

## INVESTMENT ADVISORY COMMITTEE

PURPOSE
The Investment Advisory Committee shall have advisory powers only and membership shall not be deemed a public office within the meaning of Article VI, Section 9 of the Constitution of North Carolina or G.S. 128-1.1.
STATUTORY AUTHORITY
General Statute 147-69.2(b1) "the State Treasurer shall appoint an Investment Advisory Committee..."
DUTIES AND RESPONSIBILITIES
<ul style="list-style-type: none"><li>• Shall sign an affirmation pledging to uphold both the letter and spirit of the Code of Ethics</li><li>• Will meet four times per year (additional meetings may be held where circumstances warrant)</li><li>• Will assist in selection and evaluation of the Chief Investment Officer</li><li>• Will assist and advise the State Treasurer on the establishment of investment policies and any relevant investment guidelines</li><li>• Will review information presented to it and advise the State Treasurer about the suitability and proper use of the current and any proposed asset classes</li><li>• Will review and comment on the investment management structure of the Retirement Systems at least annually</li><li>• Will review the process used by staff and consultants in the selection and monitoring of investment managers made for the Retirement Systems</li><li>• Will review the performance of the total investment portfolio of the Retirement Systems, each asset class, and outside investment managers at least annually</li><li>• Will annually review information prepared by the staff and consultants about the quality of the services and the reasonableness of the fees for the custodian</li><li>• Will evaluate proposals and offer observations about the strengths and weaknesses of any candidates considered for general or specialized investment consulting services for the Retirement Systems</li><li>• Will annually assess its own performance and make appropriate changes</li></ul>
BOARD COMPOSITION
<ul style="list-style-type: none"><li>• 7 Members</li><li>• State Treasurer, Chairperson</li><li>• 2 members selected from among the members of the boards of trustees of the Retirement Systems</li><li>• 4 members selected from the general public who must have experience in one or more of the following areas: investment management, securities law, real estate development, or absolute return strategies</li><li>• State Treasurer shall also appoint a Secretary of the IAC who need not be a member of the Committee</li></ul>
INVESTMENT FUND FACTS
<ul style="list-style-type: none"><li>• The Retirement Systems is a pension trust fund operating under the North Carolina General Statutes Section 147-69.2(b)(8) (the "Fund"). The Fund is governed by the Treasurer of the State of North Carolina, serving as its sole trustee. The IMD of the North Carolina Department of State Treasurer serves as the investment arm of the Treasurer. IMD manages the Pension Fund Program, Cash Management Program, and ancillary programs as authorized by the General Assembly.</li><li>• The Pension Fund Program includes asset management on behalf of the following:<ul style="list-style-type: none"><li>○ Teachers' and State Employees' Retirement System</li><li>○ The Consolidated Judicial Retirement System</li><li>○ The Firemen's and Rescue Workers' Pension Fund</li><li>○ The Local Governmental Employees' Retirement System</li><li>○ The Legislative Retirement System</li><li>○ The North Carolina National Guard Pension Fund</li></ul></li></ul>