

State of North Carolina

AUGUST 25, 2022

STATE OF NORTH CAROLINA

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SECTION I

GALLIARD CAPITAL MANAGEMENT A NEW CHAPTER BEGINS



INTRODUCING ALLSPRING GLOBAL INVESTMENTS

- **Nov. 1, 2021** – Sale by Wells Fargo & Co. of Wells Fargo Asset Management (WFAM) and all related legal entities (Including Galliard) culminates on schedule. New name for parent company is Allspring Global Investments.
 - Private equity firms GTCR LLC and Reverence Capital Partners L.P. now own 70% of Allspring. Wells Fargo owns a passive non-voting equity interest of less than 8.3%.
 - Select senior investment personnel and senior leadership at Allspring and Galliard were given the opportunity to participate in an equity purchase plan for the new Allspring company. Approximately 20% of Allspring equity is now owned by Allspring employees.
 - Joe Sullivan officially starts as new Executive Chairman and CEO of Allspring.
 - Transition Services Agreement (“TSA”) signed with Wells Fargo for certain technology and systems,
- **Apr. 1, 2022** – SEI Trust Company becomes successor trustee for the Wells Fargo collective investment trust (CIT) funds. Galliard advised stable value and fixed income CITs are renamed Galliard funds.



GALLIARD CAPITAL MANAGEMENT CONTINUES AS A SEPARATE LEGAL ENTITY

- Galliard brand, investment team and philosophy and process, executive management, and client servicing continues as before.
- Existing compensation and incentive plans also remain in place at Galliard.
- Galliard emails remain the same, but phone numbers have changed.
- Galliard operations teams receive a direct line reporting relationship to their counterparts at Allspring in order to augment resources.
- The Minneapolis office reopened on May 31st, 2022.

GALLIARD CAPITAL MANAGEMENT WHO WE ARE

\$93.9 B

TOTAL AUM

\$77.0 B

TOTAL STABLE VALUE AUM

75+

STABLE VALUE SEPARATE
ACCOUNTS

100

EMPLOYEES ON STAFF¹

¹22 of which are Galliard-dedicated deferred
professionals

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

205+

INSTITUTIONAL CLIENTS

CLIENT RELATIONSHIP TENURE



~89% of our clients have worked
with Galliard for greater than **5 years**

64 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; **44** Fortune 500 clients²

²2022 Fortune 500 edition, data as of June 30, 2022

26 YEARS

OF EXCLUSIVE
FOCUS ON

FIXED INCOME & STABLE VALUE

**Senior Professionals
Average Years of Experience:**

Stable value strategy and contract – **22**

Stable value and contract – **23**

Fixed income portfolio management – **21**

Galliard is one of the **largest** managers
of stable value assets³

³Pensions & Investments May 31, 2022 edition, data
as of December 31, 2021; Total assets 'ranked' are
managed by Galliard and reported under Allspring
Global Investments

SECTION II

STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

PORTFOLIO CHARACTERISTICS

STATE OF NORTH CAROLINA STABLE VALUE FUND

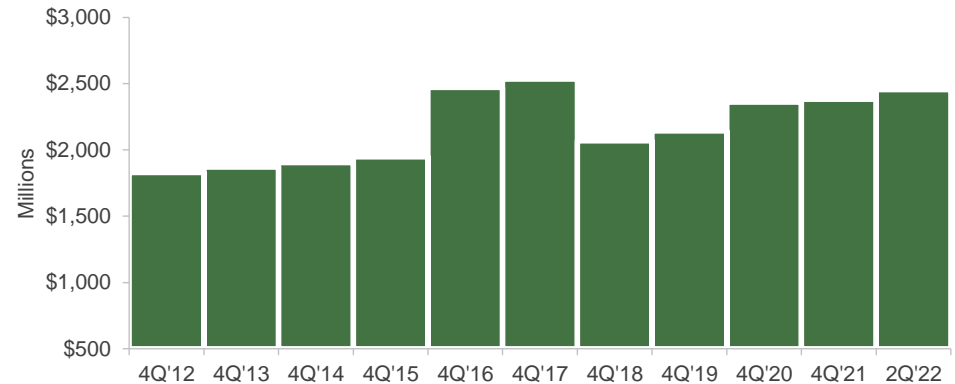
ACCOUNT SUMMARY

Benchmark	ICE BofA US 3-Month Tsy Bill Index+150 bps, 3 Year Constant Maturity Treasury
Galliard Inception Date	December 1, 2010
Net Asset Value	\$2,455,787,176

PORTFOLIO CHARACTERISTICS

	Portfolio 3/31/22	Portfolio 6/30/22
Average Quality - Book Value¹	A+	A+
Average Quality - Market Value²	AA	AA
Number of Contract Issuers	5	5
Blended Yield (after all fees)³	1.65%	1.75%
Yield to Maturity	2.76%	3.68%
Effective Duration	3.36 years	3.30 years
Market/Book Value Ratio	97.56%	95.10%

HISTORICAL FUND ASSETS



PORTFOLIO DISTRIBUTION

	% Portfolio 3/31/22	% Portfolio 6/30/22
Liquidity Buffer: Cash & Equivalents⁴	2.4	3.8
Short Portfolio	33.3	33.3
Intermediate Portfolio	64.3	63.0
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, collective fund administrative fees, and plan administrative reimbursement.

