

State of North Carolina

Separate Account Fee Summary

as of 7/1/2013

	Funds and Sub-Advisors	Wtd Avg Inv Mgt Fee	R/K Fee	Admin / Other ¹	NC Budget ²	Total Estimated Expense
SA-ZQ4	North Carolina Large Cap Value Fund	0.3782%	0.0960%	0.0714%	0.0250%	
SA-5HL	33.3% Hotchkis & Wiley	0.5000%		0.0717%		0.5706%
SA-5WT	33.3% Wellington Management Company ³	0.2900%		0.0719%		
SA-5RP	33.3% Robeco ⁵	0.3445%		0.0707%		
SA-ZS2	North Carolina Large Cap Index Fund	0.0250%	0.0960%	0.0550%	0.0250%	0.2010%
SA-5BL	Barclays Global Investors					
SA-ZQ5	North Carolina Large Cap Growth Fund	0.3784%	0.0960%	0.0715%	0.0250%	
SA-5SC	33.3% Sands Capital Management	0.5101%		0.0717%		0.5709%
SA-5WO	33.3% Wellington Management Company	0.3500%		0.0721%		
SA-5NB	33.3% Neuberger Berman ⁵	0.2750%		0.0707%		
SA-ZQ6	North Carolina SMID Value Fund	0.6537%	0.0960%	0.0714%	0.0250%	
SA-5HM	33.3% Hotchkis & Wiley	0.6326%		0.0716%		0.8460%
SA-5EP	33.3% Earnest Partners	0.5284%		0.0717%		
SA-5AW	33.3% Wedge ⁵	0.8000%		0.0708%		
SA-ZS3	North Carolina SMID Cap Index Fund	0.0500%	0.0960%	0.0550%	0.0250%	0.2260%
SA-5BS	Barclays Global Investors					
SA-ZQ7	North Carolina SMID Growth Fund	0.7402%	0.0960%	0.0715%	0.0250%	
SA-5TI	50% TimesSquare Capital Management	0.9114%		0.0715%		0.9327%
SA-5BA	50% Brown Advisory	0.5691%		0.0714%		
SA-ZS4	North Carolina Global Equity Fund	0.6156%	0.0960%	0.0883%	0.0250%	
SA-5GE	50 % Wellington Management Company ⁴	0.5000%		0.0934%		0.8249%
SA-5AY	50 % Arrowstreet ^{6, 7}	0.7313%		0.0832%		
SA-ZQ8	North Carolina International Fund	0.4593%	0.0960%	0.1228%	0.0250%	
SA-5BG	50% Baillie Gifford	0.4543%		0.1235%		0.7031%
SA-5MP	50% Mondrian Investment Partners	0.4643%		0.1221%		
SA-ZS5	North Carolina International Index Fund	0.1400%	0.0960%	0.0550%	0.0250%	0.3160%
SA-5BI	Barclays Global Investors					
SA-ZQ9	North Carolina Fixed Income Fund	0.2188%	0.0960%	0.0765%	0.0250%	
SA-CPP	50% PIMCO	0.2500%		0.0817%		0.4163%
SA-5JP	50% JP Morgan	0.1876%		0.0713%		
SA-ZU1	North Carolina Fixed Income Index Fund	0.0700%	0.0960%	0.0550%	0.0250%	0.2460%
SA-5BB	Barclays Global Investors					
Asset Weighted Average Fee		0.2719%	0.0960%	0.0704%	0.0250%	0.4633%

1 This includes the ongoing administration, legal, accounting, auditing, custody, NAV calculation, reporting, compliance, and other miscellaneous fund expenses associated with the separate account.

2 The cost of the budget associated with the management of the Supplemental Retirement Plans will be converted and calibrated into basis points and born by each investment option in proportion to the pro rate share of the applicable assets in that fund.

