NORTH CAROLINA
INVESTMENT AUTHORITY

Private Equity

May 27, 2026

BRADFORD B. BRINER
STATE TREASURER OF NORTH CAROLINA

Private Equity Team

Craig Demko, Director
2005

33 years of investment experience
- Alternatives – 21 years with NCIA
  - Private Equity - Credit - Real Assets
- Public Equity institutional research – 12 years

BA in Economics

Brian Bolcar, Senior Portfolio Manager
2015

35+ years of financial services experience
- Private Equity – 20 years with VRS and NCIA
- Accounting, Commercial Banking, Public Equity

BS Accounting, MBA, CPA, CFA

Ben Peterman, Portfolio Manager
2025

13 years of investment experience
- Alternatives – 13 years
  - UPS – Private Equity & Energy
  - Goldman Sachs External Investment Group

BSBA Finance, CAIA

Shaun Braswell, Analyst
2023

8+ years of financial service experience
- Credit Suisse, B of A and Loop Capital
- Private Equity – 3 years with NCIA

BSBA Finance, MBA

Role

Objective: Achieve long-term returns materially in excess of public market risk premiums, sufficient to compensate the Pension Fund for the higher degree of idiosyncratic risk, smaller company equity exposure, higher portfolio company leverage, and complexity.

Diversification: Private Equity asset class will seek materially higher idiosyncratic risk with limited emphasis on industry, sector, and geographical diversification.

Allocation as of 5/15/26

	Market Value ($MM)	%	Range Min	Range Mid	Range Max	Mid Relative %	Mid Relative $
Equity	**$86,078**	**58.91%**	**55%**	**62%**	**75%**	**-3.09%**	**($4,513)**
Corporate Equity	**69,814**	**47.78%**	**23%**	**44%**	**66%**	**3.78%**	**5,523**
Public Equity	*61,721*	*42.24%*	20%		48%		
Private Equity	*8,093*	*5.54%*	3%		18%		
Real Asset Equity	**16,265**	**11.13%**	**6%**	**18%**	**28%**	**-6.87%**	**($10,036)**
Real Estate	*10,035*	*6.87%*	3%		10%		
Infrastructure and Natural Resources	*6,230*	*4.26%*	3%		18%		
Debt	**$53,853**	**36.86%**	**25%**	**35%**	**45%**	**1.86%**	**$2,712**
Investment Grade	35,143	24.05%	15%	25%	37%	-0.95%	($1,386)
Credit	12,826	8.78%	3%	9%	14%	-0.22%	($325)
Cash	5,884	4.03%	0%	1%	5%	3.03%	4,423
Muti-Strategy	**$6,185**	**4.23%**	**0%**	**3%**	**10%**	**1.23%**	**$1,801**
Grand Total	**$146,116**						

Performance as of 4Q25[1] (time weighted)

	Market Value ($000)	Month	3 Month	Fiscal YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	15 Yr	20 Yr
NCIA	6,802,884	0.37	2.86	5.81	9.92	5.14	10.13	11.05	11.33	11.18	9.43
Current Benchmark[2]		0.34	2.83	6.65	9.09	6.79	10.66	10.39	10.30	10.80	10.37
Forward Benchmark[3]					10.51	7.23	13.13	13.75	14.07	14.07	13.15

Performance impacted by

Negatives:

- Legacy utilization of Fund-of-Funds
- Forced Secondary Sale in 2010-2011: ≈ 20% of NAV
- Inconsistent deployment: primarily 2017-2024 w/ depriorization of Alts.

Positives:

- Co-Investments Access and Returns ≈ 25% of NAV
- Growth / VC exposure & Performance
- Program Scale and Under-allocation

1. As of 4Q25, cash flow adjusted from latest available reported.
2. Comprised of the following MSCI Private Capital indices: 45% Buyout, 25% Venture Capital, and 30% Distressed.
3. MSCI All Private Equity.

Performance as of 4Q25[1]

Net of Fees Performance (Time Weighted)

	Market Value ($MM)	3 Month	1 Year	3 Years	5 Years	10 Years
Private Equity	**$6,802**	**2.86**	**9.92**	**5.14**	**10.13**	**11.33**
Benchmark		2.83	9.09	6.79	10.66	10.30
Buyout	**$1,927**	**1.38**	**4.55**	**3.36**	**11.00**	**11.80**
Growth and Venture	**$1,059**	**6.56**	**18.08**	**4.57**	**4.57**	**10.86**
Special Situations	**$3,355**	**2.57**	**11.22**	**8.04**	**14.24**	**10.87**
Fund of Funds	**$460**	**3.35**	**9.56**	**1.48**	**8.89**	**9.01**

	2010 + Vintages - as of 12/31/25 Reported Valuations						
	Internal Rate of Return			PMEs (Relative to R2000)		Multiples	
Asset Class	5 Year	10 Year	ITD	Alpha	K&S	DPI	TVPI
Total Private Equity	7.88%	14.10%	14.07%	4.18%	1.16%	0.94x	1.74x

1. As of 4Q25, cash flow adjusted from latest available reported.

Value Creation Strategy

1. Access top tier Venture Capital / Growth managers complemented with selective allocations to Buyout and other thematic strategies.

