



North Carolina
Total Retirement Plans
401k | 457



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STATE TREASURER OF NORTH CAROLINA
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Dear Participant,

The North Carolina Supplemental Retirement Board of Trustees has made changes to the NC Small/Mid Cap Core Fund. The Times Square small/mid-cap growth strategy within the fund is being replaced with the Russell 2500® Index Fund, which is a passive index strategy. The replacement will take place on September 17, 2018. The fund's name will change to the NC Small/Mid Cap Fund to reflect the change in the fund's investment strategy. The total expense ratio of the NC Small/Mid Cap Core Fund is 0.55 percent. The total expense ratio of the NC Small/Mid Cap Fund will be 0.40 percent. No action is required on your part unless you want to select another investment strategy.

What is the NC Small/Mid Cap Fund?

The new NC Small/Mid Cap Fund (like the current NC Small/Mid Cap Core Fund) was established to provide participants with a primarily actively managed equity option targeted at the U.S. equity market small-/mid-cap sector, managed in both value and growth styles. The primary investment objective of the NC Small/Mid Cap Fund is long-term capital appreciation while pursuing both value and growth investment styles, with an emphasis on value. You are receiving this letter because some or all of your plan savings is invested in this fund. Please remember there can be no assurance that the objectives of these funds will be met.

What is the NC Small/Mid Cap Fund investment strategy?

The value portion of the NC Small/Mid Cap Fund will invest in equity securities of small-/mid-cap companies that are selling at discounts to their long-term intrinsic values. The growth portion of the NC Small/Mid Cap Fund will invest in small-/mid-cap companies that offer the potential for above-average earnings growth. The NC Small/Mid Cap Fund will have a value focus, with an approximate 2:1 ratio of its value portion to its growth portion.

When will these changes take effect?

On September 17, 2018, the NC Small/Mid Cap Fund will replace the NC Small/Mid Cap Core Fund in the NC 401(k) and NC 457 Plans' investment lineup and in the NC 401(k) and NC 457 Plans' GoalMaker model portfolios. Again, no action is required on your part unless you want to change your investment selections.

How can I change my investments?

How you invest is always up to you. At any time, you may change your investment selections by visiting your account at **NCPlans.prudential.com** to view the details of your asset allocation, make changes to your asset allocation or make any other changes you desire.

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. You can also call 866-NCPlans (866-627-5267) Monday through Friday from 9:00 a.m. to 5:00 p.m.

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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.

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