

North Carolina Supplemental Retirement Plans

2Q 2013 Board of Trustees Report

Presented By: Michael McCann, Vice President, Key Account Management

On: September 19, 2013

As Of: June 30, 2013

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



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Table of Contents

	Page
• NC 401(k) & 457 Deferred Compensation Plan Results	3
• Participant Service & Retirement Security Education Activity	29
• 401(k) Employer Contribution Updates	30
• Employers Adopting 457/401(k) Plan	31
• Communication Accomplishments	34
• 4Q Signature Newsletter	39

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North Carolina Supplemental Retirement Plans

Fiscal Year (7/1/2012 – 6/30/2013) 401(k) Goal Results

- Increase use of GoalMaker® utilization among new members to 89% – 88.48% as of June 30, 2013
- Increase use of GoalMaker® utilization among members to 50% – 51.55% as of June 30, 2013
- Increase the average monthly employee deferral \$208 monthly – the average monthly employee deferral as of June 30, 2013 \$158 (2nd quarter 2013 and January 1, 2013 thru June 30, 2013 results for the 401(k) Plan are found on page 12)
- Increase active participation to 19.8% - 26.90% as of June 30, 2013 (2nd quarter 2013 results for the 401(k) Plan are found on page 8 and the January 1, 2013 thru June 30, 2013 results are found on page 9)

Fiscal Year (7/1/2012 – 6/30/2013) 457 Goal Results

- Increase use of GoalMaker® utilization among new members to 89% – 90.31% as of June 30, 2013
- Increase use of GoalMaker® utilization among members to 42% – 49.14% as of June 30, 2013
- Increase the average monthly employee deferral \$180 monthly – the average monthly employee deferral as of June 30, 2013 \$129 . (2nd quarter 2013 and January 1, 2013 thru June 30, 2013 results for the 401(k) Plan are found on page 13).
- Increase active participation to 13.2% – 11.77% as of June 30, 2013 (2nd quarter 2013 results for the 401(k) Plan are found on page 10 and the January 1, 2013 thru June 30, 2013 results are found on page 11)
- 33 employers adopted the 457 Plan in 2013



North Carolina Supplemental Retirement Plans

Asset Allocation By Fund 401(k) Plan

			# Participants Utilizing			# Participants Utilizing			# Participants Utilizing			# Participants Utilizing
Investment Option	6/30/2010	%	6/30/2010	6/30/2011	%	6/30/2011	6/30/2012	%	6/30/2012	6/30/2013	%	6/30/2013
NC STABLE VALUE-401K	\$1,497,952,286	33.86%	155,751	\$1,613,351,385	29.44%	160,935	\$1,742,245,035	30.61%	165,979	\$1,872,007,295	28.54%	175,819
Fidelity Intermediate Bond Fund	\$7,707,683	0.17%	943	\$6,745,108	0.12%	800	\$0	0.00%	0	\$0	0.00%	0
North Carolina Fixed Income Fund	\$397,619,570	8.99%	130,452	\$359,641,265	6.56%	119,416	\$408,903,294	7.18%	125,483	\$452,026,793	6.89%	136,006
North Carolina Fixed Income Index	\$0	0.00%	0	\$159,445,404	2.91%	82,932	\$196,816,478	3.46%	92,023	\$238,531,165	3.64%	103,967
Fidelity Balanced Fund	\$212,419	0.00%	25	\$107,755	0.00%	15	\$0	0.00%	0	\$0	0.00%	0
Fidelity Freedom 2000	\$2,014	0.00%	1	\$2,212	0.00%	1	\$0	0.00%	0	\$0	0.00%	0
Fidelity Freedom 2010	\$7,043	0.00%	2	\$8,330	0.00%	2	\$0	0.00%	0	\$0	0.00%	0
Fidelity Freedom 2020	\$2,505	0.00%	2	\$2,898	0.00%	2	\$0	0.00%	0	\$0	0.00%	0
Fidelity Freedom Income	\$1,412	0.00%	1	\$0	0.00%	0	\$0	0.00%	0	\$0	0.00%	0
Invesco Van Kampen Equity and Income Fund A	\$8,231,244	0.19%	1,021	\$7,801,799	0.14%	845	\$0	0.00%	0	\$0	0.00%	0
American Funds Growth Fund of Amer R4	\$16,695,921	0.38%	1,747	\$16,327,823	0.30%	1,460	\$0	0.00%	0	\$0	0.00%	0
Federated Capital Appreciation Fund	\$3,198	0.00%	3	\$2,975	0.00%	2	\$0	0.00%	0	\$0	0.00%	0
Fidelity Equity Income Fund	\$1,907,399	0.04%	83	\$2,165,513	0.04%	73	\$0	0.00%	0	\$0	0.00%	0
Fidelity Magellan Fund	\$5,912,244	0.13%	195	\$6,069,150	0.11%	165	\$0	0.00%	0	\$0	0.00%	0
Fidelity Spartan U.S. Equity Index	\$879,719	0.02%	58	\$1,020,648	0.02%	52	\$0	0.00%	0	\$0	0.00%	0
Invesco Van Kampen Growth & Income Fund A	\$15,115,158	0.34%	1,610	\$15,337,301	0.28%	1,352	\$0	0.00%	0	\$0	0.00%	0
North Carolina Large Cap Growth Fund	\$462,850,793	10.46%	159,020	\$578,455,550	10.56%	165,459	\$576,850,233	10.13%	170,012	\$660,731,255	10.07%	181,740
North Carolina Large Cap Index Fund	\$745,876,600	16.86%	162,154	\$854,577,147	15.59%	168,047	\$876,725,086	15.40%	172,211	\$1,035,128,387	15.78%	184,473
North Carolina Large Cap Value Fund	\$507,377,082	11.47%	160,351	\$577,253,564	10.53%	166,312	\$586,530,857	10.30%	170,681	\$716,082,832	10.92%	182,874
Putnam Multi-Cap Growth Fund	\$0	0.00%	0	\$248,578	0.00%	33	\$0	0.00%	0	\$0	0.00%	0
Putnam New Opportunities Fund	\$209,625	0.00%	37	\$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	\$5,409,346	0.12%	980	\$5,369,191	0.10%	802	\$0	0.00%	0	\$0	0.00%	0
BB&T Sterling Capital Small Cap Value Class I	\$92,349	0.00%	24	\$0	0.00%	0	\$0	0.00%	0	\$0	0.00%	0
BB&T Sterling Capital Small Cap Value I	\$0	0.00%	0	\$96,895	0.00%	22	\$0	0.00%	0	\$0	0.00%	0
North Carolina SMID Cap Index Fund	\$191,347,519	4.33%	117,824	\$301,301,030	5.50%	126,938	\$306,909,852	5.39%	133,894	\$382,687,393	5.84%	146,541
North Carolina SMID Growth Fund	\$59,403,959	1.34%	93,900	\$92,807,968	1.69%	104,925	\$98,028,027	1.72%	113,517	\$124,838,744	1.90%	126,552
North Carolina SMID Value Fund	\$113,788,793	2.57%	106,506	\$160,156,324	2.92%	116,189	\$162,982,253	2.86%	123,812	\$206,828,637	3.15%	136,684
Oppenheimer Main Street Small & Mid Cap A	\$5,909,330	0.13%	1,062	\$6,097,557	0.11%	871	\$0	0.00%	0	\$0	0.00%	0
Putnam Capital Opportunities Fund	\$3,924	0.00%	3	\$3,134	0.00%	2	\$0	0.00%	0	\$0	0.00%	0
American Funds EuroPacific Growth Fund R4	\$12,541,494	0.28%	1,320	\$11,865,099	0.22%	1,078	\$0	0.00%	0	\$0	0.00%	0
North Carolina Global Equity Fund	\$100,274,836	2.27%	93,580	\$129,465,291	2.36%	104,379	\$138,238,220	2.43%	112,850	\$171,478,893	2.61%	125,921
North Carolina International Fund	\$184,873,325	4.18%	117,951	\$345,122,060	6.30%	126,608	\$352,486,131	6.19%	133,368	\$401,651,043	6.12%	145,614
North Carolina International Index Fund	\$81,608,758	1.84%	94,034	\$228,850,907	4.18%	104,919	\$245,208,658	4.31%	113,383	\$296,308,717	4.52%	126,471
T. Rowe Price International Stock Fund	\$165,218	0.00%	17	\$217,352	0.00%	16	\$0	0.00%	0	\$0	0.00%	0
Total Plan Assets	\$4,423,983,159	100.00%		\$5,479,917,213	100.00%		\$5,691,924,124	100.00%		\$6,558,301,154	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	6/30/2010	%	# Participants Utilizing 6/30/2010	6/30/2011	%	# Participants Utilizing 6/30/2011	6/30/2012	%	# Participants Utilizing 6/30/2012	6/30/2013	%	# Participants Utilizing 6/30/2013
NC STABLE VALUE-457	\$328,912,992	46.74%	26,345	\$350,316,446	41.85%	29,239	\$370,094,287	42.93%	32,670	\$390,367,265	39.81%	37,770
North Carolina Fixed Income Fund	\$43,838,498	6.23%	12,209	\$47,067,847	5.62%	15,695	\$57,952,873	6.72%	19,817	\$63,382,873	6.46%	25,291
North Carolina Fixed Income Index	\$0	0.00%	0	\$9,296,562	1.11%	8,817	\$17,383,924	2.02%	13,656	\$21,532,919	2.20%	19,503
PIMCO Total Return Fund Admin	\$3,166,364	0.45%	220	\$2,522,158	0.30%	182	\$0	0.00%	0	\$0	0.00%	0
American Funds American Balanced A	\$1,308,961	0.19%	113	\$1,202,903	0.14%	94	\$0	0.00%	0	\$0	0.00%	0
Dodge & Cox Stock Fund	\$3,571,097	0.51%	296	\$3,693,470	0.44%	238	\$0	0.00%	0	\$0	0.00%	0
Fidelity Contrafund	\$6,579,443	0.93%	355	\$7,250,586	0.87%	308	\$0	0.00%	0	\$0	0.00%	0
Fidelity Equity Income Fund	\$2,981,257	0.42%	187	\$3,332,400	0.40%	165	\$0	0.00%	0	\$0	0.00%	0
North Carolina Large Cap Growth Fund	\$60,051,999	8.53%	18,634	\$80,421,908	9.61%	22,726	\$80,932,228	9.39%	26,997	\$92,443,383	9.43%	33,229
North Carolina Large Cap Index Fund	\$74,081,374	10.53%	13,806	\$91,167,888	10.89%	18,390	\$99,215,889	11.51%	23,126	\$116,707,550	11.90%	29,642
North Carolina Large Cap Value Fund	\$61,030,578	8.67%	18,276	\$74,944,642	8.95%	22,269	\$76,848,063	8.91%	26,501	\$94,691,475	9.66%	32,768
T. Rowe Price Blue Chip Growth Fund	\$2,579,962	0.37%	257	\$2,961,529	0.35%	222	\$0	0.00%	0	\$0	0.00%	0
Artisan Mid Cap Fund Inv	\$1,405,752	0.20%	193	\$1,759,655	0.21%	162	\$0	0.00%	0	\$0	0.00%	0
Lord Abbett Mid Cap Value Fund	\$1,041,293	0.15%	194	\$1,046,385	0.13%	159	\$0	0.00%	0	\$0	0.00%	0
Baron Small Cap	\$658,652	0.09%	132	\$675,181	0.08%	107	\$0	0.00%	0	\$0	0.00%	0
North Carolina SMID Cap Index Fund	\$5,528,021	0.79%	4,884	\$11,720,612	1.40%	10,636	\$14,391,062	1.67%	16,037	\$21,056,735	2.15%	22,917
North Carolina SMID Growth Fund	\$21,067,038	2.99%	14,785	\$28,825,512	3.44%	19,168	\$29,844,570	3.46%	23,621	\$36,801,068	3.75%	29,892
North Carolina SMID Value Fund	\$35,667,586	5.07%	15,339	\$46,340,097	5.54%	19,634	\$45,798,210	5.31%	24,061	\$58,512,690	5.97%	30,372
T. Rowe Price Small-Cap Value	\$1,963,876	0.28%	241	\$2,163,101	0.26%	193	\$0	0.00%	0	\$0	0.00%	0
American Funds EuroPacific Growth Fund A	\$3,537,073	0.50%	330	\$3,702,726	0.44%	275	\$0	0.00%	0	\$0	0.00%	0
North Carolina Global Equity Fund	\$3,106,160	0.44%	4,697	\$6,002,084	0.72%	10,344	\$8,054,342	0.93%	15,733	\$11,643,451	1.19%	22,521
North Carolina International Fund	\$37,530,742	5.33%	16,023	\$49,758,259	5.94%	20,173	\$47,451,551	5.50%	24,509	\$53,338,980	5.44%	30,743
North Carolina International Index Fund	\$4,111,839	0.58%	4,853	\$10,935,242	1.31%	10,528	\$14,061,421	1.63%	15,901	\$20,170,653	2.06%	22,707
Total Plan Assets	\$703,720,554	100.00%		\$837,107,191	100.00%		\$862,028,419	100.00%		\$980,649,042	100.00%	

