NORTH CAROLINA
INVESTMENT AUTHORITY

Public Equity Review

May 27, 2026

BRADFORD B. BRINER
STATE TREASURER OF NORTH CAROLINA

NCIA Public Equity Team

NCIA Investment Professional	Position	Areas of Focus	NCIA Tenure	Industry Experience
RHONDA M. SMITH	Director	Public Equity	23+ Years	29+ Years
GREGORY TAYLOR	Portfolio Manager / Trader	Internal Management Thematic, Tactical & Special Situation Solutions Quantitative Approaches Activist Opportunities Co-Investment Opportunities Global Strategies	10+ Years	12+ Years
HUNTER BRACKETT	Portfolio Manager	Fundamental Research Hedge Fund Solutions Activist Opportunities Global Strategies	1+ Years	20+ Years
KYLE BLUE	Investment Analyst	Internal Management-Trade Support Qualitative/Quantitative Analysis Manager Diligence, Monitoring & Reporting	<1 Year	5+ Years

Portfolio Objectives

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Role of Public Equity Portfolio

Attractive Absolute Returns

Achieve long-term equity market risk premiums in a low-cost manner through Public Equity long-only and long-biased mandates with the potential for modest value-add returns.

Flexible Access to Deal Flow

Engagement with external public, private, and hedge fund relationships to gain access to the most attractive risk-adjusted corporate equity investment opportunities.

Diversification

Provide strong global diversification to the Pension Fund with a higher emphasis on industry, sector, and geographical opportunities through nimble and coordinated internal engagement to promote access to the most attractive risk-adjusted corporate equity investments.

How NCIA Public Equity Achieves Outperformance and Creates Value

Internal Index Management	• Low-cost exposure in efficient market spaces. • Ease of rebalancing and liquidity management.
Customization	• Internal thematic and quantitative strategies (i.e. Core Factor, Real Asset staging portfolios). • External thematic strategies (i.e. Biotech).
Strategic Partnerships	• Generate co-investment deal flow via private company investment opportunities. • Access to research and training.
Scale	• Leverage plan size to drive fees and alignment (i.e. MFN). • Negotiate favorable contractual terms.
Risk Mitigation	• Utilize enhanced alpha strategies, factor tilts and thematic strategies to manage concentration and other risks . • Manage misfit risk, home country bias and unintended bets.

Access to Co-investments and Privates

Attractive Sourcing

- Existing and new relationships offer co-investments in high conviction companies.
- Activists, Thematic, and hedge funds have private holdings.

Active risk and return seeking

- Less correlated driver of returns.
- Increase active risk through high conviction/alpha driven opportunities.
- Sufficient room for some illiquidity in the asset class.

Cross team collaboration

- Expands the deal flow funnel available across asset classes.
- Engage with members of private equity team on co-investment opportunities.
- Potentially increased scale to high conviction, high demand rounds.

Co-investments and Privates Net Performance[1]

Invested Capital	Public Equity Co-invests	Private Co-invests	Private Fund Investments	Total
2019	(112,500,000)			**(112,500,000)**
2022	(200,000,000)			**(200,000,000)**
2024		(73,995,502)		**(73,995,502)**
2025		(157,224,637)	(23,314,009)	**(180,538,646)**
Total	**-312,500,000**	**-231,220,139**	**-23,314,009**	**-567,034,148**
Distributions + Ending Value*	522,039,138	452,343,739	22,259,964	**996,642,841**
TVPI	1.67x	1.96x	0.95x	**1.76x**
IRR	21.4%	119.5%	-4.5%	**30.6%**

[1] All data and performance results in this presentation are based on currently available information at the time of publication and may be revised subsequently.
*As of December 31st, 2025.

Portfolio Exposure

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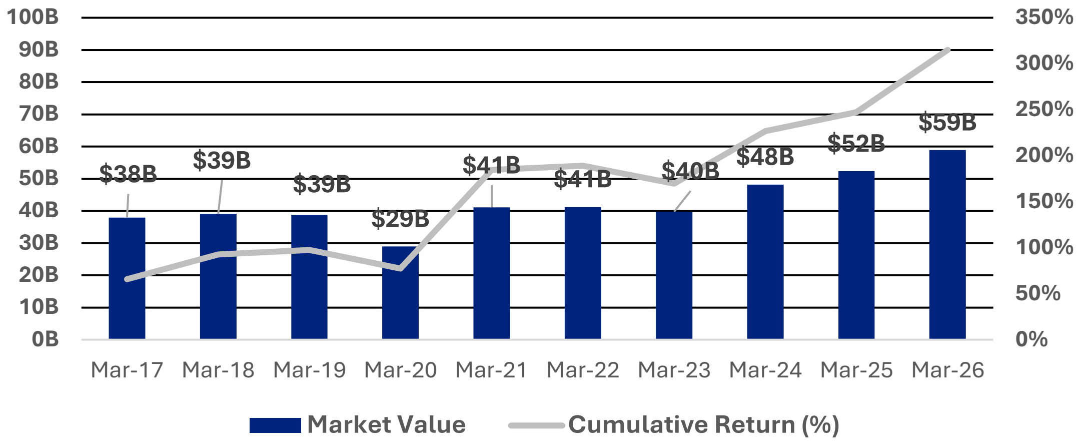
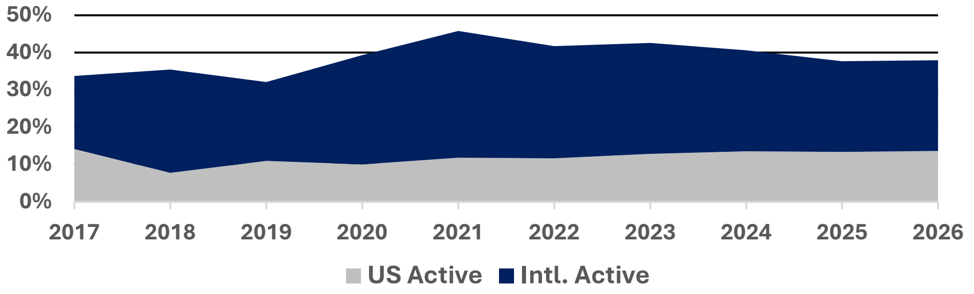
NCIA Public Equity Portfolio Allocations

Portfolio Market Value vs Cumulative Return (%)

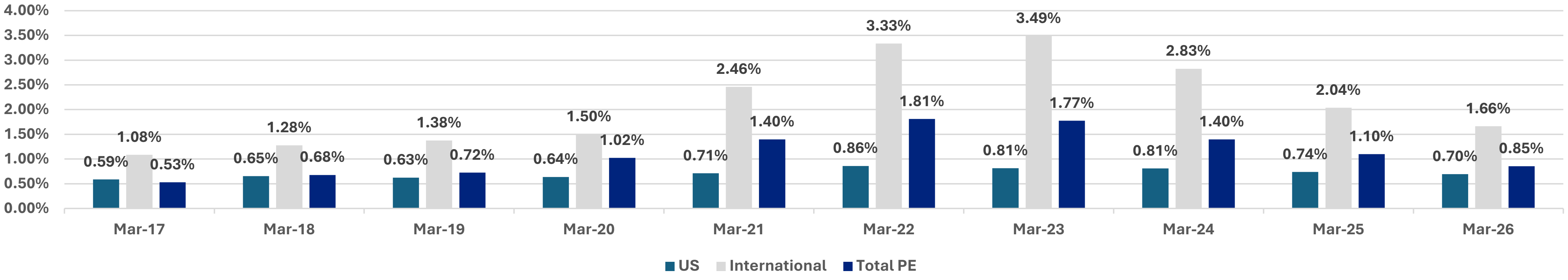


Public Equity Historical Active %

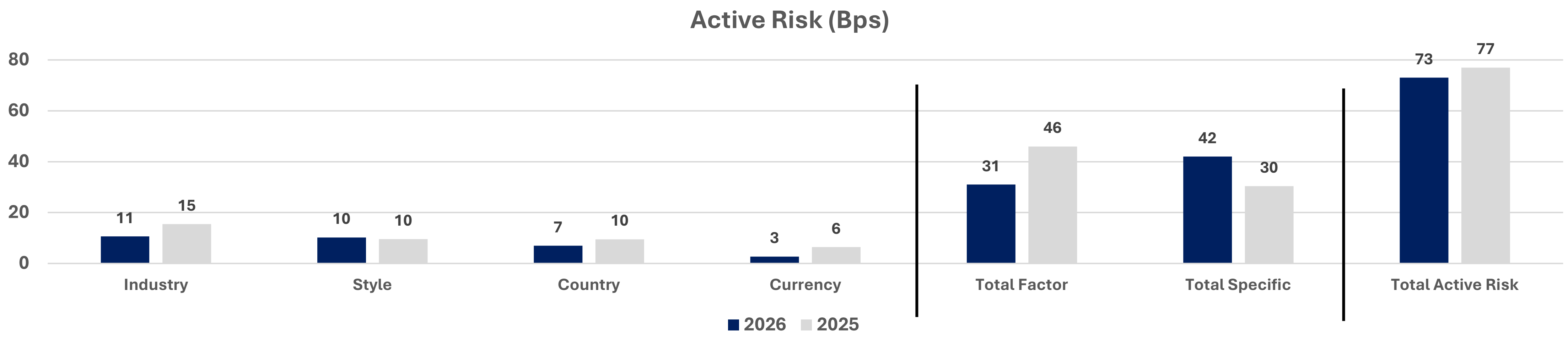


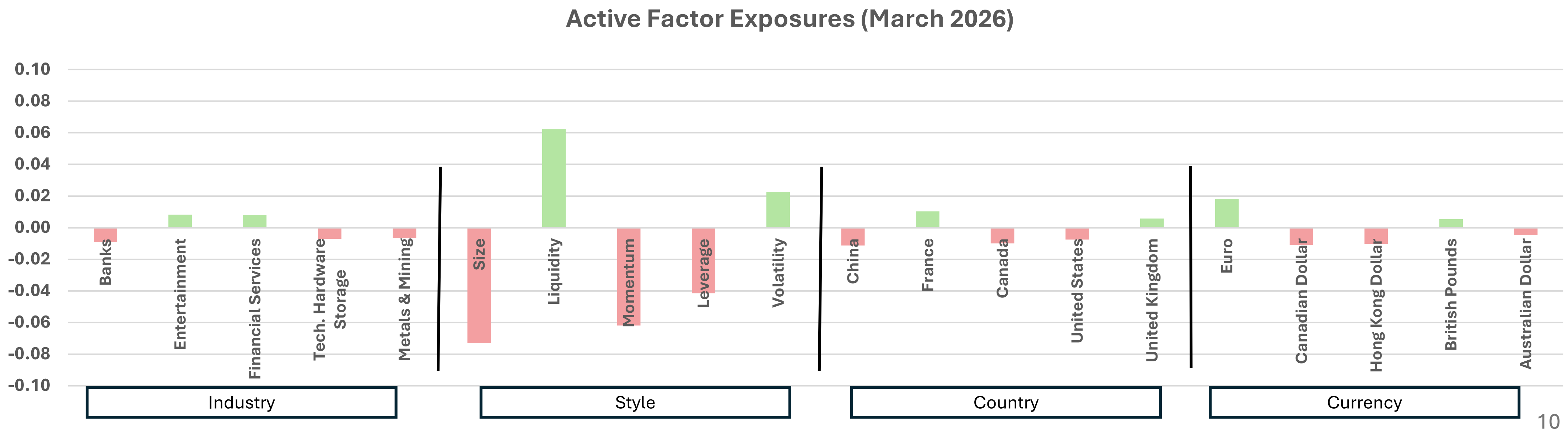
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
% of US Active	25%	16%	20%	21%	24%	22%	24%	23%	22%	23%
% of Intl. Active	46%	54%	48%	57%	67%	65%	65%	65%	63%	60%
% Total Active	**34%**	**35%**	**32%**	**39%**	**46%**	**42%**	**43%**	**41%**	**38%**	**38%**

