

## 4Q 2018 Board of Trustees Report

Presented by: Michael McCann, Vice President, Key Account Management On: March 21, 2019

As of: December 31, 2018

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







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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.

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Prudential's Book of Business averages are as of 12/31/2018.



#### **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**

57.56% of all active NC public servants are "retirement ready." 72.23% of all active NC public servants with a 401(k), 457 and/or 403(b) plan are "retirement ready." Retirement readiness is defined as the ability to replace 80% of pre-retirement income, beginning at age 62 and continuing throughout 30 years of retirement. The following sub-goals are being pursued at a Combined Plans level to help us achieve our top-level metric of 67% in 2018:

#### 401(k), 457 and 403(b) Plans Combined Summary Goals:

Sub Goal	As of 12/31/2018	Stretch Goal	% to Stretch Goal	Contractual Goal	% to Contractual Goal
Average Monthly Contributions	\$197.24	\$180.61	109.21%	\$166.46	118.49%
Active Participation Rate	33.19%	28.99%	114.49%	28.56%	116.21%
GoalMaker Utilization Among New Members	93.72%	93%	100.77%	80%	117.15%
GoalMaker Utilization Among All Members	64.65%	57%	113.42%	N/A	N/A

2 Employers adopted the 401(k) Plan from the period of January 1, 2018 through December 31, 2018 39 Employers adopted the 457 Plan from the period of January 1, 2018 through December 31, 2018 15 Employers adopted the 403(b) Plan from the period of January 1, 2018 through December 31, 2018

	As of 12/31/2018
Consolidated Total Plan Assets	\$10,821,562,114
Consolidated Unique Participant Count	279,775



#### Asset Allocation By Fund – Combined 401(k) and 457 Plans

				# Participants Utilizing			# Participants Utilizing			# Participants Utilizing
Investment Option	Asset Class	12/31/2016	%	12/31/2016	12/31/2017	%	12/31/2017	12/31/2018	%	12/31/2018
North Carolina Stable Value Fund	Stable Value	\$2,469,614,134	25.28%	232,008	\$2,529,294,983	22.46%	236,612	\$2,064,021,350	19.10%	166,566
North Carolina Fixed Income Fund	Fixed Income	\$660,562,087	6.76%	188,600	\$736,407,662	6.54%	196,436	\$1,547,231,706	14.32%	237,193
North Carolina Fixed Income Index Fund	Fixed Income	\$439,485,016	4.50%	160,791	\$512,434,428	4.55%	170,407	\$69,726,697	0.65%	32,347
North Carolina Treasury Inflation Protected Securities	Fixed Income	\$0	0.00%	0	\$0	0.00%	0	\$180,380,815	1.67%	65,665
North Carolina Large Cap Core Fund	Large-Cap Stock	\$0	0.00%	0	\$2,166,028,663	19.23%	260,831	\$1,644,599,749	15.22%	89,873
North Carolina Large Cap Growth Fund	Large-Cap Stock	\$868,435,502	8.89%	244,459	\$0	0.00%	0	\$0	0.00%	0
North Carolina Large Cap Index Fund	Large-Cap Stock	\$1,383,394,788	14.16%	244,648	\$1,640,574,663	14.57%	254,172	\$2,336,760,875	21.62%	263,708
North Carolina Large Cap Value Fund	Large-Cap Stock	\$947,076,526	9.69%	244,434	\$0	0.00%	0	\$0	0.00%	0
North Carolina Small Mid Cap Fund	Small-Cap Stock	\$0	0.00%	0	\$1,038,203,676	9.22%	218,226	\$715,289,682	6.62%	228,696
North Carolina Small/Mid Cap Growth Fund	Small-Cap Stock	\$372,305,230	3.81%	197,921	\$0	0.00%	0	\$0	0.00%	0
North Carolina Small/Mid Cap Index Fund	Small-Cap Stock	\$248,512,880	2.54%	23,739	\$291,724,663	2.59%	23,585	\$268,290,499	2.48%	23,654
North Carolina Small/Mid Cap Value Fund	Small-Cap Stock	\$493,893,505	5.06%	205,747	\$0	0.00%	0	\$0	0.00%	0
North Carolina Global Equity Fund	Global/Intl Stock	\$850,330,898	8.70%	191,925	\$1,055,283,671	9.37%	203,923	\$0	0.00%	0
North Carolina International Fund	Global/Intl Stock	\$586,175,769	6.00%	212,221	\$733,326,391	6.51%	222,824	\$1,567,178,284	14.50%	234,795
North Carolina International Index Fund	Global/Intl Stock	\$46,636,848	0.48%	6,467	\$72,677,751	0.65%	7,073	\$67,342,500	0.62%	7,455
North Carolina Inflation Responsive Fund	Specialty	\$403,212,158	4.13%	186,816	\$487,650,800	4.33%	198,690	\$345,790,728	3.20%	210,431
Total Plan Assets		\$9,769,635,339	100.00%		\$11,263,607,350	100.00%		\$10,806,612,884	100.00%	

The total number of unique participants across the 401(k) and 457 Plans combined as of December 31, 2018 was 278,754

The average monthly employee deferral from January 1, 2018 to December 31, 2018 was \$196.74 for the Combined 401(k) and 457 Plans.

The average active participation rate from January 1, 2018 to December 31, 2018 was 33.00% for the Combined 401(k) and 457 Plans.

The GoalMaker utilization among new members as of December 31, 2018 was 93.83% for the Combined 401(k) and 457 Plans.

The GoalMaker utilization among members as of December 31, 2018 was 64.64% for the Combined 401(k) and 457 Plans.





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

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#### Asset Allocation By Fund – 401(k) Plan

				# Participants Utilizing			# Participants Utilizing			# Participants Utilizing
Investment Option	Asset Class	12/31/2016	%	12/31/2016	12/31/2017	%	12/31/2017	12/31/2018	%	12/31/2018
North Carolina Stable Value Fund	Stable Value	\$2,063,855,703	24.16%	187,740	\$2,126,325,093	21.53%	191,677	\$1,709,999,465	18.04%	135,226
North Carolina Fixed Income Fund	Fixed Income	\$580,027,440	6.79%	154,511	\$646,274,692	6.54%	160,915	\$1,390,823,156	14.67%	194,286
North Carolina Fixed Income Index Fund	Fixed Income	\$393,624,613	4.61%	130,830	\$457,947,722	4.64%	138,711	\$55,180,995	0.58%	29,305
North Carolina Treasury Inflation Protected Securities	Fixed Income	\$0	0.00%	0	\$0	0.00%	0	\$162,229,155	1.71%	53,396
North Carolina Large Cap Core Fund	Large-Cap Stock	\$0	0.00%	0	\$1,901,747,044	19.26%	214,539	\$1,422,733,341	15.01%	78,401
North Carolina Large Cap Growth Fund	Large-Cap Stock	\$758,916,699	8.89%	201,370	\$0	0.00%	0	\$0	0.00%	0
North Carolina Large Cap Index Fund	Large-Cap Stock	\$1,229,268,460	14.39%	203,978	\$1,457,613,235	14.76%	211,467	\$2,105,337,376	22.21%	218,796
North Carolina Large Cap Value Fund	Large-Cap Stock	\$835,978,312	9.79%	201,906	\$0	0.00%	0	\$0	0.00%	0
North Carolina Small Mid Cap Fund	Small-Cap Stock	\$0	0.00%	0	\$883,045,124	8.94%	175,278	\$593,245,839	6.26%	183,803
North Carolina Small/Mid Cap Growth Fund	Small-Cap Stock	\$317,677,887	3.72%	157,692	\$0	0.00%	0	\$0	0.00%	0
North Carolina Small/Mid Cap Index Fund	Small-Cap Stock	\$226,068,926	2.65%	22,182	\$264,286,598	2.68%	21,875	\$240,539,315	2.54%	21,772
North Carolina Small/Mid Cap Value Fund	Small-Cap Stock	\$413,571,111	4.84%	165,104	\$0	0.00%	0	\$0	0.00%	0
North Carolina Global Equity Fund	Global/Intl Stock	\$791,441,083	9.27%	156,928	\$978,893,090	9.91%	166,682	\$0	0.00%	0
North Carolina International Fund	Global/Intl Stock	\$522,459,313	6.12%	171,468	\$653,241,067	6.61%	180,262	\$1,427,265,672	15.06%	189,920
North Carolina International Index Fund	Global/Intl Stock	\$35,642,646	0.42%	5,362	\$57,084,167	0.58%	5,855	\$52,612,800	0.56%	6,181
North Carolina Inflation Responsive Fund	Specialty	\$372,736,564	4.36%	152,628	\$449,848,849	4.55%	162,257	\$319,248,969	3.37%	171,612
Total Plan Assets		\$8,541,268,758	100.00%		\$9,876,306,683	100.00%		\$9,479,216,083	100.00%	

The total number of unique participants in the 401(k) Plan as of December 31, 2018 was 255, 322.

The average monthly employee deferral from January 1, 2018 to December 31, 2018 was \$180.13 for the 401(k) Plan.

The average active participation rate from January 1, 2018 to December 31, 2018 was 29.73% for the 401(k) Plan.

The GoalMaker utilization among new members as of December 31, 2018 was 93.38% for the 401(k) Plan.

The GoalMaker utilization among members as of December 31, 2018 was 65.28% for the 401(k) Plan.



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

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Please see page 5 for important notes and disclaimers.

#### Asset Allocation By Fund – 457 Plan

				# Participants Utilizing			# Participants Utilizing			# Participants Utilizing
Investment Option	Asset Class	12/31/2016	%	12/31/2016	12/31/2017	%	12/31/2017	12/31/2018	%	12/31/2018
North Carolina Stable Value Fund	Stable Value	\$405,758,431	33.03%	44,268	\$402,969,890	29.05%	44,935	\$354,021,884	26.67%	31,340
North Carolina Fixed Income Fund	Fixed Income	\$80,534,646	6.56%	34,089	\$90,132,969	6.50%	35,521	\$156,408,550	11.78%	42,907
North Carolina Fixed Income Index Fund	Fixed Income	\$45,860,403	3.73%	29,961	\$54,486,705	3.93%	31,696	\$14,545,702	1.10%	3,042
North Carolina Treasury Inflation Protected Securities	Fixed Income	\$0	0.00%	0	\$0	0.00%	0	\$18,151,660	1.37%	12,269
North Carolina Large Cap Core Fund	Large-Cap Stock	\$0	0.00%	0	\$264,281,619	19.05%	46,292	\$221,866,408	16.71%	11,472
North Carolina Large Cap Growth Fund	Large-Cap Stock	\$109,518,802	8.92%	43,089	\$0	0.00%	0	\$0	0.00%	0
North Carolina Large Cap Index Fund	Large-Cap Stock	\$154,126,328	12.55%	40,670	\$182,961,427	13.19%	42,705	\$231,423,499	17.43%	44,912
North Carolina Large Cap Value Fund	Large-Cap Stock	\$111,098,213	9.04%	42,528	\$0	0.00%	0	\$0	0.00%	0
North Carolina Small Mid Cap Fund	Small-Cap Stock	\$0	0.00%	0	\$155,158,552	11.18%	42,948	\$122,043,842	9.19%	44,893
North Carolina Small/Mid Cap Growth Fund	Small-Cap Stock	\$54,627,343	4.45%	40,229	\$0	0.00%	0	\$0	0.00%	0
North Carolina Small/Mid Cap Index Fund	Small-Cap Stock	\$22,443,954	1.83%	1,557	\$27,438,065	1.98%	1,710	\$27,751,184	2.09%	1,882
North Carolina Small/Mid Cap Value Fund	Small-Cap Stock	\$80,322,394	6.54%	40,643	\$0	0.00%	0	\$0	0.00%	0
North Carolina Global Equity Fund	Global/Intl Stock	\$58,889,815	4.79%	34,997	\$76,390,581	5.51%	37,241	\$0	0.00%	0
North Carolina International Fund	Global/Intl Stock	\$63,716,455	5.19%	40,753	\$80,085,324	5.77%	42,562	\$139,912,613	10.54%	44,875
North Carolina International Index Fund	Global/Intl Stock	\$10,994,202	0.90%	1,105	\$15,593,584	1.12%	1,218	\$14,729,700	1.11%	1,274
North Carolina Inflation Responsive Fund	Specialty	\$30,475,594	2.48%	34,188	\$37,801,951	2.72%	36,433	\$26,541,759	2.00%	38,819
Total Plan Assets		\$1,228,366,581	100.00%		\$1,387,300,667	100.00%		\$1,327,396,802	100.00%	

The total number of unique participants in the 457 Plan as of December 31, 2018 was 55,418.

