



North Carolina Total Retirement Plans

4Q 2015 Board of Trustees Report

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

On: March 24, 2016

As of: December 31, 2015

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.

This information should not be considered an offer or solicitation of securities, insurance products or services. No offer is intended nor should this material be construed as an offer of any product. The information is being presented by us solely in our role as the plan's service provider and or record keeper.

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Prudential's Book of Business averages are as of 12/31/2015.

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

64.01% 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 70% in 2015:

401(k) & 457 Plans Combined Summary Goals:

Sub Goal	Goal	As of 12/31/2015	% to Goal
Average Monthly Contributions	\$180	\$177.07	98.37%
Active Participation Rate	30.50%	28.71%	94.13%
GoalMaker Utilization Among New Members	89.50%	92.63%	103.50%
GoalMaker Utilization Among All Members	54.50%	57.02%	104.62%

8 Employers adopted the 401(k) Plan from the period of January 1, 2015 through December 31, 2015
38 Employers adopted the 457 Plan from the period of January 1, 2015 through December 31, 2015



Asset Allocation By Fund – Combined Plans

Investment Option	Asset Class			# Participants Utilizing				# Participants Utilizing				# Participants Utilizing	
		12/31/2013	%	12/31/2013	12/31/2014	%	12/31/2014	12/31/2015	%	12/31/2015		12/31/2015	
NORTH CAROLINA STABLE VALUE-401K	Stable Value	\$1,868,132,836	22.26%	181,223	\$1,900,799,326	21.16%	185,793	\$1,943,833,499	21.49%	194,784			
NORTH CAROLINA STABLE VALUE-457	Stable Value	\$391,476,370	4.66%	40,878	\$393,130,858	4.38%	43,553	\$395,200,319	4.37%	46,427			
NORTH CAROLINA FIXED INCOME FUND	Fixed Income	\$529,963,556	6.31%	169,158	\$573,137,497	6.38%	178,694	\$589,092,877	6.51%	192,279			
NORTH CAROLINA FIXED INCOME INDEX	Fixed Income	\$292,713,355	3.49%	132,033	\$345,812,824	3.85%	144,241	\$373,383,086	4.13%	159,779			
NORTH CAROLINA LARGE CAP GROWTH FUND	Large-Cap Stock	\$839,986,022	10.01%	225,107	\$884,702,175	9.85%	236,088	\$906,616,745	10.02%	251,031			
NORTH CAROLINA LARGE CAP INDEX FUND	Large-Cap Stock	\$1,166,576,725	13.90%	224,072	\$1,301,205,508	14.48%	235,603	\$1,280,973,372	14.16%	250,774			
NORTH CAROLINA LARGE CAP VALUE FUND	Large-Cap Stock	\$861,720,410	10.27%	225,706	\$936,485,171	10.42%	236,590	\$860,145,370	9.51%	251,042			
NORTH CAROLINA SMALL/MID CAP GROWTH FUND	Small-Cap Stock	\$306,547,435	3.65%	167,164	\$330,149,194	3.68%	180,939	\$343,519,012	3.80%	198,618			
NORTH CAROLINA SMALL/MID CAP INDEX FUND	Small-Cap Stock	\$207,762,368	2.48%	26,870	\$219,914,642	2.45%	26,065	\$216,434,878	2.39%	25,671			
NORTH CAROLINA SMALL/MID CAP VALUE FUND	Small-Cap Stock	\$418,878,783	4.99%	177,382	\$460,462,496	5.13%	190,726	\$439,168,608	4.86%	207,434			
NORTH CAROLINA GLOBAL EQUITY FUND	Global/Intl Stock	\$665,466,584	7.93%	158,904	\$730,793,096	8.14%	173,530	\$768,274,148	8.49%	191,674			
NORTH CAROLINA INTERNATIONAL FUND	Global/Intl Stock	\$518,937,845	6.18%	186,297	\$536,784,130	5.98%	198,851	\$540,455,965	5.97%	215,101			
NORTH CAROLINA INTERNATIONAL INDEX FUND	Global/Intl Stock	\$38,523,960	0.46%	6,602	\$41,054,444	0.46%	6,652	\$44,488,065	0.49%	6,745			
NORTH CAROLINA INFLATION RESPONSIVE FUND	Specialty	\$287,177,921	3.42%	149,400	\$328,748,317	3.66%	164,618	\$343,948,283	3.80%	184,763			
Total Plan Assets		\$8,393,864,170	100.00%		\$8,983,179,677	100.00%		\$9,045,534,226	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 December 31, 2015 was 280,161.

The average monthly employee deferral from January 1, 2015 to December 31, 2015 was \$177.07 for the Combined Plans.

The active participation rate as of December 31, 2015 was 28.71% for the Combined Plans.

The GoalMaker utilization among new members as of December 31, 2015 was 92.63% for the Combined Plans.

The GoalMaker utilization among members as of December 31, 2015 was 57.02% for the Combined Plans.

Asset Allocation By Fund – 401(k) Plan

				# Participants Utilizing		# Participants Utilizing		# Participants Utilizing		
Investment Option	Asset Class	12/31/2013	%	12/31/2013	12/31/2014	%	12/31/2014	12/31/2015	%	12/31/2015
NORTH CAROLINA STABLE VALUE-401K	Stable Value	\$1,868,132,836	25.53%	181,223	\$1,900,799,326	24.26%	185,793	\$1,943,833,499	24.63%	194,784
NORTH CAROLINA FIXED INCOME FUND	Fixed Income	\$466,968,715	6.38%	141,010	\$505,703,492	6.45%	147,264	\$518,101,151	6.57%	157,474
NORTH CAROLINA FIXED INCOME INDEX	Fixed Income	\$268,416,025	3.67%	109,657	\$312,547,387	3.99%	118,086	\$335,605,159	4.25%	129,879
NORTH CAROLINA LARGE CAP GROWTH FUND	Large-Cap Stock	\$733,025,380	10.02%	188,324	\$772,339,452	9.86%	195,405	\$789,055,595	10.00%	206,456
NORTH CAROLINA LARGE CAP INDEX FUND	Large-Cap Stock	\$1,040,816,859	14.22%	190,974	\$1,157,365,042	14.77%	198,213	\$1,139,867,532	14.44%	209,263
NORTH CAROLINA LARGE CAP VALUE FUND	Large-Cap Stock	\$758,144,069	10.36%	189,408	\$823,798,167	10.51%	196,401	\$757,814,961	9.60%	207,077
NORTH CAROLINA SMALL/MID CAP GROWTH FUND	Small-Cap Stock	\$255,498,482	3.49%	133,781	\$279,426,558	3.57%	143,625	\$290,882,309	3.69%	157,239
NORTH CAROLINA SMALL/MID CAP INDEX FUND	Small-Cap Stock	\$194,181,199	2.65%	25,549	\$203,967,375	2.60%	24,657	\$198,548,798	2.52%	24,159
NORTH CAROLINA SMALL/MID CAP VALUE FUND	Small-Cap Stock	\$346,216,272	4.73%	143,566	\$381,711,171	4.87%	152,907	\$368,475,249	4.67%	165,655
NORTH CAROLINA GLOBAL EQUITY FUND	Global/Intl Stock	\$627,890,115	8.58%	132,949	\$685,176,127	8.74%	142,992	\$716,630,155	9.08%	156,586
NORTH CAROLINA INTERNATIONAL FUND	Global/Intl Stock	\$458,256,251	6.26%	152,157	\$475,906,185	6.07%	160,793	\$480,095,525	6.08%	173,111
NORTH CAROLINA INTERNATIONAL INDEX FUND	Global/Intl Stock	\$30,327,610	0.41%	5,541	\$31,641,188	0.40%	5,550	\$34,095,655	0.43%	5,623
NORTH CAROLINA INFLATION RESPONSIVE FUND	Specialty	\$269,579,046	3.68%	124,933	\$306,125,308	3.91%	135,443	\$318,810,004	4.04%	150,862
Total Plan Assets		\$7,317,452,859	100.00%		\$7,836,506,778	100.00%		\$7,891,815,592	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 December 31, 2015 was 257,542.

The average monthly employee deferral from January 1, 2015 to December 31, 2015 was \$158.95 for the 401(k) Plan.

The active participation rate as of December 31, 2015 was 26.06% for the 401(k) Plan.

The GoalMaker utilization among new members as of December 31, 2015 was 92.36% for the 401(k) Plan.

The GoalMaker utilization among members as of December 31, 2015 was 58.38% for the 401(k) Plan.

Asset Allocation By Fund – 457 Plan

Investment Option	Asset Class	12/31/2013	%	# Participants Utilizing		%	# Participants Utilizing		%	# Participants Utilizing
				12/31/2013	12/31/2014		12/31/2014	12/31/2015		12/31/2015
NORTH CAROLINA STABLE VALUE-457	Stable Value	\$391,476,370	36.37%	40,878	\$393,130,858	34.28%	43,553	\$395,200,319	34.25%	46,427
NORTH CAROLINA FIXED INCOME FUND	Fixed Income	\$62,994,841	5.85%	28,148	\$67,434,005	5.88%	31,430	\$70,991,726	6.15%	34,805
NORTH CAROLINA FIXED INCOME INDEX	Fixed Income	\$24,297,329	2.26%	22,376	\$33,265,437	2.90%	26,155	\$37,777,927	3.27%	29,900
NORTH CAROLINA LARGE CAP GROWTH FUND	Large-Cap Stock	\$106,960,642	9.94%	36,783	\$112,362,722	9.80%	40,683	\$117,561,150	10.19%	44,575
NORTH CAROLINA LARGE CAP INDEX FUND	Large-Cap Stock	\$125,759,866	11.68%	33,098	\$143,840,466	12.54%	37,390	\$141,105,841	12.23%	41,511
NORTH CAROLINA LARGE CAP VALUE FUND	Large-Cap Stock	\$103,576,341	9.62%	36,298	\$112,687,005	9.83%	40,189	\$102,330,409	8.87%	43,965
NORTH CAROLINA SMALL/MID CAP GROWTH FUND	Small-Cap Stock	\$51,048,953	4.74%	33,383	\$50,722,636	4.42%	37,314	\$52,636,703	4.56%	41,379
NORTH CAROLINA SMALL/MID CAP INDEX FUND	Small-Cap Stock	\$13,581,169	1.26%	1,321	\$15,947,267	1.39%	1,408	\$17,886,080	1.55%	1,512
NORTH CAROLINA SMALL/MID CAP VALUE FUND	Small-Cap Stock	\$72,662,512	6.75%	33,816	\$78,751,325	6.87%	37,819	\$70,693,359	6.13%	41,779
NORTH CAROLINA GLOBAL EQUITY FUND	Global/Intl Stock	\$37,576,470	3.49%	25,955	\$45,616,969	3.98%	30,538	\$51,643,993	4.48%	35,088
NORTH CAROLINA INTERNATIONAL FUND	Global/Intl Stock	\$60,681,594	5.64%	34,140	\$60,877,944	5.31%	38,058	\$60,360,440	5.23%	41,990
NORTH CAROLINA INTERNATIONAL INDEX FUND	Global/Intl Stock	\$8,196,350	0.76%	1,061	\$9,413,257	0.82%	1,102	\$10,392,410	0.90%	1,122
NORTH CAROLINA INFLATION RESPONSIVE FUND	Specialty	\$17,598,874	1.63%	24,467	\$22,623,008	1.97%	29,175	\$25,138,279	2.18%	33,901
Total Plan Assets		\$1,076,411,310	100.00%		\$1,146,672,899	100.00%		\$1,153,718,635	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 December 31, 2015 was 55,565.

The average monthly employee deferral from January 1, 2015 to December 31, 2015 was \$135.71 for the 457 Plan.

The active participation rate as of December 31, 2015 was 10.86% for the 457 Plan.

The GoalMaker utilization among new members as of December 31, 2015 was 93.63% for the 457 Plan.