Trailing 3 YR TE (Annualized)



NCIA Public Equity Portfolio Active Risk





Performance and Attribution

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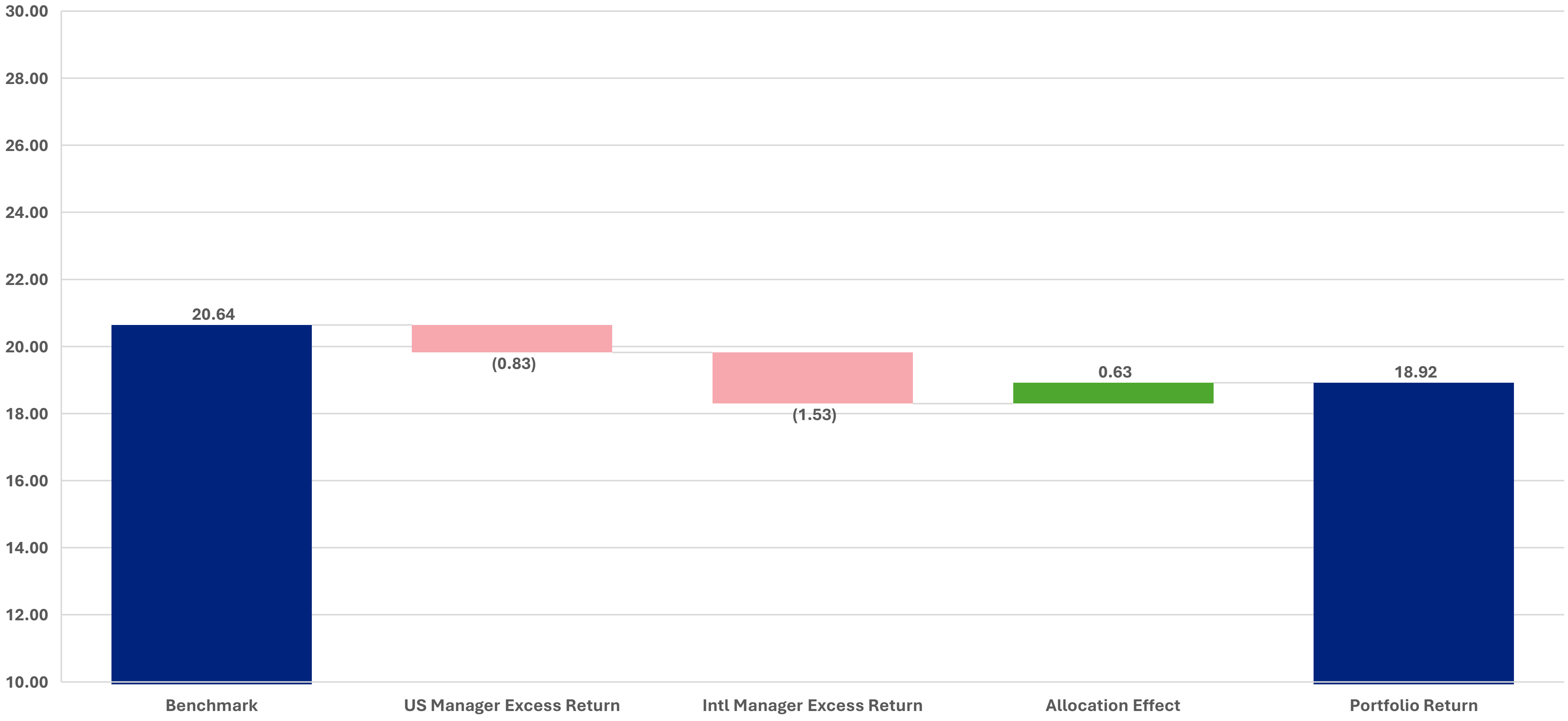
NCIA Public Equity Net Performance – March 31, 2026

As of 03/31/2026	Market Value (M)	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	15 Yr.	20 Yr.
Public Equity	58,624.66	-3.43	18.92	15.28	7.73	11.09	9.40	7.63
Benchmark		-2.75	20.64	16.24	9.03	10.91	8.99	7.32
Excess Return		**-0.68**	**-1.72**	**-0.96**	**-1.30**	**0.18**	**0.41**	**0.31**
US Portfolio	34,524.87	-4.44	16.97	17.34	10.37	13.75	12.75	10.22
Russell 3000		-3.96	18.09	17.85	10.87	13.72	12.81	10.26
Excess Return		**-0.48**	**-1.12**	**-0.51**	**-0.50**	**0.03**	**-0.06**	**-0.04**
Non-US Portfolio	23,542.40	-1.46	22.41	13.13	4.99	8.76	6.20	5.35
Benchmark*		-0.68	25.32	14.38	6.83	8.33	5.68	4.73
Excess Return		**-0.78**	**-2.91**	**-1.25**	**-1.84**	**0.43**	**0.52**	**0.62**

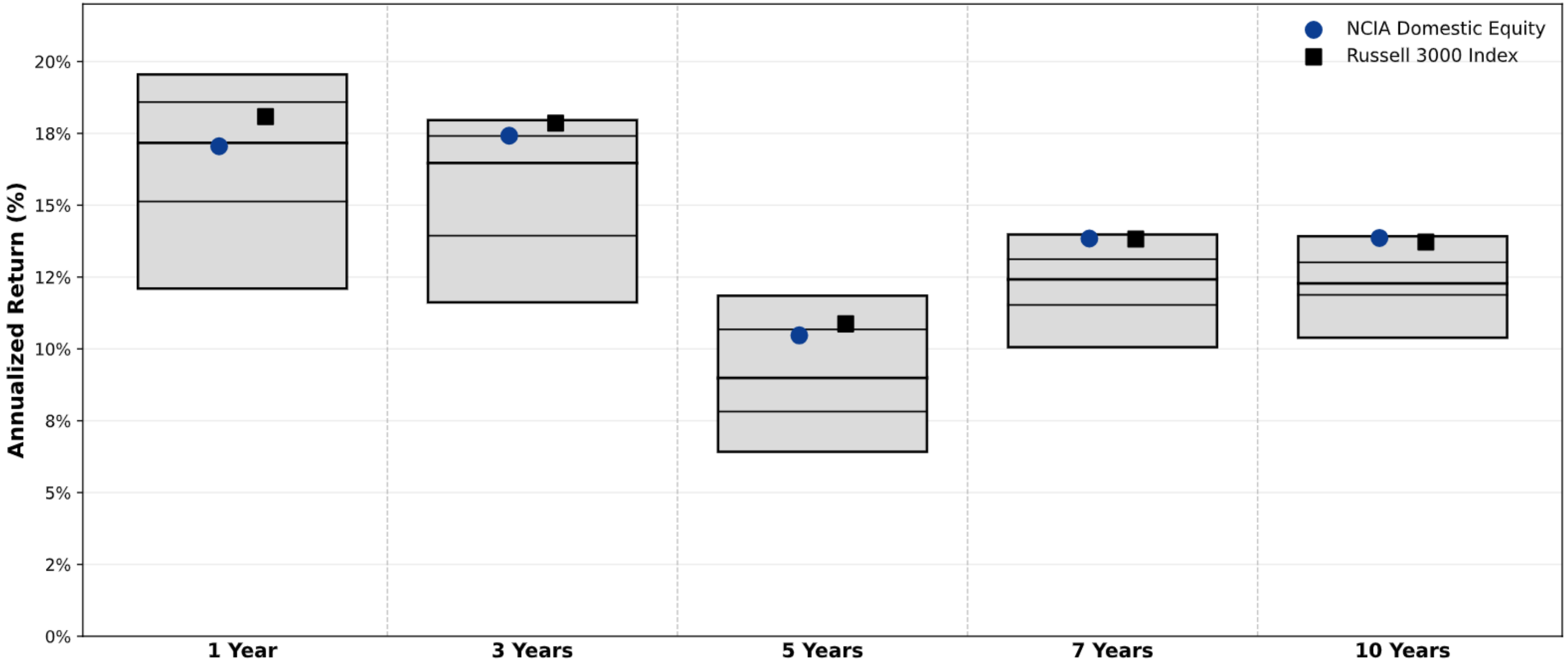
* As of July 2011, the Public Equity Benchmark is the dynamically weighted combination of the MSCI ACWI IMI Net (Long-Only) and a beta adjusted MSCI ACWI IMI Net (Hedged Equity). Prior to July 2011, the Public Equity Benchmark was a blend of the Domestic Equity Benchmark and Non-U.S. Equity Benchmark at policy weights.

