



NORTH CAROLINA

OFFICE OF THE TREASURER

JANET COWELL, TREASURER

June 30, 2016

Report from the State Treasurer on State Investment Relating to Payday Lending

The Department of State Treasurer (“The Department”) determined in March of 2007 that, as a matter of policy, North Carolina Retirement Systems (“NCRS”) assets will not be invested in companies that engage in payday lending. The Department is submitting a report on NCRS investment activity related to payday lending as specified by Section IX of the Payday Lending Divestment Policy.

In addition to providing a list of “Scrutinized Companies” that have engaged in payday lending, the report will outline the following:

- a. A summary of correspondence with engaged companies;
- b. A list of all investments sold, redeemed, divested, or withdrawn;
- c. A list of Direct Holdings by NCRS in Companies with Active Scrutinized Operations

I. Scrutinized Company List

The Scrutinized Company List, effective April 14, 2016, is attached.

NORTH CAROLINA DEPARTMENT OF STATE TREASURER

**PAYDAY LENDING POLICY
SCRUTINIZED COMPANY LIST**

April 14, 2016

Companies with Active Scrutinized Operations

Name	Ticker	ISIN
Cash America International Inc.	CSH	US14754D1000
EZCorp, Inc.	EZPW	US3023011063
First Cash Financial Services, Inc.	FCFS	US31942D1072
Grupo Elektra, S.A. de CV	ELEKTRA.MX	MX01EL000003
QC Holdings, Inc.	QCCO	US74729T1016

II. Correspondence & Engagement Efforts with Scrutinized Companies

The Department relies on research from Sustainalytics, Inc. to compile the list of companies that meet the requirements of its Payday Lending Policy. Sustainalytics, Inc., on behalf of NCRS, sent notification letters to the Scrutinized Companies listed in Section I above on May 4, 2016. Cash America replied on May 10, 2016 to NCRS' letter engagement to indicate that "Cash America does not intend to cease offering any of the above-referenced products," which include "pawn loans, check cashing, short-term loans, gold buying, and instalment loans." NCRS will retain Cash America on this list as a result of this statement.

III. Summary of Investments, Sold, Redeemed, Divested or Withdrawn

NCRS does not hold equity in any companies listed on the Scrutinized Companies List.

IV. List of Direct Holdings by NCRS in Companies with Active Scrutinized Operations

See Section III.