2. Prioritize Co-Invest / Direct Investments:
   Establish Direct Investment platform to scale program and flexible SMAs.
   Utilize scale to drive economic terms and more direct deal flow.

3. Reallocate time and attention on efforts to drive performance:
   Undertake Legacy Tail-End / Non-Core project to offload management of unimpactful fund relationships.

4. Further enhance cross asset class collaborations.

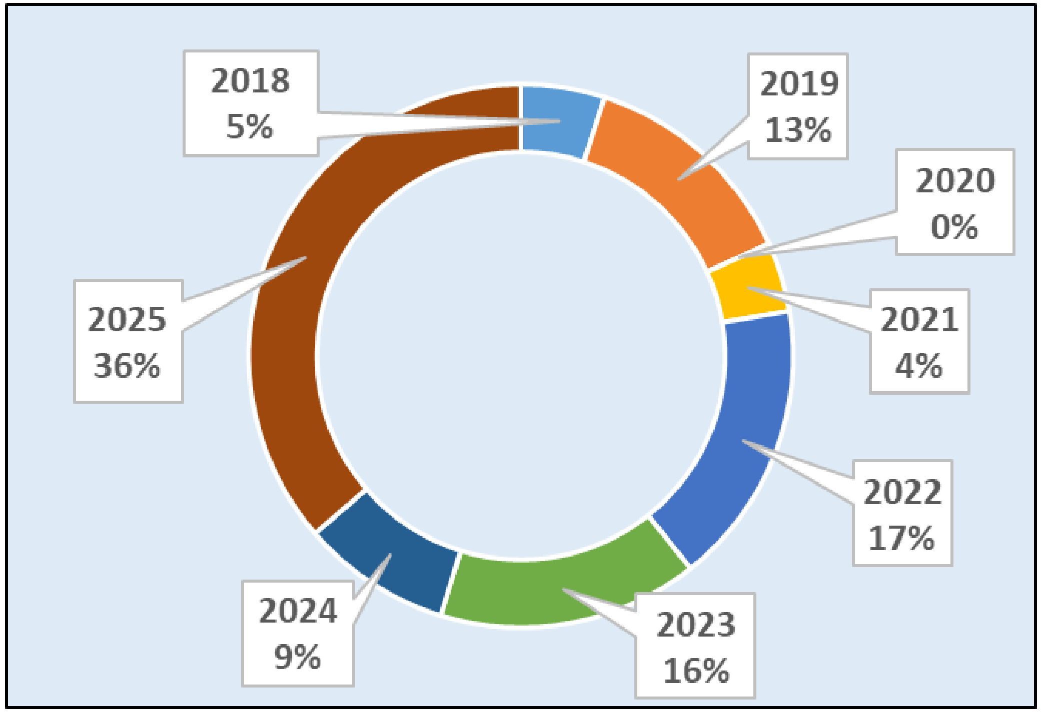
5. Team addition(s):
   Additional skill sets are needed to scale Co-Invest / Direct Investments

