

State of North Carolina

DECEMBER 2, 2021

STATE OF NORTH CAROLINA

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SECTION I

GALLIARD CAPITAL MANAGEMENT

WELLS FARGO ASSET MANAGEMENT SALE

INTRODUCING ALLSPRING GLOBAL INVESTMENTS

- Nov. 1 - Parent Company, Wells Fargo Asset Management (WFAM), is now officially Allspring Global Investments.
- Sale by Wells Fargo of WFAM and all related legal entities (including Galliard) officially closed on schedule. New name for parent company is Allspring Global Investments.
 - In addition to private equity firms GTCR LLC and Reverence Capital Partners L.P., Wells Fargo is an investor with a minority 9.9% stake.
 - Select senior investment personnel and senior leadership were given the opportunity to participate in an equity purchase plan for the new company. Approximately 20% of the firm is now owned by employees. Existing incentive plans remain in place.
 - Joe Sullivan officially starts as new Executive Chairman and CEO of Allspring.
- Galliard staff will begin transitioning to new phone numbers. Old numbers will be active through end of 2021. Email addresses will remain the same.
- Anticipating Return to Office 1Q'22.

WHAT STAYS THE SAME?

- **Galliard brand, investment team, philosophy and process, executive management and client experience continues as before.**
- Wells Fargo collective funds trustee business to new trustee model still in process. The Wells Fargo name on CITs will remain until new model in effect. Anticipate that deal to close in 2022.

GALLIARD CAPITAL MANAGEMENT

WHO WE ARE

\$93.3 B

TOTAL AUM

\$76.2 B

TOTAL STABLE VALUE AUM

80+

STABLE VALUE SEPARATE ACCOUNTS

100

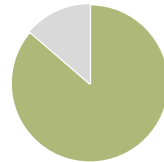
EMPLOYEES ON STAFF

Offer **separate account** and **collective fund** solutions for clients

205+

INSTITUTIONAL CLIENTS

CLIENT RELATIONSHIP TENURE



~88% of our clients have worked with Galliard for greater than **5 years**

48 of those relationships exceed **15 years** with Galliard

CLIENT TYPES

- Corporate
- Public Entities
- Taft-Hartley
- Operating Funds
- Healthcare
- Insurance Reserves
- Foundations / Endowments

FORTUNE 100 / 500

18 Fortune 100 clients; **53** Fortune 500 clients

²2021 Fortune 500 edition, data as of December 31, 2020

25 YEARS

OF EXCLUSIVE FOCUS ON

FIXED INCOME & STABLE VALUE

Senior Professionals
Average Years of Experience:

Stable value strategy and contract – **23**
Stable value and contract – **24**
Fixed income portfolio management – **21**

Galliard is one of the **largest** managers of stable value assets¹

¹Pension & Investments May 31, 2021 edition, data as of December 31, 2020; Total assets 'ranked' are managed by Galliard and reported under WFAM

SECTION II

STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

PORTFOLIO CHARACTERISTICS

STATE OF NORTH CAROLINA STABLE VALUE FUND

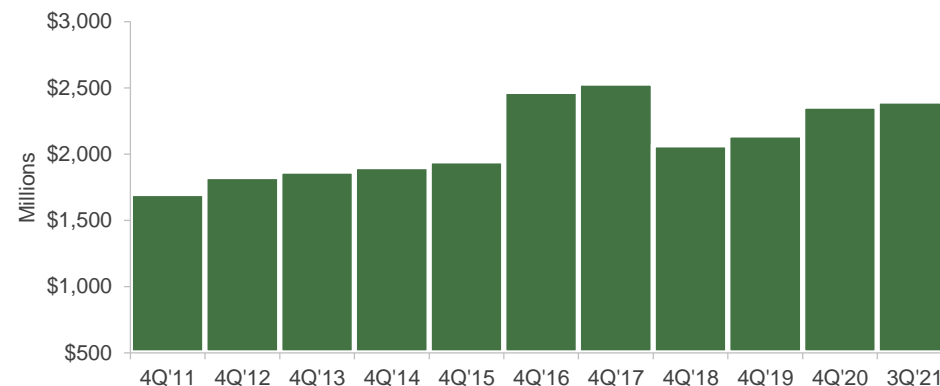
ACCOUNT SUMMARY

| | |
|--------------------------------|--|
| Benchmark | ICE BofAML US 3-Month Tsy Bill Index+150 bps, 3 Year Constant Maturity Treasury |
| Galliard Inception Date | December 1, 2010 |
| Net Asset Value | \$2,400,580,614 |

PORTFOLIO CHARACTERISTICS

| | Portfolio 6/30/21 | Portfolio 9/30/21 |
|---|----------------------|----------------------|
| Average Quality - Book Value¹ | A+ | A+ |
| Average Quality - Market Value² | AA | AA |
| Number of Contract Issuers | 5 | 5 |
| Blended Yield (after all fees)³ | 1.71% | 1.65% |
| Yield to Maturity | 0.93% | 1.01% |
| Effective Duration | 3.20 years | 3.20 years |
| Market/Book Value Ratio | 103.36% | 102.89% |

HISTORICAL FUND ASSETS



PORTFOLIO DISTRIBUTION

| | % Portfolio 6/30/21 | % Portfolio 9/30/21 |
|---|---------------------------|---------------------------|
| Liquidity Buffer: Cash & Equivalents⁴ | 2.7 | 3.0 |
| Short Portfolio | 32.8 | 32.7 |
| Intermediate Portfolio | 64.5 | 64.3 |
| Total | 100.0%⁵ | 100.0%⁵ |

1: Average holdings quality of the contracts and other book value assets in the portfolio. The Weighted Average Quality of the portfolio has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents an average quality of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch.

2: Average holdings quality of the underlying assets of the portfolio. The Weighted Average Quality of the portfolio has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents an average quality of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch.

3: Blended Yield is net of all fees, including book value contract fees, Galliard investment management fees, and, if applicable, external manager fees, Wells Fargo collective fund administrative fees, and plan administrative reimbursement.

