

ENDOWMENT BOARD COMMITTEE OF THE BOARD OF TRUSTEES

North Carolina Agricultural and Technical State University
Greensboro, NC

November 16, 2017

MINUTES

The Endowment Committee of the Board of Trustees convened on Thursday, November 16, 2017 in Conference Room 424-A of the Dowdy Administration building at 2:00 pm. with Mrs. Hilda Pinnix-Ragland presiding.

Roll Call revealed the following:

Present: Dr. Harold L. Martin, Sr.
 Mrs. Hilda Pinnix-Ragland
 Mr. Tim Rice
 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
 Ms. Daphne M. Rogers, Recorder, Business and Finance
 Mr. Kenneth Sigmon, Vice Chancellor for University Advancement

The meeting was called to order by Mrs. Hilda Pinnix-Ragland followed by the roll call. It was moved and properly seconded by Dr. Harold L. Martin, Sr. and Mr. Tim Rice to approve the minutes from the September, 2017 meeting. The meeting was yielded to Mr. Robert Pompey, Jr. The following information was shared:

The total combined market value of the endowment, including the Foundation as of September 30, 2017 was \$57.71 million, an increase of \$2.48 million from June 30, 2017.

During the first quarter, the University endowment (\$51.36 million) saw a 3.9% increase of \$1.93 million, primarily attributable to appreciation of \$1.72 million (3.5%). New gifts (\$156,585) and income plus realized gains (\$90,344) accounted for the remaining increase.

The UNC Investment Fund holds approximately \$28.31 million (55.1%) of total University endowment assets. Vanguard Funds account for approximately \$21.33 million or 41.5% of the total endowment assets. The majority of the \$1.55 million (3.0%) remaining University endowment funds reside in the State Treasurer's Short-

Term Investment Fund (STIF). Land (\$115,400) and the non-pooled College of Business and Economics student investment fund (\$56,679) comprise the balance.

For the fiscal year ended June 30, 2017, the endowment total return was 12%. This return was primarily the result of a 12% return on the UNC Investment Fund and a 16% return on the Vanguard funds.

Fund Manager Update

Mr. Jonathon King, President and CEO, Chief Investment Officer for the UNC Management Company, Inc. attended the meeting, presenting a review of our UNC Investment Fund portfolio and the overall performance of the fund. The fund returned 12.1 % for the fiscal year ended June 30, 2017, and has outperformed a traditional 70/30 portfolio over the long term:

	1-year return	3-year return	5-year return	10-year return
UNC IF	12.1%	6.3%	9.3%	5.4%
Traditional Global 70/30	12.7%	4.2%	8.1%	4.3%
UNC IF/Peer Quartile Rank	Third	Top	Top	Second

Mr. Joseph Hess, CFA, Senior Investment Consultant - Vanguard Institutional Advisory Services attended the Board meeting to present a portfolio and market update, and to facilitate discussion of asset allocation strategies. The Committee reviewed the current asset allocations and approved a reallocation of the investment positions within the Vanguard Funds.

Other Business

The Board reviewed a Board of Trustees resolution that ratifies the creation of associated entities The North Carolina A&T Investment Foundation, Inc. and The Foundation for North Carolina A&T State University, Inc., and that details the appointment of directors and ex officio directors to the Investment Foundation. The Endowment Board Committee of the Board of Trustees of the University will appoint up to five (5) directors to the 11-person Investment Foundation board. Ex officios include the Chancellor, CFO, and the chair of the University Endowment Board. It was so moved and properly seconded by Mr. Tim Rice and Dr. Harold L. Martin, Sr. to ratify our Philanthropic and Investment Foundation and Appointment of Board of Directors.

With no further business, the meeting adjourned at 4:23 pm.

Recorded by:

Daphne M. Rogers