

State of North Carolina

MAY 25, 2023

STATE OF NORTH CAROLINA

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SECTION I

GALLIARD CAPITAL MANAGEMENT

WHO WE ARE

\$90.7 B

TOTAL AUM

\$74.0 B

TOTAL STABLE VALUE AUM

75+

STABLE VALUE SEPARATE
ACCOUNTS

97

EMPLOYEES ON STAFF¹

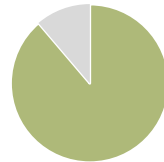
¹20 of which are Galliard-dedicated deferred
professionals

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

190+

INSTITUTIONAL CLIENTS

CLIENT RELATIONSHIP TENURE



~90% of our clients have worked
with Galliard for greater than **5 years**

74 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

27 YEARS

OF EXCLUSIVE
FOCUS ON

FIXED INCOME & STABLE VALUE

Senior Professionals
Average Years of Experience:

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

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



Galliard is a subsidiary of Allspring
Global Investments

GALLIARD CAPITAL MANAGEMENT

ORGANIZATION CHART AS OF 3/31/23

REPORT TO GALLIARD

EXECUTIVE MANAGEMENT TEAM:

Mike Norman
President & Senior Managing Principal

Ajay Mirza, CFA
Senior Managing Principal

FIXED INCOME INVESTMENT

Credit Brandon Kanz, CFA Senior Principal <i>Sector Head</i>	Structured Product 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 Andrea Johnson, CFA Senior Principal	Relationship Tami Pearce Principal	Conor Murphy, CFA Senior Director
Robert Crandall, CFA Senior Director	Paul Langanki, CFA Senior Director	Pete Schmit, CFA Senior Director
Michael Amundsen Director	Alesha McAdams Senior Director	Jordan Bewley Director
Elizabeth Smithley Associate Director	Steve Moen Senior Director	Ryan Olsen Director
	Jaime Morgan Senior Director	Linh Buoen Associate Director

CLIENT SUPPORT

Jennifer Lammers Senior Principal	Stable Value Timothy Noel Associate Director <i>Lead</i>	Fixed Income Steve Patterson Associate <i>Lead</i>
Jennifer Hopper, CFA Associate Director	Derek Schmidt Associate	Luke Olson Senior Associate

STABLE VALUE STRATEGY/CONTRACT

Nick Gage, CFA Senior Principal	Kathryn Taguinod Associate
Christina Burton Director	Kendra Marquez Associate

INVESTMENT COMPLIANCE

Andrew McKessock Director	Brian Heruth Senior Associate
Matt Brown Associate Director	Leah Schermann Senior Associate

MARKETING & RFP

RFP Kelly Lassi Associate Director	Marketing Jacqueline Becker Senior Associate
Desiree Wright Associate	Shanna Ellefson Associate Director

REPORT TO ALLSPRING

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	Olana Gameda Associate
Carmen Rangel, CPA Senior Director	Phil Kos* Senior Associate	Pam Helmueller* Associate
Pete Anderson Director	Christopher LaMere Senior Associate	Jin Heo Associate
Brian Brooks Director	Matt Remington Senior Associate	Natalia Kolakowska Associate
Rasaan Ellison* Director	Brent Thornton* Senior Associate	Pashia Lor Associate
Michelle Boss* Associate Director	Atu Akaa* Associate	Margo Monson Associate
Stephanie Ripley Associate Director	Dana Blomgren* Associate	Mike Myers Associate
Jason Skull* Associate Director	Rath Chak Associate	Phil Nguyen* Associate

LEGAL/COMPLIANCE

Firm Compliance Paul Felsch Chief Compliance Officer	Chris Benedict Associate	Legal Paula Novick Principal
Laurie Kern Associate Director	Ellen Rivard Associate	

PROJECT MANAGEMENT

Lisa Anderson Director
Emily Myers Senior Associate

OTHER SERVICES PROVIDED BY ALLSPRING INCLUDE:

Human Resources Finance Technology Infrastructure Risk Management

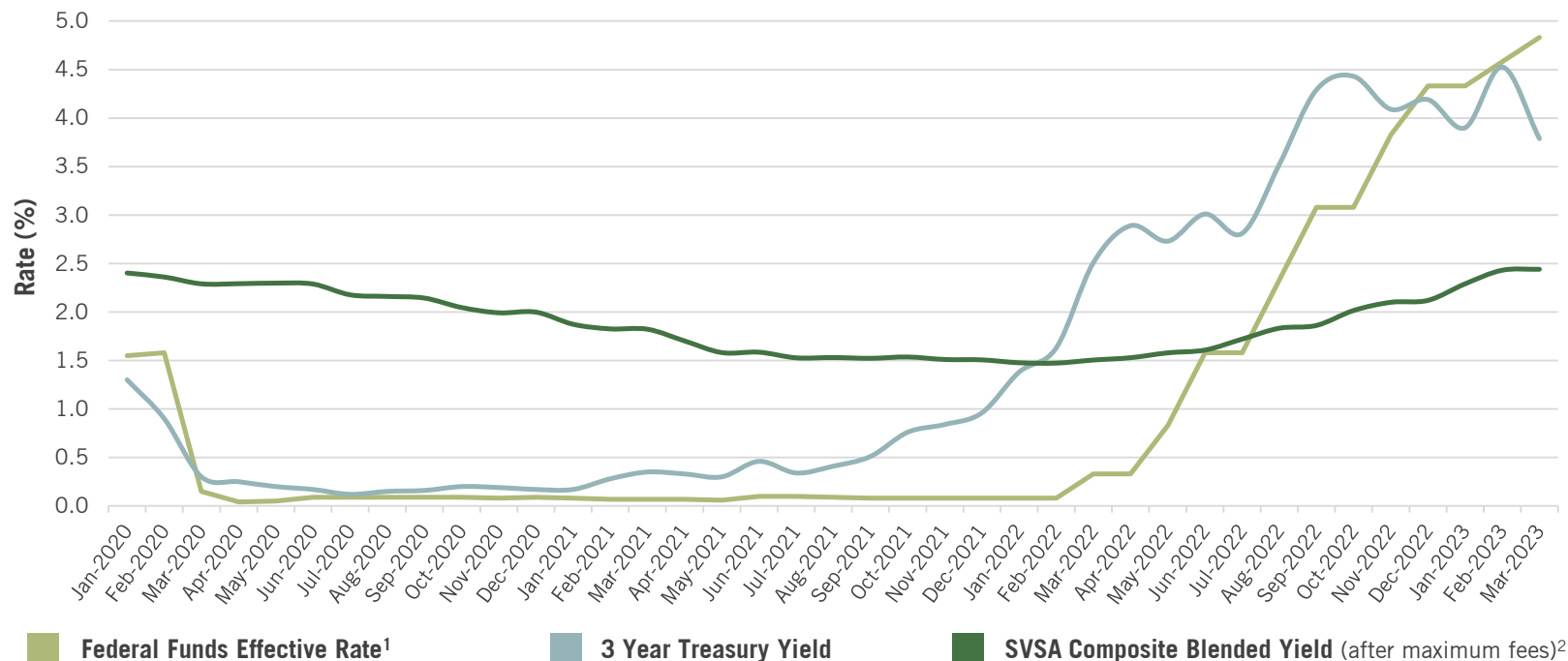
*Deferred professional at Allspring close (11/1/21). Temporarily reporting to Wells Fargo under TSA.

FOR INSTITUTIONAL INVESTOR USE ONLY.

SECTION II

STABLE VALUE MARKET UPDATE

HISTORICAL RATES AS OF 3/31/2023



- Having raised its policy rate by 475 bps since March 2022, the Fed has been in the fastest, most aggressive policy tightening cycle since 1981. However, the Fed has recently downshifted to a slower pace with just 25 basis point increases in both February and March.
- The first quarter of 2023 can be summarized in one word: volatility. This was apparent in the US Treasury yield curve, which saw volatility spike to levels not seen since the fall of 2008. Notably, the 2-year Treasury yield vs. 10-year Treasury yield inversion reached a cycle low of 109 bps in early March, the deepest inversion seen since 1981, on stronger than anticipated inflation data and expectations for continued aggressive policy tightening; market strain shortly thereafter resulted in a sizable rally, with the 2-year vs 10-year inversion ending the quarter at 57 bps, essentially unchanged from year-end.
- With a dramatic move higher in interest rates, fixed income total returns were dismal in historic proportions for 2022. However, for the first quarter of 2023 the Bloomberg U.S. Aggregate Bond Index produced a 2.96% total return, the strongest since the first quarter of 2020.
- With a tailwind of higher interest rates, fixed income portfolio yields have continued to move slightly higher as we've been able to invest and reinvest at higher overall rates.
- Despite the volatility in the market over the past three years and a backdrop of higher interest rates, stable value crediting rates continue to deliver positive total returns to participants, with blended yields trending higher as the contract crediting rates follow the general direction of interest rates, but with a lag as expected.

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.

FOR INSTITUTIONAL INVESTOR USE ONLY.

STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

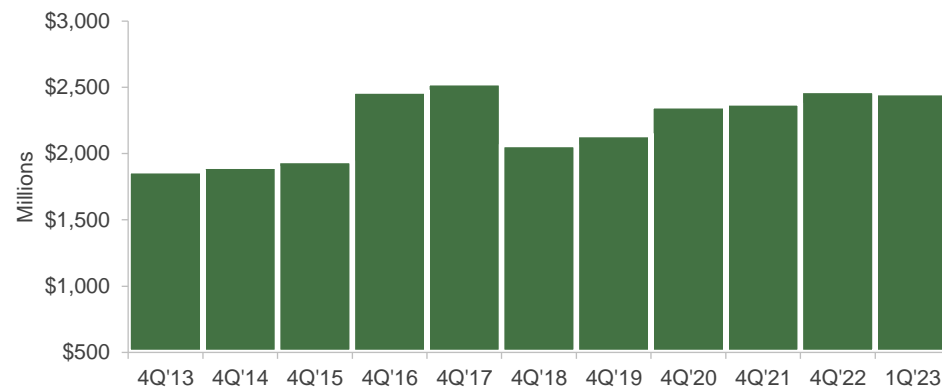
PORTFOLIO CHARACTERISTICS

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	\$2,460,535,882

HISTORICAL FUND ASSETS



PORTFOLIO CHARACTERISTICS

	Portfolio 12/31/22	Portfolio 3/31/23
Average Quality - Book Value¹	A+	A+
Average Quality - Market Value²	AA	AA
Number of Contract Issuers	5	5
Blended Yield (after all fees)³	2.20%	2.53%
Yield to Maturity	5.03%	4.81%
Effective Duration	3.32 years	3.35 years
Market/Book Value Ratio	92.87%	94.14%

PORTFOLIO DISTRIBUTION

	% Portfolio 12/31/22	% Portfolio 3/31/23
Liquidity Buffer: Cash & Equivalents⁴	2.1	1.5
Short Portfolio	34.4	34.5
Intermediate Portfolio	63.4	64.0
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.

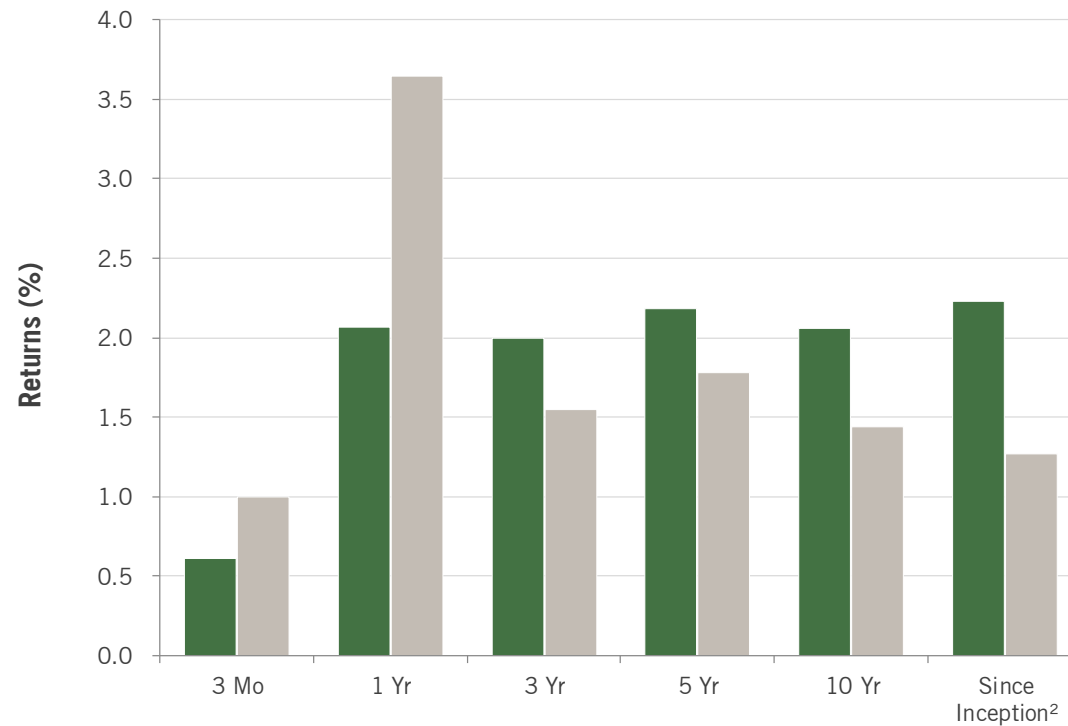
4: Includes Receivables and Payables.

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 3/31/23¹



	3 Mo	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	0.61	2.07	2.00	2.18	2.06	2.23
3 Year Constant Maturity Treasury Yield	1.00	3.65	1.55	1.78	1.44	1.27
ICE BofA U.S. 3-Month Treasury Bill Index + 150 bps	1.45	4.05	2.41	2.94	2.39	2.25
Value Added (net of all fees - NAV level)⁴	(0.40)	(1.58)	0.46	0.40	0.62	0.96

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.

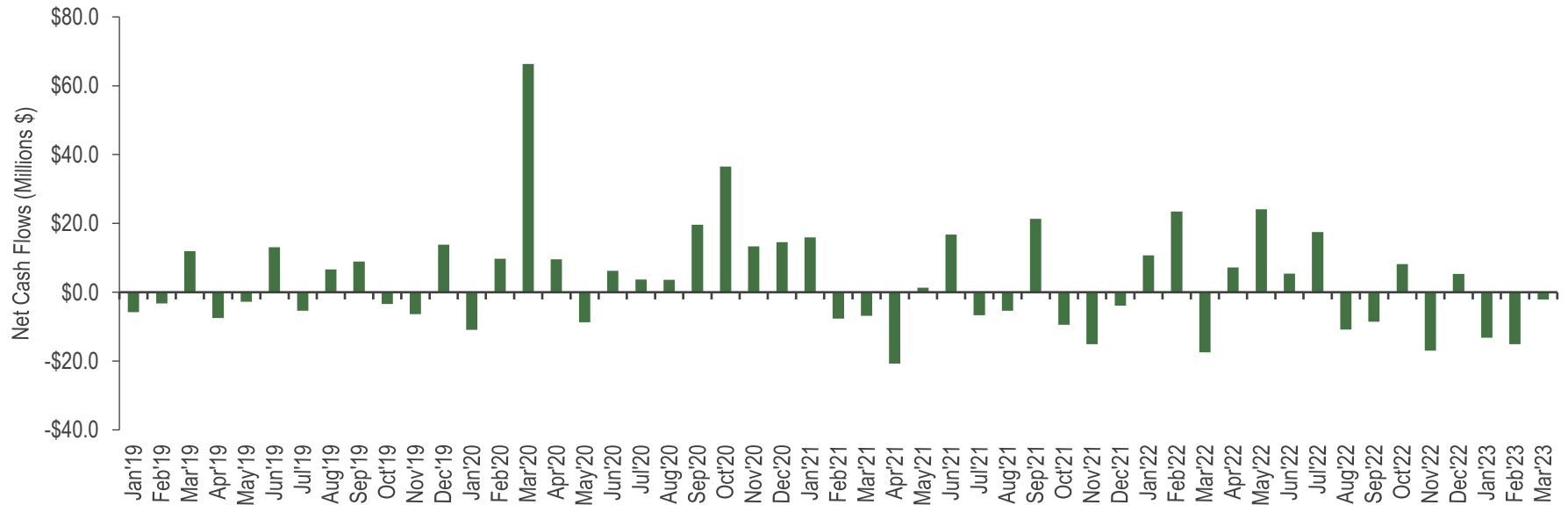
3: Returns are net of all fees, including book value contract fees, Galliard investment management fees, and, if applicable, external managers fees, Wells Fargo collective fund administrative fees, and plan administrative reimbursement

4: May not add due to rounding.

STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

HISTORICAL CASHFLOWS

HISTORICAL CASHFLOWS



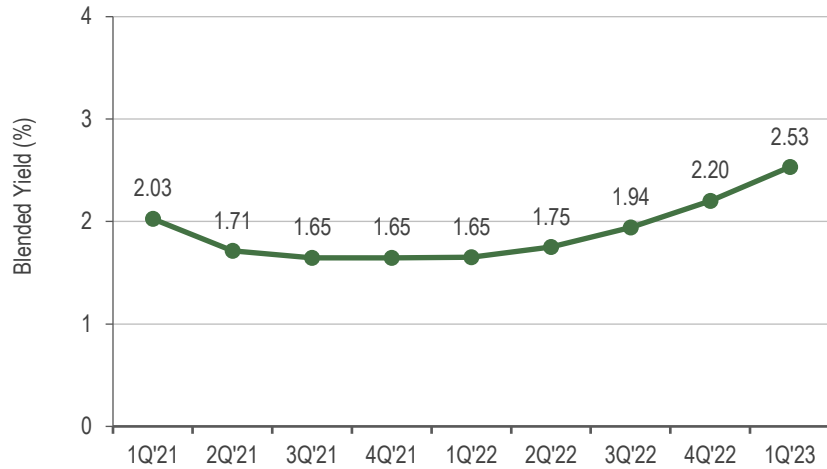
	2019	2020	2021	2022	1Q'23
Beginning Assets	\$2,069.8	\$2,143.4	\$2,360.5	\$2,382.4	\$2,475.9
Net Cash Flow (\$)¹	\$19.8	\$163.5	-\$20.3	\$48.1	-\$30.4
Net Cash Flow (%)	0.95%	7.63%	-0.86%	2.02%	-1.23%
Estimated Investment Earnings	\$53.9	\$53.5	\$42.2	\$45.4	\$15.0
Ending Assets²	\$2,143.4	\$2,360.5	\$2,382.4	\$2,475.9	\$2,460.5

1: Contributions, Withdrawals and Investment Transfers
 2: Cashflows may not net to final assets due to rounding.

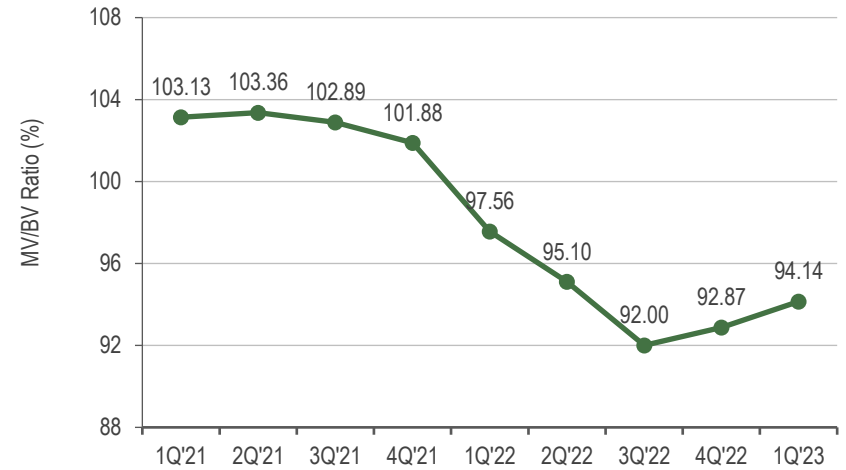
STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

HISTORICAL STATS

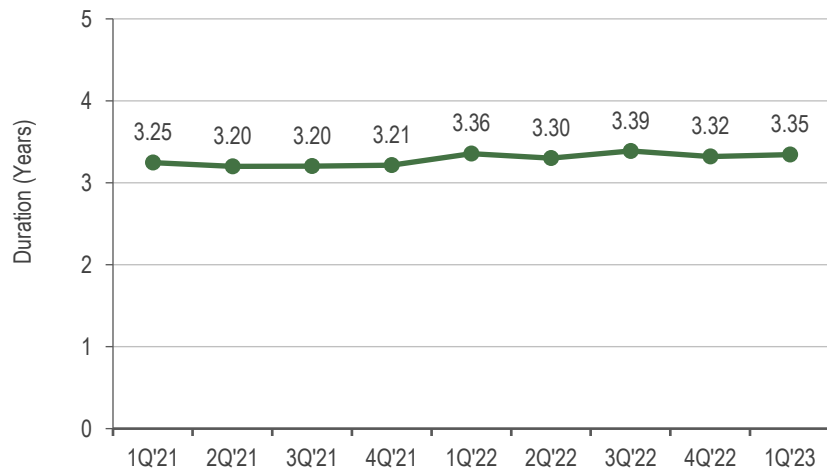
HISTORICAL BLENDED YIELD¹



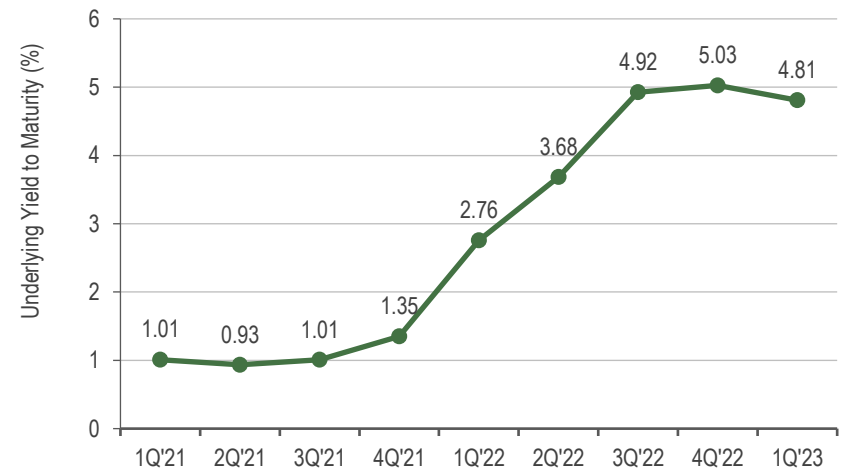
HISTORICAL MARKET VALUE TO BOOK VALUE RATIO



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 12/31/22	% Portfolio 3/31/23	Rating 12/31/22	Rating 3/31/23	Wrap Fees (bps) 12/31/22	Wrap Fees (bps) 3/31/23
American General Life Ins. Co.	SBIC	19.5	19.7	A+	A+	15	15
Metropolitan Life Ins. Co.	SAGIC	10.4	10.4	AA-	AA-	17	17
Nationwide Life Ins. Co.	SBIC	20.4	20.5	A+	A+	15	15
Prudential Ins. Co. of America	SBIC	24.6	24.8	AA-	AA-	15	15
Transamerica Life Ins. Co.	SBIC	23.0	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

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	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)			-1,655,289	-1,655,289	100.0	-0.1	5.02	5.02	0.10	AAA	
9983008\$P	Short-Term Investment Fund A S			39,517,166	39,517,166	100.0	1.6	5.02	5.02	0.10	AAA	
TOTAL LIQUIDITY BUFFER				37,861,878	37,861,878	100.0	1.5	5.02	5.02	0.10	AAA	
SHORT PORTFOLIO												
946996EE1	American General Life Ins. Co.	SBIC	Galliard	187,902,037	176,710,760	94.0	7.6	2.58	5.03	1.83	A+	15.0
896994GW4	Nationwide Life Ins. Co.	SBIC	Galliard	197,791,105	185,527,930	93.8	8.0	2.44	5.03	1.83	A+	15.0
744999CV3	Prudential Ins. Co. of America	SBIC	Galliard	238,970,571	226,271,602	94.7	9.7	2.78	5.03	1.83	AA-	15.0
600996QF2	Transamerica Life Ins. Co.	SBIC	Galliard	223,134,201	210,230,294	94.2	9.1	2.62	5.03	1.83	A+	15.0
TOTAL SHORT PORTFOLIO				847,797,914	798,740,586	94.2	34.5	2.61	5.03	1.83	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	256,280,596	237,570,005	92.7	10.4	2.55	4.94	4.15	AA-	17.0
946996EE1	American General Life Ins. Co.	SBIC	Galliard	26,245,111	24,681,976	94.0	1.1	2.58	4.81	4.39	A+	15.0
946996EE1	American General Life Ins. Co.	SBIC	Payden & Rygel	52,170,916	49,063,663	94.0	2.1	2.58	4.73	4.36	A+	15.0
946996EE1	American General Life Ins. Co.	SBIC	PGIM	108,364,878	101,910,763	94.0	4.4	2.58	4.77	4.45	A+	15.0
946996EE1	American General Life Ins. Co.	SBIC	TCW	54,151,437	50,926,226	94.0	2.2	2.58	4.38	4.17	A+	15.0
946996EE1	American General Life Ins. Co.	SBIC	Jennison Assoc.	54,689,190	51,431,951	94.0	2.2	2.58	4.37	3.89	A+	15.0
896994GW4	Nationwide Life Ins. Co.	SBIC	TCW	56,054,236	52,578,838	93.8	2.3	2.44	4.38	4.17	A+	15.0
896994GW4	Nationwide Life Ins. Co.	SBIC	Jennison Assoc.	55,756,558	52,299,616	93.8	2.3	2.44	4.37	3.89	A+	15.0
896994GW4	Nationwide Life Ins. Co.	SBIC	Galliard	138,711,333	130,111,142	93.8	5.6	2.44	4.81	4.39	A+	15.0
896994GW4	Nationwide Life Ins. Co.	SBIC	Payden & Rygel	55,472,627	52,033,288	93.8	2.3	2.44	4.73	4.36	A+	15.0
744999CV3	Prudential Ins. Co. of America	SBIC	Galliard	89,795,378	85,023,625	94.7	3.6	2.78	4.81	4.39	AA-	15.0
744999CV3	Prudential Ins. Co. of America	SBIC	PGIM	76,859,688	72,775,341	94.7	3.1	2.78	4.77	4.45	AA-	15.0
744999CV3	Prudential Ins. Co. of America	SBIC	TCW	68,723,460	65,071,475	94.7	2.8	2.78	4.38	4.17	AA-	15.0
744999CV3	Prudential Ins. Co. of America	SBIC	Jennison Assoc.	67,093,788	63,528,404	94.7	2.7	2.78	4.37	3.89	AA-	15.0
744999CV3	Prudential Ins. Co. of America	SBIC	Payden & Rygel	68,010,698	64,396,589	94.7	2.8	2.78	4.73	4.36	AA-	15.0
600996QF2	Transamerica Life Ins. Co.	SBIC	Galliard	99,055,091	93,326,710	94.2	4.0	2.62	4.81	4.39	A+	15.0
600996QF2	Transamerica Life Ins. Co.	SBIC	PGIM	58,701,644	55,306,913	94.2	2.4	2.62	4.77	4.45	A+	15.0
600996QF2	Transamerica Life Ins. Co.	SBIC	TCW	62,449,975	58,838,477	94.2	2.5	2.62	4.38	4.17	A+	15.0
600996QF2	Transamerica Life Ins. Co.	SBIC	Jennison Assoc.	63,169,718	59,516,597	94.2	2.6	2.62	4.37	3.89	A+	15.0
600996QF2	Transamerica Life Ins. Co.	SBIC	Payden & Rygel	63,119,768	59,469,535	94.2	2.6	2.62	4.73	4.36	A+	15.0
TOTAL INTERMEDIATE PORTFOLIO				1,574,876,091	1,479,861,133	94.0	64.0	2.60	4.68	4.25	A+	
TOTAL PORTFOLIO				2,460,535,882	2,316,463,598	94.1	100.0	2.65	4.81	3.35	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 3/31/23	Per \$1000	Est. Annual Revenue
Investment Management Fees paid to Galliard	0.053%	\$0.53	\$1,311,188
Investment Management fees paid to Non-Affiliated Investment Advisors	0.057%	\$0.57	\$1,392,285
Investment Contract Fees ¹	0.150%	\$1.50	\$3,685,267
Acquired Fund Fees ²	0.001%	\$0.01	\$35,565
- Investment Contract Fees	None	None	None
- Other Acquired Fund Fees and Non-Affiliated Investment Management Fees paid to Non-Affiliated Investment Advisors ³	0.001%	\$0.01	\$35,353
12b-1 Distribution Fee	None	None	None
Other Expenses ⁴	0.014%	\$0.14	\$351,857
Total Annual Fund Operating Expenses⁵	0.275%	\$2.75	\$6,776,162

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

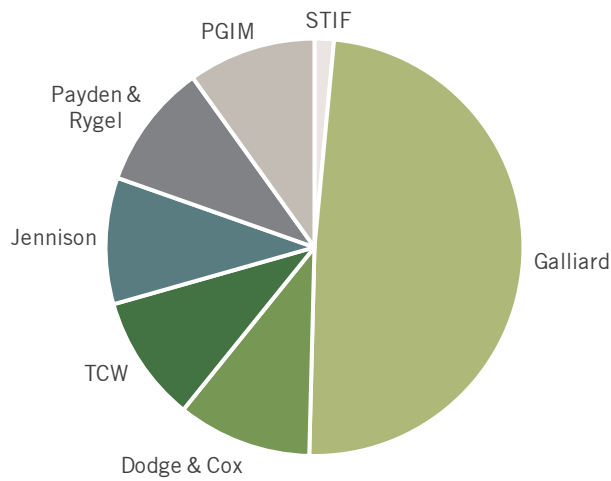
STATE OF NORTH CAROLINA STABLE VALUE FUND MANAGER STYLES

	Investment Approach	Sector Rotation	Active Duration/ Yield Curve Mgmt.	Issue Selection	SECTOR EMPHASIS
GALLIARD	 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

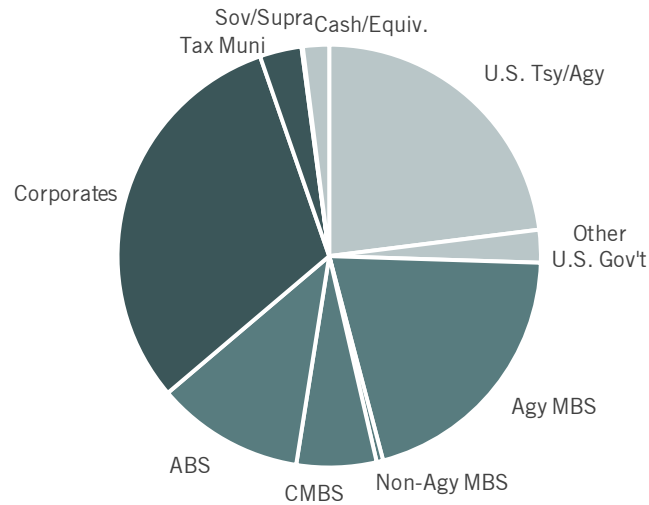
PORTFOLIO AS OF 3/31/23

MANAGER ALLOCATION



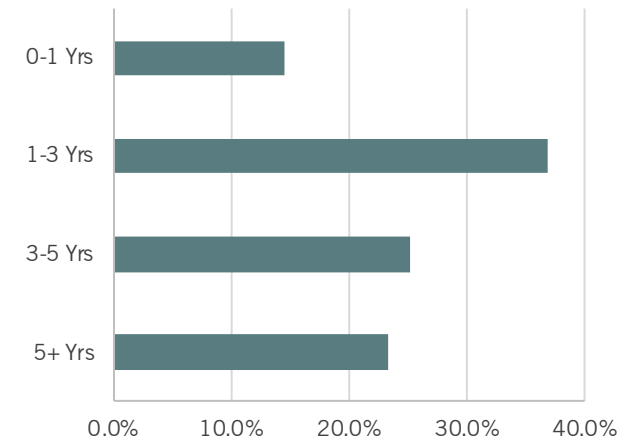
STIF	1.5%
Galliard	48.9%
Dodge & Cox	10.4%
TCW	9.8%
Jennison	9.8%
Payden & Rygel	9.7%
PGIM	9.9%
TOTAL EXT. MANAGER	49.6%
TOTAL PORTFOLIO	100%

UNDERLYING FIXED INCOME SECTOR ALLOCATION



U.S. Tsy/Agy	23.0%
Other U.S. Gov't	2.5%
Agy MBS	20.4%
Non-Agy MBS	0.5%
CMBS	6.1%
ABS	11.3%
Corporates	30.9%
Tax Muni	3.2%
Sov/Supra	0.1%
Cash/Equiv.	2.0%

UNDERLYING DURATION DISTRIBUTION



0-1 Yrs	14.5%
1-3 Yrs	36.9%
3-5 Yrs	25.2%
5+ Yrs	23.4%

STATE OF NORTH CAROLINA STABLE VALUE FUND

MARKET VALUE PERFORMANCE SUMMARY AS OF 3/31/23¹

	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception	Inception Date
SHORT DURATION							
Galliard (before fees)	1.56	0.43	0.31	-	-	1.63	6/1/2018
Bloomberg U.S. 1-3 Yr. Government/Credit	1.51	0.26	(0.38)	-	-	1.25	
Value Added (before fees)²	0.05	0.17	0.68	-	-	0.37	
INTERMEDIATE DURATION							
Dodge & Cox (before fees)	2.50	(1.97)	(0.61)	1.57		1.57	3/1/2015
Dodge & Cox (after fees)	2.47	(2.07)	(0.72)	1.46		1.46	
Bloomberg U.S. Intermediate Aggregate	2.39	(2.79)	(1.96)	1.00		1.05	
Value Added (before fees)²	0.11	0.82	1.35	0.57	-	0.52	
Galliard (before fees)	2.44	(2.59)	(1.12)	-	-	1.43	6/1/2018
Bloomberg U.S. Intermediate Aggregate	2.39	(2.79)	(1.96)	-	-	1.01	
Value Added (before fees)²	0.05	0.20	0.84	-	-	0.42	
Jennison (before fees)	2.39	(1.46)	(1.13)	1.77	-	1.92	10/1/2013 ³
Jennison (after fees)	2.37	(1.56)	(1.23)	1.67	-	1.81	
Bloomberg U.S. Intermediate Govt/Credit	2.33	(1.66)	(1.28)	1.40	-	1.51	
Value Added (before fees)²	0.06	0.20	0.15	0.37	-	0.41	
Payden & Rygel (before fees)	2.37	(2.58)	(1.26)	1.37	1.19	1.68	7/1/2009
Payden & Rygel (after fees)	2.34	(2.72)	(1.40)	1.24	1.05	1.54	
Bloomberg U.S. Intermediate Aggregate ⁴	2.39	(2.79)	(1.96)	1.03	0.89	1.20	
Value Added (before fees)²	(0.01)	0.21	0.70	0.35	0.30	0.48	
PGIM (before fees)	2.39	(2.50)	(0.81)	1.32	-	1.42	2/1/2016
PGIM (after fees)	2.35	(2.63)	(0.95)	1.18	-	1.29	
Bloomberg U.S. Intermediate Aggregate	2.39	(2.79)	(1.96)	1.00	-	0.96	
Value Added (before fees)²	0.00	0.29	1.14	0.33	-	0.46	
TCW (before fees)	2.89	(1.67)	(0.68)	-	-	1.88	6/1/2018
TCW (after fees)	2.86	(1.76)	(0.77)			1.79	
Bloomberg U.S. Intermediate Govt/Credit	2.33	(1.66)	(1.28)	-	-	1.43	
Value Added (before fees)²	0.55	0.00	0.61	-	-	0.45	

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.

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

GALLIARD SHORT +5 Q1 2023

- Security selection in corporates drove outperformance
- A general overweight to the spread sectors was also beneficial
- Overweight to 3-5 year maturities detracted

DODGE & COX +11 Q1 2023

- The overweight to Corporates and security selection within the sector contributed positively to relative performance
- Short benchmark relative duration positioning detracted from relative performance over the quarter

GALLIARD INTERMEDIATE +5 Q1 2023

- Overweight allocation to Corporates drove outperformance
- Curve positioning, with an overweight to intermediate maturities, also added to returns
- Security selection in Agency RMBS hurt relative performance

JENNISON +6 Q1 2023

- Security selection within Corporates slightly benefited relative performance
- The out of benchmark allocation to ABS contributed marginally
- Yield curve positioning slightly added to relative performance

PAYDEN & RYGEL -1 Q1 2023

- Security selection within Corporates added to relative performance over the quarter
- Although the overweight to Agency MBS marginally detracted from performance, security selection in the sector contributed positively
- Short benchmark relative duration positioning hurt relative performance over the quarter

PGIM +0 Q1 2023

- Security selection within Corporates and Agency MBS added to performance
- The portfolio's overweight allocation and security selection within CMBS detracted from relative performance

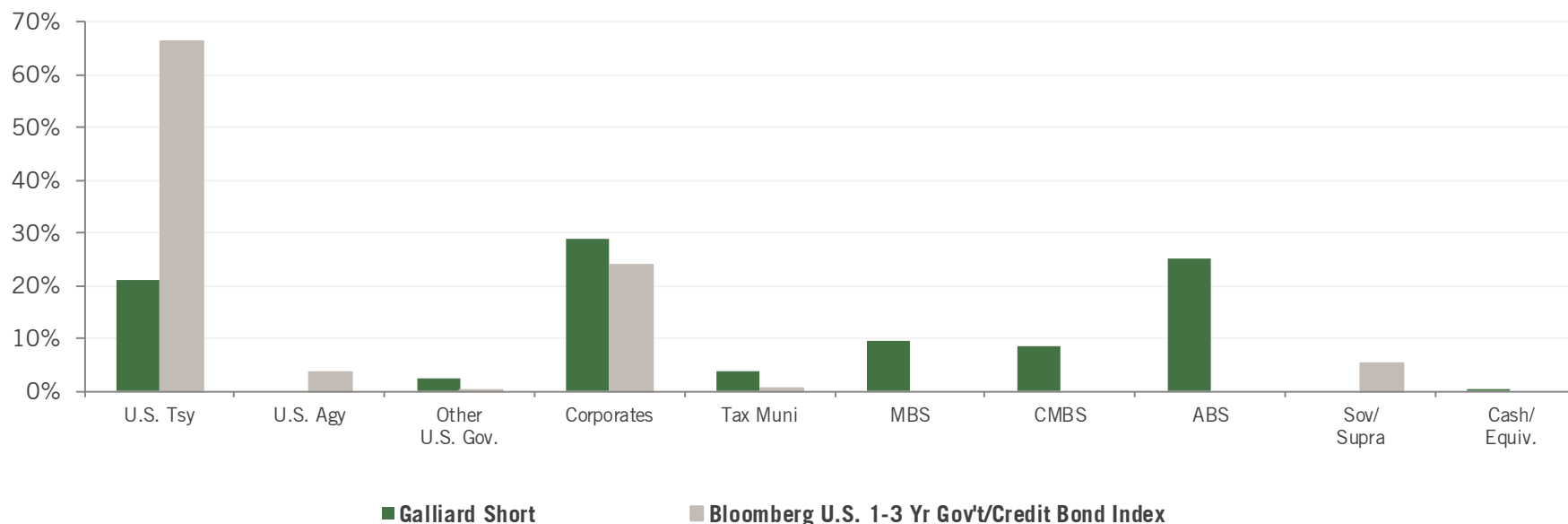
TCW +55 Q1 2023

- Security selection within Corporates was the primary driver of outperformance over the quarter
- Long benchmark relative duration and yield curve positioning also contributed positively
- Within the out of benchmark allocation to Structured securities, Agency MBS and CMBS detracted while ABS marginally benefited relative performance

Before fees.

STATE OF NORTH CAROLINA STABLE VALUE FUND SHORT DURATION PORTFOLIO AS OF 3/31/23

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

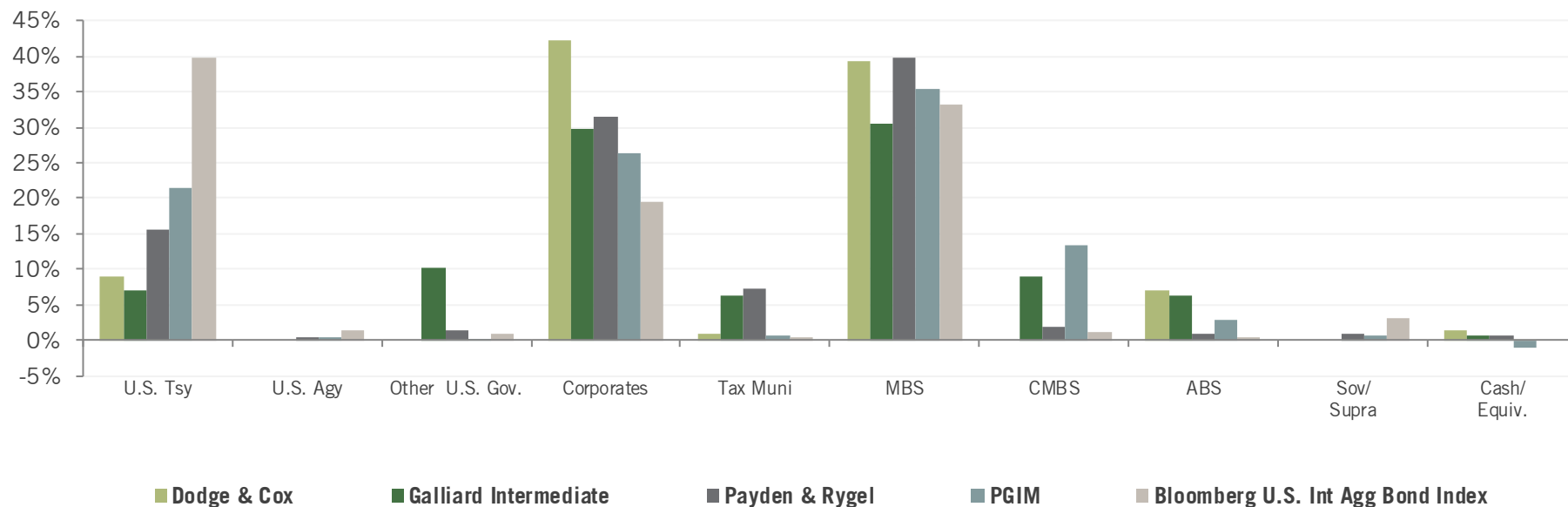


Characteristic	Galliard Short	Bloomberg U.S. 1-3 Yr Gov't/ Credit Bond Index
Weighted Average Quality ¹	AA	AA
Effective Duration	1.83 Yrs	1.80 Yrs
Yield to Maturity	5.03%	4.46%

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 3/31/23

BLOOMBERG U.S. INTERMEDIATE AGGREGATE BOND INDEX

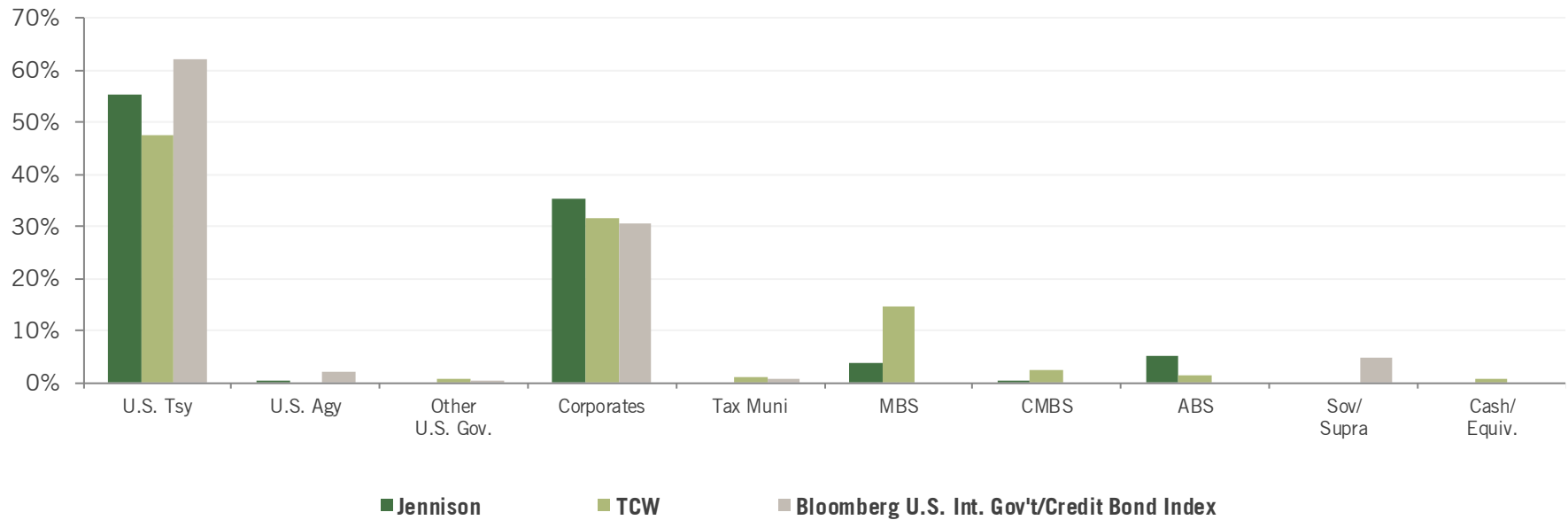


Characteristic	Dodge & Cox	Galliard Intermediate	Payden & Rygel	PGIM	Bloomberg U.S. Int Agg Bond Index
Weighted Average Quality ¹	AA-	AA	AA	AA-	AA+
Effective Duration	4.15	4.39 Yrs	4.36	4.45	4.51
Yield to Maturity	4.94%	4.81%	4.73%	4.77%	4.37%

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 3/31/23

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	3.89	4.17	3.79 Yrs
Yield to Maturity	4.37%	4.38%	4.27%

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.