The average monthly employee deferral from January 1, 2018 to December 31, 2018 was \$145.42 for the 457 Plan.

The average active participation rate from January 1, 2018 to December 31, 2018 was 11.05% for the 457 Plan.

The GoalMaker utilization among new members as of December 31, 2018 was 95.79% for the 457 Plan.

The GoalMaker utilization among members as of December 31, 2018 was 68.59% for the 457 Plan.



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

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#### Asset Allocation By Fund – 403(b) Plan

				# Participants Utilizing			# Participants Utilizing
Investment Option	Asset Class	12/31/2017	%	12/31/2017	12/31/2018	%	12/31/2018
Metropolitan West Total Return Bond Fund Plan Class	Fixed Income	\$1,064,362	8.01%	1,043	\$2,410,775	16.13%	1,075
Vanguard Short-Term Bond Index Fund Admiral Shares	Fixed Income	\$2,171,875	16.35%	881	\$1,642,192	10.99%	566
Vanguard Short-Term Inflation-Protected Securities Index Admiral Shares	Fixed Income	\$0	0.00%	0	\$168,146	1.12%	262
Vanguard Total Bond Market Index Fund Admiral Shares	Fixed Income	\$1,232,784	9.28%	1,028	\$774,298	5.18%	329
T. Rowe Price Blue Chip Growth Fund I Class	Large-Cap Stock	\$920,658	6.93%	857	\$517,650	3.46%	164
Vanguard 500 Index Fund Admiral Shares	Large-Cap Stock	\$2,529,119	19.04%	1,166	\$3,973,657	26.58%	1,203
Vanguard Windsor II Fund Admiral Shares	Large-Cap Stock	\$964,693	7.26%	1,060	\$477,272	3.19%	343
Vanguard Extended Market Index Fund Admiral Shares	Mid-Cap Stock	\$874,775	6.59%	366	\$923,425	6.18%	366
DFA U.S. Small Cap Portfolio Institutional Class	Small-Cap Stock	\$1,033,615	7.78%	989	\$886,457	5.93%	1,020
PIMCO Inflation Response Multi-Asset Fund Institutional	Specialty	\$678,432	5.11%	816	\$0	0.00%	0
Principal Diversified Real Asset Fund Class R-6	Specialty	\$0	0.00%	0	\$592,700	3.96%	843
Baillie Gifford The International Equity Fund Class K	International Stock	\$0	0.00%	0	\$2,344,623	15.68%	1,056
MFS Institutional International Equity Fund	International Stock	\$1,674,137	12.60%	1,037	\$0	0.00%	0
Vanguard Total International Stock Index Fund Admiral Shares	International Stock	\$137,881	1.04%	59	\$238,034	1.59%	77
Total Plan Assets		\$13,282,331	100.00%		\$14,949,230	100.00%	

The total number of unique participants in the 403(b) Plan as of December 31, 2018 was 1,251.

The average monthly employee deferral from January 1, 2018 to December 31, 2018 was \$258.57 for the 403(b) Plan.

The average active participation rate from January 1, 2018 to December 31, 2018 was 1.10% for the 403(b) Plan.

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

The GoalMaker utilization among new members as of December 31, 2018 was 60.00% for the 403(b) Plan.

The GoalMaker utilization among members as of December 31, 2018 was 59.87% for the 403(b) Plan.





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Please see page 5 for important notes and disclaimers.

	401(k) Plan Percentage Gain									
	Assets (12/31/2017)	Contributions	Distributions	Earnings	Assets (12/31/2018)	Percentage Gain				
NC 401(k) Plan	\$9,876,306,683	\$574,393,245	\$560,193,726	-\$411,290,119	\$9,479,216,083	-4.16%				

401(k) Plan								
4Q 2017     4Q 2018     Difference #     Difference %								
Members with an Account Balance	250,305	255,322	5,017	2.00%				
Average Account Balance	\$39,457	\$37,046	-\$2,411	-6.11%				
Median Account Balance	\$12,642	\$11,544	-\$1,098	-8.69%				

#### 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







457 Plan Percentage Gain								
	Assets (12/31/2017)	Contributions	Distributions	Earnings	Assets (12/31/2018)	Percentage Gain		
NC 457 Plan	\$1,387,300,667	\$80,030,073	\$86,837,039	-\$53,096,899	\$1,327,396,802	-3.85%		

457 Plan									
	4Q 2017	4Q 2018	Difference #	Difference %					
Members with an Account Balance	53,837	55,418	1,581	2.94%					
Average Account Balance	\$25,769	\$23,952	-\$1,817	-7.05%					
Median Account Balance	\$3,389	\$3,256	-\$133	-3.94%					



**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









403(b) Plan Percentage Gain									
Assets (12/31/2017) Contributions Distributions Earnings Assets (12/31/2018) Percentage Ga									
NC 457 Plan	\$13,282,331	\$3,110,877	\$480,357	-\$963,621	\$14,949,230	-6.06%			

403(b) Plan								
	4Q2017	4Q2018	Difference #	Difference %				
Members with an Account Balance	1,204	1,251	47	3.90%				
Average Account Balance	\$11,032	\$11,950	\$918	8.32%				
Median Account Balance	\$4,063	\$4,559	\$496	12.22%				



403(b) 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 Quarterly Enrollments & Contribution Changes									
	4Q 2015	4Q 2016	4Q 2016 % of Change	4Q 2017	4Q 2017 % of Change	4Q 2018	4Q 2018 % of Change		
Enrollments	4,799	3,637	-31.95%	3,860	6.13%	4,133	7.07%		
% of New Hires Enrolled in Plan	69.92%	47.28%	-47.89%	47.71%	0.91%	49.26%	3.24%		
GoalMaker Elections	4,551	3,279	-38.79%	3,855	17.57%	3,874	0.49%		
Contribution Changes									
Deferral Decreases	3,267	4,358	25.03%	4,571	4.89%	2,729	-40.30%		
Deferral Increases	6,020	5,883	-2.33%	6,976	18.58%	6,683	-4.20%		
Pre-tax Participation Rate	20.57%	21.00%	2.05%	21.04%	0.19%	25.15%	19.51%		
Roth Participation Rate	7.88%	8.23%	4.25%	8.38%	1.79%	10.32%	23.21%		
Voluntary (Employee & Roth) Participation Rate	26.29%	26.96%	2.49%	27.06%	0.37%	35.34%	30.60%		

401(k) Plan Quarterly Enrollments & Contribution Change Method											
	4Q 2015	4Q 2016	4Q 2017	4Q 2018							
Method of Enrollment	Aethod of Enrollment										
Paper Form	74.39%	74.73%	76.06%	75.63%							
Pseudo Enrollment	18.33%	16.29%	20.16%	20.25%							
Internet	7.28%	8.98%	3.79%	4.12%							
Method of Contribution Change			·	·							
Internet	98.77%	99.63%	99.56%	95.68%							
Paper Form	1.03%	0.15%	0.31%	4.14%							
Participant Service Center	0.02%	0.00%	0.00%	0.00%							
VRU	0.19%	0.22%	0.13%	0.18%							

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 401k | 457 | 403b



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401(k) Plan YTD Enrollments & Contribution Changes									
	2015	2016	2016 % of Change	2017	2017 % of Change	2018	2018 % of Change		
Enrollments	18,779	15,624	-20.19%	16,162	3.44%	16,420	1.60%		
% of New Hires Enrolled in Plan	58.99%	42.17%	-39.89%	41.73%	-1.05%	41.58%	-0.36%		
GoalMaker Elections	17,628	14,227	-23.91%	15,173	6.65%	15,613	2.90%		
Contribution Changes							-		
Deferral Decreases	11,031	18,496	40.36%	20,162	9.01%	11,327	-43.82%		
Deferral Increases	28,457	24,149	-17.84%	28,844	19.44%	30,423	5.47%		
Pre-tax Participation Rate	22.95%	23.25%	1.29%	23.26%	0.06%	23.18%	-0.37%		
Roth Participation Rate	8.72%	9.12%	4.39%	9.25%	1.45%	9.52%	2.89%		
Voluntary (Employee & Roth) Participation Rate	29.15%	29.71%	1.88%	29.72%	0.04%	29.73%	0.02%		

401(k) Plan YTD Enrollments & Contribution Change Method											
2015 2016 2017 2018											
Method of Enrollment	Method of Enrollment										
Paper Form	73.89%	76.80%	75.77%	77.44%							
Pseudo Enrollment	20.08%	16.04%	18.26%	19.01%							
Internet	6.03%	7.16%	5.97%	3.55%							
Method of Contribution Change			·	·							
Internet	98.59%	99.59%	99.71%	98.19%							
Paper	1.14%	0.15%	0.14%	1.62%							
Participant Service Center	0.05%	0.01%	0.01%	0.00%							
VRU	0.22%	0.25%	0.15%	0.19%							

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 401k | 457 | 403b



457 Plan Quarterly Enrollments & Contribution Changes									
	4Q 2015	4Q 2016	4Q 2016 % of Change	4Q 2017	4Q 2017 % of Change	4Q 2018	4Q 2018 % of Change		
Enrollments	1,289	1,564	21.33%	1,285	-17.84%	1,222	-4.90%		
% of New Hires Enrolled in Plan	29.82%	31.60%	5.96%	23.26%	-26.39%	20.36%	-12.48%		
GoalMaker Elections	1,180	1,440	22.03%	1,192	-17.22%	1,146	-3.86%		
Contribution Changes									
Deferral Decreases	980	676	-31.02%	772	14.20%	756	-2.07%		
Deferral Increases	1,540	1,390	-9.74%	1,656	19.14%	1,633	-1.39%		
Pre-tax Participation Rate	10.49%	10.16%	-3.15%	9.49%	-6.60%	9.15%	-3.62%		
Roth Participation Rate	1.30%	1.45%	11.54%	1.76%	21.09%	1.99%	13.32%		
Voluntary (Employee & Roth) Participation Rate	10.90%	10.73%	-1.56%	10.24%	-4.61%	10.10%	-1.34%		

457 Plan Quarterly Enrollments & Contribution Change Method									
	4Q 2015	4Q 2016	4Q 2017	4Q 2018					
Method of Enrollment				·					
Paper Form	86.73%	87.64%	80.44%	90.57%					
Pseudo Enrollment	2.47%	2.22%	4.44%	5.16%					
Internet	10.80%	10.14%	15.12%	4.26%					
Method of Contribution Change	· · · · · · · · · · · · · · · · · · ·			·					
Internet	99.10%	99.79%	99.88%	96.01%					
Paper Form	0.83%	0.06%	0.12%	3.88%					
Participant Service Center	0.00%	0.00%	0.00%	0.00%					
VRU	0.06%	0.15%	0.00%	0.10%					

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 401k | 457 | 403b



457 Plan YTD Enrollments & Contribution Changes									
	2015	2016	2016 % of Change	2017	2017 % of Change	2018	2018 % of Change		
Enrollments	6,291	4,930	-21.63%	4,905	-0.51%	4,906	0.02%		
% of New Hires Enrolled in Plan	29.93%	20.38%	-31.90%	18.12%	-11.07%	17.33%	-4.38%		
GoalMaker Elections	5,800	4,471	-22.91%	4,510	0.87%	4,626	2.57%		
Contribution Changes									
Deferral Decreases	3,302	3,265	-1.12%	5,924	81.44%	2,691	-54.57%		
Deferral Increases	6,567	5,740	-12.59%	6,438	12.16%	6,357	-1.26%		
Pre-tax Participation Rate	11.09%	11.31%	1.98%	10.58%	-6.42%	10.02%	-5.31%		
Roth Participation Rate	1.31%	1.67%	27.48%	1.85%	10.59%	2.12%	14.54%		
Voluntary (Employee & Roth) Participation Rate	11.50%	11.95%	3.91%	11.37%	-4.81%	11.05%	-2.85%		

457 Plan YTD Enrollments & Contribution Change Method								
	2015	2016	2017	2018				
Method of Enrollment			·	·				
Paper Form	89.77%	86.54%	84.97%	89.03%				
Pseudo Enrollment	1.74%	2.62%	3.20%	3.76%				
Internet	8.49%	10.84%	11.84%	7.20%				
Method of Contribution Change	· · · · · · · · · · · · · · · · · · ·		·	·				
Internet	99.06%	99.82%	99.85%	98.53%				
Paper	0.68%	0.07%	0.06%	1.40%				
Participant Service Center	0.12%	0.02%	0.02%	0.01%				
VRU	0.14%	0.10%	0.07%	0.05%				

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 401k | 457 | 403b



403(b) Plan Quarterly Enrollments & Contribution Changes									
	1Q 2018	2Q 2018	2Q 2018 % of Change	3Q 2018	3Q 2018 % of Change	4Q 2018	4Q 2018 % of Change		
Enrollments	25	18	-28.00%	35	94.44%	16	-54.29%		
% of New Hires Enrolled in Plan	15.24%	3.58%	-76.52%	0.74%	-79.39%	1.05%	42.15%		
GoalMaker Elections	17	8	-52.94%	18	125.00%	10	-44.44%		
Contribution Changes									
Deferral Decreases	21	12	-42.86%	12	0.00%	12	0.00%		
Deferral Increases	34	11	-67.65%	33	200.00%	27	-18.18%		
Pre-tax Participation Rate	1.05%	1.01%	-3.37%	0.85%	-15.87%	0.83%	-2.41%		
Roth Participation Rate	0.27%	0.28%	4.32%	0.27%	-4.15%	0.25%	-6.92%		
Voluntary (Employee & Roth) Participation Rate	1.24%	1.21%	-2.78%	1.02%	-15.59%	1.00%	-2.57%		

403(b) Plan Quarterly Enrollments & Contribution Change Method											
	1Q 2018	2Q 2018	3Q 2018	4Q 2018							
Method of Enrollment	Aethod of Enrollment										
Paper Form	100.00%	100.00%	97.22%	93.75%							
Pseudo Enrollment	0.00%	0.00%	2.78%	6.25%							
Internet	0.00%	0.00%	0.00%	0.00%							
Method of Contribution Change											
Internet	92.00%	100.00%	100.00%	98.33%							
Paper Form	0.00%	0.00%	0.00%	1.67%							
Participant Service Center	0.00%	0.00%	0.00%	0.00%							
VRU	8.00%	0.00%	0.00%	0.00%							

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 401k | 457 | 403b



Only

Please see page 5 for important notes and disclaimers.

403(b) Plan YTD Enrollments & Contribution Changes								
	February to December 2017	2018	2018 % of Change					
Enrollments	51	94	84.31%					
% of New Hires Enrolled in Plan	0.66%	1.35%	104.48%					
GoalMaker Elections	33	53	60.61%					
Contribution Changes								
Deferral Decreases	27	57	111.11%					
Deferral Increases	66	105	59.09%					
Pre-tax Participation Rate	1.13%	0.92%	-18.42%					
Roth Participation Rate	0.31%	0.27%	-12.78%					
Voluntary (Employee & Roth) Participation Rate	1.35%	1.10%	-18.08%					

#### 403(b) Plan YTD Enrollments & Contribution Change Method

	February to December 2017	2018
Method of Enrollment		
Paper Form	94.12%	97.89%
Pseudo Enrollment	1.96%	2.11%
Internet	3.92%	0.00%
Method of Contribution Change		
Internet	98.73%	98.53%
Paper	0.00%	0.49%
Participant Service Center	0.00%	0.00%
VRU	1.27%	0.98%

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.





401(k) Contributions									
	4Q 2015	4Q 2016	4Q 2016 Change %	4Q 2017	4Q 2017 Change %	4Q 2018	4Q 2018 Change %		
Employee Contributions	\$61,886,652	\$59,997,035	-3.05%	\$62,514,194	4.20%	\$66,680,880	6.67%		
Roth	\$11,396,125	\$11,628,669	2.04%	\$12,990,081	11.71%	\$15,282,761	17.65%		
Total Employee Contributions	\$73,282,777	\$71,625,704	-2.26%	\$75,504,275	5.42%	\$81,963,640	8.55%		
Employer Contributions	\$49,284,984	\$50,318,532	2.10%	\$51,975,463	3.29%	\$56,685,188	9.06%		
Rollovers	\$12,501,589	\$17,654,569	41.22%	\$11,126,724	-36.98%	\$16,421,657	47.59%		
Total Contributions	\$135,069,350	\$139,598,805	3.35%	\$138,606,461	-0.71%	\$155,070,485	11.88%		
Average Voluntary Contributions	\$216	\$206	-4.48%	\$214	3.55%	\$188	-11.89%		
Average Roth Contributions	\$108	\$107	-1.29%	\$115	7.72%	\$109	-5.54%		
Average Employee Contributions	\$200	\$192	-3.97%	\$201	4.49%	\$165	-17.81%		

	401(k) Contributions								
	2015	2016	2016 Change %	2017	2017 Change %	2018	2018 Change %		
Employee Contributions	\$221,160,689	\$227,183,180	2.72%	\$237,024,929	4.33%	\$250,646,478	5.75%		
Roth	\$38,669,346	\$55,100,001	42.49%	\$47,683,253	-13.46%	\$55,797,896	17.02%		
Total Employee Contributions	\$259,830,035	\$282,283,181	8.64%	\$284,708,182	0.86%	\$306,444,374	7.63%		
Employer Contributions	\$181,332,081	\$177,521,604	-2.10%	\$199,445,439	12.35%	\$211,799,088	6.19%		
Rollovers	\$47,409,421	\$55,028,669	16.07%	\$50,813,350	-7.66%	\$56,149,783	10.50%		
Total Contributions	\$228,741,502	\$514,833,454	125.07%	\$534,966,971	3.91%	\$574,393,245	7.37%		
Average Voluntary Contributions	\$171	\$174	1.69%	\$180	3.43%	\$188	4.46%		
Average Roth Contributions	\$82	\$87	5.83%	\$95	8.88%	\$106	11.33%		
Average Employee Contributions	\$159	\$163	2.28%	\$170	4.67%	\$180	5.87%		

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.





	457 Contributions								
	4Q 2015	4Q 2016	4Q 2016 Change %	4Q 2017	4Q 2017 Change %	4Q 2018	4Q 2018 Change %		
Employee Contributions	\$14,664,894	\$14,684,850	0.14%	\$14,592,408	-0.63%	\$15,149,365	3.82%		
Roth	\$1,054,017	\$1,196,241	13.49%	\$1,568,881	31.15%	\$2,150,392	37.07%		
Total Employee Contributions	\$15,718,912	\$15,881,091	1.03%	\$16,161,289	1.76%	\$17,299,757	7.04%		
Employer Contributions	\$343,201	\$552,621	61.02%	\$534,802	-3.22%	\$904,272	69.09%		
Rollovers	\$2,914,579	\$7,724,016	165.01%	\$2,121,165	-72.54%	\$2,576,874	21.48%		
Total Contributions	\$18,976,691	\$24,157,728	27.30%	\$18,817,256	-22.11%	\$20,780,902	10.44%		
Average Voluntary Contributions	\$153	\$153	0.56%	\$155	1.30%	\$163	4.91%		
Average Roth Contributions	\$136	\$130	-4.12%	\$128	-2.07%	\$137	7.59%		
Average Employee Contributions	\$156	\$157	0.45%	\$159	1.52%	\$168	5.63%		

	457 Contributions									
	2015	2016	2016 Change %	2017	2017 Change %	2018	2018 Change %			
Employee Contributions	\$56,772,325	\$56,995,014	0.39%	\$57,845,514	1.49%	\$59,105,584	2.18%			
Roth	\$3,787,003	\$4,311,294	13.84%	\$5,454,549	26.52%	\$7,714,476	41.43%			
Total Employee Contributions	\$60,559,328	\$61,306,308	1.23%	\$63,300,063	3.25%	\$66,820,059	5.56%			
Employer Contributions	\$1,298,613	\$1,587,740	22.26%	\$2,045,628	28.84%	\$3,098,534	51.47%			
Rollovers	\$15,660,824	\$15,578,177	-0.53%	\$11,584,564	-25.64%	\$10,111,479	-12.72%			
Total Contributions	\$77,518,765	\$78,472,224	1.23%	\$76,930,255	-1.96%	\$80,030,073	4.03%			
Average Voluntary Contributions	\$133	\$129	-3.08%	\$134	4.44%	\$142	5.57%			
Average Roth Contributions	\$110	\$97	-11.69%	\$96	-1.19%	\$108	12.18%			
Average Employee Contributions	\$136	\$131	-3.24%	\$137	4.18%	\$145	6.30%			

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.





403(b) Contributions									
	1Q 2018	2Q 2018	2Q 2018 Change %	3Q 2018	3Q 2018 Change %	4Q 2018	4Q 2018 Change %		
Employee Contributions	\$503,833	\$571,742	13.48%	\$419,366	-26.65%	\$717,187	71.02%		
Roth	\$77,085	\$90,769	17.75%	\$71,321	-21.43%	\$134,407	88.46%		
Total Employee Contributions	\$580,918	\$662,511	14.05%	\$490,686	-25.94%	\$851,595	73.55%		
Employer Contributions	\$100	\$200	100.00%	\$225	12.50%	\$500	122.22%		
Rollovers	\$259,655	\$181,984	-29.91%	\$58,325	-67.95%	\$24,178	-58.55%		
Total Contributions	\$840,673	\$844,695	0.48%	\$549,236	-34.98%	\$876,272	59.54%		
Average Voluntary Contributions	\$331	\$306	-7.60%	\$210	-31.37%	\$344	63.62%		
Average Roth Contributions	\$161	\$183	14.06%	\$149	-18.88%	\$270	81.51%		
Average Employee Contributions	\$306	\$288	-5.83%	\$202	-29.69%	\$337	66.47%		

403(b) Contributions									
	February to December 2017	2018	2018 Change %						
Employee Contributions	\$1,861,899	\$2,212,128	18.81%						
Roth	\$281,843	\$373,582	32.55%						
Total Employee Contributions	\$2,143,742	\$2,585,710	20.62%						
Employer Contributions	\$100	\$1,025	0.00%						
Rollovers	\$356,204	\$524,141	47.15%						
Total Contributions	\$2,500,045	\$3,110,876	24.43%						
Average Voluntary Contributions	\$251	\$272	8.41%						
Average Roth Contributions	\$157	\$171	9.14%						
Average Employee Contributions	\$239	\$259	8.04%						

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.





#### 401(k) GoalMaker Participation

	12/31/2015	12/31/2016	12/31/2017	12/31/2018
Total Plan Assets in GoalMaker	\$3,459,363,600	\$3,891,900,475	\$4,678,082,011	\$4,583,094,943
Total # of Participants in GoalMaker	150,342	149,370	158,034	166,662
Year to Date % of New Enrollments with Goalmaker Election	92.94%	89.94%	94.79%	93.38%
Total Participation Rate	58.38%	60.83%	63.14%	65.28%
Prudential's Book of Business GoalMaker Average Participation Rate*	46.61%	49.15%	50.85%	50.83%
Total % of Assets	43.83%	45.57%	47.37%	48.35%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	1,312	3,240	1,413	5,965
Age 25-34	8,049	18,276	10,355	36,680
Age 35-44	8,129	20,373	12,905	41,407
Age 45-54	8,737	21,676	11,644	42,057
Age 55-64	9,031	16,320	5,772	31,123
Age 65+	3,410	4,563	1,457	9,430
Total	38,668	84,448	43,546	166,662

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	\$2,687,885	\$7,042,692	\$4,136,263	\$13,866,840
Age 25-34	\$50,857,568	\$136,690,075	\$132,451,011	\$319,998,654
Age 35-44	\$102,039,878	\$374,702,302	\$413,354,000	\$890,096,181
Age 45-54	\$216,078,700	\$685,902,699	\$598,800,230	\$1,500,781,629
Age 55-64	\$327,504,289	\$660,196,916	\$325,631,300	\$1,313,332,504
Age 65+	\$182,259,372	\$254,791,129	\$107,968,635	\$545,019,136
Total	\$881,427,692	\$2,119,325,813	\$1,582,341,438	\$4,583,094,943

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





401(k) Asset Allocation by Age Group – Assets for Participants Not in GoalMaker As of December 31, 2018



Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$283,751	\$11,498,210	\$73,788,781	\$276,437,378	\$515,334,840	\$564,810,851	\$1,442,153,810
Fixed Income	\$74,262	\$2,038,131	\$24,005,682	\$79,003,842	\$115,582,769	\$96,874,014	\$317,578,699
Large-Cap Stock	\$470,170	\$13,620,453	\$212,143,172	\$773,387,276	\$759,617,299	\$685,934,387	\$2,445,172,757
Small-Cap Stock	\$192,025	\$6,598,490	\$53,984,635	\$139,461,840	\$130,190,554	\$88,894,506	\$419,322,049
International Stock	\$185,952	\$5,092,076	\$34,600,238	\$83,965,661	\$78,352,553	\$48,921,712	\$251,118,192
Specialty	\$56,219	\$674,481	\$2,239,704	\$6,372,327	\$6,951,743	\$4,481,158	\$20,775,632
Total Assets	\$1,262,378	\$39,521,841	\$400,762,212	\$1,358,628,324	\$1,606,029,758	\$1,489,916,627	\$4,896,121,140
% Assets	0.03%	0.81%	8.19%	27.75%	32.80%	30.43%	100.00%
Total Participants	300	3,389	12,960	27,447	25,515	19,049	88,660
Average Account Balance	\$4,208	\$11,662	\$30,923	\$49,500	\$62,945	\$78,215	\$55,224





# 401(k) Asset Allocation by Age Group – Assets for Participants in GoalMaker As of December 31, 2018



Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$4,297	\$224,787	\$5,089,904	\$52,572,573	\$122,943,524	\$87,010,570	\$267,845,655
Fixed Income	\$1,149,442	\$28,925,236	\$116,721,051	\$392,176,731	\$510,906,770	\$240,775,378	\$1,290,654,607
Large-Cap Stock	\$4,393,538	\$100,199,032	\$264,280,139	\$369,340,845	\$255,214,374	\$89,470,033	\$1,082,897,961
Small-Cap Stock	\$1,813,446	\$41,235,563	\$107,336,951	\$147,159,295	\$88,864,175	\$28,053,675	\$414,463,105
International Stock	\$5,244,739	\$120,390,937	\$319,322,768	\$434,469,138	\$269,501,796	\$79,830,901	\$1,228,760,279
Specialty	\$1,263,077	\$29,021,339	\$77,348,837	\$105,089,549	\$65,903,446	\$19,847,090	\$298,473,337
Total Assets	\$13,868,539	\$319,996,894	\$890,099,649	\$1,500,808,131	\$1,313,334,083	\$544,987,646	\$4,583,094,943
% Assets	0.30%	6.98%	19.42%	32.75%	28.66%	11.89%	100.00%
Total Participants	5,965	36,680	41,407	42,057	31,123	9,430	166,662
Average Account Balance	\$2,325	\$8,724	\$21,496	\$35,685	\$42,198	\$57,793	\$27,499





#### 401(k) GoalMaker Participation





Assets by Age Range Participation by Age Range Less than 25 Age 65+. Age 65+ ,0% Age 25-34 Less than 25 6% 12% 7% 3% Age 25-34 Age 35-44 22% Age 55-64 19% 19% Age 55-64 29% Age 45-54. Age 35-44 25% 25% Age 45-54\_ 33% North Carolina Vale T. Folmell, CPA

STATE TREASURER OF NORTH CAROLINA DALE R. FOLWELL, CPA

Total Retirement Plans

401k | 457 | 403b

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#### **457 GoalMaker Participation**

	12/31/2015	12/31/2016	12/31/2017	12/31/2018
Total Plan Assets in GoalMaker	\$262,510,662	\$306,676,895	\$378,333,622	\$388,964,114
Total # of Participants in GoalMaker	33,881	33,711	35,785	38,009
Year to Date % of New Enrollments with Goalmaker Election	91.99%	90.21%	92.40%	95.79%
Total Participation Rate	60.98%	64.10%	66.47%	68.59%
Prudential's Book of Business GoalMaker Average Participation Rate*	46.61%	49.15%	50.85%	50.83%
Total % of Assets	22.75%	24.97%	27.27%	29.30%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	254	632	309	1,195
Age 25-34	2,048	4,335	2,515	8,898
Age 35-44	2,191	4,706	2,793	9,690
Age 45-54	2,722	5,198	2,575	10,495
Age 55-64	2,081	3,116	1,117	6,314
Age 65+	602	613	202	1,417
Total	9,898	18,600	9,511	38,009

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	\$149,804	\$446,903	\$319,399	\$619,490
Age 25-34	\$2,883,536	\$9,105,263	\$9,006,805	\$20,995,605
Age 35-44	\$6,283,033	\$23,428,905	\$22,523,921	\$52,235,860
Age 45-54	\$19,269,694	\$51,042,025	\$38,010,312	\$108,322,030
Age 55-64	\$31,667,956	\$64,674,041	\$32,285,152	\$128,627,149
Age 65+	\$27,138,781	\$37,452,298	\$13,276,286	\$77,867,365
Total	\$87,392,805	\$186,149,435	\$115,421,874	\$388,964,114

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





# 457 Asset Allocation by Age Group – Assets for Participants Not in GoalMaker *As of December 31, 2018*



Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$13,291	\$663,909	\$4,417,319	\$23,695,276	\$85,158,090	\$211,288,939	\$325,236,824
Fixed Income	\$4,520	\$160,929	\$2,337,929	\$9,290,368	\$20,800,881	\$32,457,354	\$65,051,982
Large-Cap Stock	\$24,860	\$1,896,524	\$12,087,859	\$63,776,518	\$104,898,329	\$184,875,972	\$367,560,063
Small-Cap Stock	\$25,386	\$936,340	\$7,767,828	\$27,323,454	\$36,049,042	\$45,682,109	\$117,784,159
International Stock	\$8,528	\$595,753	\$4,500,049	\$13,113,508	\$17,775,781	\$23,549,075	\$59,542,694
Specialty	\$1,214	\$41,605	\$186,638	\$827,500	\$855,486	\$1,344,523	\$3,256,966
Total Assets	\$77,799	\$4,295,061	\$31,297,622	\$138,026,624	\$265,537,609	\$499,197,972	\$938,432,688
% Assets	0.01%	0.46%	3.34%	14.71%	28.30%	53.19%	100.00%
Total Participants	38	676	2,220	4,545	5,095	4,835	17,409
Average Account Balance	\$2,047	\$6,354	\$14,098	\$30,369	\$52,117	\$103,247	\$53,905





# 457 Asset Allocation by Age Group – Assets for Participants in GoalMaker As of December 31, 2018



Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$361	\$25,121	\$500,589	\$4,828,720	\$11,958,212	\$11,472,057	\$28,785,060
Fixed Income	\$70,061	\$1,858,487	\$7,977,202	\$30,793,166	\$49,165,995	\$34,189,020	\$124,053,930
Large-Cap Stock	\$292,663	\$6,588,386	\$15,056,294	\$25,638,664	\$25,198,341	\$12,955,497	\$85,729,844
Small-Cap Stock	\$119,973	\$2,696,187	\$6,106,825	\$10,075,991	\$8,844,296	\$4,167,594	\$32,010,867
International Stock	\$347,866	\$7,911,501	\$18,185,335	\$29,754,699	\$26,874,901	\$12,025,317	\$95,099,619
Specialty	\$85,182	\$1,915,923	\$4,409,614	\$7,230,791	\$6,585,404	\$3,057,879	\$23,284,793
Total Assets	\$916,106	\$20,995,605	\$52,235,860	\$108,322,030	\$128,627,149	\$77,867,365	\$388,964,114
% Assets	0.24%	5.40%	13.43%	27.85%	33.07%	20.02%	100.00%
Total Participants	1,195	8,898	9,690	10,495	6,314	1,417	38,009
Average Account Balance	\$767	\$2,360	\$5,391	\$10,321	\$20,372	\$54,952	\$10,233





#### **457 GoalMaker Participation**



\$350,000,000 \$300,000,000 \$250,000,000 \$150,000,000 \$150,000,000 \$150,000,000 \$150,000,000 \$100,000,000 \$0 12/31/2015 12/31/2016 12/31/2017 12/31/2018

Participation by Age Range



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\$400,000,000

#### 403(b) GoalMaker Participation

	12/31/2017	12/31/2018
Total Plan Assets in GoalMaker	\$5,967,893	\$6,742,703
Total # of Participants in GoalMaker	723	749
Year to Date % of New Enrollments with Goalmaker Election	60.00%	60.00%
Total Participation Rate	60.05%	59.87%
Prudential's Book of Business GoalMaker Average Participation Rate*	50.85%	50.83%
Total % of Assets	44.93%	45.10%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	0	0	0	0
Age 25-34	1	105	15	121
Age 35-44	2	188	7	197
Age 45-54	8	212	9	229
Age 55-64	8	167	5	180
Age 65+	0	21	1	22
Total	19	693	37	749

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	\$0.00	\$0.00	\$0.00	\$0.00
Age 25-34	\$782.42	\$384,298	\$78,002	\$463,082
Age 35-44	\$2,361.49	\$1,167,131	\$66,724.53	\$1,236,217
Age 45-54	\$104,655	\$1,980,064	\$173,604	\$2,258,323
Age 55-64	\$54,325	\$2,367,015	\$63,949	\$2,485,289
Age 65+	\$0.00	\$266,859	\$32,933.41	\$299,792
Total	\$162,124	\$6,165,367	\$415,212	\$6,742,703

