

WINSTON-SALEM STATE UNIVERSITY

**Board of Trustees Endowment Committee
Chancellor's Conference Room
Thursday, December 5, 2013**

MINUTES

***ACTION ITEM**

Call to Order: Chairman Debra B. Miller called the Board of Trustees Endowment Committee meeting to order with round table introductions recognizing newly appointed Board members Mr. William G. Benton and Mr. Tony Ebron. Remarks of appreciation were extended to Mr. Harvey McIntyre and to Mr. Wierman for their dedicated commitment and expertise to the University.

Roll Call: Linda McCullough

Present: Mrs. Debra B. Miller, Chairman
Mrs. Peggy Carter
Mr. William G. Benton
Mr. Tony Ebron
Mr. Harvey McIntyre
Mr. Scott Wierman
Interim Vice Chancellor Randy Mills, ex-officio
Vice Chancellor Michelle Cook, ex-officio

Absent: Chancellor Donald Reaves
Mr. Kelvin Farmer
Mr. James Martin

A quorum was established.

Staff Present: Mr. Frank Lord
Mr. Gordon Slade

Guest: Mr. Jonathon King, President, UNC Management Company
Ms. Janine Vanzetta, Director of Investor Communications

***Adoption of the Agenda**

- Mrs. Carter moved and Mr. Wierman seconded the motion to adopt the agenda. The motion pass.

***Approval of Minutes**

- Mr. McIntyre moved and Mr. Wierman seconded the motion to approve the minutes of the September 5, 2013 meeting. The motion pass.

- **UNC Management Company Presentation**

Mr. Jonathon King, President and Ms. Janine Vanzetta, Director of Investor Relations & Communications of UNC Management Company, presented the following:

- The Endowment Fund recorded a 10.2% net return for the 9 month, CYTD period ending September 30, 2013, outperforming its Strategic Investment Policy Portfolio (SIPP) return of 8.3% for the period.
- The portfolio has been moderately tilted towards a more aggressive posture. The SIPP asset classes are:
 - Long Biased Equity
 - Long/Short Equity
 - Diversifying Strategies
 - Fixed Income
 - Private Equity
 - Real Estate
 - Energy & Natural Resources
- Over the last 12 months the 12.7% returns exceeds the Fund's primary long-term return objective that is CPI + 5.5%. The returns maintain the purchasing power in excess of distributions.
- FY 2014 brings an increased focus on the assessment of risk and its influence on portfolio management.
- Each of the Fund's 7 primary asset classes generated positive returns in CYTD 2013 with 6 of 7 outperforming their SIPP benchmark.
- For the quarter, 5 of 7 asset classes beat or met their benchmarks.
- The Fund's returns for the 1, 3, and 10 year periods ended September 30 exceed the primary return objective.
- UNC Management's core belief remains intact: Investing in a highly diversified portfolio with significant allocations to alternative asset classes best positions the Fund to meet its long-term return objective.
- A copy of the *UNC Management Company, Inc. Investment Report dated December 5, 2013* filed for reference.

Enhanced Revenue/Integrated Planning and Budgeting:

University Endowment Financial Statements Period Ending September 30, 2013

Mr. Frank Lord, University Controller, reported the following:

- Fair Market Value was \$22,213,320 for a gain of \$763,780 from the previous quarter.
- \$500,000 was transferred from the Foundation to the University Endowment for Professorships. This transaction is in process.
- Permanently restricted cash to be invested was \$47,000.
- Restricted cash for spending was \$3,669,712.
- Endowment principle balance invested with UNC Management trust account was \$17,166,157.

Foundation Endowment Financial Statements Period Ending September 30, 2013

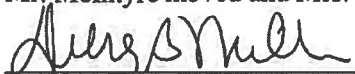
Mr. Gordon Slade, University Advancement Finance Director, reported the following:

- Fair Market Value was \$8,381,179
- Cash gifts received for the period \$18,451
- Unrealized gains \$298,670
- Restricted cash for spending \$288,872
- Permanently restricted cash to be invested \$207,550
- Foundation Endowment principle balance invested with UNC Management trust account stands at \$7,127,550.

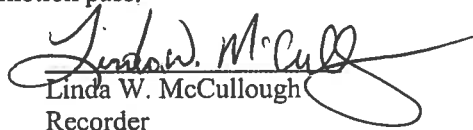
A copy of all financial statements and supporting documents are filed for reference.

Adjournment

With no other business for discussion, Chairman Miller called the meeting to adjourn at 9:10 a.m. Mr. McIntyre moved and Mrs. Carter seconded. The motion pass.



Debra B. Miller
Chairman, Board of Trustees



Linda W. McCullough
Recorder