

North Carolina Total Retirement Plans 4Q 2013 Board of Trustees Report

Presented by: Michael McCann, Vice President, Key Account Management On: March 19, 2014

As of: December 31, 2013

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





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January 1, 2013 to December 31, 2013 401(k) Goal Results

- Increase use of GoalMaker® utilization among new members to 89.5% 89.8% as of December 31, 2013
- Increase use of GoalMaker® utilization among members to 55% 53% as of December 31, 2013
- Increase the average monthly employee deferral \$160 monthly the average monthly employee deferral as of December 31, 2013 \$156.69 (4th quarter 2013 and January 1, 2013 thru December 31, 2013 results for the 401(k) Plan are found on page 14)
- Increase active participation to 27% 27.83% as of December 31, 2013 (4th quarter 2013 results for the 401(k) Plan are found on page 10 and the January 1, 2013 thru December 31, 2013 results are found on page 11)
- 7 employers adopted the 401(k) Plan in 2013

January 1, 2013 to December 31, 2013 457 Goal Results

- Increase use of GoalMaker® utilization among new members to 91.5% 90.4% as of December 31, 2013
- Increase use of GoalMaker® utilization among members to 55% 52% as of December 31, 2013
- Increase the average monthly employee deferral \$130 monthly the average monthly employee deferral as
 of December 31, 2013 \$135.37. (4th quarter 2013 and January 1, 2013 thru December 31, 2013 results for
 the 401(k) Plan are found on page 15).
- Increase active participation to 12.25% 11.32% as of December 31, 2013 (4th quarter 2013 results for the 401(k) Plan are found on page 12 and the January 1, 2013 thru December 31, 2013 results are found on page 13)
- 50 employers adopted the 457 Plan in 2013



Asset Allocation By Fund – 401(k) Plan

				# Participants		# Participants			, and the second se	# Participants
				Utilizing			Utilizing			Utilizing
Investment Option	Asset Class	12/31/2011	%	12/31/2011	12/31/2012	%	12/31/2012	12/31/2013	%	12/31/2013
North Carolina Stable Value-401k	Stable Value	\$1,698,060,538	31.91%	163,812	\$1,824,113,976	30.00%	169,906	\$1,868,132,836	25.53%	181,223
North Carolina Fixed Income Fund	Fixed Income	\$382,797,476	7.19%	122,456	\$446,400,934	7.34%	129,984	\$466,968,715	6.38%	141,010
North Carolina Fixed Income Index	Fixed Income	\$180,067,378	3.38%	87,639	\$221,520,750	3.64%	97,578	\$268,416,025	3.67%	109,657
North Carolina Large Cap Grow th Fund	Large-Cap Stock	\$527,538,243	9.91%	167,365	\$604,661,678	9.94%	174,049	\$733,025,380	10.02%	188,324
North Carolina Large Cap Index Fund	Large-Cap Stock	\$807,874,594	15.18%	169,565	\$925,047,336	15.21%	176,237	\$1,040,816,859	14.22%	190,974
North Carolina Large Cap Value Fund	Large-Cap Stock	\$546,744,380	10.27%	168,131	\$623,402,628	10.25%	174,710	\$758,144,069	10.36%	189,408
North Carolina SMID Cap Index Fund	Small-Cap Stock	\$280,962,001	5.28%	130,096	\$337,047,630	5.54%	139,009	\$194,181,199	2.65%	25,549
North Carolina SMID Grow th Fund	Small-Cap Stock	\$87,520,910	1.64%	108,919	\$109,256,204	1.80%	119,346	\$255,498,482	3.49%	133,781
North Carolina SMID Value Fund	Small-Cap Stock	\$148,276,506	2.79%	119,635	\$179,407,237	2.95%	129,222	\$346,216,272	4.73%	143,566
North Carolina Global Equity Fund	Global/Intl Stock	\$122,532,901	2.30%	108,349	\$153,692,002	2.53%	118,663	\$627,890,115	8.58%	132,949
North Carolina International Fund	Global/Intl Stock	\$323,825,318	6.08%	129,751	\$383,790,009	6.31%	138,318	\$458,256,251	6.26%	152,157
North Carolina International Index Fund	Global/Intl Stock	\$215,895,259	4.06%	108,915	\$271,986,071	4.47%	119,213	\$30,327,610	0.41%	5,541
North Carolina Inflation Responsive Fund	Specialty	\$0	0.00%	0	\$0	0.00%	0	\$269,579,046	3.68%	124,933
Total Plan Assets		\$5,322,095,503	100.00%		\$6,080,326,455	100.00%		\$7,317,452,859	100.00%	

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



Asset Allocation By Fund – 457 Plan

			# Participants				# Participants			# Participants		
				Utilizing			Utilizing			# Participants Utilizing		
Investment Option	Asset Class	12/31/2011	%	12/31/2011	12/31/2012	%	12/31/2012	12/31/2013	%	12/31/2013		
North Carolina Stable Value-401k	Stable Value	\$364,330,037	44.66%	31,328	\$379,448,630	41.62%	35,078	\$391,476,370	36.37%	40,878		
North Carolina Fixed Income Fund	Fixed Income	\$52,307,539	6.41%	18,072	\$64,973,658	7.13%	22,522	\$62,994,841	5.85%	28,148		
North Carolina Fixed Income Index	Fixed Income	\$14,160,790	1.74%	11,608	\$20,321,493	2.23%	16,608	\$24,297,329	2.26%	22,376		
North Carolina Large Cap Grow th Fund	Large-Cap Stock	\$73,791,373	9.05%	25,185	\$84,020,876	9.22%	29,909	\$106,960,642	9.94%	36,783		
North Carolina Large Cap Index Fund	Large-Cap Stock	\$92,610,720	11.35%	21,121	\$103,832,335	11.39%	26,234	\$125,759,866	11.68%	33,098		
North Carolina Large Cap Value Fund	Large-Cap Stock	\$73,063,135	8.96%	24,729	\$80,988,900	8.88%	29,417	\$103,576,341	9.62%	36,298		
North Carolina SMID Cap Index Fund	Small-Cap Stock	\$11,710,062	1.44%	13,673	\$16,898,957	1.85%	19,439	\$13,581,169	1.26%	1,321		
North Carolina SMID Grow th Fund	Small-Cap Stock	\$28,132,962	3.45%	21,713	\$31,881,844	3.50%	26,629	\$51,048,953	4.74%	33,383		
North Carolina SMID Value Fund	Small-Cap Stock	\$41,927,147	5.14%	22,136	\$49,887,724	5.47%	27,068	\$72,662,512	6.75%	33,816		
North Carolina Global Equity Fund	Global/Intl Stock	\$6,578,692	0.81%	13,387	\$9,791,272	1.07%	19,123	\$37,576,470	3.49%	25,955		
North Carolina International Fund	Global/Intl Stock	\$45,653,334	5.60%	22,685	\$52,462,887	5.75%	27,486	\$60,681,594	5.64%	34,140		
North Carolina International Index Fund	Global/Intl Stock	\$11,494,948	1.41%	13,565	\$17,207,795	1.89%	19,286	\$8,196,350	0.76%	1,061		
North Carolina Inflation Responsive Fund	Specialty	\$0	0.00%	0	\$0	0.00%	0	\$17,598,874	1.63%	24,467		
Total Plan Assets		\$815,760,739	100.00%		\$911,716,370	100.00%		\$1,076,411,310	100.00%			

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



401(k) Plan										
	4Q 2012	4Q 2013	Difference #	Difference %						
Members with an Account Balance	231,051	243,010	11,959	5.18%						
Average Account Balance	\$26,316	\$30,112	\$3,796	14.42%						
Median Account Balance	\$9,900	\$10,378	\$478	4.83%						

	401(k) Plan Percentage Gain										
	Assets (12/31/2012)	Contributions	Distributions	Earnings	Assets (12/31/2013)	Percentage Gain					
NC 401(k) Plan	\$6,080,326,455	\$473,137,027	\$344,562,427	\$1,108,551,804	\$7,317,452,859	17.85%					



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									
	4Q 2012	4Q 2013	Difference #	Difference %					
Members with an Account Balance	41,155	48,384	7,229	17.57%					
Average Account Balance	\$22,153	\$22,247	\$94	0.42%					
Median Account Balance	\$3,142	\$2,388	(\$754)	-24.00%					

