

# Compliance activities “at-a-glance”

October - December, 2018



North Carolina  
Total Retirement Plans  
401k|457|403b



*Dale R. Foxwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOXWELL, CPA

## Vendor contract management and performance standards monitoring



- Recordkeeper met all performance standards
- Custodian met all performance standards
- Investment consultant met all performance standards
- Proxy advisor met all performance standards

## Investment guidelines daily monitoring



- All investment managers were compliant with their respective guidelines
- No prohibited holdings identified in applicable departmental divestment policies were held in the Supplemental Retirement Plans Group Trust portfolio during the quarter
- SRP staff discussed the potential addition of China Class A shares to the NC International Equity Fund with the fund's investment managers
- SRP staff conducted due diligence research regarding the transition from Russell Global Sectors (RGS) to Industry Classification Benchmark (ICB) classification

## Corporate governance update



- The review of 2019 proxy voting guidelines was conducted by the DST Governance Committee in November
- The staff completed the compliance onboarding of two new funds: BlackRock Strategic Completion Fund and Principal Diversified Real Asset Fund

## Policy update



- The annual reviews of relevant policies and desktop guides are tracking to plan
- The staff updated the RSD Compliance Tracker to include the administrative rule-making procedure with respect to the plans' administrative fee; the Tracker is monitored jointly by the RSD and SRP staff

## Participant complaints and inquiries



- The plans' recordkeeper received a total of fifteen complaints, three of which were invalid. Complaints were associated with inaccurate information received via Member Service Center, website availability and loan processing
- Three additional complaints were received by the staff directly and satisfactory explanations were provided to the participants
- The staff also addressed an inquiry from an employer participating in the plans, as well as a separate inquiry from a member of the public

## Multi-employer plan management



- The staff and the recordkeeper continue the review of plan process improvements
- For the remainder of fiscal year, the teams will be focusing on processes impacting all subplans, such as: submission of payroll files, payroll reconciliation as well as defining the roles and responsibilities of the recordkeeper and the participating employers