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





# 403(b) Asset Allocation by Age Group – Assets for Participants Not in GoalMaker As of December 31, 2018



Asset Class	25-34	35-44	45-54	55-64	65+	Total
Fixed Income	\$93,964	\$425,511	\$795,682	\$1,115,542	\$266,212	\$2,696,912
Large-Cap Stock	\$238,135	\$681,470	\$1,166,056	\$1,078,951	\$224,432	\$3,389,044
Mid-Cap Stock	\$67,036	\$191,946	\$333,875	\$244,319	\$86,249	\$923,425
Small-Cap Stock	\$13,224	\$42,137	\$101,456	\$119,038	\$2,769	\$278,624
International Stock	\$78,405	\$206,273	\$232,375	\$188,333	\$67,894	\$773,280
Specialty	\$5,098	\$25,825	\$46,673	\$46,831	\$20,815	\$145,242
Total Assets	\$495,862	\$1,573,162	\$2,676,117	\$2,793,014	\$668,371	\$8,206,526
% Assets	6.04%	19.17%	32.61%	34.03%	8.14%	100.00%
Total Participants	102	134	142	105	19	502
Average Account Balance	\$4,861	\$11,740	\$18,846	\$26,600	\$35,177	\$16,348





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# 403(b) Asset Allocation by Age Group – Assets for Participants in GoalMaker As of December 31, 2018



Fixed Income Large-Cap Stock Small-Cap Stock International Stock Specialty

Asset Class	25-34	35-44	45-54	55-64	65+	Total
Fixed Income	\$27,416	\$176,245	\$712,043	\$1,220,285	\$162,510	\$2,298,500
Large-Cap Stock	\$151,660	\$363,399	\$534,184	\$475,254	\$55,039	\$1,579,535
Small-Cap Stock	\$62,370	\$148,931	\$216,259	\$162,379	\$17,894	\$607,832
International Stock	\$179,140	\$440,042	\$638,664	\$500,577	\$50,954	\$1,809,377
Specialty	\$42,496	\$107,601	\$157,172	\$126,795	\$13,395	\$447,459
Total Assets	\$463,082	\$1,236,217	\$2,258,323	\$2,485,289	\$299,792	\$6,742,703
% Assets	6.87%	18.33%	33.49%	36.86%	4.45%	100.00%
Total Participants	121	197	229	180	22	749
Average Account Balance	\$3,827	\$6,275	\$9,862	\$13,807	\$13,627	\$9,002





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#### 403(b) GoalMaker Participation





North Carolina

Total Retirement Plans

401k | 457 | 403b





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Please see page 5 for important notes and disclaimers.
#### **Loan Information**

	401(	(k) YTD Loan	S		
	2015	2016	2017	2018	Change %
% of Members in Plan with a Loan	23.62%	23.37%	23.27%	23.01%	-1.11%
# of Outstanding Loans	46,966	45,863	45,634	45,070	-1.24%
# of New Loans 4Q	3,663	3,545	3,847	3,574	-7.10%
# of New Loans YTD	16,134	15,276	15,926	15,587	0.00%
Average Loan Balance	\$6,229	\$6,256	\$6,410	\$6,647	3.69%
Total Outstanding Loan Balance	\$292,560,381	\$286,941,014	\$292,528,158	\$299,570,999	2.41%

	45	7 YTD Loans			
	2015	2016	2017	2018	Change %
% of Members in Plan with a Loan	13.77%	13.88%	14.70%	14.98%	1.88%
# of Outstanding Loans	5,816	5,830	6,159	6,308	2.42%
# of New Loans 4Q	520	542	580	544	-6.21%
# of New Loans YTD	2,227	2,108	2,454	2,391	0.00%
Average Loan Balance	\$3,308	\$3,304	\$3,408	\$3,421	0.39%
Total Outstanding Loan Balance	\$19,241,979	\$19,259,651	\$20,990,467	\$21,581,077	2.81%

4	03(b) YTD Loans	;	
	February to December 2017	2018	Change %
% of Members in Plan with a Loan	0.95%	1.79%	88.79%
# of Outstanding Loans	11	21	90.91%
# of New Loans 4Q	3	1	-66.67%
# of New Loans YTD	12	13	8.33%
Average Loan Balance	\$6,519	\$5,175	-20.61%
Total Outstanding Loan Balance	\$71,708	\$96,286	34.27%





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### 401(k) Disbursements – Quarterly

			401(k) Disb	ursements			
	4Q 2015	4Q 2016	4Q 2016 Change %	4Q 2017	4Q 2017 Change %	4Q 2018	4Q 2018 Change %
Term - Lump Sum	\$79,502,872	\$83,326,200	4.81%	\$103,964,740	24.77%	\$120,812,506	16.21%
In-Service	\$9,828,061	\$13,978,671	42.23%	\$11,520,275	-17.59%	\$13,094,967	13.67%
State Retirement System	\$4,986,522	\$4,207,202	-15.63%	\$4,197,554	-0.23%	\$4,318,764	2.89%
Hardship	\$1,263,005	\$1,256,694	-0.50%	\$1,635,960	30.18%	\$1,227,698	-24.96%
Systematic	\$2,560,631	\$2,564,008	0.13%	\$2,814,575	9.77%	\$3,171,437	12.68%
Total Disbursements	\$98,141,091	\$105,332,774	7.33%	\$124,133,103	17.85%	\$142,625,372	14.90%

			401(k) Disbu	ursements			401(k) Disbursements											
	4Q 2015	4Q 2016	4Q 2016 Change %	4Q 2017	4Q 2017 Change %	4Q 2018	4Q 2018 Change %											
Term – Lump Sum	8,656	8,464	-2.22%	9,643	13.93%	10,772	11.71%											
In-Service	1,410	1,473	4.47%	1,578	7.13%	1,553	-1.58%											
State Retirement System	159	137	-13.84%	130	-5.11%	130	0.00%											
Hardship	486	481	-1.03%	481	0.00%	454	-5.61%											
Systematic	3,084	3,140	1.82%	3,333	6.15%	3,578	7.35%											
Total Disbursements	13,795	13,695	-0.72%	15,165	10.73%	16,487	8.72%											



# 401(k) Disbursements – Year to Date

			401(k) Disb	ursements			
	2015	2016	2016 Change %	2017	2017 Change %	2018	2018 Change %
Term - Lump Sum	\$342,260,209	\$346,795,878	1.33%	\$394,876,086	13.86%	\$467,338,565	18.35%
In-Service	\$45,954,289	\$54,354,887	18.28%	\$55,476,549	2.06%	\$59,547,962	7.34%
State Retirement System	\$16,095,636	\$13,908,768	-13.59%	\$15,842,295	13.90%	\$15,083,060	-4.79%
Hardship	\$6,026,915	\$5,645,372	-6.33%	\$6,175,820	9.40%	\$5,716,359	-7.44%
Systematic	\$9,771,464	\$9,967,496	2.01%	\$10,968,664	10.04%	\$12,507,780	14.03%
Total Disbursements	\$420,108,513	\$430,672,400	2.51%	\$483,339,414	12.23%	\$560,193,726	15.90%

			401(k) Disbu	ursements			
	2015	2016	2016 Change %	2017	2017 Change %	2018	2018 Change %
Term – Lump Sum	49,387	41,323	-16.33%	28,812	-30.28%	31,853	10.55%
In-Service	6,101	6,241	2.29%	6,463	3.56%	6,710	3.82%
State Retirement System	522	489	-6.32%	464	-5.11%	455	-1.94%
Hardship	2,088	1,998	-4.31%	2,046	2.40%	1,964	-4.01%
Systematic	12,205	12,386	1.48%	13,084	5.64%	13,955	6.66%
Total Disbursements	70,303	62,437	-11.19%	50,869	-18.53%	54,937	8.00%



#### **457 Disbursements – Quarterly**

			457 Disbu	rsements			
	4Q 2015	4Q 2016	4Q 2016 Change %	4Q 2017	4Q 2017 Change %	4Q 2018	4Q 2018 Change %
Term - Lump Sum	\$16,703,190	\$17,727,925	6.13%	\$20,761,313	17.11%	\$21,543,824	3.77%
In-Service	\$169,370	\$185,804	9.70%	\$83,444	-55.09%	\$73,708	-11.67%
State Retirement System	\$3,005,440	\$756,570	-74.83%	\$664,992	-12.10%	\$677,763	1.92%
Hardship	\$102,709	\$116,877	13.79%	\$144,414	23.56%	\$128,439	-11.06%
Systematic	\$1,396,161	\$1,380,092	-1.15%	\$1,326,376	-3.89%	\$1,469,110	10.76%
Total Disbursements	\$21,376,869	\$20,167,269	-5.66%	\$22,980,539	13.95%	\$23,892,844	3.97%

			457 Disbur	sements			
	4Q 2015	4Q 2016	4Q 2016 Change %	4Q 2017	4Q 2017 Change %	4Q 2018	4Q 2018 Change %
Term – Lump Sum	2,081	2,028	-2.55%	2,225	9.71%	2,414	8.49%
In-Service	14	12	-14.29%	9	-25.00%	10	11.11%
State Retirement System	39	21	-46.15%	12	-42.86%	15	25.00%
Hardship	88	92	4.55%	89	-3.26%	79	-11.24%
Systematic	1,384	1,314	-5.06%	1,297	-1.29%	1,307	0.77%
Total Disbursements	3,606	3,467	-3.85%	3,632	4.76%	3,825	5.31%



#### 457 Disbursements – Year to Date

			457 Disbu	rsements			
	2015	2016	2016 Change %	2017	2017 Change %	2018	2018 Change %
Term - Lump Sum	\$59,514,473	\$62,828,998	5.57%	\$67,514,274	7.46%	\$75,195,474	11.38%
In-Service	\$808,472	\$439,614	-45.62%	\$1,050,301	138.91%	\$2,234,128	112.71%
State Retirement System	\$5,545,371	\$9,104,280	64.18%	\$7,652,941	-15.94%	\$3,597,258	-53.00%
Hardship	\$593,104	\$541,070	-8.77%	\$636,610	17.66%	\$609,103	-4.32%
Systematic	\$5,299,613	\$5,237,729	-1.17%	\$5,157,539	-1.53%	\$5,201,076	0.84%
Total Disbursements	\$71,761,033	\$78,151,691	8.91%	\$82,011,666	4.94%	\$86,837,039	5.88%

			457 Disbursements										
	2015	2016	2016 Change %	2017	2017 Change %	2018	2018 Change %						
Term – Lump Sum	10,091	10,420	3.26%	6,371	-38.86%	6,692	5.04%						
In-Service	36	33	-8.33%	33	0.00%	46	39.39%						
State Retirement System	99	98	-1.01%	68	-30.61%	66	-2.94%						
Hardship	402	396	-1.49%	388	-2.02%	390	0.52%						
Systematic	5,657	5,317	-6.01%	5,201	-2.18%	5,211	0.19%						
Total Disbursements	16,285	16,264	-0.13%	12,061	-25.84%	12,405	2.85%						



#### 403(b) Disbursements – Quarterly

			403(b) Disbı	ursements			
	1Q 2018	2Q 2018	2Q 2018 Change %	3Q 2018	3Q 2018 Change %	4Q 2018	4Q 2018 Change %
Term - Lump Sum	\$43,823	\$23,564	-46.23%	\$204,414	767.50%	\$87,545	-57.17%
In-Service	\$0	\$29,700	100.00%	\$15,872	-46.56%	\$38,119	140.16%
State Retirement System	\$29,113	\$0	-100.00%	\$0	100.00%	\$2,827	100.00%
Hardship	\$0	\$0	100.00%	\$5,380	100.00%	\$0	-100.00%
Systematic	\$0	\$0	100.00%	\$0	100.00%	\$0	100.00%
Total Disbursements	\$72,936	\$53,264	-26.97%	\$225,667	323.68%	\$128,490	-43.06%

403(b) Disbursements									
	1Q 2018	2Q 2018	2Q 2018 Change %	3Q 2018	2Q 2018 Change %	4Q 2018	3Q 2018 Change %		
Term – Lump Sum	6	6	0.00%	3	-50.00%	11	266.67%		
In-Service	0	5	100.00%	2	-60.00%	2	0.00%		
State Retirement System	2	0	-100.00%	0	100.00%	1	100.00%		
Hardship	0	0	100.00%	3	100.00%	0	-100.00%		
Systematic	0	0	100.00%	0	100.00%	0	100.00%		
Total Disbursements	8	11	37.50%	8	-27.27%	14	75.00%		



