

NORTH CAROLINA
DEPARTMENT OF STATE TREASURER



BRADFORD B. BRINER
STATE TREASURER OF NORTH CAROLINA

Investment Management Division

Update

October 30, 2025



NCRS Investment Program Enhancements

1. 2025 Asset Rebalancing

- \$5.9 billion from excess cash and redemptions were invested primarily into stocks, high quality fixed income, and higher yielding real estate loans and other types of credit
- Calendar Year to Date, September 2025, the NCRS fund:
 - ❑ Earned 10.8% compared to cash earning 3.4%
 - ❑ Performed in 50th Percentile for our Public Pension Fund peer group

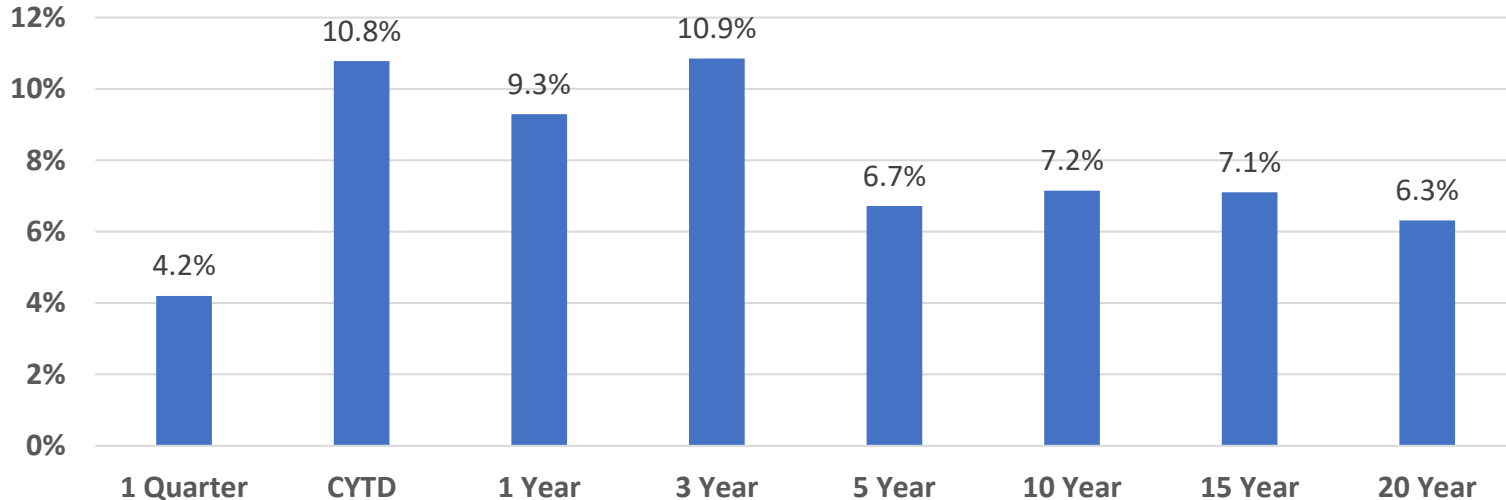
2. 2025-2026 Asset Liability Study:

- NCIA Board will reset the investment risk posture of the NCRS considering the impact on:
 - ❑ Funded Ratio
 - ❑ Contributions
 - ❑ Retiree cost-of-living adjustments
- NCIA management will implement the new asset allocation mix to achieve favorable long-term growth with a reasonable risk of asset values moving up or down from year to year



NCRS Total Return – Estimate (Net of Fees)

As of September 30, 2025



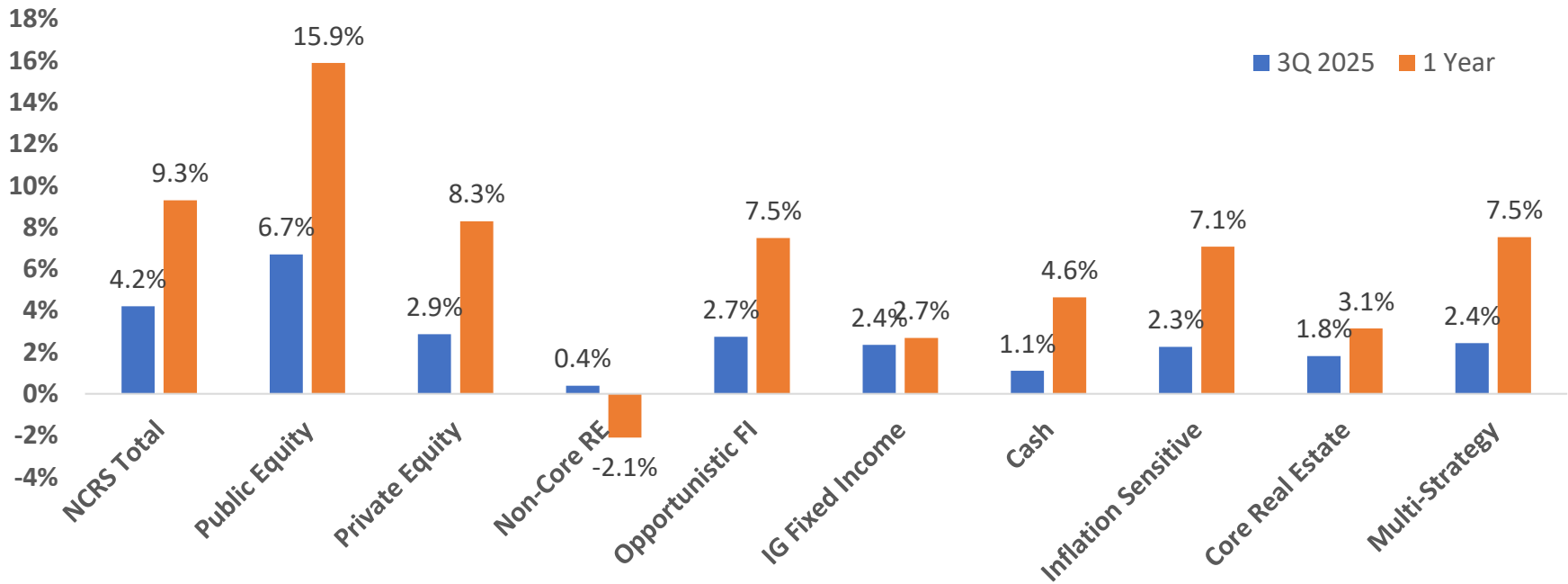
Highlights

- Performance over the past 1 year equates to an estimated \$12 billion in earnings
- While there is still uncertainty regarding US tariff policy, the U.S. economy remains generally healthy
- Tax incentives for business expansion/capital expenditures and deregulation in several sectors should be favorable for both intermediate-term U.S. growth prospects and equity market performance
- NCRS portfolio benefitted from strong diversification when markets were highly volatile, but positive returns were posted by most asset classes over the last year



NCRS Asset Class Returns - Estimate (Net of Fees)

As of September 30, 2025



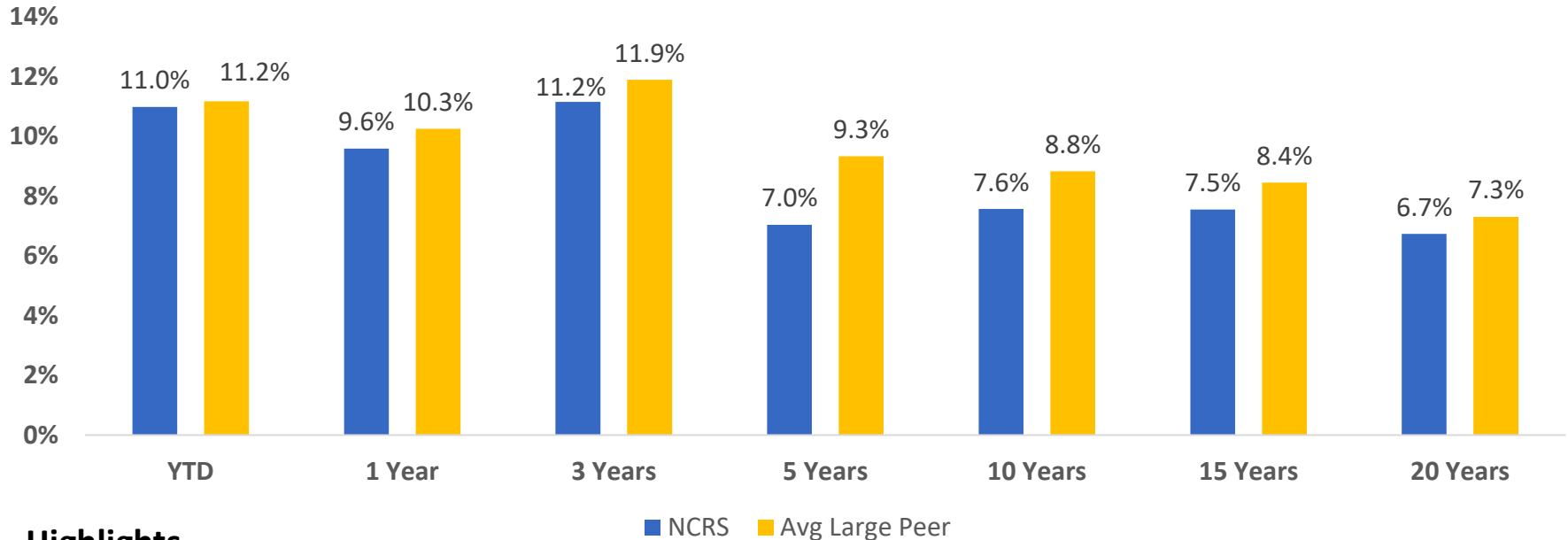
1 Year Highlights

- Public Equity accounted for nearly 73% of the total plan return
- Excluding Non-Core Real Estate, all other asset classes had positive contributions to returns



NCRS Total Return Peer Comparison – Estimate (Gross of Fees)

As of September 30, 2025



Highlights

- Performance in first 9 months of 2025 has improved relative to the average Public Pension Fund Peer
- Source: BNY Universe of US Public Funds with \$20 billion or more in assets under management