

1 of any of subdivisions (b)(1) through (6) of this section nor subdivision
2 (b)(7) of this section, provided such investments are made through
3 investment companies registered under the Investment Company Act of
4 1940, individual, ~~common~~common, or collective trust funds of banks and
5 trust companies, group trusts and limited partnerships, limited liability
6 companies or other limited liability investment vehicles that invest primarily
7 in investments authorized by this subdivision and through contractual
8 arrangements in which the investment manager has full and complete
9 discretion and authority to invest assets specified in such arrangements in
10 investments authorized by this subdivision, provided the investment
11 manager for each investment pursuant to this subdivision has assets under
12 management of at least one hundred million dollars (\$100,000,000) and
13 provided that the investments authorized under this subdivision shall not
14 exceed five percent (5%) of the market value of all invested assets of the
15 Retirement Systems.

16 (7) With respect to Retirement Systems' assets referred to in subdivision (8) of
17 this subsection, (i) insurance contracts that provide for participation in
18 individual or pooled separate accounts of insurance companies, (ii) group
19 trusts, (iii) individual, common, or collective trust funds of banks and trust
20 companies, (iv) real estate investment trusts, (v) investment companies
21 registered under the Investment Company Act of 1940, and (vi) limited
22 partnerships, limited liability companies, or other limited liability investment
23 vehicles; provided the investment manager has assets under management of
24 at least one hundred million dollars (\$100,000,000); provided such
25 investment assets are managed primarily for the purpose of investing in or
26 owning real estate or related debt financing located within or outside the
27 United States; and provided that the investments authorized by this
28 subdivision shall not exceed ten percent (10%) of the market value of all
29 invested assets of the Retirement Systems.

30 (8) With respect to assets of the Teachers' and State Employees' Retirement
31 System, the Consolidated Judicial Retirement System, the Firemen's and
32 Rescue Workers' Pension Fund, the Local Governmental Employees'
33 Retirement System, the Legislative Retirement System, the North Carolina
34 National Guard Pension Fund (hereinafter referred to collectively as the
35 Retirement Systems), and assets invested pursuant to subdivision (b2) of this
36 section, they may be invested in equity securities traded on a public
37 securities exchange or market organized and regulated pursuant to the laws
38 of the jurisdiction of such exchange or market and issued by any company
39 incorporated or otherwise created or located within or outside the United
40 States; provided the investments meet the conditions of this subdivision.

41 The investments authorized for the Retirement Systems under this
42 subdivision cannot exceed sixty-five percent (65%) of the market value of
43 all invested assets of the Retirement Systems. So long as each investment
44 manager has assets under management of at least one hundred million
45 dollars (\$100,000,000), the assets authorized under this subdivision can be
46 invested through any of the following:

- 47 (i)a. ~~investment~~Investment companies registered under the Investment
48 Company Act of ~~1940~~1940.
- 49 (ii)b. ~~individual~~Individual, common, or collective trust funds of banks and
50 trust ~~companies~~companies.

- 1 ~~(iii)c. group trusts, and~~ Group trusts that invest primarily in investments
2 authorized by this subdivision.
3 d. Limited partnerships, limited liability companies, or other limited
4 liability investment vehicles that are not publicly traded and invest
5 primarily in investments authorized by this subdivision. Investments
6 under this sub-subdivision shall not exceed ten percent (10%) of the
7 market value of all invested assets of the Retirement Systems.
8 ~~(iv)e. contractual~~ Contractual arrangements in which investment managers
9 have full and complete discretion and authority to invest assets
10 specified in such contractual ~~arrangements~~ arrangements in
11 investments authorized by this subdivision.

12 The assets authorized under this subdivision can also be invested directly
13 by the State Treasurer in any equity securities ~~represented in the S&P 500~~
14 ~~Index or that have been publicly announced to be included in the S&P 500~~
15 ~~Index~~ authorized by this subdivision for the primary purpose of
16 approximating the movements of a published market benchmark index. No
17 more than one and one-half percent (11/2%) of the market value of the
18 Retirement Systems' assets that may be invested directly under this
19 subdivision can be invested in the stock of a single corporation, and the total
20 number of shares in that single corporation cannot exceed eight percent (8%)
21 of the issued and outstanding stock of that corporation.

