Invest in your retirement—and yourself—today, with help from the University of North Carolina ORP and Fidelity.
**Invest some of what you earn today for what you plan to accomplish tomorrow.**

Dear University of North Carolina employee:

The UNC ORP offers outstanding convenience and a variety of investment options. Take a look and see what a difference enrolling in the plan could make in achieving your goals.

**Benefit from:**

**Retirement planning tools.** You have access to online tools designed to help you manage your assets as you plan for retirement.

**Convenience.** Your contributions are automatically deducted regularly from your paycheck.

**Tax savings now.** Your pretax contributions are deducted from your pay before income taxes are taken out. This means that you can actually lower the amount of current income taxes you pay each period. It could mean more money in your take-home pay versus saving money in a taxable account.

**Investment options.** You have the flexibility to select from investment options that range from more conservative to more aggressive, making it easy for you to develop a well-diversified investment portfolio.

To learn more about what your plan offers, see “Frequently asked questions about your plan” later in this guide.

Enroll in your plan and invest in yourself today.
Frequently asked questions about your plan.

Here are answers to questions you may have about the key features, benefits, and rules of your plan.

**When can I enroll in the Plan?**

As an eligible employee you have 60 days from commencing employment to elect to enroll in the ORP.

Failure to make an election will result in automatic membership in the Teachers’ and State Employees’ Retirement System (TSERS), the defined benefit plan. This consequence is irrevocable.

**How do I enroll in the Plan?**

You must complete a Retirement Election Form (ORP-1 form) and return it to your benefits office.

To complete your enrollment, log in to www.netbenefits.com/UNC to establish your online account.

**How much can I contribute?**

Employer and employee contribution percentages are established by the General Assembly. Rates can change frequently. Please check in with your Human Resources/Benefits Office for the latest information.

Employee contributions to the ORP are made on a pre-tax basis as provided under Section 414(h) of the Internal Revenue Code. As a result, the University will deduct this contribution from your pay before calculating federal or state income tax withholding. This could increase your after-tax pay when compared with what your pay would have been if your contributions were made on an after-tax basis.

If you would like to save additional money for retirement, you may enroll in UNC’s 403(b) Retirement Plan or 457(b) Retirement Plan. Please contact your campus’s HR Department for more details.

These additional employee contributions are included in the total 2019 IRS contribution limit of $19,000.

**What is the IRS contribution limit?**

The IRS contribution limit for 2019 is $19,000.

**What “catch-up” contribution can I make?**

If you have reached age 50 or will reach 50 during the calendar year January 1 – December 31 and are making the maximum plan or IRS pretax contribution, you may make an additional “catch-up” contribution each pay period. The maximum annual catch-up contribution is $6,000. Going forward, catch-up contribution limits will be subject to cost of living adjustments (COLAs) in $500 increments.

**When is my enrollment effective?**

If you choose to enroll in the ORP, the effective date of your participation will be your hire/appointment date to an eligible position within the UNC system.

**What are my investment options?**

To help you meet your investment goals, the Plan offers you a range of options. You can select a mix of investment options that best suits your goals, time horizon, and risk tolerance. The many investment options available through the Plan include conservative, moderately conservative, and aggressive funds. A complete description of the Plan’s investment options and their performance, as well as planning tools to help you choose an appropriate mix, are available online.
What if I don’t make an investment election?

We encourage you to take an active role in the University of North Carolina ORP and choose investment options that best suit your goals, time horizon, and risk tolerance. If you do not select specific investment options in the Plan, your contributions will be invested in the Vanguard Target Retirement Trust Plus with the target retirement date closest to the year you might retire, based on your current age and assuming a retirement age of 65, at the direction of University of North Carolina.

If no date of birth or an invalid date of birth is on file at Fidelity your contributions may be invested in the Vanguard Target Retirement Income Trust Plus. More information about the Vanguard Target Retirement Trust Plus options can be found online.

Target Date Funds are an asset mix of stocks, bonds and other investments that automatically becomes more conservative as the fund approaches its target retirement date and beyond. Principal invested is not guaranteed.

How much should I save for retirement?

Fidelity’s online planning tools are designed to help you manage your assets as you plan for retirement.

When am I vested?

You are always 100% vested in your own contributions to the University of North Carolina ORP. The value of your Employer contributions is 100% vested after five years of participation in the ORP.

Can I take a loan from my account?

Loans are not available in this Plan.

Can I make withdrawals?

