

**ENDOWMENT BOARD COMMITTEE OF THE BOARD OF TRUSTEES AND THE  
NORTH CAROLINA A&T INVESTMENT FOUNDATION**

North Carolina Agricultural and Technical State University  
Greensboro, NC

November 15, 2018

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MINUTES

The Endowment Committee of the Board of Trustees convened on Thursday, November 15, 2018 in Conference Room 424-A of the Dowdy Administration building at 3:00 pm. with Mrs. Hilda Pinnix-Ragland presiding.

Roll Call revealed the following:

Present:                    Mr. Calvin Brodie  
                                  Mr. Kenneth Dimock  
                                  Dr. Harold L. Martin, Sr.,  
                                  Mrs. Hilda Pinnix-Ragland  
                                  Mr. Tim Rice  
                                  Dr. Mark Kiel, N.C. A&T Investment Foundation Board

Others Present:         Mrs. Kathy Burckley, Director of Financial Reporting  
                                  Mr. Ralph Fennell, N.C. A&T Investment Foundation Board  
                                  Mrs. Melvine Grice, Recorder, Business and Finance  
                                  Mr. Scott Hummel, Associate Vice Chancellor/Comptroller  
                                  Mr. Robert Pompey, Jr., Vice Chancellor for Business & Finance  
                                  Mr. Kenneth Sigmon, Vice Chancellor for University Advancement

Absent:                    Mr. Dennis Stearns

The meeting was called to order by Mrs. Hilda Pinnix-Ragland, followed by the roll call. It was moved and properly seconded by Dr. Mark Kiel and Mr. Tim Rice to approve the minutes from the November, 2018 meeting. The meeting was yielded to Mr. Robert Pompey, Jr. The following information was shared:

Combined investments of the University and the NC A&T Real Estate Foundation comprise the North Carolina A&T Investment Foundation, Inc., whose assets total \$76.47 million at 09/30/18.

The Investment Foundation's asset market value of \$76.47 million at September 30, 2018 represents a \$2.26 million increase from the \$74.20 million market value at June 30, 2018, a 3.05% gain for the quarter. Main contributors to the gain were gifts, income, and realized gains of \$324,016 plus unrealized gains of \$2.00 million. First quarter management fees (\$62,899) were the only detractor.

University endowments account for \$59.17 million, or 77.38% of the assets under Investment Foundation management. RE Foundation investments (\$17.30 million) include endowments of \$6.43 million and additional restricted and unrestricted funds of \$10.87 million.

Pooled endowments held with investment managers total \$76.30 million. The investment pool's current investment manager allocation (by market value) shows the UNC Investment Fund (UNCIF) holding 56% of the investment pool and Vanguard 41%. Cash accounts for the remaining 3% of the investment pool.

In addition to its pooled investments (\$58.99 million) the University holds \$172,079 in endowment assets within the Investment Foundation that are not part of the investment pool. Real estate (\$115,400) and the College of Business & Economics (COBE) Students' Investment Fund (\$56,679) bring the University total endowment balance to \$59.17 million.

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 12.0 % for the fiscal year ended June 30, 2018, 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	12.0%	7.1%	9.2%	5.8%
Traditional Global 70/30	7.4%	6.3%	7.3%	5.5%
UNC IF/Peer Quartile Rank	Top	Top	Top	Third

The Investment Foundation's application for tax exemption is in process with the Internal Revenue Service. When approved, the tax exemption will be applied retroactively to the incorporation date of October 10, 2017.

The Committee discussed excess cash. It was so moved and properly seconded by Mr. Calvin Brodie and Dr. Mark Kiel to invest one half of excess cash in the UNC Investment Fund and one half of the excess cash in the Vanguard Fund.

With no further business, the meeting adjourned at 4:30 pm.

Recorded by:

*Daphne M. Rogers*