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



North Carolina Supplemental Retirement Plans

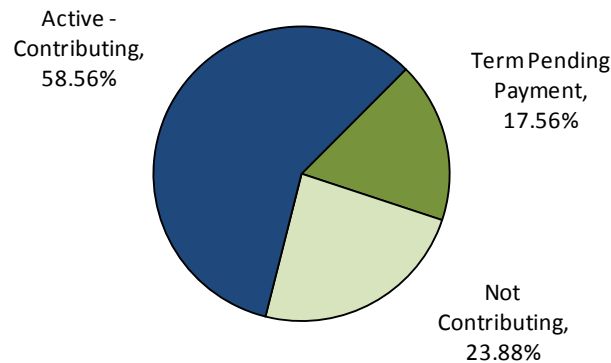
401(k) Plan

	2Q 2012	2Q 2013	Difference #	Difference %
Members with an Account Balance	227,711	236,373	8,662	3.80%
Average Account Balance	\$24,996	\$27,746	\$2,750	11.00%
Median Account Balance	\$9,528	\$10,025	\$497	5.21%

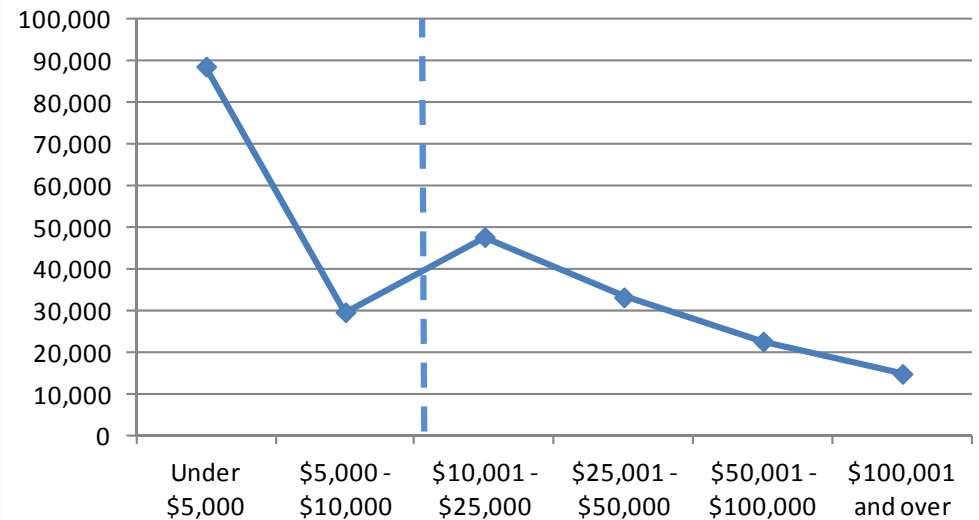
401(k) Plan Percentage Gain

	Assets (6/30/2012)	Contributions	Distributions	Earnings	Assets (6/30/2013)	Percentage Gain
NC 401(k) Plan	\$5,691,924,124	\$406,441,572	\$311,754,522	\$771,689,980	\$6,558,301,154	13.34%

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

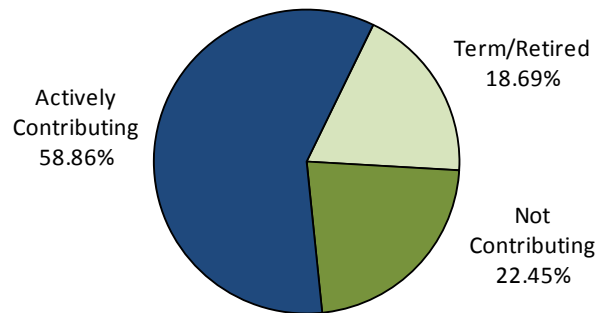
457 Plan

	2Q 2012	2Q 2013	Difference #	Difference %
Members with an Account Balance	38,268	44,294	6,026	15.75%
Average Account Balance	\$22,529	\$22,140	(\$389)	-1.73%
Median Account Balance	\$3,618	\$2,773	(\$845)	-23.36%

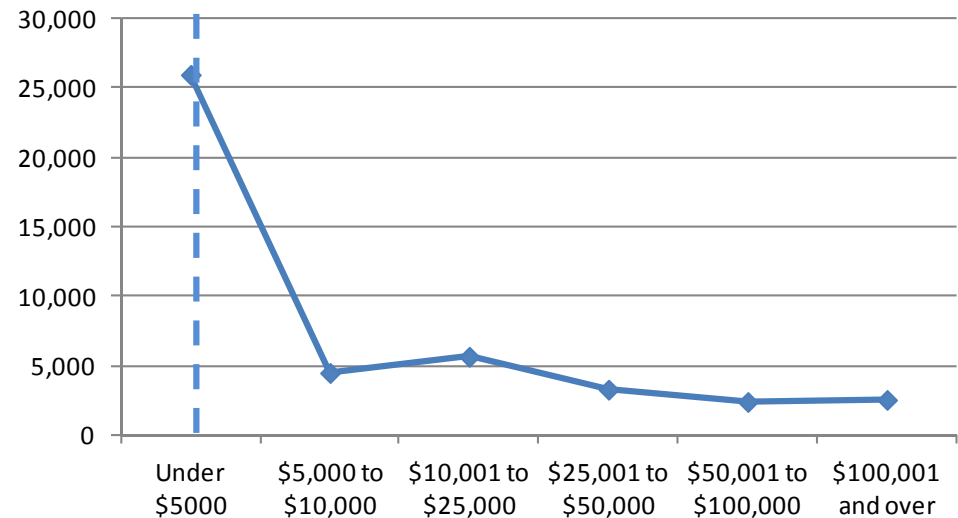
457 Plan Percentage Gain

	Assets (6/30/2012)	Contributions	Distributions	Earnings	Assets (6/30/2013)	Percentage Gain
NC 457 Plan	\$862,028,419	\$64,819,771	\$46,845,859	\$100,646,711	\$980,649,042	11.44%

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

	2Q 2010	2Q 2011	2Q 2011 % of Change	2Q 2012	2Q 2012 % of Change	2Q 2013	2Q 2013 % of Change
Enrollments	2,938	2,978	1.34%	3,027	1.65%	3,562	17.67%
% of New Hires Enrolled in Plan	68.63%	76.18%	9.92%	57.91%	-23.98%	70.42%	21.61%
GoalMaker Elections	2,170	2,639	17.77%	2,670	1.17%	3,195	16.43%
Contribution Changes							
Deferral Decreases	1,896	1,948	2.67%	1,731	-11.14%	2,387	37.90%
Deferral Increases	3,061	4,179	26.75%	3,695	-11.58%	6,445	74.42%
Pre-tax Participation Rate	22.24%	21.96%	-1.28%	21.34%	-2.82%	20.66%	-3.19%
Roth Participation Rate	2.92%	4.05%	27.90%	4.85%	19.75%	5.69%	17.32%
Voluntary (Employee & Roth) Participation Rate	24.14%	22.50%	-7.29%	24.80%	10.22%	24.86%	0.24%

401(k) Plan Quarterly Enrollments & Contribution Change Method

	2Q 2010	2Q 2011	2Q 2012	2Q 2013
Method of Enrollment				
Paper Form	93.03%	73.32%	80.86%	82.11%
Pseudo Enrollment	3.24%	22.77%	16.37%	14.07%
Internet	3.73%	3.91%	2.77%	3.82%
Method of Contribution Change				
Internet	87.29%	84.01%	89.59%	97.30%
Paper Form	10.43%	13.33%	8.82%	1.95%
Participant Service Center	1.71%	1.97%	0.82%	0.42%
VRU	0.57%	0.69%	0.77%	0.33%

Participation rates for the fiscal year, YTD, and quarter are based on the population actively contributing for the time period reported, as a result the participation rates will vary.



