



North Carolina
Total Retirement Plans

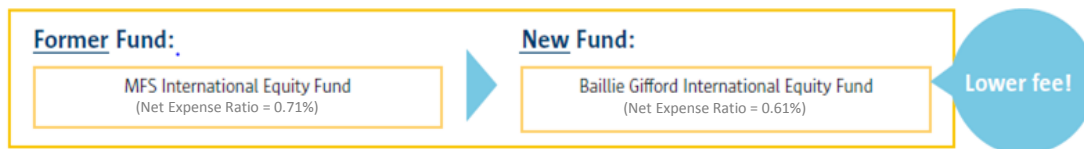
Dale R. Folwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA



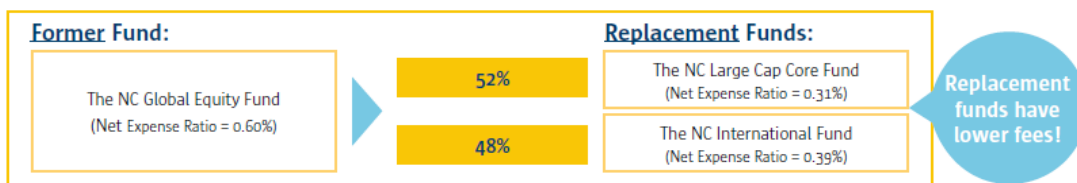
Plan Enhancements **June 2018** **NC 401(k), NC 457, 403(b)**

Important Changes for All Participants

- Treasury Inflation Protected Securities (TIPS) Index Funds will be added to all three Plans.
- In the NC 403(b), the MFS International Equity Fund will close with assets mapping to the Ballie Gifford International Equity Fund.



- In the NC 401(k) and NC 457, the NC Global Equity Fund will close with assets mapping 52% to the NC Large Cap Core Fund and 48% to the NC International Equity Fund .





Important Changes for Participants in GoalMaker

- Smoothing the glidepath: Number of glidepath age cohorts will increase from 4 to 9, including in-retirement cohorts, reducing the magnitude of portfolio rebalancing as participants move along the glidepath.
- Asset allocations will change: Participants' portfolios will be modified to align with GoalMaker 2.0 model portfolios and their individual retirement date.
- Age adjustment "On:" Age adjustment feature will be "turned on" which will automatically place participants in the portfolio based on their current age and retirement age *and* move participants along the glidepath to and through retirement.

Note that, as always, participants remain in control:

- A Participant's risk tolerance selection (conservative, moderate, or aggressive) remains unchanged.
- Participants can opt-out of age adjustment or GoalMaker altogether.

Changes Highlighted: An example using NC 401(k)/NC 457 Plans - Conservative Model Portfolios within GoalMaker

Conservative	Pre-Retirement			
Years to Retirement	16+	11-15 yrs	6-10 yrs	0-5 yrs
NC Large Cap Index Fund	8%	7%	4%	4%
NC Large Cap Core Fund	6%	6%	4%	2%
NC Small/Mid Cap Core Fund	14%	10%	6%	4%
NC Global Equity Fund	23%	15%	10%	6%
NC International Fund	11%	7%	5%	3%
NC Fixed Income Fund	10%	12%	14%	16%
NC Fixed Income Index Fund	10%	13%	14%	17%
NC Inflation Responsive Fund	8%	8%	8%	8%
NC Stable Value Fund	10%	22%	35%	40%
Totals	100%	100%	100%	100%

Current
GoalMaker

Conservative	Pre-Retirement						Post-Retirement		
Years to Retirement	26+	21-25	16-20	11-15	6-10	0-5	0-5	6-10	11+
NC Large Cap Index Fund	27%	24%	20%	17%	14%	13%	11%	10%	9%
NC Small/Mid Cap Core Fund	12%	10%	8%	8%	6%	4%	4%	2%	2%
NC International Fund	32%	28%	25%	18%	16%	12%	9%	9%	8%
NC Fixed Income Fund	21%	31%	37%	41%	42%	41%	36%	33%	29%
NC Stable Value Fund	0%	0%	4%	8%	12%	17%	22%	25%	26%
NC Inflation Responsive Fund	8%	7%	6%	5%	4%	3%	3%	2%	2%
NC TIPS Fund	0%	0%	0%	3%	6%	10%	15%	19%	24%
Totals	100%	100%	100%	100%	100%	100%	100%	100%	100%

GoalMaker
June 2018



Implementation Timeline

April 25, 2018 – Participant letter mailed as part of comprehensive communication plan

May 31, 2018

- 4 pm EST final deadline to opt out of GM prior to transition
- After COB, Age Adjustment activated for GM participants
- After COB, TIPS funds added as an investment option to all three plans
- After COB, Ballie Gifford Int'l Equity fund added to NC 403(b)