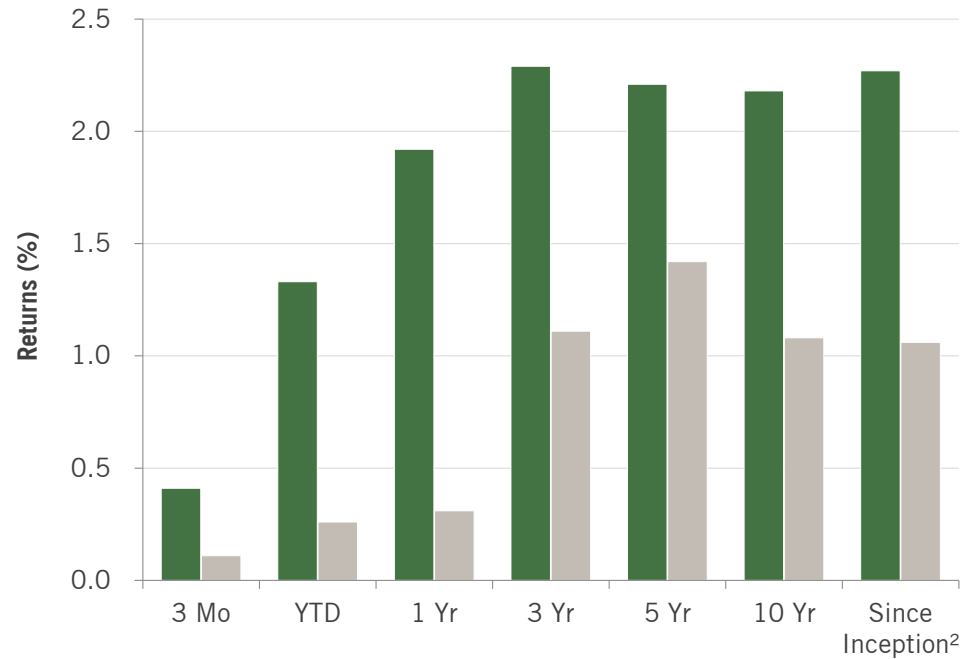
4: Includes Receivables and Payables.

5: Total % of portfolio may not add to 100% due to rounding.

STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

ANNUALIZED INVESTMENT PERFORMANCE

ANNUALIZED INVESTMENT PERFORMANCE AS OF 9/30/21¹



| | 3 Mo | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Since Inception ² |
|--|-------------|-------------|-------------|-------------|-------------|-------------|------------------------------|
| ■ State of North Carolina Stable Value Fund (net of all fees - NAV level) ³ | 0.41 | 1.33 | 1.92 | 2.29 | 2.21 | 2.18 | 2.27 |
| ■ 3 Year Constant Maturity Treasury Yield | 0.11 | 0.26 | 0.31 | 1.11 | 1.42 | 1.08 | 1.06 |
| ICE BofA U.S. 3-Month Treasury Bill Index + 150 bps | 0.39 | 1.17 | 1.58 | 2.71 | 2.68 | 2.15 | 2.11 |
| Value Added (net of all fees - NAV level)⁴ | 0.30 | 1.07 | 1.61 | 1.18 | 0.79 | 1.10 | 1.21 |

1: Returns for periods of less than one year are not annualized.

2: Returns are net of all fees, including book value contract fees, Galliard investment management fees, and, if applicable, external managers fees, Wells Fargo collective fund administrative fees, and plan administrative reimbursement

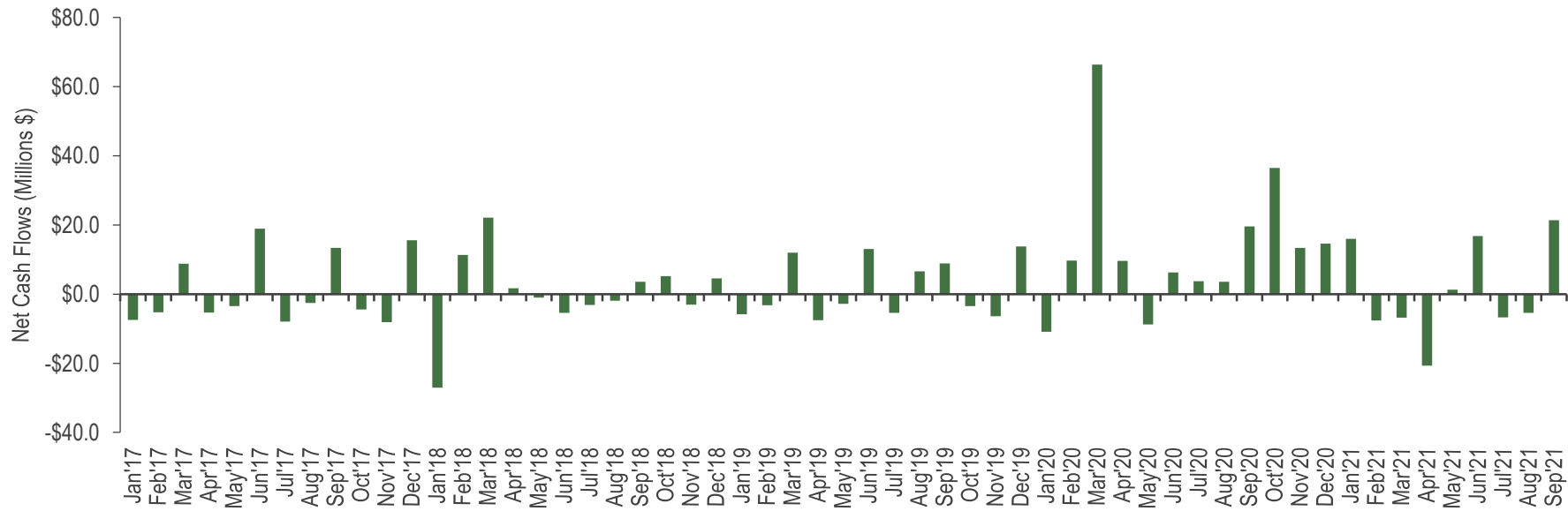
3: Galliard assumed management of this portfolio on December 1, 2010. Performance for periods referenced prior to this date include historical performance of another investment advisor.

4: May not add due to rounding.

STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

HISTORICAL CASHFLOWS

HISTORICAL CASHFLOWS



| | 2017 | 2018 | 2019 | 2020 | 1Q'21 | 2Q'21 | 3Q'21 | 2021 YTD |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Beginning Assets | \$2,472.8 | \$2,535.1 | \$2,069.8 | \$2,143.4 | \$2,360.5 | \$2,373.6 | \$2,381.4 | \$2,360.5 |
| Net Cash Flow (\$)¹ | \$12.2 | \$6.9³ | \$19.8 | \$163.5 | \$1.5 | -\$2.6 | \$9.3 | \$8.1 |
| Net Cash Flow (%) | 0.49% | 0.27% | 0.95% | 7.63% | 0.06% | -0.11% | 0.39% | 0.34% |
| Estimated Investment Earnings | \$50.1 | \$51.6 | \$53.9 | \$53.5 | \$11.6 | \$10.4 | \$10.0 | \$32.0 |
| Ending Assets² | \$2,535.1 | \$2,069.8 | \$2,143.4 | \$2,360.5 | \$2,373.6 | \$2,381.4 | \$2,400.6 | \$2,400.6 |

1: Contributions, Withdrawals and Investment Transfers

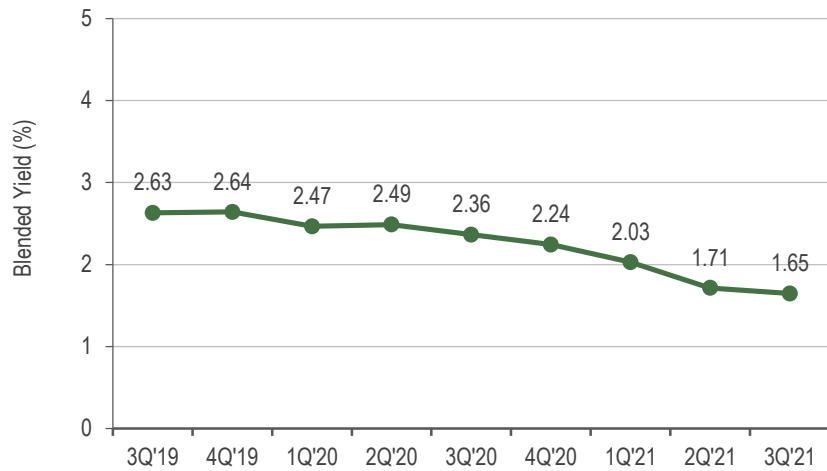
2: Cashflows may not net to final assets due to rounding.

3: Excludes Prudential GoalMaker withdrawal of approximately \$523.8 M on 6/8/18 for illustrative purposes.

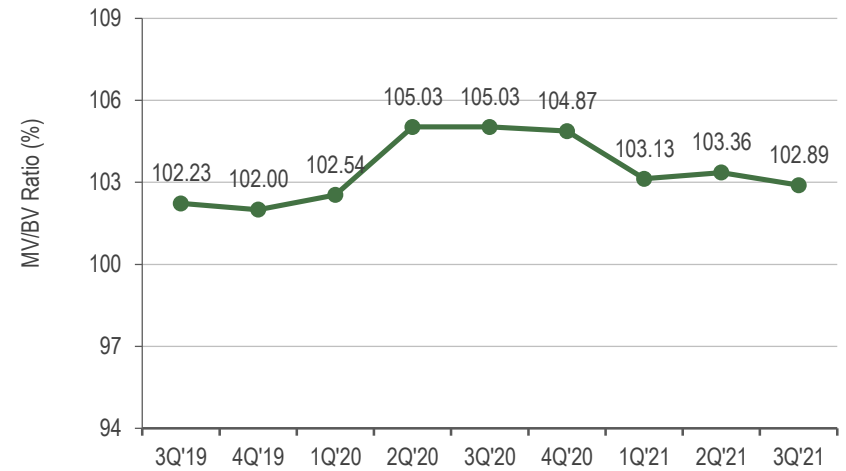
STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

HISTORICAL STATS

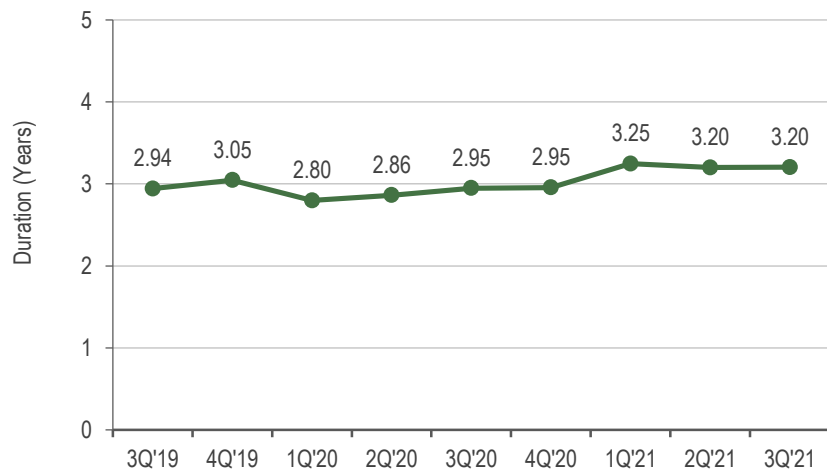
HISTORICAL BLENDED YIELD¹



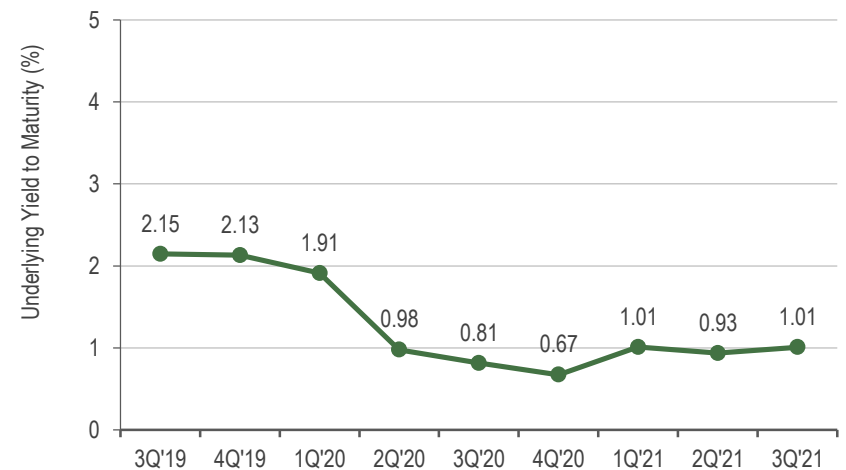
HISTORICAL MARKET VALUE TO BOOK VALUE RATIO



HISTORICAL DURATION



HISTORICAL UNDERLYING YIELD TO MATURITY



¹: Blended Yield is net of all fees, including book value contract fees, Galliard investment management fees, and, if applicable, external manager fees, Wells Fargo collective fund administrative fees, and plan administrative reimbursement.

STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

CONTRACT ISSUERS

CONTRACT ISSUER DISTRIBUTION & RATING SUMMARY¹

| | Contract Type ² | % Portfolio 6/30/21 | % Portfolio 9/30/21 | Rating 6/30/21 | Rating 9/30/21 | Wrap fees (bps) 6/30/21 | Wrap fees (bps) 9/30/21 |
|--------------------------------|----------------------------|------------------------|------------------------|-------------------|-------------------|----------------------------|----------------------------|
| American General Life Ins. Co. | SBIC | 19.4 | 19.4 | A+ | A+ | 15 | 15 |
| Metropolitan Life Ins. Co. | SAGIC | 10.3 | 10.3 | AA- | AA- | 17 | 17 |
| Nationwide Life Ins. Co. | SBIC | 20.3 | 20.2 | A+ | A+ | 15 | 15 |
| Prudential Ins. Co. of America | SBIC | 24.4 | 24.3 | AA- | AA- | 16 | 16 |
| Transamerica Life Ins. Co. | SBIC | 22.9 | 22.8 | A+ | A+ | 15 | 15 |

1: The quality rating shown represents the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch. Ratings shown as NR/NA are not rated or not available security ratings.

2: SBIC = Security Backed Investment Contract. SAGIC = Separate Account GIC

STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

CONTRACT ISSUER CREDIT REVIEW PROCESS

OVERSIGHT

Galliard Credit Working Group

- **MEMBERSHIP**: includes all analysts and traders from both the Credit Sector Team and Structured Sector Team
- Reports contract issuer credit oversight to Galliard's Stable Value Strategy Committee

CREDIT REVIEW PROCESS

Approved Issuer List

- The Credit Working Group maintains an approved list of contract issuers on an ongoing basis
- All contracts used in stable value accounts must be written by an approved issuer

Credit Working Group Review, Approval & Monitoring

- Meets monthly to review issuer credit quality and firm-wide exposure to approved contract issuers
- Oversees analysts' due diligence and formal credit reviews for each issuer
- Fundamental analysis of issuers includes:
 - Financial statements and ratios
 - Business model and product mix
 - Industry, economic, and regulatory environment
 - Regulatory ratios
 - Ratings agency analysis
 - Other third party research services (e.g. ALIRT, SNL)
 - Periodic due diligence calls and/or on-site visits

STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW HOLDINGS

| Asset ID | Security Description | Contract ¹ Type | Manager | Book Value (\$) | Market Value (\$) | Market/Book Value Ratio (%) | % of Portfolio | Crediting Rate (%) ² | UCA Yield (%) | Effective Duration (yrs) | Galliard Composite Rating | Wrap Fees (bps) |
|-------------------------------|---|-------------------------------|----------|--------------------|----------------------|-----------------------------------|-------------------|---------------------------------------|------------------|--------------------------------|---------------------------------|-----------------------|
| LIQUIDITY BUFFER | | | | | | | | | | | | |
| | Cash Receivable / (Payable) | | | -1,430,771 | -1,430,771 | 100.0 | -0.1 | 0.06 | 0.06 | 0.10 | AAA | |
| 9983008\$P | WF/BlackRock Short Term Investment Fund S | | | 73,515,444 | 73,515,444 | 100.0 | 3.1 | 0.06 | 0.06 | 0.10 | AAA | |
| TOTAL LIQUIDITY BUFFER | | | | 72,084,673 | 72,084,673 | 100.0 | 3.0 | 0.06 | 0.06 | 0.10 | AAA | |
| SHORT PORTFOLIO | | | | | | | | | | | | |
| 946996EE1 | American General Life Ins. Co. | SBIC | Galliard | 174,988,310 | 179,585,383 | 102.6 | 7.3 | 1.72 | 0.60 | 1.90 | A+ | 15.0 |
| 896994GW4 | Nationwide Life Ins. Co. | SBIC | Galliard | 182,454,407 | 186,394,889 | 102.2 | 7.6 | 1.52 | 0.60 | 1.90 | A+ | 15.0 |
| 744999CV3 | Prudential Ins. Co. of America | SBIC | Galliard | 220,494,626 | 228,848,973 | 103.8 | 9.2 | 2.08 | 0.60 | 1.90 | AA- | 16.0 |
| 600996QF2 | Transamerica Life Ins. Co. | SBIC | Galliard | 206,310,130 | 212,328,640 | 102.9 | 8.6 | 1.81 | 0.60 | 1.90 | A+ | 15.0 |
| TOTAL SHORT PORTFOLIO | | | | 784,247,473 | 807,157,885 | 102.9 | 32.7 | 1.80 | 0.60 | 1.90 | A+ | |

1: SAGIC = Separate Account GIC. SBIC = Security Backed Investment Contract.

2: Crediting rates are net of wrap fees and any other fees being netted out of the rates.

STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW HOLDINGS

| Asset ID | Security Description | Contract ¹ Type | Manager | Book Value (\$) | Market Value (\$) | Market/Book Value Ratio (%) | % of Portfolio | Crediting Rate (%) ² | UCA Yield (%) | Effective Duration (yrs) | Galliard Composite Rating | Wrap Fees (bps) |
|-------------------------------------|--------------------------------|-------------------------------|-----------------|----------------------|----------------------|-----------------------------------|-------------------|---------------------------------------|------------------|--------------------------------|---------------------------------|-----------------------|
| INTERMEDIATE PORTFOLIO | | | | | | | | | | | | |
| 590994VM8 | Metropolitan Life Ins. Co. | SAGIC | Dodge & Cox | 246,643,234 | 255,324,242 | 103.5 | 10.3 | 2.10 | 1.42 | 3.95 | AA- | 17.0 |
| 946996EE1 | American General Life Ins. Co. | SBIC | Payden & Rygel | 51,254,267 | 52,600,755 | 102.6 | 2.1 | 1.72 | 1.31 | 4.13 | A+ | 15.0 |
| 946996EE1 | American General Life Ins. Co. | SBIC | TCW | 52,630,250 | 54,012,886 | 102.6 | 2.2 | 1.72 | 1.04 | 3.75 | A+ | 15.0 |
| 946996EE1 | American General Life Ins. Co. | SBIC | Galliard | 26,350,007 | 27,042,241 | 102.6 | 1.1 | 1.72 | 1.24 | 3.78 | A+ | 15.0 |
| 946996EE1 | American General Life Ins. Co. | SBIC | Jennison Assoc. | 52,115,903 | 53,485,026 | 102.6 | 2.2 | 1.72 | 1.08 | 4.06 | A+ | 15.0 |
| 946996EE1 | American General Life Ins. Co. | SBIC | PGIM | 107,906,497 | 110,741,280 | 102.6 | 4.5 | 1.72 | 1.45 | 4.46 | A+ | 15.0 |
| 896994GW4 | Nationwide Life Ins. Co. | SBIC | Galliard | 139,536,994 | 142,550,585 | 102.2 | 5.8 | 1.52 | 1.24 | 3.78 | A+ | 15.0 |
| 896994GW4 | Nationwide Life Ins. Co. | SBIC | Jennison Assoc. | 54,329,961 | 55,503,329 | 102.2 | 2.3 | 1.52 | 1.08 | 4.06 | A+ | 15.0 |
| 896994GW4 | Nationwide Life Ins. Co. | SBIC | Payden & Rygel | 54,604,764 | 55,784,067 | 102.2 | 2.3 | 1.52 | 1.31 | 4.13 | A+ | 15.0 |
| 896994GW4 | Nationwide Life Ins. Co. | SBIC | TCW | 54,587,271 | 55,766,196 | 102.2 | 2.3 | 1.52 | 1.04 | 3.75 | A+ | 15.0 |
| 744999CV3 | Prudential Ins. Co. of America | SBIC | Galliard | 89,750,988 | 93,151,574 | 103.8 | 3.7 | 2.08 | 1.24 | 3.78 | AA- | 16.0 |
| 744999CV3 | Prudential Ins. Co. of America | SBIC | Jennison Assoc. | 64,204,302 | 66,636,947 | 103.8 | 2.7 | 2.08 | 1.08 | 4.06 | AA- | 16.0 |
| 744999CV3 | Prudential Ins. Co. of America | SBIC | Payden & Rygel | 66,517,335 | 69,037,619 | 103.8 | 2.8 | 2.08 | 1.31 | 4.13 | AA- | 16.0 |
| 744999CV3 | Prudential Ins. Co. of America | SBIC | PGIM | 76,194,177 | 79,081,107 | 103.8 | 3.2 | 2.08 | 1.45 | 4.46 | AA- | 16.0 |
| 744999CV3 | Prudential Ins. Co. of America | SBIC | TCW | 66,496,148 | 69,015,628 | 103.8 | 2.8 | 2.08 | 1.04 | 3.75 | AA- | 16.0 |
| 600996QF2 | Transamerica Life Ins. Co. | SBIC | Jennison Assoc. | 60,793,900 | 62,567,389 | 102.9 | 2.5 | 1.81 | 1.08 | 4.06 | A+ | 15.0 |
| 600996QF2 | Transamerica Life Ins. Co. | SBIC | PGIM | 58,395,720 | 60,099,248 | 102.9 | 2.4 | 1.81 | 1.45 | 4.46 | A+ | 15.0 |
| 600996QF2 | Transamerica Life Ins. Co. | SBIC | TCW | 60,635,187 | 62,404,046 | 102.9 | 2.5 | 1.81 | 1.04 | 3.75 | A+ | 15.0 |
| 600996QF2 | Transamerica Life Ins. Co. | SBIC | Galliard | 99,351,822 | 102,250,128 | 102.9 | 4.1 | 1.81 | 1.24 | 3.78 | A+ | 15.0 |
| 600996QF2 | Transamerica Life Ins. Co. | SBIC | Payden & Rygel | 61,949,742 | 63,756,949 | 102.9 | 2.6 | 1.81 | 1.31 | 4.13 | A+ | 15.0 |
| TOTAL INTERMEDIATE PORTFOLIO | | | | 1,544,248,467 | 1,590,811,242 | 103.0 | 64.3 | 1.85 | 1.26 | 4.01 | A+ | |
| TOTAL PORTFOLIO | | | | 2,400,580,614 | 2,470,053,800 | 102.9 | 100.0 | 1.78 | 1.01 | 3.20 | A+ | |

1: SAGIC = Separate Account GIC. SBIC = Security Backed Investment Contract.
2: Crediting rates are net of wrap fees and any other fees being netted out of the rates.

STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW EXPENSES

TOTAL ANNUAL FUND OPERATING EXPENSES

Total Annual Operating Expenses are deducted directly from the Fund's net asset value and reduce the investment option's rate of return.

| Expense | Expense Ratio 9/30/21 | Per \$1000 | Est. Annual Revenue |
|--|--------------------------|---------------|------------------------|
| Investment Management Fees paid to Galliard | 0.058% | \$0.58 | \$1,402,703 |
| Investment Management fees paid to Non-Affiliated Investment Advisors | 0.055% | \$0.55 | \$1,328,054 |
| Investment Contract Fees ¹ | 0.150% | \$1.50 | \$3,600,438 |
| Acquired Fund Fees ² | 0.002% | \$0.02 | \$58,812 |
| -Investment Contract Fees | None | None | None |
| -Other Acquired Fund Fees and Non-Affiliated Investment Management Fees paid to Non-Affiliated Investment Advisors ³ | 0.002% | \$0.02 | \$58,812 |
| 12b-1 Distribution Fee | None | None | None |
| Other Expenses ⁴ | 0.027% | \$0.27 | \$643,356 |
| Total Annual Fund Operating Expenses⁵ | 0.293% | \$2.93 | \$7,033,364 |

1: These are fees paid to create and maintain the investments used by a stable value fund.

2: These are fees borne indirectly by the Fund when it acquires an interest in another fund which pays its own separate fees.

3: Includes audit fees for the cost of producing a report by a qualified auditor.

