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: November 16, 2026

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

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

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
September 2026

North Carolina Retirement Systems

Executive Summary

Pension Fund assets were $147.6 billion at the end of September 2026. Over the trailing 12-month period, the Pension Fund earned 7.22% net of fees and expenses, which performance equates to an estimated $10.01 billion in earnings. During the same period, $1.58 billion was transferred out of the investment portfolio to pay benefits.

For the quarter, the Pension Fund had a return of -0.62% net of fees and expenses. The Plan outperformed the reference portfolio benchmark by 80 basis points (0.80%) and underperformed the actuarial rate of return by 221 basis points (-2.21%).

For the month of September, the Pension Fund had a return of -1.84% net of fees and expenses. The Plan outperformed the reference portfolio benchmark by 45 basis points (0.45%) and underperformed the actuarial rate of return by 237 basis points (-2.37%). Cash was the largest gainer for the month at 0.26%. Investment Grade Fixed Income was the largest detractor for the month, returning -3.57%.

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 Retirement Systems

Market Environment

Equities:

U.S. and international equity markets declined during September, with the Russell 1000 Index falling 0.65% while the MSCI ACWI ex USA IMI Index declined 2.4%. Markets experienced increased volatility as rising yields and inflation concerns weighed on investor sentiment. Despite broader market weakness, AI-related technology stocks outperformed with strong gains in semiconductor and mega-cap technology companies. U.S. sector performance was led by information technology while financials, materials, real estate, and utilities experienced the largest declines. International markets faced additional pressure from higher global interest rates and energy costs as investors continued to weigh the impacts of the US conflict with Iran and its impact on oil supply chains.

Fixed Income:

Investment grade fixed income markets declined sharply during September as U.S. Treasury yields rose approximately 40-60 basis points across the curve, driven by persistent inflation concerns and continued pressure from government borrowing. The Federal Reserve raised the federal funds target range by 25 basis points to 3.75%-4.00% at its September 16th meeting, citing elevated inflation and resilient economic activity as they took a more hawkish tone on monetary policy. Higher Treasury yields weighed heavily on longer-duration bonds, while corporate credit spreads remained comparatively resilient. Investment grade corporate spreads widened modestly by 4 basis points to approximately 84 basis points, while high-yield spreads widened by roughly 50 basis points.

Commodities & FX:

Commodity markets were mixed during September as crude oil prices rose amid continued geopolitical tensions in the Middle East and renewed concerns over global supply disruptions. Oil prices were volatile throughout the month, with supply concerns surrounding the Strait of Hormuz and attacks on Saudi Arabian energy infrastructure contributing to higher prices. Precious metals declined for the month, with gold falling sharply as rising Treasury yields and a stronger U.S. dollar reduced demand for non-yielding assets. The U.S. dollar strengthened during September, supported by higher U.S. interest rates and expectations for a more restrictive Federal Reserve policy stance.

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 throughout the report reflect the new IPS asset classes and SAA. Performance benchmarks for the new asset class categories have been calculated by the Retirement Systems' global custodian and phased into the report. The current portfolio is slightly underweight Equity at 61.33%, relative to a 62% target, driven by an underweight to Real Asset Equity. This is offset by an overweight in Multi-Strategy at 5.98%, relative to a 3% target. Debt at 32.68% is slightly underweight its target of 35%. Allocation effects added 48 basis points (0.48%) to relative performance versus the reference portfolio for the month.

Equities:

Public Equity underperformed for the month by 31 basis points (-0.31%) versus the MSCI ACWI IMI index. Relative performance was primarily boosted by exposure to materials while security selection within technology was the primary detractor from performance. The portfolio ended the month 64% passive and 36% active, with 64% in U.S. equities and 36% in international equities.

Fixed Income:

Investment Grade Fixed Income outperformed its benchmark for the month by 5 basis points (0.05%).

Other Asset Classes:

Credit ended the month with positive gains, underperforming the benchmark. Private Equity and Real Estate ended negative, outperforming their benchmarks. Infrastructure and Natural Resources and Multi-Strategy ended negative, underperforming their benchmarks.