NCIA Public Equity Performance Attribution – 1 year



NCIA Public Equity Performance Attribution – 3 year (Annualized %)

NCIA Domestic Public Equity – Public Pension Peer Comparison as of 3/31/26

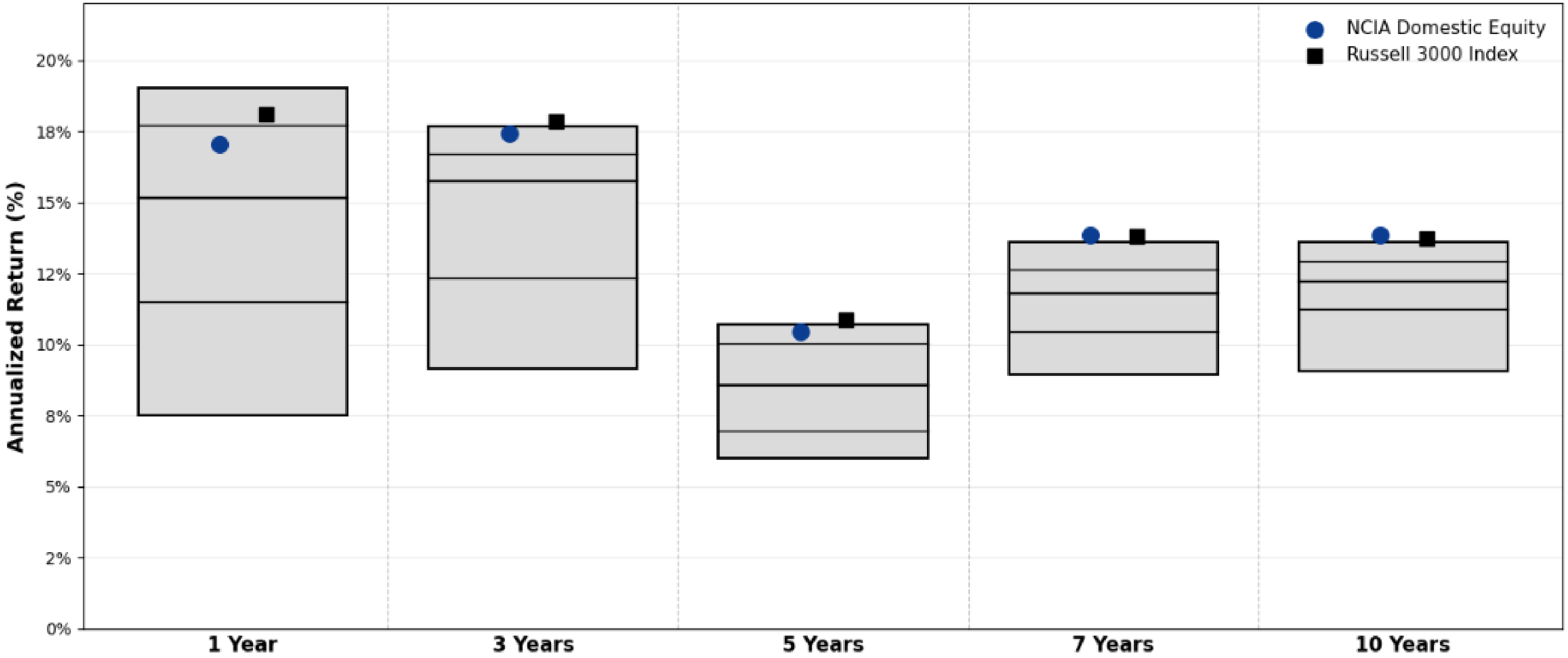


Return (Annualized)	1 Year	3 Years	5 Years	7 Years	10 Years
● NCIA Domestic Equity	**17.05**	**17.42**	**10.47**	**13.84**	**13.86**
NCIA Percentile	*51*	*25*	*33*	*12*	*11*
■ Russell 3000 Index	18.08	17.86	10.87	13.82	13.72

- Performance of the domestic equity composite ranks in the top half of the peer group over most time periods.
- A higher allocation to passive strategies has been beneficial, given the challenging environment for active U.S. managers.

Source: BNY Nexen; Peers are represented by the U.S. equity composites of approximately 50 public funds with assets greater than $1 billion.
*Box plot boundaries are 10th and 90th percentiles, inner lines are 25th and 75th
**All NCIA and peer group performance gross of fees

NCIA Domestic Public Equity – E&F Peer Comparison as of 3/31/26

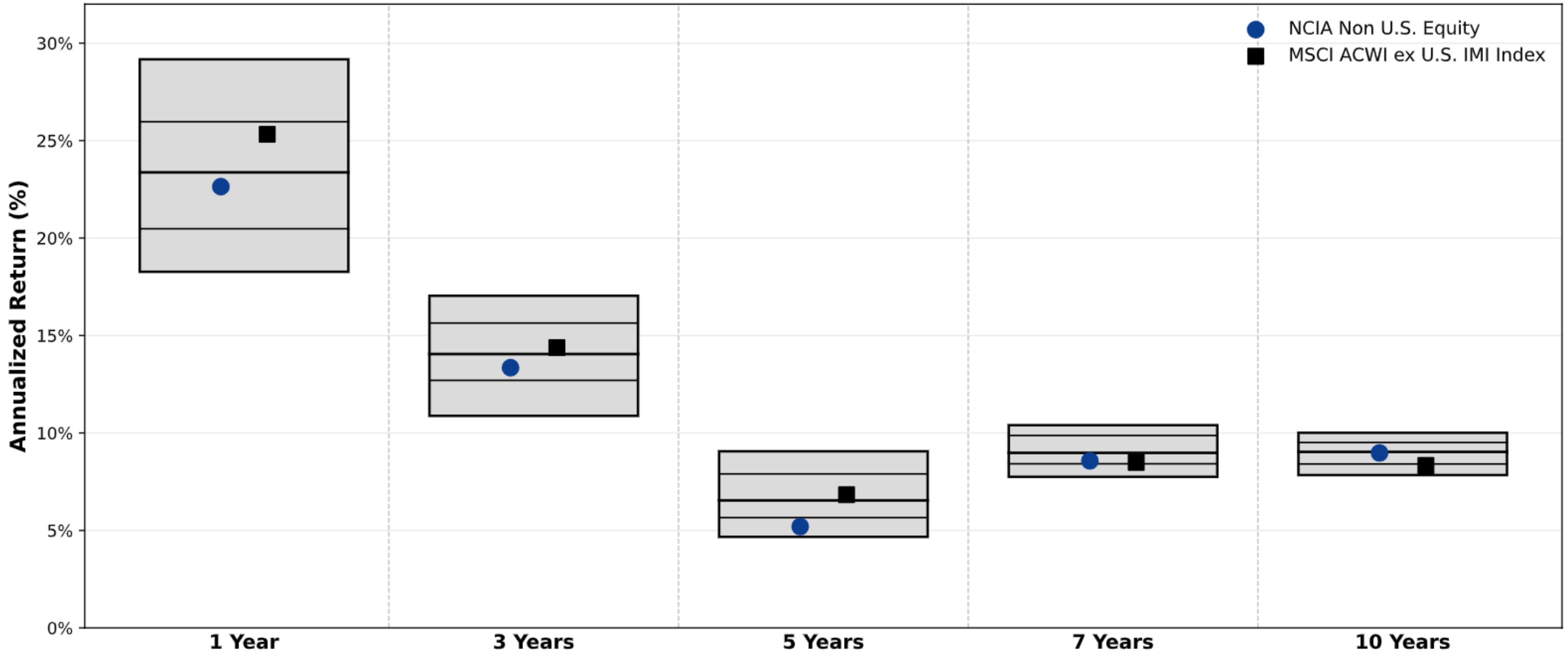


Return (Annualized)	1 Year	3 Years	5 Years	7 Years	10 Years
● NCIA Domestic Equity	**17.05**	**17.42**	**10.47**	**13.84**	**13.86**
NCIA Percentile	*33*	*13*	*18*	*9*	*8*
■ Russell 3000 Index	18.08	17.86	10.87	13.82	13.72

- Similar to public pension comparison, domestic equity composite ranks in the top half of the peer group over most periods.

Source: BNY Nexen; Peers are represented by the U.S. equity composites of approximately 40 endowment and foundation portfolios with assets greater than $1 billion.
*Box plot boundaries are 10th and 90th percentiles, inner lines are 25th and 75th
**All NCIA and peer group performance gross of fees

NCIA International Public Equity – Public Pension Peer Comparison as of 3/31/26

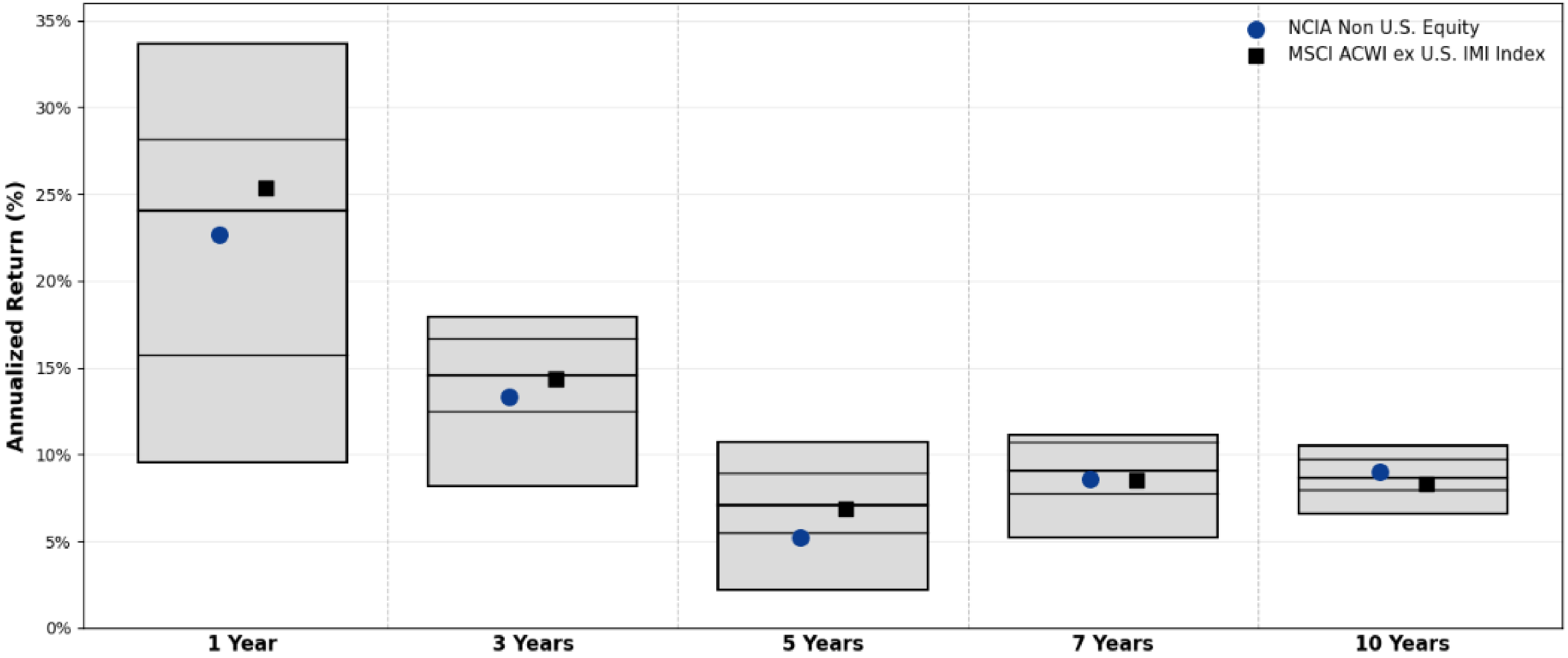


Return (Annualized)	1 Year	3 Years	5 Years	7 Years	10 Years
● NCIA Non U.S. Equity	**22.64**	**13.35**	**5.20**	**8.57**	**8.98**
NCIA Percentile	*63*	*64*	*86*	*72*	*54*
■ MSCI ACWI ex U.S. IMI Index	25.32	14.38	6.83	8.49	8.33

- Performance challenges for the international equity composite over the last 5 years are largely driven by exposure to growth managers, which more than offset strong performance from value managers.

