

Signature

NEWSLETTER



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Market volatility may be on your mind. Be sure to check out important information that might help you put market volatility in perspective.

Another important aspect of managing your account is updating your beneficiary. Discover why it is key to keep your beneficiary up to date.



Market volatility: What it is & tips for managing it



Have you checked your beneficiary lately?



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NEWSWORTHY AND NOTEWORTHY



Market volatility: What it is & tips for managing it

Market volatility occurs when the prices of investments move up and/or down quickly and most likely, your account balance will do the same. While it can be nerve-racking, there is good news. Becoming familiar with market volatility trends over the years could give you some perspective.

Market downturns happen frequently, but have not lasted forever

The stock market has generally trended positively over long periods of time, but there are volatile periods. As you can see in this chart on the right, it is not uncommon for the market to decline 10% in a given year, and then rebound.

The chart also shows the average frequency of market declines of -15% and -20% being once every three years and once every six years, respectively, and lasting approximately one year.

Standard & Poor's 500 Composite Index (1952-2024)⁴

Size of decline	Average frequency*	Average length ⁺	Last occurrence
-5% or more	About 3 times per year	43 days	August 2024
-10% or more	About once per year	110 days	November 2023
-15% or more	About once every three years	251 days	May 2023
-20% or more	About once every six years	370 days	January 2023

Past performance is not a guarantee of future results.

*Assumes 50% recovery of lost value. ⁺Measures market high to market low.

Source: Morningstar Direct.

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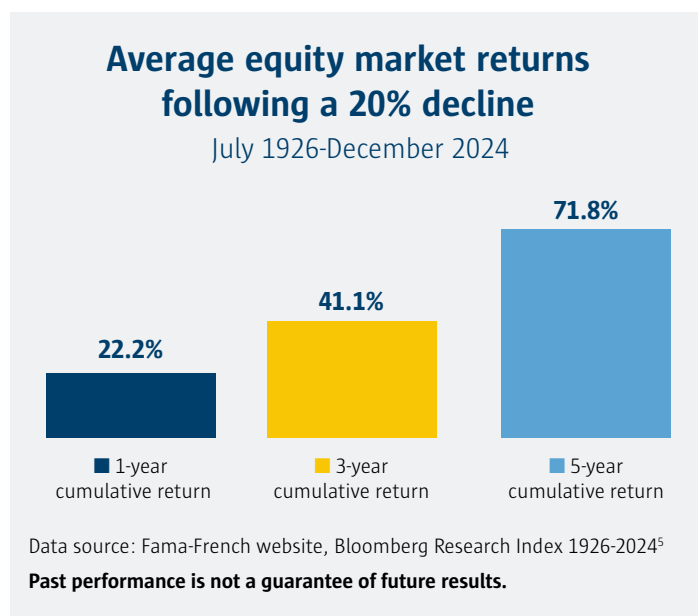


When a drop in the stock market occurs, do not panic

It is key to remember that as a Plan participant, you are investing for the long term, even if you are in or nearing retirement. So, sticking to your investment strategy (no knee-jerk reactions) throughout a volatile period may help steer you away from making a regrettable decision. And it may help you reach your retirement goals.

Historically, the market has bounced back

The chart below shows the historical average of equity market returns following a 20% decline.



A case for sticking with your plan

Some investors try to “time” the market by moving money into or out of certain investments in an effort to combat market volatility. But missing the best days in the market can affect your returns, as demonstrated in the chart below.

(2003 - 2024)⁴

7.9%
return **without**
10 best days

VS.

13.6%
return **with**
10 best days

FOR ILLUSTRATIVE PURPOSES ONLY. Refers to the S&P 500 TR USD. Source: Morningstar Direct S&P 500 returns January 1, 2003, through December 31, 2024. Returns expressed as total returns. “Best days” were determined by ranking the one-day total returns for the S&P Index within this time period and ranking them from highest to lowest. This chart is intended for illustrative purposes only; it is not investment advice. Past performance is not a guarantee of future results. Calculations relating to lost investment return created by Empower Advisory Group LLC, a registered investment adviser and wholly owned subsidiary of Empower Annuity Insurance Company of America. An index is not actively managed, does not have a defined investment objective, and does not incur fees or expenses. Performance of an index fund will generally be less than its benchmark index. You cannot invest directly in an index.

How can you cope with market volatility?



Avoid making impulsive or emotional decisions



Focus on your long-term investment goals



Stick to your investment strategy

Need help with your investments?

