

**Key Facts**

**PLAN SPONSOR:** State of North Carolina  
**PLAN ADMINISTRATOR:** North Carolina Supplemental Retirement Board of Trustees and North Carolina Department of State Treasurer  
**FUND CATEGORY:** Real Assets  
**PRIMARY BENCHMARK (AS OF NOVEMBER 1, 2018)\* :**  
 41.4% Bloomberg Barclays U.S. TIPS Index, 37% FTSE ERPA/NAREIT Developed Real Estate Index, 21.5% Bloomberg Roll Select Commodity Index, (reflects no deductions for fees, expenses or taxes)

**NET ASSETS:** \$395.49 Million  
**INCEPTION DATE:** 08/31/2011  
**NET EXPENSE RATIO\*\*:** 0.13%

\*\*The actual Net Expense Ratio may vary due to rounding.

**Annual Performance**

	Fund	Primary Benchmark
2018	-4.50%	-5.17%
2017	8.56%	5.07%
2016	10.50%	6.75%
2015	-6.80%	-7.14%
2014	1.54%	-0.34%

North Carolina Supplemental Retirement Board of Trustees is solely responsible for: (1) the selection of the Fund and its Underlying Funds (including the selection of the asset allocation percentages for each underlying fund); (2) decisions to offer Fund in the Plan; and (3) the selection, monitoring and replacement of the Fund and its Underlying Funds, and if applicable, the Fund's investment advisor(s).

**Prudential Retirement's Role.** Prudential Retirement provides the communications and recordkeeping services for the NC 401(k) and NC 457 Plans and the NC 403(b) Program. With the exception of the NC Stable Value Fund and the NC Fixed Income Fund, the investments offered to you within the NC 401(k) and NC 457 Plans are not offered by or affiliated with Prudential Financial or any of its companies or businesses. Prudential Retirement is a Prudential Financial business.

**Account Note.** As of November 1, 2018, the investment of the NC Inflation Responsive Fund was changed from PIMCO Inflation Response Multi-Asset Fund to BlackRock's Strategic Completion Fund, a collective investment trust that invests in U.S. Treasury Inflation Protected Securities (TIPS), global real estate investment trusts (REITs) and commodities.

\*The Primary Benchmark through October 31, 2018 was 45% Bloomberg Barclays U.S. TIPS Index, 20% Bloomberg Commodity Index Total Return, 15% JP Morgan Emerging Local Markets Index Plus (Unhedged), 10% Dow Jones U.S. Select REIT Total Return Index, and 10% Bloomberg Gold Subindex Total Return Index. Index returns for periods that include dates prior to November 1, 2018 are a combination of the current and prior Primary Benchmarks.

**DESCRIPTION/OBJECTIVE**

The North Carolina Inflation Responsive Fund (the "Fund") is offered exclusively for participants in the NC 401(k) and NC 457 Plans. Effective 01/01/2016, the Fund is held in a group trust and you own units of the group trust. The Fund currently invests wholly in shares of a collective investment trust, the BlackRock Strategic Completion Non-Lendable Fund F, managed by BlackRock.

The Fund seeks returns that provide a hedge to inflation over the medium- to long-term. The Strategic Completion Fund currently allocates to three underlying asset classes: United States Treasury Inflation Protected Securities (TIPS), Commodities and Global Real Estate Investment Trusts (REITs). The Fund's allocation to each asset class is currently achieved by investing in an underlying index fund (collective investment trust) that is managed by BlackRock. BlackRock utilizes the firm's own target-date methodology to determine the Fund's asset allocation and strategic target weights. There is no assurance the objective will be met.

Keep in mind that application of asset allocation and diversification concepts does not ensure a profit or protect against loss in a declining market. **It is possible to lose money by investing in securities.**

**Performance (%) As of 06/30/2019**

	CUMULATIVE RETURNS		AVERAGE ANNUAL TOTAL RETURNS				
	Quarter	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Fund	0.86	8.91	4.22	4.22	1.55	—	1.66
Primary Benchmark*	0.79	8.79	3.92	1.72	-0.10	—	—

**Performance Calculations/Fund Fees Reflected In Performance.** As noted above, effective 1/1/2016 your Plan began investing in units of a group trust. All performance results between 1/1/2016 and 10/31/2018 reflect the performance of PIMCO Inflation Responsive Multi-Asset Intl mutual fund and its benchmark, and performance beginning on 11/1/2018 reflects the performance of the collective investment trust, BlackRock Strategic Completion Non-Lendable Fund F, and its benchmark within the group trust. All performance results include the deduction of the net expense ratio, which currently includes the deduction of an investment management fee of 0.09% and an operating fee of approximately 0.04%. (inclusive of an administrative fee of 0.025%, trust expenses, and custodial fees). The plan charges a separate \$31 annual recordkeeping and communications fee that is not reflected in performance. Due to rounding, the total estimated expense may appear over/underestimated even though it is not.

Prior to 1/1/2016, the Plan invested in units of an insurance company separate account established on 8/31/2011 which was managed by PIMCO and known as the North Carolina Inflation Responsive Fund. The insurance company separate account was available as an investment option under a group variable annuity contract issued by Prudential Retirement Insurance and Annuity Company, Hartford, CT ("PRIAC"). On or about December 11, 2015, the separate account began exchanging its units of the PIMCO separate account for shares of the PIMCO Mutual Fund. The PRIAC group annuity terminated on or about January 1, 2016. The performance results shown for periods prior to 1/1/2016 are the actual performance of the PIMCO Mutual Fund dating back to its inception date of 8/31/2011 and reflect the deduction of the net expense ratio for the fund. They are not the past performance results of the insurance company separate account which is now terminated.

**Performance Risks.** Before investing, investors should carefully consider the investment objectives, risks, charges and expenses of this Fund and other plan investment options. The performance quoted represents past performance as described herein. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance data current to the most recent month end, please call 1-866-NC-PLANS (1-866-627-5267). It is possible to lose money investing in securities.

**Fund Disclosures.** Important risks for investors to understand prior to investing in this fund include the following: This fund invests in certain sectors, including, commodities which can be highly volatile. The investment manager's strategies may introduce additional risks, such as credit risk, liquidity risk, foreign currency risk, and counterparty risk. The investment manager may implement certain strategies through derivatives including swaps, options, futures and forwards. The Fund will not generally engage in leverage transactions but from time to time may use small amounts of leverage for efficient portfolio management purposes. An investment in this fund should be considered within the context of a total portfolio in order to achieve appropriate diversification.

**Miscellaneous.** Frequent exchanging of investment options by participant may harm long-term investors. Your plan and/or the Fund may have policies to detect and deter potentially abusive exchanges. The policies may require us to modify or terminate investment exchange privileges. Benchmarks are unmanaged and cannot be invested in directly. See User Guide for benchmark definitions.

For additional information about the investment options available through your plan, please call 1-866-NC-PLANS (1-866-627-5267).