

Callan

SMID Structure Performance

NCSRP Small/Mid Cap Equity Fund

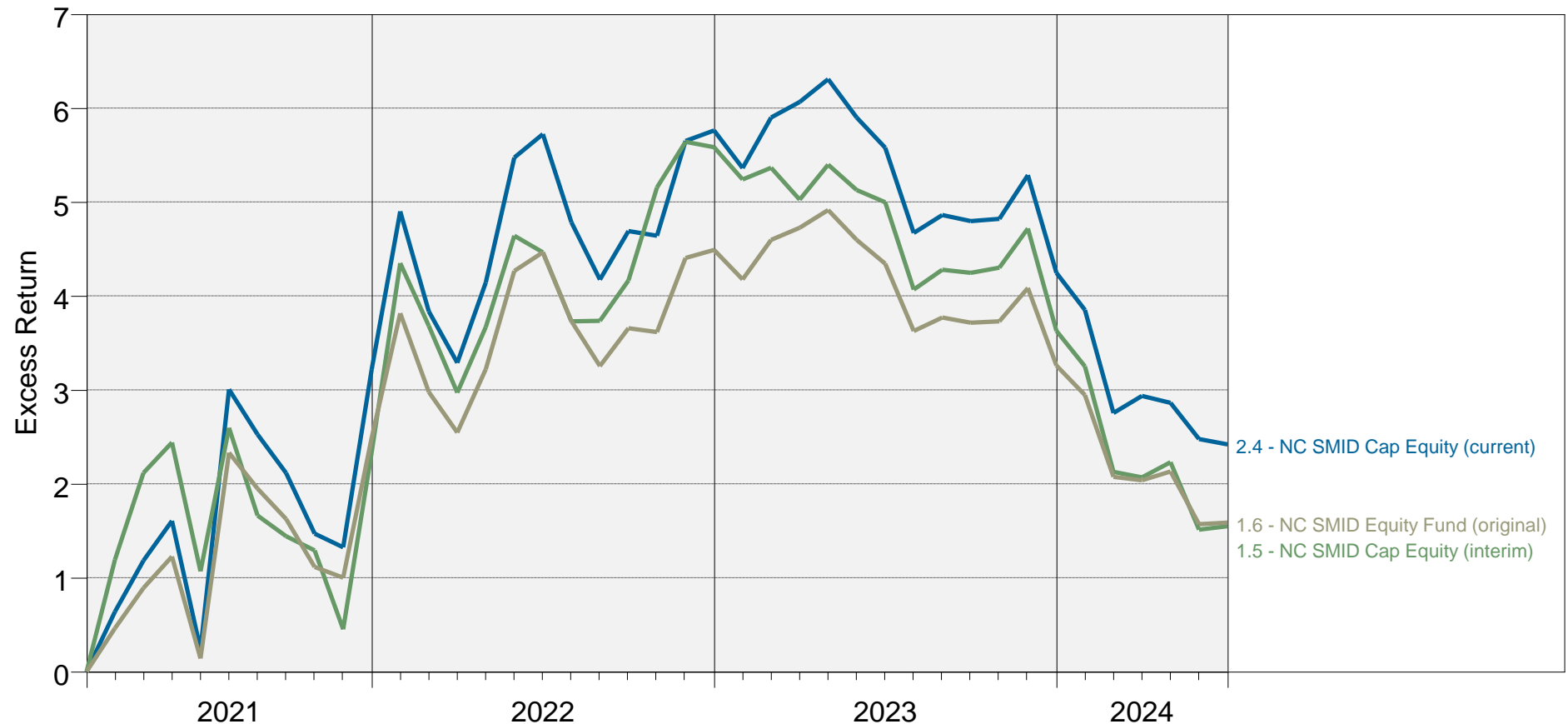
Structure Comparison

- In late 2020, the Board approved a new structure and underlying allocations for the actively managed Small/Mid Cap Equity Fund.
- These changes were adopted to neutralize style bias and emphasize active management, recognizing a purely passive option is also available to participants who prefer passive implementation

| | Current Structure (all changes) | Interim Structure (2021) | Original Structure (2020) |
|---|---------------------------------------|--------------------------------|---------------------------------|
| Wedge Small/Mid Cap Value (Russell 2500 Value Index after 6/2023) | ----- | 30.0% | 23.75% |
| AB Small/Mid Cap Value | 30.0% | ----- | |
| Earnest Small/Mid Cap Value | ----- | ----- | 23.75% |
| Earnest Small/Mid Cap Core | 30.0% | 30.0% | ----- |
| Russell 2500 Index | 10.0% | 10.0% | 28.75% |
| Brown Advisory Small/Mid Cap Growth | 30.0% | 30.0% | 23.75% |
| | | | |
| Approximate Fee | 0.43% | 0.41% | 0.35% |
| Annualized Excess Return as of 6/30/24 (net of fees) | +0.69% | +0.44% | +0.45% |

Small/Mid Cap Equity Structure Comparisons

Cumulative Excess Return Relative To Russell:2500 Index
from March 1, 2021 to June 30, 2024



EARNEST SMID Value, Wedge SMID Value and 28.75% to a passive Russell 2500 index fund. In 2021 the “original” structure then moved to the “interim” weights of 30% EARNEST SMID Core, 30% Brown SMID Growth, 30% Wedge SMID Value and 10% Russell 2500 index. Wedge was replaced by a Russell 2500 Value index July of 2023 and this change is reflected in all hypothetical portfolios above. The “current” structure is 30% each to Brown SMID Growth, EARNEST SMID Core, AB SMID Value and 10% to a passive Russell 2500 index fund and reflects all changes made over time.

Small/Mid Cap Equity Structure Comparison

Risk and Return

Statistics for 40 Months (Beginning March 1, 2021 and Ending June 30, 2024)

| | Excess Return | Tracking Error | Information Ratio | Standard Deviation | Sharpe Ratio | Up Market Capture | Down Market Capture |
|--------------------------------|---------------|----------------|-------------------|--------------------|--------------|-------------------|---------------------|
| NC SMID Cap Equity (current) | 0.69 | 3.29 | 0.17 | 18.29 | (0.01) | 89.59 | 93.78 |
| NC SMID Cap Equity (interim) | 0.44 | 2.97 | 0.10 | 18.72 | (0.02) | 91.86 | 95.44 |
| NC SMID Equity Fund (original) | 0.45 | 2.62 | 0.12 | 18.56 | (0.02) | 91.01 | 95.01 |
| Russell:2500 Index | 0.00 | 0.00 | 0.00 | 19.94 | (0.04) | 100.00 | 100.00 |

For the 3+ years (40 months) period that the current structure has been in place, risk and risk-adjusted measures remain ahead of index, and the prior structures:

- Tracking error (active risk) has increased on the margin, but remains low relative to the broad peer group.
- Information ratio is a risk-adjusted measure that shows if the fund has been compensated for taking active risk. This measure has improved over the 40 month time frame.
- Standard deviation (absolute risk) has decreased relative to the prior structure and remains below that of the index.
- Up/down capture percentages are mixed; the current structure caught less of downside market movement, while the prior structure captured greater upside over the 40 month period.