

North Carolina Fixed Income Fund

A Custom Plan Investment Option

Fourth Quarter 2020 Fund Fact Sheet

Key Facts		Description / Objective
Plan Sponsor	State of North Carolina	The North Carolina Fixed Income Fund (the "Fund") is offered exclusively for participants in the NC 401(k) and NC 457 Plans. Effective 1/1/2016, 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: > The TCW Core Plus Bond Fund (50% of Fund assets) is advised by Trust Company of the West (TCW). TCW utilizes a value-oriented approach and applies fundamental research to identify fixed income securities whose market prices do not reflect fair value. The investment team compares relative value across all sectors of the fixed income market including U.S. Treasuries, Agencies, Mortgage-Backed Securities and Corporate Bonds, including High Yield Bonds. The portfolio's duration is determined by TCW's fundamental economic outlook, which is developed by analyzing long-term economic trends, credit trends, commodity price cycles and the political environment. >The Prudential Core Plus Bond Fund (50% of Fund assets) is advised by PGIM, Inc. The objective of the Fund is to outperform the Bloomberg Barclays U.S. Aggregate Bond Index (the "Benchmark") by 150 basis points over a full market cycle. The Prudential Core Plus Bond Fund seeks an excess return over the Bloomberg Barclays U.S. Aggregate Bond Index. The strategy aims to generate excess return from top-down sector allocation and bottom-up subsector/security selection. Duration and yield curve are tactically managed. The strategy actively allocates to both benchmark and non-benchmark sectors, with heavy emphasis on the credit-oriented sectors. There is no assurance that the objective of the Fund will be met. The inception date noted for the Fund in Key Facts is the inception date for the insurance company separate account. Multi-Managers: Trust Company of the West (TCW); PGIM, Inc.
Asset Class	Fixed Income - Intermediate Core Bond	
Primary Index	Bloomberg Barclays US Aggregate Bond Index	
Net Assets	\$213.1 Million	
Inception Date	03/06/2009	
Net Expense Ratio	0.16%	

Annual Performance		
	Fund	Primary Index
2020	9.55%	7.51%
2019	10.34%	8.72%
2018	0.02%	0.01%
2017	4.98%	3.54%
2016	4.02%	2.65%

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

Net Assets Balance data presented is the most current data available as of the end of the quarter. The data is deemed reliable, but the accuracy cannot be guaranteed. All balances are unaudited.

Net Expense Ratio for a fund includes the investment management fee and, if applicable, the trust fund expenses, the custodial fee, and the administrative fee.

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).

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).

Performance (%)	As of 12/31/2020						
	Cumulative Returns		Average Annual Total Returns				
	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Fund	1.92	9.55	9.55	6.53	5.71	4.57	--
Primary Index	0.67	7.51	7.51	5.34	4.44	3.84	

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 0.13% and an operating fee of 0.04% (inclusive of an administrative fee of 0.025%, trust expenses 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 3/6/2009. The North Carolina Fixed Income Fund was offered as an investment option under a group variable annuity contract issued by Prudential Retirement Insurance and Annuity Company, Hartford, CT ("PRIAC"). As of 1/1/2016, the separate account invested in two underlying investments: (i) an insurance company separate account managed by JP Morgan; and (ii) an insurance company separate account, Core Plus Bond, managed by Prudential Investment Management ("PIM") with the same strategy as the Core Plus Bond account in the group trust. Effective 12/15/2014, Prudential Investment Management, Inc replaced Pacific Investment Management Company, LLC ("PIMCO") as sub-advisor of the separate account. Performance shown below prior to 12/15/2014 reflects that of PIMCO. Effective 1/4/2016, PIM rebranded itself as PGIM to coincide with the expansion of its businesses around the world. 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 0.17% and an operating fee of 0.17% (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.

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.

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

Data presented is as of the end of the quarter, unless otherwise specified within a table heading. Data and expense ratios presented are the most current made available as of the end of the quarter. For mutual funds, the fund company may have more recent data available on its website. Price corrections that impact performance data may occur after production of this material.