



NORTH CAROLINA

OFFICE OF THE TREASURER

JANET COWELL, TREASURER

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FOR IMMEDIATE RELEASE
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TREASURER COWELL REPORTS END OF YEAR RETURNS FOR PENSION FUND

RALEIGH – State Treasurer Janet Cowell reported today that North Carolina’s pension fund performance returned 15.08 percent for the year ending December 31, 2009. Pension fund assets were valued at \$67 billion, an increase from the \$65.8 billion reported at the end of the third quarter.

The 2009 public equity (stock) portfolio returned 4.79 percent for the fourth quarter and 32.68 percent for the calendar year. The fixed income (bond) portfolio was down 0.06 percent for the quarter, but returned 7.27 percent for the year. Stocks and bonds account for nearly 90 percent of the overall portfolio.

While real estate returns remained negative into the fourth quarter, -2.65 for the quarter and -33.18 for the year, there was slowing of losses toward the end of the year across global real estate markets. All real estate markets were hit hard by the financial crisis as job losses impacted the use of commercial real estate and banks continued to be reluctant or unable to lend. The real estate portfolio is currently less than 5 percent of the total fund.

Even with positive overall returns for the third straight quarter, the effects of the economic downturn and current market uncertainty will continue to impact the value of the pension fund over the coming years. Past losses will need to be offset by increased employer contributions to the fund. Encouraging state and local officials to maintain a fully funded state retirement system will be a key goal for the Department.

“The long-term health of the pension fund is important not only to retirees, but to the financial stability of the state,” stated Cowell. “It is imperative that state and local leaders prepare for increased and sustained pension contributions in their budgets over the coming years.”

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Fourth Quarter Performance Report included.

About the Pension Fund:

The North Carolina Retirement Systems, the formal name for the pension fund, is now the tenth largest public pension fund in the country. It provides retirement benefits and savings for more than 820,000 North Carolinians, including teachers, state employees, firefighters, police officers, and other public workers. For more information visit www.nctreasurer.com



NCRS Quarterly Update 4th Quarter 2009



Performance

	3 Month	Fiscal YTD	1 Yr	3 Yr	5 Yr	10 Yr
Global Equity	4.79	23.26	32.68	(4.88)	1.56	1.19
Benchmark	4.91	23.14	30.83	(5.49)	1.24	0.10
Fixed Income	(0.06)	5.60	7.27	7.13	5.77	7.54
Benchmark	(0.75)	4.66	4.90	6.16	5.13	7.14
Real Estate	(2.65)	(10.36)	(33.18)	(10.41)	0.78	3.44
Benchmark	(6.15)	(11.72)	(29.44)	(7.27)	2.31	5.82
Alternatives	5.24	9.53	(2.47)	(0.09)	3.88	0.73
Benchmark	11.96	25.20	(0.62)	(0.08)	4.38	2.95
Total Pension Plan	2.51	13.22	15.08	0.03	3.60	4.11
Benchmark	2.32	13.46	14.97	(0.35)	3.29	3.74

Asset Allocation

	<u>Current %</u>	<u>Policy %</u>
Global Equity	50.7%	50.0%
Fixed Income	39.0%	39.5%
Real Estate	4.5%	6.0%
Alternatives	5.8%	4.5%