Source: BNY Nexen; Peers are represented by the non-U.S. equity composites of approximately 50 public funds with assets greater than $1 billion.
*Box plot boundaries are 10th and 90th percentiles, inner lines are 25th and 75th
**All NCIA and peer group performance gross of fees

NCIA International Public Equity – E&F Peer Comparison as of 3/31/26

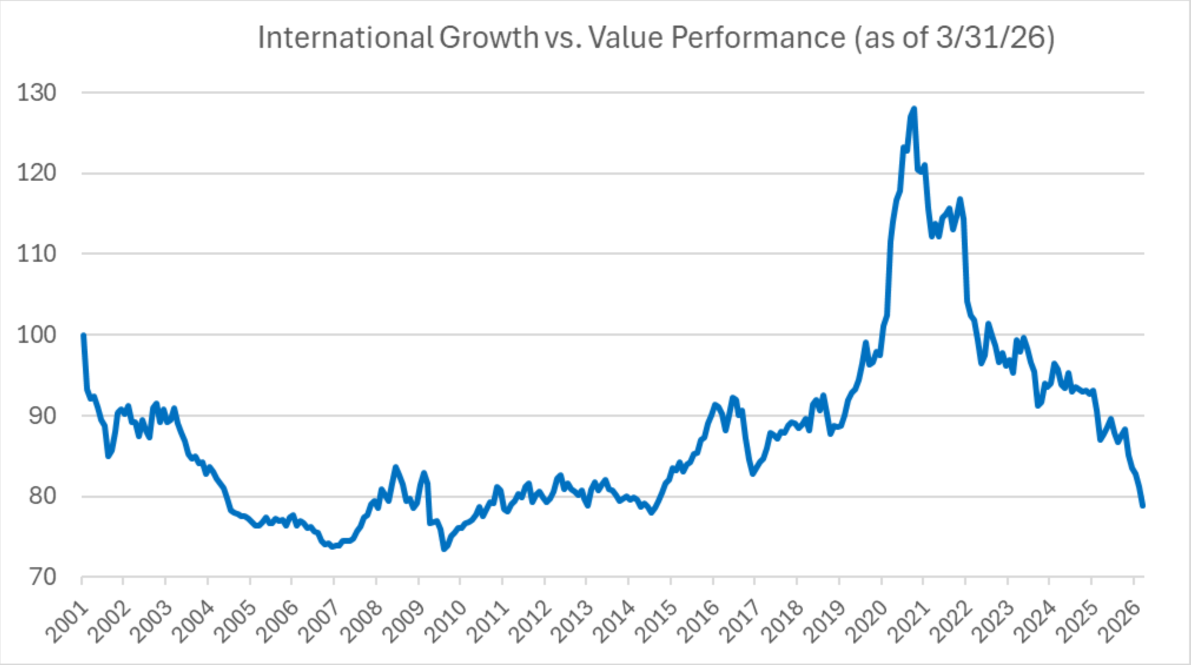


Return (Annualized)	1 Year	3 Years	5 Years	7 Years	10 Years
● NCIA Non U.S. Equity	**22.64**	**13.35**	**5.20**	**8.57**	**8.98**
NCIA Percentile	*53*	*66*	*80*	*61*	*47*
■ MSCI ACWI ex U.S. IMI Index	25.32	14.38	6.83	8.49	8.33

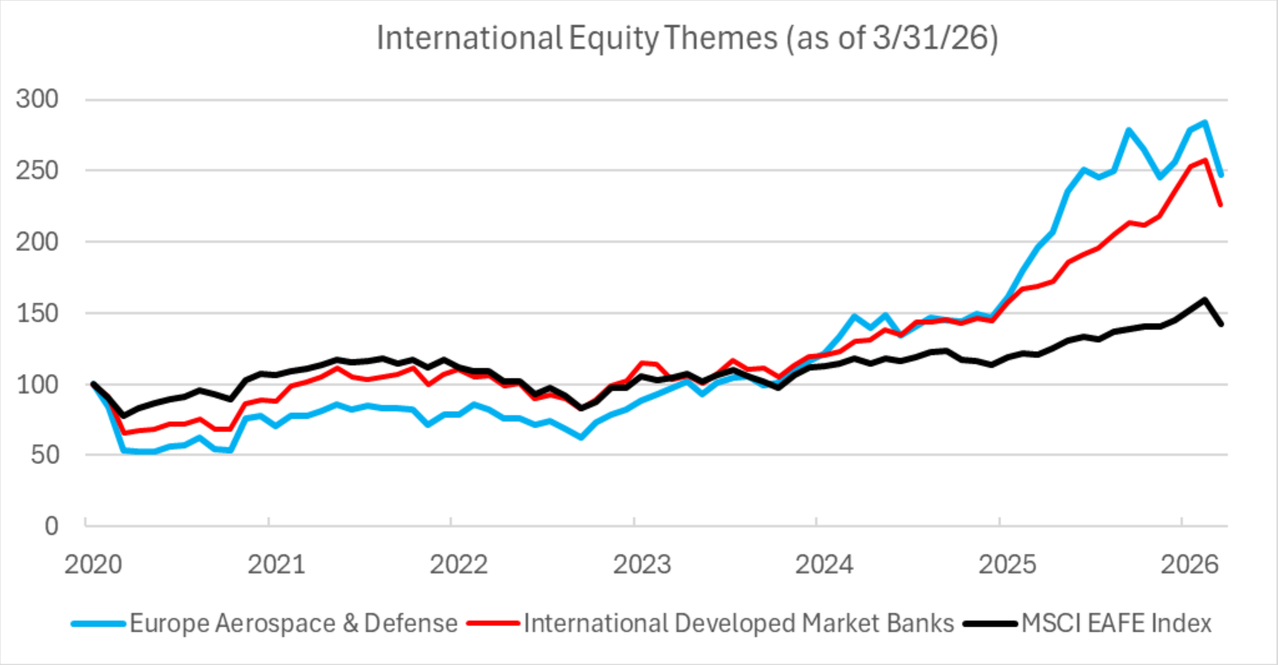
- Similar to public pension comparison, international equity composite faced performance challenges over the last five years.

Source: BNY Nexen; Peers are represented by the non-U.S. equity composites of approximately 40 endowment and foundation portfolios with assets greater than $1 billion.
*Box plot boundaries are 10^{th} and 90^{th} percentiles, inner lines are 25th and 75^{th}
**All NCIA and peer group performance gross of fees

International Equity - Growth vs. Value



Source: Bloomberg; indices are ACWI ex US Value and Growth Net Total Return



Source: Bloomberg; indices are MSCI European Aerospace & Defense and MSCI EAFE Banks

- International growth managers have faced a difficult environment due to the significant outperformance of value in the post-COVID period.
- The sharp rally in European aerospace & defense and international developed banks in 2025 was a notable headwind for our international growth managers, due to their underweight positions.

NCIA International Public Equity Portfolio – Performance Summary

What Happened:

- EM and value managers performed well over the past year, but the International Portfolio underperformance has largely been driven by headwinds for growth managers such as rallies in traditional value sectors along with a selloff in software stocks
- Additional detractors included security selection within financials and an underweight to materials

Corrective Actions Taken:

- Since January 1, 2025, the International Portfolio has transitioned $3.9 billion from active strategies, with those proceeds used as both a source of liquidity to fund other Total Plan needs and increase allocations to internal US.
- The liquidations supported NCIA objective to reduce overall public equity exposure while reducing capital to lower conviction managers.

Looking Ahead:

- The team maintains high conviction in existing international active managers and will also evaluate adding geographic and sector-specific opportunities to support portfolio structure objectives. This could include:
    - Dedicated global allocation with specific allocations to activist strategies,
    - Dedicated small cap exposure,
    - Sector/industry specific exposure.

Internally Managed Portfolios

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NCIA Public Equity Internally Managed Portfolios Activity

Flows

- Managed ~$10bn in transition flows across internally managed accounts.
- Allow for timely exposure transitions across the total plan.

Strategic Implementation

- Work with other asset classes to implement staging portfolios ($2bn Real Assets portfolio implemented this year).
- Benefited from allocating to factor portfolio and small cap versus Russell 1000.

Resources

- Data providers.
- Software and tools.
- External partnerships.

Initiatives

- Implement thematic portfolio exposures.
- Continued work on development of core internal equity portfolio.
- Evaluate special situations investment opportunities.

NCIA Public Equity Internally Managed Portfolios Performance

Portfolios	Market Value (M)	YTD	1 Yr.	3 Yr.	Since Inception	Inception Date
Russell 1000 Internal	28,247.97	5.50	30.41	21.49	19.76	7/1/2022
Russell 1000		5.50	30.42	21.49	19.75	
Excess Return		0.00	-0.01	0.00	**0.01**	
Internal US Core Factor	5,182.58	6.59	32.39	20.96	13.62	2/1/2022
Russell 1000		5.50	30.42	21.49	12.85	
Excess Return		**1.09**	**1.97**	-0.53	**0.77**	

As of April 2026

Strategic Initiatives

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2026 – 2027 NCIA Public Equity Strategic Initiatives

Staffing, tools and resources
- Add fundamental research and trading personnel.
- Identify additional qualitative and quantitative tools and resources.
- Increase automation and use of AI tools.

Expanded internal management
- Expand capabilities:
  - Thematic, multi-factor, special situations and staging portfolios.
  - Low volatility strategies.

Dedicated global options
- Selective external active strategies, such as:
  - Quant strategies (i.e. active extension, global small cap).
  - Biotech.

Private and public co-investment considerations
- Collaborate with Private Equity team on existing public equity relationships.
- Source flexible access to deal flow via new external relationships.

Hedge funds (primarily equity)
- Incorporate external quant strategies for use in inefficient markets (i.e. Equity long short).
- Generalist and/or sector focused strategies (i.e. technology).

Activist approaches
- Access domestic activist opportunities.
- Evaluate Japanese activist strategies.