	457 Plan Percentage Gain											
	Assets (12/31/2012)	Contributions	Distributions	Earnings	Assets (12/31/2013)	Percentage Gain						
NC 457 Plan	\$911,716,370	\$66,768,645	\$53,182,701	\$151,108,997	\$1,076,411,310	16.33%						



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



401(k) Plan Quarterly Enrollments & Contribution Changes & 401(k) Plan Quarterly Enrollments & Contribution Change Method

401(k) Plan Quarterly Enrollments & Contribution Changes										
	4Q 2010	4Q 2011	4Q 2011 % of Change	4Q 2012	4Q 2012 % of Change	4Q 2013	4Q 2013 % of Change			
Enrollments	3,551	2,441	-45.47%	3,743	53.34%	3,370	-9.97%			
% of New Hires Enrolled in Plan	-	47.68%	N/A	47.33%	-0.73%	69.37%	46.57%			
GoalMaker Elections	2,242	2,108	-6.36%	3,274	55.31%	3,049	-7.38%			
Contribution Changes										
Deferral Decreases	1,727	2,082	17.05%	2,047	-1.68%	2,238	9.33%			
Deferral Increases	3,406	3,449	1.25%	5,010	45.26%	5,313	6.05%			
Pre-tax Participation Rate	-	21.43%	N/A	21.23%	-0.93%	20.59%	-3.01%			
Roth Participation Rate	-	4.67%	N/A	5.56%	19.06%	6.41%	15.29%			
Voluntary (Employee & Roth) Participation Rate	-	24.53%	N/A	25.08%	2.24%	25.21%	0.52%			

401(k) Plan Quarterly Enrollments & Contribution Change Method										
	4Q 2010	4Q 2011	4Q 2012	4Q 2013						
Method of Enrollment										
Paper Form	85.19%	77.92%	77.86%	77.37%						
Pseudo Enrollment	7.59%	15.86%	17.42%	16.21%						
Internet	7.22%	6.22%	4.72%	6.42%						
Method of Contribution Change										
Internet	77.41%	87.62%	93.59%	98.06%						
Paper Form	14.36%	10.52%	5.37%	1.58%						
Participant Service Center	6.86%	1.21%	0.54%	0.11%						
VRU	1.37%	0.65%	0.50%	0.25%						

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 401k 457

401(k) Plan YTD Enrollments & Contribution Changes & 401(k) Plan YTD Enrollments & Contribution Change Method

401(k) Plan YTD Enrollments & Contribution Changes										
	2010	2011	2011 % of Change	2012	2012 % of Change	2013	2013 % of Change			
Enrollments	12,937	12,024	-7.59%	14,207	18.16%	15,072	6.09%			
% of New Hires Enrolled in Plan	-	51.69%	N/A	40.00%	-22.62%	50.84%	27.11%			
GoalMaker Elections	9,260	10,580	12.48%	12,447	17.65%	13,533	8.72%			
Contribution Changes										
Deferral Decreases	8,561	10,085	15.11%	8,028	-20.40%	11,136	38.71%			
Deferral Increases	14,746	18,788	21.51%	28,761	53.08%	24,964	-13.20%			
Pre-tax Participantion Rate	-	23.74%	N/A	23.33%	-1.73%	22.92%	-1.76%			
Roth Participantion Rate	-	5.16%	N/A	6.09%	18.02%	7.10%	16.58%			
Voluntary (Employee & Roth) Participation Rate	-	26.98%	N/A	27.37%	1.45%	27.83%	1.68%			

401(k) Plan YTD Enrollments & Contribution Change Method										
	2010	2011	2012	2013						
Method of Enrollment										
Paper Form	92.29%	76.85%	79.60%	81.30%						
Pseudo Enrollment	1.88%	17.28%	15.60%	14.53%						
Internet	5.83%	5.86%	4.80%	4.18%						
Method of Contribution Change										
Internet	88.51%	85.98%	90.75%	97.75%						
Paper	7.80%	11.42%	8.38%	1.76%						
Participant Service Center	3.06%	1.92%	0.70%	0.17%						
VRU	0.63%	0.68%	0.18%	0.32%						

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

457 Plan Quarterly Enrollments & Contribution Changes &

457 Plan Quarterly Enrollments & Contribution Change Method

457 Plan Quarterly Enrollments & Contribution Changes											
	4Q 2010	4Q 2011	4Q 2011 % of Change	4Q 2012	4Q 2012 % of Change	4Q 2013	4Q 2013 % of Change				
Enrollments	1,206	1,199	-0.58%	2,022	68.64%	1,444	-28.59%				
% of New Hires Enrolled in Plan	-	40.42%	100.00%	43.21%	6.90%	56.65%	31.10%				
GoalMaker Elections	956	1,008	5.44%	1,841	82.64%	1,294	-29.71%				
Contribution Changes					,						
Deferral Decreases	298	368	23.49%	384	4.35%	580	51.04%				
Deferral Increases	546	750	37.36%	991	32.13%	789	-20.38%				
Pre-tax Participation Rate	11.55%	10.45%	-9.52%	10.31%	-1.34%	10.11%	-1.94%				
Roth Participation Rate	N/A	0.29%	100.00%	0.47%	62.07%	0.70%	48.94%				
Voluntary (Employee & Roth) Participation Rate	11.55%	11.55%	0.00%	11.91%	3.12%	10.50%	-11.84%				

457 Plai	457 Plan Quarterly Enrollments & Contribution Change Method										
	4Q 2010	4Q 2011	4Q 2012	4Q 2013							
Method of Enrollment		·	·	·							
Paper Form	92.28%	93.50%	92.37%	88.60%							
Pseudo Enrollment	1.00%	1.36%	1.44%	1.60%							
Internet	6.73%	5.14%	6.19%	9.81%							
Method of Contribution Change											
Internet	88.57%	87.59%	94.72%	99.09%							
Paper Form	9.18%	10.54%	4.22%	0.66%							
Participant Service Center	1.76%	1.43%	0.58%	0.11%							
VRU	0.49%	0.45%	0.48%	0.15%							

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

457 Plan YTD Enrollments & Contribution Changes &

457 Plan YTD Enrollments & Contribution Change Method

	457 Plan YTD Enrollments & Contribution Changes											
	2010	2011	2011 % of Change	2012	2012 % of Change	2013	2013 % of Change					
Enrollments	4,604	5,827	26.56%	6,919	18.74%	7,670	10.85%					
% of New Hires Enrolled in Plan	-	43.32%	100.00%	32.74%	-24.42%	38.78%	18.45%					
GoalMaker Elections	4,866	5,586	14.80%	6,249	11.87%	6,918	10.71%					
Contribution Changes												
Deferral Decreases	1,141	1,398	122.52%	1,505	7.65%	1,335	-11.30%					
Deferral Increases	2,118	3,168	49.58%	3,623	14.36%	4,635	27.93%					
Pre-tax Participation Rate	12.10%	10.06%	-16.86%	12.61%	25.35%	13.86%	9.91%					
Roth Participation Rate	N/A	0.30%	100.00%	0.48%	60.00%	0.70%	45.83%					
Voluntary (Employee & Roth) Participation Rate	12.10%	11.93%	-1.40%	13.18%	10.48%	11.32%	-14.11%					

457 Plan YTD Enrollments & Contribution Change Method										
	2010	2011	2012	2013						
Method of Enrollment										
Paper Form	93.93%	93.58%	92.78%	91.33%						
Pseudo Enrollment	0.26%	1.06%	1.20%	1.82%						
Internet	5.81%	5.35%	6.02%	6.85%						
Method of Contribution Change										
Internet	89.89%	85.09%	91.67%	98.00%						
Paper	7.37%	12.18%	7.40%	1.46%						
Participant Service Center	2.27%	2.38%	0.67%	0.33%						
VRU	0.47%	0.35%	0.25%	0.21%						

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 |401k|457

	401(k) Contributions											
	4Q 2010	4Q 2011	4Q 2011 Change %	4Q 2012	4Q 2012 Change %	4Q 2013	4Q 2013 Change %					
Employee Contributions	\$58,976,682	\$56,029,786	-5.00%	\$55,955,441	-0.13%	\$55,069,001	-1.58%					
Roth	\$5,317,876	\$6,242,043	17.38%	\$7,056,531	13.05%	\$7,939,461	12.51%					
Total Employee Contributions	\$64,294,558	\$62,271,829	-3.15%	\$63,011,972	1.19%	\$63,008,462	-0.01%					
Employer Contributions	\$39,853,590	\$40,151,493	0.75%	\$42,380,106	5.55%	\$43,051,230	1.58%					
Rollovers	\$11,781,375	\$8,021,685	-31.91%	\$13,125,912	63.63%	\$16,823,145	28.17%					
Total Contributions	\$115,929,523	\$110,445,007	-4.73%	\$118,517,991	7.31%	\$122,882,838	3.68%					
Average Voluntary Contributions	\$190	\$192	1.24%	\$192	0.02%	\$194	0.74%					
Average Roth Contributions	\$107	\$104	-2.36%	\$99	-5.11%	\$95	-4.58%					
Average Employee Contributions	\$186	\$187	0.48%	\$184	-1.56%	\$182	-1.35%					

