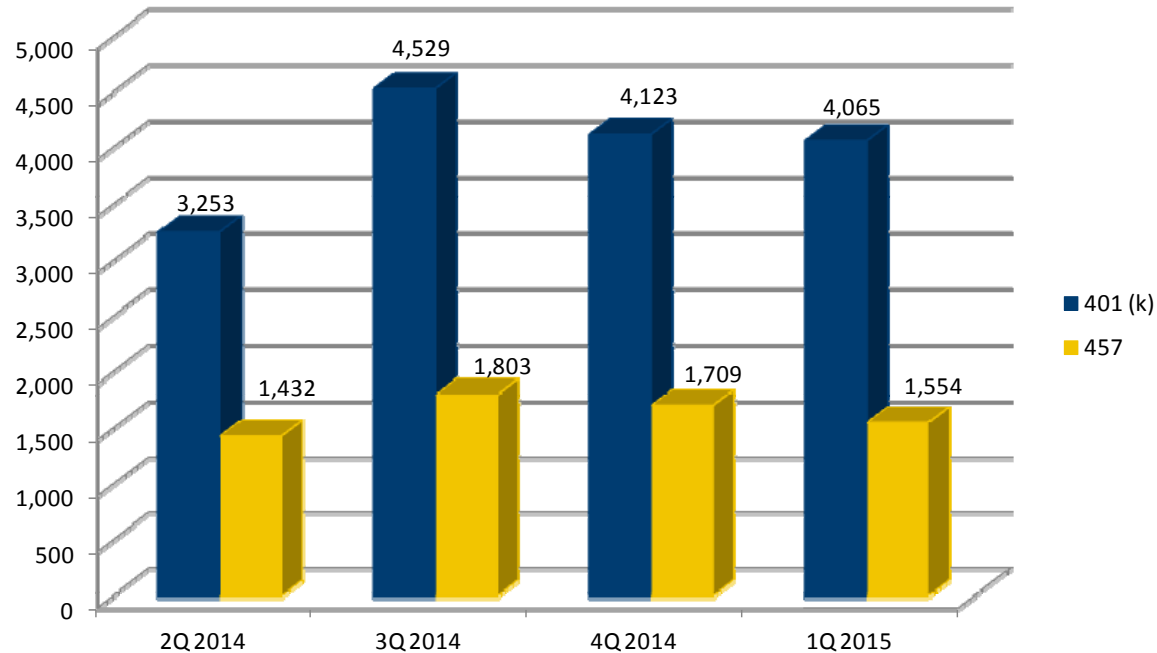
Participant Service Center Statistics

401(k) & 457 Quarterly Participant Service Center Statistics				
	1Q 2012	1Q 2013	1Q 2014	1Q 2015
Service Center Calls	38,016	41,755	36,717	37,209
Service Percentage	87%	88%	59%	81%
Average Speed to Answer (seconds)	9 sec	13 sec	5 sec	21 sec
Abandon Percentage	0.77%	0.53%	2.30%	0.80%

Retirement Security Education Information

401(k) & 457 Quarterly Retirement Security Education Team Activity				
Meeting Activity	January 2015	February 2015	March 2015	1Q 2015
Group Meetings - Number of Meetings	168	140	261	569
Group Meetings - Number of Attendees	3,028	2,777	7,081	12,886
Individual Meetings - Number of Meetings	367	275	352	994
Employer Meetings	238	131	189	558
Total Meeting Site Visits	773	546	802	2,121
Total Meeting Attendees	3,395	3,052	7,433	13,880

Enrollment Activity by Quarter



Employers Adopting the 457 Plan

457 Additions					
Employer Type	2012	2013	2014	2015	# of Eligible
CHARTER SCHOOL	3	5	3	2	926
COMMUNITY COLLEGE	10	3	2	1	11,045
COUNTY	6	4	3	0	23,007
MUNICIPAL	10	17	11	5	11,528
OTHER	11	13	8	1	3,079
SCHOOL	10	10	3	2	118,936

Employers Adopting the 457 Plan in 2015

Community College

Haywood Community College

Charter Schools

Arapahoe Charter School
Mountain Community School

Schools

Asheboro City Schools
Gates County Board of Education

Municipalities

NC League of Municipalities
Town of Burgaw
Town of Newton Grove
Town of Stedman
Town of Walnut Grove

Other

Pleasant Garden Fire Dept



Employers Adopting the 401(k) Plan in 2015

Charter Schools

Mountain Community School

Municipalities

NC League of Municipalities


Employers Making Changes to the 401(k) Plan in 2015

401(k) Employers Adding An Employer Match

Harnett County added an up to 2% match.

NC League of Municipalities added an up to 3% match.





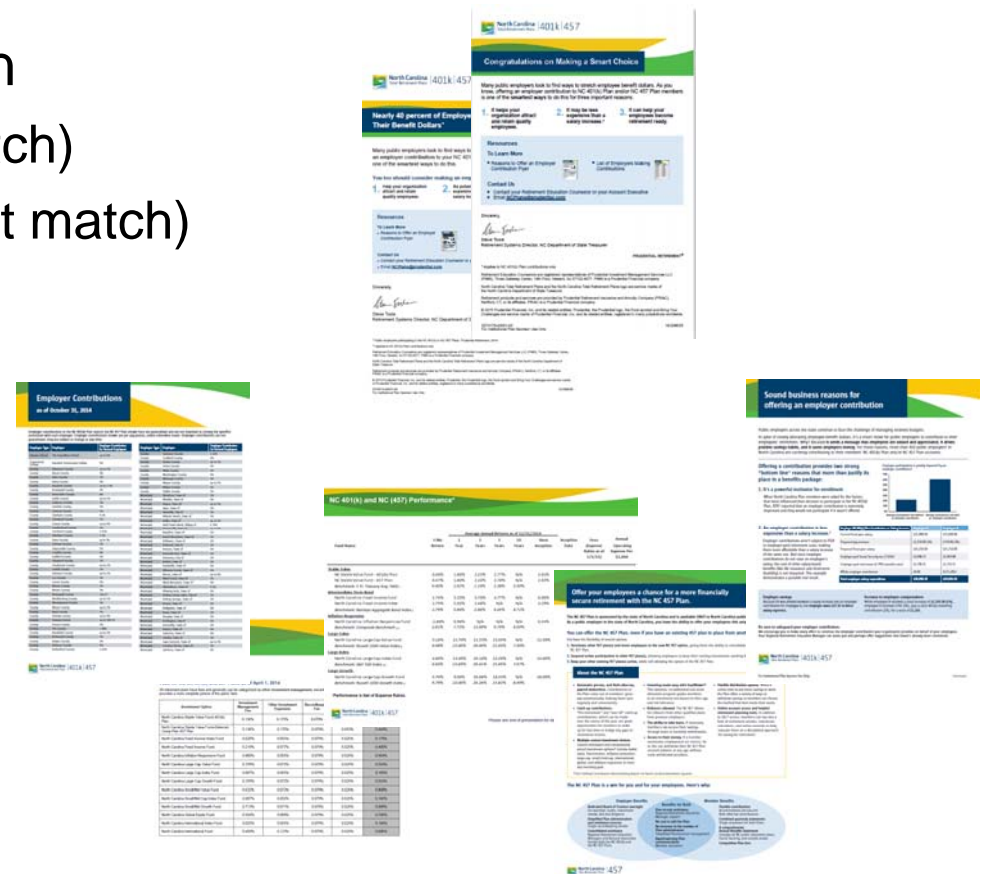
Communication Accomplishments 1Q15



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NC 401(k) & NC 457 Communication Accomplishments 1Q15

- Employer Contribution Campaign
 - 965 recipients (employers with match)
 - 1,350 recipients (employers without match)
- Updated Materials:
 - Employer Contribution Flyer
 - Fees document
 - Performance document
 - Enrollment Guides (3)
 - 457 Plan Employer Pitch Sheet



NC 401(k) & NC 457 Communication Accomplishments 1Q15

- New Materials:
 - Multi-Topic Presentation
 - Sensible Savings Presentation
 - Plan Sponsor Web Enhancement Email
 - 2 Case Studies
- 4Q14 Signature Newsletter
 - 254,174 total participant statements
 - 145,194 mailed
 - 108,980 electronic





Signature Newsletter 1Q15



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Signature

NEWSLETTER

1ST QUARTER 2015

A new look at retirement readiness

In this issue, we'll review some important items to consider as you plan for retirement—from the “costs” on your retirement savings to how the money you save for retirement can help you *today*. Coming soon, in late spring, will be your 2014 Annual Benefits Statement—which is one of the most powerful retirement planning tools you have!

In this issue...

Staying Connected: Savings Busters

Making Cents

Fund Facts: How Saving for Retirement Helps You *Today*

Upcoming events

Annual Benefits Statement release



A Message from North Carolina's State Treasurer

After this cold and snowy winter, I know that many of you are like me and pining for the spring and warmer weather. If you listen to gardening experts, you should be preparing right now. While I'm no expert on gardening, I do plan ahead. I compost my kitchen scraps and use them in the soil, which gets it ready to plant herbs and tomatoes. Proper planning today will help ensure

that you'll enjoy those warm evenings in a healthy garden when the weather improves.

