NORTH CAROLINA
INVESTMENT AUTHORITY

NCIA Update

July 2026

BRADFORD B. BRINER
STATE TREASURER OF NORTH CAROLINA

Overview

NCRS Rebalancing

- Multiple rebalances to based on the new Strategic Asset Allocation and to reflect evolving market opportunities and risks in pursuit of 6.5%

Asset Classes	Net Cash Flows 2025 & YTD 2026 (Millions)
Public Equity	($6,007)
Private Equity	$1,443
Infrastructure & Natural Resources	$3,839
Real Estate	$1,390
Investment Grade Bonds	$891
Credit	$1,127
Cash	($8,249)
Multi-Strategy	$3,651
Total	**($1,916)**

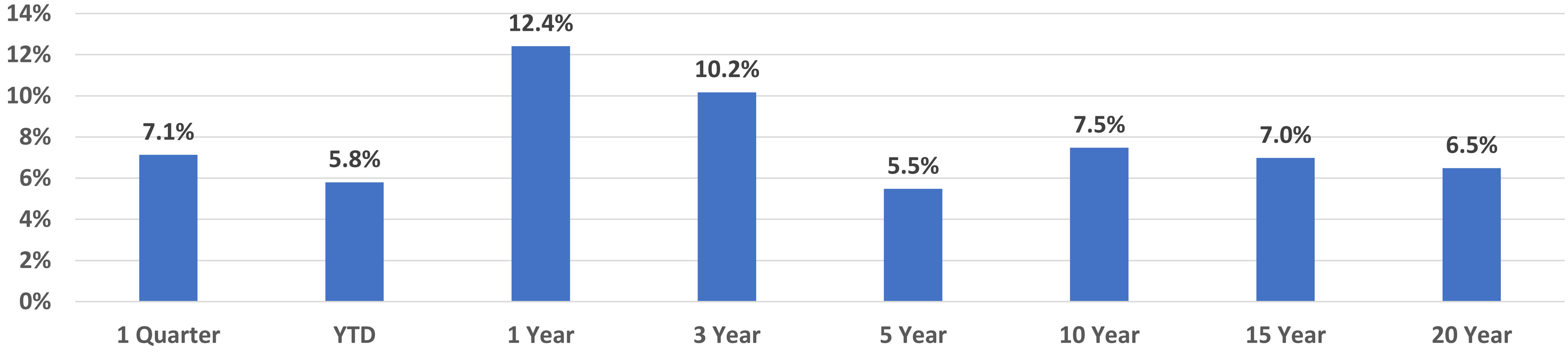
Note: Negative outflow of $1.9B used to pay NCRS benefits

NCIA Transition

- Board met in May.
    - Approved FY 2026-27 budget and administrative fees
    - Reviewed the Strategic Plan
    - Reviewed the two equity asset classes' strategy, performance and outlook
- Policy development is largely done and the "plumbing" has been materially completed for NCIA to exist as a state agency
- Established independent HR, finance, and administrative functions
- Hiring progressing

NCRS Investment Returns (Estimate Net of Fees)

