

North Carolina Supplemental Retirement Plans

1Q 2013 Board of Trustees Report

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

On: June 5, 2013

As Of: March 31, 2013

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



Table of Contents

	Page
• NC 401(k) & 457 Deferred Compensation Plan Results	3
• Participant Service & Retirement Security Education Activity	24
• Employers Adopting 457/401(k) Plan	25
• Communication Accomplishments	28
• 4Q Signature Newsletter	31

2012-2013 401(k) Goal Results

- Increase use of GoalMaker® utilization among new members to 89% – 87.30% as of March 31, 2013
- Increase use of GoalMaker® utilization among members to 50% – 50.75% as of March 31, 2013
- Increase the average monthly employee deferral \$208 monthly – the average monthly employee deferral for the 1st Quarter \$175
- Increase active participation to 19.8% - 28.97% for the 1st Quarter

2012/2013 457 Goal Results

- Increase use of GoalMaker® utilization among new members to 89% – 89.49% as of March 31, 2013
- Increase use of GoalMaker® utilization among members to 42% – 47.08% as of March 31, 2013
- Increase the average monthly employee deferral \$180 monthly – the average monthly employee deferral for the 1st Quarter \$162
- Increase active participation to 13.2% – 10.57% for the 1st Quarter
- 14 employers adopted the 457 Plan in 2013

North Carolina Supplemental Retirement Plans

Asset Allocation By Fund 401(k) Plan

Investment Option	# Participants Utilizing				# Participants Utilizing				# Participants Utilizing			
	3/31/2010	%	3/31/2010	3/31/2011	%	3/31/2011	3/31/2012	%	3/31/2012	3/31/2013	%	3/31/2013
NC STABLE VALUE-401K	\$1,476,651,075	31.57%	154,500	\$1,629,191,474	30.03%	159,777	\$1,728,755,071	29.86%	164,738	\$1,851,752,222	28.67%	174,640
PRUDENTIAL STABLE VALUE FUND	\$11,669	0.00%	8	\$25,405	0.00%	3	\$0	0.00%	0	\$0	0.00%	0
FIDELITY INTERMEDIATE BOND FUND	\$7,738,981	0.17%	973	\$6,977,879	0.13%	856	\$0	0.00%	0	\$0	0.00%	0
NORTH CAROLINA FIXED INCOME FUND	\$382,392,391	8.17%	128,606	\$334,922,284	6.17%	136,296	\$399,431,151	6.90%	123,824	\$461,236,753	7.14%	134,356
NORTH CAROLINA FIXED INCOME INDEX	\$0	0.00%	0	\$117,798,014	2.17%	98,235	\$194,343,596	3.36%	89,817	\$236,089,249	3.65%	101,754
FIDELITY BALANCED FUND	\$233,039	0.00%	26	\$171,153	0.00%	20	\$0	0.00%	0	\$0	0.00%	0
FIDELITY FREEDOM 2000	\$2,045	0.00%	1	\$2,195	0.00%	1	\$0	0.00%	0	\$0	0.00%	0
FIDELITY FREEDOM 2010	\$7,422	0.00%	2	\$8,297	0.00%	2	\$0	0.00%	0	\$0	0.00%	0
FIDELITY FREEDOM 2020	\$2,688	0.00%	2	\$2,894	0.00%	2	\$0	0.00%	0	\$0	0.00%	0
FIDELITY FREEDOM INCOME	\$1,430	0.00%	1	\$0	0.00%	0	\$0	0.00%	0	\$0	0.00%	0
INVESCO VAN KAMPEN EQUITY AND INCOME FUND A	\$0	0.00%	0	\$8,708,805	0.16%	926	\$0	0.00%	0	\$0	0.00%	0
VAN KAMPEN EQUITY AND INCOME FUND	\$9,552,779	0.20%	1,065	\$0	0.00%	0	\$0	0.00%	0	\$0	0.00%	0
AMERICAN FUNDS GROWTH FUND OF AMER R4	\$19,803,126	0.42%	1,809	\$18,411,457	0.34%	1,583	\$0	0.00%	0	\$0	0.00%	0
FEDERATED CAPITAL APPRECIATION FUND	\$3,648	0.00%	3	\$3,053	0.00%	2	\$0	0.00%	0	\$0	0.00%	0
FIDELITY EQUITY INCOME FUND	\$2,210,415	0.05%	85	\$2,432,144	0.04%	79	\$0	0.00%	0	\$0	0.00%	0
FIDELITY MAGELLAN FUND	\$7,110,931	0.15%	201	\$6,928,298	0.13%	183	\$0	0.00%	0	\$0	0.00%	0
FIDELITY SPARTAN U.S. EQUITY INDEX	\$1,018,569	0.02%	59	\$1,132,120	0.02%	57	\$0	0.00%	0	\$0	0.00%	0
INVESCO VAN KAMPEN GROWTH & INCOME FUND A	\$0	0.00%	0	\$17,252,762	0.32%	1,471	\$0	0.00%	0	\$0	0.00%	0
NORTH CAROLINA LARGE CAP GROWTH FUND	\$518,905,509	11.09%	157,630	\$637,489,589	11.75%	163,731	\$620,741,277	10.72%	168,534	\$650,432,188	10.07%	179,994
NORTH CAROLINA LARGE CAP INDEX FUND	\$834,399,625	17.84%	160,831	\$969,792,622	17.87%	166,400	\$905,264,658	15.64%	170,736	\$1,014,520,899	15.71%	182,652
NORTH CAROLINA LARGE CAP VALUE FUND	\$574,841,224	12.29%	158,962	\$650,281,457	11.99%	164,665	\$612,868,647	10.59%	169,255	\$688,946,427	10.67%	181,047
PUTNAM MULTI-CAP GROWTH FUND	\$0	0.00%	0	\$279,697	0.01%	37	\$0	0.00%	0	\$0	0.00%	0
PUTNAM NEW OPPORTUNITIES FUND	\$242,499	0.01%	38	\$0	0.00%	0	\$0	0.00%	0	\$0	0.00%	0
VAN KAMPEN GROWTH & INCOME FUND	\$18,241,003	0.39%	1,660	\$0	0.00%	0	\$0	0.00%	0	\$0	0.00%	0
VANGUARD EQUITY INDEX PORTFOLIO	\$392	0.00%	2	\$0	0.00%	0	\$0	0.00%	0	\$0	0.00%	0
GOLDMAN SACHS MID CAP VALUE FUND A	\$6,561,569	0.14%	1,028	\$6,300,705	0.12%	877	\$0	0.00%	0	\$0	0.00%	0
BB&T STERLING CAPITAL SMALL CAP VALUE CLASS I	\$101,766	0.00%	24	\$0	0.00%	0	\$0	0.00%	0	\$0	0.00%	0
BB&T STERLING CAPITAL SMALL CAP VALUE L	\$0	0.00%	0	\$99,380	0.00%	22	\$0	0.00%	0	\$0	0.00%	0
NORTH CAROLINA SMID CAP INDEX FUND	\$209,367,722	4.48%	115,775	\$270,991,657	4.99%	124,572	\$316,173,351	5.46%	131,914	\$373,501,268	5.78%	144,091
NORTH CAROLINA SMID GROWTH FUND	\$63,538,216	1.36%	91,424	\$85,874,924	1.58%	102,192	\$99,269,801	1.71%	111,164	\$119,392,015	1.85%	123,851
NORTH CAROLINA SMID VALUE FUND	\$123,415,358	2.64%	104,238	\$157,263,602	2.90%	113,747	\$168,964,055	2.92%	121,677	\$202,427,679	3.13%	134,134
OPPENHEIMER MAIN STREET SMALL & MID CAP A	\$6,835,533	0.15%	1,105	\$6,714,857	0.12%	946	\$0	0.00%	0	\$0	0.00%	0
PUTNAM CAPITAL OPPORTUNITIES FUND	\$4,377	0.00%	3	\$5,507	0.00%	3	\$0	0.00%	0	\$0	0.00%	0
AMERICAN FUNDS EUROPA PACIFIC GROWTH FUND R4	\$15,330,567	0.33%	1,382	\$13,406,129	0.25%	1,184	\$0	0.00%	0	\$0	0.00%	0
NORTH CAROLINA GLOBAL EQUITY FUND	\$105,518,225	2.26%	91,178	\$136,288,595	2.51%	101,720	\$139,813,168	2.42%	110,524	\$166,907,493	2.58%	123,192
NORTH CAROLINA INTERNATIONAL FUND	\$207,040,950	4.43%	116,108	\$234,712,674	4.33%	124,386	\$360,107,378	6.22%	131,427	\$403,623,031	6.25%	143,365
NORTH CAROLINA INTERNATIONAL INDEX FUND	\$86,722,075	1.85%	91,647	\$111,931,322	2.06%	102,205	\$243,622,676	4.21%	111,080	\$290,905,308	4.50%	123,835
T. ROWE PRICE INTERNATIONAL STOCK FUND	\$190,231	0.00%	17	\$214,274	0.00%	17	\$0	0.00%	0	\$0	0.00%	0
Total Plan Assets	\$4,677,997,050	100.00%		\$5,425,615,227	100.00%		\$5,789,354,828	100.00%		\$6,459,734,532	100.00%	