Interestingly enough, the same holds true for your retirement. It may seem like a long way off, but it will be here before you know it. Will you be ready? Are you preparing adequately so that you can enjoy yourself when that time comes?

One of the ways that you can make sure you're ready is to take advantage of all the programs available to help you with your retirement savings. Participation in an NC 401(k) and/or NC 457 Plan, along with your defined benefit contribution, may be needed to get you to retirement readiness. As a supplemental plan participant, you're helping yourself to get on the right track to retirement readiness.

But you may be wondering if you're doing enough. Are you putting aside enough of your monthly paycheck? Are your assets allocated correctly? Just like a gardener preparing for a colorful spring, it's all about the prep work. Fortunately, there are tools to give you that confidence.

One tool is the newly enhanced NCPlans.Prudential.com website, which will allow you to easily access the online Retirement Income Calculator and quickly assess the bigger picture of your retirement savings. You can now include your NC 401(k) and/or your NC 457 Plan account balances, as well as balances from up to ten other retirement savings accounts. The Retirement Income Calculator also includes your North Carolina pension plan benefits. Another tool is the GoalMaker® with Age Adjustment solution that can help you target the investment options that are best suited to your retirement goals. This feature automatically adjusts your investment mix to be more conservative as you approach retirement, or the time you wish to begin withdrawing funds.

These user-friendly tools—along with the Annual Benefits Statement that you'll be receiving in a few months—will help you determine whether or not your money will help you fund all of your retirement adventures.

Sincerely,

Janet Cowell, State Treasurer



Staying Connected

Savings Busters: Be Aware

What you don't know can hurt your savings.

When saving for retirement, it's a good idea to prepare for the major costs that can eat into your savings. Consider these four “costs” that may erode your retirement income before you even have a chance to enjoy it...



North Carolina | 401k | 457
Total Retirement Plans

Continued on next page



#1: The cost of inflation

Inflation, the rise in prices of goods and services over time, may not seem like much of a concern today, but when you're living off of your retirement savings, it can have a huge impact. See how costs of some common items have increased over the years:

Item	1960	1980	2014
Average new car	\$2,600	\$7,238	\$20,795
Gallon of gasoline	\$0.25	\$0.70	\$2.01
Loaf of bread	\$0.22	\$0.61	\$1.75

Sources: Bureau of Labor Statistics, Inflation Calculator, www.bls.gov, 2/2014



#2: The cost of health care and living longer

Living longer means planning for more years of health care expenses than you may have expected, so you need to plan carefully. Recent estimates suggest that a 65-year-old couple retiring in 2014 would face approximately \$220,000 in lifetime medical expenses.¹

Projected Lifetime Medical Expenses² for Married Couples — 65-year-olds Retiring In:

2014	\$220,000
2025	\$304,531
2035	\$409,265

¹ Source: *Retiree health costs hold steady*, Fidelity Viewpoints, 6/11/2014

² Based on an annual inflation rate of 3%, using the \$220,000 projection amount for 2014 retirees and the Inflation Calculator, *Save Enough to Account for Inflation*: <http://www.buyupside.com/calculators/index.php>.

#3: The cost of borrowing money

Taking out a loan against your retirement savings may seem like the perfect solution to your short-term financial needs, but later on, it may cost more than you bargained for. Sure, the money you use to repay your loan—with interest—goes back into your Plan account, but it may never make up for the loan amount not receiving compounded earnings.

Member's account activity ³	Member "A" with a loan	Member "B" without a loan
Makes annual contributions (years 1-4)	\$1,500 (\$58 biweekly)	\$1,500 (\$58 biweekly)
Takes loan in (year 5)	Amount of loan \$3,500	Did not take out a loan \$0
Makes annual loan repayments (years 5-9)	\$829	Did not take out a loan \$0
Makes annual contributions (years 5-9)	\$671	\$1,500
Makes annual contributions (years 10-30)	\$1,500	\$1,500
Total account balance (year 30)	\$126,738	\$147,064

³ This example is hypothetical and for illustrative purposes only. It assumes an 8% return on investments, and that a loan taken in year five has an interest rate of 9.25% for a five-year loan payoff.

#4: The cost of investing

When considering any investment, you should look at the fees closely. As a member of the NC 401(k) Plan and/or the NC 457 Plan, you enjoy access to top-tier investment managers who offer funds with competitive fees.⁴

⁴ Source: 2013 Defined Contribution Benchmarking Results for North Carolina Retirement Systems (CEM Benchmarking).