3. Strategy changed from Wellington Large Cap Tech Equity, effective 7/1/10

4. Strategy changed from Wellington Unconstrained Themes, effective 7/1/10

5. Three strategies added in Q4 2011

6. Arrowstreet was added in March 2012

State of North Carolina

Manager Fee Schedules

as of 7/1/2013

Manager	Fund	Assets (as of 5/31/13)	DC Plan Fee Schedule			Fee Calculation	
ArrowStreet	Global	DC Assets	\$	92,268,817		Fee Calc	Wtd Avg Mgt Fee
		DB Assets		n/a	First	\$ 400,000	
		TOTAL	\$	92,268,817	Next	\$ 274,747	
					Balance >	\$ -	
						\$ 674,747	0.7313%
Baillie Gifford	MSCI ACWI ex-US	DC Assets	\$	230,348,366		Fee Calc	Wtd Avg Mgt Fee
		DB Assets		n/a	First	\$ 150,000	
		TOTAL	\$	230,348,366	Next	\$ 375,000	
					Next	\$ 521,393	
					Balance >	\$ -	
						\$ 1,046,393	0.4543%
BGI	Large Cap Index	DC Assets	\$	1,177,667,643		Fee Calc	Wtd Avg Mgt Fee
		DB Assets	\$	-	Flat	\$ 294,417	
		TOTAL	\$	1,177,667,643		\$ 294,417	0.0250%
	SMID Cap Index	DC Assets	\$	410,282,802		Fee Calc	Wtd Avg Mgt Fee
		DB Assets	\$	-	Flat	\$ 205,141	
		TOTAL	\$	410,282,802		\$ 205,141	0.0500%
	ACWI ex-US Passive	DC Assets	\$	316,838,431		Fee Calc	Wtd Avg Mgt Fee
		DB Assets	\$	-	Flat	\$ 443,574	
		TOTAL	\$	316,838,431		\$ 443,574	0.1400%
	Barclays Agg	DC Assets	\$	257,336,452		Fee Calc	Wtd Avg Mgt Fee
		DB Assets	\$	-	Flat	\$ 180,136	
		TOTAL	\$	257,336,452		\$ 180,136	0.0700%
Brown	Small Cap Growth	DC Assets	\$	79,447,094		Fee Calc	Wtd Avg Mgt Fee
		DB Assets	\$	313,000,000	First	\$ 325,000	
		TOTAL	\$	392,447,094	Next	\$ 300,000	
					Balance >	\$ 1,608,459	
						\$ 2,233,459	0.5691%
Earnest Partners	Small Cap Value	DC Assets	\$	88,302,607		Fee Calc	Wtd Avg Mgt Fee
		DB Assets	\$	308,000,000	First	\$ 100,000	
		TOTAL	\$	396,302,607	Next	\$ 112,500	
					Next	\$ 150,000	
					Balance >	\$ 1,731,513	
						\$ 2,094,013	0.5284%
Hotchkis & Wiley	Large Cap Value	DC Assets	\$	282,473,209		Fee Calc	Wtd Avg Mgt Fee
		DB Assets	\$	1,176,407,289	Flat	\$ 7,294,402	
		TOTAL	\$	1,458,880,498		\$ 7,294,402	0.5000%
	Mid Cap Value	DC Assets	\$	90,465,753		Fee Calc	Wtd Avg Mgt Fee
		DB Assets		n/a	First	\$ 90,000	
		TOTAL	\$	90,465,753	Next	\$ 280,000	
					Balance >	\$ 202,329	
						\$ 572,329	0.6326%
JP Morgan	Core Bond	DC Assets	\$	262,069,925		Fee Calc	Wtd Avg Mgt Fee
		DB Assets	\$	-	First	\$ 200,000	
		TOTAL	\$	262,069,925	Balance >	\$ 291,726	
						\$ 491,726	0.1876%
Mondrian	MSCI ACWI ex-US	DC Assets	\$	233,366,364		Fee Calc	Wtd Avg Mgt Fee
		DB Assets		n/a	First	\$ 550,000	
		TOTAL	\$	233,366,364	Balance >	\$ 533,465	
						\$ 1,083,465	0.4643%
Neuberger Berman	Large Growth	DC Assets	\$	242,383,628		Fee Calc	Wtd Avg Mgt Fee
		DB Assets		n/a	Flat	\$ 666,555	
		TOTAL	\$	242,383,628		\$ 666,555	0.2750%
PIMCO	Core Plus	DC Assets	\$	260,971,221		Fee Calc	Wtd Avg Mgt Fee
		DB Assets		n/a	Flat	\$ 652,428	

