

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

September 26, 2019

MINUTES

The Endowment Committee of the Board of Trustees convened on Thursday, September 26, 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
Mrs. Karen Collins
Mr. Mark Copeland
Mr. William Dudley
Mr. Tim King
Dr. Harold L. Martin, Sr., Chancellor
Mrs. Hilda Pinnix-Ragland
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
Mr. Kenneth Sigmon, Vice Chancellor for University Advancement

Absent: Mrs. Kim Cameron
Mr. Kenneth Dimmock
Mr. Jeff Harding
Dr. Mark Kiel

The meeting was called to order by Mrs. Hilda Pinnix-Ragland, followed by the roll call. It was moved and properly seconded by Mr. Tim King and Mr. William Dudley approve the minutes from the April, 2019 meeting. The meeting was yielded to Mr. Robert Pompey, Jr. The following information was shared:

In April, The North Carolina A&T Investment Foundation, Inc. received notice of its tax exempt status from the Internal Revenue Service, which is retroactively applied to the incorporation date of October 10, 2017. This allowed our money managers to proceed at July 1, 2019 to change the ownership name of our investment accounts without having to sell and re-purchase shares, thus saving transaction fees. The IRS classified the Investment Foundation as a “public charity”.

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 \$80.15 million at 06/30/19.

University endowments account for \$62.19 million, or 77.59% of the assets under Investment Foundation management. RE Foundation investments (\$17.96 million) include endowments of \$6.27 million and additional restricted and unrestricted funds of \$11.69 million. Pooled endowments held with investment managers total \$68.29 million.

The investment pool's current investment manager allocation (by market value) shows the UNC Investment Fund (UNCIF) holding 57.78% of the investment pool and Vanguard 40.73%. Cash accounts for the remaining 1.49% of the investment pool.

The University holds an additional \$169,806 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 (\$54,406) bring the University endowment balance to \$62.19 million and the combined University and Real Estate Foundation endowment balance to \$68.46 million at June 30, 2019.

The combined investment fund market value of \$80.15 million at June 30, 2019 represents a \$5.95 million increase from the \$74.20 million market value at June 30, 2018. Main contributors to the gain were gifts, income, and realized and unrealized gains of \$8.66 million. The RE Foundation also invested an additional \$102,000 of its excess operational funds. Primary detractors (\$2.81 million) were spending for scholarships, management fees, and a small loss (\$2,273) from the COBE student managed fund.

For the fiscal year ended June 30, 2019, the endowment total return was 5.46%. This return was primarily the result of a 7.70% return on the UNC Investment Fund and a 4.56% return on the Vanguard funds.

Mr. Jim Gorman, our Vanguard investment manager attended the meeting and gave a portfolio and investment outlook overview.

The Board will invite Mr. Jonathan King of the UNC Investment Fund to give the UNCIF portfolio and investment outlook at one of the next two meetings.

With no further business, the meeting adjourned at 4:15pm.

Recorded by:

Daphne M. Rogers