Appendix

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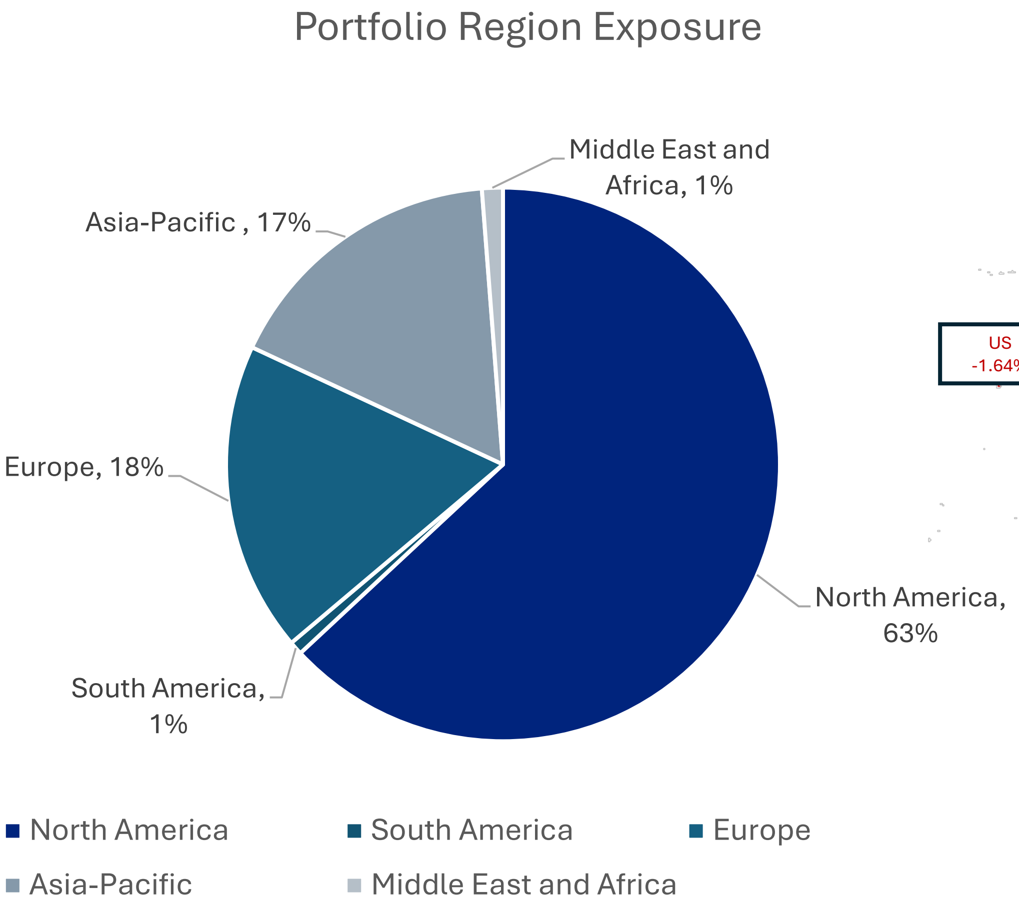
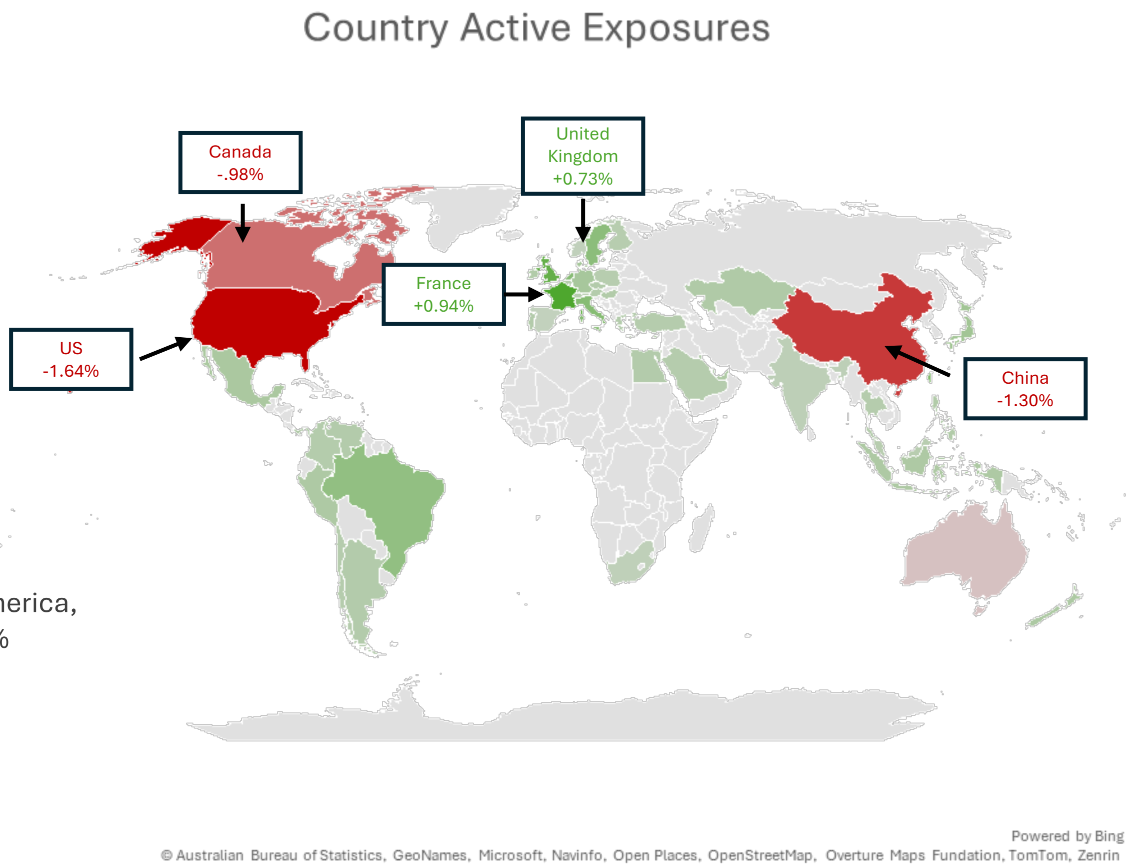
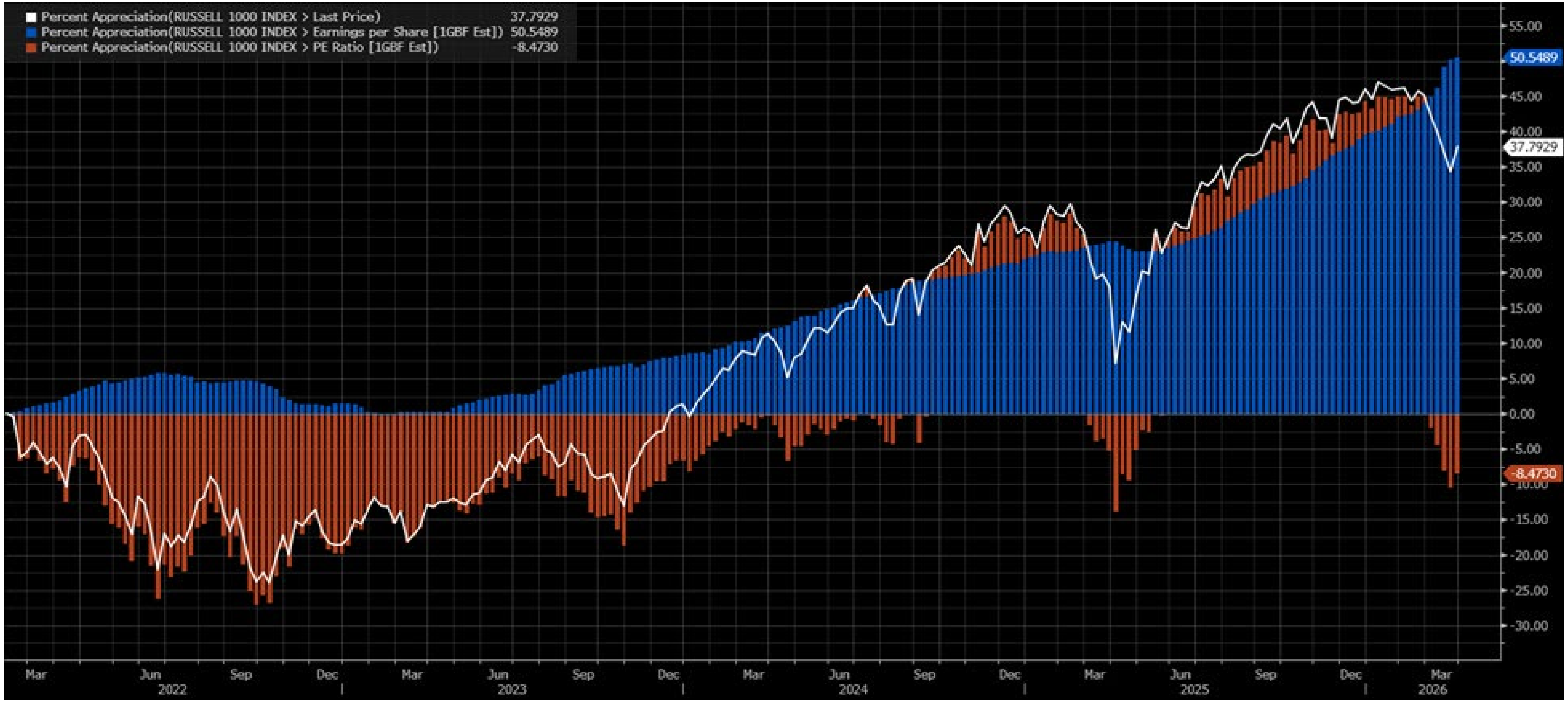
NCIA Public Equity Region Allocations





