

**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:** Inflation-Protected Bond  
**PRIMARY BENCHMARK:** Bloomberg Barclays U.S.Treasury Inflation / Notes1-10 Year  
**NET ASSETS:** \$207.65 Million  
**INCEPTION DATE:** 06/01/2018  
**NET EXPENSE RATIO\*:** 0.05%

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

**DESCRIPTION/OBJECTIVE**

The North Carolina TIPS (Treasury Inflation Protected Securities) Fund (the "Fund") is offered exclusively for public employees of the state of North Carolina. Effective 6/1/2018, the Fund is held in a group trust and you own units of the group trust. The Fund invests in the Treasury Inflation Protected Securities (TIPS) separate account managed by BlackRock. The Fund seeks to replicate the composition and performance of the Bloomberg Barclays 1-10 Year Government Inflation-Linked Bond Index.

The Fund seeks to provide long-term growth of capital. There is no assurance the objective will be met.

*Fixed income investment (bond) funds are subject to interest rate risk; their value will decline as interest rates rise. Fund shares are not guaranteed by the U.S. Government.*

**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	2.54	5.26	4.68	—	—	—	4.79
Primary Benchmark	2.53	5.17	4.67	—	—	—	

**Performance Calculations/Fund Fees Reflected In Performance.** All performance results reflect the performance of the accounts within the group trust, including the deduction of an investment management fee of 0.025% and an operating fee of approximately 0.031% (inclusive of an administrative fee of 0.025% 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 / under estimated even though it is not.

**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.

**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).

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.** PRIAC acts solely as a record keeper in providing administrative service in connection with these plan investments. PRIAC or an affiliate thereof, is not the issuer of the group trust and is not responsible for the management or the design of the plan investments.

**Account Note:** The North Carolina TIPS (Treasury Inflation Protected Securities) Fund is new, as of June 1, 2018. Fund performance reporting will begin during the 3rd Quarter of 2018. 3rd quarter Fund Fact Sheets will reflect performance from June 1st – September 30, 2018, and will be available in November 2018. This fund is designed to provide an investment return that tracks the Bloomberg Barclays 1-10 Year U.S. Government Inflation-Linked Bond Index and may be suitable for those seeking to add an inflation hedging component to their portfolios.