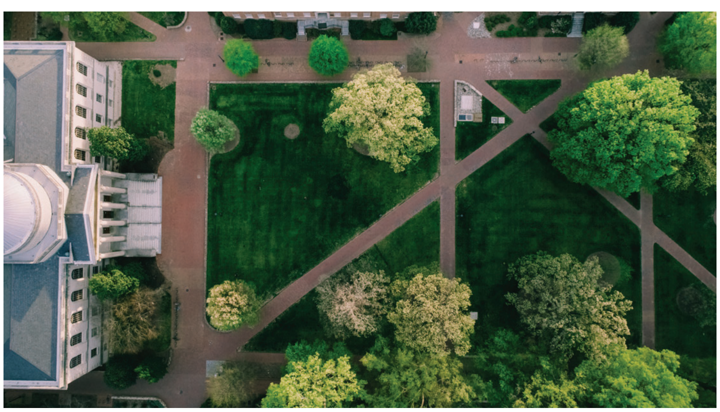
North Carolina Investment Pool



Annual Report

June 30, 2023

NORTH CAROLINA
INVESTMENT POOL

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Report of Independent Auditors

To the Board of Trustees of the North Carolina Investment Pool

Opinion

We have audited the financial statements of NCIP Liquid Portfolio (the "Portfolio") of the North Carolina Investment Pool (the "Pool"), which comprise the statement of net position as of June 30, 2023, and the related statement of changes in net position for the year then ended, and the related notes to the financial statements, which collectively comprise the Pool's basic financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Portfolio at June 30, 2023 and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Pool and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Portfolio's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Portfolio's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Portfolio's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of investments but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Ernst & Young LLP

Philadelphia, Pennsylvania
October 24, 2023

Management’s Discussion and Analysis

We are pleased to present the Annual Report for the North Carolina Investment Pool (“Pool”) for the year ended June 30, 2023. The Pool currently consists of the NCIP Liquid Portfolio (“Portfolio”). Management’s Discussion and Analysis is designed to focus the reader on significant financial items and provide an overview of the Pool’s activities for the current and prior fiscal years.

Economic Update

The economic narrative throughout 2022 and the first half of 2023 was dominated by heightened levels of inflation and the Federal Reserve’s (“Fed”) efforts to fight it.

Powered by an extended period of low interest rates, COVID-related government stimulus, record consumer spending, supply chain challenges, and Russia’s invasion of Ukraine which pushed up prices on energy and other commodities, inflation surged to a 40-year high of 9.1% by June 2022. To fight inflation, the Fed began a historic series of rate hikes that raised the federal funds rate 500 basis points (5%) from early 2022 through June 2023. That pushed interest rates to their highest levels in 15 years and impacted certain segments of the U.S. economy, like the interest-rate sensitive housing sector, but the economy remained surprisingly resilient.

Real gross domestic product (“GDP”) in the U.S. increased 2.1% in 2022 (from the 2021 annual level), compared with an increase of 5.9% in 2021. The 2022 increase largely reflected increases in consumer spending, exports, private inventory growth, and business investment that were partly offset by decreases in residential fixed investment and federal government spending. The increase in consumer spending reflected an increase in services spending – such as travel, food services, accommodations, and health care – that was partly offset by a decrease in spending on goods. The economy in the second half of the year finished strong even as questions remained over whether the U.S. would slide into a recession in 2023. GDP in the first half of 2023 increased at an average annual rate of 2.2%, beating expectations and reflecting continued strength in consumer spending, nonresidential fixed investment, and government spending.

The labor market remained extremely tight, with the unemployment rate near a 50-year low, job openings near record highs, and wage growth elevated compared to historical levels. The unemployment rate averaged just 3.6% from July 2022 through June 2023 and ended the period at that level. Job openings were plentiful as the economy added more than 4.8 million new jobs in 2022 and 1.7 million new jobs in the first half of 2023. There were notable gains in education, professional and business services, and health care. Average hourly earnings, an important gauge of wages, rose a strong 4.4% year-over-year through June.

Consumer spending accounts for more than two-thirds of U.S. economic activity, and consumers drove demand in 2022 by deploying excess savings accumulated during the pandemic. As global supply chains were challenged, the economy saw shortages of both raw materials and finished goods that contributed to higher prices. Throughout the period, consumer spending began to shift from goods to services as the impact of COVID restrictions faded. Meanwhile, the personal savings rate (savings as a percent of personal disposable income) fell from all-time highs to a near an all-time low as consumers spent down their savings accumulated during the pandemic.

After reaching a 40-year high of 9.1% in June 2022, the consumer price index (“CPI”) moderated sharply in the second half of 2022 and first months of 2023, falling to a 3.0% year-over-year (price) gain by the end of June 2023. Crude oil prices, which initially spiked after the Russian invasion of Ukraine, were ultimately lower over the past year. But, prices for food, transportation and shelter were up markedly. Inflation was the most worrisome issue for both households and policymakers throughout the year.

