

August 9, 2021

Dear Participant,

Updates to NC International Fund and NC International Index Fund

Oversight by the North Carolina Supplemental Retirement Board of Trustees is a value-added feature of the NC Supplemental Retirement Plans, helping to ensure that all the plans' investment offerings continue to meet the needs of state and local governmental employees. As part of its oversight, the Board has made changes to the NC International Fund and the NC International Index Fund.

We wanted to share these upcoming changes with you because you have assets invested in one or both of the Funds. The NC International Fund is used in the GoalMaker® model portfolios, so the changes also affect participants who use the GoalMaker tool.

No action is required unless you want to change your investment selections.

What is the NC International Fund?

The NC International Fund seeks to provide participants with an actively managed equity option targeted at the international equity markets. The Fund's assets are allocated to actively managed value and growth investment styles. The primary investment objective of the Fund is long-term capital appreciation.

How will the NC International Fund change?

On or about September 20, 2021, the Fund's investment strategy and cost will change:

- The Fund's allocation to mid-/large-cap management will be reduced from 100% to 86% of the Fund's assets.
- Two new international small-cap managers will be introduced to oversee 14% of the Fund's assets.
- The benchmark will change from the MSCI ACWI ex-US to the MSCI ACWI ex-US IMI (Investable Market Index).
- The investment management fee is anticipated to increase from 0.32% to approximately 0.37%.*

What is the NC International Index Fund?

The NC International Index Fund seeks to provide participants with a passively managed equity option targeted at the international equity markets. The Fund's assets are allocated to a collective investment trust managed by BlackRock that attempts to replicate the composition and performance of the Fund's benchmark. The primary investment objective of the Fund is long-term capital appreciation.

How will the NC International Index Fund change?

On or about September 20, 2021, the Fund's investment strategy will change:

- The Fund's allocation to mid-/large-cap management will be reduced from 100% to 86% of the Fund's assets.
- The benchmark will change from the MSCI ACWI ex-US to the MSCI ACWI ex-US IMI (Investable Market Index).
- The new underlying collective investment trust for the Fund will be the BlackRock MSCI ACWI ex-US IMI Index Non-Lendable Fund, reflecting the change in the benchmark.
- There will be no change to the investment management fee of 0.021%.*

As always, if you have questions, you can speak with your Retirement Education Counselor for personal assistance. A list of counselors is available on our website, at NCPlans.prudential.com.

* Additionally, an operating fee and a per-account recordkeeping and communications fee apply.

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GoalMaker's model allocations are based on generally accepted financial theories that take into account the historic returns of different asset classes. Past performance of any investment does not guarantee future results. Participants should consider their other assets, income and investments (e.g., equity in a home, Social Security benefits, individual retirement plan investments, etc.) in addition to their interest in the plan, to the extent those items are not taken into account in the model. Participants should also periodically reassess their GoalMaker investments to make sure their model portfolio continues to correspond to their investment objectives, risk tolerance and retirement time horizon.

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