

| Key Facts          |                                    | Description / Objective   |
|--------------------|------------------------------------|---|
| Plan Sponsor       | State of North Carolina            | The North Carolina International 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 invests in two complementary, but independently managed underlying funds ("Underlying Funds"). By employing two Underlying Funds, this Fund offers improved diversification compared to having a single investment manager. Allocation decisions and the selection of the Underlying Funds are made by North Carolina Supplemental Retirement Board of Trustees. The Underlying Funds are:<br>>The <b>Baillie Gifford International Fund</b> (50% of the Fund assets) is advised by Baillie Gifford. The Baillie Gifford ACWI ex-US Growth portfolio uses a bottom-up, stock driven approach to country and asset allocation. Baillie Gifford's philosophy is to add value through active management by making long-term investments in well managed, high quality businesses that enjoy sustainable competitive advantages in their marketplace.<br>> The <b>Mondrian Investment Partners International Fund</b> (50% of the Fund assets) is advised by Mondrian Investment Partners Limited. Mondrian uses one consistent valuation model across all markets and industries. This distinguishes Mondrian from many of its competitors as many use different investment criteria across sectors and markets. Stocks which are significantly mispriced relative to the dividend discount valuation are purchase and sale candidates. The Fund seeks to provide long-term growth of capital. There is no assurance the objective will be met.<br>The inception date noted for the Fund in Key Facts is the inception date for the insurance company separate account. |
| Asset Class        | International - Large Blend        |   |
| Primary Index      | MSCI All Country World Ex US Index |   |
| Net Assets         | \$1,837.6 Million                  |   |
| Inception Date     | 03/06/2009                         |   |
| Net Expense Ratio  | 0.38%                              |   |
| Annual Performance |                                    |   |
|                    | Fund                               | Primary Index   |
| 2019               | 26.26%                             | 22.13%  |
| 2018               | -14.65%                            | -13.77%   |
| 2017               | 28.87%                             | 27.77%  |
| 2016               | 5.46%                              | 5.01%   |
| 2015               | -3.57%                             | -5.25%  |

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](http://www.myNCRetirement.com)).

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.

*Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.*

| Performance (%) | Cumulative Returns |        | Average Annual Total Returns |        |        |         | Since Inception |
|-----------------|--------------------|--------|------------------------------|--------|--------|---------|-----------------|
|                 | QTD                | YTD    | 1 Year                       | 3 Year | 5 Year | 10 Year |                 |
| Fund            | 17.81              | -9.20  | -1.24                        | 2.95   | 4.07   | 6.67    | --              |
| Primary Index   | 16.30              | -10.76 | -4.39                        | 1.61   | 2.74   | 5.45    |                 |

**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 0.33% and an operating fee of approximately 0.05% (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, your Plan invested in units of an insurance company separate account established on 3/6/2009. The North Carolina International Fund was offered as an investment option under a group variable annuity contract issued by Prudential Retirement Insurance and Annuity Company, Hartford, CT ("PRIAC") with the same investment manager(s) as of 01/01/2016 and the same investment strategy as the Fund. The PRIAC group annuity terminated on or about 1/1/2016. All performance results prior to 1/1/2016 reflect the performance of the insurance company separate account including the deduction of an investment management fee of 0.45% and an operating fee of 0.19% (inclusive of an administrative fee of 0.025%, recordkeeping fee of 0.079% and custodial fees). The separate account may have had an arrangement to recapture a portion of trade commissions that are used to offset operation expenses.

**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. **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).*