NORTH CAROLINA
INVESTMENT AUTHORITY

North Carolina Investment Authority

Performance Review

November 18, 2026

BRADFORD B. BRINER
STATE TREASURER OF NORTH CAROLINA

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Section 1: Assets Under Management

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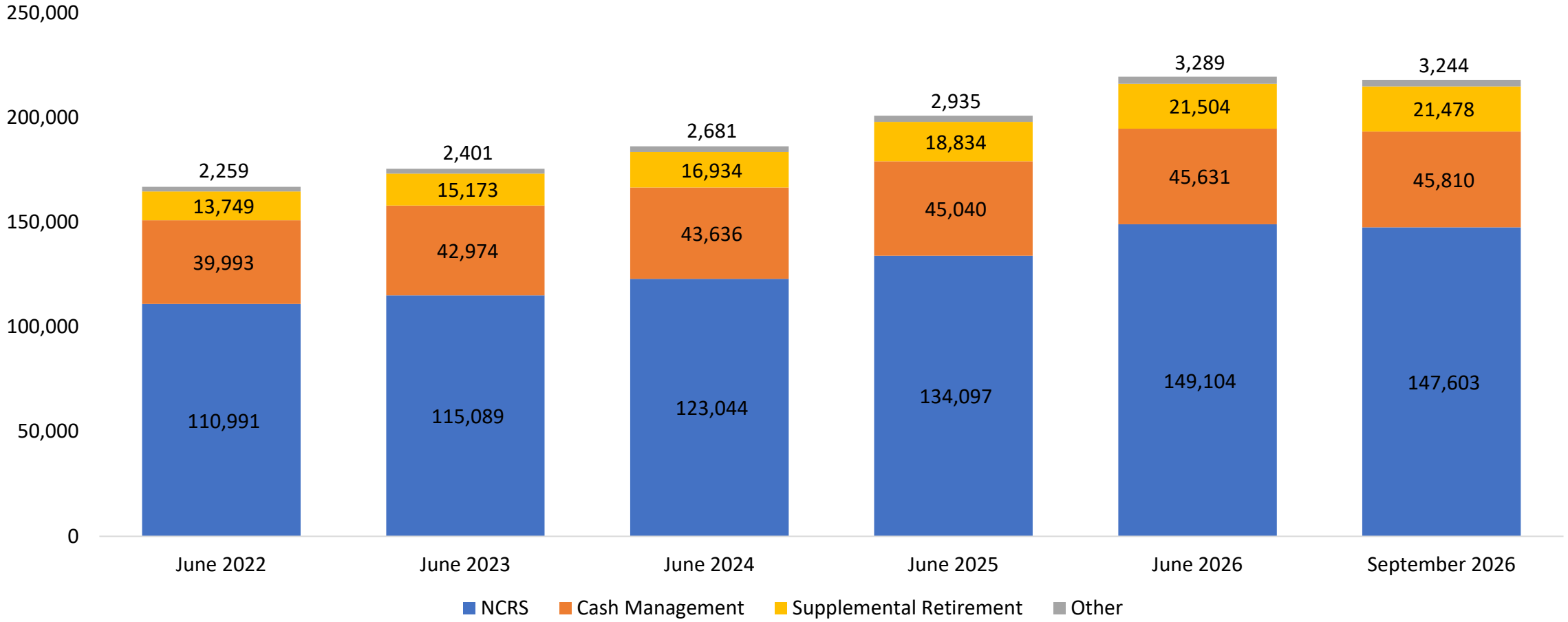
Bradford B. Briner, State Treasurer and Chairman of the Board

Assets Under Management ($MM)

$218.14 billion as of September 30, 2026



Note: The Cash Management Program does not include Assets with Fiscal Agent, which are reflected in the Bond Proceeds Fund. These funds, which may have been reported in the Cash Management Program previously, have now been removed for all years shown in this report to more accurately reflect the Cash Management Program balance.

Section 2: Macro Positioning and Recent Activity

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Summary View of Macro, Markets, and Portfolio Environment

Macro

- Growth sped up in Q3, while corporate profits stayed above +25% YoY.
  - Real GDP grew at a 3.4% annual rate in Q3 (advance estimate), after 2.2% in Q2. The gains came from investment, consumer spending, and government spending, partly offset by lower exports.
  - SPX earnings growth over 25% again in Q3 thus far.
- Headline inflation rose again, driven by energy; core stayed contained.
- The labor market softened and is close to stall speed.
  - Wage growth slowed to its lowest pace since May 2021.
- The Fed under Warsh moved from uncertainty to tightening. The Fed hiked on September 16. It was the Fed's first hike since 2023
  - Long rates reached new cycle highs and the curve steepened
- Base case: growth above trend and a hawkish Fed with inflation driven by energy, while the labor data point the other way. That raises the risk of a policy mistake in either direction.

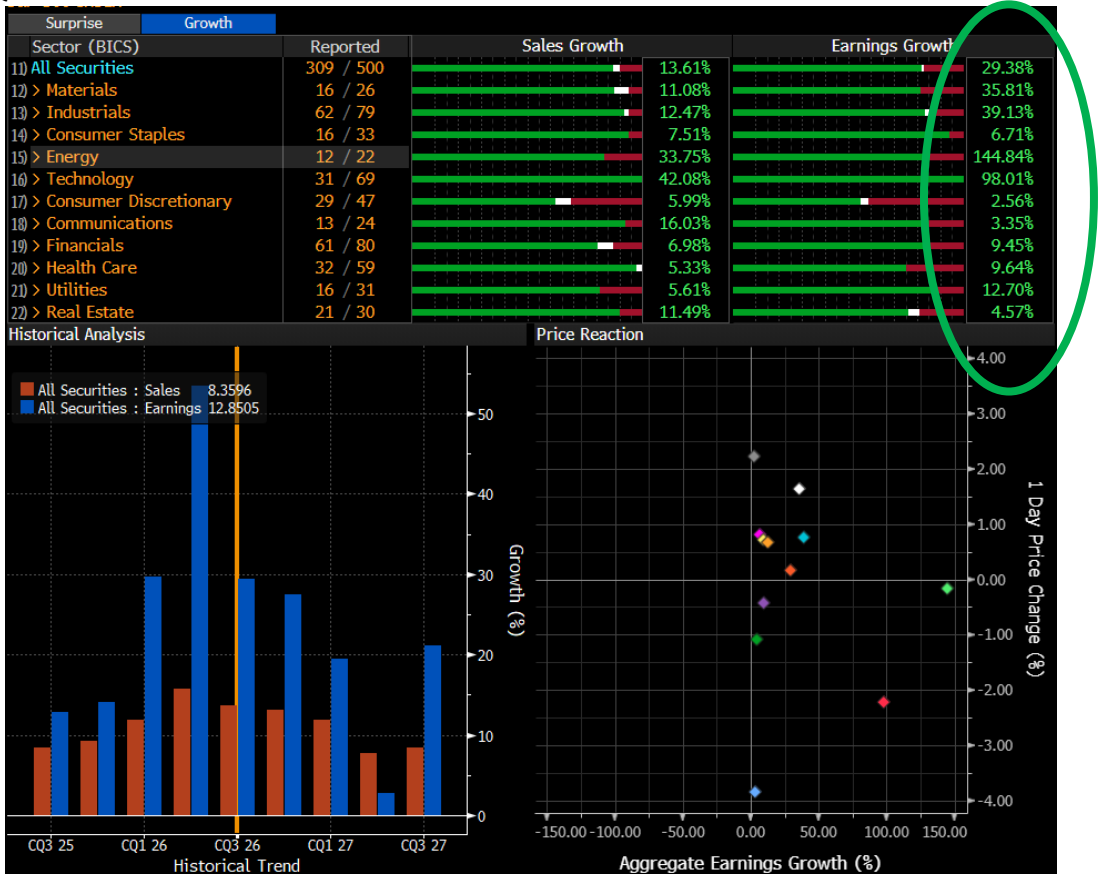
Markets

- Risk assets remained stable through Q3 despite increased volatility, while leadership began to rotate away from the AI trade.
  - Q3 into October saw severe reversals in momentum trades driven by AI-related equities
- AI spend and ROI of capex were the key macro-market variable as increased scrutiny on growth forecasts caused large sell-offs technology equities.
- Rates rose materially as investors weighed supply shocks, fiscal issuance, and persistent inflation; long-duration assets were negatively impacted. October saw a reversal in rates on a flight to quality bid.
- Credit remained fully valued although spreads widened from tights: U.S. high-yield spreads ended September near 3.25%, 50 bps wider than at the start of the quarter but still offering limited cushion.
- Developed ex-U.S. equities retained valuation appeal, resolution of energy and trade shocks could improve the relative-growth case.

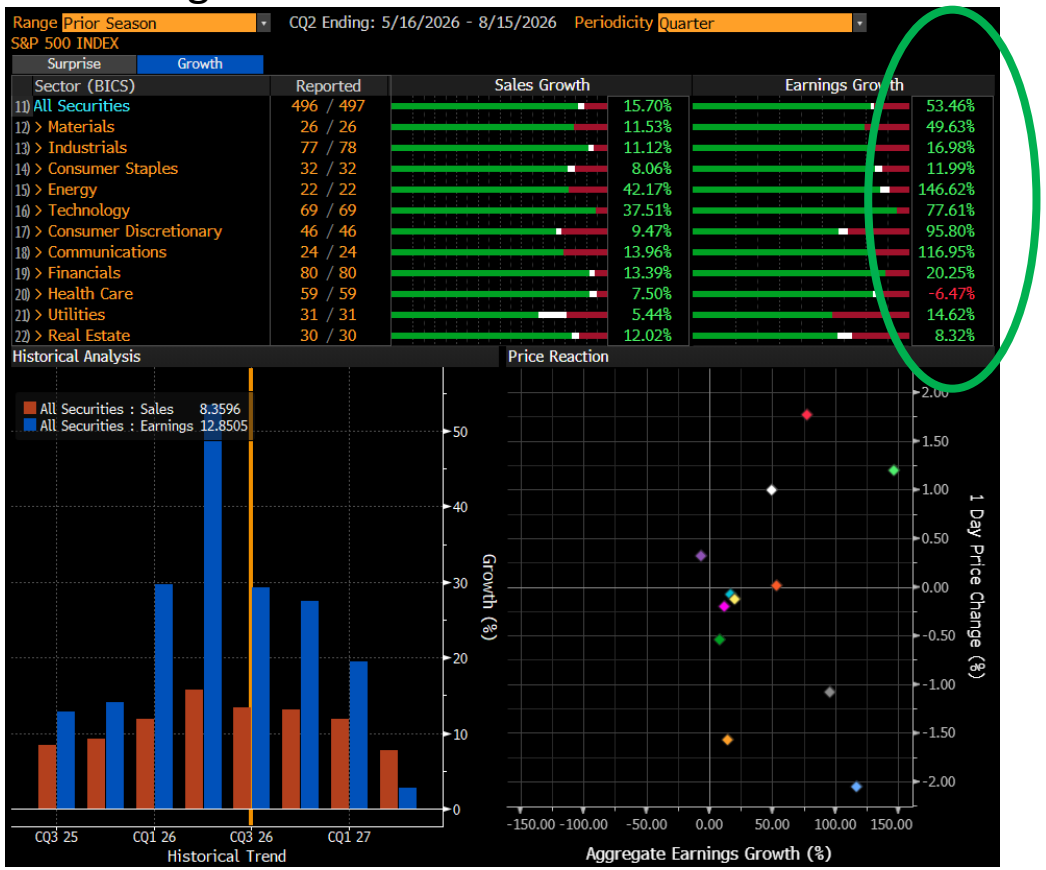
Summary View of Macro, Markets, and Portfolio Environment

- Earnings and sales growth continued into Q3
- Two consecutive quarters of >25% EPS growth (so far)

Q3 So Far



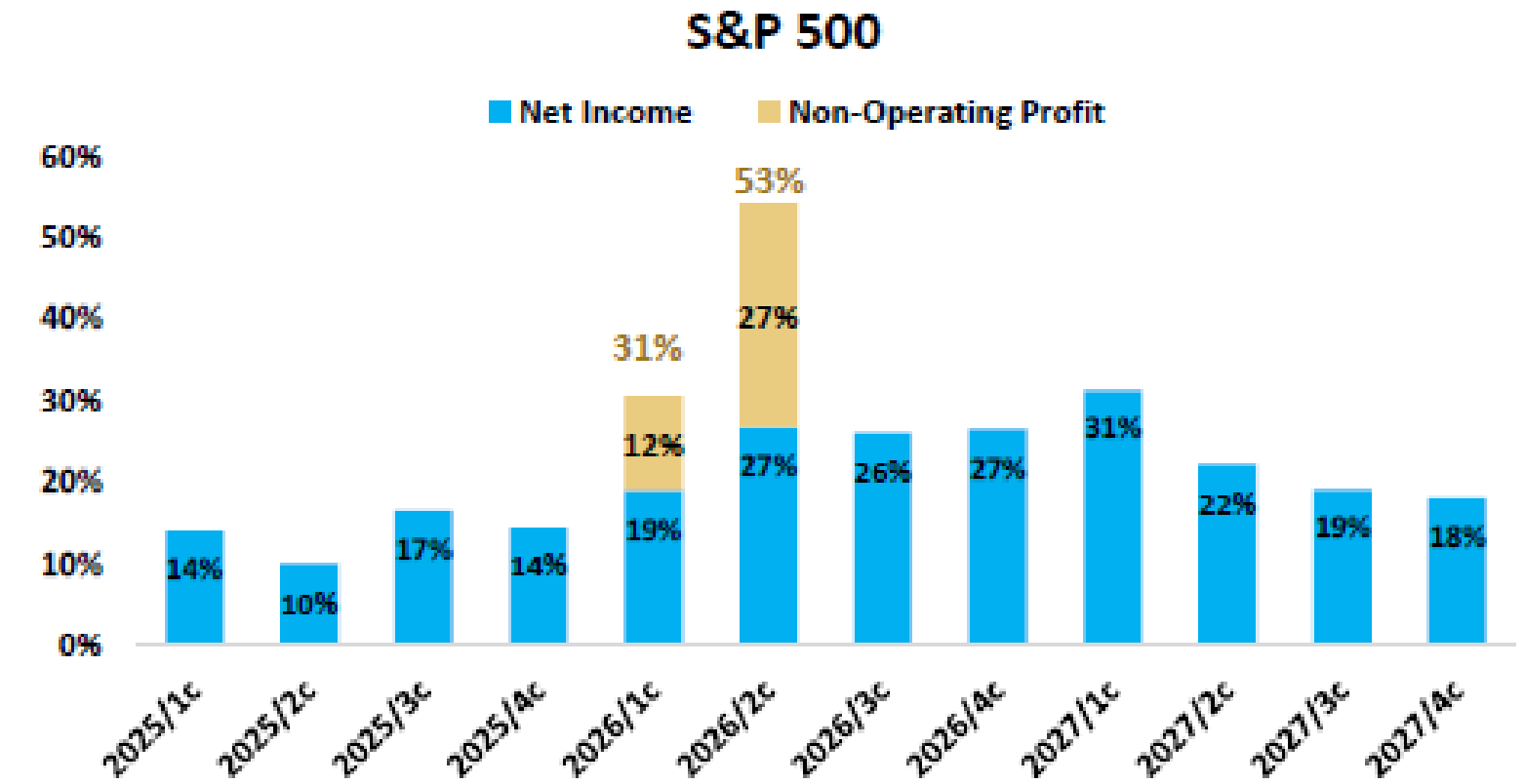
Q2 Earnings and Sales Growth



Source: Bloomberg

Summary View of Macro, Markets, and Portfolio Environment

- Excluding private market marks and tariff refunds, earnings growth has been solid
- Q3 so far shows growth >25% and is the street expects growth to remain over 25% for the next two quarters



Source: FactSet, Morgan Stanley Research

Summary View of Macro, Markets, and Portfolio Environment

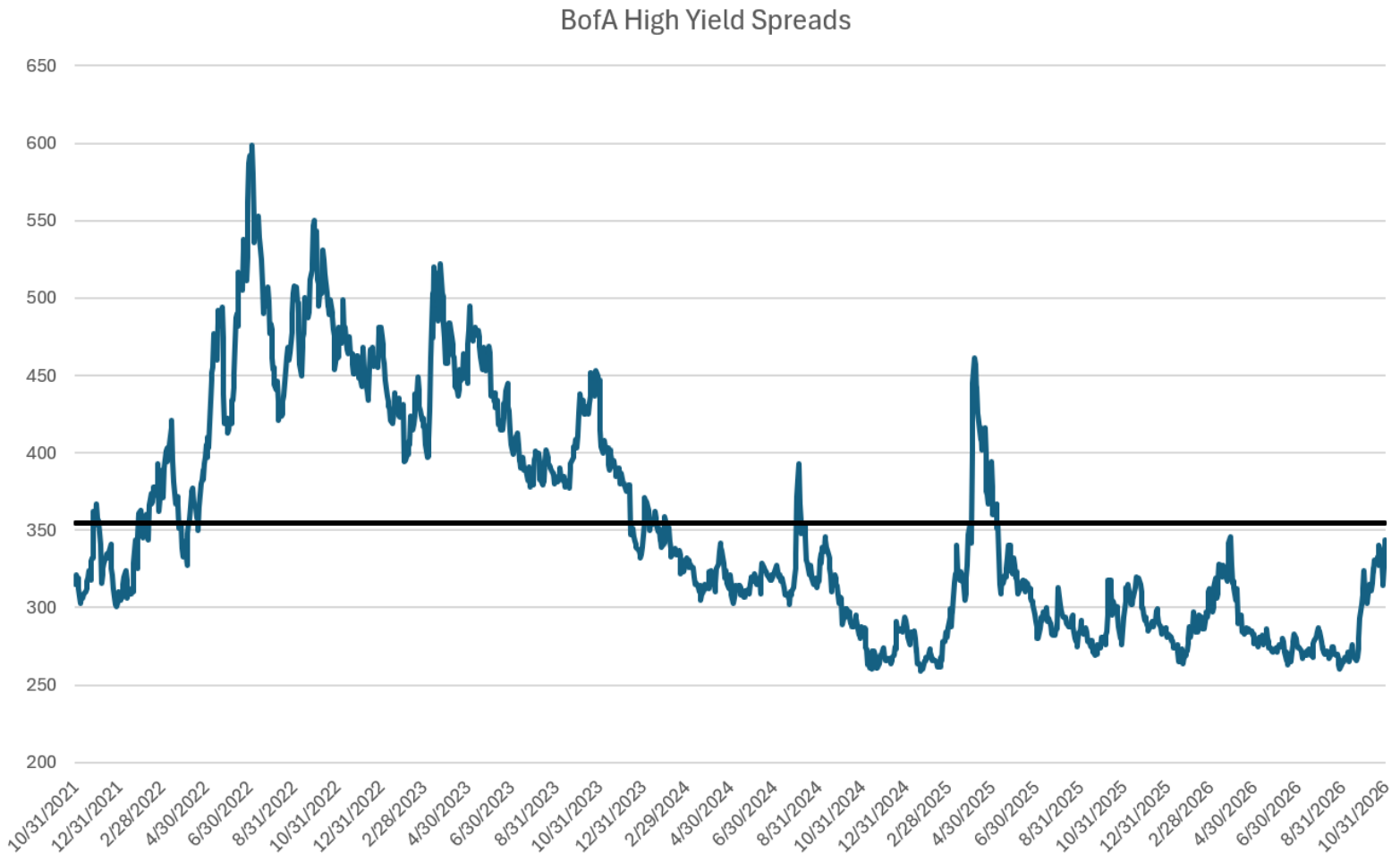
- Long Momentum – driven by AI related tech names has been in the crosshairs
- 40% advance through June swung to flat-ish for the year (+2%)



Source: Bloomberg

Summary View of Macro, Markets, and Portfolio Environment

- Even with large swings in equities and increased volatility in technology companies, HY bonds were stable
- Spreads widened from tights of 275 bps to 344 bps, but still below the 5-year average of 355 bps.



Source: Bloomberg

Near-Term Environment and NCRS Portfolio Activity

Management view: The near-term opportunity set still favors resilience over broad beta, with roughly neutral positioning. Stronger growth and strong earnings growth are offset by a Fed that has started hiking, multi-decade-high long yields, energy-driven inflation, and unusually narrow equity leadership.

Recent Actions

- Continued moving the portfolio toward the Board-approved strategic allocation through Q3.
- Kept the duration underweight through the back-up in long yields.
- Continued adding to real asset equity, including natural resources and listed infrastructure, which benefited from the energy rally.
- These moves are policy-aligned and reduce exposure to the Fund's most immediate macro and geopolitical risks.

Risk / Opportunity Set

Base Case

- Growth remains above trend but increasing at a slower rate.
- Increased scrutiny on forward earnings implications from CAPEX spend.
- Tight Fed policy, leaning hawkish.

Upside Case:

- Energy relief: resolution of Mid-East tension.
- Strait of Hormuz normalization.
- Lower inflation.
- Fed pauses.

Downside Case:

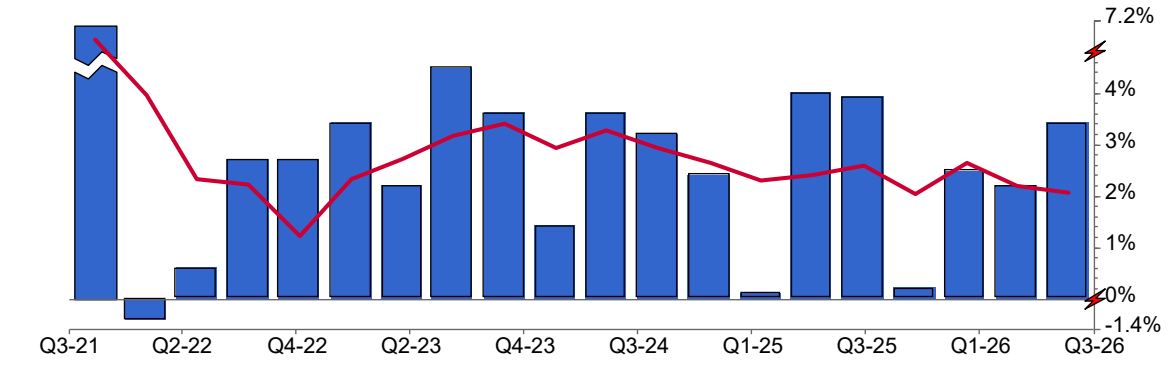
- Labor weakness spreads.
- AI Capex slows.
- Fed over-tightens.

Portfolio Implications

- Measured increase in duration through short/intermediate IG and considering select HY/loan exposure.
- Maintain neutral exposure to corporate equity with focus on quantitative strategies in smaller cap and some international.
- Continued focus on real asset equity that offer rate and inflation protection and less dependence on broad equity beta.
- Real estate credit, listed real assets, and REITs can diversify energy/inflation risk and offer less dependence on broad equity beta.

US Economic Environment

US Real GDP Growth



GDP outlier breaks at two standard deviations.

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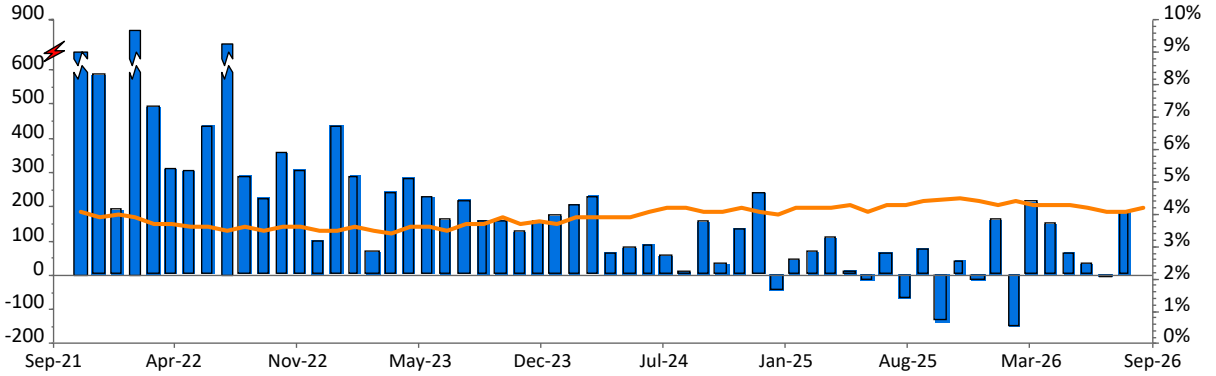
US Change in NonFarm Employment & Unemployment Rate



Non-Farm employment outlier breaks at two standard deviations

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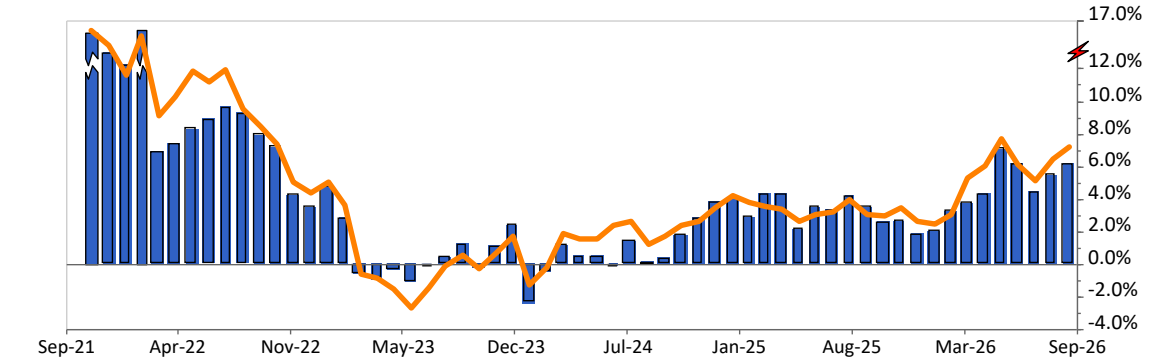
US Retail Sales



Retail Sales Total outlier breaks at two standard deviations.

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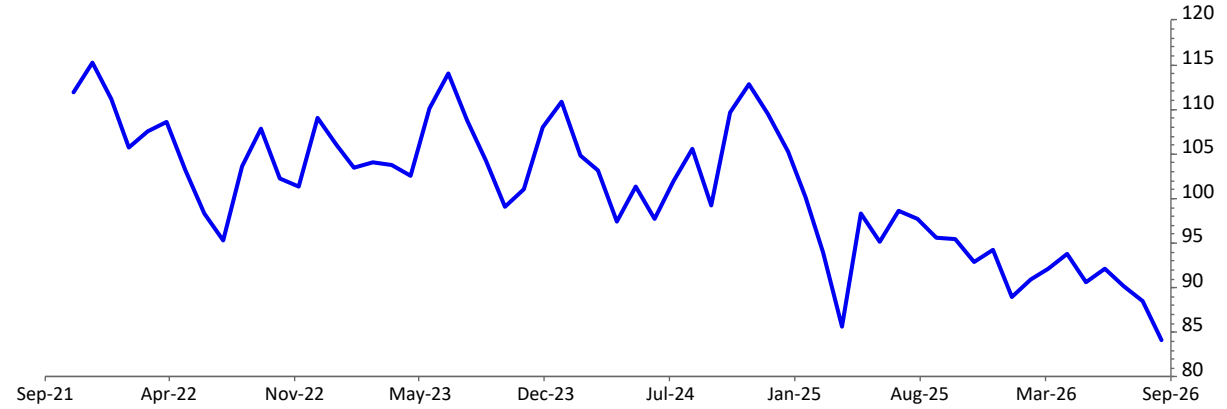
US Consumer Confidence



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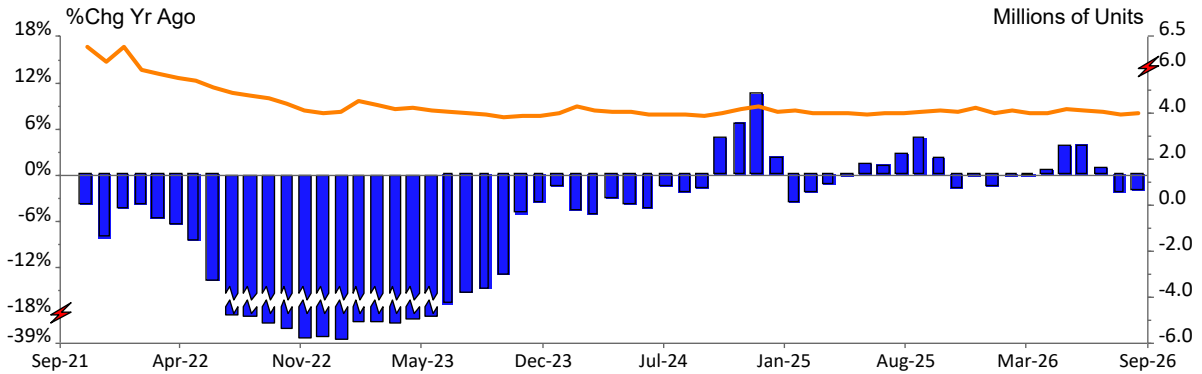
US Economic Environment

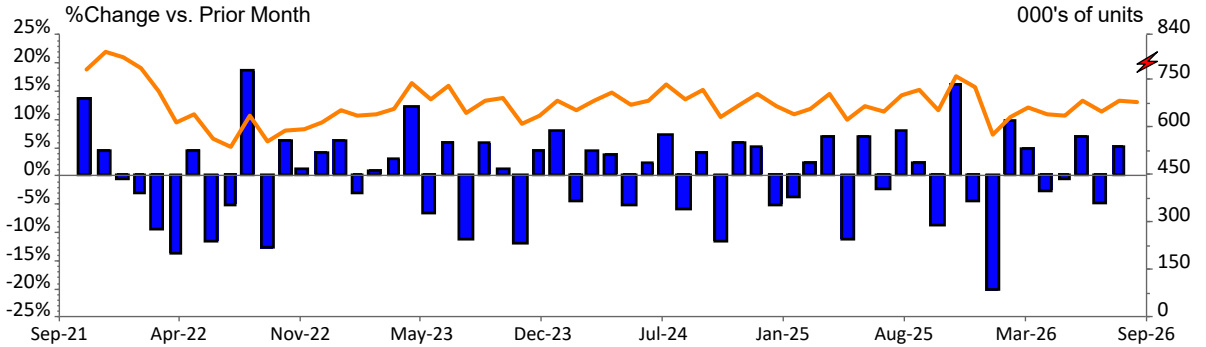
US Existing Home Sales



(% 1YR) Existing Home Sales, Housing Units, SAAR - United States (Left)
Existing Home Sales, Housing Units, SAAR - United States / 1000000 (Right)
Existing Home Sales outlier breaks at two standard deviations

©FactSet Research Systems

US New Home Sales



(% 1M) New Residential Sales, New Houses Sold, Total, SA - United States (Left)
New Residential Sales, New Houses Sold, Total, SA - United States (Right)
New Residential Sales outlier break is at two standard deviations

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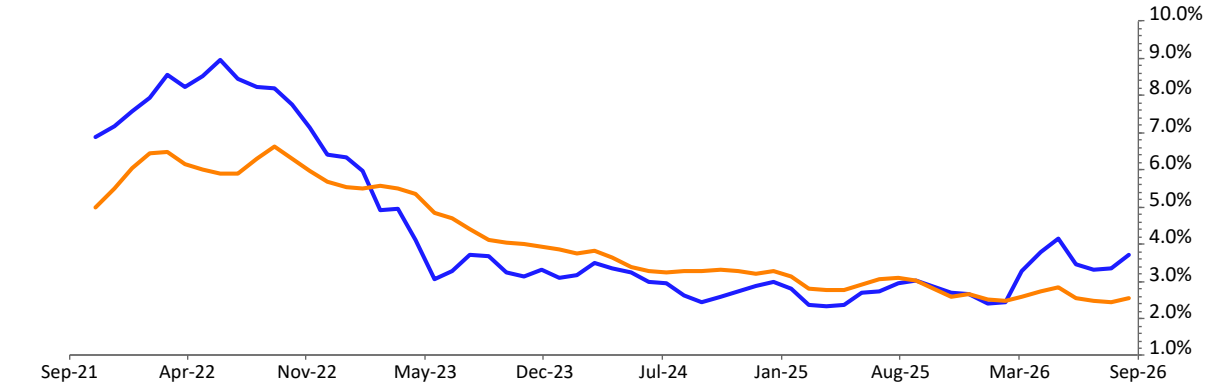
US Consumer Price Inflation



(% 1YR) Cpi All Items SA 1982-84=100
(% 1YR) Cpi All Items Less Food And Energy (Core) SA 1982-84=100

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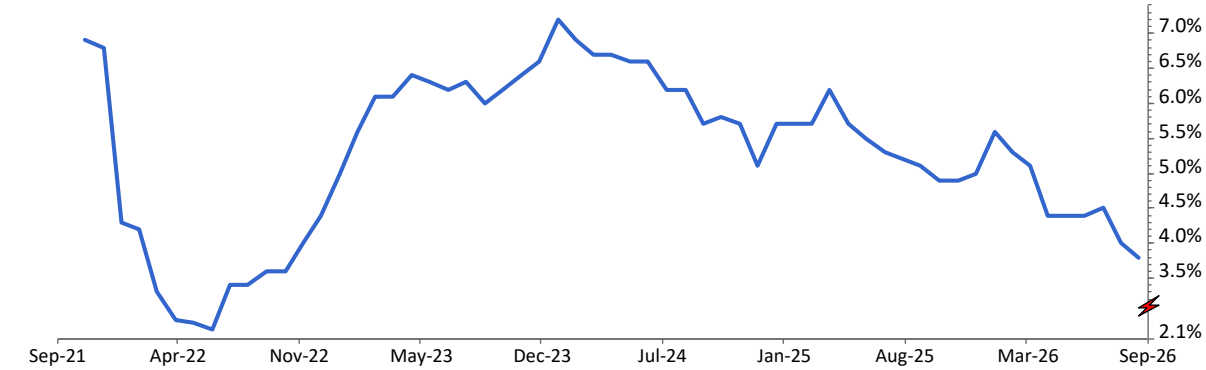
US Personal Savings Rate



(Bil. $) Personal Inc., Personal Saving As % of Disposable Personal Inc., Bil. $, SAAR, Bil. $, SAAR- U.S.
Personal Savings outlier breaks at two standard deviations.

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NCRS Asset Allocation

As of September 30, 2026

	Market Value ($MM)	%	Range			Mid Relative	Mid Relative
			Min	Mid	Max	%	$
Equity	**$90,530**	**61.33%**	**55%**	**62%**	**75%**	**-0.67%**	**($983)**
Corporate Equity	**68,847**	**46.64%**	**23%**	**44%**	**66%**	**2.64%**	**3,901**
Public Equity	*59,447*	*40.28%*	20%		48%		
Private Equity	*9,400*	*6.37%*	3%		18%		
Real Asset Equity	**21,684**	**14.69%**	**6%**	**18%**	**28%**	**-3.31%**	**($4,885)**
Real Estate	*12,027*	*8.15%*	3%		10%		
Infrastructure and Natural Resources	*9,657*	*6.54%*	3%		18%		
Debt	**$48,243**	**32.68%**	**25%**	**35%**	**45%**	**-2.32%**	**($3,418)**
Investment Grade	32,298	21.88%	15%	25%	37%	-3.12%	($4,602)
Credit	14,240	9.65%	3%	9%	14%	0.65%	956
Cash	1,704	1.15%	0%	1%	5%	0.15%	228
Multi-Strategy	**$8,830**	**5.98%**	**0%**	**3%**	**10%**	**2.98%**	**$4,401**
Grand Total	**$147,603**						

Statutory Limitations	Status
Investment Grade Fixed Income minimum of 20%	Compliant
Illiquid assets maximum of 40%	Compliant

NCRS Asset Allocation (Preliminary)

As of November 9, 2026

	Market Value ($MM)	%	Range			Mid Relative	Mid Relative
			Min	Mid	Max	%	$
Equity	**$89,353**	**60.36%**	**55%**	**62%**	**75%**	**-1.64%**	**($2,424)**
Corporate Equity	**66,584**	**44.98%**	**23%**	**44%**	**66%**	**0.98%**	**1,452**
Public Equity	*56,562*	*38.21%*	20%		48%		
Private Equity	*10,022*	*6.77%*	3%		18%		
Real Asset Equity	**22,769**	**15.38%**	**6%**	**18%**	**28%**	**-2.62%**	**($3,876)**
Real Estate	*12,411*	*8.38%*	3%		10%		
Infrastructure and Natural Resources	*10,357*	*7.00%*	3%		18%		
Debt	**$49,828**	**33.66%**	**25%**	**35%**	**45%**	**-1.34%**	**($1,982)**
Investment Grade	33,403	22.57%	15%	25%	37%	-2.43%	($3,604)
Credit	13,540	9.15%	3%	9%	14%	0.15%	217
Cash	2,885	1.95%	0%	1%	5%	0.95%	1,405
Multi-Strategy	**$8,847**	**5.98%**	**0%**	**3%**	**10%**	**2.98%**	**$4,406**
Grand Total	**$148,027**						

Statutory Limitations	Status
Investment Grade Fixed Income minimum of 20%	Compliant
Illiquid assets maximum of 40%	Compliant

Rebalancing Activity

Since August 28th Board Meeting

Asset Classes	Net Cash Flows YTD ($MM)	Net Cash Flows since August ($MM)
Public Equity	($9,658)	($2,285)
Private Equity	$2,268	$890
Infrastructure & Natural Resources	$6,261	$420
Real Estate	$3,611	$83
Investment Grade Bonds	($3,084)	($190)
Credit	($130)	($709)
Cash	($5,352)	$998
Multi-Strategy	$4,653	$391
Total	**($1,432)**	**($402)**

Data is through 10/31

Asset Allocation Trends

Since August 28th Board Meeting

	Target	8/31/2026 Weight	9/30/2026 Weight	10/31/2026 Weight	11/9/2026 Weight	Change from 8/31
Equity	**62%**	**61.37%**	**61.33%**	**60.46%**	**60.36%**	**-1.01%**
Corporate Equity	**44%**	**46.45%**	**46.64%**	**45.16%**	**44.98%**	**-1.47%**
Public Equity		*40.37%*	*40.28%*	*38.39%*	*38.21%*	*-2.16%*
Private Equity		*6.07%*	*6.37%*	*6.77%*	*6.77%*	*0.70%*
Real Asset Equity	**18%**	**14.93%**	**14.69%**	**15.30%**	**15.38%**	**0.45%**
Real Estate		*8.18%*	*8.15%*	*8.20%*	*8.38%*	*0.20%*
Infrastructure and Natural Resources		*6.75%*	*6.54%*	*7.10%*	*7.00%*	*0.25%*
Debt	**35%**	**32.99%**	**32.68%**	**33.55%**	**33.66%**	**0.67%**
Investment Grade	25%	22.30%	21.88%	22.44%	22.57%	0.27%
Credit	9%	9.41%	9.65%	9.12%	9.15%	-0.26%
Cash	1%	1.29%	1.15%	1.99%	1.95%	0.66%
Multi-Strategy	**3%**	**5.63%**	**5.98%**	**5.99%**	**5.98%**	**0.35%**
Grand Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	

New & Incremental Investment Commitments

Since August 28th Board Meeting

Fund Name	Firm Name	New or Incremental Commitment ($MM)
Public Equity		
BlackRock ACWI ex US	BlackRock	$1,900
Private Equity		
Lightspeed AI Renaissance Co-Investment	Lightspeed Venture Partners	$125
Internal Opportunistic Private Equity	NCIA	$500
Maverick Silicon Fund II LP	Maverick Capital	$250
Real Estate		
HSRE NC Partners LP	Harrison Street Real Estate	$300
Credit		
CNC Sapphire Holdings LP	Centerbridge Partners	$1,200
Infrastructure and Natural Resources		
Seraya Partners Fund II LP	Seraya Partners	$400
Merah Saga Holdings LP	Seraya Partners	$1,200

New & Incremental Investment Commitments

Since August 28th Board Meeting

Fund Name	Firm Name	New or Incremental Commitment ($MM)
Multi-Strategy		
Thebes Fund	Luxor Capital	$500
Broad Reach Co-Investments Fund	Broad Reach	$200

Exited Investments

Since August 28th Board Meeting

Fund Name	Redemption Amount ($MM)	Redemption Effective
Public Equity		
Walter Scott EAFE/Intl	$1,900	10/14
Private Equity		
None		
Real Estate		
None		
Infrastructure and Natural Resources		
None		
Credit		
None		
Multi Strategy		
None		

Section 3: Performance Analysis

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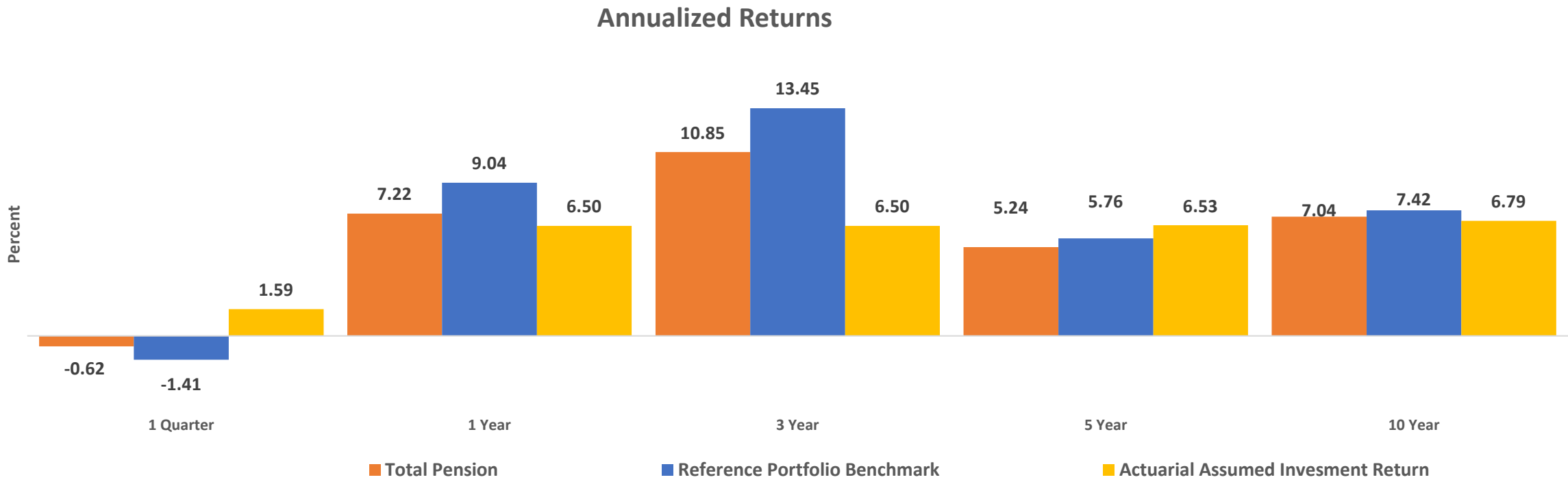
NCRS Total Net Portfolio Return vs. Benchmarks

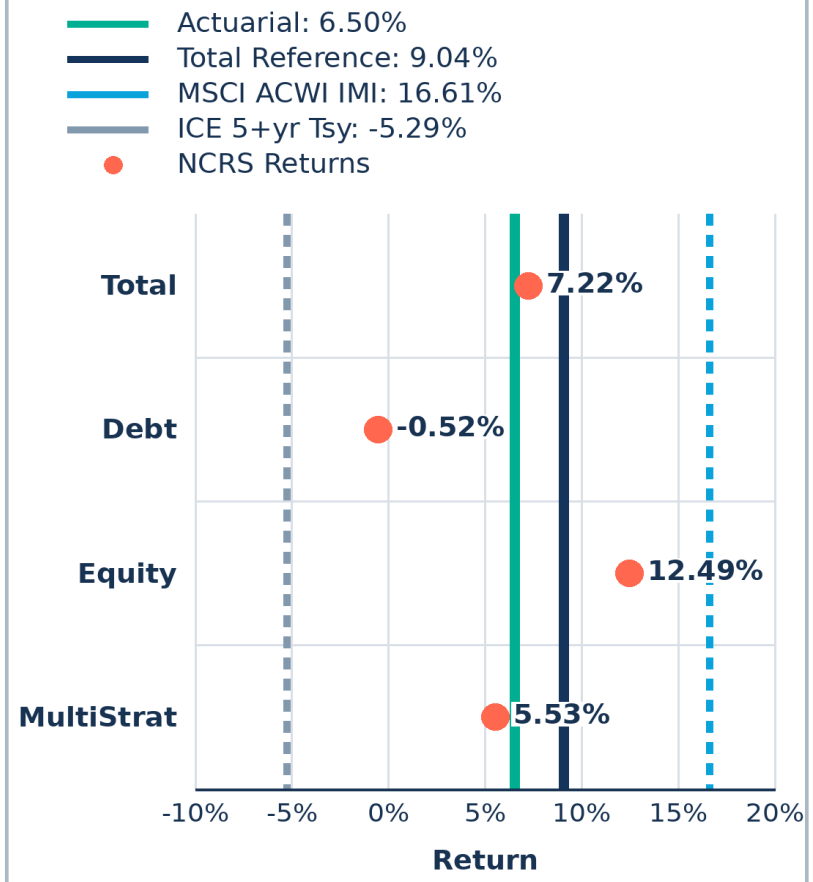
As of September 30, 2026



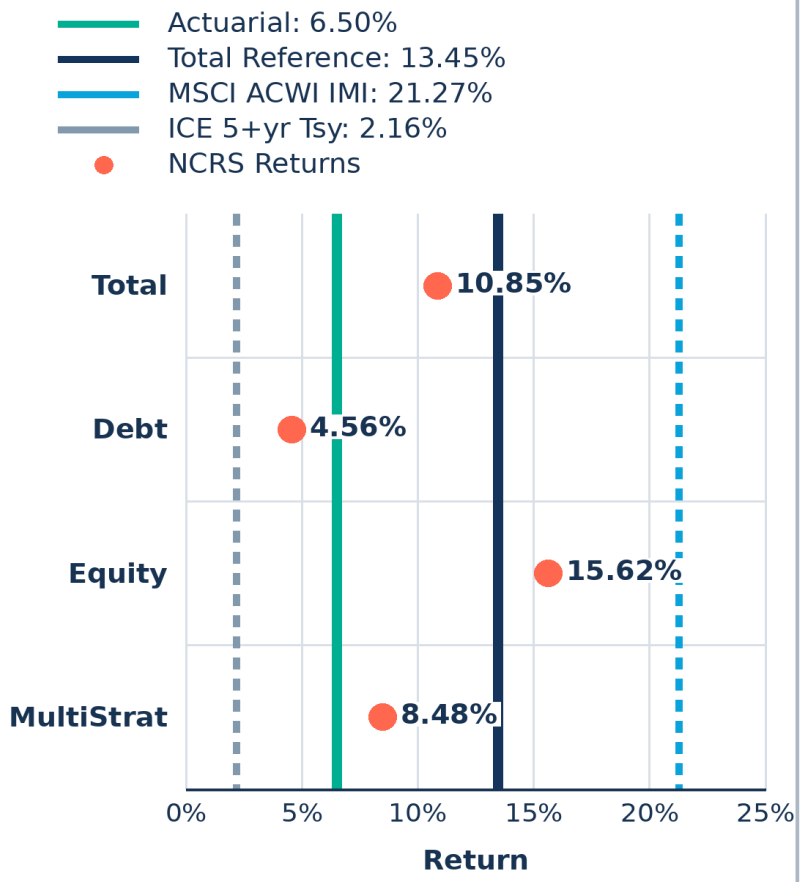
Notes:
Actuarial Assumed Investment Return was lowered from 7.0% to 6.5% as of December 31, 2020.
Returns for periods greater than one year are annualized.
The Reference Portfolio Benchmark is comprised of 65% MSCI ACW IMI Net and 35% ICE BofA 5+ Years U.S. Treasury Index from March 2026 onward. The structure of this benchmark has changed overtime as the investment policy has changed, and the returns reflect the historical structure that was in place at the time. Most recently, it was comprised of 57% MSCI ACWI IMI Net, 33% ICE BofA 5+ Years U.S. Treasury Index, 6% Bloomberg Commodity Index, and 4% ICE BofA 1-3 Years U.S. Inflation-Linked Treasury Index.

Performance Analysis – Top Level

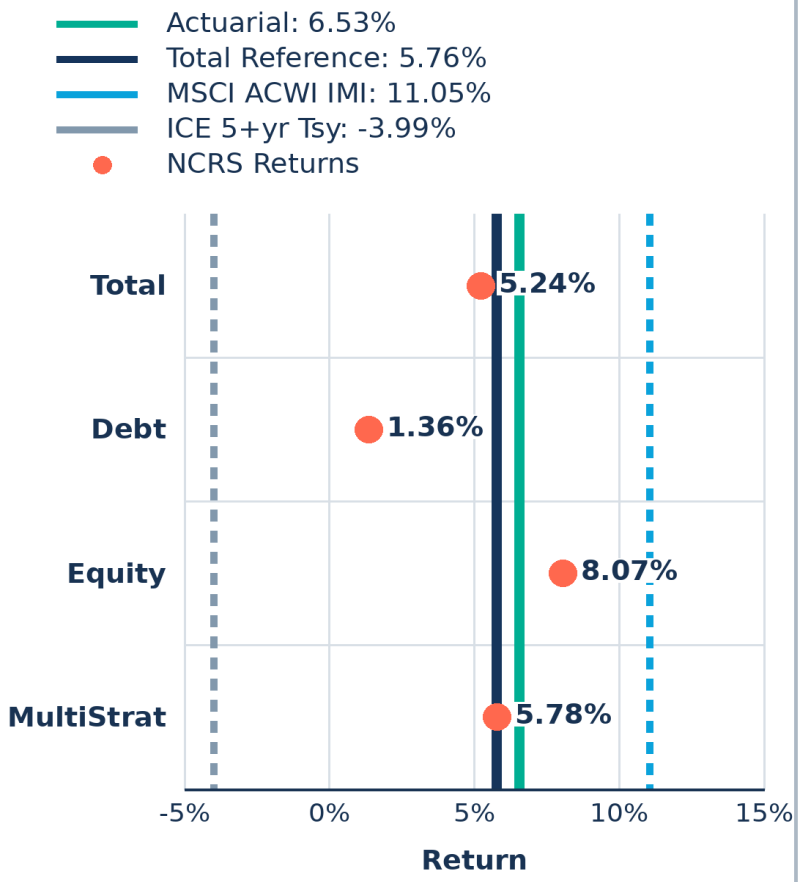
1 Year



3 Year

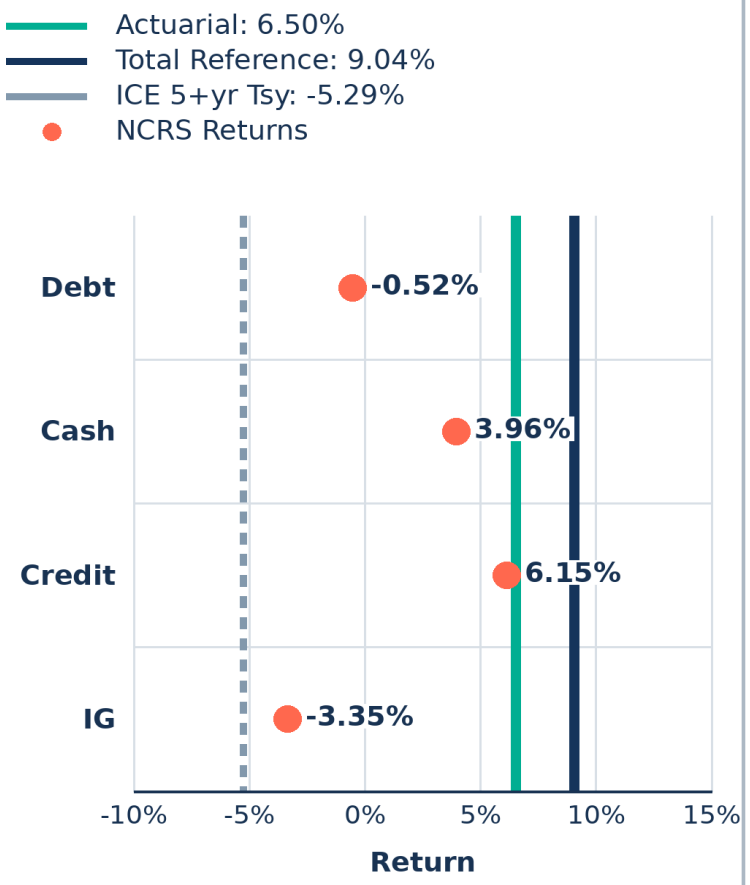


5 Year

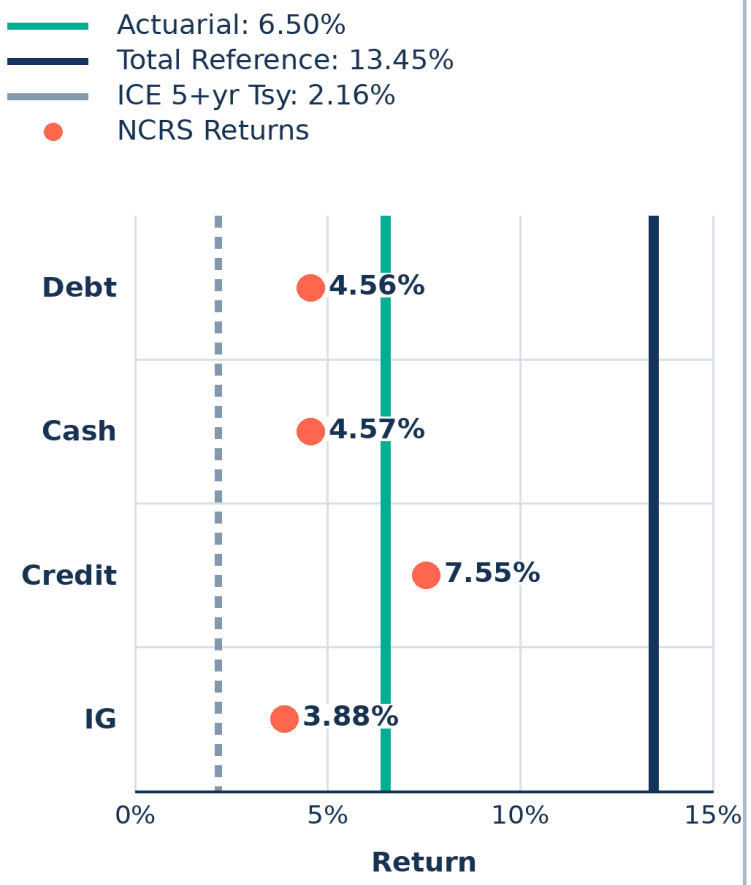


Performance Analysis – Debt Sleeve

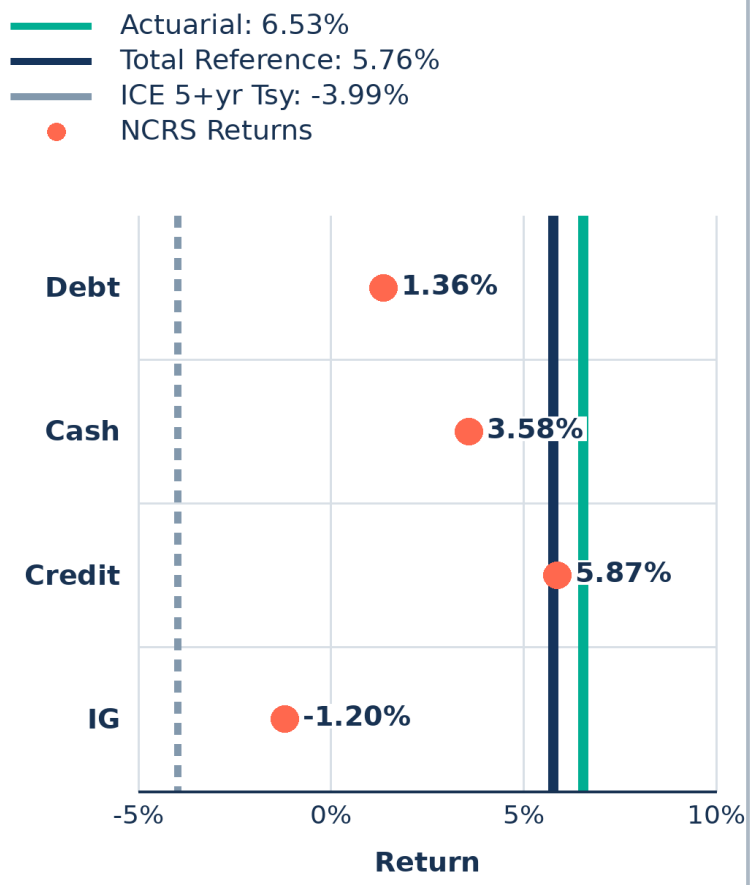
1 Year



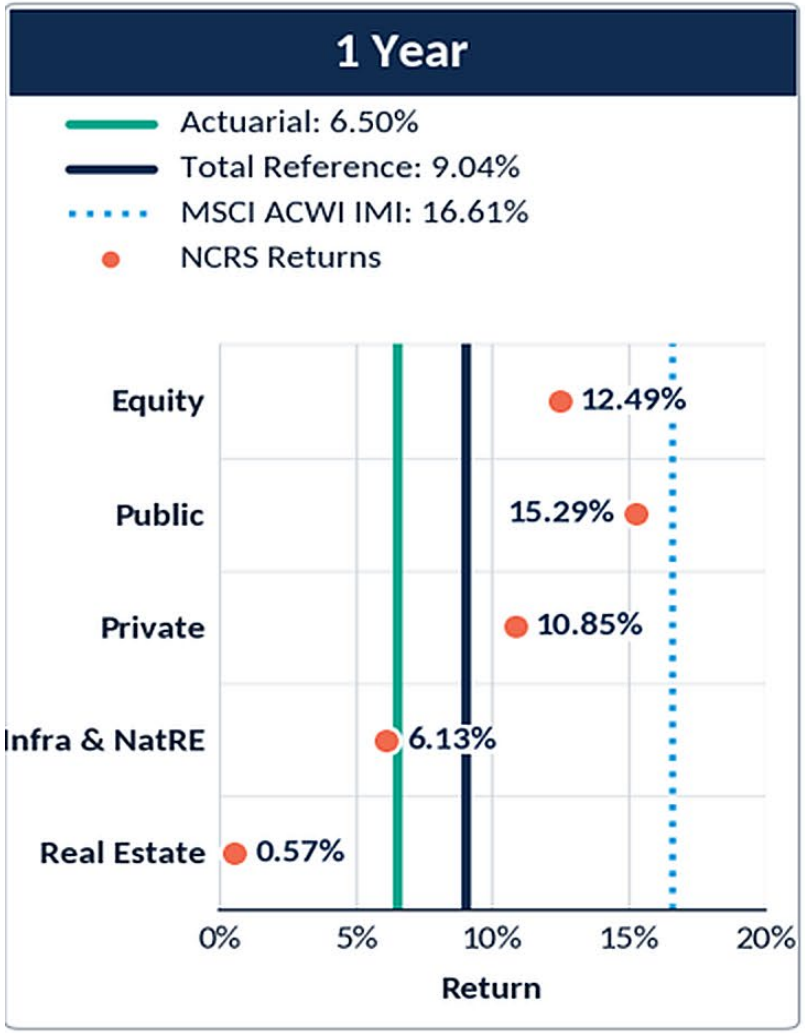
3 Year

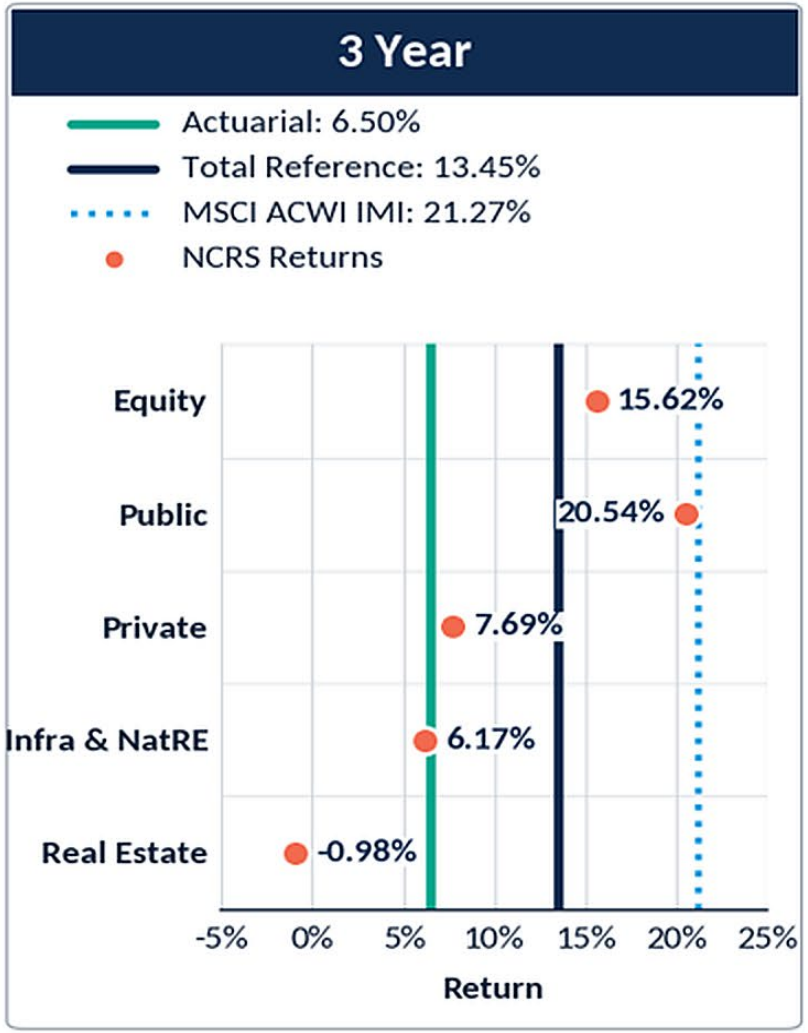


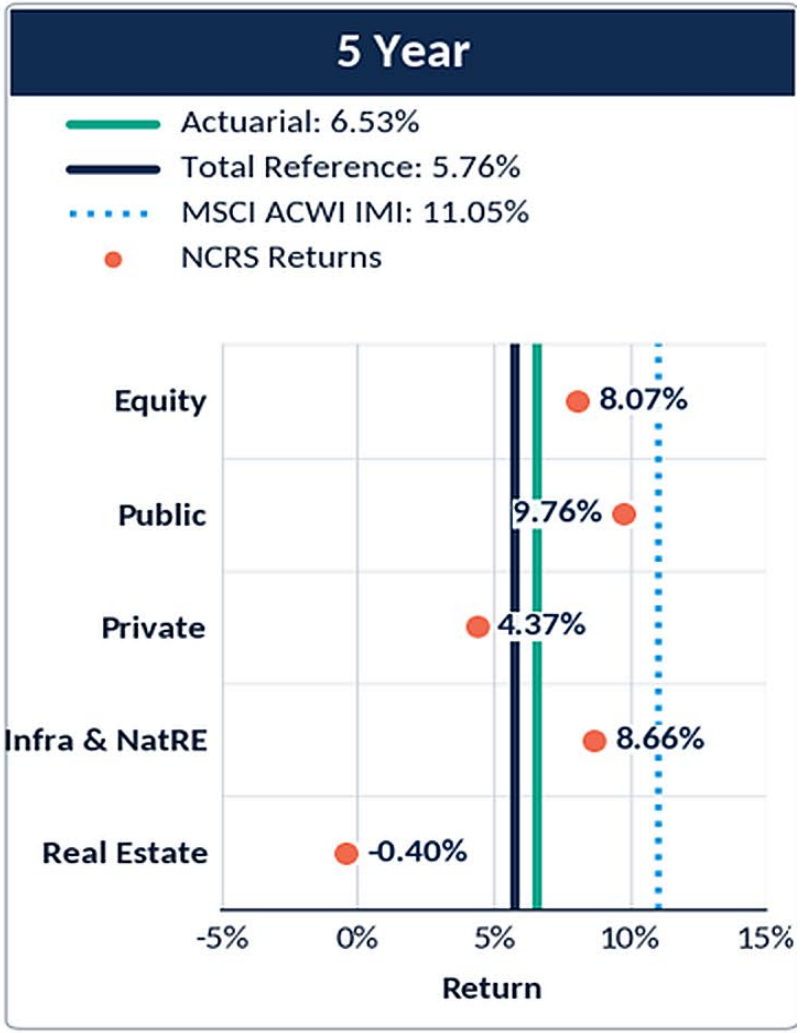
5 Year



Performance Analysis – Equity Sleeve



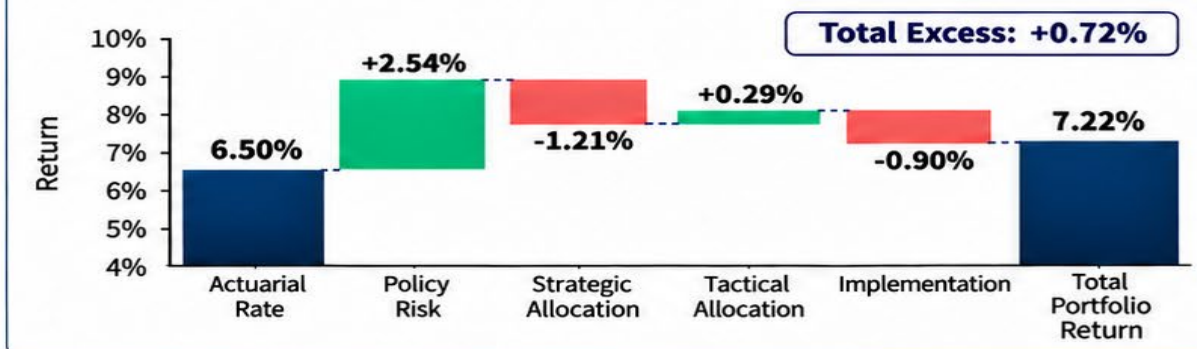




Attribution – Total Portfolio Return Bridge

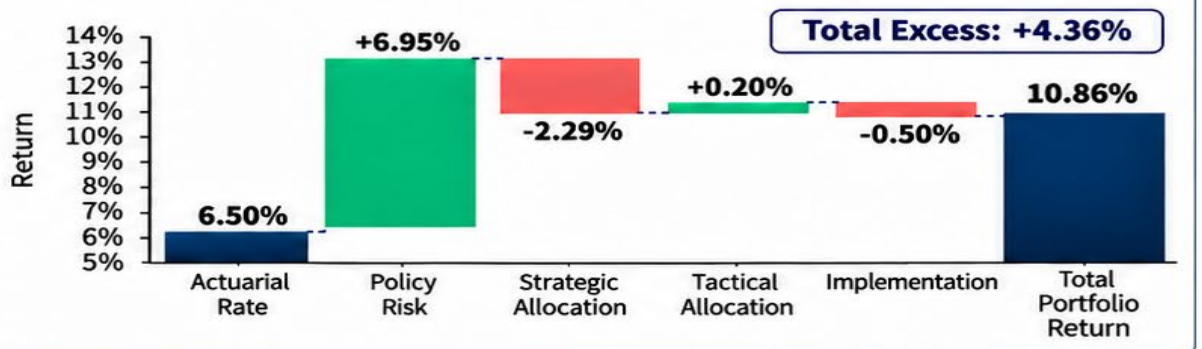
1-Year Total Portfolio Return Attribution Bridge

Rtn (level)	Actuarial Rate	Reference Portfolio	Static Wt Benchmark	Dynamic Wt Benchmark	Total Portfolio Return
	6.50%	9.04%	7.83%	8.12%	7.22%



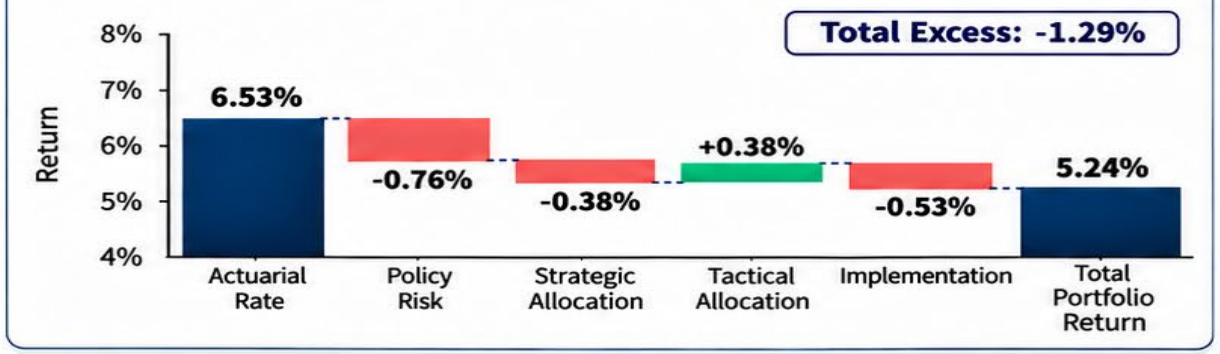
3-Year Total Portfolio Return Attribution Bridge

Rtn (level)	Actuarial Rate	Reference Portfolio	Static Wt Benchmark	Dynamic Wt Benchmark	Total Portfolio Return
	6.50%	13.45%	11.16%	11.36%	10.86%



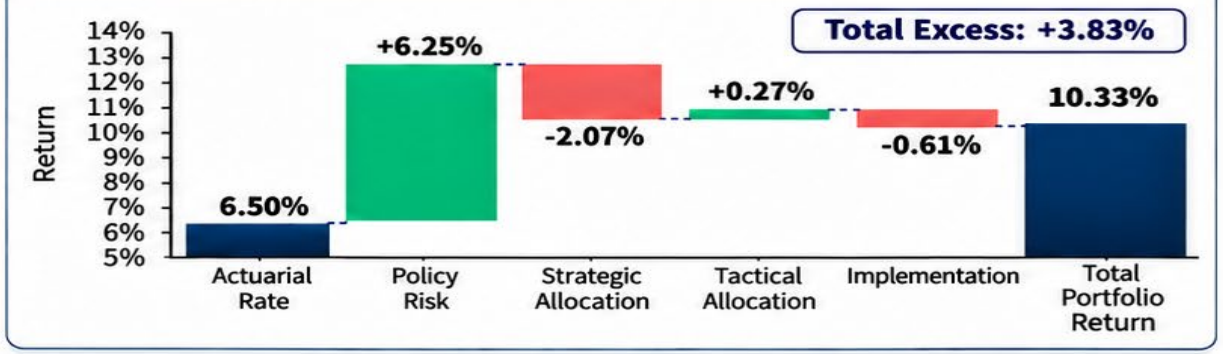
5-Year Total Portfolio Return Attribution Bridge

Rtn (level)	Actuarial Rate	Reference Portfolio	Static Wt Benchmark	Dynamic Wt Benchmark	Total Portfolio Return
	6.53%	5.76%	5.39%	5.77%	5.24%

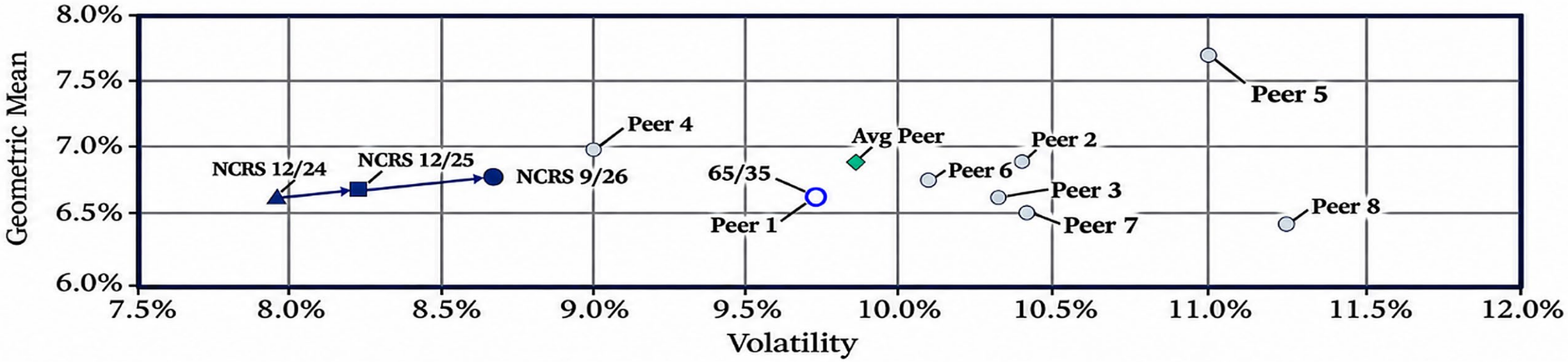


21-Month Total Portfolio Return Attribution Bridge

Rtn (level)	Actuarial Rate	Reference Portfolio	Static Wt Benchmark	Dynamic Wt Benchmark	Total Portfolio Return
	6.50%	12.75%	10.68%	10.95%	10.33%



Risk Monitoring – 10 Year Peer Relative Ex Ante Risk



ALLOCATION MIX

Grouping	NCRS 12/24	NCRS 12/25	NCRS 9/26	Avg Peer	Peer 1	Peer 2	Peer 3	Peer 4	Peer 5	Peer 6	Peer 7	Peer 8
Debt	42%	41%	33%	25%	25%	22%	24%	33%	36%	26%	14%	24%
Equity	56%	56%	61%	73%	73%	78%	76%	63%	64%	74%	77%	76%
MultiStrat	2%	3%	6%	2%	2%	0%	0%	4%	0%	0%	9%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Ortec 9/30/2026. Risk is the median across 2,000 scenarios where each scenario has an annualized standard deviation calculated from its 120 monthly returns.

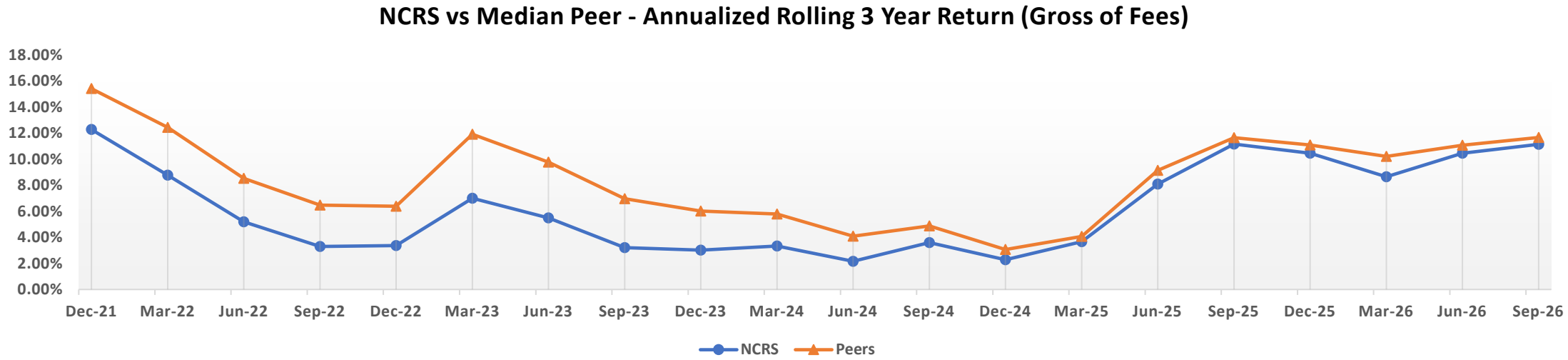
NCRS Gross of Fees Return and Risk

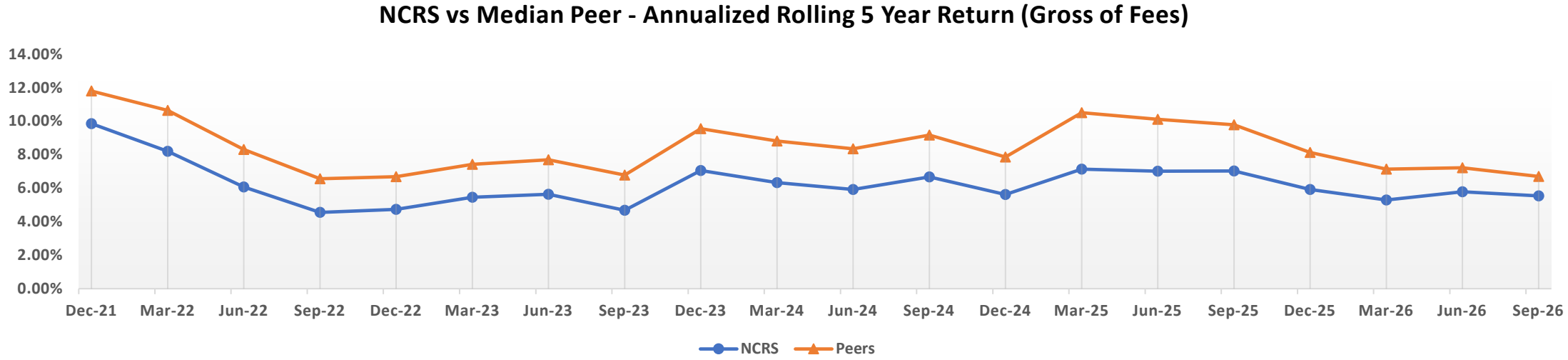
BNY Universe: US Public Funds > $20B; Data as of September 30, 2026

Returns	1 Year	3 Years	5 Years	5 Years Ending 2019	5 Years Ending 2014
Median Percentile	**8.95**	**11.66**	**6.70**	**6.37**	**13.12**
NCRS	**7.47**	**11.14**	**5.54**	**6.05**	**11.98**
Percentile Rank (1 = highest performance)	87	65	86	77	81
Risk					
Median Percentile	**6.54**	**6.39**	**7.57**	**5.83**	**8.15**
NCRS	**6.93**	**6.43**	**7.35**	**5.06**	**6.97**
Percentile Rank	40	43	58	77	83
Sharpe					
Median Percentile	**0.86**	**1.20**	**0.41**	**0.93**	**1.23**
NCRS	**0.56**	**0.99**	**0.27**	**1.02**	**1.39**
Percentile Rank	87	86	86	30	30

Note: Data shown is gross of fees with the exception of incentive payments, which have been deducted from NAV when applicable.

NCRS vs Median Peer





Note: Data shown is gross of fees with the exception of incentive payments, which have been deducted from NAV when applicable.
BNY Universe: US Public Funds > $20B; Data as of September 30, 2026.

NCRS New Asset Class Net of Fees Performance

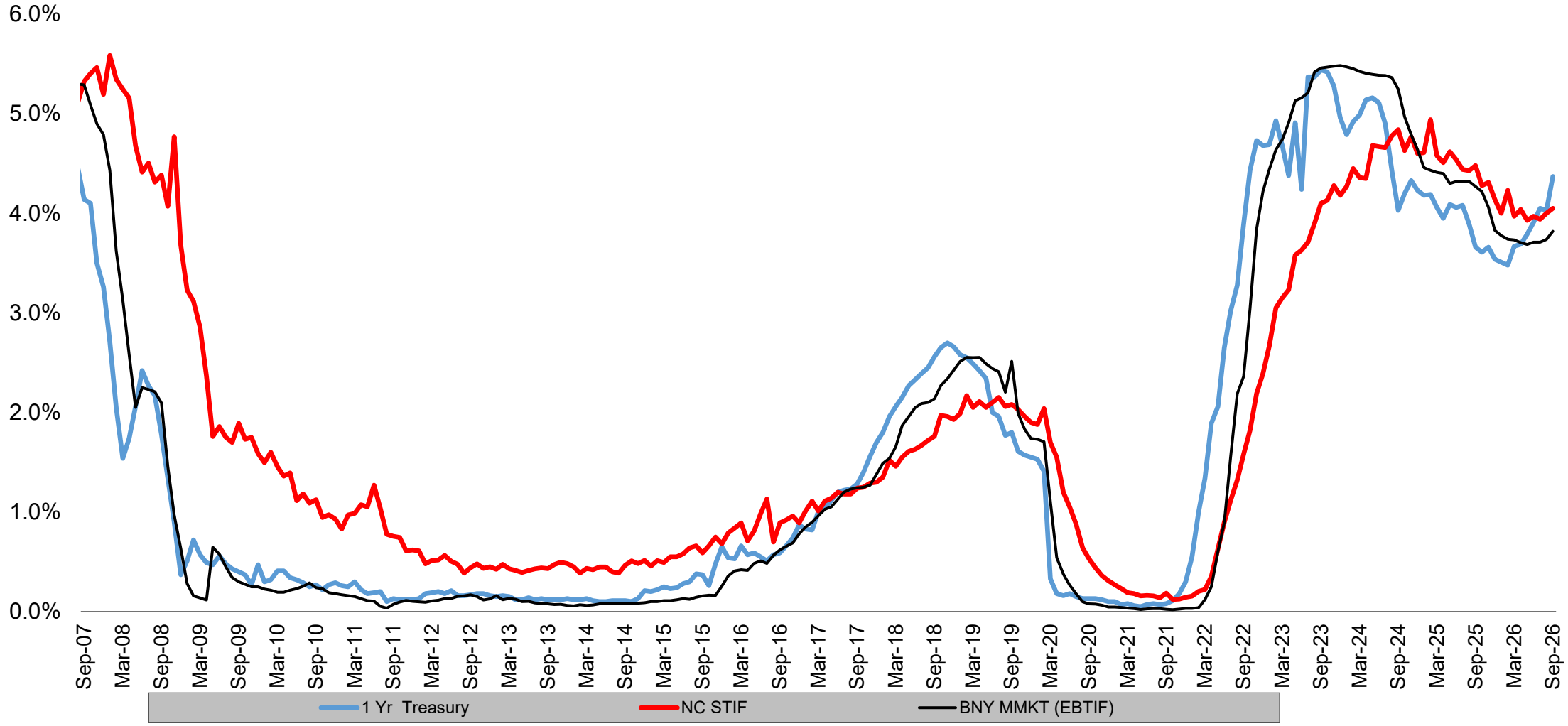
As of September 30, 2026

	Market Value ($MM)	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Equity	**$90,530**	**12.49**	**15.62**	**8.07**	**10.64**	**10.64**	**8.68**
Reference Portfolio Equity Benchmark[9]		16.61	21.27	11.05	12.05	11.66	8.28
Corporate Equity	$68,847	14.88	19.05	9.26	12.16	11.91	9.60
Benchmark[10]		16.29	19.55	10.42	11.86	11.48	8.17
Public Equity	$59,447	15.29	20.54	9.76	12.03	11.92	9.49
Benchmark[11]		16.61	21.27	11.05	11.89	11.53	7.98
Private Equity	$9,400	10.85	7.69	4.37	11.95	10.93	10.27
Benchmark[12]		13.56	9.15	6.58	11.14	10.32	9.98
Real Asset Equity	$21,684	2.62	1.31	2.33	4.61	5.32	4.45
Benchmark[13]		4.36	3.34	4.67	5.89	6.72	4.43
Infrastructure & Natural Resources	$9,657	6.13	6.17	8.66	6.44	3.64	3.52
Benchmark[14]		9.35	9.00	10.26	8.93	7.54	7.86
Real Estate	$12,027	0.57	-0.98	-0.40	3.80	6.42	5.26
Benchmark[15]		0.61	-0.82	0.56	3.56	5.85	3.70
Debt	**$48,243**	**-0.52**	**4.56**	**1.36**	**2.55**	**3.13**	**4.37**
Reference Portfolio Debt Benchmark[4]		-5.29	2.16	-3.99	-0.65	0.83	2.84
Cash	$1,704	3.96	4.57	3.58	2.43	-	-
Benchmark[5]		3.69	4.49	3.73	2.40	-	-
Investment Grade Fixed Income	$32,298	-3.35	3.88	-1.20	1.20	2.24	3.71
Benchmark[6]		-3.68	3.91	-2.00	0.70	1.90	3.35
Credit	$14,240	6.15	7.55	5.87	6.46	6.57	7.11
Benchmark[7]		6.46	7.23	5.84	5.32	4.47	2.88
Multi-Strategy	**$8,830**	**5.53**	**8.48**	**5.78**	**5.35**	**7.19**	**5.29**
Benchmark[16]		6.20	7.07	3.57	4.23	5.90	5.04
Total Pension Plan	**$147,603**	**7.22**	**10.85**	**5.24**	**7.04**	**7.40**	**6.25**
Actuarial Rate of Return		6.50	6.50	6.53	6.79	6.94	7.02
Reference Portfolio (65/35)[1]		9.04	13.45	5.76	7.42	7.31	6.23
Implementation Benchmark[2]		7.83	11.16	5.39	6.99	7.10	5.99

See Notes slide at end of presentation for benchmark descriptions.

Short Term Portfolio (STIF) Rate History

$45.8 Billion AUM as of September 30, 2026



SOURCE: Bloomberg and BNY Mellon

Section 4: Risk Metrics

NORTH CAROLINA
INVESTMENT AUTHORITY
Bradford B. Briner, State Treasurer and Chairman of the Board

Risk Dashboard – IPS Monitoring Guidelines

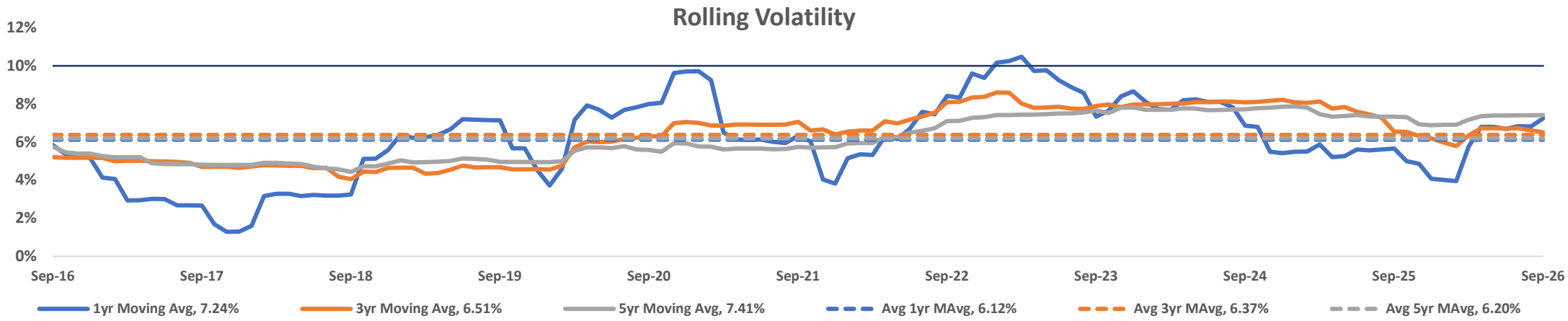
3-YEAR HORIZON					
Metric	Guideline Range	SAA	CAA	65/35	Avg Peer
Excess return vs actuarial	-4.0% to 4.0%	-0.2%	-0.2%	-0.6%	-0.5%
Excess return vs reference	-1.0% to 2.0%	0.2%	0.2%	0.0%	0.1%
Volatility	7.0% to 10.0%	7.9%	8.1%	9.2%	9.3%
Tracking error	3.0% to 4.0%	3.0%	3.0%	0.0%	3.4%
Sharpe ratio	-0.1 to 0.9	0.8	0.7	0.6	0.6
Information ratio	-0.3 to 0.5	0.1	0.1	n.a.	0.0

10-YEAR HORIZON					
Metric	Guideline Range	SAA	CAA	65/35	Avg Peer
Excess return vs actuarial	-1.5% to 3.0%	0.4%	0.3%	0.2%	0.4%
Excess return vs reference	-0.5% to 1.0%	0.1%	0.0%	0.0%	0.1%
Volatility	8.0% to 10.0%	8.5%	8.7%	9.8%	9.9%
Tracking error	3.0% to 4.0%	3.1%	3.1%	0.0%	3.5%
Sharpe ratio	0.1 to 0.6	0.8	0.8	0.7	0.7
Information ratio	-0.1 to 0.3	0.0	0.0	n.a.	0.0

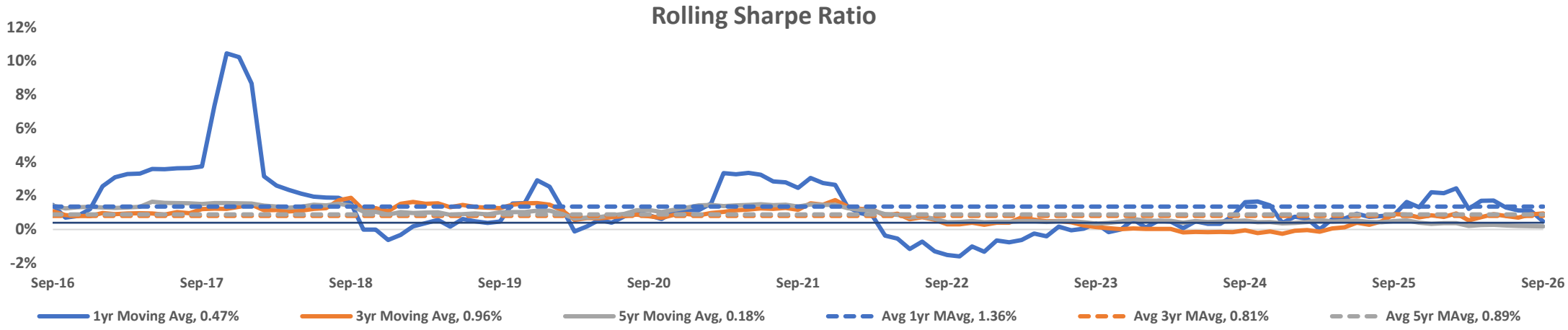
Source: Ortec 9/30/2026. Metrics represent the medians or inter-quartile spread across 2,000 scenarios where each scenario has a metric calculated from its 120 monthly returns.

NCRS Net of Fees Risk Metrics

As of September 30, 2026



@FactSet Research Systems



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Annual Illiquid Investment Certification

Annual Certification

The Board certifies the Retirement Systems' illiquid allocation annually (N.C.G.S. § 147-71.2(a)(6)b).

40% Statutory Limit

Illiquid investments are capped at 40% of invested assets (N.C.G.S. § 147-69.2(b)(10b)).

Liquidity Scoring Methodology Overview

Horizon Periods

Liquidity is assessed over 3 months, 6 months, 1 year, and 2 years.

Baseline Scenario

Assumes 0% return over each horizon period. Liquidity percentage calculated against the Time 0 market value.

Stress Scenario

- Models a repeat of **CY 2022 market shock** (sharp declines in equities and fixed income).
- Losses occur instantly and valuations remain depressed over each horizon period.
- Longer liquidation timeframes for open ended vehicles with potential gating and accelerated capital calls for closed-end and comparable vehicles.

Key Assumptions by Asset Class

- Public Equity – 10% of the recent average daily volume/per day
- Public IG Fixed Income – 100% within 3 months
- Commodities Futures – 100% within 10 days
- Open-Ended Vehicles – Redemption rights determined by legal documents
- Closed-Ended Vehicles – 25% liquid in 9 months and 25% more within 18 months at haircuts determined by current secondary market conditions (applied by strategy), with the remaining 50% not liquid within 2 years.
- High Control Structures – 25% within 6 months at 20% discount, 60% more within 12 months at 20% discount, 10% more within 24 months at 20% discount, with the remaining not liquid within 2 years

Liquidity Scoring: Results (As of September 30, 2026)

Board Approved Timeframe
Use 2 year % Illiquid metric to assess statutory compliance

Monitoring Output

Baseline				Stress		
Timeframe	% Liquid	% Illiquid		**Timeframe**	% Liquid	% Illiquid
3 months	71%	29%		**3 months**	61%	39%
6 months	73%	27%		**6 months**	60%	40%
1 year	79%	21%		**1 year**	60%	40%
2 years	86%	14%		**2 years**	64%	36%

Annual Illiquid Investment Certification

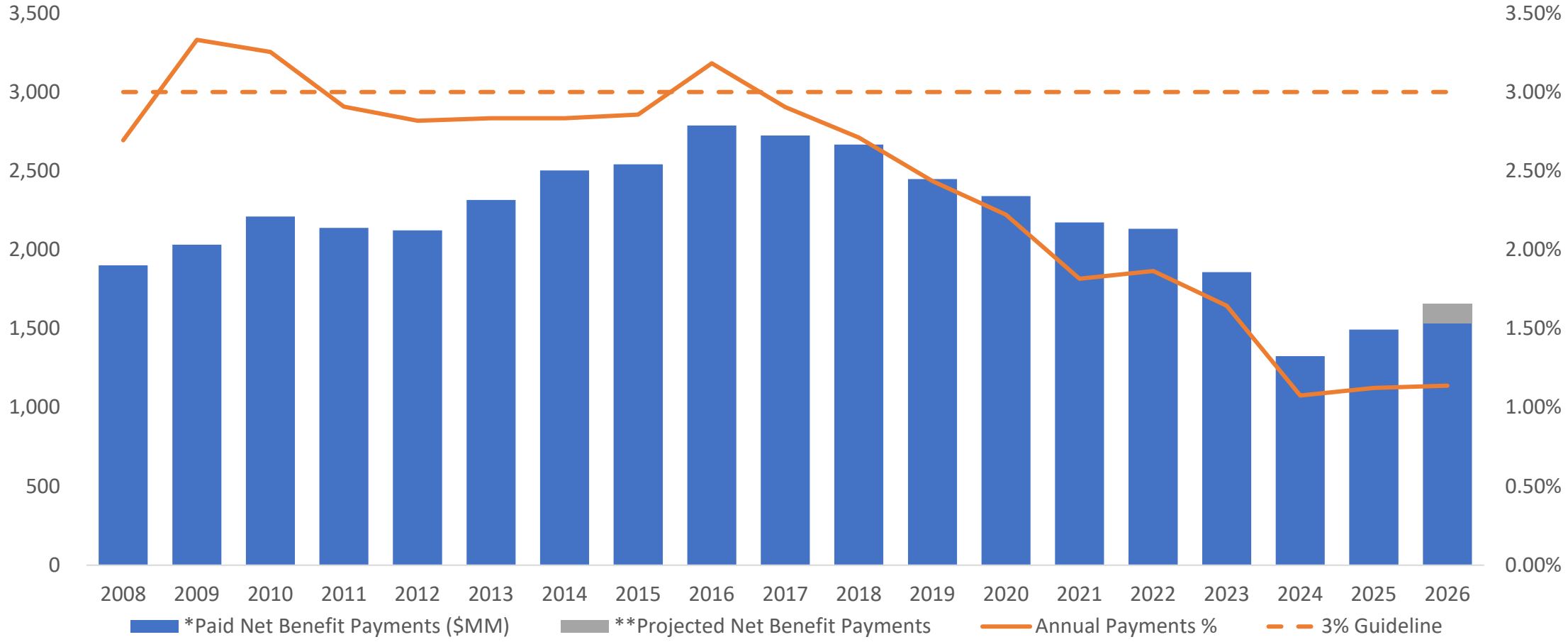
Board Action Requested

Pursuant to N.C.G.S. § 147-71.2(a)(6)b, the NCIA Board of Directors certifies that the market value of illiquid investments within the North Carolina Retirement Systems is below the statutory cap of 40% of the market value of all invested assets.

As of 9/30/2026, the illiquid allocation of the North Carolina Retirement System is 14%, using the methodology reviewed and approved by the Board at the February 25, 2026 Board of Directors meeting.

NCRS Liquidity Profile

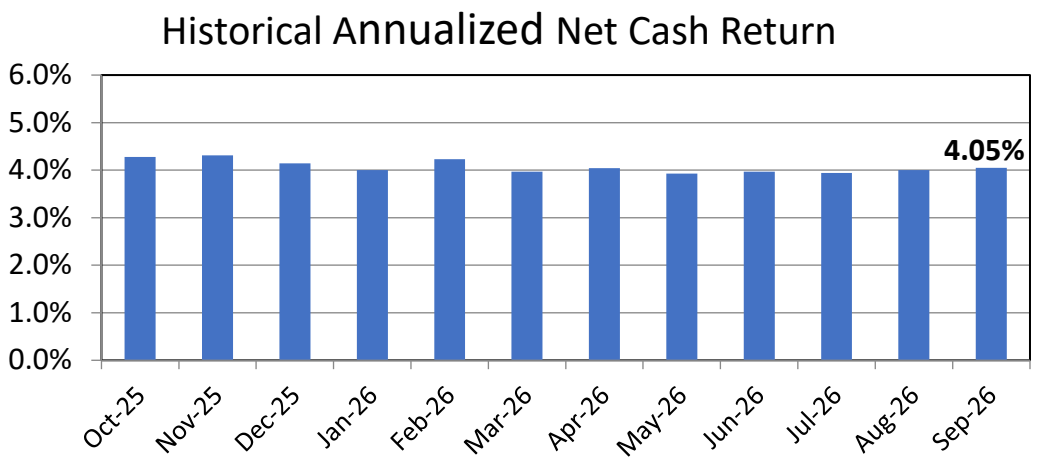
Net benefit payments by calendar year

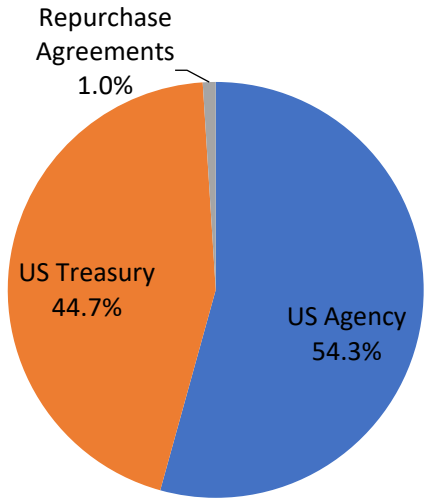


*Benefit payments exclude transfers from the Retiree Health Premium Fund as of January 1, 2022.

**Projected Net Benefit Payments for remainder of calendar year.

Cash Management Risk Profile





Portfolio Characteristics	Month ending 9/30/26
Current Annualized Net Cash Return	4.05%
Effective Duration	1.68
Average Maturity (Yrs)	2.2
Average Credit Rating (Moody's)	Aa1
Average Price	99.93
Average Coupon	4.00%

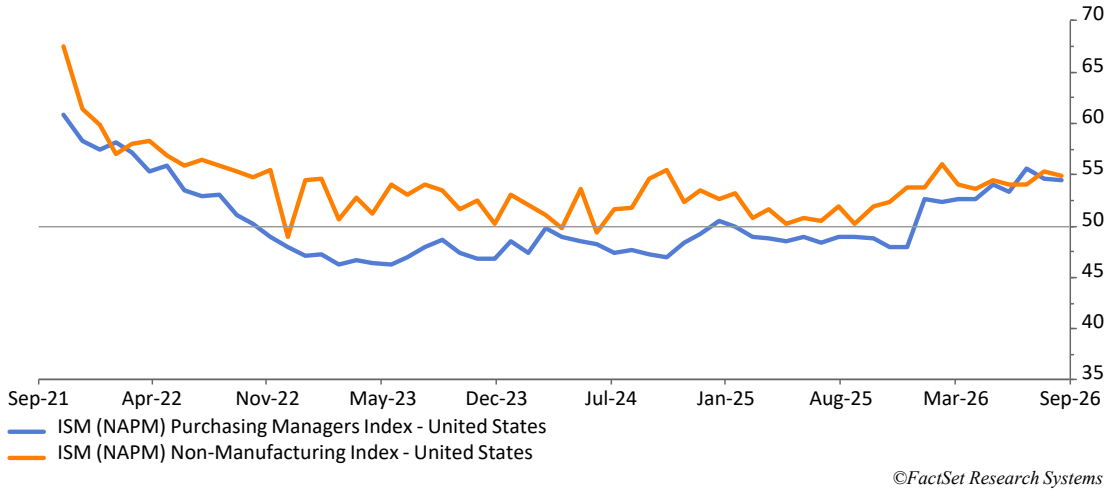
STIF Liquidity Profile as of 9/30/26		
	Allocation	Policy Target
Maturity < 1 Year	45.7%	40% Min
Maturity 1-3 Year	17.0%	40% Max
Maturity 3-5 Year	37.3%	40% Max

Appendix 1: Macro Charts

NORTH CAROLINA
INVESTMENT AUTHORITY
Bradford B. Briner, State Treasurer and Chairman of the Board

US and Global Economic Environment

ISM Report on Business



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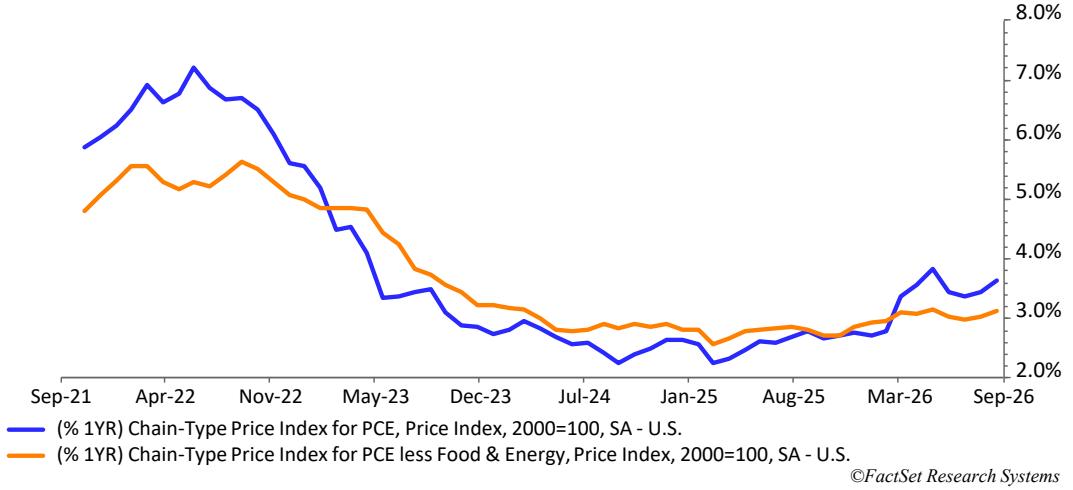
US PCE Inflation



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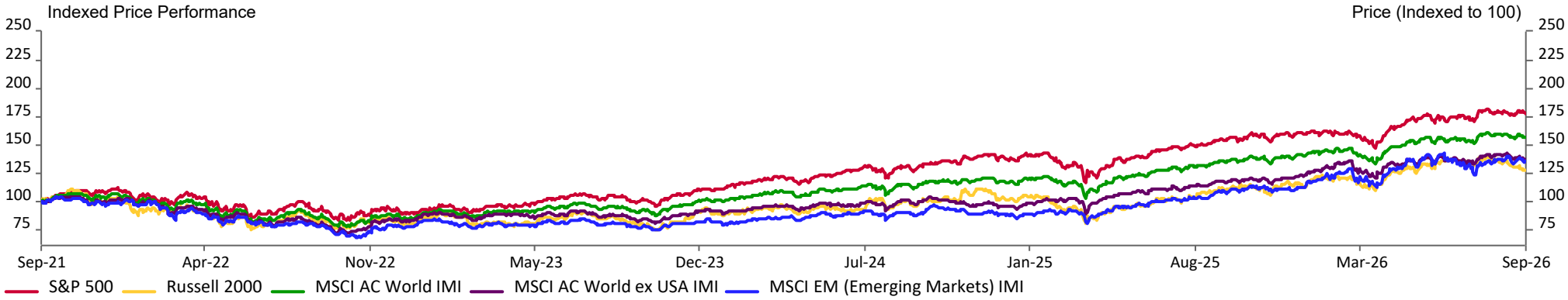
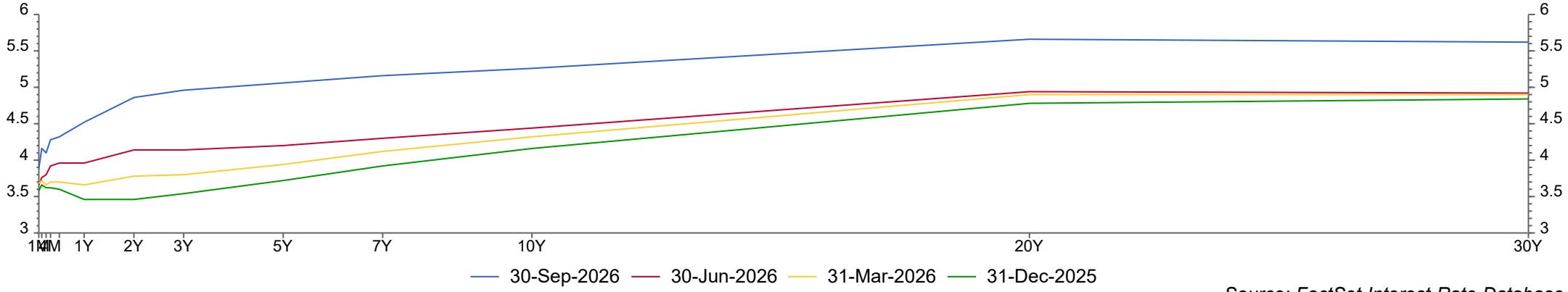
S&P 500 vs. Peers



Source: FactSet Prices

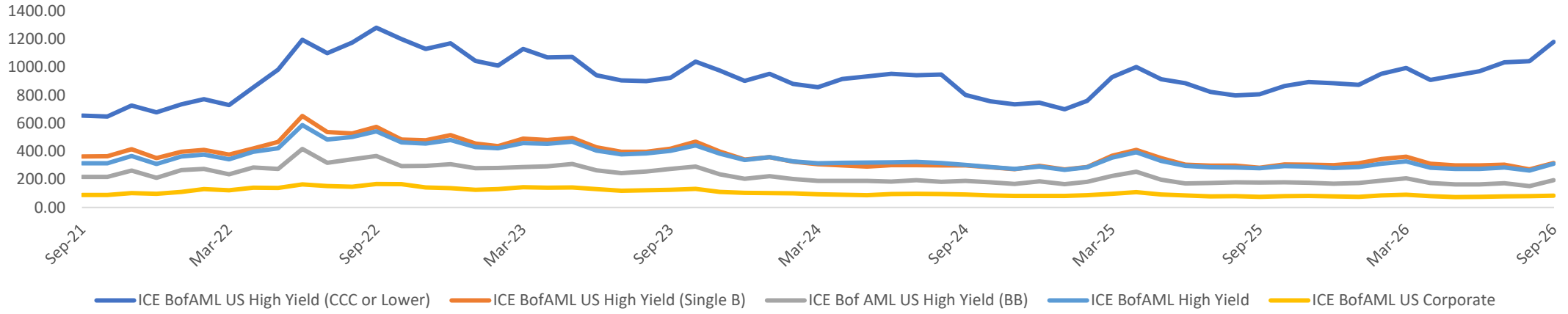
Market Environment

United States Treasury Yield Curve



Source: FactSet Interest Rate Database

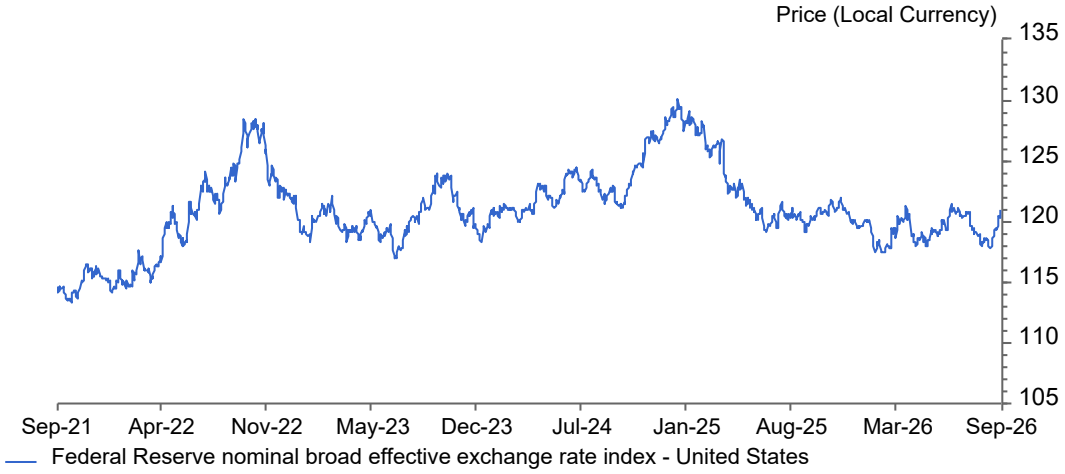
Corporate Credit OAS (ICE BAML Indices)



Source: ICE BAML

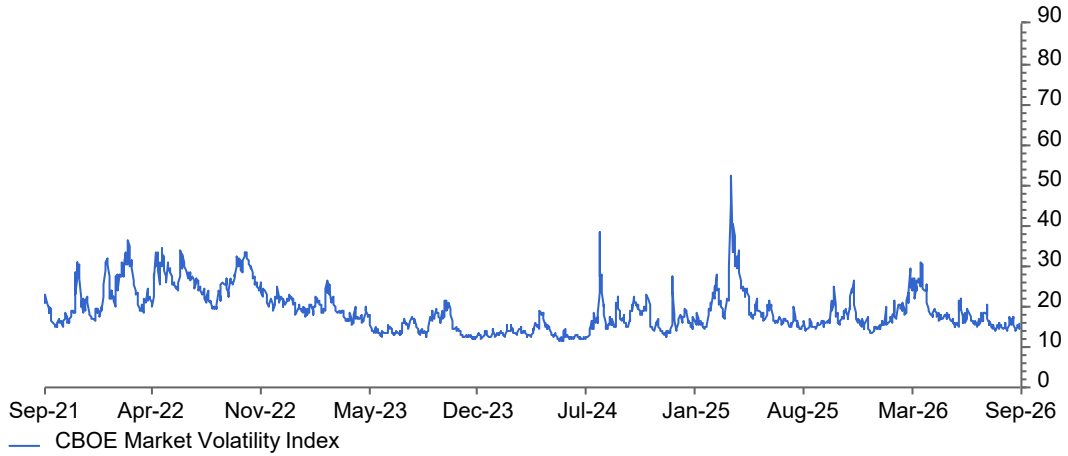
Market Environment

Closing Price Fed Nominal Broad Dollar Index



Source: FactSet Prices

Closing Price CBOE VIX Index



Source: FactSet Prices

	Real GDP YoY		Unemployment		CPI YoY	
Countries	Date	Value	Date	Value	Date	Value
U.S.	09/26	2.1	09/26	4.2	09/26	3.7
Europe						
Germany	09/26	1.2	09/26	6.4	09/26	3.3
France	09/26	-0.1	09/26	8.5	09/26	3.1
U.K.	06/26	1.2	08/26	4.7	09/26	3.5
Italy	09/26	0.8	09/26	6.3	09/26	4.2
Spain	09/26	2.7	09/26	10.3	09/26	4.9

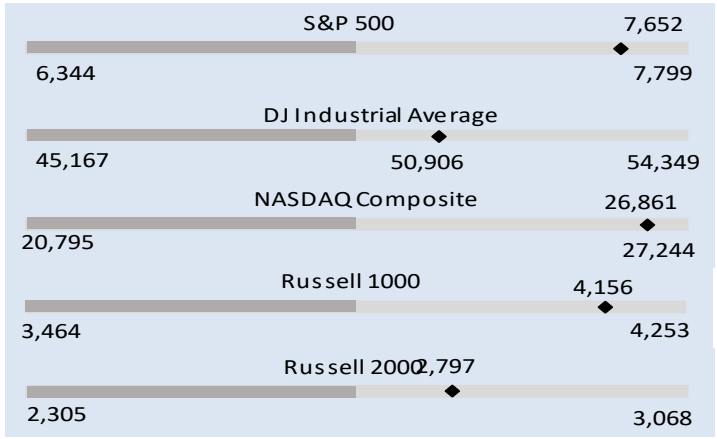
	Real GDP YoY		Unemployment		CPI YoY	
Countries	Date	Value	Date	Value	Date	Value
Asia/Pacific/Latam						
China	09/26	4.5			09/26	0.9
India	06/26	7.8			09/26	5.6
Japan	06/26	0.9	09/26	2.4	09/26	2.1
Indonesia	06/26	5.3			09/26	3.3
Brazil	06/26	2.0			09/26	4.6
Australia	06/26	2.1	09/26	4.7	09/26	4.3

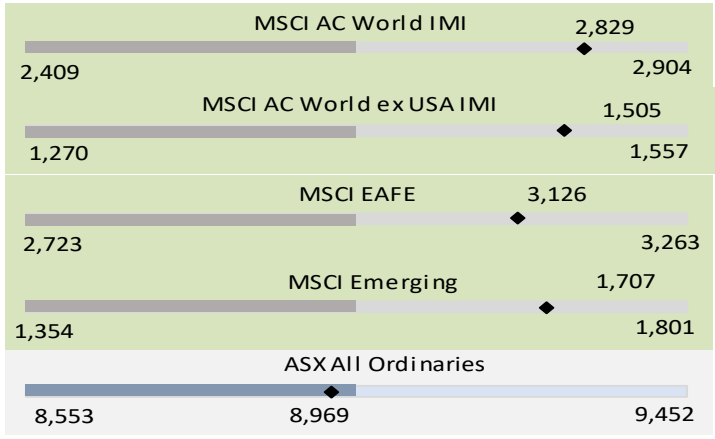
Source: Bloomberg

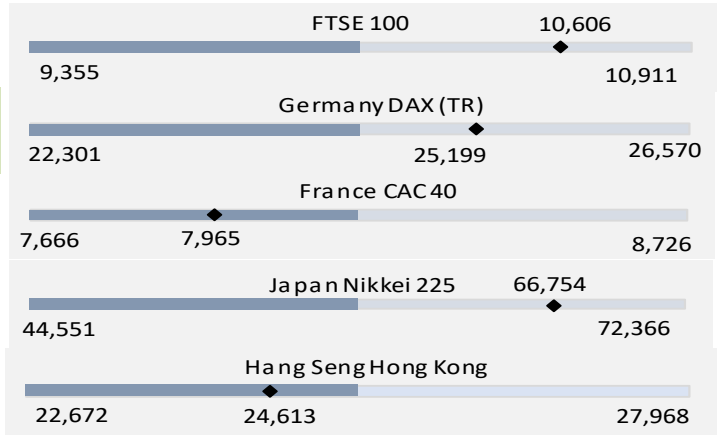
Economic Environment

Index 52 Week range as of September 30, 2026

Price

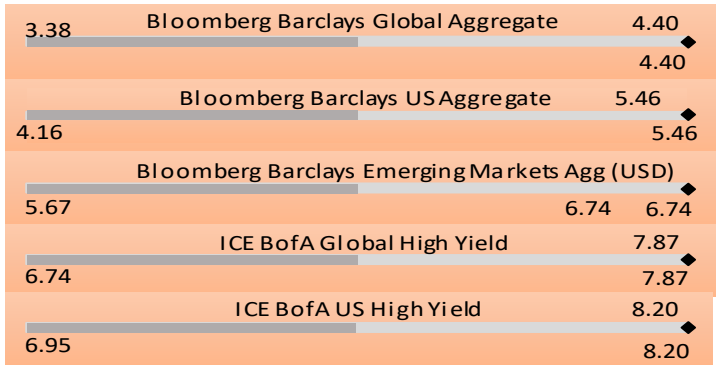


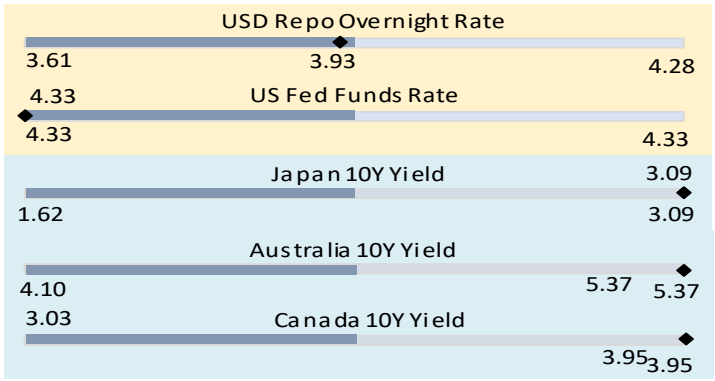


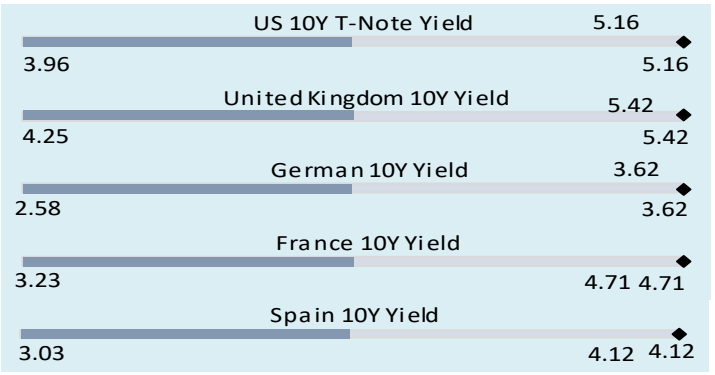


Source: Factset Prices

Yield





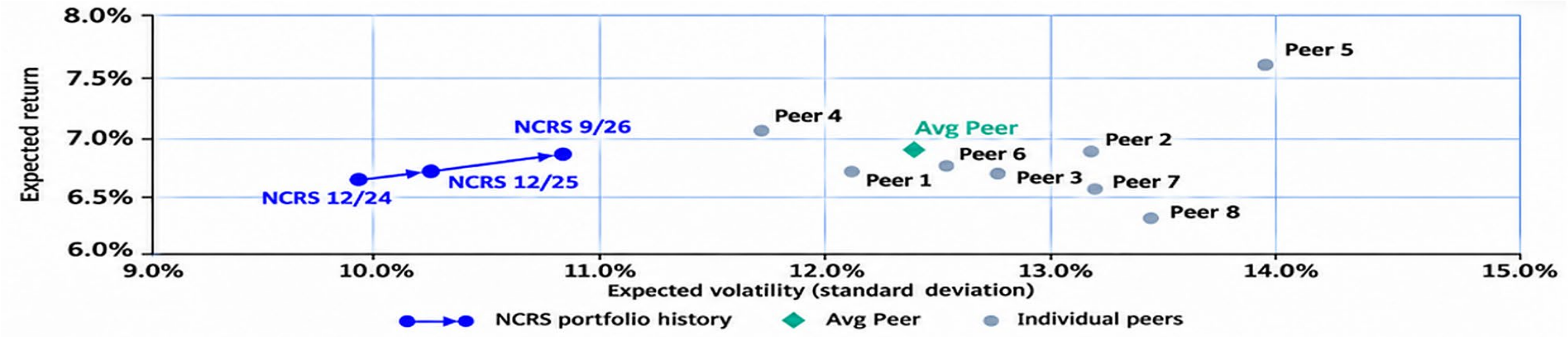


Source: Factset Interest Rate Database

Appendix 2: Other Portfolio Information and Asset Class Performance/Characteristics

NORTH CAROLINA
INVESTMENT AUTHORITY
Bradford B. Briner, State Treasurer and Chairman of the Board

Portfolio Risk Analysis – 10 Year Ex-Ante



ALLOCATION MIX

Grouping	NCRS 12/24	NCRS 12/25	NCRS 9/26	Avg Peer
Debt	42%	41%	33%	25%
Equity	56%	56%	61%	73%
Multi Strat	2%	3%	6%	2%
Total	**100%**	**100%**	**100%**	**100%**

Source: Ortec 9/30/2026. Risk is calculated by compounding each scenario's monthly returns into 10 annual returns per scenario and then calculate the standard deviation across 20,000 returns (2,000 scenarios × 10 years).

Capital Market Assumptions

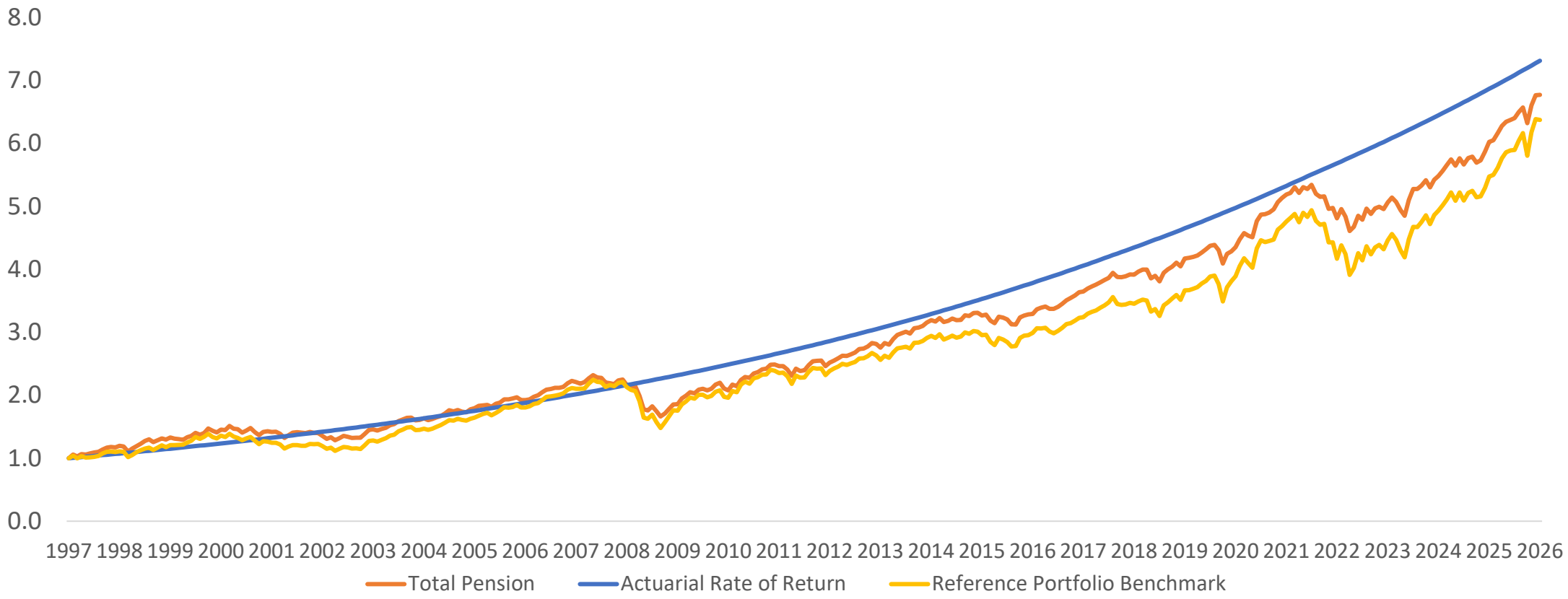
10-YEAR ASSET CLASS ASSUMPTIONS

Asset Class	Expected Return	Standard Deviation
Cash	4.22%	1.88%
Asset Backed Lending	7.61%	14.08%
Corporate Lending	8.95%	19.07%
Investment Grade	6.67%	7.57%
Buyout	8.56%	24.97%
Growth & Venture	11.91%	42.38%
Public Equity	7.43%	17.32%
Infrastructure & Natural Resources	8.03%	14.21%
Real Estate	8.03%	16.96%
Multi-Strategy	5.22%	8.50%

Source: Ortec 9/30/2026. Risk is calculated by compounding each scenario's monthly returns into 10 annual returns per scenario and then calculate the standard deviation across 20,000 returns (2,000 scenarios × 10 years)

Growth of a Dollar

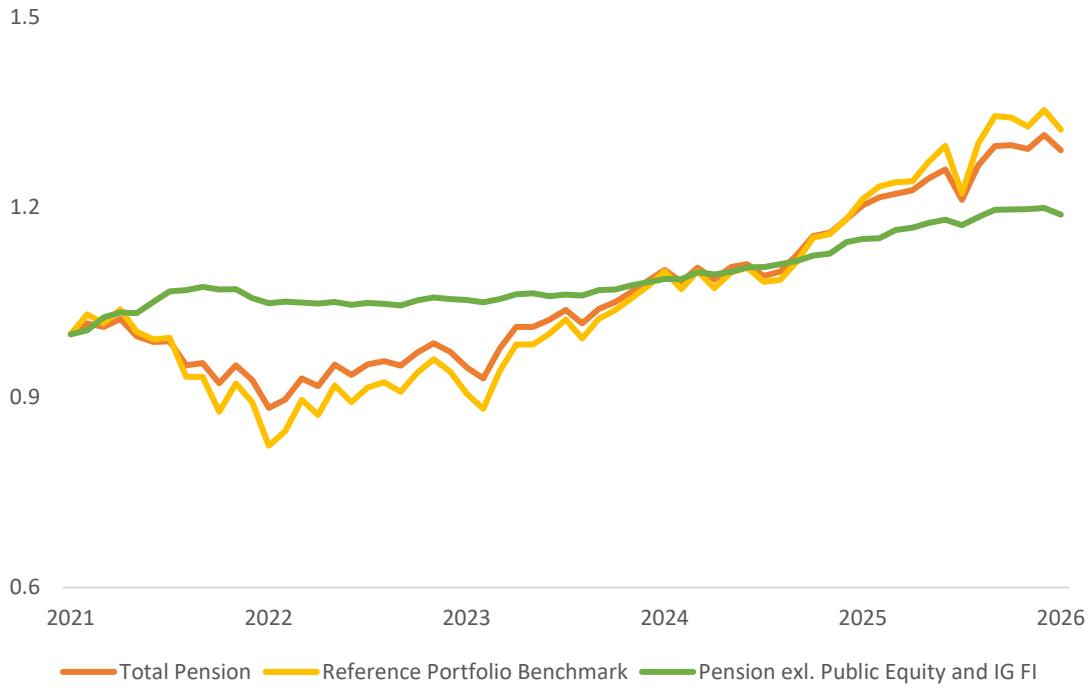
Through September 30, 2026



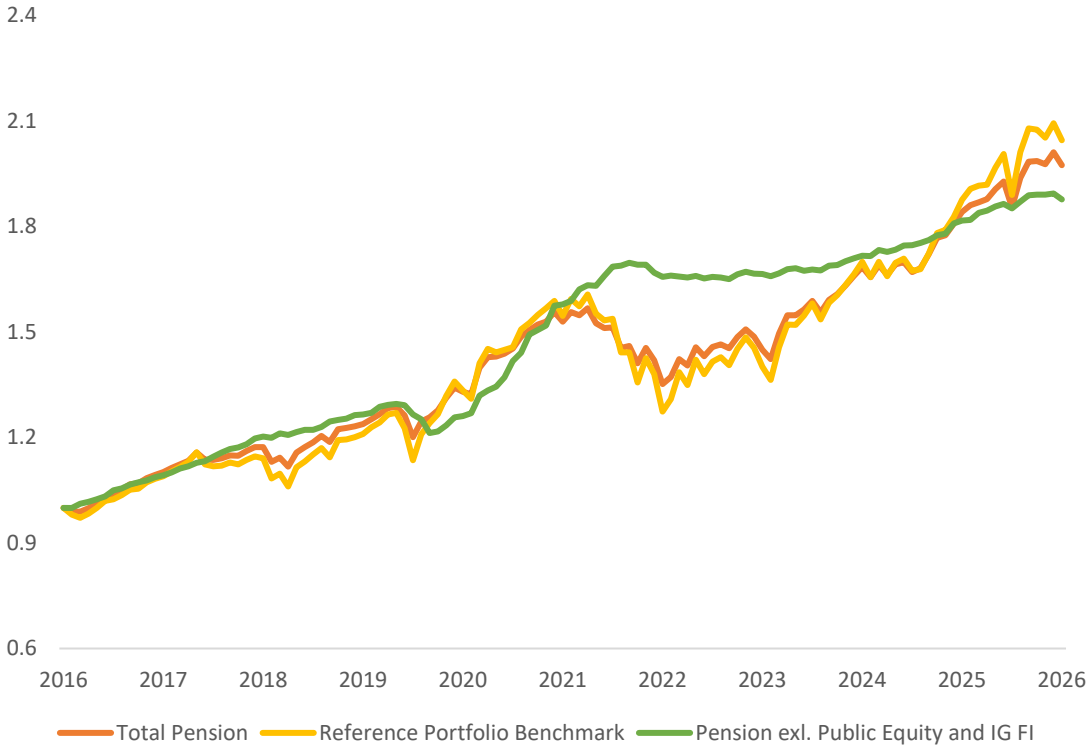
The Reference Portfolio Benchmark is comprised of 65% MSCI ACW IMI Net and 35% ICE BofA 5+ Years U.S. Treasury Index from March 2026 onward. The structure of this benchmark has changed overtime as the investment policy has changed, and the returns reflect the historical structure that was in place at the time. Most recently, it was comprised of 57% MSCI ACWI IMI Net, 33% ICE BofA 5+ Years U.S. Treasury Index, 6% Bloomberg Commodity Index, and 4% ICE BofA 1-3 Years U.S. Inflation-Linked Treasury Index.

Growth of a Dollar

5 Years Ending September 30, 2026



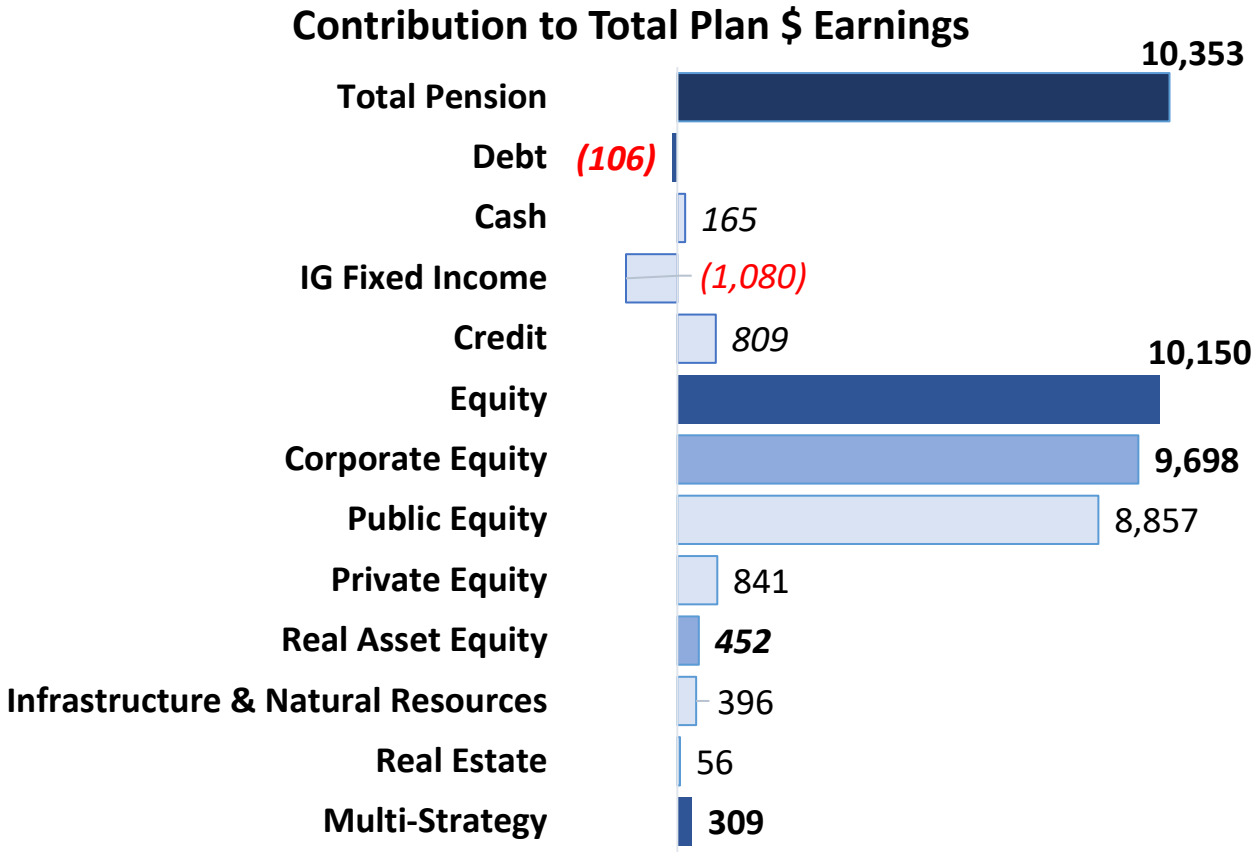
10 Years Ending September 30, 2026

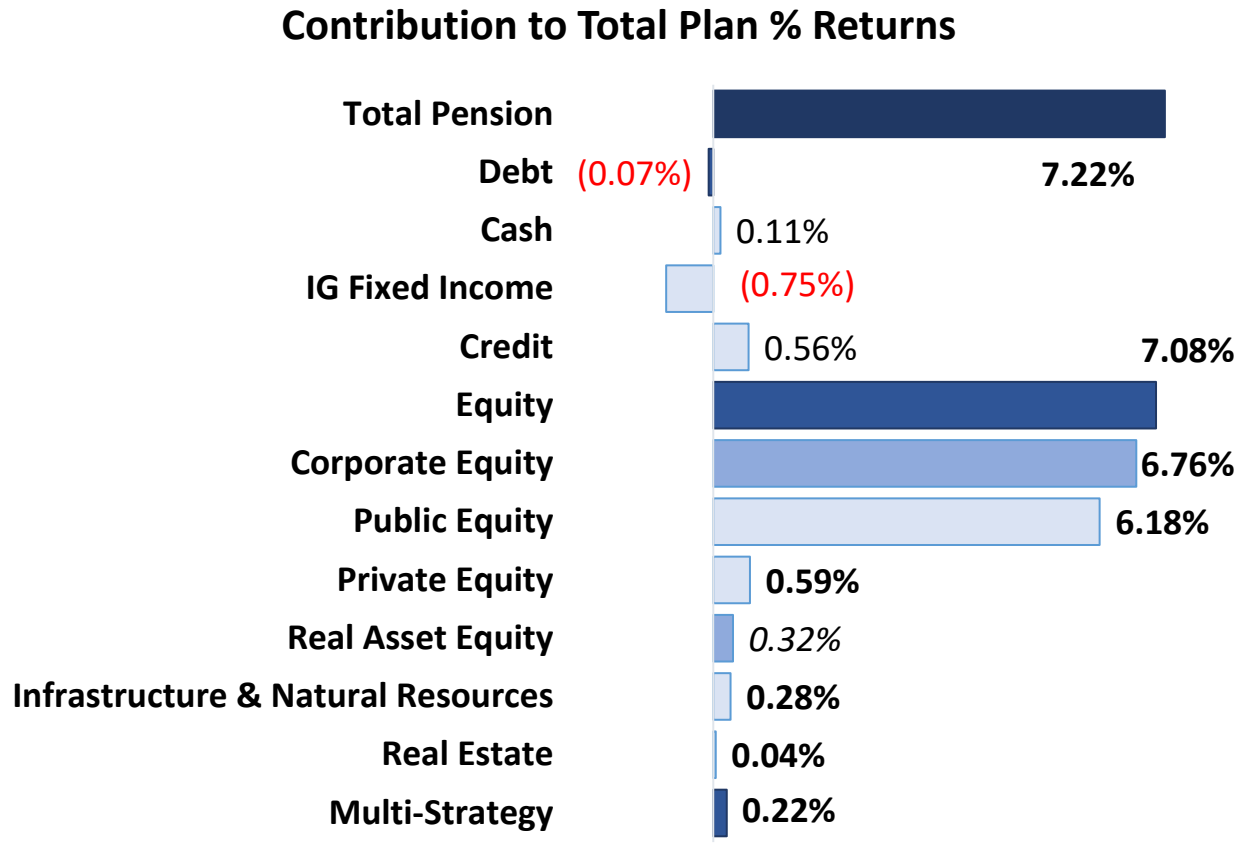


Note: Pension excl. Public Equity and IG FI includes the following: Core Real Estate; Inflation Sensitive – Private Natural Resources; Inflation Sensitive – Real Assets and Other Diversifiers; Multi-Strategy Investments; Non-Core Real Estate; Opportunistic Fixed Income; Private Equity; Equity Hedge Strategies; and closed-end Public Natural Resource funds.

Estimated Contribution to Total Plan Return – 1 Year

As of September 30, 2026

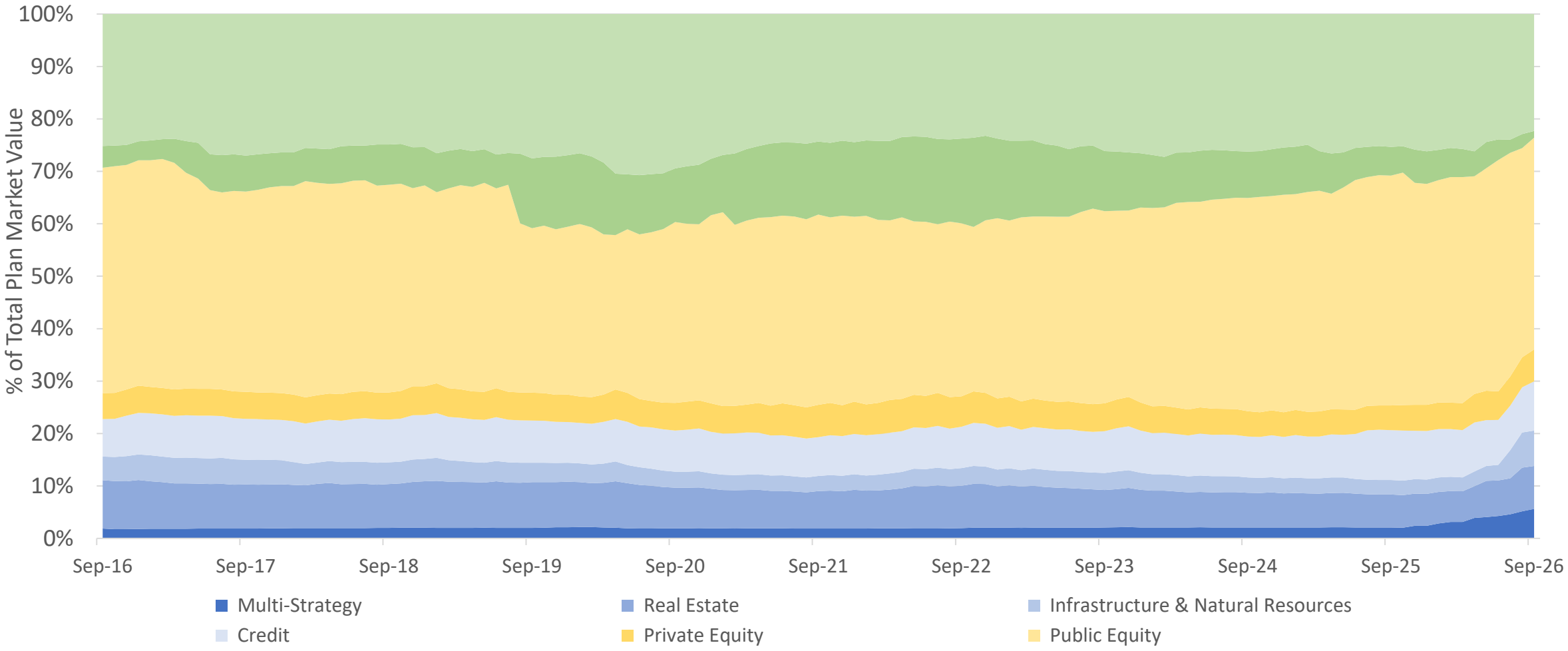




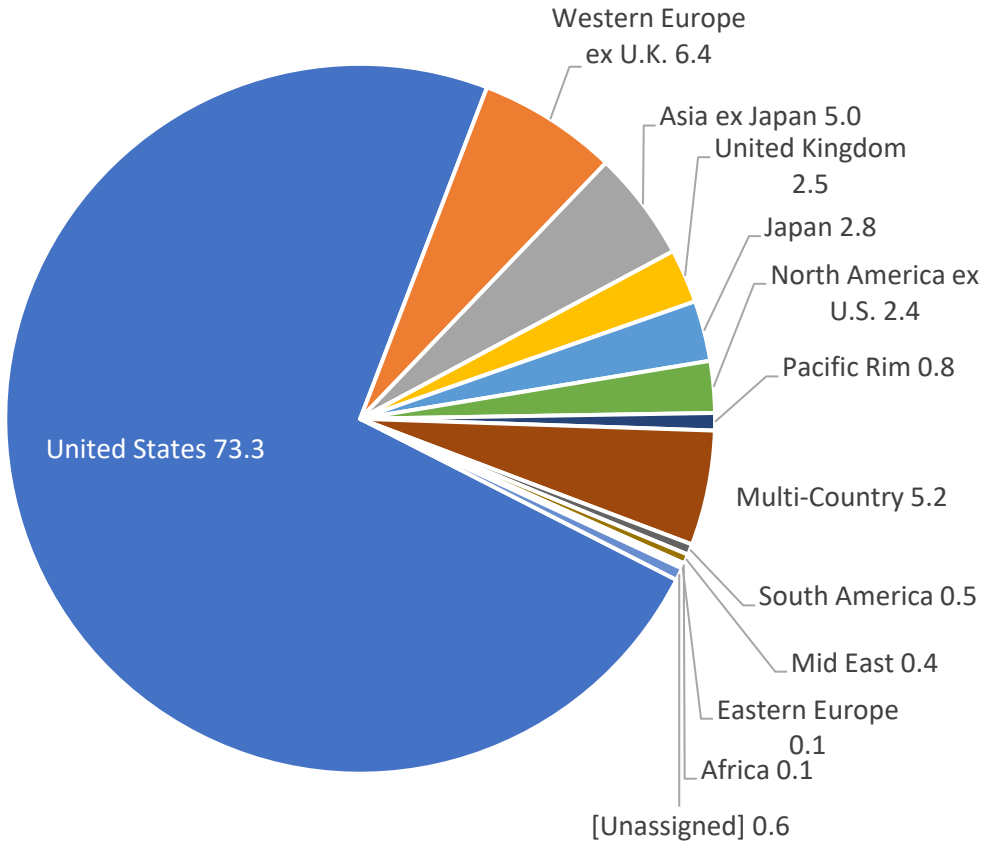
Notes:

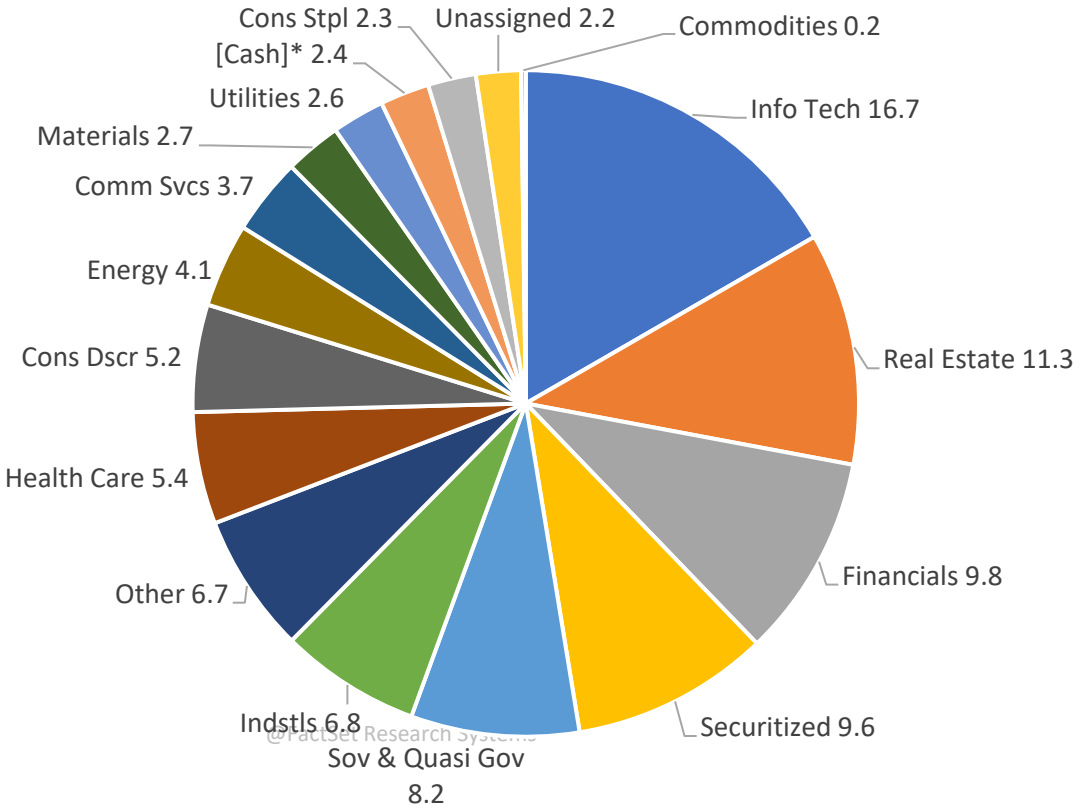
1.) Estimated Contributions are based on average market value and the total return for the period.
Contribution to Total Plan $ Earnings = Average $ Market Value * % Total Return for each asset class.
Contribution to Total Plan % Returns = Average Market Value % weight * % Total Return for each asset class.

Asset Allocation History
as of September 30, 2026



Portfolio Geographical and Sector Exposures

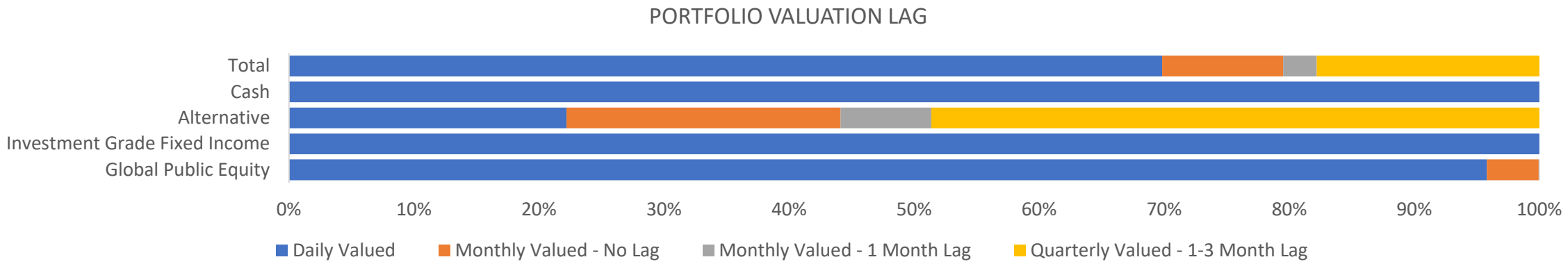


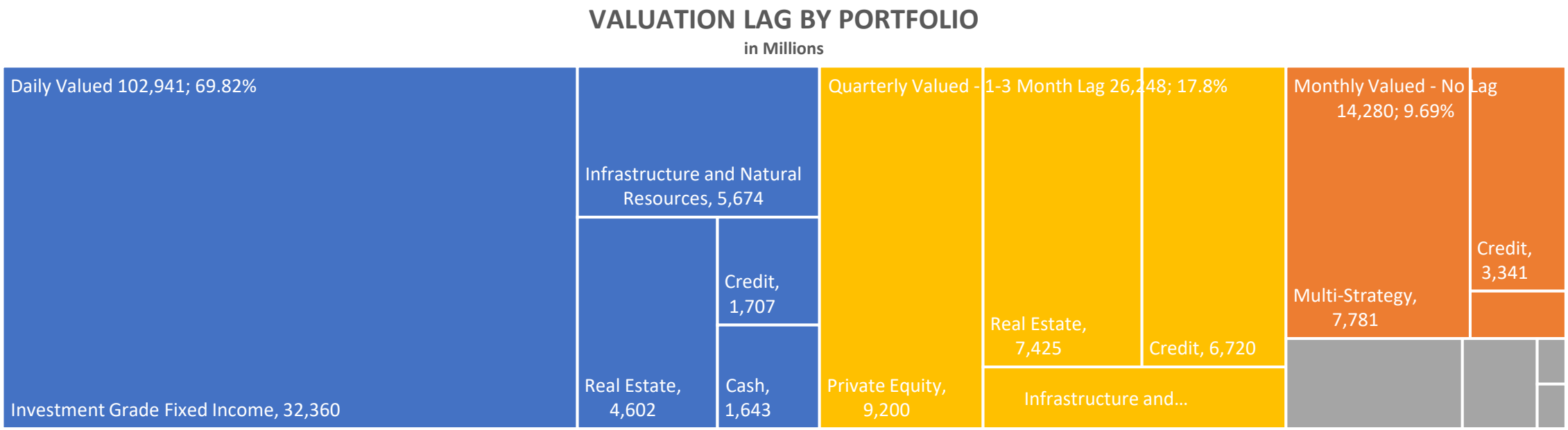


* This report is looking through the STIF account and classifying the underlying securities. [Cash] consists of money market funds, currency, liabilities and temporary cash entries.

NCRS Valuation Lag Profile

As of September 30, 2026





Unfunded Investment Commitments

As of September 30, 2026

Asset Class	Unfunded Commitments ($MM)	Unfunded ex Discretionary Commitments ($MM)
Public Equity	117	117
Private Equity	8,521	4,886
Credit	5,148	1,362
Infrastructure and Natural Resources	7,318	1,729
Real Estate	3,406	2,277
Multi Strategy	610	80
Total	25,120	10,450

Figures are based on original capital commitments and have not been updated to reflect expired investment periods.
$14.7B in discretionary commitments are comprised of $9.3B with full discretion and $5.4B with terms allowing discretion based on defined thresholds.

Top 20 Investment Managers

As of September 30, 2026

		Market Value by Investment Program						
#	Investment Manager	NCRS	Other	SRP	CASH MGMT	Total $MV	% Total MV	% Total MV Cum.
1	Internal Fixed Income	33,928,811,582	-	-	45,810,215,157	**79,739,026,738**	36.6%	36.6%
2	Internal Equity	38,439,576,114	-	-		**38,439,576,114**	17.6%	54.2%
3	BlackRock, Inc.	18,603,531,681	3,189,615,570	10,146,721,591		**31,939,868,842**	14.6%	68.8%
4	Baillie Gifford	4,461,527,213	-	1,359,993,794		**5,821,521,008**	2.7%	71.5%
5	Mondrian Investment Partners Limited	3,252,380,717	-	1,364,735,216		**4,617,115,933**	2.1%	73.6%
6	Ares Management	3,735,071,375	-	-		**3,735,071,375**	1.7%	75.3%
7	Wellington Management	3,217,012,536	-	-		**3,217,012,536**	1.5%	76.8%
8	Angelo, Gordon & Co.	2,525,245,891	14,004,654	-		**2,539,250,545**	1.2%	78.0%
9	Gladius Capital Management LP	2,532,535,483	-	-		**2,532,535,483**	1.2%	79.1%
10	Benefit Street Partners	2,491,369,842	-	-		**2,491,369,842**	1.1%	80.3%
11	ValueAct Capital	2,451,790,554	-	-		**2,451,790,554**	1.1%	81.4%
12	Galliard Capital Management	-	-	2,101,254,902		**2,101,254,902**	1.0%	82.3%
13	Rockwood Capital	1,976,546,692	-	-		**1,976,546,692**	0.9%	83.3%
14	Walter Scott & Partners	1,894,545,319	-	-		**1,894,545,319**	0.9%	84.1%
15	Blackstone Group	1,792,548,663	-	-		**1,792,548,663**	0.8%	84.9%
16	DoubleLine Capital LP	1,707,271,963	-	-		**1,707,271,963**	0.8%	85.7%
17	LBA Realty	1,653,863,530	-	-		**1,653,863,530**	0.8%	86.5%
18	Prudential Investment Management	-	-	1,526,207,476		**1,526,207,476**	0.7%	87.2%
19	Trust Company of the West (TCW)	-	-	1,521,658,846		**1,521,658,846**	0.7%	87.9%
20	Earnest Partners	960,075,947	-	311,726,821		**1,271,802,769**	0.6%	88.5%
	98 Remaining Managers*	21,978,956,657	41,065,331	3,146,306,457		**25,166,328,445**	11.5%	100.0%
	Total	**147,602,661,759**	**3,244,685,555**	**21,478,605,103**	**45,810,215,157**	**218,136,167,574**	**100.0%**	

*Manager count consists of all manager accounts with a market value greater than $5.0 million and new, not yet funded, accounts.

NCRS Public Equity Net of Fees Performance

As of September 30, 2026

	Market Value ($MM)	3 Month	1 Year	3 Years	5 Years	10 Years
Public Equity	**$59,447**	**0.91**	**15.29**	**20.54**	**9.76**	**12.03**
MSCI ACWI IMI Blend		1.08	16.61	21.27	11.05	11.89
Domestic Portfolio	**$34,493**	**0.85**	**14.53**	**22.15**	**12.38**	**15.11**
Russell 3000		1.41	15.13	22.26	12.64	14.73
Non-US Portfolio	**$21,500**	**0.86**	**18.32**	**19.47**	**7.32**	**9.47**
Custom Benchmark		0.56	23.72	21.25	9.74	9.43
Specialty Mandates	**$3,452**	**4.17**	**4.43**	**19.23**	**9.77**	**10.37**
Public Equity w Private Co*		**1.73**	**16.26**	**20.94**	**9.98**	**12.11**

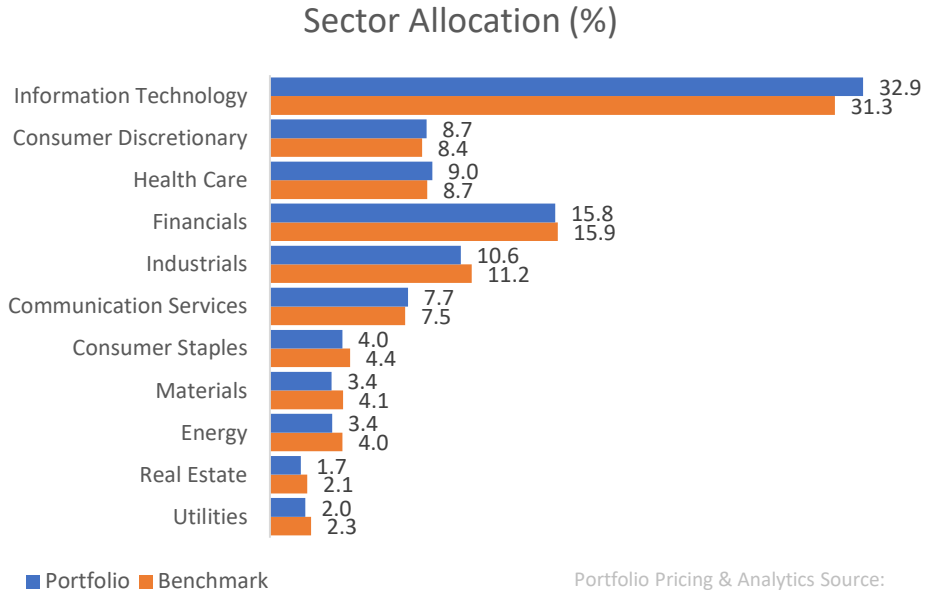
***Russell 3000**: Data is sourced from BNY Mellon.*
* Public equity portfolio with private co-investments mapped how it was prior to conversion on 6/1/2026
**Underlying components do not sum up to total due to transition and liquidating accounts
See Notes slide at end of presentation for benchmark descriptions.

NCRS Public Equity Portfolio Characteristics

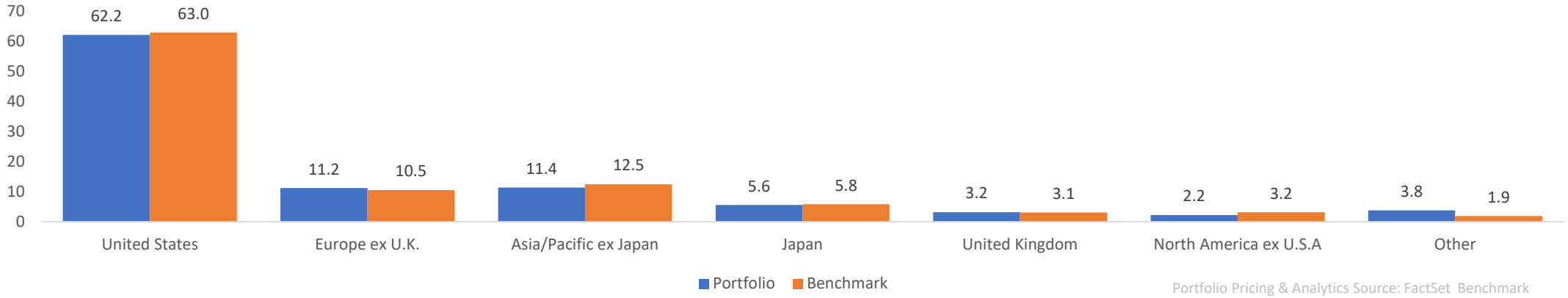
As of September 30, 2026

Portfolio Characteristics		
	Portfolio	MSCI ACWI IMI
Price/Earnings	20.3	19.4
Dividend Yield	1.5%	1.6%
Price/Book	3.5	3.3
Market Capitalization	$ 1,019,963	$ 1,026,520
Return On Equity	20.7%	20.0%

@FactSet Research Systems



Portfolio Pricing & Analytics Source: FactSet
Benchmark Pricing & Analytics Source: FactSet



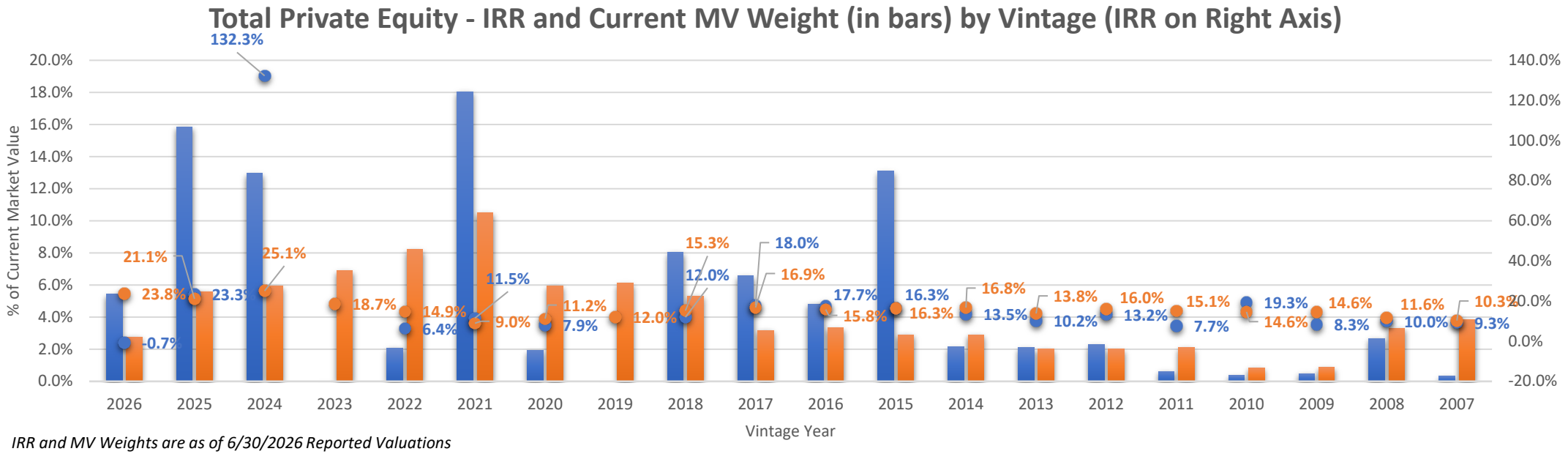
Portfolio Pricing & Analytics Source: FactSet Benchmark Pricing & Analytics Source: FactSet

NCRS Private Equity Portfolio

As of September 30, 2026

Net of Fees Performance (%)

	Market Value ($MM)	3 Month	1 Year	3 Years	5 Years	10 Years
Private Equity	**$9,400**	**6.09**	**10.85**	**7.69**	**4.37**	**11.95**
Benchmark[3]		5.64	13.56	9.15	6.58	11.14
Buyout	**$5,792**	**(0.19)**	**1.57**	**4.25**	**5.38**	**11.05**
Growth & Venture	**$3,561**	**19.50**	**35.28**	**16.47**	**2.88**	**14.08**
Other	**$47**	**(4.69)**	**(8.51)**	**(27.98)**	**(41.99)**	**(33.95)**



IRR and MV Weights are as of 6/30/2026 Reported Valuations

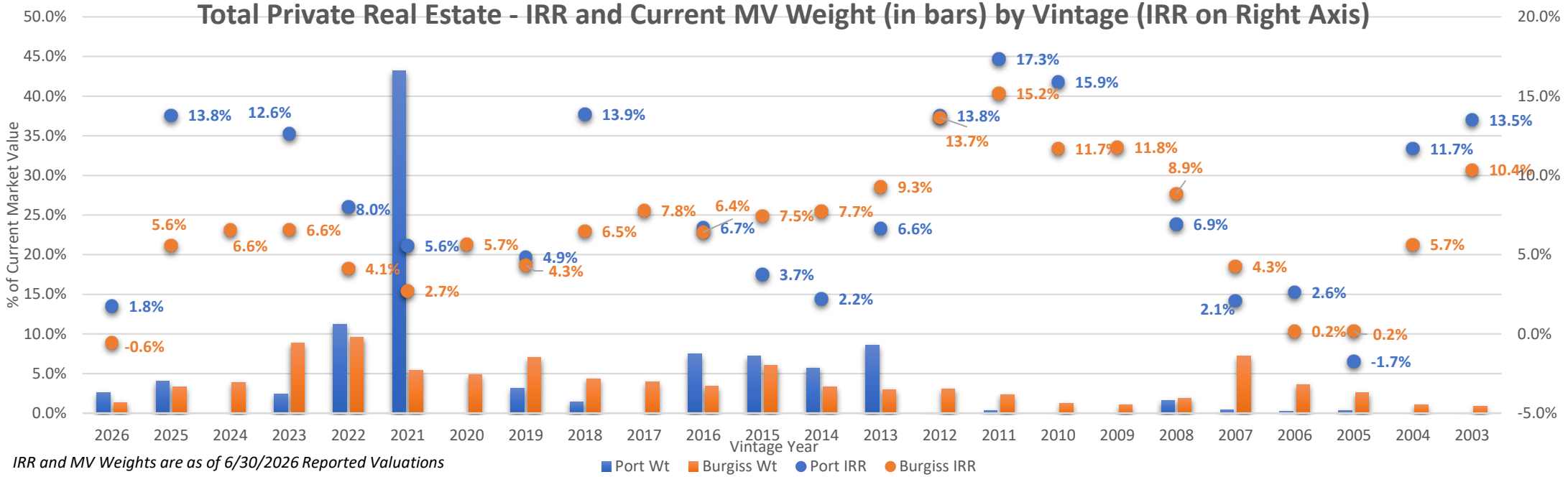
See Notes slide at end of presentation for benchmark descriptions.

NCRS Real Estate Portfolio

As of September 30, 2026

Net of Fees Performance (%)

	Market Value ($MM)	3 Month	1 Year	3 Years	5 Years	10 Years
Real Estate	**$12,027**	**(2.07)**	**0.57**	**(0.98)**	**(0.40)**	**3.80**
Benchmark[4]		0.11	0.11	(0.56)	(0.63)	(2.62)
Private Real Estate	**$7,425**	**1.45**	**2.85**	**(1.80)**	**(0.29)**	**3.88**
Core	**$4,921**	**1.41**	**4.55**	**(0.19)**	**0.85**	**4.01**
Non-Core	**$2,505**	**1.52**	**(0.93)**	**(5.51)**	**(3.03)**	**3.02**
Public Real Estate	**$4,602**	**(6.56)**	**1.65**	**9.90**	**0.28**	**3.87**



IRR and MV Weights are as of 6/30/2026 Reported Valuations

See Notes slide at end of presentation for benchmark descriptions.

NCRS Credit Portfolio

As of September 30, 2026

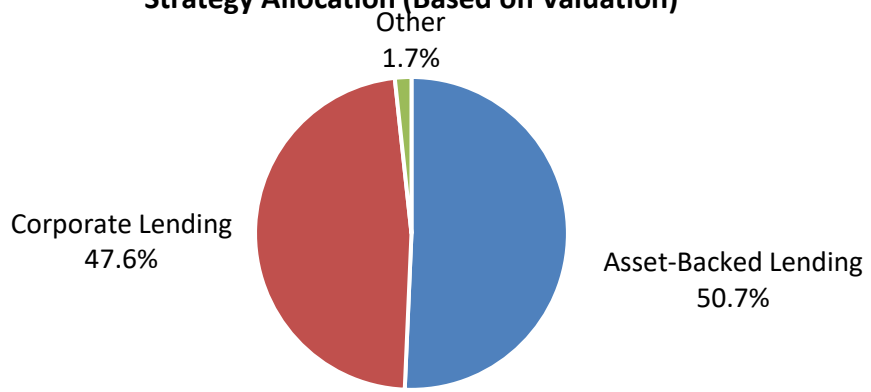
Net of Fees Performance (%)

	Market Value ($MM)	3 Month	1 Year	3 Years	5 Years	10 Years
Credit	**$14,240**	**1.09**	**6.15**	**7.55**	**5.87**	**6.46**
Benchmark[7]		**1.73**	**6.46**	**7.23**	**5.84**	**5.32**
Asset-Backed Lending	**$7,218**	**0.82**	**5.63**	**6.18**	**4.54**	**5.63**
Corporate Lending	**$6,779**	**1.33**	**6.26**	**8.07**	**6.36**	**6.80**
Other	**$243**	**2.87**	**18.49**	**-**	**-**	**-**

IRR by Vintage Year (%)

	Pre 2010	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
NCRS	8.32	5.50	5.08	4.38	4.92	5.55	10.20	5.87	9.08	N/A	9.35	12.89	10.48	9.50	8.17	11.21	-5.58	-0.04	6.22
# of Funds	8	5	10	3	11	7	2	12	3	N/A	2	2	2	3	3	2	5	2	80

Strategy Allocation (Based on Valuation)



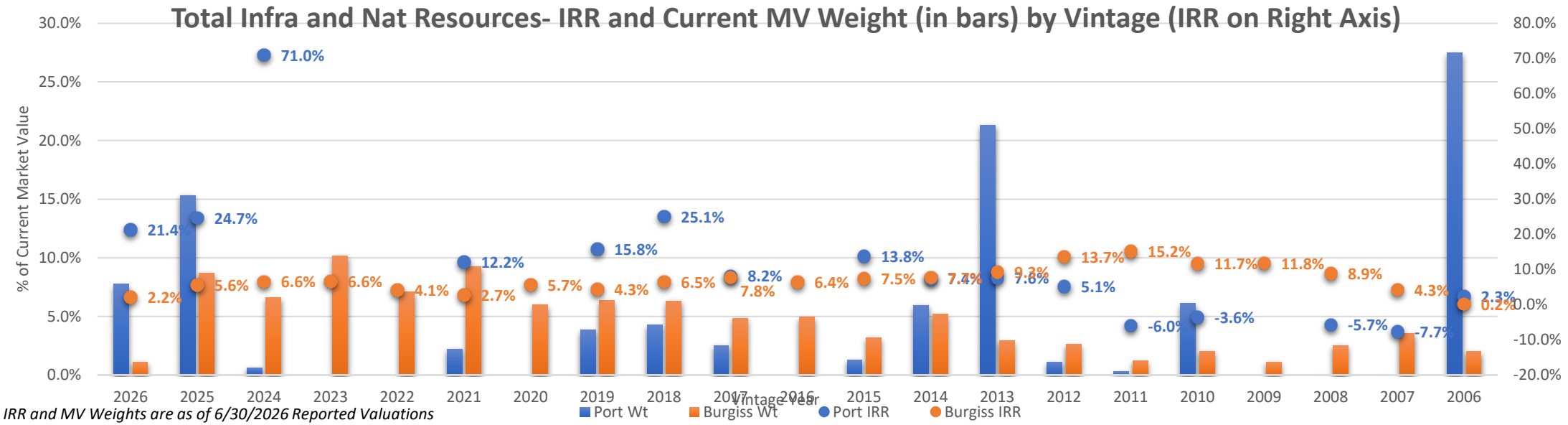
See Notes slide at end of presentation for benchmark descriptions.

NCRS Infrastructure & Natural Resources Portfolio

As of September 30, 2026

Net of Fees Performance (%)

	Market Value ($MM)	3 Month	1 Year	3 Years	5 Years	10 Years
Infrastructure & Natural Resources	**$9,657**	**(0.07)**	**6.13**	**6.17**	**8.66**	**6.44**
Benchmark[14]		2.60	9.35	9.00	10.26	8.93
Private Infrastructure	**$1,870**	**2.13**	**7.94**	**7.07**	**9.34**	**9.61**
Public Infrastructure	**$3,348**	**(5.35)**	**-**	**-**	**-**	**-**
Private Natural Resources	**$1,777**	**2.24**	**7.30**	**7.43**	**9.73**	**5.07**
Public Natural Resources & Commodities	**$2,326**	**13.17**	**36.78**	**15.28**	**11.17**	**7.92**
Diversified	**$336**	**0.80**	**3.14**	**1.02**	**5.34**	**6.36**



IRR and MV Weights are as of 6/30/2026 Reported Valuations

See Notes slide at end of presentation for benchmark descriptions.

NCRS IG Fixed Income Portfolio & Cash Portfolio

As of September 30, 2026

Net of Fees Performance (%)

	Market Value ($MM)	3 Month	1 Year	3 Years	5 Years	10 Years
IG Fixed Income	**$32,298**	**(5.08)**	**(3.35)**	**3.88**	**(1.20)**	**1.20**
BAML Custom Index (H167)		(5.26)	(3.68)	3.91	(2.00)	0.70
Core Fixed Income	**$32,117**	**(5.12)**	**(3.39)**	**3.93**	**(1.25)**	**1.18**
Other Fixed Income	**$182**	**(0.12)**	**2.54**	**4.80**	**3.21**	**2.49**
Pension Cash	**$1,704**	**0.90**	**3.96**	**4.57**	**3.58**	**2.43**
Cash Benchmark		0.89	3.68	4.52	3.73	2.43

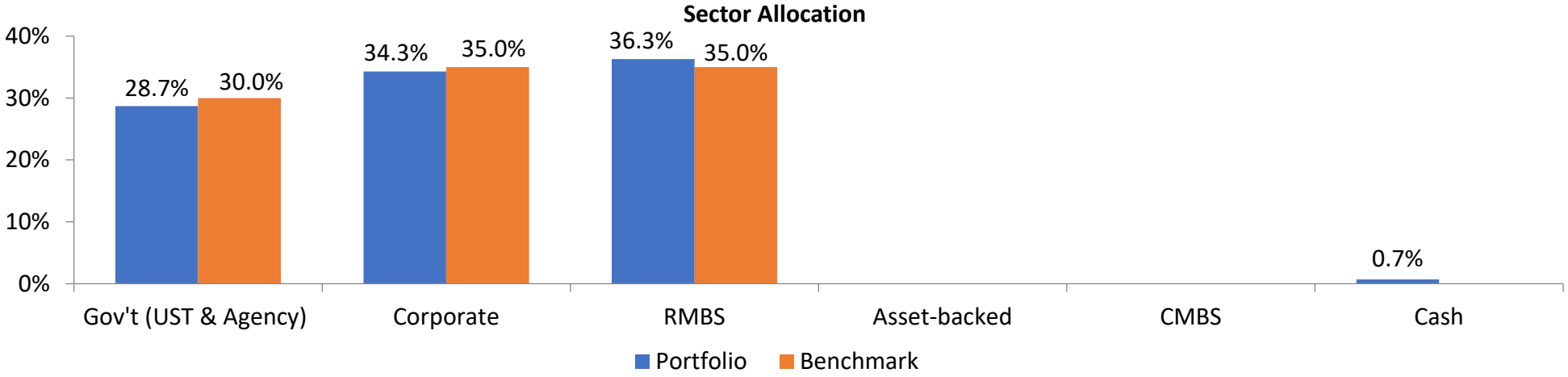
Core Fixed Income Portfolio Characteristics

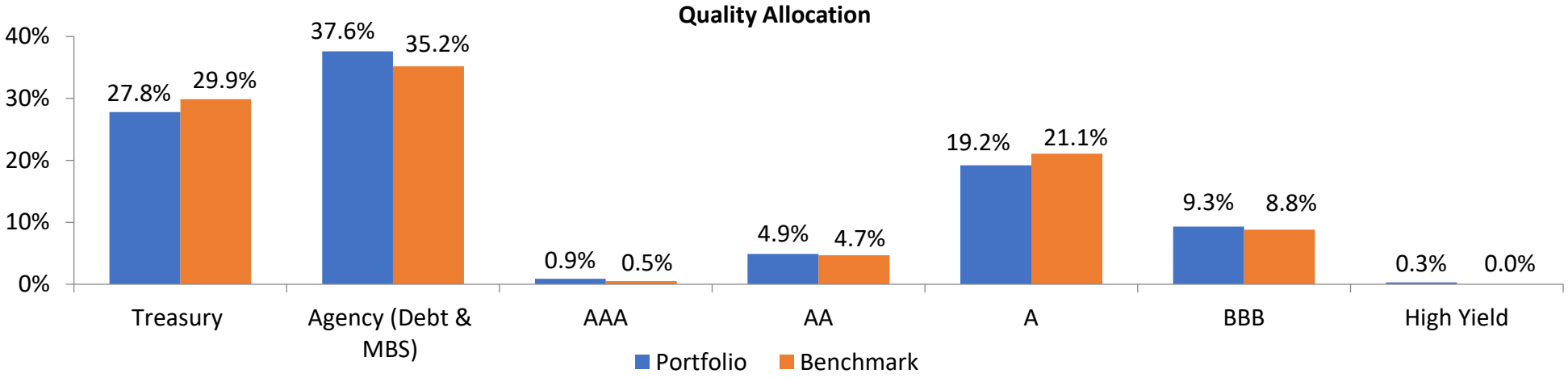
	Avg. Coupon	Yield to Worst	Effective Duration
Government (Treasury & Agency)	3.8%	5.4%	10.2
Corporate	4.8%	6.2%	8.3
Mortgage	4.1%	5.9%	5.8
Total	**4.3%**	**5.9%**	**8.0**

See Notes slide at end of presentation for benchmark descriptions.

NCRS Core Fixed Income Portfolio Characteristics

As of September 30, 2026





See Notes slide at end of presentation for benchmark descriptions.

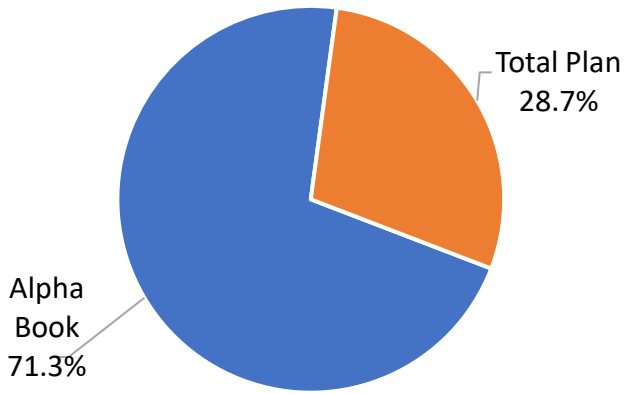
NCRS Multi-Strategy Portfolio

As of September 30, 2026

Net of Fees Performance (%)

	Market Value ($MM)	3 Month	1 Year	3 Years	5 Years	10 Years
Multi-Strategy	**$8,830**	**(1.66)**	**5.53**	**8.48**	**5.78**	**5.35**
Benchmark[12]		0.43	6.20	7.07	3.57	4.23
Alpha Book	**$6,297**	**(2.11)**	**7.10**	**10.64**	**7.21**	**3.46**
Total Plan	**$2,533**	**(1.00)**	**4.17**	**7.74**	**5.31**	**5.62**

Strategy Allocation (Based on Valuation)



See Notes slide at end of presentation for benchmark descriptions.

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Notes:

All data presented are based on currently available information at time of publication and may be revised subsequently.

Time Series Linked Benchmark (TSLB): Historical returns reflect a chain linking of the legacy benchmark returns through February 2026 with the current benchmark returns from March 2026 onward.

1. The Reference Portfolio Benchmark: A TSLB of the legacy Long Term Policy Benchmark and the new reference portfolio of 65% MSCI ACWI IMI Net and 35% ICE BofA 5+ Years U.S. Treasury Index.

2. The Implementation Benchmark: A TSLB of the legacy Implementation Benchmark, and the new composite benchmark: 35% Debt, 62% Equity and 3% Multi-Strategy.

3. The Implementation Benchmark Debt Component: A TSLB of the legacy policy weighted subcomponent benchmarks and the new policy static weighted subcomponent benchmarks (3% Cash, 26% Credit, 71% IG).

4. The Reference Portfolio Debt Benchmark: ICE BofA United States Treasuries 5+ Years Index.

5. The Cash Benchmark: A TSLB of the legacy Cash Benchmark and the current ICE BofA 3M Treasury Bill Index.

6. The Investment Grade Fixed Income Benchmark: A custom ICE BofA composite benchmark of the following: 30% ICE BofA 5+ Yrs Governments, 35% ICE BofA 5+ Yrs IG Corporates, and 35% ICE BofA Mortgage Master.

7. The Credit Benchmark: A TSLB of the legacy OFI implementation benchmark and the current MSCI Private Credit Peer Fund Universe benchmark (quartery lagged frozen returns).

8. The Implementation Benchmark Equity Component: A TSLB of the legacy policy weighted subcomponent benchmarks and the new policy static weighted subcomponents (71% Corp Equity and 29% Real Asset Equity).

9. The Reference Portfolio Equity Benchmark: is comprised of the MSCI ACWI IMI Net Index.

10. The Corporate Equity Benchmark: A TSLB of the legacy static policy weighted subcomponent benchmarks and the new dynamic weighted subcomponents.

11. The Public Equity Benchmark: A TSLB of the legacy Public Equity benchmark and the current MSCI ACWI IMI Net Index.

12. The Private Equity Benchmark: A TSLB of the legacy PE implementation benchmark and the current MSCI Private Equity Fund Universe benchmark (quartery lagged frozen returns).

13. The Real Asset Equity Benchmark: A TSLB of the legacy static policy weighted subcomponent benchmarks and the new dynamic weighted subcomponent benchmarks.

14. The Infrastructure & Natural Resources Benchmark: is comprised of the MSCI Private Infrastructure & Natural Resources Fund Universe benchmark (quarterly lagged frozen returns).

15. The Real Estate Benchmark: A TSLB of the legacy static policy weighted subcomponent benchmarks and the new dynamic weighted subcomponent benchmarks.

16. The Implementation Benchmark Multi-Strategy Component: A TSLB of the legacy Multi-Strategy implementation benchmark and the current PivotalPath MultiStrategy Hedge Fund Universe return (frozen returns).

17. The Alpha Book Benchmark: is comprised of the PivotalPath MultiStrategy Hedge Fund Universe return (frozen returns).



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