

HEALTH WEALTH CAREER

NORTH CAROLINA SUPPLEMENTAL RETIREMENT PLANS

ANNUAL REVIEW SUMMARY

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NC ANNUAL REVIEW OF PLANS

1. NC Plan Structure Highlights –In line with Mercer best practices, as participants have the choice between passive, active and asset allocation Funds

- 12 Investment options offered in the Plan (4 passive, 7 active and GM), which is slightly below DC median of 15.5¹
- GoalMaker QDIA for Plan – 90.3% of large DC Plans utilize TDF's as default Plan investment

Market Trends

- Auto Enrollment – Currently 41.3% of large DC plans utilize auto-enrollment
- 54.5% of Large DC Plans offer Professionally Managed Accounts
- Retirement Income – 64.5% of Large DC Plans offer a Systematic withdrawal option at Retirement

3. The new passive TIPS fund will be added to the line-up at the end of the quarter

4. The Global Equity fund will be removed at the end of the quarter

Mercer does not recommend any additional plan options or removal of any plan options at this time.

¹Based on the 2017 PlanSponsor DC Survey for Large DC Plans (\$>1B)

TRENDS

MERCER'S 2018: TOP PRIORITIES FOR DC PLAN SPONSORS

ENSURING SOUND PLAN MANAGEMENT

DRIVING PARTICIPANT SUCCESS



KNOW YOUR PARTICIPANTS

- Conduct an employee financial needs analysis
- **Establish success measures** ✓



DESIGN FOR THEIR FINANCIAL NEEDS

- Explore a combination 401(k)/Rainy Day fund
- **Promote overall financial wellness** ✓



DELIVER BETTER INDIVIDUAL OUTCOMES

- **Diversify through multi-manager/white label funds** ✓
- Consider managed accounts (individualization)
- Consider ESG options
- Explore retiree-focused investments and tools

INVESTMENT POLICY REVIEW

- Recent changes to the IPS include the updates to the new GM glidepath
- Updates were made to move the plan structure from style funds to core funds in the US equity asset classes
- Mercer does not recommend any additional changes at this time

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