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: July 2, 2026

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

Please find attached the May 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 May 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

3200 Atlantic Avenue • Raleigh, North Carolina 27604
Telephone: (919) 814-4330 • Fax: (919) 855-5804
www.NCinvest.gov

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

Monthly Performance Report
May 2026

North Carolina Retirement Systems

Executive Summary

Pension Fund assets were $149.08 billion at the end of May 2026. Over the trailing 12-month period, the Pension Fund earned 15.29% net of fees and expenses. This performance equates to an estimated $19.86 billion in earnings while furnishing $1.53 billion for net benefit payments.

For the month of May, the Pension Fund had a return of 2.43% net of fees and expenses. The Plan underperformed the reference portfolio benchmark by 90 basis points (-0.9%) and outperformed the actuarial rate of return by 190 basis points (1.9%). The Plan underperformed the reference portfolio benchmark, largely due to an underweight to Equity, which was the strongest performing asset class for the month. The Public Equity and Multi-Strategy asset classes were the largest gainers for the month at 4.71% and 2.22%, respectively. Private Equity was the smallest contributor for the month, returning 0.09%.

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

Market Environment

Equities:

May was a strong month for U.S. and international markets as the Russell 1000 Index returned 5.10% and the MSCI ACWI ex USA IMI index returned 4.86%. Markets were led higher by an AI-driven rally, particularly in semiconductors and other AI infrastructure stocks. The month also signaled continued broadening in global AI theme participation as Korean and other international markets rallied sharply over the period. Despite the global rallies in technology, continued uncertainty and negotiations around the war in Iran weighed on investors and contributed to volatility over the month. US sector performance over the period was led by technology and telecommunications, while energy and utilities lagged. The dispersion reflected continued investor preference for AI-related growth exposures and a shift from the energy stock rallies earlier in the year that were driven by uncertainty around global oil supply chains.

Fixed Income:

Fixed income markets produced modest positive returns despite higher treasury yields. Rate volatility remained elevated as markets digested differing views within the Federal Reserve on the appropriate path for policy, with some officials emphasizing the case for eventual rate cuts while others remained focused on the risk that inflation could require a higher-for-longer stance. Most of the increase in yields occurred on the front of the yield curve in response to shifting tones from FOMC members. Credit markets continued to grind back toward the historical lows on a spread basis as energy prices pulled back. Overall, late-month credit spread tightening helped offset some pressure from higher treasury yields, leaving fixed income markets modestly positive.

Commodities & FX:

Oil prices fell sharply late in the month as markets appeared to price higher odds of U.S.-Iran de-escalation and a potential reopening of the Strait of Hormuz. Commodities broadly ended lower, with weakness concentrated in energy and precious metals, while the U.S. dollar index rose modestly. Gold and silver were volatile during the month, with precious metals giving back earlier gains as higher yields and a modestly stronger U.S. dollar reduced the relative appeal of non-yielding assets.

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 current portfolio is slightly underweight Equity at 59.3%, relative to a 62% target, driven by a large underweight to Real Asset Equity. This is offset by overweight positions in Debt at 36.4%, relative to a 35% Target, and Multi-Strategy at 4.3%, relative to a 3% target. Allocation effects detracted 83 basis points (-0.83%) from relative performance versus the reference portfolio.

Equities:

Global Public Equity underperformed for the month by 29 basis points (-0.29%). Relative results were supported by an underweight in financials as the sector lagged while security selection within technology detracted from performance. The portfolio ended the month positioned 61% passive and 39% active, with 63% allocated to U.S. equity and 37% allocated to international equity.

Fixed Income:

Investment Grade Fixed Income underperformed for the month by 4 basis points (-0.04%), driven by the rise in intermediate treasury yields, slight underweight to corporate bonds and relative positioning along the yield curve.

Other Asset Classes:

Opportunistic Fixed Income and Multi-Strategy ended the month with positive gains and outperforming their benchmarks. Inflation Sensitive ended positive, underperforming the benchmark. Private Equity, Core Real Estate and Non-Core Real Estate ended positive performing in line with their benchmarks for the month. [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 and capital expenditures, AI buildout, healthy consumers, and deregulation are favorable for intermediate-term U.S. growth prospects and equity markets. The oil shock resulting from the Iran Conflict remains a risk to Europe and Asia profit growth and global inflation, although the pullback in energy prices in May modestly reduced near-term inflation pressure. Management continues to move forward with an orderly buildout of the new Strategic Asset Allocation approved by the Board in February, to increase exposure to publicly listed infrastructure, real estate and natural resources.

