

State of North Carolina

AUGUST 23, 2018

STATE OF NORTH CAROLINA

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SECTION I

GALLIARD CAPITAL MANAGEMENT

WHO WE ARE

\$90.4 B

TOTAL AUM

\$77.6 B

TOTAL STABLE VALUE AUM

115+

STABLE VALUE SEPARATE
ACCOUNTS

110

EMPLOYEES ON STAFF

SENIOR PROFESSIONALS AVERAGE
YEARS OF EXPERIENCE:

Stable value portfolio management team – **24**

Fixed income team – **20**

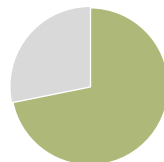
Contract management & negotiation team – **23**

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

230+

INSTITUTIONAL CLIENTS

CLIENT RELATIONSHIP TENURE



~75% of our clients have worked
with Galliard for greater than **5 years**

29 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

21 Fortune 100 clients; **57** Fortune 500 clients

GALLIARD

HIGHLIGHTS

Galliard is the **largest** stable value
separate account manager¹ and
advises the **largest** stable value
collective fund² in the nation

¹eVestment, Stable Value Fixed Income universe, as
of December 31, 2017, Galliard ranked highest
separate/segregated assets under management

²As ranked by the Hueler Analytics, Inc. © stable
value universe; January 2018 monthly fund data

Galliard has been a signatory to the United
Nations-supported **Principles for
Responsible Investment** since 2017

2018 NEW BUSINESS YTD

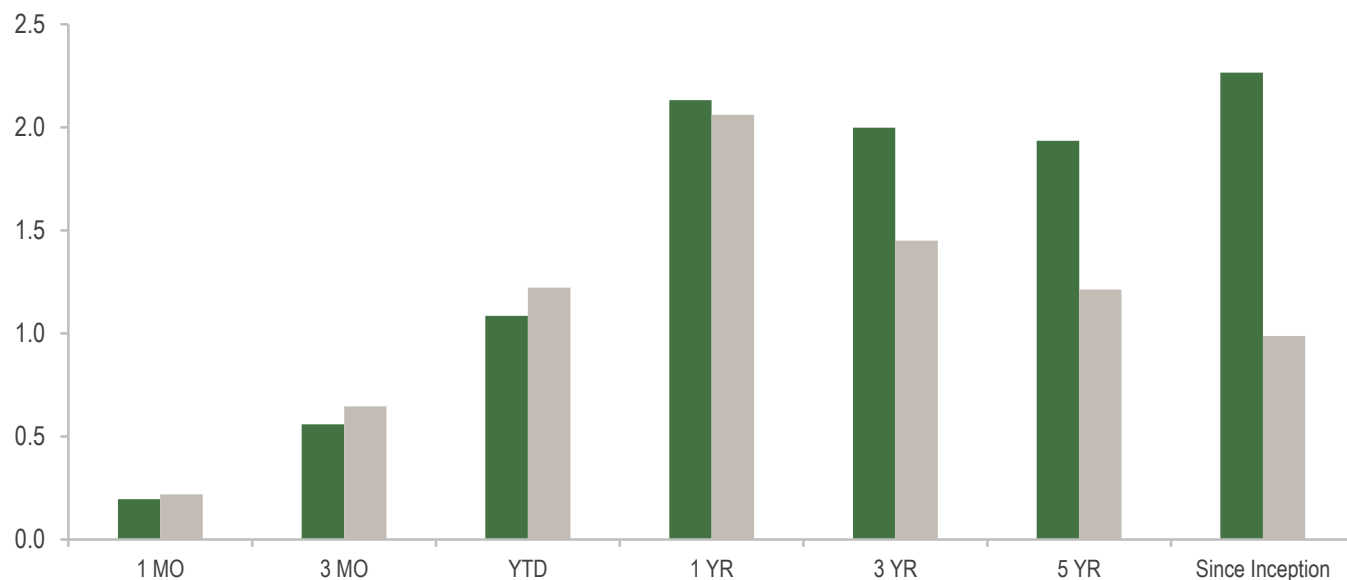
5 new clients; **\$1.4 B** new assets

SECTION II

STABLE VALUE PORTFOLIO REVIEW - STATE OF NORTH CAROLINA STABLE VALUE FUND

Second Quarter 2018

ANNUALIZED INVESTMENT PERFORMANCE AS OF 6/30/18¹



Book Value Performance	1 Mo.	3 Mo.	YTD	1 Yr.	3 Yr.	5 Yr.	Since Inception⁵
■ Portfolio (net of all fees - NAV level) ^{2,3}	0.20	0.56	1.09	2.13	2.00	1.94	2.27
3 Year Constant Maturity Treasury	0.22	0.65	1.22	2.06	1.45	1.21	0.99
Benchmark ⁴	0.29	0.83	1.57	2.89	2.20	1.94	1.83
Value Added (net of all fees - NAV level)⁶	(0.02)	(0.09)	(0.14)	0.07	0.55	0.72	1.28

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, 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: The BofA Merrill Lynch US 3-Month Treasury Bill Index+150 Basis Points

5: Galliard assumed management of this portfolio on Dec 01, 2010. Performance for periods referenced prior to this date include historical performance of another investment advisor.

6: May not add due to rounding.

STABLE VALUE PORTFOLIO REVIEW - STATE OF NORTH CAROLINA STABLE VALUE FUND

Second Quarter 2018

STATE OF NORTH CAROLINA STABLE VALUE FUND

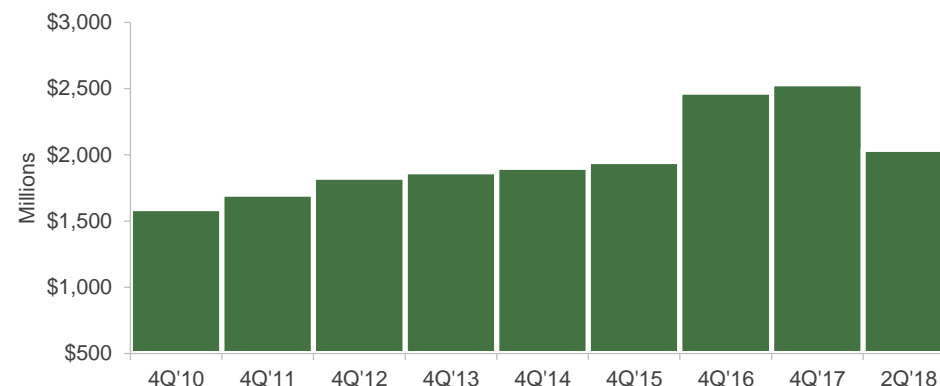
ACCOUNT SUMMARY

Benchmark	The BofA Merrill Lynch US 3-Month Treasury Bill Index +150 Basis Points, 3 Year Constant Maturity Treasury
Galliard Inception Date	December 1, 2010
Net Asset Value	\$2,040,157,758