Outlook & Strategy

There are two competing forces impacting the economic and financial outlook: 1) support from strong AI-related capital investments, wealth effects from a robust stock market, and resilient corporate fundamentals; versus 2) Elevated inflation, Middle East/Ukraine conflicts, waning US fiscal stimulus, and higher long-term bond yields. As a result, the NCIA will continue to: 1) effect a measured reduction to the public equity overweight; 2) keep long-maturity bond exposure underweight; and 3) rebalance into real estate credit, private and listed infrastructure and natural resources equities, and REITs. Each of the latter are expected to offer competitive returns while helping to diversify energy/inflation and equity market risk.

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

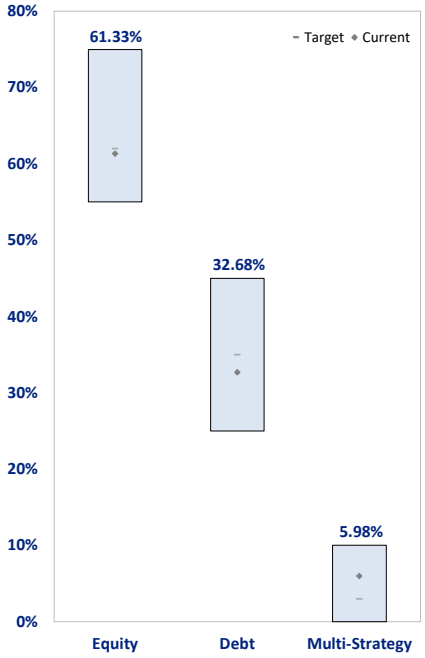
Monthly Performance Report
September 2026

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
Total Pension Plan	**150,547,479**	**(173,340)**	**($2,771,476)**	**147,602,663**	**(1.8)**	**5.1**	**7.2**	**10.9**	**5.2**	**6.9**	**7.0**	**7.4**	**6.3**
Actuarial Rate of Return					**0.5**	**4.8**	**6.5**	**6.5**	**6.5**	**6.7**	**6.8**	**6.9**	**7.0**
Reference Portfolio Benchmark[1]					**(2.3)**	**6.6**	**9.0**	**13.5**	**5.8**	**7.8**	**7.4**	**7.3**	**6.2**
Implementation Benchmark[2]					**(1.6)**	**5.7**	**7.8**	**11.2**	**5.4**	**7.2**	**7.0**	**7.1**	**6.0**
Debt	**49,669,724**	**(269,930)**	**($1,157,140)**	**48,242,654**	**(2.3)**	**(1.6)**	**(0.5)**	**4.6**	**1.4**	**2.0**	**2.6**	**3.1**	
Reference Portfolio Benchmark[3]					**(3.9)**	**(5.6)**	**(5.3)**	**2.2**	**(4.0)**	**(2.2)**	**(0.7)**	**0.8**	
Implementation Benchmark[4]					**(2.4)**	**(2.1)**	**(1.0)**	**4.5**	**0.2**	**1.3**	**1.9**	**2.5**	
Cash	1,938,197	(238,047)	4,293	1,704,443	**0.3**	**2.9**	**4.0**	**4.6**	**3.6**	**2.8**	**2.4**	**-**	
Benchmark[5]					**0.3**	**2.7**	**3.7**	**4.5**	**3.7**	**2.8**	**2.4**	**1.6**	
Investment Grade Fixed Income	33,568,946	(74,052)	(1,196,538)	32,298,356	**(3.6)**	**(4.1)**	**(3.3)**	**3.9**	**(1.2)**	**0.2**	**1.2**	**2.2**	
Benchmark[6]					**(3.6)**	**(4.4)**	**(3.7)**	**3.9**	**(2.0)**	**(0.5)**	**0.7**	**1.9**	
Credit	14,162,581	42,169	35,105	14,239,856	**0.2**	**4.3**	**6.1**	**7.5**	**5.9**	**6.4**	**6.5**	**6.6**	
Benchmark[7]					**0.9**	**4.1**	**6.5**	**7.2**	**5.8**	**6.5**	**5.3**	**4.5**	
Equity	**92,396,461**	**(263,410)**	**($1,602,568)**	**90,530,483**	**(1.7)**	**9.6**	**12.5**	**15.6**	**8.1**	**11.0**	**10.6**	**10.6**	
Reference Portfolio Benchmark[8]					**(1.4)**	**13.0**	**16.6**	**21.3**	**11.1**	**13.2**	**12.1**	**11.7**	
Implementation Benchmark[9]					**(1.3)**	**10.3**	**13.3**	**15.6**	**9.1**	**11.2**	**10.6**	**10.5**	
Corporate Equity	**69,923,263**	**(20,631)**	**($1,056,017)**	**68,846,614**	**(1.5)**	**11.5**	**14.9**	**19.0**	**9.3**	**13.0**	**12.2**	**11.9**	
Benchmark[10]					**(1.3)**	**12.7**	**16.3**	**19.5**	**10.4**	**13.0**	**11.9**	**11.5**	
Public Equity	60,780,808	(285,935)	(1,047,833)	59,447,041	**(1.7)**	**12.0**	**15.3**	**20.5**	**9.8**	**13.0**	**12.0**	**11.9**	
Benchmark[11]					**(1.4)**	**13.0**	**16.6**	**21.3**	**11.1**	**13.2**	**11.9**	**11.5**	
Private Equity	9,142,454	265,304	(8,185)	9,399,574	**(0.1)**	**7.2**	**10.9**	**7.7**	**4.4**	**11.6**	**11.9**	**10.9**	
Benchmark[12]					**(0.5)**	**10.3**	**13.6**	**9.1**	**6.6**	**11.1**	**11.1**	**10.3**	
Real Asset Equity	**22,473,198**	**(242,779)**	**($546,551)**	**21,683,868**	**(2.4)**	**1.9**	**2.6**	**1.3**	**2.3**	**3.2**	**4.6**	**5.3**	
Benchmark[13]					**(1.3)**	**3.3**	**4.4**	**3.3**	**4.7**	**5.1**	**5.9**	**6.7**	
Infrastructure & Natural Resources	10,159,628	(238,747)	(264,236)	9,656,645	**(2.6)**	**4.0**	**6.1**	**6.2**	**8.7**	**7.1**	**6.4**	**3.6**	
Benchmark[14]					**(0.0)**	**7.0**	**9.4**	**9.0**	**10.3**	**8.9**	**8.9**	**7.5**	
Real Estate	12,313,570	(4,031)	(282,315)	12,027,223	**(2.3)**	**0.5**	**0.6**	**(1.0)**	**(0.4)**	**1.5**	**3.8**	**6.4**	
Benchmark[15]					**(2.4)**	**0.4**	**0.6**	**(0.8)**	**0.6**	**2.3**	**3.6**	**5.9**	
Multi-Strategy	**8,481,294**	**360,000**	**($11,768)**	**8,829,527**	**(0.1)**	**3.6**	**5.5**	**8.5**	**5.8**	**4.9**	**5.4**	**7.2**	
Benchmark[16]					**0.9**	**6.0**	**6.2**	**7.1**	**3.6**	**3.8**	**4.2**	**5.9**	

Beginning Market Value	**150,547,479,320**
Net Deposits	**(173,340,000)**
Net Earnings	**(2,771,475,833)**
Ending Market Value	**147,602,663,487**

Asset Allocation



Statute Limitations:

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

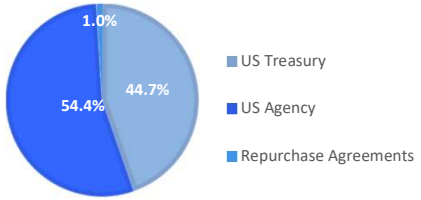
Monthly Performance Report
September 2026

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	**47,540,429**	**($1,500,980)**	**151,827**	**46,191,277**	**0.3**	**3.0**	**4.1**	**4.4**	**3.4**	**2.6**	**2.3**	**1.7**	**2.0**
Benchmark[17]					0.3	2.7	3.7	4.5	3.7	2.8	2.4	1.6	-

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

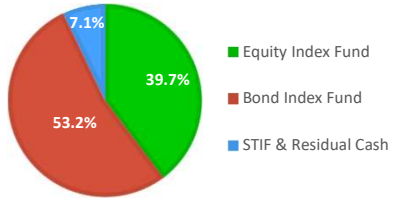
ASSET ALLOCATION



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	**3,499,114**	**(4,122)**	**($62,366)**	**3,432,626**	**(1.8)**	**3.4**	**5.3**	**10.2**	**3.7**	**4.3**	**-**	**-**	**-**
Benchmark[18]					(1.8)	3.3	5.1	10.1	3.7	4.2	-	-	-

