Principal Stability Fund
Ratings Definitions

AAA: A fund rated ‘AAA’ demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. ‘AAA’ is the highest principal stability fund rating assigned by S&P Global Ratings.

AA: A fund rated ‘AA’ demonstrates very strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. It differs from the highest-rated funds only to a small degree.

Am: A fund rated ‘Am’ demonstrates strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk, but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than funds in higher-rated categories.

BBBm: A fund rated ‘BBBm’ demonstrates adequate capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. However, adverse economic conditions or changing circumstances are more likely to lead to a reduced capacity to maintain principal stability.

BBm: A fund rated ‘BBm’ demonstrates speculative characteristics and uncertain capacity to maintain principal stability. It is vulnerable to principal losses due to credit risk. While such funds will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

Dm: A fund rated ‘Dm’ has failed to maintain principal stability resulting in a realized or unrealized loss of principal.

Ratings

About the Pool

Pool Rating: AAAm
Pool Type: Stable NAV Government Investment Pool
Investment Adviser: Fidelity Management & Research Company Management, Inc.

Portfolio Manager: Kevin Gaffney & Maura Walsh
Pool Rated Since: October 1998
Custodian: Wells Fargo Bank, N.A.
Distributor: Capital Management of the Carolinas L.L.C.

Rationale

S&P Global Ratings rates North Carolina Capital Management Trust - Government Portfolio ‘AAAm’. The rating signifies our forward-looking opinion about a fixed-income fund's ability to maintain principal value (i.e., stable net asset value, or "NAV").

Overview

The North Carolina Capital Management Trust is an open-end management investment company organized as a Massachusetts business trust. The trust is comprised of the Government Portfolio and the Term Portfolio. The rating applies to the trust's Government Portfolio only. Shares of the portfolio are offered exclusively to the following entities of the State of North Carolina: local governments and public authorities (as defined in North Carolina General Statute 159-7); school administrative units; local ABC boards (independent political subdivisions of the state); and community colleges or public hospitals. The investment objective of the Government Portfolio is to obtain as high a level of current income as is consistent with the preservation of capital and liquidity and to maintain a constant net asset value (NAV) of $1.00 per share.

Management

The North Carolina Capital Management Trust - Government Portfolio is managed by Fidelity Management & Research Co. (FMR). FMR has overall responsibility for directing the fund's investments and handling its business affairs.

Fidelity Investments Money Management, Inc. has day to day responsibility for choosing investments for each fund. Capital Management of the Carolinas L.L.C., Charlotte, N.C., acts as the distribution agent of shares for the North Carolina Capital Management Trust - Government Portfolio. In addition to the North Carolina - Government Portfolio, FMR currently manages six other 'AAAm' rated funds.

Portfolio Assets

In order to meet its investment objectives, the North Carolina Capital Management Trust – Government Portfolio will normally at least 99.5% of total assets in cash, U.S. government securities and/or repurchase agreements that are collateralized fully with cash or government securities, as permitted by North Carolina General Statue 159-30 as amended and 20 North Carolina Administrative Code 3.0703 as amended.

S&P Global Ratings Analyst: Peter Rizzo - (1) 212-438-5059 www.spratings.com

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**Principal Stability Rating Approach and Criteria**

A S&P Global Ratings principal stability fund rating, also known as a "money market fund rating," is a forward-looking opinion about a fixed income fund's capacity to maintain stable principal (net asset value). When assigning a principal stability rating to a fund, S&P Global Ratings analysis focuses primarily on the creditworthiness of the fund's investments and counterparties, and also its investments' maturity structure and management's ability and policies to maintain the fund's stable net asset value. Principal stability fund ratings are assigned to funds that seek to maintain a stable or an accumulating net asset value.

Generally, when faced with an unanticipated level of redemption requests during periods of high market stress, the manager of any fund may suspend redemptions for up to five business days or meet redemption requests with payments in-kind in lieu of cash. A temporary suspension of redemptions or meeting redemption requests with distributions in-kind does not constitute a failure to maintain stable net asset values. However, higher rated funds are expected to have stronger capacities to pay investor redemptions in cash during times of high market stress because they generally comprise shorter maturity and higher quality investments.

**Principal stability fund ratings, or money market fund ratings, are identified by the "m" suffix (e.g., 'AAAm') to distinguish the principal stability rating from a S&P Global Ratings traditional issue or issuer credit rating. A traditional issue or issuer credit rating reflects S&P Global Ratings view of a borrower's ability to meet its financial obligations. Principal stability fund ratings are not commentaries on yield levels.**

S&P Global Ratings is neither associated nor affiliated with the fund.

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**North Carolina Capital Management Trust - Government Portfolio**

**Data Bank as of September 29, 2017**

<table>
<thead>
<tr>
<th>Net Asset Value per Share</th>
<th>$1.00054</th>
<th>Net Assets (millions)</th>
<th>$4,798.59</th>
<th>Inception Date</th>
<th>April 1982</th>
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<tbody>
<tr>
<td>WAM (R) *</td>
<td>40 days</td>
<td>WAM (F) **</td>
<td>101 days</td>
<td>7 Day Yield</td>
<td>0.89%</td>
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</table>

* Weighted Average Maturity (Reset)  ** Weighted Average Maturity (Final)

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**Portfolio Credit Quality as of September 29, 2017**

<table>
<thead>
<tr>
<th>Credit Quality</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>A-1</td>
<td>0.6%</td>
</tr>
<tr>
<td>A-2</td>
<td>0.2%</td>
</tr>
<tr>
<td>A-1+</td>
<td>99.1%</td>
</tr>
</tbody>
</table>

*As assessed by S&P Global Ratings

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**Portfolio 7 Day Net-Yield Comparison**

*S&P 'AAAm' Money Fund Indices are calculated weekly by iMoneyNet, Inc., and are comprised of funds rated or assessed by S&P Global Ratings to within the specific rating categories. The S&P Global Ratings Rated GIP Indices are calculated weekly by S&P Global Ratings and are comprised of 'AAAm' and 'Aam' government investment pools.

The yield quoted represents past performance. Past performance does not guarantee future results. Current yield may be lower or higher than the quoted yield.

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S&P Global Ratings is not considered as a recommendation to invest in any particular fund. The ratings and analyses reflect the opinion of S&P Global Ratings as of the date stated and may change in response to market conditions. The ratings may not be suitable for all investors.