If you would like assistance creating your investment strategy, consider electing GoalMaker^{®1}, an optional, no-additional cost asset allocation tool. Once you provide your chosen retirement age and risk tolerance, you will be provided a suggested NC GoalMaker model² comprised of the investments offered in the NC 401(k) and NC 457 Plans (the Plans). Each quarter, your investments will automatically reset to align with your model’s asset allocation.



Have you checked your beneficiary lately?

Your beneficiary designation lists the person(s) who will receive the money in your Plan account — such as your spouse, sibling or parent — if something should happen to you.

Please keep the following important points in mind regarding beneficiary designations:

- *Your Plan account will be paid to the beneficiary on file with the Plans (if any).* If you do not name a beneficiary (or your beneficiary is no longer living), your account will be paid to your estate.
- *Your beneficiary designation is limited to a specific retirement plan.* You must separately name a beneficiary for each DST-administered retirement plan you participate in. For example, your beneficiary designation in the NC 401(k) Plan does not carry over to your NC 457 Plan account. Likewise, if you name a beneficiary for the NC 401(k) or NC 457 Plan, the beneficiary does not carry over to your TSERS or LGERS account.
- *The only way to name or change a beneficiary is through the process provided by the Plans.* Your beneficiary cannot be named or changed by a will, a divorce property settlement, a premarital agreement,

or any other document outside of the Plans' process. The beneficiary you name will remain in effect unless you change it using the process provided by the Plans.

- *If you inherit an NC 401(k) or NC 457 Plan account, you can keep the account in the Plan and designate your own beneficiary.*

Be sure to keep your beneficiary designations up to date by scheduling a time, at least once a year, to verify who you have listed. Mark your calendar or put a reminder in your phone.



To update or elect your Plan beneficiary, log in to your Plan account at myNCPlans.com.

PIA: Participants in action



9,085

participants have increased their contributions



14,877

attended group meetings



5,362

NC 401(k)/NC 457 Plans' Retirement Plan Counselor meetings with individuals

*YTD data as of 3/31/2025.



Investment basics: The North Carolina Large Cap Index Fund³

The North Carolina Large Cap Index Fund (Fund) is an investment option within the Plans.

Investment objective

The Fund offers Plan participants an investment option that is targeted at the large-cap sector of the U.S. public equity market. The Fund's primary investment objective is long-term capital growth through a combination of dividend income and capital appreciation. There can be no assurance the objective of the Fund will be met.

To view the fund fact sheets for the Plans' investments, visit myNCPlans.com and click on *Information for Employees* and then *Investment Information*.

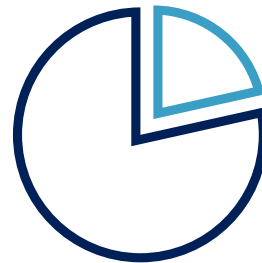
Investor profile & benchmark

This Fund may be attractive to those looking for an investment option that invests in large-cap equities with both growth and value characteristics.

The performance of the Fund is benchmarked to the Standard & Poor's 500[®] Index.⁴

Investment management

The Fund's assets are allocated entirely to a collective trust fund managed by BlackRock.



¹ Asset allocation models are pre-established asset allocation strategies composed of a plan's core investment options. The models are not securities. When you allocate your investment to a model, you will be invested in the various underlying investment options composing each model, as made available by the plan and according to the model's allocation methodology.

An asset allocation model provides targeted asset allocation for your plan account and allocates your account across the model's underlying investments. Your plan may include asset allocation models designed according to certain risk levels (e.g., aggressive, moderate, or conservative), asset allocation models that follow a glidepath based on a target date, or both model types depending upon the models selected by your plan. Neither model type is without risk or guarantee of positive returns. The date in the name of a target date model is an assumed date in which an investor will retire. The asset allocation becomes more conservative as the target retirement date nears and, depending on the model's design, can remain static at the target date or adjust further through retirement. There is no guarantee the investment will provide adequate retirement income.

Empower is not undertaking to provide investment advice with respect to the presentation of any particular investment option or asset allocation model described herein.

² The North Carolina GoalMaker models are subject to change — including, for example, the replacement of investment options and allocations within the models. You will be notified in advance of such changes.

³ *Carefully consider the investment option's objectives, risks, fees and expenses. Contact the Plans at 866-NCPlans (866-627-5267) for a prospectus, summary prospectus for SEC-registered products or disclosure document for unregistered products, if available, containing this information. Read each carefully before investing.*

It is possible to lose money when investing in securities.

⁴ The S&P 500 Index is a registered trademark of Standard & Poor's Financial Services LLC. It is an unmanaged index considered indicative of the domestic large-cap equity market and is used as a proxy for the stock market in general.

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