You become eligible to receive distributions when you terminate your employment or retire. You decide when the benefit distributions begin. However, to continue your State Health Plan coverage in retirement, you must begin to receive an ORP benefit on a monthly basis at retirement. Please note, there are certain specific eligibility rules tied to this benefit, and you should check with your UNC campus benefits representative for additional information. Also, keep in mind that withdrawals are subject to income taxes and possibly to early withdrawal penalties.
Investment Options

Before investing in any mutual fund, consider the investment objectives, risks, charges, and expenses. Contact Fidelity for a prospectus or, if available, a summary prospectus containing this information. Read it carefully.

Here is a list of investment options for the University of North Carolina Retirement Programs. For up-to-date performance information and other fund specifics, go to www.netbenefits.com/atwork.

Target Date Funds

Placement of investment options within each risk spectrum is only in relation to the investment options within that specific spectrum. Placement does not reflect risk relative to the investment options shown in the other risk spectrums.

Investment options to the left have potentially more inflation risk and less investment risk

Investment options to the right have potentially less inflation risk and more investment risk

Vanguard Target Retirement Income Trust Plus
Vanguard Target Retirement 2015 Trust Plus
Vanguard Target Retirement 2020 Trust Plus

Vanguard Target Retirement 2025 Trust Plus
Vanguard Target Retirement 2030 Trust Plus
Vanguard Target Retirement 2035 Trust Plus

Vanguard Target Retirement 2040 Trust Plus
Vanguard Target Retirement 2045 Trust Plus
Vanguard Target Retirement 2050 Trust Plus
Vanguard Target Retirement 2055 Trust Plus
Vanguard Target Retirement 2060 Trust Plus
Vanguard Target Retirement 2065 Trust Plus

Target date investments are generally designed for investors expecting to retire around the year indicated in each investment’s name. The investments are managed to gradually become more conservative over time. The investment risks of each target date investment change over time as its asset allocation changes. They are subject to the volatility of the financial markets, including equity and fixed income investments in the U.S. and abroad and may be subject to risks associated with investing in high yield, small cap and foreign securities. Principal invested is not guaranteed at any time, including at or after their target dates.
The chart below lists the assigned fund the University of North Carolina Retirement Programs believe will best fit your diversification needs should you not select an investment option.

<table>
<thead>
<tr>
<th>Your Birth Date*</th>
<th>Fund Name</th>
<th>Target Retirement Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before 1948</td>
<td>Vanguard Institutional Target Retirement Income Fund Institutional Shares</td>
<td>Retired before 2013</td>
</tr>
<tr>
<td>January 1, 1968–December 31, 1972</td>
<td>Vanguard Institutional Target Retirement 2035 Fund Institutional Shares</td>
<td>Target Years 2033–2037</td>
</tr>
<tr>
<td>January 1, 1973–December 31, 1977</td>
<td>Vanguard Institutional Target Retirement 2040 Fund Institutional Shares</td>
<td>Target Years 2038–2042</td>
</tr>
<tr>
<td>January 1, 1978–December 31, 1982</td>
<td>Vanguard Institutional Target Retirement 2045 Fund Institutional Shares</td>
<td>Target Years 2043–2047</td>
</tr>
<tr>
<td>January 1, 1983–December 31, 1987</td>
<td>Vanguard Institutional Target Retirement 2050 Fund Institutional Shares</td>
<td>Target Years 2048–2052</td>
</tr>
<tr>
<td>January 1, 1988–December 31, 1992</td>
<td>Vanguard Institutional Target Retirement 2055 Fund Institutional Shares</td>
<td>Target Years 2053–2057</td>
</tr>
<tr>
<td>January 1, 1998 and later*</td>
<td>Vanguard Institutional Target Retirement 2065 Fund Institutional Shares</td>
<td>Target Years 2063 and beyond</td>
</tr>
</tbody>
</table>

*Dates selected by Plan Sponsor
Core Investment Options

Investment options to the left have potentially more inflation risk and less investment risk

CONSERVATIVE

Conserve

AGGRESSIVE

Investment options to the right have potentially less inflation risk and more investment risk

CONSERVATIVE

AGGRESSIVE

SHORT-TERM INVESTMENT

Money Market

Government

Fidelity® Government Money Market Fund

You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Fidelity Investments and its affiliates, the fund’s sponsor, have no legal obligation to provide financial support to money market funds and you should not expect that the sponsor will provide financial support to the fund at any time. Fidelity’s government and U.S. Treasury money market funds will not impose a fee upon the sale of your shares, nor temporarily suspend your ability to sell shares if the fund’s weekly liquid assets fall below 30% of its total assets because of market conditions or other factors.