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



North Carolina Supplemental Retirement Plans

Asset Allocation By Fund 457 Plan

Investment Option	Asset Class			# Participants Utilizing				# Participants Utilizing				# Participants Utilizing	
		3/31/2010	%	3/31/2010	3/31/2011	%	3/31/2011	3/31/2012	%	3/31/2012	3/31/2013	%	3/31/2013
Deferred Compensation Stable Value Fund	Stable Value	\$237,754	0.03%	3	\$0	0.00%	0	\$0	0.00%	0	\$0	0.00%	0
NC STABLE VALUE-457	Stable Value	\$325,290,494	44.03%	25,743	\$345,562,106	41.66%	28,357	\$367,719,372	42.08%	31,856	\$385,588,826	39.99%	36,633
North Carolina Fixed Income Fund	Fixed Income	\$41,052,814	5.56%	11,064	\$43,678,048	5.27%	15,609	\$54,868,424	6.28%	18,838	\$66,358,649	6.88%	24,091
North Carolina Fixed Income Index	Fixed Income	\$0	0.00%	0	\$5,873,039	0.71%	8,497	\$16,153,284	1.85%	12,550	\$20,967,845	2.17%	18,173
PIMCO Total Return Fund Admin	Fixed Income	\$3,096,993	0.42%	223	\$2,615,049	0.32%	192	\$0	0.00%	0	\$0	0.00%	0
American Funds American Balanced A	Balanced	\$1,410,338	0.19%	114	\$1,383,310	0.17%	101	\$0	0.00%	0	\$0	0.00%	0
Dodge & Cox Stock Fund	Large-Cap Stock	\$4,238,962	0.57%	303	\$4,035,537	0.49%	260	\$0	0.00%	0	\$0	0.00%	0
Fidelity Contrafund	Large-Cap Stock	\$7,257,765	0.98%	362	\$7,834,996	0.94%	331	\$0	0.00%	0	\$0	0.00%	0
Fidelity Equity Income Fund	Large-Cap Stock	\$3,496,136	0.47%	190	\$3,560,271	0.43%	174	\$0	0.00%	0	\$0	0.00%	0
North Carolina Large Cap Growth Fund	Large-Cap Stock	\$67,890,356	9.19%	17,680	\$82,561,352	9.95%	21,545	\$86,829,663	9.94%	25,959	\$90,360,139	9.37%	31,842
North Carolina Large Cap Index Fund	Large-Cap Stock	\$83,283,377	11.27%	12,719	\$95,514,679	11.51%	17,090	\$102,747,437	11.76%	22,019	\$113,746,990	11.80%	28,165
North Carolina Large Cap Value Fund	Large-Cap Stock	\$69,879,909	9.46%	17,342	\$78,280,046	9.44%	21,089	\$80,377,486	9.20%	25,494	\$91,058,636	9.44%	31,380
T. Rowe Price Blue Chip Growth Fund	Large-Cap Stock	\$3,019,052	0.41%	266	\$3,033,175	0.37%	229	\$0	0.00%	0	\$0	0.00%	0
Artisan Mid Cap Fund Inv	Mid-Cap Stock	\$1,574,152	0.21%	196	\$1,867,392	0.23%	170	\$0	0.00%	0	\$0	0.00%	0
Lord Abbett Mid Cap Value Fund	Mid-Cap Stock	\$1,152,334	0.16%	197	\$1,083,316	0.13%	166	\$0	0.00%	0	\$0	0.00%	0
Baron Small Cap	Small-Cap Stock	\$789,799	0.11%	137	\$684,951	0.08%	112	\$0	0.00%	0	\$0	0.00%	0
North Carolina SMID Cap Index Fund	Small-Cap Stock	\$5,232,320	0.71%	3,507	\$10,019,108	1.21%	9,086	\$14,220,105	1.63%	14,787	\$19,238,133	2.00%	21,301
North Carolina SMID Growth Fund	Small-Cap Stock	\$23,272,339	3.15%	13,769	\$29,215,606	3.52%	17,907	\$31,042,137	3.55%	22,546	\$35,681,786	3.70%	28,457
North Carolina SMID Value Fund	Small-Cap Stock	\$39,420,112	5.34%	14,308	\$47,283,659	5.70%	18,377	\$48,514,914	5.55%	22,989	\$57,042,013	5.92%	28,930
T. Rowe Price Small-Cap Value	Small-Cap Stock	\$2,175,491	0.29%	248	\$2,398,213	0.29%	208	\$0	0.00%	0	\$0	0.00%	0
American Funds EuroPacific Growth Fund A	Global/Intl Stock	\$4,188,722	0.57%	343	\$3,918,210	0.47%	296	\$0	0.00%	0	\$0	0.00%	0
North Carolina Global Equity Fund	Global/Intl Stock	\$2,903,635	0.39%	3,355	\$6,178,791	0.74%	8,827	\$7,957,275	0.91%	14,475	\$11,148,548	1.16%	20,935
North Carolina International Fund	Global/Intl Stock	\$43,630,701	5.91%	15,071	\$45,971,015	5.54%	18,941	\$49,931,323	5.71%	23,465	\$54,183,082	5.62%	29,358
North Carolina International Index Fund	Global/Intl Stock	\$4,277,884	0.58%	3,510	\$6,941,111	0.84%	8,999	\$13,546,207	1.55%	14,650	\$18,907,693	1.96%	21,131
Total Plan Assets		\$738,771,440	100.00%		\$829,492,981	100.00%		\$873,907,626	100.00%		\$964,282,341	100.00%	

The funds highlighted in yellow denote inclusion in the GoalMaker product.

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



North Carolina Supplemental Retirement Plans

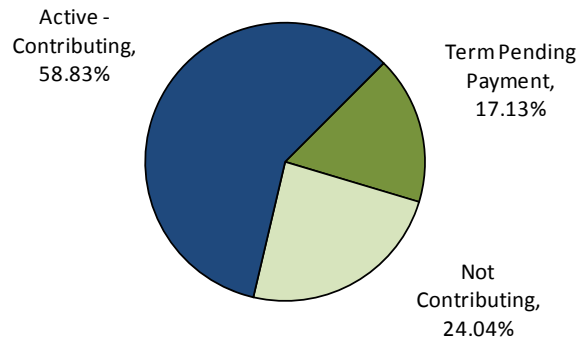
401(k) Plan

	1Q 2012	1Q 2013	Difference #	Difference %
Members with an Account Balance	226,768	235,260	8,492	3.74%
Average Account Balance	\$25,529	\$27,458	\$1,929	7.56%
Median Account Balance	\$9,770	\$9,313	(\$457)	-4.67%

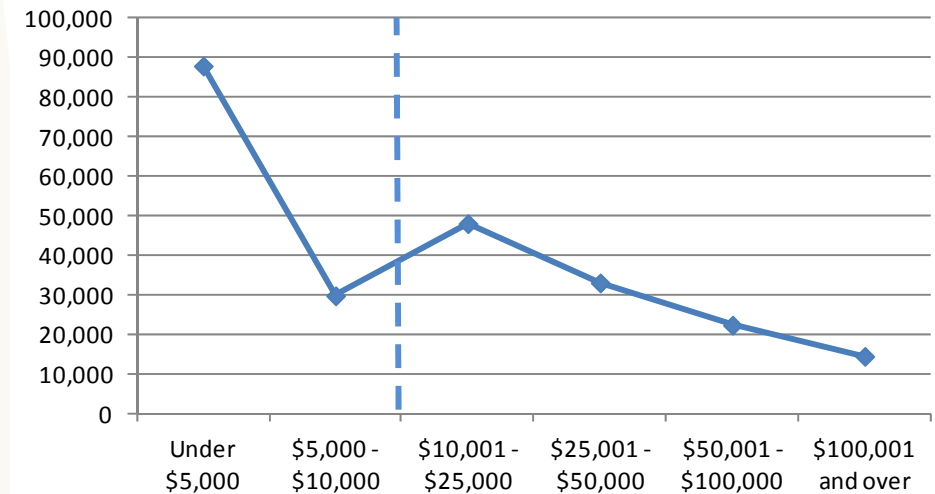
401(k) Plan Percentage Gain

	Assets (3/31/2012)	Contributions	Distributions	Earnings	Assets (3/31/2013)	Percentage Gain
NC 401(k) Plan	\$5,789,354,828	\$449,043,654	\$296,745,127	\$518,081,177	\$6,459,734,532	8.72%

401(k) Member Breakdown



of Members



Member breakdown reflects status on recordkeeping system updated from limited indicative data received from employers which may cause the active status to be inflated.

North Carolina Supplemental Retirement Plans

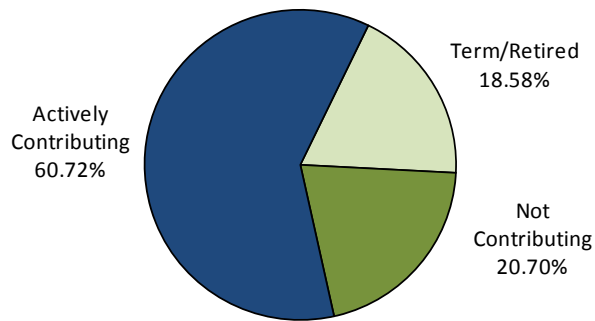
457 Plan

	1Q 2012	1Q 2013	Difference #	Difference %
Members with an Account Balance	37,294	42,937	5,643	15.13%
Average Account Balance	\$23,433	\$22,458	(\$975)	-4.16%
Median Account Balance	\$3,919	\$2,220	(\$1,699)	-43.36%

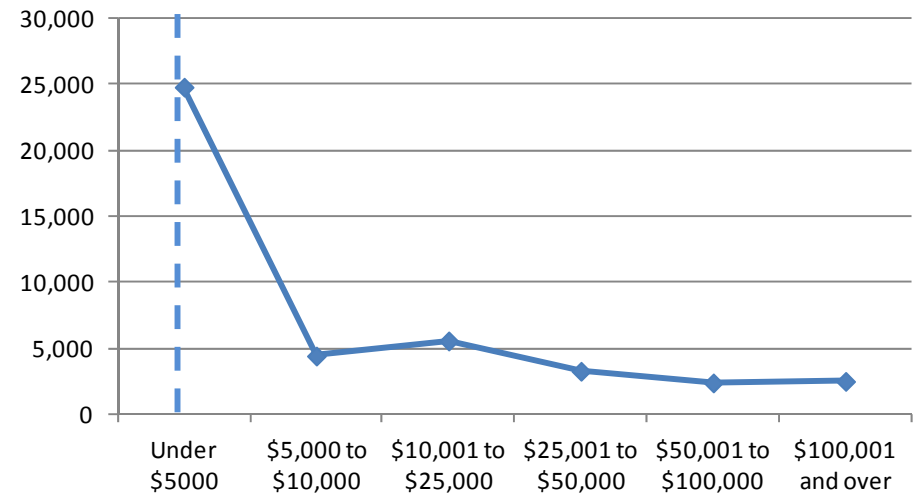
457 Plan Percentage Gain

	Assets (3/31/2012)	Contributions	Distributions	Earnings	Assets (3/31/2013)	Percentage Gain
NC 457 Plan	\$873,907,626	\$63,531,480	\$47,666,190	\$74,509,425	\$964,282,341	8.37%

457 Member Breakdown



of Members



Member breakdown reflects status on recordkeeping system updated from limited indicative data received from employers which may cause the active status to be inflated.