6. Proactively create awareness of NCIA's new governance, goals and capabilities.

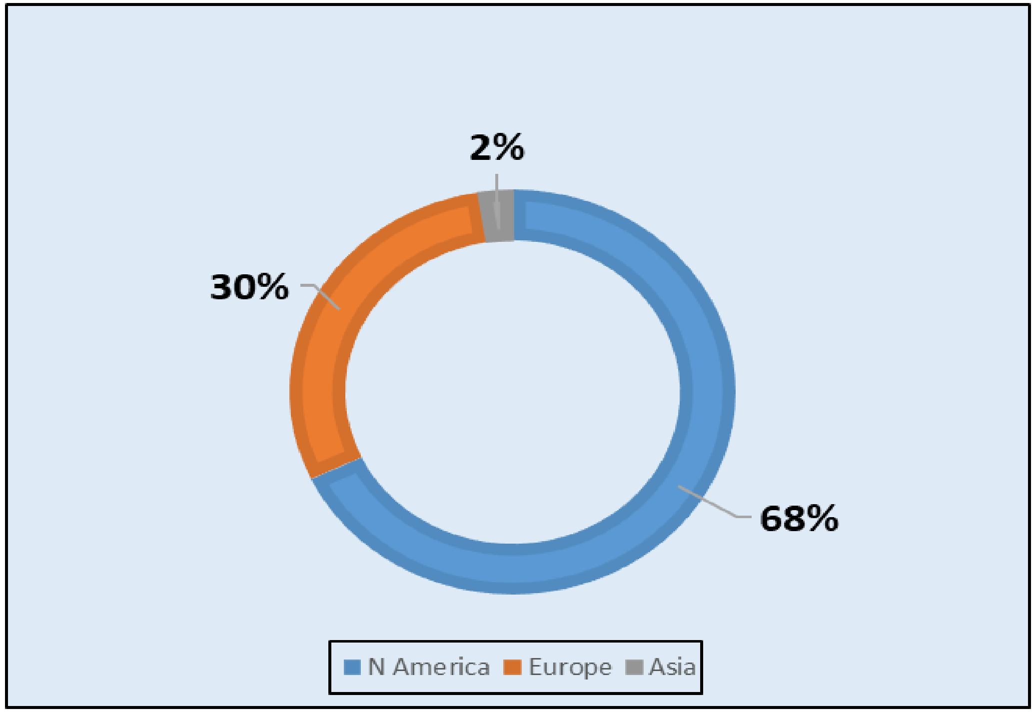
Co-Invest / Direct Investment Program - Performance and Composition

Co-Inv Tranche	Investments	Vintages	Contributed	Distributed	NAV	IRR	TVPI	DPI
Series A	6	2018- 2020	$283	$263	$497	18.9%	2.7x	0.9x
Series B	20	2021 - 2025	$824	$10	$1,138	16.8%	1.4x	0.0x
Combined	**26**	2018 - 2025	**$1,107**	**$273**	**$1,635**	**18.1%**	**1.7x**	**0.2x**

Vintage Year Composition



Geographic Composition



Initiative – Direct/Co-Investment Program

- Structure & Execution
  - Flexible structures to maximize access while having discretion, with focus on alpha and alignment.
  - Utilize scale and speed of execution as a competitive advantage.
- Sourcing
  - Expand relationships with intermediaries and high conviction GPs.
  - Leverage cross-asset class relationships (Public Equity and Multi-Strat).
- Thematic Focus
  - Mission-Critical, high growth businesses with durable competitive advantages.
  - AI, Frontier Tech, Industrial Tech, Hard Tech, Aerospace/Defense.
- Continuation Vehicles
  - Capture undercapitalized market opportunity, which provides attractive entry valuations and alignment.
  - Can better evaluate traditional businesses and complement primary commitments.
- Primary Commitments – Identify high conviction GPs in need of co-investment partners
  - Leverage NCIA scale, execution and flexibility to be a preferred co-investment partner.
- Resources – Personnel and Quantitative
  - Build internal team capabilities and quantitative underwriting tools to support deal pipeline .

Initiative – Co-Invest / Direct Investment Platform

NCIA is conducting a search for one or more external partners that can deliver value-added services for co-investment and direct investment opportunities on a competitive basis.

Goal: "Streamline the review, due diligence, execution, and management of these opportunities through a thoughtful, disciplined process that drives long-term value for stakeholders."

Primary Benefit: Increase Overall Performance

Additional Benefits:

- Enhance Direct Deal Flow
- Expand Resources – Sector Analyses, Market Mapping, Competitive Landscape, Introductions

Initiative is across multiple asset classes

- Private Equity, Real Estate, Real Assets, Credit
- Asset classes may utilize different solutions (Partners) based on experience / performance within vertical.

Initiative – Legacy Project

Expect that the number of private market manager relationships, co-investments, and direct investments will become more concentrated through larger commitments and **exiting of legacy relationships that are no longer active**.

Purpose

1. Unified solution for each illiquid asset class to utilize for legacy/non-core line items
2. Offload burden of managing day-to-day: must provide all standard portfolio monitoring, reporting
3. Ability to pursue secondary sales independently and when requested requiring minimal NCIA oversight
4. Willingness to provide services without NCIA providing additional capital to deploy
5. Maximize PV of distributions; minimize negative impact of losses/underperformance

Initial Portfolio identified a/o 4Q25

Asset Class	Line Items
Private Equity	29
Real Estate	40
Private Credit	14
Real Assets	15
Total	**98**

Initiative – Legacy Project

Offload Portfolio – Private Equity as of 12/31/25	
Sub-Asset Class	**Line Items**
Buyout	15
Venture & Growth Equity	8
Other[1]	6
Total	29

- Private Equity Offload Portfolio mostly old-age / harvest mode funds in wind down
  - Weighted Average vintage year of 2013
- Represents ~10% of the PE portfolio and decreasing as distributions occur (though slowing) and new deployment
- Secondary market pricing remains strong but two characteristics impair the Offload portfolio's ability to demand strong pricing
  - Extreme tail-end / lack of forward growth nature of the assets
  - Lack of distributions in private markets providing large opportunity for secondary dollars to focus elsewhere first