4: NC's Administrative fee of 0.025% is included in Other Expenses.

5: Total Annual Fund Operating Expenses are reflected daily in the Fund's net asset value (NAV).

Excluding STIF or money market allocations, non-affiliated investment advisors include Dodge & Cox , Jennison Assoc., Payden & Rygel, PGIM, TCW.

SECTION III

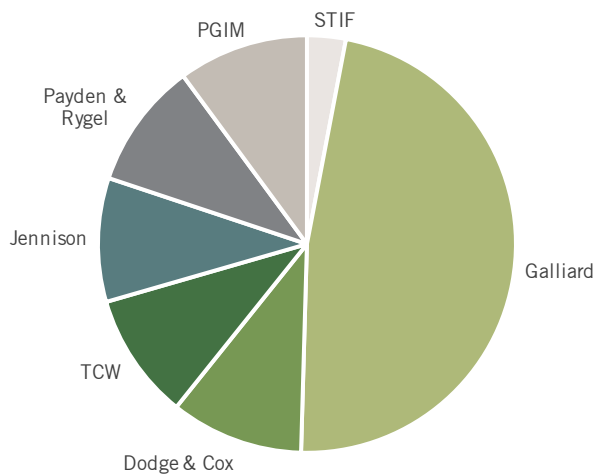
STATE OF NORTH CAROLINA STABLE VALUE FUND MANAGER STYLES

| | Investment Approach | Sector Rotation | Active Duration/ Yield Curve Mgmt. | Issue Selection | SECTOR EMPHASIS |
|---------------------------|--|--|--|--|--|
| GALLIARD |  Bottom Up Top Down |  Low High |  Low High |  Less More Important | Diversified high quality spread sector emphasis, multi-sector relative value |
| DODGE & COX |  Bottom Up Top Down |  Low High |  Low High |  Less More Important | Corporate credit, Agency MBS |
| TCW |  Bottom Up Top Down |  Low High |  Low High |  Less More Important | Duration, multi-sector relative value |
| JENNISON |  Bottom Up Top Down |  Low High |  Low High |  Less More Important | Credit, yield-curve positioning |
| PAYDEN & RYGEL |  Bottom Up Top Down |  Low High |  Low High |  Less More Important | Corporate credit, structured credit, multi-sector relative value |
| PGIM |  Bottom Up Top Down |  Low High |  Low High |  Less More Important | Multi-sector relative value, Agency MBS, global focus |

STATE OF NORTH CAROLINA STABLE VALUE FUND

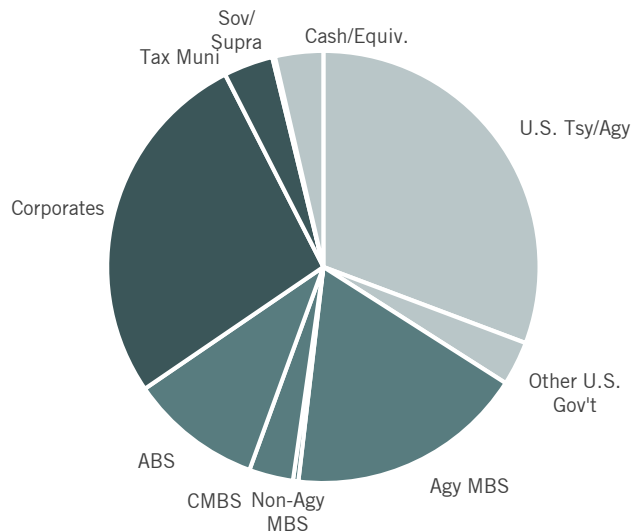
PORTFOLIO AS OF 9/30/21

MANAGER ALLOCATION



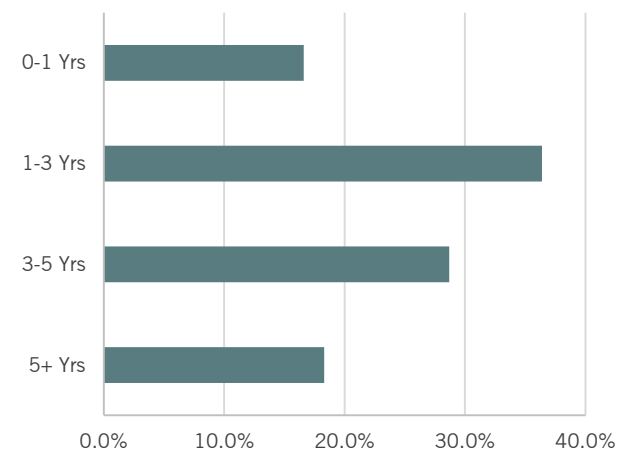
| | |
|---------------------------|--------------|
| STIF | 3.0% |
| Galliard | 47.5% |
| Dodge & Cox | 10.3% |
| TCW | 9.8% |
| Jennison | 9.6% |
| Payden & Rygel | 9.8% |
| PGIM | 10.1% |
| TOTAL EXT. MANAGER | 49.6% |
| TOTAL PORTFOLIO | 100% |

UNDERLYING FIXED INCOME SECTOR ALLOCATION



| | |
|------------------|-------|
| U.S. Tsy/Agy | 30.7% |
| Other U.S. Gov't | 3.3% |
| Agy MBS | 17.8% |
| Non-Agy MBS | 0.4% |
| CMBS | 3.3% |
| ABS | 9.9% |
| Corporates | 27.0% |
| Tax Muni | 3.7% |
| Sov/ Supra | 0.2% |
| Cash/Equiv. | 3.6% |

UNDERLYING DURATION DISTRIBUTION



| | |
|---------|-------|
| 0-1 Yrs | 16.6% |
| 1-3 Yrs | 36.4% |
| 3-5 Yrs | 28.7% |
| 5+ Yrs | 18.3% |

STATE OF NORTH CAROLINA STABLE VALUE FUND
MARKET VALUE PERFORMANCE SUMMARY AS OF 9/30/21¹

| | 3 Month | YTD | 1 Year | 3 Year | 5 Year | Since Inception | Inception Date |
|--|---------------|---------------|---------------|-------------|-------------|--------------------|-------------------|
| SHORT DURATION | | | | | | | |
| Galliard (before fees) | 0.08 | 0.13 | 0.47 | 3.32 | - | 3.17 | 6/1/2018 |
| Bloomberg U.S. 1-3 Yr. Government/Credit | 0.09 | 0.04 | 0.30 | 2.87 | - | 2.69 | |
| Value Added² | (0.01) | 0.09 | 0.17 | 0.45 | - | 0.48 | |
| INTERMEDIATE DURATION | | | | | | | |
| Dodge & Cox (before fees) | 0.09 | (0.53) | 0.56 | 5.03 | 3.17 | 3.09 | 3/1/2015 |
| Bloomberg U.S. Intermediate Aggregate | 0.05 | (0.79) | (0.38) | 4.39 | 2.47 | 2.55 | |
| Value Added² | 0.04 | 0.26 | 0.94 | 0.64 | 0.70 | 0.54 | |
| Galliard (before fees) | (0.01) | (0.42) | 0.23 | 4.95 | - | 4.52 | 6/1/2018 |
| Bloomberg U.S. Intermediate Aggregate | 0.05 | (0.79) | (0.38) | 4.39 | - | 3.97 | |
| Value Added² | (0.06) | 0.37 | 0.61 | 0.56 | - | 0.55 | |
| Jennison (before fees) ³ | 0.00 | (1.05) | (0.55) | 5.16 | 3.06 | 4.77 | 5/1/2018 |
| Bloomberg U.S. Intermediate Govt/Credit | 0.02 | (0.87) | (0.40) | 4.63 | 2.60 | 4.28 | |
| Value Added² | (0.02) | (0.18) | (0.15) | 0.53 | 0.46 | 0.49 | |
| Payden & Rygel (before fees) | 0.02 | (0.54) | 0.22 | 4.74 | 3.16 | 2.53 | 7/1/2009 |
| Bloomberg U.S. Intermediate Aggregate ⁴ | 0.05 | (0.79) | (0.38) | 4.39 | 2.74 | 2.03 | |
| Value Added² | (0.03) | 0.25 | 0.60 | 0.35 | 0.42 | 0.50 | |
| PGIM (before fees) | 0.02 | (0.70) | 0.24 | 4.82 | 2.94 | 3.25 | 2/1/2016 |
| Bloomberg U.S. Intermediate Aggregate | 0.05 | (0.79) | (0.38) | 4.39 | 2.47 | 2.68 | |
| Value Added² | (0.03) | 0.09 | 0.62 | 0.43 | 0.47 | 0.57 | |
| TCW (before fees) | 0.05 | (0.57) | 0.27 | 5.21 | - | 4.79 | 6/1/2018 |
| Bloomberg U.S. Intermediate Govt/Credit | 0.02 | (0.87) | (0.40) | 4.63 | - | 4.20 | |
| Value Added² | 0.03 | 0.30 | 0.67 | 0.58 | - | 0.59 | |

1: Returns for periods of less than one year are not annualized.

2: May not add due to rounding.

3: Performance inception: May 1, 2018. Prior to May 1, 2018 returns are linked to Wells Fargo Fixed Income Fund N (Jennison)

4: Linked Benchmark: Bloomberg U.S. Intermediate Aggregate Bond Index. Prior to Jun 1, 2018 benchmark was Bloomberg U.S. 1-3 Year Government/Credit Bond Index.

STATE OF NORTH CAROLINA STABLE VALUE FUND PERFORMANCE COMMENTARY – EXCESS RETURN

GALLIARD SHORT -1 Q3 2021

- Excess returns were muted over the period
- Allocations to ABS and taxable municipals proved modestly beneficial
- Positioning in Agency RMBS and security selection in corporates both slightly detracted

GALLIARD INTERMEDIATE -6 Q3 2021

- An overweight to the intermediate part of the yield curve detracted, as did an allocation to SBA securitizations
- Security selection in Agency RMBS proved beneficial
- A general overweight to the spread sectors was also slightly helpful

DODGE & COX +4 Q3 2021

- The impact of security selection within Agency MBS added to performance
- Asset allocation decisions did not significantly impact returns over the quarter

JENNISON -2 Q3 2021

- The out-of-benchmark allocation to Agency MBS contributed positively to performance
- Corporate security selection, favoring higher quality issuers with stable cash flows, had a negative impact on performance
- Yield curve positioning detracted over the quarter

PAYDEN & RYGEL -3 Q3 2021

- While the overweight to Corporates added slightly to performance, the impact of security selection in the sector was negative
- Short benchmark-relative duration positioning contributed positively to performance

PGIM -3 Q3 2021

- The underweight to Agency MBS marginally contributed to performance over the quarter while the overweight to CMBS marginally detracted
- The impact of security selection was positive within Agency MBS and Corporates; however, security selection within CMBS was negative