North Carolina Supplemental Retirement Plans

401(k) Plan YTD Enrollments & Contribution Changes

	2010	2011	2011 % of Change	2012	2012 % of Change	2013	2013 % of Change
Enrollments	5,819	6,185	5.92%	6,147	-0.61%	7,342	19.44%
% of New Hires Enrolled in Plan	53.93%	79.33%	32.01%	59.29%	-25.25%	59.92%	1.05%
New Enrollment Average Deferral %	3.27%	3.71%	-188.09%	2.71%	-26.89%	2.78%	2.46%
GoalMaker Elections	4,279	5,438	21.31%	5,460	0.40%	6,511	19.25%
Contribution Changes							
Deferral Decreases	3,637	3,745	2.88%	3,646	-2.64%	4,773	30.91%
Deferral Increases	6,795	8,546	20.49%	8,416	-1.52%	12,410	47.46%
Pre-tax Participation Rate	22.82%	22.59%	-1.02%	21.94%	-2.88%	21.29%	-2.96%
Roth Participation Rate	3.00%	4.19%	28.40%	5.00%	19.33%	5.88%	17.60%
Voluntary (Employee & Roth) Participation Rate	24.72%	25.41%	2.72%	25.44%	0.12%	25.57%	0.51%

401(k) Plan YTD Enrollments & Contribution Change Method

	2010	2011	2012	2013
Method of Enrollment				
Paper Form	96.94%	77.11%	81.58%	82.68%
Pseudo Enrollment	0.35%	18.96%	15.62%	13.51%
Internet	2.71%	3.93%	2.80%	3.81%
Method of Contribution Change				
Internet	90.89%	86.01%	88.96%	97.66%
Paper	6.13%	10.87%	9.71%	1.76%
Participant Service Center	2.28%	2.46%	0.75%	0.22%
VRU	0.70%	0.66%	0.58%	0.36%

Participation rates for the fiscal year, YTD, and quarter are based on the population actively contributing for the time period reported, as a result the participation rates will vary.



North Carolina Supplemental Retirement Plans

457 Plan Quarterly Enrollments & Contribution Changes

	2Q 2010	2Q 2011	2Q 2011 % of Change	2Q 2012	2Q 2012 % of Change	2Q 2013	2Q 2013 % of Change
Enrollments	1,336	1,423	6.51%	1,580	11.03%	1,887	19.43%
% of New Hires Enrolled in Plan	50.70%	89.95%	77.41%	50.58%	-43.77%	70.46%	39.32%
Average Deferral %	9.34%	11.86%	26.96%	5.06%	-57.37%	2.47%	-51.09%
GoalMaker Elections	1,160	1,306	12.59%	1,425	9.11%	1,696	19.02%
Contribution Changes							
Deferral Decreases	262	399	52.29%	403	1.00%	567	40.69%
Deferral Increases	515	659	27.96%	803	21.85%	1,262	57.16%
Pre-tax Participation Rate	8.70%	9.26%	6.44%	9.71%	4.86%	9.73%	0.21%
Roth Participation Rate	0.00%	0.05%	#DIV/0!	0.27%	440.00%	0.50%	85.19%
Voluntary (Employee & Roth) Participation Rate	8.70%	9.31%	7.01%	9.99%	7.30%	10.24%	2.50%

457 Plan Quarterly Enrollments & Contribution Change Method

	2Q 2010	2Q 2011	2Q 2012	2Q 2013
Method of Enrollment				
Paper Form	83.63%	72.23%	79.55%	91.51%
Pseudo Enrollment	11.20%	20.89%	15.44%	0.74%
Internet	5.17%	6.88%	5.01%	7.75%
Method of Contribution Change				
Internet	90.32%	86.11%	91.21%	96.19%
Paper Form	6.94%	12.00%	6.72%	2.14%
Participant Service Center	2.19%	1.32%	1.66%	1.11%
VRU	0.55%	0.57%	0.41%	0.56%

Participation rates for the fiscal year, YTD, and quarter are based on the population actively contributing for the time period reported, as a result the participation rates will vary.



North Carolina Supplemental Retirement Plans

457 Plan YTD Enrollments & Contribution Changes

	2010	2011	2011 % of Change	2012	2012 % of Change	2013	2013 % of Change
Enrollments	2,091	2,938	40.51%	3,033	3.23%	3,875	27.76%
% of New Hires Enrolled in Plan	35.57%	67.70%	90.30%	48.64%	-28.14%	38.64%	-20.56%
Average Deferral %	10.84%	12.17%	12.34%	6.24%	-48.71%	3.79%	-39.29%
GoalMaker Elections	1,807	2,634	45.77%	2,727	3.53%	3,475	27.43%
Contribution Changes							
Deferral Decreases	543	700	128.91%	842	20.29%	157	-81.35%
Deferral Increases	1,027	1,615	57.25%	1,803	11.64%	2,648	46.87%
Pre-tax Participation Rate	8.94%	9.64%	7.83%	10.03%	4.05%	9.84%	-1.89%
Roth Participation Rate	0.00%	0.07%	0.00%	0.29%	314.29%	0.53%	82.76%
Voluntary (Employee & Roth) Participation Rate	9.26%	10.35%	11.77%	10.89%	5.22%	11.22%	3.03%

457 Plan YTD Enrollments & Contribution Change Method

	2010	2011	2012	2013
Method of Enrollment				
Paper Form	81.92%	75.60%	79.91%	92.60%
Pseudo Enrollment	12.67%	17.54%	14.68%	0.68%
Internet	5.41%	6.86%	5.41%	6.72%
Method of Contribution Change				
Internet	91.85%	86.31%	86.47%	98.19%
Paper	5.79%	10.50%	12.17%	1.02%
Participant Service Center	1.93%	2.89%	1.06%	0.53%
VRU	0.43%	0.30%	0.30%	0.26%

Participation rates for the fiscal year, YTD, and quarter are based on the population actively contributing for the time period reported, as a result the participation rates will vary.



North Carolina Supplemental Retirement Plans

401(k) Contributions							
	2Q 2010	2Q 2011	2Q 2011 Change %	2Q 2012	2Q 2012 Change %	2Q 2013	2Q 2013 Change %
Employee Contributions	\$56,946,509	\$56,821,805	-0.22%	\$55,227,529	-2.81%	\$55,913,108	1.24%
Roth	\$4,824,008	\$5,542,950	14.90%	\$6,408,464	15.61%	\$7,359,693	14.84%
Total Employee Contributions	\$61,770,516	\$62,364,755	0.96%	\$61,635,993	-1.17%	\$63,272,801	2.66%
Employer Contributions	\$38,413,894	\$39,237,593	2.14%	\$39,047,285	-0.49%	\$41,507,865	6.30%
Rollovers	\$9,167,549	\$7,906,867	-13.75%	\$9,754,854	23.37%	\$12,451,801	27.65%
Total Contributions	\$109,351,960	\$109,509,214	0.14%	\$110,438,133	0.85%	\$117,232,468	6.15%
Average Voluntary Contributions	\$186	\$186	0.19%	\$188	1.20%	\$191	1.64%
Average Roth Contributions	\$121	\$107	-12.04%	\$99	-7.78%	\$94	-4.20%
Average Employee Contributions	\$186	\$182	-1.78%	\$181	-0.64%	\$181	-0.40%
401(k) Contributions							
	2010	2011	2011 Change %	2012	2012 Change %	2013	2013 Change %
Voluntary Contributions	\$111,054,168	\$109,843,038	-1.09%	\$109,825,661	-0.02%	\$107,466,444	-2.15%
Roth	\$9,149,764	\$10,723,339	17.20%	\$12,430,202	15.92%	\$14,080,628	13.28%
Total Employee Contributions	\$120,203,932	\$120,566,377	0.30%	\$122,255,863	1.40%	\$121,547,072	-0.58%
Employer Contributions	\$78,666,591	\$76,486,665	-2.77%	\$79,064,532	3.37%	\$81,765,510	3.42%
Rollovers	\$16,142,922	\$16,219,846	0.48%	\$17,477,885	7.76%	\$25,483,965	45.81%
Total Contributions	\$215,013,445	\$213,272,888	-0.81%	\$218,798,280	2.59%	\$228,796,548	4.57%
Average Voluntary Contributions	\$176	\$176	-0.31%	\$177	0.61%	\$178	0.84%
Average Roth Contributions	\$112	\$98	-12.62%	\$93	-5.21%	\$87	-5.68%
Average Employee Contributions	\$176	\$172	-2.24%	\$170	-0.96%	\$168	-1.23%

Average contributions for the fiscal year, YTD, and quarter are based on the population actively contributing for the time period reported, as a result the average contribution amounts will vary.



North Carolina Supplemental Retirement Plans

457 Contributions							
	2Q 2010	2Q 2011	2Q 2011 Change %	2Q 2012	2Q 2012 Change %	2Q 2013	2Q 2013 Change %
Voluntary Contributions	\$10,658,871	\$11,356,003	6.54%	\$11,751,667	3.48%	\$13,327,389	13.41%
Roth	\$0	\$33,576	0.00%	\$196,026	483.82%	\$489,918	149.93%
Total Employee Contributions	\$10,658,871	\$11,389,579	6.86%	\$11,947,693	100.00%	\$13,817,307	15.65%
Rollovers	\$1,129,852	\$3,440,656	204.52%	\$3,886,166	12.95%	\$3,304,844	-14.96%
Total Contributions	\$11,788,723	\$14,830,235	25.80%	\$15,833,859	6.77%	\$17,122,151	8.14%
Average Voluntary Contributions	\$192	\$174	-9.56%	\$159	-8.50%	\$152	-4.33%
Average Roth Contributions	\$0	\$57	0.00%	\$98	71.89%	\$119	21.54%
Average Employee Contributions	\$192	\$173	-9.93%	\$157	-9.12%	\$156	-1.04%

457 Contributions							
	2010	2011	2011 Change %	2012	2012 Change %	2013	2013 Change %
Voluntary Contributions	\$20,586,203	\$21,871,737	6.24%	\$22,974,566	5.04%	\$25,983,805	13.10%
Roth	\$0	\$33,576	0.00%	\$349,167	939.93%	\$956,177	173.85%
Total Employee Contributions	\$20,586,203	\$21,905,313	6.41%	\$23,323,733	6.48%	\$26,939,982	15.50%
Rollovers	\$2,859,589	\$6,007,533	110.08%	\$6,906,504	14.96%	\$5,739,053	-16.90%
Total Contributions	\$23,445,792	\$27,912,846	19.05%	\$30,230,237	8.30%	\$32,679,035	8.10%
Average Voluntary Contributions	\$182	\$162	-10.91%	\$149	-8.15%	\$154	3.33%
Average Roth Contributions	\$0	\$74	0.00%	\$82	10.54%	\$112	36.89%
Average Employee Contributions	\$182	\$161	-11.44%	\$147	-8.83%	\$153	3.97%

Average contributions for the fiscal year, YTD, and quarter are based on the population actively contributing for the time period reported, as a result the average contribution amounts will vary.



North Carolina Supplemental Retirement Plans

401(k) GoalMaker Participation

	6/30/2010	6/30/2011	6/30/2012	6/30/2013
Total Plan Assets in GoalMaker	\$1,439,632,507	\$1,984,089,290	\$2,140,379,894	\$2,631,422,171
Total # of Participants in GoalMaker	92,667	102,452	110,273	121,861
% of New Enrollments with GoalMaker Election	73.53%	87.92%	89.04%	88.68%
Total Participation Rate	41.92%	45.57%	48.43%	51.55%
Prudential's Book of Business Avg. Participation Rate*	32.49%	37.83%	40.16%	54.60%
Total % of Assets	32.54%	36.60%	37.60%	40.12%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	4,341	7,892	4,260	16,493
Age 30-39	6,848	15,231	9,996	32,075
Age 40-49	7,089	16,311	9,942	33,342
Age 50-59	7,546	13,982	5,614	27,142
Age 60-69	3,954	5,172	2,014	11,140
Age 70+	376	368	173	917
Total	30,227	59,589	32,045	121,861

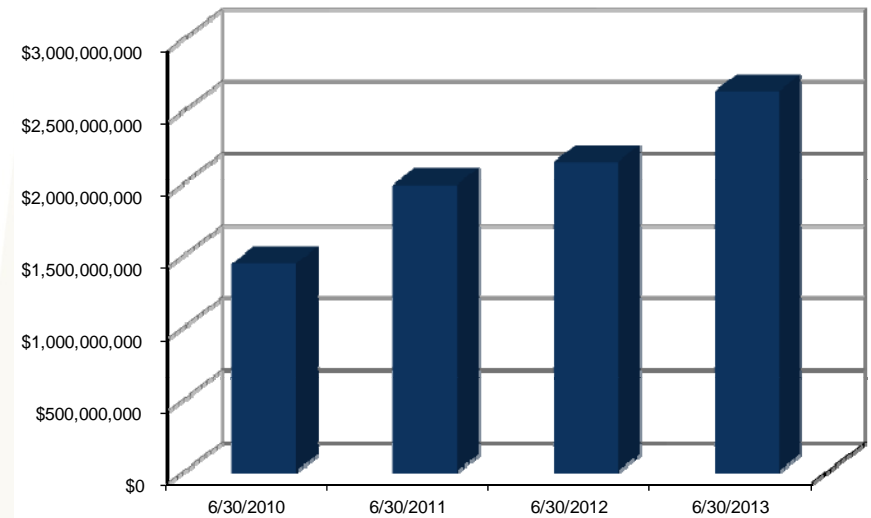
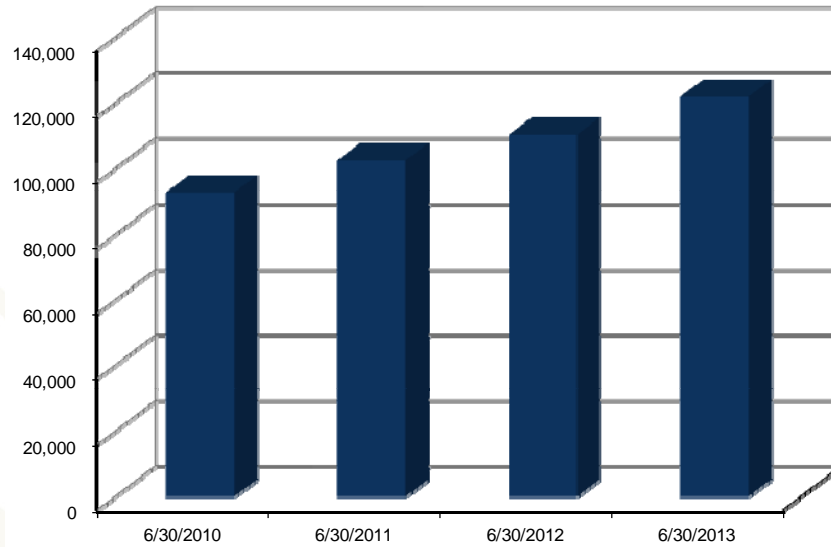
Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	\$17,105,488	\$38,013,522	\$32,648,716	\$87,767,726
Age 30-39	\$54,499,341	\$175,925,772	\$185,037,560	\$415,462,673
Age 40-49	\$101,714,111	\$341,511,043	\$341,942,372	\$785,167,526
Age 50-59	\$182,528,627	\$418,667,884	\$243,513,054	\$844,709,565
Age 60-69	\$138,244,573	\$215,418,797	\$99,014,815	\$452,678,184
Age 70+	\$15,192,161	\$19,420,841	\$9,622,753	\$44,235,754
Total	\$509,468,946	\$1,209,968,249	\$911,984,977	\$2,631,422,171

*Prudential's Defined Contribution book of business averages.

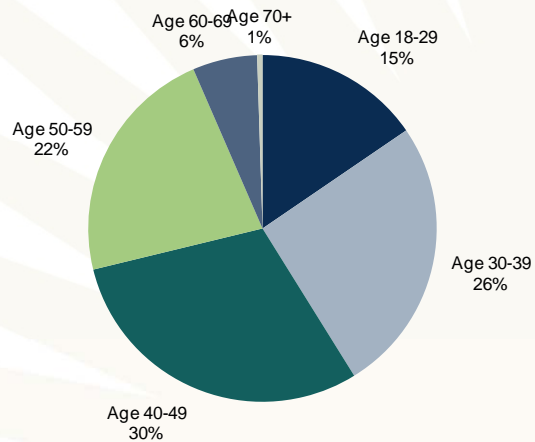


North Carolina Supplemental Retirement Plans

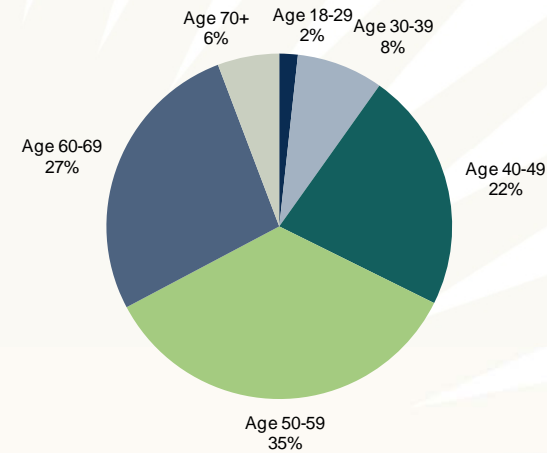
401(k) GoalMaker Participation



Participation by Age Range



Assets by Age Range



North Carolina Supplemental Retirement Plans

457 GoalMaker Participation

	6/30/2010	6/30/2011	6/30/2012	6/30/2013
Total Plan Assets in GoalMaker	\$40,091,439	\$80,520,920	\$115,062,628	\$159,203,248
Total # of Participants in GoalMaker	4,448	9,900	15,161	21,767
% of New Enrollments with GoalMaker Election	86.42%	89.65%	89.91%	89.68%
Total Participation Rate	14.49%	28.92%	39.62%	49.14%
Prudential's Book of Business Avg. Participation Rate*	32.49%	37.83%	40.16%	54.60%
Total % of Assets	5.70%	9.62%	13.35%	16.23%

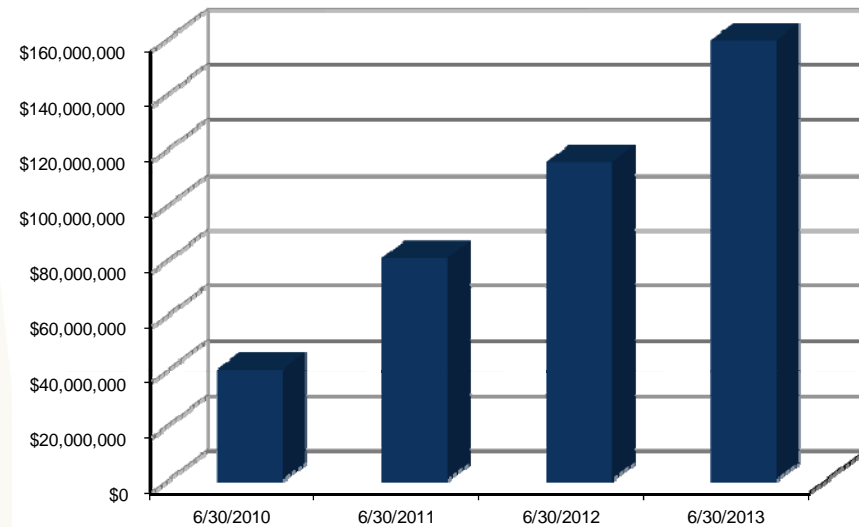
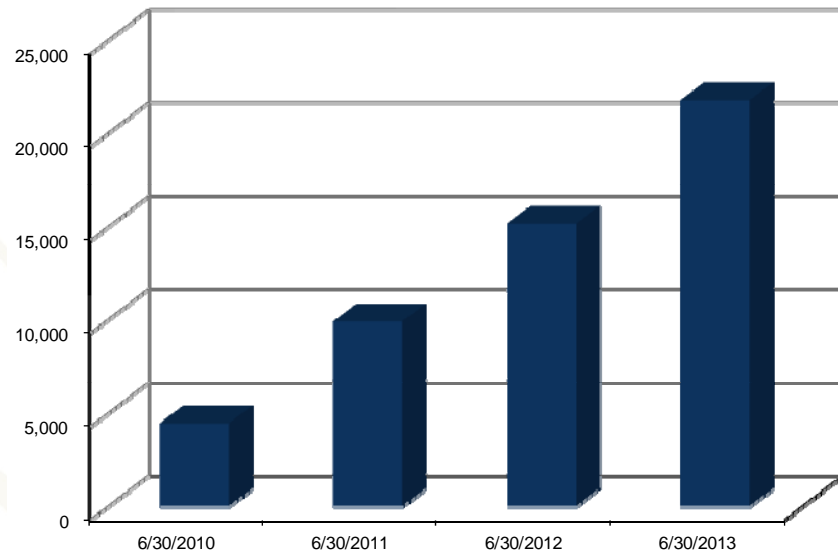
Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	1,026	1,485	839	3,350
Age 30-39	1,538	2,552	1,473	5,563
Age 40-49	1,899	3,051	1,563	6,513
Age 50-59	1,727	2,283	818	4,828
Age 60-69	581	529	195	1,305
Age 70+	47	48	11	106
Total	6,853	10,003	4,911	21,767

Participant Age Range	Conservative	Moderate	Aggressive	Total
Age 18-29	\$496,160	\$1,197,535	\$1,049,576	\$2,743,270
Age 30-39	\$1,611,828	\$5,435,768	\$5,857,746	\$12,905,342
Age 40-49	\$5,341,781	\$15,771,122	\$14,646,630	\$35,759,533
Age 50-59	\$13,888,267	\$27,341,721	\$14,297,004	\$55,526,992
Age 60-69	\$15,215,501	\$18,616,800	\$9,104,536	\$42,936,837
Age 70+	\$3,090,111	\$4,553,693	\$1,524,101	\$9,167,905
Total	\$39,691,839	\$73,027,305	\$46,484,104	\$159,203,248

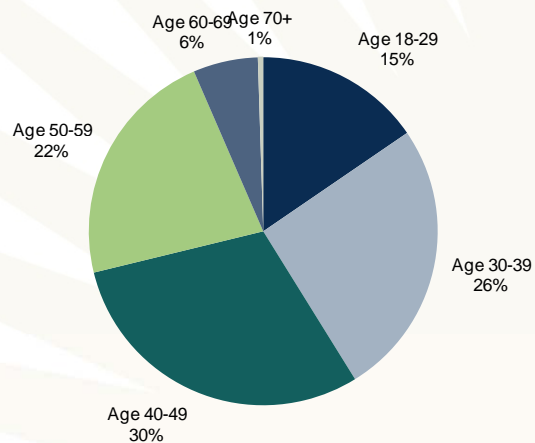
*Prudential's Defined Contribution book of business averages..

North Carolina Supplemental Retirement Plans

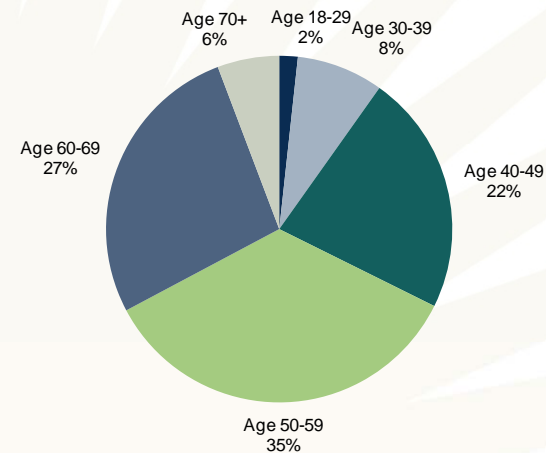
457 GoalMaker Participation



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	22.99%	24.89%	24.32%	24.25%	-0.29%
# of Outstanding Loans	44,860	48,068	47,047	47,327	0.60%
# of New Loans for the Quarter	9,099	8,550	8,160	8,251	1.12%
Average Loan Balance	\$4,953	\$5,246	\$5,469	\$5,640	3.13%
Total Outstanding Loan Balance	\$222,194,750	\$252,182,254	\$257,299,003	\$266,943,446	3.75%

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	14.13%	14.94%	14.61%	14.04%	-3.90%
# of Outstanding Loans	3,647	4,257	4,610	5,059	9.74%
# of New Loans for the Quarter	827	838	855	1,002	17.19%
Average Loan Balance	\$2,816	\$2,962	\$3,043	\$3,083	1.31%
Total Outstanding Loan Balance	\$10,268,956	\$12,608,699	\$14,029,384	\$15,597,436	11.18%

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

	2Q 2010	2Q 2011	2Q 2011 Change %	2Q 2012	2Q 2012 Change %	2Q 2013	2Q 2013 Change %
Term - Lump Sum	\$31,769,015	\$41,352,581	30.17%	\$46,239,478	11.82%	\$63,970,646	38.35%
In-Service	\$11,787,274	\$12,422,771	5.39%	\$10,967,902	-11.71%	\$8,783,137	-19.92%
State Retirement System	\$5,854,618	\$8,582,261	46.59%	\$4,081,945	-52.44%	\$3,324,983	-18.54%
Hardship	\$1,680,814	\$1,435,281	-14.61%	\$1,451,705	1.14%	\$1,519,562	4.67%
Systematic	\$2,176,403	\$2,066,928	-5.03%	\$2,036,726	-1.46%	\$2,188,822	7.47%
Total Disbursements	\$53,268,123	\$65,859,822	23.64%	\$64,777,756	-1.64%	\$79,787,150	23.17%

401(k) Disbursements

	2Q 2010	2Q 2011	2Q 2011 Change %	2Q 2012	2Q 2012 Change %	2Q 2013	2Q 2013 Change %
Term – Lump Sum	2,924	3,616	23.67%	3,647	0.86%	4,211	15.46%
In-Service	1,423	1,583	11.24%	1,727	9.10%	1,736	0.52%
State Retirement System	186	266	43.01%	135	-49.25%	106	-21.48%
Hardship	644	637	-1.09%	594	-6.75%	624	5.05%
Systematic	2,251	2,334	3.69%	2,566	9.94%	3,049	18.82%
Total Disbursements	7,428	8,436	13.57%	8,669	2.76%	9,726	12.19%

North Carolina Supplemental Retirement Plans

401(k) Disbursements

	2010	2011	2011 Change %	2012	2012 Change %	2013	2013 Change %
Term - Lump Sum	\$64,164,624	\$87,096,437	35.74%	\$101,751,745	16.83%	\$125,137,777	22.98%
In-Service	\$21,822,838	\$24,345,257	11.56%	\$25,015,818	2.75%	\$17,624,821	-29.55%
State Retirement System	\$11,898,271	\$16,274,747	36.78%	\$12,408,554	-23.76%	\$7,150,605	-42.37%
Hardship	\$3,073,419	\$2,619,043	-14.78%	\$2,760,593	5.40%	\$3,076,917	11.46%
Systematic	\$4,466,739	\$4,104,867	-8.10%	\$4,116,127	0.27%	\$4,536,806	10.22%
Total Disbursements	\$105,425,891	\$134,440,350	27.52%	\$146,052,838	8.64%	\$157,526,926	7.86%

401(k) Disbursements

	2010	2011	2011 Change %	2012	2012 Change %	2013	2013 Change %
Term – Lump Sum	5,791	7,520	29.86%	7,924	5.37%	8,636	8.99%
In-Service	2,723	2,939	7.93%	3,197	8.78%	3,367	5.32%
State Retirement System	326	472	44.79%	354	-25.00%	226	-36.16%
Hardship	1,097	1,098	0.09%	1,072	-2.37%	1,148	7.09%
Systematic	4,481	4,601	2.68%	5,074	10.28%	6,059	19.41%
Total Disbursements	14,418	16,630	15.34%	17,621	5.96%	19,436	10.30%

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

	2Q 2010	2Q 2011	2Q 2011 Change %	2Q 2012	2Q 2012 Change %	2Q 2013	2Q 2013 Change %
Term - Lump Sum	\$6,715,788	\$8,665,840	29.04%	\$9,028,155	4.18%	\$8,152,680	-9.70%
In-Service	\$8,335	\$202,523	2329.79%	\$97,532	-51.84%	\$157,746	61.74%
State Retirement System	\$56,558	\$155,656	175.21%	\$87,272	-43.93%	\$79,524	-8.88%
Hardship	\$89,835	\$181,974	102.56%	\$139,749	-23.20%	\$153,798	10.05%
Systematic	\$1,310,241	\$1,233,501	-5.86%	\$1,402,249	13.68%	\$1,390,877	-0.81%
Total Disbursements	\$8,180,757	\$10,439,494	27.61%	\$10,754,957	3.02%	\$9,934,625	-7.63%

457 Disbursements

	2Q 2010	2Q 2011	2Q 2011 Change %	2Q 2012	2Q 2012 Change %	2Q 2013	2Q 2013 Change %
Term - Lump Sum	1,166	955	-18.10%	1,158	21.26%	714	-38.34%
In-Service	7	24	242.86%	21	-12.50%	32	52.38%
State Retirement System	6	12	100.00%	4	-66.67%	3	-25.00%
Hardship	54	82	51.85%	96	17.07%	118	22.92%
Systematic	1,278	1,212	-5.16%	1,175	-3.05%	1,587	35.06%
Total Disbursements	2,511	2,285	-9.00%	2,454	7.40%	2,454	0.00%



North Carolina Supplemental Retirement Plans

457 Disbursements

	2010	2011	2011 Change %	2012	2012 Change %	2013	2013 Change %
Term - Lump Sum	\$14,019,039	\$15,606,733	11.33%	\$21,572,843	38.23%	\$19,788,659	-8.27%
In-Service	\$20,364	\$132,891	552.58%	\$292,908	120.41%	\$216,264	-26.17%
State Retirement System	\$279,715	\$413,002	47.65%	\$370,890	-10.20%	\$263,324	-29.00%
Hardship	\$150,457	\$154,272	2.54%	\$271,617	76.06%	\$262,664	-3.30%
Systematic	\$2,638,045	\$2,367,017	-10.27%	\$2,571,196	8.63%	\$2,742,420	6.66%
Total Disbursements	\$17,107,620	\$18,673,915	9.16%	\$25,079,454	34.30%	\$23,273,331	-7.20%

457 Disbursements

	2010	2011	2011 Change %	2012	2012 Change %	2013	2013 Change %
Term – Lump Sum	2,308	2,197	-4.81%	2,409	9.65%	1,568	-34.91%
In-Service	19	49	157.89%	42	-14.29%	51	21.43%
State Retirement System	13	26	100.00%	23	-11.54%	14	-39.13%
Hardship	83	121	45.78%	168	38.84%	197	17.26%
Systematic	2,533	2,435	-3.87%	2,384	-2.09%	3,176	33.22%
Total Disbursements	4,956	4,828	-2.58%	5,026	4.10%	5,006	-0.40%

North Carolina Supplemental Retirement Plans

401(k) Plan Asset Allocation/Net Cash Flow April 1, 2013 to June 30, 2013

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$101,198,008	\$671,354,022	\$1,681,986,067	\$2,153,782,255	\$1,616,230,288	\$331,047,416	\$2,703,098	\$6,558,301,154
% Assets	1.54%	10.24%	25.65%	32.84%	24.64%	5.05%	0.04%	100.00%
Total Contributions	\$7,041,376	\$18,520,358	\$30,147,544	\$32,460,707	\$15,411,193	\$819,282	\$380,207	\$104,780,667
Rollovers In	\$187,492	\$1,484,499	\$2,623,296	\$3,231,177	\$4,475,726	\$396,566	\$53,045	\$12,451,801
Total Distributions including:	(\$761,642)	(\$4,716,826)	(\$9,843,820)	(\$22,010,171)	(\$35,416,765)	(\$7,037,927)	\$0	(\$79,787,151)
Rollovers Out	(\$181,506)	(\$1,753,849)	(\$4,705,647)	(\$12,035,515)	(\$20,608,202)	(\$3,962,718)	\$0	(\$43,247,437)
Cash Distributions	(\$580,136)	(\$2,962,977)	(\$5,138,173)	(\$9,974,656)	(\$14,808,563)	(\$3,075,209)	\$0	(\$36,539,714)
Net Cash Flow	\$6,467,226	\$15,288,031	\$22,927,020	\$13,681,713	(\$15,529,846)	(\$5,822,078)	\$433,252	\$37,445,317
Total Unique Participants	18,853	48,225	66,317	61,094	34,142	6,281	1,461	236,373
Avg. Account Balance	\$5,368	\$13,916	\$25,352	\$35,239	\$47,297	\$52,622	\$1,853	\$27,746
Prudential's Book of Business Avg. Account Balance	\$6,714	\$22,184	\$46,922	\$71,933	\$89,407	\$103,673	\$2,911	\$51,297

401(k) Plan Asset Allocation/Net Cash Flow January 1, 2013 to June 30, 2013

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$101,198,008	\$671,354,022	\$1,681,986,067	\$2,153,782,255	\$1,616,230,288	\$331,047,416	\$2,703,098	\$6,558,301,154
% Assets	1.54%	10.24%	25.65%	32.84%	24.64%	5.05%	0.04%	100.00%
Total Contributions	\$13,837,484	\$36,288,828	\$58,885,097	\$62,638,534	\$29,375,692	\$1,562,430	\$724,516	\$203,312,582
Rollovers In	\$412,632	\$2,850,046	\$4,607,112	\$7,881,984	\$8,747,065	\$931,441	\$53,685	\$25,483,965
Total Distributions including:	(\$1,746,070)	(\$9,134,790)	(\$18,111,349)	(\$45,786,452)	(\$69,789,315)	(\$12,958,950)	\$0	(\$157,526,927)
Rollovers Out	(\$550,452)	(\$3,612,638)	(\$8,605,538)	(\$26,425,291)	(\$40,318,339)	(\$6,303,669)	\$0	(\$85,815,928)
Cash Distributions	(\$1,195,618)	(\$5,522,152)	(\$9,505,814)	(\$19,361,163)	(\$29,470,977)	(\$6,655,281)	\$0	(\$71,711,006)
Net Cash Flow	\$12,504,046	\$30,004,084	\$45,380,860	\$24,734,066	(\$31,666,558)	(\$10,465,079)	\$778,201	\$71,269,620
Total Unique Participants	18,853	48,225	66,317	61,094	34,142	6,281	1,461	236,373
Avg. Account Balance	\$5,368	\$13,921	\$25,363	\$35,254	\$47,338	\$52,706	\$1,850	\$27,746
Prudential's Book of Business Avg. Account Balance	\$6,714	\$22,184	\$46,922	\$71,933	\$89,407	\$103,673	\$2,911	\$51,297

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



North Carolina Supplemental Retirement Plans

457 Plan Asset Allocation/Net Cash Flow April 1, 2013 to June 30, 2013

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$3,549,501	\$28,626,364	\$119,304,077	\$268,416,237	\$377,726,292	\$182,847,262	\$179,308	\$980,649,042
% Assets	0.36%	2.92%	12.17%	27.37%	38.52%	18.65%	0.02%	100.00%
Total Contributions	\$438,259	\$1,413,004	\$3,206,033	\$5,350,945	\$2,994,105	\$394,985	\$19,976	\$13,817,307
Rollovers In	\$12,117	\$100,032	\$343,520	\$713,410	\$1,885,144	\$250,263	\$358	\$3,304,844
Total Distributions including:								
Rollovers Out	(\$35,107)	(\$212,610)	(\$588,355)	(\$2,047,058)	(\$4,800,224)	(\$2,251,271)	\$0	(\$9,934,625)
Cash Distributions	(\$31,848)	(\$124,756)	(\$362,654)	(\$1,126,406)	(\$1,979,086)	(\$1,470,569)	\$0	(\$5,095,319)
Net Cash Flow	\$415,269	\$1,300,427	\$2,961,198	\$4,017,297	\$79,024	(\$1,606,023)	\$20,334	\$7,187,525
Total Unique Participants	3,863	8,219	11,912	11,697	6,696	1,790	117	44,294
Avg. Account Balance	\$919	\$3,483	\$10,012	\$22,940	\$56,385	\$102,092	\$1,533	\$22,140
Prudential's Book of Business Avg. Account Balance	\$6,714	\$22,184	\$46,922	\$71,933	\$89,407	\$103,673	\$2,911	\$51,297

457 Plan Asset Allocation/Net Cash Flow January 1, 2013 to June 30, 2013

	18-29	30-39	40-49	50-59	60-69	70+	No DOB	TOTAL
Total Plan Assets	\$3,549,501	\$28,626,364	\$119,304,077	\$268,416,237	\$377,726,292	\$182,847,262	\$179,308	\$980,649,042
% Assets	0.36%	2.92%	12.17%	27.37%	38.52%	18.65%	0.02%	100.00%
Total Contributions	\$842,486	\$2,821,690	\$6,304,660	\$10,363,367	\$5,820,554	\$748,285	\$38,941	\$26,939,982
Rollovers In	\$31,015	\$210,585	\$668,589	\$1,765,022	\$2,761,659	\$301,588	\$595	\$5,739,053
Total Distributions including:								
Rollovers Out	(\$40,910)	(\$214,117)	(\$513,624)	(\$2,231,571)	(\$6,293,990)	(\$2,660,493)	\$0	(\$11,954,705)
Cash Distributions	(\$66,769)	(\$233,724)	(\$499,380)	(\$2,452,679)	(\$4,489,713)	(\$3,576,360)	\$0	(\$11,318,626)
Net Cash Flow	\$765,822	\$2,584,434	\$5,960,245	\$7,444,138	(\$2,201,490)	(\$5,186,980)	\$39,536	\$9,405,705
Total Unique Participants	3,863	8,219	11,912	11,697	6,696	1,790	117	44,294
Avg. Account Balance	\$919	\$3,483	\$10,012	\$22,940	\$56,385	\$102,092	\$1,533	\$22,140
Prudential's Book of Business Avg. Account Balance	\$6,714	\$22,184	\$46,922	\$71,933	\$89,407	\$103,673	\$2,911	\$51,297

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



North Carolina Supplemental Retirement Plans

401(k) Plan Retirement Preparation Analysis

Retirement Income Calculator (RIC)	
Activity	4/1/2013 - 6/30/2013
Participants Increasing Deferral Percentage	472
Average Deferral Change	4.50%
Average Annualized Dollar Increase	\$2,040
% of Participants Increasing After Utilizing RIC	14.48%
Participants Decreasing Deferral Percentage	101
Average Deferral Change	-10.72%
Average Annualized Dollar Decrease	-\$4,293
% of Participants Decreasing After Utilizing RIC	3.10%

Retirement Income Calculator (RIC)	
Activity	1/1/2013 - 6/30/2013
Participants Increasing Deferral Percentage	968
Average Deferral Change	5.12%
Average Annualized Dollar Increase	\$2,324
% of Participants Increasing After Utilizing RIC	16.32%
Participants Decreasing Deferral Percentage	255
Average Deferral Change	-9.18%
Average Annualized Dollar Decrease	-\$3,897
% of Participants Decreasing After Utilizing RIC	4.30%

Retirement Income Calculator (RIC) Participant Utilization	Ppts Utilizing RIC	% of RIC Utilization
Age 18-29	262	8.04%
Age 30-39	583	17.88%
Age 40-49	869	26.66%
Age 50-59	1,099	33.71%
Age 60-69	436	13.37%
Age 70+	11	0.34%
Grand Total	3,260	100.00%

Retirement Income Calculator (RIC) Participant Utilization	Ppts Utilizing RIC	% of RIC Utilization
Age 18-29	470	7.93%
Age 30-39	1,110	18.72%
Age 40-49	1,663	28.04%
Age 50-59	1,929	32.53%
Age 60-69	743	12.53%
Age 70+	15	0.25%
Grand Total	5,930	100.00%

North Carolina Supplemental Retirement Plans

457 Plan Retirement Preparation Analysis

Retirement Income Calculator (RIC)	
Activity	4/1/2013 - 6/30/2013
Participants Increasing Deferral Percentage	106
Average Deferral Change	3.87%
Average Annualized Dollar Increase	\$2,152
% of Participants Increasing After Utilizing RIC	15.21%
Participants Decreasing Deferral Percentage	30
Average Deferral Change	-6.57%
Average Annualized Dollar Decrease	-\$3,419
% of Participants Decreasing After Utilizing RIC	4.30%

Retirement Income Calculator (RIC)	
Activity	1/1/2013 - 6/30/2013
Participants Increasing Deferral Percentage	221
Average Deferral Change	5.27%
Average Annualized Dollar Increase	\$2,260
% of Participants Increasing After Utilizing RIC	17.72%
Participants Decreasing Deferral Percentage	70
Average Deferral Change	-7.62%
Average Annualized Dollar Decrease	-\$3,546
% of Participants Decreasing After Utilizing RIC	5.61%

Retirement Income Calculator (RIC) Participant Utilization	Ppts Utilizing RIC	% of RIC Utilization
Age 18-29	76	10.90%
Age 30-39	133	19.08%
Age 40-49	194	27.83%
Age 50-59	227	32.57%
Age 60-69	66	9.47%
Age 70+	1	0.14%
Grand Total	697	100.00%

Retirement Income Calculator (RIC) Participant Utilization	Ppts Utilizing RIC	% of RIC Utilization
Age 18-29	129	10.34%
Age 30-39	250	20.05%
Age 40-49	349	27.99%
Age 50-59	387	31.03%
Age 60-69	129	10.34%
Age 70+	3	0.24%
Grand Total	1,247	100.00%

North Carolina Supplemental Retirement Plans

401(k) State Account			
Account Activity	Date	Opening/Closing Balance	Debits/Credits
Opening account value	4/1/2013	\$2,650,793.39	
March 2013 Separate Account Asset Based Fees	4/11/2013		\$94,208.19
1Q 2013 Separate Account Asset Based Fees	4/19/2013		\$113,169.09
Invoice 00000-13 - Department of State Treasurer	5/3/2013		(\$250,000.00)
April 2013 Separate Account Asset Based Fees	5/15/2013		\$111,965.67
Miscellaneous Receipt	6/13/2013		\$50,000.00
Invoice 000002-13 - Department of Treasury	6/18/2013		(\$250,000.00)
Gain/loss in account value	3/31/2013		\$14,995.24
Closing Account Value	6/30/2013	\$2,535,131.58	

457 State Account			
Account Activity	Date	Opening/Closing Balance	Debits/Credits
Opening account value	4/1/2013	\$638,054.56	
March Separate Account Asset Based Fees	4/11/2013		\$11,799.14
1Q 2013 Separate Account Asset Based Fees	4/19/2013		\$23,707.72
Invoice 00000-13 - Department of State Treasurer	5/6/2013		(\$50,000.00)
April 2013 Separate Account Asset Based Fees	5/15/2013		\$14,056.36
Miscellaneous Receipt	6/13/2013		\$6,000.00
Invoice 000002-13 - Department of Treasury	6/17/2013		(\$50,000.00)
May 2013 Separate Asset Based Fees	6/17/2013		\$13,772.21
Gain/loss in account value	3/31/2013		\$3,616.07
Closing Account Value	6/30/2013	\$611,006.06	

Invoice Details:

- 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.
- Invoice 00002-13 dated 6/13/2013 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.

Invoice Pending Payment:

- None to report.



