

North Carolina Supplemental Retirement Plans

4Q 2012 Board of Trustees Report

Presented By: Robert A. Luciani, Vice President, Key Accounts &
Tim Bryan, Vice President, Retirement Security Education

On: March 6, 2013

As Of: December 31, 2012

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



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2012-2013 401(k) Goal Results

- Increase use of GoalMaker® utilization among new members to 89% – 87% as of Dec 31, 2012
- Increase use of GoalMaker® utilization among members to 50% – 50% as of Dec 31, 2012
- Increase the average monthly employee deferral \$203 monthly – the average monthly employee deferral for the 4th Quarter \$192
- Increase active participation to 19.8% – 27.2% as of December 31, 2012
- 3 employers adopted the 401(k) Plan

2012/2013 457 Goal Results

- Increase use of GoalMaker® utilization among new members to 89% – 91% as of Dec 31, 2012
- Increase use of GoalMaker® utilization among members to 42% – 43% as of Dec 31, 2012
- Increase the average monthly employee deferral \$180 monthly – the average monthly employee deferral for the 4th Quarter \$164
- Increase active participation to 13.2% – 11.42% as of December 31, 2012. While the average participation rate decreased from 12.46% in 2011, the eligible population increased 11.44% with the addition of 50 new employers adopting the Plan in 2012.
- 50 employers adopted the 457 Plan in 2012.

North Carolina Supplemental Retirement Plans

Asset Allocation By Fund 401(k) Plan

Investment Option	# Participants Utilizing			# Participants Utilizing			# Participants Utilizing			# Participants Utilizing		
	12/31/2009	%	12/31/2009	12/31/2010	%	12/31/2010	12/31/2011	%	12/31/2011	12/31/2012	%	12/31/2012
NC STABLE VALUE-401K	\$1,443,716,759	32.36%	154,768	\$1,591,304,830	30.63%	158,856	\$1,698,060,538	31.91%	163,812	\$1,824,113,976	30.00%	169,906
Prudential Stable Value Fund	\$10,680	0.00%	8	\$4,233	0.00%	2	\$0	0.00%	0	\$0	0.00%	0
Fidelity Intermediate Bond Fund	\$7,903,082	0.18%	1,011	\$7,385,390	0.14%	889	\$0	0.00%	0	\$0	0.00%	0
North Carolina Fixed Income Fund	\$359,577,860	8.06%	126,962	\$334,689,942	6.44%	134,573	\$382,797,476	7.19%	122,456	\$446,400,934	7.34%	129,984
North Carolina Fixed Income Index	\$0	0.00%	0	\$110,753,221	2.13%	95,562	\$180,067,378	3.38%	87,639	\$221,520,750	3.64%	97,578
Fidelity Balanced Fund	\$223,855	0.01%	26	\$241,606	0.00%	24	\$0	0.00%	0	\$0	0.00%	0
Fidelity Freedom 2000	\$2,000	0.00%	1	\$2,153	0.00%	1	\$0	0.00%	0	\$0	0.00%	0
Fidelity Freedom 2010	\$7,207	0.00%	2	\$8,030	0.00%	2	\$0	0.00%	0	\$0	0.00%	0
Fidelity Freedom 2020	\$2,600	0.00%	2	\$2,787	0.00%	2	\$0	0.00%	0	\$0	0.00%	0
Fidelity Freedom Income	\$1,399	0.00%	1	\$1,503	0.00%	1	\$0	0.00%	0	\$0	0.00%	0
Invesco Van Kampen Equity and Income Fund A	\$9,470,764	0.21%	1,109	\$8,714,074	0.17%	956	\$0	0.00%	0	\$0	0.00%	0
American Funds Growth Fund of Amer R4	\$20,253,976	0.45%	1,881	\$18,537,515	0.36%	1,639	\$0	0.00%	0	\$0	0.00%	0
Federated Capital Appreciation Fund	\$3,482	0.00%	3	\$3,779	0.00%	3	\$0	0.00%	0	\$0	0.00%	0
Fidelity Equity Income Fund	\$2,103,759	0.05%	86	\$2,296,270	0.04%	81	\$0	0.00%	0	\$0	0.00%	0
Fidelity Magellan Fund	\$6,831,322	0.15%	203	\$6,802,678	0.13%	189	\$0	0.00%	0	\$0	0.00%	0
Fidelity Spartan U.S. Equity Index	\$967,098	0.02%	59	\$1,078,809	0.02%	58	\$0	0.00%	0	\$0	0.00%	0
Invesco Van Kampen Growth & Income Fund A	\$17,812,576	0.40%	1,728	\$17,042,635	0.33%	1,507	\$0	0.00%	0	\$0	0.00%	0
North Carolina Large Cap Growth Fund	\$496,166,940	11.12%	156,398	\$599,032,299	11.53%	161,993	\$527,538,243	9.91%	167,365	\$604,661,678	9.94%	174,049
North Carolina Large Cap Index Fund	\$783,764,251	17.56%	159,709	\$920,160,895	17.71%	164,817	\$807,874,594	15.18%	169,565	\$925,047,336	15.21%	176,237
North Carolina Large Cap Value Fund	\$538,291,343	12.06%	157,812	\$618,838,708	11.91%	163,030	\$546,744,380	10.27%	168,131	\$623,402,628	10.25%	174,710
Putnam Multi-Cap Growth Fund	\$234,653	0.01%	38	\$265,113	0.01%	37	\$0	0.00%	0	\$0	0.00%	0
Vanguard Equity Index Portfolio	\$392	0.00%	2	\$708	0.00%	3	\$0	0.00%	0	\$0	0.00%	0
Goldman Sachs Mid Cap Value Fund A	\$6,430,780	0.14%	1,079	\$6,253,621	0.12%	904	\$0	0.00%	0	\$0	0.00%	0
BB&T SMALL CAP FUND I	\$120,768	0.00%	25	\$0	0.00%	0	\$0	0.00%	0	\$0	0.00%	0
BB&T Sterling Capital Small Cap Value Class I	\$0	0.00%	0	\$113,690	0.00%	24	\$0	0.00%	0	\$0	0.00%	0
North Carolina SMID Cap Index Fund	\$193,128,622	4.33%	113,875	\$248,105,834	4.78%	122,264	\$280,962,001	5.28%	130,096	\$337,047,630	5.54%	139,009
North Carolina SMID Growth Fund	\$58,012,066	1.30%	88,983	\$78,056,578	1.50%	99,499	\$87,520,910	1.64%	108,919	\$109,256,204	1.80%	119,346
North Carolina SMID Value Fund	\$111,649,030	2.50%	102,170	\$144,411,940	2.78%	111,283	\$148,276,506	2.79%	119,635	\$179,407,237	2.95%	129,222
Oppenheimer Main Street Small & Mid Cap A	\$6,746,081	0.15%	1,159	\$6,832,450	0.13%	981	\$0	0.00%	0	\$0	0.00%	0
Putnam Capital Opportunities Fund	\$3,986	0.00%	3	\$4,999	0.00%	3	\$0	0.00%	0	\$0	0.00%	0
American Funds EuroPacific Growth Fund R4	\$16,426,398	0.37%	1,444	\$13,860,902	0.27%	1,235	\$0	0.00%	0	\$0	0.00%	0
North Carolina Global Equity Fund	\$97,942,005	2.19%	88,831	\$127,471,421	2.45%	99,048	\$122,532,901	2.30%	108,349	\$153,692,002	2.53%	118,663
North Carolina International Fund	\$203,613,907	4.56%	114,366	\$227,910,621	4.39%	122,231	\$323,825,318	6.08%	129,751	\$383,790,009	6.31%	138,318
North Carolina International Index Fund	\$80,495,830	1.80%	89,331	\$104,670,220	2.01%	99,529	\$215,895,259	4.06%	108,915	\$271,986,071	4.47%	119,213
T. Rowe Price International Stock Fund	\$183,766	0.00%	17	\$209,907	0.00%	17	\$0	0.00%	0	\$0	0.00%	0
Total Plan Assets	\$4,462,099,238	100.00%		\$5,195,069,359	100.00%		\$5,322,095,503	100.00%		\$6,080,326,455	100.00%	

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



North Carolina Supplemental Retirement Plans

Asset Allocation By Fund 457 Plan

Investment Option	# Participants Utilizing			# Participants Utilizing			# Participants Utilizing			# Participants Utilizing		
	12/31/2009	%	12/31/2009	12/31/2010	%	12/31/2010	12/31/2011	%	12/31/2011	12/31/2012	%	12/31/2012
NC STABLE VALUE-457	\$321,094,472	45.03%	25,682	\$339,560,986	42.47%	27,840	\$364,330,037	44.66%	31,328	\$379,448,630	41.62%	35,078
North Carolina Fixed Income Fund	\$39,018,102	5.47%	10,543	\$44,432,646	5.56%	14,676	\$52,307,539	6.41%	18,072	\$64,973,658	7.13%	22,522
North Carolina Fixed Income Index	\$0	0.00%	0	\$5,116,411	0.64%	7,323	\$14,160,790	1.74%	11,608	\$20,321,493	2.23%	16,608
PIMCO Total Return Fund Admin	\$3,061,127	0.43%	231	\$2,752,458	0.34%	202	\$0	0.00%	0	\$0	0.00%	0
American Funds American Balanced A	\$1,369,687	0.19%	117	\$1,428,885	0.18%	106	\$0	0.00%	0	\$0	0.00%	0
Dodge & Cox Stock Fund	\$4,125,100	0.58%	314	\$4,062,150	0.51%	273	\$0	0.00%	0	\$0	0.00%	0
Fidelity Contrafund	\$7,117,538	1.00%	372	\$7,829,058	0.98%	344	\$0	0.00%	0	\$0	0.00%	0
Fidelity Equity Income Fund	\$3,362,101	0.47%	196	\$3,473,259	0.43%	180	\$0	0.00%	0	\$0	0.00%	0
North Carolina Large Cap Growth Fund	\$65,150,276	9.14%	17,307	\$77,930,432	9.75%	20,681	\$73,791,373	9.05%	25,185	\$84,020,876	9.22%	29,909
North Carolina Large Cap Index Fund	\$78,896,221	11.06%	12,243	\$90,376,670	11.30%	16,128	\$92,610,720	11.35%	21,121	\$103,832,335	11.39%	26,234
North Carolina Large Cap Value Fund	\$65,983,391	9.25%	17,018	\$73,827,878	9.23%	20,254	\$73,063,135	8.96%	24,729	\$80,988,900	8.88%	29,417
T. Rowe Price Blue Chip Growth Fund	\$2,953,760	0.41%	274	\$3,033,656	0.38%	238	\$0	0.00%	0	\$0	0.00%	0
Artisan Mid Cap Fund Inv	\$1,528,273	0.21%	205	\$1,807,552	0.23%	176	\$0	0.00%	0	\$0	0.00%	0
Lord Abbett Mid Cap Value Fund	\$1,095,677	0.15%	203	\$1,145,808	0.14%	176	\$0	0.00%	0	\$0	0.00%	0
Baron Small Cap	\$781,319	0.11%	146	\$663,283	0.08%	118	\$0	0.00%	0	\$0	0.00%	0
North Carolina SMID Cap Index Fund	\$4,005,725	0.56%	2,724	\$8,687,931	1.09%	7,866	\$11,710,062	1.44%	13,673	\$16,898,957	1.85%	19,439
North Carolina SMID Growth Fund	\$21,388,169	3.00%	13,338	\$27,345,492	3.42%	17,011	\$28,132,962	3.45%	21,713	\$31,881,844	3.50%	26,629
North Carolina SMID Value Fund	\$35,343,340	4.96%	13,889	\$43,332,448	5.42%	17,477	\$41,927,147	5.14%	22,136	\$49,887,724	5.47%	27,068
T. Rowe Price Small-Cap Value	\$2,046,949	0.29%	255	\$2,312,355	0.29%	220	\$0	0.00%	0	\$0	0.00%	0
American Funds EuroPacific Growth Fund A	\$4,233,777	0.59%	354	\$4,035,060	0.50%	309	\$0	0.00%	0	\$0	0.00%	0
North Carolina Global Equity Fund	\$2,372,562	0.33%	2,602	\$5,139,779	0.64%	7,640	\$6,578,692	0.81%	13,387	\$9,791,272	1.07%	19,123
North Carolina International Fund	\$44,376,936	6.22%	14,709	\$45,214,549	5.65%	18,111	\$45,653,334	5.60%	22,685	\$52,462,887	5.75%	27,486
North Carolina International Index Fund	\$3,762,040	0.53%	2,760	\$6,069,934	0.76%	7,805	\$11,494,948	1.41%	13,565	\$17,207,795	1.89%	19,286
Total Plan Assets	\$713,066,544	100.00%		\$799,578,682	100.00%		\$815,760,739	100.00%		\$911,716,370	100.00%	

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



North Carolina Supplemental Retirement Plans

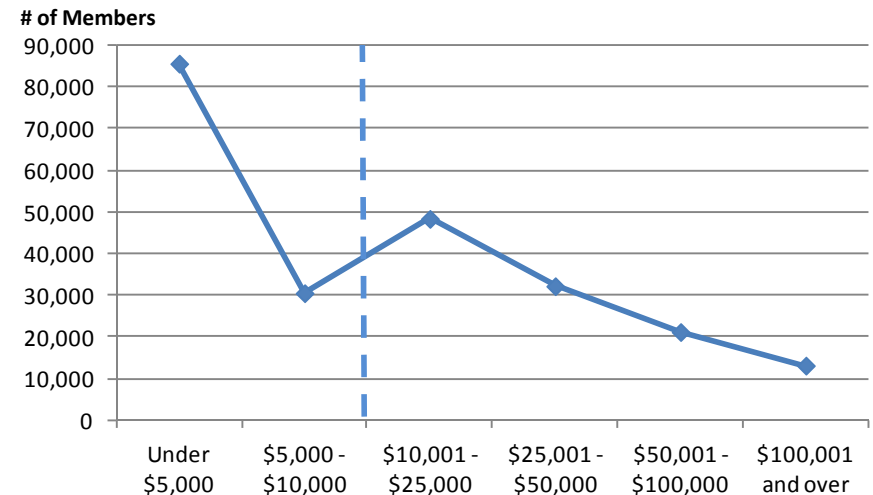
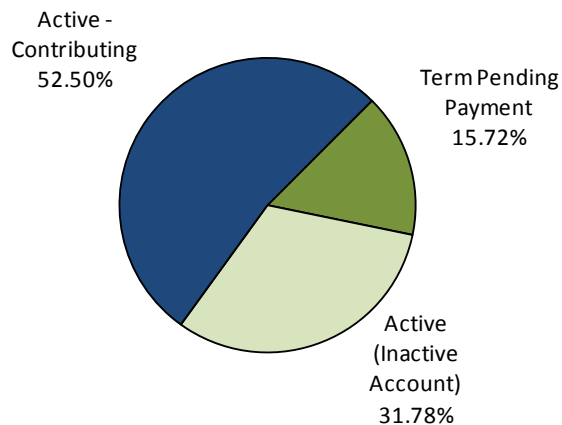
401(k) Plan

	4Q 2011	4Q 2012	Difference #	Difference %
Members with an Account Balance	226,265	231,051	4,786	2.12%
Average Account Balance	\$23,522	\$26,316	\$2,794	11.88%
Median Account Balance	\$8,960	\$9,900	\$940	10.49%

401(k) Plan Percentage Gain

	Assets (12/31/2011)	Contributions	Distributions	Earnings	Assets (12/31/2012)	Percentage Gain
NC 401(k) Plan	\$5,322,095,503	\$445,839,722	\$300,280,319	\$612,671,549	\$6,080,326,455	11.21%

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 Supplemental Retirement Plans

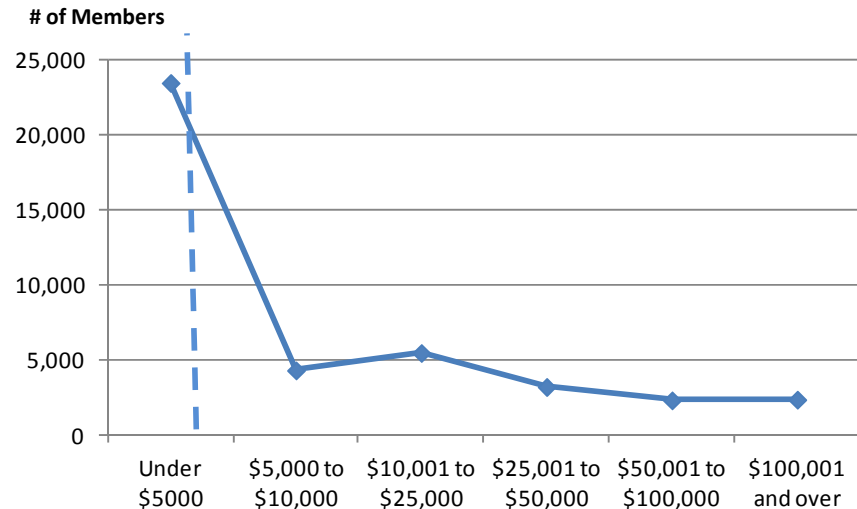
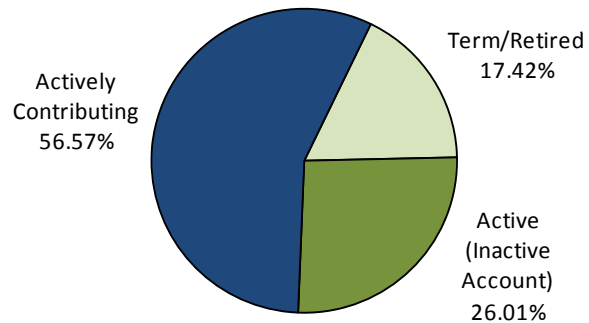
457 Plan

	4Q 2011	4Q 2012	Difference #	Difference %
Members with an Account Balance	36,636	41,155	4,519	12.33%
Average Account Balance	\$22,267	\$22,153	(\$114)	-0.51%
Median Account Balance	\$3,762	\$3,142	(\$620)	-16.47%

457 Plan Percentage Gain

	Assets (12/31/2011)	Contributions	Distributions	Earnings	Assets (12/31/2012)	Percentage Gain
NC 457 Plan	\$815,760,739	\$62,370,974	\$48,572,002	\$82,156,659	\$911,716,370	9.90%

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 Supplemental Retirement Plans

401(k) Plan Quarterly Enrollments & Contribution Changes

	4Q 2009	4Q 2010	4Q 2010 % of Change	4Q 2011	4Q 2011 % of Change	4Q 2012	4Q 2012 % of Change
Enrollments	3,005	3,551	15.38%	2,441	-31.26%	3,743	53.34%
% of New Hires Enrolled in Plan				47.68%		47.33%	
GoalMaker Elections	1,630	2,242	27.30%	2,108	-5.98%	3,274	35.61%
Contribution Changes							
Deferral Decreases	1,569	1,727	9.15%	2,082	20.56%	2,047	-1.68%
Deferral Increases	3,191	3,406	6.31%	3,449	1.26%	5,010	45.26%

401(k) Plan Quarterly Enrollments & Contribution Change Method

	4Q 2009	4Q 2010	4Q 2011	4Q 2012
Method of Enrollment				
Paper Form	84.66%	85.19%	77.92%	77.86%
Pseudo Enrollment	7.04%	7.59%	15.86%	17.42%
Internet	8.31%	7.22%	6.22%	4.72%
Method of Contribution Change				
Internet	83.39%	77.41%	87.62%	93.59%
Paper Form	12.38%	14.36%	10.52%	5.37%
Participant Service Center	3.37%	6.86%	1.21%	0.54%
VRU	0.86%	1.37%	0.65%	0.50%



North Carolina Supplemental Retirement Plans

401(k) Plan YTD Enrollments & Contribution Changes

	2009	2010	2010 % of Change	2011	2011 % of Change	2012	2012 % of Change
Enrollments	13,696	12,937	-5.87%	12,024	-7.06%	14,207	18.16%
% of New Hires Enrolled in Plan				51.69%		40.00%	
GoalMaker Elections	6,275	9,260	32.24%	10,580	14.25%	12,447	17.65%
Contribution Changes							
Deferral Decreases	10,733	8,561	-25.37%	10,085	17.80%	8,028	-20.40%
Deferral Increases	15,514	14,746	-5.21%	18,788	27.41%	28,761	53.08%

401(k) Plan YTD Enrollments & Contribution Change Method

	2009	2010	2011	2012
Method of Enrollment				
Paper Form	93.18%	92.29%	76.85%	79.60%
Pseudo Enrollment	0.00%	1.88%	17.28%	15.60%
Internet	6.82%	5.83%	5.86%	4.80%
Method of Contribution Change				
Internet	71.34%	88.51%	85.98%	90.75%
Paper	18.24%	7.80%	11.42%	8.38%
Participant Service Center	9.64%	3.06%	1.92%	0.70%
VRU	0.78%	0.63%	0.68%	0.18%

