



October 1, 2020

To: Joint Legislative Commission on Governmental Operations
Joint Legislative Oversight Committee on General Government

From: Dale R. Folwell, CPA
State Treasurer of North Carolina

Subject: Report under N.C.G.S. §§ 147-69.3(i1) and 147-69.3(i2) – Incentive Bonus for
Chief Investment Officer and Salaries and Bonuses Paid under G.S. 147-
69.3(i2)

N.C.G.S. § 147-69.3 grants the State Treasurer the authority to award each of the Chief Investment Officer and Investment Directors a performance-based incentive bonus based upon compensation studies conducted by a nationally recognized firm specializing in public fund investment compensation and the Pension Plan performance.

In accordance with the requirement of G.S. 147-69.3(i1), this letter serves to inform you that the State Treasurer elected **not to pay** any Chief Investment Officer or Investment Director bonuses for the fiscal year ending June 30, 2020. The compensation plan that the Treasurer has adopted under G.S. 147-69.3(i2) provides for compensation only in the form of salary, not bonuses.

In accordance with the reporting requirement of G.S. 147-69.3(i2), this letter provides the salaries and bonuses paid under that provision. **No bonuses** have been paid since the inception of the market-oriented compensation plan, so as a result the report lists only salaries. Subsection (i2) requires reporting “annually” but does not specify a date. We provided the first report under subsection (i2) on February 27, 2015, pursuant to the separate deadline in § 33.2(d) of the Appropriations Act of 2014, and we provided supplemental information to Fiscal Research in December 2015. Going forward, we will continue to make the (i2) report on the same October 1 date as the (i1) report, unless the Committee would prefer another date.

The legislative increase and any other adjustments following the end of the 2020-2021 fiscal year will be reported in the next annual report under G.S. 147-69.3(i2).

Enclosure: Position Number, Position Title in BEACON System, and Salary for Affected Employees as of June 30, 2020.

2020 Report under N.C.G.S. 147-69.3(i1) and (i2)

Position - Key	Position	Salaried Amount (as of 6/30/2020)
60009054	Asst. Investment Dir., I.G. Fixed Income	220,233.00
65023571	Asst. Investment Dir., Supp Retire Plans	182,179.00
65012554	Chief Risk and Operating Officer	248,928.00
60009062	Credit Research - I.G. Fixed Income	185,564.00
60009300	DST Investment Accountant	75,000.00
60009308	DST Investment Accountant	66,839.00
60088630	DST Investment Accounting Manager	90,000.00
65022138	DST Investment Analyst Journey	77,760.00
60009305	DST Investment Chief Financial Officer	219,504.00
60009291	DST Investment Dep Dir Fin Operations	143,907.00
65011778	DST Investment Deputy General Counsel	127,394.00
60009021	DST Investment General Counsel	130,000.00
65019377	DST-SRP Assistant General Counsel	111,085.00
60009070	Head of Credit Research - I.G. Fixed Inc	197,096.00
65012552	Invest Dir-Opp Fix Inc, Inflat Sen, MS	234,838.00
65022134	Investment Analyst - Compliance	73,185.00
60090004	Investment Analyst - Operations	73,185.00
65006073	Investment Analyst - Operations	85,500.00
65022136	Investment Analyst - Real Estate	93,050.00
65006074	Investment Analyst - Risk Management	94,300.00
60090005	Investment Attorney	96,186.00
60009066	Investment Director - I.G. Fixed Income	287,207.00
65012555	Investment Director - Operations & Risk	200,388.00
60009068	Investment Director - Private Equity	250,424.00
60009065	Investment Director - Public Equities	231,382.00
60009067	Investment Director - Real Estate	219,513.00
65022137	Operations Manager	141,208.00

Position - Key	Position	Salaried Amount (as of 6/30/2020)
60009071	Portfolio Manager - Private Equity	171,896.00
60009063	Portfolio Manager - Public Equity	147,416.00
65006101	Portfolio Manager - Public Equity	147,416.00
65022141	Portfolio Manager - Real Estate	143,310.00
60009057	Portfolio Manager, I.G. Fixed Income	154,692.00
65006559	Portfolio Mgr-Inflation Sensitive Assets	147,416.00
65022139	Portfolio Mgr-Opp Fixed Inc/Multi-Strat	169,371.00