#### 403(b) Disbursements – Year to Date

403(b) Disbursements							
	February to December	2018	2018				
	2017		Change %				
Term - Lump Sum	\$399,919	\$359,346	-10.15%				
In-Service	\$4,543	\$83,691	1742.13%				
State Retirement System	\$0	\$31,940	100.00%				
Hardship	\$1,656	\$5,380	224.85%				
Systematic	\$0	\$0	100.00%				
Total Disbursements	\$406,118	\$480,357	18.28%				

403(b) Disbursements							
	February to December 2018		2018				
Term – Lump Sum	18	25	Change % 38.89%				
In-Service	1	8	700.00%				
State Retirement System	0	2	100.00%				
Hardship	0	3	100.00%				
Systematic	0	0	100.00%				
Total Disbursements	19	38	100.00%				



#### 401(k) Plan Asset Allocation/Net Cash Flow October 1, 2018 to December 31, 2018

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$15,129,218	\$359,519,866	\$1,290,858,393	\$2,859,409,952	\$2,919,362,262	\$2,034,936,391	\$9,479,216,083
% Assets	0.16%	3.79%	13.62%	30.17%	30.80%	21.47%	100.00%
Total Contributions	\$3,122,568	\$20,442,160	\$30,381,877	\$44,171,386	\$34,045,117	\$6,485,722	\$138,648,828
Rollovers In	\$15,887	\$622,015	\$2,322,284	\$2,584,655	\$4,825,350	\$6,051,466	\$16,421,657
Total Distributions including:	(\$118,270)	(\$3,232,395)	(\$7,673,036)	(\$20,939,029)	(\$56,064,465)	(\$54,598,176)	(\$142,625,372)
Rollovers Out	(\$4,260)	(\$1,136,096)	(\$2,492,275)	(\$9,405,298)	(\$35,074,052)	(\$22,481,519)	(\$70,593,499)
Cash Distributions	(\$114,011)	(\$2,096,299)	(\$5,180,762)	(\$11,533,731)	(\$20,990,413)	(\$32,116,658)	(\$72,031,873)
Net Cash Flow	\$3,020,184	\$17,831,780	\$25,031,124	\$25,817,011	(\$17,193,998)	(\$42,060,989)	\$12,445,113
Total Unique Participants	6,265	40,069	54,367	69,504	56,638	28,479	255,322
Avg. Account Balance	\$2,415	\$8,973	\$23,743	\$41,140	\$51,544	\$71,454	\$37,127
Prudential Participant Avg. Account Balance	\$2,900	\$13,375	\$39,050	\$76,411	\$106,786	\$113,265	\$64,203

#### 401(k) Plan Asset Allocation/Net Cash Flow January 1, 2018 to December 31, 2018

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$15,129,218	\$359,519,866	\$1,290,858,393	\$2,859,409,952	\$2,919,362,262	\$2,034,936,391	\$9,479,216,083
% Assets	0.16%	3.79%	13.62%	30.17%	30.80%	21.47%	100.00%
Total Contributions	\$11,313,664	\$75,949,603	\$113,064,976	\$163,571,044	\$129,021,886	\$25,322,290	\$518,243,463
Rollovers In	\$113,869	\$3,392,130	\$8,569,002	\$15,403,391	\$16,077,210	\$12,594,180	\$56,149,782
Total Distributions including:	(\$533,498)	(\$13,209,580)	(\$33,422,554)	(\$103,493,167)	(\$228,550,035)	(\$180,984,893)	(\$560,193,726)
Rollovers Out	(\$79,525)	(\$5,156,887)	(\$12,733,566)	(\$45,661,341)	(\$129,762,171)	(\$93,118,241)	(\$286,511,731)
Cash Distributions	(\$453,973)	(\$8,052,692)	(\$20,688,987)	(\$57,831,826)	(\$98,787,864)	(\$87,866,652)	(\$273,681,995)
Net Cash Flow	\$10,894,035	\$66,132,153	\$88,211,424	\$75,481,268	(\$83,450,939)	(\$143,068,422)	\$14,199,519
Total Unique Participants	6,265	40,069	54,367	69,504	56,638	28,479	255,322
Avg. Account Balance	\$2,415	\$8,973	\$23,743	\$41,140	\$51,544	\$71,454	\$37,127
Prudential Participant Avg. Account Balance	\$2,900	\$13,375	\$39,050	\$76,411	\$106,786	\$113,265	\$64,203

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







#### 457 Plan Asset Allocation/Net Cash Flow October 1, 2018 to December 31, 2018

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$993,905	\$25,290,666	\$83,533,482	\$246,348,654	\$394,114,925	\$577,115,169	\$1,327,396,802
% Assets	0.07%	1.91%	6.29%	18.56%	29.69%	43.48%	100.00%
Total Contributions	\$257,525	\$1,997,747	\$3,570,748	\$6,014,479	\$4,898,342	\$1,465,187	\$18,204,029
Rollovers In	\$2,621	\$169,191	\$450,376	\$294,505	\$728,446	\$931,734	\$2,576,874
Total Distributions including:	(\$9,823)	(\$187,356)	(\$779,180)	(\$2,129,126)	(\$4,932,710)	(\$15,854,650)	(\$23,892,844)
Rollovers Out	(\$1,596)	(\$43,331)	(\$457,319)	(\$965,818)	(\$2,329,874)	(\$5,054,628)	(\$8,852,566)
Cash Distributions	(\$8,228)	(\$144,025)	(\$321,861)	(\$1,163,307)	(\$2,602,835)	(\$10,800,022)	(\$15,040,278)
Net Cash Flow	\$250,323	\$1,979,582	\$3,241,945	\$4,179,858	\$694,079	(\$13,457,729)	(\$3,111,942)
Total Unique Participants	1,233	9,574	11,910	15,040	11,409	6,252	55,418
Avg. Account Balance	\$806	\$2,642	\$7,014	\$16,380	\$34,544	\$92,309	\$23,952
Prudential Participant Avg. Account Balance	\$2,900	\$13,375	\$39,050	\$76,411	\$106,786	\$113,265	\$64,203

#### 457 Plan Asset Allocation/Net Cash Flow January 1, 2018 to December 31, 2018

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$993,905	\$25,290,666	\$83,533,482	\$246,348,654	\$394,114,925	\$577,115,169	\$1,327,396,802
% Assets	0.07%	1.91%	6.29%	18.56%	29.69%	43.48%	100.00%
Total Contributions	\$878,014	\$7,363,698	\$13,249,214	\$23,102,709	\$19,577,177	\$5,747,782	\$69,918,594
Rollovers In	\$2,621	\$749,453	\$1,323,742	\$1,107,510	\$1,672,851	\$5,255,302	\$10,111,479
Total Distributions including:	(\$50,998)	(\$1,126,127)	(\$1,997,928)	(\$9,662,981)	(\$23,314,715)	(\$50,684,291)	(\$86,837,039)
Rollovers Out	(\$13,849)	(\$434,456)	(\$973,247)	(\$4,420,665)	(\$12,726,806)	(\$23,443,831)	(\$42,012,854)
Cash Distributions	(\$37,150)	(\$691,670)	(\$1,024,681)	(\$5,242,316)	(\$10,587,909)	(\$27,240,460)	(\$44,824,185)
Net Cash Flow	\$829,637	\$6,987,025	\$12,575,027	\$14,547,238	(\$2,064,686)	(\$39,681,207)	(\$6,806,966)
Total Unique Participants	1,233	9,574	11,910	15,040	11,409	6,252	55,418
Avg. Account Balance	\$806	\$2,642	\$7,014	\$16,380	\$34,544	\$92,309	\$23,952
Prudential Participant Avg. Account Balance	\$2,900	\$13,375	\$39,050	\$76,411	\$106,786	\$113,265	\$64,203

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







#### 403(b) Plan Asset Allocation/Net Cash Flow October 1, 2018 to December 31, 2018

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$0.00	\$958,944	\$2,809,379	\$4,934,440	\$5,278,303	\$968,164	\$14,949,230
% Assets	0.00%	6.41%	18.79%	33.01%	35.31%	6.48%	100.00%
Total Contributions	\$200	\$123,228	\$153,582	\$291,708	\$241,227	\$42,150	\$852,095
Rollovers In	\$0	\$0	\$20,217	\$0	\$3,961	\$0	\$24,178
Total Distributions including:	\$0	(\$5,335)	\$0	(\$5,801)	(\$84,740)	(\$32,615)	(\$128,490)
Rollovers Out	\$0	\$0	\$0	(\$2,256)	(\$73,220)	(\$32,119)	(\$107,595)
Cash Distributions	\$0	(\$5,335)	\$0	(\$3,546)	(\$11,519)	(\$496)	(\$20,896)
Net Cash Flow	\$200	\$117,893	\$173,799	\$285,907	\$160,448	\$9,535	\$747,782
Total Unique Participants	0	223	331	371	285	41	1,251
Avg. Account Balance	\$0	\$4,300	\$8,488	\$13,300	\$18,520	\$23,614	\$11,950
Prudential Participant Avg. Account Balance	\$2,900	\$13,375	\$39,050	\$76,411	\$106,786	\$113,265	\$64,203

#### 403(b) Plan Asset Allocation/Net Cash Flow January 1, 2018 to December 31, 2018

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$0.00	\$958,944	\$2,809,379	\$4,934,440	\$5,278,303	\$968,164	\$14,949,230
% Assets	0.00%	6.41%	18.79%	33.01%	35.31%	6.48%	100.00%
Total Contributions	\$7,745	\$325,175	\$496,230	\$860,805	\$781,992	\$114,789	\$2,586,735
Rollovers In	\$0	\$0	\$209,928	\$178,841	\$135,372	\$0	\$524,142
Total Distributions including:	\$0	(\$13,692)	(\$26,426)	(\$48,003)	(\$354,341)	(\$37,895)	(\$480,357)
Rollovers Out	\$0	(\$4,146)	(\$6,682)	(\$23,774)	(\$283,659)	(\$32,119)	(\$350,380)
Cash Distributions	\$0	(\$9,546)	(\$19,744)	(\$24,229)	(\$70,682)	(\$5,777)	(\$129,978)
Net Cash Flow	\$7,745	\$311,483	\$679,733	\$991,642	\$563,023	\$76,894	\$2,630,520
Total Unique Participants	0	223	331	371	285	41	1,251
Avg. Account Balance	\$0	\$4,300	\$8,488	\$13,300	\$18,520	\$23,614	\$11,950
Prudential Participant Avg. Account Balance	\$2,900	\$13,375	\$39,050	\$76,411	\$106,786	\$113,265	\$64,203

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







#### 401(k) Plan Retirement Preparation Analysis

10/1/2018 - 12/31/2018	
Total Retirement Income Calculator Completions	10,071
Unique Completions	9,110
Contribution Rate Increase	830

Since Inception for Currently Active Participants as of 12/31/2018					
Average Balance, RIC Participant	\$53,501				
Average Balance, Non-RIC Participant	\$23,743				
Average Contribution Rate, RIC Participant	6.39%				
Average Contribution Rate, Non-RIC Participant	4.53%				
Total Count of Participants with a RIC Gap	53,690				
Average RIC Gap per month	\$2,945				
Total Count of Participants with a RIC surplus	9,605				
Average RIC Surplus per month	\$2,720				

1/1/2018 - 12/31/2018					
Total Retirement Income Calculator Completions	42,072				
Unique Completions	31,519				
Contribution Rate Increase	3,497				

<u>Total Retirement Income Calculator Completions</u> – 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.

