

North Carolina Inflation Responsive Fund

A Custom Plan Investment Option

Second Quarter 2020 Fund Fact Sheet

Key Facts	
Plan Sponsor	State of North Carolina
Asset Class	Alternative - Diversified
	Real Assets
Primary Index	BlackRock SCF Customized Index
Net Assets	\$413.2 Million
Inception Date	08/31/2011
Net Expense Ratio	0.13%

Annual Performance		
	Fund	Primary Index
2019	13.09%	12.91%
2018	-4.50%	-5.17%
2017	8.56%	5.07%
2016	10.50%	6.75%
2015	-6.80%	-7.47%

NC's administrative fee of 0.025%, which is included in the Net Expense Ratio, is waived for 2019 and 2020.

Custodial and trust expenses are estimated. The actual Net Expense Ratio may vary due to actual versus estimated custodial and trust expenses, as well as rounding.

For additional information on expenses, see the North Carolina Supplemental Retirement Plans Fee Statement (available at www.myNCRetirement.com).

As of November 1, 2018, the investment of the NC Inflation Responsive Fund was changed from PIMCO Inflation Responsive 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 Index was also changed on November 1, 2018, and the index returns for periods that include dates prior to November 1, 2018 are combination of the current and prior Primary Indices.

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.

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 that the objective of the Fund will be met.

All investing involves risk. Alternative investments, such as commodities, derivatives, multicurrency, market neutral, and other strategies involve unique risks and may cause these investments to react differently to market conditions than traditional investments. These alternative investments may be speculative and more volatile than investments in more traditional equity and debt securities.

Performance (%)	As of 06/30/2020						
	Cumulative Returns		Average Annual Total Returns				
	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Fund	6.88	-8.50	-4.99	1.58	1.90	--	0.88
Primary Index	6.73	-8.77	-5.31	0.46	0.45		

Performance Calculations/Fund Fees Reflected In Performance. All performance results include the deduction of the Net Expense Ratio, which currently includes an investment management fee of 0.09% and an operating fee of 0.04% (inclusive of an administrative fee of 0.025% and custodial fees). Expenses are estimated and rounded, and actual expenses may vary. Performance results also are net of trading costs incurred by the investment manager. Each plan charges a separate \$31 annual recordkeeping and communications fee per account that is not reflected in performance.

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 12/11/2015, 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 1/1/2016. 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 Current Fees 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. 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. Past performance is not indicative of future performance and short periods of performance may be particularly unrepresentative of long-term performance.

Fund Disclosures. Important risks for investors to understand prior to investing in this fund include the following: This fund invests in certain sectors, such as commodities and foreign currencies 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 investment manager may take both long and short positions. A short sale is a transaction in which an investment manager sells a security it does not own in anticipation that the market price of that security will decline. The fund utilizes

leverage which may magnify increases or decreases in the fund's returns. An investment in this fund should be considered within the context of a total portfolio in order to achieve appropriate diversification. Investors should read the full Prospectus and Statement of Additional Information for further information on the fund and associated risks.

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. Indices are unmanaged and cannot be invested in directly. See User Guide for Index definitions. *For additional information about the investment options available through your plan, please call 1-866-NC-PLANS (1-866-627-5267).*