North Carolina Supplemental Retirement Plans

457 Plan Quarterly Enrollments & Contribution Changes

	4Q 2009	4Q 2010	4Q 2010 % of Change	4Q 2011	4Q 2011 % of Change	4Q 2012	4Q 2012 % of Change
Enrollments	522	1,206	131.03%	1,199	-0.58%	2,022	68.64%
% of New Hires Enrolled in Plan				40.42%		43.21%	6.88%
GoalMaker Elections	68	956	1305.88%	1,008	5.44%	1,841	45.25%
Contribution Changes							
Deferral Decreases	327	298	-8.87%	368	23.49%	384	4.35%
Deferral Increases	679	546	-19.59%	750	37.36%	991	32.13%

457 Plan Quarterly Enrollments & Contribution Change Method

	4Q 2009	4Q 2010	4Q 2011	4Q 2012
Method of Enrollment				
Paper Form	84.67%	92.28%	93.50%	92.37%
Pseudo Enrollment	1.34%	1.00%	1.36%	1.44%
Internet	13.98%	6.73%	5.14%	6.19%
Method of Contribution Change				
Internet	78.85%	88.57%	87.59%	94.72%
Paper Form	17.01%	9.18%	10.54%	4.22%
Participant Service Center	3.57%	1.76%	1.43%	0.58%
VRU	0.56%	0.49%	0.45%	0.48%



North Carolina Supplemental Retirement Plans

457 Plan YTD Enrollments & Contribution Changes

	2009	2010	2010 % of Change	2011	2011 % of Change	2012	2012 % of Change
Enrollments	1,666	4,604	176.35%	5,827	26.56%	6,919	18.74%
% of New Hires Enrolled in Plan				43.32%		32.74%	
GoalMaker Elections	241	4,866	1919.09%	5,586	14.80%	6,249	11.87%
Contribution Changes							
Deferral Decreases	1,687	1,141	67.63%	1,398	22.52%	1,505	7.65%
Deferral Increases	2,748	2,118	-22.93%	3,168	49.58%	3,623	14.36%

457 Plan YTD Enrollments & Contribution Change Method

	2009	2010	2011	2012
Method of Enrollment				
Paper Form	80.79%	93.93%	93.58%	92.78%
Pseudo Enrollment	2.88%	0.26%	1.06%	1.20%
Internet	16.33%	5.81%	5.35%	6.02%
Method of Contribution Change				
Internet	73.33%	89.89%	85.09%	91.67%
Paper	15.17%	7.37%	12.18%	7.40%
Participant Service Center	10.80%	2.27%	2.38%	0.67%
VRU	0.70%	0.47%	0.35%	0.25%



North Carolina Supplemental Retirement Plans

401(k) Contributions

	4Q 2009	4Q 2010	4Q 2010 Change %	4Q 2011	4Q 2011 Change %	4Q 2012	4Q 2012 Change %
Employee Contributions	\$59,921,591	\$58,976,682	-1.58%	\$56,029,786	-5.00%	\$55,955,441	-0.13%
Employer Contributions	\$41,987,416	\$39,853,590	-5.08%	\$40,151,493	0.75%	\$42,380,106	5.55%
Roth	\$4,449,673	\$5,317,876	19.51%	\$6,242,043	17.38%	\$7,056,531	13.05%
Rollovers	\$7,249,964	\$11,781,375	62.50%	\$8,021,685	-31.91%	\$13,125,912	63.63%
Total Contributions	\$113,608,643	\$115,929,523	2.04%	\$110,445,007	-4.73%	\$118,517,991	7.31%
Average Employee Contributions	\$183	\$197	7.38%	\$191	-3.05%	\$192	0.52%
Average Roth Contributions	\$134	\$115	-14.12%	\$102	-11.30%	\$97	-4.90%

401(k) Contributions

	2009	2010	2010 Change %	2011	2011 Change %	2012	2012 Change %
Employee Contributions	\$224,277,069	\$221,625,655	-1.18%	\$218,372,938	-1.47%	\$215,848,506	-1.17%
Voluntary Contributions	\$166,505,796	\$157,118,414	-5.64%	\$157,958,247	0.53%	\$162,977,164	3.08%
Roth	\$15,612,111	\$19,127,709	22.52%	\$22,596,356	18.13%	\$25,623,714	11.81%
Rollovers	\$24,627,679	\$36,474,731	48.10%	\$35,705,650	-2.11%	\$41,390,337	13.73%
Total Contributions	\$431,022,655	\$434,346,508	0.77%	\$434,633,191	0.07%	\$445,839,722	2.51%

North Carolina Supplemental Retirement Plans

457 Contributions

	4Q 2009	4Q 2010	4Q 2010 Change %	4Q 2011	4Q 2011 Change %	4Q 2012	4Q 2012 Change %
Elective Deferrals	\$10,945,006	\$11,388,656	4.05%	\$11,492,010	0.91%	\$12,764,183	11.07%
Roth 457(b)	\$0	\$0	N/A	\$97,982	N/A	\$350,565	257.79%
Rollovers	\$2,102,421	\$2,406,274	14.45%	\$3,412,150	41.80%	\$3,726,264	9.21%
Total Contributions	\$13,047,427	\$13,794,930	5.73%	\$15,002,142	8.75%	\$16,841,012	12.26%
Average Elective Deferral	\$215	\$193	-10.03%	\$168	-12.95%	\$164	-2.38%
Average Roth Contributions				\$72		\$120	66.67%

457 Contributions

	2009	2010	2010 Change %	2011	2011 Change %	2012	2012 Change %
Elective Deferrals	\$40,150,055	\$42,390,761	5.58%	\$44,747,589	5.56%	\$47,874,423	6.53%
Roth 457(b)	\$0	\$0		\$217,605		\$972,432	77.62%
Rollovers	\$6,526,590	\$7,370,615	12.93%	\$13,015,418	76.59%	\$13,524,119	3.76%
Total Contributions	\$46,676,645	\$49,761,376	6.61%	\$57,980,611	16.52%	\$62,370,973	7.04%

North Carolina Supplemental Retirement Plans

401(k) GoalMaker Participation

	12/31/2009	12/31/2010	12/31/2011	12/31/2012
Total Plan Assets in GoalMaker	\$1,396,595,975	\$1,807,783,747	\$1,938,375,944	\$2,383,758,737
Total # of Participants in GoalMaker	88,338	97,639	106,049	115,723
% of New Enrollments with GoalMaker Election	54.24%	63.14%	86.36%	87.47%
Total Participation Rate	40.09%	43.74%	46.87%	50.09%
<i>Prudential's Book of Business Avg. Participation Rate*</i>	29.95%	35.18%	39.34%	44.44%
Total % of Assets	31.30%	34.80%	36.42%	39.20%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	4,179	7,536	4,225	15,940
Age 30-39	6,469	14,556	9,545	30,570
Age 40-49	6,794	15,590	9,462	31,846
Age 50-59	7,223	13,186	5,302	25,711
Age 60-69	3,611	4,684	1,869	10,164
Age 70+	328	318	156	802
No DOB	67	578	45	690
Total	28,671	56,448	30,604	115,723

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	\$16,410,217	\$36,361,072	\$31,175,638	\$83,946,927
Age 30-39	\$51,136,005	\$159,725,894	\$166,384,407	\$377,246,306
Age 40-49	\$94,729,971	\$309,030,872	\$301,368,610	\$705,129,453
Age 50-59	\$174,450,770	\$379,880,833	\$217,616,103	\$771,947,706
Age 60-69	\$125,879,838	\$190,873,963	\$89,345,192	\$406,098,993
Age 70+	\$13,552,371	\$16,423,475	\$8,527,398	\$38,503,244
No DOB	\$83,869	\$643,166	\$159,073	\$886,108
Total	\$476,243,041	\$1,092,939,275	\$814,576,421	\$2,383,758,737

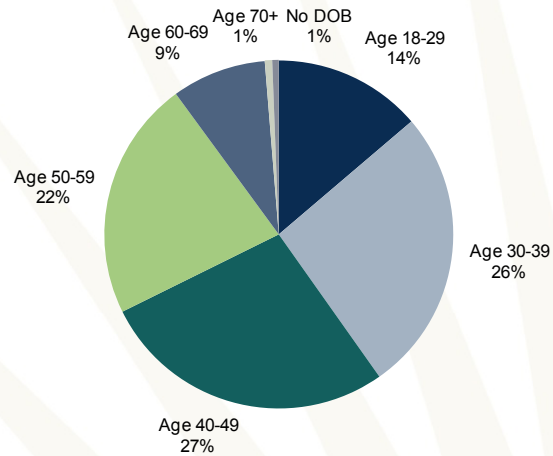
*Prudential's Defined Contribution book of business averages.



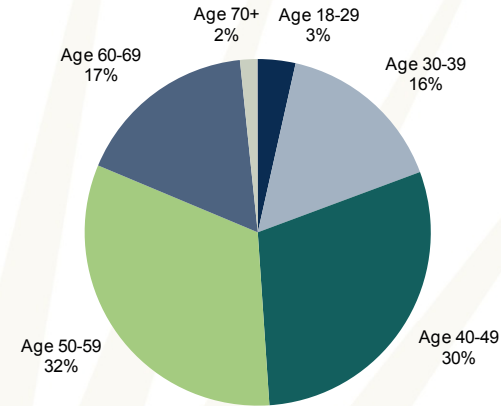
North Carolina Supplemental Retirement Plans