North Carolina Supplemental Retirement Plans

401(k) & 457 Quarterly Participant Service Center Statistics

	2Q 2010	2Q 2011	2Q 2012	2Q 2013
Service Center Calls	39,286	39,380	39,954	40,982
Service Percentage	77.80%	82.97%	83.33%	91.00%
Average Speed to Answer (seconds)	20 sec	12 sec	13 sec	8 sec
Abandon Percentage	0.40%	0.57%	0.57%	0.42%

401(k) & 457 YTD Participant Service Center Statistics

	2010	2011	2012	2013
Service Center Calls	75,471	77,071	77,970	82,737
Service Percentage	80.87%	83.30%	85.07%	89.67%
Average Speed to Answer (seconds)	19 sec	14 sec	11 sec	11 sec
Abandon Percentage	1.08%	0.57%	0.67%	0.48%

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

	2Q 2010	2Q 2011	2Q 2012	2Q 2013
Member Meetings	1,111	1,145	1,238	1,436
Number of Members Attending Meeting	25,434	25,084	25,011	32,171
Proactive Calls to Employers	935	685	564	620

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

	2010	2011	2012	2013
Member Meetings	2,196	2,289	2,544	2,714
Number of Members Attending Meeting	47,082	53,645	48,358	51,543
Proactive Calls to Employers	1,894	1,390	1,140	1,242

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%	16%	80%
Presenter's clarity in response to questions	0%	0%	0%	0%	2%	13%	84%
Length of presentation	0%	0%	0%	1%	5%	19%	75%
Did the presentation increase your awareness of the importance of saving for your retirement?				Yes	No		
				99%	1%		

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



North Carolina Supplemental Retirement Plans

401(k) Employers Increasing Employer Contribution

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

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

Person County increasing their employer contribution from 3.5% to 5%

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.

Willow Oak Montessori School adding 5% employer contribution across the board.

North Carolina Supplemental Retirement Plans

457 Additions					
Employer Type	2010	2011	2012	2013	# of Eligible
CHARTER SCHOOL	2	6	3	2	565
COMMUNITY COLLEGE	2	6	10	2	5,770
COUNTY	10	10	6	3	20,807
MUNICIPAL	22	14	10	8	9,613
OTHER	12	9	11	11	2,428
SCHOOL	11	13	10	8	56,620

Municipalities

City of Asheboro
 City of Laurinburg
 Town of Franklinton
 Town of Holly Springs
 Town of Kill Devil Hills
 Town of Manteo
 Town of White Lake
 Village of Misenheimer

Schools

Beaufort County Schools
 Bertie County Schools
 Cherokee County Schools
 Currituck County Schools
 Johnson County Schools
 Lee County Schools
 Surry County Schools

Other

Cumberland County ABC Board
 Benson Housing Authority
 Butner Public Safety Authority
 East Spencer Housing Authority
 Elizabethtown ABC
 Martin County Tourism Development Authority
 Smithfield Housing Authority
 Summerfield Fire District
 Wilmington International Airport Authority
 Wilson County ABC
 Western Highlands Area Authority

Community College

A B Technical Community College
 College of Albemarle

County

Currituck County
 Gates County
 Macon County

Charter Schools

Bear Grass Charter Schools
 Voyager Academy



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.

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Prudential's Book of Business averages are as of 06/30/2013.



North Carolina Supplemental Retirement Plans

Notes



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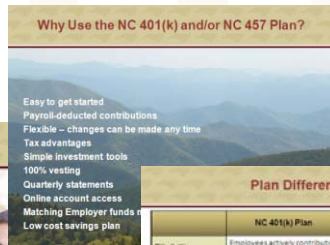
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North Carolina Supplemental Retirement Plans

Journey to a More Secure Retirement Webinar

- Presentation
- Employer DreamMail
- Employee DreamMail
- Invite
- Flyer

•1,415 Attendees



Plan Differences		
	NC 401(k) Plan	NC 457 Plan
Eligibility	Employees actively contributing to 401(k)s or 457s	All Employees
Employer Contributions	Do NOT reduce IRS annual maximum contribution limit	DO reduce IRS annual maximum contribution limit
3-Year Catch-Up Provision	No	Yes
Hardship Withdrawals	Yes, under conditions as approved by IRS	Yes, under conditions as approved by IRS
Withdrawals While Working	All or after 70 %	All or after 70 %
Early Withdrawal Tax Penalty	Penalty, depending upon age at separation from service and withdrawal method	Never incur 10% early withdrawal penalty



•Four Flyers Updated

- Plan Comparison Chart
- 401(k) Roth Feature Flyer
- 401(k) Catch-Up Flyer
- 457 Catch-Up Flyer



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North Carolina Supplemental Retirement Plans

•1Q13 Signature Newsletter Mailed

- 1Q12 Statement Insert
- 1Q12 Statement Message
- 1Q12 Signature Newsletter
- 235,669 total participant statements
 - 155,871 mailed
 - 79,798 electronic



NORTH CAROLINA SUPPLEMENTAL RETIREMENT PLANS PLAN LIKE A PRO—RETIREMENT PLANNING MISTAKES TO AVOID

Planning and investing for retirement is a long-term proposition, and success is dependent on a combination of factors, including skill, luck, knowledge, timing—and not making some common retirement planning mistakes. Here are five blunders to avoid:

Mistake #1: Not starting to save soon enough
The earlier you start to save, the more time your money has to grow. Time is on your side, but the time to get started is now.

Mistake #2: Failing to diversify
Your grandmother was right: Don't put all your eggs in one basket. A well-diversified investment portfolio can help you weather the rough spots in the market and help you manage your risk better than a portfolio heavily invested in one kind of asset class.

Mistake #3: Not planning for a long retirement
Your retirement could last 20, 25, 30 years or more, so plan your saving and spending accordingly. You may need an amount of up to 80% of your final working year's salary for each year of retirement.

Mistake #4: Underestimating the impact of inflation
Because of investing too conservatively, most people understand market risk, but they forget about inflation risk—the loss of purchasing power of money over time. Even a mild inflation rate may reduce your purchasing power over time. Make sure your investments are at least keeping pace with inflation.

Mistake #5: Trying to time the market
Even professional investors have trouble timing the market's movements—why do amateurs think they can do any better? And chasing last year's hot stock is a poor strategy. Consistent, systematic investing that avoids knee-jerk reactions to daily market fluctuations is a better approach. Whether retirement is many years away or just around the corner, avoiding these mistakes will help you maximize your retirement advantage.

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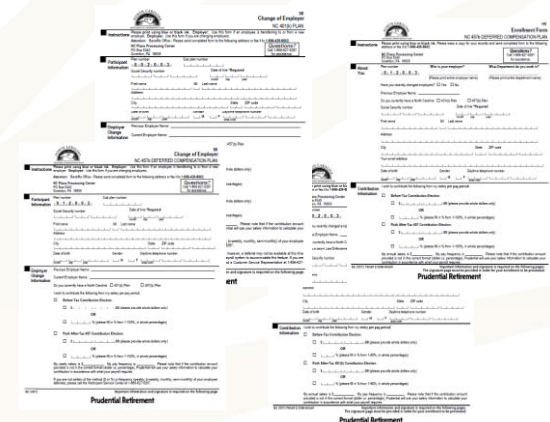
•1Q13 Employer Newsletter Mailed

- 2,566 total participant statements
 - 148 mailed
 - 2,418 electronic



Four Forms Revised

- 401(k) Enrollment Form
- 457 Enrollment Form
- 401(k) Employer Change Form
- 457 Employer Change

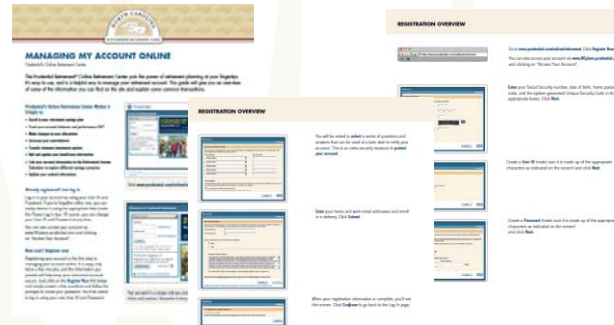


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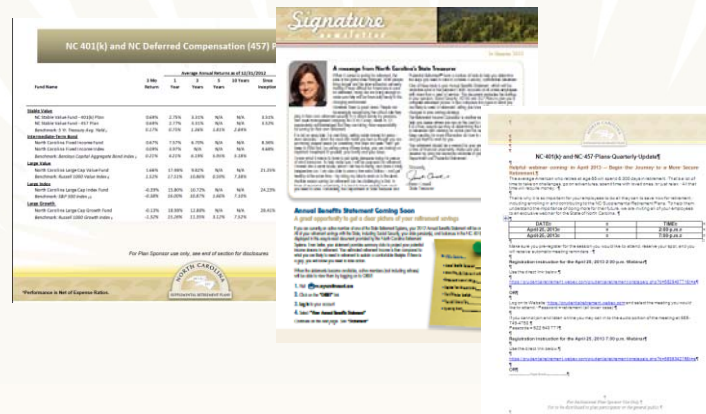
North Carolina Supplemental Retirement Plans

•Created Web Overview Flyer



•Refreshed Links to Website

- 1Q13 Performance
- 1Q13 Signature Newsletter
- 1Q13 Employer Newsletter



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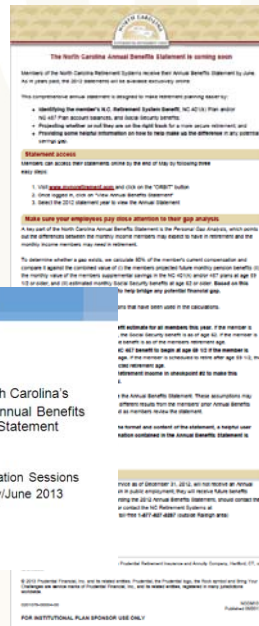
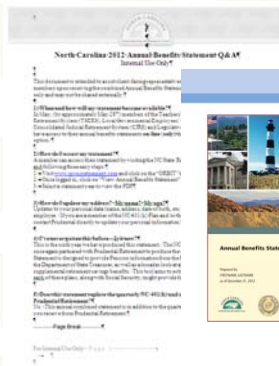
North Carolina Supplemental Retirement Plans

•EZ Increase Revised



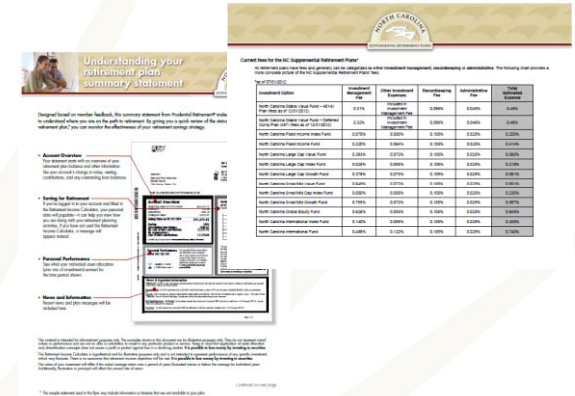
•Annual Benefits Statements

- ABS Employer DreamMail
- ABS Call Center Q & A
- ABS Training Guide



•Flyers Updated

- Fund Fee Document
- How to Read Your Statement Flyer



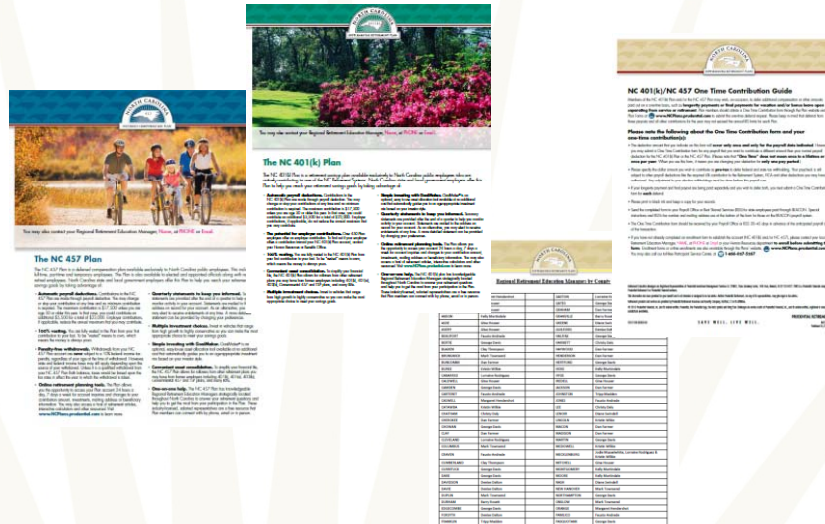
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North Carolina Supplemental Retirement Plans