401(k) Contributions											
	2010	2011	2011 Change %	2012	2012 Change %	2013	2013 Change %				
Voluntary Contributions	\$221,625,655	\$218,372,938	-1.47%	\$215,848,506	-1.16%	\$214,331,937	-0.70%				
Roth	\$19,127,709	\$22,596,356	18.13%	\$25,623,714	13.40%	\$29,313,101	14.40%				
Total Employee Contributions	\$240,753,364	\$240,969,294	0.09%	\$241,472,220	0.21%	\$243,645,038	0.90%				
Employer Contributions	\$157,118,414	\$157,958,247	0.53%	\$162,977,164	3.18%	\$167,275,273	2.64%				
Rollovers	\$36,474,731	\$35,705,650	-2.11%	\$41,390,337	15.92%	\$62,216,716	50.32%				
Total Contributions	\$434,346,508	\$434,633,191	0.07%	\$445,839,722	2.58%	\$473,137,027	6.12%				
Average Voluntary Contributions	\$165	\$166	0.59%	\$164	-1.02%	\$167	1.49%				
Average Roth Contributions	\$96	\$86	-10.35%	\$81	-5.65%	\$78	-3.60%				
Average Employee Contributions	\$164	\$162	-1.32%	\$158	-2.65%	\$157	-0.55%				

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 2010	4Q 2011	4Q 2011 Change %	4Q 2012	4Q 2012 Change %	4Q 2013	4Q 2013 Change %				
Voluntary Contributions	\$11,388,656	\$11,492,010	0.91%	\$12,764,183	11.07%	\$13,386,916	4.88%				
Roth	\$0	\$97,982	100.00%	\$350,565	257.79%	\$528,649	50.80%				
Total Employee Contributions	\$11,388,656	\$11,589,992	1.77%	\$13,114,748	100.00%	\$13,915,566	6.11%				
Employer Contributions	\$0	\$0	0.00%	\$0	0.00%	\$72,353	100.00%				
Rollovers	\$2,406,274	\$3,412,150	41.80%	\$3,726,264	9.21%	\$3,149,821	-15.47%				
Total Contributions	\$13,794,930	\$15,002,142	8.75%	\$16,841,012	12.26%	\$17,137,739	1.76%				
Average Voluntary Contributions	\$191	\$164	-14.09%	\$160	-2.41%	\$146	-8.83%				
Average Roth Contributions	\$0	\$82	100.00%	\$123	50.20%	\$122	-1.02%				
Average Employee Contributions	\$191	\$163	-14.46%	\$161	-1.44%	\$152	-5.65%				

		4	57 Contributi	ons			
	2010	2011	2011 Change %	2012	2012 Change %	2013	2013 Change %
Voluntary Contributions	\$42,390,761	\$44,747,589	5.56%	\$47,874,423	6.99%	\$52,782,181	10.25%
Roth	\$0	\$217,605	100.00%	\$972,432	346.88%	\$2,042,202	110.01%
Total Employee Contributions	\$42,390,761	\$44,965,194	6.07%	\$48,846,855	8.63%	\$54,824,382	12.24%
Employer Contributions	\$0	\$0	0.00%	\$0	0.00%	\$84,898	100.00%
Rollovers	\$7,370,615	\$13,015,418	76.59%	\$13,524,119	3.91%	\$11,859,364	-12.31%
Total Contributions	\$49,761,376	\$57,980,611	16.52%	\$62,370,973	7.57%	\$66,683,746	6.91%
Average Voluntary Contributions	\$166	\$149	-10.56%	\$139	-6.57%	\$134	-3.48%
Average Roth Contributions	\$0	\$38	100.00%	\$75	97.17%	\$93	23.98%
Average Employee Contributions	\$166	\$148	-11.22%	\$139	-6.01%	\$135	-2.46%

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

	12/31/2010	12/31/2011	12/31/2012	12/31/2013
Total Plan Assets in GoalMaker	\$1,807,783,747	\$1,938,375,944	\$2,383,758,737	\$3,011,817,640
Total # of Participants in GoalMaker	97,639	106,049	115,723	128,189
Year to Date % of New Enrollments with Goalmaker Election	78.96%	87.50%	87.97%	89.83%
Total Participation Rate	43.74%	46.87%	50.09%	52.75%
Prudential's Book of Business GoalMaker Average Participation Rate*	35.18%	39.34%	42.29%	43.22%
Total % of Assets	34.80%	36.42%	39.20%	41.16%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	4,479	8,245	4,281	17,005
Age 30-39	7,246	15,860	10,363	33,469
Age 40-49	7,330	17,083	10,420	34,833
Age 50-59	7,954	14,766	5,971	28,691
Age 60-69	4,347	5,712	2,190	12,249
Age 70+	421	427	208	1,056
No DOB	91	734	61	886
Total	31,868	62,827	33,494	128,189

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	\$18,294,975	\$41,931,684	\$35,692,265	\$95,918,923
Age 30-39	\$61,551,986	\$202,587,747	\$216,028,326	\$480,168,058
Age 40-49	\$111,522,897	\$387,987,117	\$405,832,519	\$905,342,533
Age 50-59	\$198,647,396	\$471,417,684	\$282,976,499	\$953,041,579
Age 60-69	\$157,627,543	\$247,304,036	\$118,351,139	\$523,282,718
Age 70+	\$18,516,417	\$21,764,138	\$11,111,602	\$51,392,157
No DOB	\$479,546	\$1,900,205	\$291,921	\$2,671,673
Total	\$566,640,760	\$1,374,892,610	\$1,070,284,270	\$3,011,817,640

*Prudential's Defined Contribution book of business averages.



401(k) Asset Allocation by Age Group – Assets Not in GoalMaker As of December 31, 2013



Asset Class	18-29	30-39	40-49	50-59	60-69	70+	No DOB	Total
Stable Value	\$6,253,630	\$59,163,635	\$215,680,513	\$478,600,021	\$532,385,789	\$142,639,908	\$1,007,700	\$1,435,731,195
Fixed Income	\$462,377	\$15,024,859	\$50,826,212	\$86,734,663	\$83,293,742	\$15,575,029	\$69,847	\$251,986,730
Large-Cap Stock	\$2,978,097	\$132,296,003	\$553,841,915	\$675,824,492	\$532,811,004	\$155,338,441	\$130,742	\$2,053,220,694
Small-Cap Stock	\$1,648,809	\$33,320,932	\$97,884,079	\$116,491,735	\$85,460,694	\$14,801,876	\$47,748	\$349,655,873
Global/Intl Stock	\$1,232,564	\$20,306,544	\$58,397,309	\$72,071,957	\$52,775,900	\$8,351,693	\$55,776	\$213,191,742
Specialty	\$10,812	\$89,156	\$237,818	\$822,292	\$514,666	\$168,387	\$5,855	\$1,848,986
Total Assets	\$12,586,290	\$260,201,129	\$976,867,846	\$1,430,545,160	\$1,287,241,795	\$336,875,333	\$1,317,668	\$4,305,635,219
% Assets	0.29%	6.04%	22.69%	33.22%	29.90%	7.82%	0.03%	100.00%
Total Participants	2,222	15,172	32,824	34,284	24,363	6,009	583	115,457
Average Account Balance	\$5,664	\$17,150	\$29,761	\$41,726	\$52,836	\$56,062	\$2,260	\$37,292

Total Participant counts are not Unique Participant counts as a participant may be in multiple SubPlans. A participant could be invested in GoalMaker in one SubPlan and not invested in GoalMaker in another SubPlan in which they hold a balance.

North Carolina 401k 457

401(k) Fund Allocation by Age Group – Assets in GoalMaker *As of December 31, 2013*



Asset Class	18-29	30-39	40-49	50-59	60-69	70+	No DOB	Total
Stable Value	\$4,141,988	\$19,421,441	\$75,356,651	\$179,344,312	\$139,280,952	\$14,610,243	\$246,053	\$432,401,641
Fixed Income	\$7,427,337	\$33,295,155	\$101,182,229	\$195,290,711	\$132,455,733	\$13,462,531	\$284,316	\$483,398,011
Large-Cap Stock	\$19,240,294	\$97,939,349	\$167,000,513	\$132,232,471	\$56,629,125	\$5,234,481	\$489,380	\$478,765,614
Small-Cap Stock	\$18,907,165	\$95,819,988	\$160,022,318	\$118,389,237	\$48,210,585	\$4,406,464	\$484,323	\$446,240,080
Global/Intl Stock	\$37,793,300	\$190,730,633	\$320,257,228	\$243,394,683	\$100,947,946	\$9,212,400	\$946,044	\$903,282,233
Specialty	\$8,408,839	\$42,961,491	\$81,523,594	\$84,390,165	\$45,758,376	\$4,466,039	\$221,557	\$267,730,060
Total Assets	\$95,918,923	\$480,168,058	\$905,342,533	\$953,041,579	\$523,282,718	\$51,392,157	\$2,671,673	\$3,011,817,640
% Assets	3.18%	15.94%	30.06%	31.64%	17.37%	1.71%	0.09%	100.00%
Total Participants	17,005	33,469	34,833	28,691	12,249	1,056	886	128,189
Average Account Balance	\$5,641	\$14,347	\$25,991	\$33,217	\$42,720	\$48,667	\$3,015	\$23,495

Total Participant counts are not Unique Participant counts as a participant may be in multiple SubPlans. A participant could be invested in GoalMaker in one SubPlan and not invested in GoalMaker in another SubPlan in which they hold a balance.

North Carolina Total Retirement Plans 401k 457

For Plan Sponsor or Consultant Use Only



401(k) GoalMaker Participation







Assets by Age Range



457 GoalMaker Participation

	12/31/2010	12/31/2011	12/31/2012	12/31/2013
Total Plan Assets in GoalMaker	\$64,276,447	\$93,033,520	\$136,959,829	\$190,448,638
Total # of Participants in GoalMaker	7,278	12,888	18,486	25,041
Year to Date % of New Enrollments with Goalmaker Election	88.83%	88.84%	89.61%	90.35%
Total Participation Rate	22.42%	35.18%	42.88%	51.75%
Prudential's Book of Business GoalMaker Average Participation Rate*	35.18%	39.34%	42.29%	43.22%
Total % of Assets	8.04%	11.40%	14.52%	17.69%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	1,209	1,698	919	3,826
Age 30-39	1,809	2,943	1,694	6,446
Age 40-49	2,161	3,475	1,764	7,400
Age 50-59	1,966	2,631	964	5,561
Age 60-69	657	632	235	1,524
Age 70+	55	54	21	130
No DOB	51	79	24	154
Total	7,908	11,512	5,621	25,041

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	\$646,438	\$1,465,447	\$1,301,406	\$3,413,291
Age 30-39	\$1,969,119	\$6,836,434	\$7,451,950	\$16,257,502
Age 40-49	\$6,031,073	\$19,485,564	\$17,212,728	\$42,729,366
Age 50-59	\$15,342,693	\$31,978,201	\$18,390,059	\$65,710,953
Age 60-69	\$15,814,347	\$23,181,805	\$11,188,829	\$50,184,981
Age 70+	\$3,739,103	\$5,397,856	\$2,786,597	\$11,923,555
No DOB	\$52,344	\$166,368	\$10,276	\$228,989
Total	\$43,595,118	\$88,511,675	\$58,341,846	\$190,448,638

*Prudential's Defined Contribution book of business averages.



457 Asset Allocation by Age Group – Assets Not in GoalMaker As of December 31, 2013



Small-Cap Stock Global/Intl Stock Specialty 60-69 Asset Class 30-39 40-49 50-59 70+ No DOB 18-29 \$261,383 \$2,679,853 \$14,976,449 \$76,438,886 \$163,243,046 \$96,243,555

Fixed Income	\$29,927	\$993,552	\$4,870,570	\$13,434,912	\$20,003,656	\$9,330,816	\$1,771	\$48,665,205
Large-Cap Stock	\$230,514	\$5,232,440	\$41,588,344	\$86,663,955	\$115,127,585	\$61,540,329	\$6,061	\$310,389,228
Small-Cap Stock	\$228,730	\$4,841,109	\$19,890,963	\$34,332,277	\$37,981,319	\$16,508,363	\$2,702	\$113,785,464
Global/Intl Stock	\$109,830	\$2,367,535	\$9,182,806	\$17,298,838	\$21,050,568	\$8,463,827	\$1,592	\$58,474,996
Specialty	\$62	\$5,102	\$52,116	\$58,939	\$157,227	\$525,398	\$38	\$798,882
Total Assets	\$860,446	\$16,119,591	\$90,561,248	\$228,227,806	\$357,563,401	\$192,612,289	\$17,891	\$885,962,673
% Assets	0.10%	1.82%	10.22%	25.76%	40.36%	21.74%	0.00%	100.00%
Total Participants	491	2,585	5,412	7,018	5,909	1,922	17	23,354
Average Account Balance	\$1,752	\$6,236	\$16,733	\$32,520	\$60,512	\$100,215	\$1,052	\$37,936

Total Participant counts are not Unique Participant counts as a participant may be in multiple SubPlans. A participant could be invested in GoalMaker in one SubPlan and not invested in GoalMaker in another SubPlan in which they hold a balance.



Stable Value

For Plan Sponsor or Consultant Use Only

Total

\$353,848,898

\$5,727

457 Asset Allocation by Age Group – Assets in GoalMaker As of December 31, 2013



Small-Cap Stock Global/Intl Stock Specialty Asset Class 18-29 30-39 40-49 50-59 60-69 70+ No DOB Total Stable Value \$141,762 \$761,167 \$4,746,017 \$14,634,730 \$13,879,482 \$3,450,709 \$13,605 \$37,627,472 Fixed Income \$253,594 \$1,244,020 \$5,989,672 \$15,075,248 \$12,866,253 \$3,173,476 \$24,701 \$38,626,965 Large-Cap Stock \$699,794 \$3,279,145 \$7,328,102 \$8,168,673 \$5,223,663 \$1,164,677 \$43,567 \$25,907,621 Small-Cap Stock \$680,776 \$3,198,004 \$6,962,769 \$7,169,402 \$4,453,640 \$999,129 \$43,449 \$23,507,169 Global/Intl Stock \$1,346,344 \$14,861,766 \$9,374,382 \$84,492 \$47,979,418 \$6,331,919 \$13,890,183 \$2,090,331 Specialty \$291,022 \$1,443,247 \$3,812,623 \$5,801,133 \$4,387,560 \$1,045,232 \$19,175 \$16,799,992 Total Assets \$3,413,291 \$16,257,502 \$42,729,366 \$65,710,953 \$50,184,981 \$11,923,556 \$228,989 \$190,448,638 % Assets 8.54% 22.44% 34.50% 0.12% 100.00% 1.79% 26.35% 6.26% **Total Participants** 3,826 6,446 7,400 5,561 1,524 130 154 25,041 \$2.522 Average Account Balance \$892 \$5.774 \$11,816 \$32.930 \$91,720 \$1,487 \$7.605

Total Participant counts are not Unique Participant counts as a participant may be in multiple SubPlans. A participant could be invested in GoalMaker in one SubPlan and not invested in GoalMaker in another SubPlan in which they hold a balance.