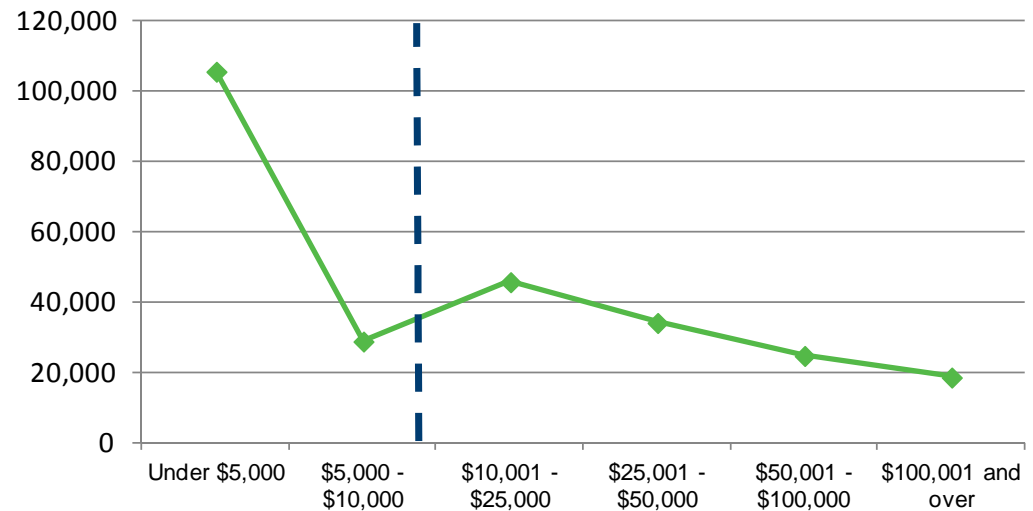
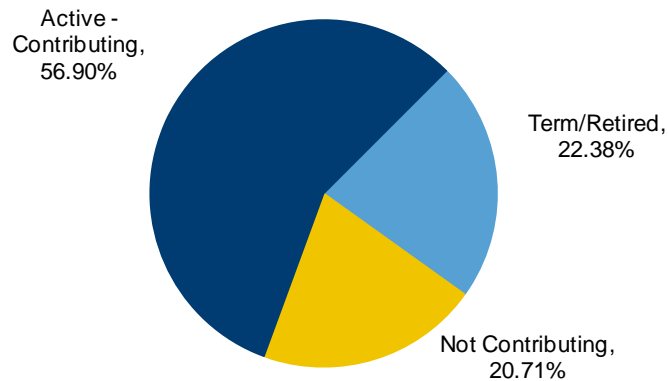
The GoalMaker utilization among members as of December 31, 2015 was 60.98% for the 457 Plan.

North Carolina Total Retirement Plans

401(k) Plan				
	4Q 2014	4Q 2015	Difference #	Difference %
Members with an Account Balance	247,850	257,542	9,692	3.91%
Average Account Balance	\$31,618	\$30,643	(\$975)	-3.08%
Median Account Balance	\$10,343	\$8,885	(\$1,458)	-14.09%

401(k) Plan Percentage Gain						
	Assets (12/31/2014)	Contributions	Distributions	Earnings	Assets (12/31/2015)	Percentage Gain
NC 401(k) Plan	\$7,836,506,778	\$488,571,537	\$420,108,513	(\$13,154,210)	\$7,891,815,592	-0.17%

401(k) 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

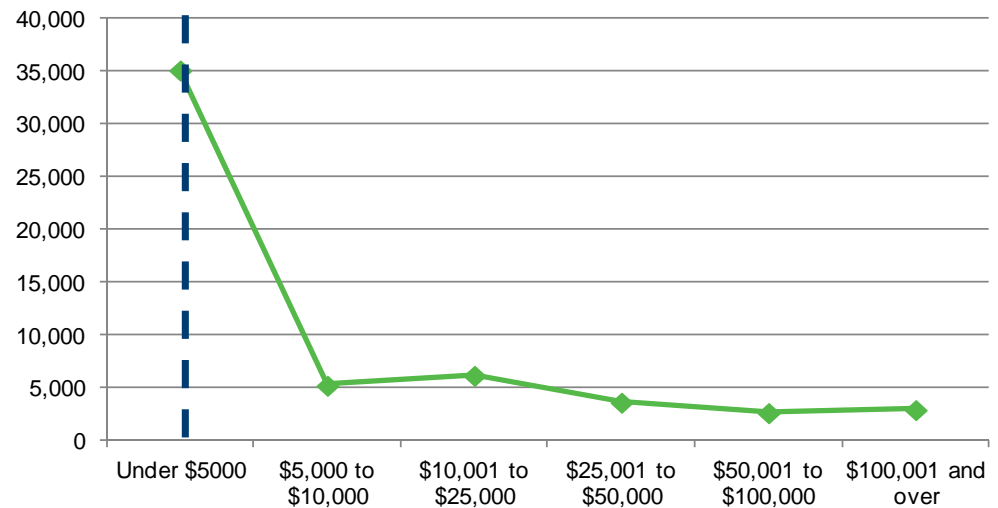
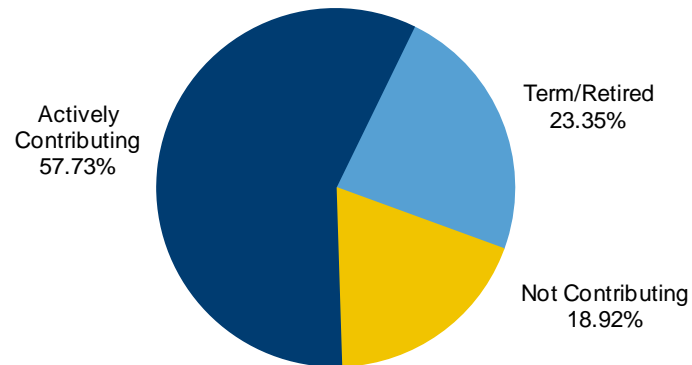


North Carolina Total Retirement Plans

457 Plan				
	4Q 2014	4Q 2015	Difference #	Difference %
Members with an Account Balance	51,892	55,565	3,673	7.08%
Average Account Balance	\$22,097	\$20,763	(\$1,334)	-6.04%
Median Account Balance	\$2,224	\$2,015	(\$209)	-9.40%

457 Plan Percentage Gain						
	Assets (12/31/2014)	Contributions	Distributions	Earnings	Assets (12/31/2015)	Percentage Gain
NC 457 Plan	\$1,146,672,899	\$77,518,765	\$71,761,033	\$1,288,003	\$1,153,718,635	0.11%

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							
	4Q 2012	4Q 2013	4Q 2013 % of Change	4Q 2014	4Q 2014 % of Change	4Q 2015	4Q 2015 % of Change
Enrollments	3,743	3,370	-11.07%	4,123	22.34%	4,799	16.40%
% of New Hires Enrolled in Plan	47.33%	69.37%	31.77%	69.15%	-0.31%	69.92%	1.10%
GoalMaker Elections	3,274	3,049	-7.38%	3,767	23.55%	4,551	17.23%
Contribution Changes							
Deferral Decreases	2,047	2,238	8.53%	2,466	10.19%	3,267	32.48%
Deferral Increases	5,010	5,313	5.70%	6,972	31.23%	6,020	-13.65%
Pre-tax Participation Rate	21.23%	20.59%	-3.11%	20.31%	-1.36%	20.57%	1.28%
Roth Participation Rate	5.56%	6.41%	13.26%	7.08%	10.45%	7.88%	11.30%
Voluntary (Employee & Roth) Participation Rate	25.08%	25.21%	0.52%	27.16%	7.74%	26.29%	-3.20%

401(k) Plan Quarterly Enrollments & Contribution Change Method				
	4Q 2012	4Q 2013	4Q 2014	4Q 2015
Method of Enrollment				
Paper Form	77.86%	77.37%	76.67%	74.39%
Pseudo Enrollment	17.42%	16.21%	13.56%	18.33%
Internet	4.72%	6.42%	9.77%	7.28%
Method of Contribution Change				
Internet	93.59%	98.06%	98.86%	98.77%
Paper Form	5.37%	1.58%	0.87%	1.03%
Participant Service Center	0.54%	0.11%	0.07%	0.02%
VRU	0.50%	0.25%	0.20%	0.19%

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.



401(k) Plan YTD Enrollments & Contribution Changes & 401(k) Plan YTD Enrollments & Contribution Change Method

401(k) Plan YTD Enrollments & Contribution Changes							
	2012	2013	2013 % of Change	2014	2014 % of Change	2015	2015 % of Change
Enrollments	14,207	15,072	5.74%	15,103	0.21%	18,779	24.34%
% of New Hires Enrolled in Plan	40.00%	50.84%	21.33%	47.07%	-7.42%	58.99%	25.33%
GoalMaker Elections	12,447	13,533	8.02%	13,887	2.62%	17,628	26.94%
Contribution Changes							
Deferral Decreases	8,028	11,136	27.91%	10,000	-10.20%	11,031	10.31%
Deferral Increases	28,761	24,964	-15.21%	27,866	11.62%	28,457	2.12%
Pre-tax Participation Rate	23.33%	22.92%	-1.79%	21.60%	-5.76%	22.95%	6.25%
Roth Participation Rate	6.09%	7.10%	14.23%	7.52%	5.92%	8.72%	15.96%
Voluntary (Employee & Roth) Participation Rate	27.37%	27.83%	1.65%	28.89%	3.81%	29.15%	0.90%

401(k) Plan YTD Enrollments & Contribution Change Method				
	2012	2013	2014	2015
Method of Enrollment				
Paper Form	79.60%	81.30%	76.26%	73.89%
Pseudo Enrollment	15.60%	14.53%	17.12%	20.08%
Internet	4.80%	4.18%	6.63%	6.03%
Method of Contribution Change				
Internet	90.75%	97.75%	98.50%	98.59%
Paper	8.38%	1.76%	1.17%	1.14%
Participant Service Center	0.70%	0.17%	0.06%	0.05%
VRU	0.18%	0.32%	0.27%	0.22%

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							
	4Q 2012	4Q 2013	4Q 2013 % of Change	4Q 2014	4Q 2014 % of Change	4Q 2015	4Q 2015 % of Change
Enrollments	2,022	1,444	-28.59%	1,709	18.35%	1,289	-24.58%
% of New Hires Enrolled in Plan	43.21%	56.65%	31.10%	46.04%	-18.73%	29.82%	-35.22%
GoalMaker Elections	1,841	1,294	-29.71%	1,561	20.63%	1,180	-24.41%
Contribution Changes							
Deferral Decreases	384	580	51.04%	682	17.59%	980	43.70%
Deferral Increases	991	789	-20.38%	1,446	83.27%	1,540	6.50%
Pre-tax Participation Rate	10.31%	10.11%	-1.94%	10.53%	4.15%	10.49%	-0.38%
Roth Participation Rate	0.47%	0.70%	48.94%	1.11%	58.57%	1.30%	17.12%
Voluntary (Employee & Roth) Participation Rate	11.91%	10.50%	-11.84%	11.20%	6.67%	10.90%	-2.68%

457 Plan Quarterly Enrollments & Contribution Change Method				
	4Q 2012	4Q 2013	4Q 2014	4Q 2015
Method of Enrollment				
Paper Form	92.37%	88.60%	87.72%	86.73%
Pseudo Enrollment	1.44%	1.60%	1.23%	2.47%
Internet	6.19%	9.81%	11.05%	10.80%
Method of Contribution Change				
Internet	94.72%	99.09%	99.54%	99.10%
Paper Form	4.22%	0.66%	0.41%	0.83%
Participant Service Center	0.58%	0.11%	0.05%	0.00%
VRU	0.48%	0.15%	0.00%	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.



