

ENDOWMENT BOARD COMMITTEE OF THE BOARD OF TRUSTEES

North Carolina Agricultural and Technical State University
Greensboro, NC

November 19, 2015

MINUTES

The Endowment Committee of the Board of Trustees convened on Thursday, November 19, 2015 in Conference Room 424-A of the Dowdy Administration building at 3:00 pm with Dr. Bertram Walls presiding.

Roll Call revealed the following:

Present: Mr. William Dudley
 Dr. Harold L. Martin, Sr., Chancellor
 Mr. Tim Rice
 Mr. Douglas Smith
 Mr. Dennis Stearns
 Dr. Bertram Walls

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
 Mrs. Daphne M. Rogers, Recorder, Business and Finance
 Mr. Kenneth Sigmon, Vice Chancellor for University Advancement

Absent: Mr. D. Hayes Clement
 Mr. Emerson Fullwood

The meeting was called to order by Dr. Bertram Walls followed by the roll call. An approval of the minutes from the last meeting in September, 2015 was moved and properly seconded by Mr. Tim Rice and Chancellor Harold Martin, Sr., respectively. Dr. Walls yielded the meeting to Mr. Robert Pompey, Jr. He shared the following information:

The total combined market value of the endowment, including the Foundation as of September 30, 2015 was approximately \$46.8 million, a decrease of approximately \$1.3 million from June 30, 2015. The decrease in the University's \$41.5 million endowment of \$837,429 (2%) is primarily attributed to unrealized investment losses of \$1.85 million offset by realized investment gains, dividends, and income of \$649,000 and \$394,000 in gifts.

The UNC Investment Fund holds approximately \$23.87 million (57.5%) of total endowment assets. Vanguard Funds comprise approximately \$15.86 million or 38% of the total endowment assets. The majority of the \$1.76 million (4%) remaining University endowment funds reside in the State Treasurer's Short Term Investment Fund (STIF).

At June 30, 2015, 13 endowments were under water by \$3,171 in total. These funds were primarily new investments impacted by the recent market decline.

The University endowment is providing \$1,629,367 in this 2015-16 academic year to support scholarships, professorships, and chair positions, an increase of over \$195,000 from 2014-15. To facilitate student recruitment, endowment scholarship budget calculations were moved from calendar year-end to fiscal year-end.

Budgets are now available for the 2016-17 academic year, and reflect an increase of \$144,000 over the 2015-16 budgets – a total of \$1,773,000.

Fund Manager Presentations were given by Vanguard and UNC Management Company. The Vanguard Institutional Investor Group made a portfolio presentation to the Board, describing their outlook on the current and future investment environment, and how they have positioned the A&T investments to perform in that environment.

The UNC Management Company also reviewed our portfolio and the overall performance of the fund. The UNC Investment Fund returned 9.3% for the fiscal year ended June 30, 2015.

After the presentations, Mr. Pompey stated that more information on the Endowment Distribution and review of our Endowment Policy will be covered at the November meeting.

With no further business, the meeting adjourned at 5:03pm

Recorded by:

Daphne M. Rogers