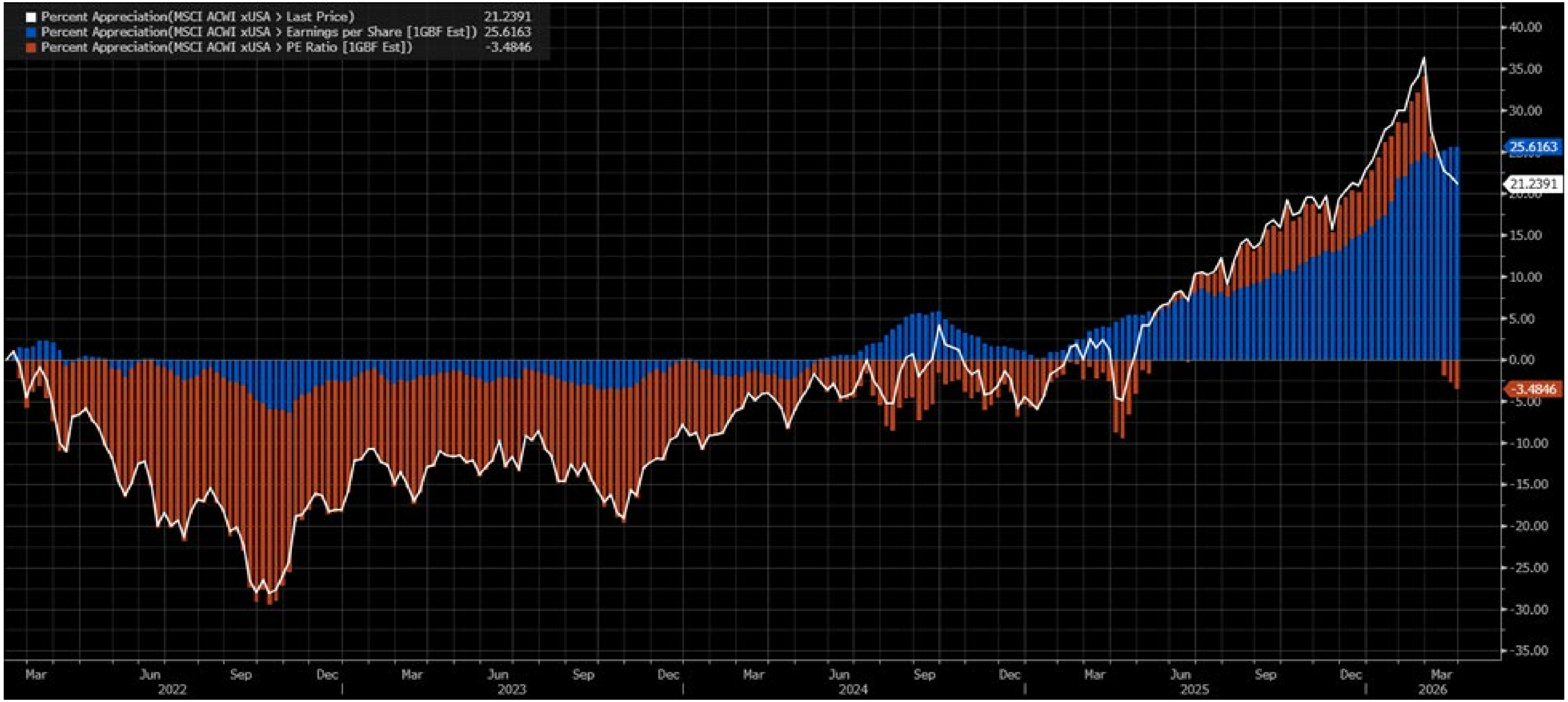
U.S. Equity Return Decomposition



Source: Bloomberg

- Since 2022, U.S. market returns have been driven by positive earnings growth (blue) and, to a lesser extent, multiple expansion (red).

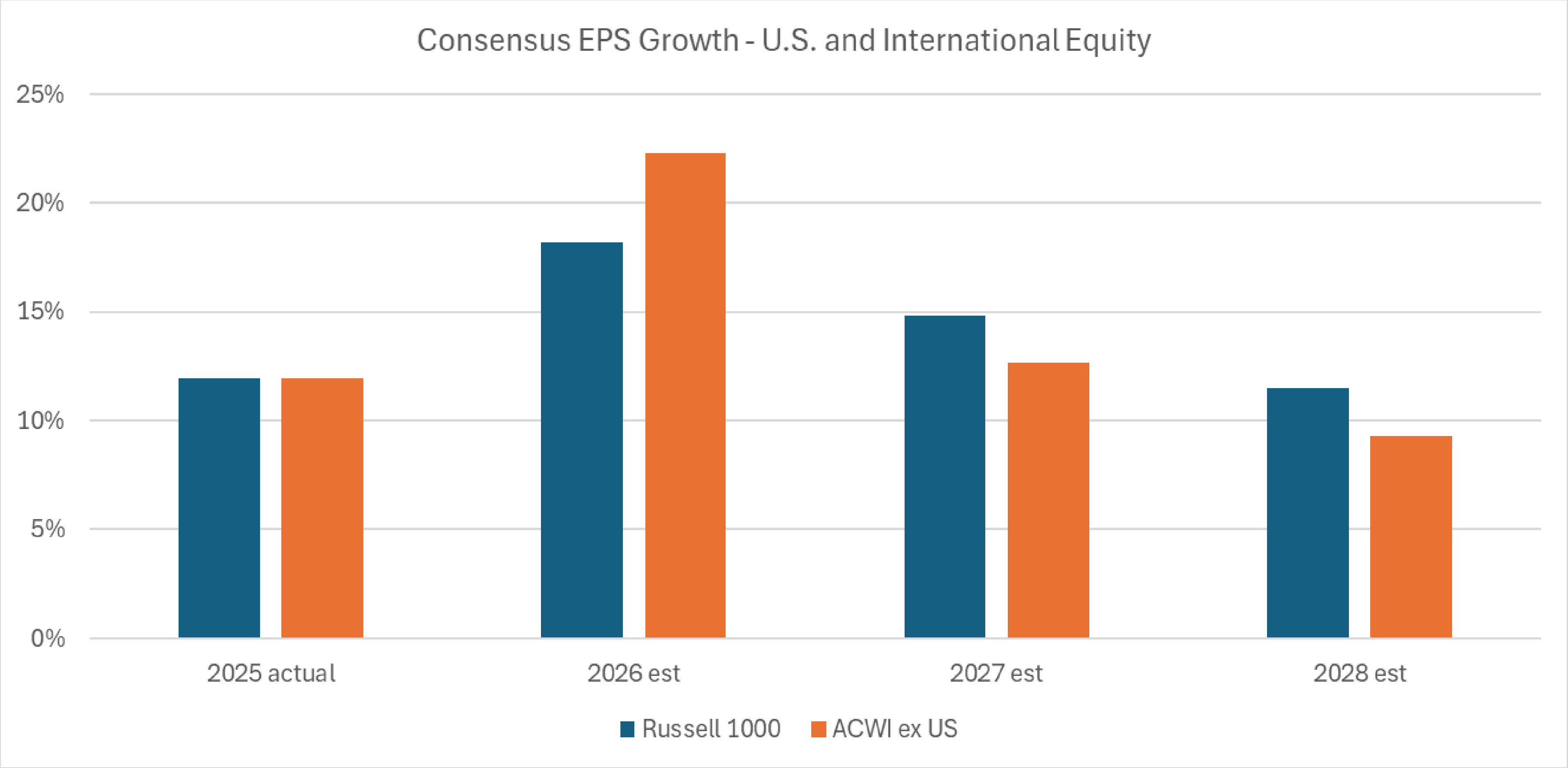
International Equity Return Decomposition



Source: Bloomberg

- Conversely, international stocks did not see meaningful earnings growth until 2025. This growth is expected to continue, although we are monitoring the near-term impact of higher oil prices.

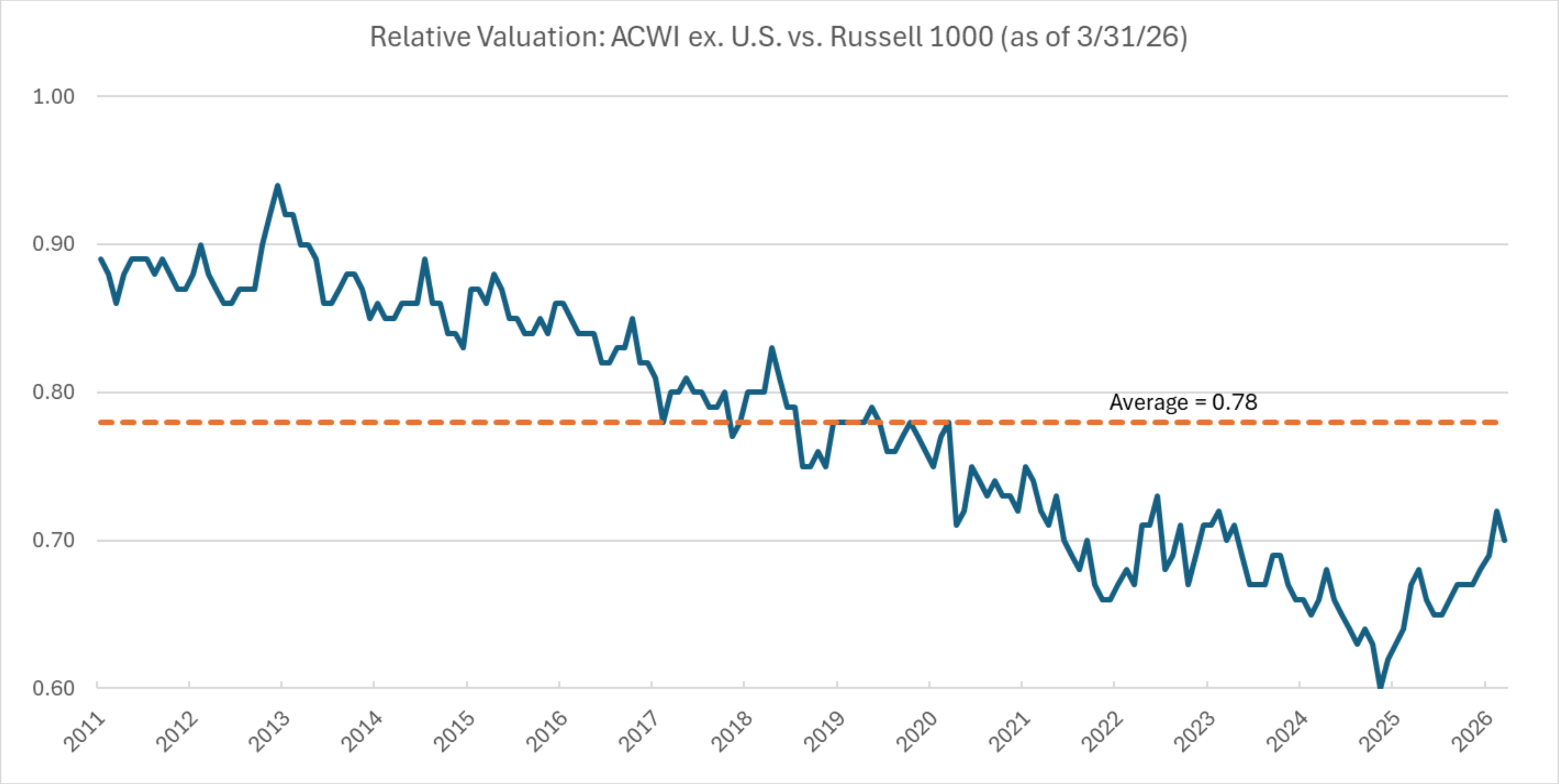
U.S. vs. International Earnings Growth



Source: Bloomberg

- International earnings growth is expected to be comparable to the U.S. in the coming years.