457 Plan YTD Enrollments & Contribution Changes & 457 Plan YTD Enrollments & Contribution Change Method

457 Plan YTD Enrollments & Contribution Changes							
	2012	2013	2013 % of Change	2014	2014 % of Change	2015	2015 % of Change
Enrollments	6,919	7,670	10.85%	6,113	-20.30%	6,291	2.91%
% of New Hires Enrolled in Plan	32.74%	38.78%	18.45%	30.25%	-22.00%	29.93%	-1.06%
GoalMaker Elections	6,249	6,918	10.71%	5,577	-19.38%	5,800	4.00%
Contribution Changes							
Deferral Decreases	1,505	1,335	-11.30%	3,429	156.85%	3,302	-3.70%
Deferral Increases	3,623	4,635	27.93%	6,233	34.48%	6,567	5.36%
Pre-tax Participation Rate	12.61%	13.86%	9.91%	11.11%	-19.84%	11.09%	-0.18%
Roth Participation Rate	0.48%	0.70%	0.00%	0.86%	22.86%	1.31%	52.33%
Voluntary (Employee & Roth) Participation Rate	13.18%	11.32%	-14.11%	11.85%	4.68%	11.50%	-2.95%

457 Plan YTD Enrollments & Contribution Change Method				
	2012	2013	2014	2015
Method of Enrollment				
Paper Form	92.78%	91.33%	89.55%	89.77%
Pseudo Enrollment	1.20%	1.82%	1.78%	1.74%
Internet	6.02%	6.85%	8.67%	8.49%
Method of Contribution Change				
Internet	91.67%	98.00%	99.47%	99.06%
Paper	7.40%	1.46%	0.24%	0.68%
Participant Service Center	0.67%	0.33%	0.14%	0.12%
VRU	0.25%	0.21%	0.14%	0.14%

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							
	4Q 2012	4Q 2013	4Q 2013 Change %	4Q 2014	4Q 2014 Change %	4Q 2015	4Q 2015 Change %
Employee Contributions	\$55,955,441	\$55,069,001	-1.58%	\$56,137,829	1.94%	\$61,886,652	10.24%
Roth	\$7,056,531	\$7,939,461	12.51%	\$9,092,176	14.52%	\$11,396,125	25.34%
Total Employee Contributions	\$63,011,972	\$63,008,462	-0.01%	\$65,230,005	3.53%	\$73,282,777	12.35%
Employer Contributions	\$42,380,106	\$43,051,230	1.58%	\$44,698,282	3.83%	\$49,284,984	10.26%
Rollovers	\$13,125,912	\$16,823,145	28.17%	\$14,430,246	-14.22%	\$12,501,589	-13.37%
Total Contributions	\$118,517,991	\$122,882,838	3.68%	\$124,358,533	1.20%	\$135,069,350	8.61%
Average Voluntary Contributions	\$192	\$194	0.74%	\$199	2.58%	\$216	8.60%
Average Roth Contributions	\$99	\$95	-4.58%	\$97	2.92%	\$108	11.28%
Average Employee Contributions	\$184	\$182	-1.35%	\$173	-4.56%	\$200	15.68%

401(k) Contributions							
	2012	2013	2013 Change %	2014	2014 Change %	2015	2015 Change %
Employee Contributions	\$215,848,506	\$214,331,937	-0.70%	\$214,486,634	0.07%	\$221,160,689	3.11%
Roth	\$25,623,714	\$29,313,101	14.40%	\$33,323,175	13.68%	\$38,669,346	16.04%
Total Employee Contributions	\$241,472,220	\$243,645,038	0.90%	\$247,809,808	1.71%	\$259,830,035	4.85%
Employer Contributions	\$162,977,164	\$167,275,273	2.64%	\$172,051,885	2.86%	\$181,332,081	5.39%
Rollovers	\$41,390,337	\$62,216,716	50.32%	\$47,016,676	-24.43%	\$47,409,421	0.84%
Total Contributions	\$204,367,501	\$473,137,027	131.51%	\$466,878,369	-1.32%	\$488,571,537	4.65%
Average Voluntary Contributions	\$164	\$167	1.49%	\$173	3.56%	\$171	-0.82%
Average Roth Contributions	\$81	\$78	-3.60%	\$82	4.55%	\$82	0.60%
Average Employee Contributions	\$158	\$157	-0.55%	\$150	-4.45%	\$159	6.17%

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.



North Carolina Total Retirement Plans

457 Contributions

	4Q 2012	4Q 2013	4Q 2013 Change %	4Q 2014	4Q 2014 Change %	4Q 2015	4Q 2015 Change %
Employee Contributions	\$12,764,183	\$13,386,916	4.88%	\$13,789,503	3.01%	\$14,664,894	6.35%
Roth	\$350,565	\$528,649	50.80%	\$834,904	57.93%	\$1,054,017	26.24%
Total Employee Contributions	\$13,114,748	\$13,915,566	6.11%	\$14,624,407	100.00%	\$15,718,912	7.48%
Employer Contributions	\$0	\$72,353	0.00%	\$269,831	0.00%	\$343,201	27.19%
Rollovers	\$3,726,264	\$3,149,821	-15.47%	\$5,188,925	64.74%	\$2,914,579	-43.83%
Total Contributions	\$16,841,012	\$17,137,739	1.76%	\$20,083,162	17.19%	\$18,976,691	-5.51%
Average Voluntary Contributions	\$160	\$146	-8.75%	\$148	1.36%	\$153	3.11%
Average Roth Contributions	\$123	\$122	-0.81%	\$141	15.44%	\$136	-3.39%
Average Employee Contributions	\$161	\$152	-5.59%	\$148	-2.33%	\$156	5.21%

457 Contributions

	2012	2013	2013 Change %	2014	2014 Change %	2015	2015 Change %
Employee Contributions	\$47,874,423	\$52,782,181	10.25%	\$53,705,093	1.75%	\$56,772,325	5.71%
Roth	\$972,432	\$2,042,202	110.01%	\$2,623,293	28.45%	\$3,787,003	44.36%
Total Employee Contributions	\$48,846,855	\$54,824,382	12.24%	\$56,328,386	2.74%	\$60,559,328	7.51%
Employer Contributions	\$0	\$84,898	0.00%	\$993,580	100.00%	\$1,298,613	30.70%
Rollovers	\$13,524,119	\$11,859,364	-12.31%	\$14,894,237	25.59%	\$15,660,824	5.15%
Total Contributions	\$62,370,973	\$66,768,645	7.05%	\$72,216,203	8.16%	\$77,518,765	7.34%
Average Voluntary Contributions	\$139	\$134	-3.60%	\$129	-3.95%	\$133	3.09%
Average Roth Contributions	\$75	\$93	24.00%	\$99	6.65%	\$110	11.16%
Average Employee Contributions	\$139	\$135	-2.88%	\$152	12.41%	\$136	-10.58%

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

	12/31/2012	12/31/2013	12/31/2014	12/31/2015
Total Plan Assets in GoalMaker	\$2,383,758,737	\$3,011,817,640	\$3,336,249,701	\$3,459,363,600
Total # of Participants in GoalMaker	115,723	128,189	137,557	150,342
Year to Date % of New Enrollments with Goalmaker Election	87.97%	89.83%	92.29%	92.94%
Total Participation Rate	50.09%	52.75%	55.50%	58.38%
Prudential's Book of Business GoalMaker Average Participation Rate*	42.29%	43.22%	45.48%	46.61%
Total % of Assets	39.20%	41.16%	42.57%	43.83%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	1,157	2,627	1,112	4,896
Age 25-34	8,065	16,624	9,789	34,478
Age 35-44	7,805	18,767	12,040	38,612
Age 45-54	8,665	19,489	10,050	38,204
Age 55-64	8,247	13,415	4,812	26,474
Age 65+	2,688	3,723	1,267	7,678
Total	36,627	74,645	39,070	150,342

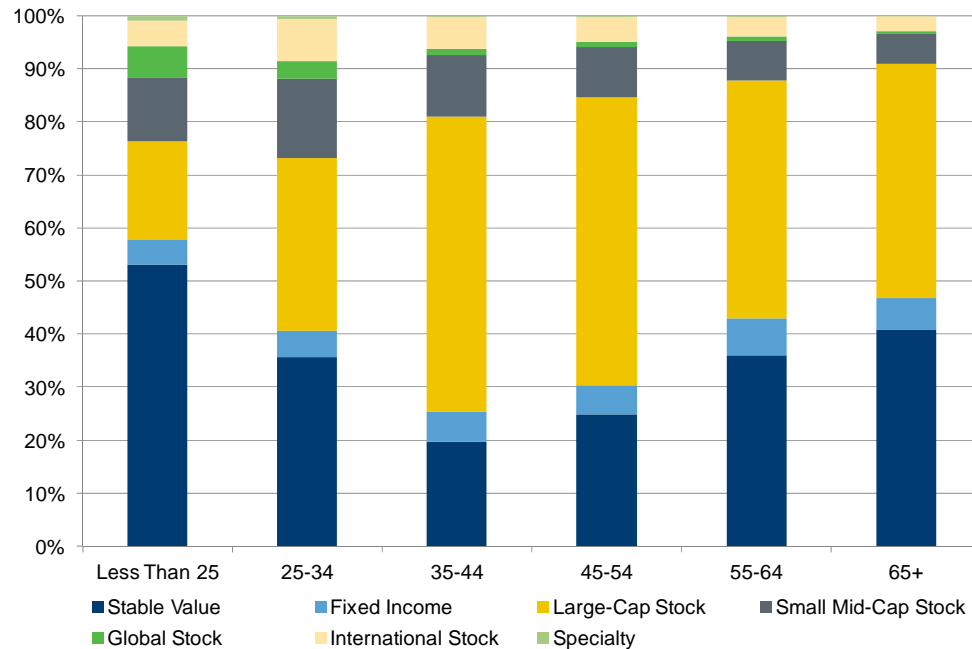
Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	\$2,235,908	\$4,692,206	\$2,832,767	\$9,760,882
Age 25-34	\$45,833,390	\$122,185,432	\$117,868,974	\$285,887,797
Age 35-44	\$82,536,458	\$306,537,831	\$339,652,439	\$728,726,728
Age 45-54	\$172,151,102	\$521,061,221	\$440,382,157	\$1,133,594,481
Age 55-64	\$248,355,333	\$480,775,624	\$239,664,196	\$968,795,153
Age 65+	\$108,451,528	\$153,922,981	\$70,224,052	\$332,598,560
Total	\$659,563,720	\$1,589,175,295	\$1,210,624,585	\$3,459,363,600

*Prudential's Defined Contribution book of business averages.



North Carolina Total Retirement Plans

401(k) Asset Allocation by Age Group – Assets Not in GoalMaker As of December 31, 2015



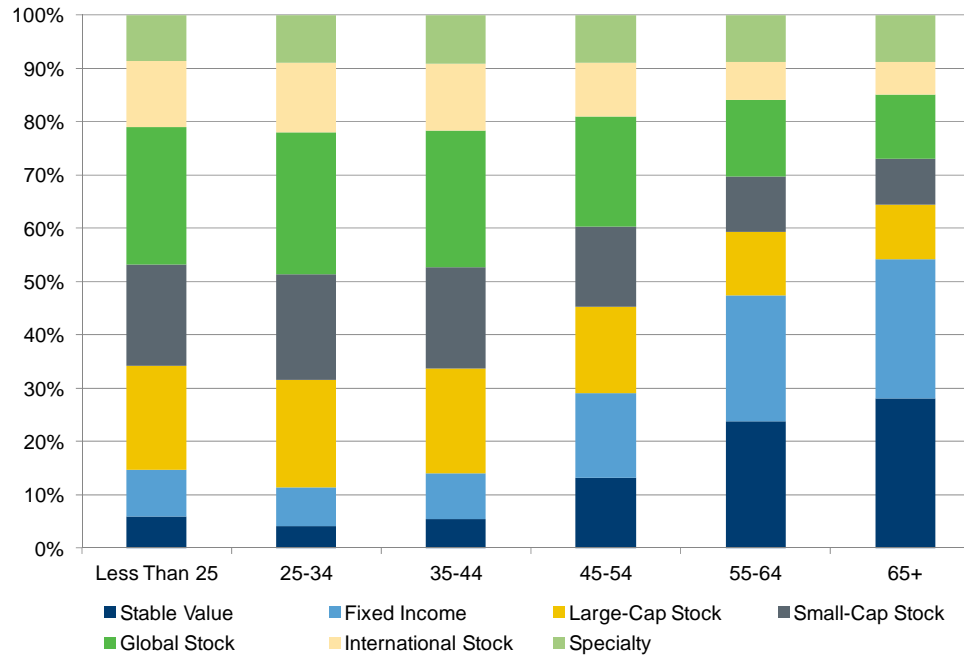
Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$420,599	\$17,249,463	\$103,980,185	\$312,665,128	\$542,240,025	\$442,163,524	\$1,418,718,924
Fixed Income	\$37,669	\$2,396,688	\$29,590,718	\$70,907,904	\$105,811,309	\$65,407,010	\$274,151,297
Large-Cap Stock	\$146,781	\$15,675,683	\$293,295,327	\$684,195,384	\$677,633,172	\$479,132,964	\$2,150,079,310
Small Mid-Cap Stock	\$95,531	\$7,203,147	\$61,117,159	\$119,342,355	\$113,840,002	\$60,767,656	\$362,365,849
Global Stock	\$47,219	\$1,669,120	\$6,070,230	\$12,856,436	\$12,246,420	\$5,702,056	\$38,591,482
International Stock	\$37,717	\$3,829,277	\$31,669,673	\$59,858,983	\$56,175,489	\$29,668,228	\$181,239,367
Specialty	\$7,830	\$267,591	\$987,977	\$2,353,575	\$2,610,257	\$1,078,531	\$7,305,761
Total Assets	\$793,345	\$48,290,967	\$526,711,269	\$1,262,179,766	\$1,510,556,674	\$1,083,919,970	\$4,432,451,992
% Assets	0.02%	1.09%	11.88%	28.48%	34.08%	24.45%	100.00%
Total Participants	285	4,603	21,257	32,184	30,261	18,685	107,275
Average Account Balance	\$2,784	\$10,491	\$24,778	\$39,218	\$49,918	\$58,010	\$41,319

