NORTH CAROLINA
INVESTMENT AUTHORITY

MEMORANDUM

TO: Governor Josh Stein
State Auditor Dave Boliek
Council of State
Joint Legislative Commission on Government Operations
House Appropriations Committee
Senate Appropriations Committee
House Finance Committee
Senate Finance Committee
Fiscal Research Division
North Carolina Investment Authority Board

FROM: Kevin SigRist

DATE: May 14, 2026

RE: Monthly Investment Performance Report for the Period Ending March 31, 2026

Please find attached the March 2026 Monthly Performance Report from the North Carolina Investment Authority, providing an overview of performance results and asset allocation across investment programs.

The NCIA Board approved a new Investment Policy Statement for the North Carolina Retirement Systems in late February 2026, including an updated strategic asset allocation. The March 2026 Monthly Report utilizes the updated strategic asset allocation. Additionally, performance composites to reflect new asset class categories will be calculated by the Retirement Systems' global custodian and will be phased in over the coming months.

Warmest regards,

Kevin SigRist
North Carolina Investment Authority Chief Investment Officer

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Monthly Performance Report
March 2026

North Carolina Retirement Systems

Executive Summary

Pension Fund assets were $139.54 billion at the end of March 2026. Over the trailing 12-month period, the Pension Fund earned 11.00% net of fees and expenses. This performance equates to an estimated $13.98 billion in earnings while furnishing $1.44 billion for net benefit payments.

For the month of March, the Pension Fund had a return of -3.81% net of fees and expenses. The Plan outperformed the reference portfolio benchmark by 199 basis points (1.99%) and underperformed the actuarial rate of return by 434 basis points (4.34%). The Inflation Sensitive and Opportunistic Fixed Income asset classes were the largest gainers for the month at 0.48% and 0.44%, respectively. Public Equity was the largest detractor for the month, returning -7.21%.

All segments remain in compliance with statutes and the Investment Policy Statement.

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

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

Monthly Performance Report
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North Carolina Retirement Systems

Market Environment

Equities:
International equity markets came under pressure throughout March as the MSCI ACWI ex U.S. index fell -10.72% amid uncertainty surrounding the Iran Conflict's impact on oil markets and earnings expectations. U.S. equites had more modest losses relative to International markets but were negative as well with the Russell 1000 index down -4.98% over the period. US sector performance over the period was largely driven by the Conflict as energy stocks rose 10.42% over the month while all other sectors declined. Consumer staples and industrials were the largest detractors falling -9.36% and -8.13% respectively as the global energy supply chain disruptions led to concerns around rising rates and inflation and their impact on earnings.

Fixed Income:
In March, fixed income markets were driven by the Iran Conflict that drove up oil prices and renewed inflation concerns. U.S. Treasury yields were higher at month-end. As the inflation concerns escalated, the prospects of near-term Federal Reserve rate cuts declined and the Federal Reserve took no action at the March 18th meeting. Treasury yields rose across the curve, with intermediate and long end up 30-40 basis points. Credit spreads widened modestly during the month, especially in lower-quality segments, though they remained relatively tight by historical standards due to still-solid corporate earnings and balance sheet fundamentals.

Commodities & FX:
Oil prices recorded their second highest monthly percentage rise in at least three decades as the Iran Conflict intensified and traffic in the Strait of Hormuz was shut down. Commodities followed suit as supply chain concerns and shortages of fertilizer washed over markets. A flight to dollar denominated assets sent the dollar higher while precious metals sold off in response to dollar strength.

Performance Against Benchmarks

Asset Allocation Stance:
In February of 2026, the NCIA Board approved a new NCRS Investment Policy Statement (IPS) and strategic asset allocation (SAA). The tables in this monthly report will change to reflect the new IPS asset classes and SAA in the coming months. The implementation and transition to this new SAA will take time. The current portfolio is slightly underweight Equity at 56%, relative to a 62% target, driven by a large underweight to Real Asset Equity. This is offset by overweight positions in Debt at 40%, relative to a 35% Target, and Multi-Strategy at 4%, relative to a 3% target.

Equities:
Public Equity outperformed for the month by 9 basis points (0.09%). Security selection in materials and technology positively contributed to performance while an underweight to energy was the largest detractor for the month. As of month end, the portfolio maintains a 61% passive and 39% active allocation, with 60% invested in U.S. equities and 40% in international markets. Private Equity performed in line with the benchmark for the month.

Fixed Income:
Investment Grade Fixed Income outperformed its benchmark for the month by 17 basis points (0.17%). Performance across fixed income was generally negative as rising yields outweighed coupon income, with longer-duration assets underperforming. Investment-grade credit held up better than high yield, reflecting a shift toward higher-quality exposures amid increased uncertainty.

Other Asset Classes:
Opportunistic Fixed Income ended the month with positive gains and outperforming the benchmark. Inflation Sensitive ended positive, underperforming the benchmark. Private Equity, Multi-Strategy, Core and Non-Core Real Estate ended negative, underperforming their benchmarks. [Note: The NCRS Investment Policy Statement effective February 27, 2026 defines new asset classes. Additionally, performance composites to reflect new asset class categories will be calculated by the Retirement Systems' global custodian and will be phased in over the coming months.]

Outlook & Strategy

U.S. tax incentives for business expansion/capital expenditures, AI-build-out, healthy consumers, and deregulation are favorable for intermediate-term U.S. growth prospects and equity markets. The oil shock resulting from the Iran Conflict is a negative for Europe and Asia profit growth and global inflation. The Pension Fund benefitted from strong diversification when markets were highly volatile in the period ended March, but management made some modest adjustments to the Pension Fund in March and April to both protect against and take advantage of market volatility. Management also moved forward with an orderly buildout of the new Strategic Asset Allocation approved by the Board in February, namely to increase exposure in publicly listed infrastructure, real estate and natural resources.

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North Carolina Retirement Systems

Asset Class	Beg Value	Net Deposits	Net Earnings	End Value	Month	Cal YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	15 Yr	20 Yr
Growth	**80,775,235**	**(25,699)**	**($4,573,871)**	**76,175,664**	**(5.7)**	**(2.6)**	**15.9**	**12.7**	**7.5**	**10.3**	**10.4**	**9.2**	**7.3**
Benchmark[1]					(4.9)	(1.5)	17.1	13.1	8.2	10.3	10.0	8.5	7.0
Public Equity	63,174,992	2,317	(4,552,646)	58,624,664	(7.2)	(3.4)	18.9	15.3	7.7	11.1	11.1	9.4	7.6
Benchmark[2]					(7.3)	(2.7)	20.6	16.2	9.0	11.3	10.9	9.0	7.3
Private Equity	6,937,973	102,348	(53,975)	6,986,347	(0.8)	0.3	8.0	5.6	7.5	11.1	11.2	10.7	9.4
Benchmark[3]					2.2	3.2	11.8	7.7	8.4	11.1	10.5	10.5	10.2
Non-Core Real Estate	2,181,502	(19,096)	(4,065)	2,158,341	(0.2)	(2.6)	(2.0)	(7.8)	(2.2)	(0.1)	3.4	6.7	3.9
Benchmark[4]					2.2	(0.3)	1.3	(2.8)	1.9	2.7	4.0	6.0	3.5
Opportunistic Fixed Income	8,480,767	(111,268)	36,815	8,406,313	0.4	0.9	6.8	8.4	7.0	6.8	7.1	6.3	6.3
Benchmark[5]					0.1	0.8	6.7	7.4	6.0	6.4	6.1	3.7	2.9
Rates & Liquidity	**45,091,263**	**(1,226,642)**	**($805,295)**	**43,059,326**	**(1.8)**	**0.2**	**4.4**	**3.9**	**1.4**	**2.4**	**2.3**	**3.2**	**4.3**
Benchmark[6]					(2.1)	0.0	4.4	3.6	0.2	1.5	1.8	2.9	3.9
IG Fixed Income	40,907,100	(441,899)	(817,853)	39,647,349	(2.0)	0.1	4.4	3.6	0.5	1.9	2.1	3.1	4.2
Benchmark[7]					(2.2)	0.0	4.4	3.4	(0.1)	1.3	1.6	2.9	3.8
Pension Cash	4,184,162	(784,743)	12,558	3,411,977	0.3	1.0	4.3	4.7	3.2	2.7	2.3	-	-
Benchmark[8]					0.3	0.9	4.0	4.7	3.4	2.7	2.2	1.5	-
Inflation Sensitive & Diversifiers	**14,769,974**	**103,852**	**($30,108)**	**14,843,718**	**(0.2)**	**1.4**	**6.2**	**2.1**	**4.8**	**4.3**	**5.3**	**3.9**	**3.1**
Benchmark[9]					0.0	1.4	5.2	2.1	4.4	3.9	4.2	3.8	2.5
Inflation Sensitive	8,446,799	108,449	40,427	8,595,676	0.5	1.8	6.8	6.7	8.4	6.4	6.7	2.8	3.0
Benchmark[10]					0.8	1.8	5.8	5.4	6.1	5.0	4.5	1.5	3.2
Core Real Estate	6,323,175	(4,597)	(70,535)	6,248,043	(1.1)	0.8	5.1	(1.9)	1.6	2.6	4.1	6.1	4.5
Benchmark[11]					(0.9)	0.9	4.5	(1.8)	2.4	2.5	3.8	6.4	4.7
Multi-Strategy	**4,525,536**	**1,060,069**	**($124,217)**	**5,461,387**	**(2.5)**	**0.2**	**8.4**	**8.3**	**5.6**	**4.9**	**5.5**	**6.5**	**5.3**
Benchmark[12]					(1.5)	0.7	6.3	5.5	2.8	3.2	4.2	4.9	4.9
Total Pension Plan	**145,162,007**	**(88,420)**	**($5,533,491)**	**139,540,096**	**(3.8)**	**(1.2)**	**11.0**	**8.4**	**5.0**	**6.6**	**6.9**	**6.6**	**6.1**
Reference Portfolio Benchmark[13]					(5.8)	(1.5)	12.9	10.1	5.4	7.3	7.2	6.3	6.0
Actuarial Rate of Return					0.5	1.6	6.5	6.5	6.6	6.7	6.8	7.0	7.0

Beginning Market Value	**145,162,007,030**
Net Deposits	**(88,420,000)**
Net Earnings	**(5,533,491,406)**
Ending Market Value	**139,540,095,624**

Asset Allocation

Statute Limitations:

	Limit	Status
IG Fixed Income	> 20%	Compliant
Illiquid Assets	<= 40%	Compliant

Notes: Values in $000; performance is net of fees and expressed in percentages; for periods greater than 1 year, the figures represent an annualized return; benchmarks are defined on the last page of report.
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Monthly Performance Report
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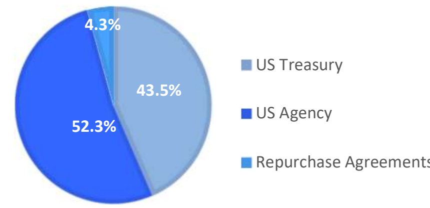
Short Term Investment Fund

Investment	Beg Value	Net Deposits	Net Earnings	End Value	Month	Cal YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	15 Yr	20 Yr
Short Term Investment Fund	**50,550,486**	**($744,302)**	**167,368**	**49,973,552**	**0.3**	**1.0**	**4.4**	**4.4**	**3.0**	**2.5**	**2.2**	**1.6**	**2.0**
Benchmark[8]					**0.3**	**0.9**	**4.0**	**4.7**	**3.4**	**2.7**	**2.2**	**1.5**	**-**

Statute Limitations:
Portfolio holdings meet requirements of §147-69.1

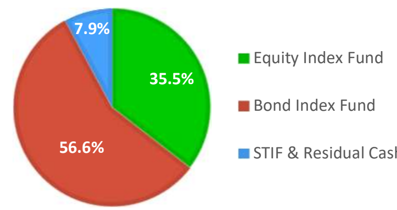
ASSET ALLOCATION



AGPIP

Investment	Beg Value	Net Deposits	Net Earnings	End Value	Month	Cal YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	15 Yr	20 Yr
Total AGPIP	**3,434,360**	**5,424**	**($122,900)**	**3,316,883**	**(3.6)**	**(1.1)**	**9.6**	**8.1**	**3.4**	**4.3**	**-**	**-**	**-**
Benchmark[14]					**(3.6)**	**(1.1)**	**9.4**	**8.0**	**3.3**	**4.2**	**-**	**-**	**-**

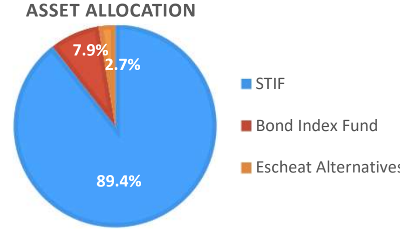
ASSET ALLOCATION



Escheat

Investment	Beg Value	Net Deposits	Net Earnings	End Value	Month	Cal YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	15 Yr	20 Yr
Total Escheats	**1,763,827**	**(2,160)**	**2,830**	**1,764,496**	**0.2**	**1.0**	**4.4**	**4.0**	**2.6**	**2.5**	**2.3**	**2.4**	**2.8**
Benchmark[15]					**0.1**	**0.8**	**4.1**	**4.6**	**3.2**	**3.2**	**2.8**	**2.8**	**3.1**

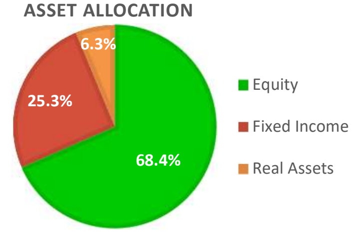
ASSET ALLOCATION



Supplemental Retirement Plan

Investment	Beg Value	Net Deposits	Net Earnings	End Value	Month	Cal YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	15 Yr	20 Yr
401K Plan Account	18,181,698	(16,314)	($868,391)	17,296,993	**(4.8)**	**(1.8)**	**13.4**	**11.5**	**6.3**	**8.4**	**8.5**	**-**	**-**
Deferred Comp 457 Plan	2,441,332	171	($109,471)	2,332,031	**(4.5)**	**(1.7)**	**12.9**	**11.1**	**6.1**	**8.1**	**8.1**	**-**	**-**
Total 401K & 457 Performance	**20,623,034**	**(16,143)**	**($977,863)**	**19,629,028**	**(4.7)**	**(1.8)**	**13.4**	**11.5**	**6.3**	**8.3**	**8.5**	**-**	**-**
Benchmark[16]					**(4.9)**	**(1.3)**	**15.7**	**12.7**	**7.4**	**9.0**	**8.8**	**-**	**-**

ASSET ALLOCATION



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NORTH CAROLINA INVESTMENT AUTHORITY
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Monthly Performance Report
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North Carolina Retirement Systems

New Investments and Top Ups

Month-Year	Manager Name	Deal Name	Category	Amount (000s)	Source
Mar-26	Gladius	Gladius Arx Fund	Multi-Strategy	$1,000,000	NCIA Staff
Mar-26	Brevan Howard	Brevan Howard Alpha Strategies Fund Limited	Multi-Strategy	$250,000	NCIA Staff
Mar-26	Balyasny	Balyasny Atlas Enhanced Fund	Multi-Strategy	$500,000	NCIA Staff
Mar-26	Balyasny	Balyasny Atlas Opportunistic Fund	Multi-Strategy	$200,000	NCIA Staff
Mar-26	ArcLight	ArcLight Infrastructure Partners Fund VIII LP	Infrastructure	$300,000	NCIA Staff
Mar-26	ArcLight	ArcLight Power Infrastructure Partners LP	Infrastructure	$200,000	NCIA Staff
Mar-26	ArcLight	Arc Infra SMA LP	Infrastructure	$1,000,000	NCIA Staff

Investment Reallocation Flows

Reporting Account Name	Mar-26	YTD
Growth	**(25,699,092)**	**247,116,330**
Public Equity	2,317,183	202,065,115
Private Equity	102,348,210	163,721,963
Non-Core Real Estate	(19,096,276)	31,345,842
Opportunistic Fixed Income	(111,268,210)	(150,016,590)
Rates & Liquidity	**(1,226,641,716)**	**(1,762,022,344)**
IG Fixed Income	(441,899,035)	(441,821,209)
Pension Cash	(784,742,681)	(1,320,201,135)
Inflation Sensitive & Diversifiers	**103,852,169**	**(169,079,278)**
Inflation Sensitive	108,449,492	(35,595,720)
Core Real Estate	(4,597,323)	(133,483,558)
Multi-Strategy	**1,060,068,638**	**1,440,205,291**
Total Pension Plan	**(88,420,000)**	**(243,780,000)**

Note: Reallocation Flows includes benefit payments

Exited Investments

Fund Name	Redemption Amount (000s)	Month-Year
Brown Advisory Small Cap Growth	$536,000	Mar-26

North Carolina Retirement Systems

Benchmark Footnotes:

1. The Growth Benchmark is a blend of the Public Equity Benchmark, Private Equity Benchmark, Non-Core Real Estate Benchmark, & Opportunistic FI Benchmark at policy weights.
2. The Public Equity Benchmark is a dynamically weighted combination of the MSCI ACWI IMI Net (Long-Only) and a beta adjusted MSCI ACWI IMI Net (Hedged Equity).
3. The Private Equity Benchmark is comprised of the following MSCI Private Capital indices: 45% Buyout, 25% Venture Capital, and 30% Distressed.
4. The Non-Core Real Estate Benchmark is comprised of the following MSCI Private Capital indices: 80% U.S. Non-Core Real Estate (Opportunistic and Value-Added) and 20% Non-U.S. Non-Core Real Estate (Opportunistic and Value-Added).
5. The Opportunistic Fixed Income Benchmark is a comprised of 50% HFRX Distressed Securities Index, 20% HFRX Relative Value Index, 15% Credit Suisse Leveraged Loan Index, and 15% BOAML High Yield Index.
6. The Rates & Liquidity Benchmark is a blend of the IG Fixed Income & Cash Benchmark and the Pension Cash Benchmark at policy weights.
7. The IG Fixed Income & Cash Benchmark is comprised 10% iMoneyNet First Tier Institutional Money Market Funds Net Index and 90% custom ICE BofA Core Investment Grade Index. The custom ICE BofA core index comprised of the following weightings: 30% ICE BofA 5+ Years Governments, 35% ICE BofA 5+ Years Investment Grade Corporates, and 35% ICE BofA Mortgage Master.
8. The Pension Cash Benchmark and STIF Benchmark is the iMoneyNet First Tier Institutional Money Market Funds Net Index.
9. The Inflation Sensitive & Diversifiers Benchmark is a blend of the Inflation Sensitive Benchmark and the Core Real Estate Benchmark at policy weights.
10. The Inflation Sensitive Benchmark is the dynamically weighted combination of the ICE BofA 1-3 Years U.S. Inflation-Linked Treasury Index (TIPS), the Bloomberg Commodities Index (Commodities), and a combination of the benchmarks of investments classified within Private Natural Resources or Other Real Assets and Diversifiers.
11. The Core Real Estate Benchmark is comprised of 80% Custom NCREIF ODCE Net and 20% FTSE EPRA NAREIT Global Index.
12. The Multi-Strategy Benchmark is comprised of a dynamically weighted combination of the HFRX ED: Multi-Strategy Index, net of fees, and the market value weighted benchmarks for any other total fund strategies within the Portfolio.
13. The Reference Portfolio Benchmark is comprised of 65% MSCI ACW IMI Net and 35% ICE BofA 5+ Years U.S. Treasury Index for the month of March 2026 with periods preceding this 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.
14. The Total AGPIP Benchmark is comprised of the market value weighted combination of the underlying asset class benchmarks.
15. The Total Escheats Benchmark is comprised of the market value weighted combination of the underlying asset class benchmarks.
16. The Total NC 401k & 457 Benchmark is comprised of the market value weighted combination of underlying component benchmarks.

Other Information

Additional information can be found Investment Authority's website regarding:

NCIA investment policies. https://www.ncinvest.gov/nc-investment-authority-board
Investment programs and reports. https://www.ncinvest.gov