State of North Carolina

as of 7/1/2013

Manager Fee Schedules

Manager	Fund	Assets (as of 5/31/13)		DC Plan Fee Schedule		Fee Calculation		
		TOTAL	\$ 260,971,221			\$ 652,428	0.2500%	
Robeco	Large Cap Value	DC Assets	\$ 280,624,090		Amount	Fee (%)	Fee Calc	Wtd Avg Mgt Fee
		DB Assets	n/a	First	\$ 50,000,000	0.45%	\$ 225,000	
		TOTAL	\$ 280,624,090	Next	\$ 50,000,000	0.40%	\$ 200,000	
				Balance >	\$ 100,000,000	0.30%	\$ 541,872	
						\$ 966,872	0.3445%	
Sands	Large Cap Growth	DC Assets	\$ 265,947,418		Amount	Fee (%)	Fee Calc	Wtd Avg Mgt Fee
		DB Assets	\$ 971,000,000	First	\$ 50,000,000	0.75%	\$ 375,000	
		TOTAL	\$ 1,236,947,418	Balance >	\$ 50,000,000	0.50%	\$ 5,934,737	
						\$ 6,309,737	0.5101%	
TimesSquare	SMid Cap Growth	DC Assets	\$ 81,489,513		Amount	Fee (%)	Fee Calc	Wtd Avg Mgt Fee
		DB Assets	n/a	First	\$ 50,000,000	0.95%	\$ 475,000	
		TOTAL	\$ 81,489,513	Next	\$ 50,000,000	0.85%	\$ 267,661	
				Balance >	\$ 100,000,000	0.75%	\$ -	
						\$ 742,661	0.9114%	
Wedge	SMid Value	DC Assets	\$ 89,278,590		Amount	Fee (%)	Fee Calc	Wtd Avg Mgt Fee
		DB Assets	n/a	First	\$ 100,000,000	0.80%	\$ 714,229	
		TOTAL	\$ 89,278,590	Next	\$ 25,000,000	0.70%	\$ -	
				Next	\$ 25,000,000	0.60%	\$ -	
				Balance >	\$ 150,000,000	0.50%	\$ -	
						\$ 714,229	0.8000%	
Wellington	Quality Value ¹	DC Assets	\$ 260,026,483		Amount	Fee (%)	Fee Calc	Wtd Avg Mgt Fee
		DB Assets	\$ 836,062,357		Flat	0.29%	\$ 3,178,658	
		TOTAL	\$ 1,096,088,840				\$ 3,178,658	0.2900%
	Opportunistic Growth	DC Assets	\$ 258,803,699		Amount	Fee (%)	Fee Calc	Wtd Avg Mgt Fee
		DB Assets	\$ 893,398,120		Flat	0.35%	\$ 4,032,706	
		TOTAL	\$ 1,152,201,819				\$ 4,032,706	0.3500%
	Global Opportunities ²	DC Assets	\$ 97,453,153		Amount	Fee (%)	Fee Calc	Wtd Avg Mgt Fee
		DB Assets	n/a		Flat	0.50%	\$ 487,266	
		TOTAL	\$ 97,453,153				\$ 487,266	0.5000%

Footnotes

1. Strategy changed from Wellington Large Cap Tech Equity, effective 7/1/10
2. Strategy changed from Wellington Unconstrained Themes, effective 7/1/10