401(k) GoalMaker Participation

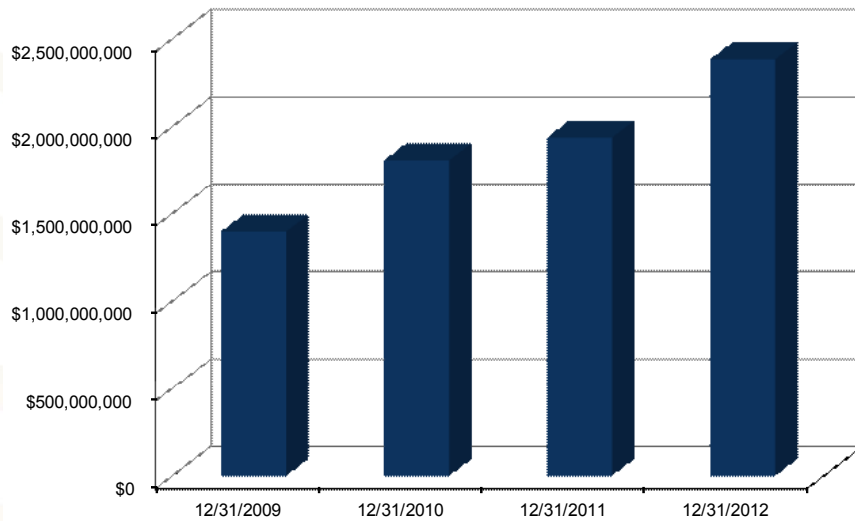
Participation by Age Range



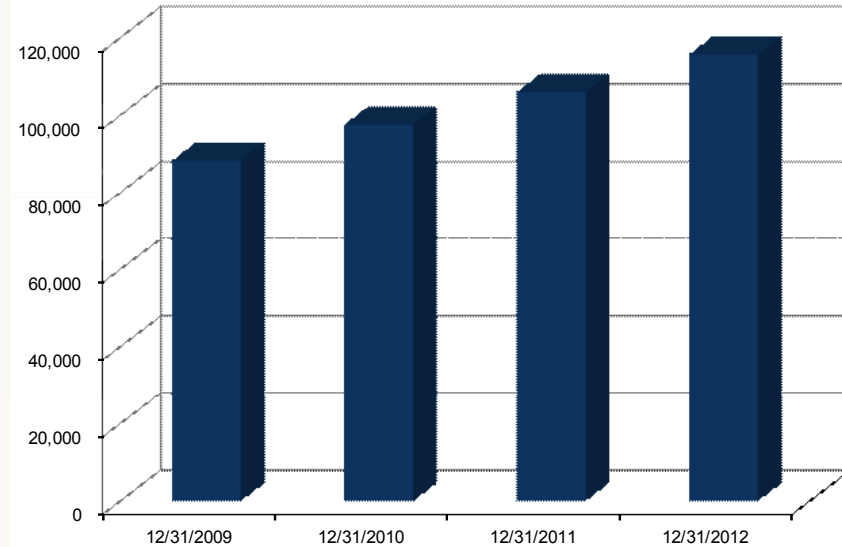
Assets by Age Range



Asset Growth Chart



Participant Growth Chart



North Carolina Supplemental Retirement Plans

457 GoalMaker Participation

	12/31/2009	12/31/2010	12/31/2011	12/31/2012
Total Plan Assets in GoalMaker	\$26,567,958	\$64,276,447	\$93,033,520	\$136,959,829
Total # of Participants in GoalMaker	2,402	7,278	12,888	18,486
% of New Enrollments with GoalMaker Election	13.03%	79.27%	84.07%	91.05%
Total Participation Rate	8.07%	22.42%	35.18%	42.88%
<i>Prudential's Book of Business Avg. Participation Rate*</i>	29.95%	35.18%	39.34%	44.44%
Total % of Assets	3.73%	8.04%	11.40%	14.52%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	825	1,254	729	2,808
Age 30-39	1,276	2,117	1,260	4,653
Age 40-49	1,629	2,641	1,372	5,642
Age 50-59	1,483	1,909	720	4,112
Age 60-69	502	436	156	1,094
Age 70+	33	39	9	81
No OB D	37	47	12	96
Total	5,785	8,443	4,258	18,486

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	\$376,010	\$940,543	\$806,683	\$2,123,236
Age 30-39	\$1,310,031	\$4,234,872	\$5,260,340	\$10,805,243
Age 40-49	\$4,607,751	\$14,123,801	\$11,889,652	\$30,621,204
Age 50-59	\$12,252,235	\$22,913,438	\$12,414,109	\$47,579,781
Age 60-69	\$13,819,480	\$16,940,640	\$6,775,110	\$37,535,230
Age 70+	\$2,928,897	\$4,208,003	\$1,056,121	\$8,193,022
No DOB	\$39,933	\$45,953	\$16,228	\$102,114
Total	\$35,334,337	\$63,407,250	\$38,218,242	\$136,959,829

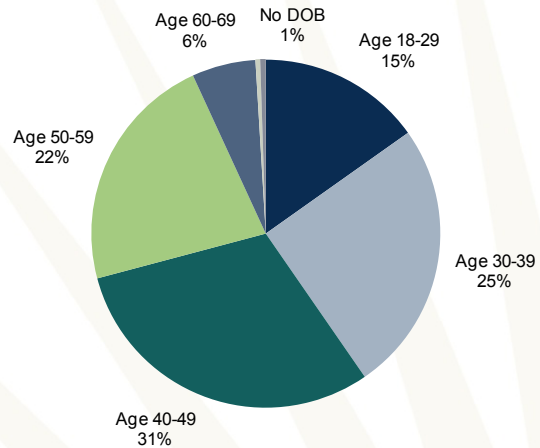
*Prudential's Defined Contribution book of business averages..



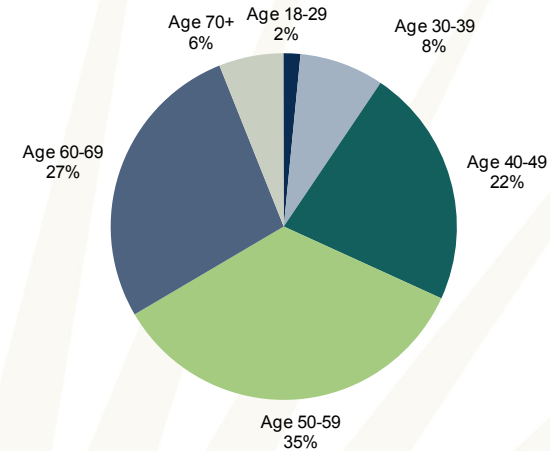
North Carolina Supplemental Retirement Plans

457 GoalMaker Participation

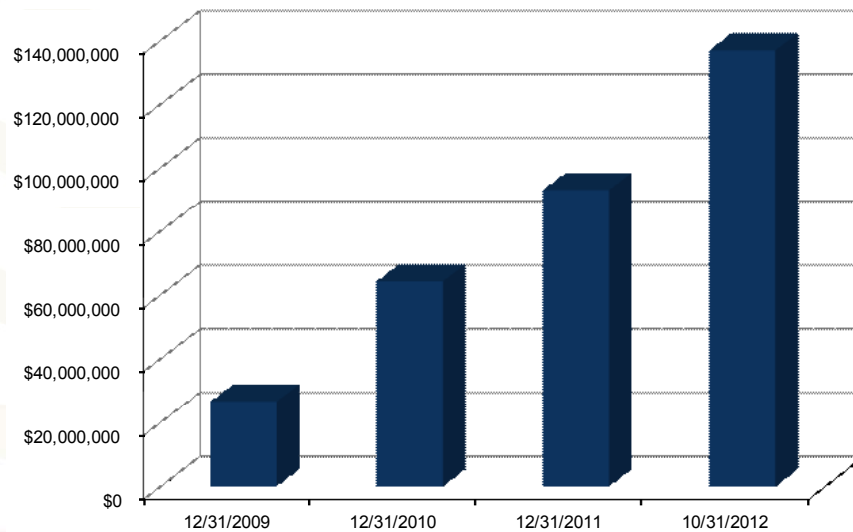
Participation by Age Range



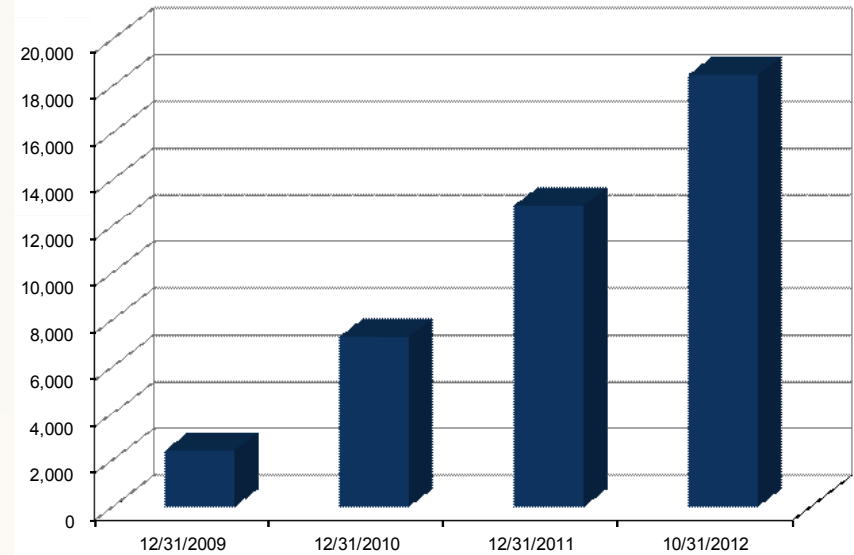
Assets by Age Range



Asset Growth Chart



Participant Growth Chart



North Carolina Supplemental Retirement Plans

In 2010, 28% of participants reported having an outstanding loan.

Source: "More raid retirement accounts to pay bills,"
Washington Post Michael A. Fletcher, January 15, 2013

401(k)YTD Loans						
	2009	2010	2011	2012	Change	Change %
% of Members in Plan with a Loan	22.45%	23.90%	25.66%	24.35%	-1.31%	-5.11%
# of Outstanding Loans	43,471	46,539	49,855	47,470	-2,385	-4.78%
# of New Loans for the Quarter	4,772	4,536	4,085	4,230	145	3.55%
# of New Loans YTD	16,778	18,732	17,466	16,944	-522	-2.99%
Average Loan Balance	\$4,701	\$5,084	\$5,210	\$5,519	\$308	5.91%
Total Outstanding Loan Balance	\$204,368,264	\$236,593,051	\$259,766,327	\$261,965,765	\$2,199,438	0.85%

In 2011, 15% of participants have an outstanding loan.

Source: "PLAN SPONSOR Defined Contribution Survey," 2012 Industry Report 457 Plans

457 YTD Loans						
	2009	2010	2011	2012	Change	Change %
% of Members in Plan with a Loan	13.38%	14.80%	14.99%	14.21%	-0.78%	-5.20%
# of Outstanding Loans	3,367	4,023	4,514	4,831	317	7.02%
# of New Loans for the Quarter	468	490	432	513	81	18.75%
# of New Loans YTD	1,703	1,826	1,809	1,931	122	6.74%
Average Loan Balance	\$2,644	\$2,945	\$3,001	\$3,037	\$36	1.18%
Total Outstanding Loan Balance	\$8,902,101	\$11,845,815	\$13,547,404	\$14,670,312	\$1,122,908	8.29%



North Carolina Supplemental Retirement Plans

401(k) Disbursements

	4Q 2009	4Q 2010	4Q 2010 Change %	4Q 2011	4Q 2011 Change %	4Q 2012	4Q 2012 Change %
Term - Lump Sum	\$26,768,961	\$35,566,289	32.86%	\$41,895,475	17.80%	\$50,881,139	21.45%
In-Service	\$11,783,618	\$11,721,825	-0.52%	\$9,624,913	-17.89%	\$11,065,820	14.97%
State Retirement System	\$4,108,544	\$7,079,501	72.31%	\$6,181,177	-12.69%	\$5,784,787	-6.41%
Hardship	\$1,593,180	\$1,529,368	-4.01%	\$1,511,866	-1.14%	\$1,510,211	-0.11%
Systematic	\$2,477,524	\$1,904,308	-23.14%	\$2,254,246	18.38%	\$2,734,049	21.28%
Total Disbursements	\$46,731,827	\$57,801,291	23.69%	\$61,467,676	6.34%	\$71,976,006	17.10%

401(k) Disbursements

	4Q 2009	4Q 2010	4Q 2010 Change %	4Q 2011	4Q 2011 Change %	4Q 2012	4Q 2012 Change %
Term – Lump Sum	2,779	4,349	56.50%	5,061	16.37%	5,403	6.76%
In-Service	1,391	1,516	8.99%	1,516	0.00%	1,892	24.80%
State Retirement System	154	250	62.34%	183	-26.80%	204	11.48%
Hardship	695	621	-10.65%	595	-4.19%	611	2.69%
Systematic	2,635	2,367	-10.17%	2,628	11.03%	3,117	18.61%
Total Disbursements	7,654	9,103	18.93%	9,983	9.67%	11,227	12.46%

North Carolina Supplemental Retirement Plans

One in Four American workers with 401(k) and other retirement savings accounts use them to pay current expenses.