North Carolina Supplemental Retirement Plans

401(k) Plan Quarterly Enrollments & Contribution Changes

	1Q 2010	1Q 2011	1Q 2011 % of Change	1Q 2012	1Q 2012 % of Change	1Q 2013	1Q 2013 % of Change
Enrollments	2,881	3,207	10.17%	3,105	-3.18%	3,780	21.74%
% of New Hires Enrolled in Plan	44.26%	65.61%		60.41%		52.53%	
New Enrollment Average Deferral %	2.89%	3.75%		2.44%		2.83%	
GoalMaker Elections	2,099	2,791	24.79%	2,771	-0.72%	3,300	16.03%
Contribution Changes							
Deferral Decreases	2,937	3,591	18.21%	1,915	-46.67%	2,386	24.60%
Deferral Increases	4,049	5,356	24.40%	5,289	-1.25%	5,965	12.78%
Voluntary (Employee & Roth) Participation Rate	24.07%	24.20%		25.87%		28.97%	

401(k) Plan Quarterly Enrollments & Contribution Change Method

	1Q 2010	1Q 2011	1Q 2012	1Q 2013
Paper Form	80.07%	78.73%	80.55%	84.36%
Pseudo Enrollment	14.31%	14.43%	13.61%	13.88%
Internet	5.63%	6.84%	5.84%	1.76%
Method of Contribution Change				
Internet	94.16%	87.99%	87.49%	97.79%
Paper Form	2.25%	8.42%	11.18%	1.69%
Participant Service Center	2.79%	2.94%	0.75%	0.16%
VRU	0.80%	0.65%	0.57%	0.37%



North Carolina Supplemental Retirement Plans

457 Plan Quarterly Enrollments & Contribution Changes

	1Q 2010	1Q 2011	1Q 2011 % of Change	1Q 2012	1Q 2012 % of Change	1Q 2013	1Q 2013 % of Change
Enrollments	755	1,515	100.66%	1,453	-4.09%	1,988	36.82%
% of New Hires Enrolled in Plan	23.28%	54.93%		46.71%		27.05%	
Average Deferral %	12.87%	6.58%				5.78%	
GoalMaker Elections	648	1,328	104.94%	1,302	-1.96%	1,779	26.81%
Contribution Changes							
Deferral Decreases	295	301	2.03%	439	45.85%	590	34.40%
Deferral Increases	512	956	86.72%	1,000	4.60%	1,386	38.60%
Voluntary (Employee & Roth) Participation Rate	7.46%	9.51%		10.54%		10.57%	

457 Plan Quarterly Enrollments & Contribution Change Method

	1Q 2010	1Q 2011	1Q 2012	1Q 2013
Method of Enrollment				
Paper Form	89.54%	92.35%	92.42%	84.44%
Pseudo Enrollment	0.53%	0.86%	0.61%	0.64%
Internet	9.93%	6.79%	6.96%	3.07%
Method of Contribution Change				
Internet	95.17%	86.48%	82.49%	97.81%
Paper Form	2.85%	9.23%	16.75%	1.13%
Participant Service Center	1.73%	4.22%	0.56%	0.71%
VRU	0.25%	0.08%	0.21%	0.35%



North Carolina Supplemental Retirement Plans

401(k) Contributions

	1Q 2010	1Q 2011	1Q 2011 Change %	1Q 2012	1Q 2012 Change %	1Q 2013	1Q 2013 Change %
Employee Contributions	\$54,107,659	\$53,021,233	-2.01%	\$54,598,132	2.97%	\$51,553,336	-5.58%
Employer Contributions	\$40,252,697	\$37,249,072	-7.46%	\$40,017,247	7.43%	\$40,257,645	0.60%
Roth	\$4,325,757	\$5,180,389	19.76%	\$6,021,738	16.24%	\$6,720,935	11.61%
Rollovers	\$6,975,372	\$8,312,979	19.18%	\$7,723,031	-7.10%	\$13,032,164	68.74%
Total Contributions	\$105,661,485	\$103,763,674	-1.80%	\$108,360,148	4.43%	\$111,564,080	2.96%
Average Employee Contributions	\$176	\$179	1.70%	\$175	-2.23%	\$186	6.29%
Average Roth Contributions	\$121	\$102	-15.70%	\$97	-4.90%	\$91	-6.19%
Average Voluntary Contributions	\$177	\$173	-2.26%	\$170	-1.73%	\$175	2.94%

457 Contributions

	1Q 2010	1Q 2011	1Q 2011 Change %	1Q 2012	1Q 2012 Change %	1Q 2013	1Q 2013 Change %
Employee Contributions	\$9,927,332	\$10,515,734	5.93%	\$11,222,899	6.72%	\$12,656,416	12.77%
Roth	\$0	\$0	0.00%	\$153,141	0.00%	\$466,259	204.46%
Rollovers	\$1,729,737	\$2,566,877	48.40%	\$3,020,338	17.67%	\$2,434,209	-19.41%
Total Contributions	\$11,657,069	\$13,082,611	12.23%	\$14,396,377	10.04%	\$15,556,884	8.06%
Average Employee Contributions	\$193	\$175	-9.33%	\$165	-5.71%	\$160	-3.03%
Average Roth Contributions	\$0	\$0	0.00%	\$93	0.00%	\$128	37.63%
Average Voluntary Contributions	\$193	\$175	-9.33%	\$162	-7.71%	\$162	0.31%

North Carolina Supplemental Retirement Plans

401(k) GoalMaker Participation

	3/31/2010	3/31/2011	3/31/2012	3/31/2013
Total Plan Assets in GoalMaker	\$1,508,985,525	\$1,926,176,192	\$2,158,835,061	\$2,568,631,493
Total # of Participants in GoalMaker	90,465	100,026	108,066	119,401
% of New Enrollments with GoalMaker Election	72.86%	87.03%	89.24%	87.30%
Total Participation Rate	41.10%	44.66%	47.65%	50.75%
<i>Prudential's Book of Business Avg. Participation Rate*</i>	31.60%	36.07%	39.14%	43.23%
Total % of Assets	32.26%	35.50%	37.29%	39.76%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	4,312	7,786	4,238	16,336
Age 30-39	6,686	14,966	9,754	31,406
Age 40-49	6,995	16,045	9,745	32,785
Age 50-59	7,447	13,604	5,483	26,534
Age 60-69	3,804	4,979	1,962	10,745
Age 70+	351	350	163	864
No DOB	69	617	45	731
Total	29,664	58,347	31,390	119,401

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	\$17,680,861	\$38,509,251	\$33,059,030	\$89,249,142
Age 30-39	\$53,514,564	\$172,965,407	\$180,780,061	\$407,260,032
Age 40-49	\$100,186,695	\$333,802,022	\$332,535,631	\$766,524,348
Age 50-59	\$182,914,495	\$408,093,235	\$235,461,092	\$826,468,822
Age 60-69	\$132,734,160	\$206,870,868	\$96,478,172	\$436,083,200
Age 70+	\$14,059,949	\$18,665,316	\$9,256,403	\$41,981,668
No DOB	\$116,770	\$804,262	\$143,248	\$1,064,280
Total	\$501,207,495	\$1,179,710,361	\$887,713,637	\$2,568,631,493

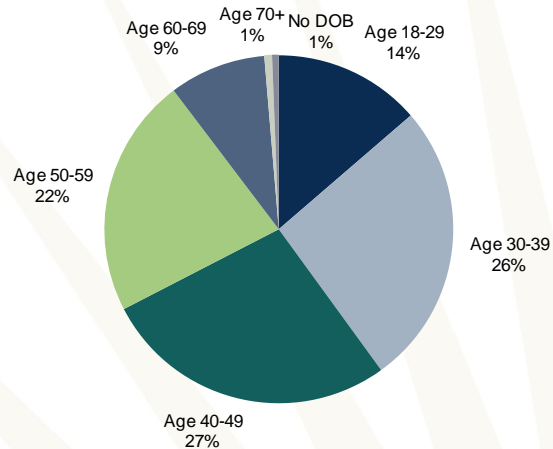
*Prudential's Defined Contribution book of business averages.