This spectrum, with the exception of the Domestic Equity category, is based on Fidelity’s analysis of the characteristics of the general investment categories of the investment options and not on the actual security holdings, which can change frequently. Investment options in the Domestic Equity category are based on the options’ Morningstar categories as of 09/30/2019. Morningstar categories are based on a fund’s style as measured by its underlying portfolio holdings over the past three years and may change at any time. These style calculations do not represent the investment options’ objectives and do not predict the investment options’ future styles. Investment options are listed in alphabetical order within each investment category. Risk associated with the investment options can vary significantly within each particular investment category, and the relative risk of categories may change under certain economic conditions. For a more complete discussion of risk associated with the mutual fund options, please read the prospectuses before making your investment decision. The spectrum does not represent actual or implied performance.
Tier 3: Core Active Array

Investment options to the left have potentially more inflation risk and less investment risk

Investment options to the right have potentially less inflation risk and more investment risk

<table>
<thead>
<tr>
<th>SHORT-TERM INVESTMENT</th>
<th>BOND</th>
<th>STOCKS AND BONDS</th>
<th>STOCKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stable Value</td>
<td>Bond</td>
<td>Balanced/Hybrid</td>
<td>Domestic Equities</td>
</tr>
<tr>
<td>Lincoln Stable Value Account</td>
<td>Diversified</td>
<td>Fidelity® Balanced Fund – Class K</td>
<td>Large Value</td>
</tr>
<tr>
<td>JPMorgan Core Bond Fund Class R5</td>
<td>JPMorgan Core Bond Fund Class R5</td>
<td>John Hancock Funds Disciplined Value Fund Class R5</td>
<td>Vanguard FTSE Social Index Fund Institutional Shares</td>
</tr>
<tr>
<td>Metropolitan West Total Return Bond Fund Plan Class</td>
<td>Metropolitan West Total Return Bond Fund Plan Class</td>
<td>Fidelity® Contrafund® – Class K</td>
<td>Vanguard Institutional Large Blend</td>
</tr>
<tr>
<td>Vanguard Short-Term Bond Index Fund Institutional Shares</td>
<td>Vanguard Short-Term Bond Index Fund Institutional Shares</td>
<td>T. Rowe Price Institutional Mid Growth</td>
<td>Vanguard Institutional Mid Growth</td>
</tr>
<tr>
<td>Vanguard Total Bond Market Index Fund Institutional Shares</td>
<td>Vanguard Total Bond Market Index Fund Institutional Shares</td>
<td>Large Growth</td>
<td>Vanguard Institutional Small Growth</td>
</tr>
<tr>
<td>Diversified</td>
<td>Diversified</td>
<td>Fidelity® Contrafund® – Class K</td>
<td>Vanguard Institutional Small Growth</td>
</tr>
</tbody>
</table>

Stock markets are volatile and can fluctuate significantly in response to company, industry, political, regulatory, market, or economic developments. Investing in stock involves risks, including the loss of principal.

Investing in bonds involves risk, including interest rate risk, inflation risk, credit and default risk, call risk, and liquidity risk.

This spectrum, with the exception of the Domestic Equity category, is based on Fidelity’s analysis of the characteristics of the general investment categories of the investment options and not on the actual security holdings, which can change frequently. Investment options in the Domestic Equity category are based on the options’ Morningstar categories as of 09/30/2019. Morningstar categories are based on a fund’s style as measured by its underlying portfolio holdings over the past three years and may change at any time. These style calculations do not represent the investment options’ objectives and do not predict the investment options’ future styles. Investment options are listed in alphabetical order within each investment category. Risk associated with the investment options can vary significantly within each particular investment category, and the relative risk of categories may change under certain economic conditions. For a more complete discussion of risk associated with the mutual fund options, please read the prospectuses before making your investment decision. The spectrum does not represent actual or implied performance.
Fidelity BrokerageLink® gives you the opportunity to invest in an expanded range of investment choices to manage your plan. BrokerageLink includes investments beyond those in your plan’s standard lineup. You should compare investments and share classes that are available in your plan’s lineup with those available through BrokerageLink, and determine the available share class that is appropriate for your situation. The plan fiduciary neither evaluates nor monitors the investments available through BrokerageLink. It is your responsibility to ensure that the investments you select are suitable for your situation, including your goals, time horizon, and risk tolerance. To enroll, and for more information about BrokerageLink, including the Plan's BrokerageLink fact sheet, the brokerage commission schedule, and brochure, go to netbenefits.com and click on "Quick Links," then select "BrokerageLink."
This information is intended to be educational and is not tailored to the investment needs of any specific investor.

This document provides only a summary of the main features of the University of North Carolina ORP and the Plan Document will govern in the event of discrepancies.

The Plan is intended to be a participant-directed plan as described in Section 404(c) of ERISA, which means that fiduciaries of the Plan are ordinarily relieved of liability for any losses that are the direct and necessary result of investment instructions given by a participant or beneficiary.

© 2010 - 2019 FMR LLC. All rights reserved.