



IAC Performance Review

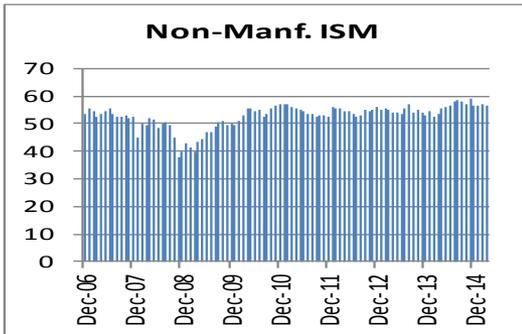
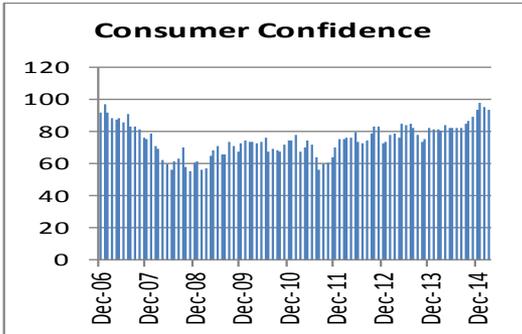
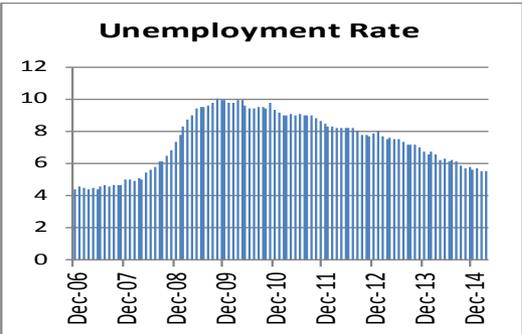
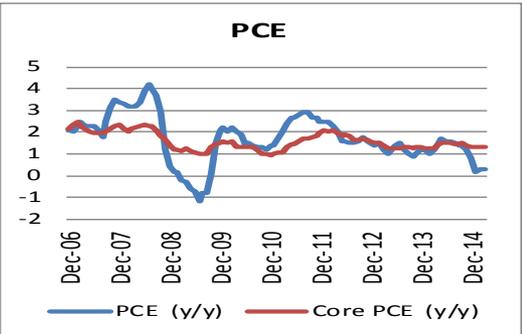
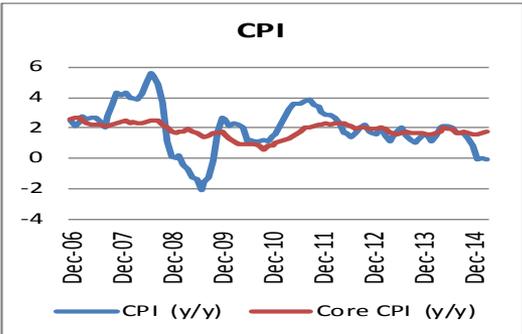
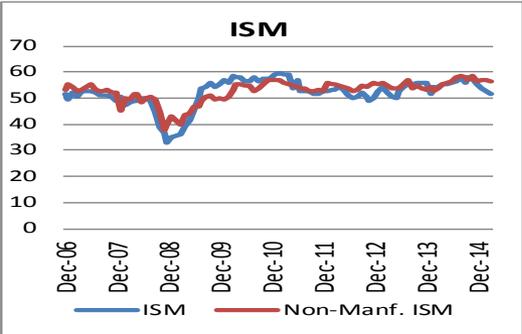
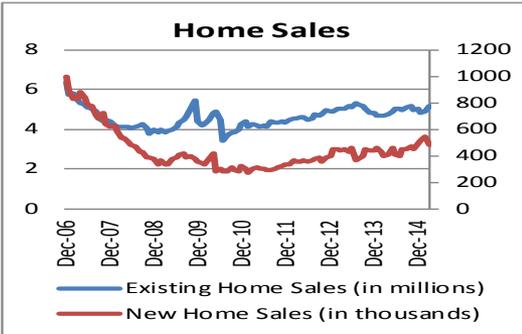
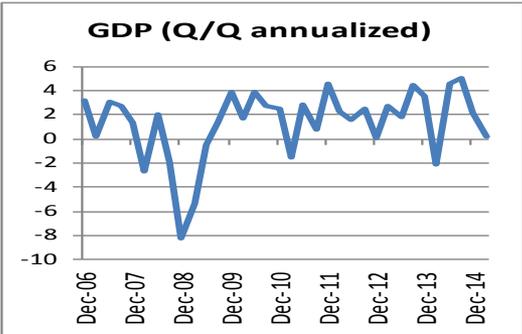
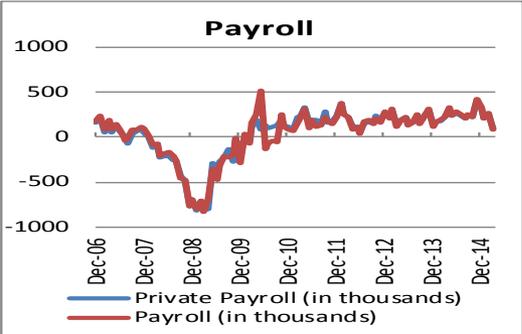
May 20, 2015



North Carolina Department of State Treasurer
Investment Management

Learn. Invest. Grow. Prosper.

