

NORTH CAROLINA
DEPARTMENT OF STATE TREASURER



BRADFORD B. BRINER
STATE TREASURER OF NORTH CAROLINA

Investment Management Division

Update

April 24, 2025



2025 Major Initiatives



Rebalancing

Three (3) phased approach



Investment governance

Consultant review (Statutory)

Legislative agenda

Staffing



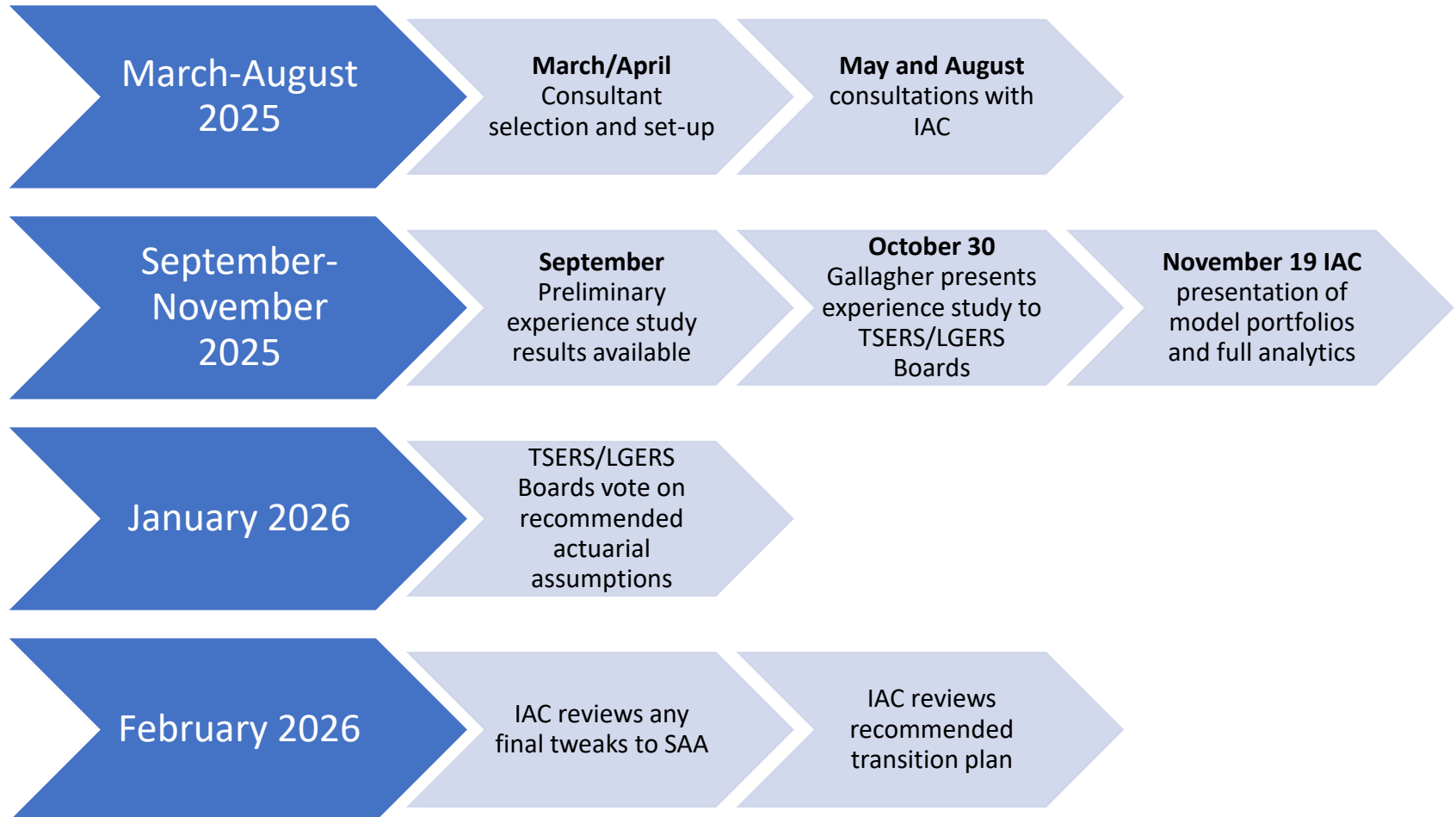
Asset Liability Study

Reflect 5-year experience study

November 2025 presentation to
Investment Advisory Committee



2025-26 NCRS ALM Study: Key Dates/Activities





2025 State Investment Modernization Act

Objective: Improve NCRS investment performance with public and private sector best practices

Creates Investment Authority and Board

- 5 member Board with Treasurer as Chair and members appointed by Senate, House, Governor, and Treasurer
- High minimum professional qualifications; assessed by Treasurer
- Staggered 6-year terms with maximum of 2 consecutive terms

Assigns Board Duties and Powers

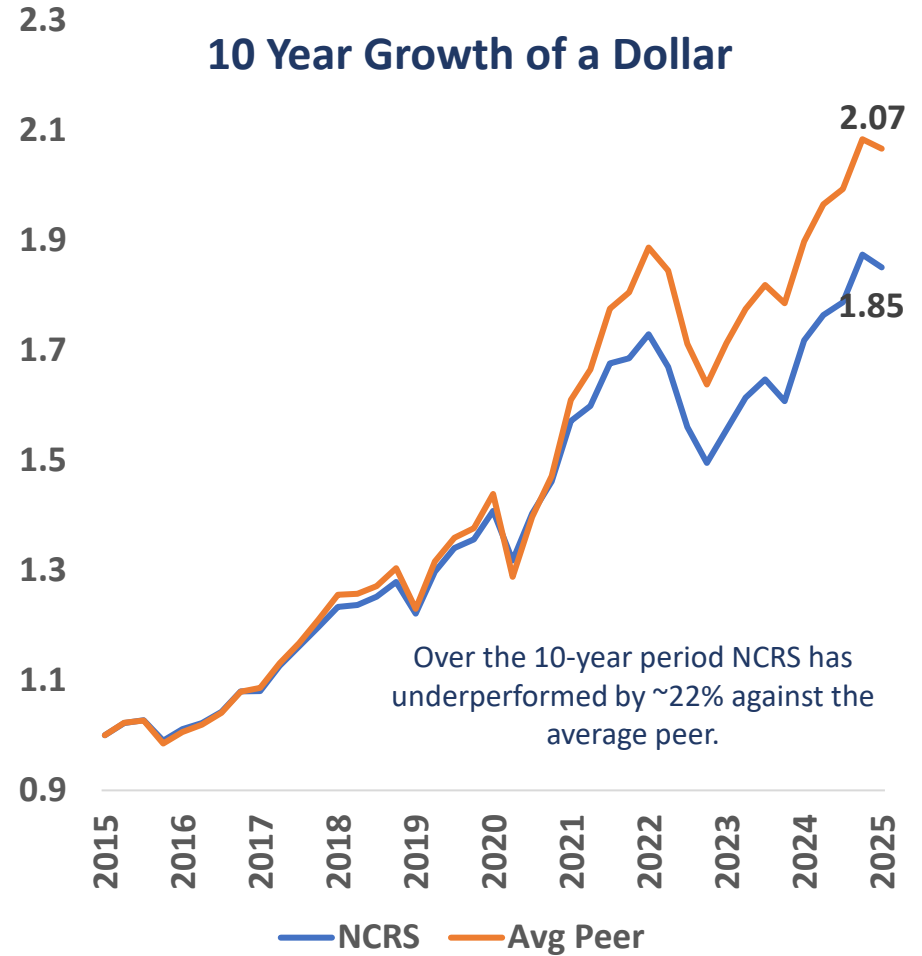
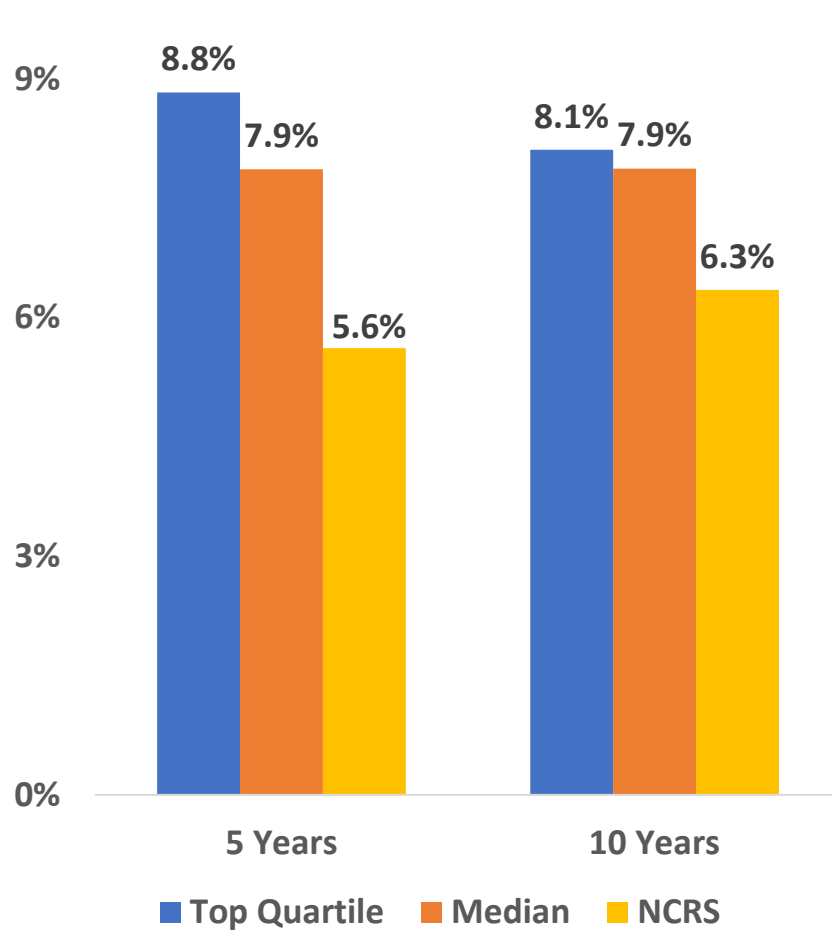
- Approve risk limits and monitor performance for the Retirement Systems
- Approves policies, key contracts and large investment transactions
- Approves budget and staff positions
- Hires/Fires the Chief Investment Officer (CIO)
- Recommends actuarial assumed investment return to TSERS/LGERS Boards

Updates Statutory Legal Limits on Investments

- Minimum of 20% in high quality bonds
- Maximum of 40% in illiquid investments with annual Board compliance certification
- Board to set limits on other investment categories to provide needed flexibility
- Board is required to avoid undue risk relative to U.S. public pensions



NCRS Performance has Lagged Peers



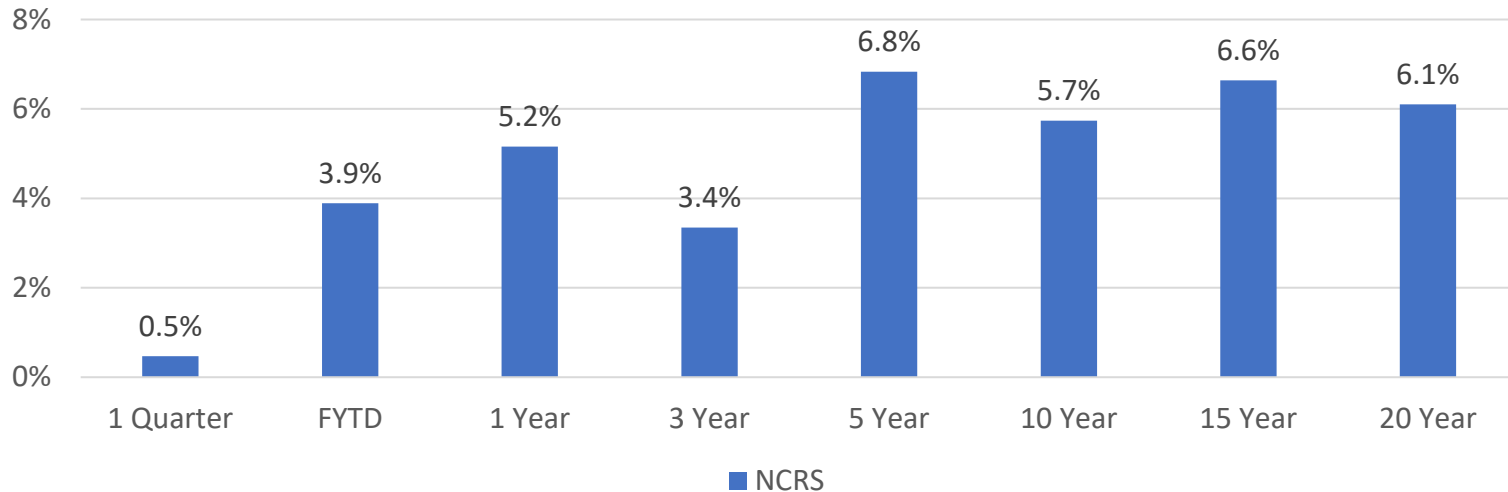
Notes:

BNY Mellon universe of US public pensions with at least \$20B. Annualized gross returns as of December 31, 2024



NCRS Performance Update

Estimated Total Returns (Net of Fees), as of March 31, 2025



2025 CYTD Highlights

- US economic policy uncertainty has contributed to recent financial market volatility
- NCRS portfolio has benefitted from strong diversification
 - US equities have declined, but international equities have held up relatively well
 - High quality bond performance has benefitted from historically high coupons
 - Other asset classes are generally performing in line with expectations

Notes:

Returns for periods greater than one year are annualized.