

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

North Carolina Agricultural and Technical State University  
Greensboro, NC

April 21, 2016

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### MINUTES

The Endowment Committee of the Board of Trustees convened on Thursday, April 21, 2016 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:	Mr. William Dudley Mr. Emerson Fullwood Dr. Harold L. Martin, Sr., Chancellor Mr. Douglas Smith Mr. Tim Rice Dr. Bertram Walls
Absent:	Mr. D. Hayes Clement Mr. Dennis Stearns
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

The meeting was called to order by Mr. Emerson Fullwood followed by the roll call. The minutes from the last meeting in February, 2016 were approved, moved and properly seconded by Mr. William Dudley and Mr. Tim Rice, respectively. Mr. Fullwood yielded the meeting to Mr. Robert Pompey, Jr. for furtherance. He shared the following information:

The total combined market value of the endowment, including the Foundation as of February 29, 2016 was approximately \$44.89 million. The market value of the University endowment as of February 29, 2016 was approximately \$39.46 million, a decrease of \$2.86 million from June 30, 2015. Endowed funds made available for spending of \$1.63 million accounted for over half of the decline, while unrealized losses of \$3.11 million were somewhat softened by realized gains of \$522,801 and gifts of \$932,427.

The UNC Investment Fund (UNCIF) holds approximately \$23.16 million (59%) of total endowment assets. Vanguard Funds comprise approximately \$15.64 million or 39.6% of the total endowment assets. The majority of the \$665 thousand (2%) remaining University endowment funds reside in the State Treasurer's Short Term Investment Fund (STIF). UNCIF

has returned -5.04% since the fiscal year ended June 30, 2015. Vanguard Funds have returned -8.77% since that date. Overall, the A&T endowment fund has returned -5.31% for the fiscal year, or -3% when scholarship payments are excluded.

Ms. Carol Misus of Vanguard attended the meeting, presenting Vanguard's view of the investment climate over the short and longer term as well as an evaluation of the NC A&T portfolio asset allocation within that context. While the future investing environment is expected to be challenging, inflation growth should be a relatively low 2%. Vanguard feels that our current asset mix should yield returns that are acceptable for our endowment. Responding to a Board members question, Ms. Misus said that because Vanguard evaluates companies from the ground up, the current geo-political atmosphere does not play a significant role in fund managers' evaluations.

The Endowment Board Committee reviewed a presentation on the Uniform Prudent Management of Investment Funds Act (UPMIFA), and agreed that internal staff within Business and Finance can proceed with drafting a proposed policy that incorporates the UPMIFA standards.

Concluding discussion centered on the University's plan to grow the endowment, and the Board's role in fostering that growth.

With no further business, the meeting adjourned at 4:35pm.

Recorded by:

*Daphne M. Rogers*