•Updated Pieces

- RREM & RM Contact Flyer
- 457 Highlights
- 401(k) Highlights
- One Time Contribution Flyer



•NC Promotional Items

- Pens, USB Car Adapter, Antibacterial Wipes



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A message from North Carolina's State Treasurer

As the summer temperatures rise, I am glad to report that the pension fund numbers are "up" as well. At the beginning of the year, we announced that the assets in the pension fund were back to the same levels they were before the economic crisis of 2008. In May, we had more good news—the pension fund was valued at more than \$80 billion.*

While the news has been good recently, we realize that we still need to keep the long-term health of the pension fund as our main focus at all times. To this end, I am working with legislators on bills that would modernize the benefits of the retirement systems, as well as increase investment flexibility that will better manage the pension from market ups and downs.

These proposals include allowing future state employees to choose an optional plan similar to a 401(k) in which employees could invest their retirement savings into personal accounts and giving the Department greater flexibility to invest in alternatives and diversify the pension portfolio. The ability to allocate across many different asset classes will allow the Department to navigate markets more successfully and take advantage of available opportunities.

As State Treasurer, I recognize the importance of having experts to help navigate difficult markets. Although our pension fund manages some asset classes in-house, such as fixed income, we rely on experienced money managers with proven track records for some of the more complicated parts of the portfolio. In the Supplemental

Plans, we also give you a way to tap into investment expertise so you do not have to make some of these harder decisions on your own. GoalMaker, an optional asset allocation program available at no additional cost, uses two pieces of information—your investment style and years to retirement—to help you choose an appropriate investment mix from one of twelve model portfolios for your retirement goals and keep you on the right track to work towards them. See page three of this newsletter to learn more.**

Another important way to make sure you are prepared for retirement is to find ways to increase your contributions. I know we are in the middle of a slow economic recovery, and that it is not always easy to find extra money to set aside. However, even a few dollars can go a long way toward helping you achieve a more secure retirement, and many people are finding creative ways to cut costs and put money toward their future.

One area that has tremendous potential for costs savings is health care. See the back page of this newsletter for information on how you can put more money into retirement by saving on your medications. Also, visit our Financial Literacy page at www.nctreasurer.com/financialliteracy for more tips to help you budget and save your way to a better retirement.

Sincerely,


Janet Cowell
State Treasurer

* Source: www.nctreasurer.com, May 13, 2013 News Release "Treasurer Cowell Reports First Quarter Pension Fund Returns."

**Keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market

U.S. Equity Indexes Reach New Highs

1st Quarter 2013 Market Summary

The first quarter of 2013 was a good time for investors to be in the U.S. stock market

In March the S&P 500, widely regarded as a barometer for U.S. equities, reached a new high after several days hovering close to the previous record. The index ended March at 1,569.19, up 11 percent for the first quarter. Even more remarkable, when measured against its low point during the global financial crisis in February 2009, the S&P 500 was up a total of 115 percent.

The Dow Jones industrial average, another widely followed market index, also posted excellent gains and reached a new high during the first quarter. It ended March at 14,578.54, almost 12 percent higher.

Continues on the next page. See "Market Update"

In this issue...

- Market Updatepage 1
- Upcoming Webinar.....page 2
- Market Update continued.....page 3
- Board Member Spotlightpage 4
- Financial Literacy Tips.....page 4

"Market Update" continued from page 1

1st Quarter 2013 Market Summary

U.S. Equity Indexes Reach New Highs

Not all domestic equity indexes, however, performed nearly as well.

Although the NASDAQ Composite Index, a widely tracked gauge of technology stocks, closed at 3,267.52 and returned over 8 percent for the first quarter, it was still down 36 percent from its intra-day high in March 2000 during the height of the dot-com boom.

While American stocks for the most part enjoyed success in the first quarter, stock markets in nearly every other large economy around the world were still well below their records.

Much of the credit for the market's recovery, according to many economists and market watchers, belongs to the Federal Reserve. In the wake of the 2009 financial crisis, the Fed worked with the rest of the federal government to bail out and revamp the nation's banks and financial system, which the European Central Bank started doing only last year.

The Fed also acted on its own to pump money into the economy with bond-buying programs known as quantitative easing.

Another factor cited for the success of the U.S. equity markets was the U.S. Congress's decision on New Year's Day to make permanent most of the tax cuts put in place during the administration of President George W. Bush.

In doing so, legislators potentially avoided the worst of the "fiscal cliff" provisions, which took effect on January 1, 2013.

So what does this mean to Defined Contribution plan participants?

- Most DC plan participants stayed the course with their asset allocations as stock values generally rose throughout the year.
- Due to the tax deal, a majority of Americans likely avoided significant income tax increases that would have competed with DC plans for share of wallet.¹



NC 401(k) and NC 457 Retirement Plan Webinar

"Continue the Journey... Increasing Your Contributions,"

July 18, 2013. View at www.NCPlans.Prudential.com

Three ways to register now:

1. Send an email to NCPlans@Prudential.com
2. Visit www.NCPlans.Prudential.com and click the "Upcoming webinars" link
3. Call [1-866-NCPlans \(1-866-627-5267\)](tel:1-866-NCPlans)

¹Please note that this information has been provided for informational purposes only. Past performance is not a guarantee of future results and it is possible to lose money investing in securities.

GoalMaker helps manage market volatility

The broad swings in the values of equities over the past four years can cause participants' accounts to have a too high or too low exposure to equities, altering the risk/return profile of their portfolio. This volatility can have dramatic consequences over the long term for younger investors and result in significant losses in the short term for participants approaching retirement.


GoalMaker®, our optional asset allocation program, helps participants select an appropriate investment mix and helps to maintain that mix over time. In fact, a study of Prudential Retirement participants over the past 39 months shows the value of GoalMaker. Each quarter, due to market conditions, 84 percent of GoalMaker participants on average were reallocated back to their proper equity/fixed income mix, while only 8 percent of non-GoalMaker participants did some reallocation.

In addition, more than twice as many dollars were reallocated in GoalMaker accounts compared to non-GoalMaker accounts.

- Net flows went into equities when the market was low and out of equities when the market was high.

(The use of GoalMaker does not guarantee correct reallocations.)

- The average equity exposure for GoalMaker participants was 13 percentage points higher during the period examined, and there was 4 percent less variance in the equity exposure over time for GoalMaker participants.



	401k	457
Participants who have Elected GoalMaker	120,210	20,926
Participation Rate	51.04%	48.00%
Assets	\$2,624,136,195	\$156,790,655
% of Assets in GoalMaker	40.07%	16.09%
As of April 30, 2013		

GoalMaker uses two pieces of participant information — investor style and years to retirement — then matches participants to one of 12 portfolios made up of investment options from their plan. Matching participants to an allocation that aligns with their investment objectives, along with the other benefits of GoalMaker (no additional cost, automatic rebalancing and automatic age migration) can help investors maintain a disciplined allocation during both times of market highs, like we have seen recently, and market lows.

If you want to take advantage of GoalMaker in the NC 401(k) Plan or the NC 457 Plan, log on to your account now at www.NCPlans.Prudential.com.

Board Member Spotlight



Mona Keech

Mona Keech retired from government service in 1995 after working as a court reporter at the Industrial Commission of the N.C. Department of Commerce for more than 35 years.

"I took dictation in courtrooms from Murphy to Manteo," Mona said. "I traveled across the state every third week, and spent time in all of the 100 counties in the state."

Her knowledge of North Carolina and her time in government service gave her a unique perspective on issues facing state employees. Concerned about maintaining retirement benefits for state workers, Mona took an active role in lawsuits that were ultimately successful in keeping employer contributions in the retirement fund and protecting vesting rights for state employees.

In 2010, she sought a seat on the Supplemental Retirement Board of Trustees and was appointed by the Speaker of the N.C. House of Representatives in July of that year. "I wanted to get on the board and make a difference," Mona said, "and I'm very pleased at the way things are going today."

Before her work with North Carolina state government, Mona worked as a typist and receptionist while attending the Stenotype Institute and served as a clerk in the Fingerprint Division of the Federal Bureau of Investigation in Washington, D.C. Although she does not have a professional background in finance, Mona enjoys investing in real estate and managing her own personal portfolio. "I bring the grass roots knowledge and perspective to the board that ensures we keep participant needs first," she said.

Save More on Health Care Costs



Brenda Williams
N.C. Department of State Treasurer


Looking for ways to increase contributions to your 401(k) or 457 Plan, but not sure where to cut costs? There may be opportunities to save money on your medications. You may want to talk to your provider or pharmacist to see if an option below may be right for you.

- Compare costs online. My Rx Choices, a free online tool available to State Health Plan members, may help you lower your prescription costs. With My Rx Choices, you can identify cost-saving alternatives for any prescription. Alternatives may include generics, lower-cost brand name alternatives, over-the-counter medications, or even mail order.
- Use generic medications when possible. Generics are drugs approved by the Food and Drug Administration as safe and effective alternatives to brand name drugs. They contain the same active ingredients in the same amounts, provide the same benefit as brand name counterparts, and require a lower copayment.
- Use over-the-counter alternatives to costly prescription medications. Many people take expensive prescription allergy and heartburn medications, while there are several effective, safe, and lower cost alternatives available over the counter.

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 had a surplus after paying all plan expenses and gave this money back to plan participants. This amount was deposited in your 401(k) or 457 account. Prudential Retirement 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
PRSD7128**

Past performance is not indicative of future performance. An investment cannot be made directly in an index.

The **S&P 500**, or the Standard & Poor's 500, is a stock market index based on the market capitalizations of 500 leading companies publicly traded in the U.S. stock market, as determined by Standard & Poor's

The **Dow Jones Industrial Index** is an index that shows how 30 large publicly owned companies based in the United States have traded during a standard trading session in the stock market.

The **NASDAQ Composite Index** is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market.

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