The Fed’s course for tighter monetary policy was solidified as inflation reached its multi-decade peak. Short-term rates rose in dramatic fashion as the Fed followed through with rate hikes at 10 consecutive meetings, four of which were 75-basis point hikes (June, July, September, and November 2022), the largest increment since 1994. That put the fed funds rate at a target range of 5.00% to 5.25% at fiscal year-end. Interest rates climbed at the fastest pace seen in recent history. The yield on 3-month Treasury bills rose from 1.72% at the end of June 2022 to 4.41% by the end of calendar year 2022 and reached 5.28% at the end of June 2023. The surge in interest rates pushed market values lower on longer-term bonds but created opportunities for short-term investors to earn much higher yields than in recent years.

Market volatility increased dramatically in reaction to three high profile bank failures in the first half of 2023. Both bond and equity markets reacted, with the 2-year treasury yield dropping nearly 100 basis points in just three days. This temporarily derailed the trend toward higher rates caused by the Fed’s aggressive rate hikes, before the market focus returned to inflation, employment, and the expected future path of Fed policy. This took place amidst fears of a U.S. debt default due to another impasse over increasing the government’s borrowing limit. In early June, just days ahead of the Treasury running out of funding, President Biden signed the bipartisan bill to suspend the debt ceiling until January 1, 2025.

The Fed has repeated its resolve to bring inflation down to the 2% target level, consistent with its dual mandate of achieving maximum employment and price stability. Coming out of its June 2023 meeting, the Federal Open Market Committee ("FOMC") decided to pause its rate hike cycle. Fed Chair Powell stated that the pause would allow the FOMC to assess additional economic data going into subsequent meetings. However, the Fed's updated Summary of Economic Projections in June indicated another 50 basis points of additional rate hikes in 2023. Following a stubbornly high Core CPI reading of 4.8% year-over-year by the end of June 2023, the FOMC moved ahead with another 25 basis point rate hike at its July 2023 meeting, in-line with market expectations. As of late July, the Fed Funds Rate sits at a target range of 5.25% to 5.50%.

Portfolio Strategy

The aggressive path of Fed rate hikes presented unique opportunities in managing the Portfolio in 2022 and early 2023. At the beginning of the fiscal year, short-term rates were on the rise. As always, we prioritized safety of principal and liquidity for investors, especially during periods of market volatility caused by rising rates, the three bank failures, and the prolonged debt ceiling impasse.

As the Fed's shift to tighter monetary policy pushed short-term interest rates to historic levels, we moved to a more defensive posture, shortening the maturity profile of the Portfolio to allow more frequent reinvestments that could quickly capitalize on each rate hike. The sharp rise in rates was also accompanied by a significant widening of credit spreads on commercial paper relative to comparable-maturity U.S. Treasuries. We sought to capitalize on these higher yields and wider yield spreads when we viewed them as fully compensating for expected future rate hikes. We also incorporated more floating-rate instruments into the Portfolio, securities on which the interest rate quickly adjusts to any rate increases. The overall yield to investors rose consistently over the past year as it followed short rates higher, resulting in a significant increase in investment income.

After 11 rate hikes and the inflation level moderating significantly from its 9.1% peak in June 2022, the Fed may be near the end of this rate hike cycle. The Fed continues to be "data dependent" as it implements monetary policy and as a result, we will continue to manage the maturity profile of the Portfolio according to the near-term expectations for any future Fed rate action.

Our active management style performed well this year during a very volatile market and the Portfolio remains well-positioned in the current environment, and in anticipation of potentially slowing rate increases in the second half of 2023.

Given that short-term interest rates are highly dependent on monetary policy, and more recently the inflation outlook, we continually monitor these factors and stand ready to adjust the Portfolio accordingly. As always, our primary objectives are to protect the value of the portfolio's shares and to provide liquidity for investors. We will continue to work hard to achieve these goals, while also seeking to increase investment yields in a prudent manner as conditions evolve over the coming quarters.

Financial Statement Overview

The financial statements for the Portfolio include a Statement of Net Position and Statement of Changes in Net Position. These financial statements are supported by the Notes to Financial Statements. In addition, a Schedule of Investments for the Portfolio is included as unaudited Other Information following the Notes to Financial Statements.

Condensed Financial Information and Analysis

The Statement of Net Position presents the financial position of the Portfolio as of June 30, 2023 and includes all assets and liabilities of the Portfolio. The difference between total assets and total liabilities, which is equal to the participants' interest in the Portfolio's net position, is shown below for the current and prior fiscal year-end dates:

	June 30, 2023	June 30, 2022
Total Assets	$ 482,283,127	$ 317,372,596
Total Liabilities	(92,587)	(83,769)
Net Position	$ 482,190,540	$ 317,288,827

Total assets of the Portfolio fluctuate as investable assets rise and fall when capital shares are issued and redeemed. The increase in total assets of the Portfolio is primarily comprised of a $164,537,063 increase in investments. The increase in total liabilities is primarily due to the increase in net assets since a significant portion of the Portfolio's expenses are determined as a percentage of net assets.

The Statement of Changes in Net Position presents the Portfolio's activity for the year ended June 30, 2023. Yearly variances in the gross income generated by the Portfolio are impacted by the overall rate environment described above. Average net assets also impact the income, as well as the expense line item that is based on a percent of the Portfolio's net assets. Activity within the net position consists of net investment income, net realized gains on sale of investments and net shares issued/redeemed by investors as outlined below for the current and prior fiscal years:

	Year Ended June 30, 2023	Year Ended June 30, 2022
Investment Income	$ 15,978,801	$ 751,009
Net Expenses	(534,185)	(119,126)
Net Investment Income	15,444,616	631,883
Net Realized Gain on Sale of Investments	2,704	1,460
Net Capital Shares Issued	149,454,393	289,650,928
Change in Net Position	$ 164,901,713	$ 290,284,271

The investment income of the Portfolio is driven by a combination of the amount of investable assets and the general short-term interest rate environment that impacts the yields on investment the Portfolio can purchase. The Portfolio's average net assets increased 132% year-over-year. This also contributed to an increase in net expenses since a significant portion of the Portfolio's gross expenses are calculated as a percentage of average net assets. Realized gains or losses on the sale of investments occur whenever investments are sold for more than their carrying value which increased year-over-year. Net capital share activity represents the total shares issued net of shares redeemed for a year. Net capital shares increased $149,454,393 in the current year, resulting in the bulk increase in the change in net position.

The total return of the Portfolio for the year ended June 30, 2023, was 3.97%, as compared to a return of 0.29% last year. Select financial highlights for the Portfolio are as follows:

	Year Ended June 30, 2023	Year Ended June 30, 2022
Ratio of Net Investment Income to Average Net Assets	4.19%	0.40%
Ratio of Net Investment Income to Average Net Assets, Before Fees Waived/Subsidized and Expenses Paid Indirectly	4.15%	0.26%
Ratio of Expenses to Average Net Assets	0.14%	0.07%
Ratio of Expenses to Average Net Assets, Before Fees Waived/Subsidized and Expenses Paid Indirectly	0.18%	0.21%

The current year net investment income ratio of 4.19% reflects the general interest rate environment as the Portfolio's assets were invested during the current year as well as the increase in average assets described previously. The Portfolio's expense ratio, before fees waived and expenses paid indirectly, includes investment advisory fees and other operating expenses. Voluntary investment advisory fee waivers by the Investment Manager and bank earnings credits paid indirectly reduced the Portfolio's expense ratio by 0.04% during the current year, causing a corresponding increase in the net investment income ratio. The impact of fee waivers and expenses paid indirectly was 0.14% in the prior year, which was the Portfolio's first full year of operations so average net assets were lower versus the current year and the average investment rates were significantly lower on average prior to the numerous Fed increases noted previously.

NCIP Liquid Portfolio
Statement of Net Position
June 30, 2023

Assets	
Investments	$ 481,668,644
Cash and Cash Equivalents	54,872
Accrued Interest Receivable	543,718
Prepaid Expenses	15,893
Total Assets	482,283,127
Liabilities	
Investment Management Fees Payable	40,232
Sponsorship Fees Payable	3,050
Custodian Fees Payable	8,335
Legal Fees Payable	5,000
Audit Fees Payable	30,500
Other Fees Payable	5,470
Total Liabilities	92,587
Net Position	
(applicable to 482,190,540 outstanding shares of beneficial interest; unlimited authorization; no par value; equivalent to $1.00 per share)	$ 482,190,540

NCIP Liquid Portfolio
Statement of Changes in Net Position
For the Year Ended June 30, 2023

Income	
Investment Income	$ 15,978,801
Expenses	
Investment Management Fees	553,089
Sponsorship Fees	13,595
Custodian Fees	28,239
Legal Fees	26,818
Audit Fees	30,614
Other Expenses	25,588
Total Expenses	677,943
Investment Management Fees Waived	(142,985)
Expenses Paid Indirectly	(773)
Net Expenses	534,185
Net Investment Income	15,444,616
Other Income	
Net Realized Gain on Sale of Investments	2,704
Net Increase from Investment Operations Before Capital Transactions	15,447,320
Capital Shares Issued	862,532,720
Capital Shares Redeemed	(713,078,327)
Change in Net Position	164,901,713
Net Position – Beginning of Year	317,288,827
Net Position – End of Year	$ 482,190,540

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

A. Organization and Reporting Entity

The North Carolina Investment Pool (the "Pool") was established on March 22, 2021 as a North Carolina common law Pool authorized under Section 159 of the General Statutes of North Carolina (The Local Government Finance Act) and created by an interlocal agreement established under North Carolina General Statute 160A-461 through 464. The purpose of the Pool is to enable any local government or public authority of the State of North Carolina to pool and invest their funds to take advantage of economies of scale to increase investment options for idle funds. The Pool may invest only in instruments permitted by North Carolina law. An elected Board of Trustees is responsible for the overall management of the Pool, including formation and implementation of its investment and operating policies. The Pool has not provided or obtained any legally binding guarantees to support the value of the shares. All participation in the Pool is voluntary. The Pool is not required to register as an investment company with the Securities & Exchange Commission ("SEC").

The Pool currently consists of the NCIP Liquid Portfolio ("Portfolio"). The Portfolio's financial statements presented here, have been prepared in conformity with the reporting framework prescribed by Governmental Accounting Standards Board ("GASB") for local government investment pools.

B. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Portfolio in preparation of its financial statements.

Measurement Focus and Basis of Accounting

The Portfolio reports transactions and balances using the economic resources management focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Cash and Cash Equivalents

The Portfolio reflects cash on deposit in bank accounts which is available within one business day as cash and cash equivalents. Certificates of deposit are disclosed separately as investments in the financial statements.

Valuation of Investments

In accordance with the authoritative guidance on fair value measurements and disclosures under GASB Statement No. 72, as amended, the Portfolio discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). The guidance establishes three levels of the fair value hierarchy as follows:

Level 1 – Quoted prices in active markets for identical assets.

Level 2 – Inputs other than quoted prices that are observable for the asset, including quoted prices for similar investments based on interest rates, credit risk and like factors.

Level 3 – Unobservable inputs for the assets, including the Portfolio's own assumptions for determining fair value.

The Portfolio's investments are assigned a level based upon the observability of the inputs which are significant to the overall valuation. In accordance with GASB Statement No. 79, the Portfolio's securities are valued at amortized cost, which approximates fair value. GASB Statement No. 79 requires a comparison of the Portfolio's investments on an amortized cost basis to fair values determined on a market value basis at least monthly. The market prices used to determine fair values in this comparison are derived from closing bid prices as of the last business day of the month as supplied by third-party pricing services. Where prices are not available from these generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Since the value is not obtained from a quoted price in an active market, all securities held by the Portfolio on June 30, 2023 are categorized as Level 2.

Investment Transactions

Security transactions are accounted for on the trade date (date the order to buy or sell is executed). Costs used in determining realized gains and losses on the sale of investment securities are those of specific securities sold. Interest income is recorded using the accrual method. Discounts and premiums are accreted and amortized, respectively, to interest income over the lives of the respective securities.

Repurchase Agreements

Repurchase agreements entered into with broker-dealers are secured by U.S. government or agency obligations. The Portfolio's custodian takes possession of the collateral pledged for investments in repurchase agreements. The Portfolio also enters into tri-party repurchase agreements. Collateral pledged for tri-party repurchase agreements is held for the Portfolio by an independent third-party custodian bank until the maturity of the repurchase agreement. Repurchase agreements are collateralized at 102% of the obligation's principal and interest value. In the event of default on the obligation to repurchase, the Portfolio has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. If the seller defaults and the value of the collateral declines, realization of the value of the obligation by the Portfolio may be delayed. In the event of default or bankruptcy by the other party to the agreement, realization and/or retention of the collateral may be subject to delays from legal proceedings.

Share Valuation and Participant Transactions

The net asset value ("NAV") per share of the Portfolio is calculated as of the close of each business day by dividing the net position of the Portfolio by the number of outstanding shares. It is the Portfolio's objective to maintain a NAV of $1.00 per share; however, there is no assurance that this objective will be achieved. The exact price for share transactions will be determined based on the NAV next calculated after receipt of a properly executed order. The number of shares purchased or redeemed will be determined by the NAV.

Dividends and Distributions

On a daily basis, the Portfolio declares dividends and distributions from its net investment income and net realized gains or losses from securities transactions, if any. Such dividends and distributions are payable to investors of record at the time of the previous computation of the Portfolio's NAV and are distributed to each investor's account by purchase of additional shares of the Portfolio on the last business day of each month. For the fiscal year ended June 30, 2023, the Portfolio distributed dividends totaling $15,447,320.

Redemption Restrictions

Shares of the Portfolio are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as an investor has a sufficient number of shares to meet their redemption request. The Pool's Board of Trustees may suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a Portfolio's securities or determination of its NAV not reasonably practical.

Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Income Tax Status

The Portfolio is not subject to Federal or State income tax upon the income realized by it. Accordingly, no provision for income taxes is required in the Portfolio's financial statements.

Representations and Indemnifications

In the normal course of business, the Pool may enter into contracts that contain a variety of representations which provide general indemnifications. The Pool's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Pool that have not yet occurred. However, based on experience, the Pool expects the risk of loss to be remote.

Subsequent Events Evaluation

The Pool has evaluated subsequent events through October 24, 2023, the date through which procedures were performed to prepare the financial statements for issuance. No other events have taken place that meet the definition of a subsequent event requiring adjustment or disclosure in these financial statements.

C. Investment Risks

Under GASB Statement No. 40, as amended, state and local governments and other municipal entities are required to disclose credit risk, concentration of credit risk, and interest rate risk for investment portfolios. The following risk disclosures of the Portfolio as of June 30, 2023 have been provided for the information of the Portfolio's investors.

Credit Risk

The Portfolio's investment policy, as outlined in its Information Statement, limits the Portfolio's investments to those that are authorized investments as permitted under North Carolina law.

As of June 30, 2023, the Portfolio's investment portfolio was comprised of investments which were, in aggregate, rated by S&P Global Ratings ("S&P") as follows:

S&P Rating	%
A-1+	15.35%
A-1	44.73%
Exempt(1)	39.92%

(1) Represents investments in U.S. Treasury securities, which are not considered to be subject to overall credit risk per GASB.

The above ratings of the investments held by the Portfolio include the ratings of collateral underlying repurchase agreements in effect for the portfolio as of June 30, 2023. Securities with a long-term rating of A or higher in the preceding table are equivalent to the highest short-term rating category based on S&P rating methodology.

Concentration of Credit Risk

As outlined in the Pool's Information Statement, the Portfolio's investment policy establishes certain restrictions on investments and limitations on portfolio composition. On June 30, 2023, the Portfolio held the following issuers, aggregated by affiliated issuers where applicable, which individually represented greater than 5% of the Portfolio's total investment portfolio:

Issuer	%
BofA Securities, Inc.(1)	17.15%
Goldman Sachs & Company(1)	14.53%
U.S. Treasury	10.93%

(1) These issuers are counterparty to repurchase agreements entered into by the Portfolio. These repurchase agreements are collateralized by U.S. government and agency obligations.

Interest Rate Risk

The Portfolio's investment policies limit its exposure to market value fluctuations due to changes in interest rates by requiring that it maintain a dollar-weighted average maturity of not greater than 60 days. On June 30, 2023, the weighted average maturity of the Portfolio, including cash and cash equivalents and certificates of deposit, was 24 days. The range of yields, actual maturity dates, principal values, fair values and weighted average maturities of the types of investments the Portfolio held on June 30, 2023 are as follows:

Type of Deposits and Investments	Yield-to-Maturity Range	Maturity Range	Principal	Fair Value	Weighted Average Maturity
Asset-Backed Commercial Paper	5.07%-5.58%	7/5/23-3/22/24	$ 74,200,000	$ 73,814,159	36 Days
Cash and Cash Equivalents	n/a	n/a	54,872	54,872	1 Day
Commercial Paper	5.03%-5.86%	7/3/23-3/22/24	216,570,000	215,585,221	33 Days
Government Agency and Instrumentality Obligations:					
U.S. Treasury Bills	5.09%-5.23%	7/11/23-8/10/23	30,000,000	29,876,470	30 Days
U.S. Treasury Notes	5.53%	7/15/23	22,808,625	22,792,794	15 Days
Repurchase Agreements	5.05%	7/3/23	139,600,000	139,600,000	3 Days
			$ 483,233,497	$ 481,723,516	

The yields shown in the preceding table represent the yield-to-maturity at original cost except for adjustable-rate instruments, for which the rate shown is the coupon rate in effect as of June 30, 2023. The weighted average maturities shown in the preceding table are calculated based on the stated maturity dates with the following exceptions: (1) floating or variable rate securities are assumed to have an effective maturity on the date upon which the security's interest rate next resets; (2) the effective maturity of callable securities is assumed to be its stated maturity unless the security had been called as of the reporting date, in which case the effective maturity would be assumed to be its called date; (3) for instruments subject to demand features, the effective maturity is assumed to be the period remaining until the principal amount of the instrument may be recovered through the demand features; and (4) the effective maturity of cash and cash equivalents is assumed to be one day. Refer to the Schedule of Investments included in the unaudited Other Information that follows for further information.

D. Fees and Charges

Investment Advisory and Administration Fees

PFM Asset Management LLC ("PFMAM") is a registered investment advisor under the Investment Advisers Act of 1940. Pursuant to an Investment Advisory and Service Agreement with the Pool ("Management Agreement"), PFM Asset Management LLC ("PFMAM", or "Investment Manager") serves as the investment adviser and administrator of the Portfolio, and PFMAM's affiliate, PFM Fund Distributors, Inc. ("PFMFD"), has been delegated the authority to provide marketing services to the Portfolio. PFMFD is not separately compensated for the marketing services it provides to the Portfolio.

For its investment advisory and administration services provided to the Portfolio under the Management Agreement, PFMAM is paid a fee at an annual rate that is determined based on the average daily net assets of the Portfolio as follows:

Average Daily Net Assets	Rate
First $1,000,000,000	0.15%
$1,000,000,001 to $2,000,000,000	0.13%
$2,000,000,001 to $3,000,000,000	0.12%
Over $3,000,000,000	0.10%

Such fees are calculated daily and payable monthly.

PFMAM is a subsidiary of U.S. Bancorp Asset Management Inc. ("USBAM"). USBAM is a subsidiary of U.S. Bank, National Association ("U.S. Bank"). U.S. Bank served as the Portfolio's custodian and depository bank through May 7, 2023, after which Fifth Third Bank, N.A. became the Portfolio's custodian and Wells Fargo Bank, N.A. became the Portfolio's depository bank. During the year ended June 30, 2023, the Portfolio accrued custodial and depository banking fees totaling $27,466, after factoring in earnings credits on cash balances, and $8,335 of these fees remain payable by the Portfolio as of June 30, 2023.

Fee Deferral and Operating Expense Reimbursement Agreement

The Pool has entered into a Fee Deferral and Operating Expense Reimbursement Agreement ("Subsidy Agreement") with PFMAM on behalf of the Portfolio pursuant to which PFMAM may, but shall not be obligated to, temporarily waive or defer any or all of its fees ("Fee Deferral") and reimburse the Portfolio of certain operating expenses ("Expense Reimbursement") to assist the Portfolio in an attempt to maintain a positive yield. PFMAM shall provide prompt notice to the Pool's Board of Trustees of the initial instance of Fee Deferral or Expense Reimbursement. In the event that PFMAM elects to initiate a fee deferral, such fee deferral shall be applicable to the computation of the NAV of the Portfolio on the business day immediately following the date on which PFMAM gives notice to the Pool of the rate of the fee deferral to be applied in calculating the NAV. A Fee Deferral or Expense Reimbursement shall remain in effect until PFMAM terminates the Fee Deferral or Expense Reimbursement or revises, upward or downward, the rate of its fee deferral.

Under the terms of the Subsidy Agreement with PFMAM, at any time after a Fee Deferral or Expense Reimbursement has occurred, and if the monthly distribution yield of the Portfolio was in excess of 0.25% per annum for the preceding calendar month, PFMAM may elect to have the amount of its accumulated deferred fees and accumulated reimbursed expenses recaptured in whole or in part under the conditions described in the Subsidy Agreement with the Pool by way of a payment of fees in excess of the rate it was entitled to, prior to any fee deferral, all as set forth in the Subsidy Agreement. In all cases, the total fees paid to PFMAM in a given month, inclusive of the amount of any accumulated Fee Deferrals and accumulated Expense Reimbursements to be recaptured, may not exceed 115% of the fees payable under the terms of PFMAM's Management Agreement with the Pool. Any fees recaptured under Subsidy Agreement may only be recaptured during the three-year period following the calendar month to which they relate.

The chart that follows depicts the Fee Deferrals and Expense Reimbursements by PFMAM subject to the Subsidy Agreement, as well as the year by which any fees not recaptured will be deemed permanently unrecoverable.

Previous Fee Waivers/Subsidized Expenses	$ 248,220
Current Year Fee Waivers	142,985
Amounts Reimbursed	-
Amounts Unrecoverable	-
Remaining Recoverable	$ 391,205
Fees Waived/Subsidized Not Reimbursed Become Unrecoverable in Fiscal Year-End:	
June 30, 2024	$ 42,222
June 30, 2025	205,998
June 30, 2026	142,985
Total	$ 391,205

Sponsorship Fees

Effective February 1, 2023, the Pool entered into a sponsoring agreement with the North Carolina Association of County Commissioners ("NCACC"). NCACC provides consulting services and, when requested, assists the Pool in the preparation and dissemination of information prepared by the Pool. For its sponsorship services, the Pool pays NCACC an annual sponsor fee of 0.01% of the average daily net assets of NCACC member counties invested in the Portfolio.

Other Expenses

The Portfolio pays expenses incurred by its Trustees and Officers (in connection with the discharge of their duties), insurance fees for Trustees, custodian fees, audit fees, legal fees, rating fees and other operating expenses. During the year ended June 30, 2023, custodian fees were reduced by $773 as a result of earnings credits from cash balances.