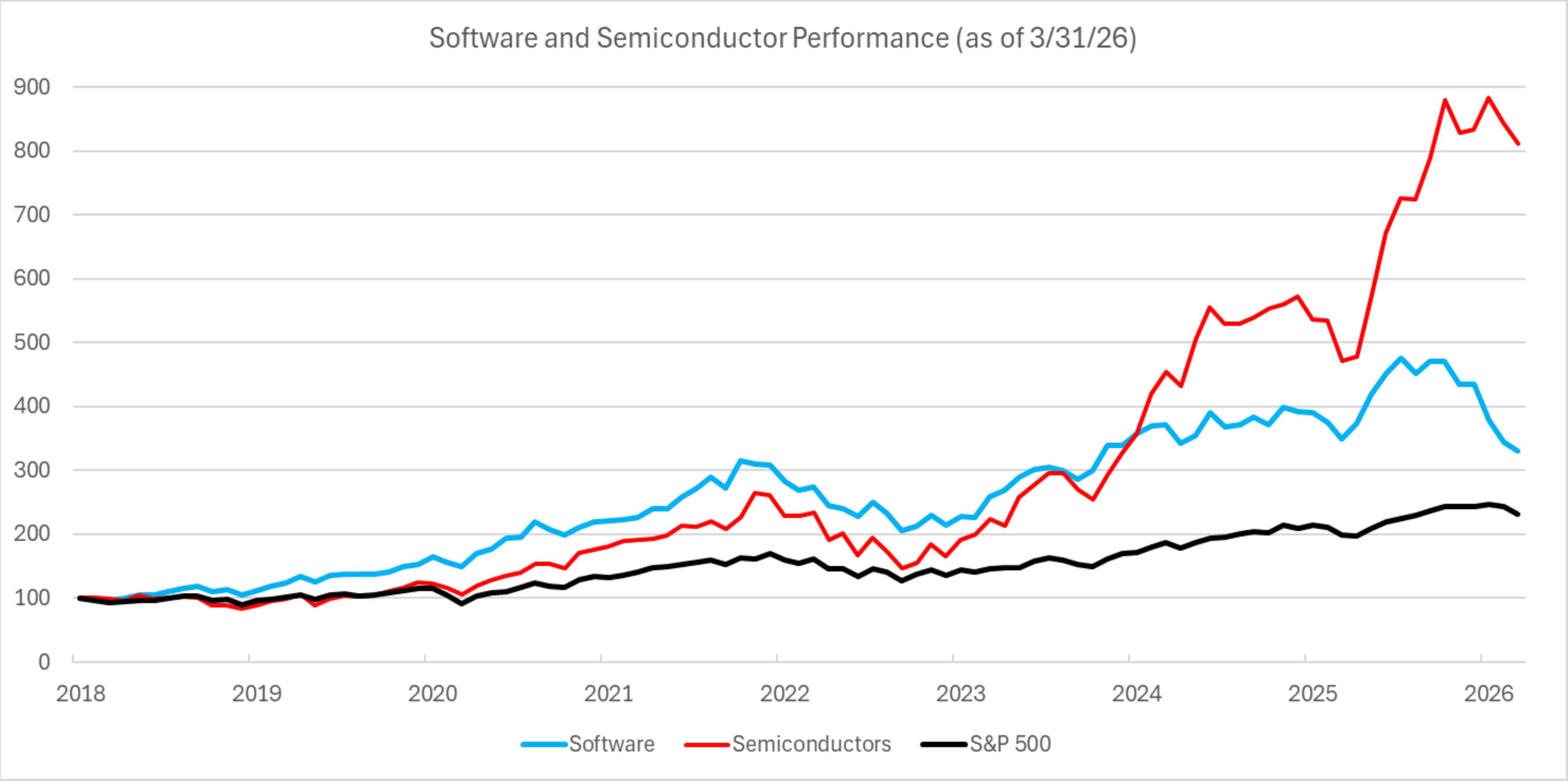
U.S. vs. International Valuation



Source: Factset

- International stocks still trade at a larger-than-normal discount to U.S. stocks, although the difference has narrowed over the past year.

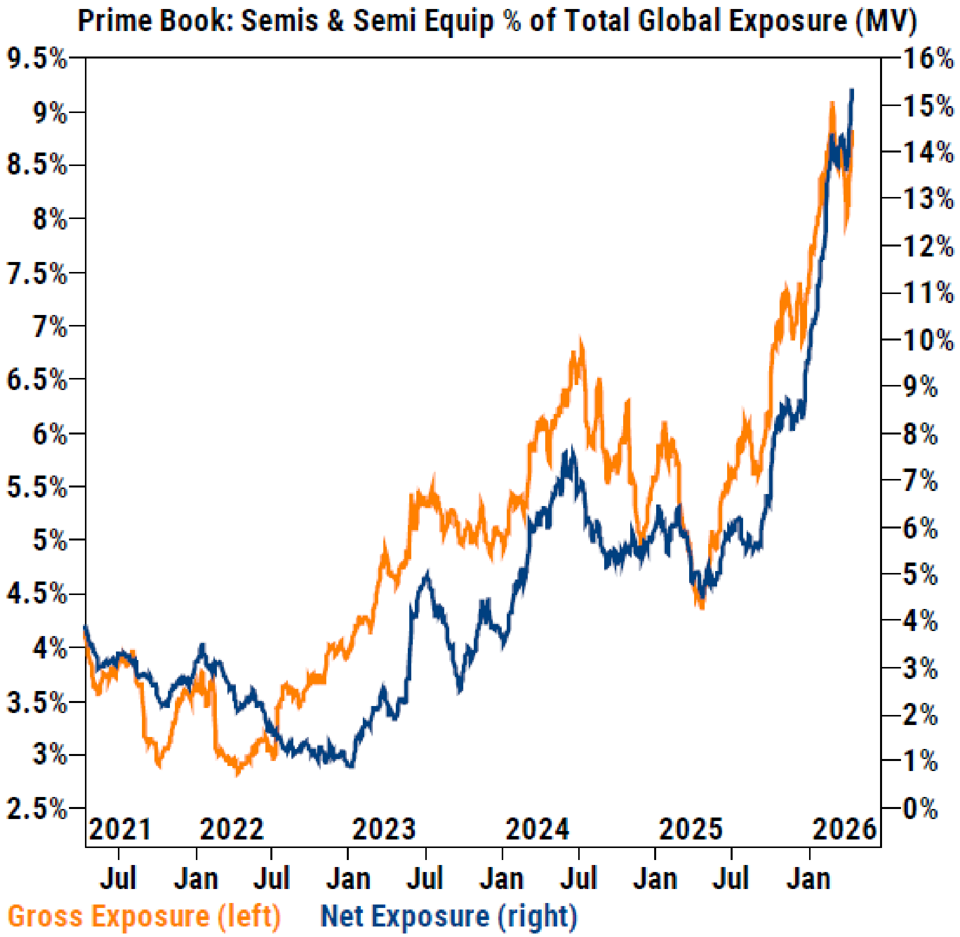
AI Disruption - Semis vs. Software

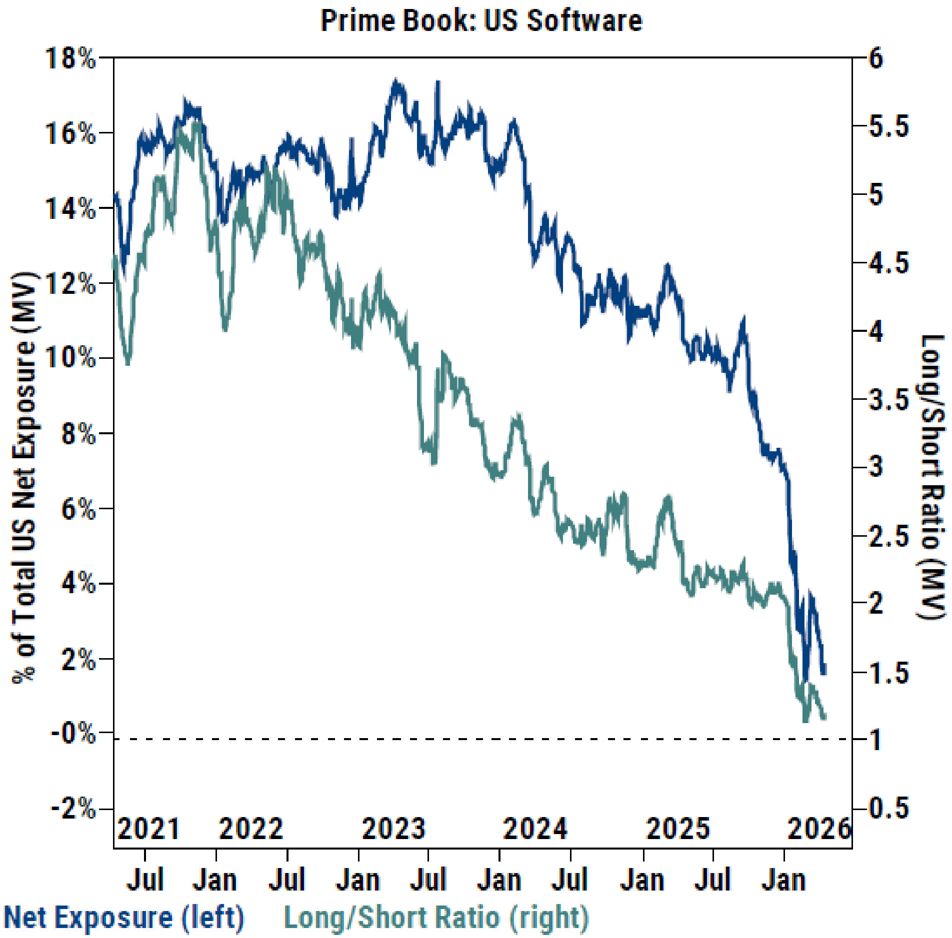


Source: Bloomberg

- While our U.S. and international managers have benefitted from the sharp rally in semiconductor stocks, their software exposure was a detractor in late 2025 and Q1 2026.