<u>Unique Completions</u> – Total number of unique active/eligible participants that completed the retirement income calculator during the reporting period.

<u>Contribution Rate Increases</u> – Total number of active/eligible participants that completed the retirement income calculator and increased their contribution rate.

<u>Average Balance RIC Participant</u> – 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.

<u>Average Balance Non-RIC Participant</u> – 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.

<u>Average Contribution Rate RIC Participant</u> – 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.

<u>Average Contribution Rate Non-RIC Participant</u> – 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.

<u>Average RIC Gap</u> – 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.

<u>Average RIC Surplus</u> – 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.

<u>Total Count of Participants with a RIC Surplus</u> – 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.





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#### **457 Plan Retirement Preparation Analysis**

10/1/2018 - 12/31/2018	
Total Retirement Income Calculator Completions	2,756
Unique Completions	2,489
Contribution Rate Increase	169

Since Inception for Currently Active Participants as of 12/31/2018					
Average Balance, RIC Participant	\$22,523				
Average Balance, Non-RIC Participant	\$12,672				
Average Contribution Rate, RIC Participant	6.42%				
Average Contribution Rate, Non-RIC Participant	5.18%				
Total Count of Participants with a RIC Gap	12,186				
Average RIC Gap per month	\$2,883				
Total Count of Participants with a RIC surplus	2,211				
Average RIC Surplus per month	\$2,728				

1/1/2018 - 12/31/2018	
Total Retirement Income Calculator Completions	11,430
Unique Completions	8,574
Contribution Rate Increase	602

<u>Total Retirement Income Calculator Completions</u> – 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.

<u>Unique Completions</u> – Total number of unique active/eligible participants that completed the retirement income calculator during the reporting period.

<u>Contribution Rate Increases</u> – Total number of active/eligible participants that completed the retirement income calculator and increased their contribution rate.

<u>Average Balance RIC Participant</u> – 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.

<u>Average Balance Non-RIC Participant</u> – 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.

<u>Average Contribution Rate RIC Participant</u> – 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.

<u>Average Contribution Rate Non-RIC Participant</u> – 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.

<u>Average RIC Gap</u> – 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.

<u>Average RIC Surplus</u> – 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.

<u>Total Count of Participants with a RIC Surplus</u> – 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.





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#### **403(b)** Plan Retirement Preparation Analysis

10/1/2018 - 12/31/2018	
Total Retirement Income Calculator Completions	41
Unique Completions	34
Contribution Rate Increase	0

Since Inception for Currently Active Participants as of 12/31/2018					
Average Balance, RIC Participant	\$18,898				
Average Balance, Non-RIC Participant	\$10,786				
Average Contribution Rate, RIC Participant	10.28%				
Average Contribution Rate, Non-RIC Participant	13.34%				
Total Count of Participants with a RIC Gap	153				
Average RIC Gap per month	\$2,893				
Total Count of Participants with a RIC surplus	40				
Average RIC Surplus per month	\$4,223				

1/1/2018 - 12/31/2018	
Total Retirement Income Calculator Completions	198
Unique Completions	140
Contribution Rate Increase	4

<u>Total Retirement Income Calculator Completions</u> – 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.

<u>Unique Completions</u> – Total number of unique active/eligible participants that completed the retirement income calculator during the reporting period.

<u>Contribution Rate Increases</u> – Total number of active/eligible participants that completed the retirement income calculator and increased their contribution rate.

<u>Average Balance RIC Participant</u> – 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.

<u>Average Balance Non-RIC Participant</u> – 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.

<u>Average Contribution Rate RIC Participant</u> – 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.

<u>Average Contribution Rate Non-RIC Participant</u> – 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.

<u>Average RIC Gap</u> – 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.

<u>Average RIC Surplus</u> – 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.

<u>Total Count of Participants with a RIC Surplus</u> – 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.





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#### **Participant Service Center Statistics**

401(k), 457 & 403(b) Quarterly Participant Service Center Statistics								
4Q 2015 4Q 2016 4Q 2017 4Q 2018								
Service Center Calls	34,331	35,730	37,445	46,105				
Service Percentage	85%	89%	88%	67%				
Average Speed to Answer (seconds)	14 sec	8 sec	8 sec	23 sec				
Abandon Percentage	0.50%	0.20%	0.20%	0.80%				

401(k), 457 &403(b) YTD Participant Service Center Statistics						
2015 2016 2017 2018						
Service Center Calls	149,594	146,635	148,836	173,908		
Service Percentage	85%	81%	80%	80%		
Average Speed to Answer (seconds)	17 sec	16 sec	19 sec	14 sec		
Abandon Percentage	0.60%	0.70%	0.80%	0.40%		



#### **Retirement Security Education Information**

401(k), 457 & 403(b) Quarterly Retirement Security Education Team Activity								
Meeting Activity October 2018 November 2018 December 2018 4Q 2018								
Group Meetings - Number of Meetings	377	322	167	866				
Group Meetings - Number of Attendees	14,898	6,499	1,977	23,374				
Individual Meetings - Number of Meetings	3,915	2,809	1,388	8,112				
Employer Meetings	318	263	224	805				
Total On-Site Visits	576	480	302	1,358				
Total Meeting Attendees	18,813	9,308	3,365	31,486				

401(k), 457 & 403(b) YTD Retirement Security Education Team Activity							
Meeting Activity 1Q 2018 2Q 2018 3Q 2018 4Q 2018 YTD 201							
Group Meetings - Number of Meetings	754	1,028	871	866	3,519		
Group Meetings - Number of Attendees	20,413	29,279	27,512	23,374	100,578		
Individual Meetings - Number of Meetings	7,539	9,870	8,269	8,112	33,790		
Employer Meetings	852	747	888	805	3,292		
Total On-Site Visits	1,430	1,416	1,494	1,358	5,698		
Total Meeting Attendees	27,952	39,149	35,781	31,486	134,368		



#### **Retirement Security Education Information – Enrollment Activity by Quarter**





#### Employers Adopting the 401(k) Plan in 2018

Municipalities Town of Cedar Point Other West Jefferson ABC Board

#### Employers Adopting the 403(b) Plan in 2018

Community College Carteret Community College Central Carolina Community College Durham Technical Community College Fayetteville Tech Community College Haywood Community College James Sprunt Community College Johnston County Community College Sandhills Community College Surry Community College Wilkes Community College Schools Caswell County Schools Cleveland County Schools Columbus County Schools Madison County Schools Yadkin County Schools





#### **Employers Adopting the 457 Plan in 2018**

Community College Craven Community College Randolph Community College

Charter Schools

The Experiential School of Greensboro Moore Montessori Community School Raleigh Oak Charter School

County Caswell County Local Government Davidson County Pender County Surry County

#### **Municipalities**

City of Roanoke Rapids City of Thomasville Town of Beaufort Town of Carolina Shores Town of Castalia Town of Cedar Point Town of Erwin Town of Fair Bluff Town of Lake Lure Town of Liberty Town of Mars Hill Town of Rural Hall Town of Sedalia Town of Stallings Town of Stanley Town of Sylva Town of Tarboro Town of Vass Town of Waxhaw Village of Bald Head Island Village of Marvin





#### Other

Eastern Wayne Sanitary District Goldsboro Wayne Trans Authority Kinston Housing Authority South Granville Water & Sewer Authority UNC Press West Jefferson ABC Board

#### Schools Caswell County Schools Clinton City Schools Madison County Schools

#### **Employers Adopting the 457 Plan in 2018**

457 Additions						
Employer Type	2015	2016	2017	2018	# of Eligible	
CHARTER SCHOOL	3	3	4	3	1,803	
COMMUNITY COLLEGE	8	8	1	2	13,916	
COUNTY	4	4	5	4	37,164	
MUNICIPAL	9	9	9	21	16,703	
OTHER	8	8	9	6	4,269	
SCHOOL	5	5	4	3	129,797	



#### 401(k) Employers Making Changes in 2018

#### 401(k) Employers Increasing Employer Contribution or Match

Albemarle Regional Health Services increased their Employer Contribution from 1% to 2% across the board. Asheville ABC Board increased their Employer Contribution from 2% to 5% across the board.

Bertie County increased their Employer Contribution from 2% to 3% across the board.

City of Statesville increased their Employer Match as follows: Employee 1% - ER gives .50%, Employee 2% - ER 1.00%, Employee 3% - ER 1.50%, Employee 4% - ER 2.00%, Employee 5% - ER 2.50%

Currituck County increased their Employer Contribution from 5.68% to 5.69% across the board.

Haywood County increased their Employer Contribution from 2% to 3% across the board.

Indian Trail ABC Board increased their Employer Match to 2%.

Town of Hope Mills increased their Employer Contribution from 3% to 5% across the board.

Town of Lucama increased their Employer Match to 3.5%.

Town of Mount Gilead increased their Employer Match from up to 3% to up to 5%.

Town of Rutherfordton increased their Employer Contribution from 2.5% to 3% across the board.

Town of Seven Devils increased their Employer Match to 3%.

Town of Warsaw increased their Employer Match from up to 2% to up to 5%.



#### 401(k) Employers Making Changes in 2018

## 401(k) Employers Adding An Employer Contribution and/or Employer Match

Cabarrus Health Alliance added a match up to 1%.

City of Kannapolis added a match up to 1%.

Pender County added a 2% Employer Contribution across the board.

Town of Carolina Beach contributes 1% across the board (ATB), but will now match up to 2% for a total of 3% in employer contributions.

Town of Lewisville added a 1.2% Employer Contribution across the board.

Town of Rural Hall added a match up to 3%.

# 401(k) Employers Changing their Employer Contribution and/or Employer Match

McDowell County has changed from an Employer Match to an Employer Contribution of 2% across the board. Rutherford/Polk/McDowell DHD has changed from an Employer Match to an Employer Contribution of \$60 across the board. Western Piedmont Council of Governments has changed their Employer Contribution and their Employer Match as follows: 4% match and a 4.2% employer contribution to plan of choice (002003 or 012003). 4.2% employer contribution will default to plan 002003 if EE makes no election.



#### 457 Employers Making Changes in 2018

#### 457 Employers Increasing Employer Contribution or Match

Albemarle Regional Health Services increased their Employer Contribution from 1% to 2% across the board. Indian Trail ABC Board increased their Employer Match to 2%.

Town of Hope Mills increased their Employer Contribution from 3% to 5% across the board.

#### 457 Employers Adding An Employer Match and/or an Employer Contribution

City of Asheville added an Employer Match dollar for dollar up to a 4%. Goldsboro Wayne Transportation Authority added a 2% Employer Contribution across the board and an Employer Match up to 1%. Moore Montessori Community School added an Employer Match up to a 5%. Raleigh Oak Charter School added a 4% Employer Contribution across the board. The Experiential School of Greensboro added a 2% Employer Contribution across the board. Town of Castalia added an Employer Match up to a 1%. Town of Lewisville added a 1.2% Employer Contribution across the board.

#### 457 Employers Changing their Employer Contribution and/or Employer Match

McDowell County has changed from an Employer Match to an Employer Contribution of 2% across the board. Western Piedmont Council of Governments has changed their Employer Contribution and their Employer Match as follows: 4% match and a 4.2% employer contribution to plan of choice (002003 or 012003). 4.2% employer contribution will default to plan 002003 if EE makes no election.