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

Monthly Performance Report
May 2026

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	**80,249,902**	**865,595**	**3,102,806**	**84,218,303**	**3.8**	**8.9**	**22.8**	**17.0**	**8.7**	**12.3**	**11.5**	**9.8**	**8.0**
Benchmark[1]					**3.8**	**9.9**	**24.5**	**17.3**	**9.3**	**12.3**	**11.0**	**9.2**	**7.6**
Public Equity	62,571,621	900,462	2,982,721	66,454,804	4.7	11.2	27.7	20.9	9.6	13.8	12.5	10.3	8.5
Benchmark[2]					5.0	12.5	30.6	22.0	11.0	14.1	12.3	9.9	8.2
Private Equity	7,486,201	(27,325)	6,644	7,465,521	0.1	0.4	7.9	5.5	4.9	10.5	11.2	10.6	9.1
Benchmark[3]					0.1	3.4	11.8	7.6	5.7	10.6	10.6	10.3	9.9
Non-Core Real Estate	2,142,554	64,463	7,244	2,214,261	0.3	(1.9)	(2.1)	(6.9)	(2.2)	(0.4)	3.1	6.5	3.4
Benchmark[4]					0.3	0.4	1.2	(1.8)	1.9	2.4	3.7	5.7	3.1
Opportunistic Fixed Income	8,049,526	(72,006)	106,197	8,083,717	1.3	2.6	8.1	8.6	6.8	6.7	7.0	6.2	6.4
Benchmark[5]					0.9	2.9	9.5	8.2	5.9	6.6	5.8	3.8	2.9
Rates & Liquidity	**42,760,790**	**(1,477,882)**	**174,184**	**41,457,092**	**0.4**	**0.8**	**5.6**	**4.2**	**1.3**	**2.2**	**2.3**	**3.1**	**4.4**
Benchmark[6]					**0.5**	**0.7**	**5.9**	**4.0**	**0.0**	**1.3**	**1.8**	**2.7**	**3.9**
IG Fixed Income	35,516,468	102	154,381	35,670,951	0.4	0.8	5.9	4.0	0.3	1.7	2.1	2.9	4.2
Benchmark[7]					0.5	0.6	5.9	3.8	(0.3)	1.1	1.6	2.7	3.9
Pension Cash	7,244,322	(1,477,984)	19,803	5,786,141	0.3	1.6	4.2	4.7	3.4	2.7	2.4	-	-
Benchmark[8]					0.3	1.5	3.9	4.7	3.5	2.7	2.3	1.5	-
Inflation Sensitive & Diversifiers	**16,785,087**	**160,084**	**115,721**	**17,060,892**	**0.7**	**3.4**	**7.2**	**3.3**	**4.5**	**4.4**	**5.3**	**3.9**	**3.1**
Benchmark[9]					**0.7**	**3.6**	**6.4**	**3.5**	**4.2**	**4.1**	**4.3**	**3.7**	**2.5**
Inflation Sensitive	8,879,519	208,636	58,558	9,146,713	0.7	3.0	7.9	6.7	8.0	6.3	6.6	2.9	2.7
Benchmark[10]					0.7	3.4	7.1	6.1	5.7	5.0	4.5	1.7	3.0
Core Real Estate	7,905,568	(48,552)	57,163	7,914,179	0.7	3.8	6.3	0.2	1.5	2.9	4.3	5.9	4.5
Benchmark[11]					0.7	3.8	5.6	0.4	2.2	2.9	4.0	6.2	4.7
Multi-Strategy	**5,905,071**	**300,183**	**137,832**	**6,343,086**	**2.2**	**5.0**	**11.0**	**9.6**	**6.1**	**5.7**	**5.8**	**6.7**	**5.4**
Benchmark[12]					**(0.4)**	**1.2**	**4.7**	**5.8**	**2.5**	**3.6**	**4.0**	**4.8**	**4.9**
Total Pension Plan	**145,700,850**	**(152,020)**	**3,530,543**	**149,079,373**	**2.4**	**5.7**	**15.3**	**10.9**	**5.7**	**7.6**	**7.5**	**6.9**	**6.5**
Reference Portfolio Benchmark[13]					**3.3**	**8.3**	**20.7**	**13.9**	**6.4**	**8.9**	**8.0**	**6.8**	**6.5**
Actuarial Rate of Return					**0.5**	**2.7**	**6.5**	**6.5**	**6.6**	**6.7**	**6.8**	**7.0**	**7.0**

Beginning Market Value	**145,700,850,394**
Net Deposits	**(152,020,000)**
Net Earnings	**3,530,542,628**
Ending Market Value	**149,079,373,022**

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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NORTH CAROLINA INVESTMENT AUTHORITY
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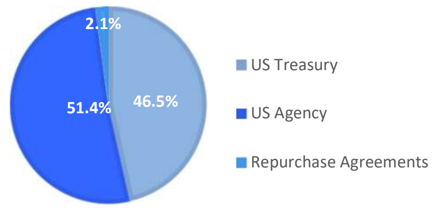
Monthly Performance Report
May 2026

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	**50,046,018**	**($1,235,029)**	**162,226**	**48,973,215**	**0.3**	**1.7**	**4.3**	**4.4**	**3.1**	**2.6**	**2.2**	**1.7**	**2.0**
Benchmark[8]					**0.3**	**1.5**	**3.9**	**4.7**	**3.5**	**2.7**	**2.3**	**1.5**	**-**