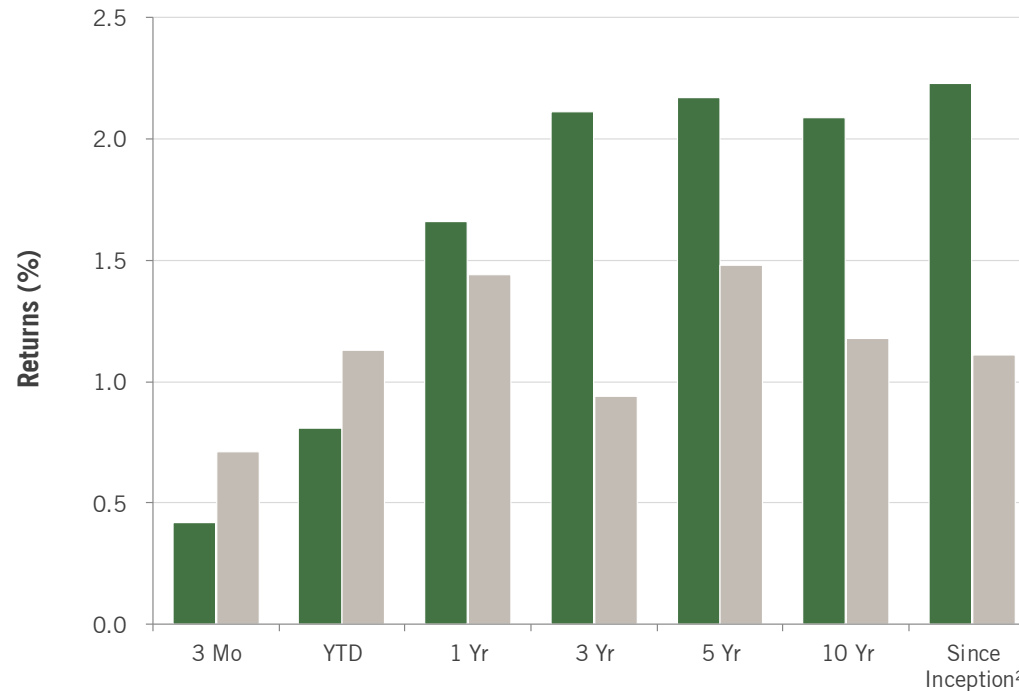
4: Includes Receivables and Payables.

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 6/30/22¹



	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	0.42	0.81	1.66	2.11	2.17	2.09	2.23
3 Year Constant Maturity Treasury Yield	0.71	1.13	1.44	0.94	1.48	1.18	1.11
ICE BofA U.S. 3-Month Treasury Bill Index + 150 bps	0.48	0.90	1.68	2.15	2.64	2.16	2.08
Value Added (net of all fees - NAV level)⁴	(0.29)	(0.31)	0.21	1.17	0.68	0.91	1.13

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

2: 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.

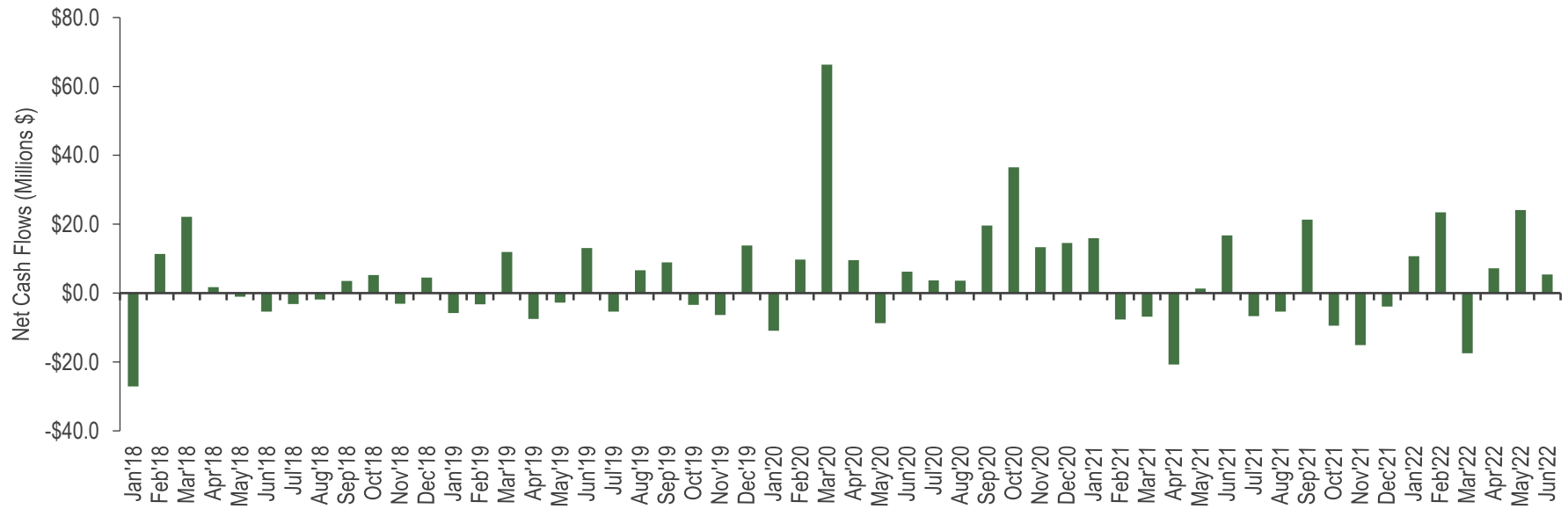
3: Returns are net of all fees, including book value contract fees, Galliard investment management fees, and, if applicable, external managers fees, Wells Fargo collective fund administrative fees, and plan administrative reimbursement

4: May not add due to rounding.

STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

HISTORICAL CASHFLOWS

HISTORICAL CASHFLOWS



	2018	2019	2020	2021	1Q'22	2Q'22	2022 YTD
Beginning Assets	\$2,535.1	\$2,069.8	\$2,143.4	\$2,360.5	\$2,382.4	\$2,408.7	\$2,382.4
Net Cash Flow (\$) ¹	\$6.9 ³	\$19.8	\$163.5	-\$20.3	\$16.7	\$36.8	\$53.5
Net Cash Flow (%)	0.27%	0.95%	7.63%	-0.86%	0.70%	1.53%	2.25%
Estimated Investment Earnings	\$51.6	\$53.9	\$53.5	\$42.2	\$9.5	\$10.3	\$19.9
Ending Assets ²	\$2,069.8	\$2,143.4	\$2,360.5	\$2,382.4	\$2,408.7	\$2,455.8	\$2,455.8

1: Contributions, Withdrawals and Investment Transfers

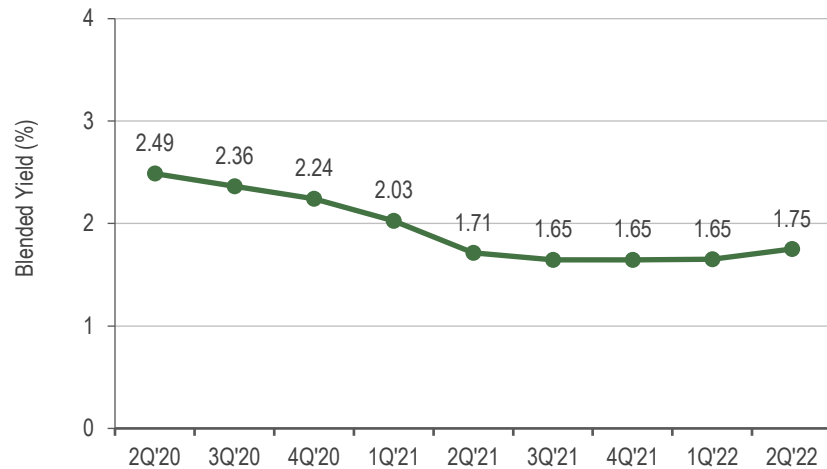
2: Cashflows may not net to final assets due to rounding.

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

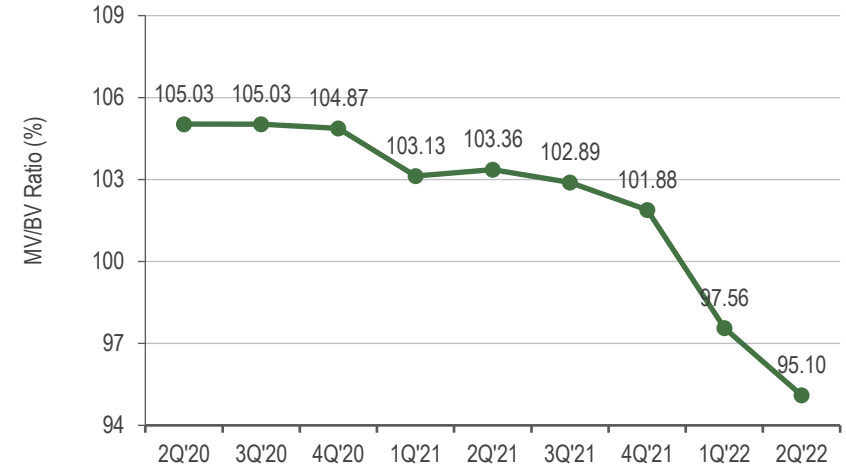
STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

