

ENDOWMENT BOARD COMMITTEE OF THE BOARD OF TRUSTEES

North Carolina Agricultural and Technical State University
Greensboro, NC

February 21, 2013

MINUTES

The Endowment Committee of the Board of Trustees convened on Thursday, February 21, 2013 in Conference Room 424-A of the Dowdy Administration building at 3:00 pm with Mrs. Patricia Miller Zollar presiding.

Roll Call revealed the following:

Present: Dr. Stanley Allen
 Mrs. Pamela McCorkle-Buncum
 Mr. D. Hayes Clement
 Mrs. Karen Collins
 Mr. Willie Deese
 Dr. Harold L. Martin, Sr., Chancellor
 Mr. Douglas Smith
 Mrs. Patricia Miller Zollar

Others Present: Mrs. Kathy Burckley, Director of Financial Reporting
 Mr. Scott Hummel, Comptroller
 Ms. Barbara Miller, Vice Chancellor for Advancement
 Mr. Robert Pompey, Jr. Vice Chancellor for Business & Finance
 Mrs. Daphne M. Rogers, Recorder, Business and Finance

Absent: Mr. Spence Broadhurst
 Mrs. Pamela McCorkle-Buncum
 Mr. Dennis Stearns

The meeting was called to order by Mrs. Patricia Miller Zollar followed by the roll call. A motion was made to approve the November 15, 2012 meeting minutes by Dr. Harold Martin and seconded by Mr. D. Hayes Clement. Mrs. Zollar yielded the meeting to Mr. Robert Pompey, Jr. The following information was discussed:

The total combined market value of the endowment, including the Foundation as of December 31, 2012 was approximately \$33.4 million, an increase of approximately \$1.3 million from June 30, 2012 or 4.6%. The increase is primarily attributed to gifts of approximately \$254 thousand and investment gains of approximately \$1.6 million.

For the six months ended December 31, 2012, the endowment return was 5.59%. This return was primarily the result of a 5.31% return on the UNC Investment Fund and 6.6% return on the

Schwab funds. The UNC Investment fund comprises \$18.3 million or 62% of the University's Endowment and the PIMCO Funds comprise approximately \$10.5 million or 36%. Mr. Clement stated that those serving on the UNC Investment Board are very astute and conservative as well.

As of December 31, 2012, nine (9) endowments were under water compared to twelve (12) at June 30, 2012. The Business & Finance team will bring a proposal to the Committee to supplement the distributions of the endowments that are currently underwater.

The Committee compared the endowment spending rate, investment allocation and returns to comparative data from the 2012 NACUBO-Common Fund Study of Endowments. There were 831 Institutions that participated in the study. The results of the Study indicated that the University outperformed the average return of the Universities surveyed, the spending rate is lower than the average and the investment allocation is consistent with Universities at our aspirational endowment levels. Mr. Scott Hummel will forward information electronically to the Endowment Board Committee showing our comparisons to UNC System and National Peers.

Mr. Robert Pompey stated that by the time we have our next meeting in April; we will know what our distribution will be for the next fiscal year. At the next meeting, the Committee will receive an update from the UNC Investment fund management. The University Management team will also perform a detailed review of the endowment distribution policy and procedures. Mrs. Patricia Zollar and Mr. Hayes Clement would like more information from other UNC system and private schools along with which school is using UPMIFA. Mr. Douglas Smith asked if this information will show a difference in distribution methodologies. Mr. Robert Pompey said that it would.

The next board meeting is scheduled for April 18th at 3pm. With no further business, the meeting adjourned at 3:56pm.

Recorded by,

Daphne M. Rogers