Joint Legislative Committee on Economic Development and Global Engagement

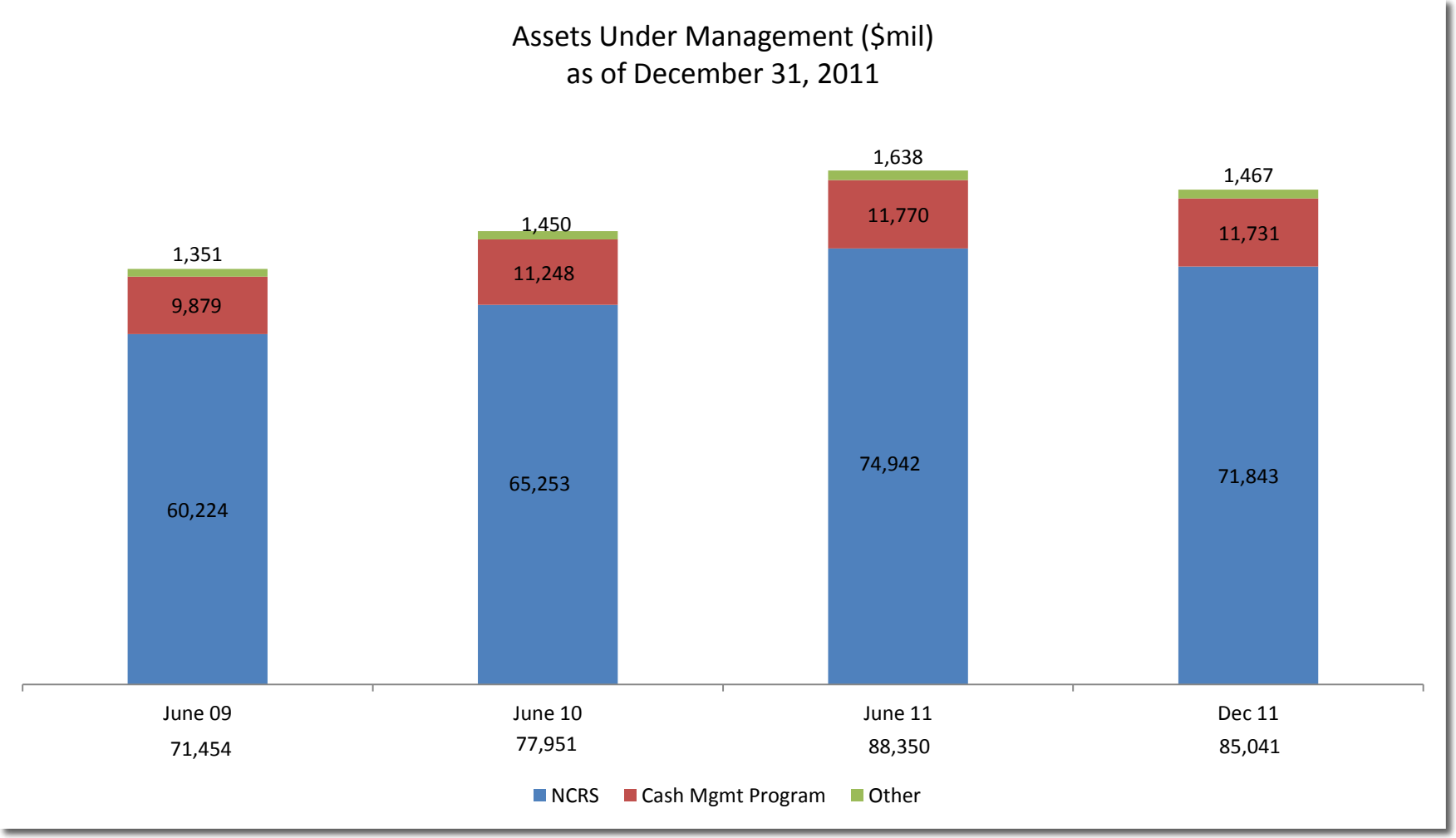
Presented by State Treasurer Janet Cowell

February 2, 2012

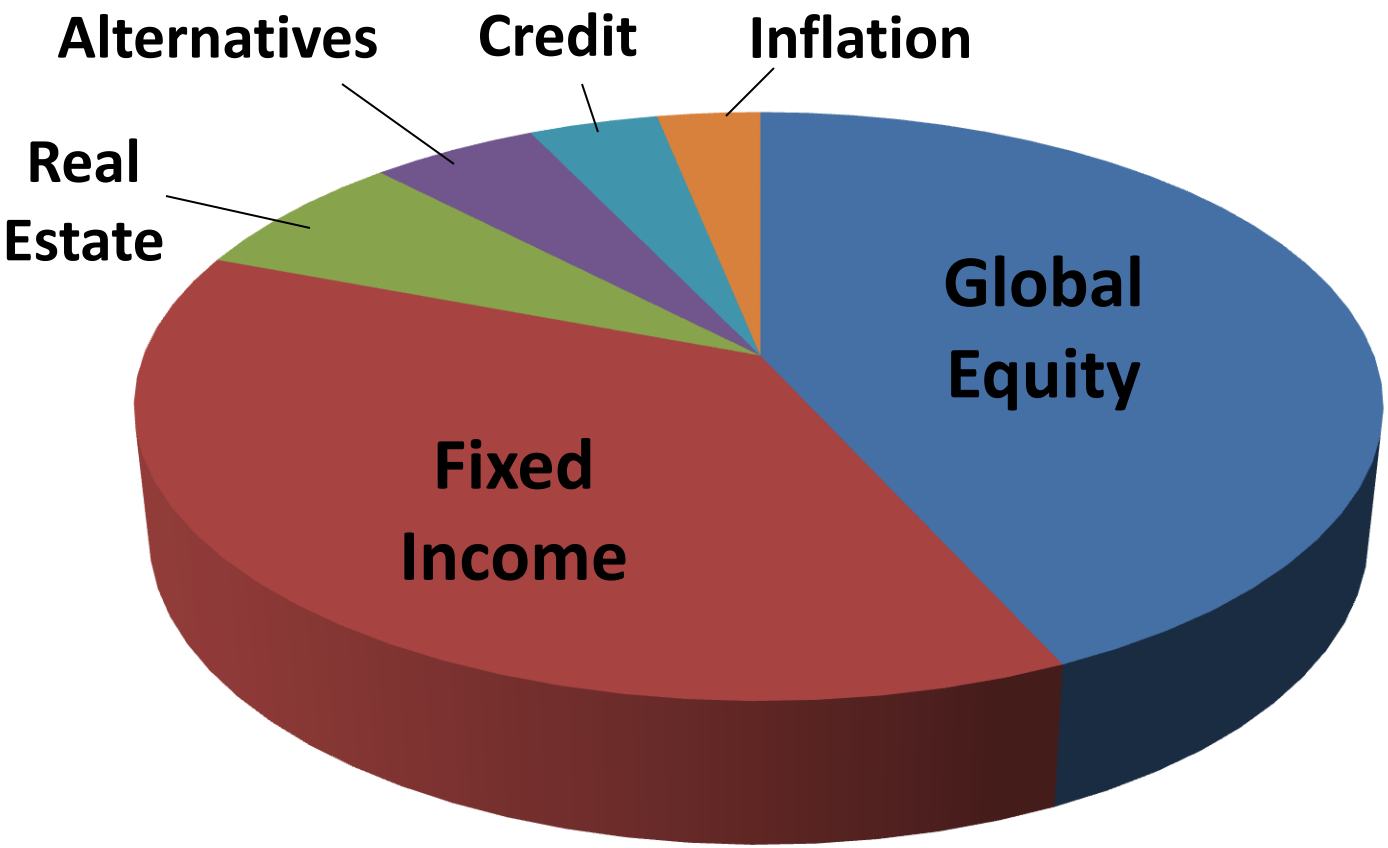
North Carolina Department of State Treasurer
State and Local Government

Learn. Invest. Grow. Prosper.

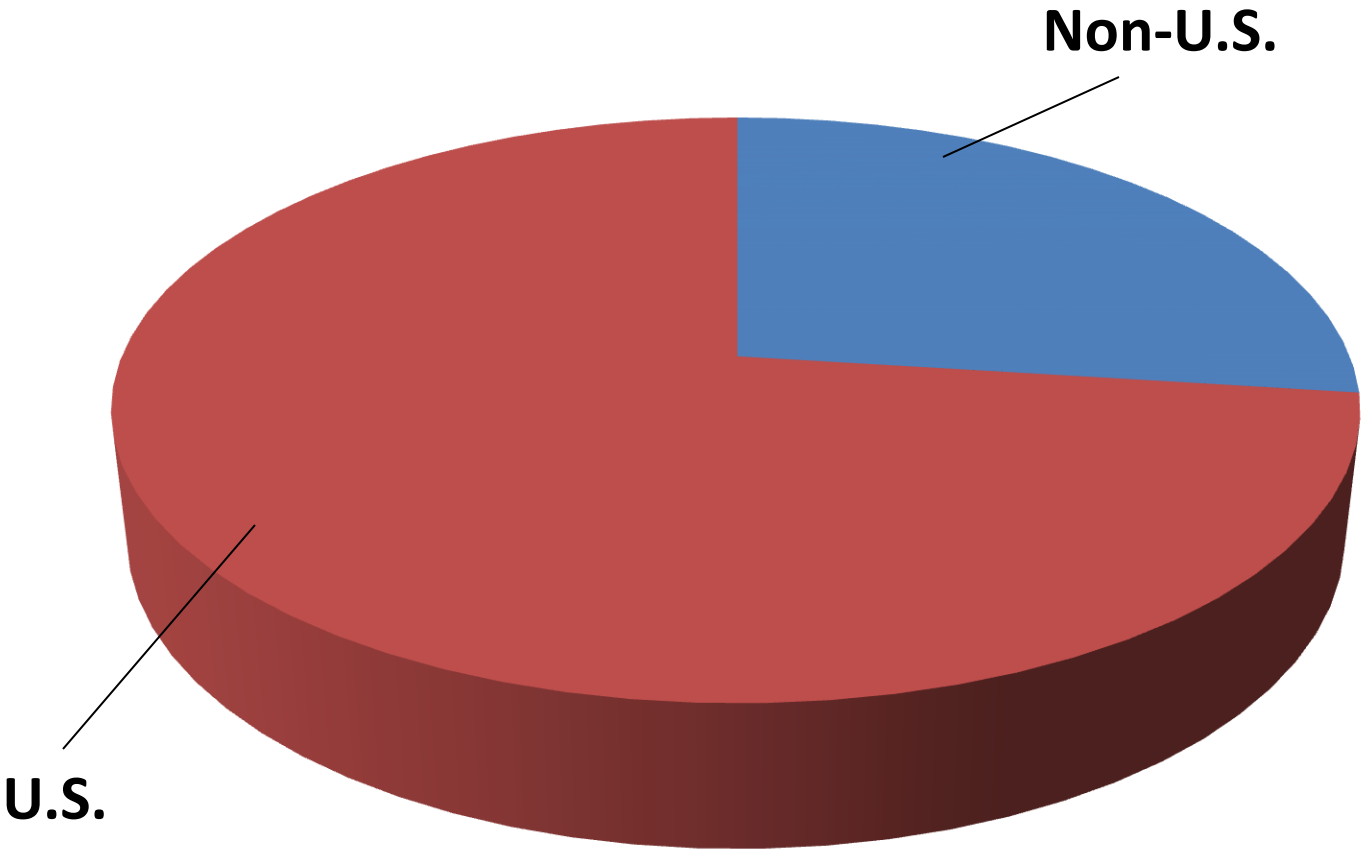
North Carolina has 33rd largest pension globally



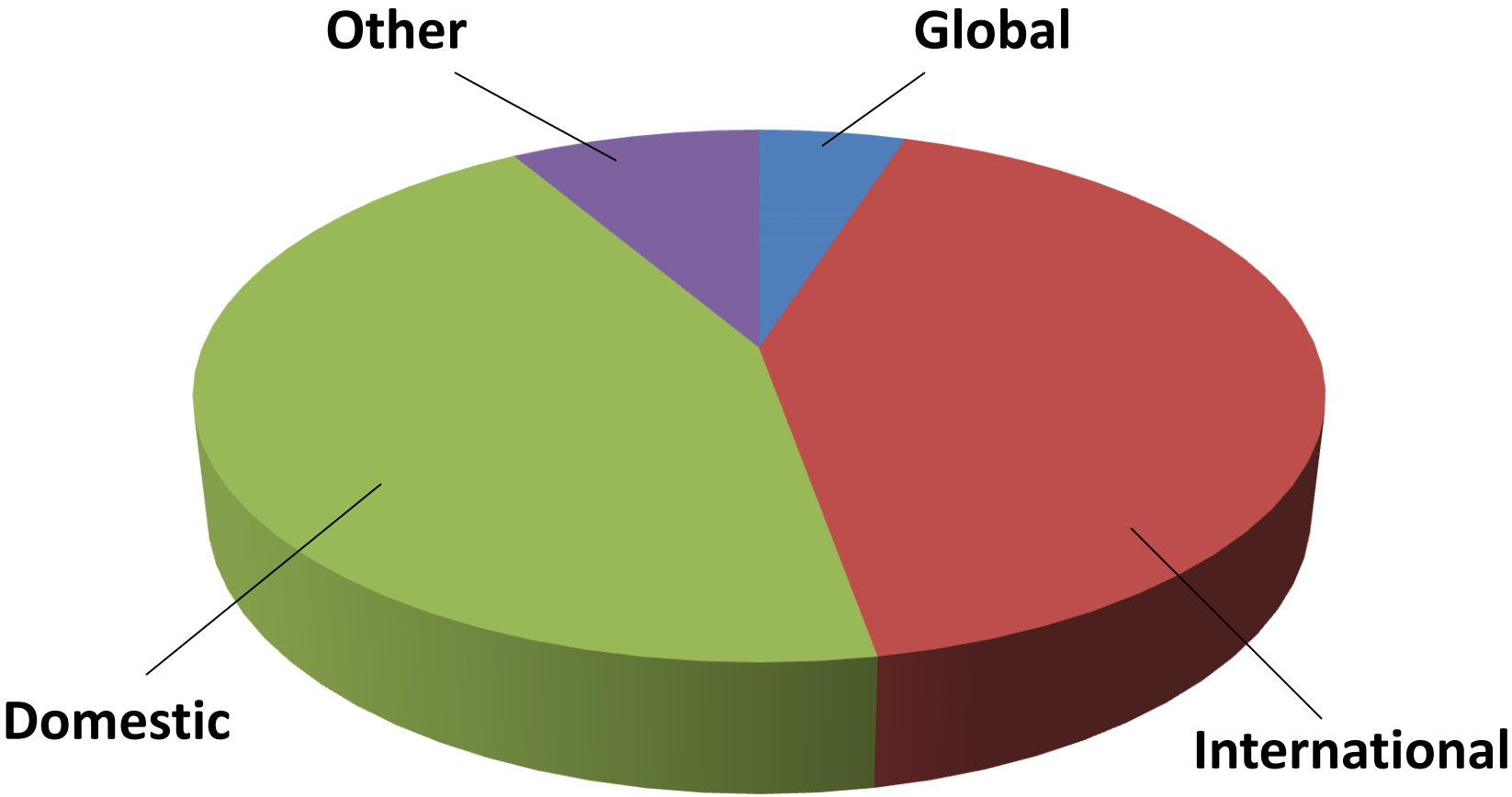
Total Pension Portfolio Allocation