State of North Carolina
Separate Account fee calculation

as of 7/1/2013

Subadvisor	Product	DC Assets (as of 5/31/13)	Weighted Avg Management Fee		Recordkeeping Fee		Admin / Other ¹			NC Budget ²	7/1/2013 Total Expense
			%	\$	%	\$	Admin %	Other %	\$		
Hotchkis & Wiley	Large Cap Value	\$ 282,473,209	0.5000%	\$ 1,412,366	0.0960%	\$ 271,174	0.0550%	0.0167%	\$ 202,533	0.0250%	0.6927%
Wellington Management Company	Quality Value ³	\$ 260,026,483	0.2900%	\$ 754,077	0.0960%	\$ 249,625	0.0550%	0.0169%	\$ 186,959	0.0250%	0.4829%
Robeco	Large Cap Value	\$ 280,624,090	0.3445%	\$ 966,872	0.0960%	\$ 269,399	0.0550%	0.0157%	\$ 198,401	0.0250%	0.5362%
Barclays Global Investors	Large Cap Index	\$ 1,177,667,643	0.0250%	\$ 294,417	0.0960%	\$ 1,130,561	0.0550%		\$ 647,717	0.0250%	0.2010%
Sands Capital Management	Large Cap Growth	\$ 265,947,418	0.5101%	\$ 1,356,612	0.0960%	\$ 255,310	0.0550%	0.0167%	\$ 190,684	0.0250%	0.7028%
Wellington Management Company	Opportunistic Growth	\$ 258,803,699	0.3500%	\$ 905,813	0.0960%	\$ 248,452	0.0550%	0.0171%	\$ 186,597	0.0250%	0.5431%
Neuberger Berman	Large Cap Growth	\$ 242,383,628	0.2750%	\$ 666,555	0.0960%	\$ 232,688	0.0550%	0.0157%	\$ 171,365	0.0250%	0.4667%
Hotchkis & Wiley	Mid Cap Value	\$ 90,465,753	0.6326%	\$ 572,329	0.0960%	\$ 86,847	0.0550%	0.0166%	\$ 64,773	0.0250%	0.8252%
Earnest Partners	Small Cap Value	\$ 88,302,607	0.5284%	\$ 466,580	0.0960%	\$ 84,771	0.0550%	0.0167%	\$ 63,313	0.0250%	0.7211%
Wedge	Smid Value	\$ 89,278,590	0.8000%	\$ 714,229	0.0960%	\$ 85,707	0.0550%	0.0158%	\$ 63,209	0.0250%	0.9918%
Barclays Global Investors	SMID Cap Passive	\$ 410,282,802	0.0500%	\$ 205,141	0.0960%	\$ 393,871	0.0550%		\$ 225,656	0.0250%	0.2260%
TimesSquare Capital Management	SMid Cap Growth	\$ 81,489,513	0.9114%	\$ 742,661	0.0960%	\$ 78,230	0.0550%	0.0165%	\$ 58,265	0.0250%	1.1039%
Brown Advisory	Small Cap Growth	\$ 79,447,094	0.5691%	\$ 452,142	0.0960%	\$ 76,269	0.0550%	0.0164%	\$ 56,725	0.0250%	0.7615%
Wellington Management Company	Global Opportunities ⁴	\$ 97,453,153	0.5000%	\$ 487,266	0.0960%	\$ 93,555	0.0550%	0.0384%	\$ 91,021	0.0250%	0.7144%
Arrowstreet	Global ⁷	\$ 92,268,817	0.7313%	\$ 674,747	0.0960%	\$ 88,578	0.0550%	0.0282%	\$ 76,768	0.0250%	0.9355%
Baillie Gifford	ACWI ex US Growth	\$ 230,348,366	0.4543%	\$ 1,046,393	0.0960%	\$ 221,134	0.0550%	0.0685%	\$ 284,480	0.0250%	0.6988%
Mondrian Investment Partners	ACWI ex US Value	\$ 233,366,364	0.4643%	\$ 1,083,465	0.0960%	\$ 224,032	0.0550%	0.0671%	\$ 284,940	0.0250%	0.7074%
Barclays Global Investors	International Passive	\$ 316,838,431	0.1400%	\$ 443,574	0.0960%	\$ 304,165	0.0550%		\$ 174,261	0.0250%	0.3160%
PIMCO	Core Plus	\$ 260,971,221	0.2500%	\$ 652,428	0.0960%	\$ 250,532	0.0550%	0.0267%	\$ 213,213	0.0250%	0.4527%
JP Morgan	Core Bond	\$ 262,069,925	0.1876%	\$ 491,726	0.0960%	\$ 251,587	0.0550%	0.0163%	\$ 186,856	0.0250%	0.3799%
Barclays Global Investors	Fixed Income Passive	\$ 257,336,452	0.0700%	\$ 180,136	0.0960%	\$ 247,043	0.0550%		\$ 141,535	0.0250%	0.2460%
Summary \$ 5,357,845,259			0.2719%	\$ 14,569,529	0.0960%	\$ 5,143,531	0.0704%		\$ 3,769,274	0.025%	0.46%

Disclosures

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 call 1-877-778-2100 for a factsheet that contains this and other information about our funds. Read the factsheet carefully before investing. Keep in mind it is possible to lose money by investing in securities.

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

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.

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