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: August 7, 2026

RE: Monthly Investment Performance Report for the Period Ending June 30, 2026

Please find attached the June 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 June 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 are expected to be phased in with next month's report.

Warmest regards,

Kevin SigRist
North Carolina Investment Authority Chief Investment Officer

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

Monthly Performance Report
June 2026

North Carolina Retirement Systems

Executive Summary

Pension Fund assets were $149.1 billion at the end of June 2026. Over the trailing 12-month period, the Pension Fund earned 12.41% net of fees and expenses. This performance equates to an estimated $16.54 billion in earnings. During the same period, $1.53 billion in net benefit payments were made to beneficiaries.

The second quarter of 2026 saw the strongest U.S. stock market return since 2020, due to accelerating U.S. corporate profits, AI-build-out (esp. chips and data centers), easing of the Iran Conflict, healthy U.S. consumer spending, steady job growth, and manufacturing expansion. For the quarter, the Pension Fund had a return of 7.13% net of fees and expenses. The Plan underperformed the reference portfolio benchmark by 267 basis points (-2.67%) and outperformed the actuarial rate of return by 555 basis points (5.55%).

For the month of June, the Pension Fund had a return of 0.09% net of fees and expenses. The Plan outperformed the reference portfolio benchmark by 27 basis points (0.27%) and underperformed the actuarial rate of return by 43 basis points (-0.43%). The Inflation Sensitive and Opportunistic Fixed Income asset classes were the largest gainers for the month at 0.69% and 0.55%, respectively. Public Equity was the largest detractor for the month, returning -0.25%.

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:

International equities declined 1.03% in June, as measured by the MSCI ACWI ex USA IMI Index, while U.S. equities also finished lower with the Russell 1000 index returning -0.50% for the month. The Magnificent Seven came under pressure as investors weighed the sustainability of hyperscaler earnings amid continued increases in AI-related capital spending, while software stocks also declined on concerns surrounding AI disruption. In contrast, semiconductor stocks were up throughout much of the month despite broader weakness across the technology sector. Oil prices weakened as investors monitored developments around peace negotiations between the U.S. and Iran. U.S. sector performance was mixed over the period, with health care, industrials, and financials leading returns, while energy, communication services, consumer discretionary, and information technology lagged.

Fixed Income:

Investment grade fixed income generated modest positive returns during June as declining longer-term Treasury yields offset a rise in yields on lower maturity U.S. Treasury notes and bonds (e.g., 2 year note). The Federal Open Market Committee took no action at their meeting on June 17th, the first meeting with Kevin Warsh as Chairman. Language around a bias toward cuts was removed from the official meeting statement and the Summary of Economic Projections noted a possible hike in the future. The U.S. Treasury bond curve flattened further during the month as investors priced a more hawkish Federal Reserve policy path while longer-term inflation expectations eased. Corporate credit markets remained resilient despite modest spread widening while high-yield spreads remained largely unchanged, with both remaining near historically tight levels.

Commodities & FX:

Commodity markets were dominated by geopolitical developments during June. Crude oil prices declined sharply following the announced U.S.-Iran memorandum of understanding and the reopening of the Strait of Hormuz, reducing concerns over potential supply disruptions. Brent and WTI crude prices fell roughly 20% over the month, reversing much of the geopolitical risk premium that had accumulated previously. Gold prices weakened as declining geopolitical uncertainty and a stronger U.S. dollar reduced demand for traditional safe-haven 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 are expected to be updated in next month's report to reflect the new IPS asset classes and SAA. The current portfolio is slightly underweight Equity at 60.46%, relative to a 62% target, driven by a large underweight to Real Asset Equity. This is offset by an overweight in Multi-Strategy at 4.6%, relative to a 3% target. Debt at 34.95% is roughly in line with its target of 35%. Allocation effects added 18 basis points (0.18%) to relative performance versus the reference portfolio.

Equities:

Global Public Equity outperformed its benchmark for the month by 36 basis points. Relative performance benefited from strong stock selection in information technology, materials, and industrials, partially offset by weaker selection in financials and health care. The portfolio remains positioned with approximately 62% managed passively and 38% managed actively, with 63% allocated to U.S. equities and 37% to international equities.