AI Disruption – Semis vs. Software

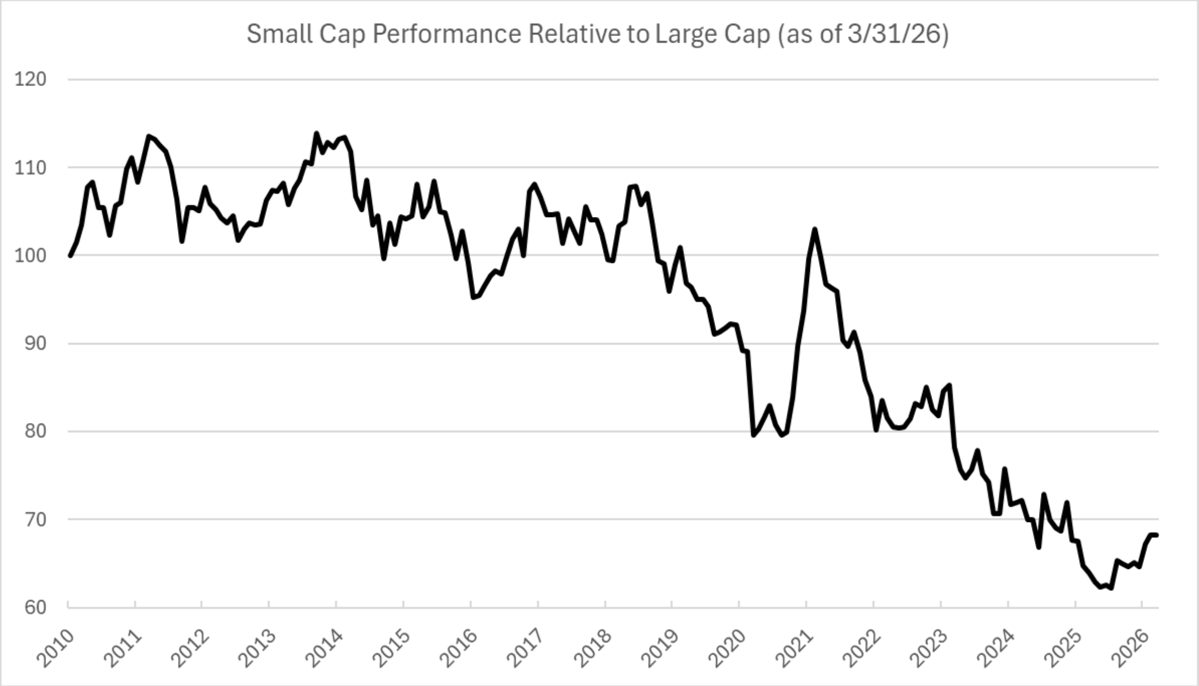




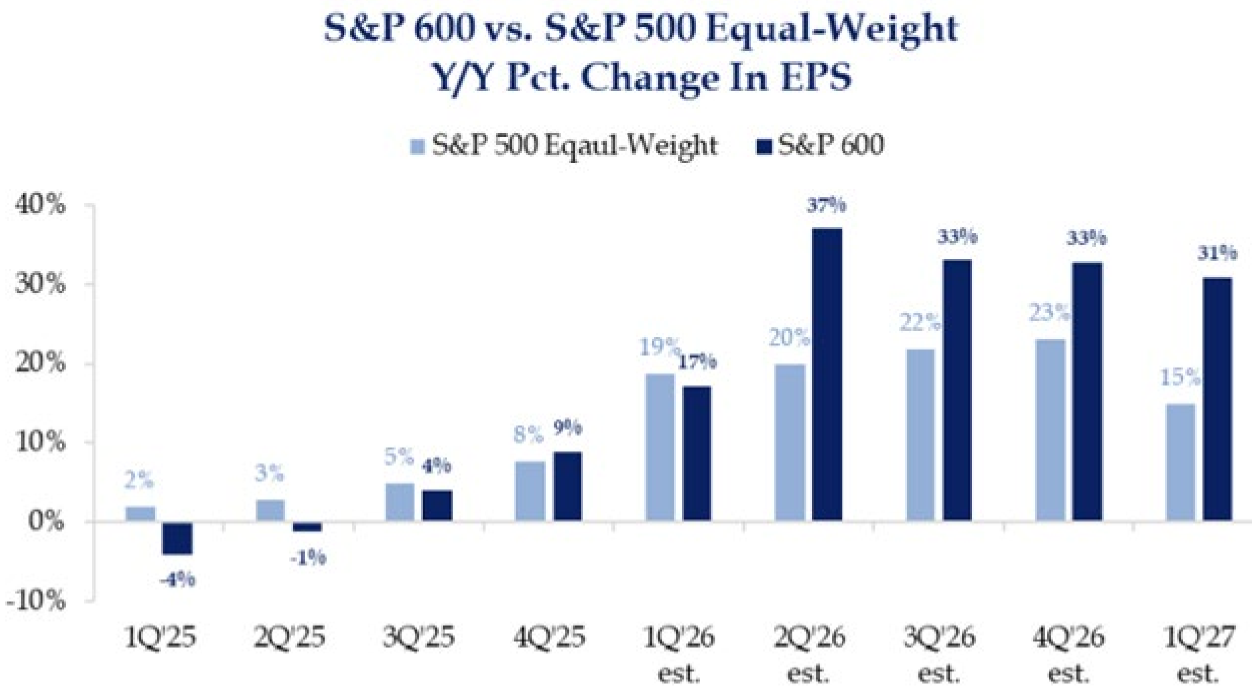
Source: Goldman Sachs, as of 4/14/26

- Investor positioning in semiconductors and software has reached extreme levels as the debate over AI disruption continues.

U.S. Large Cap vs. Small Cap



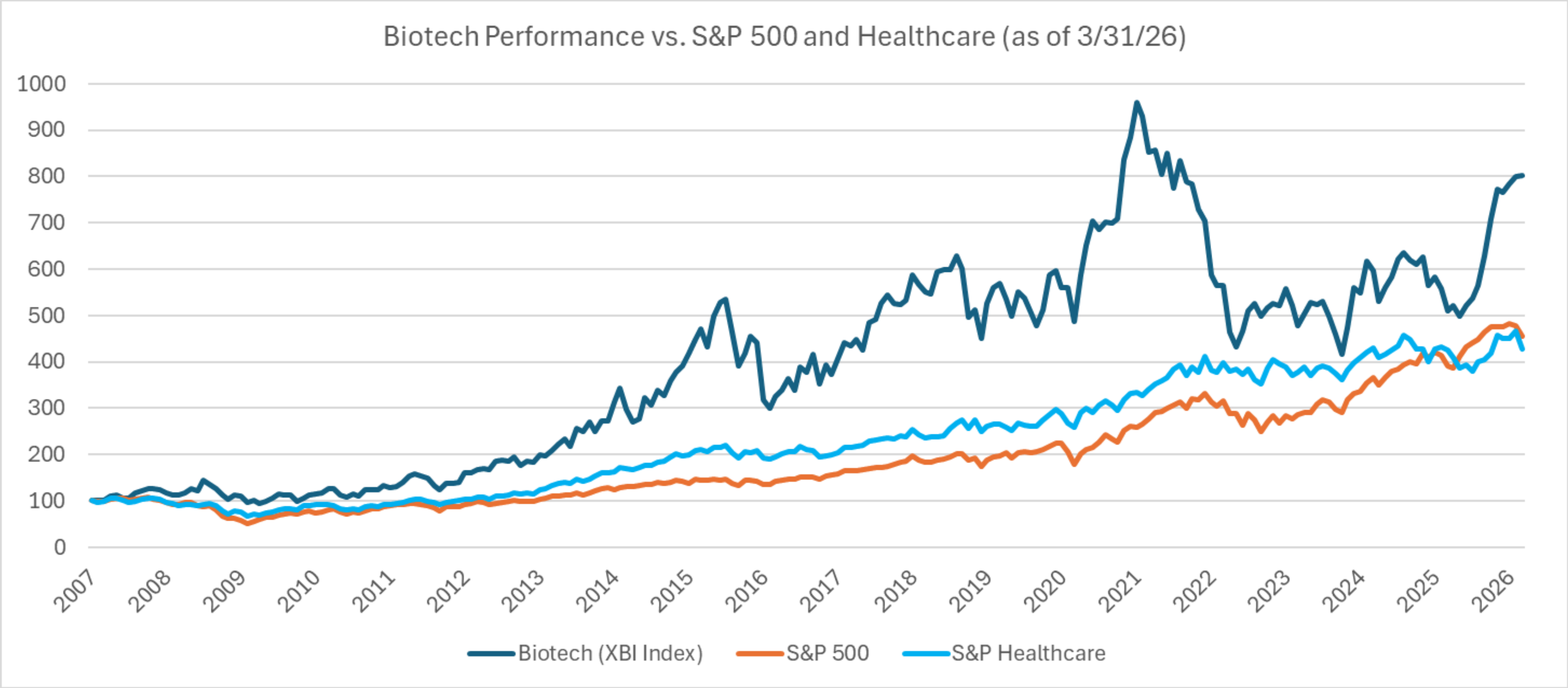
Source: Factset financial data and analytics



Source: Strategas

- Small cap relative performance has shown initial signs of improvement, driven by a broadening of earnings growth away from mega-cap tech.
- Consensus estimates suggest that small cap earnings growth could remain strong, although higher inflation and interest rates would be a meaningful headwind.

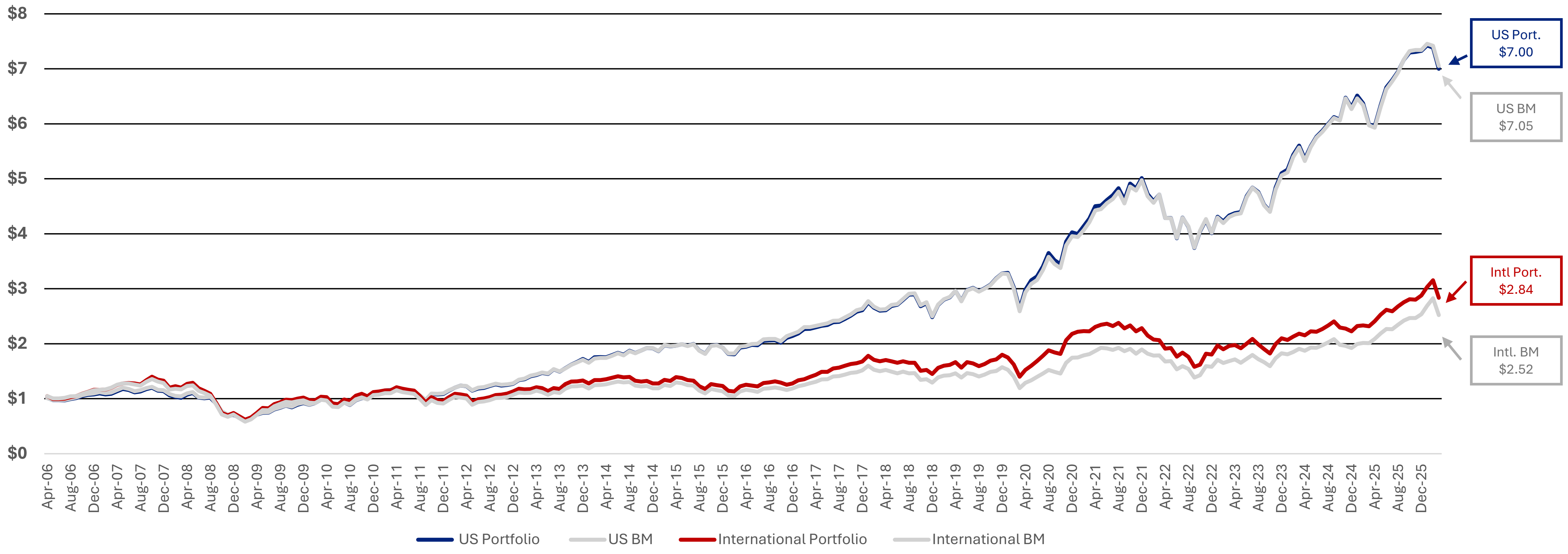
Public Biotech Performance



Source: Bloomberg

- Biotech has been recovering from the post-COVID bear market, with compelling opportunities to deploy capital.
- Tailwinds include increased M&A activity due to the U.S. pharma patent cliff.

Growth of $1: US and International Portfolios



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