



# **North Carolina Total Retirement Plans**

## **1Q 2016 Board of Trustees Report**

**Presented by: Michael McCann, Vice President, Key Account Management**

**On: June 23, 2016**

**As of: March 31, 2016**

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



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

For Plan Sponsor or Consultant Use Only



**Prudential**

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## Prudential Disclosures

**This is not a certified financial statement.**

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

Prudential monitors the contractual terms and service guarantees related to the contract for third-party administration of the supplemental retirement income plan of North Carolina and North Carolina public employee deferred compensation plan. Prudential communicates with Retirement Systems Division staff on our performance with these terms.

Customer should promptly report any inaccuracy or discrepancy to the brokerage firm(s).

All oral communications should be re-confirmed in writing to protect the customer's legal rights, including rights under the Securities Investor Protection act (SIPA).

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**As of January 1, 2016 Prudential Retirement provides the communications and recordkeeping services for the NC Total Retirement Plans 401(k)|457. Investments offered to you within the plan(s) are not offered by or affiliated with Prudential Financial or any of its companies or businesses. Prudential Retirement is a Prudential Financial business.**

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Prudential's Book of Business averages are as of 3/31/2016.

## Disclosures Provided by North Carolina Department of State Treasurer

### 1. Compliance with laws:

- The Contractor shall be required to comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of Federal, State, and local agencies having jurisdiction and/or authority
- Providing and maintain adequate insurance coverage is a material obligation of the Contractor and is of the essence of the agreement between the Contractor and the Department

### 2. Performance guarantees and required notifications to North Carolina:

- Whenever the Department, at its sole discretion, has grounds for insecurity with respect to Contractor's performance, it may, in writing, demand adequate assurance of due performance and the Contractor shall provide such information and documentation as the Department may require to receive such assurance
- The Contractor shall promptly notify the Department of any error by the Contractor that has affected five or more members' accounts – or – has in the aggregate reduced members' balances by more than \$5000.00
- The Contractor will notify the Department prior to changes in the assignment of key personnel
- If the Contractor shall retain a non-affiliated subcontractor(s) specifically for the purpose of providing services to the Department, the Contractor will provide complete copies of the contract(s) to the Department and retain the sole responsibility for the performance of its subcontractor(s)

## Disclosures Provided by North Carolina Department of State Treasurer

### 3. The Contractor warrants that:

- With respect to care of data and confidentiality, all steps necessary will be taken to safeguard data from loss or destruction, nor any data will be divulged to another party without prior written approval of the Plan (except as provided by NC G.S 135-37)
- Contractor employees, officers and subcontractors are not employees or agents of The North Carolina state, the Department or the Plan
- Contractor shall participate in an annual audit of the Plan assets and shall provide all pertinent financial information to the Department and the Independent Auditor
- Contractor shall facilitate the data transmission for the purpose of preparation of Annual Benefit Statement and its delivery to Plan participants

### 4. Contractual Plan Sponsor and Participating Employer relationship – additional services:

- Contractor may hold and facilitate meeting with representatives of the Plan and Participating Employers for the purpose of reviewing Contractor's performance
- Contractor may provide transition, implementation or training services to representatives of the Plan and Participating Employers
- Contractor may provide or make presentations at educational and enrollment meetings, benefits fairs, workshops for employees of Participating Employers

## Our Mission: Retirement Readiness

60.48% of all active NC Public servants at age 62 or older are on track to replace 80% of their pre-retirement income in retirement. The following sub-goals are being pursued at a Combined Plans level to help us achieve our top-level metric of 65% in 2016:

## 401(k) & 457 Plans Combined Summary Goals:

Sub Goal	Goal	As of 3/31/2016	% to Goal
Average Monthly Contributions	\$180.61	\$177.41	98.23%
Active Participation Rate	28.99%	32.06%	110.59%
GoalMaker Utilization Among New Members	93%	89.36%	96.09%
GoalMaker Utilization Among All Members	57%	57.82%	101.44%

2 Employers adopted the 401(k) Plan from the period of January 1, 2016 through March 31, 2016

5 Employers adopted the 457 Plan from the period of January 1, 2016 through March 31, 2016



# North Carolina Total Retirement Plans

## Asset Allocation By Fund – Combined Plans

Investment Option	Asset Class	3/31/2014	%	# Participants Utilizing		%	# Participants Utilizing		%	# Participants Utilizing	
				3/31/2014	3/31/2015		3/31/2015	3/31/2016		3/31/2016	
North Carolina Stable Value Fund	Stable Value	\$2,269,062,892	26.64%	223,052	\$2,299,240,094	25.15%	231,053	\$2,355,048,409	25.86%	228,794	
North Carolina Fixed Income Fund	Fixed Income	\$539,181,765	6.33%	170,648	\$592,703,963	6.48%	181,175	\$612,325,553	6.72%	183,251	
North Carolina Fixed Income Index Fund	Fixed Income	\$307,004,477	3.60%	134,287	\$365,388,640	4.00%	147,336	\$389,801,071	4.28%	153,370	
North Carolina Large Cap Growth Fund	Large-Cap Stock	\$837,583,025	9.83%	227,057	\$901,778,668	9.86%	238,931	\$870,650,349	9.56%	239,350	
North Carolina Large Cap Index Fund	Large-Cap Stock	\$1,184,628,205	13.91%	226,031	\$1,308,290,191	14.31%	238,597	\$1,289,447,769	14.16%	239,271	
North Carolina Large Cap Value Fund	Large-Cap Stock	\$884,410,146	10.38%	227,557	\$929,054,434	10.16%	239,362	\$858,149,429	9.42%	239,205	
North Carolina Small/Mid Cap Growth Fund	Small-Cap Stock	\$303,853,719	3.57%	169,887	\$339,896,707	3.72%	184,520	\$345,842,039	3.80%	190,082	
North Carolina Small/Mid Cap Index Fund	Small-Cap Stock	\$212,127,215	2.49%	26,641	\$233,292,329	2.55%	25,995	\$215,661,211	2.37%	24,437	
North Carolina Small/Mid Cap Value Fund	Small-Cap Stock	\$428,593,080	5.03%	179,827	\$469,905,280	5.14%	194,167	\$445,587,848	4.89%	198,294	
North Carolina Global Equity Fund	Global/Intl Stock	\$677,214,040	7.95%	161,736	\$758,174,084	8.29%	177,247	\$775,488,986	8.52%	183,920	
North Carolina International Fund	Global/Intl Stock	\$533,753,169	6.27%	188,546	\$558,726,484	6.11%	202,021	\$546,145,984	6.00%	205,435	
North Carolina International Index Fund	Global/Intl Stock	\$39,541,111	0.46%	6,548	\$44,598,484	0.49%	6,638	\$44,557,565	0.49%	6,556	
North Carolina Inflation Responsive Fund	Specialty	\$301,201,325	3.54%	152,362	\$341,553,834	3.74%	168,291	\$358,434,459	3.94%	177,981	
Total Plan Assets		\$8,518,154,169	100.00%		\$9,142,603,192	100.00%		\$9,107,140,673	100.00%		

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

The total number of unique participants across both Plans combined as of March 31, 2016 was 265,528.

The average monthly employee deferral from April 1, 2015 to March 31, 2016 was \$177.41 for the Combined Plans.

The average active participation rate from April 1, 2015 to March 31, 2016 was 32.06% for the Combined Plans.

The GoalMaker utilization among new members as of March 31, 2016 was 89.36% for the Combined Plans.

The GoalMaker utilization among members as of March 31, 2016 was 57.82% for the Combined Plans.

# North Carolina Total Retirement Plans

## Asset Allocation By Fund – 401(k) Plan

Investment Option	Asset Class	# Participants Utilizing			# Participants Utilizing			# Participants Utilizing		
		3/31/2014	%	3/31/2014	3/31/2015	%	3/31/2015	3/31/2016	%	3/31/2016
North Carolina Stable Value Fund	Stable Value	\$1,876,285,778	25.27%	181,839	\$1,906,249,994	23.90%	186,962	\$1,958,647,412	24.64%	185,434
North Carolina Fixed Income Fund	Fixed Income	\$476,377,016	6.41%	142,003	\$522,497,905	6.55%	149,012	\$538,419,449	6.77%	150,663
North Carolina Fixed Income Index Fund	Fixed Income	\$280,637,578	3.78%	111,277	\$328,827,318	4.12%	120,325	\$349,477,921	4.40%	125,184
North Carolina Large Cap Growth Fund	Large-Cap Stock	\$730,313,452	9.83%	189,629	\$786,993,275	9.87%	197,380	\$758,298,748	9.54%	197,780
North Carolina Large Cap Index Fund	Large-Cap Stock	\$1,056,779,963	14.23%	192,218	\$1,164,515,659	14.60%	200,266	\$1,147,591,381	14.44%	200,397
North Carolina Large Cap Value Fund	Large-Cap Stock	\$778,496,647	10.48%	190,642	\$817,501,093	10.25%	198,324	\$756,171,154	9.51%	198,236
North Carolina Small/Mid Cap Growth Fund	Small-Cap Stock	\$252,925,403	3.41%	135,840	\$286,832,533	3.60%	146,309	\$294,308,044	3.70%	151,513
North Carolina Small/Mid Cap Index Fund	Small-Cap Stock	\$197,944,687	2.67%	25,281	\$215,963,622	2.71%	24,557	\$198,187,517	2.49%	22,953
North Carolina Small/Mid Cap Value Fund	Small-Cap Stock	\$353,657,723	4.76%	145,363	\$389,466,928	4.88%	155,445	\$374,287,063	4.71%	159,339
North Carolina Global Equity Fund	Global/Intl Stock	\$637,949,325	8.59%	134,979	\$709,650,978	8.90%	145,672	\$723,169,110	9.10%	150,884
North Carolina International Fund	Global/Intl Stock	\$471,612,031	6.35%	153,778	\$495,625,781	6.21%	163,099	\$485,347,940	6.11%	166,297
North Carolina International Index Fund	Global/Intl Stock	\$30,956,816	0.42%	5,483	\$34,367,006	0.43%	5,542	\$33,930,490	0.43%	5,460
North Carolina Inflation Responsive Fund	Specialty	\$282,068,220	3.80%	127,076	\$317,348,476	3.98%	138,075	\$331,947,441	4.18%	145,913
Total Plan Assets		\$7,426,004,639	100.00%		\$7,975,840,569	100.00%		\$7,949,783,669	100.00%	

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

The total number of unique participants in the 401(k) Plan as of March 31, 2016 was 244,592.

The average monthly employee deferral from April 1, 2015 to March 31, 2016 was \$159.35 for the 401(k) Plan.

The average active participation rate from April 1, 2015 to March 31, 2016 was 29.31% for the 401(k) Plan.

The GoalMaker utilization among new members as of March 31, 2016 was 90.69% for the 401(k) Plan.

The GoalMaker utilization among members as of March 31, 2016 was 59.04% for the 401(k) Plan.