Source: "More raid retirement accounts to pay bills," Washington Post Michael A. Fletcher, January 15, 2013

401(k) Disbursements

	2009	2010	2010 Change %	2011	2011 Change %	2012	2012 Change %
Term - Lump Sum	\$115,806,250	\$137,524,546	18.75%	\$178,679,042	29.93%	\$209,749,458	14.81%
In-Service	\$45,391,639	\$45,242,177	-0.33%	\$48,462,361	7.12%	\$51,617,794	6.11%
State Retirement System	\$18,152,328	\$25,836,040	42.33%	\$29,817,272	15.41%	\$23,890,639	-24.81%
Hardship	\$5,383,218	\$6,595,850	22.53%	\$6,187,094	-6.20%	\$6,190,334	0.05%
Systematic	\$7,674,042	\$8,059,290	5.02%	\$8,261,345	2.51%	\$8,832,207	6.46%
Total Disbursements	\$192,407,478	\$223,257,902	16.03%	\$271,407,114	21.57%	\$300,280,434	9.62%

401(k) Disbursements

	2009	2010	2010 Change %	2011	2011 Change %	2012	2012 Change %
Term – Lump Sum	10,974	13,649	24.38%	16,636	21.88%	17,087	2.71%
In-Service	5,332	5,609	5.20%	6,057	7.99%	7,220	19.20%
State Retirement System	568	825	45.25%	855	3.64%	801	-6.32%
Hardship	2,275	2,480	9.01%	2,505	1.01%	2,432	-2.91%
Systematic	7,796	8,944	14.73%	9,598	7.31%	10,969	14.28%
Total Disbursements	26,945	31,507	16.93%	35,651	13.15%	38,509	8.02%

North Carolina Supplemental Retirement Plans

457 Disbursements

	4Q 2009	4Q 2010	4Q 2010 Change %	4Q 2011	4Q 2011 Change %	4Q 2012	4Q 2012 Change %
Term - Lump Sum	\$5,694,162	\$9,254,068	62.52%	\$9,747,495	5.33%	\$11,065,321	13.52%
In-Service	\$0	\$331,475	N/A	\$119,176	-64.05%	\$286,116	140.08%
In-Service (deminimis)	\$14,887	\$15,529	4.31%	\$23,474	51.16%	\$0	-100.00%
State Retirement System	\$259,230	\$183,421	-29.24%	\$95,705	-47.82%	\$661,047	590.71%
Unforeseen Emergency	\$81,249	\$127,707	57.18%	\$136,083	6.56%	\$206,655	51.86%
Systematic	\$1,399,634	\$1,344,209	-3.96%	\$1,274,275	-5.20%	\$1,579,076	23.92%
Total Disbursements	\$7,449,162	\$11,256,409	51.11%	\$11,396,208	1.24%	\$13,798,215	21.08%

457 Disbursements

	4Q 2009	4Q 2010	4Q 2010 Change %	4Q 2011	4Q 2011 Change %	4Q 2012	4Q 2012 Change %
Term – Lump Sum	1,198	1,512	26.21%	1,529	1.12%	1,308	-14.45%
In-Service	0	5	N/A	5	0.00%	5	0.00%
In-Service (deminimis)	10	20	100.00%	21	5.00%	0	-100.00%
State Retirement System	13	13	0.00%	12	-7.69%	12	0.00%
Unforeseen Emergency	39	76	94.87%	79	3.95%	110	39.24%
Systematic	1,283	1,286	0.23%	1,261	-1.94%	1,642	30.21%
Total Disbursements	2,543	2,912	14.51%	2,907	-0.17%	3,077	5.85%

North Carolina Supplemental Retirement Plans

One in Four American workers with 401(k) and other retirement savings accounts use them to pay current expenses.

Source: "More raid retirement accounts to pay bills," Washington Post Michael A. Fletcher, January 15, 2013

457 Disbursements

	2009	2010	2010 Change %	2011	2011 Change %	2012	2012 Change %
Term - Lump Sum	\$27,069,656	\$30,896,072	14.14%	\$37,022,390	19.83%	\$40,549,090	8.70%
In-Service	\$0	\$356,918	N/A	\$432,552	21.19%	\$752,846	42.54%
In-Service (deminimis)	\$52,878	\$49,574	-6.25%	\$85,670	72.81%	\$97,019	11.70%
State Retirement System	\$1,005,808	\$652,739	-35.10%	\$1,195,675	83.18%	\$1,253,764	4.63%
Unforeseen Emergency	\$187,756	\$409,337	118.02%	\$540,712	32.09%	\$578,012	6.45%
Systematic	\$4,852,240	\$4,972,173	2.47%	\$4,804,804	-3.37%	\$5,341,270	10.04%
Total Disbursements	\$33,168,338	\$37,336,813	12.57%	\$44,081,803	18.07%	\$48,572,001	9.24%

457 Disbursements

	2009	2010	2010 Change %	2011	2011 Change %	2012	2012 Change %
Term – Lump Sum	4,442	5,073	14.21%	4,905	-3.31%	4,549	-7.26%
In-Service	0	9	N/A	32	255.56%	70	118.75%
In-Service (deminimis)	37	49	32.43%	63	28.57%	89	41.27%
State Retirement System	45	36	-20.00%	45	25.00%	46	2.22%
Unforeseen Emergency	92	242	163.04%	299	23.55%	365	22.07%
Systematic	5,350	5,048	-5.64%	4,898	-2.97%	5,492	12.13%
Total Disbursements	9,966	10,457	4.93%	10,242	-2.06%	10,611	3.60%



North Carolina Supplemental Retirement Plans

401(k) Plan Asset Allocation/Net Cash Flow October 1, 2012 to December 31, 2012

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$98,480,489	\$629,496,355	\$1,551,986,222	\$2,016,860,291	\$1,495,484,319	\$285,951,181	\$2,067,597	\$6,080,326,455
% Assets	1.62%	10.35%	25.52%	33.17%	24.60%	4.70%	0.03%	100.00%
Total Contributions	\$7,163,658	\$18,915,688	\$30,777,668	\$32,876,269	\$14,584,706	\$708,366	\$365,724	\$105,392,079
Rollovers In	\$172,260	\$1,033,723	\$1,388,991	\$4,783,103	\$4,941,767	\$757,770	\$48,298	\$13,125,912
Total Distributions including:	(\$1,041,531)	(\$4,404,333)	(\$8,552,432)	(\$18,670,098)	(\$29,888,001)	(\$9,418,946)	(\$664)	(\$71,976,006)
Rollovers Out	(\$292,298)	(\$1,538,268)	(\$4,432,601)	(\$10,735,039)	(\$17,621,436)	(\$2,162,849)	\$0	(\$36,782,491)
Cash Distributions	(\$749,233)	(\$2,866,065)	(\$4,119,831)	(\$7,935,059)	(\$12,266,566)	(\$7,256,097)	(\$664)	(\$35,193,515)
Net Cash Flow	\$6,294,387	\$15,545,079	\$23,614,227	\$18,989,274	(\$10,361,528)	(\$7,952,810)	\$375,578	\$46,504,710
Total Unique Participants	18,494	47,836	65,407	59,793	32,506	5,617	1,398	231,051
Avg. Account Balance	\$5,325	\$13,159	\$23,728	\$33,731	\$46,006	\$50,908	\$1,479	\$26,316
Prudential's Book of Business Avg. Account Balance*	\$6,416	\$20,900	\$44,210	\$68,418	\$86,572	\$100,926	\$3,925	\$49,027

401(k) Plan Asset Allocation/Net Cash Flow January 1, 2012 to December 31, 2012

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$98,480,489	\$629,496,355	\$1,551,986,222	\$2,016,860,291	\$1,495,484,319	\$285,951,181	\$2,067,597	\$6,080,326,455
% Assets	1.62%	10.35%	25.52%	33.17%	24.60%	4.70%	0.03%	100.00%
Total Contributions	\$27,949,543	\$73,359,418	\$117,916,560	\$125,496,937	\$55,389,787	\$2,708,778	\$1,299,944	\$404,120,967
Rollovers In	\$595,193	\$3,599,234	\$5,852,305	\$14,984,532	\$14,718,671	\$1,940,494	\$239,907	\$41,930,337
Total Distributions including:	(\$3,755,099)	(\$19,009,960)	(\$37,371,203)	(\$90,988,420)	(\$124,115,548)	(\$25,039,424)	(\$780)	(\$300,280,434)
Rollovers Out	(\$1,055,244)	(\$7,124,790)	(\$18,854,099)	(\$54,171,427)	(\$70,494,628)	(\$9,434,035)	\$0	(\$161,134,223)
Cash Distributions	(\$2,699,856)	(\$11,885,170)	(\$18,517,104)	(\$36,816,993)	(\$53,620,920)	(\$15,605,389)	(\$780)	(\$139,146,211)
Net Cash Flow	\$24,789,637	\$57,948,693	\$86,397,663	\$49,493,049	(\$54,007,090)	(\$20,390,153)	\$1,539,071	\$145,770,869
Total Unique Participants	18,494	47,836	65,407	59,793	32,506	5,617	1,398	231,051
Avg. Account Balance	\$5,325	\$13,159	\$23,728	\$33,731	\$46,006	\$50,908	\$1,479	\$26,316
Prudential's Book of Business Avg. Account Balance*	\$6,416	\$20,900	\$44,210	\$68,418	\$86,572	\$100,926	\$3,925	\$49,027

*Prudential's Defined Contribution book of business averages..