457 GoalMaker Participation







Assets by Age Range



Loan Information

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

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

	401(k) YTD Loans										
2010 2011 2012 2013 CI											
% of Active Members in Plan with a Loan	23.90%	25.66%	24.35%	24.70%	1.44%						
# of Outstanding Loans	46,539	49,855	47,470	48,039	1.20%						
# of New Loans for the Quarter	4,536	4,085	4,230	4,114	-2.74%						
# of New Loans YTD	18,732	17,466	16,944	17,020	0.45%						
Average Loan Balance	\$5,084	\$5,210	\$5,519	\$5,692	3.13%						
Total Outstanding Loan Balance	\$236,593,051	\$259,766,327	\$261,965,765	\$273,433,337	4.38%						

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

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

	457	7 YTD Loans			
	2010	2011	2012	2013	Change %
% of Active Members in Plan with a Loan	14.80%	14.99%	14.21%	14.36%	1.06%
# of Outstanding Loans	4,023	4,514	4,831	5,372	11.20%
# of New Loans for the Quarter	490	432	513	585	14.04%
# of New Loans YTD	1,826	1,809	1,931	2,160	11.86%
Average Loan Balance	\$2,945	\$3,001	\$3,037	\$3,112	2.46%
Total Outstanding Loan Balance	\$11,845,815	\$13,547,404	\$14,670,312	\$16,716,042	13.94%



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

401(k) Disbursements – Quarterly

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

401(k) Disbursements										
	4Q 2010	4Q 2011	4Q 2011 Change %	4Q 2012	4Q 2012 Change %	4Q 2013	4Q 2013 Change %			
Term - Lump Sum	\$35,566,289	\$41,895,475	17.80%	\$50,881,139	21.45%	\$72,225,254	41.95%			
In-Service	\$11,721,825	\$9,624,913	-17.89%	\$11,065,820	14.97%	\$5,907,046	-46.62%			
State Retirement System	\$7,079,501	\$6,181,177	-12.69%	\$5,784,787	-6.41%	\$4,561,308	-21.15%			
Hardship	\$1,529,368	\$1,511,866	-1.14%	\$1,510,211	-0.11%	\$1,503,724	-0.43%			
Systematic	\$1,904,308	\$2,254,246	18.38%	\$2,734,049	21.28%	\$3,044,290	11.35%			
Total Disbursements	\$57,801,291	\$61,467,676	6.34%	\$71,976,006	17.10%	\$87,241,621	21.21%			

401(k) Disbursements										
	4Q 2010	4Q 2011	4Q 2011 Change %	4Q 2012	4Q 2012 Change %	4Q 2013	4Q 2013 Change %			
Term – Lump Sum	4,349	5,061	16.37%	5,403	6.76%	7,370	36.41%			
In-Service	1,516	1,516	0.00%	1,892	24.80%	1,503	-20.56%			
State Retirement System	250	183	-26.80%	204	11.48%	166	-18.63%			
Hardship	621	595	-4.19%	611	2.69%	597	-2.29%			
Systematic	2,367	2,628	11.03%	3,117	18.61%	3,410	9.40%			
Total Disbursements	9,103	9,983	9.67%	11,227	12.46%	13,046	16.20%			



401(k) Disbursements – Year to Date

	401(k) Disbursements										
	2010	2011	2011 Change %	2012	2012 Change %	2013	2013 Change %				
Term - Lump Sum	\$137,524,546	\$178,679,042	29.93%	\$209,749,458	17.39%	\$265,695,033	26.67%				
In-Service	\$45,242,177	\$48,462,361	7.12%	\$51,617,794	6.51%	\$38,906,213	-24.63%				
State Retirement System	\$25,836,040	\$29,817,272	15.41%	\$23,890,639	-19.88%	\$16,038,434	-32.87%				
Hardship	\$6,595,850	\$6,187,094	-6.20%	\$6,190,334	0.05%	\$6,822,353	10.21%				
Systematic	\$8,059,290	\$8,261,345	2.51%	\$8,832,207	6.91%	\$9,929,878	12.43%				
Total Disbursements	\$223,257,902	\$271,407,114	21.57%	\$300,280,434	10.64%	\$337,391,910	12.36%				

401(k) Disbursements										
	2010	2011	2011 Change %	2012	2012 Change %	2013	2013 Change %			
Term – Lump Sum	13,649	16,636	21.88%	17,087	2.71%	22,354	30.82%			
In-Service	5,609	6,057	7.99%	7,220	19.20%	6,844	-5.21%			
State Retirement System	825	855	3.64%	801	-6.32%	604	-24.59%			
Hardship	2,480	2,505	1.01%	2,432	-2.91%	2,492	2.47%			
Systematic	8,944	9,598	7.31%	10,969	14.28%	12,453	13.53%			
Total Disbursements	31,507	35,651	13.15%	38,509	8.02%	44,747	16.20%			



457 Disbursements – Quarterly

	457 Disbursements										
	4Q 2010	4Q 2011	4Q 2011 Change %	4Q 2012	4Q 2012 Change %	4Q 2013	4Q 2013 Change %				
Term - Lump Sum	\$9,254,068	\$9,747,495	5.33%	\$11,065,321	13.52%	\$13,065,600	18.08%				
In-Service	\$347,004	\$142,650	-58.89%	\$286,116	100.57%	\$151,148	-47.17%				
State Retirement System	\$183,421	\$95,705	-47.82%	\$661,047	590.71%	\$204,516	-69.06%				
Hardship	\$127,707	\$136,083	6.56%	\$206,655	51.86%	\$161,017	-22.08%				
Systematic	\$1,344,209	\$1,274,275	-5.20%	\$1,579,076	23.92%	\$1,695,570	7.38%				
Total Disbursements	\$11,256,409	\$11,396,208	1.24%	\$13,798,215	21.08%	\$15,277,851	10.72%				

	457 Disbursements										
	4Q 2010	4Q 2011	4Q 2011 Change %	4Q 2012	4Q 2012 Change %	4Q 2013	4Q 2013 Change %				
Term – Lump Sum	1,512	1,529	1.12%	1,308	-14.45%	1,777	35.86%				
In-Service	25	26	4.00%	5	-80.77%	10	100.00%				
State Retirement System	13	12	-7.69%	12	0.00%	12	0.00%				
Hardship	76	79	3.95%	110	39.24%	112	1.82%				
Systematic	1,286	1,261	-1.94%	1,642	30.21%	1,649	0.43%				
Total Disbursements	2,912	2,907	-0.17%	3,077	5.85%	3,560	15.70%				



457 Disbursements – Year to Date

457 Disbursements								
	2010	2011	2011 Change %	2012	2012 Change %	2013	2013 Change %	
Term - Lump Sum	\$30,896,072	\$37,022,390	19.83%	\$40,549,090	9.53%	\$45,490,605	12.19%	
In-Service	\$406,492	\$518,222	27.49%	\$849,865	64.00%	\$2,128,899	150.50%	
State Retirement System	\$652,739	\$1,195,675	83.18%	\$1,253,764	4.86%	\$4,357,627	247.56%	
Hardship	\$409,337	\$540,712	32.09%	\$578,012	6.90%	\$620,698	7.38%	
Systematic	\$4,972,173	\$4,804,804	-3.37%	\$5,341,270	11.17%	\$5,644,134	5.67%	
Total Disbursements	\$37,336,813	\$44,081,803	18.07%	\$48,572,001	10.19%	\$58,241,963	19.91%	

457 Disbursements								
	2010	2011	2011 Change %	2012	2012 Change %	2013	2013 Change %	
Term – Lump Sum	5,073	4,905	-3.31%	4,549	-7.26%	5,271	15.87%	
In-Service	58	95	63.79%	159	67.37%	64	-59.75%	
State Retirement System	36	45	25.00%	46	2.22%	33	-28.26%	
Hardship	242	299	23.55%	365	22.07%	455	24.66%	
Systematic	5,048	4,898	-2.97%	5,492	12.13%	6,440	17.26%	
Total Disbursements	10,457	10,242	-2.06%	10,611	3.60%	12,263	15.57%	



401(k) Plan Asset Allocation/Net Cash Flow October 1, 2013 to December 31, 2013

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$108,451,159	\$740,487,353	\$1,882,186,340	\$2,383,439,307	\$1,810,532,755	\$388,229,205	\$4,126,741	\$7,317,452,859
% Assets	1.48%	10.12%	25.72%	32.57%	24.74%	5.31%	0.06%	100.00%
Total Contributions	\$7,194,694	\$18,656,632	\$31,150,083	\$32,960,098	\$14,884,030	\$809,337	\$404,818	\$106,059,692
Rollovers In	\$138,408	\$955,943	\$2,067,976	\$5,158,485	\$4,600,534	\$3,155,971	\$745,829	\$16,823,145
Total Distributions including:	(\$883,726)	(\$5,245,879)	(\$11,033,869)	(\$23,158,689)	(\$36,142,512)	(\$10,775,530)	(\$1,416)	(\$87,241,621)
Rollovers Out	(\$183,984)	(\$2,171,151)	(\$5,451,451)	(\$14,512,354)	(\$23,195,473)	(\$1,996,776)	\$0	(\$47,511,188)
Cash Distributions	(\$699,742)	(\$3,074,729)	(\$5,582,418)	(\$8,646,335)	(\$12,947,039)	(\$8,778,754)	(\$1,416)	(\$39,730,433)
Net Cash Flow	\$6,449,376	\$14,366,695	\$22,184,190	\$14,959,894	(\$16,657,947)	(\$6,810,222)	\$1,149,230	\$35,641,216
Total Unique Participants	19,149	48,479	67,483	62,809	36,521	7,029	1,540	243,010
Avg. Account Balance	\$5,664	\$15,274	\$27,891	\$37,947	\$49,575	\$55,232	\$2,680	\$30,112
Prudential Participant Avg. Account Balance	\$7,148	\$24,692	\$52,376	\$79,003	\$95,832	\$107,210	\$3,062	\$56,487

