



NORTH CAROLINA

OFFICE OF THE TREASURER

JANET COWELL, TREASURER

September 30, 2016

The Honorable Pat McCrory
Governor of North Carolina
20301 Mail Service Center
Raleigh, NC 27699-0301

Joint Legislative Commission on
Governmental Operations
North Carolina General Assembly
Raleigh, North Carolina 27601

Mr. Andrew Heath
State Budget Director
Office of State Budget and Management
20320 Mail Service Center
Raleigh, NC 27699-0320

Fiscal Research Division
Legislative Office Building
300 North Salisbury Street, Suite 619
Raleigh, NC 27603-5925

Dear Governor McCrory, Commission Members, Director Heath, and Colleagues:

G.S. 147-69.2A(b), added by Section 6.3.(b) of Session Law 2015-241, the Current Operations and Capital Improvements Appropriations Act of 2015, requires:

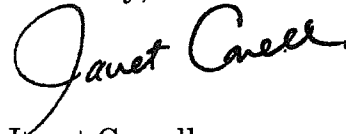
"By October 1, 2015, and at least semiannually thereafter, the State Treasurer shall submit a report to the Governor, the Office of State Budget and Management, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division on investments made from the Fund and any return on investment. This report shall be made for the Fund in lieu of the reports required by G.S. 147-69.1(e), 147-69.2(b)(10a), 147-69.3(h), 147-69.3(i), and 147-69.8."

The "Fund" referenced in this provision is the new Venture Capital Multiplier Fund, which was created by Section 6.3 of the Act.

The Act was passed on September 18, 2015. An Invitation to Bid seeking third-party investment management firms to meet the Act's requirements was issued on December 22, 2015. Several bids were received, and as discussed with the designees of the Governor, Speaker of the House, and President Pro Tem of the Senate, contract negotiations currently are in progress. To date, no investments have been made from the Venture Capital Multiplier Fund. I look forward to working with you to make the new Fund a success.

Please feel free to contact our Chief Investment Officer, Kevin SigRist, if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Janet Cowell". The signature is fluid and cursive, with the first name "Janet" being larger and more prominent than the last name "Cowell".

Janet Cowell
State Treasurer

cc: Kevin SigRist, Chief Investment Officer
Fran Lawrence, Chief Financial Officer
Brenda Williams, Deputy Treasurer, Unclaimed Property Division