North Carolina Supplemental Retirement Plans

457 Plan Asset Allocation/Net Cash Flow October 1, 2012 to December 31, 2012

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$3,040,799	\$26,150,183	\$109,268,441	\$256,466,689	\$352,777,941	\$163,898,242	\$114,074	\$911,716,370
% Assets	0.33%	2.87%	11.98%	28.13%	38.69%	17.98%	0.01%	100.00%
Total Contributions	\$375,497	\$1,347,043	\$2,998,359	\$5,123,294	\$2,932,259	\$319,602	\$18,694	\$13,114,747
Rollovers In	\$34,924	\$185,753	\$424,136	\$792,501	\$1,909,629	\$371,258	\$8,064	\$3,726,265
Total Distributions including:	(\$27,300)	(\$178,556)	(\$677,513)	(\$1,559,783)	(\$5,192,117)	(\$6,162,896)	(\$51)	(\$13,798,215)
Rollovers Out	(\$1,471)	(\$54,957)	(\$308,457)	(\$639,428)	(\$2,964,823)	(\$1,673,108)	\$0	(\$5,642,245)
Cash Distributions	(\$25,829)	(\$123,598)	(\$369,055)	(\$920,355)	(\$2,227,294)	(\$4,489,787)	(\$51)	(\$8,155,970)
Net Cash Flow	\$383,122	\$1,354,240	\$2,744,982	\$4,356,012	(\$350,229)	(\$5,472,036)	\$26,707	\$3,042,797
Total Unique Participants	3,354	7,409	11,174	11,135	6,335	1,639	109	41,155
Avg. Account Balance	\$907	\$3,530	\$9,779	\$23,032	\$55,687	\$99,999	\$1,047	\$22,153
Prudential's Book of Business Avg. Account Balance*	\$6,416	\$20,900	\$44,210	\$68,418	\$86,572	\$100,926	\$3,925	\$49,027

457 Plan Asset Allocation/Net Cash Flow January 1, 2012 to December 31, 2012

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$3,040,799	\$26,150,183	\$109,268,441	\$256,466,689	\$352,777,941	\$163,898,242	\$114,074	\$911,716,370
% Assets	0.33%	2.87%	11.98%	28.13%	38.69%	17.98%	0.01%	100.00%
Total Contributions	\$1,301,875	\$4,889,113	\$11,563,769	\$19,124,431	\$10,629,596	\$1,293,975	\$44,095	\$48,846,854
Rollovers In	\$78,757	\$644,363	\$1,400,831	\$3,165,232	\$6,057,215	\$2,120,904	\$56,817	\$13,524,119
Total Distributions including:	(\$108,424)	(\$726,661)	(\$2,176,689)	(\$8,407,436)	(\$20,864,664)	(\$16,288,127)	\$0	(\$48,572,001)
Rollovers Out	(\$17,360)	(\$285,414)	(\$882,729)	(\$3,745,265)	(\$11,524,452)	(\$6,527,067)	\$0	(\$22,982,286)
Cash Distributions	(\$91,064)	(\$441,247)	(\$1,293,961)	(\$4,662,171)	(\$9,340,212)	(\$9,761,060)	\$0	(\$25,589,715)
Net Cash Flow	\$1,272,208	\$4,806,815	\$10,787,910	\$13,882,228	(\$4,177,853)	(\$12,873,248)	\$100,912	\$13,798,972
Total Unique Participants	3,354	7,409	11,174	11,135	6,335	1,639	109	41,155
Avg. Account Balance	\$907	\$3,530	\$9,779	\$23,032	\$55,687	\$99,999	\$1,047	\$22,153
Prudential's Book of Business Avg. Account Balance*	\$6,416	\$20,900	\$44,210	\$68,418	\$86,572	\$100,926	\$3,925	\$49,027

*Prudential's Defined Contribution book of business averages..



North Carolina Supplemental Retirement Plans

401(k) Plan Retirement Preparation Analysis

Retirement Income Calculator (RIC) Utilization	10/1/2012 - 12/31/2012
Participants Increasing Deferral Percentage	402
Average Deferral Change	4.96%
Average Annualized Dollar Increase	\$2,263
% of Participants Increasing After Utilizing RIC	14.01%
Participants Decreasing Deferral Percentage	123
Average Deferral Change	-20.73%
Average Annualized Dollar Decrease	-\$5,456
% of Participants Decreasing After Utilizing RIC	4.29%

Participant Age Range	Ppts Utilizing RIC	% of RIC Utilization
Age 18-29	227	7.91%
Age 30-39	545	19.00%
Age 40-49	755	26.32%
Age 50-59	961	33.50%
Age 60-69	372	12.97%
Age 70+	9	0.31%
Grand Total	2,869	100.00%

Retirement Income Calculator (RIC) Activity	1/1/2012 - 12/31/2012
Participants Increasing Deferral Percentage	1,548
Average Deferral Change	4.60%
Average Annualized Dollar Increase	\$2,194
% of Participants Increasing After Utilizing RIC	18.38%
Participants Decreasing Deferral Percentage	520
Average Deferral Change	-11.48%
Average Annualized Dollar Decrease	(\$4,284)
% of Participants Decreasing After Utilizing RIC	6.18%

Participant Age Range	Ppts Utilizing RIC	% of RIC Utilization
Age 18-29	750	8.91%
Age 30-39	1,648	19.57%
Age 40-49	2,402	28.53%
Age 50-59	2,643	31.39%
Age 60-69	954	11.33%
Age 70+	23	0.27%
Grand Total	8,420	100.00%

Total number of participants in plan - Includes active, terminated, retired, and suspended employees.

% of participants utilizing RIC - Percent of participants in the plan who utilized the Retirement Income Calculator.

Number of participants taking action - Number of participants who changed their deferral rate after utilizing the Retirement Income Calculator during the reporting period.

% of participants utilizing RIC and taking action - Percent of participants utilizing the Retirement Income Calculator who made a deferral change after utilizing RIC during the reporting period.

North Carolina Supplemental Retirement Plans

457 Plan Retirement Preparation Analysis

Retirement Income Calculator (RIC) Utilization	10/1/2012 - 12/31/2012
Participants Increasing Deferral Percentage	97
Average Deferral Change	4.23%
Average Annualized Dollar Increase	\$2,361
% of Participants Increasing After Utilizing RIC	16.09%
Participants Decreasing Deferral Percentage	37
Average Deferral Change	-11.35%
Average Annualized Dollar Decrease	(\$4,625)
% of Participants Decreasing After Utilizing RIC	6.14%

Participant Age Range	Ppts Utilizing RIC	% of RIC Utilization
Age 18-29	51	8.47%
Age 30-39	117	19.44%
Age 40-49	161	26.74%
Age 50-59	191	31.73%
Age 60-69	75	12.46%
Age 70+	7	1.16%
Grand Total	602	100.00%

Retirement Income Calculator (RIC) Activity	1/1/2012 - 12/31/2012
Participants Increasing Deferral Percentage	353
Average Deferral Change	4.43%
Average Annualized Dollar Increase	\$2,164
% of Participants Increasing After Utilizing RIC	21.42%
Participants Decreasing Deferral Percentage	115
Average Deferral Change	-9.34%
Average Annualized Dollar Decrease	(\$4,028)
% of Participants Decreasing After Utilizing RIC	6.98%

Participant Age Range	Ppts Utilizing RIC	% of RIC Utilization
Age 18-29	149	9.04%
Age 30-39	337	20.45%
Age 40-49	468	28.40%
Age 50-59	496	30.10%
Age 60-69	189	11.47%
Age 70+	9	0.55%
Grand Total	1,648	100.00%

Total number of participants in plan - Includes active, terminated, retired, and suspended employees.

% of participants utilizing RIC - Percent of participants in the plan who utilized the Retirement Income Calculator.

Number of participants taking action - Number of participants who changed their deferral rate after utilizing the Retirement Income Calculator during the reporting period.

% of participants utilizing RIC and taking action - Percent of participants utilizing the Retirement Income Calculator who made a deferral change after utilizing RIC during the reporting period.

North Carolina Supplemental Retirement Plans

401(k) State Account

Account Activity	Date	Opening/Closing Balance	Debits/Credits
Opening account value	10/1/2012	\$5,715,328.94	
Invoice - Department of State Treasurer	10/3/2012		(\$250,000.00)
September 2012 Separate Account Asset Based	10/5/2013		\$85,785.60
3Q 2012 Stable Value Account Asset Based Fees	10/16/2012		\$110,752.58
October 2012 Separate Account Asset Based Fees	11/20/2013		\$96,360.01
November 2012 Separate Account Asset Based	12/11/2013		\$84,059.33
Gain/loss in account value	12/31/2012		\$39,066.32
Closing Account Value	12/31/2012	\$5,881,352.78	

457 State Account

Account Activity	Date	Opening/Closing Balance	Debits/Credits
Opening account value	10/1/2012	\$4,615,614.36	
Invoice - Department of State Treasurer	10/3/2012		(\$50,000.00)
September 2012 Separate Account Asset Based Fees	10/16/2012		\$10,709.36
October 2012 Separate Account Asset Based Fees	10/16/2012		\$23,704.21
November 2012 Separate Account Asset Based Fees	12/11/2012		\$12,731.33
Gain/loss in account value	12/31/2012		\$43,439.77
Closing Account Value	12/31/2012	\$4,656,199.03	

Invoice Details:

- Payment to Department of State Treasurer in the amount of \$250,000 for the 401(k) Plan. Invoice 00003-2 dated October 1, 2012.
- Payment to Department of State Treasurer in the amount of \$50,000 for the 457b Deferred Compensation Plan. Invoice 00003-12 dated October 1, 2012.

Invoice Pending Payment:

- None to report.