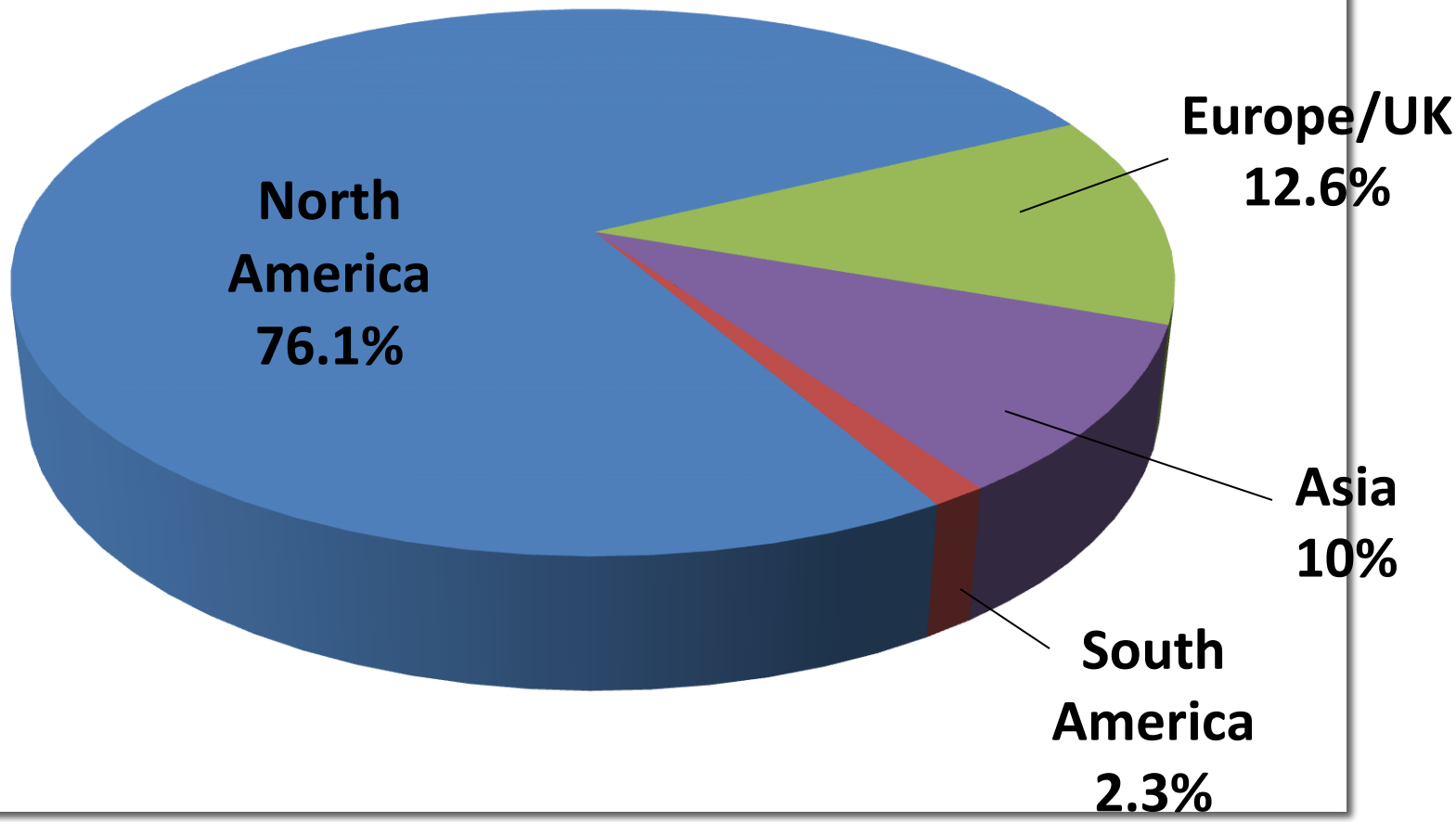
Total Pension Portfolio – Geographic Allocation



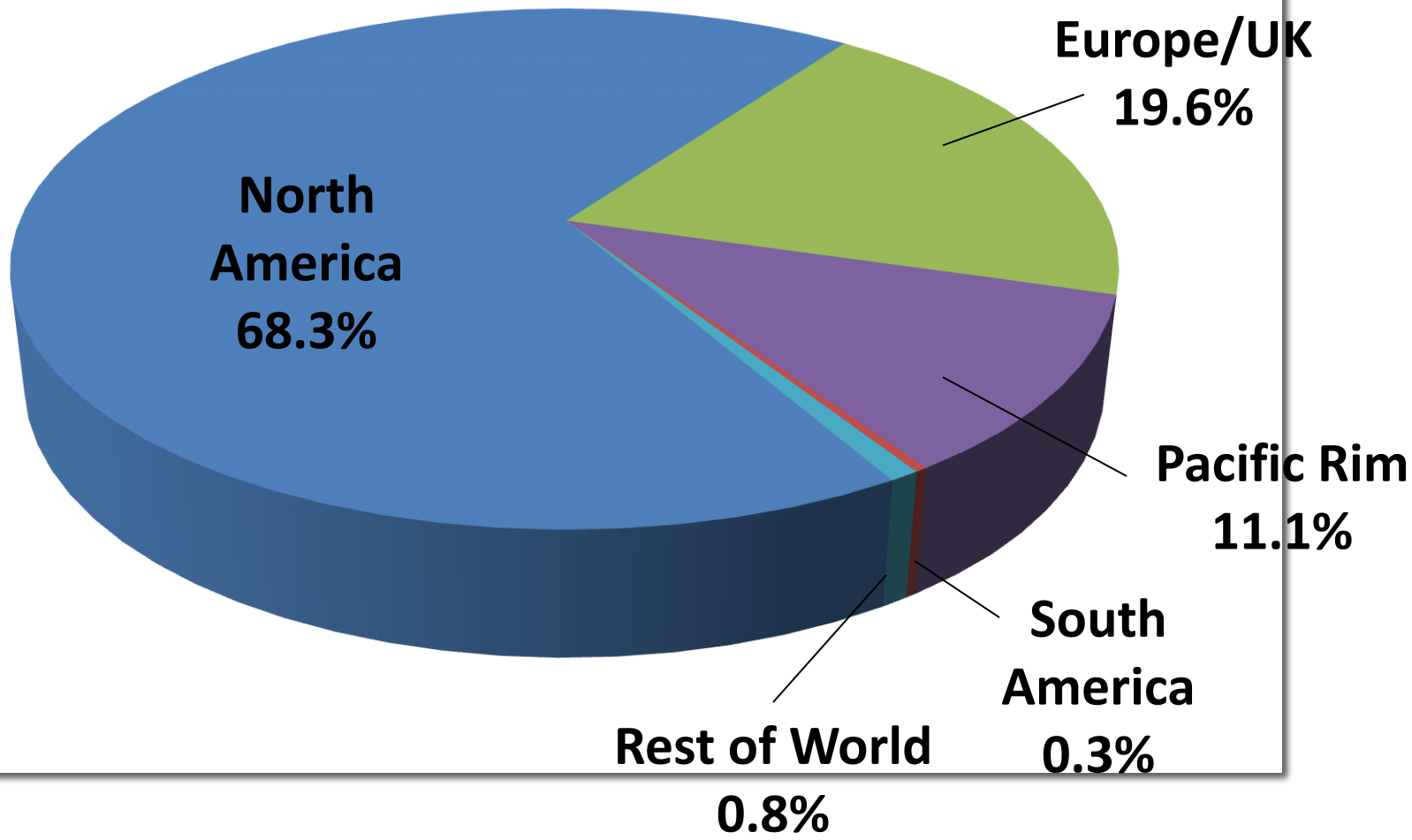
Public Equity Allocation



Real Estate – Geographic Allocation



Private Equity – Geographic Allocation



Advantages to Investing in Emerging Markets

- Great potential for growth because there is still major development occurring
- Provides diversity to a portfolio, can reduce risk
- Longer-term growth opportunities in multiple sectors of a country or region
- Ability to invest in countries or regions that are at different sizes and stages of development – China and Brazil vs. Vietnam, Cambodia, Kazakhstan

Wharton Global Leadership

“AAA” bond rating

- Lower debt costs
- More attractive rates
- Better global reputation

Investing Here at Home – Innovation Fund

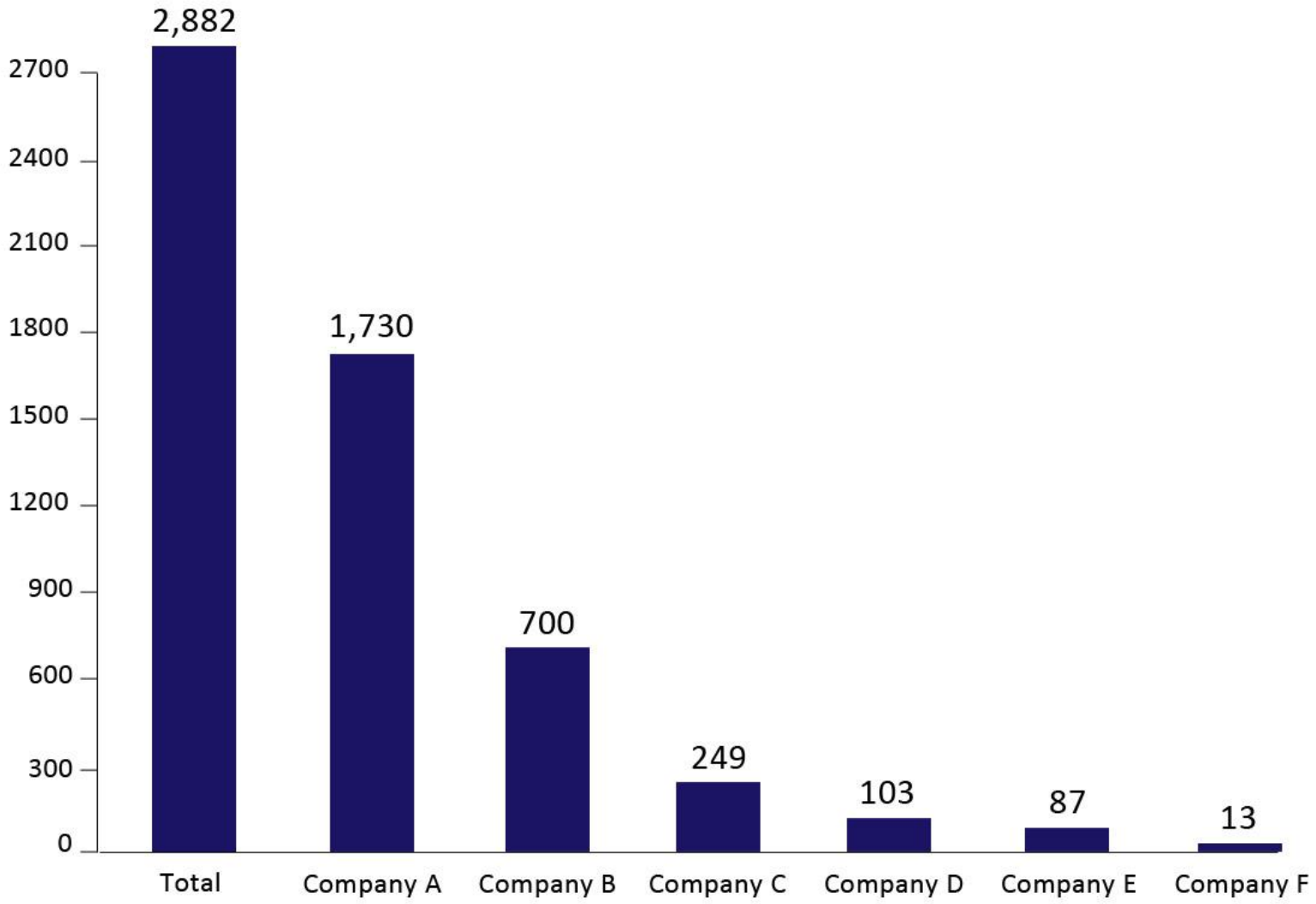
Mandate
$230 million in investment opportunities with a nexus in North Carolina

Primary Objective
Competitive risk-adjusted rate of return consistent with the performance objective of the Alternative Investment Fund

Collateral Objective
Support the economic well-being of the state of North Carolina

Legislative Authority
Executed within the Alternative asset allocation

Innovation Fund



Accelerator Fund

The NC Innovation Fund has allocated up to $35 million to invest in 3-4 venture capital funds focused on early-stage life sciences.

To date, the Accelerator has committed to one venture capital firm, Hatteras Venture Partners.

Thank you!

Together, we can build and maintain a fiscally strong and prosperous North Carolina.

www.NCTreasurer.com