As of June 30, 2026



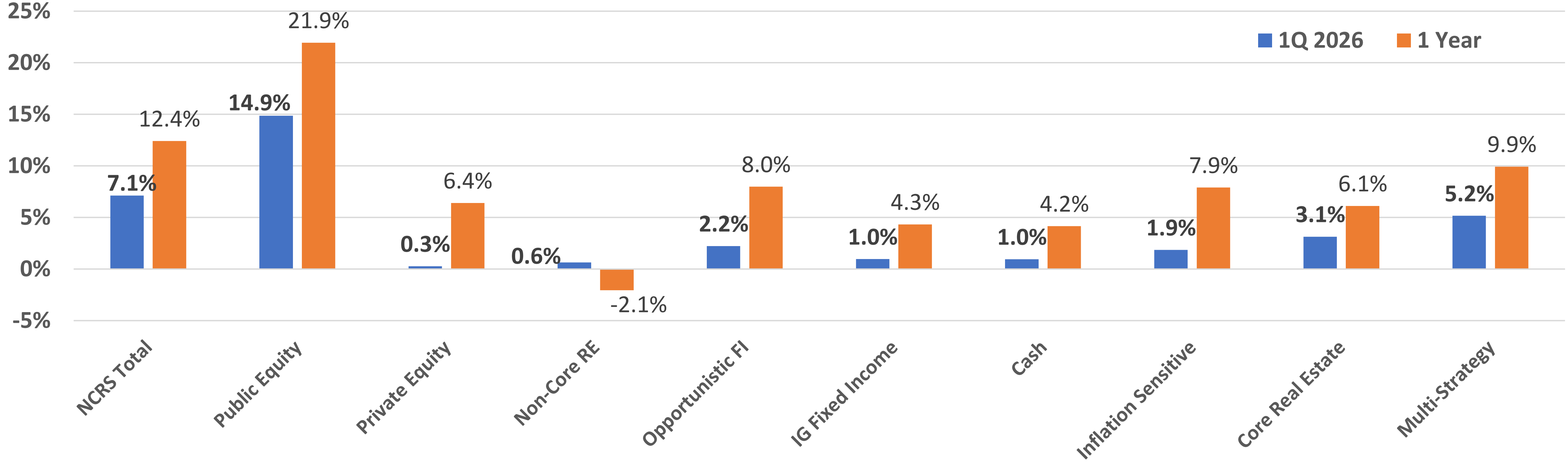
Highlights

- Performance over the past 1 year equates to an estimated $17 billion in earnings
- Latest quarter 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
- 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
- NCRS portfolio benefitted from strong diversification when markets were volatile, but largely participated in the increases over the last year

Note: Returns for periods greater than one year are annualized.

NCRS Asset Class Returns (Estimate Net of Fees)

As of June 30, 2026



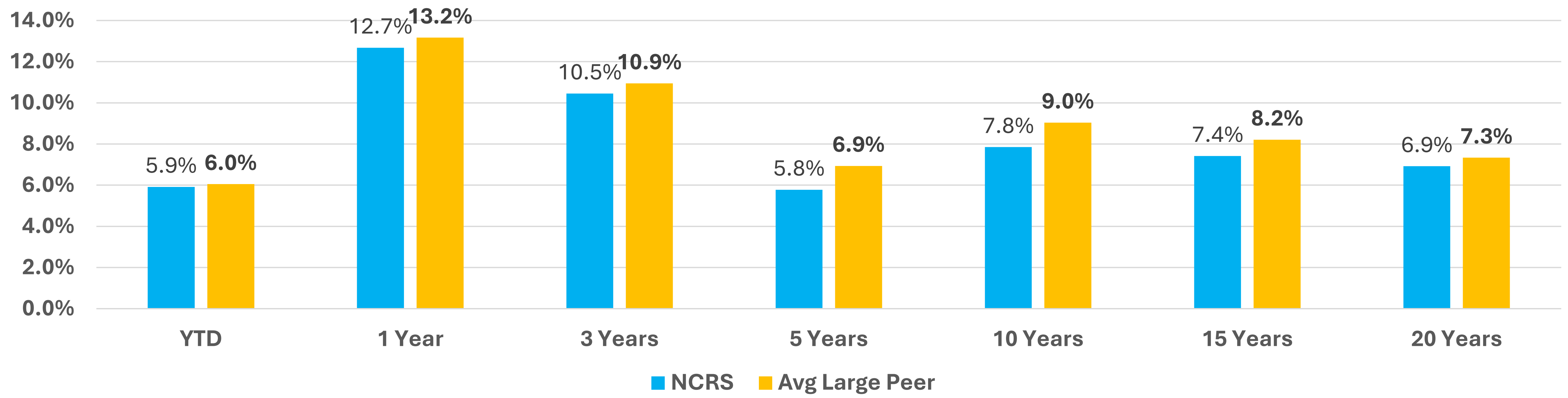
Highlights

- Global stock markets have been extremely strong, but several other asset classes have produced competitive returns compared to the 6.5% actuarial assumed return
- Investment Grade Fixed Income performance was impacted by rising interest rates over the past year

Note: Returns for periods greater than one year are annualized.

NCRS Total Return Peer Comparison (Estimate Gross of Fees)

As of June 30, 2026



Highlights

- Performance in 2025 and CYTD 2026 has improved relative to the average Public Pension Fund Peer
- Source: BNY Universe of US Public Funds with $20 billion or more in assets under management

Note: Returns for periods greater than one year are annualized.