# North Carolina Total Retirement Plans

## Asset Allocation By Fund – 457 Plan

Investment Option	Asset Class	# Participants Utilizing			# Participants Utilizing			# Participants Utilizing		
		3/31/2014	%	3/31/2014	3/31/2015	%	3/31/2015	3/31/2016	%	3/31/2016
North Carolina Stable Value Fund	Stable Value	\$392,777,114	35.96%	41,213	\$392,990,100	33.68%	44,091	\$396,400,996	34.25%	43,360
North Carolina Fixed Income Fund	Fixed Income	\$62,804,749	5.75%	28,645	\$70,206,058	6.02%	32,163	\$73,906,105	6.39%	32,588
North Carolina Fixed Income Index Fund	Fixed Income	\$26,366,899	2.41%	23,010	\$36,561,322	3.13%	27,011	\$40,323,150	3.48%	28,186
North Carolina Large Cap Growth Fund	Large-Cap Stock	\$107,269,573	9.82%	37,428	\$114,785,394	9.84%	41,551	\$112,351,601	9.71%	41,570
North Carolina Large Cap Index Fund	Large-Cap Stock	\$127,848,242	11.71%	33,813	\$143,774,532	12.32%	38,331	\$141,856,389	12.26%	38,874
North Carolina Large Cap Value Fund	Large-Cap Stock	\$105,913,499	9.70%	36,915	\$111,553,341	9.56%	41,038	\$101,978,276	8.81%	40,969
North Carolina Small/Mid Cap Growth Fund	Small-Cap Stock	\$50,928,316	4.66%	34,047	\$53,064,174	4.55%	38,211	\$51,533,995	4.45%	38,569
North Carolina Small/Mid Cap Index Fund	Small-Cap Stock	\$14,182,528	1.30%	1,360	\$17,328,707	1.49%	1,438	\$17,473,694	1.51%	1,484
North Carolina Small/Mid Cap Value Fund	Small-Cap Stock	\$74,935,357	6.86%	34,464	\$80,438,352	6.89%	38,722	\$71,300,786	6.16%	38,955
North Carolina Global Equity Fund	Global/Intl Stock	\$39,264,715	3.60%	26,757	\$48,523,106	4.16%	31,575	\$52,319,877	4.52%	33,036
North Carolina International Fund	Global/Intl Stock	\$62,141,138	5.69%	34,768	\$63,100,702	5.41%	38,922	\$60,798,044	5.25%	39,138
North Carolina International Index Fund	Global/Intl Stock	\$8,584,295	0.79%	1,065	\$10,231,478	0.88%	1,096	\$10,627,075	0.92%	1,096
North Carolina Inflation Responsive Fund	Specialty	\$19,133,105	1.75%	25,286	\$24,205,358	2.07%	30,216	\$26,487,018	2.29%	32,068
Total Plan Assets		\$1,092,149,529	100.00%		\$1,166,762,623	100.00%		\$1,157,357,004	100.00%	

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

The total number of unique participants in the 457 Plan as of March 31, 2016 was 51,457.

The average monthly employee deferral from April 1, 2015 to March 31, 2016 was \$135.94 for the 457 Plan.

The average active participation rate from April 1, 2015 to March 31, 2016 was 11.27% for the 457 Plan.

The GoalMaker utilization among new members as of March 31, 2016 was 85.16% for the 457 Plan.

The GoalMaker utilization among members as of March 31, 2016 was 61.82% for the 457 Plan.

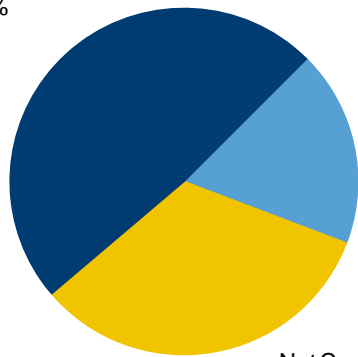
# North Carolina Total Retirement Plans

401(k) Plan				
	1Q 2015	1Q 2016	Difference #	Difference %
Members with an Account Balance	249,314	244,592	(4,722)	-1.89%
Average Account Balance	\$31,991	\$32,502	\$511	1.60%
Median Account Balance	\$10,185	\$10,819	\$634	6.22%

401(k) Plan Percentage Gain						
	Assets (3/31/2015)	Contributions	Distributions	Earnings	Assets (3/31/2016)	Percentage Gain
NC 401(k) Plan	\$7,975,840,569	\$444,500,563	\$414,998,510	(\$55,558,952)	\$7,949,783,669	-0.69%

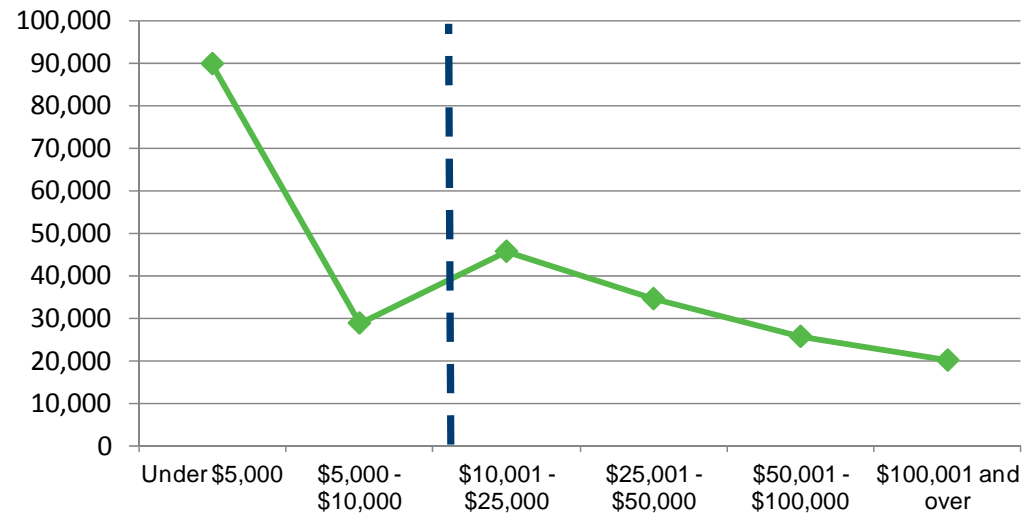
## 401(k) Member Breakdown

Active -  
Contributing,  
48.71%



Term/Retired,  
18.27%

Not Contributing,  
33.03%



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  
Total Retirement Plans | 401k | 457

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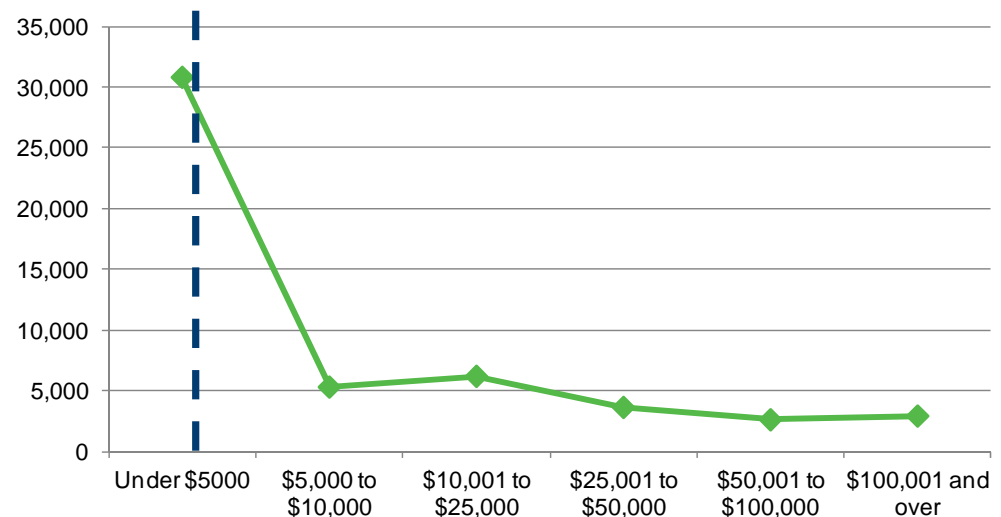
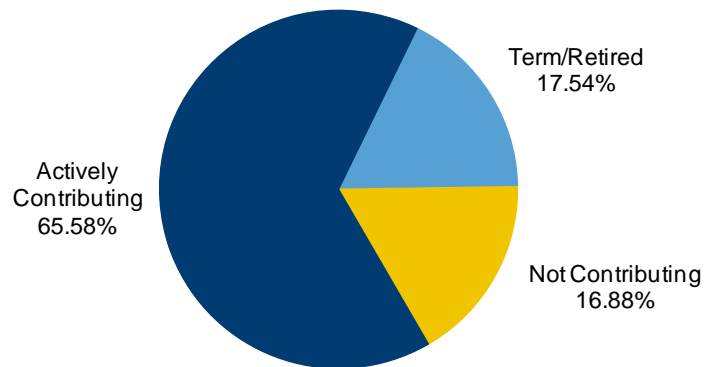
Please see page 5 for important notes and disclaimers.

# North Carolina Total Retirement Plans

457 Plan				
	1Q 2015	1Q 2016	Difference #	Difference %
Members with an Account Balance	52,637	51,457	(1,180)	-2.24%
Average Account Balance	\$22,166	\$22,492	\$326	1.47%
Median Account Balance	\$2,211	\$2,708	\$497	22.48%

457 Plan Percentage Gain						
	Assets (3/31/2015)	Contributions	Distributions	Earnings	Assets (3/31/2016)	Percentage Gain
NC 457 Plan	\$1,166,762,623	\$61,827,189	\$73,868,362	\$2,635,554	\$1,157,357,004	0.23%

## 457 Member Breakdown



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



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

401(k) Plan Quarterly Enrollments & Contribution Changes							
	1Q 2013	1Q 2014	1Q 2014 % of Change	1Q 2015	1Q 2015 % of Change	1Q 2016	1Q 2016 % of Change
<b>Enrollments</b>	3,780	3,198	-18.20%	4,065	27.11%	3,727	-8.31%
% of New Hires Enrolled in Plan	52.53%	46.80%	-12.24%	67.42%	44.06%	44.45%	-34.08%
<b>GoalMaker Elections</b>	3,300	2,890	-14.19%	3,746	29.62%	3,464	-8.14%
<b>Contribution Changes</b>							
Deferral Decreases	2,386	2,231	-6.95%	2,264	1.48%	4,291	89.53%
Deferral Increases	5,965	6,875	13.24%	8,050	17.09%	5,877	-26.99%
Pre-tax Participation Rate	20.63%	20.64%	0.05%	20.42%	-1.07%	20.48%	0.29%
Roth Participation Rate	5.64%	6.57%	14.16%	7.31%	11.26%	7.89%	7.93%
Voluntary (Employee & Roth) Participation Rate	24.60%	25.35%	2.96%	27.50%	8.48%	26.24%	-4.58%

401(k) Plan Quarterly Enrollments & Contribution Change Method				
	1Q 2013	1Q 2014	1Q 2015	1Q 2016
<b>Method of Enrollment</b>				
Paper Form	84.36%	71.36%	76.54%	75.15%
Pseudo Enrollment	13.88%	22.33%	16.68%	17.35%
Internet	1.76%	6.32%	6.78%	7.50%
<b>Method of Contribution Change</b>				
Internet	97.79%	97.97%	98.50%	99.31%
Paper Form	1.69%	1.65%	1.10%	0.31%
Participant Service Center	0.16%	0.04%	0.09%	0.03%
VRU	0.37%	0.34%	0.31%	0.35%

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



## 457 Plan Quarterly Enrollments & Contribution Changes & 457 Plan Quarterly Enrollments & Contribution Change Method

457 Plan Quarterly Enrollments & Contribution Changes							
	1Q 2013	1Q 2014	1Q 2014 % of Change	1Q 2015	1Q 2015 % of Change	1Q 2016	1Q 2016 % of Change
<b>Enrollments</b>	1,988	1,169	-41.20%	1,554	32.93%	1,085	-30.18%
% of New Hires Enrolled in Plan	27.05%	29.81%	10.20%	42.11%	41.29%	20.29%	-51.82%
<b>GoalMaker Elections</b>	1,779	1,020	-42.66%	1,411	38.33%	949	-32.74%
<b>Contribution Changes</b>							
Deferral Decreases	590	1,066	80.68%	751	-29.55%	1,074	43.01%
Deferral Increases	1,386	1,414	2.02%	1,894	33.95%	1,372	-27.56%
Pre-tax Participation Rate	9.81%	10.27%	4.69%	10.51%	2.34%	10.39%	-1.14%
Roth Participation Rate	0.64%	0.93%	45.31%	1.13%	21.51%	1.31%	15.93%
Voluntary (Employee & Roth) Participation Rate	10.00%	10.56%	5.60%	11.19%	5.97%	11.24%	0.45%