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

401(k) Asset Allocation by Age Group – Assets Not in GoalMaker As of December 31, 2015

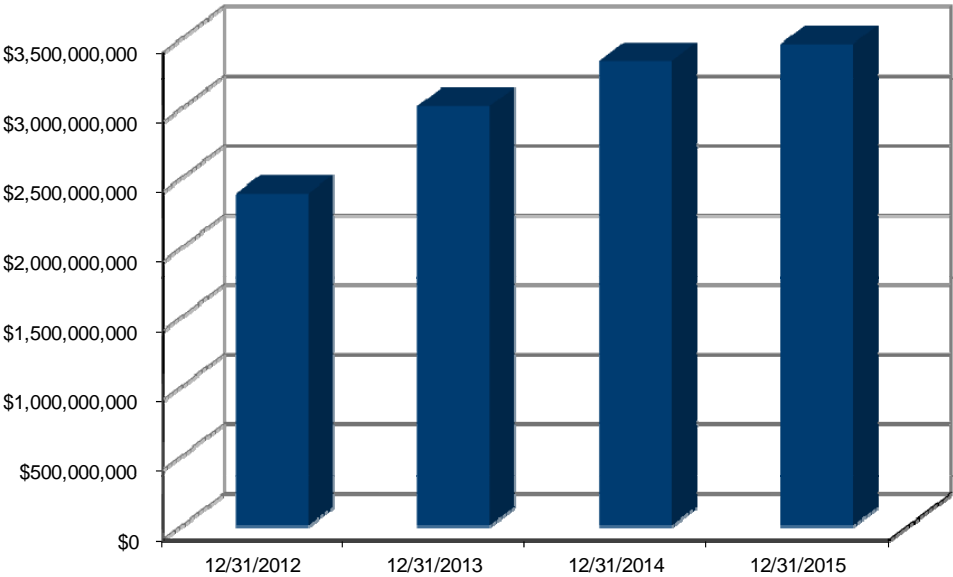
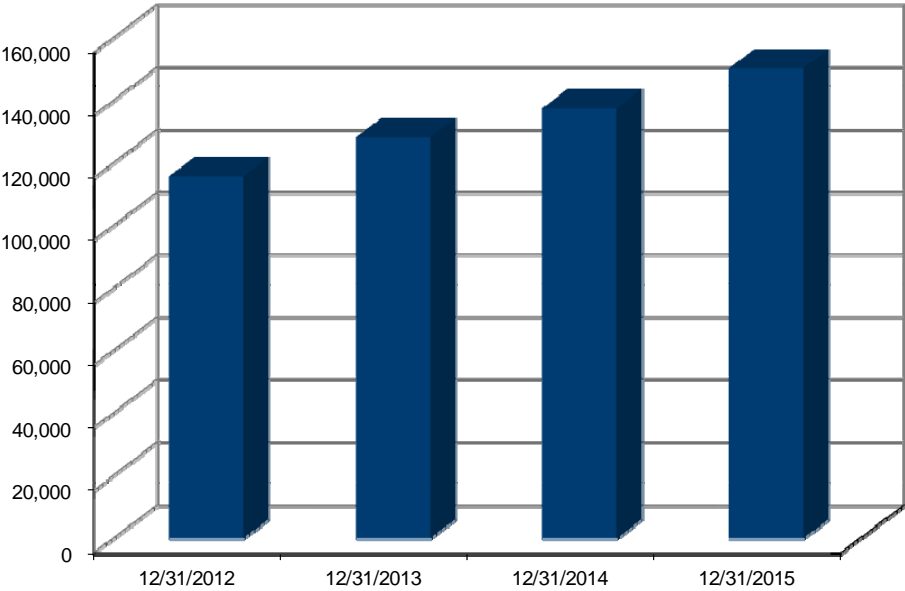


Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$578,114	\$11,643,885	\$39,957,096	\$149,379,738	\$230,270,968	\$93,284,775	\$525,114,576
Fixed Income	\$859,719	\$20,714,425	\$62,329,733	\$179,378,789	\$229,374,565	\$86,897,781	\$579,555,012
Large-Cap Stock	\$1,904,148	\$57,951,718	\$143,658,875	\$183,869,612	\$115,284,942	\$33,989,483	\$536,658,777
Small-Cap Stock	\$1,843,413	\$56,292,547	\$138,359,774	\$170,882,889	\$99,455,710	\$28,706,173	\$495,540,507
Global Stock	\$2,512,147	\$76,210,450	\$186,388,238	\$233,281,147	\$139,485,650	\$40,161,042	\$678,038,674
International Stock	\$1,209,560	\$37,204,914	\$91,235,587	\$113,896,122	\$69,045,371	\$20,360,257	\$332,951,812
Specialty	\$853,780	\$25,869,858	\$66,797,425	\$102,906,184	\$85,877,948	\$29,199,049	\$311,504,243
Total Assets	\$9,760,882	\$285,887,797	\$728,726,728	\$1,133,594,481	\$968,795,153	\$332,598,560	\$3,459,363,600
% Assets	0.28%	8.26%	21.07%	32.77%	28.01%	9.61%	100.00%
Total Participants	4,896	34,478	38,612	38,204	26,474	7,678	150,342
Average Account Balance	\$1,994	\$8,292	\$18,873	\$29,672	\$36,594	\$43,318	\$23,010

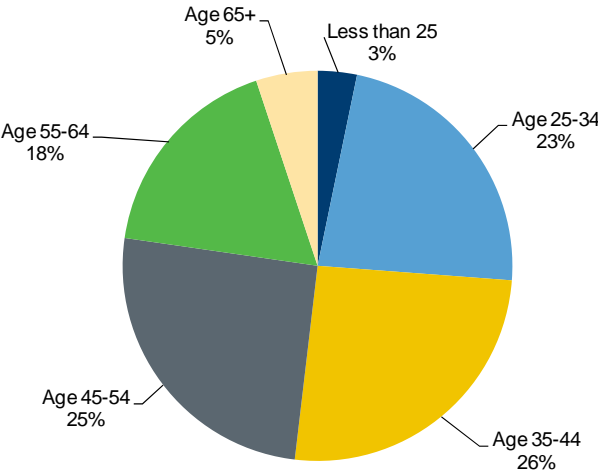
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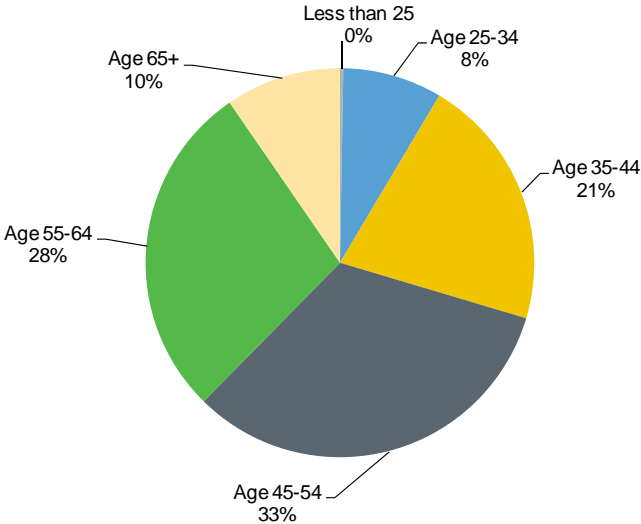
401(k) GoalMaker Participation



Participation by Age Range



Assets by Age Range



457 GoalMaker Participation

	12/31/2012	12/31/2013	12/31/2014	12/31/2015
Total Plan Assets in GoalMaker	\$136,959,829	\$190,448,638	\$233,271,798	\$262,510,662
Total # of Participants in GoalMaker	18,486	25,041	29,457	33,881
Year to Date % of New Enrollments with Goalmaker Election	89.61%	90.35%	90.53%	91.99%
Total Participation Rate	42.88%	51.75%	56.77%	60.98%
Prudential's Book of Business GoalMaker Average Participation Rate*	42.29%	43.22%	45.48%	46.61%
Total % of Assets	14.52%	17.69%	20.34%	22.75%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	280	566	292	1,138
Age 25-34	2,373	3,840	2,201	8,414
Age 35-44	2,388	4,174	2,394	8,956
Age 45-54	2,774	4,623	2,131	9,528
Age 55-64	1,788	2,293	782	4,863
Age 65+	406	428	148	982
Total	10,009	15,924	7,948	33,881

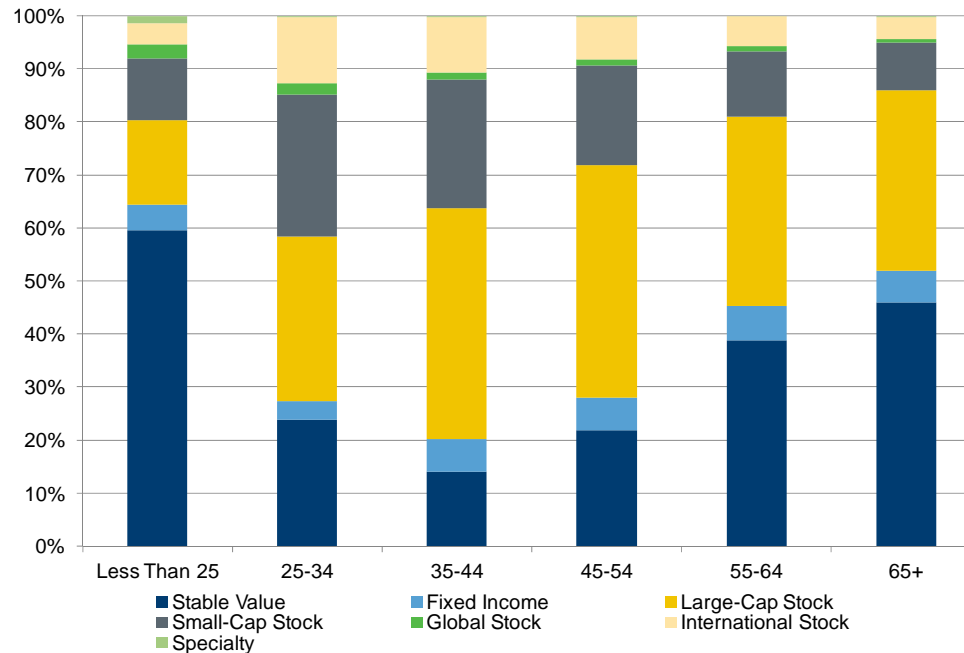
Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	\$107,354	\$259,009	\$253,127	\$619,490
Age 25-34	\$2,081,355	\$5,221,272	\$4,972,672	\$12,275,299
Age 35-44	\$4,460,236	\$15,045,695	\$15,499,890	\$35,005,821
Age 45-54	\$12,835,017	\$37,135,081	\$29,150,446	\$79,120,545
Age 55-64	\$24,247,349	\$43,546,127	\$18,953,104	\$86,746,580
Age 65+	\$16,370,277	\$22,511,179	\$9,861,472	\$48,742,927
Total	\$60,101,588	\$123,718,362	\$78,690,711	\$262,510,662

