North Carolina Total Retirement Plans 401k|457|403b | *Dale T. Folwell, CPA* STATE TREASURER OF NORTH CAROLINA DALE R. FOLWELL, CPA

Vendor Performance Guarantees Report

Vendor	Measured	Fees at Risk	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Contractual Goal	2019 Results
BNY Mellon									
Unit Value Timeliness (daily unit value file provided to Administrator by 7:30 p.m. ET)	Daily	$1033/mo	√	√	√			No more than 1 late delivery per month	**Standard met**
Unit Value Accuracy (accurate unit value file provided to Administrator each day)	Daily	$1033/mo	√	√	√			No more than 1 incorrect file per month	**Standard met**
NAV Report Timeliness	Monthly	$525/mo	√	√	√			No later than 2nd business day after month end	**Standard met**
NAV Report Accuracy	Monthly	$525/mo	√	√	√			No reports restated (due to custodial error) per month	**Standard met**
Performance Measurement Report Timeliness	Monthly	$525/mo	√	√	√			No less than 98% timely delivery per month	**Standard met**
Performance Measurement Report Accuracy	Monthly	$525/mo	√	√	√			No less than 98% accurate measurement per month	**Standard met**
Best and Final Offer Review	~Custodian delivered all the services described in the final offer, as agreed upon by the Plans' management ~Staff monitors the non-monetary key performance indicators (KPIs) via quarterly reporting and bi-weekly service teleconference								
Prudential NC 401(k)/457(b)/403(b)									
Call Speed Center to Answer	Quarterly	$20,000/yr	√	√	**X**			80% of calls answered within 20 sec	**46 seconds; standard not met**
Call Abandonment	Quarterly	$10,000/yr	√	√	√			Less than 3%	**1.9%; standard met**
Statement Mailing Timeliness	Quarterly	$10,000/qr	√	√	√			99% mailed within 10 business days after quarter end	**5 business days; standard met**
Website Availability	Annually	$10,000/yr	√	N/A	N/A			Available at least 97.5% of the time on 24/7 schedule	2019 result to be reported in Q1 2020
Participant Satisfaction Survey	Annually	$10,000/yr	√	**96.29%**	**95.52%**			94% of members respond "YES" to survey question	Overall 2019 result to be reported in Q1 2020
Contribution Processing Timeliness	Annually	$10,000/yr	√	N/A	N/A			99% processed within 1 business day of receipt	2019 result to be reported in Q1 2020
Distribution Processing Timeliness	Annually	$20,000/yr	√	N/A	N/A			99% processed within 2 business days	2019 result to be reported in Q1 2020
Asset Allocation Usage	Monthly	$10,000/yr	√	√	√			80% usage by new members	**94.29%**
Contribution Level	Annually	$10000/yr	√	N/A	N/A			2% increase per each contract year	2019 result to be reported in Q1 2020

Participation Level	Annually	$10000/yr	√	N/A	N/A			1% increase per each contract year	2019 result to be reported in Q1 2020
Communications Strategy	Quarterly	$10000/qr	√	√	√			Annual communication plan development and quarterly updates	**Standard met**
Revenue Report	Quarterly	$5000/qr	√	√	√			Provided within 15 days of the end of each calendar quarter and year	**Standard met**
*my*NCRetirement Statement Project Management	Annually	$20,000	N/A	√ **2018 standard met**	N/A			Produce the statement with 100% accuracy and by the deadline	2019 result to be reported in Q1 2020
Employer Education Project	Ad Hoc	$20,000	N/A	N/A	√			Create a project scope and adhere to the requirements, including the deadlines	**Standard met**
Retirement Readiness	Annually	$25,000/yr	$25,000 was received in February 2019 for the 2017 missed goal	2012 Goal **58%**; Actual **59.92%** 2013 Goal **60%**; Actual **67.56%** 2014 Goal **70%**; Actual **64.01%** 2015 Goal **65%**; Actual **60.48%** 2016 Goal **66%**; Actual **58.04%** 2017 Goal **67%**; Actual **57.26%** 2018 Goal **68%**; Actual **55.44%** 2019 Goal **70%**; Actual N/A				Score reported annually at June Board meeting	**2018 goal not met; $25,000 will be received in February 2020**
Best and Final Offer Review	~The recordkeeper increased the Retiree Advocate position to two staff members ~Social Security Calculator available to members via NCplans.prudential.com ~GoalMaker enhancements accurately completed by second quarter of 2018								

Vendor	Measured	Fees at Risk ($)	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019 Results
Callan								
Investment Policy Statement Development and Monitoring	Annually	Any material deficiencies will reduce the fee by $5,000 for the impacted calendar quarter	N/A	N/A	N/A			2019 result will be reported in Q4
Plan Design Review and Recommendations	Annually		N/A	N/A	√			**Standard met**
Investment Manager Searches and Ongoing Monitoring	Quarterly		N/A	√	√			**Standard met**
Performance and Risk Reporting	Quarterly		N/A	√	√			**Standard met**
Industry Research	Quarterly		N/A	√	√			**Standard met**
Glidepath Review	Annually		N/A	N/A	N/A			Result will be reported upon first presentation in Q1, 2020
Stable Value Fund Review	Annually		N/A	√	N/A			**Standard met**
Board Meeting Presentations	Quarterly		N/A	√	√			**Standard met**
Recordkeeper Benchmarking Study	Annually		N/A	N/A	N/A			Result will be reported upon first presentation in Q1, 2020
Additional Services	~Procurement services, including recordkeeping and custody, as requested by the Plans' management ~Custody Transition Consulting Service, as requested by the Plans' management ~Educational opportunities offered to Plans' staff ~ Services outside of the Scope of Work, delivered upon written request from Plans' management							
Glass Lewis								
Voting System Availability	Daily	Failure to meet one or more of the performance standards during a quarter shall reduce the fees by $1,000.00, up to a maximum of $5,000.00 in any 12-month period	√	√	√			**Standard met**
Client Service Representative Responsiveness	Daily		√	√	√			**Standard met**
Voting Accuracy	Per ballot		√	√	√			**Standard met**
Reconciliation Reports	Monthly and Annually		√	√	√			**Standard met**
Account Audit	Quarterly		√	√	√			**Standard met**
Status Meeting	Quarterly		√	√	√			**Standard met**
Proxy Policy Review	Annually		√	√	√			**Standard met**