- 22 (9) With respect to Retirement Systems' assets, as defined in subdivision (b)(8)
23 of this subsection, they may be invested in interests in limited partnerships,
24 limited liability companies, or other limited liability investment vehicles that
25 are not publicly traded if the primary purpose of the limited partnership,
26 limited liability company, or other limited liability investment vehicle is (i)
27 to invest in public or private equity, or corporate buyout transactions, within
28 or outside the United States ~~States~~ or (ii) to engage in other strategies not
29 expressly authorized by any other subdivision of this subsection. The
30 amount invested under this subdivision shall not exceed ~~five percent (5%)~~ ten
31 percent (10%) of the market value of all invested assets of the Retirement
32 Systems.

- 33 (9a) With respect to Retirement Systems' assets, as defined in subdivision (b)(8)
34 of this subsection, they may be invested in inflation-linked bonds,
35 timberlands, commodities, and other assets that are acquired for the primary
36 purpose of providing protection against risks associated with inflation,
37 provided such investments are made through investment companies
38 registered under the Investment Company Act of 1940, individual, common
39 or collective trust funds of banks and trust companies, group trusts and
40 limited partnerships, limited liability companies or other limited liability
41 investment vehicles that invest primarily in investments authorized by this
42 subdivision and through contractual arrangements in which the investment
43 manager has full and complete discretion and authority to invest assets
44 specified in such arrangements in investments authorized by this
45 subdivision, provided the investment manager for each investment pursuant
46 to this subdivision has assets under management of at least one hundred
47 million dollars (\$100,000,000) and provided that the investments authorized
48 under this subdivision shall not exceed five percent (5%) of the market value
49 of all invested assets of the Retirement Systems. Notwithstanding anything
50 in this subsection to the contrary, the investments authorized by this
51 subdivision shall not be included in any subdivision other than this

1 subdivision for purposes of the percentage investment limitations therein or
2 otherwise.

3 (10) Recodified as part of subdivision (b)(9) by Session Laws 2000-160, s. 2.

4 (11) With respect to assets of the Escheat Fund, obligations of the North Carolina
5 Global TransPark Authority authorized by G.S. 63A-4(a)(22), not to exceed
6 twenty-five million dollars (\$25,000,000), that have a final maturity not later
7 than October 1, 2011. The obligations shall bear interest at the rate set by the
8 State Treasurer. No commitment to purchase obligations may be made
9 pursuant to this subdivision after September 1, 1993, and no obligations may
10 be purchased after September 1, 1994. In the event of a loss to the Escheat
11 Fund by reason of an investment made pursuant to this subdivision, it is the
12 intention of the General Assembly to hold the Escheat Fund harmless from
13 the loss by appropriating to the Escheat Fund funds equivalent to the loss.

14 If any part of the property owned by the North Carolina Global
15 TransPark Authority now or in the future is divested, proceeds of the
16 divestment shall be used to fulfill any unmet obligations on an investment
17 made pursuant to this subdivision.

18 (12) With respect to assets of the Escheat Fund, in addition to those investments
19 authorized by subdivisions (1) through (6) of this subsection, up to twenty
20 percent (20%) of such assets may be invested in the investments authorized
21 under subdivisions (7) through (9) of this subsection, notwithstanding the
22 percentage limitations imposed on the Retirement Systems' investments
23 under those subdivisions.

24 If an investment was authorized by this subsection at the time the investment was made or
25 contractually committed to be made, then none of the percentage or other limitation on
26 investments set forth in this subsection shall be construed to require the State Treasurer to
27 subsequently dispose of the investment or fail to honor any contractual commitments as a result
28 of changes in market values, ratings, or other investment qualifications."

29 **SECTION 2.** This act is effective when it becomes law.