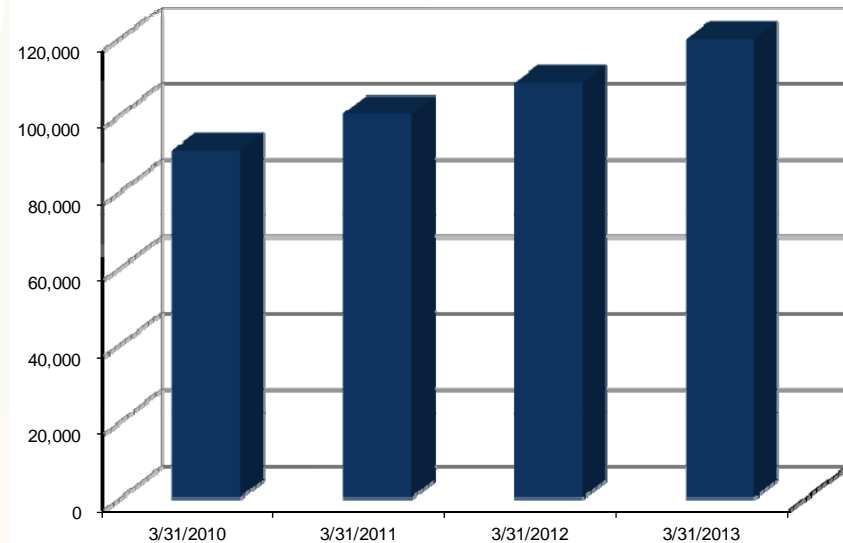
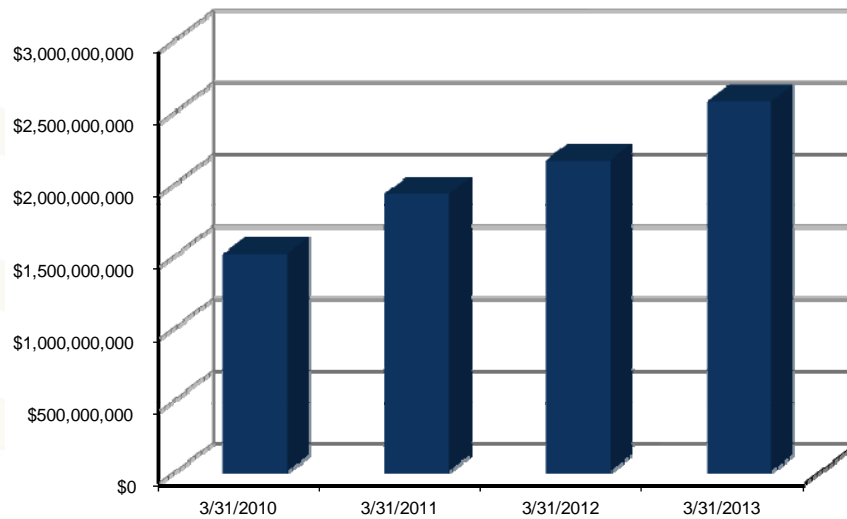
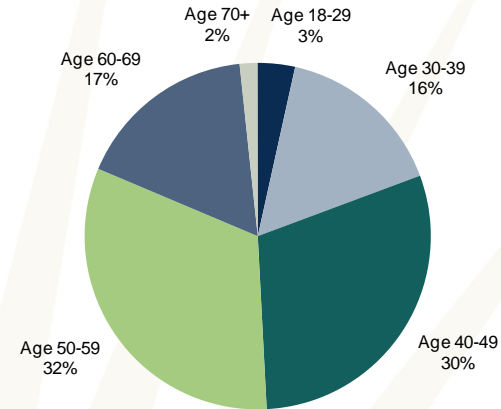
North Carolina Supplemental Retirement Plans

401(k) GoalMaker Participation

Participation by Age Range



Assets by Age Range



North Carolina Supplemental Retirement Plans

457 GoalMaker Participation

	3/31/2010	3/31/2011	3/31/2012	3/31/2013
Total Plan Assets in GoalMaker	\$36,055,470	\$74,359,467	\$109,832,149	\$150,574,417
Total # of Participants in GoalMaker	3,117	8,419	13,934	20,221
% of New Enrollments with GoalMaker Election	85.83%	87.66%	89.61%	89.49%
Total Participation Rate	10.42%	25.37%	37.36%	47.08%
Prudential's Book of Business Avg. Participation Rate*	31.60%	36.07%	39.14%	43.23%
Total % of Assets	4.88%	8.96%	12.57%	15.62%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	926	1,360	796	3,082
Age 30-39	1,412	2,367	1,362	5,141
Age 40-49	1,771	2,860	1,473	6,104
Age 50-59	1,615	2,106	765	4,486
Age 60-69	551	488	171	1,210
Age 70+	42	43	11	96
No DOB	35	55	12	102
Total	6,352	9,279	4,590	20,221

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	\$452,053	\$1,084,246	\$953,384	\$2,489,682
Age 30-39	\$1,493,857	\$4,958,746	\$5,643,609	\$12,096,212
Age 40-49	\$4,891,259	\$15,524,413	\$13,994,804	\$34,410,476
Age 50-59	\$13,309,315	\$25,075,062	\$13,413,600	\$51,797,977
Age 60-69	\$14,490,807	\$18,766,916	\$7,441,297	\$40,699,020
Age 70+	\$3,352,973	\$4,304,167	\$1,276,691	\$8,933,831
No DOB	\$44,342	\$99,223	\$3,654	\$147,219
Total	\$38,034,605	\$69,812,773	\$42,727,038	\$150,574,417

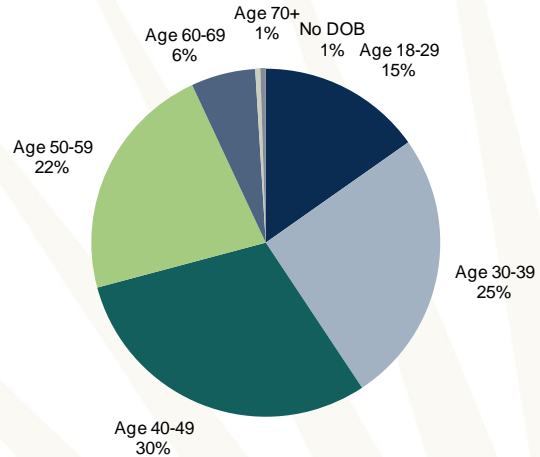
*Prudential's Defined Contribution book of business averages..



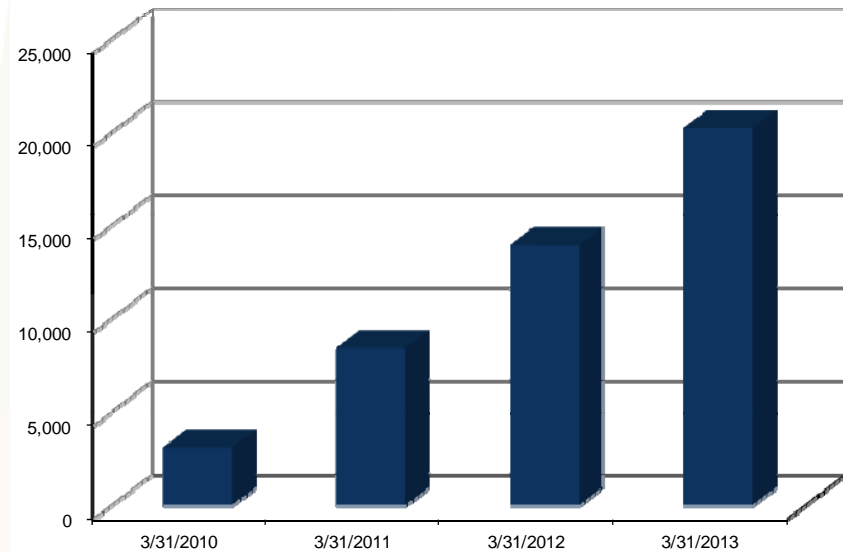
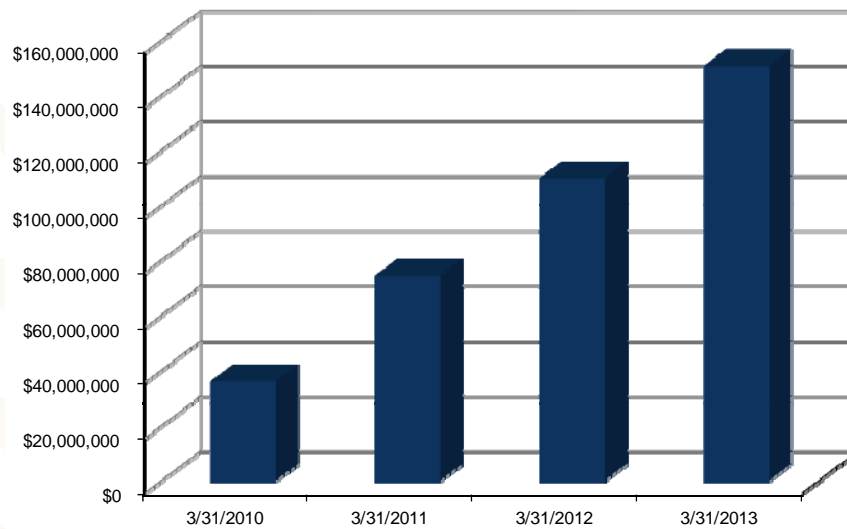
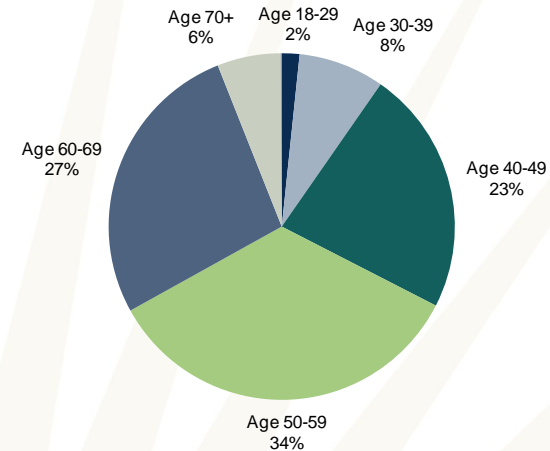
North Carolina Supplemental Retirement Plans