Fixed Income:

Investment Grade Fixed Income outperformed for the month by 2 basis points (0.02%), with portfolio gains driven largely by returns in Treasuries.

Other Asset Classes:

Inflation Sensitive and Core Real Estate and Multi-Strategy ended the month with positive gains and outperforming their benchmarks. Opportunistic Fixed Income ended positive, underperforming the benchmark.

Outlook & Strategy

There are still many favorable factors for intermediate-term U.S. growth prospects and equity markets, but there is upward pressure on long-term interest rates due to government deficits and corporate borrowing. High oil prices are negative for Europe and Asia profit growth and global inflation. Management continues to move forward with an orderly buildout of the new Strategic Asset Allocation approved by the Board in February, namely to increase exposure to publicly listed infrastructure, real estate and natural resources.

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	**84,218,303**	**(1,449,610)**	**($112,110)**	**82,656,583**	**(0.1)**	**8.8**	**18.3**	**15.3**	**8.4**	**11.5**	**11.5**	**9.9**	**8.0**
Benchmark[1]					**0.4**	**10.3**	**20.7**	**15.7**	**9.3**	**11.6**	**11.1**	**9.3**	**7.6**
Public Equity	66,454,804	(1,999,571)	(163,957)	64,291,275	**(0.3)**	**10.9**	**21.9**	**18.6**	**9.2**	**12.7**	**12.5**	**10.4**	**8.5**
Benchmark[2]					**(0.6)**	**11.8**	**24.2**	**19.5**	**10.6**	**13.0**	**12.4**	**10.0**	**8.2**
Private Equity	7,465,521	189,868	8,717	7,664,105	**0.1**	**0.6**	**6.4**	**5.1**	**4.5**	**10.6**	**11.2**	**10.4**	**9.2**
Benchmark[3]					**1.4**	**4.8**	**12.0**	**7.7**	**7.2**	**10.8**	**10.7**	**10.2**	**10.0**
Non-Core Real Estate	2,214,261	147,425	(1,200)	2,360,486	**(0.1)**	**(1.9)**	**(2.1)**	**(6.9)**	**(2.2)**	**(0.4)**	**3.1**	**6.5**	**3.4**
Benchmark[4]					**(1.1)**	**(0.7)**	**0.4**	**(2.8)**	**1.5**	**2.5**	**3.8**	**5.7**	**3.3**
Opportunistic Fixed Income	8,083,717	212,668	44,331	8,340,716	**0.5**	**3.2**	**8.0**	**8.7**	**6.6**	**6.9**	**7.0**	**6.3**	**6.4**
Benchmark[5]					**6.1**	**9.3**	**14.9**	**9.3**	**7.1**	**7.3**	**6.3**	**4.3**	**3.2**
Rates & Liquidity	**41,457,092**	**(2,195,084)**	**134,177**	**39,396,185**	**0.3**	**1.2**	**4.3**	**4.3**	**1.2**	**2.0**	**2.2**	**3.1**	**4.4**
Benchmark[6]					**0.3**	**1.0**	**4.3**	**4.1**	**(0.2)**	**1.1**	**1.6**	**2.8**	**3.9**
IG Fixed Income	35,670,951	131	120,126	35,791,209	**0.3**	**1.1**	**4.3**	**4.1**	**0.2**	**1.6**	**1.9**	**3.0**	**4.2**
Benchmark[7]					**0.3**	**1.0**	**4.3**	**4.0**	**(0.5)**	**1.0**	**1.4**	**2.7**	**3.9**
Pension Cash	5,786,141	(2,195,215)	14,051	3,604,976	**0.3**	**1.9**	**4.2**	**4.7**	**3.4**	**2.8**	**2.4**	**-**	**-**
Benchmark[8]					**0.3**	**1.8**	**3.9**	**4.6**	**3.5**	**2.7**	**2.3**	**1.6**	**-**
Inflation Sensitive & Diversifiers	**17,060,892**	**3,041,010**	**92,337**	**20,194,239**	**0.5**	**3.9**	**7.2**	**3.2**	**4.6**	**4.4**	**5.3**	**4.0**	**3.1**
Benchmark[9]					**(0.4)**	**3.2**	**5.7**	**3.2**	**4.0**	**3.9**	**4.1**	**3.8**	**2.4**
Inflation Sensitive	9,146,713	3,086,720	78,218	12,311,651	**0.7**	**3.7**	**7.9**	**6.7**	**8.1**	**6.3**	**6.6**	**3.1**	**2.8**
Benchmark[10]					**(0.4)**	**2.9**	**5.9**	**5.9**	**5.7**	**4.8**	**4.3**	**1.8**	**3.2**
Core Real Estate	7,914,179	(45,710)	14,119	7,882,589	**0.2**	**4.0**	**6.1**	**0.0**	**1.6**	**2.8**	**4.3**	**5.9**	**4.5**
Benchmark[11]					**(0.3)**	**3.4**	**5.4**	**(0.1)**	**2.0**	**2.8**	**3.8**	**6.4**	**4.6**
Multi-Strategy	**6,343,086**	**490,224**	**23,548**	**6,856,858**	**0.4**	**5.3**	**9.9**	**9.1**	**6.1**	**5.2**	**5.9**	**6.8**	**5.5**
Benchmark[12]					**(0.8)**	**0.4**	**2.6**	**5.0**	**2.3**	**2.9**	**4.1**	**4.9**	**4.9**
Total Pension Plan	**149,079,373**	**(113,460)**	**137,952**	**149,103,865**	**0.1**	**5.8**	**12.4**	**10.2**	**5.5**	**7.2**	**7.5**	**7.0**	**6.5**
Reference Portfolio Benchmark[13]					**(0.2)**	**8.1**	**16.5**	**12.6**	**6.0**	**8.2**	**7.9**	**6.9**	**6.5**
Actuarial Rate of Return					**0.5**	**3.2**	**6.5**	**6.5**	**6.6**	**6.7**	**6.8**	**7.0**	**7.0**