PORTFOLIO CHARACTERISTICS

	Portfolio 3/31/18	Portfolio 6/30/18
Average Quality - Book Value¹	AA-	A+
Average Quality - Market Value²	AA	AA
Number of Contract Issuers	5	5
Blended Yield (after all fees)³	2.16%	2.37%
Yield to Maturity	2.89%	3.07%
Effective Duration	3.17 years	3.33 years
Market/Book Value Ratio	99.13%	98.46%

HISTORICAL FUND ASSETS



PORTFOLIO DISTRIBUTION

	% Portfolio 3/31/18	% Portfolio 6/30/18
Liquidity Buffer: Cash & Equivalents⁴	2.1	1.7
Liquidity Buffer: WF Stable Return Fund	5.4	-
Short Portfolio	31.6	33.0
Intermediate Portfolio	60.8	65.3
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, Wells Fargo collective fund administrative fees, and plan administrative reimbursement.

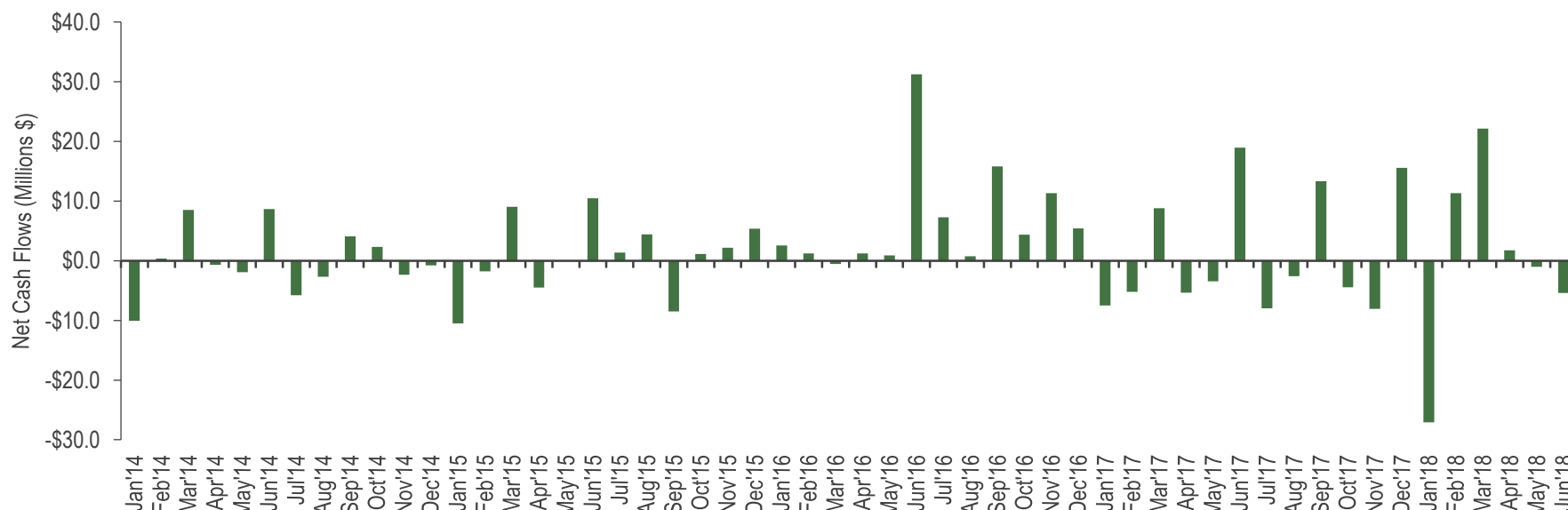
4: Includes Receivables and Payables.

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

STABLE VALUE PORTFOLIO REVIEW - STATE OF NORTH CAROLINA STABLE VALUE FUND

Second Quarter 2018

HISTORICAL CASHFLOWS



	2014	2015	2016	2017	1Q'18	2Q'18	2018 YTD
Beginning Assets	\$1,870.9	\$1,904.2	\$1,948.6	\$2,472.8	\$2,535.1	\$2,554.9	\$2,535.1
Net Cash Flow (\$) ¹	-\$0.3	\$8.8	\$81.5 ⁴	\$12.2	\$6.4	-\$4.7 ³	\$1.7
Net Cash Flow (%)	-0.02%	0.46%	4.18%	0.49%	0.25%	-0.18%	0.07%
Estimated Investment Earnings	\$33.6	\$35.7	\$46.9	\$50.1	\$13.4	\$13.7	\$27.1
Ending Assets ²	\$1,904.2	\$1,948.6	\$2,472.8	\$2,535.1	\$2,554.9	\$2,040.2	\$2,040.2

1: Contributions, Withdrawals and Investment Transfers

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

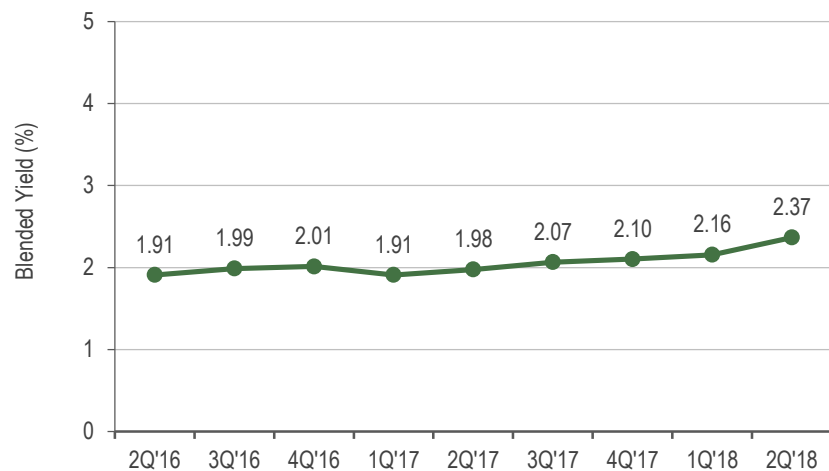
3: Excludes Prudential GoalMaker withdrawal of approximately \$523.8 M on 6/8/18 for illustrative purposes.

4: Approximately \$395.8 M of new inflow and transfer activity related to the 1/4/16 merger of North Carolina 457 plan assets have been removed for illustrative purposes.

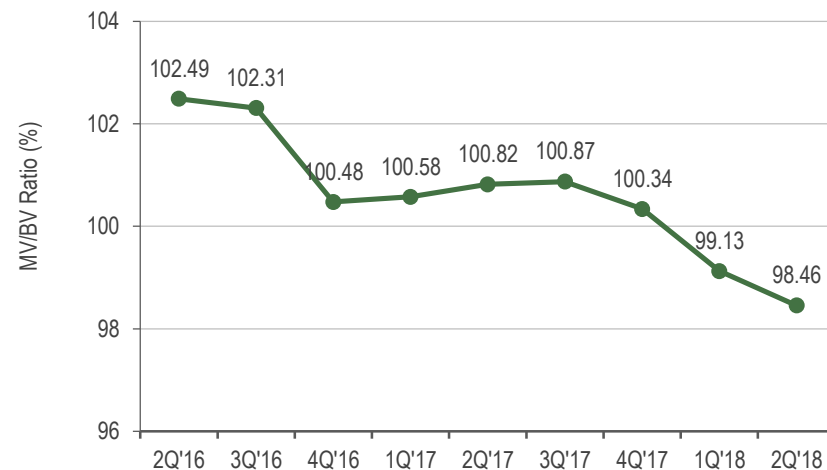
STABLE VALUE PORTFOLIO REVIEW - STATE OF NORTH CAROLINA STABLE VALUE FUND

Second Quarter 2018

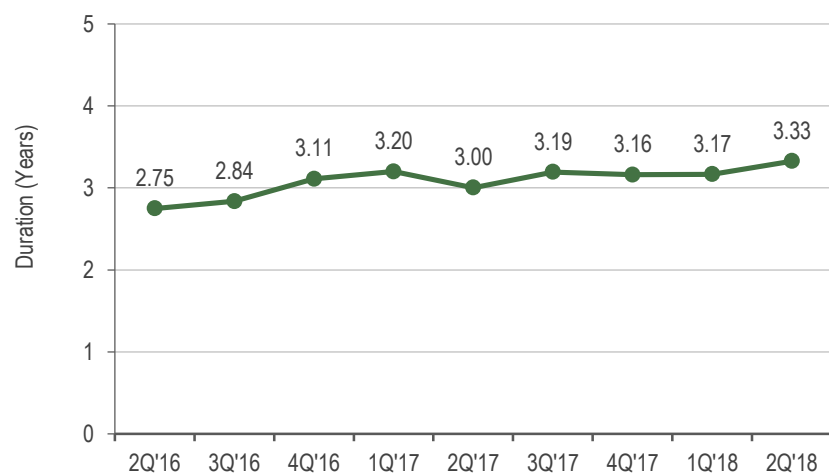
HISTORICAL BLENDED YIELD¹



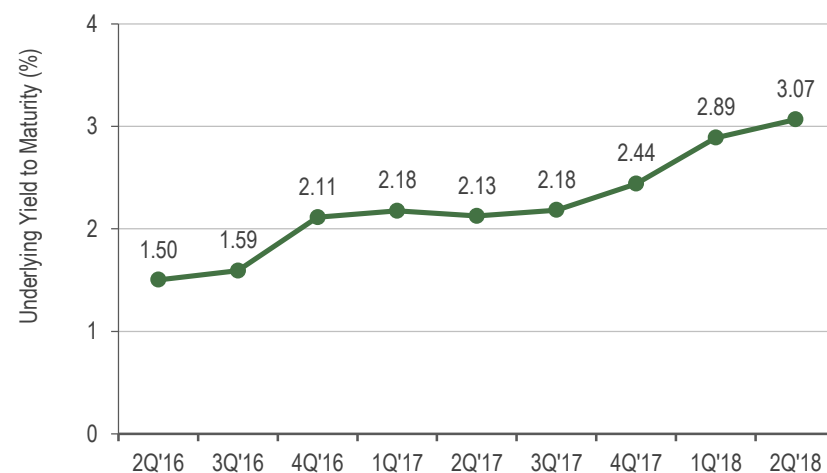
HISTORICAL MARKET VALUE TO BOOK VALUE RATIO



HISTORICAL DURATION



HISTORICAL UNDERLYING YIELD TO MATURITY



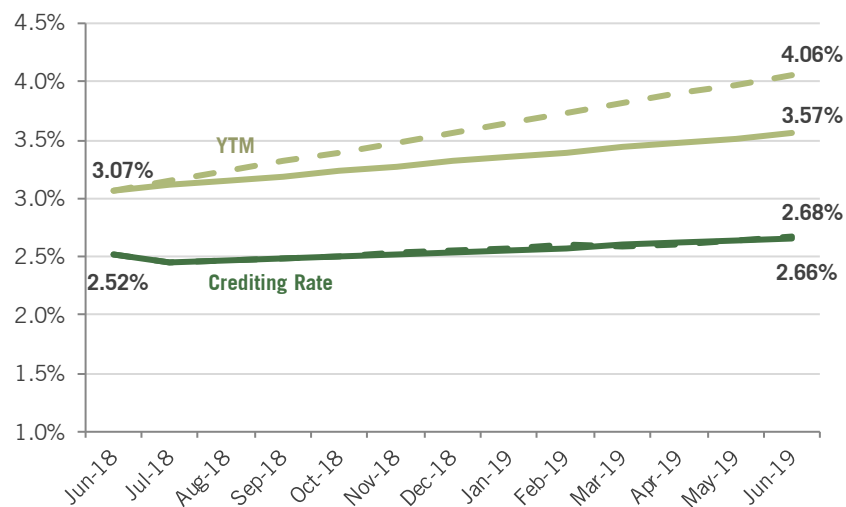
1: Blended Yield is net of all fees, including book value contract fees, Galliard investment management fees, and, if applicable, external manager fees, Wells Fargo collective fund administrative fees, and plan administrative reimbursement.