U.S. Economic Environment



Source: Bloomberg



Global Economic Environment

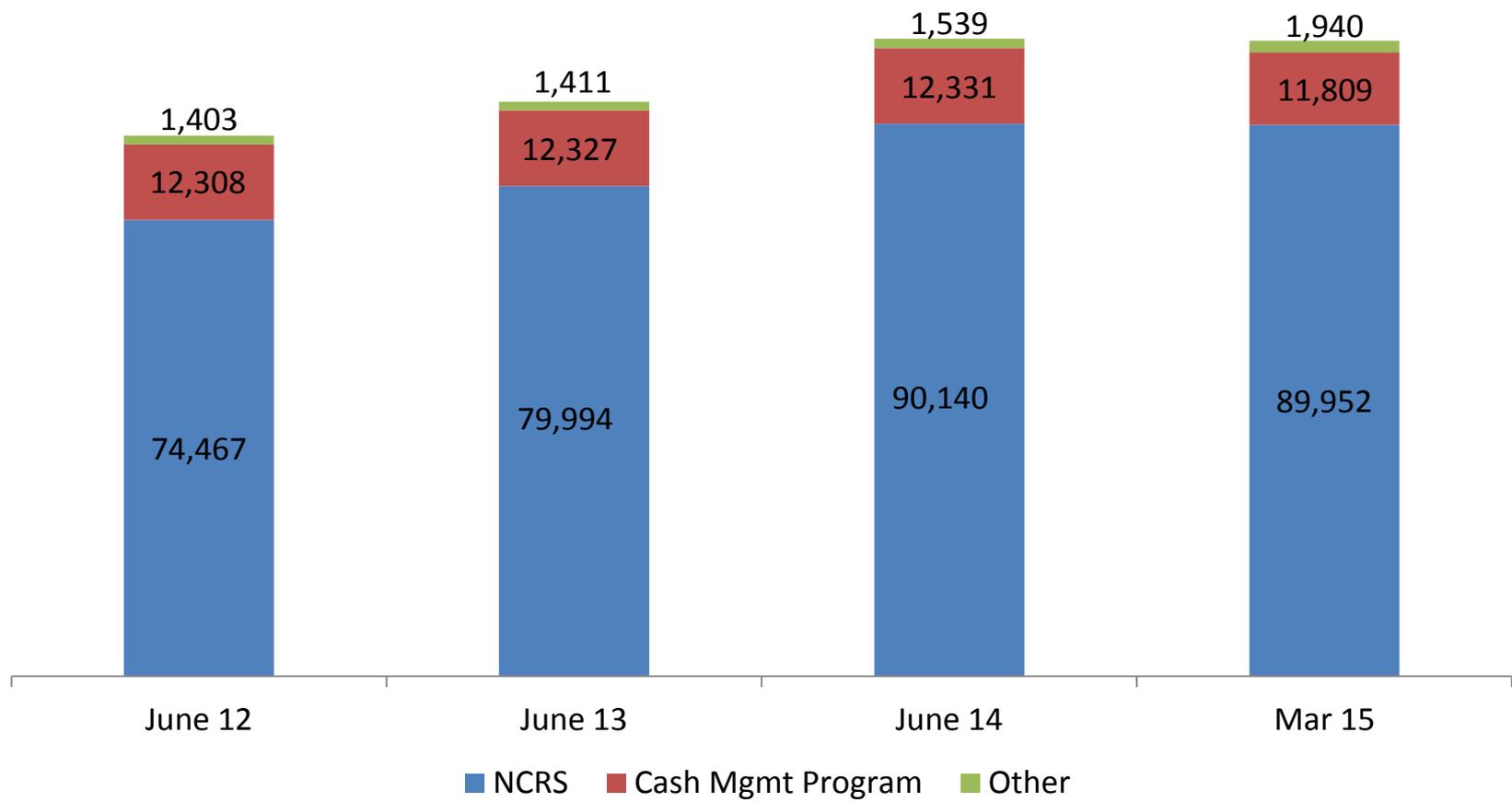
Countries	Real GDP YoY		Unemployment		CPI YoY		Countries	Real GDP YoY		Unemployment		CPI YoY	
	Date	Value	Date	Value	Date	Value		Date	Value	Date	Value	Date	Value
U.S.	03/15	3	03/15	5.5	03/15	-0.1	Asia/Pacific/Latam						
Europe							China	03/15	7			03/15	1.4
Germany	12/14	1.4	03/15	6.4	03/15	0.3	India	09/14	5.3			03/15	6.28
France	12/14	0.2	03/15	10.6	03/15	-0.1	Japan	12/14	-0.8	03/15	3.4	03/15	2.3
U.K.	03/15	2.4	02/15	5.6	03/15	0	Indonesia	03/15	4.71			03/15	6.38
Italy	12/14	-0.5	03/15	13	03/15	-0.1	Brazil	12/14	-0.25			03/15	8.13
Spain	03/15	2.6	03/15	23	03/15	-0.7	Australia	12/14	2.5	03/15	6.1	03/15	1.3

Source: Bloomberg



Assets Under Management (\$mil)

\$103.70 Billion as of March 31, 2015



NCRS Asset Allocation

As of March 31, 2015

	Market Value (\$MM)	%	Policy Target	Policy Range		Relative %	Relative \$ (MM)
				Minimum	Maximum		
Growth	\$53,078	59.01%	58.0%	37.0%	71.0%	1.01%	\$905
Public Equity	40,069	44.54%	42.0%	37.0%	47.0%	2.54%	2,289
Non Core Real Estate	3,789	4.21%	3.0%	0.0%	8.0%	1.21%	1,091
Opportunistic Fixed Income	5,130	5.70%	7.0%	0.0%	7.5%	-1.30%	(\$1,166)
Private Equity	4,089	4.55%	6.0%	0.0%	8.75%	-1.45%	(\$1,308)
Inflation Sensitive & Diversifiers	7,553	8.40%	11.0%	4.0%	16.0%	-2.60%	(\$2,342)
Core Real Estate	3,282	3.65%	5.0%	2.0%	10.0%	-1.35%	(\$1,215)
Inflation Sensitive	4,270	4.75%	6.0%	2.0%	7.5%	-1.25%	(\$1,127)
Multi-Strategy	1,675	1.86%	2.0%	0.0%	4.0%	-0.14%	(\$124)
Rates & Liquidity	27,647	30.73%	29.0%	24.0%	42.0%	1.73%	1,560
Cash	1,614	1.79%	1.0%	0.0%	10.0%	0.79%	714
Investment Grade Fixed Income	26,033	28.94%	28.0%	24.0%	32.0%	0.94%	846
Grand Total	\$89,952						



NCRS Asset Allocation

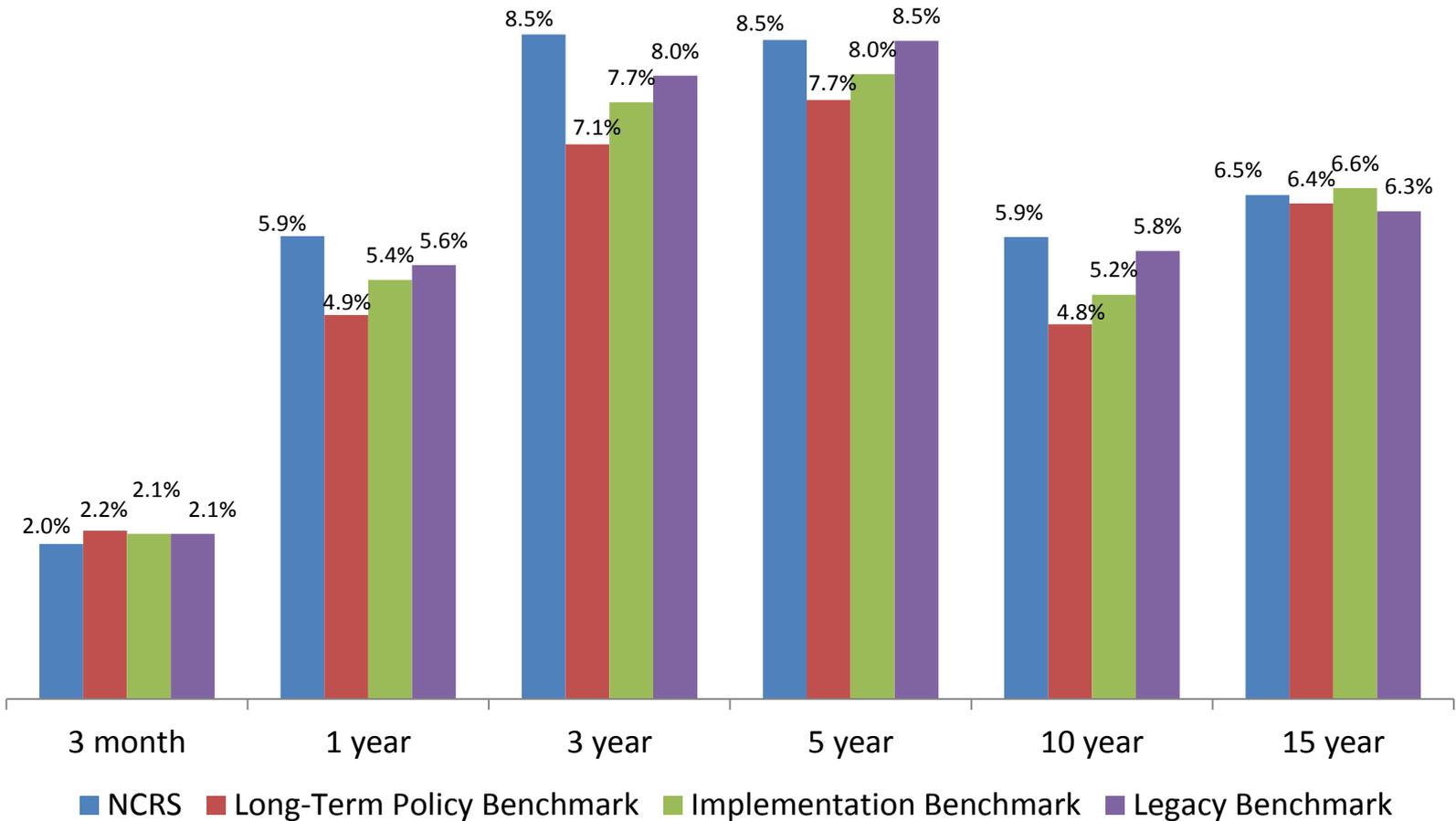
As of May 13, 2015

	Market Value (\$MM)	%	Policy Target	Policy Range		Relative %	Relative \$ (MM)
				Minimum	Maximum		
Growth	\$54,356	59.70%	58.0%	37.0%	71.0%	1.70%	\$1,544
Public Equity	41,099	45.14%	42.0%	37.0%	47.0%	3.14%	2,856
Non Core Real Estate	3,794	4.17%	3.0%	0.0%	8.0%	1.17%	1,062
Opportunistic Fixed Income	5,395	5.92%	7.0%	0.0%	7.5%	-1.08%	(\$979)
Private Equity	4,068	4.47%	6.0%	0.0%	8.75%	-1.53%	(\$1,395)
Inflation Sensitive & Diversifiers	7,997	8.78%	11.0%	4.0%	16.0%	-2.22%	(\$2,019)
Core Real Estate	3,305	3.63%	5.0%	2.0%	10.0%	-1.37%	(\$1,247)
Inflation Sensitive	4,692	5.15%	6.0%	2.0%	7.5%	-0.85%	(\$771)
Multi-Strategy	1,700	1.87%	2.0%	0.0%	4.0%	-0.13%	(\$121)
Rates & Liquidity	27,001	29.65%	29.0%	24.0%	42.0%	0.65%	596
Cash	1,086	1.19%	1.0%	0.0%	10.0%	0.19%	175
Investment Grade Fixed Income	25,915	28.46%	28.0%	24.0%	32.0%	0.46%	420
Grand Total	\$91,054						

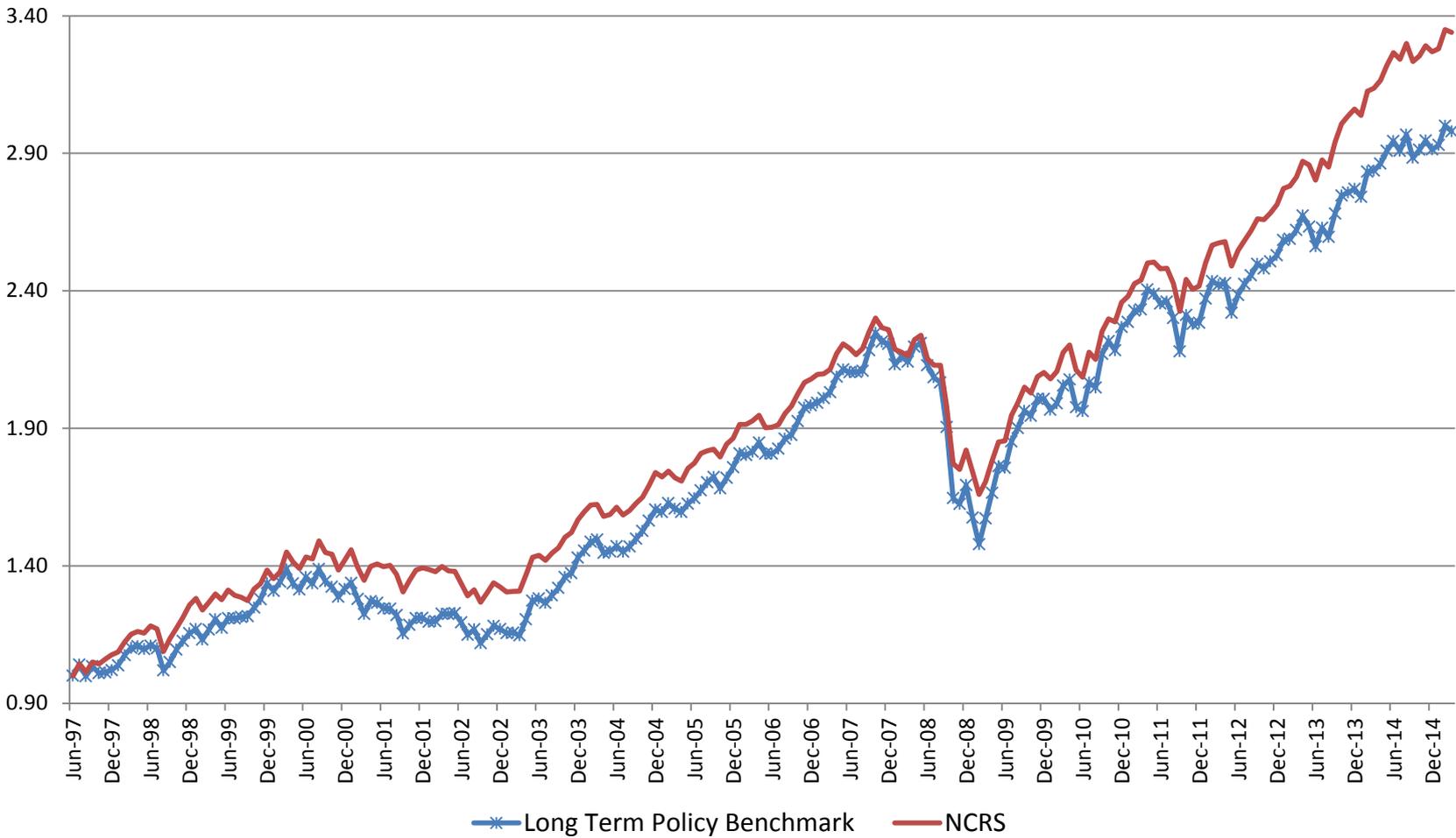


NCRS Total Net Portfolio Return vs. Benchmarks

As of March 31, 2015



Growth of a Dollar as of March 31, 2015



NCRS Net Return Attribution
 Contribution to Total Fund Performance vs. Implementation Benchmark
 As of March 31, 2015

	3 months	1 Year	3 Years	5 Years
Growth	0.06	0.73	0.79	0.47
Rates & Liquidity	-0.09	-0.30	0.08	-0.01
Inflation Sensitive & Diversifiers	-0.10	0.13	0.01	-0.07
Multi-Strategy	0.00	0.00	0.00	0.05
Total NCRS	-0.13	0.56	0.87	0.44

NCRS Net Return Attribution

Contribution to Total Fund Performance vs. Implementation Benchmark

As of March 31, 2015

	3 months	1 Year	3 Years	5 Years
Public Equity	0.08	-0.03	0.49	0.28
Private Equity	0.00	0.14	-0.16	-0.12
Non-Core Real Estate	0.00	0.46	0.09	0.05
Opportunistic Fixed Income	-0.02	0.16	0.37	0.27
IG Fixed Income	-0.08	-0.27	0.10	0.01
Cash	-0.01	-0.03	-0.03	-0.02
Inflation Sensitive	-0.05	0.31	0.09	0.02
Core Real Estate	-0.05	-0.18	-0.08	-0.09
Multi-Strategy	0.00	0.00	0.00	0.05
Total NCRS	-0.13	0.56	0.87	0.44



NCRS Gross of Fees Return and Risk
 BNY Mellon Universe: Public Funds > \$1B
 As of March 31, 2015

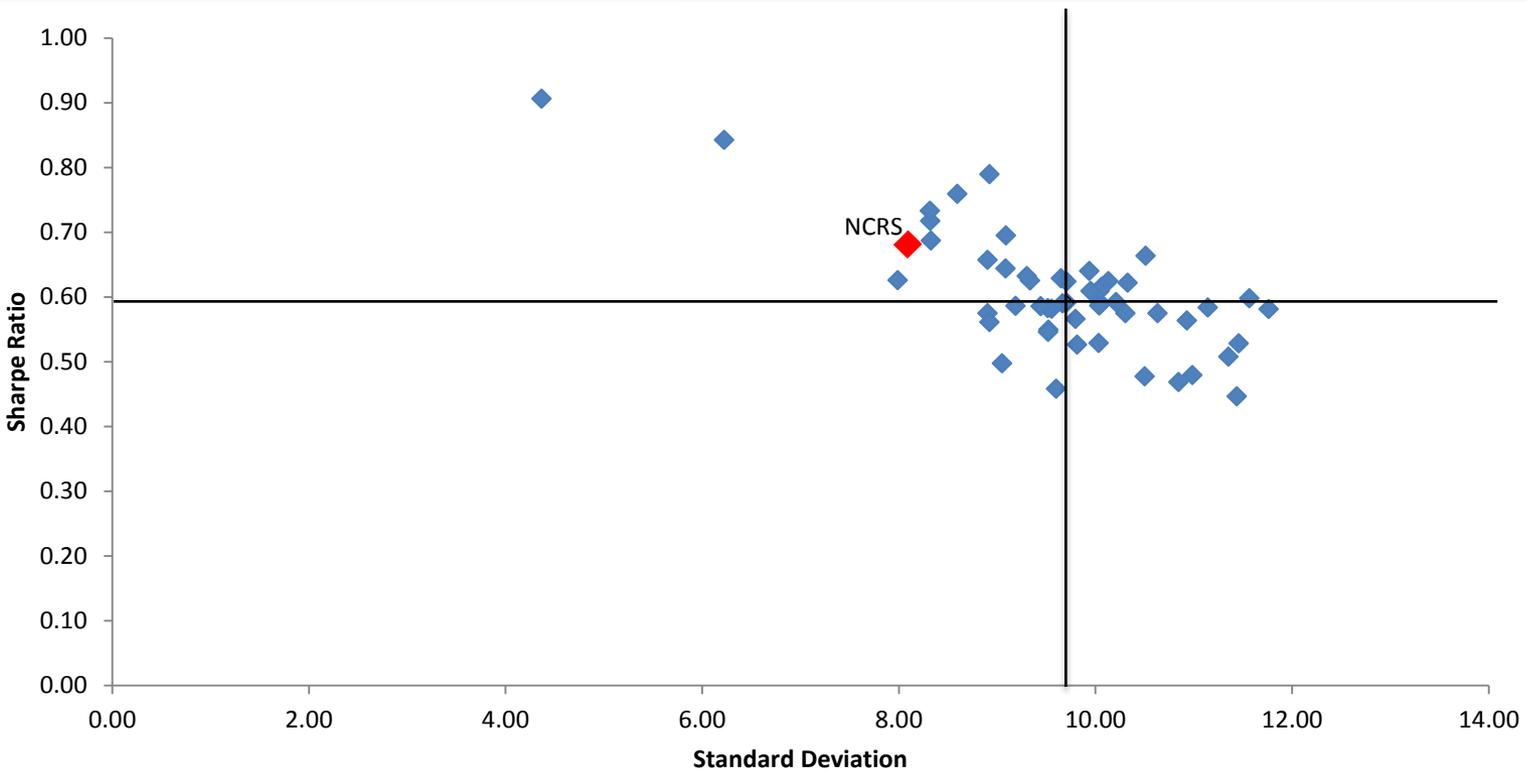
<u>Returns</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>15 Year</u>
25th percentile	10.67	10.00	7.32	6.15
Median	9.62	9.63	7.08	5.76
75th percentile	8.84	8.69	6.44	5.39
NCRS	9.08	8.96	6.87	5.72
Percentile Rank	63	69	60	53
<u>Risk</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>15 Year</u>
25th percentile	6.39	8.61	10.32	10.08
Median	5.85	7.85	9.70	9.69
75th percentile	5.17	7.14	9.07	8.79
NCRS	5.01	6.63	8.09	8.13
Percentile Rank	79	81	93	92



NCRS Gross of Fees Sharpe Ratio

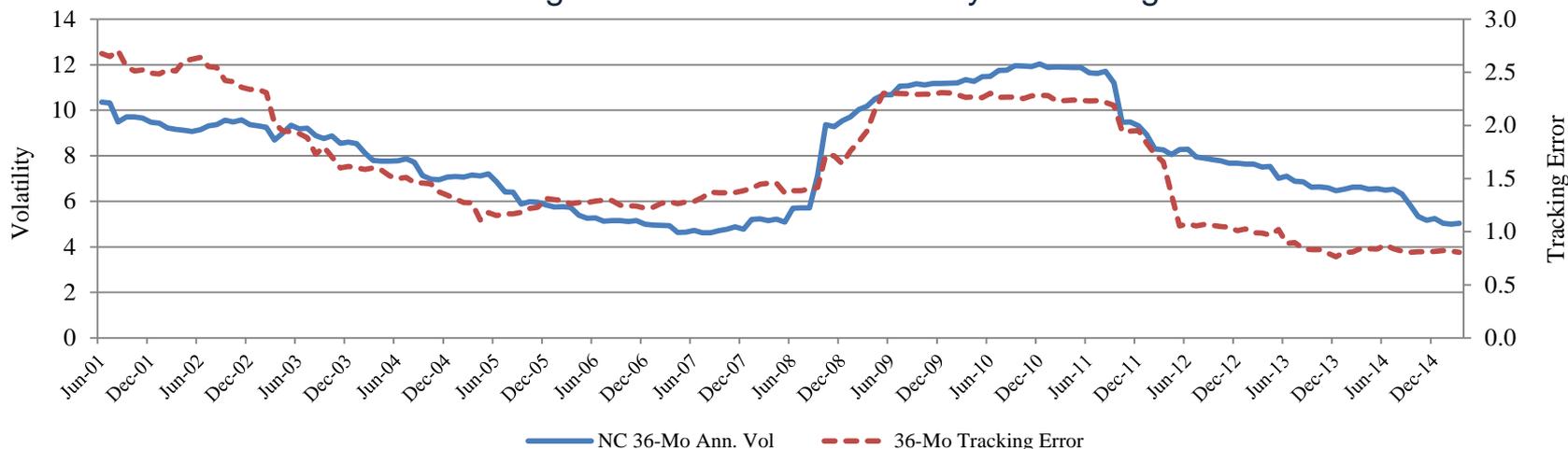
BNY Mellon Universe: Public Funds > \$1B

As of March 31, 2015



<u>Sharpe Ratio</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>15 Year</u>
25th percentile	1.74	1.33	0.64	0.50
Median	1.60	1.17	0.59	0.44
75th percentile	1.45	1.09	0.56	0.41
NCRS	1.75	1.32	0.68	0.49
Percentile Rank	23	27	18	26

NCRS Rolling 3 Year Total Fund Volatility & Tracking Error*



NCRS Risk and Return Metrics*

Program	POSITION		36-MONTH					60-MONTH				
	\$ Bil	% Wgt	Return	St. Dev	Active Return	TE	IR	Return	St. Dev	Active Return	TE	IR
Growth	53.1	59.0	11.7	8.2	1.2	0.9	1.4	10.1	11.5	0.8	1.3	0.6
Public Equity	40.1	44.5	11.9	10.5	0.9	0.7	1.3	10.0	14.3	0.8	1.2	0.6
Private Equity	4.1	4.6	10.6	3.0	-2.8	4.3	-0.7	10.4	3.3	-2.5	4.7	-0.5
Non-Core Real Estate	3.8	4.2	13.4	3.2	1.7	3.0	0.6	12.3	4.5	0.9	2.9	0.3
Opportunistic Fixed Income	5.1	5.7	10.1	2.8	7.9	2.6	3.0	9.7	3.9	7.3	4.6	1.6
Rates & Liquidity	27.6	30.7	4.3	4.0	0.0	0.7	0.1	6.3	4.0	-0.1	0.8	-0.1
IG Fixed Income	26.0	28.9	4.4	4.1	0.0	0.7	0.0	6.3	4.0	-0.1	0.8	-0.2
Cash	1.6	1.8	--	--	--	--	--	--	--	--	--	--
Inflation Sensitive & Diversifiers	7.6	8.4	2.6	4.0	-0.9	2.2	-0.4	1.9	6.3	-2.8	4.3	-0.6
Inflation Sensitive	4.3	4.8	-2.6	5.7	-0.2	2.5	-0.1	-4.9	10.0	-2.6	7.3	-0.4
Core Real Estate	3.3	3.6	10.7	4.3	-0.8	3.0	-0.3	11.3	5.4	-1.4	2.9	-0.5
Multi-Strategy	1.7	1.9	10.3	8.0	0.4	0.8	0.4	10.4	8.8	2.2	3.3	0.7
Total NCRS	89.9	100.0	8.5	5.0	0.9	0.8	1.1	8.5	6.6	0.4	0.6	0.7

Note: Active Return= Net Managed less benchmark returns; TE=Tracking Error; IR = Information Ratio

*As of March 31, 2015



NCRS Liquidity Profile

As of March 31, 2015

Invested Assets (\$MM)

	Public Equity	Private Equity	Non-Core RE	Opportunistic FI	IG Fixed Income	Cash	Inflation Sensitive	Core Real Estate	Multi Strategy	TOTAL	Allocation
Level 1	\$39,172	\$18	-	\$460	\$26,033	\$1,614	\$829	\$513	\$1,400	\$70,038	77.9%
Level 2	\$897	-	-	\$1,790	-	-	\$715	\$756	-	\$4,157	4.6%
Level 3	-	\$56	-	\$1,167	-	-	-	\$1,040	\$269	\$2,531	2.8%
Level 4	-	\$4,015	\$3,789	\$1,713	-	-	\$2,727	\$974	\$7	\$13,225	14.7%
TOTAL	\$40,069	\$4,089	\$3,789	\$5,130	\$26,033	\$1,614	\$4,270	\$3,282	\$1,675	\$89,952	

Invested Assets plus Unfunded Commitments (\$MM)

	Public Equity	Private Equity	Non-Core RE	Opportunistic FI	IG Fixed Income	Cash	Inflation Sensitive	Core Real Estate	Multi Strategy	TOTAL	Allocation
Level 1	\$33,677	\$18	-	\$460	\$22,384	\$1,614	\$829	\$513	\$1,400	\$60,894	71.5%
Level 2	\$897	-	-	\$1,790	-	-	\$715	\$756	-	\$4,157	4.9%
Level 3	-	\$56	-	\$1,167	-	-	-	\$1,040	\$269	\$2,531	2.7%
Level 4	-	\$6,390	\$6,336	\$2,286	-	-	\$5,452	\$1,898	\$7	\$22,369	20.9%
TOTAL	\$34,574	\$6,464	\$6,336	\$5,703	\$22,384	\$1,614	\$6,995	\$4,207	\$1,675	\$89,952	

The Liquidity Level defines the level of liquidity for each investment.

Level 1: Highly liquid (T+3 or less)

Level 2: Separate or Commingled Funds with Monthly, Quarterly or Semi-Annual redemption period

Level 3: Annual to 24 month redemption period

Level 4: Illiquid (> 24 month redemption period)



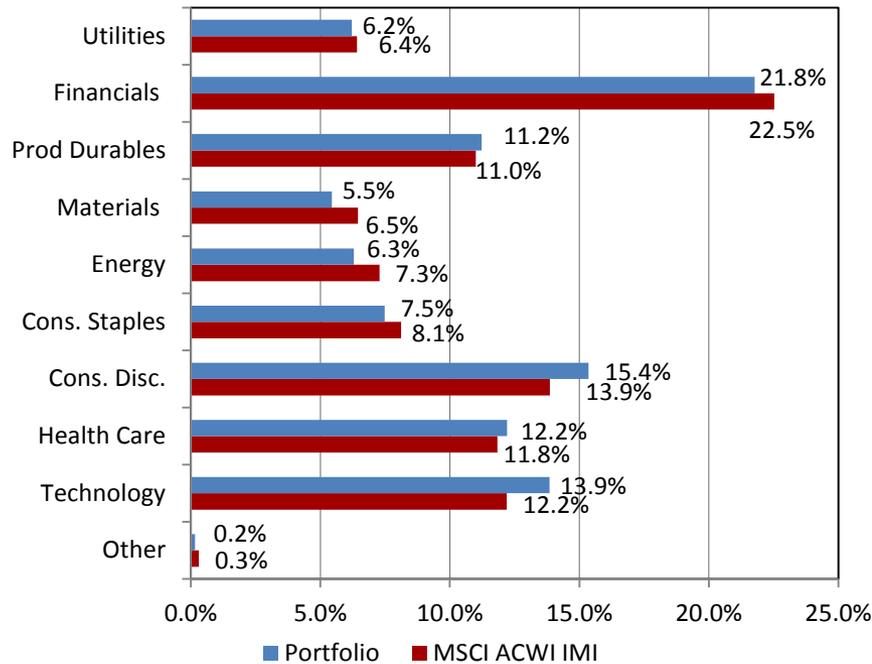
NCRS Public Equity Net Performance

As of March 31, 2015

	Market Value (\$MM)	3 Month	1 Year	3 Years	5 Years	10 Years
Public Equity	\$40,069	2.79	5.09	11.85	10.02	6.41
Benchmark ²		2.58	5.11	10.92	9.23	6.73
Domestic Portfolio	\$18,833	1.95	11.29	16.44	14.79	8.47
Russell 3000		1.80	12.37	16.43	14.71	8.38
Non-US Portfolio	\$18,125	3.62	(1.18)	7.14	5.02	5.56
Custom Benchmark		3.55	(1.34)	6.52	4.69	4.38
Global Portfolio	\$2,766	3.84	9.63	16.97	13.23	-
MSCI ACWI		2.31	5.42	10.75	8.99	6.44
Equity Hedge	\$5	N/A	N/A	N/A	N/A	N/A
MSCI ACWI (beta adjusted)		0.61	1.54	-	-	-



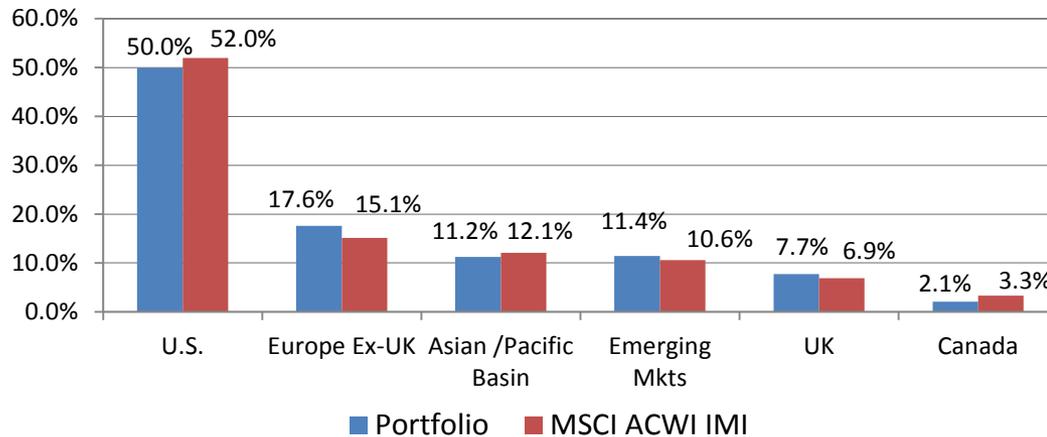
Total Equity Sector Allocation



Portfolio Characteristics

	Portfolio	MSCI ACWI IMI
Price/Earnings	20.1	20.2
Dividend Yield	2.10	2.29
Price/Book	2.25	2.22
Debt/Equity	0.92	0.93
Market Cap (\$ Weighted Median)	33,152	33,949
Return on Equity - 1 Year	16.5	15.8

Total Equity Regional Allocation



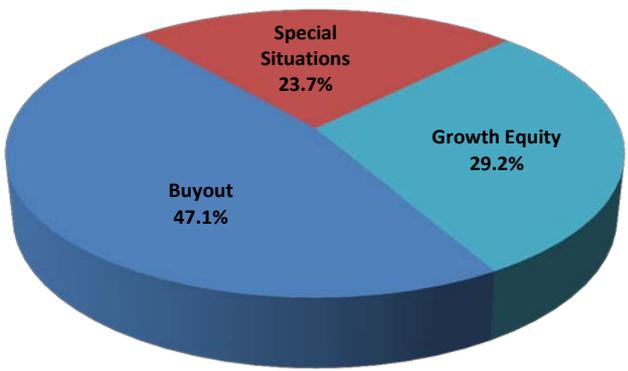
Private Equity

As of March 31, 2015

Net Performance						
	Market Value (\$MM)	3 Month	1 Year	3 Years	5 Years	10 Years
Private Equity	\$4,089	2.60	12.97	10.62	10.37	8.36
Benchmark ³		2.52	7.97	13.43	12.86	11.39
Buyout	\$1,612	0.85	8.04	7.18	7.93	9.94
Growth	\$845	12.45	28.82	16.86	15.94	5.34
Special Situations	\$543	(0.86)	(2.95)	6.29	6.22	8.41
Fund of Funds	\$1,070	0.37	18.85	14.04	13.20	4.50

IRR by Vintage Year														
	Pre-2004	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
NCRS	12.68	8.40	5.75	3.51	9.24	10.87	15.46	19.28	7.48	13.94	1.67	-12.4	N/A	7.78
# of Funds	28	3	11	21	13	17	3	1	6	6	9	4	3	125

Strategy Allocation (based on commitments)



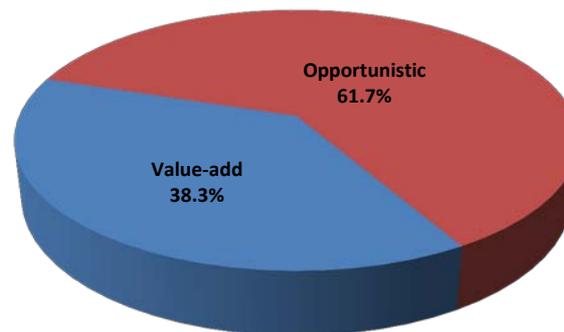
Non-Core Real Estate

As of March 31, 2015

Net Performance						
	Market Value (\$MM)	3 Month	1 Year	3 Years	5 Years	10 Years
Non-Core Real Estate	\$3,789	3.02	17.89	13.35	12.34	5.02
Benchmark ⁴		3.30	9.39	11.62	11.43	5.34
Opportunistic	\$2,336	2.95	15.34	12.88	11.36	4.80
Value Add	\$1,453	3.11	22.20	14.04	13.95	6.01

IRR by Vintage Year													
	<u>Pre-2005</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Total</u>
NCRS	9.92	-1.56	1.52	0.46	16.39	3.46	16.84	16.10	12.78	12.45	1.92	N/A	4.47
# of Funds	19	15	13	8	6	1	6	7	5	6	7	2	95

Strategy Allocation (based on valuation)



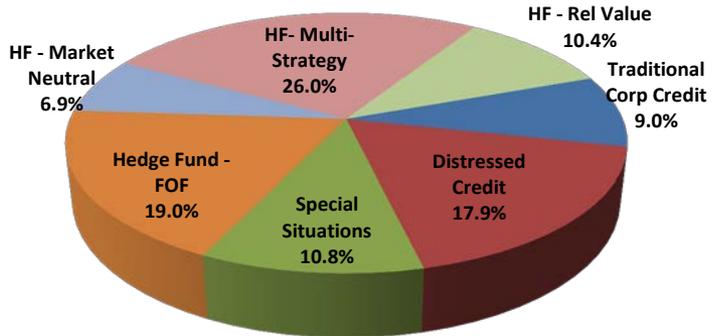
Opportunistic Fixed Income

As of March 31, 2015

Net Performance						
	Market Value (\$MM)	3 Month	1 Year	3 Years	5 Years	10 Years
Opportunistic Fixed Income	\$5,130	0.77	0.63	10.10	9.72	-
Benchmark ⁵		1.25	(0.92)	2.25	2.43	-
Traditional Corporate Credit	\$460	(1.91)	0.40	10.24	10.56	-
Distressed Credit	\$917	1.43	4.27	14.19	10.98	-
Special Situations	\$554	1.28	11.28	22.92	20.91	-
Hedged Fixed Income	\$3,199	0.90	(1.88)	7.26	-	-

IRR by Vintage Year											
	<u>2005</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Total</u>
NCRS	3.24	16.46	10.03	22.42	12.38	5.24	1.36	3.88	1.38	N/A	8.35
# of Funds	1	1	3	1	4	9	2	7	3	0	31

Strategy Allocation (based on valuation)



Rates & Liquidity

As of March 31, 2015

Net Performance						
	Market Value (\$MM)	3 Month	1 Year	3 Years	5 Years	10 Years
Rates & Liquidity	\$27,647	1.75	7.18	4.34	6.25	6.32
Benchmark ⁶		1.95	8.24	4.31	6.34	5.98
IG Fixed Income	\$26,033	1.82	7.39	4.42	6.30	6.34
Core Fixed Income	\$23,350	1.99	7.88	4.47	6.43	6.39
Non-Core Fixed Income	\$5	(1.39)	0.96	6.24	6.88	-
IG Fixed Income Cash	\$2,678	0.12	-	-	-	-
Cash	\$1,614	0.13	0.46	-	-	-

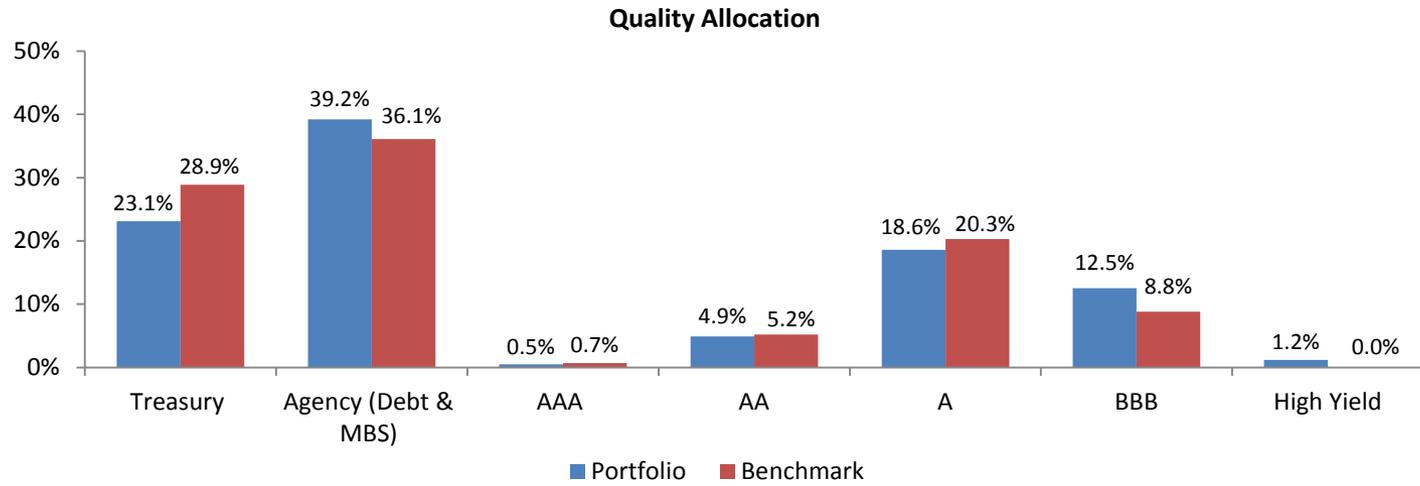
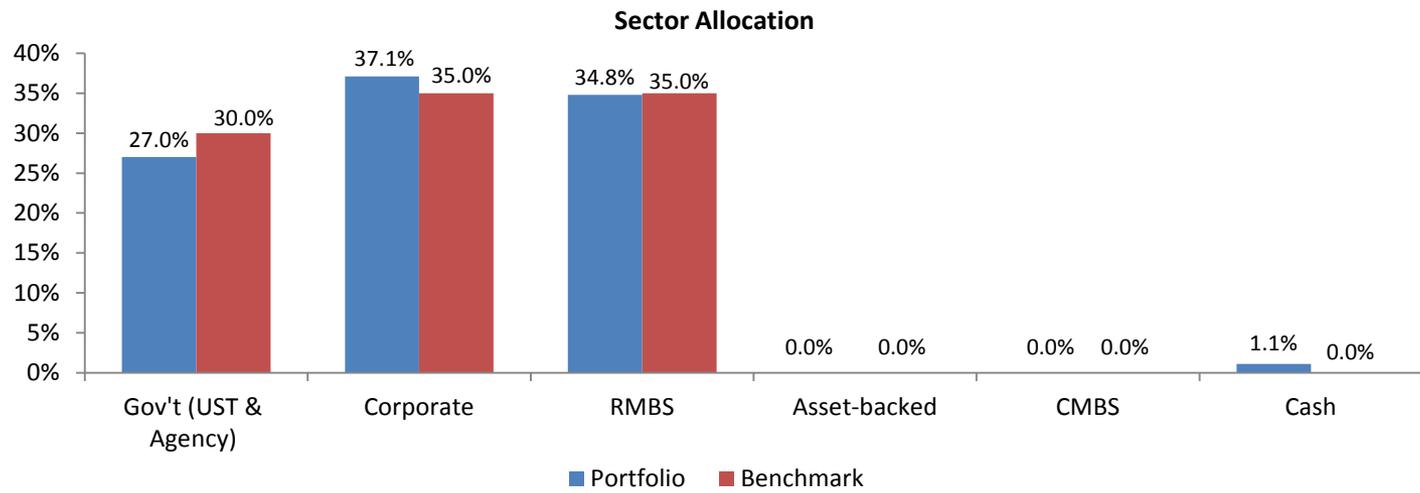
Core Fixed Income Portfolio Characteristics

	<u>Avg. Coupon</u>	<u>Yield to Maturity</u>	<u>Duration</u>
Government (Treasury & Agency)	5.53%	2.02%	9.9
Corporate	5.17%	3.45%	9.0
Mortgage	4.13%	2.05%	3.0
Total	4.90%	2.49%	7.1



Core Fixed Income

As of March 31, 2015



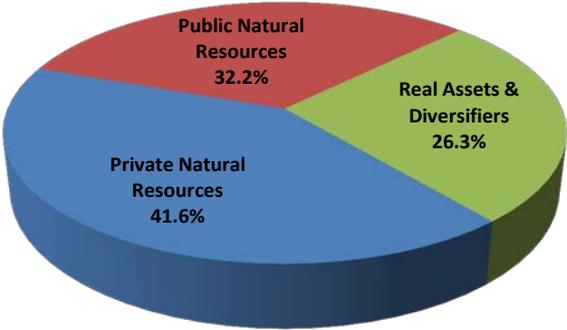
Inflation Sensitive

As of March 31, 2015

Net Performance						
	Market Value (\$MM)	3 Month	1 Year	3 Years	5 Years	10 Years
Inflation Sensitive	\$4,270	(4.19)	(7.21)	(2.60)	(4.87)	2.25
Benchmark ¹⁰		(2.19)	(9.57)	(2.45)	(2.24)	4.33
Private Natural Resources	\$1,775	(7.34)	0.19	3.23	0.11	4.65
Public Natural Resources	\$1,374	(5.54)	(21.86)	(10.10)	-	-
Real Assets & Other Diversifiers	\$1,121	3.31	9.24	7.16	-	-

IRR by Vintage Year												
	<u>Pre-2006</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2.15</u>	<u>Total</u>
NCRS	9.38	-0.10	9.26	7.71	N/A	-10.26	-7.27	7.96	0.06	1.02	N/A	-3.37
# of Funds	1	3	2	2	0	3	9	7	11	12	0	50

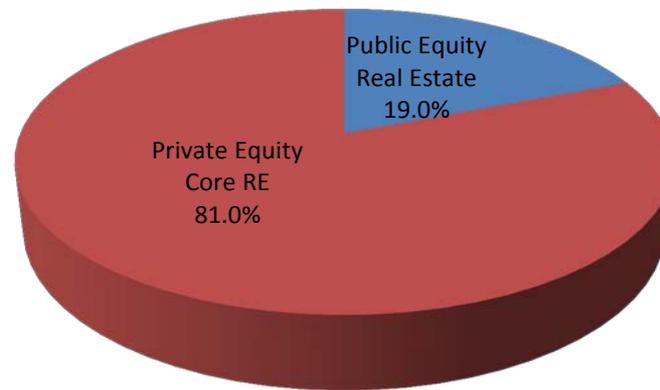
Strategy Allocation (based on valuation)



Net Performance						
	Market Value (\$MM)	3 Month	1 Year	3 Years	5 Years	10 Years
Core Real Estate	\$3,282	2.47	10.46	10.73	11.32	6.03
Benchmark ¹¹		3.25	12.25	11.58	12.71	6.30
Public Equity Real Estate	\$624	3.20	17.60	14.17	12.60	-
Private Equity Core Real Estate	\$2,658	2.28	8.72	10.31	11.62	6.95

IRR by Vintage Year											
	<u>Pre-2005</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Total</u>
NCRS	7.62	-0.32	5.61	2.16	10.47	23.62	n/a	n/a	4.15	-0.04	6.97
# of Funds	6	1	2	3	1	1	0	0	2	6	22

Strategy Allocation (based on valuation)

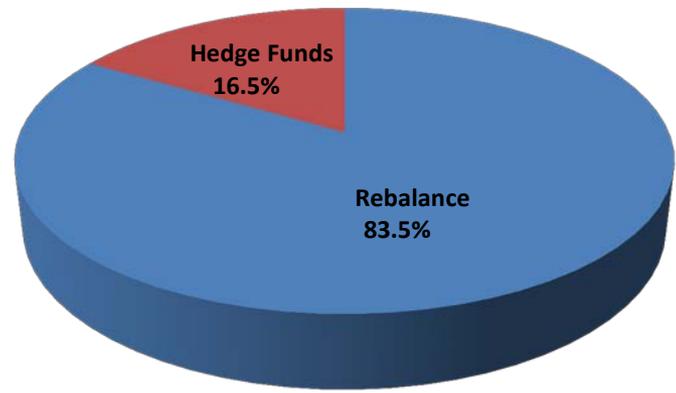


Multi-Strategy

As of March 31, 2015

Net Performance						
	Market Value (\$MM)	3 Month	1 Year	3 Years	5 Years	10 Years
Multi-Strategy	\$1,675	2.07	3.81	10.26	10.38	6.10
Benchmark ¹²		1.59	2.98	9.88	8.14	8.49
Rebalance Strategy	\$1,400	2.33	4.70	11.59	-	-
Hedge Funds	\$276	0.82	(0.54)	3.80	2.77	2.38

Strategy Allocation (based on valuation)



New and Incremental Investment Commitments Since March IAC Meeting

<u>Fund Name</u>	<u>Firm Name</u>	<u>Commitment</u>	<u>Closing Date</u>
<u>Public Equity</u>			
Piedmont Russell 200 Passive	Piedmont Advisors	\$3,000,000,000	4/23/2015
Old North State Hedged Equity Fund 1, LLC	BlackRock	\$1,500,000,000	4/23/2015
<u>Private Equity</u>			
NEA 15	New Enterprise Associates	\$67,500,000	4/2/2015
NEA 15 Opportunity	New Enterprise Associates	\$65,000,000	4/8/2015
Grosvenor NC Innovation Fund II	Grosvenor Capital Management	\$247,500,000	4/24/2015
<u>Non-Core Real Estate</u>			
Blackstone Real Estate Partners VIII	The Blackstone Group	\$200,000,000	3/25/2015
<u>Core Real Estate</u>			
	None		
<u>Opportunistic Fixed Income</u>			
Newport Burgundy	PAAMCO	\$200,000,000	4/13/2015
CVI Credit Value Fund III	CarVal Investors	\$100,000,000	5/4/2015
<u>Inflation Sensitive</u>			
EnCap Energy Capital Fund X	EnCap Investments	\$150,000,000	4/6/2015
Strategic Partners NC Real Asset Opportunities (Overage)	Strategic Partners Fund Solutions	\$100,000,000	4/6/2015
Intervale Capital II	Intervale Capital	\$11,428,572	4/23/2015
<u>Multi Strategy</u>			
	None		



Appendix: NCRS Asset Class Net Performance

As of March 31, 2015

	Market Value (\$MM)	1 Year	3 Years	5 Years	10 Years	15 Years
Growth	\$53,077.79	6.19	11.69	10.09	6.25	-
Benchmark ¹		4.97	10.45	9.30	6.76	-
Public Equity	\$40,069.13	5.09	11.85	10.02	6.41	4.03
Benchmark ²		5.11	10.92	9.23	6.73	3.73
Private Equity	\$4,088.93	12.97	10.62	10.37	8.36	(0.29)
Benchmark ³		7.97	13.43	12.86	11.39	9.08
Non-Core Real Estate	\$3,789.39	17.89	13.35	12.34	5.02	-
Benchmark ⁴		9.39	11.62	11.43	5.34	-
Opportunistic Fixed Income	\$5,130.34	0.63	10.10	9.72	-	-
Benchmark ⁵		(0.92)	2.25	2.43	-	-
Rates & Liquidity	\$27,646.51	7.18	4.34	6.25	6.32	7.03
Benchmark ⁶		8.24	4.31	6.34	5.98	6.74
IG Fixed Income	\$26,032.95	7.39	4.42	6.30	6.34	7.04
Benchmark ⁷		8.55	4.44	6.43	6.02	6.77
Cash	\$1,613.57	0.46	-	-	-	-
Benchmark ⁸		0.03	0.04	-	-	-
Inflation Sensitive & Diversifiers	\$7,552.73	(0.13)	2.61	1.86	3.02	-
Benchmark ⁹		(0.21)	3.51	4.65	2.42	-
Inflation Sensitive	\$4,270.40	(7.21)	(2.60)	(4.87)	2.25	-
Benchmark ¹⁰		(9.57)	(2.45)	(2.24)	4.33	-
Core Real Estate	\$3,282.34	10.46	10.73	11.32	6.03	-
Benchmark ¹¹		12.25	11.58	12.71	6.30	-
Multi-Strategy	\$1,675.37	3.81	10.26	10.38	6.10	-
Benchmark ¹²		2.98	9.88	8.14	8.49	-

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NOTES:

All data presented are based on currently available information at time of publication and may be revised subsequently

1. The Growth Benchmark is a blend of the Public Equity Benchmark, Private Equity Benchmark, Non-Core Real Estate Benchmark, & Opportunistic FI Benchmark at policy weights.
2. The Public Equity Benchmark is the dynamically weighted combination of the MSCI ACWI IMI Net (Long-Only) and a beta adjusted MSCI ACWI IMI Net (Hedged Equity).
3. The Private Equity Benchmark is comprised of the following Burgiss Group Private iQ indices: 50% Buyout, 20% Venture Capital, and 30% Special Situations and Distressed Securities.
4. The Non-Core Real Estate Benchmark is comprised of the following Burgiss Group Private iQ indices: 80% U.S. Non-Core Real Estate (Opportunistic and Value-Added) and 20% Non-U.S. Non-Core Real Estate (Opportunistic and Value-Added).
5. The Opportunistic Fixed Income Benchmark is a comprised of 50% HFRX Distressed Securities Index, 20% HFRX Relative Value Index, 15% Credit Suisse Leveraged Loan Index, and 15% BOAML High Yield Index*.
6. The Rates & Liquidity Benchmark is a blend of the IG Fixed Income Benchmark and the Cash Benchmark at policy weights.
7. The IG Fixed Income Benchmark is comprised 10% iMoneyNet First Tier Institutional Money Market Funds Net Index and 90% custom BOAML Core Investment Grade Index*. The custom BOAML core index comprised of the following weightings: 30% BOAML 5+ Years Governments, 35% BOAML 5+ Years Investment Grade Corporates, and 35% BOAML Mortgage Master.
8. The Cash Benchmark is the iMoneyNet First Tier Institutional Money Market Funds Net Index.
9. The Inflation Sensitive & Diversifiers Benchmark is a blend of the Inflation Sensitive Benchmark and the Core Real Estate Benchmark at policy weights.
10. The Inflation Sensitive Benchmark is the dynamically weighted combination of the Bank of America Merrill Lynch 1-3 Years U.S. Inflation-Linked Treasury Index (TIPS)*, the Bloomberg Commodities Index (Commodities), and a combination of the benchmarks of investments classified within Private Natural Resources or Other Real Assets and Diversifiers.
11. The Core Real Estate Benchmark is comprised of 80% NCREIF ODCE Net and 20% FTSE EPRA NAREiT Global Index.
12. The Multi-Strategy Benchmark is comprised of a dynamically weighted combination of the HFRX ED: Multi-Strategy Index, net of fees, and the market value weighted benchmarks for any other total fund strategies within the Portfolio.

Note: All benchmarks are currently being reviewed by staff and AonHewitt and may be revised. *Source: BofA Merrill Lynch, used with permission. See disclaimer on page.



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