HISTORICAL STATS

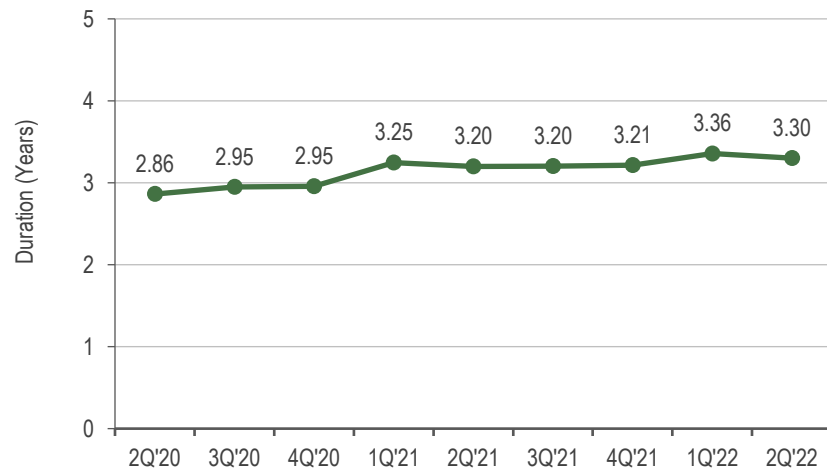
HISTORICAL BLENDED YIELD¹



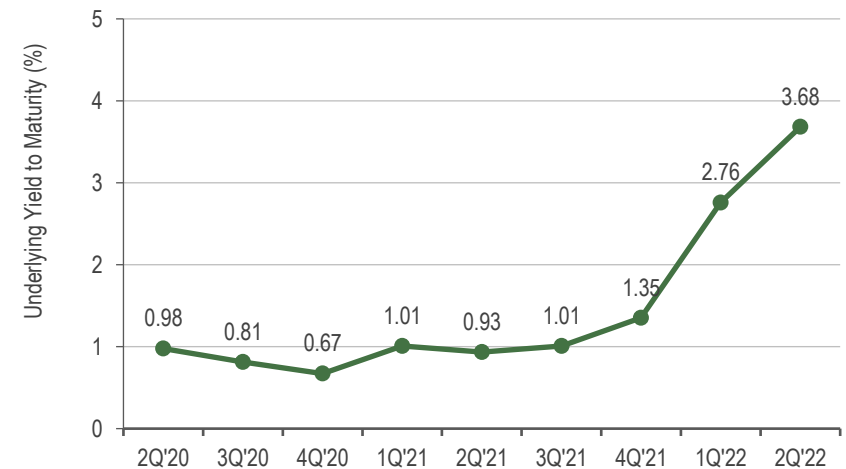
HISTORICAL MARKET VALUE TO BOOK VALUE RATIO



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, 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 3/31/22	% Portfolio 6/30/22	Rating 3/31/22	Rating 6/30/22	Wrap Fees (bps) 3/31/22	Wrap Fees (bps) 6/30/22
American General Life Ins. Co.	SBIC	19.5	19.2	A+	A+	15	15
Metropolitan Life Ins. Co.	SAGIC	10.4	10.2	AA-	AA-	17	17
Nationwide Life Ins. Co.	SBIC	20.3	20.0	A+	A+	15	15
Prudential Ins. Co. of America	SBIC	24.5	24.2	AA-	AA-	15	15
Transamerica Life Ins. Co.	SBIC	23.0	22.6	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 AS OF 6/30/22

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)			-1,647,250	-1,647,250	100.0	-0.1	1.53	1.53	0.10	AAA	
9983008\$P	Short-Term Investment Fund A S			93,867,394	93,867,394	100.0	3.8	1.53	1.53	0.10	AAA	
TOTAL LIQUIDITY BUFFER				92,220,144	92,220,144	100.0	3.8	1.53	1.53	0.10	AAA	
SHORT PORTFOLIO												
946996EE1	American General Life Ins. Co.	SBIC	Galliard	182,286,934	172,832,461	94.8	7.4	1.85	3.66	1.88	A+	15.0
896994GW4	Nationwide Life Ins. Co.	SBIC	Galliard	189,573,498	179,382,349	94.6	7.7	1.63	3.66	1.88	A+	15.0
744999CV3	Prudential Ins. Co. of America	SBIC	Galliard	230,065,293	220,240,247	95.7	9.4	2.05	3.66	1.88	AA-	15.0
600996QF2	Transamerica Life Ins. Co.	SBIC	Galliard	214,868,317	204,342,603	95.1	8.7	1.92	3.66	1.88	A+	15.0
TOTAL SHORT PORTFOLIO				816,794,042	776,797,660	95.1	33.3	1.87	3.66	1.88	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 AS OF 6/30/22

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	250,486,150	233,704,421	93.3	10.2	1.92	3.89	4.15	AA-	17.0
946996EE1	American General Life Ins. Co.	SBIC	Payden & Rygel	51,203,835	48,548,103	94.8	2.1	1.85	3.84	4.43	A+	15.0
946996EE1	American General Life Ins. Co.	SBIC	PGIM	105,925,276	100,431,368	94.8	4.3	1.85	3.93	4.44	A+	15.0
946996EE1	American General Life Ins. Co.	SBIC	TCW	52,870,838	50,128,645	94.8	2.2	1.85	3.78	4.08	A+	15.0
946996EE1	American General Life Ins. Co.	SBIC	Jennison Assoc.	53,386,976	50,618,013	94.8	2.2	1.85	3.55	3.97	A+	15.0
946996EE1	American General Life Ins. Co.	SBIC	Galliard	26,293,673	24,929,929	94.8	1.1	1.85	3.93	4.41	A+	15.0
896994GW4	Nationwide Life Ins. Co.	SBIC	Galliard	138,885,699	131,419,440	94.6	5.7	1.63	3.93	4.41	A+	15.0
896994GW4	Nationwide Life Ins. Co.	SBIC	Payden & Rygel	54,411,863	51,486,774	94.6	2.2	1.63	3.84	4.43	A+	15.0
896994GW4	Nationwide Life Ins. Co.	SBIC	TCW	54,697,479	51,757,036	94.6	2.2	1.63	3.78	4.08	A+	15.0
896994GW4	Nationwide Life Ins. Co.	SBIC	Jennison Assoc.	54,396,254	51,472,004	94.6	2.2	1.63	3.55	3.97	A+	15.0
744999CV3	Prudential Ins. Co. of America	SBIC	Galliard	89,709,304	85,878,226	95.7	3.7	2.05	3.93	4.41	AA-	15.0
744999CV3	Prudential Ins. Co. of America	SBIC	Payden & Rygel	66,562,191	63,719,621	95.7	2.7	2.05	3.84	4.43	AA-	15.0
744999CV3	Prudential Ins. Co. of America	SBIC	PGIM	74,918,648	71,719,212	95.7	3.1	2.05	3.93	4.44	AA-	15.0
744999CV3	Prudential Ins. Co. of America	SBIC	Jennison Assoc.	65,312,683	62,523,474	95.7	2.7	2.05	3.55	3.97	AA-	15.0
744999CV3	Prudential Ins. Co. of America	SBIC	TCW	66,910,508	64,053,063	95.7	2.7	2.05	3.78	4.08	AA-	15.0
600996QF2	Transamerica Life Ins. Co.	SBIC	PGIM	57,311,939	54,504,410	95.1	2.3	1.92	3.93	4.44	A+	15.0
600996QF2	Transamerica Life Ins. Co.	SBIC	Galliard	99,121,055	94,265,430	95.1	4.0	1.92	3.93	4.41	A+	15.0
600996QF2	Transamerica Life Ins. Co.	SBIC	Jennison Assoc.	61,592,362	58,575,148	95.1	2.5	1.92	3.55	3.97	A+	15.0
600996QF2	Transamerica Life Ins. Co.	SBIC	Payden & Rygel	61,876,189	58,845,072	95.1	2.5	1.92	3.84	4.43	A+	15.0
600996QF2	Transamerica Life Ins. Co.	SBIC	TCW	60,900,068	57,916,767	95.1	2.5	1.92	3.78	4.08	A+	15.0
TOTAL INTERMEDIATE PORTFOLIO				1,546,772,990	1,466,496,157	94.8	63.0	1.88	3.83	4.26	A+	
TOTAL PORTFOLIO				2,455,787,176	2,335,513,961	95.1	100.0	1.87	3.68	3.30	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 6/30/22	Per \$1000	Est. Annual Revenue
Investment Management Fees paid to Galliard	0.053%	\$0.53	\$1,309,526
Investment Management fees paid to Non-Affiliated Investment Advisors	0.056%	\$0.56	\$1,365,528
Investment Contract Fees ¹	0.146%	\$1.46	\$3,595,448
Acquired Fund Fees ²	0.003%	\$0.03	\$84,481
-Investment Contract Fees	None	None	None
-Other Acquired Fund Fees and Non-Affiliated Investment Management Fees paid to Non-Affiliated Investment Advisors ³	0.003%	\$0.03	\$84,481
12b-1 Distribution Fee	None	None	None
Other Expenses ⁴	0.014%	\$0.14	\$351,178
Total Annual Fund Operating Expenses ⁵	0.273%	\$2.73	\$6,706,160

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 0.0125% 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

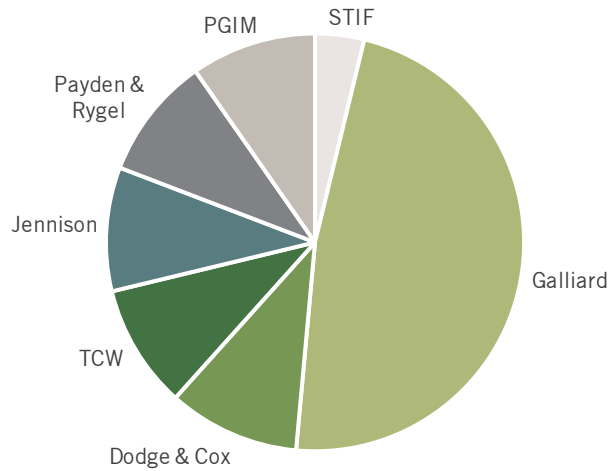
MANAGER STYLES

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

STATE OF NORTH CAROLINA STABLE VALUE FUND

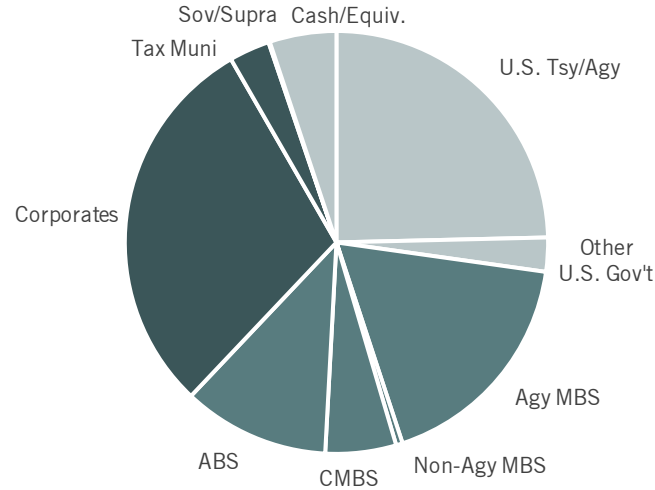
PORTFOLIO AS OF 6/30/22

MANAGER ALLOCATION



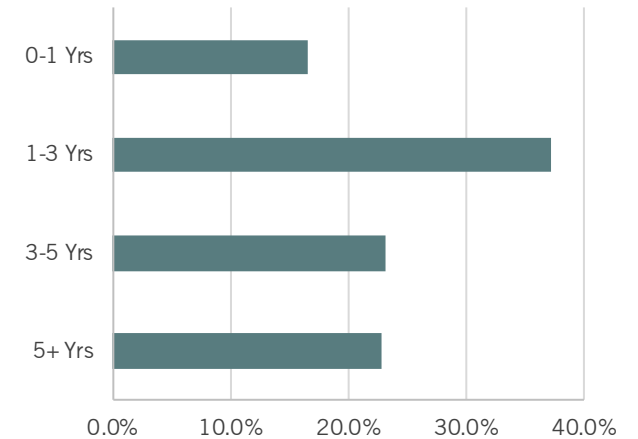
STIF	3.8%
Galliard	47.7%
Dodge & Cox	10.2%
TCW	9.6%
Jennison	9.6%
Payden & Rygel	9.5%
PGIM	9.7%
TOTAL EXT. MANAGER	48.6%
TOTAL PORTFOLIO	100%

UNDERLYING FIXED INCOME SECTOR ALLOCATION



U.S. Tsy/Agy	24.6%
Other U.S. Gov't	2.6%
Agy MBS	17.7%
Non-Agy MBS	0.5%
CMBS	5.4%
ABS	11.2%
Corporates	29.6%
Tax Muni	3.1%
Sov/Supra	0.1%
Cash/Equiv.	5.1%

UNDERLYING DURATION DISTRIBUTION



0-1 Yrs	16.5%
1-3 Yrs	37.3%
3-5 Yrs	23.2%
5+ Yrs	22.9%

STATE OF NORTH CAROLINA STABLE VALUE FUND

MARKET VALUE PERFORMANCE SUMMARY AS OF 6/30/22¹

	3 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception	Inception Date
SHORT DURATION								
Galliard (before fees)	(0.84)	(3.31)	(3.72)	0.60	-	-	1.61	6/1/2018
Bloomberg U.S. 1-3 Yr. Government/Credit	(0.63)	(3.11)	(3.56)	0.31	-	-	1.26	
Value Added (before fees)²	(0.20)	(0.20)	(0.15)	0.29	-	-	0.35	
INTERMEDIATE DURATION								
Dodge & Cox (before fees)	(3.10)	(7.79)	(8.20)	(0.04)	1.35		1.57	3/1/2015
Dodge & Cox (after fees)	(3.12)	(7.84)	(8.30)	(0.15)	1.25		1.46	
Bloomberg U.S. Intermediate Aggregate	(2.93)	(7.48)	(7.91)	(0.60)	0.88		1.14	
Value Added (before fees)²	(0.17)	(0.31)	(0.29)	0.55	0.47		0.43	
Galliard (before fees)	(2.87)	(7.41)	(7.86)	(0.13)	-	-	1.62	6/1/2018
Bloomberg U.S. Intermediate Aggregate	(2.93)	(7.48)	(7.91)	(0.60)	-	-	1.16	
Value Added (before fees)²	0.06	0.08	0.05	0.47	-	-	0.46	
Jennison (before fees)	(2.37)	(6.72)	(7.30)	0.36	1.55	-	1.98	10/1/2013³
Jennison (after fees)	(2.39)	(6.77)	(7.39)	0.26	1.44	-	1.87	
Bloomberg U.S. Intermediate Govt/Credit	(2.37)	(6.77)	(7.28)	(0.16)	1.13	-	1.63	
Value Added (before fees)²	0.00	0.05	(0.02)	0.52	0.42	-	0.35	
Payden & Rygel (before fees)	(2.95)	(7.29)	(7.73)	(0.11)	1.35	1.31	1.75	7/1/2009⁴
Payden & Rygel (after fees)	(2.98)	(7.35)	(7.85)	(0.24)	1.21	1.17	1.61	
Bloomberg U.S. Intermediate Aggregate ⁵	(2.93)	(7.48)	(7.91)	(0.60)	0.98	0.97	1.26	
Value Added (before fees)²	(0.01)	0.20	0.18	0.49	0.37	0.35	0.49	
PGIM (before fees)	(3.26)	(7.93)	(8.42)	(0.45)	1.14	-	1.46	2/1/2016
PGIM (after fees)	(3.30)	(7.99)	(8.55)	(0.59)	1.00	-	1.33	
Bloomberg U.S. Intermediate Aggregate	(2.93)	(7.48)	(7.91)	(0.60)	0.88	-	1.05	
Value Added (before fees)²	(0.33)	(0.45)	(0.52)	0.14	0.26	-	0.41	
TCW (before fees)	(2.55)	(6.66)	(7.18)	0.31	-	-	2.00	6/1/2018
TCW (after fees)	(2.57)	(6.71)	(7.27)	0.22			1.91	
Bloomberg U.S. Intermediate Govt/Credit	(2.37)	(6.77)	(7.28)	(0.16)	-	-	1.52	
Value Added (before fees)²	(0.18)	0.11	0.10	0.47	-		0.49	

1: Returns for periods of less than one year are not annualized. Galliard managed portfolios do not have net returns as fees are charged within the stable value account.

2: May not add due to rounding.

3: Performance inception for the separate account was May 1, 2018. Prior to this date returns are linked to Galliard SA Intermediate Core Fund N.

4: Galliard performance inception was December 1, 2010. Returns prior to this date are linked to the previous manager.

5: 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 -20 Q2 2022

- An overweight to the spread sectors drove underperformance, as credit spreads continued to widen over the quarter
- Curve positioning, with a general overweight to 3-5 year maturities, added to returns as the curve continued to flatten

DODGE & COX -17 Q2 2022

- The overweight to Corporates hurt relative performance, and the impact of security selection in the sector was also slightly negative
- Within structured products, the impact of security selection in ABS detracted while security selection in Agency RMBS benefited relative performance
- Shorter benchmark relative duration positioning contributed positively to performance

GALLIARD INTERMEDIATE +6 Q2 2022

- Security selection in Agency RMBS and corporates drove outperformance
- An underweight to Agency RMBS was also beneficial
- Detracting from returns was a general overweight to the spread sectors, as credit spreads continued to widen

JENNISON +0 Q2 2022

- The high quality bias within Corporate security selection added to relative performance
- Yield curve positioning, favoring relative value trades, detracted from the portfolio

PAYDEN & RYGEL -1 Q2 2022

- Short benchmark relative duration positioning contributed positively to performance
- The overweight to Corporates and ABS detracted from performance while the underweight to Agency RMBS slightly added
- The impact of security selection within Corporates detracted while security selection within Agency RMBS was beneficial

PGIM -33 Q2 2022

- The overweight to Corporates detracted from relative performance
- The underweight to Agency Mortgages contributed positively to performance, and security selection in the space also slightly added
- The overweight to CMBS and security selection in the sector hurt relative performance

TCW -18 Q2 2022

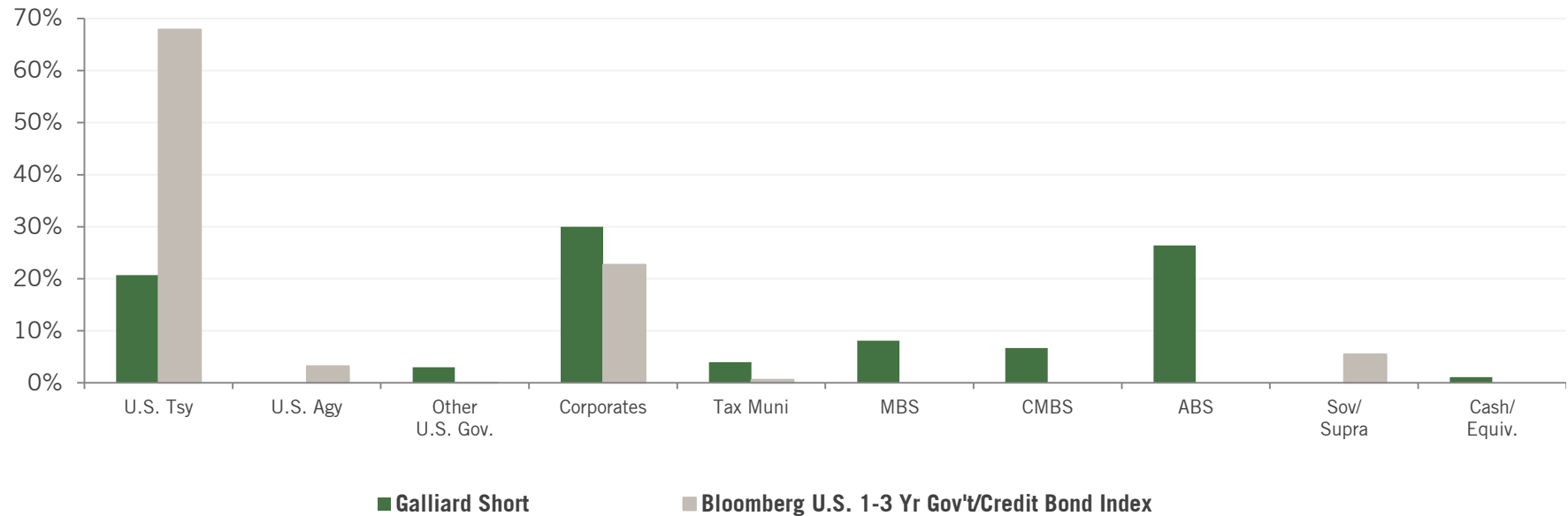
- The out-of-benchmark allocation to Agency RMBS, ABS, and CMBS, was the primary detractor from relative performance
- The allocation to Corporates detracted from performance as the team added in the space over the quarter, and security selection within Municipals also hurt relative performance
- Yield curve positioning benefited relative performance

Before fees.

STATE OF NORTH CAROLINA STABLE VALUE FUND

SHORT DURATION PORTFOLIO AS OF 6/30/22

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



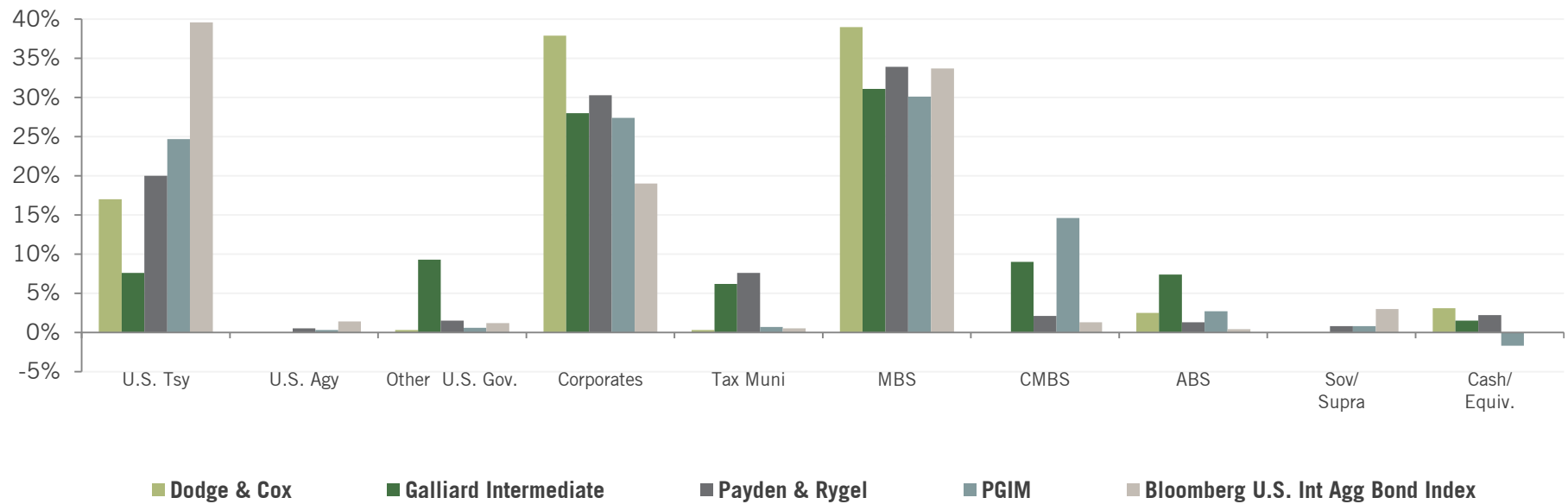
Characteristic	Galliard Short	Bloomberg U.S. 1-3 Yr Gov't/ Credit Bond Index
Weighted Average Quality ¹	AA	AA+
Effective Duration	1.88 Yrs	1.84 Yrs
Yield to Maturity	3.66%	3.24%

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 6/30/22

BLOOMBERG U.S. INTERMEDIATE AGGREGATE BOND INDEX



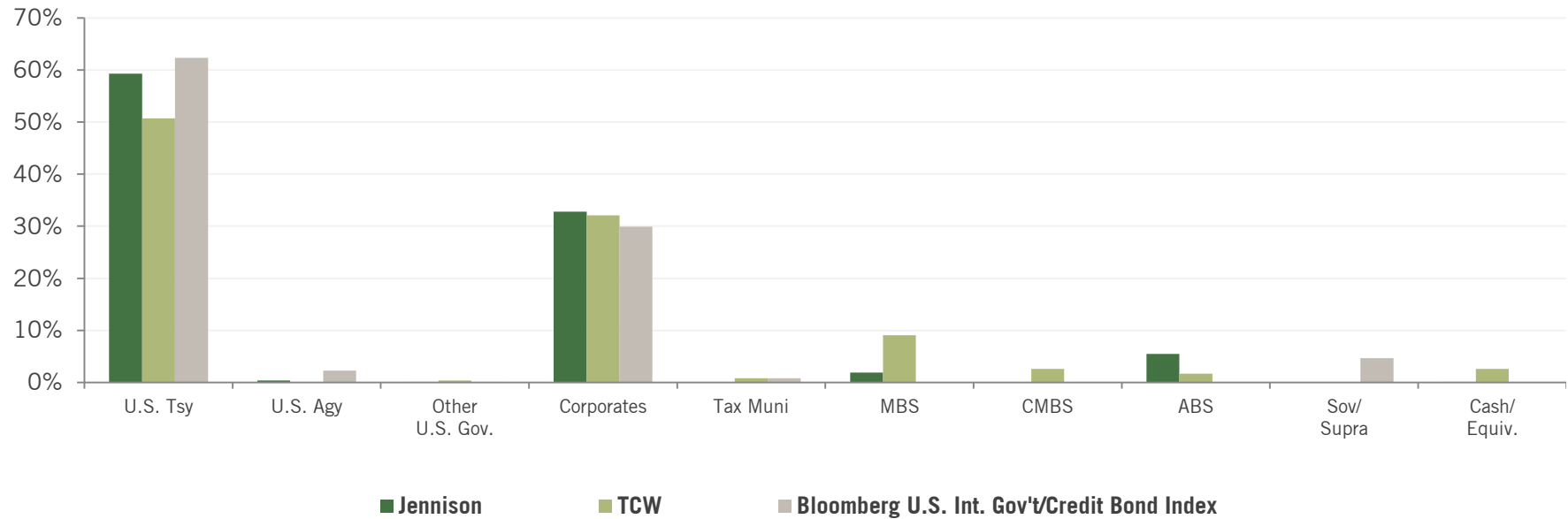
Characteristic	Dodge & Cox	Galliard Intermediate	Payden & Rygel	PGIM	Bloomberg U.S. Int Agg Bond Index
Weighted Average Quality ¹	AA-	AA	AA	AA-	AA+
Effective Duration	4.15 Yrs	4.41 Yrs	4.43 Yrs	4.44 Yrs	4.59 Yrs
Yield to Maturity	3.89%	3.93%	3.84%	3.93%	3.60%

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 6/30/22

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	3.97 Yrs	4.08 Yrs	3.92 Yrs
Yield to Maturity	3.55%	3.78%	3.49%

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.