

State of North Carolina

MAY 26, 2022

STATE OF NORTH CAROLINA

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SECTION I

GALLIARD CAPITAL MANAGEMENT

A NEW CHAPTER BEGINS



INTRODUCING ALLSPRING GLOBAL INVESTMENTS

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



GALLIARD CAPITAL MANAGEMENT CONTINUES AS A SEPARATE LEGAL ENTITY

- Galliard brand, investment team and philosophy and process, executive management, and client servicing continues as before.
- Existing compensation and incentive plans also remain in place at Galliard.
- Galliard emails remain the same, but phone numbers have changed.
- Galliard operations teams receive a direct line reporting relationship to their counterparts at Allspring in order to augment resources.
- Reopening of the Minneapolis office is scheduled for May 2, 2022.

GALLIARD CAPITAL MANAGEMENT

WHO WE ARE

\$91.7 B

TOTAL AUM

\$74.7 B

TOTAL STABLE VALUE AUM

75+

STABLE VALUE SEPARATE ACCOUNTS

103

EMPLOYEES ON STAFF¹

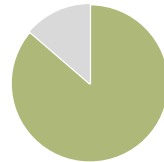
¹22 of which are Galliard-dedicated deferred professionals

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

205+

INSTITUTIONAL CLIENTS

CLIENT RELATIONSHIP TENURE



~88% of our clients have worked with Galliard for greater than **5 years**

57 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; **54** Fortune 500 clients²

²2021 Fortune 500 edition, data as of December 31, 2020

25 YEARS

OF EXCLUSIVE FOCUS ON

FIXED INCOME & STABLE VALUE

Senior Professionals
Average Years of Experience:

Stable value strategy and contract – **22**
Stable value and contract – **23**
Fixed income portfolio management – **21**

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

³Pensions & Investments May 31, 2021 edition, data as of December 31, 2020; Total assets 'ranked' are managed by Galliard and reported under WFAM

SECTION II

STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

PORTFOLIO CHARACTERISTICS

STATE OF NORTH CAROLINA STABLE VALUE FUND

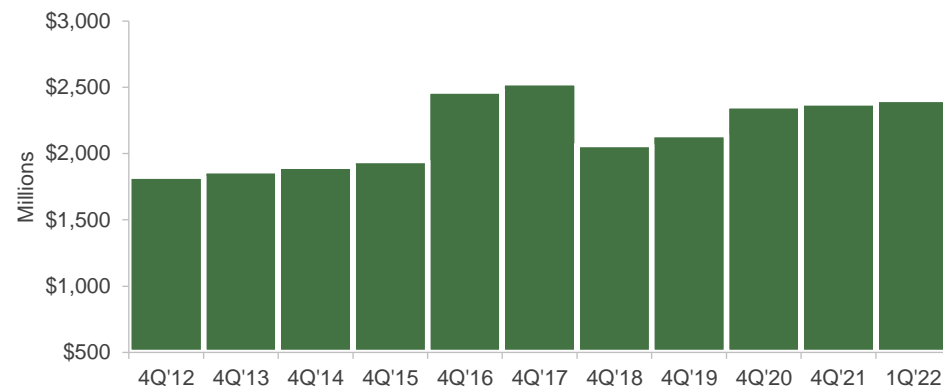
ACCOUNT SUMMARY

Benchmark	ICE BofAML US 3-Month Tsy Bill Index+150 bps, 3 Year Constant Maturity Treasury
Galliard Inception Date	December 1, 2010
Net Asset Value	\$2,408,674,804

PORTFOLIO CHARACTERISTICS

	Portfolio 12/31/21	Portfolio 3/31/22
Average Quality - Book Value¹	A+	A+
Average Quality - Market Value²	AA	AA
Number of Contract Issuers	5	5
Blended Yield (after all fees)³	1.65%	1.65%
Yield to Maturity	1.35%	2.76%
Effective Duration	3.21 years	3.36 years
Market/Book Value Ratio	101.88%	97.56%

HISTORICAL FUND ASSETS



PORTFOLIO DISTRIBUTION

	% Portfolio 12/31/21	% Portfolio 3/31/22
Liquidity Buffer: Cash & Equivalents⁴	1.7	2.4
Short Portfolio	33.1	33.3
Intermediate Portfolio	65.2	64.3
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.

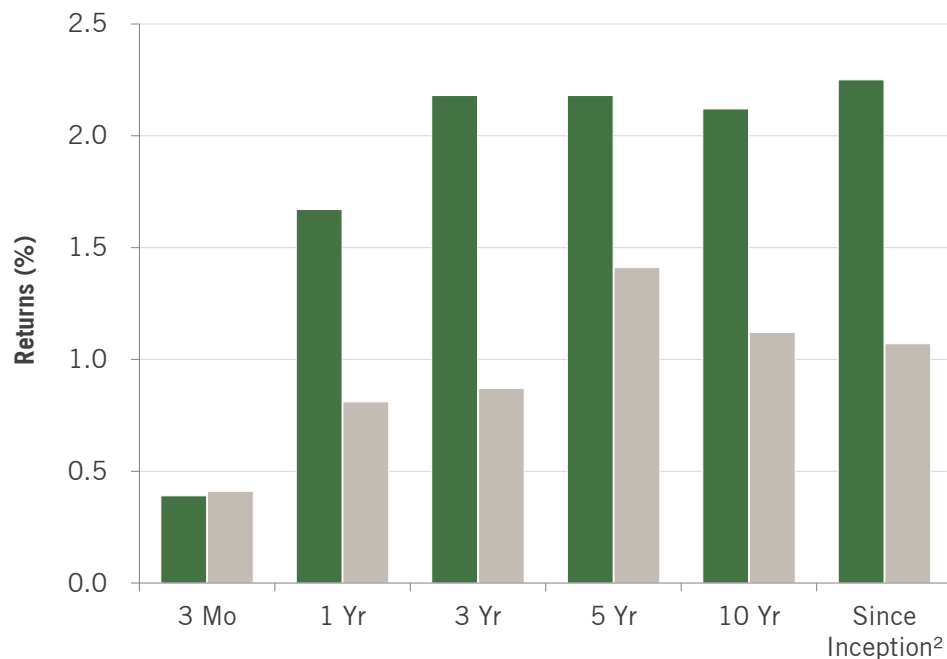
4: Includes Receivables and Payables.

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 3/31/22¹



	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	0.39	1.67	2.18	2.18	2.12	2.25
■ 3 Year Constant Maturity Treasury Yield	0.41	0.81	0.87	1.41	1.12	1.07
■ ICE BofA U.S. 3-Month Treasury Bill Index + 150 bps	0.41	1.57	2.33	2.66	2.15	2.09
Value Added (net of all fees - NAV level)⁴	(0.02)	0.86	1.31	0.77	1.00	1.18

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 managers fees, Wells Fargo collective fund administrative fees, and plan administrative reimbursement

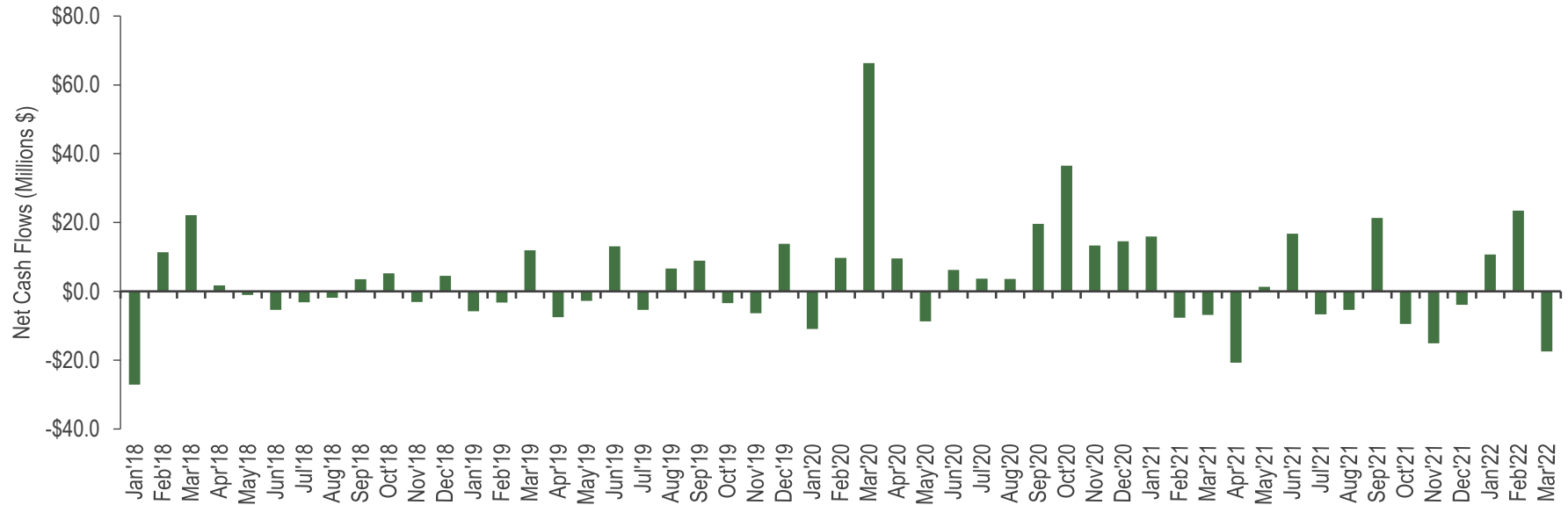
3: Galliard assumed management of this portfolio on December 1, 2010. Performance for periods referenced prior to this date include historical performance of another investment advisor.

4: May not add due to rounding.

STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

HISTORICAL CASHFLOWS

HISTORICAL CASHFLOWS



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

1: Contributions, Withdrawals and Investment Transfers

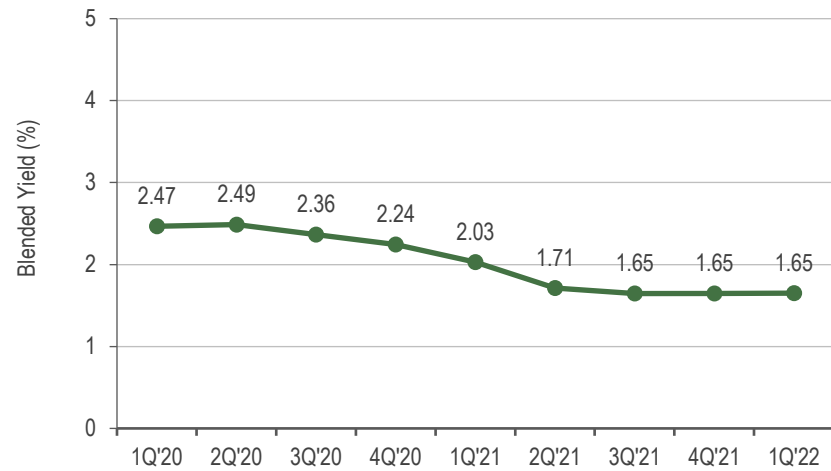
2: Cashflows may not net to final assets due to rounding.

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

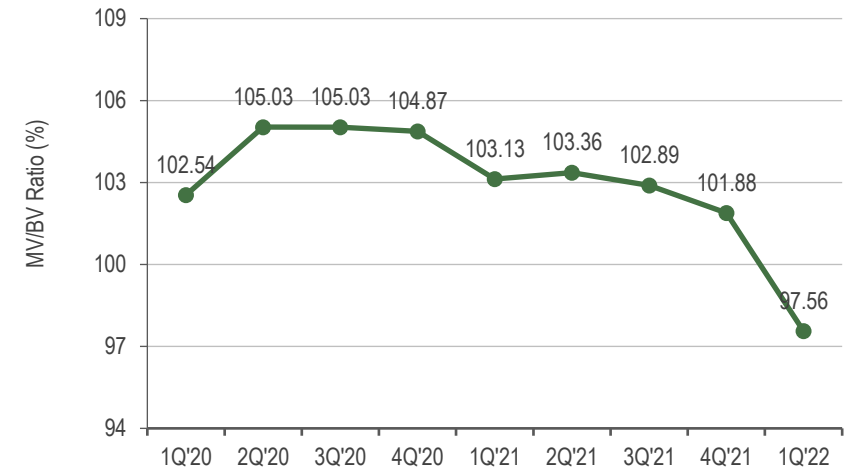
STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

HISTORICAL STATS

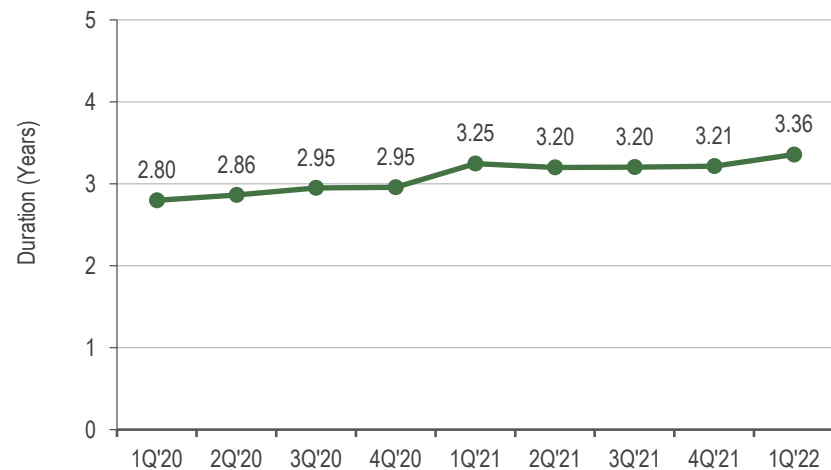
HISTORICAL BLENDED YIELD¹



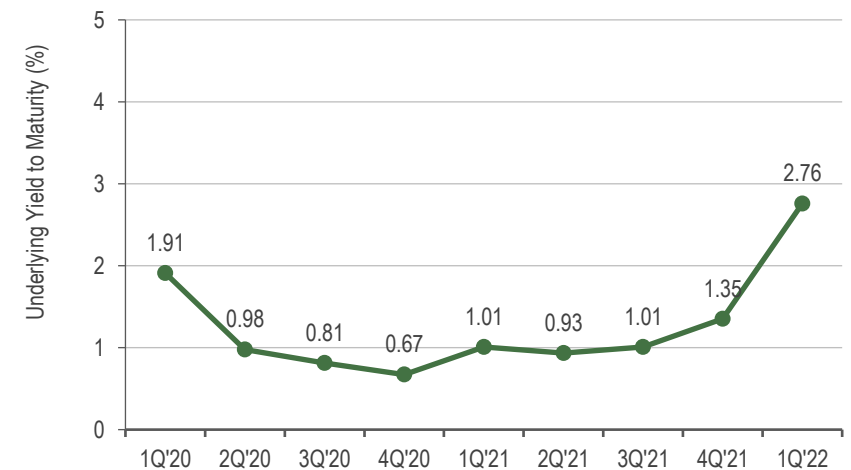
HISTORICAL MARKET VALUE TO BOOK VALUE RATIO



HISTORICAL DURATION



HISTORICAL UNDERLYING YIELD TO MATURITY



1: Blended Yield is net of all fees, including book value contract fees, Galliard investment management fees, and, if applicable, external manager fees, collective fund administrative fees, and plan administrative reimbursement.

STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

CONTRACT ISSUERS

CONTRACT ISSUER DISTRIBUTION & RATING SUMMARY¹

	Contract Type ²	% Portfolio 12/31/21	% Portfolio 3/31/22	Rating 12/31/21	Rating 3/31/22	Wrap fees (bps) 12/31/21	Wrap fees (bps) 3/31/22
American General Life Ins. Co.	SBIC	19.6	19.5	A+	A+	15	15
Metropolitan Life Ins. Co.	SAGIC	10.4	10.4	AA-	AA-	17	17
Nationwide Life Ins. Co.	SBIC	20.5	20.3	A+	A+	15	15
Prudential Ins. Co. of America	SBIC	24.6	24.5	AA-	AA-	15	15
Transamerica Life Ins. Co.	SBIC	23.1	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

STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW

CONTRACT ISSUER CREDIT REVIEW PROCESS

OVERSIGHT

Galliard Credit Working Group

- **MEMBERSHIP**: includes all analysts and traders from both the Credit Sector Team and Structured Sector Team
- Reports contract issuer credit oversight to Galliard's Stable Value Strategy Committee

CREDIT REVIEW PROCESS

Approved Issuer List

- The Credit Working Group maintains an approved list of contract issuers on an ongoing basis
- All contracts used in stable value accounts must be written by an approved issuer

Credit Working Group Review, Approval & Monitoring

- Meets monthly to review issuer credit quality and firm-wide exposure to approved contract issuers
- Oversees analysts' due diligence and formal credit reviews for each issuer
- Fundamental analysis of issuers includes:
 - Financial statements and ratios
 - Business model and product mix
 - Industry, economic, and regulatory environment
 - Regulatory ratios
 - Ratings agency analysis
 - Other third party research services (e.g. ALIRT, SNL)
 - Periodic due diligence calls and/or on-site visits

STATE OF NORTH CAROLINA STABLE VALUE PORTFOLIO REVIEW HOLDINGS

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)			-1,341,555	-1,341,555	100.0	-0.1	0.32	0.32	0.10	AAA	
9983008\$P	Short-Term Investment Fund A S*			58,044,872	58,044,872	100.0	2.4	0.32	0.32	0.10	AAA	
TOTAL LIQUIDITY BUFFER				56,703,317	56,703,317	100.0	2.4	0.32	0.32	0.10	AAA	
SHORT PORTFOLIO												
946996EE1	American General Life Ins. Co.	SBIC	Galliard	179,098,663	174,287,905	97.3	7.4	1.71	2.59	1.89	A+	15.0
896994GW4	Nationwide Life Ins. Co.	SBIC	Galliard	186,500,029	180,892,951	97.0	7.7	1.53	2.59	1.89	A+	15.0
744999CV3	Prudential Ins. Co. of America	SBIC	Galliard	225,998,491	222,094,918	98.3	9.4	2.01	2.59	1.89	AA-	15.0
600996QF2	Transamerica Life Ins. Co.	SBIC	Galliard	211,175,228	206,063,398	97.6	8.8	1.78	2.59	1.89	A+	15.0
TOTAL SHORT PORTFOLIO				802,772,411	783,339,171	97.6	33.3	1.77	2.59	1.89	A+	

*Effective April 1, 2022, this fund's name has changed to Short Term Investment Fund A S. SEI Trust Company has also accepted appointment as the duly appointed successor trustee to Wells Fargo Bank, N.A. As of 3/31/22, the date of the information included in this document, Wells Fargo Bank, N.A. was still acting in its capacity as trustee of Short Term Investment Fund A S.

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	249,301,288	241,465,077	96.9	10.4	2.05	3.01	4.09	AA-	17.0
946996EE1	American General Life Ins. Co.	SBIC	Galliard	26,376,181	25,667,693	97.3	1.1	1.71	2.99	4.24	A+	15.0
946996EE1	American General Life Ins. Co.	SBIC	PGIM	106,685,127	103,819,465	97.3	4.4	1.71	3.03	4.62	A+	15.0
946996EE1	American General Life Ins. Co.	SBIC	TCW	52,857,834	51,438,023	97.3	2.2	1.71	2.98	3.95	A+	15.0
946996EE1	American General Life Ins. Co.	SBIC	Payden & Rygel	51,401,853	50,021,152	97.3	2.1	1.71	2.82	4.48	A+	15.0
946996EE1	American General Life Ins. Co.	SBIC	Jennison Assoc.	53,276,489	51,845,432	97.3	2.2	1.71	2.76	4.05	A+	15.0
896994GW4	Nationwide Life Ins. Co.	SBIC	Payden & Rygel	54,693,330	53,048,988	97.0	2.3	1.53	2.82	4.48	A+	15.0
896994GW4	Nationwide Life Ins. Co.	SBIC	TCW	54,755,148	53,108,948	97.0	2.3	1.53	2.98	3.95	A+	15.0
896994GW4	Nationwide Life Ins. Co.	SBIC	Jennison Assoc.	54,354,280	52,720,132	97.0	2.3	1.53	2.76	4.05	A+	15.0
896994GW4	Nationwide Life Ins. Co.	SBIC	Galliard	139,502,717	135,308,601	97.0	5.8	1.53	2.99	4.24	A+	15.0
744999CV3	Prudential Ins. Co. of America	SBIC	Payden & Rygel	66,806,932	65,653,005	98.3	2.8	2.01	2.82	4.48	AA-	15.0
744999CV3	Prudential Ins. Co. of America	SBIC	Galliard	89,973,741	88,419,664	98.3	3.7	2.01	2.99	4.24	AA-	15.0
744999CV3	Prudential Ins. Co. of America	SBIC	TCW	66,881,365	65,726,152	98.3	2.8	2.01	2.98	3.95	AA-	15.0
744999CV3	Prudential Ins. Co. of America	SBIC	Jennison Assoc.	65,165,155	64,039,585	98.3	2.7	2.01	2.76	4.05	AA-	15.0
744999CV3	Prudential Ins. Co. of America	SBIC	PGIM	75,441,764	74,138,691	98.3	3.1	2.01	3.03	4.62	AA-	15.0
600996QF2	Transamerica Life Ins. Co.	SBIC	PGIM	57,740,849	56,343,140	97.6	2.4	1.78	3.03	4.62	A+	15.0
600996QF2	Transamerica Life Ins. Co.	SBIC	Galliard	99,462,727	97,055,074	97.6	4.1	1.78	2.99	4.24	A+	15.0
600996QF2	Transamerica Life Ins. Co.	SBIC	Jennison Assoc.	61,483,831	59,995,518	97.6	2.6	1.78	2.76	4.05	A+	15.0
600996QF2	Transamerica Life Ins. Co.	SBIC	Payden & Rygel	62,134,618	60,630,551	97.6	2.6	1.78	2.82	4.48	A+	15.0
600996QF2	Transamerica Life Ins. Co.	SBIC	TCW	60,903,848	59,429,574	97.6	2.5	1.78	2.98	3.95	A+	15.0
TOTAL INTERMEDIATE PORTFOLIO				1,549,199,076	1,509,874,465	97.5	64.3	1.82	2.94	4.24	A+	
TOTAL PORTFOLIO				2,408,674,804	2,349,916,953	97.6	100.0	1.76	2.76	3.36	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 3/31/22	Per \$1000	Est. Annual Revenue
Investment Management Fees paid to Galliard	0.054%	\$0.54	\$1,293,036
Investment Management fees paid to Non-Affiliated Investment Advisors	0.056%	\$0.56	\$1,357,678
Investment Contract Fees ¹	0.149%	\$1.49	\$3,577,817
Acquired Fund Fees ²	0.002%	\$0.02	\$46,436
-Investment Contract Fees	None	None	None
-Other Acquired Fund Fees and Non-Affiliated Investment Management Fees paid to Non-Affiliated Investment Advisors ³	0.002%	\$0.02	\$46,436
12b-1 Distribution Fee	None	None	None
Other Expenses ⁴	0.014%	\$0.14	\$344,440
Total Annual Fund Operating Expenses⁵	0.275%	\$2.75	\$6,619,408

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

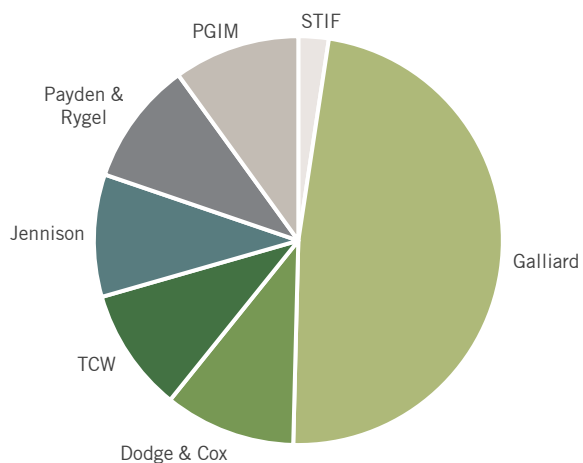
STATE OF NORTH CAROLINA STABLE VALUE FUND MANAGER STYLES

	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

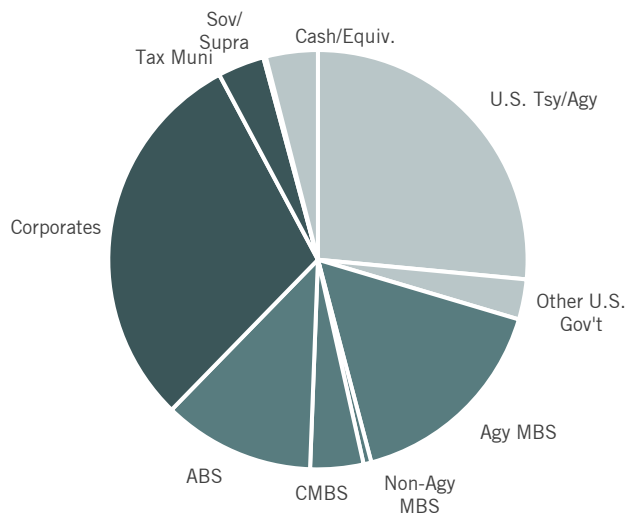
PORTFOLIO AS OF 3/31/22

MANAGER ALLOCATION



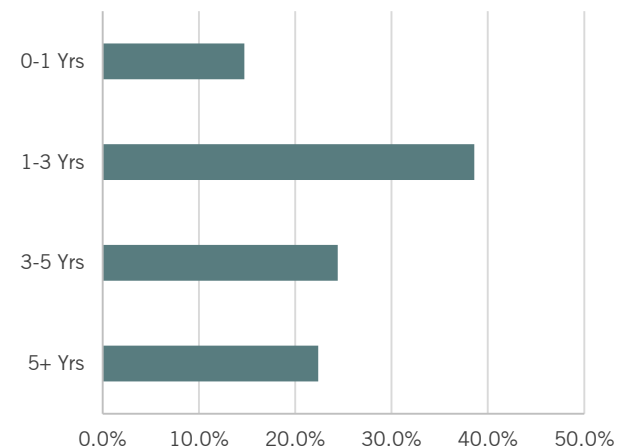
STIF	2.4%
Galliard	48.1%
Dodge & Cox	10.4%
TCW	9.8%
Jennison	9.7%
Payden & Rygel	9.8%
PGIM	10.0%
TOTAL EXT. MANAGER	49.7%
TOTAL PORTFOLIO	100%

UNDERLYING FIXED INCOME SECTOR ALLOCATION



U.S. Tsy/Agy	26.5%
Other U.S. Gov't	3.1%
Agy MBS	16.3%
Non-Agy MBS	0.6%
CMBS	4.1%
ABS	11.7%
Corporates	29.9%
Tax Muni	3.6%
Sov/Supra	0.2%
Cash/Equiv.	4.0%

UNDERLYING DURATION DISTRIBUTION



0-1 Yrs	14.7%
1-3 Yrs	38.6%
3-5 Yrs	24.4%
5+ Yrs	22.4%

STATE OF NORTH CAROLINA STABLE VALUE FUND
MARKET VALUE PERFORMANCE SUMMARY AS OF 3/31/22¹

	3 Month	1 Year	3 Year	5 Year	Since Inception	Inception Date
SHORT DURATION						
Galliard (before fees)	(2.50)	(2.67)	1.42	-	1.94	6/1/2018
Bloomberg U.S. 1-3 Yr. Government/Credit	(2.49)	(2.91)	1.02	-	1.51	
Value Added²	(0.01)	0.24	0.40	-	0.43	
INTERMEDIATE DURATION						
Dodge & Cox (before fees)	(4.84)	(4.34)	1.81	2.22	2.08	3/1/2015
Bloomberg U.S. Intermediate Aggregate	(4.69)	(4.38)	1.19	1.67	1.60	
Value Added²	(0.15)	0.04	0.62	0.55	0.48	
Galliard (before fees)	(4.67)	(4.12)	1.70	-	2.50	6/1/2018
Bloomberg U.S. Intermediate Aggregate	(4.69)	(4.38)	1.19	-	2.02	
Value Added²	0.02	0.26	0.51	-	0.48	
Jennison (before fees) ³	(4.46)	(4.19)	2.03	2.27	2.78	5/1/2018
Bloomberg U.S. Intermediate Govt/Credit	(4.51)	(4.10)	1.50	1.81	2.36	
Value Added²	0.05	(0.09)	0.53	0.46	0.42	
Payden & Rygel (before fees)	(4.47)	(4.04)	1.70	2.04	1.66	7/1/2009
Bloomberg U.S. Intermediate Aggregate ⁴	(4.69)	(4.38)	1.19	1.65	1.29	
Value Added²	0.22	0.34	0.51	0.39	0.37	
PGIM (before fees)	(4.82)	(4.33)	1.54	2.04	2.07	2/1/2016
Bloomberg U.S. Intermediate Aggregate	(4.69)	(4.38)	1.19	1.67	1.58	
Value Added²	(0.13)	0.05	0.35	0.37	0.49	
TCW (before fees)	(4.23)	(3.93)	2.05	-	2.82	6/1/2018
Bloomberg U.S. Intermediate Govt/Credit	(4.51)	(4.10)	1.50	-	2.25	
Value Added²	0.28	0.17	0.55	-	0.57	

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

2: May not add due to rounding.

3: Performance inception: May 1, 2018. Prior to May 1, 2018 returns are linked to Wells Fargo Fixed Income Fund N (Jennison)

4: Linked Benchmark: Bloomberg U.S. Intermediate Aggregate Bond Index. Prior to Jun 1, 2018 benchmark was Bloomberg U.S. 1-3 Year Government/Credit Bond Index.

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

GALLIARD SHORT -1 Q1 2022

- An overweight to the spread sectors detracted, as credit spreads widened over the quarter
- Curve positioning, with an overweight to intermediate maturities, added to performance as the curve continued to flatten
- A higher quality bias in corporate security selection proved beneficial

DODGE & COX -15 Q1 2022

- The portfolio's overweight to spread sectors detracted from performance
- The impact of security selection within Corporates and Agency Mortgages was also negative
- Shorter benchmark relative duration positioning contributed positively to performance

GALLIARD INTERMEDIATE +2 Q1 2022

- Curve positioning, with an overweight to intermediate maturities, added to performance as the curve continued to flatten over the quarter
- An underweight to Agency RMBS, along with a higher quality bias in corporate security selection, proved beneficial
- A general overweight to the spread sectors detracted, as credit spreads ended the period wider

JENNISON +5 Q1 2022

- The high quality bias within Corporate security selection added to relative performance
- The out-of-benchmark allocation to Agency Mortgages detracted from performance
- Yield curve positioning, favoring relative value trades, slightly benefited the portfolio

PAYDEN & RYGEL +22 Q1 2022

- The short benchmark relative duration positioning was the primary driver of outperformance
- While the overweight to Corporates detracted from performance, the underweight to Agency Mortgages was beneficial

PGIM -13 Q1 2022

- The overweight to Corporates detracted from relative performance
- The underweight to Agency Mortgages contributed positively to performance despite a slight negative impact from security selection in the space
- Although the overweight to CMBS hurt relative performance over the quarter, it was partially offset by the positive impact of security selection in the sector

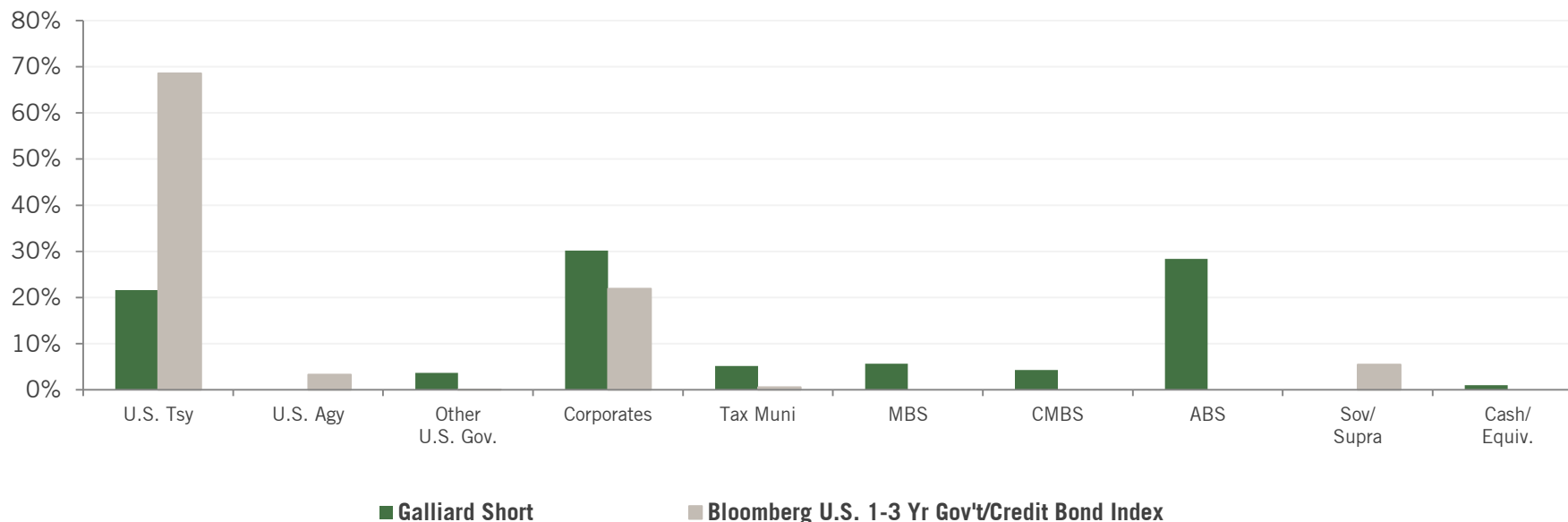
TCW +28 Q1 2022

- Although yield curve positioning had a negative impact on performance, short benchmark relative duration positioning was the primary driver of positive relative performance over the quarter
- The underweight to Corporates also added to relative performance
- The out-of-benchmark allocation to Agency Mortgages, CMBS, and ABS detracted from relative performance

Before fees.

STATE OF NORTH CAROLINA STABLE VALUE FUND SHORT DURATION PORTFOLIO AS OF 3/31/22

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

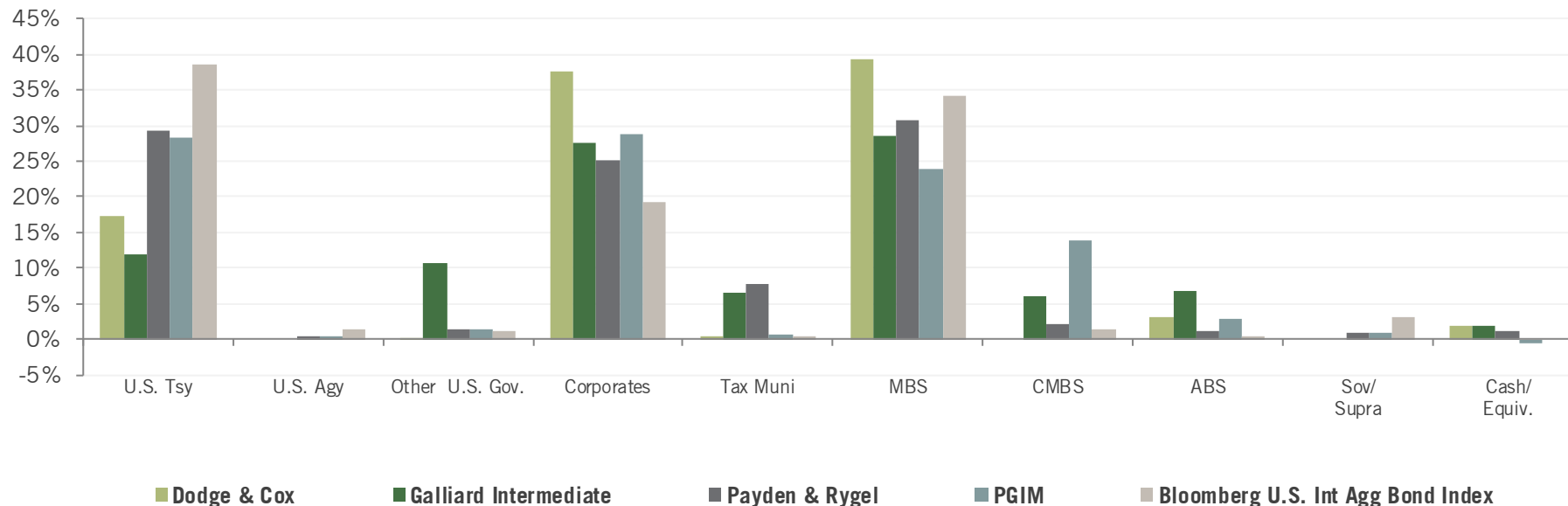


Characteristic	Galliard Short	Bloomberg U.S. 1-3 Yr Gov't/ Credit Bond Index
Weighted Average Quality ¹	AA	AA+
Effective Duration	1.89 Yrs	1.84 Yrs
Yield to Maturity	2.59%	2.39%

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 3/31/22

BLOOMBERG U.S. INTERMEDIATE AGGREGATE BOND INDEX

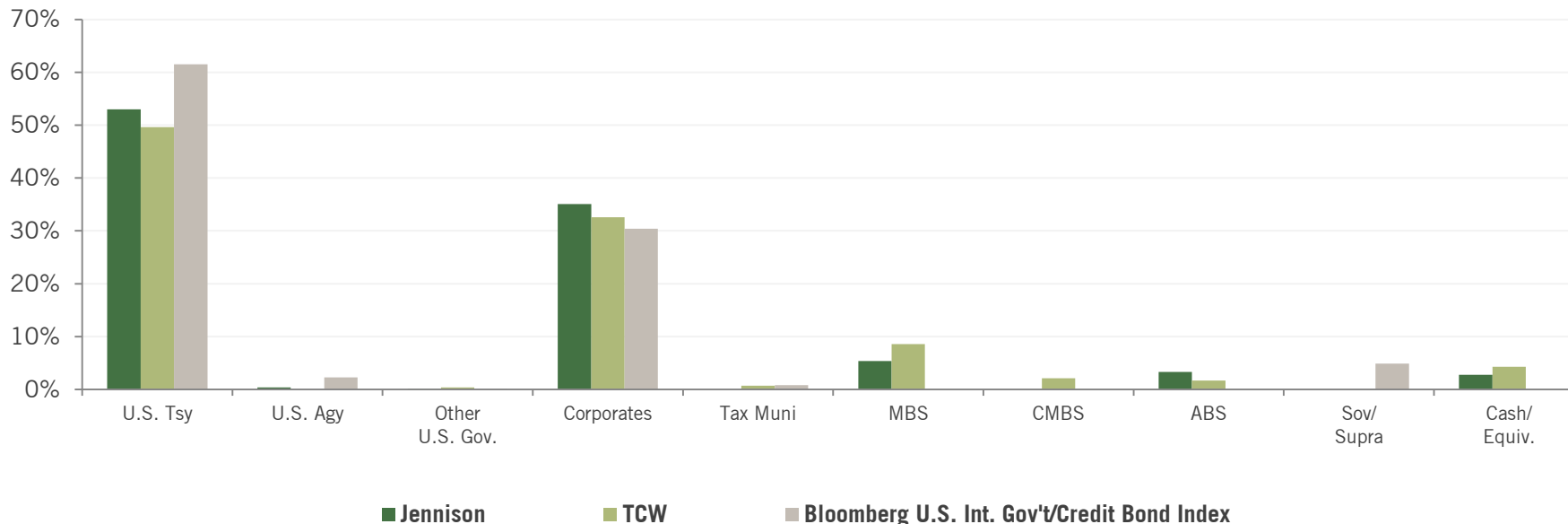


Characteristic	Dodge & Cox	Galliard Intermediate	Payden & Rygel	PGIM	Bloomberg U.S. Int Agg Bond Index
Weighted Average Quality ¹	AA-	AA	AA	AA-	AA+
Effective Duration	4.09 Yrs	4.24 Yrs	4.48 Yrs	4.62 Yrs	4.40 Yrs
Yield to Maturity	3.01%	2.99%	2.82%	3.03%	2.80%

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 3/31/22

BLOOMBERG U.S. INTERMEDIATE GOVERNMENT/CREDIT BOND INDEX



Characteristic	Jennison	TCW	Bloomberg U.S. Int Gov't/Credit Bond Index
Weighted Average Quality ¹	AA+	AA	AA
Effective Duration	4.05 Yrs	3.95 Yrs	3.98 Yrs
Yield to Maturity	2.76%	2.98%	2.68%

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.