457 GoalMaker Participation

Participation by Age Range



Assets by Age Range



North Carolina Supplemental Retirement Plans

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

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

401(k) YTD Loans					
	2010	2011	2012	2013	Change %
% of Members in Plan with a Loan	22.61%	24.69%	24.03%	24.15%	0.50%
# of Outstanding Loans	43,841	47,856	46,575	47,158	1.25%
# of New Loans for the Quarter	4,029	3,806	3,733	3,595	-3.70%
Average Loan Balance	\$4,808	\$5,085	\$5,402	\$5,540	2.57%
Total Outstanding Loan Balance	\$210,773,325	\$243,335,129	\$251,577,926	\$261,262,898	3.85%

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

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

457 YTD Loans					
	2010	2011	2012	2013	Change %
% of Members in Plan with a Loan	13.79%	15.00%	14.58%	13.95%	-4.32%
# of Outstanding Loans	3,470	4,143	4,493	4,880	8.61%
# of New Loans for the Quarter	316	333	372	409	9.95%
Average Loan Balance	\$2,710	\$2,927	\$3,012	\$3,020	0.29%
Total Outstanding Loan Balance	\$9,402,839	\$12,127,063	\$13,531,626	\$14,739,629	8.93%

North Carolina Supplemental Retirement Plans

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

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

401(k) Disbursements

	1Q 2010	1Q 2011	1Q 2011 Change %	1Q 2012	1Q 2012 Change %	1Q 2013	1Q 2013 Change %
Term - Lump Sum	\$32,395,608	\$45,743,856	41.20%	\$55,512,267	21.35%	\$61,167,131	10.19%
In-Service	\$10,035,564	\$11,922,485	18.80%	\$14,047,917	17.83%	\$8,841,684	-37.06%
State Retirement System	\$6,043,654	\$7,692,486	27.28%	\$8,326,609	8.24%	\$3,825,622	-54.06%
Hardship	\$1,392,606	\$1,183,762	-15.00%	\$1,308,888	10.57%	\$1,557,355	18.98%
Systematic	\$2,290,336	\$2,037,939	-11.02%	\$2,079,401	2.03%	\$2,347,984	12.92%
Total Disbursements	\$52,157,768	\$68,580,528	31.49%	\$81,275,082	18.51%	\$77,739,776	-4.35%

401(k) Disbursements

	1Q 2010	1Q 2011	1Q 2011 Change %	1Q 2012	1Q 2012 Change %	1Q 2013	1Q 2013 Change %
Term – Lump Sum	2,867	3,904	36.17%	4,277	9.55%	4,425	3.46%
In-Service	1,300	1,356	4.31%	1,470	8.41%	1,631	10.95%
State Retirement System	140	206	47.14%	219	6.31%	120	-45.21%
Hardship	453	461	1.77%	478	3.69%	524	9.62%
Systematic	2,230	2,267	1.66%	2,508	10.63%	3,010	20.02%
Total Disbursements	6,990	8,194	17.22%	8,952	9.25%	9,710	8.47%

North Carolina Supplemental Retirement Plans

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

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

457 Disbursements

	1Q 2010	1Q 2011	1Q 2011 Change %	1Q 2012	1Q 2012 Change %	1Q 2013	1Q 2013 Change %
Term - Lump Sum	\$7,303,251	\$8,890,945	21.74%	\$12,544,688	41.10%	\$11,635,979	-7.24%
In-Service	\$0	\$98,063	0.00%	\$104,480	6.54%	\$54,190	-48.13%
State Retirement System	\$223,158	\$356,444	59.73%	\$283,618	-20.43%	\$183,800	-35.19%
Hardship	\$60,622	\$64,437	6.29%	\$131,868	104.65%	\$108,866	-17.44%
Systematic	\$1,327,804	\$1,056,776	-20.41%	\$1,168,947	10.61%	\$1,351,543	15.62%
Total Disbursements	\$8,914,835	\$10,466,665	17.41%	\$14,233,601	35.99%	\$13,334,378	-6.32%

457 Disbursements

	1Q 2010	1Q 2011	1Q 2011 Change %	1Q 2012	1Q 2012 Change %	1Q 2013	1Q 2013 Change %
Term – Lump Sum	1,142	1,242	8.76%	1,251	0.72%	854	-31.73%
In-Service	0	7	0.00%	8	14.29%	18	125.00%
State Retirement System	7	14	100.00%	19	35.71%	11	-42.11%
Hardship	29	39	34.48%	72	84.62%	79	9.72%
Systematic	1,255	1,223	-2.55%	1,209	-1.14%	1,589	31.43%
Total Disbursements	2,433	2,525	3.78%	2,559	1.35%	2,551	-0.31%

North Carolina Supplemental Retirement Plans

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

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$103,413,474	\$669,023,140	\$1,662,238,586	\$2,127,014,780	\$1,582,288,587	\$313,447,605	\$2,308,361	\$6,459,734,532
% Assets	1.60%	10.36%	25.73%	32.93%	24.49%	4.85%	0.04%	100.00%
Total Contributions	\$6,796,109	\$17,768,471	\$28,737,553	\$30,177,827	\$13,964,499	\$743,147	\$344,310	\$98,531,916
Rollovers In	\$225,140	\$1,365,546	\$1,983,816	\$4,650,808	\$4,271,339	\$534,875	\$640	\$13,032,164
Total Distributions including:								
Rollovers Out	(\$984,428)	(\$4,417,964)	(\$8,267,530)	(\$23,776,283)	(\$34,372,551)	(\$5,921,007)	(\$13)	(\$77,739,776)
Cash Distributions	(\$368,946)	(\$1,858,789)	(\$3,899,889)	(\$14,389,776)	(\$19,710,137)	(\$2,340,951)	\$0	(\$42,568,488)
Net Cash Flow	(\$615,482)	(\$2,559,175)	(\$4,367,641)	(\$9,386,507)	(\$14,662,414)	(\$3,580,056)	(\$13)	(\$35,171,288)
Total Unique Participants	\$6,036,821	\$14,716,053	\$22,453,839	\$11,052,352	(\$16,136,713)	(\$4,642,985)	\$344,937	\$33,824,304
Avg. Account Balance	18,810	4,179	66,231	60,760	33,776	6,054	1,450	235,260
Prudential's Book of Business Avg. Account Balance	\$5,494	\$13,878	\$25,087	\$34,996	\$46,827	\$51,715	\$1,595	\$27,458
	\$6,416	\$20,900	\$44,210	\$68,418	\$86,572	\$100,926	\$3,925	\$49,027

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

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$101,549,333	\$625,402,604	\$1,499,150,438	\$1,940,867,191	\$1,375,019,736	\$245,543,014	\$1,822,513	\$5,789,354,828
% Assets	1.75%	10.80%	25.89%	33.52%	23.75%	4.24%	0.03%	100.00%
Total Contributions	\$7,106,823	\$18,631,740	\$29,671,155	\$31,077,314	\$13,163,478	\$672,493	\$314,115	\$100,637,117
Rollovers In	\$184,312	\$746,409	\$1,468,886	\$2,855,370	\$1,966,436	\$492,093	\$9,524	\$7,723,031
Total Distributions including:								
Rollovers Out	(\$821,229)	(\$4,679,617)	(\$10,207,996)	(\$26,064,333)	(\$33,760,090)	(\$5,741,817)	\$0	(\$81,275,082)
Cash Distributions	(\$228,235)	(\$1,711,816)	(\$5,218,424)	(\$15,744,166)	(\$18,562,058)	(\$2,562,575)	\$0	(\$44,027,273)
Net Cash Flow	(\$592,995)	(\$2,967,801)	(\$4,989,572)	(\$10,320,167)	(\$15,198,032)	(\$3,179,242)	\$0	(\$37,247,809)
Total Unique Participants	\$6,469,905	\$14,698,532	\$20,932,045	\$7,868,351	(\$18,630,176)	(\$4,577,231)	\$323,639	\$27,085,066
Avg. Account Balance	18,511	48,058	64,456	58,703	30,767	4,969	1,304	226,768
Prudential's Book of Business Avg. Account Balance	\$5,486	\$13,013	\$23,259	\$33,062	\$44,691	\$49,415	\$1,397	\$25,530
	\$6,416	\$20,900	\$44,210	\$68,418	\$86,572	\$100,926	\$3,925	\$49,027

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



North Carolina Supplemental Retirement Plans

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

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$3,381,148	\$28,185,339	\$118,140,772	\$268,936,950	\$369,856,541	\$175,621,448	\$160,143	\$964,282,341
% Assets	0.35%	2.92%	12.25%	27.89%	38.36%	18.21%	0.02%	100.00%
Total Contributions	\$404,227	\$1,408,686	\$3,098,627	\$5,012,422	\$2,826,449	\$353,300	\$18,964	\$13,122,675
Rollovers In	\$18,898	\$110,553	\$325,070	\$1,051,612	\$876,515	\$51,325	\$237	\$2,434,209
Total Distributions including:	(\$72,571)	(\$235,230)	(\$424,650)	(\$2,637,193)	(\$5,983,480)	(\$3,981,254)	\$0	(\$13,334,378)
Rollovers Out	(\$37,651)	(\$126,263)	(\$287,923)	(\$1,310,919)	(\$3,472,852)	(\$1,879,791)	\$0	(\$7,115,399)
Cash Distributions	(\$34,921)	(\$108,968)	(\$136,726)	(\$1,326,274)	(\$2,510,627)	(\$2,101,463)	\$0	(\$6,218,979)
Net Cash Flow	\$350,553	\$1,284,009	\$2,999,047	\$3,426,841	(\$2,280,515)	(\$3,576,629)	\$19,201	\$2,222,507
Total Unique Participants	3,604	7,843	11,599	11,462	6,577	1,736	116	42,937
Avg. Account Balance	\$938	\$3,593	\$10,183	\$23,455	\$56,209	\$101,106	\$1,381	\$22,458
Prudential's Book of Business Avg. Account Balance	\$6,416	\$20,900	\$44,210	\$68,418	\$86,572	\$100,926	\$3,925	\$49,027

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

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$2,548,147	\$25,518,584	\$107,311,578	\$251,949,909	\$338,319,242	\$148,247,414	\$12,752	\$873,907,626
% Assets	0.29%	2.92%	12.28%	28.83%	38.71%	16.96%	0.00%	100.00%
Total Contributions	\$286,744	\$1,142,158	\$2,841,348	\$4,464,291	\$2,338,139	\$301,890	\$1,469	\$11,376,040
Rollovers In	\$11,146	\$96,885	\$349,909	\$876,820	\$1,285,074	\$400,505	\$0	\$3,020,338
Total Distributions including:	(\$11,590)	(\$214,797)	(\$511,209)	(\$2,237,420)	(\$6,798,594)	(\$4,459,993)	\$0	(\$14,233,601)
Rollovers Out	\$0	(\$166,386)	(\$246,284)	(\$835,435)	(\$3,581,659)	(\$2,091,663)	\$0	(\$6,921,427)
Cash Distributions	(\$11,590)	(\$48,410)	(\$264,925)	(\$1,401,985)	(\$3,216,935)	(\$2,368,330)	\$0	(\$7,312,174)
Net Cash Flow	\$286,301	\$1,024,246	\$2,680,048	\$3,103,691	(\$3,175,381)	(\$3,757,597)	\$1,469	\$162,777
Total Unique Participants	2,643	6,530	10,195	10,394	6,011	1,487	34	37,294
Avg. Account Balance	\$964	\$3,908	\$10,526	\$24,240	\$56,283	\$99,696	\$375	\$23,433
Prudential's Book of Business Avg. Account Balance	\$6,416	\$20,900	\$44,210	\$68,418	\$86,572	\$100,926	\$3,925	\$49,027

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



North Carolina Supplemental Retirement Plans

401(k) Plan Retirement Preparation Analysis

Retirement Income Calculator (RIC) Utilization		01/01/2013 - 03/31/2013
Participants Increasing Deferral Percentage		512
Average Deferral Change		5.47%
Average Annualized Dollar Increase		\$2,581
% of Participants Increasing After Utilizing RIC		15.25%
Participants Decreasing Deferral Percentage		104
Average Deferral Change		-7.96%
Average Annualized Dollar Decrease		(\$3,812)
% of Participants Decreasing After Utilizing RIC		3.10%
Number Participants with an Excess		963
Average Amount of Excess		\$1,361
Number of Participants with a Gap		2,394
Average Amount of Gap		\$2,318

Participant Age Range	Ppts Utilizing RIC	% of RIC Utilization
Age 18-29	247	7.36%
Age 30-39	613	18.26%
Age 40-49	920	27.41%
Age 50-59	1,114	33.18%
Age 60-69	456	13.58%
Age 70+	7	0.21%
Grand Total	3,357	100.00%

North Carolina Supplemental Retirement Plans

457 Plan Retirement Preparation Analysis

Retirement Income Calculator (RIC) Utilization		1/1/2013 - 3/31/2013
Participants Increasing Deferral Percentage		101
Average Deferral Change		6.31%
Average Annualized Dollar Increase		\$2,180
% of Participants Increasing After Utilizing RIC		14.81%
Participants Decreasing Deferral Percentage		29
Average Deferral Change		-10.78%
Average Annualized Dollar Decrease		(\$4,201)
% of Participants Decreasing After Utilizing RIC		4.25%
Number Participants with an Excess		202
Average Amount of Excess		\$1,787
Number of Participants with a Gap		480
Average Amount of Gap		\$3,222

Participant Age Range	Ppts Utilizing RIC	% of RIC Utilization
Age 18-29	56	8.21%
Age 30-39	139	20.38%
Age 40-49	188	27.57%
Age 50-59	208	30.50%
Age 60-69	88	12.90%
Age 70+	3	0.44%
Grand Total	682	100.00%

North Carolina Supplemental Retirement Plans

401(k) State Account

Account Activity	Date	Opening/Closing Balance	Debits/Credits
Opening account value	1/1/2013	\$5,881,352.77	
December 2012 Separate Account Asset Based Fees	1/7/2013		\$91,494.83
4Q 2012 Separate Account Asset Based Fees	1/24/2013		\$113,666.17
January 2012 Separate Account Asset Based Fees	2/13/2013		\$95,480.98
February 2012 Separate Account Asset Based Fees	3/13/2013		\$92,573.43
Correction for Separate Account (Oct - Jan)	3/13/2013		\$18,787.25
Distribution to Participant Accounts	3/22/2013		(\$3,678,268.58)
Gain/loss in account value	3/31/2013		\$35,706.54
Closing Account Value	3/31/2013	\$2,650,793.39	

457 State Account

Account Activity	Date	Opening/Closing Balance	Debits/Credits
Opening account value	1/1/2013	\$4,656,199.03	
4Q 2012 Separate Account Asset Based Fees	1/7/2013		\$24,051.34
December 2012 Separate Account Asset Based Fees	1/24/2013		\$11,440.44
January 2012 Separate Account Asset Based Fees	2/13/2013		\$11,958.91
February 2012 Separate Account Asset Based Fees	3/13/2013		\$11,588.10
Correction for Separate Account (Oct - Jan)	3/13/2013		\$2,464.33
Distribution to Participant Accounts	3/22/2013		(\$4,105,409.62)
Gain/loss in account value	3/31/2013		\$25,762.03
Closing Account Value	3/31/2013	\$638,054.56	

Invoice Details:

- None to report.

Invoice Pending Payment:

- Invoice 00000-13 dated 5/1/2013 remit \$250,000 from the 401(k) Plan and \$50,000 from the 457 Plan payable to the Department of State Treasurer for partial 2013 operating budget expenses.



North Carolina Supplemental Retirement Plans

401(k) & 457 Quarterly Participant Service Center Statistics

	1Q 2010	1Q 2011	1Q 2012	1Q 2013
Service Center Calls	36,185	37,691	38,016	41,755
Service Percentage	83.93%	83.63%	86.80%	88.33%
Average Speed to Answer (seconds)	0.17	0.16	0.09	0.13
Abandon Percentage	1.03%	0.50%	0.77%	0.53%



North Carolina Supplemental Retirement Plans

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

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

	1Q 2010	1Q 2011	1Q 2012	1Q 2013
Member Meetings	1,085	1,144	1,306	1,278
Number of Members Attending Meeting	21,648	28,561	23,347	19,372
Proactive Calls to Employers	959	705	576	622

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

622 Surveys Returned	1	2	3	4	5	6	7
Presenter's explanation of the benefits of the Plan(s)	0%	0%	0%	0%	2%	16%	82%
Presenter's clarity in response to questions	0%	0%	0%	0%	1%	15%	84%
Length of presentation	0%	0%	0%	1%	5%	18%	76%
Did the presentation increase your awareness of the importance of saving for your retirement?				Yes	No		
				100%	0%		

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

North Carolina Supplemental Retirement Plans

457 Additions					
Employer Type	2010	2011	2012	2013	# of Eligible
CHARTER SCHOOL	2	6	3	1	521
COMMUNITY COLLEGE	2	6	10	1	5,148
COUNTY	10	10	6	2	20,662
MUNICIPAL	22	14	10	2	9,276
OTHER	12	9	11	3	1,800
SCHOOL	11	13	10	5	51,333

Municipalities

City of Asheboro
Town of Holly Springs

Schools

Beaufort County Schools
Cherokee County Schools
Currituck County Schools
Lee County Schools
Surry County Schools

County

Currituck County
Macon County

Community College

College of Albemarle

Other

Elizabethtown ABC
Summerfield Fire District
Wilson County ABC

Charter Schools

Bear Grass Charter Schools



North Carolina Supplemental Retirement Plans

Disclaimers

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

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

Retirement products and services are provided by Prudential Retirement Insurance and Annuity Company, Hartford, CT, or its affiliates.

© 2013 Prudential Financial, Inc. and its related entities. Prudential, the Prudential logo, the Rock symbol and Bring Your Challenges are service marks of Prudential Financial, Inc., and its related entities, registered in many jurisdictions worldwide.

Prudential's Book of Business averages are as of 03/31/2013.



