North Carolina
Department of State Treasurer
Office of the Treasurer

DALE R. FOLWELL, CPA
STATE TREASURER OF NORTH CAROLINA

September 28, 2018

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 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)

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** the Chief Investment Officer or Investment Directors a bonus for the fiscal year ending June 30, 2018. 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 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 2017-2018 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, 2018.

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Position Number	Position Title	Annual Salary as of 06/30/2018
60009021	DST Investment General Counsel	$141,000.00
60009059	DST Investment Deputy General Counsel	$92,000.00
65011778	DST Investment Deputy General Counsel	$121,850.00
60009058	DST Investment Portfolio Manager Journey	$154,202.00
60009063	DST Investment Portfolio Manager Contrib	$141,000.00
60009064	DST Investment Portfolio Manager Journey	$154,202.00
60009065	DST Investment Director Journey	$221,313.00
65006101	DST Investment Portfolio Manager Contrib	$141,000.00
65006636	DST Investment Portfolio Manager Journey	0.00
65022134	DST Investment Analyst Journey	$70,000.00
65022136	DST Investment Analyst Journey	$89,000.00
65022138	DST Investment Analyst Advanced	0.00
65022141	DST Investment Portfolio Manager Journey	$137,074.00
60009054	DST Investment Director Contributing	$210,648.00
60009056	DST Investment Portfolio Manager Journey	$177,488.00
60009057	DST Investment Portfolio Manager Journey	$147,960.00
60009062	DST Investment Portfolio Manager Journey	$177,488.00
60009066	DST Investment Director Advanced	$274,708.00
60009070	DST Investment Portfolio Manager Advance	$188,519.00
60009067	DST Investment Director Journey	0.00

60009068	DST Investment Director Journey	$239,525.00
60009071	DST Investment Portfolio Manager Advance	$164,415.00
60090005	DST Investment Analyst Journey	0.00
65022142	DST Investment Portfolio Manager Journey	$137,074.00
65023571	DST Investment Director Contributing	$205,000.00
65023571	DST Investment Director Contributing	$205,000.00
60009069	DST Chief Investment Officer	0.00
65006300	DST Investment Attorney	$92,000.00
60009119	DST-SRP RSD Ex Director	$240,540.00
65015147	DST-SRP Deputy Director	$161,370.00
65019376	DST-SRP Compliance Officer	$71,543.00
65019377	DST-SRP Assistant General Counsel	$125,000.00
60009291	DST Investment Dep Dir Fin Operations	$152,938.00
60009285	DST Investment Accountant	$63,930.00
60009294	DST Investment Accounting Supervisor	0.00
60009300	DST Investment Accountant	$63,930.00
60009308	DST Investment Accountant	$63,930.00
60009305	DST Investment Chief Financial Officer	$221,001.00
60088630	DST Investment Accounting Manager	$101,000.00
65012555	DST Investment Operations Director	$188,725.00
65006074	DST Investment Analyst Journey	0.00

65012554	DST Investment Director Journey	$238,095.00
65022143	DST Investment Portfolio Manager Journey	0.00
60009055	DST Investment Director Contributing	0.00
65006559	DST Investment Portfolio Manager Journey	$141,000.00
65012552	DST Investment Director Journey	$224,618.00
65022135	DST Investment Analyst Journey	0.00
65022139	DST Investment Portfolio Manager Journey	$162,000.00
65022140	DST Investment Portfolio Manager Journey	0.00
60009061	DST Investment Director Journey	0.00
60090004	DST Investment Analyst Contributing	$70,000.00
65006073	DST Investment Analyst Contributing	$77,000.00
65022137	DST Investment Portfolio Manager Contrib	$135,063.00