1. Composed of Fund of Funds and Special Situations.

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Areas of Interest: VC / Growth Equity Pipeline

VC vs. Buyout by Vintage IRRs[1]

AI Super-Cycle
VC Secondaries Surge

Rate Hikes
IPO Market Closes

Pandemic Shock followed by
Hyper-Acceleration

Unicorn Era
SoftBank Vision Fund

Mobile Boom

GFC
Late-Stage Slows

Web 2.0 & Mobile Begins
Early Stage Reaccelerates

Dot-Com Bust

Vintage	VC Early + Late	vs. Buyout	VC Early Stage	vs. VC Late Stage
2025	25.74	3.95	13.00	30.65
2024	22.55	17.04	19.24	28.77
2023	22.40	15.83	24.67	20.52
2022	17.55	11.26	14.40	21.43
2021	4.51	11.01	3.76	5.16
2020	8.42	13.00	9.76	6.58
2019	14.26	14.49	12.69	16.11
2018	13.99	16.92	16.04	11.32
2017	20.46	17.69	17.18	26.74
2016	17.53	16.55	16.57	19.42
2015	18.79	16.90	15.47	25.71
2014	20.43	16.89	19.57	21.34
2013	16.72	14.78	18.22	9.53
2012	20.05	15.87	20.85	17.01
2011	24.46	14.55	29.19	18.08
2010	18.34	15.50	19.57	15.16
2009	18.58	14.30	17.27	
2008	15.80	11.86	16.85	
2007	14.42	10.11	12.89	18.31
2006	8.84	7.23	8.22	12.70
2005	10.73	9.67	10.59	11.51
2004	8.77	14.46	8.42	10.48
2003	9.13	22.02	10.04	
2002	2.55	25.07	1.39	
2001	5.71	26.79	5.74	
2000	-0.14	16.57	-0.76	4.71

NCIA IS more focused on VC.

Active Fund Commitments:
- a16z
- Maverick Silicon
- Baillie Gifford
- Coatue
- Y Combinator

Direct Investments:
- SMAs
- Co-Investments

Strong Pipeline of Opportunities
- Moment in time for access
- Evidenced by secondaries
- - LPs as cash constrained

1. MSCI Pooled IRRs of Early-Stage VC, Late-Stage VC, and Buyout, North America and Western Europe as of 3Q25.

Areas of Interest: VC / Growth Equity Pipeline

Venture Capital / Growth Equity Opportunities

	Seed	Early	Late	Public Crossover Shorter Hold	Public Crossover Longer Hold	Co-Invest Opp.
Existing:						
Andreessen Horowitz						
Maverick Silicon						
Baillie Gifford						
Coatue						
Y Combinator 2026						
Pipeline:						
Opportunity #1						
Opportunity #2						
Opportunity #3						
Opportunity #4						
Opportunity #5						
Opportunity #6						

Area of Interest: Artificial Intelligence

AI is the largest platform shift since cloud – and venture capital is the primary vehicle for accessing it

Early exposure to the category-defining companies – foundation models, AI infrastructure, and applied AI – is concentrated in the private markets, years before these businesses reach public investors

Where the Opportunity Lives

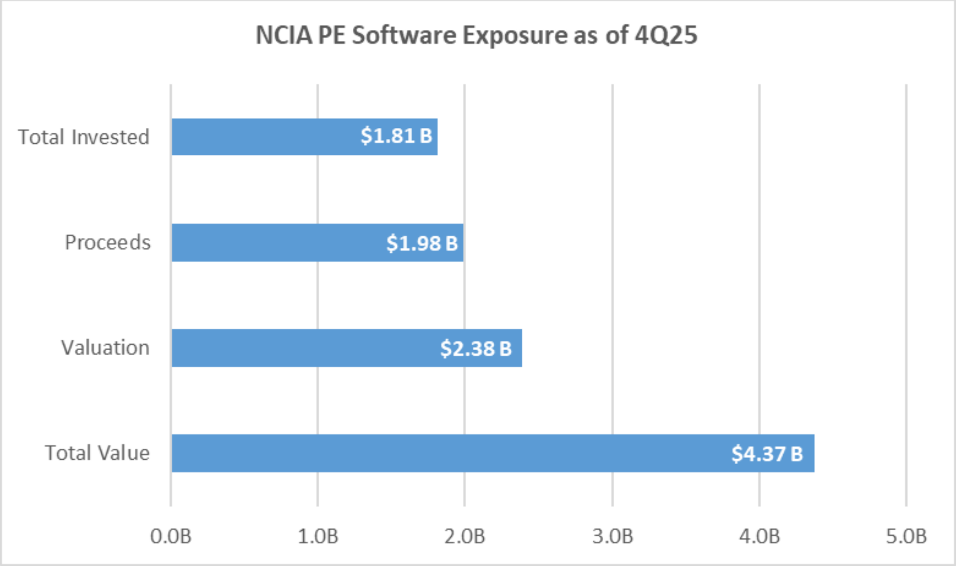
- **Foundation Models**
  The frontier labs building general-purpose AI – the category-defining generational businesses
- **AI Infrastructure**
  Compute, chips, data platforms, and developer tools powering the buildout – the picks and shovels
- **Vertical & Applied AI**
  AI-native software reshaping healthcare, financial services, legal, defense, and industrials
- **AI-Enabled Incumbents**
  Established software and services companies compounding productivity gains through AI integration

