

**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

February 21, 2019

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MINUTES

The Endowment Committee of the Board of Trustees convened on Thursday, February 21, 2019 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  
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  
Mr. Scott Hummel, Associate Vice Chancellor/Comptroller  
Mr. Robert Pompey, Jr., Vice Chancellor for Business & Finance  
Ms. Daphne Rogers, Recorder, Business and Finance  
Mr. Kenneth Sigmon, Vice Chancellor for University Advancement

Absent: Mr. Tim Rice  
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 Chancellor Harold Martin and Mr. Kenneth Dimmock to approve the minutes from the February, 2019 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 \$71.98 million at 12/31/18.

The Investment Foundation's asset market value of \$71.98 million at December 31, 2018 represents a \$2.23 million decrease from the \$74.20 million market value at June 30, 2018. This is a 3.0% decrease for the first half of the fiscal year resulting primarily from unrealized market losses of \$3.787 million. Management fees (\$127,500) were also a small detractor.

On the plus side, main contributors were gifts of \$552,600; income of \$436,200; and realized gains of \$698,500, representing \$1.69 million of new assets added to the endowment.

University endowments account for \$55.77 million, or 77.49% of the assets under Investment Foundation management. RE Foundation investments (\$16.20 million) include endowments of \$6.07 million and additional restricted and unrestricted funds of \$10.13 million.

Pooled investments held with managers total \$71.80 million. The investment pool's current investment manager allocation (by market value) shows the UNC Investment Fund (UNCIF) holding 58% of the investment pool and Vanguard 39%. Cash accounts for the remaining 3% of the investment pool.

In addition to its pooled investments (\$55.60 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 \$55.77 million.

The endowment scholarship/professorship/chair allocations continue to grow, providing \$2,162,500 for spending in FY2019-20, \$176,500 (+8.89%) more than in FY2018-19.

Our Vanguard investment managers Joe Hess and Jim Gorman presented a portfolio review. Amid a challenging environment, Vanguard returned -7.85% for the six-month period, -7.46 for the 2018 calendar year, and +6.19% for the three-year period. Corresponding returns from the UNC Investment fund are -.09% (six-month), +4.0% (calendar year), and +6.9% (3-year annualized return). Vanguard is transitioning to a regional alignment of managers. Joe will cover the northeast, Jim will manage our fund.

The NACUBO-TIAA Study of Endowments (NTSE) included 809 participants for the year ended June 30, 2018. Since 2014 when we included the Foundation in our endowment reporting, we have moved to 590th in size (from 644). While overall returns for FY 2018 came in at 8.2%, funds in our size range of \$51 – \$100 million returned 7.8% for 1-year and 6.0% for 3-years. In our April meeting, we will take a closer look at the study.

The Investment Foundation's application for tax exemption has been delayed by the federal government furloughs. The IRS anticipates providing a response by mid-April. With no further business, the meeting adjourned at 4:30 pm.

Recorded by:

*Daphne M. Rogers*