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

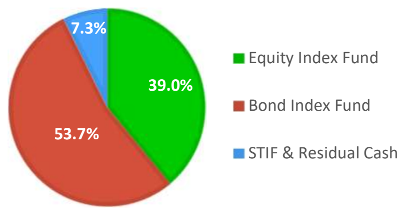
ASSET ALLOCATION



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	**3,426,410**	**10,418**	**73,678**	**3,510,506**	**2.2**	**4.8**	**13.7**	**10.2**	**4.1**	**5.1**	**-**	**-**	**-**
Benchmark[14]					**2.1**	**4.7**	**13.5**	**10.1**	**4.1**	**5.0**	**-**	**-**	**-**

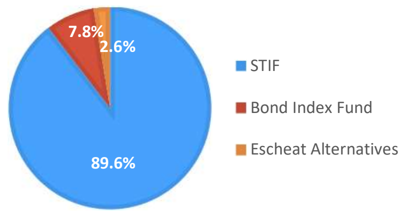
ASSET ALLOCATION



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	**1,796,699**	**3,299**	**6,105**	**1,806,103**	**0.3**	**1.6**	**4.5**	**4.1**	**2.7**	**2.5**	**2.3**	**2.3**	**2.9**
Benchmark[15]					**0.3**	**1.4**	**4.1**	**4.6**	**3.3**	**3.2**	**2.9**	**2.7**	**3.2**

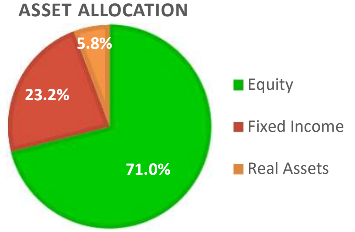
ASSET ALLOCATION



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	18,451,825	(24,088)	591,936	19,019,673	**3.2**	**8.2**	**19.5**	**15.2**	**7.5**	**10.1**	**9.4**	**-**	**-**
Deferred Comp 457 Plan	2,484,102	(2,717)	77,759	2,559,144	**3.1**	**8.2**	**19.2**	**14.7**	**7.4**	**9.7**	**9.0**	**-**	**-**
Total 401K & 457 Performance	**20,935,932**	**(26,805)**	**669,694**	**21,578,821**	**3.2**	**8.2**	**19.5**	**15.1**	**7.5**	**10.0**	**9.3**	**-**	**-**
Benchmark[16]					**3.6**	**9.8**	**23.5**	**16.7**	**8.8**	**10.9**	**9.8**	**-**	**-**

ASSET ALLOCATION



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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North Carolina Retirement Systems

New Investments and Top Ups

Month-Year	Manager Name	Deal Name	Category	Amount (000s)	Source
May-26	Castle Hook	Castle Hook Fund LP	Multi-Strategy	$250,000	NCIA Staff
May-26	Providence	Providence Equity Partners (Constellation) LP	Private Equity	$300,000	NCIA Staff
May-26	Y Combinator	YCP26	Private Equity	$237,433	NCIA Staff
May-26	Y Combinator	YCA26	Private Equity	$100,909	NCIA Staff
May-26	Y Combinator	Y Combinator ES26	Private Equity	$31,658	NCIA Staff
May-26	Benefit Street Partners	NCRED-B	Credit	$500,000	NCIA Staff
May-26	Ares	Ares IV OOSA	Private Equity	$1,500,000	NCIA Staff
May-26	LS Power	Eagle Tower LP	Infrastructure	$525,000	NCIA Staff
May-26	LS Power	Little Sister Road SMA LP	Infrastructure	$675,000	NCIA Staff

Investment Reallocation Flows

Reporting Account Name	May-26	YTD
Growth	**865,594,666**	**(657,160,142)**
Public Equity	900,462,329	(754,492,390)
Private Equity	(27,325,111)	631,846,006
Non-Core Real Estate	64,463,031	72,301,225
Opportunistic Fixed Income	(72,005,583)	(606,814,983)
Rates & Liquidity	**(1,477,881,675)**	**(3,623,451,568)**
IG Fixed Income	102,253	(4,643,868,444)
Pension Cash	(1,477,983,928)	1,020,416,876
Inflation Sensitive & Diversifiers	**160,084,081**	**1,732,176,144**
Inflation Sensitive	208,635,846	413,560,431
Core Real Estate	(48,551,765)	1,318,615,714
Multi-Strategy	**300,182,929**	**2,040,475,565**
Total Pension Plan	**(152,020,000)**	**(507,960,000)**

Note: Reallocation Flows includes benefit payments

Exited Investments

Fund Name	Redemption Amount (000s)	Month-Year
No redemptions for current month		

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Monthly Performance Report
May 2026

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 starting in March 2026. The structure of this benchmark has changed over time 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.
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