Why VC is the Right Access Vehicle

Public markets arrive late – the value is created in private

- **Value Creation happens pre-IPO**
  Leading AI companies are staying private longer, with the majority of their value compounding before public investors get access
- **Top-quartile managers capture the upside**
  Return in AI are concentrated in a small set of companies backed by a small set of GPs, Manager selection is the thesis
- **Scale and duration match the opportunity**
  AI buildout requires patient, long-duration capital – a natural fit for our long-horizon portfolio and liability profile
- **Complementary to our existing PE exposure**
  AI-driven transformation is creating tailwinds across our buyout portfolio as well – a dual source of alpha

AI vs. Software



AI vs. Software – General Market Views

Pro Software

- Productivity / efficiency gains through AI-augmented software workflows
- Revenue expansion through AI add-ons / upsells
- Expanded value creation through higher automation
- Savings

AI Will Eat Software

- Competitive pressure and rapid obsolescence
- Valuation pressure from market uncertainty
- Pricing pressure
- Seat reduction / license compression

NCIA – Mixed Views, but approach is caution

Software: Too early to tell if Software will be adequately compensated for the additional risk for LBOs.

AI: Actively pursuing opportunities in Venture Capital / Growth that can capitalize on AI implementation.

Areas of Interest

Sector: Healthcare / Life Sciences

- Recession-Resistant Demand
- Aging Population
- Technological Modernization

Sector: Industrial

- Accelerated Reshoring Efforts
- AI-Driven Automation and Tech. Modernization
- Government Policy Support

Geography: Japan

- Stable Macroeconomic Environment
- Active Pipeline of Deal Activity
- Inexpensive LBO Financing

Private Equity Appendix

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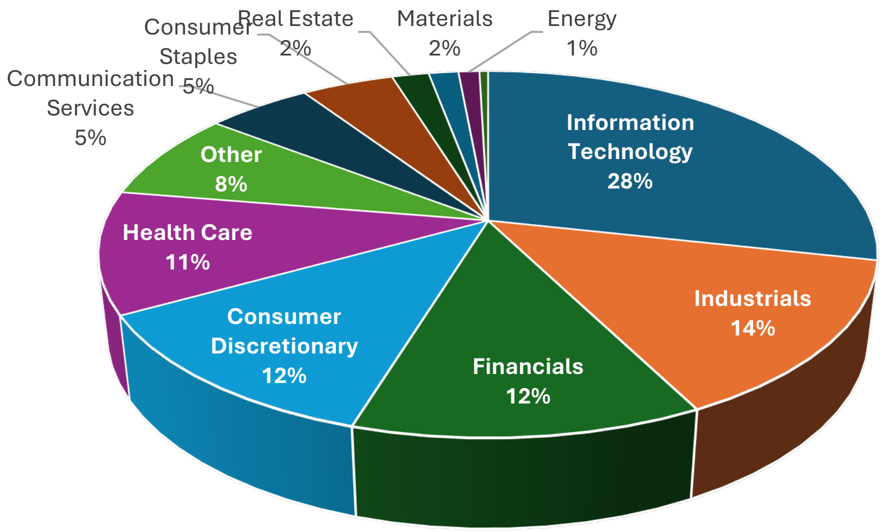
Private Equity Strategy Analysis