North Carolina Supplemental Retirement Plans

401(k) & 457 Quarterly Participant Service Center Statistics

	4Q 2009	4Q 2010	4Q 2011	4Q 2012
Service Center Calls	35,620	37,169	36,020	42,680
Service Percentage	84.30%	82.77%	83.53%	89.00%
Average Speed to Answer (seconds)	0.13	0.11	0.13	0.12
Abandon Percentage	0.77%	0.47%	0.60%	0.83%

401(k) & 457 YTD Participant Service Center Statistics

	2009	2010	2011	2012
Service Center Calls	170,135	154,130	155,346	160,130
Service Percentage	79.13%	80.83%	84.07%	85.83%
Average Speed to Answer (seconds)	0.29	0.19	0.13	0.14
Abandon Percentage	1.29%	1.05%	0.52%	0.84%

North Carolina Supplemental Retirement Plans

2013 Goal - 4,000 member meetings with
100,000 members in attendance

401(k) & 457 Quarterly Retirement Security Education Team Activity

	4Q 2009	4Q 2010	4Q 2011	4Q 2012
Member Meetings	1,102	844	959	1,064
Number of Members Attending Meeting	30,331	28,536	28,517	33,740
Proactive Calls to Employers	833	737	530	584

401(k) & 457 YTD Retirement Security Education Team Activity

	2009	2010	2011	2012
Member Meetings	4,599	3,977	4,345	4,802
Number of Members Attending Meeting	117,692	106,004	102,707	112,548
Proactive Calls to Employers	4,278	3,486	2,630	2,361

401(k) & 457 Retirement Security Education Team Survey Results

624 Surveys Returned	1	2	3	4	5	6	7
Presenter's explanation of the benefits of the Plan(s)	0%	0%	0%	0%	2%	13%	85%
Presenter's clarity in response to questions	0%	0%	0%	0%	1%	12%	87%
Length of presentation	0%	0%	0%	0%	4%	17%	79%
Did the presentation increase your awareness of the importance of saving for your retirement?				Yes	No		
				99%	1%		

Survey ratings are from 1 to 7, with 1 poor and 7 outstanding

North Carolina Supplemental Retirement Plans

457 Additions

Employer Type	2009	2010	2011	2012	# of Eligible
CHARTER SCHOOL	2	2	6	3	430
COMMUNITY COLLEGE	4	2	6	10	5,161
COUNTY	8	10	10	6	2,893
MUNICIPAL	10	22	14	10	3,269
OTHER	5	12	9	11	218
SCHOOL	5	11	13	10	47,336

County

Burke County
Davie County
Harnett County
Hyde County
Rockingham County
Vance County

Schools

Avery County Schools
Columbus County Schools
Cumberland County Schools
Harnett County Schools
Haywood County Schools
Henderson County Schools
Hickory City Schools
Jones County Schools
Moore County Schools
Scotland County Schools

Other

Alliance Behavioral Healthcare
Charlotte Mecklenburg EMS/Medic
Durham Highway Fire Dept.
Electricities of NC
Fairmount Housing Authority
Granville-Vance District Health
Martin-Tyrrell-Washington District Health Dept.
Housing Authority of Charlotte
Housing Authority of Wake County
Salisbury Housing Authority
Washington County ABC Board

Charter Schools

North East Carolina Prep School
Research Triangle High School
Vance Charter School

Community College

Alamance Community College
Blue Ridge Community College
Central Carolina Community College
Coastal Carolina CC
Community School of Davidson
Durham Tech Community College
Johnston Community College
Sandhills Community College
South Piedmont Community College
Stanly Community College

Municipalities

Town of Columbia
City of Dunn
Town of Elizabethtown
City of Kinston
Town of Leland
City of Locust
Town of Murfreesboro
Town of Selma
Town of Siler City
Town of Williamston

North Carolina Supplemental Retirement Plans

Employers Adopting 401(k) Plan

401(k) Additions					
Employer Type	2009	2010	2011	2012	# of Eligible
CHARTER SCHOOL	1	0	3	1	201
COMMUNITY COLLEGE	0	0	0	0	0
COUNTY	0	0	0	0	0
MUNICIPAL	0	1	1	1	7
OTHER	0	4	0	1	0
SCHOOL	0	0	0	0	0

Other

Housing Authority of Wake County

Municipality

Town of Lewisville

Charter Schools

Vance Charter School

North Carolina Supplemental Retirement Plans

401(k) Employers Reinstating Employer Contribution

Haywood County is reinstating a 1% employer contribution across the board regardless of participation

401(k) Plan Adding Employer Contributions

City of Claremont adding a 5% employer contribution

Town of Wingate adding 2.5% employer contribution

Robeson Housing Authority adding 2% employer contribution

Research Triangle High School adding 3% employer match

401(k) Employers Changing from Employer Contribution to Employer Match

City of Monroe changed their current employer contribution from 5% for all eligible general employees. The new employer contribution for eligible general employees will be 3% plus an additional dollar-for-dollar match of up to 2%.

Randolph County changed their current employer contribution from 2% for all eligible general employees to 2% employer match.

401(k) Employers Decreasing Employer Match

City of Greenville reducing employer contribution from \$40 bi-weekly to \$30 bi-weekly effective July

401(k) Employers Increasing Employer Match

Town of Butner increasing employer contribution from 3% to 4% effective, July.

Charlotte Mecklenburg Library increasing employer match from 3% to 5% effective July.

City of Durham increasing employer contribution from 4% to 4.5% effective July.

401(k) Employers Suspending Employer Match

Rowan County Tourism Development suspended Employer Contributions

North Carolina Supplemental Retirement Plans

Disclaimers

Assets and contributions reflect actual participant account balances and do not include forfeiture and / or expense account assets.

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 12/31/2012.



North Carolina Supplemental Retirement Plans

•3Q12 Participant Statements

- 3Q12 Statement Insert
- 3Q12 Statement Message
- 3Q12 Signature Newsletter
- 233,699 total participant statements
 - 156,488 mailed
 - 77,211 electronic



•Employer Plan Data Mailing

- 240 recipients



North Carolina Supplemental Retirement Plans

- NCLM Conference

- Tote bags, trail mix, peanuts distributed.



- Expanded Microsite



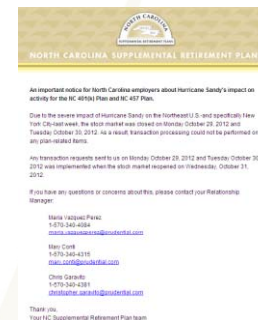
- 2Q12 Fund Fact Sheets

- Updated on website & in Enrollment Kits

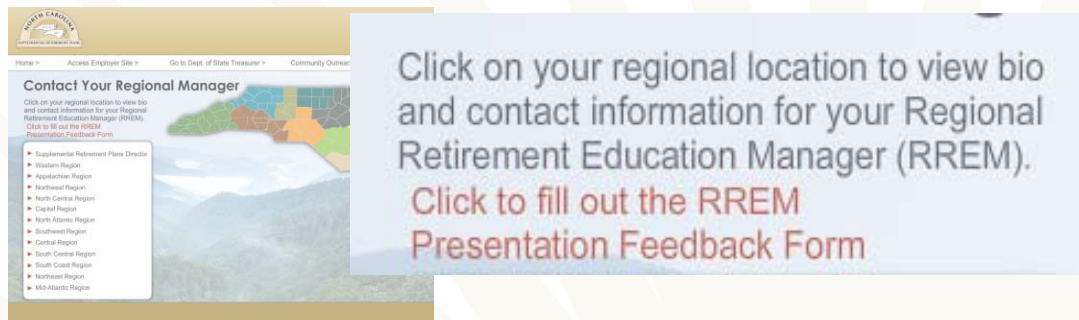


North Carolina Supplemental Retirement Plans

- DreamMail to Employers on Market Closure Due to Storm
- 2,362 recipients



- Added a Regional Retirement Education Manager Feedback form to Website



- Revised and Refreshed 7 Articles for Website Links



North Carolina Supplemental Retirement Plans

•Updated 3Q12 Performance on Website

NC 401(k) and NC Deferred Compensation (457) Performance*

Fund Name	Annual Actual Returns as of 9/30/2012					Investment Date	Risk (Expense Ratio as of 9/30/12)	Annual Operating Expense Per \$1,000
	1 Year	3 Year	5 Year	10 Year	Since Inception			
Real Estate								
NC State Value Fund - 401(k) Plan	8.03%	2.87%	3.41%	N/A	N/A	3/30/2009	0.48%	\$4.40
NC State Value Fund - 457 Plan	8.03%	2.87%	3.41%	N/A	N/A	3/30/2009	0.48%	\$4.30
Fixed Income								
North Carolina Large Cap Value Fund	2.16%	4.24%	4.77%	N/A	N/A	3/30/2009	0.47%	\$4.20
North Carolina Fixed Income Fund	1.03%	4.05%	N/A	N/A	N/A	3/30/2009	0.37%	\$3.50
Equity								
North Carolina Large Cap Value Fund	2.16%	4.24%	4.77%	N/A	N/A	3/30/2009	0.47%	\$4.40
North Carolina Large Cap Value Fund	2.16%	4.24%	4.77%	N/A	N/A	3/30/2009	0.47%	\$4.40
Global								
North Carolina Large Cap Value Fund	2.16%	4.24%	4.77%	N/A	N/A	3/30/2009	0.47%	\$4.40
North Carolina Large Cap Value Fund	2.16%	4.24%	4.77%	N/A	N/A	3/30/2009	0.47%	\$4.40

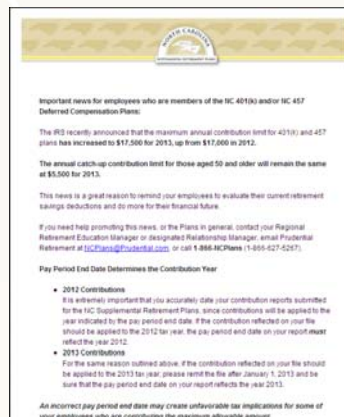
•Holiday Card

- 2,700 recipients



•2013 Year End DreamMail

- 2,362 recipients





A message from North Carolina's State Treasurer

Last year, I toured community colleges throughout North Carolina to talk with students about financial issues they are facing. Without getting the guidance and resources they needed, many of these students had already racked up thousands of dollars in student loans and credit card debt. One student at Wake Tech Community College said that, since no one ever told him the pitfalls of borrowing too much, he

took the maximum amount he qualified for. At the same time, the economy's slow recovery is making it difficult for him to find a job to help pay it off.

At the Department of State Treasurer, we realize that financially healthy citizens are the building blocks of a financially healthy North Carolina. I am committed to helping all North Carolinians avoid the burden of unmanageable debt and make smart financial decisions.

To that end, I partnered with the College Foundation of North Carolina to create an online tool to help students calculate the amount of debt they could reasonably expect to pay back after graduation. During the current academic year, nearly 16,000 students used the tool to help them make better decisions about debt.

Credit cards, student loans and mortgages are not bad in themselves. However, we need to make sure we are using them wisely so we are controlling them rather than the other way around. In this issue of Signature, we hope to provide you with resources and information to help you avoid unmanageable debt.

In this newsletter, you will find useful credit card tips from the Department's Financial Literacy Director, Brenda Williams. It also provides ways to boost your retirement savings during tax season. You will also meet Melinda Baran, our new Supplemental Retirement Board member. With more than 30 years of financial management experience, Melinda has helped hundreds of clients manage their debt and stay on track for financial success.

We hope that you will use the tools and resources in this newsletter to avoid falling into the debt trap. Make 2013 the year you made a commitment to getting out of debt – and securing your financial future!

Sincerely,

Janet Cowell
State Treasurer

HAPPY NEW YEAR!


Make a resolution to do more for your future

Each new year brings with it the chance to do something better for yourself, your family, and your future. While the usual focus is to lose weight, exercise more, or stop smoking, you can also expand your focus and do more for your retirement. Here are three steps you can take in 2013 to help ensure a more secure retirement.

