NORTH CAROLINA
INVESTMENT AUTHORITY

NCIA Update

October 2026

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STATE TREASURER OF NORTH CAROLINA

Overview

Global Financial Markets since July

- Faster U.S. economic growth with still strong profits
  - AI sectors are driving global capital investment
  - Countries tied to AI build-out doing well due to exports
- Global inflation is rising
  - Middle East conflict's impact on oil and byproducts
  - Shortages related to AI build-out
- Higher interest rates
  - Global central bank rate hikes to fight inflation
  - AI-related borrowing demand
  - Government deficits
- Mixed stock market performance
  - Earnings growth has driven strong returns in AI-sectors
  - Valuation, weaker labor or consumer demand, trade friction, and an AI capex / monetization reset are risks

NCRS Rebalancing

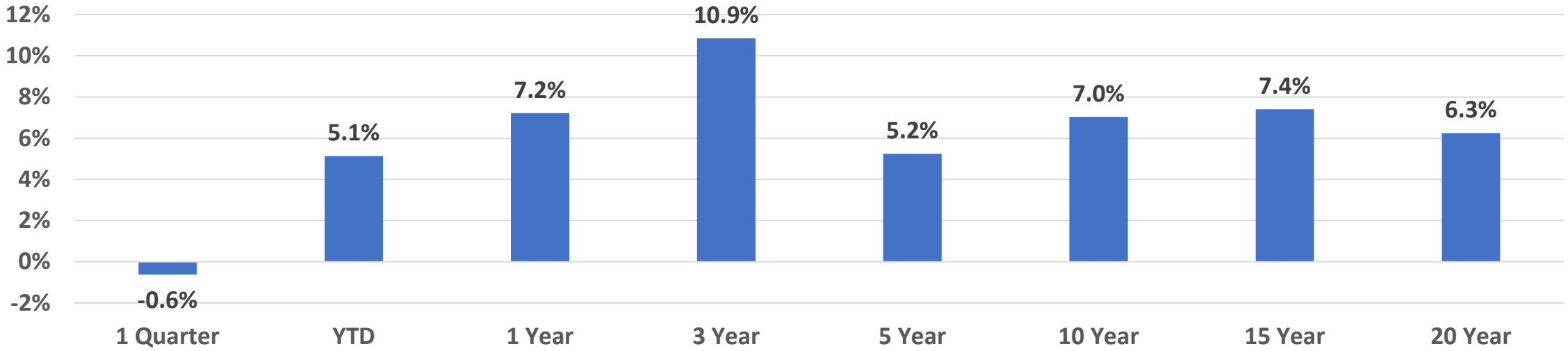
- Continued progress in adopting the new Strategic Asset Allocation and to reflect evolving market opportunities and risks in pursuit of the 6.5% long-term performance benchmark

Asset Classes	Net Cash Flows YTD ($MM)	Net Cash Flows since July ($MM)
Public Equity	($7,659)	($286)
Private Equity	$1,643	$438
Infrastructure & Natural Resources	$5,603	($258)
Real Estate	$3,524	$12
Investment Grade Bonds	($2,968)	($570)
Credit	$621	$1,373
Cash	($6,589)	($2,289)
Multi-Strategy	$4,621	$1,200
Total	**($1,203)**	**($379)**

Note: Negative outflow of ~$1.2B used to pay NCRS benefits

NCRS Investment Returns (Estimate Net of Fees)

As of September 30, 2026



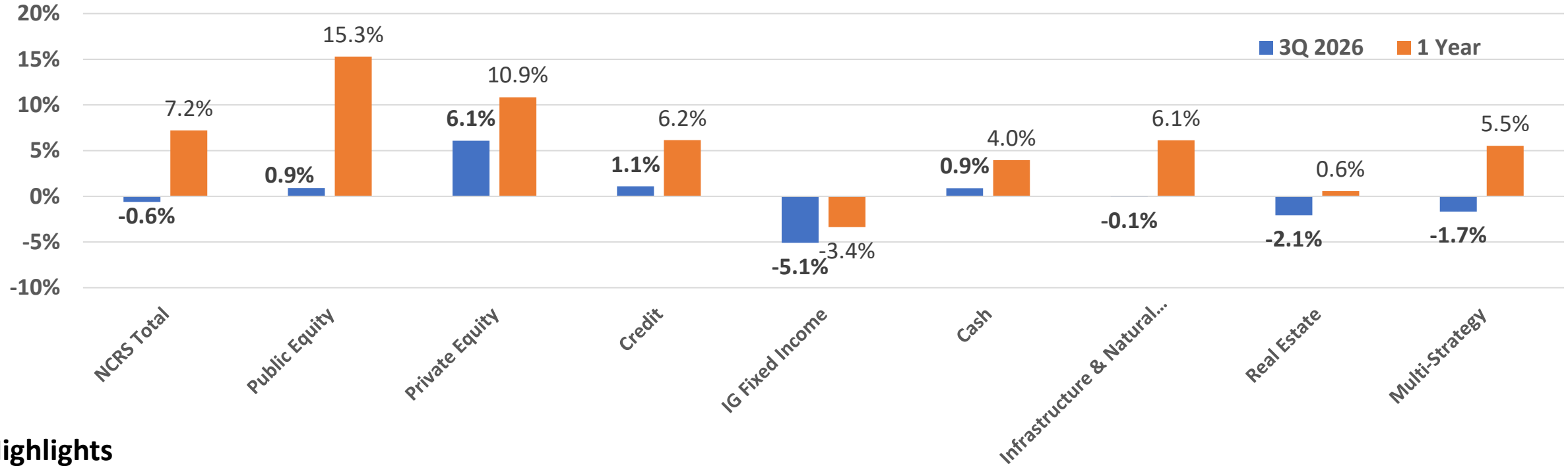
Highlights

- Performance over the past 1 year equates to an estimated $10 billion in investment earnings
- With the strong stock market performance during the last several years, the longer-term averages have been significantly improved. The 5 Year figure remains depressed due to the weak 2022 returns produced primarily by a rising interest rate environment

Note: Returns for periods greater than one year are annualized.

NCRS Asset Class Returns (Estimate Net of Fees)

As of September 30, 2026



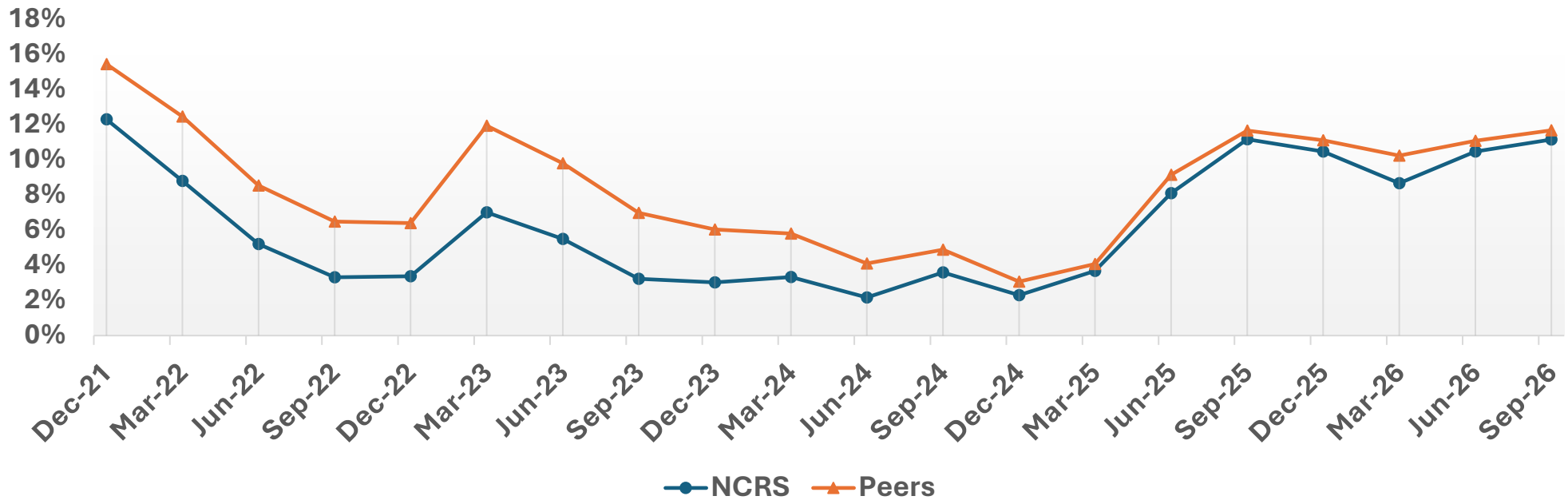
Highlights

- Corporate Equity (i.e., public and private equity) was the strongest contributor. AI sectors were the standouts, including our private co-investments in companies like Anthropic and Bending Spoons
- Credit, Infrastructure & Natural Resources, and Multi-Strategy produced positive returns, but below the 6.5% long-term performance target
- Real Estate was flat while rising interest rates led to negative returns in our high-quality bond portfolio

Note: Returns for periods greater than one year are annualized.

NCRS vs Median Peer - Annualized Rolling 3 Year Return (Gross of Fees)

As of September 30, 2026



Highlights

- Performance relative to the median Public Pension Fund Peer continues to lag, but rebalancing and new investments made since 2024 are helping to close the gap
- Source: BNY Universe of US Public Funds with $20 billion or more in assets under management

Note: Returns for periods greater than one year are annualized.