

State of North Carolina

FEBRUARY 22, 2024

STATE OF NORTH CAROLINA

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SECTION I

GALLIARD CAPITAL MANAGEMENT

WHO WE ARE

\$85.5 B

TOTAL AUM

190+

INSTITUTIONAL CLIENTS

CLIENT RELATIONSHIP TENURE



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

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

CLIENT TYPES

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

\$67.1 B

TOTAL STABLE
VALUE AUM

Galliard is one of the
LARGEST managers of stable
value assets¹

80

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 – **25**

103

EMPLOYEES ON STAFF



A subsidiary of Allspring Global Investments

Data as of 12/31/2023.

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 December 31, 2023.

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GALLIARD CAPITAL MANAGEMENT

ORGANIZATION CHART

REPORT TO GALLIARD

EXECUTIVE MANAGEMENT

Mike Norman
President & Senior Managing Principal

Ajay Mirza, CFA
Senior Managing Principal

FIXED INCOME INVESTMENT

Credit

Brandon Kanz, CFA
Senior Principal
Sector Head

Rene Hoogmoed, CFA
Senior Principal

Matt Bentley
Principal

Chad Callahan
Principal

Robert Barrett, CFA
Senior Director

John Kenley, CFA
Senior Director

Will Moeller, CFA
Director

Structured Product

Ajay Mirza, CFA
Senior Managing Principal
Sector Head

Matt Robertson, CFA
Senior Principal

Mike Meerovich
Director

Tyler Wadsworth, CFA
Associate Director

Jimmie Wu, CFA
Associate Director

David Que, CFA
Senior Associate

Sanhakorn
Rattanacheeworn
Senior Associate

Portfolio

Andrea Johnson, CFA
Senior Principal

Robert Crandall, CFA
Senior Director

Michael Amundsen
Director

Elizabeth Smithley
Associate Director

RELATIONSHIP MANAGEMENT

Tami Pearce
Principal

Paul Langanki, CFA
Senior Director

Alesha McAdams
Senior Director

Steve Moen
Senior Director

Conor Murphy, CFA
Senior Director

Pete Schmit, CFA
Senior Director

Jordan Bewley
Director

Ryan Olsen
Director

Linh Buoen
Associate Director

CLIENT SUPPORT

Jennifer Lammers
Senior Principal

Jennifer Hopper, CFA
Associate Director

Zoë Garrison
Associate

Stable Value

Timothy Noel
Associate Director
Lead

Derek Schmidt
Associate

Bre Richie
Associate

Fixed Income

Steve Patterson
Associate
Lead

Luke Olson
Senior Associate

STABLE VALUE STRATEGY/ CONTRACT

Nick Gage, CFA
Senior Principal

Christina Burton
Director

Kathryn Taguinod
Associate

Kendra Marquez
Associate

COMMUNICATIONS & RFP

Jacqueline Becker
Senior Associate

Shanna Ellefson
Associate Director

Kelly Lassi
Associate Director

Desiree Wright
Associate

REPORT TO ALLSPRING



LEGAL/COMPLIANCE ~ 135 Members

- **Legal:** Paula Novick
- **Firm Compliance:** Team of 3 dedicated to Galliard - led by Paul Felsch (CCO)
- **Investment Compliance:** Team of 4 dedicated to Galliard - led by Andrew McKessock



OPERATIONS ~ 280 Members

- **Fixed Income:** Team of 7 dedicated to Galliard - led by Ron Retzer
- **Stable Value:** Team of 11 dedicated to Galliard - led by Carmen Rangel
- **Trade Settlements:** Team of 4 dedicated to Galliard - led by Andrew Moore
- **Client Reporting:** Team of 6 dedicated to Galliard - led by Jen Miller
- **Additional Ops Support*:** Team of 10 dedicated to Galliard



TECHNOLOGY ~ 120 Members

- Team of 13 dedicated to Galliard - led by Chris Smith & George Jones

OTHER SERVICES PROVIDED BY ALLSPRING

- Human Resources • Finance •
- Risk Management/Internal Audit •

As of 12/31/2023.

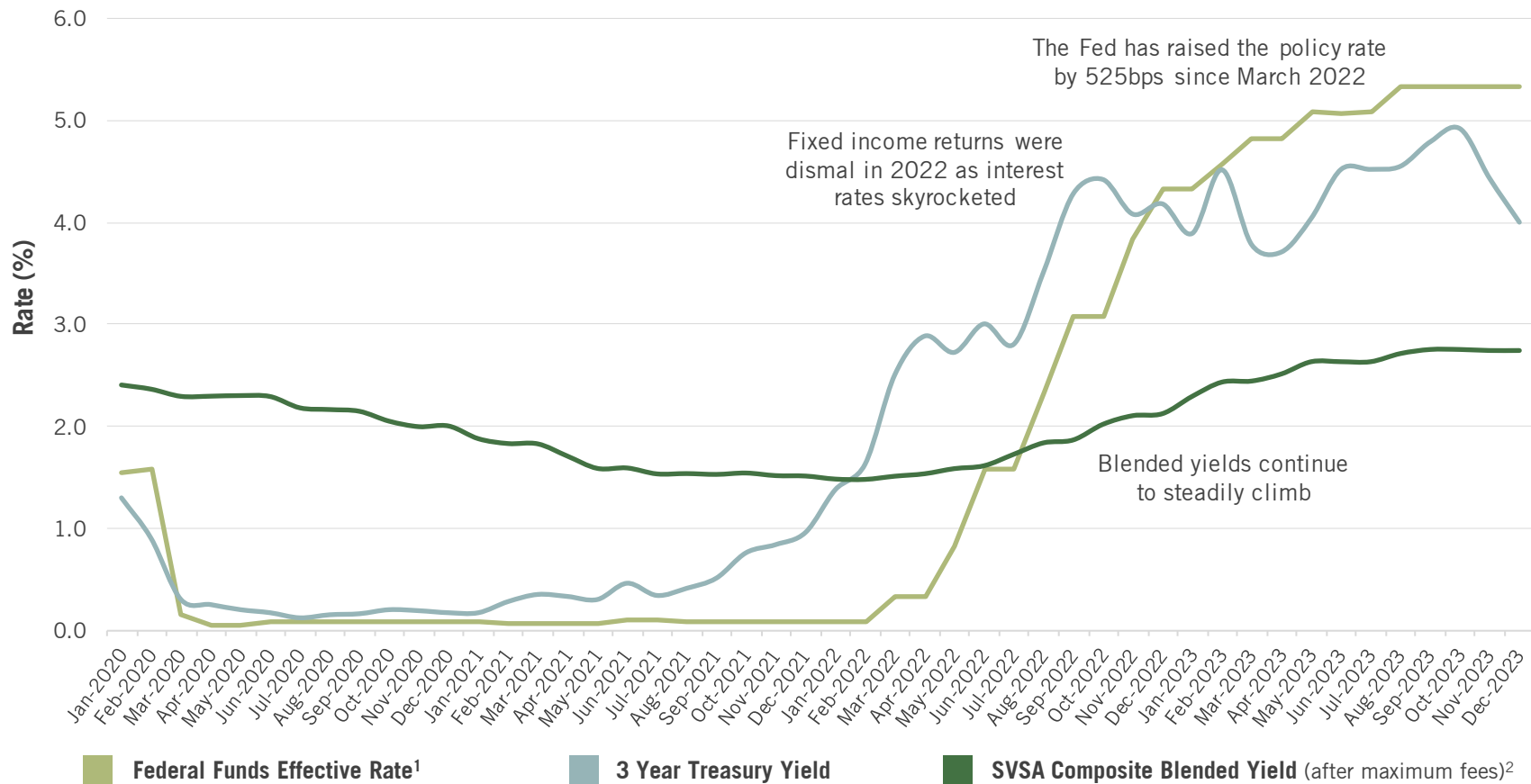
*Additional operational support with Galliard-dedicated employees include fees, fund services, performance analysis, and project management. **FOR INSTITUTIONAL INVESTOR USE ONLY.**

SECTION II

STABLE VALUE MARKET UPDATE

HISTORICAL RATES AS OF 12/31/2023

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

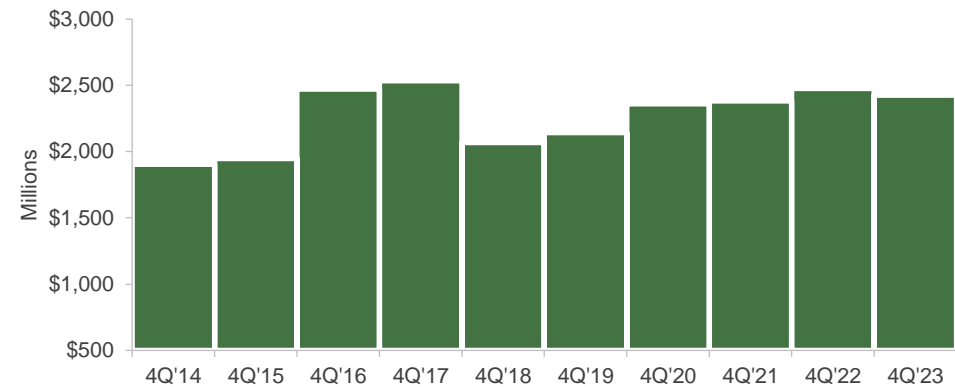
PORTFOLIO CHARACTERISTICS

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	\$2,426,495,577

HISTORICAL FUND ASSETS



PORTFOLIO CHARACTERISTICS

	Portfolio 9/30/23	Portfolio 12/31/23
Average Quality - Book Value¹	A+	A+
Average Quality - Market Value²	AA	AA
Number of Contract Issuers	5	5
Blended Yield (after all fees)³	2.89%	2.90%
Yield to Maturity	5.75%	4.91%
Effective Duration	3.35 years	3.32 years
Market/Book Value Ratio	91.64%	94.96%

PORTFOLIO DISTRIBUTION

	% Portfolio 9/30/23	% Portfolio 12/31/23
Liquidity Buffer: Cash & Equivalents⁴	1.4	2.1
Short Portfolio	35.2	34.5
Intermediate Portfolio	63.4	63.5
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.

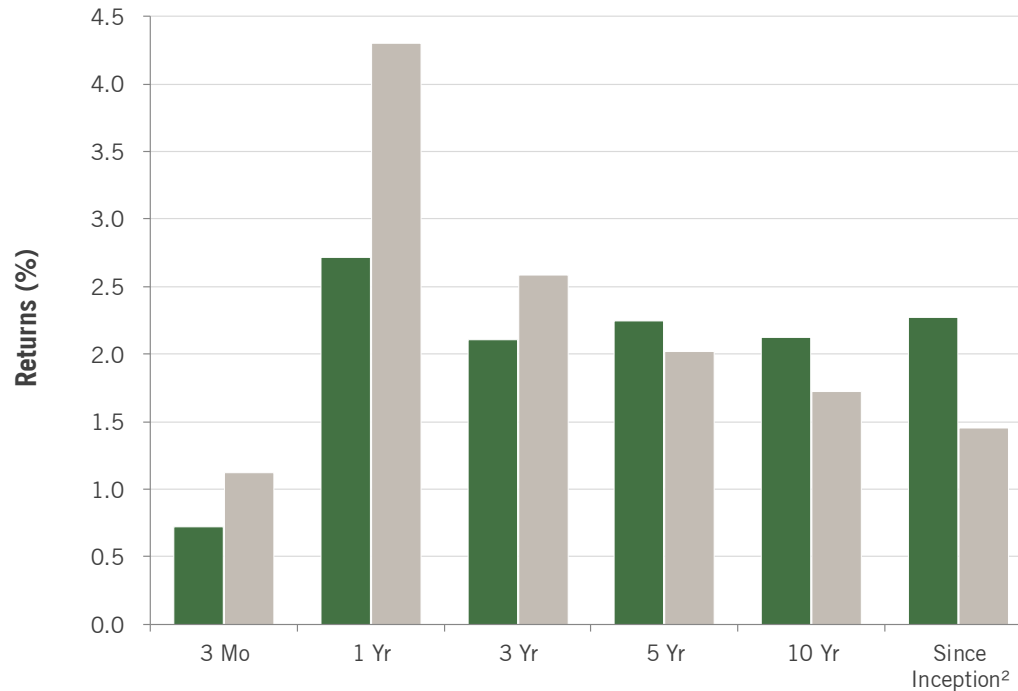
5: Total % of portfolio may not add to 100% due to rounding.

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STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

ANNUALIZED INVESTMENT PERFORMANCE

ANNUALIZED INVESTMENT PERFORMANCE AS OF 12/31/23¹



	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	0.72	2.72	2.11	2.25	2.12	2.27
3 Year Constant Maturity Treasury Yield	1.12	4.30	2.59	2.02	1.72	1.45
ICE BofA U.S. 3-Month Treasury Bill Index + 150 bps	1.75	6.59	3.69	3.42	2.78	2.50
Value Added (net of all fees - NAV level)⁴	(0.40)	(1.58)	(0.48)	0.23	0.39	0.82

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 manager fees, collective fund administrative fees, and plan administrative reimbursement.

3: Performance inception: Dec 01, 2010.

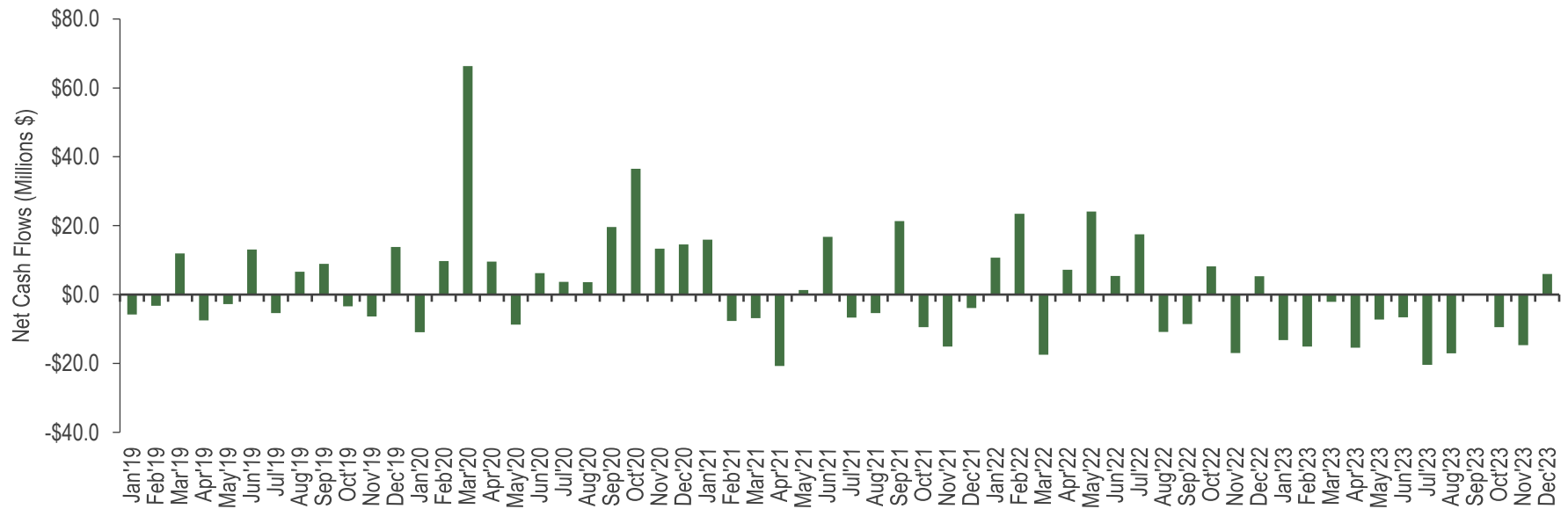
4: May not add due to rounding.

Past performance is not an indication of how the investment will perform in the future.
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STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

HISTORICAL CASHFLOWS

HISTORICAL CASHFLOWS



	2019	2020	2021	2022	1Q'23	2Q'23	3Q'23	4Q'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	\$2,427.1	\$2,475.9
Net Cash Flow (\$)¹	\$19.8	\$163.5	-\$20.3	\$48.1	-\$30.4	-\$29.3	-\$37.6	-\$18.1	-\$115.4
Net Cash Flow (%)	0.95%	7.63%	-0.86%	2.02%	-1.23%	-1.19%	-1.54%	-0.75%	-4.66%
Estimated Investment Earnings	\$53.9	\$53.5	\$42.2	\$45.4	\$15.0	\$16.3	\$17.2	\$17.5	\$66.0
Ending Assets²	\$2,143.4	\$2,360.5	\$2,382.4	\$2,475.9	\$2,460.5	\$2,447.6	\$2,427.1	\$2,426.5	\$2,426.5

1: Contributions, Withdrawals and Investment Transfers

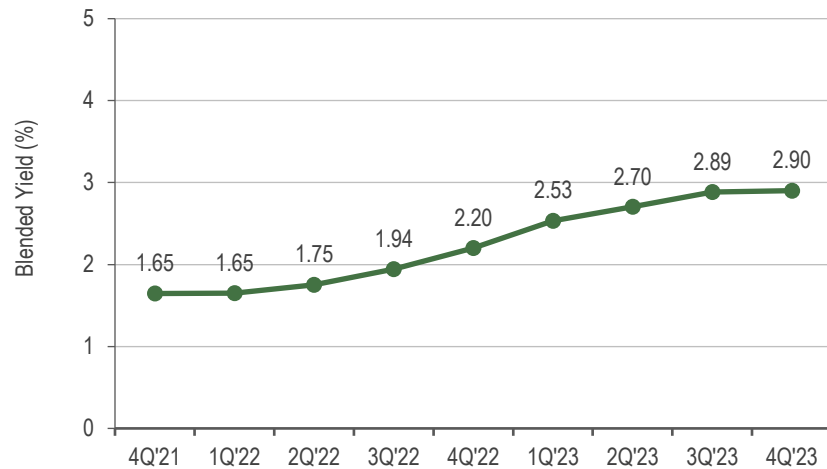
2: Cashflows may not net to final assets due to rounding.

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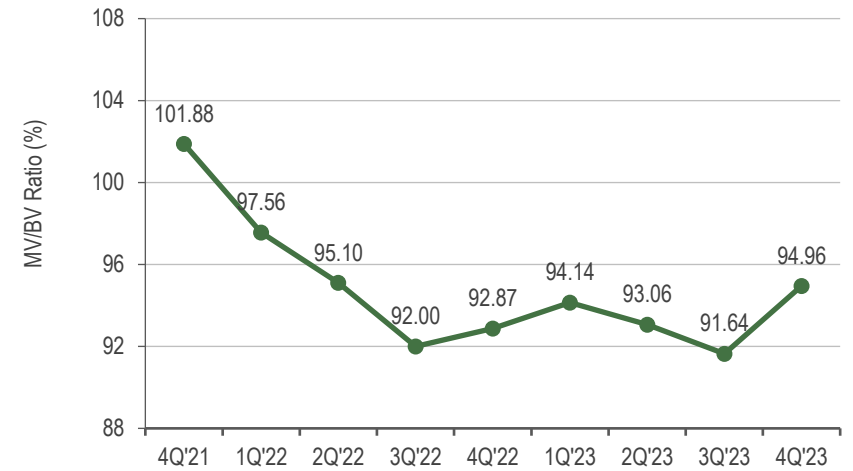
STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

HISTORICAL STATS

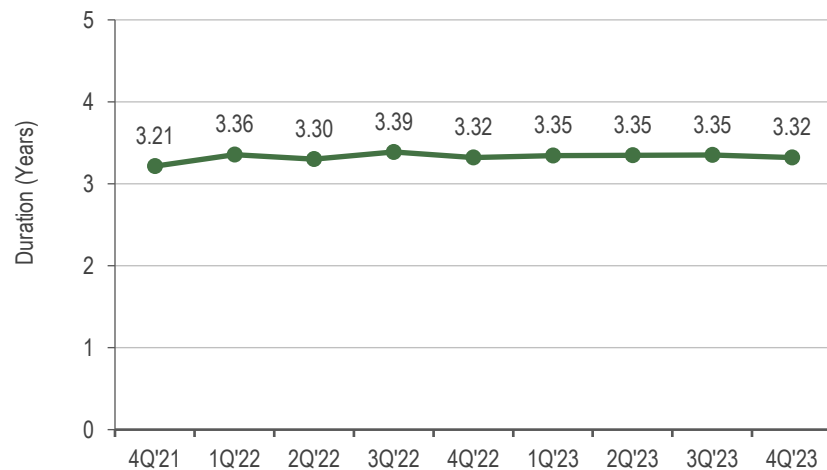
HISTORICAL BLENDED YIELD¹



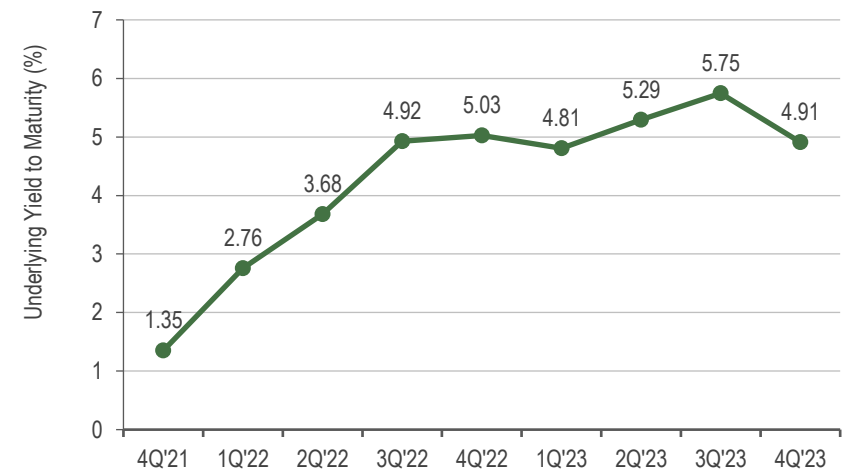
HISTORICAL MARKET VALUE TO BOOK VALUE RATIO



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 9/30/23	% Portfolio 12/31/23	Rating 9/30/23	Rating 12/31/23	Wrap fees (bps) 9/30/23	Wrap fees (bps) 12/31/23
American General Life Ins. Co.	SBIC	19.7	19.5	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	20.4	A+	A+	15	15
Prudential Ins. Co. of America	SBIC	24.8	24.7	AA-	AA-	15	15
Transamerica Life Ins. Co.	SBIC	23.2	23.0	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)		-1,529,441	-1,529,441	100.0	-0.1	5.59	5.59	0.10	AAA	
01988T803	Short-Term Investment Fund II		51,801,243	51,801,243	100.0	2.1	5.59	5.59	0.10	AAA	
TOTAL LIQUIDITY BUFFER			50,271,802	50,271,802	100.0	2.1	5.59	5.59	0.10	AAA	
SHORT PORTFOLIO											
946996EE1	American General Life Ins. Co.	Galliard	166,737,619	158,147,539	94.8	6.9	2.96	5.15	1.85	A+	15.0
589899J61	Metropolitan Tower Life Ins. Co.	Galliard	89,033,922	83,424,568	93.7	3.7	2.56	5.15	1.85	AA-	15.0
896994GW4	Nationwide Life Ins. Co.	Galliard	173,649,355	164,331,018	94.6	7.2	2.90	5.15	1.85	A+	15.0
744999CV3	Prudential Ins. Co. of America	Galliard	210,422,596	200,685,667	95.4	8.7	3.16	5.15	1.85	AA-	15.0
600996QF2	Transamerica Life Ins. Co.	Galliard	196,481,846	186,644,350	95.0	8.1	3.01	5.15	1.85	A+	15.0
TOTAL SHORT PORTFOLIO			836,325,338	793,233,142	94.8	34.5	2.97	5.15	1.85	A+	
INTERMEDIATE PORTFOLIO											
946996EE1	American General Life Ins. Co.	Galliard	69,494,797	65,914,526	94.8	2.9	2.96	4.98	4.28	A+	15.0
946996EE1	American General Life Ins. Co.	Jennison Assoc.	46,988,532	44,567,751	94.8	1.9	2.96	4.49	3.81	A+	15.0
946996EE1	American General Life Ins. Co.	Payden & Rygel	46,746,806	44,338,479	94.8	1.9	2.96	4.73	4.41	A+	15.0
946996EE1	American General Life Ins. Co.	Dodge & Cox	49,953,830	47,380,281	94.8	2.1	2.96	5.00	4.30	A+	15.0
946996EE1	American General Life Ins. Co.	PGIM	47,366,771	44,926,504	94.8	2.0	2.96	4.84	4.43	A+	15.0
946996EE1	American General Life Ins. Co.	TCW	46,844,165	44,430,821	94.8	1.9	2.96	4.37	4.10	A+	15.0
589899J61	Metropolitan Tower Life Ins. Co.	TCW	25,016,620	23,440,512	93.7	1.0	2.56	4.37	4.10	AA-	15.0
589899J61	Metropolitan Tower Life Ins. Co.	Dodge & Cox	24,655,080	23,101,750	93.7	1.0	2.56	5.00	4.30	AA-	15.0
589899J61	Metropolitan Tower Life Ins. Co.	Galliard	36,906,959	34,581,731	93.7	1.5	2.56	4.98	4.28	AA-	15.0
589899J61	Metropolitan Tower Life Ins. Co.	Jennison Assoc.	25,092,177	23,511,309	93.7	1.0	2.56	4.49	3.81	AA-	15.0

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

FOR INSTITUTIONAL INVESTOR USE ONLY.

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	24,959,727	23,387,204	93.7	1.0	2.56	4.73	4.41	AA-	15.0
589899J61	Metropolitan Tower Life Ins. Co.	PGIM	25,503,640	23,896,849	93.7	1.1	2.56	4.84	4.43	AA-	15.0
896994GW4	Nationwide Life Ins. Co.	Dodge & Cox	52,029,614	49,237,612	94.6	2.1	2.90	5.00	4.30	A+	15.0
896994GW4	Nationwide Life Ins. Co.	PGIM	50,136,087	47,445,695	94.6	2.1	2.90	4.84	4.43	A+	15.0
896994GW4	Nationwide Life Ins. Co.	TCW	48,790,633	46,172,439	94.6	2.0	2.90	4.37	4.10	A+	15.0
896994GW4	Nationwide Life Ins. Co.	Galliard	71,580,987	67,739,822	94.6	3.0	2.90	4.98	4.28	A+	15.0
896994GW4	Nationwide Life Ins. Co.	Jennison Assoc.	48,945,127	46,318,643	94.6	2.0	2.90	4.49	3.81	A+	15.0
896994GW4	Nationwide Life Ins. Co.	Payden & Rygel	48,674,554	46,062,589	94.6	2.0	2.90	4.73	4.41	A+	15.0
744999CV3	Prudential Ins. Co. of America	Dodge & Cox	63,051,405	60,133,814	95.4	2.6	3.16	5.00	4.30	AA-	15.0
744999CV3	Prudential Ins. Co. of America	TCW	59,103,140	56,368,248	95.4	2.4	3.16	4.37	4.10	AA-	15.0
744999CV3	Prudential Ins. Co. of America	Galliard	87,298,284	83,258,712	95.4	3.6	3.16	4.98	4.28	AA-	15.0
744999CV3	Prudential Ins. Co. of America	Jennison Assoc.	59,319,623	56,574,713	95.4	2.4	3.16	4.49	3.81	AA-	15.0
744999CV3	Prudential Ins. Co. of America	Payden & Rygel	58,982,593	56,253,279	95.4	2.4	3.16	4.73	4.41	AA-	15.0
744999CV3	Prudential Ins. Co. of America	PGIM	60,204,239	57,418,396	95.4	2.5	3.16	4.84	4.43	AA-	15.0
600996QF2	Transamerica Life Ins. Co.	Jennison Assoc.	55,381,053	52,608,222	95.0	2.3	3.01	4.49	3.81	A+	15.0
600996QF2	Transamerica Life Ins. Co.	Payden & Rygel	55,080,156	52,322,391	95.0	2.3	3.01	4.73	4.41	A+	15.0
600996QF2	Transamerica Life Ins. Co.	TCW	55,212,781	52,448,375	95.0	2.3	3.01	4.37	4.10	A+	15.0
600996QF2	Transamerica Life Ins. Co.	Dodge & Cox	58,868,071	55,920,652	95.0	2.4	3.01	5.00	4.30	A+	15.0
600996QF2	Transamerica Life Ins. Co.	Galliard	81,404,449	77,328,673	95.0	3.4	3.01	4.98	4.28	A+	15.0
600996QF2	Transamerica Life Ins. Co.	PGIM	56,306,535	53,487,367	95.0	2.3	3.01	4.84	4.43	A+	15.0
TOTAL INTERMEDIATE PORTFOLIO			1,539,898,436	1,460,577,361	94.8	63.5	2.97	4.75	4.23	A+	
TOTAL PORTFOLIO			2,426,495,577	2,304,082,305	95.0	100.0	3.02	4.91	3.32	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 9/30/23	Expense Ratio 12/31/23
Investment Management Fees paid to Galliard	0.054%	0.054%
Investment Management fees paid to Non-Affiliated Investment Advisors	0.057%	0.056%
Investment Contract Fees ¹	0.148%	0.147%
Acquired Fund Fees ²	0.001%	0.002%
-Investment Contract Fees	None	None
-Other Acquired Fund Fees and Non-Affiliated Investment Management Fees paid to Non-Affiliated Investment Advisors ³	0.001%	0.002%
12b-1 Distribution Fee	None	None
Other Expenses	0.012%	0.012%
Total Annual Fund Operating Expenses ⁴	0.271%	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.

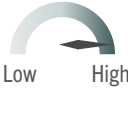

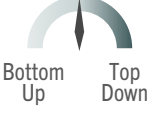
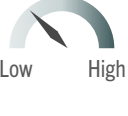
3: Includes audit fees for the cost of producing a report by a qualified auditor.

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

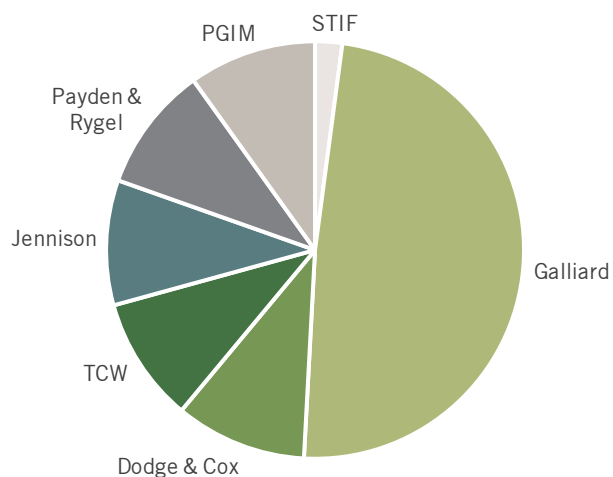
STATE OF NORTH CAROLINA STABLE VALUE FUND

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

STATE OF NORTH CAROLINA STABLE VALUE FUND

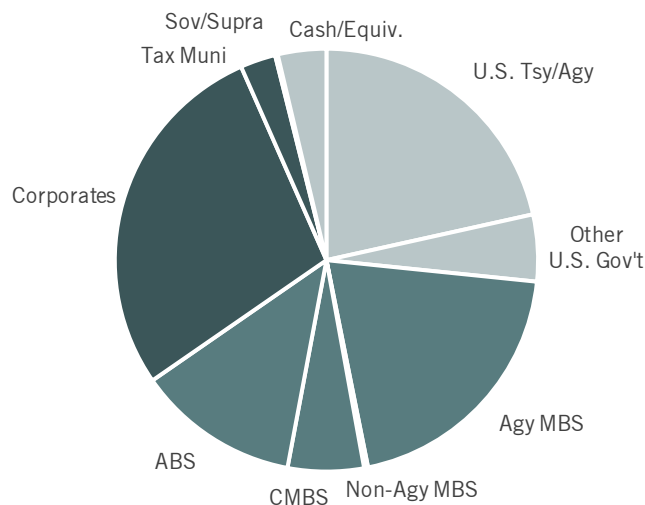
PORTFOLIO AS OF 12/31/23

MANAGER ALLOCATION



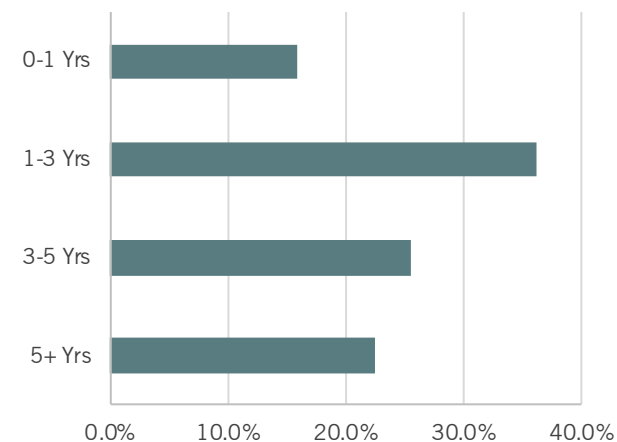
STIF	2.1%
Galliard	48.8%
Dodge & Cox	10.2%
TCW	9.7%
Jennison	9.7%
Payden & Rygel	9.7%
PGIM	9.9%
TOTAL EXT. MANAGER	49.2%
TOTAL PORTFOLIO	100%

UNDERLYING FIXED INCOME SECTOR ALLOCATION



U.S. Tsy/Agy	21.5%
Other U.S. Gov't	5.1%
Agy MBS	20.2%
Non-Agy MBS	0.3%
CMBS	5.8%
ABS	12.4%
Corporates	28.0%
Tax Muni	2.7%
Sov/Supra	0.2%
Cash/Equiv.	3.7%

UNDERLYING DURATION DISTRIBUTION



0-1 Yrs	15.8%
1-3 Yrs	36.3%
3-5 Yrs	25.5%
5+ Yrs	22.5%

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MARKET VALUE PERFORMANCE SUMMARY AS OF 12/31/2023¹

	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception	Inception Date
SHORT DURATION							
Galliard (before fees)	3.00	5.52	0.45	2.02	-	2.10	6/1/2018
Bloomberg U.S. 1-3 Yr. Government/Credit	2.69	4.61	0.09	1.51	-	1.63	
Value Added (before fees)²	0.30	0.90	0.36	0.50	-	0.47	
INTERMEDIATE DURATION							
Dodge & Cox (before fees)	5.79	6.49	(1.39)	2.04	-	1.87	3/1/2015
Dodge & Cox (after fees)	5.76	6.38	(1.49)	1.94	-	1.77	
Bloomberg U.S. Intermediate Aggregate	5.50	5.18	(2.06)	1.14	-	1.27	
Value Added (before fees)²	0.29	1.31	0.67	0.90	-	0.60	
Galliard (before fees)	5.65	5.76	(1.69)	1.65	-	1.82	6/1/2018
Bloomberg U.S. Intermediate Aggregate	5.50	5.18	(2.06)	1.14	-	1.36	
Value Added (before fees)²	0.15	0.58	0.37	0.51	-	0.46	
Jennison (before fees)	4.77	5.59	(1.53)	1.99	2.15	2.09	10/1/2013³
Jennison (after fees)	4.75	5.49	(1.63)	1.89	2.04	1.98	
Bloomberg U.S. Intermediate Govt/Credit	4.56	5.24	(1.63)	1.59	1.72	1.68	
Value Added (before fees)²	0.21	0.35	0.10	0.40	0.43	0.41	
Payden & Rygel (before fees)	5.72	5.85	(1.62)	1.63	1.46	1.83	7/1/2009
Payden & Rygel (after fees)	5.68	5.70	(1.75)	1.49	1.32	1.69	
Bloomberg U.S. Intermediate Aggregate ⁴	5.50	5.18	(2.06)	1.14	1.12	1.33	
Value Added (before fees)²	0.22	0.66	0.44	0.49	0.34	0.50	
PGIM (before fees)	5.78	5.78	(1.81)	1.57	-	1.70	2/1/2016
PGIM (after fees)	5.75	5.64	(1.94)	1.43	-	1.57	
Bloomberg U.S. Intermediate Aggregate	5.50	5.18	(2.06)	1.14	-	1.21	
Value Added (before fees)²	0.28	0.60	0.25	0.43	-	0.49	
TCW (before fees)	4.89	5.46	(1.55)	1.87	-	2.07	6/1/2018
TCW (after fees)	4.86	5.36	(1.65)	1.78	-	1.98	
Bloomberg U.S. Intermediate Govt/Credit	4.56	5.24	(1.63)	1.59	-	1.75	
Value Added (before fees)²	0.33	0.22	0.08	0.28	-	0.33	

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.

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PERFORMANCE COMMENTARY – EXCESS RETURN

GALLIARD SHORT +30 Q4 2023

- A general overweight to the spread sectors drove positive performance, with an allocation to ABS proving particularly beneficial
- Security selection within financial and industrial corporate issues was also additive
- Yield curve positioning detracted

DODGE & COX +29 Q4 2023

- The portfolio's overweight to spread product contributed positively over the quarter
- The overweight to Corporates and security selection in the sector contributed positively to performance
- Duration positioning, slightly underweight the benchmark, hurt relative performance

GALLIARD INTERMEDIATE +15 Q4 2023

- A general overweight to the spread sectors was the primary driver of outperformance
- Security selection in corporates and Agency RMBS detracted
- Yield curve positioning also hurt returns

JENNISON +21 Q4 2023

- The overweight to Corporates contributed positively to relative performance while security selection in the space, focused on higher quality issuers, detracted
- Active rotation within Agency Mortgages benefited performance
- Duration and yield curve positioning benefited performance

PAYDEN & RYGEL +22 Q4 2023

- The portfolio's overweight to Corporates contributed positively while security selection within the sector detracted
- The overweight allocation to Agency Mortgages and positioning within higher-coupon structures benefited relative performance
- Duration and yield curve positioning hurt relative performance

PGIM +28 Q4 2023

- The overweight to Corporates contributed positive to relative performance
- The portfolio's allocations to CMBS and Agency MBS along with security selection in the sectors also added to relative performance

TCW +33 Q4 2023

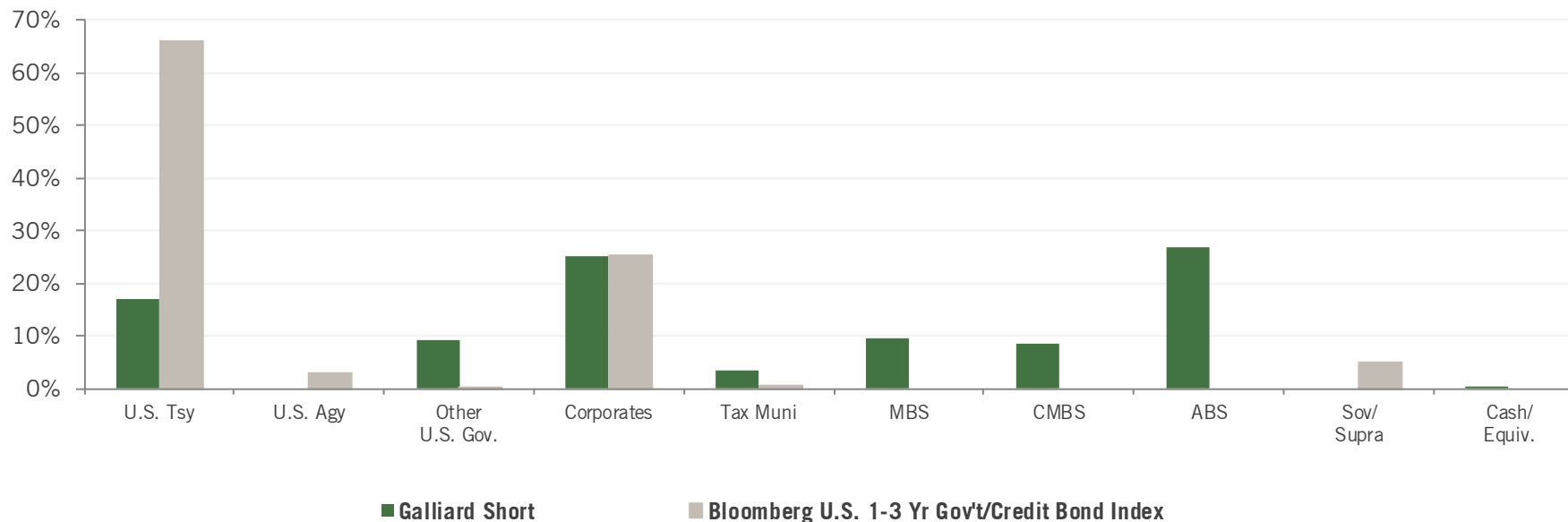
- Long benchmark-relative duration positioning was the primary driver of outperformance in the fourth quarter
- The out-of-benchmark allocation to Agency Mortgages and to a lesser extent CMBS contributed positively to performance
- The underweight to Corporates and security selection, favoring more defensive names, detracted from relative performance

Before fees.

STATE OF NORTH CAROLINA STABLE VALUE FUND

SHORT DURATION PORTFOLIO AS OF 12/31/23

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	1.85 Yrs	1.77 Yrs
Yield to Maturity	5.15%	4.55%

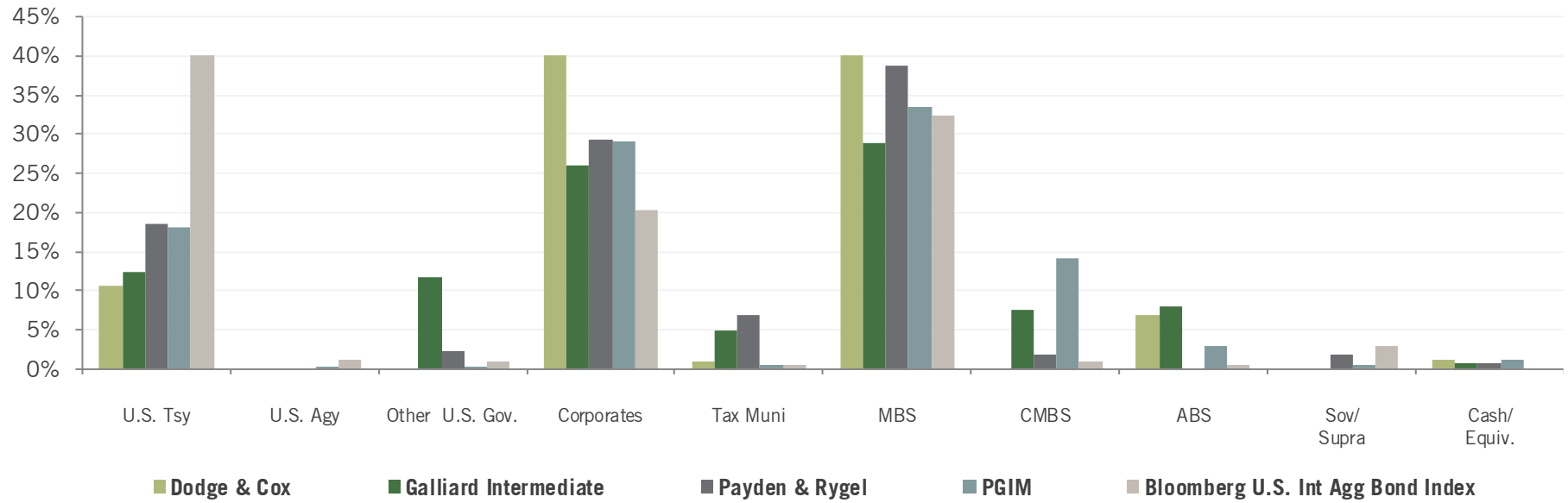
1: The Weighted Average Quality of the portfolio has NOT been assessed by a nationally recognized statistical rating organization. The Weighted Average Quality shown represents an average quality of the individual holdings' Composite Ratings, as rated by S&P, Moody's and Fitch.

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INTERMEDIATE DURATION PORTFOLIOS AS OF 12/31/23

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	4.30 Yrs	4.28 Yrs	4.41 Yrs	4.43 Yrs	4.45 Yrs
Yield to Maturity	5.00%	4.98%	4.73%	4.84%	4.50%

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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INTERMEDIATE DURATION PORTFOLIOS AS OF 12/31/23

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	3.81 Yrs	4.10 Yrs	3.74 Yrs
Yield to Maturity	4.49%	4.37%	4.38%

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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