*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 December 31, 2015



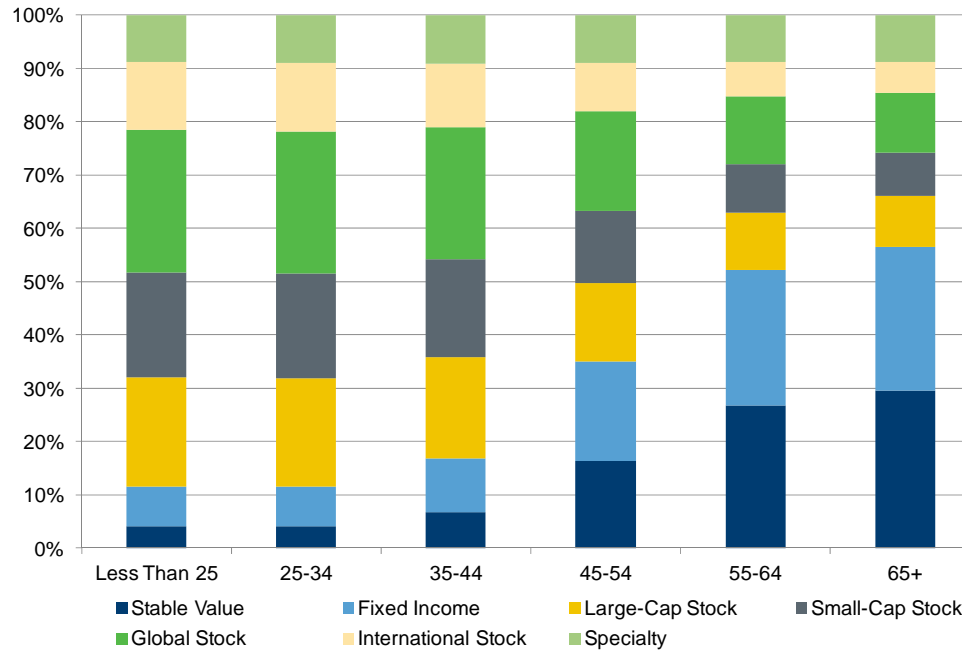
Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$32,944	\$818,429	\$5,207,228	\$30,848,872	\$115,107,002	\$189,802,028	\$341,816,501
Fixed Income	\$2,633	\$123,405	\$2,217,342	\$8,745,646	\$18,890,098	\$24,399,327	\$54,378,451
Large-Cap Stock	\$8,842	\$1,062,794	\$16,047,948	\$61,992,709	\$105,951,399	\$140,908,243	\$325,971,935
Small-Cap Stock	\$6,383	\$920,986	\$8,949,837	\$26,683,024	\$36,510,123	\$36,700,976	\$109,771,329
Global Stock	\$1,471	\$75,353	\$496,223	\$1,567,468	\$3,141,001	\$2,964,059	\$8,245,576
International Stock	\$2,200	\$425,784	\$3,885,111	\$11,289,612	\$16,424,840	\$17,265,028	\$49,292,575
Specialty	\$777	\$8,641	\$66,308	\$337,208	\$426,965	\$891,707	\$1,731,607
Total Assets	\$55,252	\$3,435,392	\$36,869,996	\$141,464,538	\$296,451,427	\$412,931,368	\$891,207,973
% Assets	0.01%	0.39%	4.14%	15.87%	33.26%	46.33%	100.00%
Total Participants	69	1,045	3,423	5,849	6,418	4,886	21,690
Average Account Balance	\$801	\$3,287	\$10,771	\$24,186	\$46,191	\$84,513	\$41,088

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 December 31, 2015

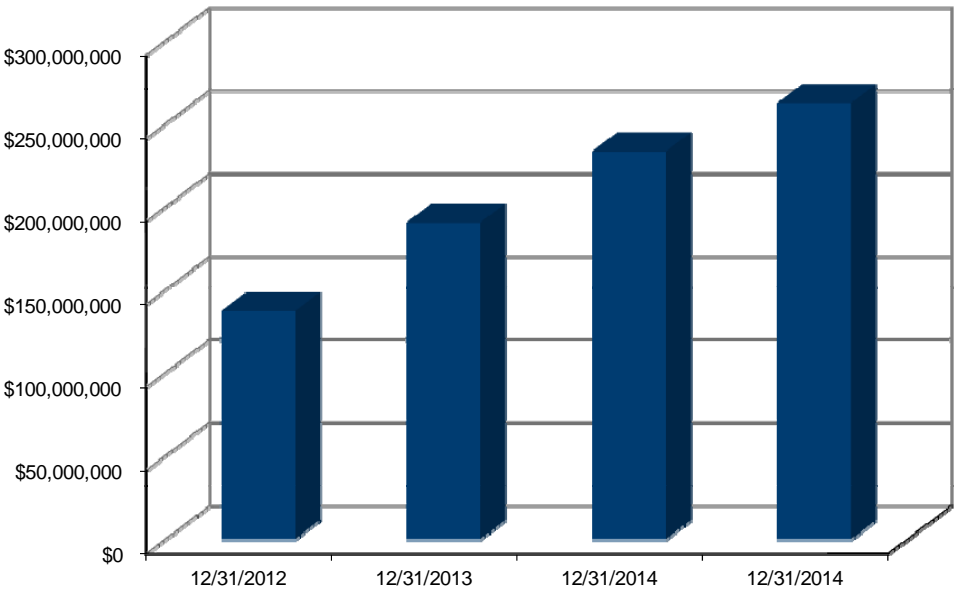
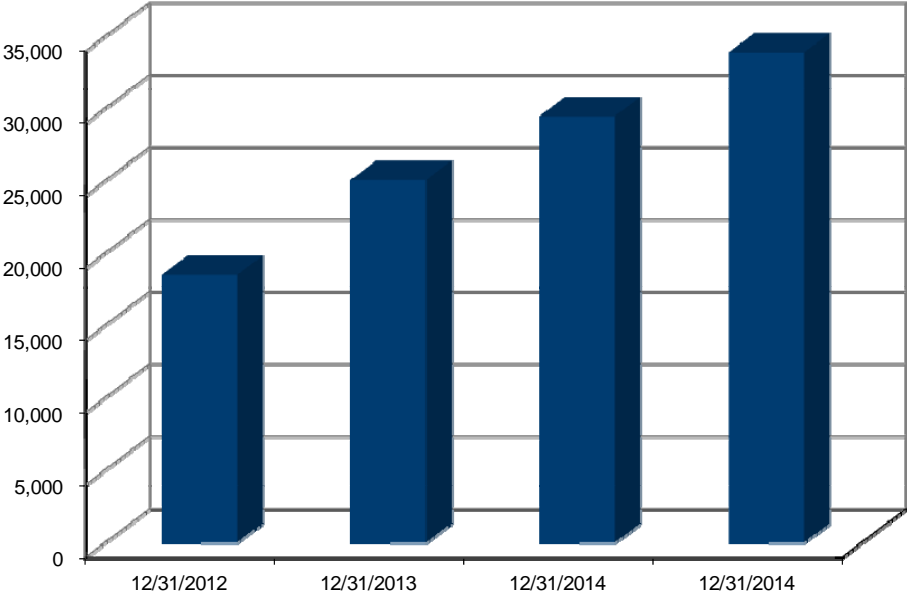


Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$25,917	\$507,840	\$2,381,567	\$12,874,596	\$23,158,761	\$14,435,136	\$53,383,817
Fixed Income	\$45,330	\$907,667	\$3,508,011	\$14,760,127	\$22,042,895	\$13,127,172	\$54,391,202
Large-Cap Stock	\$127,533	\$2,505,743	\$6,680,936	\$11,711,882	\$9,324,374	\$4,674,996	\$35,025,465
Small-Cap Stock	\$121,485	\$2,409,690	\$6,401,863	\$10,704,147	\$7,875,703	\$3,931,924	\$31,444,812
Global Stock	\$165,209	\$3,267,290	\$8,642,721	\$14,722,555	\$11,116,702	\$5,483,940	\$43,398,417
International Stock	\$79,014	\$1,579,841	\$4,205,686	\$7,192,874	\$5,581,698	\$2,821,162	\$21,460,276
Specialty	\$55,002	\$1,097,228	\$3,185,035	\$7,154,364	\$7,646,447	\$4,268,597	\$23,406,672
Total Assets	\$619,490	\$12,275,299	\$35,005,821	\$79,120,545	\$86,746,580	\$48,742,927	\$262,510,662
% Assets	0.24%	4.68%	13.34%	30.14%	33.04%	18.57%	100.00%
Total Participants	1,138	8,414	8,956	9,528	4,863	982	33,881
Average Account Balance	\$544	\$1,459	\$3,909	\$8,304	\$17,838	\$49,636	\$7,748

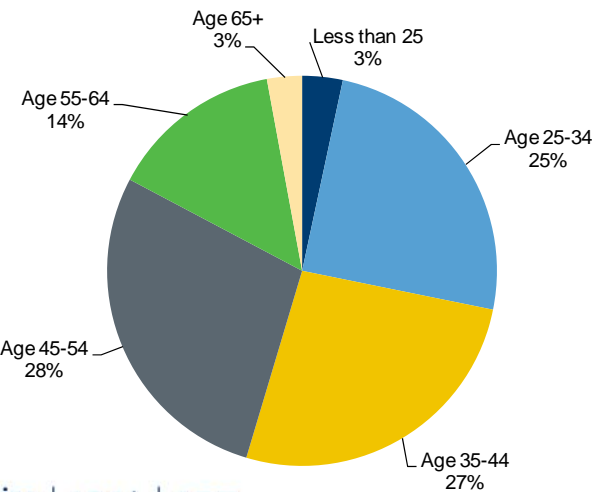
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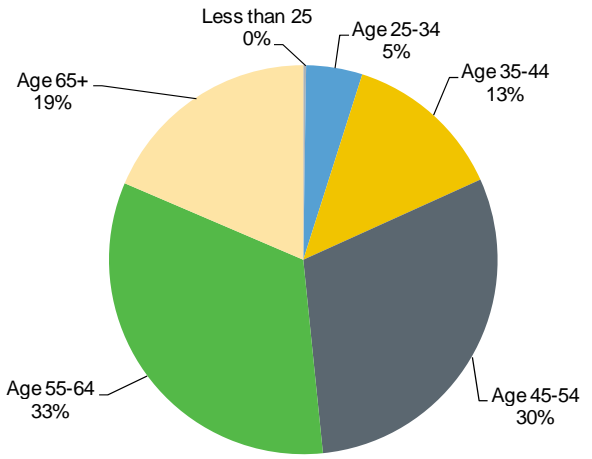
457 GoalMaker Participation



Participation by Age Range



Assets by Age Range



Loan Information

In 2010, 28% of participants reported having an outstanding loan.

Source: "More raid retirement accounts to pay bills,"
Washington Post Michael A. Fletcher, January 15, 2013

401(k) YTD Loans					
	2012	2013	2014	2015	Change %
% of Members in Plan with a Loan	24.35%	24.70%	24.63%	23.62%	-4.10%
# of Outstanding Loans	47,470	48,039	47,923	46,966	-2.00%
# of New Loans 4Q	4,230	4,114	3,845	3,663	-4.73%
# of New Loans YTD	16,944	17,020	16,458	16,134	-1.97%
Average Loan Balance	\$5,519	\$5,692	\$5,973	\$6,229	4.29%
Total Outstanding Loan Balance	\$261,965,765	\$273,433,337	\$286,224,122	\$292,560,381	2.21%

In 2011, 15% of participants have an outstanding loan.

Source: "PLAN SPONSOR Defined Contribution Survey," 2012
Industry Report 457 Plans

457 YTD Loans					
	2012	2013	2014	2015	Change %
% of Members in Plan with a Loan	14.21%	14.36%	14.02%	13.77%	-1.78%
# of Outstanding Loans	4,831	5,372	5,617	5,816	3.54%
# of New Loans 4Q	513	585	572	520	0.00%
# of New Loans YTD	1,931	2,160	2,201	2,227	1.18%
Average Loan Balance	\$3,037	\$3,112	\$3,293	\$3,308	0.47%
Total Outstanding Loan Balance	\$14,670,312	\$16,716,042	\$18,496,480	\$19,241,979	4.03%



401(k) Disbursements – Quarterly

One in Four American workers with 401(k) and other retirement savings accounts use them to pay current expenses.