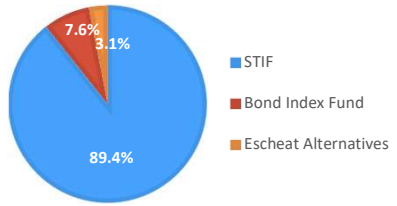
ASSET ALLOCATION



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	**1,792,918**	**906**	**1,528**	**1,795,353**	**0.1**	**3.1**	**4.2**	**4.4**	**2.7**	**2.5**	**2.3**	**2.3**	**2.8**
Benchmark[19]					0.1	2.1	3.2	4.4	3.2	3.0	2.9	2.7	3.0

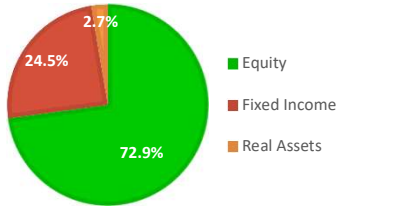
ASSET ALLOCATION



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	19,273,541	(24,527)	($318,961)	18,930,053	**(1.7)**	**8.3**	**10.5**	**14.9**	**7.4**	**9.3**	**9.0**	-	-
Deferred Comp 457 Plan	2,594,304	(3,717)	($42,879)	2,547,709	**(1.7)**	**8.3**	**10.3**	**14.4**	**7.3**	**9.1**	**8.6**	-	-
Total 401K & 457 Performance	**21,867,850**	**(28,244)**	**($361,840)**	**21,477,766**	**(1.7)**	**8.3**	**10.4**	**14.9**	**7.4**	**9.3**	**9.0**	-	-
Benchmark[20]					(1.4)	9.8	12.6	16.2	8.7	10.0	9.4	-	-

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;
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 Retirement Systems

New Investments and Top Ups

Month-Year	Manager Name	Deal Name	Category	Amount (000s)	Source
Sep-26	Centerbridge Partners	CNC Sapphire Holdings LP	Credit	$1,200,000	NCIA Staff
Sep-26	Seraya Partners	Merah Saga Holdings LP	Infra. & Natural Resources	$1,200,000	NCIA Staff
Sep-26	Seraya Partners	Seraya Partners Fund II LP	Infra. & Natural Resources	$400,000	NCIA Staff
Sep-26	Broad Reach	Broad Reach Co-Investments Fund	Multi-Strategy	$200,000	NCIA Staff
Sep-26	Luxor Capital Group	Thebes Fund	Multi-Strategy	$250,000	NCIA Staff
Sep-26	Lightspeed Venture Partners	Lightspeed AI REN Fund Co-Investment	Private Equity	$125,000	NCIA Staff

Investment Reallocation Flows

Reporting Account Name	Sep-26	YTD
Debt	**(269,930,360)**	**(8,935,824,711)**
Cash	(238,047,402)	(6,588,732,240)
Investment Grade Fixed Income	(74,052,008)	(2,967,815,345)
Credit	42,169,050	620,722,874
Equity	**(263,409,640)**	**3,110,608,137**
Corporate Equity	**(20,631,119)**	**(6,015,998,677)**
Public Equity	(285,935,209)	(7,659,283,174)
Private Equity	265,304,090	1,643,284,497
Real Assets Equity	**(242,778,521)**	**9,126,606,813**
Infrastructure & Natural Resourc	(238,747,494)	5,602,598,917
Real Estate	(4,031,027)	3,524,007,896
Multi-Strategy	**360,000,000**	**4,621,903,199**
Total Pension Plan	**(173,340,000)**	**(1,203,313,376)**

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:

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 Reference Portfolio Debt Benchmark: ICE BofA United States Treasuries 5+ Years Index.
4. 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).
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 Reference Portfolio Equity Benchmark: is comprised of the MSCI ACWI IMI Net Index.
9. 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).
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 STIF Benchmark is the iMoneyNet First Tier Institutional Money Market Funds Net Index.
18. The Total AGPIP Benchmark is comprised of the market value weighted combination of the underlying asset class benchmarks.
19. The Total Escheats Benchmark is comprised of the market value weighted combination of the underlying asset class benchmarks.
20. 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

Disclaimer: While we strive for accuracy, the information in this report is provided on an 'as is' basis. Please note that the investment performance presented is subject to final valuation and adjustments that may occur during the year and cause performance to change. Should material adjustments or errors be found after publication, an updated report will be posted to NCInvest.gov. We will not distribute updated versions of this report to previous recipients. Please check our website periodically for the most current version. Past performance is not indicative of future results. The Outlook & Strategy views are the current views of NCIA management, which may change without notice, and should not be relied upon as investment advice.