



# North Carolina Supplemental Retirement Plans

## GoalMaker 2.0: Transition Review



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



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## GoalMaker 2.0 Transition: Benefits to Participants

- Lowers fees by utilizing passive strategies in the most efficient asset classes (Large Cap Equity)
- Goes “through retirement” by:
  - Adding three age-related cohorts in post-retirement
  - Introducing a new TIPS fund
- Better meets the needs of younger participants by:
  - Adding additional age-related cohorts
  - Reducing Stable Value and increasing the equity allocations in the longer-dated funds
- Provides a smoother glidepath (less abrupt asset allocation changes)

## GoalMaker 2.0 Transition: Benefits to Participants

- Provides a more efficient use of the Fund line up
  - Removed the Global Equity Fund
- Improves participant outcomes by ensuring all GoalMaker participants have the age adjustment feature turned on

## GoalMaker 2.0 Transition: NC 401k and NC 457 Plans Fund Allocation Changes

	Fund Name	Asset Value Change (millions)	Market Value (as of 7/31/18)
1	NC Global Equity Fund (closed fund)	-\$995	\$0
2	NC Fixed Income Fund	+\$808.6	\$1,564,876,477
3	NC Fixed Income Index Fund	-\$457.2	\$71,278,050
4	NC Inflation Responsive Fund	-\$136.6	\$374,244,233
5	NC International Equity Fund	+\$926.4	\$1,688,993,532
6	NC Large Cap Core Fund	-\$400.6	\$1,904,659,049
7	NC Large Cap Index Fund	+\$869	\$2,614,633,064
8	NC Small Mid Cap Fund	-\$261	\$837,174,556
9	NC Stable Value Fund	-\$523.7	\$2,034,508,438
10	NC TIPS Fund (new fund)	+\$170.4	\$173,049,034
	<b>TOTAL ASSETS</b>		<b>\$11,263,416,433</b>

## GoalMaker 2.0 Transition: 403b Program Fund Allocation Changes

	Fund Name	Asset Value Change	Market Value (as of 7/31/18)
1	Vanguard 500 Index Admiral	+\$1,092,964	\$4,169,944
2	Vanguard Extended Markets Admiral	-\$1,443	\$1,052,456
3	Vanguard Short Term Inflation	+\$152,110	\$150,717
4	Vanguard Short Term Bond Index	-\$750,067	\$1,594,555
5	Vanguard Total Bond Index	-\$615,583	\$738,967
6	Vanguard Total Intl Stock Admiral	+\$926	\$216,233
7	Vanguard Windsor II Admiral	-\$554,851	\$531,024
8	T. Rowe Price Blue Chip Growth	-\$566,068	\$538,964
9	DFA US Small Cap	-\$334,186	926,490
10	MFS International Equity (removed fund)	-\$1,159,524	\$0
11	Baillie Gifford International Equity (new fund)	+\$1,796,930	\$2,491,505
12	Metropolitan West Fixed Income	+\$1,110,333	\$2,317,268
13	PIMCO Inflation Responsive Fund	-\$171,541	\$607,814
	<b>TOTAL ASSETS</b>		<b>\$15,335,936</b>

## GoalMaker 2.0 Model Portfolios

Aggressive	Pre-Retirement						Post-Retirement		
	26+	21-25	16-20	11-15	6-10	0-5	0-5	6-10	11+
Years to Retirement	26+	21-25	16-20	11-15	6-10	0-5	0-5	6-10	11+
US Large (Passive)	34%	34%	32%	30%	28%	27%	25%	24%	21%
SMID Cap Equity (Active)	14%	14%	14%	12%	10%	10%	8%	6%	6%
International Equity (Active)	40%	40%	38%	36%	32%	24%	21%	20%	17%
Bonds (Active)	2%	2%	7%	13%	21%	27%	26%	19%	19%
Stable Value (Active)	0%	0%	0%	0%	1%	3%	8%	14%	17%
Real Assets (Active)	10%	10%	9%	9%	7%	6%	4%	3%	3%
TIPs (Passive)	0%	0%	0%	0%	1%	3%	8%	14%	17%

Moderate	Pre-Retirement						Post-Retirement		
	26+	21-25	16-20	11-15	6-10	0-5	0-5	6-10	11+
Years to Retirement	26+	21-25	16-20	11-15	6-10	0-5	0-5	6-10	11+
US Large (Passive)	33%	30%	27%	24%	21%	19%	18%	16%	14%
SMID Cap Equity (Active)	14%	12%	12%	10%	8%	6%	6%	4%	4%
International Equity (Active)	38%	36%	32%	28%	24%	19%	15%	14%	12%
Bonds (Active)	6%	13%	21%	28%	33%	36%	34%	27%	23%
Stable Value (Active)	0%	0%	0%	3%	6%	10%	14%	19%	22%
Real Assets (Active)	9%	9%	8%	7%	6%	5%	4%	4%	3%
TIPs (Passive)	0%	0%	0%	0%	2%	5%	9%	16%	22%

## GoalMaker 2.0 Model Portfolios

Conservative	Pre-Retirement						Post-Retirement		
	26+	21-25	16-20	11-15	6-10	0-5	0-5	6-10	11+
US Large (Passive)	27%	24%	20%	17%	14%	13%	11%	10%	9%
SMID Cap Equity (Active)	12%	10%	8%	8%	6%	4%	4%	2%	2%
International Equity (Active)	32%	28%	25%	18%	16%	12%	9%	9%	8%
Bonds (Active)	21%	31%	37%	41%	42%	41%	36%	33%	29%
Stable Value (Active)	0%	0%	4%	8%	12%	17%	22%	25%	26%
Real Assets (Active)	8%	7%	6%	5%	4%	3%	3%	2%	2%
TIPs (Passive)	0%	0%	0%	3%	6%	10%	15%	19%	24%

# Questions





# Thank you



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