Outlook: Positive Neutral Negative

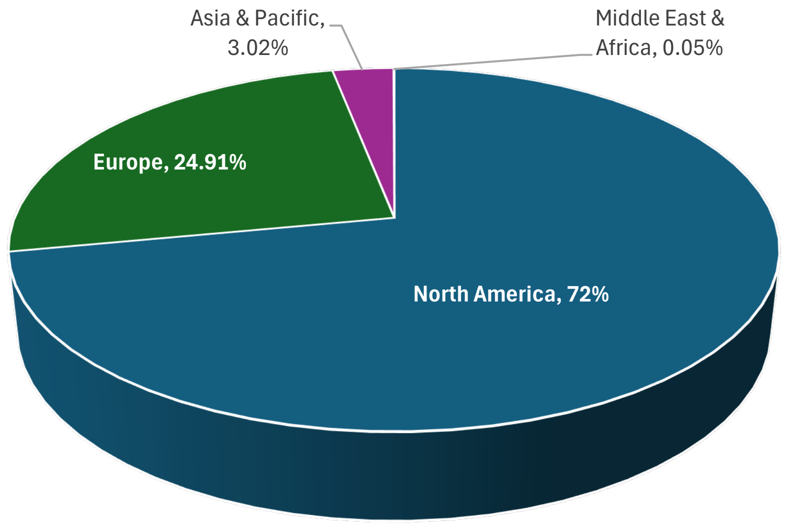
Strategy	Analysis
Buyout	• Interest rates have stayed higher for longer and could burden returns. • More difficult to find managers that can create alpha vs. the public markets.
Venture Capital	• Lack of liquidity / longer hold periods has created an access opportunity for NCIA into top managers. • Late-stage co-Investment opportunities are being sourced; Requires discipline on valuation. • AI is the new VC – 45% of 1Q26 deal count. Fund commitments should enhance direct selection decisions.
Growth Equity	• Lack of exits / IPOs has resulted in longer hold periods, requiring later financing rounds to support growth.. • Late-stage co-Investment opportunities are being sourced; requires discipline on valuation. • VCs signaling best opportunities by continuing to support highest conviction companies in later rounds.
Direct Investments	• Control selection, sizing, pacing and potentially pricing. • Not burdened by commingled fund fees. Performance fees are significantly less or non-existent. • Deal flow (volume) has been strong. Opportunity set has included BO and Late-Stage VC / Growth Equity.
Secondaries- GP Led	• GPs continue to utilize continuation vehicles for exits. • Typically focus on higher quality assets. While a secondary in title, CVs are direct investments. • Would consider as both fund commitment and co-investment.
Secondaries- LP Led	• Average portfolio pricing remains unattractive at elevated levels. • New entrants such as industry specialists and ’40-Act capital competing for transactions. • Diversification benefits don’t align with NCRS strategy.

Private Equity Exposure as of 1Q26[1]

GICS Industry Allocation



Geographic Allocation



Items may not sum due to rounding.

1. Represents most recent reporting, cash flow adjusted

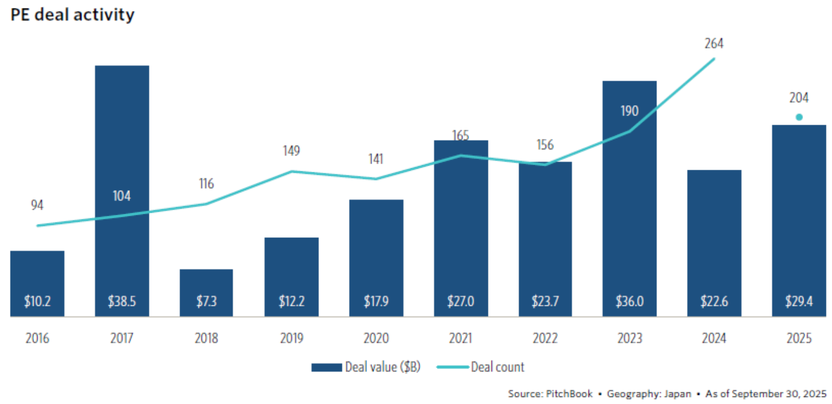
Area of Interest: Japan

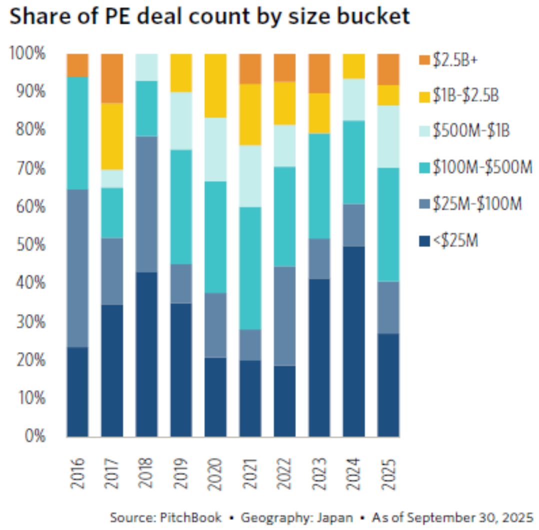
Pros:

- ➢ Macroeconomic Environment relatively stable.
- ➢ Weak yen has supported export earnings.
- ➢ Active Pipeline of Deal Activity
  - Carveouts
  - Take-Privates
  - Succession-driven transactions
- ➢ LBO financing is among the cheapest in the developed world