457 Plan Quarterly Enrollments & Contribution Change Method				
	1Q 2013	1Q 2014	1Q 2015	1Q 2016
<b>Method of Enrollment</b>				
Paper Form	95.78%	88.37%	89.84%	86.14%
Pseudo Enrollment	0.73%	1.45%	1.48%	2.13%
Internet	3.49%	10.18%	8.68%	11.74%
<b>Method of Contribution Change</b>				
Internet	97.81%	99.10%	98.69%	99.76%
Paper Form	1.13%	0.50%	0.96%	0.18%
Participant Service Center	0.71%	0.13%	0.11%	0.00%
VRU	0.35%	0.27%	0.24%	0.06%

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



# North Carolina Total Retirement Plans

## 401(k) Contributions

	1Q 2013	1Q 2014	1Q 2014 Change %	1Q 2015	1Q 2015 Change %	1Q 2016	1Q 2016 Change %
Employee Contributions	\$51,553,336	\$52,218,715	1.29%	\$53,254,463	1.98%	\$54,132,538	1.65%
Roth	\$6,720,935	\$7,819,875	16.35%	\$9,033,706	15.52%	\$10,034,926	11.08%
<b>Total Employee Contributions</b>	<b>\$58,274,271</b>	<b>\$60,038,590</b>	<b>3.03%</b>	<b>\$62,288,170</b>	<b>3.75%</b>	<b>\$64,167,464</b>	<b>3.02%</b>
Employer Contributions	\$40,257,645	\$41,988,747	4.30%	\$43,658,639	3.98%	\$45,117,792	3.34%
Rollovers	\$13,032,164	\$10,391,366	-20.26%	\$12,090,810	16.35%	\$11,055,210	-8.57%
<b>Total Contributions</b>	<b>\$111,564,080</b>	<b>\$112,418,703</b>	<b>0.77%</b>	<b>\$118,037,619</b>	<b>5.00%</b>	<b>\$120,340,466</b>	<b>1.95%</b>
Average Voluntary Contributions	\$175	\$169	-3.43%	\$161	-4.89%	\$173	7.41%
Average Roth Contributions	\$91	\$91	-0.08%	\$93	2.67%	\$95	1.35%
Average Employee Contributions	\$186	\$180	-3.23%	\$184	2.29%	\$186	0.86%

## 457 Contributions

	1Q 2013	1Q 2014	1Q 2014 Change %	1Q 2015	1Q 2015 Change %	1Q 2016	1Q 2016 Change %
Employee Contributions	\$12,656,416	\$13,235,600	4.58%	\$13,888,773	4.93%	\$13,689,750	-1.43%
Roth	\$466,259	\$540,536	15.93%	\$846,874	56.67%	\$989,083	16.79%
<b>Total Employee Contributions</b>	<b>\$13,122,675</b>	<b>\$13,776,136</b>	<b>4.98%</b>	<b>\$14,735,647</b>	<b>100.00%</b>	<b>\$14,678,833</b>	<b>-0.39%</b>
Employer Contributions	\$0	\$190,944	0.00%	\$327,006	0.00%	\$353,067	7.97%
Rollovers	\$2,434,209	\$2,241,198	-7.93%	\$3,582,037	59.83%	\$2,417,573	-32.51%
<b>Total Contributions</b>	<b>\$15,556,884</b>	<b>\$16,208,278</b>	<b>4.19%</b>	<b>\$18,644,689</b>	<b>15.03%</b>	<b>\$17,449,473</b>	<b>-6.41%</b>
Average Voluntary Contributions	\$162	\$142	-12.27%	\$142	-0.33%	\$134	-5.41%
Average Roth Contributions	\$128	\$119	-6.87%	\$137	15.06%	\$126	-8.46%
Average Employee Contributions	\$160	\$144	-9.96%	\$142	-1.46%	\$135	-5.12%

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





## 401(k) GoalMaker Participation

	3/31/2013	3/31/2014	3/31/2015	3/31/2016
Total Plan Assets in GoalMaker	\$2,568,631,493	\$3,087,795,831	\$3,439,314,807	\$3,526,593,516
Total # of Participants in GoalMaker	119,401	130,076	139,969	144,410
Year to Date % of New Enrollments with Goalmaker Election	87.30%	90.37%	92.11%	92.45%
Total Participation Rate	50.75%	53.39%	56.14%	59.04%
Prudential's Book of Business GoalMaker Average Participation Rate*	43.23%	43.07%	45.19%	47.29%
Total % of Assets	39.76%	41.56%	43.10%	44.36%

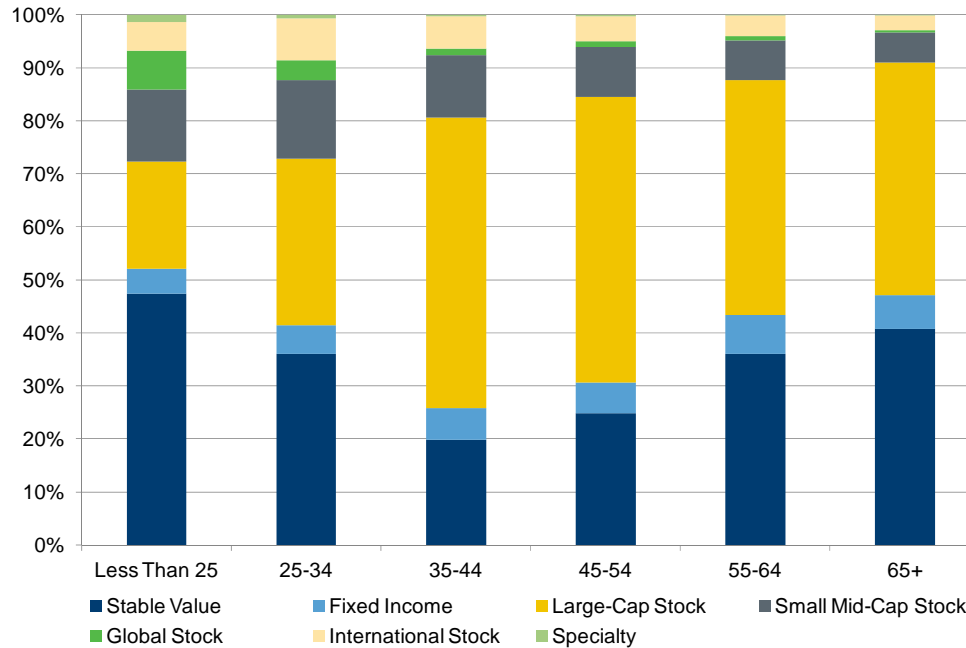
Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	1,153	2,566	1,036	4,755
Age 25-34	7,523	15,809	9,432	32,764
Age 35-44	7,262	17,979	11,532	36,773
Age 45-54	8,362	18,955	9,830	37,147
Age 55-64	7,978	13,076	4,622	25,676
Age 65+	2,531	3,603	1,161	7,295
Total	34,809	71,988	37,613	144,410

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	\$2,322,181	\$4,930,437	\$2,739,076	\$9,991,694
Age 25-34	\$46,867,040	\$123,833,057	\$117,625,400	\$288,325,497
Age 35-44	\$83,084,435	\$309,841,027	\$337,988,418	\$730,913,879
Age 45-54	\$177,239,891	\$529,518,975	\$449,511,878	\$1,156,270,744
Age 55-64	\$258,460,663	\$492,072,106	\$241,227,346	\$991,760,115
Age 65+	\$115,290,307	\$162,166,081	\$71,875,199	\$349,331,587
Total	\$683,264,516	\$1,622,361,684	\$1,220,967,316	\$3,526,593,516

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



## 401(k) Asset Allocation by Age Group – Assets Not in GoalMaker As of March 31, 2016

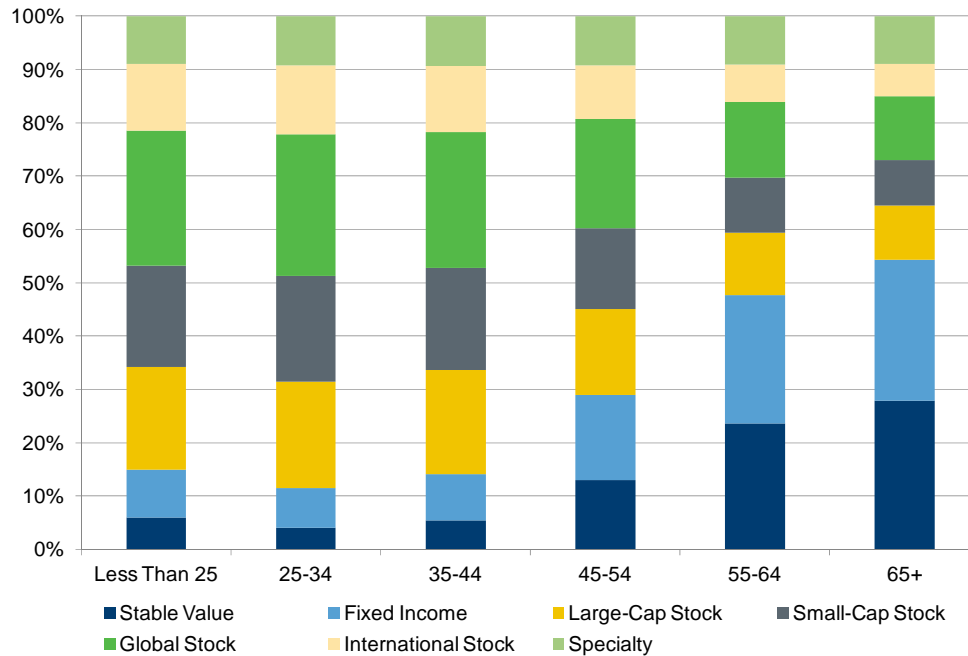


Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$381,371	\$16,979,864	\$100,495,984	\$312,960,437	\$542,099,327	\$451,564,488	\$1,424,481,471
Fixed Income	\$37,643	\$2,510,303	\$30,024,891	\$73,187,505	\$109,691,132	\$71,001,309	\$286,452,783
Large-Cap Stock	\$162,169	\$14,837,536	\$278,176,244	\$675,214,947	\$666,373,288	\$486,943,340	\$2,121,707,523
Small Mid-Cap Stock	\$109,198	\$6,984,088	\$59,643,319	\$119,534,433	\$111,977,399	\$62,157,492	\$360,405,929
Global Stock	\$59,087	\$1,702,562	\$6,281,802	\$12,787,580	\$12,589,657	\$5,715,429	\$39,136,117
International Stock	\$42,410	\$3,757,318	\$31,074,242	\$60,547,600	\$56,629,327	\$30,563,783	\$182,614,680
Specialty	\$11,535	\$309,962	\$1,154,305	\$2,627,312	\$2,985,097	\$1,303,439	\$8,391,651
Total Assets	\$803,412	\$47,081,632	\$506,850,788	\$1,256,859,814	\$1,502,345,227	\$1,109,249,280	\$4,423,190,153
% Assets	0.02%	1.06%	11.46%	28.42%	33.97%	25.08%	100.00%
Total Participants	268	4,157	19,277	30,521	28,339	17,696	100,258
Average Account Balance	\$2,998	\$11,326	\$26,293	\$41,180	\$53,013	\$62,684	\$44,118

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



## 401(k) Asset Allocation by Age Group – Assets in GoalMaker As of March 31, 2016

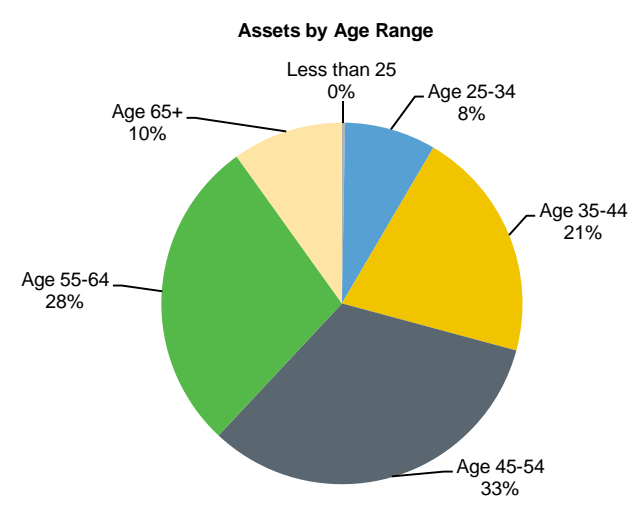
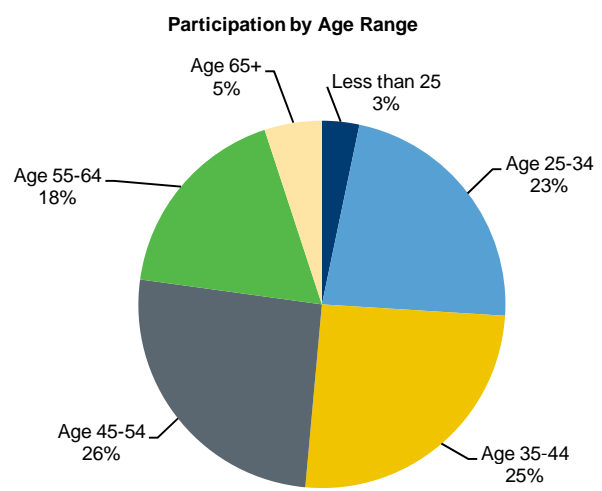
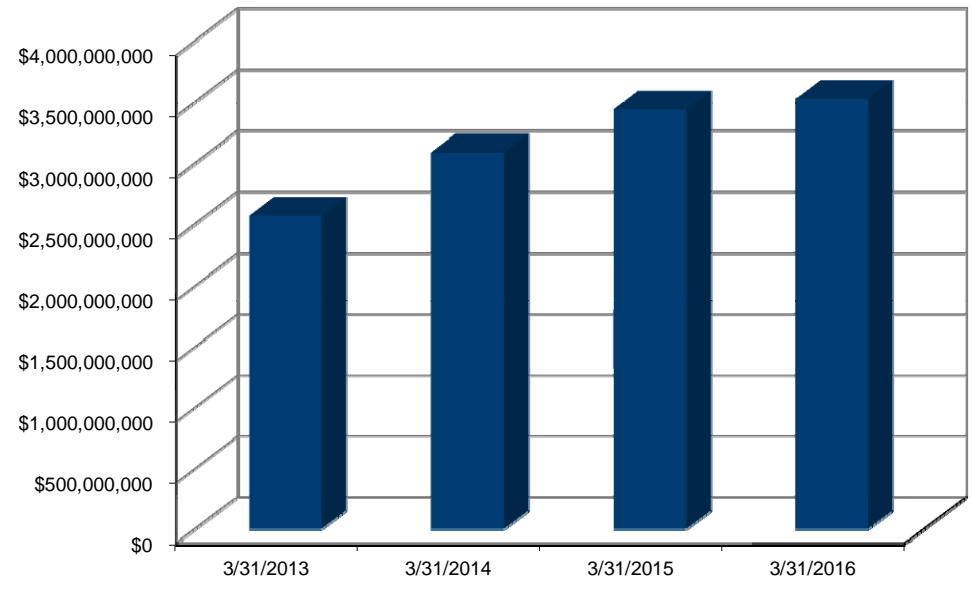
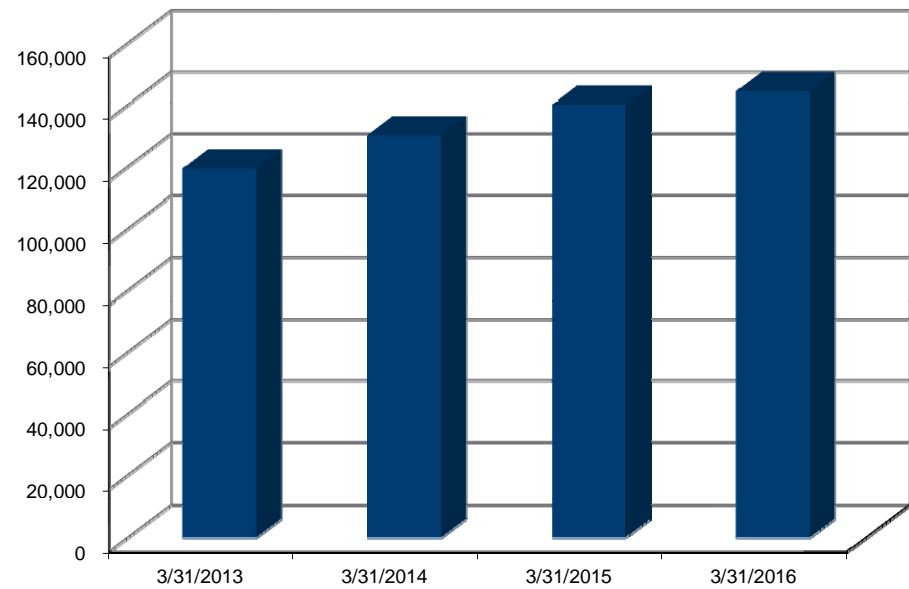


Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$592,850	\$11,684,470	\$39,799,393	\$150,568,450	\$234,320,487	\$97,200,292	\$534,165,942
Fixed Income	\$904,994	\$21,302,972	\$63,583,530	\$184,853,248	\$238,231,685	\$92,568,159	\$601,444,586
Large-Cap Stock	\$1,924,137	\$57,885,802	\$142,739,272	\$185,922,996	\$116,491,637	\$35,389,915	\$540,353,759
Small-Cap Stock	\$1,890,252	\$57,127,379	\$139,673,358	\$175,570,160	\$101,961,343	\$30,154,204	\$506,376,696
Global Stock	\$2,539,342	\$76,272,588	\$185,703,518	\$236,627,530	\$141,243,319	\$41,646,696	\$684,032,993
International Stock	\$1,242,016	\$37,409,327	\$91,093,463	\$115,744,082	\$70,010,283	\$21,164,579	\$336,663,750
Specialty	\$898,104	\$26,642,959	\$68,321,346	\$106,984,279	\$89,501,361	\$31,207,741	\$323,555,791
Total Assets	\$9,991,694	\$288,325,497	\$730,913,879	\$1,156,270,744	\$991,760,115	\$349,331,587	\$3,526,593,516
% Assets	0.28%	8.18%	20.73%	32.79%	28.12%	9.91%	100.00%
Total Participants	4,755	32,764	36,773	37,147	25,676	7,295	144,410
Average Account Balance	\$2,101	\$8,800	\$19,876	\$31,127	\$38,626	\$47,886	\$24,421

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



401(k) GoalMaker Participation



## 457 GoalMaker Participation

	3/31/2013	3/31/2014	3/31/2015	3/31/2016
Total Plan Assets in GoalMaker	\$150,574,417	\$201,593,243	\$248,161,775	\$269,654,429
Total # of Participants in GoalMaker	20,221	25,792	30,461	31,810
Year to Date % of New Enrollments with Goalmaker Election	89.49%	87.25%	90.71%	87.71%
Total Participation Rate	47.08%	52.76%	57.87%	61.82%
Prudential's Book of Business GoalMaker Average Participation Rate*	43.23%	43.07%	45.19%	47.29%
Total % of Assets	15.62%	18.45%	21.26%	23.30%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	245	507	252	1,004
Age 25-34	2,074	3,473	2,049	7,596
Age 35-44	2,170	3,928	2,265	8,363
Age 45-54	2,665	4,489	2,100	9,254
Age 55-64	1,680	2,226	757	4,663
Age 65+	379	410	141	930
Total	9,213	15,033	7,564	31,810

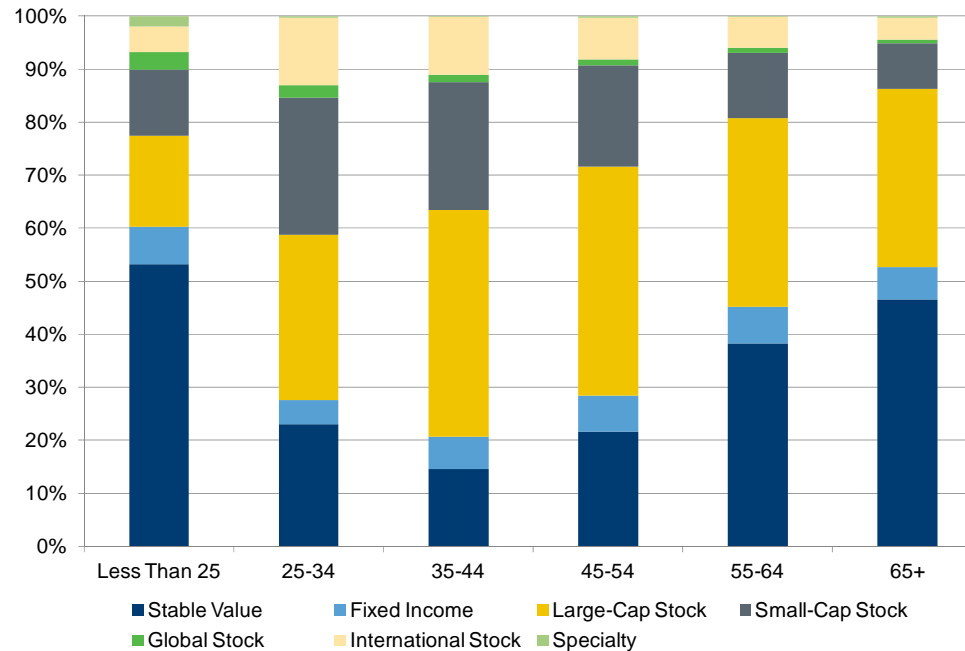
Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	\$111,403	\$260,497	\$234,832	\$606,731
Age 25-34	\$2,144,944	\$5,461,474	\$5,248,835	\$12,855,253
Age 35-44	\$4,591,019	\$15,487,553	\$15,683,488	\$35,762,060
Age 45-54	\$12,550,840	\$38,683,449	\$29,450,163	\$80,684,452
Age 55-64	\$24,423,372	\$45,211,461	\$19,692,241	\$89,327,074
Age 65+	\$17,348,072	\$23,011,681	\$10,059,105	\$50,418,859
Total	\$61,169,650	\$128,116,115	\$80,368,664	\$269,654,429