Beginning Market Value	**149,079,373,022**
Net Deposits	**(113,460,000)**
Net Earnings	**137,952,186**
Ending Market Value	**149,103,865,208**

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.
All values in the report reflect only the assets deposited with the NCIA at BNY. The programs may have assets outside of BNY.

NORTH CAROLINA
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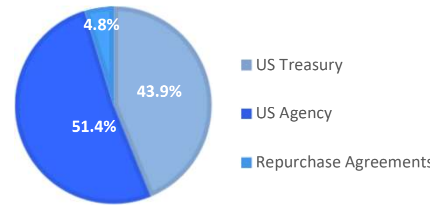
Monthly Performance Report
June 2026

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	**48,973,215**	**($161,590)**	**158,155**	**48,969,779**	**0.3**	**2.0**	**4.2**	**4.4**	**3.2**	**2.6**	**2.2**	**1.7**	**2.0**
Benchmark[8]					**0.3**	**1.8**	**3.9**	**4.6**	**3.5**	**2.7**	**2.3**	**1.6**	**-**

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

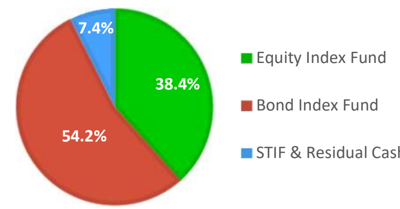
ASSET ALLOCATION



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	**3,510,506**	**(10,922)**	**($5,545)**	**3,494,039**	**(0.2)**	**4.6**	**10.8**	**9.5**	**3.9**	**4.7**	**-**	**-**	**-**
Benchmark[14]					**(0.2)**	**4.5**	**10.6**	**9.5**	**3.9**	**4.6**	**-**	**-**	**-**

