

**NC State Investment Fund, Inc.
Holdings and Performance
For the Periods Ended
June 30, 2015**

Performance Summary	QTD	CYTD	1 Year	3 Year	5 Year	10 Year
NC State Investment Fund, Inc.	1.0%	5.6%	9.0%	12.2%	10.7%	5.6%
<i>Policy Benchmark (1) (2)</i>	0.8%	2.2%	3.1%	9.5%	10.6%	6.7%
<i>UNC Investment Fund, Inc.</i>	1.0%	6.0%	9.3%	12.3%	10.8%	8.6%
<i>Global Index (3)</i>	-0.3%	1.9%	1.1%	9.6%	9.5%	6.1%
<i>BNY Mellon E&F Median Universe</i>	0.4%	2.6%	3.2%	10.4%	10.3%	6.9%

Asset Class/Style	Market Value	Asset Allocation			
		Actual *	Policy	Over(Under)*	Tactical Range
Total NC State Investment Fund, Inc.	\$ 676,716,499	100.0%	100.0%		
<i>Global Equity Strategies</i>	332,822,488	49.2%	45.0%	4.2%	
Long Biased Equity	211,782,923	31.3%	27.0%	4.3%	20 - 35%
Long/Short Equity	121,039,565	17.9%	18.0%	-0.1%	12 - 24%
<i>Fixed Income Strategies Composite</i>	81,614,603	12.1%	10.0%	2.1%	
Fixed Income	81,614,603	12.1%	10.0%	2.1%	5 - 18%
<i>Diversifying Strategies Composite</i>	45,418,657	6.7%	12.0%	-5.3%	
Diversifying	45,418,657	6.7%	12.0%	-5.3%	8 - 16%
<i>Private Strategies</i>	216,860,751	32.0%	33.0%	-1.0%	
Private Equity	145,447,408	21.4%	18.0%	3.4%	14 - 22%
Real Estate	40,548,254	6.0%	8.0%	-2.0%	5 - 12%
Energy and Natural Resources	30,865,089	4.6%	7.0%	-2.4%	5 - 10%

* Totals may vary due to rounding

Note 1 - Policy Benchmark: Strategic Investment Policy Portfolio (SIPP) Index =27%: (ACWI), 18%: (HFRI Equity Hedge Index), 12%: (HFRI Conservative Fund of Funds Index + 1%), 10.0%: (30% Barclay's(BC) LT Gov/Credit, 30% BC Aggregate, 20% BC HY Corporate, 20% 90 day T-Bill), 18%: (Cambridge Private Equity Composite), 8%: (90% NCREIF / 10% NAREIT), and 7%: (50% GSCI / 50% Real 3%)

Note 2 - 10 Year Policy Benchmark represents the historical benchmark-blended index of past benchmarks

Note 3 - Global Index of 70% ACWI and 30% Barclay's Aggregate

NC State Investment Fund, Inc.

NC State University, Campus Box 7207, 1210 Varsity Drive, Suite 202, Raleigh, NC 27695-7207

Fourth Quarter FY15

June 30, 2015



NC STATE INVESTMENT FUND, INC.

HISTORY OF THE FUND

The NC State Investment Fund, Inc., (Fund) was established in April 1999 to combine NC State University's and its affiliated entities' endowments in an external pooled investment vehicle. The goal of the investment program for the Fund is to provide a real total return from assets invested that will preserve the purchasing power of Fund capital, while generating an income stream to support the spending needs of the University. Effective July 2008, the Fund partnered with UNC Management Company (UNCMC) to invest in the UNC Investment Fund (UNCIF), with the remaining investments committed to a Liquid Policy Portfolio (LPP) of Exchange Traded Funds (ETF's), and to 3 private equity managers which includes an allocation for cash to fund capital calls. The transition of assets to UNCMC was completed December 2009.

MARKET COMMENTARY

The world equity markets were essentially flat for the quarter and the year, as Global Equities as an asset class was up 0.35% for the quarter and 0.71% for the one-year period. The Greek debt crisis at the end of June was the major contributing factor for the lower return for the quarter as investors sold off equities. The US Fixed Income asset class, as reflected by the Barclays US Aggregate Index, was down 1.68% for the quarter and up 1.86% for the year. During the second quarter, the Federal Reserve indicated to the market that investors should expect long-term interest rates to rise in 2015, which was the major factor leading to the decline in the quarter. The U.S. Long Treasury Bond market sold off as the Barclays US Treasury Bond 20+ Year Index was down 9.07% for the quarter. The international equity markets slightly outperformed the U.S. equity markets for the quarter as the MSCI ACWI ex US was positive 0.53% versus the Russell 3000, up 0.14%. In the month of April alone, the international equity index was up 5.05% before the reversal in May and June. The energy sector rebounded off the bottom for the quarter as the S&P Goldman Sachs Commodity Index was up 8.73% for the quarter, which made it one of the quarter's best performing asset classes.

The Fund is invested with several managers in a wide variety of asset classes. The largest manager, UNCMC, manages 89% of the Fund's assets. UNC Investment Fund (UNCIF) produced a 1.0% return for the three months and 9.3% return for the 12 months ended June 30, 2015. The NCSIF employs additional private equity managers, who oversee 4% of the portfolio, and who produced a strong 3.2% for the three months and 15.8% for the 12 months ended June 30, 2015. The Fund's Liquid Policy Portfolio (LPP), managed by Blackrock, at 6% of the portfolio, returned -0.2% for the three months and 2.7% for the 12 months ended June 2015.

Overall, we believe the Fund's return of 1.0% for the quarter and 9.0% for the year ended June 30, 2015 were both favorable and competitive as a whole, and overall long-term performance continues to meet the Fund's objectives.

PERFORMANCE

June 30, 2015

Market Value:		\$677 million		Participants: 9			
Performance	QTD	CYTD	1 Year	3 Year	5 Year	10 Year	
Fund	1.0%	5.6%	9.0%	12.2%	10.7%	5.6%	
Policy Index (1)	0.8%	2.2%	3.1%	9.5%	10.6%	6.7%	
UNCIF	1.0%	6.0%	9.3%	12.3%	10.8%	8.6%	
Global Index (2)	-0.3%	1.9%	1.1%	9.6%	9.5%	6.1%	
BNY E&F Median (3)	0.4%	2.6%	3.2%	10.4%	10.3%	6.9%	

Note 1: Policy Index= UNCIF's Strategic Investment Policy Portfolio Index (SIPP). For the 10 year period, Policy Index = Blended Historical Benchmark.

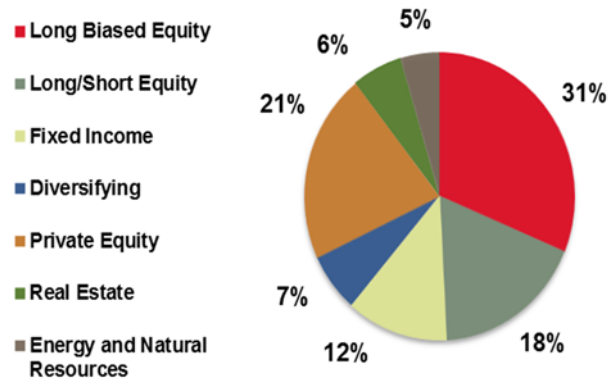
Note 2: Global Index= 70% ACWI; 30% Barclay's Aggregate

Note 3: BNY Mellon Endowment & Fdn. Universe Median Return—209 portfolios



Quarterly Investment Review

Actual Asset Allocation



Investment Strategy

The Fund is managed as a broadly diversified portfolio with exposure to seven primary asset classes and many sub-strategies within each asset class. The Fund seeks to diversify exposure to the sub-strategies through the use of multiple investment managers that utilize a variety of investment approaches. The purpose of diversification is to provide reasonable assurance that no single security, class of securities, or investment manager has a disproportionate impact on the Fund's aggregate results. At times, the Fund invests in passive strategies.

In working toward the Fund's investment strategy, through UNCMC, the Fund invests in a number of niche managers that can employ different types of hedging strategies such as short-selling and derivative investing to help reduce the volatility of the Fund. The focus on controlling volatility preserves capital and benefits Fund participants through the power of compounding.

Risk Profile

3-Year Period Ended June 30, 2015

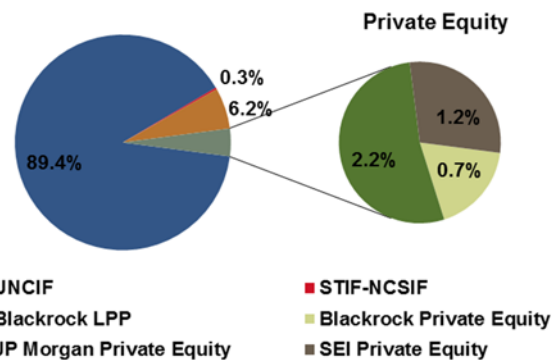
	Average Annual Net Performance	Standard Deviation	Sharpe Ratio (1)
Fund	12.2%	3.6%	3.4
UNCIF	12.3%	3.7%	3.3
Policy Index	9.5%	3.3%	2.8
Global Index	9.6%	6.2%	1.5

UNC Management Company

The UNCMC was established on January 1, 2003 as an exempt 501 (c)(3) organization. It is a professionally-staffed asset management company created to provide investment services to the University of North Carolina at Chapel Hill and its affiliated entities, to the constituent institutions of the UNC system and system affiliated foundations, associations, trusts, and endowments.

With nearly 40 employees, UNCMC has two teams, Investment Management and Operations. The Investment Management team manages all public and private investments of the UNCIF. Their responsibilities include evaluating and monitoring investment managers, recommending changes to investment objectives and asset allocation, monitoring risk, and implementing investment decisions approved by Chapel Hill Investment Fund's (CHIF) Executive Committee. The Operations Team performs all administrative, legal, compliance, accounting, and performance reporting duties.

Allocation by Manager



Note 1: Sharpe Ratio: Excess return per unit of risk