STATE OF NORTH CAROLINA STABLE VALUE FUND

SCENARIO ANALYSIS AS OF 6/30/18

- Our base scenarios assume underlying interest rates continue to rise gradually over the next year at a rate of +50 bps to +100 bps per year
- We include a base assumption of flat cashflows to capture the interaction between interest rates and participant behavior on the portfolio

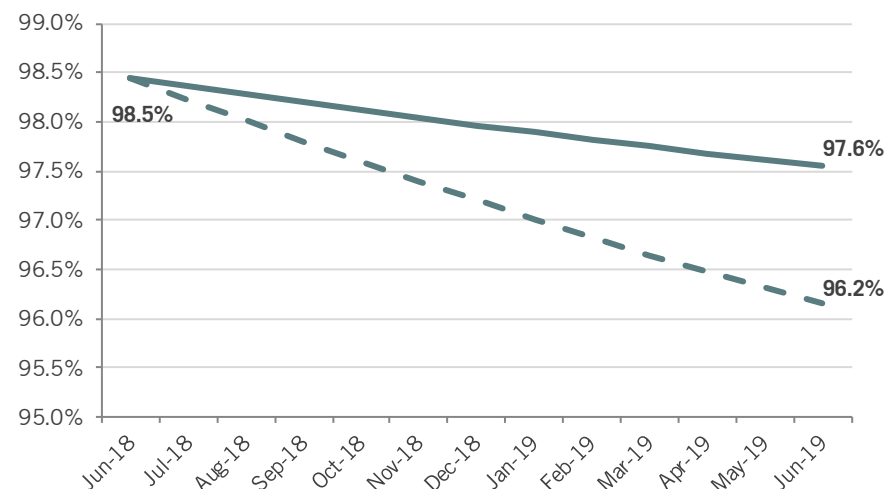
Crediting Rate



Scenario 1 — +50 bps

Scenario 2 — - - +100 bps

Market-to-Book Value Ratio



Scenario 1 — +50 bps

Scenario 2 — - - +100 bps

- Should these assumptions hold, we anticipate a marginally higher crediting rate with a subsequently lower market-to-book value ratio as the fund's crediting rate adjusts to prevailing interest rates

This analysis presents a range of potential impacts to the stable value fund's crediting rate and market-to-book ratio based on variations in participant cash flows and movements in the U.S. Treasury yield curve. Analysis is based on the stable value fund's actual crediting rate, market-to-book ratio, and underlying portfolio of fixed income securities as of 6/30/18. Analysis assumes the following: interest rate changes and participant flows occur evenly throughout the year, the impact of interest rate changes results in a parallel shift to the U.S. Treasury yield curve (i.e. the relationship between shorter and longer term rates remains constant), the duration and sector exposures of the underlying portfolio(s) of fixed income securities remain unchanged, and crediting rates reset quarterly. This analysis is presented based on information available as of 6/30/18 and is not a guarantee of future outcomes or stable value fund performance.

STATE OF NORTH CAROLINA STABLE VALUE FUND

SCENARIO ANALYSIS AS OF 6/30/18

- For purposes of additional stress, we run the same exercise over a wider array of interest rate movement and participant behavior
- The below tables illustrate the portfolio's crediting rate and market-to-book value ratio after the corresponding shocks have been applied over a 12-month horizon

Crediting Rate – 12 Months Forward

		Gradual Interest Rate Trajectory					
		-100 bps	-50 bps	+0 bps	+50 bps	+100 bps	+150 bps
Participant Cash Flow	5%	2.47%	2.55%	2.62%	2.69%	2.71%	2.46%
	0%	2.47%	2.54%	2.60%	2.66%	2.68%	2.41%
	-5%	2.47%	2.53%	2.59%	2.64%	2.64%	2.35%
	-10%	2.48%	2.52%	2.57%	2.61%	2.60%	2.30%
	-15%	2.48%	2.52%	2.55%	2.58%	2.38%	2.11%

Market-to-Book Value Ratio – 12 Months Forward

		Gradual Interest Rate Trajectory					
		-100 bps	-50 bps	+0 bps	+50 bps	+100 bps	+150 bps
Participant Cash Flow	5%	101.9%	100.4%	99.0%	97.6%	96.3%	95.0%
	0%	101.9%	100.4%	99.0%	97.5%	96.2%	94.9%
	-5%	101.9%	100.4%	98.9%	97.5%	96.0%	94.7%
	-10%	101.9%	100.4%	98.9%	97.4%	95.9%	94.5%
	-15%	102.0%	100.4%	98.8%	97.2%	95.7%	94.4%

- Crediting rate and market-to-book behavior is in-line with other Galliard-managed portfolios across this range of shocks

This analysis presents a range of potential impacts to the stable value fund's crediting rate and market-to-book ratio based on variations in participant cash flows and movements in the U.S. Treasury yield curve. Analysis is based on the stable value fund's actual crediting rate, market-to-book ratio, and underlying portfolio of fixed income securities as of 6/30/18. Analysis assumes the following: interest rate changes and participant flows occur evenly throughout the year, the impact of interest rate changes results in a parallel shift to the U.S. Treasury yield curve (i.e. the relationship between shorter and longer term rates remains constant), the duration and sector exposures of the underlying portfolio(s) of fixed income securities remain unchanged, and crediting rates reset quarterly. This analysis is presented based on information available as of 6/30/18 and is not a guarantee of future outcomes or stable value fund performance.

STABLE VALUE PORTFOLIO REVIEW - STATE OF NORTH CAROLINA STABLE VALUE FUND

Second Quarter 2018

STRATEGY DISTRIBUTION¹

	Portfolio 3/31/18	Portfolio 6/30/18
Liquidity Buffer ²	7.6	1.7
Short	31.6	33.0
Intermediate	60.8	65.3

CONTRACT ISSUER DISTRIBUTION & RATING SUMMARY³

	% Portfolio 3/31/18	% Portfolio 6/30/18	Rating 3/31/18	Rating 6/30/18
American General Life Ins. Co.	14.8	20.1	A+	A+
Great-West Life & Annuity Ins. Co.	20.1	-	AA	-
Metropolitan Life Ins. Co.	12.9	10.6	AA-	AA-
Nationwide Life Ins. Co.	16.8	17.9	A+	A+
Prudential Ins. Co. of America	27.8	25.2	AA-	AA-
Transamerica Premier Life Ins. Co.	-	24.5	-	A+

1: Book Value.

2: Includes Receivables and Payables.

3: 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.

STATE OF NORTH CAROLINA STABLE VALUE FUND PORTFOLIO HOLDINGS

June 30, 2018

Asset ID	Security Description	Contract ¹ Type	Manager	Contract Value (\$)	Market Value (\$)	Market/Book Value Ratio (%)	% of Portfolio	Crediting Rate (%) ²	UCA Yield (%)	Maturity ³	Effective Duration (yrs)	Galliard Composite Rating	Wrap Fees (bps)
LIQUIDITY BUFFER													
	Cash Receivable / (Payable)			-1,320,118	-1,320,118	100.0	-0.1	2.14	2.14		0.10	AAA	
9983008\$P	WF/BlackRock Short Term Investment Fund S			35,635,882	35,635,882	100.0	1.7	2.14	2.14		0.10	AAA	
TOTAL LIQUIDITY BUFFER				34,315,763	34,315,763	100.0	1.7	2.14	2.14		0.10	AAA	
SHORT PORTFOLIO													
946996EE1	American General Life Ins. Co.	SBIC	Galliard	202,055,338	199,583,033	98.8	9.9	2.63	2.71	N.S.M.	1.89	A+	18.0
896994GW4	Nationwide Life Ins. Co.	SBIC	Galliard	173,640,073	171,170,935	98.6	8.5	2.52	2.71	N.S.M.	1.89	A+	17.0
744999CV3	Prudential Ins. Co. of America	SBIC	Galliard	103,289,033	102,488,678	99.2	5.1	2.82	2.71	N.S.M.	1.89	AA-	17.0
600996QF2	Transamerica Premier Life Ins. Co.	SBIC	Galliard	194,760,459	189,498,580	97.3	9.5	2.04	2.71	N.S.M.	1.89	A+	17.0
TOTAL SHORT PORTFOLIO				673,744,902	662,741,225	98.4	33.0	2.46	2.71		1.89	A+	
INTERMEDIATE PORTFOLIO													
590994VM8	Metropolitan Life Ins. Co.	SAGIC	Dodge & Cox	216,063,994	212,234,067	98.2	10.6	2.73	3.47	N.S.M.	3.98	AA-	19.0
946996EE1	American General Life Ins. Co.	SBIC	Payden & Rygel	207,990,169	205,445,247	98.8	10.2	2.63	3.36	N.S.M.	4.08	A+	18.0
896994GW4	Nationwide Life Ins. Co.	SBIC	Galliard	191,430,475	188,708,359	98.6	9.4	2.52	3.23	N.S.M.	4.21	A+	17.0
744999CV3	Prudential Ins. Co. of America	SBIC	Jennison Assoc.	205,859,322	204,264,182	99.2	10.1	2.82	3.02	N.S.M.	4.07	AA-	17.0
744999CV3	Prudential Ins. Co. of America	SBIC	Prudential	205,932,988	204,337,277	99.2	10.1	2.82	3.44	N.S.M.	4.24	AA-	17.0
600996QF2	Transamerica Premier Life Ins. Co.	SBIC	Galliard	96,253,754	93,653,248	97.3	4.7	2.04	3.23	N.S.M.	4.21	A+	17.0
600996QF2	Transamerica Premier Life Ins. Co.	SBIC	TCW	208,566,391	202,931,514	97.3	10.2	2.04	3.11	N.S.M.	4.23	A+	17.0
TOTAL INTERMEDIATE PORTFOLIO				1,332,097,092	1,311,573,894	98.5	65.3	2.55	3.27		4.14	A+	
TOTAL PORTFOLIO				2,040,157,758	2,008,630,883	98.5	100.0	2.52	3.07		3.33	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.

3: N.S.M. = No Stated Maturity

STATE OF NORTH CAROLINA EXPENSE DISCLOSURE

TOTAL ANNUAL 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 (as of 3/31/18)	Expense Ratio (as of 6/30/18)	Per \$1000	Est. Annual Revenue
Investment Management Fees paid to Galliard	0.066%	0.074%	\$0.74	\$1,514,001
Investment Management Fees paid to Non-Affiliated Investment Advisors	0.062%	0.059%	\$0.59	\$1,194,698
Investment Contract Fees ¹	0.160%	0.171%	\$1.71	\$3,494,149
Acquired Fund Fees ²	0.028%	0.001%	\$0.01	\$28,509
-Investment Contract Fees	0.010%	None	None	None
-Other Acquired Fund Fees and Non-Affiliated Investment Management Fees paid to Non- Affiliated Investment Advisors ³	0.018%	0.001%	\$0.01	\$28,509
12b-1 Distribution Fee	None	None	None	None
Other Fees	0.027%	0.027%	\$0.27	\$552,224
Total Annual Fund Operating Expense⁴	0.343%	0.333%	\$3.33	\$6,783,580

¹These are fees paid to create and maintain the investments used by a stable value fund

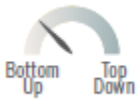
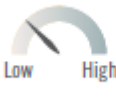








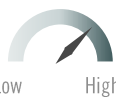













²These are fees borne indirectly by the Fund when it acquires an interest in another fund which pays its own separate fees

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

⁴Total Annual Fund Operating Expenses are reflected daily in the Fund's net asset value (NAV)

SECTION III

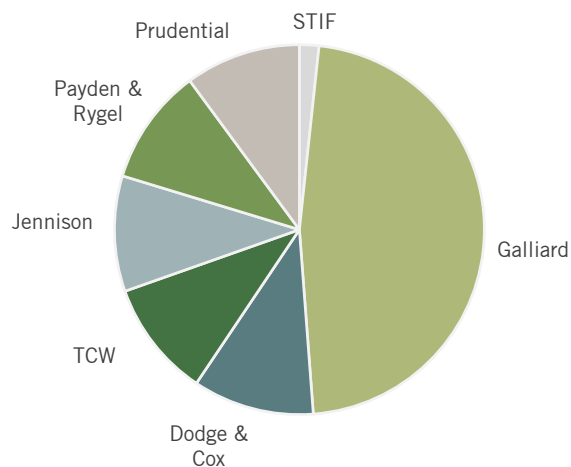
STATE OF NORTH CAROLINA STABLE VALUE FUND MANAGER STYLES

	Investment Approach	Sector Rotation	Active Duration/ Yield Curve Mgmt.	Issue Selection	SECTOR EMPHASIS
GALLIARD					Diversified high quality spread sector emphasis, multi-sector relative value
DODGE & COX					Corporate credit, Agency MBS
TCW					Duration, structured credit, multi-sector relative value
JENNISON					Credit, yield-curve positioning
PAYDEN & RYSEL					Corporate credit, structured credit, multi-sector relative value
PRUDENTIAL					Multi-sector relative value, agency MBS, global focus

STATE OF NORTH CAROLINA STABLE VALUE FUND

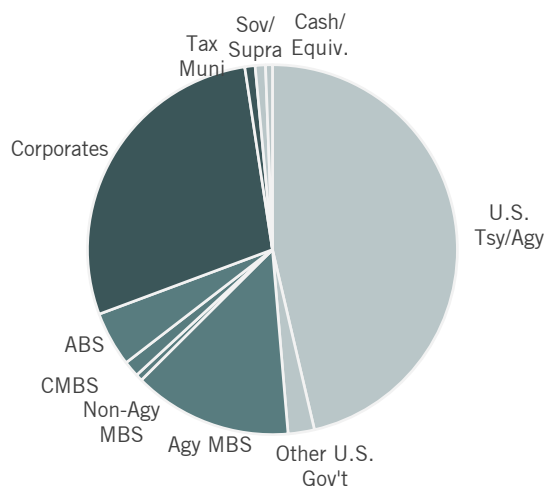
PORTFOLIO AS OF 6/30/18

MANAGER ALLOCATION



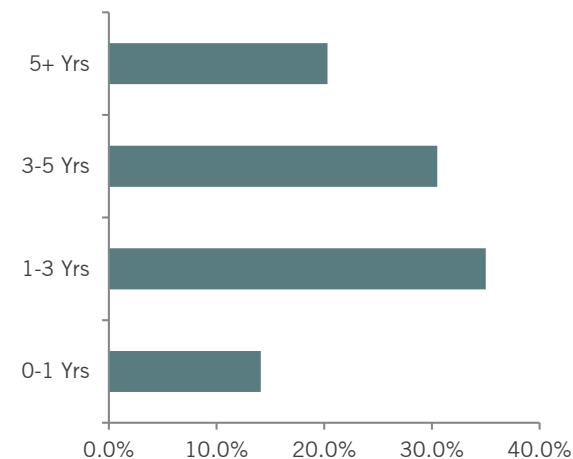
STIF	1.7%
Galliard	47.1%
Dodge & Cox	10.6%
TCW	10.2%
Jennison	10.1
Payden & Rygel	10.2
Prudential	10.1
TOTAL EM	51.2%
TOTAL PORT	100%

UNDERLYING FIXED INCOME SECTOR ALLOCATION



U.S. Tsy/Agy	46.4%
Other U.S. Gov't	2.3%
Agy MBS	13.8%
Non-Agy MBS	0.6%
CMBS	1.4%
ABS	4.8%
Corporates	28.3%
Tax Muni/Not-for-Profit	0.9%
Sov/Supra	0.9%
Cash/Equiv.	0.6%

UNDERLYING DURATION DISTRIBUTION



0-1 Yrs	14.1%
1-3 Yrs	35.0%
3-5 Yrs	30.5%
5+ Yrs	20.3%

STATE OF NORTH CAROLINA STABLE VALUE FUND

MARKET VALUE PERFORMANCE SUMMARY

SHORT DURATION

Manager	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception	Inception
Galliard*	0.09%	0.41%	0.73%	1.21%	-	0.09%	6/1/2018
Bloomberg Barclays U.S. 1-3 Yr. Government/Credit	<u>0.01%</u>	<u>0.21%</u>	<u>0.03%</u>	<u>0.42%</u>	-	<u>0.01%</u>	
	0.08%	0.20%	0.70%	0.79%	-	0.08%	

INTERMEDIATE DURATION

Manager	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception	Inception
Dodge & Cox	0.02%	0.03%	0.13%	1.89%	-	1.46%	3/1/2015
Bloomberg Barclays U.S. Intermediate Aggregate	<u>-0.03%</u>	<u>0.09%</u>	<u>-0.32%</u>	<u>1.27%</u>	-	<u>1.08%</u>	
	0.05%	-0.06%	0.45%	0.62%	-	0.38%	
Galliard	0.00%	-	-	-	-	0.00%	6/1/2018
Bloomberg Barclays U.S. Intermediate Aggregate	<u>-0.03%</u>	-	-	-	-	<u>-0.03%</u>	
	0.03%	-	-	-	-	0.03%	
Jennison*	-0.07%	0.07%	-0.09%	1.54%	1.91%	0.56%	5/1/2018
Bloomberg Barclays U.S. Intermediate Govt/Credit	<u>-0.07%</u>	<u>0.01%</u>	<u>-0.58%</u>	<u>1.16%</u>	<u>1.60%</u>	<u>0.53%</u>	
	0.00%	0.06%	0.49%	0.38%	0.31%	0.03%	
Payden & Rygel	0.06%	0.35%	0.60%	1.00%	1.14%	1.85%	7/1/2009
Bloomberg Barclays U.S. Intermediate Aggregate**	<u>-0.03%</u>	<u>0.24%</u>	<u>0.17%</u>	<u>0.70%</u>	<u>0.83%</u>	<u>1.30%</u>	
	0.09%	0.11%	0.43%	0.30%	0.31%	0.55%	
Prudential	-0.07%	0.13%	0.01%	-	-	1.53%	2/1/2016
Bloomberg Barclays U.S. Intermediate Aggregate	<u>-0.03%</u>	<u>0.09%</u>	<u>-0.32%</u>	-	-	<u>0.82%</u>	
	-0.04%	0.04%	0.33%	-	-	0.71%	
TCW	0.16%	-	-	-	-	0.16%	6/1/2018
Bloomberg Barclays U.S. Intermediate Govt/Credit	<u>-0.07%</u>	-	-	-	-	<u>-0.07%</u>	
	0.23%	-	-	-	-	0.23%	

*Performance inception: June 1, 2018. Prior to June 1, 2018 returns are linked to Wells Fargo Fixed Income Fund F (Galliard)

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

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

STATE OF NORTH CAROLINA STABLE VALUE FUND

PERFORMANCE COMMENTARY – EXCESS RETURN

GALLIARD SHORT (+20 Q2 2018)

- Overweight to 3-5 year maturities helped, as the belly of the curve outperformed shorter issues
- Security selection in corporates hurt, as the issuers added since the portfolio inception underperformed their peers on the quarter

PAYDEN & RYSEL (+11 Q2 2018)

- The overweight to Corporates detracted slightly from performance
- The allocation to securitized sectors contributed positively to performance

GALLIARD INTERMEDIATE (+3 JUNE 2018 ONLY)

- Overweight to intermediate maturities helped, as the belly of the curve outperformed shorter issues
- Overweight to corporate sector and allocations to SBA securitizations hurt, as they underperformed US Treasuries with similar maturities

DODGE & COX (-6 Q2 2018)

- The overweight to Corporate credit detracted from performance
- Shorter duration positioning was positive

TCW (+23 JUNE 2018 ONLY)

- Outperformance was driven by security selection

JENNISON (+6 Q2 2018)

- Outperformance was driven by a yield curve flattening position on the front and long-end of the curve
- A smaller 7 to 10-year steepening position detracted slightly

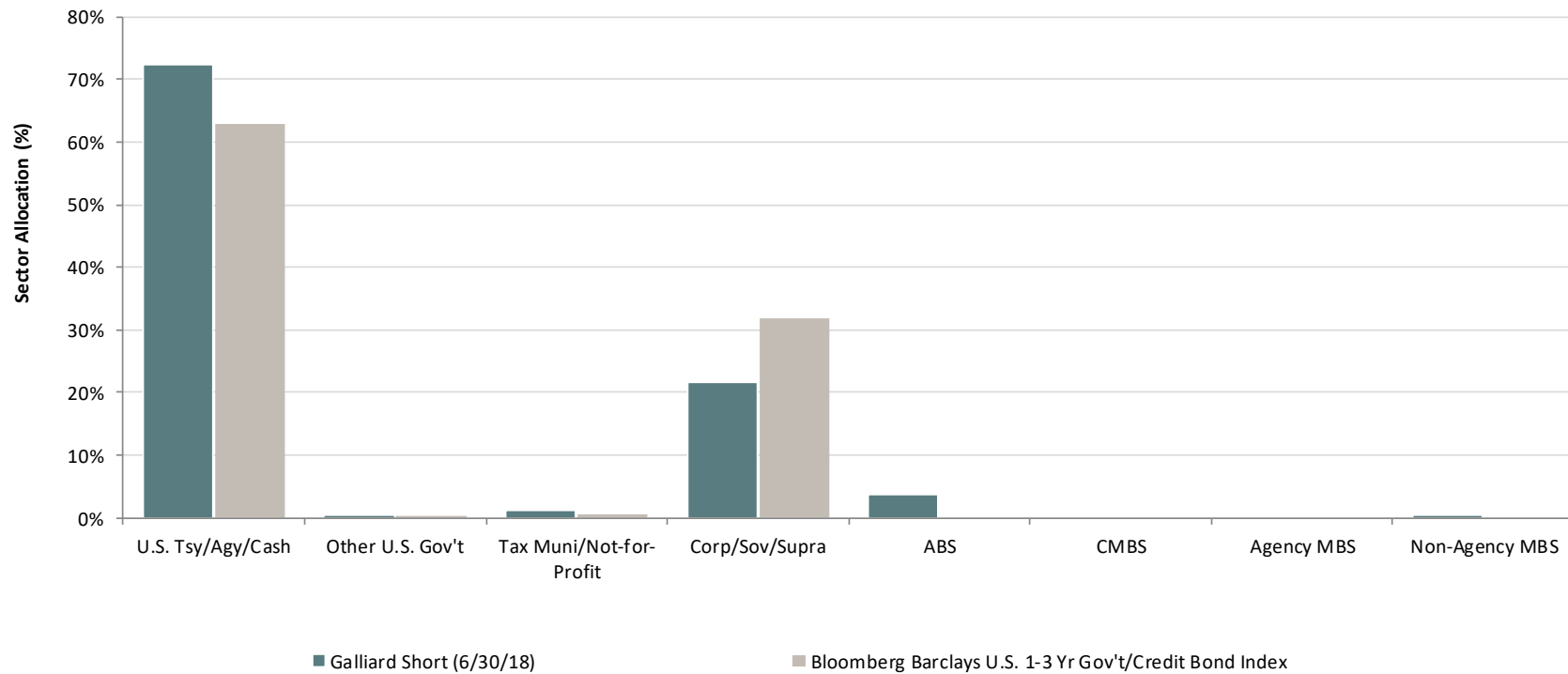
PRUDENTIAL (+4 Q2 2018)

- Slightly shorter duration positioning contributed positively to performance
- Sector allocation contributed positively to performance

STATE OF NORTH CAROLINA STABLE VALUE FUND

SHORT DURATION PORTFOLIO AS OF 6/30/18

BARCLAYS U.S. 1-3 YR GOV'T/CREDIT

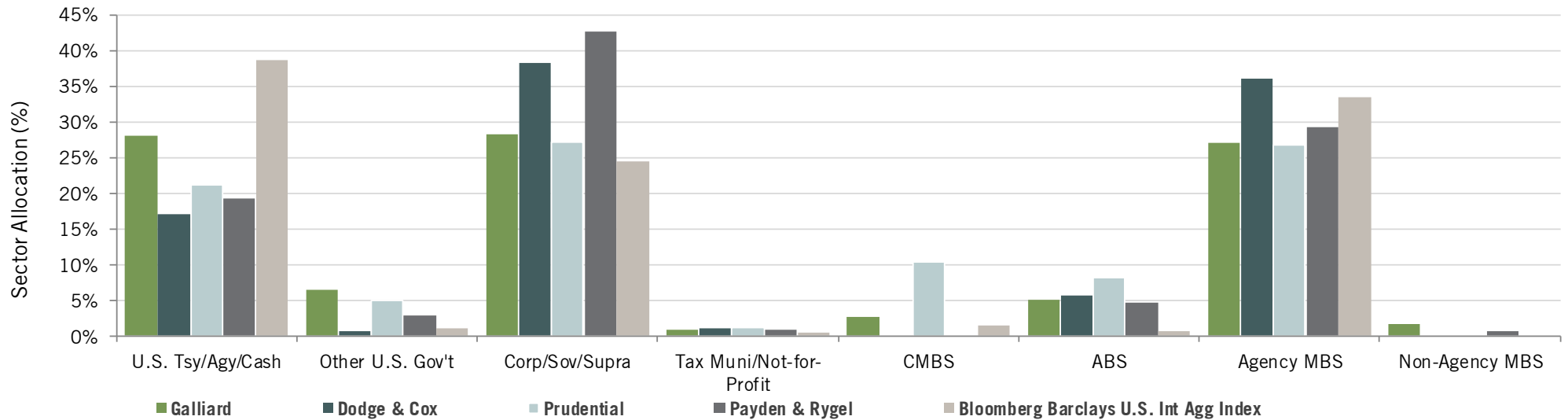


Characteristic	Galliard	Bloomberg Barclays U.S. 1-3 Yr Gov't/Credit Bond Index
Weighted Average Quality	AA+	AA
Yield to Maturity	2.71%	2.70%
Effective Duration	1.89 Yrs	1.85 Yrs

STATE OF NORTH CAROLINA STABLE VALUE FUND

INTERMEDIATE DURATION PORTFOLIOS AS OF 6/30/18

BARCLAYS U.S. INTERMEDIATE AGGREGATE

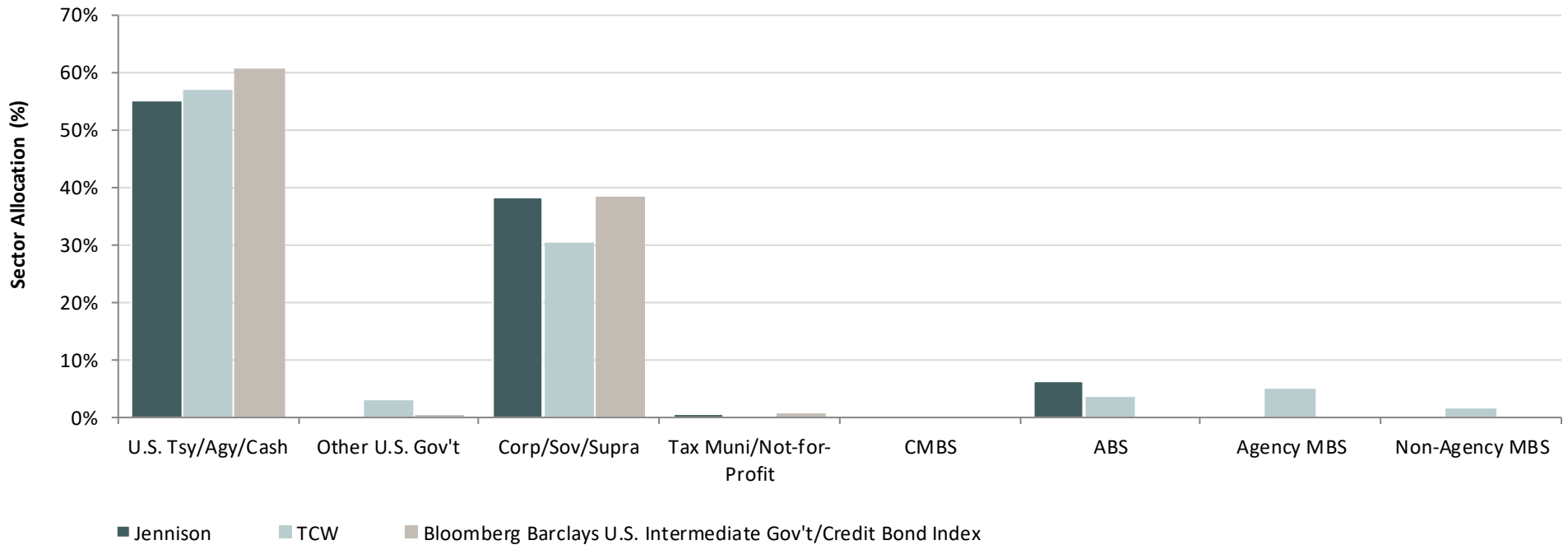


Characteristic	Galliard	Dodge & Cox	Prudential	Payden & Rygel	Bloomberg Barclays U.S. Int Agg Bond Index
Weighted Average Quality	AA	AA-	AA-	AA-	AA+
Effective Duration	4.21 Yrs	3.98 Yrs	4.24 Yrs	4.08 Yrs	4.27 Yrs
Yield to Maturity	3.23%	3.47%	3.44%	3.36%	3.16%

STATE OF NORTH CAROLINA STABLE VALUE FUND

INTERMEDIATE DURATION PORTFOLIOS AS OF 6/30/18

BARCLAYS U.S. INTERMEDIATE GOV'T/CREDIT



Characteristic	Jennison	TCW	Bloomberg Barclays U.S. Int Gov't/Credit Bond Index
Weighted Average Quality	AA	AA	AA
Yield to Maturity	3.02%	3.11%	3.02%
Effective Duration	4.72 Yrs	4.23 Yrs	4.26 Yrs
Weighted Average Maturity	4.07 Yrs	5.08 Yrs	3.87 Yrs