North Carolina Supplemental Retirement Plans

Notes



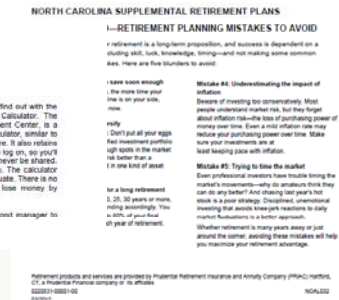
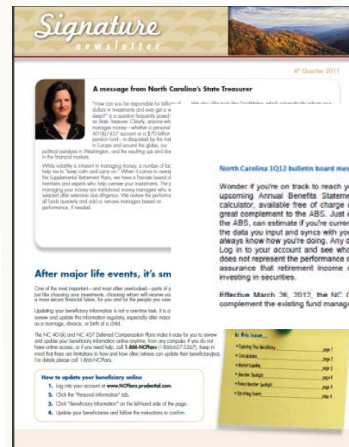
North Carolina Supplemental Retirement Plans

NC 401(k) & 457 Communication Accomplishments

•4Q12 Participant Statements

- 4Q12 Statement Insert
- 4Q12 Statement Message
- 4Q12 Signature Newsletter
- 235,699 total participant statements
 - 155,871 mailed
 - 79,798 electronic

•4Q12 Signature Newsletter



•4Q12 Employer Newsletter

2,412 electronic
141 mailed



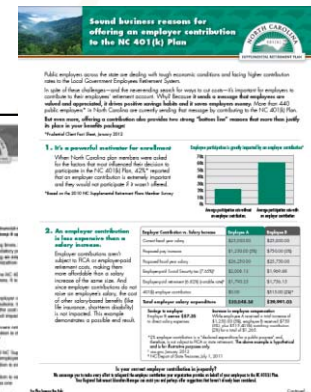
•Updated 4Q12 Performance on Website

Fund Name	1 Year Return	3 Year Return	5 Year Return	10 Year Return	Assets Under Management	Assets Under Management as of 12/31/2011	Assets Under Management as of 12/31/2010
401(k) Plans							
North Carolina 401(k) Plan	10.8%	27.8%	33.1%	36.1%	\$1.1B	\$1.1B	\$1.1B
North Carolina 401(k) Plan - Conservative	10.8%	27.8%	33.1%	36.1%	\$1.1B	\$1.1B	\$1.1B
North Carolina 401(k) Plan - Moderate	10.8%	27.8%	33.1%	36.1%	\$1.1B	\$1.1B	\$1.1B
North Carolina 401(k) Plan - Aggressive	10.8%	27.8%	33.1%	36.1%	\$1.1B	\$1.1B	\$1.1B
457 Plans							
North Carolina 457 Plan	10.8%	27.8%	33.1%	36.1%	\$1.1B	\$1.1B	\$1.1B
North Carolina 457 Plan - Conservative	10.8%	27.8%	33.1%	36.1%	\$1.1B	\$1.1B	\$1.1B
North Carolina 457 Plan - Moderate	10.8%	27.8%	33.1%	36.1%	\$1.1B	\$1.1B	\$1.1B
North Carolina 457 Plan - Aggressive	10.8%	27.8%	33.1%	36.1%	\$1.1B	\$1.1B	\$1.1B

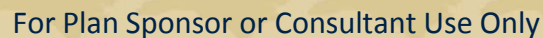


NC 401(k) & 457 Communication Accomplishments

- Sent two e-mail communications (approx. 1,280 recipients combined)
- Sent two letters (approx. 560 recipients combined)
- Updated Employer Contribution Listing Flyer



- Forms Updated on Website

[illegible]



A message from North Carolina's State Treasurer

When it comes to saving for retirement, the rules of the game have changed. With people living longer and the slow economic recovery making it more difficult for Americans to save for retirement, many are not doing enough to make sure they will be financially ready in this changing environment.

However, there is good news: People are increasingly recognizing the critical role they play in their own retirement security. In a recent survey by pensions and asset management company AEGON Group, seven in 10 respondents acknowledged that they are taking more responsibility for saving for their own retirement.

It is not an easy task. For one thing, setting aside money for years – even decades – down the road can make you feel as though you are sacrificing present needs for something that does not seem “real” yet. Keep in mind that, by putting away money today, you are making an important investment in yourself, your family and your future.

I know what it means to have to put aside pleasures today for peace of mind tomorrow. To help make sure I will be prepared for retirement, I moved into a small house, which I still live in today, and drive a fairly inexpensive car. I am also able to save a few extra dollars – and get healthy at the same time – by riding my bike to work or to the store.

Another reason saving for retirement can be challenging is that, in times of economic uncertainty, it is hard to know exactly how much you need to save. Fortunately, the Department of State Treasurer and

Prudential Retirement® have a number of tools to help you determine the steps you need to take to achieve a secure, comfortable retirement.

One of these tools is your Annual Benefits Statement, which will be available soon in the personal ORBIT accounts of all active employees with more than a year of service. This document evaluates the savings in your pension, Social Security, 401(k) and 457 Plans to give you a complete retirement picture. It also compares this figure to what you are likely to need in retirement, letting you know if you need to make changes to your savings strategy.

The Retirement Income Calculator is another resource available to help you assess where you are on the road to a secure retirement. It is a free, easy-to-use way of determining the income you will need in retirement and creating an action plan for meeting your goals. Keep reading for more information on how to access these tools and put them to work for you.

Your retirement should be a reward for your years of hard work—not a time of financial uncertainty. Make sure you get the retirement you deserve by using the resources available to you through the Department and Prudential Retirement.

Sincerely,



Janet Cowell
State Treasurer

Annual Benefits Statement Coming Soon

A great opportunity to get a clear picture of your retirement savings

If you are currently an active member of one of the State Retirement Systems, your 2012 Annual Benefits Statement will be available online in mid-2013. All of your retirement savings with the State, including Social Security, your state pension(s), and balances in the NC 401(k) and NC 457 Plans are displayed in this easy-to-read document provided by the North Carolina Retirement Systems. Even better, your statement provides summary data to project your potential income streams in retirement. Your estimated retirement income is then compared to what you are likely to need in retirement to sustain a comfortable lifestyle. If there is a gap, you will know you need to take action.

When the statements become available, active members (not including retirees) will be able to view them by logging on to ORBIT:

1. Visit  www.myncretirement.com
2. Click on the “ORBIT” link
3. Log in to your account
4. Select “View Annual Benefits Statement”

Continues on the next page. See “Statement”

In this issue...

- Annual Benefits Statement page 1
- Annual Benefits Statement continued page 2
- Retirement Income Calculator page 3
- Register Your Account Online page 3
- Board Member Spotlight page 4
- Financial Literacy Tips page 4
- Upcoming Events page 4

"Statement" continued from page 1

Annual Benefits Statement, available online in mid-2013

Three simple checkpoints provide a realistic picture of your retirement scenario

Checkpoint 1: Your Current Retirement Savings and Service **Member ID NC-101010**

	SRPs	Plan 2	Plan 1	Disclaimer
Contributions				The benefits shown here are estimates and are provided to you for illustrative purposes only. You should not consider this report to be a representation, contract or guarantee of any benefit. This report is subject to correction for any errors, including, but not limited to, data entry or benefit calculations. The availability and amount of all benefits you might be eligible to receive is governed by Retirement System law. The information provided here cannot alter, modify, or otherwise change controlling Retirement System law or other governing legal documents in any way, nor can any right accrue to you by reason of any information or omission of information provided herein. In the event of a conflict between this statement and Retirement System law, Retirement System law governs. Your actual benefits are subject to verification before any payments are authorized.
Balance on 12/31/11	\$12,121	\$12,121	\$19,500	
2012 Contributions	\$75	\$75	\$500	
Interest Earned in 2012	+	+	+	
Adjustments	\$25	\$25		
Total on 12/31/12	\$12,221	\$12,221	\$20,000	
Years of Service Toward Retirement				
Years of Service on 12/31/11		18.0000	18.0000	
Years of Service Purchased/Adjusted in 2012			1.0000	
Years of Membership Service Earned in 2012		+	+	
		1.0000	1.0000	
Years of Total Service Toward Retirement as of 12/31/2012		19.0000	20.0000	
Beneficiary Designation				
Beneficiaries for Return of Contributions	Multiple	Multiple	John Smith	
Beneficiary of Death Benefit			John Smith	

Checkpoint 2: Review the Sources of Your Retirement Income
The information below was used to estimate your projected monthly income. If you have service in more than one system, the estimate and projected retirement age may not be accurate.

Plan name	Projected Monthly Income
Sample Plan 2	\$1,250
Sample Plan 1	\$850
Sample Plan 3	\$900
Social Security	\$600
Total	\$3,600

* The projections contained in this ABS are for informational purposes only. Decisions regarding the NC 401(k) Plan and NC 457 Plan are your responsibility; and the State, the Department of the State Treasurer, and Prudential are not responsible for your investment elections and returns. You are encouraged to speak with your financial, and tax advisors to determine the retirement savings strategy that will help you reach your retirement goals.

Checkpoint 1:

Contributions—displays mandatory employee contributions made to the Retirement Systems

Years of Service Toward Retirement—shows the number of years credited to you through the end of 2012

Beneficiary Designation—lists beneficiaries you have chosen

Checkpoint 2:

Sources of Retirement Income—provides a summary of current contribution balance(s) in your NC 401(k) and NC 457 Plan accounts are used to project the amount of income that could be generated in retirement. Social Security estimated income may also be included.

Checkpoint 3:

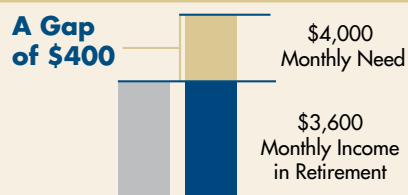
displays how much more you could have in retirement if you were to increase your contributions to either Plan.

We encourage you to take time to review your Annual Benefits Statement (ABS). If you would like to take action for your future by doing more in your NC 401(k) and NC 457 Plans, you can start by reaching out to your Regional Retirement Education Manager (RREM), by calling a Participant Service Representative at **1-866-NCPlans** (1-866-627-5267) or by visiting **www.NCPlans.prudential.com**.

