

## Retirement Systems Division - Supplemental Retirement Plans at a Glance December 2020

### COUNTS Q4 2020

|           | Assets    | Participants | Employers |
|-----------|-----------|--------------|-----------|
| NC 401(k) | \$12.80 B | 264,116      | 1039      |
| NC 457    | \$1.77 B  | 56,699       | 558       |
| NC 403(b) | \$27.01 M | 1,375        | 93*       |

\* School Districts/Community Colleges

### STRATEGIC GOALS

- Secure the retirement of North Carolina public servants
- Deliver comprehensive personalized solutions and services
- Provide exceptional customer experience
- Protect the integrity of the North Carolina Retirement Systems

### HIGHLIGHTS Q4 2020

- Employer Education Project
- Implementing SECURE Act provisions

### Current and Upcoming Initiatives

- Implementing Small/Mid Cap Fund restructuring
- Implementing custodian change for Stable Value Fund

### INVESTMENTS - NC 401(k) & 457 Plans - Q4 2020

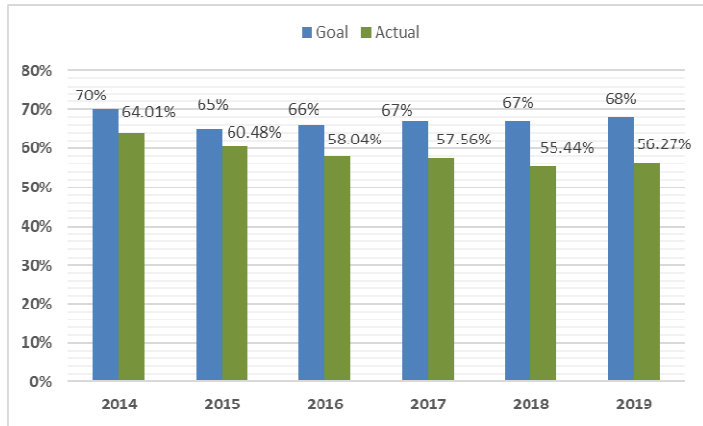
| Fund / Benchmark                                       | Qtr           | 1 YR          | 3 YR          | 5 YR          | Incpt.        |
|--|---------------|---------------|---------------|---------------|---------------|
| <b>Large Cap Passive</b>                               | <b>12.16%</b> | <b>18.43%</b> | <b>14.21%</b> | <b>15.22%</b> | <b>16.40%</b> |
| S&P 500  | 12.15%        | 18.40%        | 14.18%        | 15.22%        | 16.48%        |
| <b>Large Cap Core Fund*</b>                            | <b>16.84%</b> | <b>25.20%</b> | <b>16.23%</b> | -             | <b>16.92%</b> |
| Russell 1000 Index                                     | 13.69%        | 20.96%        | 14.82%        | 15.60%        | 15.86%        |
| <b>SMID Cap Passive</b>                                | <b>27.39%</b> | <b>19.80%</b> | <b>11.22%</b> | <b>13.56%</b> | <b>16.33%</b> |
| Russell 2500   | 27.41%        | 19.99%        | 11.33%        | 13.64%        | 16.40%        |
| <b>SMID Cap Fund*</b>                                  | <b>26.49%</b> | <b>19.23%</b> | <b>10.25%</b> | -             | <b>10.95%</b> |
| Russell 2500 Index                                     | 27.41%        | 19.99%        | 11.33%        | 13.64%        | 12.16%        |
| <b>International Passive</b>                           | <b>17.03%</b> | <b>10.86%</b> | <b>5.13%</b>  | <b>9.31%</b>  | <b>9.38%</b>  |
| MSCI ACWI ex USA Gross                                 | 17.01%        | 10.65%        | 4.88%         | 8.93%         | 9.31%         |
| <b>International Equity</b>                            | <b>17.62%</b> | <b>14.25%</b> | <b>7.18%</b>  | <b>10.84%</b> | <b>10.60%</b> |
| ACWI ex USA Gross                                      | 17.01%        | 10.65%        | 4.88%         | 8.93%         | 9.31%         |
| <b>Inflation Responsive Fund**</b>                     | <b>7.73%</b>  | <b>2.59%</b>  | <b>3.48%</b>  | <b>5.86%</b>  | <b>2.08%</b>  |
| Inflation Responsive Benchmark**                       | 7.71%         | 2.32%         | 3.08%         | 4.20%         | 0.56%         |
| <b>Fixed Income Passive</b>                            | <b>0.67%</b>  | <b>7.48%</b>  | <b>5.28%</b>  | <b>4.40%</b>  | <b>3.52%</b>  |
| Barclays Aggregate                                     | 0.67%         | 7.51%         | 5.34%         | 4.44%         | 3.61%         |
| <b>Fixed Income Fund</b>                               | <b>1.92%</b>  | <b>9.55%</b>  | <b>6.53%</b>  | <b>5.71%</b>  | <b>5.29%</b>  |
| Barclays Aggregate                                     | 0.67%         | 7.51%         | 5.34%         | 4.44%         | 4.32%         |
| <b>Treasury Inflation Protected Securities Fund***</b> | <b>1.52%</b>  | <b>8.44%</b>  | -             | -             | <b>5.87%</b>  |
| Bloomberg Barclays US TIPS 1-10 Years                  | 1.60%         | 8.39%         | 4.93%         | 4.13%         | 5.85%         |
| <b>Stable Value Fund</b>                               | <b>0.57%</b>  | <b>2.41%</b>  | <b>2.43%</b>  | <b>2.25%</b>  | <b>2.52%</b>  |
| T-Bills + 1.5%   | 0.40%         | 0.34%         | 1.61%         | 1.48%         | 1.10%         |

\* Fund created 10.01.2017, limited historical data available.

\*\* Manager replaced and benchmark changed 11.01.2018.

\*\*\* Fund created 11.01.2018, limited historical data available.

### RETIREMENT READINESS - Annual Score



### TACTICAL GOALS - Q4 2020

#### Combined Stretch Goals - All Plans

| Goal                      | Stretch Goal | Actual December 2020 | % to Stretch Goal |
|---------------------------|--------------|----------------------|-------------------|
| Avg. Monthly Contribution | \$181        | \$218                | 121%              |
| Active Participation Rate | 29%          | 33%                  | 114%              |
| GoalMaker - New Member    | 93%          | 94%                  | 101%              |
| GoalMaker - All Members   | 57%          | 68%                  | 119%              |

### CUSTODIAN SERVICE LEVEL AGREEMENTS - Q4 2020

#### Key Performance Indicators (KPIs) for December 2020

| Category                   | KPIs      | Met       | Not Met  |
|----------------------------|-----------|-----------|----------|
| Accounting Team            | 4         | 4         | 0        |
| Client Service Team        | 5         | 5         | 0        |
| Global Risk Solutions Team | 3         | 3         | 0        |
| Workbench                  | 1         | 1         | 0        |
| <b>KPI TOTALS</b>          | <b>13</b> | <b>13</b> | <b>0</b> |

### RECORDKEEPER SERVICE LEVEL AGREEMENTS - Q4 2020

| Standard                     | Actual     | Goal                                    |
|------------------------------|------------|---|
| Statements                   | Yes        | 10 days from period end                 |
| Call Center Speed            | 43 seconds | 80% of calls answered within 20 seconds |
| Education Meeting/Individual | 5,135      | NA                                      |

### UPCOMING 2021 BOARD MEETINGS

- May 27, 2021
- August 26, 2021
- December 2, 2021