Source: "More raid retirement accounts to pay bills," Washington Post Michael A. Fletcher, January 15, 2013

401(k) Disbursements							
	4Q 2012	4Q 2013	4Q 2013 Change %	4Q 2014	4Q 2014 Change %	4Q 2015	4Q 2015 Change %
Term - Lump Sum	\$50,881,139	\$72,225,254	41.95%	\$80,964,625	12.10%	\$85,492,818	5.59%
In-Service	\$11,065,820	\$5,907,046	-46.62%	\$5,138,362	-13.01%	\$4,569,529	-11.07%
State Retirement System	\$5,784,787	\$4,561,308	-21.15%	\$4,229,022	-7.28%	\$3,769,536	-10.87%
Hardship	\$1,510,211	\$1,503,724	-0.43%	\$1,305,907	-13.16%	\$1,263,005	-3.29%
Systematic	\$2,734,049	\$3,044,290	11.35%	\$3,179,909	4.45%	\$3,046,204	-4.20%
Total Disbursements	\$71,976,006	\$87,241,621	21.21%	\$94,817,825	8.68%	\$98,141,091	3.50%

401(k) Disbursements							
	4Q 2012	4Q 2013	4Q 2013 Change %	4Q 2014	4Q 2014 Change %	4Q 2015	4Q 2015 Change %
Term – Lump Sum	5,403	7,370	36.41%	5,987	-18.77%	8,628	44.11%
In-Service	1,892	1,503	-20.56%	3,331	121.62%	1,315	-60.52%
State Retirement System	204	166	-18.63%	158	-4.82%	122	-22.78%
Hardship	611	597	-2.29%	524	-12.23%	486	-7.25%
Systematic	3,117	3,410	9.40%	3,197	-6.25%	3,274	2.41%
Total Disbursements	11,227	13,046	16.20%	13,197	1.16%	13,825	4.76%

401(k) Disbursements – Year to Date

401(k) Disbursements							
	2012	2013	2013 Change %	2014	2014 Change %	2015	2015 Change %
Term - Lump Sum	\$209,749,458	\$265,695,033	26.67%	\$324,157,202	22.00%	\$362,988,790	11.98%
In-Service	\$51,617,794	\$38,906,213	-24.63%	\$26,857,256	-30.97%	\$25,999,920	-3.19%
State Retirement System	\$23,890,639	\$16,038,434	-32.87%	\$14,478,356	-9.73%	\$13,492,304	-6.81%
Hardship	\$6,190,334	\$6,822,353	10.21%	\$5,904,266	-13.46%	\$6,026,915	2.08%
Systematic	\$8,832,207	\$9,929,878	12.43%	\$12,054,202	21.39%	\$11,600,583	-3.76%
Total Disbursements	\$300,280,434	\$337,391,910	12.36%	\$383,451,282	13.65%	\$420,108,513	9.56%

401(k) Disbursements							
	2012	2013	2013 Change %	2014	2014 Change %	2015	2015 Change %
Term – Lump Sum	17,087	22,354	30.82%	21,522	-3.72%	49,198	128.59%
In-Service	7,220	6,844	-5.21%	7,900	15.43%	5,679	-28.11%
State Retirement System	801	604	-24.59%	496	-17.88%	446	-10.08%
Hardship	2,432	2,492	2.47%	2,163	-13.20%	2,088	-3.47%
Systematic	10,969	12,453	13.53%	12,593	1.12%	12,831	1.89%
Total Disbursements	38,509	44,747	16.20%	44,674	-0.16%	70,242	57.23%

457 Disbursements – Quarterly

457 Disbursements							
	4Q 2012	4Q 2013	4Q 2013 Change %	4Q 2014	4Q 2014 Change %	4Q 2015	4Q 2015 Change %
Term - Lump Sum	\$11,065,321	\$13,065,600	18.08%	\$14,424,197	10.40%	\$16,497,711	14.38%
In-Service	\$286,116	\$151,148	-47.17%	\$38,899	-74.26%	\$53,604	37.80%
State Retirement System	\$661,047	\$204,516	-69.06%	\$227,117	11.05%	\$3,005,439	1223.30%
Hardship	\$206,655	\$161,017	-22.08%	\$176,438	9.58%	\$102,709	-41.79%
Systematic	\$1,579,076	\$1,695,570	7.38%	\$1,877,429	10.73%	\$1,717,405	-8.52%
Total Disbursements	\$13,798,215	\$15,277,851	10.72%	\$16,744,080	9.60%	\$21,376,869	27.67%

457 Disbursements							
	4Q 2012	4Q 2013	4Q 2013 Change %	4Q 2014	4Q 2014 Change %	4Q 2015	4Q 2015 Change %
Term – Lump Sum	1,308	1,777	35.86%	1,779	0.11%	2,023	13.72%
In-Service	5	10	100.00%	7	-30.00%	11	57.14%
State Retirement System	12	12	0.00%	11	-8.33%	39	254.55%
Hardship	110	112	1.82%	101	-9.82%	88	-12.87%
Systematic	1,642	1,649	0.43%	1,585	-3.88%	1,452	-8.39%
Total Disbursements	3,077	3,560	15.70%	3,483	-2.16%	3,613	3.73%

North Carolina Total Retirement Plans

457 Disbursements – Year to Date

457 Disbursements							
	2012	2013	2013 Change %	2014	2014 Change %	2015	2015 Change %
Term - Lump Sum	\$40,549,090	\$45,490,605	12.19%	\$52,527,496	15.47%	\$59,167,685	12.64%
In-Service	\$849,865	\$2,128,899	150.50%	\$137,114	-93.56%	\$269,652	96.66%
State Retirement System	\$1,253,764	\$4,357,627	247.56%	\$674,960	-84.51%	\$5,545,371	721.58%
Hardship	\$578,012	\$620,698	7.38%	\$596,112	-3.96%	\$593,104	-0.50%
Systematic	\$5,341,270	\$5,644,134	5.67%	\$6,122,729	8.48%	\$6,185,222	1.02%
Total Disbursements	\$48,572,001	\$58,241,963	19.91%	\$60,058,412	3.12%	\$71,761,033	19.49%

457 Disbursements							
	2012	2013	2013 Change %	2014	2014 Change %	2015	2015 Change %
Term – Lump Sum	4,549	5,271	15.87%	4,839	-8.20%	9,923	105.06%
In-Service	159	64	-59.75%	22	-65.63%	28	27.27%
State Retirement System	46	33	-28.26%	36	9.09%	99	175.00%
Hardship	365	455	24.66%	405	-10.99%	402	-0.74%
Systematic	5,492	6,440	17.26%	6,137	-4.70%	5,835	-4.92%
Total Disbursements	10,611	12,263	15.57%	11,439	-6.72%	16,287	42.38%

401(k) Plan Asset Allocation/Net Cash Flow October 1, 2015 to December 31, 2015

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$10,554,227	\$334,178,764	\$1,255,437,997	\$2,395,774,247	\$2,479,351,827	\$1,416,518,530	\$7,891,815,592
% Assets	0.13%	4.23%	15.91%	30.36%	31.42%	17.95%	100.00%
Total Contributions	\$2,176,893	\$16,610,922	\$28,031,419	\$38,646,683	\$31,288,807	\$5,813,037	\$122,567,760
Rollovers In	\$21,332	\$818,797	\$1,756,647	\$3,180,112	\$4,645,091	\$2,079,610	\$12,501,589
Total Distributions including:							
Rollovers Out	(\$56,313)	(\$3,060,484)	(\$7,434,781)	(\$16,920,138)	(\$35,027,927)	(\$35,641,448)	(\$98,141,091)
Cash Distributions	(\$12,322)	(\$1,088,725)	(\$3,188,592)	(\$10,877,361)	(\$20,146,179)	(\$14,761,192)	(\$50,074,371)
Net Cash Flow	(\$43,990)	(\$1,971,759)	(\$4,246,189)	(\$6,042,777)	(\$14,881,748)	(\$20,880,256)	(\$48,066,721)
Total Unique Participants	\$2,141,912	\$14,369,234	\$22,353,285	\$24,906,657	\$905,971	(\$27,748,801)	\$36,928,258
Avg. Account Balance	5,172	39,078	59,864	70,370	56,720	26,338	257,542
Prudential Participant Avg. Account Balance	\$2,041	\$8,552	\$20,972	\$34,045	\$43,712	\$53,782	\$30,643
	\$2,424	\$12,752	\$36,323	\$67,551	\$93,520	\$108,874	\$58,405

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

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$10,554,227	\$334,178,764	\$1,255,437,997	\$2,395,774,247	\$2,479,351,827	\$1,416,518,530	\$7,891,815,592
% Assets	0.13%	4.23%	15.91%	30.36%	31.42%	17.95%	100.00%
Total Contributions	\$7,811,175	\$59,871,348	\$102,083,068	\$137,638,963	\$112,354,952	\$21,402,610	\$441,162,116
Rollovers In	\$106,249	\$2,830,045	\$6,769,563	\$11,148,165	\$14,922,189	\$11,633,209	\$47,409,421
Total Distributions including:							
Rollovers Out	(\$319,418)	(\$13,020,795)	(\$34,053,434)	(\$77,908,531)	(\$174,450,357)	(\$120,355,978)	(\$420,108,513)
Cash Distributions	(\$78,257)	(\$5,318,429)	(\$15,805,912)	(\$44,433,811)	(\$97,066,440)	(\$60,976,247)	(\$223,679,095)
Net Cash Flow	(\$241,162)	(\$7,702,366)	(\$18,247,522)	(\$33,474,720)	(\$77,383,917)	(\$59,379,731)	(\$196,429,417)
Total Unique Participants	\$7,598,006	\$49,680,598	\$74,799,198	\$70,878,597	(\$47,173,216)	(\$87,320,159)	\$68,463,024
Avg. Account Balance	5,172	39,078	59,864	70,370	56,720	26,338	257,542
Prudential Participant Avg. Account Balance	\$2,041	\$8,552	\$20,972	\$34,045	\$43,712	\$53,782	\$30,643
	\$2,424	\$12,752	\$36,323	\$67,551	\$93,520	\$108,874	\$58,405

*Prudential's Defined Contribution book of business averages.



457 Plan Asset Allocation/Net Cash Flow October 1, 2015 to December 31, 2015

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$674,741	\$15,710,691	\$71,875,817	\$220,585,084	\$383,198,007	\$461,674,295	\$1,153,718,635
% Assets	0.06%	1.36%	6.23%	19.12%	33.21%	40.02%	100.00%
Total Contributions	\$152,450	\$1,314,352	\$2,784,676	\$5,427,459	\$4,994,248	\$1,388,927	\$16,062,112
Rollovers In	\$0	\$39,436	\$111,131	\$688,649	\$893,721	\$1,181,642	\$2,914,579
Total Distributions including:	(\$8,859)	(\$213,714)	(\$302,234)	(\$1,818,812)	(\$6,415,671)	(\$12,617,580)	(\$21,376,869)
Rollovers Out	\$0	(\$89,848)	(\$185,532)	(\$885,830)	(\$4,811,203)	(\$4,503,850)	(\$10,476,262)
Cash Distributions	(\$8,859)	(\$123,866)	(\$116,703)	(\$932,983)	(\$1,604,468)	(\$8,113,730)	(\$10,900,607)
Net Cash Flow	\$143,591	\$1,140,074	\$2,593,573	\$4,297,296	(\$527,701)	(\$10,047,011)	(\$2,400,178)
Total Unique Participants	1,332	9,459	12,379	15,376	11,280	5,739	55,565
Avg. Account Balance	\$507	\$1,661	\$5,806	\$14,346	\$33,971	\$80,445	\$20,763
Prudential Participant Avg. Account Balance	\$2,424	\$12,752	\$36,323	\$67,551	\$93,520	\$108,874	\$58,405

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

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$674,741	\$15,710,691	\$71,875,817	\$220,585,084	\$383,198,007	\$461,674,295	\$1,153,718,635
% Assets	0.06%	1.36%	6.23%	19.12%	33.21%	40.02%	100.00%
Total Contributions	\$553,454	\$4,880,208	\$10,594,552	\$20,775,266	\$19,357,450	\$5,697,010	\$61,857,941
Rollovers In	\$4,248	\$266,770	\$807,807	\$2,411,452	\$3,735,949	\$8,434,598	\$15,660,824
Total Distributions including:	(\$32,246)	(\$836,074)	(\$1,257,122)	(\$6,925,873)	(\$25,812,120)	(\$36,897,598)	(\$71,761,033)
Rollovers Out	(\$2,737)	(\$257,517)	(\$502,582)	(\$3,176,091)	(\$16,763,183)	(\$17,301,064)	(\$38,003,173)
Cash Distributions	(\$29,509)	(\$578,557)	(\$754,540)	(\$3,749,782)	(\$9,048,937)	(\$19,596,534)	(\$33,757,859)
Net Cash Flow	\$525,456	\$4,310,903	\$10,145,237	\$16,260,846	(\$2,718,720)	(\$22,765,990)	\$5,757,733
Total Unique Participants	1,332	9,459	12,379	15,376	11,280	5,739	55,565
Avg. Account Balance	\$507	\$1,661	\$5,806	\$14,346	\$33,971	\$80,445	\$20,763
Prudential Participant Avg. Account Balance	\$2,424	\$12,752	\$36,323	\$67,551	\$93,520	\$108,874	\$58,405

*Prudential's Defined Contribution book of business averages.

401(k) Plan Retirement Preparation Analysis

10/1/2015 - 12/31/2015	
Total Retirement Income Calculator Completions	7,316
Unique Completions	6,343
Contribution Rate Increase	466

Since Inception for Currently Active Participants as of 12/31/2015	
Average Balance, RIC Participant	\$50,578
Average Balance, Non-RIC Participant	\$23,471
Average Contribution Rate, RIC Participant	6.14%
Average Contribution Rate, Non-RIC Participant	4.63%
Total Count of Participants with a RIC Gap	36,088
Average RIC Gap	\$2,802
Total Count of Participants with a RIC surplus	7,626
Average RIC Surplus	\$1,885

1/1/2015 - 12/31/2015	
Total Retirement Income Calculator Completions	33,762
Unique Completions	24,495
Contribution Rate Increase	1,783

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

10/1/2015 - 12/31/2015	
Total Retirement Income Calculator Completions	2,663
Unique Completions	2,273
Contribution Rate Increase	90

1/1/2015 - 12/31/2015	
Total Retirement Income Calculator Completions	11,855
Unique Completions	8,499
Contribution Rate Increase	339

Since Inception for Currently Active Participants as of 12/31/2015	
Average Balance, RIC Participant	\$23,282
Average Balance, Non-RIC Participant	\$12,779
Average Contribution Rate, RIC Participant	5.96%
Average Contribution Rate, Non-RIC Participant	5.90%
Total Count of Participants with a RIC Gap	7,806
Average RIC Gap per month	\$2,787
Total Count of Participants with a RIC surplus	1,740
Average RIC Surplus per month	\$2,242

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.

Expense Account Information

401(k) State Account			
Account Activity	Date	Opening/Closing Balance	Debits/Credits
Opening account value		\$4,826,639.00	
Invoice - Department of Treasury	10/8/2015		(\$255,000.00)
3rd Qtr 15 Asset Based Fee	10/9/2015		\$118,110.47
September 2015 Asset Based Fees	10/16/2015		\$121,674.58
October 2015 Asset Based Fees	11/17/2015		\$121,835.24
Blackrock Refund	11/30/2015		\$12,209.21
November 2015 Asset Based Fees	12/12/2015		\$128,439.90
Invoice - Department of Treasury	12/15/2015		(\$255,000.00)
Gain/loss in account value			\$85,970.67
Closing Account Value		\$4,904,879.07	

457 State Account			
Account Activity	Date	Opening/Closing Balance	Debits/Credits
Opening account value		\$716,912.94	
September 2015 Asset Based Fees	10/8/2015		\$15,109.44
Reimbursement for Groom Attorney Fee - Loan VCP	10/9/2015		\$2,321.56
3rd Qtr 15 Asset Based Fee	10/16/2015		\$25,082.11
Invoice - Department of Treasury	10/16/2015		(\$45,000.00)
October 2015 Asset Based Fees	11/17/2015		\$15,561.96
Blackrock Refund	11/30/2015		\$1,509.00
November 2015 Asset Based Fees	12/12/2015		\$16,419.31
Invoice - Department of Treasury	12/15/2015		(\$45,000.00)
Gain/loss in account value			\$12,299.70
Closing Account Value		\$715,216.02	



Participant Service Center Statistics

401(k) & 457 Quarterly Participant Service Center Statistics

	4Q 2012	4Q 2013	4Q 2014	4Q 2015
Service Center Calls	42,680	36,486	35,786	34,331
Service Percentage	89%	80%	90%	85%
Average Speed to Answer (seconds)	12 sec	23 sec	10 sec	14 sec
Abandon Percentage	0.83%	0.98%	0.40%	0.50%

401(k) & 457 YTD Participant Service Center Statistics

	2012	2013	2014	2015
Service Center Calls	160,130	162,940	149,177	149,594
Service Percentage	86%	87%	80%	85%
Average Speed to Answer (seconds)	14 sec	14 sec	27 sec	17 sec
Abandon Percentage	0.84%	0.63%	1.00%	0.60%

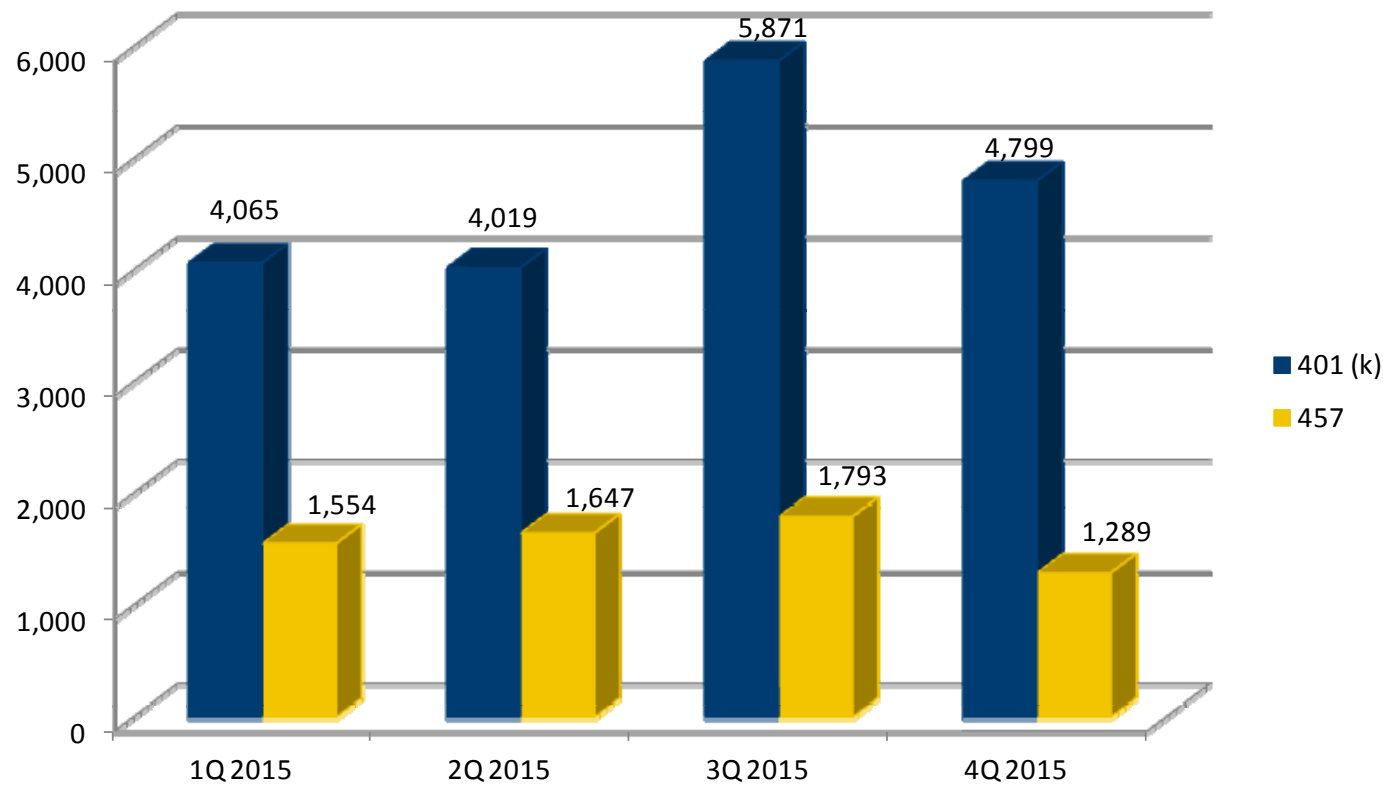


Retirement Security Education Information

401(k) & 457 Quarterly Retirement Security Education Team Activity				
Meeting Activity	October 2015	November 2015	December 2015	4Q 2015
Group Meetings - Number of Meetings	286	230	135	651
Group Meetings - Number of Attendees	21,099	7,570	2,230	30,899
Individual Meetings - Number of Meetings	382	330	263	975
Employer Meetings	140	164	312	616
Total Meeting Site Visits	808	724	710	2,242
Total Meeting Attendees	21,481	7,900	2,493	31,874

401(k) & 457 YTD Retirement Security Education Team Activity					
Meeting Activity	1Q 2015	2Q 2015	3Q 2015	4Q 2015	Full Year 2015
Group Meetings - Number of Meetings	569	901	923	651	3,044
Group Meetings - Number of Attendees	12,886	28,033	34,759	30,899	106,577
Individual Meetings - Number of Meetings	994	1,078	1,250	975	4,297
Employer Meetings	558	494	670	616	2,338
Total Meeting Site Visits	2,121	2,473	2,843	2,242	9,679
Total Meeting Attendees	13,880	29,111	36,009	31,874	110,874

Retirement Security Education Information – Enrollment Activity by Quarter



Employers Adopting the 401(k) Plan in 2015

Charter Schools

Mountain Community School
Southeastern Academy Charter School

Municipalities

NC League of Municipalities
Town of Archer Lodge
Town of Bolton

Other

High Country Municipal ABC Board
Indian Trail ABC Board
Southeast Brunswick Sanitary District

Employers Adopting the 457 Plan in 2015

457 Additions					
Employer Type	2012	2013	2014	2015	# of Eligible
CHARTER SCHOOL	3	5	3	4	947
COMMUNITY COLLEGE	10	3	2	2	11,045
COUNTY	6	4	3	2	23,790
MUNICIPAL	10	17	11	15	12,098
OTHER	11	13	8	9	3,179
SCHOOL	10	10	3	5	121,395

Employers Making Changes to the 457 Plan in 2015

457 Employers Changing from Employer Contribution to Employer Match

The City of Graham has changed their Employer Contribution of 5% to an Employer Match of 5%.



Employers Making Changes to the 401(k) Plan in 2015

401(k) Employers Increasing Employer Contribution

Haywood County increased their Employer Contribution from 1% to 2% across the board.

Kinston Housing Authority increased their Employer Contribution from 3% to 3.5% across the board.

Lee County increased their Employer Contribution from 3% to 5% across the board.

Skyland Volunteer Fire Department increased their match from 1% to 5%.

Town of Indian Trail increased their match from a \$0.50 on the \$1.00 up to 2%, to a dollar for dollar up to 3% match.

Town of Laurel Park increased their Employer Contribution from 3.5% to 4% regardless of participation.

401(k) Employers Changing from Employer Contribution to Employer Match

The City of Graham has changed their Employer Contribution of 5% to an Employer Match of 5%.

401(k) Employers Adding An Employer Match

City of Archdale has added a 2.5% match dollar for dollar.

Harnett County added an up to 2% match.

Kerr Tar Regional Council of Governments has added a 1% match.

NC League of Municipalities added an up to 3% match.

401(k) Employers Adding An Employer Contribution

Forsyth County added a 2.5% Employer Contribution across the board.

Town of Mount Pleasant added a 1% Employer Contribution regardless of participation.

401(k) Employers Changing their Employer Contribution and/or Employer Match

Sampson County has changed their Employer Contribution and added an Employer Match as follows: 1.5% across the board contribution plus a dollar for dollar match up to 3.5%.

Employers Adopting the 457 Plan in 2015

County

Nash County
Washington County

Community College

Haywood Community College
Wilkes Community College

Charter Schools

Arapahoe Charter School
Endeavor Charter School
Mountain Community School
Southeastern Academy Charter School

Municipalities

City of Newton
City of Hendersonville
NC League of Municipalities
Town of Archer Lodge
Town of Biltmore Forest
Town of Burgaw
Town of Cape Carteret
Town of Indian Trail
Town of Nashville
Town of Newton Grove
Town of Pine Level
Town of Pinetops
Town of Stedman
Town of Walnut Cove
Town of Wilson's Mills


Other

Carteret County ABC Board
Craven-Panlico Regional Library
Indian Trail ABC Board
Louisburg ABC Board
Nash County ABC Board
Pleasant Garden Fire Dept
Skyland Fire and Rescue
Southeast Brunswick Sanitary District
Vance County ABC Board

Schools

Asheboro City Schools
Clay County Schools
Cleveland County Schools
Gates County Board of Education
Graham County Schools
New Hanover County Schools





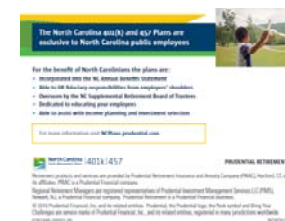
Communication Accomplishments 4Q15



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NC 401(k) & NC 457 Communication Accomplishments 4Q 15

- Plan Changes Communication
 - 276,066 direct mail recipients
 - 2,453 email to employers
- Territory Realignment
 - Initial email announcement
- Large Events
 - Retirement Planning Tour Presentation
 - NCLM Conference



NC 401(k) & NC 457 Communication Accomplishments 4Q 15

- Rebranded/Material Updates
 - Rollover Brochure
 - One Time Contribution Limit Flyer
 - Distribution Options Brochure
- Holiday Card
 - Mailed over 2k
- 4Q Employer Year End Newsletter
 - 2,453 emails
- Year end Bonus email to employees
 - 64,778 emails



NC 401(k) & NC 457 Communication Accomplishments 4Q 15

- 4Q15 Signature Newsletter
 - 264,034 total participant statements
 - 140,986 direct mail
- Quarterly Updates
 - 4Q15 Statement Message
 - Fees document
 - Performance document
 - Enrollment guides (3)

A collage of various communication materials, including a Statement Message, a Fees document, and a Performance document.

