

## **ENDOWMENT BOARD COMMITTEE OF THE BOARD OF TRUSTEES**

North Carolina Agricultural and Technical State University  
Greensboro, NC

April 16, 2015

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### MINUTES

The Endowment Committee of the Board of Trustees convened on Thursday, April 16, 2015 in Conference Room 424-A of the Dowdy Administration building at 3:00 pm with Mr. Emerson Fullwood presiding.

Roll Call revealed the following:

Present:                   Mrs. Pamela McCorkle-Buncum  
                                  Mr. D. Hayes Clement  
                                  Mrs. Karen Collins  
                                  Mr. Emerson Fullwood  
                                  Dr. Harold L. Martin, Sr., Chancellor  
                                  Mr. Douglas Smith  
                                  Mr. Dennis Stearns  
                                  Dr. Bertram Walls  
                                  Mrs. Patricia Miller Zollar

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

The meeting was called to order by Mr. Emerson Fullwood followed by the roll call. An approval of the minutes from the last meeting in February, 2015 were approved. Mr. Fullwood extended thanks to Mrs. Zollar and Mrs. McCorkle-Buncum for their service to the Endowment Board Committee. The meeting was yielded to Mr. Robert Pompey, Jr for furtherance. He began with an introduction of the new Vice Chancellor for Advancement, Mr. Kenneth Sigmon.

Mr. Pompey proceeded by providing the attendees information outlining Endowment trends within the sixteen Universities in the UNC System. In comparison to several of our peer institutions, we have a lot of work to do to be competitive. There is a need to attract professorships and non-traditional students. Mr. Sigmon stated that our strategy will be major individual gifts versus corporations. This will hopefully sustain our University as well.

Mr. Fullwood asked if we are on the right track. Mr. Pompey responded saying that our University Foundation has improved accounting practices. This will promote growth. The key will be growth in endowed gifts.

The total combined market value of the endowment, including the Foundation as of February 28, 2015 was approximately \$46.69 million. The market value of the University endowment as of February 28, 2015 was approximately \$41.15 million, an increase of \$1,646,750 from June 30. The increase is primarily attributed to gifts of approximately \$526,925 and both realized and unrealized investment gains of approximately \$2,413,331 reduced by scholarship funds made available for spending of \$1,433,941.

The UNC Investment Fund (UNCIF) holds approximately \$23.8 million (58%) of total endowment assets. Schwab Funds (S&P 500 ETF and money market) comprise approximately \$16.88 million or 41% of the total endowment assets. The majority of the \$462 thousand (1%) remaining University endowment funds reside in the State Treasurer's Short Term Investment Fund (STIF). UNCIF has returned 6.34% since the fiscal year ended June 30, 2014. Overall, the A&T endowment fund has returned 6.46%.

Mr. Fullwood asked if there are any worries concerning our equity position. Mr. Pompey stated that we have been conservative in our spending; however, we need to grow our endowment. Mr. Hayes Clement asked if we send our donor of endowments a summary of their investments. Mr. Pompey stated that we do and that efforts are being ensured to encourage ongoing investments.

Numerous global economic and other factors point to lower returns in domestic equities and bonds in the future. In April 2014, the Board set in motion a fund manager review process in an attempt to explore a means of higher returns within our risk profile. Because the future investing environment is expected to be challenging, the Board especially considered the value added of active vs. passive investment strategies and managers. Four investment management firms were interviewed and vetted: Cambridge Associates, Fund Evaluation Group (FEG), SEI, and Vanguard.

The Business & Finance team was asked to consult with Vanguard to devise a total portfolio that would include our UNC Fund investments and an active/index portfolio managed by Vanguard, the goal being to make a recommendation to the Board as to how our endowment assets might best be allocated before fiscal year-end.

With no further business, the meeting adjourned at 4:28pm

Recorded by:

*Daphne M. Rogers*