Other Information (unaudited)

NCIP Liquid Portfolio
Schedule of Investments (unaudited)

June 30, 2023

Rate[1]	Maturity Date[2]		Principal	Fair Value[3]
Asset-Backed Commercial Paper (15.31%)				
Atlantic Asset Securitization LLC				
5.30%	8/2/23		$5,000,000	$4,976,578
Barclays Bank (NY)				
5.37%	8/4/23		3,000,000	2,985,012
5.44%	8/21/23		2,000,000	1,984,785
5.55%	9/8/23		10,000,000	9,895,158
Chariot Funding LLC				
5.50%	9/8/23		3,000,000	2,968,835
Charta LLC				
5.51%	9/11/23		5,000,000	4,945,800
5.53%	9/15/23		5,000,000	4,942,578
Collateralized Commercial Paper FLEX Co.LLC				
5.07%	8/2/23		4,000,000	3,982,436
5.28% [4]	8/15/23		4,000,000	4,000,000
Collateralized Commercial Paper V Co. LLC				
5.23% [4]	8/23/23		3,000,000	3,000,000
CRC Funding LLC				
5.33%	8/11/23		4,200,000	4,174,888
LMA-Americas LLC				
5.43%	8/31/23		2,000,000	1,981,869
Ridgefield Funding Co. LLC				
5.26% [4]	7/10/23		4,000,000	4,000,000
5.29% [4]	12/1/23		3,000,000	3,000,000
Starbird Funding Corp.				
5.31%	8/11/23		4,000,000	3,976,220
Thunder Bay Funding LLC				
5.41% [4]	7/5/23		2,000,000	2,000,000
5.40% [4]	7/10/23		2,000,000	2,000,000
5.23% [4]	8/29/23		2,000,000	2,000,000
5.54% [4]	10/19/23		2,000,000	2,000,000
5.58% [4]	3/22/24		5,000,000	5,000,000
Total Asset-Backed Commercial Paper				73,814,159
Commercial Paper (44.71%)				
Bank of Montreal (Chicago)				
5.35%	8/15/23		5,000,000	4,967,063
5.29%	8/29/23		4,000,000	3,966,239
Bank of Nova Scotia (Houston)				
5.59% [4]	7/7/23		3,500,000	3,500,000
5.35% [4]	11/17/23		4,000,000	4,000,000
5.56% [4]	1/2/24		5,000,000	5,000,000
BNP Paribas (NY)				
5.43% [4]	7/5/23		3,000,000	3,000,000
BofA Securities, Inc.				
5.53% [4]	9/29/23		1,000,000	1,000,000
5.48% [4]	10/6/23		2,000,000	2,000,000
5.50% [4]	12/1/23		10,000,000	10,000,000

The notes to the financial statements are an integral part of the schedule of investments.

NCIP Liquid Portfolio
Schedule of Investments (unaudited)

June 30, 2023

Rate[1]	Maturity Date[2]		Principal	Fair Value[3]
BPCE SA				
5.07%	8/1/23		$2,000,000	$1,991,492
5.32%	9/6/23		3,000,000	2,971,078
5.41%	9/18/23		3,000,000	2,965,043
Canadian Imperial Holdings Inc.				
5.46% [4]	10/13/23		5,000,000	5,000,000
5.46% [4]	11/28/23		5,000,000	5,000,000
5.57% [4]	2/9/24		2,000,000	2,000,000
Citigroup Global Markets Inc.				
5.51% [4]	1/5/24		5,000,000	5,000,000
Credit Agricole Corporate and Investment Bank (NY)				
5.27%	8/7/23		4,000,000	3,978,704
5.35%	8/25/23		3,000,000	2,975,892
Credit Industriel et Commercial SA				
5.19% [4]	9/1/23		4,000,000	4,000,000
5.48% [4]	10/18/23		4,000,000	4,000,000
5.51% [4]	1/3/24		5,000,000	5,000,000
ING US Funding LLC				
5.51%	11/3/23		1,850,000	1,815,634
5.50% [4]	12/4/23		3,000,000	3,000,000
JP Morgan Securities LLC (Callable)				
5.86%	2/20/24		2,000,000	2,000,000
Macquarie Bank Ltd.				
5.36% [4]	7/20/23		2,000,000	2,000,000
5.14%	8/8/23		5,000,000	4,973,558
5.30%	9/1/23		3,000,000	2,973,340
5.48% [4]	10/26/23		4,000,000	4,000,000
Mitsubishi UFJ Trust & Banking Corp. (Singapore)				
5.54%	9/15/23		3,000,000	2,965,483
Mizuho Bank Ltd. (NY)				
5.27%	7/3/23		10,000,000	9,997,111
5.29%	7/5/23		2,470,000	2,468,563
MUFG Bank Ltd. (NY)				
5.37%	8/10/23		5,000,000	4,970,556
5.38%	8/17/23		5,000,000	4,965,533
5.53%	8/30/23		3,000,000	2,972,750
National Bank of Canada (NY)				
5.03%	8/1/23		1,500,000	1,493,658
Natixis (NY)				
5.52% [4]	10/6/23		2,000,000	2,000,000
5.42% [4]	11/1/23		2,000,000	2,000,000
5.78%	1/8/24		3,000,000	2,910,867
Nordea Bank (NY)				
5.52% [4]	10/6/23		4,000,000	4,000,000
5.40% [4]	10/31/23		1,000,000	1,000,131
Royal Bank of Canada (NY)				
5.56% [4]	10/5/23		2,000,000	2,000,000