401(k) Plan Asset Allocation/Net Cash Flow January 1, 2013 to December 31, 2013

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$108,451,159	\$740,487,353	\$1,882,186,340	\$2,383,439,307	\$1,810,532,755	\$388,229,205	\$4,126,741	\$7,317,452,859
% Assets	1.48%	10.12%	25.72%	32.57%	24.74%	5.31%	0.06%	100.00%
Total Contributions	\$27,960,541	\$73,139,195	\$119,683,726	\$126,625,001	\$58,892,842	\$3,110,504	\$1,508,501	\$410,920,311
Rollovers In	\$877,272	\$5,059,561	\$10,386,116	\$20,051,989	\$20,369,287	\$4,588,462	\$884,029	\$62,216,716
Total Distributions including:	(\$4,001,670)	(\$20,509,267)	(\$40,938,234)	(\$99,155,732)	(\$148,063,888)	(\$31,877,406)	(\$16,231)	(\$344,562,427)
Rollovers Out	(\$1,158,433)	(\$8,113,794)	(\$19,757,598)	(\$58,195,686)	(\$89,519,246)	(\$11,889,418)	\$0	(\$188,634,176)
Cash Distributions	(\$2,843,236)	(\$12,395,473)	(\$21,180,636)	(\$40,960,046)	(\$58,544,642)	(\$19,987,988)	(\$16,231)	(\$155,928,251)
Net Cash Flow	\$24,836,143	\$57,689,490	\$89,131,608	\$47,521,259	(\$68,801,758)	(\$24,178,440)	\$2,376,299	\$128,574,600
Total Unique Participants	19,149	48,479	67,483	62,809	36,521	7,029	1,540	243,010
Avg. Account Balance	\$5,664	\$15,274	\$27,891	\$37,947	\$49,575	\$55,232	\$2,680	\$30,112
Prudential Participant Avg. Account Balance	\$7,148	\$24,692	\$52,376	\$79,003	\$95,832	\$107,210	\$3,062	\$56, <i>4</i> 87

*Prudential's Defined Contribution book of business averages.



457 Plan Asset Allocation/Net Cash Flow October 1, 2013 to December 31, 2013

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$4,273,738	\$32,376,888	\$133,290,817	\$293,938,657	\$407,748,382	\$204,535,845	\$246,984	\$1,076,411,310
% Assets	0.40%	3.01%	12.38%	27.31%	37.88%	19.00%	0.02%	100.00%
Total Contributions	\$498,568	\$1,563,879	\$3,387,715	\$5,064,216	\$3,053,606	\$385,602	\$34,332	\$13,987,919
Rollovers In	\$38,561	\$65,206	\$416,781	\$956,045	\$1,163,253	\$461,608	\$48,367	\$3,149,821
Total Distributions including:	(\$30,911)	(\$252,116)	(\$676,273)	(\$2,094,683)	(\$6,155,317)	(\$6,068,550)	\$0	(\$15,277,851)
Rollovers Out	(\$276)	(\$55,737)	(\$140,737)	(\$837,044)	(\$4,346,563)	(\$1,042,500)	\$0	(\$6,422,857)
Cash Distributions	(\$30,635)	(\$196,380)	(\$535,536)	(\$1,257,638)	(\$1,808,754)	(\$5,026,050)	\$0	(\$8,854,994)
Net Cash Flow	\$506,218	\$1,376,969	\$3,128,222	\$3,925,579	(\$1,938,459)	(\$5,221,340)	\$82,699	\$1,859,888
Total Unique Participants	4,317	9,028	12,810	12,575	7,430	2,051	173	48,384
Avg. Account Balance	\$990	\$3,586	\$10,405	\$23,375	\$54,879	\$99,725	\$1,428	\$22,247
Prudential Participant Avg. Account Balance	\$7,148	\$24,692	\$52,376	\$79,003	\$95,832	\$107,210	\$3,062	\$56,487

457 Plan Asset Allocation/Net Cash Flow January 1, 2013 to December 31, 2013

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$4,273,738	\$32,376,888	\$133,290,817	\$293,938,657	\$407,748,382	\$204,535,845	\$246,984	\$1,076,411,310
% Assets	0.40%	3.01%	12.38%	27.31%	37.88%	19.00%	0.02%	100.00%
Total Contributions	\$1,812,294	\$5,855,650	\$13,003,527	\$20,619,781	\$12,075,933	\$1,451,577	\$90,518	\$54,909,280
Rollovers In	\$92,206	\$398,614	\$1,363,132	\$3,407,963	\$4,602,963	\$1,924,923	\$69,565	\$11,859,364
Total Distributions including:	(\$181,280)	(\$964,613)	(\$2,497,707)	(\$9,224,511)	(\$24,201,290)	(\$16,113,301)	\$0	(\$53,182,701)
Rollovers Out	(\$52,929)	(\$343,103)	(\$983,898)	(\$4,099,515)	(\$15,860,260)	(\$5,918,834)	\$0	(\$27,258,539)
Cash Distributions	(\$128,351)	(\$621,510)	(\$1,513,809)	(\$5,124,996)	(\$8,341,030)	(\$10,194,467)	\$0	(\$25,924,162)
Net Cash Flow	\$1,723,219	\$5,289,652	\$11,868,951	\$14,803,233	(\$7,522,394)	(\$12,736,801)	\$160,083	\$13,585,943
Total Unique Participants	4,317	9,028	12,810	12,575	7,430	2,051	173	48,384
Avg. Account Balance	\$990	\$3,586	\$10,405	\$23,375	\$54,879	\$99,725	\$1,428	\$22,247
Prudential Participant Avg. Account Balance	\$7,148	\$24,692	\$52,376	\$79,003	\$95,832	\$107,210	\$3,062	\$56,487

*Prudential's Defined Contribution book of business averages.



401(k) Plan Retirement Preparation Analysis

Retirement Income Calculator (RIC) Utilization	10/1/2013 - 12/31/2013
Participants Increasing Deferral Percentage	718
Average Deferral Change	5.19%
Average Annualized Dollar Increase	\$2,309
% of Participants Increasing After Utilizing RIC	15.44%
Participants Decreasing Deferral Percentage	214
Average Deferral Change	-14.44%
Average Annualized Dollar Decrease	-\$5,006
% of Participants Decreasing After Utilizing RIC	4.60%

Participant Age Range	Ppts Utilizing RIC	% of RIC Utilization
Age 18-29	378	8.13%
Age 30-39	929	19.97%
Age 40-49	1,363	29.31%
Age 50-59	1,430	30.75%
Age 60-69	526	11.31%
Age 70+	25	0.54%
Grand Total	4,651	100.00%

Retirement Income Calculator (RIC) Utilization	1/1/2013 - 12/31/2013
Participants Increasing Deferral Percentage	2,173
Average Deferral Change	5.03%
Average Annualized Dollar Increase	\$2,288
% of Participants Increasing After Utilizing RIC	15.07%
Participants Decreasing Deferral Percentage	530
Average Deferral Change	-11.04%
Average Annualized Dollar Decrease	-\$4,384
% of Participants Decreasing After Utilizing RIC	3.68%

Participant Age Range	Ppts Utilizing RIC	% of RIC Utilization
Age 18-29	1,168	8.10%
Age 30-39	2,665	18.49%
Age 40-49	4,008	27.80%
Age 50-59	4,673	32.42%
Age 60-69	1,848	12.82%
Age 70+	54	0.37%
Grand Total	14,416	100.00%

"According to (a) study, currently **56% of the world's working population** is not preparing adequately for a comfortable retirement, with **1 in 5 (19%) saving nothing at all**".

Source: BHSBS's The Future of Retirement: http://www.hsbc.com/1/2/retirement/futire-of-retirement, February 20, 2013



457 Plan Retirement Preparation Analysis

Retirement Income Calculator (RIC) Utilization	10/1/2013 - 12/31/2013
Participants Increasing Deferral Percentage	155
Average Deferral Change	4.16%
Average Annualized Dollar Increase	\$2,205
% of Participants Increasing After Utilizing RIC	13.98%
Participants Decreasing Deferral Percentage	62
Average Deferral Change	-12.54%
Average Annualized Dollar Decrease	-\$6,082
% of Participants Decreasing After Utilizing RIC	5.59%

Participant Age Range	Ppts Utilizing RIC	% of RIC Utilization
Age 18-29	107	9.65%
Age 30-39	201	18.12%
Age 40-49	347	31.29%
Age 50-59	326	29.40%
Age 60-69	121	10.91%
Age 70+	7	0.63%
Grand Total	1,109	100.00%

Retirement Income Calculator (RIC) Utilization	1/1/2013 - 12/31/2013
Participants Increasing Deferral Percentage	451
Average Deferral Change	5.30%
Average Annualized Dollar Increase	\$2,344
% of Participants Increasing After Utilizing RIC	14.29%
Participants Decreasing Deferral Percentage	150
Average Deferral Change	-10.51%
Average Annualized Dollar Decrease	-\$4,971
% of Participants Decreasing After Utilizing RIC	4.75%

Participant Age Range	Ppts Utilizing RIC	% of RIC Utilization
Age 18-29	311	9.86%
Age 30-39	598	18.95%
Age 40-49	919	29.13%
Age 50-59	963	30.52%
Age 60-69	352	11.16%
Age 70+	12	0.38%
Grand Total	3,155	100.00%

"Almost half of working households will be prepared to retire at age 65. Approximately one quarter of the households will have to work an additional one to three years, while 17% will have to work four to six years beyond 65".

Source: Prudential Research, 'Planning for Retirement: How Much Longer Do We Need to Work, June, 2012.

North Carolina 401k 457

Expense Account Information

401(k) State Account						
Account Activity Date Opening/Closing Balance						
Opening account value	10/1/2013	\$3,009,717.58				
3Q 2013 Separate Account Asset Based Fees	10/11/2013		\$107,210.55			
September 2013 Separate Account Asset Based Fees	10/18/2013		\$118,056.51			
Invoice - Department of State Treasurer	11/8/2013		(\$250,000.00)			
October 2013 Separate Account Asset Based Fees	11/20/2013		\$115,107.58			
November 2013 Separate Account Asset Based Fees	12/17/2013		\$110,346.52			
Miscellaneous Receipt	12/23/2013		\$44,103.26			
Invoice Payment - Broadridge	12/23/2013		(\$27,818.05)			
Invoice Payment - Broadridge	12/23/2014		(\$49,050.00)			
Gain/loss in account value			\$14,558.43			
Closing Account Value	12/31/2013	\$3,192,232.38				

457 State Account							
Account Activity	Date	Opening/Closing Balance	Debits/Credits				
Opening account value	10/1/2013	\$440,149.40					
September Separate Account Asset Based Fees	10/11/2013		13573.35				
3Q 2013 Separate Account Asset Based Fees	10/18/2013		24669.66				
October 2013 Separate Account Asset Based Fees	11/8/2013		14446.04				
Invoice - Department of Treasury	11/20/2013		(50000.00)				
November 2013 Separate Account Asset Based Fees	12/17/2013		13857.19				
Invoice Payments	12/20/2013		24669.66				
Reimbursement of Invoice Payment	12/24/2013		223.80				
Gain/loss in account value			2040.26				
Closing Account Value	12/31/2013	\$483,629.36					



Participant Service Center Statistics

401(k) & 457 Quarterly Participant Service Center Statistics								
4Q 2010 4Q 2011 4Q 2012 4Q 2013								
Service Center Calls	37,169	36,020	42,680	36,486				
Service Percentage	82.77%	83.53%	89.00%	80.33%				
Average Speed to Answer (seconds)	11 sec	13 sec	12 sec	23 sec				
Abandon Percentage	0.47%	0.60%	0.83%	0.98%				

401(k) & 457 YTD Participant Service Center Statistics								
2010 2011 2012 2013								
Service Center Calls	154,130	155,346	160,130	162,940				
Service Percentage	80.83%	84.07%	85.83%	86.83%				
Average Speed to Answer (seconds)	19 sec	13 sec	14 sec	14 sec				
Abandon Percentage	1.05%	0.52%	0.84%	0.63%				



Retirement Security Education Information

401(k) & 457 Quarterly Retirement Security Education Team Activity								
4Q 2010 4Q 2011 4Q 2012 4Q 2013								
Member Meetings	844	959	1,064	1,074				
Number of Members Attending Meeting	28,536	28,517	33,740	29,402				
Proactive Calls to Employers	737	530	584	586				

401(k) & 457 YTD Retirement Security Education Team Activity								
2010 2011 2012 2013								
Member Meetings	3,977	4,345	4,802	5,008				
Number of Members Attending Meeting	106,004	102,707	112,548	108,729				
Proactive Calls to Employers	3,486	2,630	2,361	2,409				

401(k) & 457 Retirement Security Education Team Survey Results							
667 Surveys Returned	1	2	3	4	5	6	7
Presenter's explanation of the benefits of the Plan(s)	0%	0%	0%	0%	4%	17%	79%
Presenter's clarity in response to questions	0%	0%	0%	1%	3%	13%	83%
Length of presentation	0%	0%	0%	1%	4%	17%	78%
Did the presentation increase your aw areness of the importance of saving for your retirement?				Yes	No		
				99%	1%		

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



Employers Adjusting their Contribution or Match to the 401(k) Plan in 2013

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

Guilford County went from a 5% across the board ER contribution to a 5% match.

Town of Lake Lure changed their current employer contribution from 5% for all eligible general employees to 5% employer match. Town of Nags Head changed their current employer contribution from 1% for all eligible general employees to 2% employer match.

401(k) Employers Increasing Employer Contribution

Person County increasing their employer contribution from 3.5% to 5%. Robeson Housing Authority increased their employer contribution for all general employees from 2% to 3% across the board. Town of Butner increasing their employer contribution from 4% to 5%. Town of Wade increasing their employer contribution from 2.2% to 3.5%. Town of China Grove increasing their employer contribution from 4% to 5%.

401(k) Employers Adding An Employer Match

Benson Housing Authority added an employer match. Will match employee deferral up to 2%. Orange County is adding a \$50 match, in addition to the \$27.50 employer contribution.

401(k) Employers Adding An Employer Contribution

East Spencer Housing Authority approved an employer contribution of 3% for all eligible employees. Town of Elm City added a 5 % employer contribution. Willow Oak Montessori School adding 5% employer contribution across the board.


Employers Adopting the 401(k) Plan in 2013

Municipalities Town of Elm City Town of Hobgood Schools Corvian Community School

> **County** Hoke County ABC

Other Benson Housing Authority East Spencer Housing Authority Smithfield Housing Authority



Employers Adding an Employer Contribution to the 457 Plan in 2013

457 Employers Adding an Employer Contribution Town of Momeyer added a 2% employer contribution.

457 Additions					
Employer Type	2010	2011	2012	2013	# of Eligible
CHARTER SCHOOL	2	6	3	5	565
COMMUNITY COLLEGE	2	6	10	3	5,770
COUNTY	10	10	6	4	20,807
MUNICIPAL	22	14	10	17	9,711
OTHER	12	9	11	13	2,428
SCHOOL	11	13	10	10	56,620



Employers Adopting the 457 Plan in 2013

Charter Schools

Bear Grass Charter Schools Cape Fear Village Montessori, Inc. Charter School Corvian Community School Longleaf School of the Arts Voyager Academy

Schools

Ashe County Schools Beaufort County Schools Bertie County Schools Cherokee County Schools Currituck County Schools Gaston County Schools Johnston County Schools Lee County Schools Surry County Schools **County** Currituck County Gates County Macon County Hoke County ABC

Municipalities

City of Asheboro City of Laurinburg Town of Cornelius Town of Elm City Town of Flon Town of Emerald Isle Town of Franklinton Town of Holly Springs Town of Kill Devil Hills Town of Manteo Town of Momeyer Town of Sandyfield Town of Surf City Town of Wake Forest Town of White Lake Village of Clemmons Village of Misenheimer

Community College

A B Technical Community College College of Albemarle Davidson Community College

Other

Cumberland County ABC Board Benson Housing Authority East Spencer Housing Authority Elizabethtown ABC Hendersonville ABC Martin County Tourism Development Authority NC Board of Law Examiners Smithfield Housing Authority Summerfield Fire District Wilmington International Airport Authority Wilson County ABC Western Highlands Area Authority



Please refer to page 40 for important notes and disclaimers.