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



# North Carolina Total Retirement Plans

## 457 Asset Allocation by Age Group – Assets Not in GoalMaker As of March 31, 2016



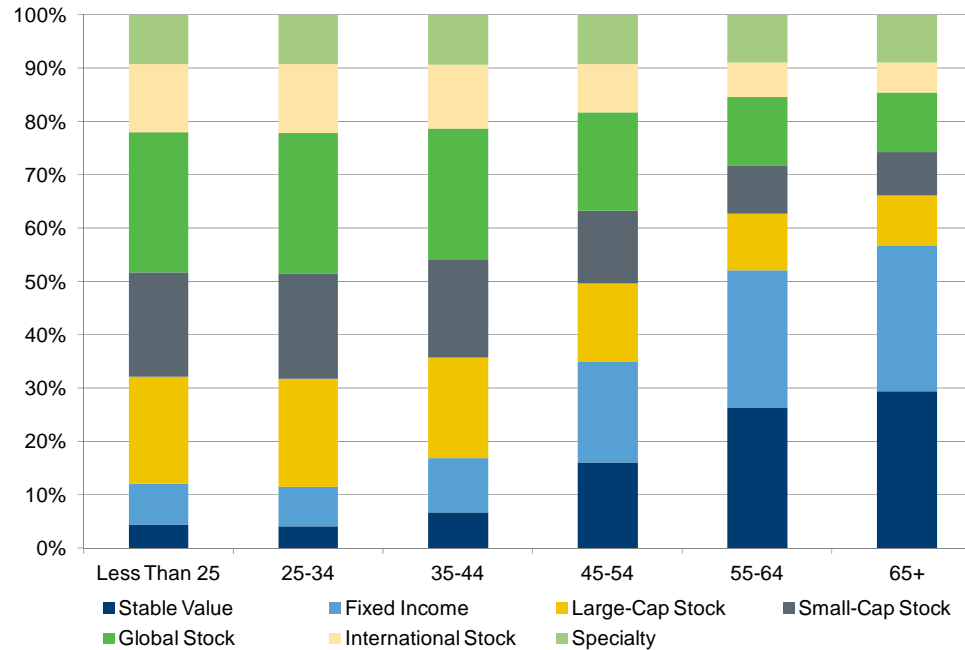
Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$28,015	\$795,038	\$5,209,850	\$30,446,144	\$110,550,428	\$195,176,530	\$342,206,006
Fixed Income	\$3,726	\$157,030	\$2,182,092	\$9,381,746	\$20,078,393	\$25,866,148	\$57,669,135
Large-Cap Stock	\$9,000	\$1,069,261	\$15,267,283	\$60,639,352	\$102,731,312	\$140,808,797	\$320,525,004
Small-Cap Stock	\$6,562	\$891,817	\$8,619,424	\$26,647,088	\$35,566,746	\$36,100,263	\$107,831,900
Global Stock	\$1,746	\$82,448	\$508,932	\$1,555,760	\$2,986,916	\$2,937,197	\$8,073,000
International Stock	\$2,604	\$435,539	\$3,865,371	\$11,168,554	\$16,438,601	\$17,542,522	\$49,453,192
Specialty	\$994	\$10,376	\$73,166	\$360,101	\$557,836	\$941,866	\$1,944,339
Total Assets	\$52,647	\$3,441,509	\$35,726,119	\$140,198,746	\$288,910,232	\$419,373,323	\$887,702,575
% Assets	0.01%	0.39%	4.02%	15.79%	32.55%	47.24%	100.00%
Total Participants	51	874	2,994	5,419	5,839	4,478	19,655
Average Account Balance	\$1,032	\$3,938	\$11,933	\$25,872	\$49,479	\$93,652	\$45,164

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



# North Carolina Total Retirement Plans

## 457 Asset Allocation by Age Group – Assets in GoalMaker As of March 31, 2016

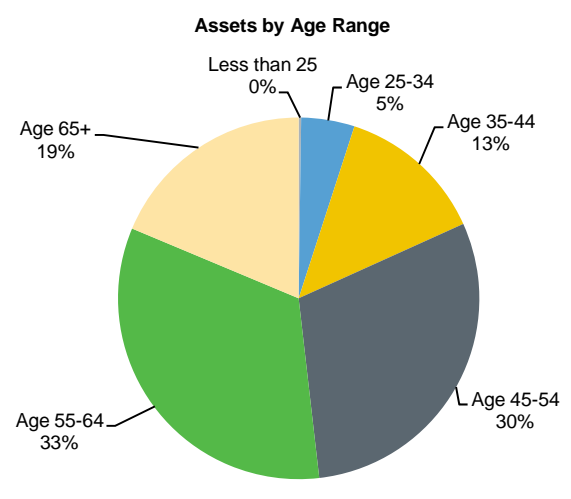
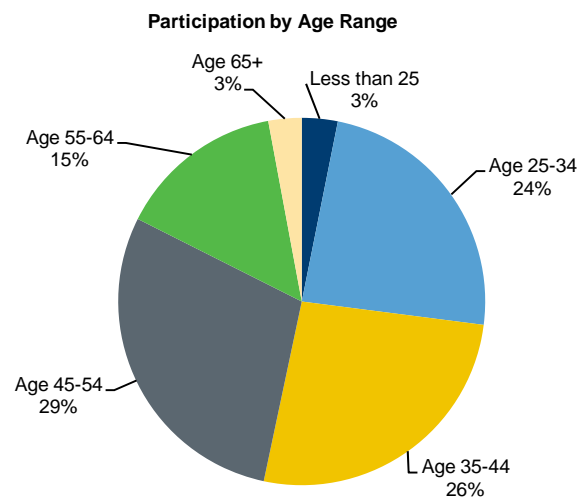
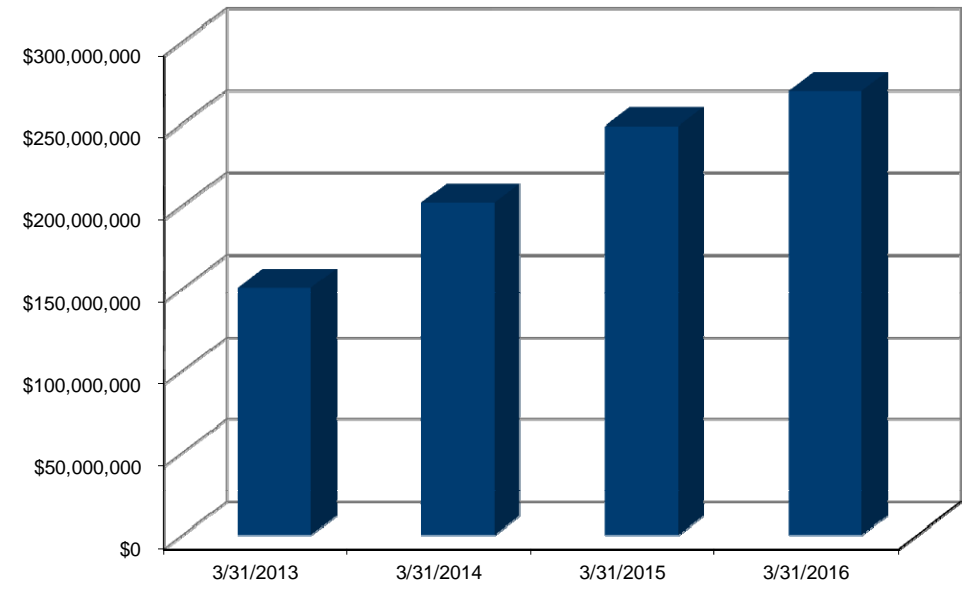
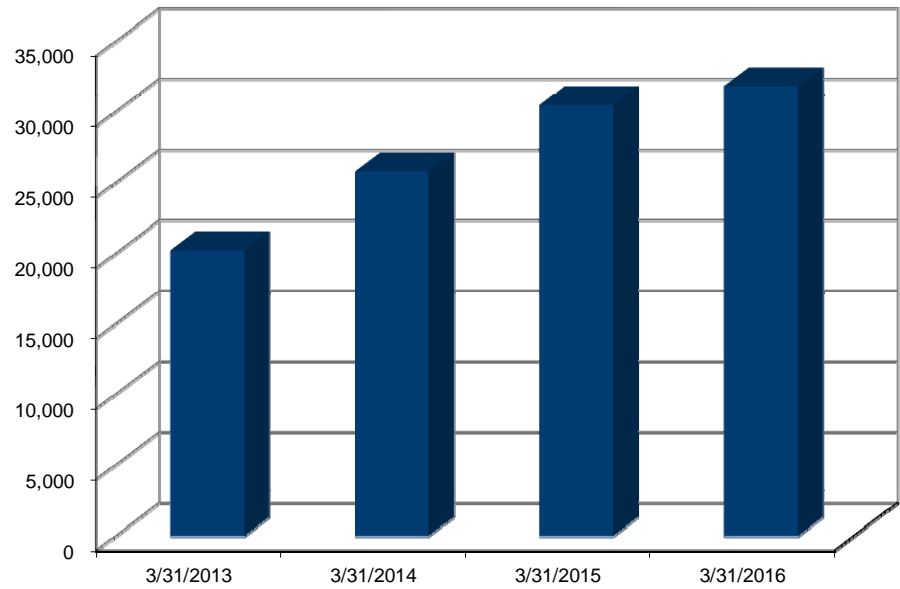


Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$26,073	\$519,690	\$2,394,979	\$12,930,186	\$23,528,651	\$14,795,412	\$54,194,991
Fixed Income	\$46,630	\$953,587	\$3,627,789	\$15,209,287	\$22,949,349	\$13,773,479	\$56,560,120
Large-Cap Stock	\$122,564	\$2,600,245	\$6,769,600	\$11,857,772	\$9,526,638	\$4,784,443	\$35,661,262
Small-Cap Stock	\$118,506	\$2,536,666	\$6,580,330	\$10,997,017	\$8,173,287	\$4,070,768	\$32,476,574
Global Stock	\$159,315	\$3,395,209	\$8,768,618	\$14,922,572	\$11,385,618	\$5,615,545	\$44,246,877
International Stock	\$77,867	\$1,664,423	\$4,292,233	\$7,318,550	\$5,731,032	\$2,887,823	\$21,971,927
Specialty	\$55,776	\$1,185,433	\$3,328,511	\$7,449,069	\$8,032,501	\$4,491,389	\$24,542,679
Total Assets	\$606,731	\$12,855,253	\$35,762,060	\$80,684,452	\$89,327,074	\$50,418,859	\$269,654,429
% Assets	0.23%	4.77%	13.26%	29.92%	33.13%	18.70%	100.00%
Total Participants	1,004	7,596	8,363	9,254	4,663	930	31,810
Average Account Balance	\$604	\$1,692	\$4,276	\$8,719	\$19,157	\$54,214	\$8,477

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



457 GoalMaker Participation





## Loan Information

401(k) YTD Loans					
	2013	2014	2015	2016	Change %
% of Members in Plan with a Loan	24.15%	24.47%	24.18%	23.32%	-3.56%
# of Outstanding Loans	47,158	47,584	47,221	46,443	-1.65%
# of New Loans YTD	3,595	3,668	3,602	3,384	-6.05%
Average Loan Balance	\$5,540	\$5,753	\$6,038	\$6,242	3.38%
Total Outstanding Loan Balance	\$261,262,898	\$273,728,886	\$285,134,956	\$289,900,269	1.67%

457 YTD Loans					
	2013	2014	2015	2016	Change %
% of Members in Plan with a Loan	13.95%	14.25%	13.93%	13.72%	-1.51%
# of Outstanding Loans	4,880	5,377	5,659	5,783	2.19%
# of New Loans YTD	409	450	490	393	-19.80%
Average Loan Balance	\$3,020	\$3,120	\$3,303	\$3,261	-1.27%
Total Outstanding Loan Balance	\$14,739,629	\$16,773,846	\$18,694,043	\$18,858,589	0.88%



## 401(k) Disbursements – Year to Date

401(k) Disbursements							
	1Q 2013	1Q 2014	1Q 2014 Change %	1Q 2015	1Q 2015 Change %	1Q 2016	1Q 2016 Change %
Term - Lump Sum	\$59,310,121	\$76,088,162	28.29%	\$92,289,026	21.29%	\$87,329,043	-5.37%
In-Service	\$18,868,654	\$14,413,224	-23.61%	\$11,805,676	-18.09%	\$13,428,569	13.75%
State Retirement System	\$3,075,540	\$2,948,905	-4.12%	\$4,103,410	39.15%	\$2,622,423	-36.09%
Hardship	\$1,557,357	\$1,542,381	-0.96%	\$1,551,805	0.61%	\$1,178,628	-24.05%
Systematic	\$2,084,321	\$2,357,221	13.09%	\$2,413,185	2.37%	\$2,494,438	3.37%
<b>Total Disbursements</b>	<b>\$84,895,993</b>	<b>\$97,349,893</b>	<b>14.67%</b>	<b>\$112,163,103</b>	<b>15.22%</b>	<b>\$107,053,101</b>	<b>-4.56%</b>