Step 1: Find out if you are doing enough for your future

If you are not sure how much you should be saving, use the Retirement Income Calculator. Available free as part of your online account, this calculator uses your savings and expense information to show you if you are doing all you can to have sufficient income in retirement.

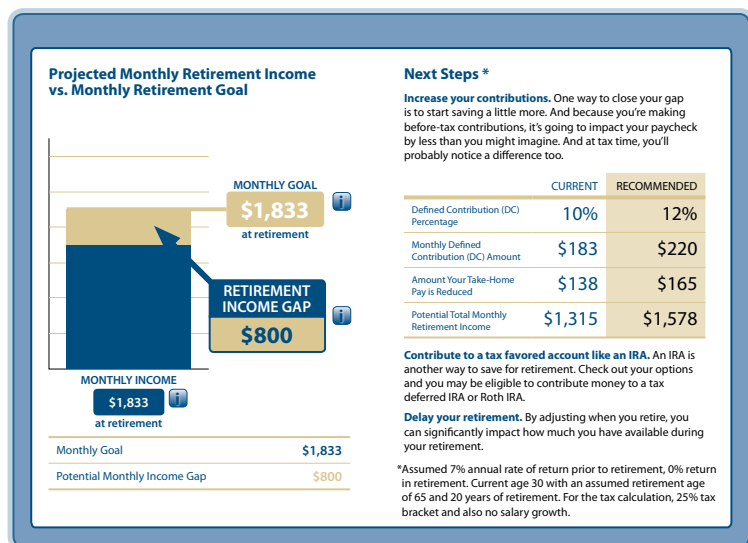
If you are not, it will recommend ways you can make up the difference.

Visit  www.NCPlans.prudential.com to log on to your account and use the Retirement Income Calculator.

In this issue...

- Resolution To Do More for Your Future pages 1-2
- Save More During Tax Season page 3
- Financial Literacy Tips page 3
- Member Spotlight page 4
- Spotlight on Melinda Baran page 4

Make a resolution to do more for your future (cont'd)



Step 2: Try to do more

Think about increasing the amount you save in the NC 401(k) and NC 457 Plans. It makes sense because you can reduce your current income taxes and save for retirement at the same time. Here's why:

- The money you contribute to the Plans comes out of your paycheck before current taxes are calculated—meaning you pay less in income tax today.
- The more you contribute, the more you reduce your current annual taxable income, and the more you reduce your current annual taxes.
- You can even make Roth after-tax contributions if you prefer to delay your tax benefits until you withdraw your money in retirement.

Consider this example:

If you contribute \$100 to your account, because it is pre-tax, you would save \$25 in current income taxes. The full \$100 goes into your account, but your take-home pay is only reduced by \$75.

	Take-home pay— not contributing	Take-home pay— participating with traditional pre-tax contributions
Gross income per paycheck (bi-weekly)	\$2,000	\$2,000
Amount contributed to the Plans per paycheck	\$0	\$100
Taxable pay	\$2,000	\$1,900
Federal income taxes (@ 25%)	\$500	\$475
Take-home pay	\$1,500	\$1,425

This is a hypothetical example of how federal income taxes may affect your income. Individual results will vary. Neither Prudential Financial nor any of its companies or businesses provide tax or legal advice, for which you should consult your qualified professional.

Step 3: Try turning your investing over to the pros

Choosing and managing your investments can be an intimidating task for many. The NC 401(k) and NC 457 Plans have a great solution for that in GoalMaker®.

GoalMaker is an optional asset allocation program, available at no additional cost, that simplifies the investment selection with your NC 401(k) Plan and/or NC 457 Plan account(s). GoalMaker uses your age (number of years until retirement) and comfort level with investment risk to recommend a professionally designed model portfolio of investments available in the Plans. Then, GoalMaker will rebalance your portfolio every quarter to keep it true to its goals, if market volatility causes it to get out of balance. There is even an optional feature that will shift your portfolio as you near retirement to be more conservative, to help you preserve some of the money you have accumulated.

You can enroll in GoalMaker online at www.NCPlans.Prudential.com or by calling 1-866-NCPlans (1-866-627-5267).

In 2013, start doing more for yourself and your future by taking advantage of all the NC 401(k) and NC 457 Plans have to offer. For more tips on how to do this, speak with a Regional Retirement Education Manager. To find yours, log on to your account at www.NCPlans.Prudential.com or call 1-866-NCPlans (1-866-627-5267).

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.**

New 2013 contribution limits for the NC 401(k) Plan and the NC 457 Plan

The Internal Revenue Service (IRS) announced the maximum contribution levels for 401(k) plans and 457 plans for 2013 will increase to \$17,500. The catch-up contribution limit for those age 50 and over will stay the same for 2013 at an additional \$5,500 per year.

Save More During Tax Season

The 2013 tax filing season has arrived. As you prepare to file your taxes, take the opportunity to boost your savings for the future.

Establish an emergency fund. Deposit a portion of your tax refund into a product with your financial institution that is interest bearing and easily accessible. This cash can be used in place of credit cards or payday loans for unexpected expenses.

Save for retirement. Increase your contributions to your NC 401(k) or NC 457 plan.

Pay off debt. Use a portion of your tax refund to pay off a high interest credit card or other outstanding debt.

Free tax preparation services are available to households earning \$51,000 or less per year, military personnel and the elderly. Free or low cost options are also available if your income exceeds \$51,000. Visit www.nctreasurer.com/FinancialLiteracy for more information.

Financial Literacy Tips

5 Tips for Using Credit Wisely

Becoming debt free is a common and admirable New Year's resolution, but before you shred all of those credit cards, remember that credit is not necessarily a bad thing. Used wisely, access to credit and credit cards can be a valuable asset in your financial portfolio. Here are five tips for using credit to your advantage:

- 1. Do not treat your credit card like a debit card.** Access to credit is not an excuse to live above your means. Establish and maintain a sensible budget based on your actual income. Your credit card should not be used to cover daily living expenses or to facilitate impulse purchases unless you have the cash to pay the balance in full each month.
- 2. Pay your bill on time.** Paying your credit card account on time not only helps you avoid late fees, but a timely payment history can also help improve your credit score. Credit card companies are fiercely competitive and a good credit score can put you in a position to negotiate a lower interest rate.
- 3. Pay more than the minimum.** If you are only paying the minimum monthly payment and continuing to make purchases on the card, your debt will accumulate quickly. If you cannot pay your balance in full each month, pay as much as you can. You will pay less in interest charges and pay off your balance earlier.
- 4. Resist the temptation to apply for department store credit cards.** Retail merchants routinely invite you to apply for their credit cards to save 10-15% on a purchase for which you planned to pay cash. If you do not promptly pay the balance in full, what you pay in interest can quickly add up to more than the attractive discount offer. Additionally, the applications for credit will impact your credit score.
- 5. Review your statements.** Credit card companies may periodically change fees, interest rates or other features of your card. Carefully review your statement each month for any "change in terms" notices. Make appropriate adjustments to how you use your card, as these changes may result in a significantly higher cost.



Brenda Williams
Director, Financial Literacy
North Carolina Department
of State Treasurer

For more financial literacy tips and resources, visit www.nctreasurer.com/FinancialLiteracy.

Member Spotlight

Stories from real members—just like you—who took action to help make a better tomorrow for themselves



Feature: Sherrie Phelps

Sherrie Phelps has been Human Resources Director for the Martin-Tyrrell-Washington District Health Department in eastern North Carolina for more than seven years. A big part of her job is helping the department's more than 100 full-time employees choose the benefits that are right for them.

"Anything that will help our employees – that's what I strive for," Sherrie says.

When the option became available earlier this year to offer the NC 457 Plan alongside the NC 401(k) Plan, Sherrie worked to implement the new plan and educate employees on the importance of saving now. Thanks to her efforts, more than a third of full-time employees have enrolled in one or both plans.

"Even if you're only putting away \$10, you have to start building those savings," Sherrie says. "You may only be able to do just a little, but a little is better than nothing."

She continues to meet with employees one-on-one, manage the employee email lists, and arrange conferences with her Regional Retirement Education Manager to encourage employees to enroll. She says one of the reasons she is such an advocate for the Plans is the high level of service she and her employees get from their RREM.

"I have a direct line to his office," she says with a laugh. "He is so good at explaining the plans, what the options are, and what would work best for the individual employees."

Sherrie herself enrolled in both the 401(k) and 457 Plans as soon as they became available. She only has about five years before retirement, but she feels confident that the Plans have helped her stay on track to meet her retirement savings goals.

To find your RREM, log on to your account at www.NCPlans.Prudential.com or call 1-866-NCPlans (1-866-627-5267).

If you would like to share your own retirement savings story, contact your **Regional Retirement Education Manager** or email NCPlans@prudential.com.

Spotlight on Melinda Baran



The Supplemental Retirement Board of Trustees welcomes Melinda Baran, who was appointed to the Board by the President Pro Tempore of the Senate. Melinda currently serves as a financial advisor for Wells Fargo Advisors and has previously worked at such companies as Citi-Smith Barney and Legg Mason Wood

Walker. She also served as an investments broker with A.G. Edwards & Sons in Hot Springs, Arkansas.

"I'm grateful to be able to apply my 35 years of experience in financial management to the real-life needs of our plan participants in North Carolina," Melinda said. "It's the best form of public service I can think of."

Before moving to North Carolina, Melinda spent five years as mayor of Hot Springs. A former secondary education teacher in the Hot Springs Public School System, she served as President of the Board of Education and Vice Chair of the Arkansas Commission on Elementary and Secondary School Finance.

"I want to help us make a major step forward in our financial literacy efforts," Melinda said. "Having been a professional educator, I think I can help in our efforts to bring financial education to the classroom."

Melinda received her bachelor's degree in economics and psychology from the University of Central Arkansas and her master's degree in education and social sciences from Henderson State University in Arkansas. She is also a certified financial planner.

You may contact the Supplemental Retirement Board of Trustees at supplementalboard@nctreasurer.com

Information and interactive calculators are made available to you as self-help tools for your independent use and are not intended to provide investment advice. We cannot and do not guarantee their applicability or accuracy in regards to your individual circumstances. All examples are hypothetical and are for illustrative purposes.

**PRUDENTIAL RETIREMENT
PRSD7125**

The Retirement Income Calculator is hypothetical and for illustrative purposes only and is not intended to represent performance of any specific investment, which may fluctuate. There is no assurance that retirement income objectives will be met. It is possible to lose money by investing in securities. 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.

Neither Prudential Financial nor any of its representatives are tax or legal advisors and encourage you to consult your individual legal or tax advisor with any specific questions.

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Notes



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280 Trumbull Street
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