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NCIP Liquid Portfolio
Schedule of Investments (unaudited)

June 30, 2023

Rate[1]	Maturity Date[2]		Principal	Fair Value[3]
Skandinaviska Enskilda Banken (NY)				
5.40% [4]	11/1/23		$3,000,000	$3,000,000
Societe Generale SA				
5.52% [4]	1/4/24		2,000,000	2,000,000
Sumitomo Mitsui Trust Bank Ltd. (NY)				
5.54%	9/7/23		5,000,000	4,948,433
Suncorp-Metway Ltd.				
5.54%	9/6/23		5,000,000	4,949,192
5.51%	10/30/23		2,000,000	1,963,969
5.72%	11/27/23		3,000,000	2,930,963
Svenska Handelsbanken Inc.				
5.41% [4]	11/6/23		5,000,000	5,000,000
Swedbank (NY)				
5.44% [4]	8/7/23		3,000,000	3,000,000
5.48% [4]	10/19/23		2,000,000	2,000,000
5.70%	11/30/23		5,000,000	4,883,044
Toronto Dominion Bank (NY)				
5.67% [4]	9/1/23		2,000,000	2,000,000
5.31%	9/19/23		1,000,000	988,644
5.51% [4]	10/11/23		5,000,000	5,000,000
5.52%	11/24/23		4,000,000	3,914,022
5.59% [4]	3/22/24		2,750,000	2,750,000
Toyota Credit Canada Inc.				
5.23%	8/2/23		5,000,000	4,977,156
5.45%	9/25/23		2,000,000	1,974,534
Toyota Credit de Puerto Rico Corp.				
5.09%	7/26/23		2,000,000	1,993,097
5.17%	8/14/23		2,000,000	1,987,680
Toyota Motor Credit Corp.				
5.22% [4]	8/18/23		4,000,000	4,000,000
Westpac Banking Corp. (NY)				
5.78% [4]	8/4/23		4,500,000	4,501,792
Total Commercial Paper				215,585,221
Government Agency and Instrumentality Obligations (10.92%)				
U.S. Treasury Bills				
5.10%	7/11/23		6,000,000	5,991,529
5.23%	7/13/23		3,000,000	2,994,800
5.09%	8/3/23		9,000,000	8,958,221
5.14%	8/10/23		12,000,000	11,931,920
U.S. Treasury Notes				
5.53%	7/15/23		22,808,625	22,792,794
Total Government Agency & Instrumentality Obligations				52,669,264

The notes to the financial statements are an integral part of the schedule of investments.

NCIP Liquid Portfolio
Schedule of Investments (unaudited)

June 30, 2023

Rate[1]	Maturity Date[2]		Principal	Fair Value[3]
Repurchase Agreements (28.95%)				
BofA Securities, Inc.				
5.05%	7/3/23		$69,600,000	$69,600,000
(Dated 6/30/23, repurchase price $69,629,290, collateralized by U.S. Treasury securities, 2.875%, maturing 5/15/32, fair value $70,992,041)				
Goldman Sachs & Company				
5.05%	7/3/23		70,000,000	70,000,000
(Dated 6/30/23, repurchase price $70,029,458, collateralized by U.S. Treasury securities, 1.50%, maturing 1/31/27, fair value $71,430,091)				
Total Repurchase Agreements				139,600,000
Total Investments (99.89%) (Amortized Cost $481,668,644)				481,668,644
Other Assets and Liabilities, Net (0.11%)				521,896
Net Position (100.00%)				$482,190,540

(1) Yield-to-maturity at original cost unless otherwise noted.

(2) Actual maturity dates, unless otherwise noted.

(3) See Note B to the financial statements.

(4) Adjustable rate security. Rate shown is that which was in effect at June 30, 2023.

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North Carolina Investment Pool
c/o PFM Asset Management LLC
214 N. Tryon Street, 27th Floor, Mailcode CN-NC-H27T • Charlotte, NC 28202-1078
1-833-736-6247
www.investncip.com