#### **Employers Adopting Contribution Accelerator in 2018**

#### **Municipalities**

City of High Point Town of Biscoe Town of Cedar Point Town of Pineville Town of Sandy Creek Town of Sedalia Town of Wake Forest

#### Charter Schools The Experiential School of Greensboro

#### Other

Caswell County Local Government Charlotte Mecklenburg Library Locust ABC Board West Jefferson ABC Board



#### Notes



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# Communication Accomplishments 4Q 2018

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# NC 401(k) & NC 457 Communication Accomplishments 4Q '18

# **Rebranding Efforts**

- Cost of Waiting to Save Animation
- Take Advantage of Employer Match Animation
- 401k/457 Enrollment Presentation
- 401k/457 EZ Increase Flyer
- **Employer Contribution Benefits Flyer**

# **New Material**

- 403(b) Investments Flyer
- 401(k)/457 Investments Flyer
- **Payroll Correction Letter**

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NC 401(k) & NC 457 **Retirement Plans** 



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# NC 401(k) & NC 457 Communication Accomplishments 4Q '18

## myNCRetirement Statement

• 2019 Template

## **Inflation Protection Fund Changes**

- Newsletter articles
- Updated the Choose Investments web page (2)
- 403(b) Fund Change Letter

# **Targeted Emails to Nearing Retirees Cont.**

- Oct 192 delivered
- Nov 249 delivered
- Dec 796 delivered

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# **Quarterly Signature Newsletter**

• 131,197 direct mail

# **Quarterly Statement Message**

• 268,985 statements (SP)

# **Quarterly Updates**

• Fund Fact Sheets



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Signature NEWSLETTER

#### $4^{TH}$ QUARTER 2018

# Discover how the plans can help you in 2019!

It's a new year, and if you've resolved to improve your financial health in 2019, read on. Learn all about how the NC 401(k) and NC 457 Plans and the NC 403(b) Program can help you prepare for a healthier financial future. If you participate in the NC 401(k) and/or the NC 457 Plan, discover how you'll save some money this year, too!

#### In this issue...

**Staying Connected:** We Are Set Apart From Other Employer Retirement Plans

#### Fund Facts:

Fund Updates in the Inflation Protection Asset Class

Happy New Year! We are Celebrating You with an Administrative Fee 'Holiday'

Making \$en\$e: Prudential Commits \$1 Million in Grants to Hurricane Florence Victims









# A Message from North Carolina's State Treasurer

Doesn't it seem like the holidays pass by too quickly? That's why I'm pleased to share that the NC Total Retirement Plans are giving you a "fee holiday" that will last all year long! Last year, the NC Supplemental Retirement Board of Trustees voted to provide a 2019 administrative fee "holiday" for all NC 401(k) and NC 457 Plan participants. The NC Supplemental Retirement Board of Trustees' efficient, high-quality

plan administration has resulted in the ability to forgo this annual, per participant, administrative fee for a total savings of **more than \$2 million for plan members.** 

This year, participants will not only **keep the strong oversight** of funds and fund managers, **access to personal assistance** from local retirement educational counselors, **customized investments** and the asset allocation tool **GoalMaker®**, plus robust resources at NCPlans.prudential.com, but will do so while paying **zero** in NC 401(k) and NC 457 Plan administrative fees to the Department of State Treasurer.

This is part of our continued effort to reduce all expenses paid by the hardworking public servants who participate in the plans. It's yet another reason why these award-winning plans are such a valuable benefit for state and local government workers. As the "keeper of the public purse," I am committed to working with the Board to make the NC 401(k) and NC 457 Plans the very best they can be. Be sure that you continue to do your part, by saving on your own for your secure retirement.

Sincerely,

Vale 1. Folund , CPA

Dale R. Folwell, CPA State Treasurer of North Carolina

#### New Website Enhancements

The Department of State Treasurer and Prudential have partnered together to bring you some new website enhancements. When you log in to your Prudential Retirement® account, you will be asked to re-register on the website. This will provide you with access to new personalized tools and resources to help you manage your finances—and to help you stay on track toward meeting your retirement goals.

#### We Are Set Apart From Other Employer Retirement Plans

#### The benefits—when compared to other supplemental retirement plans—are hard to beat!

When it comes to planning for the retirement of your dreams, no other employer-sponsored plan can help you prepare better than the NC 401(k) and NC 457 Plans and the NC 403(b) Program. From low costs to strong investment oversight and personalized support, the advantages are *many*!

The NC Supplemental Retirement Board of Trustees monitors and continuously refines the Plans to meet the specific needs of North Carolina public servants. The plans provide you with a wide array of benefits that are hard to find elsewhere:

- **Competitive costs and value delivery:** When compared to similar retirement plans, the investment options of the North Carolina plans have outperformed their peer group (after fees have been deducted) for the past five years.\*
- **Strong investment oversight:** All investment fees and investment performance are monitored on a quarterly basis by North Carolina State Treasurer Dale R. Folwell, CPA, and the Supplemental Retirement Board of Trustees.
- Ease of investment selection: GoalMaker, a valuable, no-extra-cost asset allocation tool, helps you choose your investment mix after you answer a few simple questions.
- The unique myNCRetirement Statement (MRS): Formerly known as the Annual Benefits Statement, the MRS is an awardwinning resource that provides you with a comprehensive snapshot of your retirement readiness each year. This fully personalized document gives you a projection of your total retirement benefits, including a Personalized Gap Analysis, which shows how much retirement income you could be missing out on if you don't take steps to save more today. *No other employer-sponsored plan* offers this valuable retirement planning tool.
- **Personalized assistance and support:** Retirement Education Counselors are available to give you personalized assistance, and Participant Service Representatives (866-NCPlans (866-627-5267)) are available to assist with your transactions or to help you find the information you need.
- Unique opportunities to transfer certain payouts into your retirement plan account: You can make a plan contribution when you receive income from a bonus, longevity payments or final payments for vacation and bonus leave. *No other employer-sponsored plan* can provide this valuable benefit.

\*BenchmarkDC Presentation for North Carolina Retirement Systems (for the five years ending Dec. 31, 2016), CEM Benchmarking, Inc., located at nctreasurer.com, link named "Supplemental Retirement Plans' CEM Benchmarking Report," under the Sept. 21, 2017 meeting material. The plans' five-year total net return was 8.5 percent, compared to the peer average return of 7.8 percent.

#### Based on all the advantages that the plans offer, here's the good news!

**You can leave your money in the plans:** Although your plan contributions will stop when you leave employment, the investments in your account can remain invested, continuing to work for you.\*\*

\*\* Federal rules require that you must begin taking minimum distributions by April 1 in the year following the year that you turn age 70½, provided you are no longer working for the plan sponsor (employer).

#### Are you on track?

Ask someone around twice your age what they would have done differently at *your* age to prepare for retirement. Then, check your *my*NCRetirement Statement at

https://ORBIT.myNCRetirement.com to see if you're on track. Small changes now could impact your retirement income.



#### **Fund Facts**

#### **Fund Updates in the Inflation Protection Asset Class**

The North Carolina Supplemental Retirement Board of Trustees works to ensure that the NC 401(k) and NC 457 Plans and the NC 403(b) Program help North Carolina's public servants prepare for a stronger financial future. As a key part of this effort, the Board provides continual, strong oversight of the plans' fund investment lineup, fund managers and participant costs.

That's why, on **Nov. 30, 2018**, the Board made the following changes to the plans' investment lineups:

- In the NC 401(k) and NC 457 Plans: BlackRock's Strategic Completion Fund replaced PIMCO's Inflation Response Multi-Asset Fund as the investment manager within the NC Inflation Responsive Fund.
- In the NC 403(b) Program: The Principal Diversified Real Asset Fund (PDARX) replaced the PIMCO Inflation Response Multi-Asset Institutional Fund (PIRMX).
- On Nov. 30, 2018: Your money was automatically transferred to the new investment options.
- For all Plans: The GoalMaker model portfolios have been updated to reflect these changes.

#### You'll benefit from lower fees!

- In the NC 401(k) and NC 457 Plans: The new total expense ratio of the NC Inflation Responsive Fund is 0.13 percent. Previously, the fund's total expense ratio was 0.86 percent. That's a total combined savings of more than \$4 million each year for those member accounts that are invested in this fund!\*
- In the NC 403(b) Program: The net expense ratio of the Principal Diversified Real Asset Fund is 0.80 percent. The net expense ratio of the PIMCO Inflation Response Multi-Asset Institutional Fund was 1.22 percent. That's a total savings of about \$2,600 each year across all member accounts that are invested in this fund!\*

\*Cost savings estimates across all account values in November 2018.

#### How you invest is **always** up to you.

At any time, you may change your investment selections by logging in to your account(s) at **NCPlans.prudential.com** to view the details of your asset allocation and make any changes you desire.

# Happy New Year! We Are Celebrating *You* with an Administrative Fee 'Holiday'

Each year, participants in the NC 401(k) and NC 457 Plans are charged an administrative fee of 0.025 percent, which equals just 25 cents for each \$1,000 held in an account. This administrative fee is collected to cover the plans' administrative expenses and is the only source of revenue received by the plans.

The Department of State Treasurer is waiving this fee for the entire year of 2019 for participants in the NC 401(k) and NC 457 Plans—for a total savings to members of more than \$2 million! The plans are able to take this fee holiday because the plans' staff are serious about being good stewards of plan funds. Over the years, the plans have accumulated a reserve, which now allows the plans to take a "holiday" from collecting new fees and operate out of this reserve. This fee holiday supports State Treasurer Dale R. Folwell's mission to lower fees and reduce complexity. During 2019, this administrative fee waiver will equal a savings of approximately \$10 for most NC 401(k) Plan participants and \$6 for most NC 457 Plan participants.

#### **Prudential Commits \$1 Million in Grants to Hurricane Florence Victims**

In an effort to provide assistance to those affected by Hurricane Florence, Prudential is supporting relief efforts by committing up to \$1 million in grants provided through The Prudential Foundation. As part of this \$1 million commitment, Prudential has also activated an employee giving campaign and will provide dollar-for-dollar matching donations, up to \$25,000.

#### Important Beneficiary Reminder

Life changes—so sometimes, your beneficiary designation needs to be changed, too. Be sure to check your Fourth Quarter 2018 plan statement to review the beneficiary(ies) you've chosen to make sure they're current. To update your beneficiary(ies), visit **NCPlans.prudential.com** and log in to your account.



#### **PRUDENTIAL RETIREMENT®**

Investors should consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus, and if available the summary prospectus, contains complete information about the investment options available through your plan. Please call 866-NCPlans (866-627-5267) for a free prospectus and if available, a summary prospectus that contains this and other information about our mutual funds. You should read the prospectus and the summary prospectus, if available, carefully before investing. It is possible to lose money when investing in securities.

North Carolina Total Retirement Plans and the North Carolina Total Retirement Plans logo are service marks of the North Carolina Department of State Treasurer.

Prudential Retirement provides the communications and recordkeeping services for the NC 401(k) and NC 457 Plans and the NC 403(b) Program. With the exception of the NC Stable Value Fund and the NC Fixed Income Fund, the investments offered to you within the NC 401(k) and NC 457 Plans are not offered by or affiliated with Prudential Financial or any of its companies or businesses. Prudential Retirement is a Prudential Financial business.

GoalMaker is an optional tool and available at no additional cost. GoalMaker's model allocations are based on generally accepted financial theories that take into account the historic returns of different asset classes. Past performance of any investment does not guarantee future results. Prudential Financial encourages participants to consider their other assets, income and investments when enrolling in the GoalMaker program. We also recommend participants periodically reassess their GoalMaker investments to make sure their model portfolio continues to correspond to their investment objectives, risk tolerance and retirement time horizon.

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

For the NC 403(b) Program, shares of the registered mutual funds are offered through Prudential Investment Management Services LLC (PIMS), Newark, NJ, a Prudential Financial company. Retirement Education Counselors are registered representatives of PIMS.

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We encourage you to seek personalized advice from qualified professionals regarding all personal finance issues. We do not provide investment OR tax advice; please consult a tax advisor for more information.

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# Questions





#### Notes



For Plan Sponsor or Consultant Use Only

# Thank you