Making Cents

Save Twice with the Saver's Credit

There are many good reasons to save as much money as you can for retirement...and the federal government is giving you yet another one by offering the Saver's Credit. This special tax credit allows you to make voluntary contributions to a retirement plan, like the NC 401(k) Plan, 457 Plan, or the 403(b) Program. If you are within certain income limits, a portion of your contributions to your retirement plan can be used as tax credits. With the Saver's Credit, you can save for your retirement and save on your taxes.

If you didn't take advantage of the credit this year, you may want to sit down with your Benefits Administrator soon so that your employer can begin withholding funds and you can take advantage of the Saver's Credit on your 2015 tax return.

Go to <http://www.irs.gov> and search "Save Twice" for more information about this important retirement savings opportunity.

Fund Facts

How Saving for Retirement Helps You *Today*

With paying your income taxes fresh on your mind, this is a good time to remind you that the pre-tax contributions you make to your NC 401(k) Plan or NC 457 Plan account can help you save money on taxes *today*. Every dollar you save reduces your taxable income by a dollar, therefore, reducing your state and federal taxable income.

Traditional pre-tax contributions

Annual salary	\$42,000
Annual pre-tax contribution to the plan (5%)	-\$2,100
Taxable income	\$39,900
Federal taxes (25%)	\$9,975
Take-home pay	\$29,925

Another positive of pre-tax savings is when you make pre-tax contributions, your take-home pay is not reduced nearly as much as you might think.

Contribution amount	Estimated tax advantage	Reduction in take-home pay
\$25	\$8	\$17
\$35	\$11	\$24
\$50	\$16	\$34
\$75	\$24	\$51
\$100	\$32	\$68
\$150	\$48	\$102
\$200	\$64	\$136

For illustrative purposes only. Assumes 5.75%, NC State Tax, single filing status, one allowance and an income bracket of 25%. Retirement plan distributions associated with pre-tax contributions will be taxed upon withdrawal.

*Amounts withdrawn before age 59½ may be subject to a 10% federal income tax penalty, applicable taxes, and plan restrictions. Withdrawals are taxed at ordinary income tax rates.

Here's another thing to consider: If you have retirement savings with a previous employer, you can roll that money over to your NC 401(k) Plan or NC 457 Plan account and defer paying taxes until you withdraw it.* If you cash out of your other retirement account, the money you receive could push you into a much higher tax bracket—which could cost you substantially more in taxes.



BOARD MEMBER SPOTLIGHT



Robert Orr

NC Supplemental Retirement Board of Trustees

Take a couple of minutes to get to know one of our Supplemental Retirement Board of Trustees members, Robert Orr, who was appointed by the Governor in 2014. Rob has more than 12 years of financial services experience, currently serving as principal in the investment company, Sandton Capital Partners, where he opened their North Carolina office in 2010. There, he sources, executes, and manages credit investments, focusing on middle market businesses in need of alternative capital solutions.

Prior to that, Rob was part of the team that founded Square 1 Bank, a commercial bank headquartered in Durham. Both positions have afforded him with several career highlights. “It was exciting to help build Square 1 Bank from a de novo institution to a commercial bank with more than \$1 billion in deposits, and a strong niche in technology and life

science lending,” he explains. “At Sandton, developing new relationships with banks all over the United States and Western Europe has been very rewarding.”

Another highlight is serving on the Board. “Both of my parents were state employees for portions of their careers, so I have a strong appreciation for the service our participants provide to North Carolina,” Rob says. “For years, the staff and Board have worked very hard to advance the goals of retirement readiness for NC state employees. Building on those efforts, I hope we continue the excellent trends in participation rates. With educational programming and offerings such as GoalMaker, I think we are well-equipped to meet the needs of all state employees.”

Between work and having two small kids, this Asheville native says there’s not much time for hobbies, with one exception: “I’m an avid Tar Heel fan, and try to watch as many of their games as I can.”



PRSD7141

PRUDENTIAL RETIREMENT®

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Go to www.NCPlans.prudential.com for information on NC Total Retirement Plans or to access your account. You may also call 1-866-NCPlans (1-866-627-5267). Participant Service Representatives are available Monday through Friday between 8 a.m. and 9 p.m. ET.

All investing involves various risks, such as; fixed income (interest rate), default, small cap, international and sector—including the possible loss of principal. Keep in mind that application of asset allocation and diversification concepts does not ensure a profit or protect against loss. It is possible to lose money by investing in securities.

Investors should carefully consider a fund’s investment objectives, risks, charges and expenses before investing. For more complete information about the investment options available through your plan, please contact your Prudential Retirement Representative at 1-866-627-5267 (1-866-NCPLANS) or visit www.NCPlans.prudential.com.

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Thank you



Prudential

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North Carolina | 401k | 457
Total Retirement Plans

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