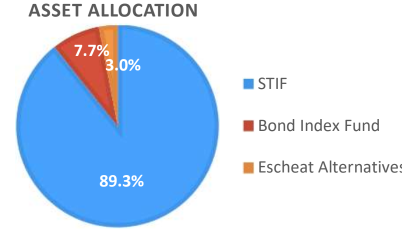
ASSET ALLOCATION



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	**1,806,103**	**7,736**	**14,187**	**1,828,025**	**0.8**	**2.4**	**4.9**	**4.3**	**2.7**	**2.5**	**2.3**	**2.3**	**2.9**
Benchmark[15]					**0.2**	**1.6**	**3.8**	**4.5**	**3.2**	**3.1**	**2.8**	**2.7**	**3.2**

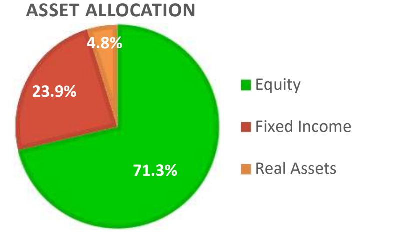
ASSET ALLOCATION



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	19,019,673	(20,252)	($47,995)	18,951,426	**(0.3)**	**8.0**	**15.4**	**13.6**	**7.2**	**9.3**	**9.4**	**-**	**-**
Deferred Comp 457 Plan	2,559,144	(3,989)	($2,318)	2,552,836	**(0.1)**	**8.1**	**15.3**	**13.2**	**7.1**	**9.1**	**9.0**	**-**	**-**
Total 401K & 457 Performance	**21,578,821**	**(24,241)**	**($50,313)**	**21,504,267**	**(0.2)**	**8.0**	**15.4**	**13.5**	**7.2**	**9.3**	**9.3**	**-**	**-**
Benchmark[16]					**(0.1)**	**9.7**	**19.3**	**15.1**	**8.6**	**10.1**	**9.7**	**-**	**-**

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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Monthly Performance Report
June 2026

North Carolina Retirement Systems

New Investments and Top Ups

Month-Year	Manager Name	Deal Name	Category	Amount (000s)	Source
Jun-26	Melange Capital Partners	Melange Secondaries Partners II	Natural Resources	$130,000	NCIA Staff
Jun-26	Brevan Howard	Brevan Howard Special Opps Fund	Multi-Strategy	$200,000	NCIA Staff
Jun-26	Pinegrove Capital Partners	CN Strategic Venture Tranche A & B	Private Equity	$520,000	NCIA Staff
Jun-26	Walleye	Walleye Opportunities Fund	Multi-Strategy	$300,000	NCIA Staff
Jun-26	PSG Equity	PSG Europe III SCSp	Private Equity	€ 225,000	NCIA Staff
Jun-26	Barings	North Star Investment Holdings LLC Series IV & V	Credit	$1,800,000	NCIA Staff
Jun-26	Arctos Partners	Arctos Keystone Partners Fund & SMA	Private Equity	$400,000	NCIA Staff
Jun-26	BlackRock	NC Garnet Infra Staging Portfolio	Infrastructure	$1,000,000	NCIA Staff

Investment Reallocation Flows

Reporting Account Name	Jun-26	YTD
Growth	**(1,449,609,847)**	**(2,106,769,988)**
Public Equity	(1,999,570,955)	(2,754,063,345)
Private Equity	189,868,114	821,714,120
Non-Core Real Estate	147,425,476	219,726,701
Opportunistic Fixed Income	212,667,519	(394,147,464)
Rates & Liquidity	**(2,195,084,158)**	**(5,818,535,726)**
IG Fixed Income	131,263	(4,643,737,181)
Pension Cash	(2,195,215,421)	(1,174,798,545)
Inflation Sensitive & Diversifiers	**3,041,010,007**	**4,773,186,151**
Inflation Sensitive	3,086,719,928	3,500,280,358
Core Real Estate	(45,709,921)	1,272,905,793
Multi-Strategy	**490,223,998**	**2,530,699,563**
Total Pension Plan	**(113,460,000)**	**(621,420,000)**

Note: Reallocation Flows includes benefit payments

Exited Investments

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

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