The gap analysis is now located on the first page of the ABS Statement. The chart below illustrates the difference between the income you might have and the income you might need in retirement. To estimate your monthly income in retirement, we used your pension benefit information, estimated Social Security benefit, and the projected value of your supplemental retirement savings plan(s).

Personal Gap Analysis

When we compare your projected monthly income to your projected monthly need, it seems that you may have a gap that needs to be closed in order to reach your retirement income goal.



Checkpoint 3: Save More For Your Future

The chart below shows how saving more in a supplemental retirement savings plan* like the NC 401(k) Plan or NC 457 Plan could impact your results later. The chart also estimates how your actual take-home pay might be affected — it's less than you might think!

* Amounts withdrawn from a 401(k) tax-deferred retirement plan before age 59 1/2 may be subject to a 10% federal income tax penalty, applicable taxes, and plan restrictions. Withdrawals are generally based on ordinary income tax rates. Amounts withdrawn from the NC 457 Plan are not subject to a 10% federal income tax penalty. Seek advice from a tax professional regarding withdrawals.

Save more today**

Contribution amount	Your monthly contribution	Amount take-home pay is reduced each month	Additional monthly retirement income
2%	\$58	\$44	\$68
4%	\$116	\$87	\$125
6%	\$160	\$120	\$180

** This chart assumes before-tax contributions, and is based on your current pay and an assumed tax bracket of 25%. It does not take state or local taxes into account.

To help close your gap***

Starting to save more today can help you reach your estimated monthly need of \$4,000 in retirement.

Original gap	Additional monthly retirement income	Improved gap
\$400	- \$68	= \$332
\$400	- \$125	= \$275
\$400	- \$180	= \$220

*** This monthly income estimate assumes that the additional contributions shown will continue and will earn a return of 5% each year until retirement.

Find out if you are doing enough for your retirement with the Retirement Income Calculator—free with your online account

You are already doing the right thing for your future by saving and investing in the NC 401(k) Plan and/or the NC 457 Plan. Now you can also make sure you are doing enough by using the Retirement Income Calculator. This easy-to-use online tool can show if you are on track for a more secure retirement, or if you need to save more. In minutes, you will:

- Discover how much monthly income you are likely to need
- Learn if you are saving enough now to afford retirement
- Create an action plan to ensure your desired retirement savings are on track

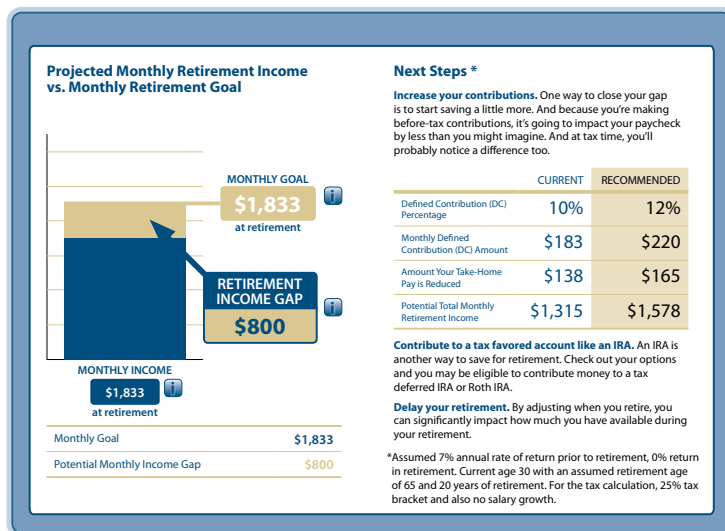
Additionally, it retains the data you input and updates your online account every time you log on.

Try the Retirement Income Calculator today

The Retirement Income Calculator is available at no additional cost as part of your online account. Simply log onto your account—or register online—at www.NCPlans.prudential.com. The calculator is also available as an app for your iPhone®, Android™ or BlackBerry®.

Need help?

Reach out to your Regional Retirement Education Manager (RREM) by calling a Participant Service Representative at ☎️-866-NCPlans (1-866-627-5267) or by visiting 🖥️www.NCPlans.prudential.com.



You can do more for your future in 2013

In 2013, you can contribute up to \$17,500 to your NC 401(k) and/or NC 457 Plan account. That is \$500 more in each Plan than in 2012!

The age 50 catch-up contributions remain at \$5,500 for 2013.

Register online and take advantage of all your accounts have to offer

The NC 401(k) and NC 457 Plans are great ways to save, invest, and plan for your future. But if you have not yet registered your account(s) online, you are missing out on a lot. Once you register, you can enjoy:

- Free and unlimited access to the Retirement Income Calculator
- Convenient paperless quarterly statements that are available sooner than the mailed copies
- The opportunity to create customized statements for periods other than quarterly
- The ability to change your contribution amounts, make investment selections, select your beneficiaries—and more—24/7 from the comfort of your computer or mobile device
- Fast and timely account and Plan notifications
- Valuable online learning resources

Provide your email address to opt into electronic communication and gain access to important planning tools and resources. Register your account right now or to reach out to your Regional Retirement Education Manager, call ☎️-866-NCPlans (1-866-627-5267) or visit 🖥️www.NCPlans.prudential.com.

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

Board Member Spotlight



Clay Thorp

The Department of State Treasurer is pleased to welcome Clay Thorp, co-founder and general partner of Hatteras Venture Partners, to the Supplemental Retirement Board of Trustees. Clay was named to the Board by former Gov. Bev Perdue in August 2012.

"I'm excited about the impact we can have on enabling a better retirement for so many state workers," Clay said. "I'm enthusiastic about the new products and services we're developing and the role they can play in helping people make smart choices about their future."

An entrepreneur turned venture capitalist, Clay has co-founded seven life science companies in the Triangle area since 1995, including Artuslabs, Synthetix Inc., PhaseBio Pharmaceuticals, Novalon Pharmaceutical Corporation and Xanthon Inc.

Since co-founding Hatteras Venture Partners in 2001, Clay has led investments in a range of life science companies specializing in biopharmaceuticals, medical devices, diagnostics and research informatics.

"In my work, I focus on private companies with very long-time horizons and a higher risk profile," Clay said. "This experience has taught me how to work with limited resources and make them go a long way."

Clay currently serves as chair of GeneCentric Diagnostics and lead director of Pathfinder Therapeutics. In addition to serving on the Supplemental Board, he also sits on the boards of PhaseBio Pharmaceuticals, Clearside Biomedical, G1 Therapeutics and the Biofuels Center of North Carolina.

Originally from Cumberland County, Clay holds a B.A. in mathematics and art history from the University of North Carolina at Chapel Hill and a master's degree in public policy from Harvard University.

"As a native of North Carolina, I'm really proud of the sophistication our retirement system brings to the public employees and retirees of our state," he said.

National Financial Literacy Month




Brenda Williams
Financial Literacy Director
N.C. Department of State Treasurer

April is National Financial Literacy Month—a time when individuals of all ages can commit to improving their money management skills and taking steps to build a secure financial future. Do you need to establish a budget? Pay off debt? Buy your first home? Regardless of your goals, there are resources available to help you.

The Department of State Treasurer is pleased to partner with the Financial Literacy and Education Commission (FLEC) to provide timely financial information and resources for individuals and families throughout North Carolina. FLEC recently announced the launch of its redesigned website, MyMoney.gov, which organizes financial literacy resources from 21 federal agencies into one place. Whether you are a parent, teacher, service provider or an individual looking to improve your own personal financial knowledge, you can find free, unbiased information to assist with making immediate and long-term financial decisions. From debt calculators to college planning checklists, the site has a variety of interactive tools to assist you with setting and monitoring your goals.

Call the toll-free hotline (1-888-MyMoney) for recorded financial tips on a range of topics, including identity theft, protecting your home from foreclosure, and avoiding predatory lending. You can also request a free personal financial toolkit. Recordings and materials are available in English and Spanish.

For other financial literacy tips and resources, visit  www.nctreasurer.com/financialliteracy.

Great news for 401(k) and 457 plan members! As part of our normal practice, we withhold administrative fees from member accounts to cover the cost of running the plans. We have a surplus after paying all plan expenses and are giving this money back to plan participants. Look for this additional amount in your 401(k) or 457 account within the next few months. Prudential will also be reaching out to members who have closed their accounts to make sure their fair share is returned to them. Look for additional details at  www.NCPlans.prudential.com.

PRUDENTIAL RETIREMENT

PRSD7126

Regional Retirement Education Managers and Participant Service Representatives are registered representatives of Prudential Investment Management Services LLC (PIMS), Three Gateway Center, 14th Floor, Newark, NJ 07102-4077. PIMS is a Prudential Financial company.

Retirement products and services are provided by Prudential Retirement Insurance and Annuity Company, Hartford, CT, or its affiliates.

This information has been provided for your benefit and is not intended or designed to be tax advice. Neither Prudential Retirement, nor any of its representatives, may give legal or tax advice.

© 2013 Prudential Financial, Inc. and its related entities. Prudential, the Prudential logo, the Rock symbol and Bring Your Challenges are service marks of Prudential Financial, Inc., and its related entities, registered in many jurisdictions worldwide.

0236654-00001-00
03/2013

NONL064
Printed 03/2013

Save Well. Live Well.



280 Trumbull Street
Hartford, CT 06103

© 2013 Prudential Financial, Inc. and its related entities. Prudential, the Prudential logo, the Rock symbol and Bring Your Challenges are service marks of Prudential Financial, Inc., and its related entities, registered in many jurisdictions worldwide.