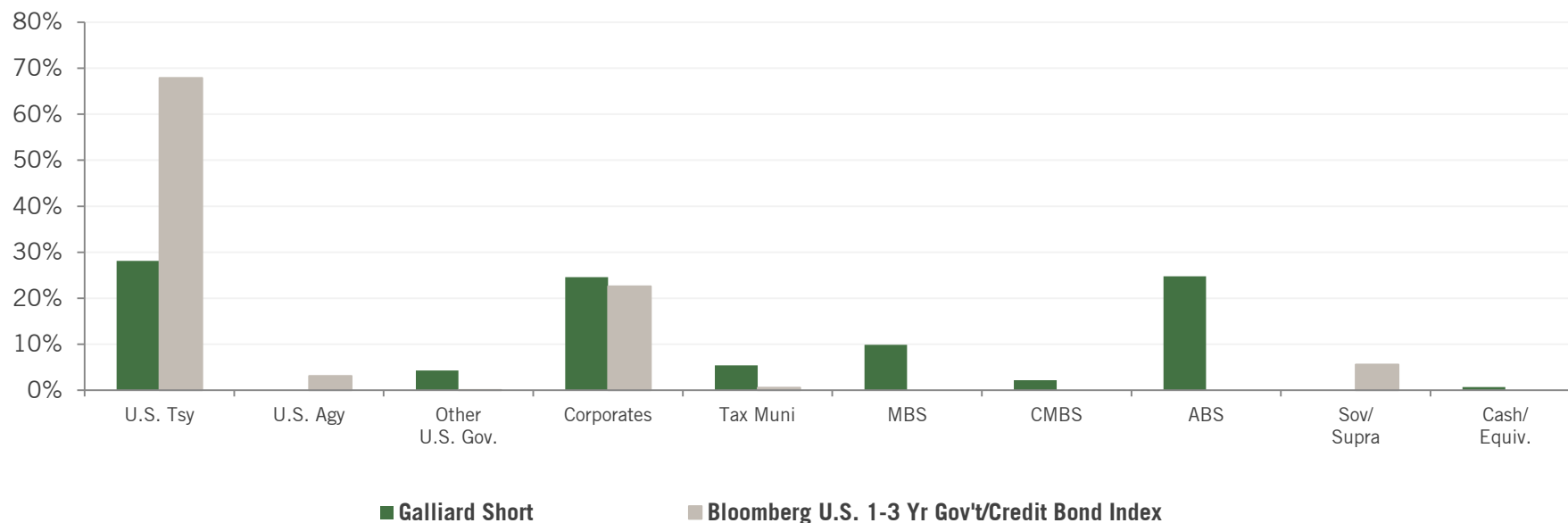
TCW +3 Q3 2021

- Short benchmark-relative duration positioning contributed positively to performance
- Within the out-of-benchmark allocation to structured securities, Agency MBS and ABS added to performance while CMBS detracted
- Security selection within Corporates also marginally benefited performance

Before fees.

STATE OF NORTH CAROLINA STABLE VALUE FUND SHORT DURATION PORTFOLIO AS OF 9/30/21

BLOOMBERG U.S. 1-3 YEAR GOVERNMENT/CREDIT BOND INDEX

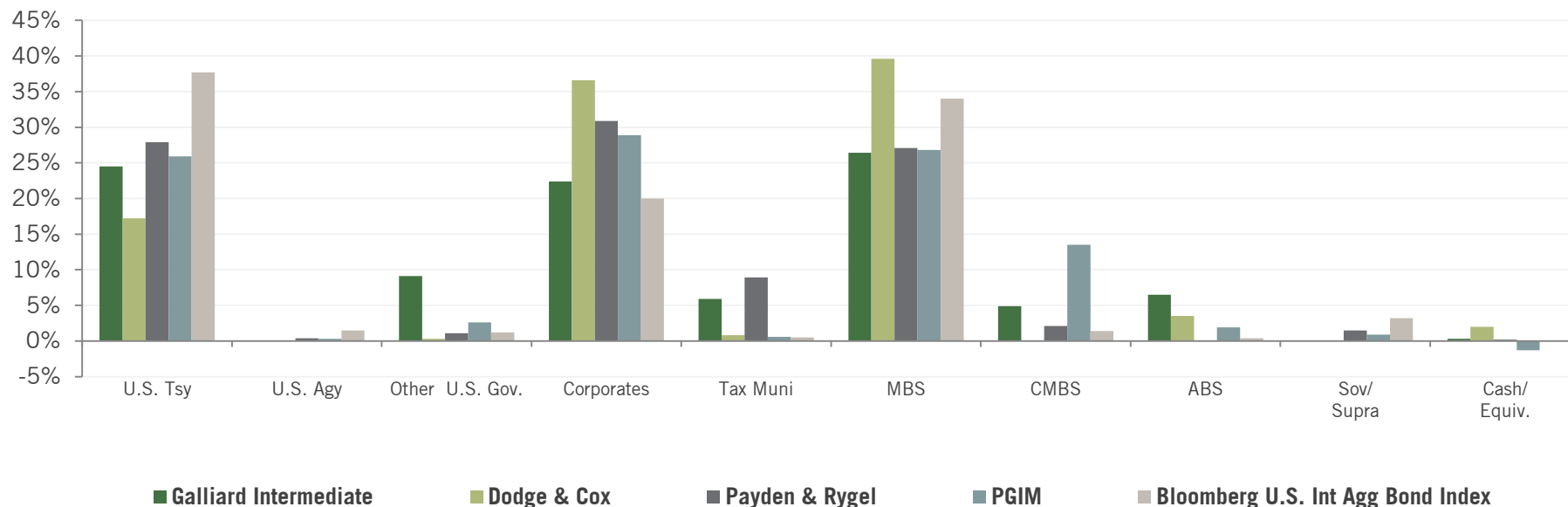


| Characteristic | Galliard Short | Bloomberg U.S. 1-3 Yr Gov't/ Credit Bond Index |
|---------------------------------------|----------------|--|
| Weighted Average Quality ¹ | AA+ | AA+ |
| Effective Duration | 1.90 Yrs | 1.85 Yrs |
| Yield to Maturity | 0.60% | 0.38% |

1: The Weighted Average Quality of the portfolio has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents an average quality of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch.

STATE OF NORTH CAROLINA STABLE VALUE FUND INTERMEDIATE DURATION PORTFOLIOS AS OF 9/30/21

BLOOMBERG U.S. INTERMEDIATE AGGREGATE BOND INDEX



| Characteristic | Galliard Intermediate | Dodge & Cox | Payden & Rygel | PGIM | Bloomberg U.S. Int Agg Bond Index |
|---------------------------------------|-----------------------|-------------|----------------|----------|-----------------------------------|
| Weighted Average Quality ¹ | AA+ | AA- | AA | AA- | AA+ |
| Effective Duration | 3.78 Yrs | 3.95 Yrs | 4.13 Yrs | 4.46 Yrs | 4.30 Yrs |
| Yield to Maturity | 1.24% | 1.42% | 1.31% | 1.45% | 1.29% |

1: The Weighted Average Quality of the portfolio has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents an average quality of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch.

STATE OF NORTH CAROLINA STABLE VALUE FUND INTERMEDIATE DURATION PORTFOLIOS AS OF 9/30/21

BLOOMBERG U.S. INTERMEDIATE GOVERNMENT/CREDIT BOND INDEX



| Characteristic | Jennison | TCW | Bloomberg U.S. Int Gov't/Credit Bond Index |
|---------------------------------------|----------|----------|--|
| Weighted Average Quality ¹ | AA+ | AA+ | AA |
| Effective Duration | 4.06 Yrs | 3.75 Yrs | 4.11 Yrs |
| Yield to Maturity | 1.08% | 1.04% | 1.00% |

1: The Weighted Average Quality of the portfolio has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents an average quality of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch.