

State of North Carolina

NOVEMBER 30, 2023

STATE OF NORTH CAROLINA

TABLE OF CONTENTS

SECTION I:	Galliard Capital Management Firm Overview
SECTION II:	State of North Carolina Stable Value Portfolio Review
SECTION III:	Investment Manager Performance & Positioning

SECTION I

GALLIARD CAPITAL MANAGEMENT

WHO WE ARE

\$85.6 B

TOTAL AUM

190

INSTITUTIONAL CLIENTS

CLIENT RELATIONSHIP TENURE



~**91%** of our clients have worked with Galliard for greater than **5 years**

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

CLIENT TYPES

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

\$68.5 B

TOTAL STABLE VALUE AUM

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

75+

STABLE VALUE
SEPARATE ACCOUNTS

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

FORTUNE 100 / 500

20 Fortune 100 clients; **45** Fortune 500 clients²

28 YEARS

OF EXCLUSIVE FOCUS ON

FIXED INCOME & STABLE VALUE

Senior Professionals
Average Years of Experience:

Stable value strategy – **27**

Fixed income portfolio management – **24**

92

EMPLOYEES ON STAFF



A subsidiary of Allspring Global Investments

Data as of 9/30/2023.

1: Source: Pensions & Investments, data as of December 31, 2022; Total assets 'ranked' are managed by Galliard and reported under Allspring Global Investments.

2: 2022 Fortune 500 edition, data as of September 30, 2023.

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GALLIARD CAPITAL MANAGEMENT

ORGANIZATION CHART

EXECUTIVE MANAGEMENT TEAM:

Mike Norman
President & Senior Managing Principal

Ajay Mirza, CFA
Senior Managing Principal

FIXED INCOME INVESTMENT

Credit	Structured Product
Brandon Kanz, CFA Senior Principal <i>Sector Head</i>	Ajay Mirza, CFA Senior Managing Principal <i>Sector Head</i>
Rene Hoogmoed, CFA Senior Principal	Matt Robertson, CFA Senior Principal
Matt Bentley Principal	Mike Meerovich Director
Chad Callahan Principal	Tyler Wadsworth, CFA Associate Director
Robert Barrett, CFA Senior Director	Jimmie Wu, CFA Associate Director
John Kenley, CFA Senior Director	David Que, CFA Senior Associate
Will Moeller, CFA Director	Sanhakorn Rattanacheeworn Senior Associate

PORTFOLIO & RELATIONSHIP MANAGEMENT

Portfolio	Relationship
Andrea Johnson, CFA Senior Principal	Tami Pearse Principal
Robert Crandall, CFA Senior Director	Paul Langanki, CFA Senior Director
Michael Amundsen Director	Alesha McAdams Senior Director
Elizabeth Smithley Associate Director	Steve Moen Senior Director
	Conor Murphy, CFA Senior Director
STABLE VALUE STRATEGY/CONTRACT	
Nick Gage, CFA Senior Principal	Christina Burton Director
	Kathryn Taguinod Associate
	Kendra Marquez Associate

CLIENT SUPPORT

Stable Value	Fixed Income
Timothy Noel Associate Director <i>Lead</i>	Steve Patterson Associate <i>Lead</i>
Derek Schmidt Associate	Luke Olson Senior Associate
Bre Richie Associate	
RFP	MARKETING
Kelly Lassi Associate Director	Jacqueline Becker Senior Associate
Desiree Wright Associate	Shanna Ellefson Associate Director

TECHNOLOGY

George Jones Senior Director	Christopher Smith Senior Director
Charlie Head Associate Director	Heather Goserud, CFA Associate Director
Will Ingle Associate Director	Christian Asilo Senior Associate
Ben Modica Associate Director	Baber Khan Senior Associate
Mark Perzichilli Senior Associate	Joe Ostrowski Associate
Ahmed Taher Senior Associate	
Scott Lackey Associate	
Suresh Sankaranarayanan Associate	

OPERATIONS

Jennifer Miller Senior Director	Trevor Fletcher Senior Associate	Jin Heo Associate	Christina Peters Associate
Carmen Rangel, CPA Senior Director	Phil Kos Senior Associate	Natalia Kolakowska Associate	Brad Sillanpa Associate
Pete Anderson Director	Christopher LaMere Senior Associate	Pashia Lor Associate	Melaina Sachdeva Associate
Brian Brooks Director	Matt Remington Senior Associate	Margo Monson Associate	
Rasaan Ellison Director	Brent Thornton Senior Associate	Mike Myers Associate	
Michelle Boss Associate Director	Dana Blomgren Associate	Phil Nguyen Associate	
Stephanie Ripley Associate Director	Rath Chak Associate	Jesse Perzichilli Associate	
Jason Skull Associate Director	Olana Gameda Associate		

LEGAL/COMPLIANCE

Firm Compliance	Legal
Paul Felsch Chief Compliance Officer	Ellen Rivard Associate
Laurie Kern Associate Director	Paula Novick Principal
INVESTMENT COMPLIANCE	PROJECT MANAGEMENT
Andrew McKessock Director	Brian Heruth Senior Associate
Matt Brown Associate Director	Leah Schermann Senior Associate

OTHER SERVICES PROVIDED BY ALLSPRING INCLUDE:

Human Resources Finance Technology Infrastructure Risk Management

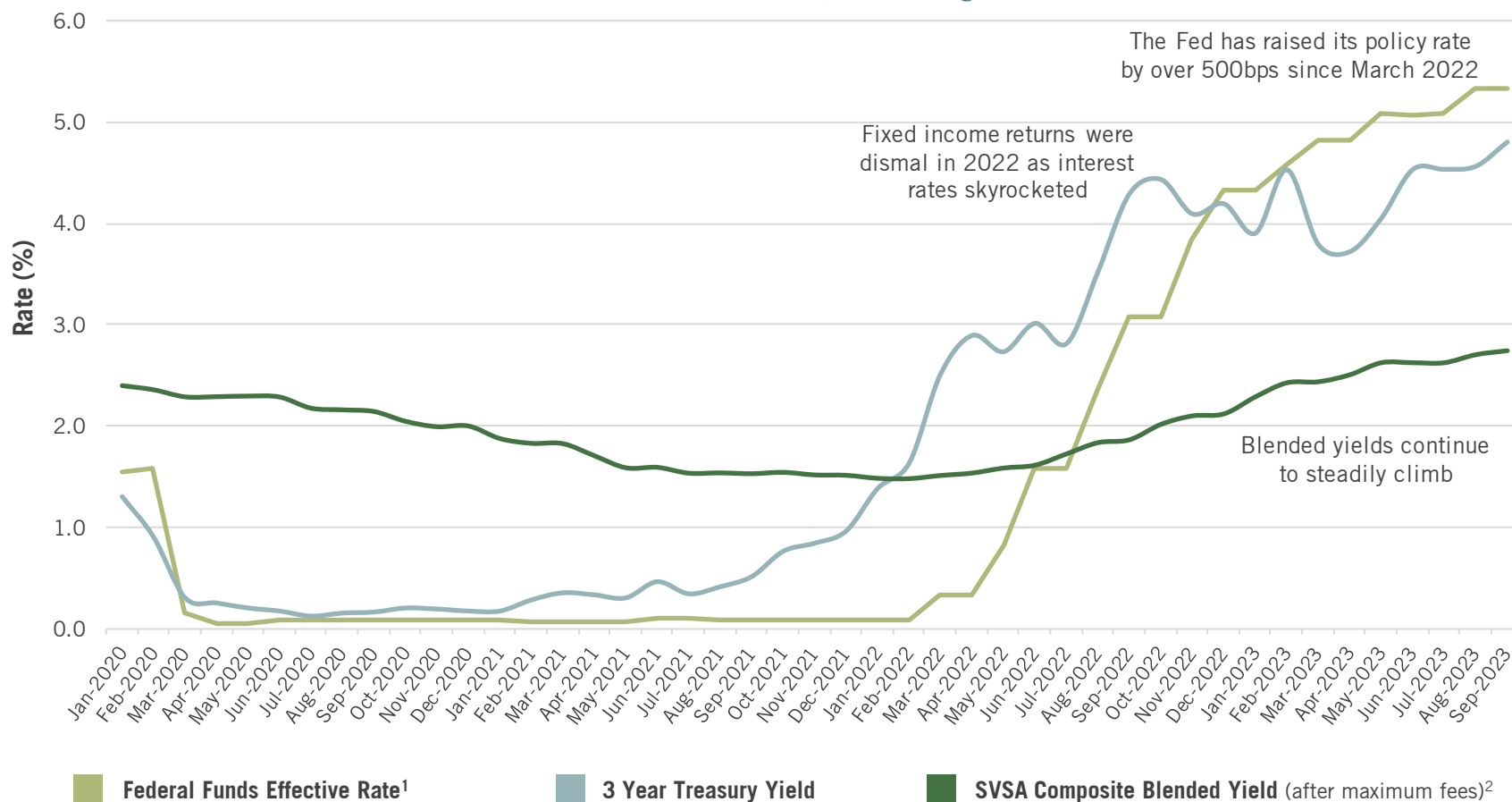
As of 9/30/2023. FOR INSTITUTIONAL INVESTOR USE ONLY.

SECTION II

STABLE VALUE MARKET UPDATE

HISTORICAL RATES AS OF 9/30/2023

Despite volatility in the market over the past three years and a backdrop of higher interest rates, stable value crediting rates have continued to deliver positive total returns to participants. Blended yields are trending higher as they follow the general direction of interest rates, but on a lag.



1: Effective Federal Funds Rate sourced from the Federal Reserve. Rates are not annualized.

2: Blended yield is after all fees including the current maximum investment management fee of 0.20% which may be charged by Galliard for management of a client's account. From April 1, 2017, to June 30, 2020, Galliard's maximum fee was 0.35%. Historical amounts reflect these fee deductions on their respective dates.

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STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

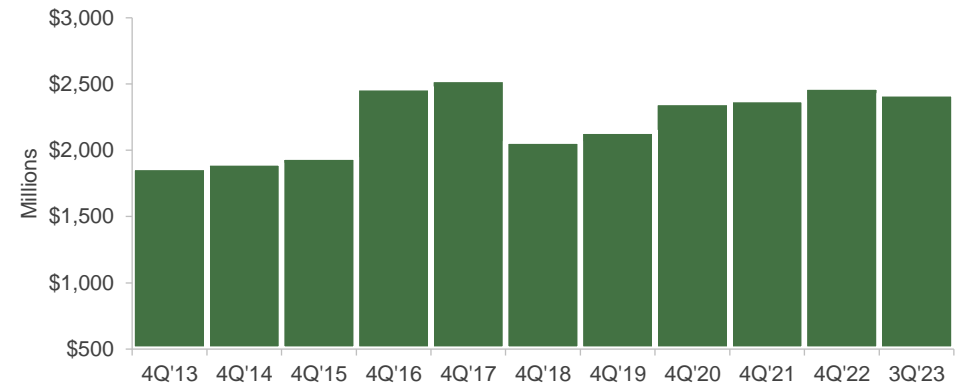
PORTFOLIO CHARACTERISTICS

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	\$2,427,115,546

HISTORICAL FUND ASSETS



PORTFOLIO CHARACTERISTICS

	Portfolio 6/30/23	Portfolio 9/30/23
Average Quality - Book Value¹	A+	A+
Average Quality - Market Value²	AA	AA
Number of Contract Issuers	5	5
Blended Yield (after all fees)³	2.70%	2.89%
Yield to Maturity	5.29%	5.75%
Effective Duration	3.35 years	3.35 years
Market/Book Value Ratio	93.06%	91.64%

PORTFOLIO DISTRIBUTION

	% Portfolio 6/30/23	% Portfolio 9/30/23
Liquidity Buffer: Cash & Equivalents⁴	1.5	1.4
Short Portfolio	34.6	35.2
Intermediate Portfolio	63.9	63.4
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.

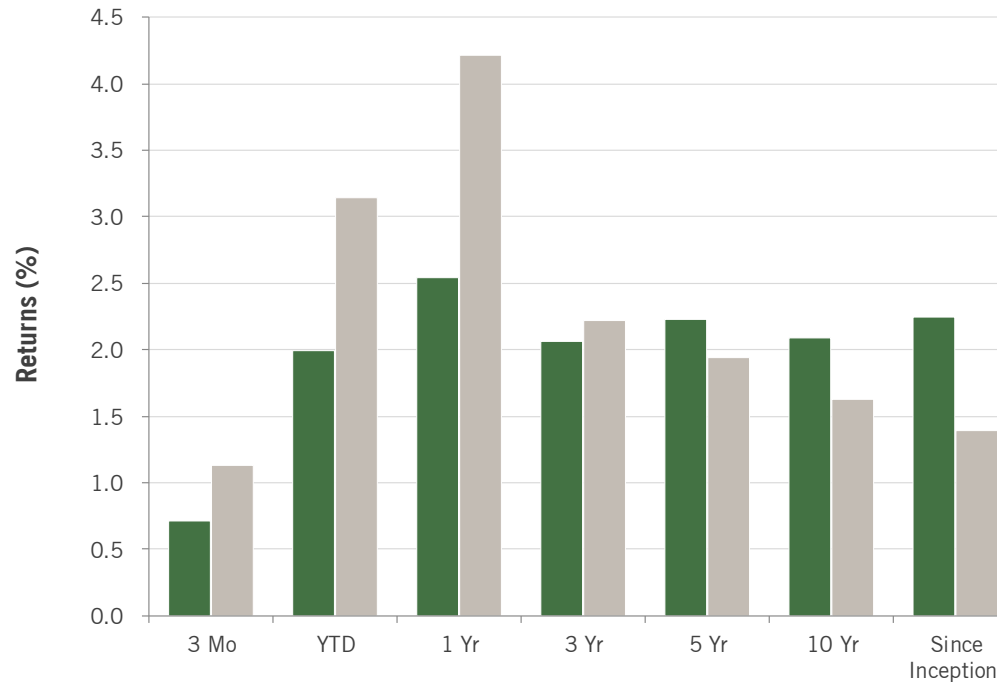
5: Total % of portfolio may not add to 100% due to rounding.

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STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

ANNUALIZED INVESTMENT PERFORMANCE

ANNUALIZED INVESTMENT PERFORMANCE AS OF 9/30/23¹



	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	0.71	1.99	2.54	2.06	2.23	2.09	2.25
3 Year Constant Maturity Treasury Yield	1.13	3.14	4.22	2.22	1.94	1.63	1.39
ICE BofA U.S. 3-Month Treasury Bill Index + 150 bps	1.69	4.76	6.04	3.23	3.25	2.64	2.41
Value Added (net of all fees - NAV level)⁴	(0.42)	(1.15)	(1.68)	(0.16)	0.29	0.46	0.86

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

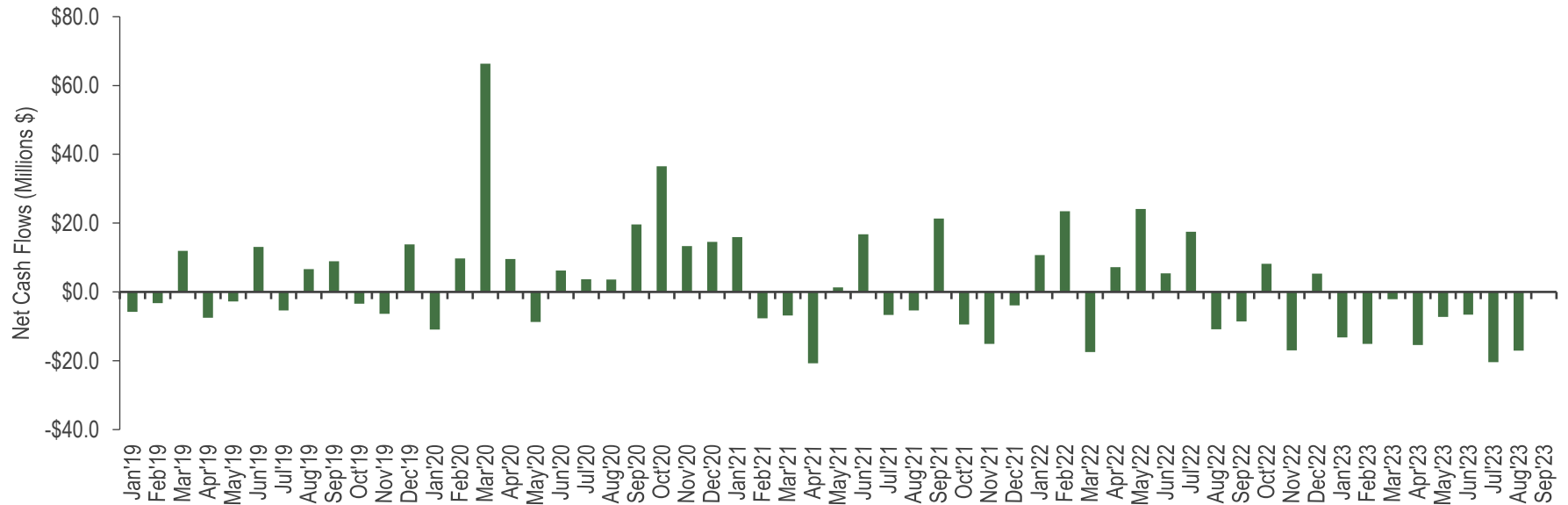
4: May not add due to rounding.

Past performance is not an indication of how the investment will perform in the future. FOR INSTITUTIONAL INVESTOR USE ONLY.

STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

HISTORICAL CASHFLOWS

HISTORICAL CASHFLOWS



	2019	2020	2021	2022	1Q'23	2Q'23	3Q'23	2023 YTD
Beginning Assets	\$2,069.8	\$2,143.4	\$2,360.5	\$2,382.4	\$2,475.9	\$2,460.5	\$2,447.6	\$2,475.9
Net Cash Flow (\$) ¹	\$19.8	\$163.5	-\$20.3	\$48.1	-\$30.4	-\$29.3	-\$37.6	-\$97.3
Net Cash Flow (%)	0.95%	7.63%	-0.86%	2.02%	-1.23%	-1.19%	-1.54%	-3.93%
Estimated Investment Earnings	\$53.9	\$53.5	\$42.2	\$45.4	\$15.0	\$16.3	\$17.2	\$48.5
Ending Assets ²	\$2,143.4	\$2,360.5	\$2,382.4	\$2,475.9	\$2,460.5	\$2,447.6	\$2,427.1	\$2,427.1

1: Contributions, Withdrawals and Investment Transfers

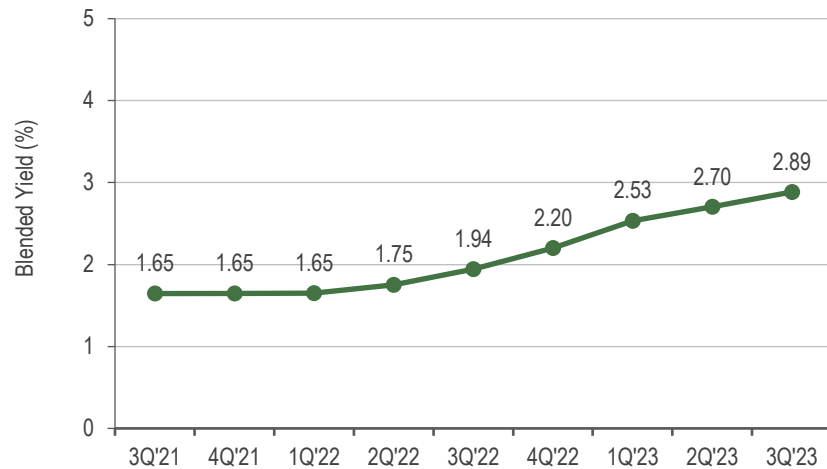
2: Cashflows may not net to final assets due to rounding.

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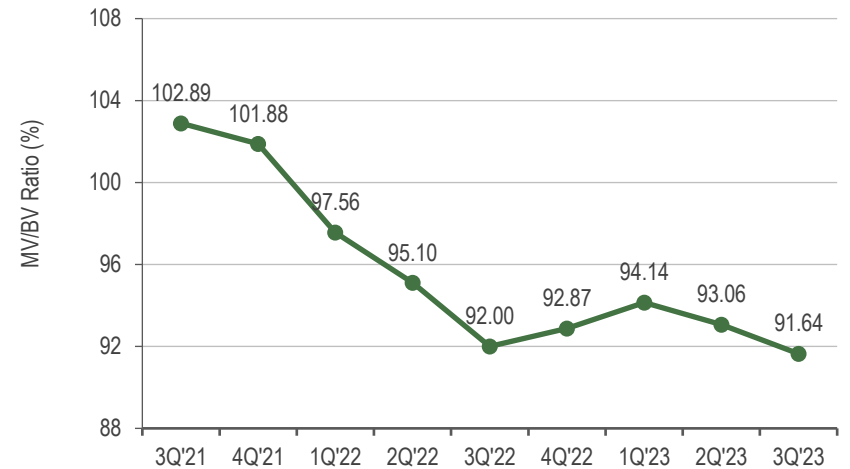
STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

HISTORICAL STATS

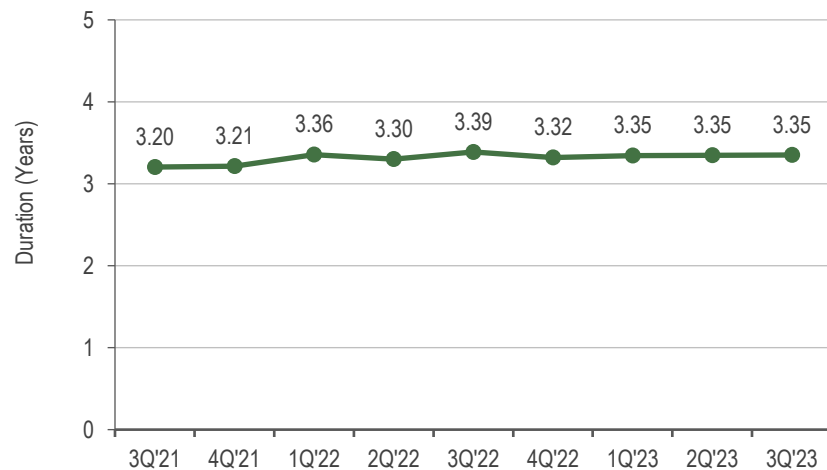
HISTORICAL BLENDED YIELD¹



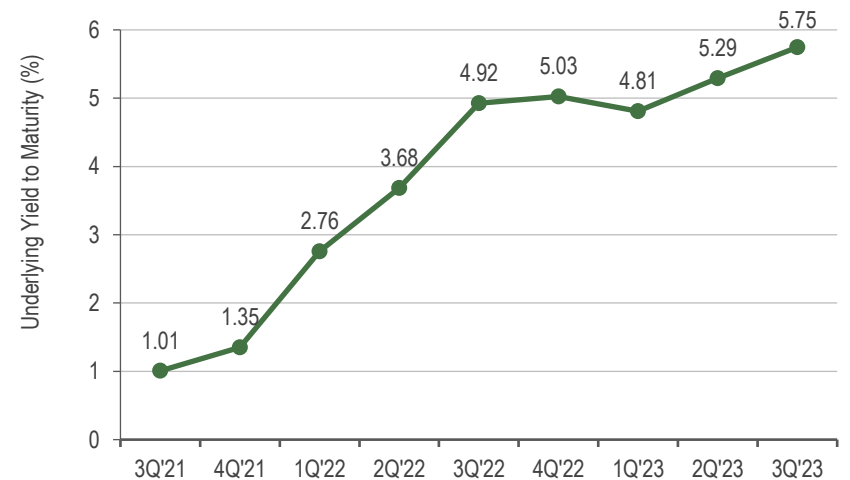
HISTORICAL MARKET VALUE TO BOOK VALUE RATIO



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.

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STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

CONTRACT ISSUERS

CONTRACT ISSUER DISTRIBUTION & RATING SUMMARY¹

	Contract Type ²	% Portfolio 6/30/23	% Portfolio 9/30/23	Rating 6/30/23	Rating 9/30/23	Wrap fees (bps) 6/30/23	Wrap fees (bps) 9/30/23
American General Life Ins. Co.	SBIC	19.7	19.7	A+	A+	15	15
Metropolitan Tower Life Ins. Co.	SBIC	10.4	10.4	AA-	AA-	15	15
Nationwide Life Ins. Co.	SBIC	20.5	20.5	A+	A+	15	15
Prudential Ins. Co. of America	SBIC	24.8	24.8	AA-	AA-	15	15
Transamerica Life Ins. Co.	SBIC	23.2	23.2	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

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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 Group

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	Manager	Book Value (\$)	Market Value (\$)	Market/Book Value Ratio (%)	% of Portfolio	Crediting Rate (%) ¹	UCA Yield (%)	Effective Duration (yrs)	Galliard Composite Rating	Wrap Fees (bps)
LIQUIDITY BUFFER											
	Cash Receivable / (Payable)		-1,523,557	-1,523,557	100.0	-0.1	5.49	5.49	0.10	AAA	
01988T803	Short-Term Investment Fund II		35,849,267	35,849,267	100.0	1.5	5.49	5.49	0.10	AAA	
TOTAL LIQUIDITY BUFFER			34,325,710	34,325,710	100.0	1.4	5.49	5.49	0.10	AAA	
SHORT PORTFOLIO											
946996EE1	American General Life Ins. Co.	Galliard	170,484,744	156,030,229	91.5	7.0	2.97	5.91	1.82	A+	15.0
589899J61	Metropolitan Tower Life Ins. Co.	Galliard	91,106,114	82,309,829	90.3	3.8	2.57	5.91	1.82	AA-	15.0
896994GW4	Nationwide Life Ins. Co.	Galliard	177,572,261	162,130,096	91.3	7.3	2.89	5.91	1.82	A+	15.0
744999CV3	Prudential Ins. Co. of America	Galliard	215,066,213	197,998,868	92.1	8.9	3.16	5.91	1.82	AA-	15.0
600996QF2	Transamerica Life Ins. Co.	Galliard	200,878,007	184,145,680	91.7	8.3	3.02	5.91	1.82	A+	15.0
TOTAL SHORT PORTFOLIO			855,107,338	782,614,703	91.5	35.2	2.97	5.91	1.82	A+	
INTERMEDIATE PORTFOLIO											
946996EE1	American General Life Ins. Co.	Galliard	69,267,852	63,394,991	91.5	2.9	2.97	5.79	4.40	A+	15.0
946996EE1	American General Life Ins. Co.	Jennison Assoc.	47,227,939	43,223,728	91.5	1.9	2.97	5.36	3.78	A+	15.0
946996EE1	American General Life Ins. Co.	Payden & Rygel	46,562,219	42,614,450	91.5	1.9	2.97	5.62	4.47	A+	15.0
946996EE1	American General Life Ins. Co.	PGIM	47,152,129	43,154,345	91.5	1.9	2.97	5.82	4.48	A+	15.0
946996EE1	American General Life Ins. Co.	TCW	47,029,304	43,041,934	91.5	1.9	2.97	5.43	4.17	A+	15.0
946996EE1	American General Life Ins. Co.	Dodge & Cox	49,721,046	45,505,457	91.5	2.0	2.97	5.83	4.32	A+	15.0
589899J61	Metropolitan Tower Life Ins. Co.	Dodge & Cox	24,545,662	22,175,781	90.3	1.0	2.57	5.83	4.32	AA-	15.0
589899J61	Metropolitan Tower Life Ins. Co.	Jennison Assoc.	25,239,112	22,802,279	90.3	1.0	2.57	5.36	3.78	AA-	15.0
589899J61	Metropolitan Tower Life Ins. Co.	TCW	25,134,016	22,707,329	90.3	1.0	2.57	5.43	4.17	AA-	15.0
589899J61	Metropolitan Tower Life Ins. Co.	Galliard	36,813,818	33,259,448	90.3	1.5	2.57	5.79	4.40	AA-	15.0

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

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STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

HOLDINGS

Asset ID	Security Description	Manager	Book Value (\$)	Market Value (\$)	Market/Book Value Ratio (%)	% of Portfolio	Crediting Rate (%) ¹	UCA Yield (%)	Effective Duration (yrs)	Galliard Composite Rating	Wrap Fees (bps)
589899J61	Metropolitan Tower Life Ins. Co.	Payden & Rygel	24,880,349	22,478,154	90.3	1.0	2.57	5.62	4.47	AA-	15.0
589899J61	Metropolitan Tower Life Ins. Co.	PGIM	25,406,230	22,953,261	90.3	1.0	2.57	5.82	4.48	AA-	15.0
896994GW4	Nationwide Life Ins. Co.	Dodge & Cox	51,792,881	47,288,832	91.3	2.1	2.89	5.83	4.32	A+	15.0
896994GW4	Nationwide Life Ins. Co.	Galliard	71,355,815	65,150,520	91.3	2.9	2.89	5.79	4.40	A+	15.0
896994GW4	Nationwide Life Ins. Co.	Jennison Assoc.	49,201,400	44,922,713	91.3	2.0	2.89	5.36	3.78	A+	15.0
896994GW4	Nationwide Life Ins. Co.	Payden & Rygel	48,487,700	44,271,078	91.3	2.0	2.89	5.62	4.47	A+	15.0
896994GW4	Nationwide Life Ins. Co.	PGIM	49,914,262	45,573,583	91.3	2.1	2.89	5.82	4.48	A+	15.0
896994GW4	Nationwide Life Ins. Co.	TCW	48,989,438	44,729,184	91.3	2.0	2.89	5.43	4.17	A+	15.0
744999CV3	Prudential Ins. Co. of America	Dodge & Cox	62,732,252	57,753,911	92.1	2.6	3.16	5.83	4.32	AA-	15.0
744999CV3	Prudential Ins. Co. of America	Galliard	86,978,689	80,076,185	92.1	3.6	3.16	5.79	4.40	AA-	15.0
744999CV3	Prudential Ins. Co. of America	Jennison Assoc.	59,599,436	54,869,711	92.1	2.5	3.16	5.36	3.78	AA-	15.0
744999CV3	Prudential Ins. Co. of America	Payden & Rygel	58,725,610	54,065,230	92.1	2.4	3.16	5.62	4.47	AA-	15.0
744999CV3	Prudential Ins. Co. of America	PGIM	59,907,341	55,153,181	92.1	2.5	3.16	5.82	4.48	AA-	15.0
744999CV3	Prudential Ins. Co. of America	TCW	59,313,676	54,606,628	92.1	2.4	3.16	5.43	4.17	AA-	15.0
600996QF2	Transamerica Life Ins. Co.	Galliard	81,129,528	74,371,766	91.7	3.3	3.02	5.79	4.40	A+	15.0
600996QF2	Transamerica Life Ins. Co.	Payden & Rygel	54,856,827	50,287,475	91.7	2.3	3.02	5.62	4.47	A+	15.0
600996QF2	Transamerica Life Ins. Co.	Dodge & Cox	58,587,090	53,707,022	91.7	2.4	3.02	5.83	4.32	A+	15.0
600996QF2	Transamerica Life Ins. Co.	Jennison Assoc.	55,659,452	51,023,245	91.7	2.3	3.02	5.36	3.78	A+	15.0
600996QF2	Transamerica Life Ins. Co.	PGIM	56,045,803	51,377,414	91.7	2.3	3.02	5.82	4.48	A+	15.0
600996QF2	Transamerica Life Ins. Co.	TCW	55,425,624	50,808,894	91.7	2.3	3.02	5.43	4.17	A+	15.0
TOTAL INTERMEDIATE PORTFOLIO			1,537,682,498	1,407,347,727	91.5	63.4	2.97	5.65	4.28	A+	
TOTAL PORTFOLIO			2,427,115,546	2,224,288,140	91.6	100.0	3.01	5.75	3.35	A+	

1: Crediting rates are net of wrap fees and any other fees being netted out of the rates.
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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 6/30/23	Expense Ratio 9/30/23
Investment Management Fees paid to Galliard	0.053%	0.054%
Investment Management fees paid to Non-Affiliated Investment Advisors	0.057%	0.057%
Investment Contract Fees ¹	0.148%	0.148%
Acquired Fund Fees ²	0.001%	0.001%
-Investment Contract Fees	None	None
-Other Acquired Fund Fees and Non-Affiliated Investment Management Fees paid to Non-Affiliated Investment Advisors ³	0.001%	0.001%
12b-1 Distribution Fee	None	None
Other Expenses	0.014%	0.012%
Total Annual Fund Operating Expenses ⁴	0.274%	0.271%

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.

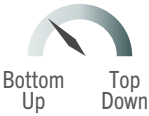



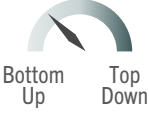



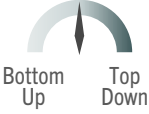







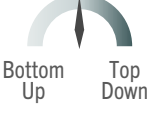




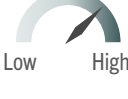


3: Includes audit fees for the cost of producing a report by a qualified auditor.

4: 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, Prudential, TCW.

SECTION III

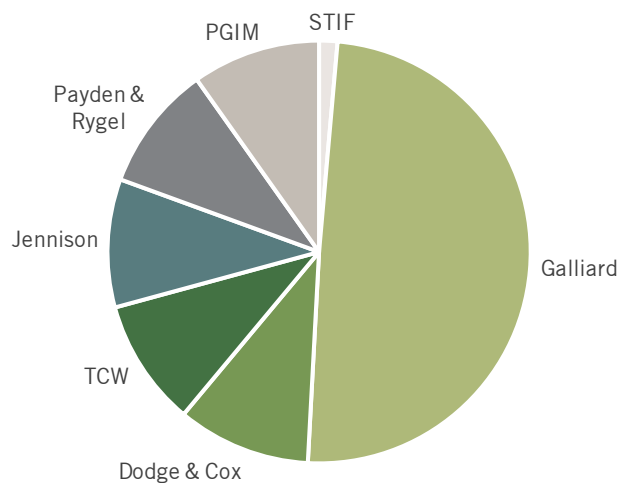
STATE OF NORTH CAROLINA STABLE VALUE FUND

	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
JENNISON					Credit, yield-curve positioning
PAYDEN & RYSEL					Corporate credit, structured credit, multi-sector relative value
PGIM					Multi-sector relative value, Agency MBS, global focus
TCW					Duration, multi-sector relative value

STATE OF NORTH CAROLINA STABLE VALUE FUND

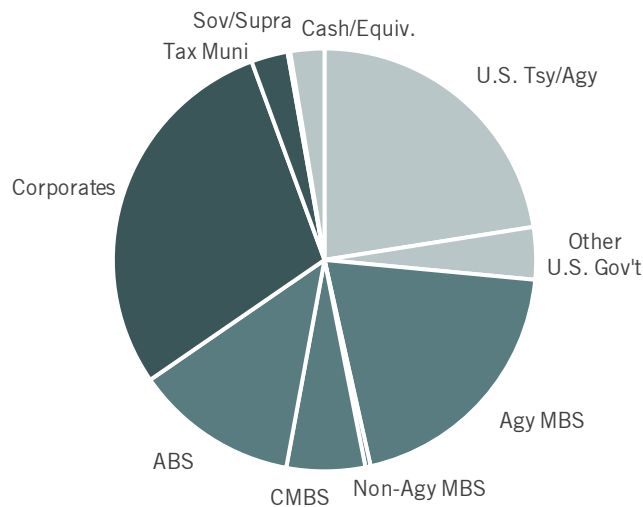
PORTFOLIO AS OF 9/30/23

MANAGER ALLOCATION



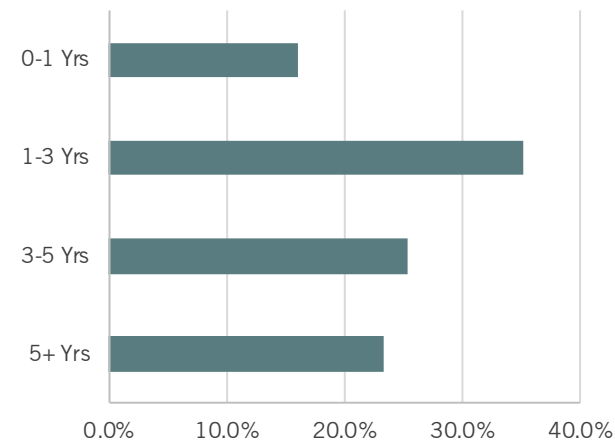
STIF	1.4%
Galliard	49.4%
Dodge & Cox	10.2%
TCW	9.7%
Jennison	9.8%
Payden & Rygel	9.6%
PGIM	9.8%
TOTAL EXT. MANAGER	49.1%
TOTAL PORTFOLIO	100%

UNDERLYING FIXED INCOME SECTOR ALLOCATION



U.S. Tsy/Agy	22.5%
Other U.S. Gov't	4.0%
Agy MBS	20.0%
Non-Agy MBS	0.4%
CMBS	6.0%
ABS	12.5%
Corporates	29.0%
Tax Muni	2.8%
Sov/Supra	0.2%
Cash/Equiv.	2.6%

UNDERLYING DURATION DISTRIBUTION



0-1 Yrs	16.1%
1-3 Yrs	35.3%
3-5 Yrs	25.3%
5+ Yrs	23.4%

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STATE OF NORTH CAROLINA STABLE VALUE FUND

MARKET VALUE PERFORMANCE SUMMARY AS OF 9/30/2023¹

	3 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception	Inception Date
SHORT DURATION								
Galliard (before fees)	0.85	2.45	3.51	(0.42)	1.63	-	1.64	6/1/2018
Bloomberg U.S. 1-3 Yr. Government/Credit	0.73	1.87	2.77	(0.72)	1.21	-	1.20	
Value Added (before fees)²	0.12	0.58	0.73	0.30	0.42	-	0.44	
INTERMEDIATE DURATION								
Dodge & Cox (before fees)	(1.75)	0.66	3.07	(2.87)	1.09	-	1.26	3/1/2015
Dodge & Cox (after fees)	(1.78)	0.58	2.96	(2.97)	0.99	-	1.16	
Bloomberg U.S. Intermediate Aggregate	(1.89)	(0.30)	1.42	(3.66)	0.42	-	0.68	
Value Added (before fees)²	0.14	0.96	1.65	0.79	0.67	-	0.58	
Galliard (before fees)	(1.73)	0.11	1.92	(3.26)	0.87	-	0.86	6/1/2018
Bloomberg U.S. Intermediate Aggregate	(1.89)	(0.30)	1.42	(3.66)	0.42	-	0.41	
Value Added (before fees)²	0.16	0.41	0.50	0.39	0.45	-	0.45	
Jennison (before fees)	(0.79)	0.79	2.58	(2.89)	1.38	1.66	1.66	10/1/2013³
Jennison (after fees)	(0.81)	0.71	2.48	(2.98)	1.28	1.55	1.55	
Bloomberg U.S. Intermediate Govt/Credit	(0.83)	0.65	2.20	(2.93)	1.02	1.27	1.27	
Value Added (before fees)²	0.05	0.13	0.38	0.04	0.36	0.40	0.40	
Payden & Rygel (before fees)	(1.80)	0.12	1.96	(3.18)	0.80	0.94	1.47	7/1/2009
Payden & Rygel (after fees)	(1.84)	0.01	1.82	(3.31)	0.66	0.80	1.32	
Bloomberg U.S. Intermediate Aggregate ⁴	(1.89)	(0.30)	1.42	(3.66)	0.42	0.60	0.97	
Value Added (before fees)²	0.09	0.42	0.54	0.48	0.38	0.35	0.49	
PGIM (before fees)	(1.83)	0.00	2.06	(3.32)	0.75	-	1.02	2/1/2016
PGIM (after fees)	(1.86)	(0.10)	1.92	(3.46)	0.61	-	0.88	
Bloomberg U.S. Intermediate Aggregate	(1.89)	(0.30)	1.42	(3.66)	0.42	-	0.55	
Value Added (before fees)²	0.06	0.30	0.64	0.33	0.33	-	0.47	
TCW (before fees)	(1.10)	0.55	2.06	(2.84)	1.27	-	1.26	6/1/2018
TCW (after fees)	(1.13)	0.47	1.96	(2.93)	1.18	-	1.17	
Bloomberg U.S. Intermediate Govt/Credit	(0.83)	0.65	2.20	(2.93)	1.02	-	0.98	
Value Added (before fees)²	(0.27)	(0.11)	(0.15)	0.09	0.26	-	0.28	

1: Returns for periods of less than one year are not annualized. Returns after fees reflect additional investment contract or external management fees. 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: Linked Benchmark: Bloomberg U.S. Intermediate Aggregate Bond Index. Prior to June 1, 2018 benchmark was Bloomberg U.S. 1-3 Year Government/Credit Bond Index.

Past performance is not an indication of how the investment will perform in the future. FOR INSTITUTIONAL INVESTOR USE ONLY.

STATE OF NORTH CAROLINA STABLE VALUE FUND

PERFORMANCE COMMENTARY – EXCESS RETURN

GALLIARD SHORT +12 Q3 2023

- A general overweight to the spread sectors drove outperformance, with allocations to ABS and CMBS proving particularly beneficial
- A higher quality bias in corporate security selection was also helpful
- Curve positioning, with an overweight to 3-5 year maturities, detracted as yields generally rose over the quarter

DODGE & COX +14 Q3 2023

- Short benchmark relative duration positioning contributed positively to performance
- The overweight to Corporates and security selection within the sector contributed positively to relative performance
- Within the structured space, the portfolio's allocation to ABS benefited performance while security selection within Agency RMBS detracted

GALLIARD INTERMEDIATE +16 Q3 2023

- A general overweight to the spread sectors drove outperformance
- Security selection in corporates was also helpful
- Curve positioning, with an overweight in intermediate maturities, detracted
- A modest overweight in Agency RMBS detracted, as did security selection in that sector

JENNISON +5 Q3 2023

- Security selection within Corporates, favoring higher quality issuers, added to relative performance
- Within the out-of-benchmark allocation to structured securities, ABS contributed positively while Agency RMBS slightly detracted
- Yield Curve positioning had a negative impact on relative performance over the quarter

PAYDEN & RYGEL +9 Q3 2023

- The portfolio's overweight to Agency RMBS detracted from performance while the overweight to Corporates slightly benefited relative performance
- The impact of security selection in Agency RMBS and Corporates was positive
- Short benchmark relative duration positioning contributed slightly

PGIM +6 Q3 2023

- The overweight to Corporates and CMBS contributed positively to performance
- The overweight to Agency RMBS and security selection within the sector hurt relative performance
- The slight short duration bias added marginally to performance

TCW -27 Q3 2023

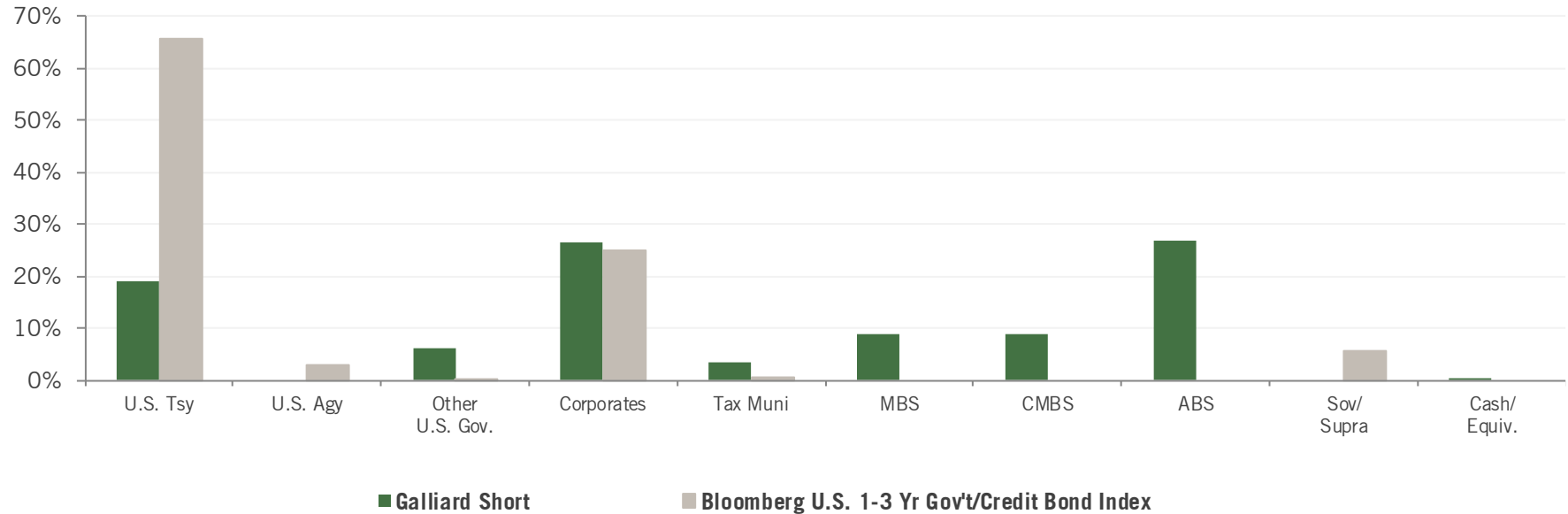
- Long benchmark relative duration positioning detracted from relative performance over the quarter
- The out-of-benchmark allocation to Agency RMBS also had a negative impact on relative performance while ABS added marginally
- The impact of security selection within Corporates and Municipals was positive

Before fees.

STATE OF NORTH CAROLINA STABLE VALUE FUND

SHORT DURATION PORTFOLIO AS OF 9/30/23

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	1.82 Yrs	1.78 Yrs
Yield to Maturity	5.91%	5.38%

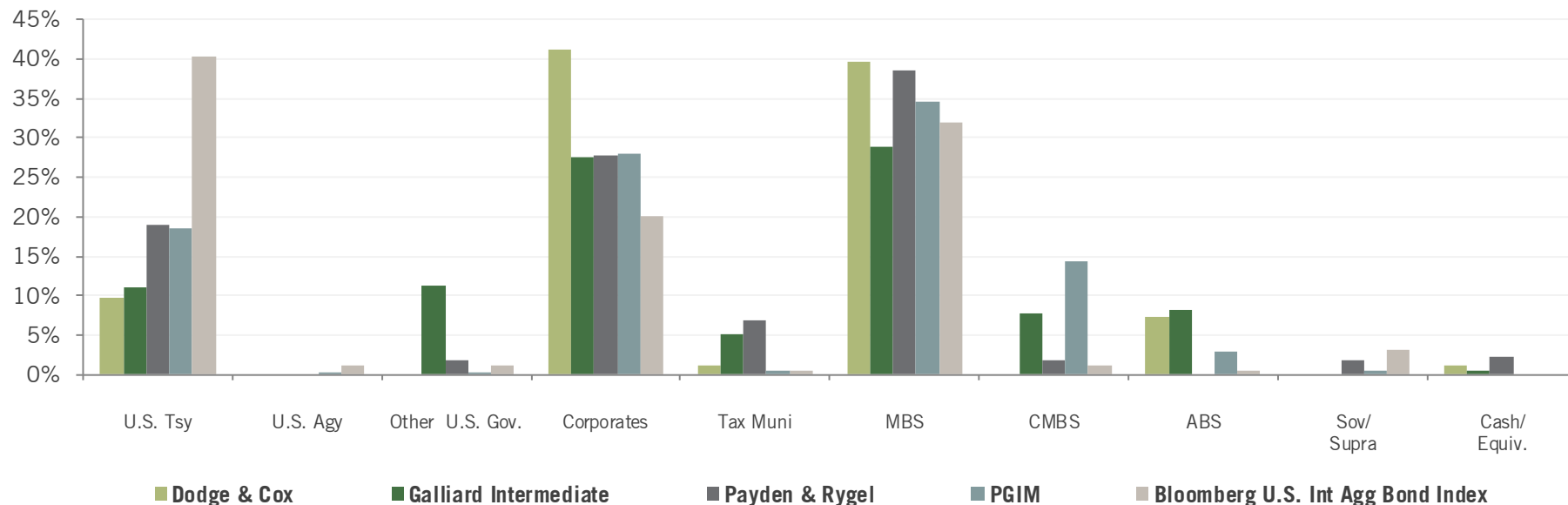
1: The Weighted Average Quality of the portfolio has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents an average quality of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch.

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STATE OF NORTH CAROLINA STABLE VALUE FUND

INTERMEDIATE DURATION PORTFOLIOS AS OF 9/30/23

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	4.32 Yrs	4.40 Yrs	4.47 Yrs	4.48 Yrs	4.58 Yrs
Yield to Maturity	5.83%	5.79%	5.62%	5.82%	5.37%

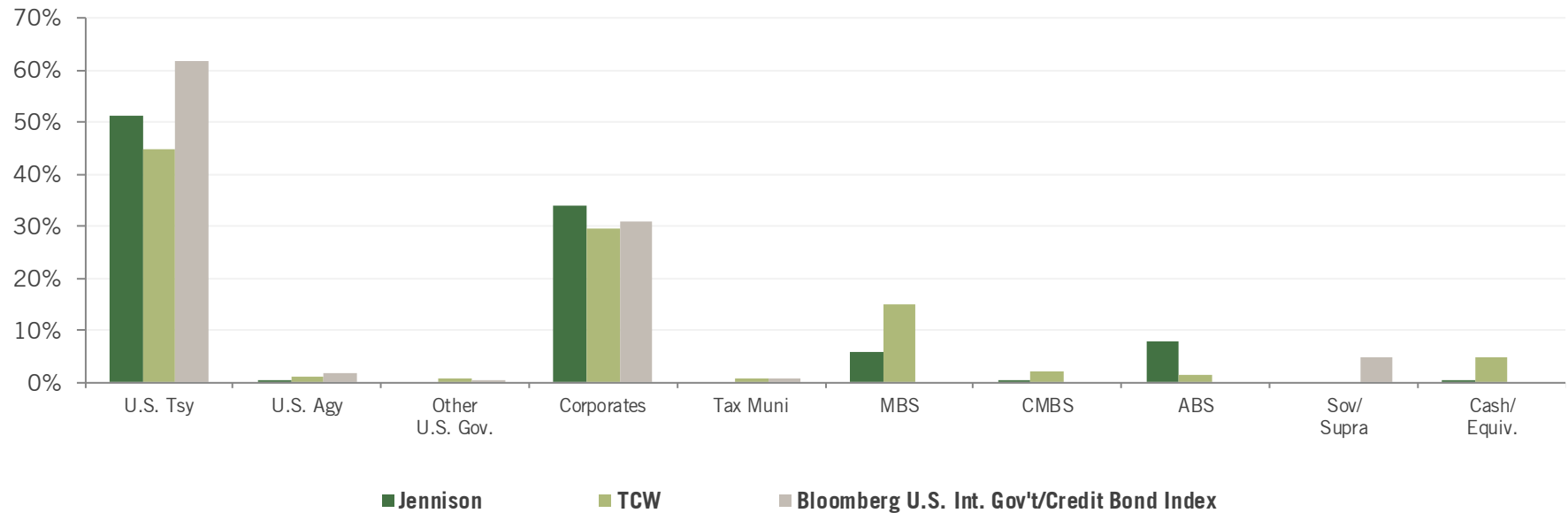
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STATE OF NORTH CAROLINA STABLE VALUE FUND

INTERMEDIATE DURATION PORTFOLIOS AS OF 9/30/23

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	3.78 Yrs	4.17 Yrs	3.70 Yrs
Yield to Maturity	5.36%	5.43%	5.24%

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.

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