June 1, 2018 - After COB, GM 2.0 implemented

June 2, 2018:

- Cease payroll contributions for GM participants to NC Global Equity & MFS Int'l Equity
- Start payroll contributions for TIPS funds
- Contributions and future allocations will map into GM 2.0

June 8, 2018 - Quarterly GM rebalance moves existing balances to GM 2.0

June 15, 2018 – NC Global Equity & MFS International are closed with balances mapped to new funds

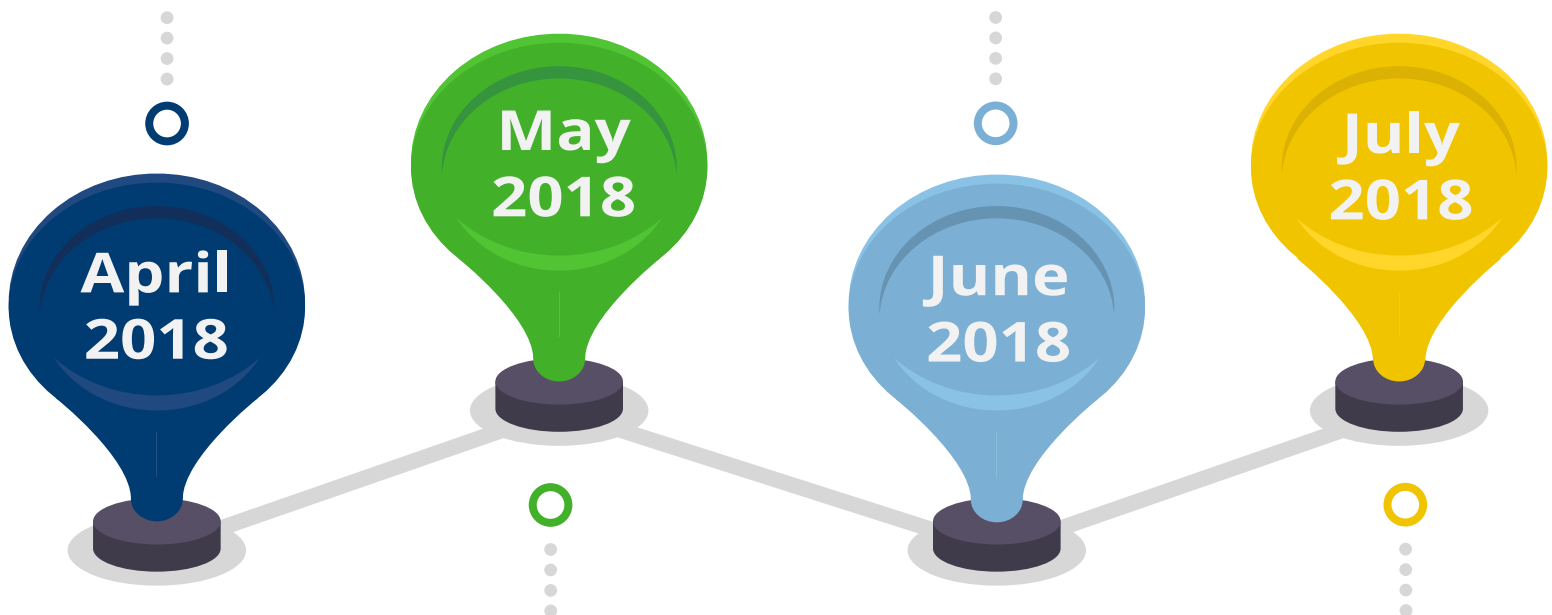
2018 GoalMaker Changes: Participant & Public Touchpoints

April Outreach

- Employer Email
- 1Q Signature Newsletter
- Email to Active Participants #1
- SRP Participant Letter
- RSD *Monitor* Newsletter to Employers
- High-Engagement Employer calls
- NCPlans web update: post participant letter and fund change updates
- Facebook posts
- Notification included on enrollment form

June Outreach

- NCPlans and RSD web updates
- Updated NC 401(k), NC 457 and NC403(b) Fund Fact Sheets published
- RSD Email to Active Participants #3
- Updated GoalMaker brochure published
- Updated NC 401(k), NC 457 and NC 403(b) plan highlights brochures published
- NCPlans and RSD web updates
- Facebook posts
- Updated GoalMaker brochure published
- Updated Enrollment Guide published
- "Nearing Retirement" brochure published



May Outreach

- Video overview published
- RSD *Monitor* Newsletter to Employers
- Facebook posts
- RSD Email to Active Participants #2
- RSD Call Center message
- NCPlans and RSD web updates

July Outreach

- 2Q Statement Message
- Multiple REC Presentations
- Facebook posts



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



Dale R. Folwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA