

DST POLICIES AND PROCEDURES

DST Reference:	IMD-POL-2005-IMD
Title:	IMD Code of Ethics and Conduct
Chapter:	Legal/Compliance
Current Effective Date:	December 21, 2021
Original Effective Date:	July 1, 2013

Applies to: NC Department of State Treasurer – Investment Management Division

Keywords: Code of Ethics; Conflict of Interest; Duty of Loyalty

IMD Code of Ethics and Conduct

- I. Employees of the Department of State Treasurer, Investment Management Division (IMD) hold a public trust that obligates them to endeavor to act consistent with certain principles described within this Code of Ethics and Conduct (the “Code”). As an employee, I shall:
- Be familiar with and comply with applicable policies and state and federal laws and shall not knowingly be a party to, or condone, any illegal or improper activity.
 - Agree that the following policies specifically contain ethical conduct requirements and are incorporated into this document by reference:
 - State Government Ethics Act (N.C.G.S. § 138A)
 - Ethics and Conduct Policy (Tier 1) [OST-POL-5018-ALL]
 - Supplemental Ethics Policy (Tier 2) [OST-POL-5019-ALL]
 - Insider and Personal Trading Policy [IMD-POL-2003-MUL]
 - Placement Agent and Political Contribution Policy [IMD-POL-2002-IMD]
 - Act with integrity, competence, diligence, respect, and in an ethical manner in dealings with the beneficiaries and stakeholders defined by applicable statutes, and in dealings with other participants in the global capital markets.
 - Owe a duty of loyalty to beneficiaries and act for their exclusive benefit.
 - Exercise prudence consistent with the Treasurer’s fiduciary duties under N.C.G.S. § 147-69.7 and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other related activities.
 - Have an affirmative duty to proactively identify and promptly disclose to the Compliance Counsel any personal, social, employment, or business activities and relationships that:
 - impact my objectivity;

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- create potential Conflicts of Interest¹;
 - impair my ability to make impartial decisions; or
 - otherwise interfere with my proper performance of official duties.
- Use care and discretion in the handling of confidential information and not disclose or use such information for my own or another's personal gain or private advantage.
 - Not falsify or fail to record proper entries on any books or records, electronic or otherwise, or knowingly sign or permit the issuance of any statement or report that contains any misstatement or that omits any material fact necessary to make any statement made therein not misleading.
 - Abide by the approved practices and recommended standards of professional associations and standard setting organizations of which I am a member (e.g., CFA Institute, AICPA, etc.), to the extent they do not conflict with the requirements of this Code, other policies, or law.
 - Have an affirmative duty to immediately report directly to the Compliance Counsel any actual or suspected:
 - employee or contractual party fraud or misconduct;
 - employee or contractual party material error that adversely affects IMD or client assets or interests;
 - misrepresentation or omission of material information in internal or external reporting and client communications; or
 - violations of laws, rules, or IMD policies.

I agree that the Compliance Counsel shall investigate any such report upon first being made aware of the alleged fraud, misconduct, misrepresentation, error, or omission under this provision. The Compliance Counsel will advise the General Counsel and IMD management as appropriate.

- II. I have read the Code and understand that I will be annually required to attest to my compliance with the Code, voluntarily disclose any potential lack of compliance with the Code and recertify my acceptance of the Code. I further understand that violating this code or failing to annually attest to my compliance with this Code may be grounds for immediate disciplinary action, up to and including dismissal.

¹ A Conflict of Interest occurs when an Employee's personal or familial interest may directly or indirectly influence their ability to remain objective and make impartial decisions when performing their public or fiduciary duties. A personal interest includes, but is not limited to, a financial, social, or political interest of the employee. A familial interest means a benefit derived by an employee's spouse, lineal descendent, lineal ascendant, sibling, spouse's lineal descendent, spouse's lineal ascendant, spouse's sibling, and the spouse of any of these individuals. Under this Policy, a Conflict of Interest includes circumstances that create the appearance or potential for a Conflict of Interest. (See *Supplemental Ethics Policy* (Tier 2 [OST-POL-5019-ALL]))

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III. I have been in compliance with the Code for the previous 12 months.

Name/Date

IV. I hereby acknowledge that I have read the Code and that I understand it and shall comply with its terms.

Name/Date

Revision/Review History

Version	Date Approved	Description of changes
1.0	7/1/2013	New Policy
1.0	10/2017	Reviewed – no changes
1.1	6/8/2019	Tech changes to update statutory references and update reference from “Compliance Officer” to “Compliance Counsel;” changed policy area from “Operations” to “Legal/Compliance” and changed policy # from 1005 to 2005.
1.2	9/3/2020	Updated definition of conflict of interest to match the definition found in the Supplemental Ethics Policy (Tier 2); updated references to remove rescinded policies and include new policies
1.3	12/21/2021	Technical changes to add policy numbers, other minor wording changes.