401(k) Disbursements							
	1Q 2013	1Q 2014	1Q 2014 Change %	1Q 2015	1Q 2015 Change %	1Q 2016	1Q 2016 Change %
Term – Lump Sum	4,326	5,304	22.61%	6,016	13.42%	20,731	244.60%
In-Service	1,776	1,550	-12.73%	1,514	-2.32%	1,477	-2.44%
State Retirement System	113	102	-9.73%	127	24.51%	98	-22.83%
Hardship	523	436	-16.63%	378	-13.30%	407	7.67%
Systematic	2,877	3,009	4.59%	3,017	0.27%	3,079	2.06%
<b>Total Disbursements</b>	<b>9,615</b>	<b>10,401</b>	<b>8.17%</b>	<b>11,052</b>	<b>6.26%</b>	<b>25,792</b>	<b>133.37%</b>

## 457 Disbursements – Year to Date

457 Disbursements							
	1Q 2013	1Q 2014	1Q 2014 Change %	1Q 2015	1Q 2015 Change %	1Q 2016	1Q 2016 Change %
Term - Lump Sum	\$11,520,197	\$11,783,792	2.29%	\$14,601,020	23.91%	\$15,452,131	5.83%
In-Service	\$273,627	\$76,689	-71.97%	\$477,184	522.23%	\$226,452	-52.54%
State Retirement System	\$161,148	\$143,198	-11.14%	\$285,777	99.57%	\$1,815,764	535.38%
Hardship	\$108,867	\$142,736	31.11%	\$152,429	6.79%	\$106,057	-30.42%
Systematic	\$1,273,118	\$1,266,273	-0.54%	\$1,257,318	-0.71%	\$1,280,654	1.86%
<b>Total Disbursements</b>	<b>\$13,336,957</b>	<b>\$13,412,688</b>	<b>0.57%</b>	<b>\$16,773,728</b>	<b>25.06%</b>	<b>\$18,881,058</b>	<b>12.56%</b>

457 Disbursements							
	1Q 2013	1Q 2014	1Q 2014 Change %	1Q 2015	1Q 2015 Change %	1Q 2016	1Q 2016 Change %
Term – Lump Sum	2,476	2,620	5.82%	1,309	-50.04%	5,680	333.92%
In-Service	24	24	0.00%	10	-58.33%	13	30.00%
State Retirement System	9	8	-11.11%	13	62.50%	22	69.23%
Hardship	79	78	-1.27%	70	-10.26%	79	12.86%
Systematic	1,558	1,500	-3.72%	1,450	-3.33%	1,347	-7.10%
<b>Total Disbursements</b>	<b>4,146</b>	<b>4,230</b>	<b>2.03%</b>	<b>2,852</b>	<b>-32.58%</b>	<b>7,141</b>	<b>150.39%</b>

# North Carolina Total Retirement Plans

## 401(k) Plan Asset Allocation/Net Cash Flow January 1, 2015 to March 31, 2015

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$10,638,088	\$357,765,912	\$1,359,041,313	\$2,410,752,572	\$2,495,749,411	\$1,341,893,275	\$7,975,840,569
% Assets	0.13%	4.49%	17.04%	30.23%	31.29%	16.82%	100.00%
Total Contributions	\$1,844,307	\$14,256,352	\$24,922,888	\$32,844,629	\$26,997,765	\$5,080,869	\$105,946,809
Rollovers In	\$42,879	\$644,317	\$2,015,922	\$2,437,897	\$3,800,166	\$3,149,630	\$12,090,810
Total Distributions including:	(\$89,320)	(\$3,503,910)	(\$9,007,357)	(\$23,312,800)	(\$47,594,923)	(\$28,654,793)	(\$112,163,103)
Rollovers Out	(\$34,406)	(\$1,764,255)	(\$4,384,777)	(\$13,785,842)	(\$24,839,781)	(\$14,140,662)	(\$58,949,722)
Cash Distributions	(\$54,914)	(\$1,739,656)	(\$4,622,579)	(\$9,526,959)	(\$22,755,142)	(\$14,514,131)	(\$53,213,381)
Net Cash Flow	\$1,797,867	\$11,396,758	\$17,931,453	\$11,969,726	(\$16,796,993)	(\$20,424,295)	\$5,874,516
Total Unique Participants	4,792	37,520	60,319	67,839	54,635	24,209	249,314
Avg. Account Balance	\$2,220	\$9,535	\$22,531	\$35,536	\$45,680	\$55,430	\$31,991

## 401(k) Plan Asset Allocation/Net Cash Flow January 1, 2016 to March 31, 2016

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$10,795,106	\$335,407,129	\$1,237,764,667	\$2,413,130,558	\$2,494,105,342	\$1,458,580,867	\$7,949,783,669
% Assets	0.14%	4.22%	15.57%	30.35%	31.37%	18.35%	100.00%
Total Contributions	\$2,038,404	\$15,232,433	\$24,791,163	\$34,341,835	\$27,528,902	\$5,352,519	\$109,285,256
Rollovers In	\$14,109	\$714,284	\$1,878,923	\$2,886,981	\$4,140,666	\$1,420,246	\$11,055,210
Total Distributions including:	(\$141,434)	(\$3,573,191)	(\$9,451,738)	(\$23,101,849)	(\$44,452,946)	(\$26,331,944)	(\$107,053,101)
Rollovers Out	(\$2,090)	(\$1,280,520)	(\$3,648,267)	(\$11,989,917)	(\$20,061,331)	(\$12,402,051)	(\$49,384,177)
Cash Distributions	(\$139,344)	(\$2,292,671)	(\$5,803,471)	(\$11,111,931)	(\$24,391,614)	(\$13,929,893)	(\$57,668,924)
Net Cash Flow	\$1,911,080	\$12,373,527	\$17,218,348	\$14,126,967	(\$12,783,377)	(\$19,559,179)	\$13,287,365
Total Unique Participants	5,016	36,918	56,046	67,651	53,999	24,962	244,592
Avg. Account Balance	\$2,152	\$9,085	\$22,085	\$35,670	\$46,188	\$58,432	\$32,502
Prudential Participant Avg. Account Balance	\$2,392	\$12,764	\$35,877	\$66,428	\$91,772	\$113,115	\$57,632

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



North Carolina | 401k | 457  
Total Retirement Plans

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Please see page 5 for important notes and disclaimers.

## 457 Plan Asset Allocation/Net Cash Flow January 1, 2015 to March 31, 2015

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$691,509	\$15,034,562	\$76,262,181	\$227,001,158	\$398,672,889	\$449,100,324	\$1,166,762,623
% Assets	0.06%	1.29%	6.54%	19.46%	34.17%	38.49%	100.00%
Total Contributions	\$129,705	\$1,137,831	\$2,531,632	\$5,135,044	\$4,673,869	\$1,454,572	\$15,062,653
Rollovers In	\$3,483	\$87,387	\$152,201	\$492,950	\$811,642	\$2,009,068	\$3,556,731
Total Distributions including:	(\$2,945)	(\$204,250)	(\$238,996)	(\$1,620,654)	(\$7,228,512)	(\$7,478,371)	(\$16,773,728)
Rollovers Out	(\$1,091)	(\$58,425)	(\$57,439)	(\$653,737)	(\$4,319,628)	(\$3,277,434)	(\$8,367,754)
Cash Distributions	(\$1,854)	(\$145,826)	(\$181,557)	(\$966,917)	(\$2,908,884)	(\$4,200,936)	(\$8,405,974)
Net Cash Flow	\$130,243	\$1,020,967	\$2,444,837	\$4,007,340	(\$1,743,001)	(\$4,014,730)	\$1,845,656
Total Unique Participants	1,185	8,615	11,859	14,547	10,926	5,505	52,637
Avg. Account Balance	\$584	\$1,745	\$6,431	\$15,605	\$36,488	\$81,580	\$22,166

## 457 Plan Asset Allocation/Net Cash Flow January 1, 2016 to March 31, 2016

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$659,378	\$16,296,762	\$71,488,180	\$220,883,197	\$378,237,306	\$469,792,181	\$1,157,357,004
% Assets	0.06%	1.41%	6.18%	19.09%	32.68%	40.59%	100.00%
Total Contributions	\$138,644	\$1,256,138	\$2,621,619	\$4,997,598	\$4,585,766	\$1,432,135	\$15,031,900
Rollovers In	\$0	\$42,433	\$71,773	\$655,098	\$439,976	\$1,208,293	\$2,417,573
Total Distributions including:	(\$34,061)	(\$424,999)	(\$727,105)	(\$2,489,298)	(\$7,374,994)	(\$7,830,600)	(\$18,881,058)
Rollovers Out	(\$285)	(\$20,056)	(\$342,766)	(\$1,043,216)	(\$4,160,498)	(\$3,035,644)	(\$8,602,465)
Cash Distributions	(\$33,777)	(\$404,943)	(\$384,339)	(\$1,446,081)	(\$3,214,496)	(\$4,794,956)	(\$10,278,593)
Net Cash Flow	\$104,583	\$873,572	\$1,966,287	\$3,163,398	(\$2,349,252)	(\$5,190,172)	(\$1,431,584)
Total Unique Participants	1,050	8,470	11,357	14,671	10,502	5,407	51,457
Avg. Account Balance	\$628	\$1,924	\$6,295	\$15,056	\$36,016	\$86,886	\$22,492
Prudential Participant Avg. Account Balance	\$2,392	\$12,764	\$35,877	\$66,428	\$91,772	\$113,115	\$57,632

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

## 401(k) Plan Retirement Preparation Analysis

1/1/2016 - 3/31/2016	
Total Retirement Income Calculator Completions	33,128
Unique Completions	23,946
Contribution Rate Increase	1,781

Since Inception for Currently Active Participants as of 3/31/2016	
Average Balance, RIC Participant	\$50,303
Average Balance, Non-RIC Participant	\$23,321
Average Contribution Rate, RIC Participant	6.13%
Average Contribution Rate, Non-RIC Participant	4.63%
Total Count of Participants with a RIC Gap	37,226
Average RIC Gap per month	\$2,756
Total Count of Participants with a RIC surplus	7,923
Average RIC Surplus per month	\$1,980

Total Retirement Income Calculator Completions - Number of RIC completions for the given time period. If a single participant completed the RIC multiple times within the given time period, they would be counted multiple times.

Unique Completions: Total number of unique active/eligibles that completed the retirement income calculator during the reporting period

Contribution Rate Increases: Total number of active/eligibles that completed the retirement income calculator and increased their contribution rate.

Average Balance RIC Participant - For participants who have a balance greater than \$0 that have previously completed the RIC - The total balance of active participants divided by the total count of active participants

Average Balance Non-RIC Participant - For participants who have a balance greater than \$0 that have NOT previously completed the RIC - The total balance of active participants divided by the total count of active participants

Average Contribution Rate RIC Participant - For participants who have completed the RIC - The total of all contribution rates (%) for active participants who have completed the RIC divided by the number of active participants that have completed the RIC who have non-zero contribution rates.

Average Contribution Rate Non-RIC Participant - For participants who have NOT completed the RIC - The total of all contribution rates (%) for active participants who have completed the RIC divided by the number of active participants that have completed the RIC who have non-zero contribution rates.

Average RIC Gap - The total RIC gaps of all active participants who have completed the RIC divided by the total count of active participants that have completed the RIC with a gap.

Total Count of Participants with a RIC Gap - Total number of RIC users who completed the RIC with a gap

Average RIC Surplus - The total of all RIC surpluses of all active participants who have completed the RIC divided by the total count of active participants that have completed the RIC with a surplus.

Total Count of Participants with a RIC surplus - Total number of RIC users who completed the RIC with a surplus

Participant - An individual who has enrolled in the plan and has a non-zero account balance.

## 457 Plan Retirement Preparation Analysis

1/1/2016 - 3/31/2016	
Total Retirement Income Calculator Completions	11,757
Unique Completions	8,229
Contribution Rate Increase	339

Since Inception for Currently Active Participants as of 3/31/2016	
Average Balance, RIC Participant	\$23,017
Average Balance, Non-RIC Participant	\$12,733
Average Contribution Rate, RIC Participant	5.85%
Average Contribution Rate, Non-RIC Participant	5.71%
Total Count of Participants with a RIC Gap	8,086
Average RIC Gap per month	\$2,769
Total Count of Participants with a RIC surplus	1,784
Average RIC Surplus per month	\$2,338

Total Retirement Income Calculator Completions - Number of RIC completions for the given time period. If a single participant completed the RIC multiple times within the given time period, they would be counted multiple times.

Unique Completions: Total number of unique active/eligibles that completed the retirement income calculator during the reporting period

Contribution Rate Increases: Total number of active/eligibles that completed the retirement income calculator and increased their contribution rate.

Average Balance RIC Participant - For participants who have a balance greater than \$0 that have previously completed the RIC - The total balance of active participants divided by the total count of active participants

Average Balance Non-RIC Participant - For participants who have a balance greater than \$0 that have NOT previously completed the RIC - The total balance of active participants divided by the total count of active participants

Average Contribution Rate RIC Participant - For participants who have completed the RIC - The total of all contribution rates (%) for active participants who have completed the RIC divided by the number of active participants that have completed the RIC who have non-zero contribution rates.

Average Contribution Rate Non RIC Participant - For participants who have NOT completed the RIC - The total of all contribution rates (%) for active participants who have completed the RIC divided by the number of active participants that have completed the RIC who have non-zero contribution rates.

Average RIC Gap - The total RIC gaps of all active participants who have completed the RIC divided by the total count of active participants that have completed the RIC with a gap.

Total Count of Participants with a RIC Gap - Total number of RIC users who completed the RIC with a gap

Average RIC Surplus - The total of all RIC surpluses of all active participants who have completed the RIC divided by the total count of active participants that have completed the RIC with a surplus.

Total Count of Participants with a RIC surplus - Total number of RIC users who completed the RIC with a surplus

Participant - An individual who has enrolled in the plan and has a non-zero account balance.

## Participant Service Center Statistics

401(k) & 457 Quarterly Participant Service Center Statistics				
	1Q 2013	1Q 2014	1Q 2015	1Q 2016
Service Center Calls	41,755	36,717	37,209	37,162
Service Percentage	88%	59%	81%	77%
Average Speed to Answer (seconds)	13 sec	5 sec	21 sec	27 sec
Abandon Percentage	0.53%	2.30%	0.80%	1.50%

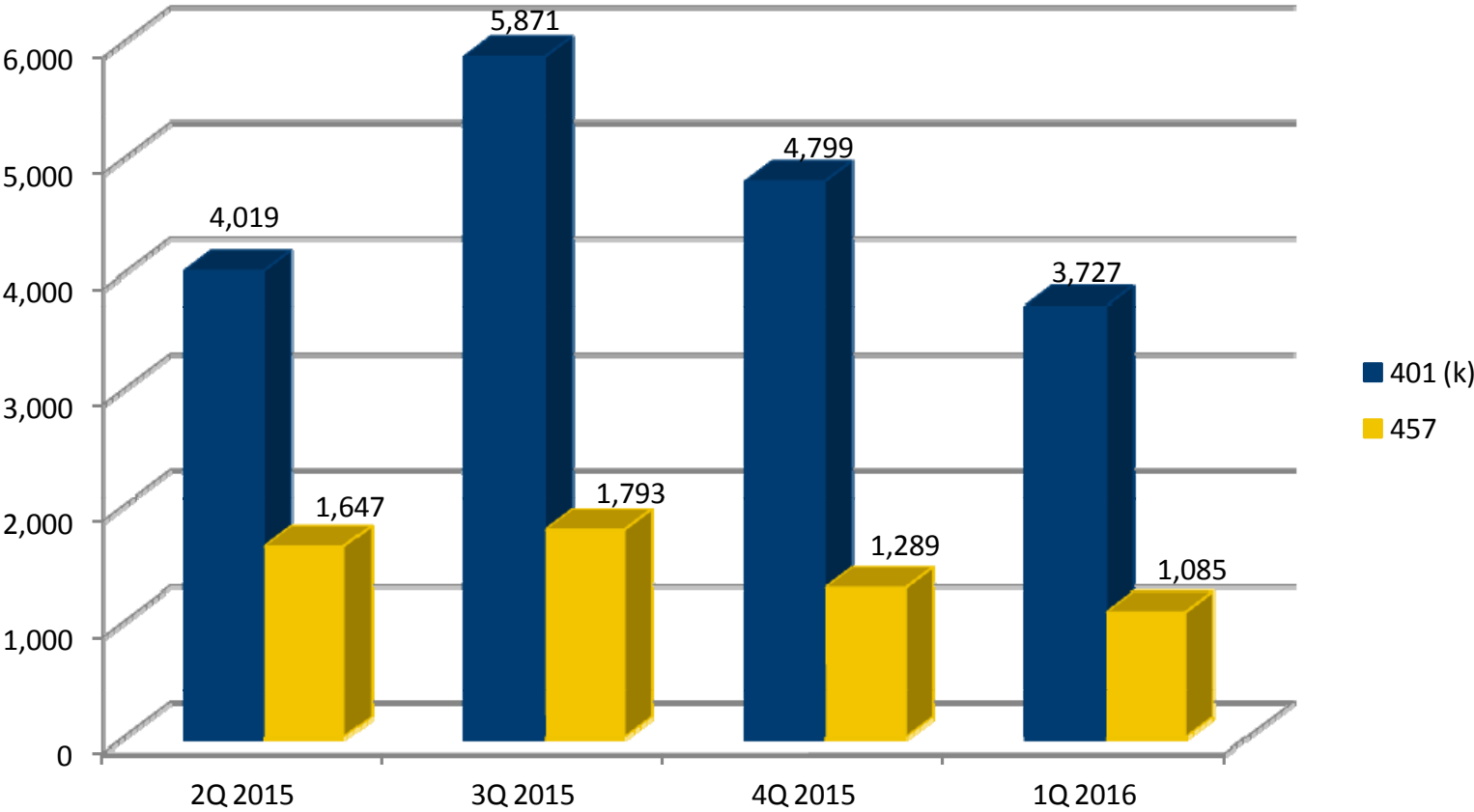




## Retirement Security Education Information

401(k) & 457 Quarterly Retirement Security Education Team Activity				
Meeting Activity	January 2016	February 2016	March 2016	1Q 2016
Group Meetings - Number of Meetings	155	179	180	514
Group Meetings - Number of Attendees	3,674	3,773	5,786	13,233
Individual Meetings - Number of Meetings	267	322	283	872
Employer Meetings	317	212	146	675
Total Meeting Site Visits	739	713	609	2,061
Total Meeting Attendees	3,941	4,095	6,069	14,105

Retirement Security Education Information – Enrollment Activity by Quarter



## Employers Adopting the 401(k) Plan in 2016

### Charter Schools

Brevard Academy

### Other

Brunswick County Eco Dev Comm

## Employers Making Changes to the 401(k) Plan in 2016

### 401(k) Employers Adding An Employer Contribution

City of Fayetteville added a 1% Employer Contribution across the board.



## Employers Adopting the 457 Plan in 2016

457 Additions					
Employer Type	2013	2014	2015	2016	# of Eligible
CHARTER SCHOOL	5	3	4	1	1,069
COMMUNITY COLLEGE	3	2	2	1	12,538
COUNTY	4	3	2	0	24,798
MUNICIPAL	17	11	15	1	12,800
OTHER	13	8	9	2	3,134
SCHOOL	10	3	5	0	125,781

## Employers Making Changes to the 457 Plan in 2016

### 457 Employers Adding An Employer Match

Lumber River Council of Governments added a 2% match.



## Employers Adopting the 457 Plan in 2016

### Community College

Surry Community College

### Charter Schools

Brevard Academy

### Municipalities

Town of Lilesville

### Other

Lumber River Council of Governments  
Upper Coastal Plan Council of Governments





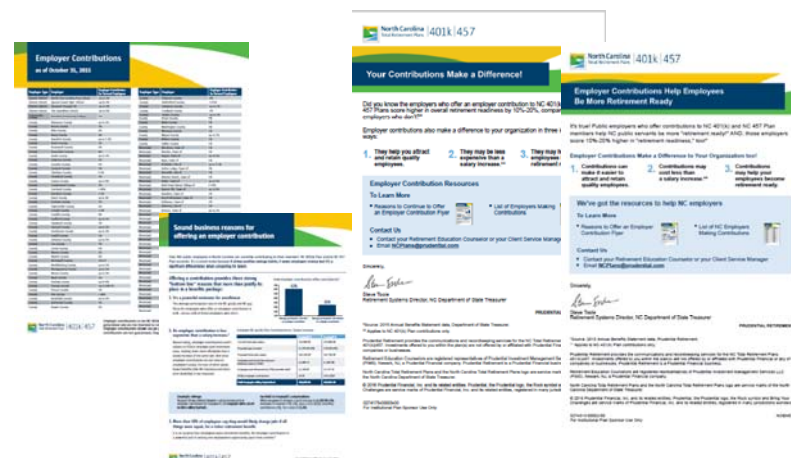
# Communication Accomplishments 1Q16



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# NC 401(k) & NC 457 Communication Accomplishments 1Q16

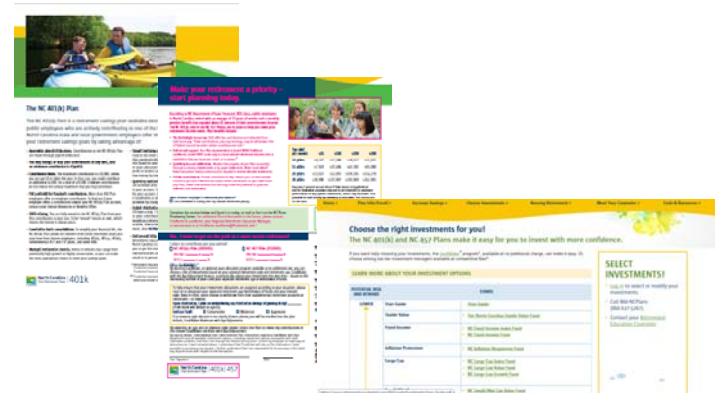
- Employer Contribution Campaign
  - Employer Contribution Listing
  - Employer Contribution Information Flyer
  - Employer Contribution Email Release
    - 1,044 recipients with Match
    - 1,482 recipients without Match
- Presentations
  - LEO presentation
  - State Health Fair DST slides
  - State Health Fair DC slides





# NC 401(k) & NC 457 Communication Accomplishments 1Q16

- Rebrand/Material Updates
  - 457 Plan Highlights
  - 401(k) Highlights
  - Fund Line-up update on website
  - EZ Enroll



- Territory Realignment
  - Email announcement
  - Retirement Education Counselor website update
  - Retirement Education Counselor Listing

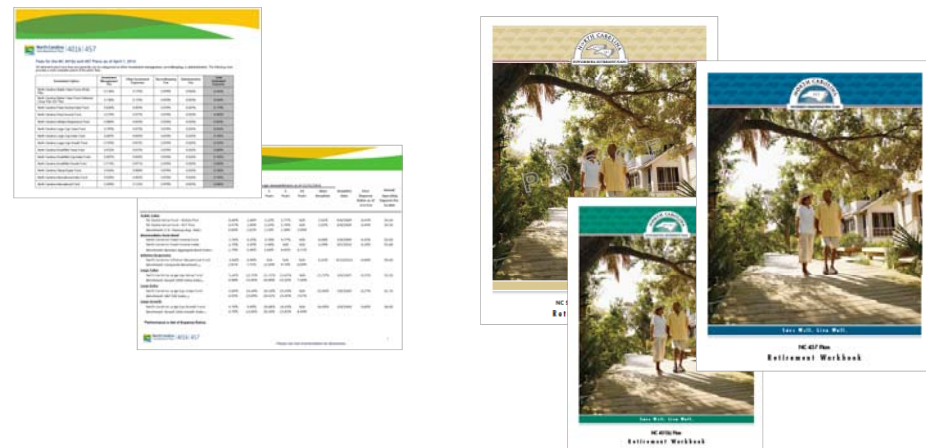


# NC 401(k) & NC 457 Communication Accomplishments 1Q16

- 1Q16 Signature Newsletter
  - 267,412 total participant statements
  - 145,231 direct mail



- Quarterly Updates
  - Fees document
  - Performance document
  - Enrollment guides (3)



## NC 401(k) & NC 457 Communication Accomplishments 1Q16

- Small Balance Cash Out
  - 19,959 participants received standard letter
  - 970 participants received the Bailey version
- Fee Update Strategy
  - Employer newsletter articles
  - Participant newsletter articles
- Won a PSCA Award in the Retirement Readiness Category





# Signature Newsletter 1Q16



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# Signature

## NEWSLETTER

1<sup>ST</sup> QUARTER 2016

### ***Make your next move for your financial future!***

2016 is a great time for you to decide what your next move should be for your financial future. Your Annual Benefits Statement, which is coming soon, can help you make your choice!

### **In this issue..**

#### **Staying Connected:**

Navigating Your Personalized Annual Benefits Statement

#### **Fund Facts:**

Rolling Funds into the NC 401(k)/NC 457 Plans Makes Sense

#### **Making Cents:**

Why the NC 401(k) Plan/NC 457 Plan is Worth Your Money



### **A Message from North Carolina's State Treasurer**

Your picture of retirement is unique. The Department of State Treasurer understands this and works hard to help our nearly one million North Carolina public servants reach retirement readiness. One of the best ways we can help is by providing your personalized Annual Benefits Statement. Every year, the

Annual Benefit Statement illustrates your unique situation, so that you can make informed decisions—and take action if needed—to help bring about the retirement picture you envision. Your ABS will be available in the coming weeks. Take time to review it and think about taking one or two small actions that could help paint a more secure retirement picture.

Could you add just 1% or 2% to your NC 401(k) or NC 457 contribution? Even this small increase per paycheck can help make a big difference in your retirement savings long-term. People are often surprised to see the relatively small, bottom-line impact that an increase in a pre-tax contribution makes on their take-home pay.

Another simple action might be to roll your savings from a former employer's retirement plan into your NC 401(k) or NC 457 Plan. You may find that, with all your retirement savings rolled conveniently together, your planning becomes simpler (and may even lower your costs).

Your retirement is unique and so are the steps you take to get there. We're here to help. Visit [myncretirement.com](http://myncretirement.com) to access resources, tools and ideas.

Sincerely,

Janet Cowell,  
State Treasurer

### **Staying Connected**

### ***Navigating Your Personalized Annual Benefits Statement***

#### ***Re-acquaint yourself with the ABS features now!***

Your Annual Benefits Statement (ABS), which the North Carolina Department of State Treasurer provides you each year to give you a snapshot of your total retirement benefits, will be available soon! Familiarizing yourself with the key sections of the ABS *now* can help you make the most of this valuable retirement planning tool when the latest version becomes available in the coming weeks.



North Carolina  
Total Retirement Plans | 401k | 457

Continued on next page

## Your Personal Gap Analysis

This section of the ABS helps you know if you are currently saving enough for retirement based on a number of projections and assumptions.



### Checkpoint 1 provides you with:

- a year-end summary of your pension plan creditable service
- your pension beneficiary designation(s)
- the “6% or 7% mandatory” employee contribution you make to the defined benefit/pension plan(s)
- your current contribution(s) to the NC 401(k) and/or NC 457 Plans

Your Current Retirement Savings and Service		Member ID 7654321	
	TSERS	LGERS	401k/457/403b
<b>Contributions</b>			
Balance on 12/31/14	\$31,200	\$31,200	\$112,894
2015 Contributions	\$7,480	\$7,480	\$9,354
Interest Earned in 2015	\$1,248	\$1,248	\$4,324
Adjustments	\$0	\$0	\$97
Total on 12/31/15	\$39,941	\$39,941	\$126,669
<b>Years of Service Toward Retirement</b>			
Years of Service on 12/31/14	4.0000	4.0000	
Years of Service Purchased/Adjusted in 2015	0.0000	0.0000	
Years of Membership Service Earned in 2015	+	+	
Years of Total Service Toward Retirement as of 12/31/2015	5.0000	5.0000	
<b>Beneficiary Designation</b>			
Beneficiaries for Return of Contributions	John Smith	John Smith	Login to your Pru or TIAA account
Beneficiary of Death Benefit	John Smith	John Smith	

## Checkpoint 2 projects your total estimated monthly income at retirement age using your:

- pension plan benefits and projected balances
- projected Social Security income
- projected NC 401(k) and/or NC 457 income
- “Total Outside Pension and Monthly Income” or “Total Outside Assets,” if you entered these into the Retirement Income Calculator

Plan name	Projected Monthly Income
Teachers' and State Employees' Retirement System	\$3,941
Legislative Retirement System	\$1,865
North Carolina 401(k)	\$1,560
North Carolina 457	\$1,560
North Carolina 403(b)	\$1,560
Outside Assets*	\$1,700
Outside Pensions**	\$0
Social Security†	\$1,700
<b>Total</b>	<b>\$13,886</b>

### Checkpoint 3 illustrates how:

- saving more in your NC 401(k) Plan and/or NC 457 Plan account could potentially enhance your monthly income when you retire, making you more retirement ready
- an increase in your savings may affect your take-home pay less than you think

Take home a little less, save a lot more...			
Contribution amount	Your monthly contribution	Amount take-home pay is reduced each month	Additional monthly retirement income
2%	\$76	\$57	\$113
4%	\$153	\$115	\$226
6%	\$229	\$172	\$339

The chart above 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.

## How to Access Your ABS

1

Visit the State Treasurer's website, [myncretirement.com](http://myncretirement.com), and click on the “ORBIT” button.

2

Log in to your personal ORBIT account.

3

Click on “View Annual Benefits Statement” and select the year to view.

## Fund Facts: Rolling Funds Into the NC 401(k)/NC 457 Plans Makes Sense

Simplify your financial life by rolling over other qualified retirement plan assets into your NC 401(k) Plan or NC 457 Plan account.

Check out the many benefits you can enjoy when you consolidate your retirement savings:

	Consolidated into NC 401(k)/NC 457	Multiple Accounts
Money remains tax deferred	✓	✓
Avoid taxes and penalties	✓	✓
Convenience	✓	
Potentially lower cost	✓	
Easier to maintain proper asset allocation	✓	
Access to NC Total Retirement Plan investments	✓	
Additional cost		✓

## What kinds of dollars are eligible for rollover?

Any money you have in:

- a former employer's Internal Revenue Code (IRC) 401(a), 401(k), 403(a), 403(b), or 457(b) (governmental only) plan
- an IRA established pursuant to IRC 408 (pre-tax money only)





## Making Cents

### Why the NC 401(k) Plan/NC 457 Plan is Worth Your Money

See how the NC 401(k) and NC 457 Plans are a great way to help you reach retirement readiness.

PLAN BENEFITS	
FEATURE	WHAT THIS MEANS FOR YOU:
A wide array of investment choices...	The comprehensive fund lineup is able to help you design a well-diversified portfolio.
Ease of investment selection	GoalMaker®, a valuable, no-extra-cost asset allocation program, helps you choose your investment mix by answering a few simple questions.
Strong investment oversight...	Each fund is monitored on a quarterly basis by a third-party investment adviser and the Supplemental Retirement Board of Trustees Investment Subcommittee.
A guaranteed income stream...	You can elect to receive an additional income stream by transferring some or all of your NC 401(k) or NC 457 Plan pre-tax balance into the TSERS <sup>1</sup> or LGERS. <sup>2</sup>
Delivers value <sup>3</sup>	When compared to similar plans, your Plan's investment options have outperformed their peer group (after fees have been deducted) for the past five years. <sup>4</sup>
Unique opportunities to boost your savings	You can make a Plan contribution when you receive income from a bonus, longevity payments or final payments for vacation and bonus leave upon separation from service or retirement.
Personalized support	Retirement Education Counselors are available to give you personalized assistance and Participant Service Representatives (866-NCPlans [866-627-5267]) are available to assist with your transactions or to help find the information you need.
NCPlans.prudential.com	An educational website that puts retirement planning information at your fingertips, 24/7. Link to your online account from here.
Annual Personalized Gap Analysis	This comprehensive snapshot of your retirement readiness provided to you each year, gives you a projection of your total retirement benefits.

## 2016 Fee Reminder

As a reminder, a flat fee for recordkeeping and communications services will be assessed on your plan account(s) quarterly, starting in April 2016. This quarterly fee of \$7.75 (\$31.00 per year) provides you these significant benefits.

- The plans' dedicated website (NCPlans.prudential.com) and toll-free telephone number
- A team of dedicated Retirement Education Counselors
- Account recordkeeping and services
- Plan communications, including quarterly statements,

notices, and educational materials

Previously, a recordkeeping and communication services fee was calculated as a fixed percentage of your account balance.

In early April, this new fee will display within your online account as a "Fee" and it will appear under the Transactions History Section. For additional information, the details are located within the Transaction Summary.

<sup>1</sup> Teachers' and State Employees' Retirement System

<sup>2</sup> Local Governmental Employees' Retirement System

<sup>3</sup> BenchmarkDC Presentation for North Carolina Retirement Systems Findings for the 5 years ended December 31, 2014

<sup>4</sup> Past performance is not indicative of future results



## Rollovers Explained

### Discover Plan Rollovers

One valuable benefit you can access as a member of the NC 401(k) and/or the NC 457 Plan is the “rollover” option.

#### What is a rollover?

A rollover occurs when you transfer the money you have in other retirement savings plans—from a previous employer’s plan or a tax-deferred Individual Retirement Account (IRA) —to your NC 401(k) or NC 457 Plan account.

#### When could a rollover benefit you?

Whenever you are looking to simplify your financial life! Perhaps you’ve worked at various places of employment and you have money in several different retirement plans. If so, you may have three, four—or more—retirement accounts to manage. Consolidating all of those accounts by rolling over your retirement savings to a single place—your NC 401(k) or NC 457 Plan account—can make your life much easier.

For more information on rollovers or to start the rollover process, call the Participant Service Center at **866-NCPlans (866-627-5267)**, or contact your Retirement Education Counselor.



PRSD7146

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

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GoalMaker is an optional tool and available at no additional cost. GoalMaker’s model allocations are based on generally accepted financial theories that take into account the historic returns of different asset classes. Past performance of any investment does not guarantee future results. Prudential Financial encourages participants to consider their other assets, income and investments when enrolling in the GoalMaker program. We also recommend participants periodically reassess their GoalMaker investments to make sure their model portfolio continues to correspond to their changing attitudes and retirement time horizon.

All investing involves various risks, such as; fixed income (interest rate), default, small cap, international and sector—including the possible loss of principal. Keep in mind that application of asset allocation and diversification concepts does not ensure a profit or protect against loss. **You can lose money by investing in securities.**

Investors should carefully consider a fund’s investment objectives, risks, charges and expenses before investing. For more complete information about the investment options available through your plan, please contact your Prudential Retirement Representative at 866-627-5267 (866-NCPLANS) or visit [NCPlans.prudential.com](https://NCPlans.prudential.com).

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# Thank you



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

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