

§ 147-69.12. Reporting on the State Treasurer's investment programs.

(a) No later than the tenth day of February, May, August, and November of each year, the State Treasurer shall report on all investments for which the State Treasurer is in any way responsible, including investments made from the Escheat Fund and return on investment as provided in G.S. 147-69.2A. This report shall be made for the Escheat Fund in lieu of the report required by G.S. 147-69.8. The State Treasurer's quarterly report shall include each of the following:

- (1) A specific listing of all direct and indirect placement fees, asset fees, performance fees, and any other money management fees incurred by the State in the management of the Retirement Systems defined in G.S. 147-69.2(b)(8). In the event that the market value of any of subdivision (6c) or (7), sub-subdivision b. of subdivision (8), or subdivision (9) or (9a) of G.S. 147-69.2 increases during a fiscal year by an amount greater than three percent (3%) of the market value of all invested assets of the Retirement Systems as of the prior fiscal year end, then the quarterly report provided shall describe how that increase complies with the duties described in G.S. 147-69.7 and the consequent expected impact on the risk profile of the Retirement Systems' assets.
- (2) A specific listing of all investments made with certified green managers and companies and funds that support sustainable practices, including the names of the companies, managers, and funds, the amount invested, and the State's return on investment.
- (3) For bank balances:
 - a. The State's total bank balance with the State Treasurer, including the amount of cash on hand and money on deposit.
 - b. For each bank or other qualified depository utilized by the State Treasurer to hold cash balances, (i) the name of each depository and (ii) current quarter-end cash balances.
- (4) For the State Treasurer's cash management programs:
 - a. Total assets.
 - b. Duration of investments.
 - c. Rate of return, including a comparison to an appropriate benchmark, if available.
- (5) For the Retirement Systems, as defined in G.S. 147-69.2(b)(8), reported separately for each asset class authorized by G.S. 147-69.2(b):
 - a. Total assets.
 - b. Rate of return, including a comparison to an appropriate benchmark, if available.
 - c. Percentage of the total assets that are invested in the asset class and the limitation, if any, on the percentage under G.S. 147-69.2(b).
- (6) For each investment program created under G.S. 147-69.3:
 - a. The financial condition of each investment program.
 - b. A full and complete statement of all moneys invested by virtue of the provisions of G.S. 147-69.1 and G.S. 147-69.2.
 - c. The nature and character of the investments.
 - d. The revenues derived from the investments, net of fees and expenses.
 - e. The costs of administering, managing, and operating the investment programs, including the recapture of any investment commissions.
 - f. The location on the State Treasurer's Web site where the public may find a statement of the investment policies for the revenues invested.

- g. Any other information that may be helpful in understanding the State Treasurer's investment policies, investment practices, and investment results.
 - h. Any other information requested by the House of Representatives and Senate Finance Committees.
 - i. The location on the State Treasurer's Web site where the public may find a list of new commitments to external investment managers.
 - j. The location on the State Treasurer's Web site where the public may find information on the use of placement agents by investment managers.
- (7) For all other investments with or on behalf of the State or any of its agencies or institutions:
- a. The particular agency or institution, fund, rate of return, and duration of the investment.
 - b. The amount of deposit on all noninterest bearing accounts.

(b) No later than the date set by G.S. 147-69.9 for the submission of consolidated stand-alone financial statements, the State Treasurer shall report annually on the fees and performance of all externally and internally managed investments for the Retirement Systems defined in G.S. 147-69.2(b)(8). Externally managed investments shall be reported on the basis of each investment vehicle or investment manager, as applicable. Internally managed investments shall be reported on a portfolio-by-portfolio basis. The State Treasurer's annual report shall include all of the following, as applicable, reported separately for each investment:

- (1) The name, commitment amount, statutory classification, and inception year.
- (2) Either a statement that the investment is managed internally by the staff of the State Treasurer or the names of the external investment manager and the investment vehicle for that investment.
- (3) Value of the investment.
- (4) Dollar amount of the management fees and incentive fees.
- (5) For investment-grade fixed income or public equity investments, the periodic net annualized time-weighted rate of return for that fiscal year and since inception, reported net of fees.
- (6) For all investments other than investment-grade fixed income or public equity investments, all of the following:
 - a. The net annualized internal rate of return and investment multiple since inception, reported net of fees.
 - b. The total cash contributions or other investments made by the State Treasurer.
 - c. The total distribution received by the State Treasurer with respect to that investment since inception, reported net of fees.
- (7) For any fund of funds investment vehicles, the aggregate management fees and incentive fees for the underlying investment managers or investment vehicles used by the external investment manager.
- (8) If any placement agent fees relating to the investment were directly or indirectly borne by the State Treasurer or Retirement Systems, a list of the amount and type of those fees.

(c) The Treasurer shall report to the Governor annually the exact balance in the treasury to the credit of the State, with a summary of the receipts and payments of the treasury during the preceding fiscal year, and so far as practicable an account of the same down to the termination of the current calendar year.

(d) The reports required by this section shall be delivered to the Joint Legislative Commission on Governmental Operations, chairs of the House of Representatives and Senate Appropriations Committees, chairs of the House of Representative and Senate Finance Committees, Fiscal Research Division, Governor, Council of State, and State Auditor. The reports shall also be made available for public review, including by posting on the State Treasurer's Web site.

A copy of a report on any State Treasurer investment program shall be sent to the official, institution, board, commission, or other agency investing in that program.

(e) Repealed by Session Laws 2017-125, s. 8, effective July 20, 2017. (2016-55, s. 4.1(a), (b); 2017-102, s. 28.1(b); 2017-125, s. 8; 2021-180, s. 37.12(c); 2023-134, s. 27.10(h).)