Considerations:

- ➢ Smaller Funds – 2 funds in 2025 (a/o 3Q) exceeded $500M
- ➢ Deal Sizes – Approx. 70% of transactions less than $500M
- ➢ Language barriers





Areas of Interest: Sectors

Industrial

Benefitting from:

- ➢ Accelerated Reshoring Efforts
  - less dependency on oversees supply chains
  - tariff mitigation
- ➢ AI-Driven Automation and Tech. Modernization
  - enhance productivity and cost efficiency
- ➢ Government Policy Support
  - mitigate national security risk
  - CHIPS and Science Act

Healthcare / Life Sciences

Benefitting from:

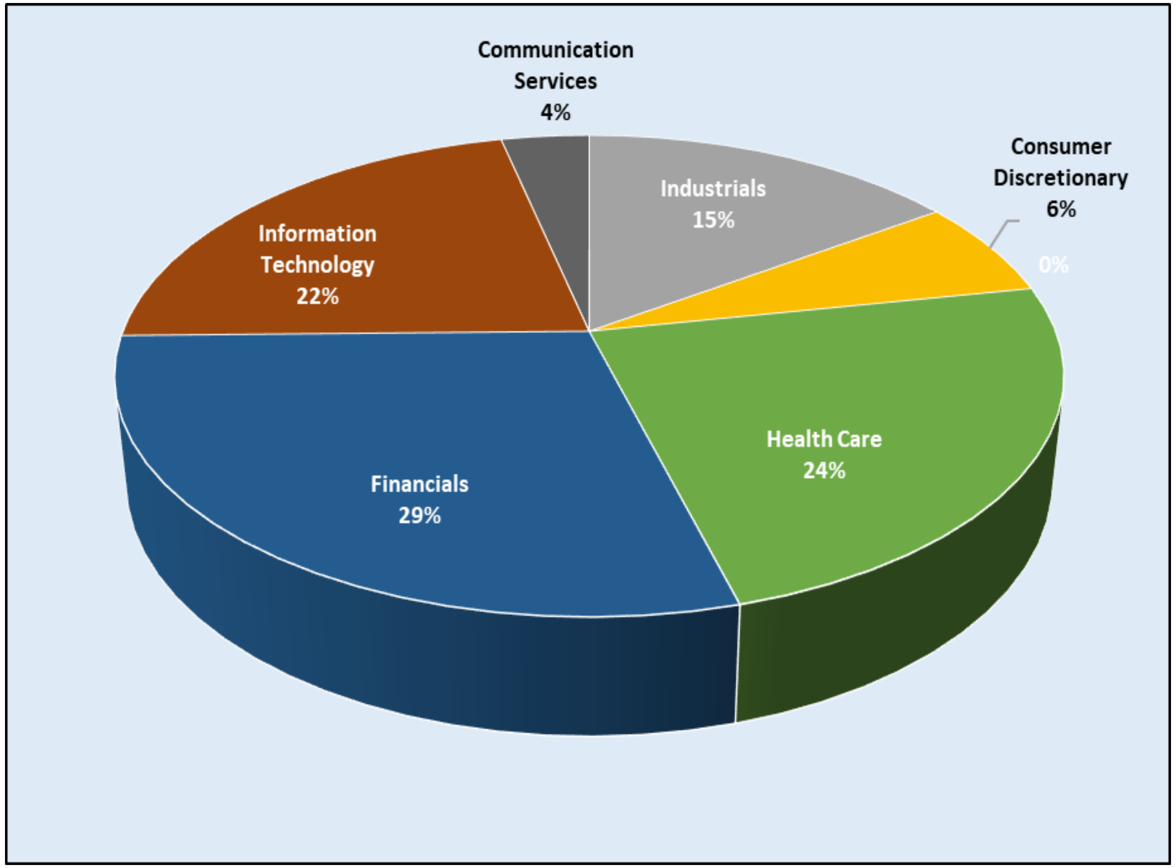
- ➢ Recession-Resistant Demand
  - less impacted by economic cycle
- ➢ Aging Population
  - demographic trends ensure long-term growth
- ➢ Technological Modernization
  - AI-driven diagnostics, remote monitoring, IT infrastructure driving efficiency and profitability

Avoid:

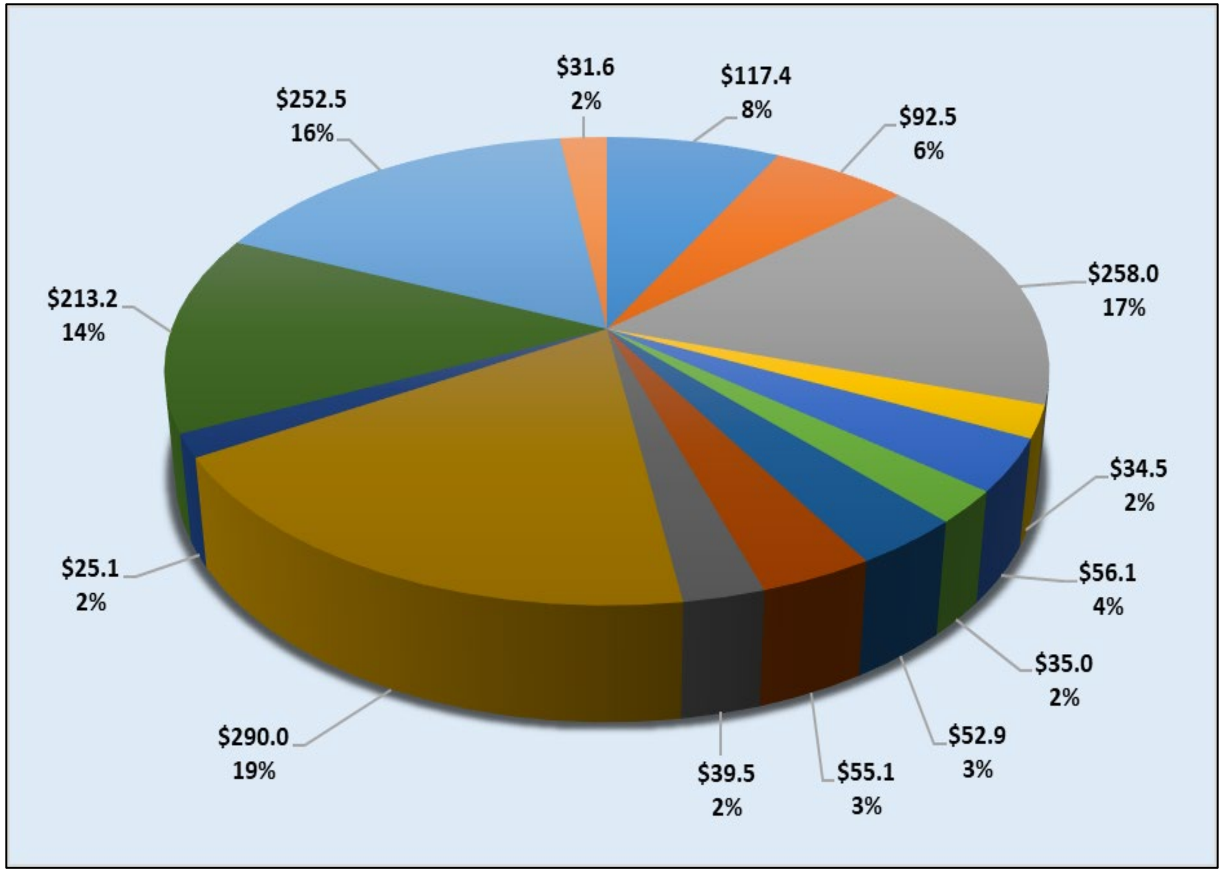
- ❖ Reimbursement Risk
- ❖ Regulatory Risk

Co-Invest / Direct Investment Program - Composition

Industry Composition



General Partner Composition



2025-2026 Private Equity Deployment

	Fund	Commitment	Strategy	Co-Invest / Directs Vehicle	NC Discretion
2025					
	Bridgepoint Europe Fund VII	€100M	Buyout		
	HG Genesis 11	€150M	Buyout		
	HG Saturn 4	$225M	Buyout		
	Kohlberg NC Fund	$250M	Buyout	Yes	Yes
	Levine Leichtman VII	$100M	Buyout		
	Levine Leichtman VII SMA	$100M	Buyout	Yes	No
	Maverick Silicon Fund	$100M	VC		
	Maverick Silicon Fund NC	$300M	VC	Yes	No
	NC Nine Investments	$150M	Buyout	Yes	Yes
	NCL III OOSA	$350M	Buyout	Yes	Yes
	NCL IV - AES	$150M	Buyout		
	NCL IV - AES Overflow	$75M	Buyout	Yes	No
	NCL IV - OOSA	$500M	Buyout	Yes	Yes
	Stone Point Trident X	$125M	Buyout		
2026					
	AH 2026 Fund Multiplexer II	$1.0 B	VC		
	Bridgepoint Europe Fund VIII	€250M	Buyout		
	Bridgepoint Europe SMA	€125M	Buyout	Yes	No
	Hg Saturn 4 SMA	$100M	Buyout	Yes	No
	Providence Equity Partners (Constellation)	$300M	Buyout	Yes	Yes
	Y Combinator 2026 (3 funds)	$370M	VC		

NCIA

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