Disclosures

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

This information should not be considered an offer or solicitation of securities, insurance products or services. No offer is intended nor should this material be construed as an offer of any product. The information is being presented by us solely in our role as the plan's service provider and or record keeper.

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Prudential's Book of Business averages are as of 12/31/2013.



North Carolina Total Retirement Plans

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Communication Accomplishments 4Q13



NC 401(k) & NC 457 Communication Accomplishments 4Q13



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North Carolina 401k 457

NC 401(k) & NC 457 Communication Accomplishments 4Q13

- 3Q13 Signature Newsletter Mailed
 - 3Q12 Statement Insert
 - 3Q13 Statement Message
 - 3Q13 Signature Newsletter
 - 255,638 total participant statements
 - 158,850 mailed
 - 96,788 electronic









Signature NEWSLETTER

4[™] QUARTER 2013

Resolve to Save More in 2014!

The parties are over... the decorations are put away. That makes this a great time for you to "resolve" to save more in the North Carolina Total Retirement Plans in 2014. For some ideas on how to make it easy to increase your Plan contributions, contact your Regional Retirement Education Manager.



A message from North Carolina's State Treasurer

A few years ago, I took a lesson on kayaking. My instructor gave me a piece of advice that I've remembered ever since on how to best get downstream safely: "Don't look at the rocks." This advice is applicable to investing.

There are plenty of "rocks" – no raises, not sure how to invest, etc. Focus on the positive – the tools you have at your disposal.

That is why I am pleased to introduce the new *NC Total Retirement Plans* logo and brand.

Your defined benefit plan is just one piece of your total financial package. Your 401(k) or 457 plans should not be supplements or add-ons to your savings plan. Your 401(k)/457 plans are an integral part of your retirement savings package that you will need to enjoy your current lifestyle in retirement.

When planning for your future, don't look at what's only in front of you; look years ahead, look at your surroundings so you can plan appropriately.

In this newsletter, you will find useful information about the income options available with your NC 401(k) and NC 457 plans, and questions to consider when designating or updating a beneficiary. You will also meet Gene Hamilton, one of three new Supplemental Retirement board members.

We hope that you find the newsletter content useful in your long-term planning. Let your 2014 resolution be a new way to think about how you enhance your retirement savings plan. Think about the long-term and the total picture – *NC Total Retirement Plans.*

Sincerely,

Janet Cowell, State Treasurer

In this issue...

Supplemental Retirement Plans? Income Options During Retirement Beneficiary Spotlight

Supplemental Retirement Plans? No More!

Meet the State of North Carolina Total Retirement Plans

The North Carolina Supplemental Retirement Plans have a new look – and a new name! Now called the North Carolina Total Retirement Plans, the NC 401(k), NC 457 and NC 403(b) Plans also have a new visual identity – or "branding." The Plans' new logo was inspired by the stunning natural scenery of our state (including our gorgeous mountains, forests and unspoiled beaches).

Former logo



New logo







This new branding also symbolizes the State Retirement System's efforts to bring together all the resources public employees need to plan for a successful retirement.

Why are the Plans now referred to as the North Carolina Total Retirement Plans?

Previously, the NC 401(k), NC 457 and NC 403(b) Plans were considered to be supplements to the State's pension plan. Over the years, however, these plans have become increasingly important in helping public employees prepare for a more secure retirement. That's why they are now part of the State's "Total Retirement Plans."

This new look is being implemented in a staged approach. By the end of 2014, it will appear in all Plan-related communication.



Income Options During Retirement

Have you thought about converting your savings into income? The good news is you have several options available, and it's never too soon to start thinking about how you may generate retirement income.

With the **Transfer Benefit**, you can receive an additional income stream from North Carolina's Teachers' and State Employees' Retirement System (TSERS) or Local Governmental Employees' Retirement System (LGERS) by transferring some or all of your NC 401(k) or NC 457 Plan balance into TSERS or LGERS.

Another income generation option is **Systematic Payments**, which enables you to use part or all of your pre-tax or Roth Plan balance to generate monthly, quarterly, semiannual or annual payments.

Guarantees are based on the claims-paying ability of the insurance company and are subject to certain limitations, terms and conditions.

Features	Transfer Benefit	Systematic Payments
Available in Plan(s)	NC 401(k), NC 457	NC 401(k), NC 457
Ability to change election?	No. Irrevocable; one-time transfer only.	Yes. May stop at any time.
Payment amounts backed by a guarantee	Yes	No
Elect amount to include	Some or all of pre-tax balance, including rollovers	Some or all of your pre-tax and/or Roth balances
When you can make	Upon retirement	At any time after separation from service
an election		(NC 401(k) Plan only: May also elect after age 59½ while employed)
Include spousal benefit?	Yes, selected up front	No (unpaid systematic payments at the time of the member's death will be paid to the designated beneficiary)
Cost-of-living adjustment?	Both COLA and non-COLA adjustments available	No, but amount of benefit can change if paid out over a specific period of time
Payment options	Payments made monthly	Payments made monthly, quarterly, semiannually or annually
Funds selected still invested in your NC 401(k)/457 Plan account?	No. Amount elected moved into TSERS/LGERS.	Yes
Additional information	 www.nclifetimeincome.org Regional Retirement Education Manager SECU 1-888-732-8562, Press "3" 	 Regional Retirement Education Manager 1-866-NCPlans (1-866-627-5267)

Beneficiary

[ben-uh-fish-ee-er-ee] noun

The person or persons (or even a legal entity, such as a trust) designated to receive the money in your Plan account(s) in the event of your death.

Beneficiary: Questions To Ask Yourself

Is it time to update my beneficiary?

You know how important it is to plan for retirement. Chances are, at least once a year, you consider where you are in your retirement planning journey and make the appropriate adjustments to your contribution levels or investments. But while you are doing that, it's also important to **check your beneficiary designation**.

When should I review mine?

Life has a way of changing, and that's why it's important to review your beneficiary designation regularly. Perhaps you've married or divorced, or there's a new child or grandchild in your life. All of these life events can affect your beneficiary designation.

What should I do?

• Review beneficiary choices by logging in

Log in to your retirement account by visiting **www.NCPlans.prudential.com** and click on "View Details," then "Personal Information" on the left-hand navigation bar.

• Make any necessary beneficiary changes or selections by form

Go to **www.NCPlans.prudential.com** and download a Beneficiary Designation form from the "Forms" portion of the "Already a Member" section. Click on the plan specific "Forms" link. Follow the instructions on the "Beneficiary Designation" form.

2014 Plan Contribution Limits

In 2014, the following contribution limits are in effect for each of the Plans:

- NC 401(k) Plan: \$17,500 (plus an additional \$5,500 if you are 50 years of age or older by December 31)
- NC 457 Plan: \$17,500 (plus an additional \$5,500 if you are 50 years of age or older by December 31)

A Trip Down "Memory Lane": Plan Branding Over the Years









SPOTLIGHT



Gene Hamilton Trustee Supplemental Retirement Board

The Supplemental Retirement Board of Trustees welcomes Gene Hamilton, appointed to the Board by the Governor. Gene has been a financial advisor for Edward Jones in Conover since 1987, when he moved to North Carolina.

"I'm honored to be on the board, and I'm pleased with what I've seen so far with the North Carolina Retirement Systems," he said.

Hailing from Macomb, IL, Gene owned an office furniture business for 18 years. He also taught high school chemistry and physics for one year. Gene is no stranger to public service. He was president of Western Illinois University's Alumni Association and served on the WIU Foundation Board. He also served on the Macomb School Board and on the Board of Commissioners for McDonough County, Illinois. In Conover, he was a city councilman. Gene has a BS in chemistry with minors in physics and math from Western Illinois University. Periodically he taught in the business school there. At Edward Jones he offers financial advice for individuals and small businesses and enjoys conducting investment seminars for county employees in Conover.

"I've been through a lot of ups and downs and don't get rattled by the market," he said. In addition, he'd like to make it easier for teachers to have more access to their accounts and see that they're getting good investments for low fees.

Contact the Supplemental Retirement Board of Trustees at supplementalboard@nctreasurer.com.



NC Plans Processing Center • P.O. Box 5340 • Scranton, PA 18505

PRUDENTIAL RETIREMENT PRSD7132

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