Plan	401(k)	457	401(k) + 457
Plan A	10.00	5.00	15.00
Plan B	12.00	6.00	18.00
Plan C	15.00	7.50	22.50
Plan D	18.00	9.00	27.00
Plan E	20.00	10.00	30.00
Plan F	22.00	11.00	33.00
Plan G	25.00	12.50	37.50
Plan H	28.00	14.00	42.00
Plan I	30.00	15.00	45.00
Plan J	32.00	16.00	48.00
Plan K	35.00	17.50	52.50
Plan L	38.00	19.00	57.00
Plan M	40.00	20.00	60.00
Plan N	42.00	21.00	63.00
Plan O	45.00	22.50	67.50
Plan P	48.00	24.00	72.00
Plan Q	50.00	25.00	75.00
Plan R	52.00	26.00	78.00
Plan S	55.00	27.50	82.50
Plan T	58.00	29.00	87.00
Plan U	60.00	30.00	90.00
Plan V	62.00	31.00	93.00
Plan W	65.00	32.50	97.50
Plan X	68.00	34.00	102.00
Plan Y	70.00	35.00	105.00
Plan Z	72.00	36.00	108.00
Plan AA	75.00	37.50	112.50
Plan AB	78.00	39.00	117.00
Plan AC	80.00	40.00	120.00
Plan AD	82.00	41.00	123.00
Plan AE	85.00	42.50	127.50
Plan AF	88.00	44.00	132.00
Plan AG	90.00	45.00	135.00
Plan AH	92.00	46.00	138.00
Plan AI	95.00	47.50	142.50
Plan AJ	98.00	49.00	147.00
Plan AK	100.00	50.00	150.00



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Signature Newsletter 4Q15



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Signature

NEWSLETTER

4TH QUARTER 2015

Happy 30th Birthday, NC 401(k) Plan!

In 2015, we celebrate the birthday of the NC 401(k) Plan, a valuable benefit that has been helping North Carolina public employees achieve retirement readiness for **30** years!

In this issue..

Staying Connected:
Make your Annual Benefits Statement even better!

Making Cents:
Start off the New Year right!

Fund Facts:
New Tax Exemption for NC 401(k) Plan Participants



A Message from North Carolina's State Treasurer

Does it sometimes feel like we make the same New Year's resolutions each year? This year is going to be different — maybe you want to exercise more, eat healthier, or save more money.

I'm pleased to report that North Carolina Total Retirement Plans can help you save for retirement more effectively in 2016.

As State Treasurer, I chair the North Carolina Supplemental Retirement Board of Trustees. As a board, we want the NC 401(k) and NC 457 Plans to be the best they can be. That's why we've made several changes to assist North Carolina's public servants in preparing for a secure retirement.

This effort has resulted in a combined overall reduction in the plans' recordkeeping and custodial fees, as well as enhanced services for plan participants. These actions reflect our mission to ensure that every participant has access to transparent processes involving their assets, as well as the best possible communication about plan operations.

You received a complete description of plan changes for 2016 in a letter sent in November. You may also go to the NCPlans.Prudential.com website for details. These changes, we believe, will make North Carolina Total Retirement Plans even better.

With more retirement savings, you can focus on all your other resolutions—and your future.

Sincerely,

Janet Cowell,
State Treasurer

Staying Connected

Make your Annual Benefits Statement even better!

Update your RIC with your outside savings & outside pension information by January 24

You know that the Retirement Income Calculator (RIC) is a powerful retirement planning tool. But it can be even *more* powerful when you further customize the data it feeds to your Annual Benefits Statement, with information about your:

- Total Balance of Outside Savings (money you have in retirement savings plans associated with your former employers)
- Outside Pension Benefits (income you expect to receive from non-State of North Carolina pension benefits and any other monthly income you expect to receive in retirement, such as income from an annuity, rentals, or structured settlements)



North Carolina
Total Retirement Plans

| 401k | 457

Continued on next page

How to Populate Your Personal Data into Your ABS Using the RIC

1. Enter your “Total Balance of Outside Savings” figure, which you arrive at by totaling your outside retirement savings account balances (taken from your fourth quarter 2015 statements—or by going online to access those amounts).
2. Enter your “Total Outside Pensions and Other Monthly Income” figure:
 - a) Enter the account name (a nickname that clearly describes your income source).
 - b) Enter the amount of monthly income from that source.
 - c) When you are finished, click the orange “SAVE” button.

Contribution Rate for ABC Defined Contribution Plan 6% ☒

Your Organization's Contributions — ☐

Annual Deferral Rate for Non-Qualified Plan(s) for Retirement 2% ☒

Total Balance of Outside Savings \$0 ☒

Total Annual Contributions to Outside Savings \$0

Total Outside Pensions and Other Monthly Income \$0 ☒

Estimated Social Security Income Per Month at Retirement \$0 ☒

How much more do you expect to receive?

Account Name: XYZ

Monthly Amount: \$894

Total Monthly Amount: \$894

SAVE Cancel

How to Access your RIC

- 1 Log in to your account at **NCPlans.prudential.com**.
- 2 From the home page:
 - a. Click on the orange “open” button in the top right-hand corner.
 - b. Click on “See Details.”
 - c. Click on the “View/Edit” link.



NC 401(k) and NC 457 Plans Continue to Deliver Value

The BenchmarkDC Presentation for North Carolina Retirement Systems compares the effectiveness of the services being provided to the NC 401(k) and NC 457 Plans and their participants, the cost effectiveness of those plans and their investment alternatives, and the investment value-add.



BenchmarkDC Presentation for North Carolina Retirement Systems Findings for the 5 years ended December 31, 2014

Average 5-Year Total Return		5-Year Total Plan Net Value Added**	
For North Carolina Retirement Systems Participants	For Participants in Similar Government Plans	For North Carolina Retirement Systems Participants	For Participants in Similar Government Plans
9.5%*	8.8%*	0.7%	0.1%
* Past performance is not indicative of future results.		** Total Plan Net Value Added shows how your plan's investment options performed on an overall basis. Positive net value added indicates that, on average, your plan's investment options are outperforming their benchmark indices after fees, whereas negative net value added indicates that they are underperforming.	



Making Cents

Start off the New Year right! Overcome your human tendencies for a better financial future.

Natural tendencies can keep us all from fulfilling our best intentions—including planning properly for retirement. Check out these tendencies we all share—and discover handy tips designed to help you overcome them. Doing so could help *you* achieve retirement readiness!

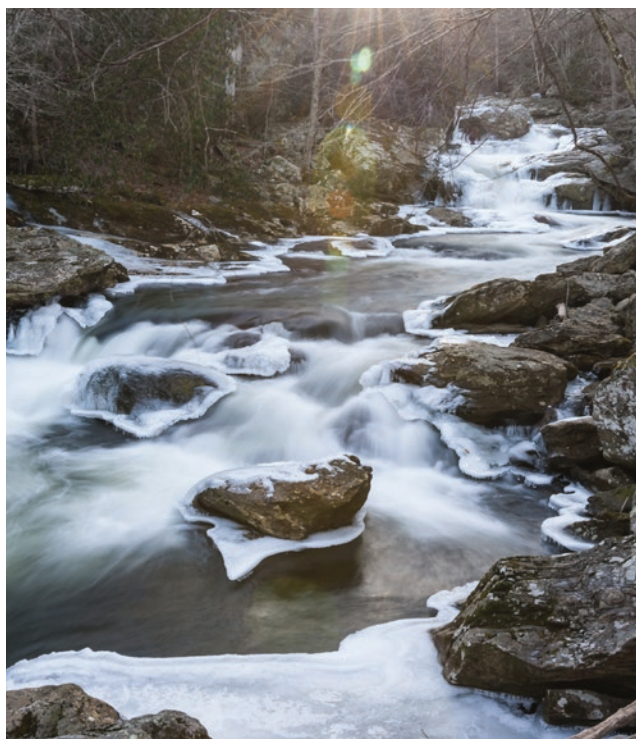
Human Tendency	Strategies to help you overcome this state of mind <i>today</i>
“I’ll do it later”	<ul style="list-style-type: none"> • Take a few minutes to start or revisit your retirement planning. • Visit NCPlans.prudential.com to: <ul style="list-style-type: none"> – Increase your plan contributions – Check your Annual Benefits Statement via ORBIT—to see if you need to increase your plan contributions
“I just can’t resist” (following the herd)	<ul style="list-style-type: none"> • Keep in mind that your retirement planning should be driven by your retirement income needs and objectives, not what “everyone else” is doing. • Visit NCPlans.prudential.com or call 866-NCPlans (866-627-5267) to learn about GoalMaker®—which personalizes the process of selecting plan investments. • Check your Annual Benefits Statement via ORBIT and use the Retirement Income Calculator at NCPlans.prudential.com to see if you need to increase your contributions. • Contact your Retirement Education Counselor if you have any questions.
“I want it now”	<ul style="list-style-type: none"> • Check your Annual Benefits Statement to estimate your future retirement income. • If there is a gap in your future retirement income, visit NCPlans.prudential.com to increase your plan contributions.

Financial Literacy

Bring in the New Year with the Financially Fit Retirement Planning Tool.

An understated aspect of retirement planning is awareness—getting a clear picture of where you are and where you need to be. At [NCPlans.prudential.com](https://ncplans.prudential.com) you can get answers to these questions and more. It’s an online portal that allows you to enroll or make changes to your account, link to your Annual Benefits Statement, access your personal retirement planning counselor, get information on different investment options, and more. The site provides a host of personalized information, such as your anticipated retirement income and your suggested retirement income. The difference between these two is your “gap.” Understanding this allows you to make changes towards closing this gap, ensuring a more financially efficient plan. All of these tools are found in one central location to assist you in managing your retirement planning.

[NCPlans.prudential.com](https://ncplans.prudential.com)



Fund Facts: *New Tax Exemption for NC 401(k) Plan Participants*

On June 29, 2015, President Obama signed into law the “Defending Public Safety Employees’ Retirement Act.”

Why is this important to you if you participate in the NC 401(k) Plan?

The law expands the exemption from the 10% penalty tax on early distributions to qualified public safety employees participating in defined contribution governmental plans.

Starting January 1, 2016, the exemption from the 10% penalty tax on early distributions will also apply to distributions from governmental defined contribution plans—including the NC 401(k) Plan—made to qualified public safety employees during or after the calendar year in which they attain age 50.

What is a qualified public safety employee?

A qualified public safety employee is an employee of a state or of a political subdivision of a state (such as a county or city) whose principal duties include services requiring specialized training in the area of police protection, firefighting services, or emergency medical services for any area within the jurisdiction of the state or the political subdivision of a state.



PRSD7145

PRUDENTIAL RETIREMENT®

As of 01/04/16, 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 offered directly from Bank of NY Mellon which is not affiliated with Prudential Financial or any of its companies or businesses.

North Carolina Total Retirement Plans and the North Carolina Total Retirement Plans logo are service marks of the North Carolina Department of State Treasurer. Go to NCPlans.prudential.com for information on NC Total Retirement Plans or to access your account. You may also call 866-NCPlans (866-627-5267). Participant Service representatives are available Monday through Friday between 8 a.m. and 9 p.m. ET.

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

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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. It is possible to 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 1-866-627-5267 (1-866-NCPLANS) or visit www.NCPlans.prudential.com.

This material is provided solely for your use and is for informational purposes only. It is not an offer or solicitation to buy or sell any securities.

We encourage you to seek personalized advice from qualified professionals regarding all personal finance issues. We do not provide investment OR tax advice; please consult a tax advisor for more information.

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Thank you



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