UNC INVESTMENT FUND, LLC
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OVERVIEW

THE FUND

The UNC Investment Fund, LLC (“Fund” or “UNCIF”) is the commingled vehicle created to invest the assets of its 28 member institutions (“Members”). The Fund’s Members are limited to eligible entities affiliated with the University of North Carolina system. The University of North Carolina at Chapel Hill Foundation Investment Fund, Inc. (“Chapel Hill Investment Fund”) is the Fund’s controlling Member with its Board of Directors (“Board”) responsible for the Fund’s governance.

A complete list of the Fund’s Members can be found on page 32.

By investing in the Fund, Members receive:

• Investment management and oversight by a team of professionals dedicated to achieving the Fund’s objectives and focused on protecting the Fund’s assets during periods of market weakness
• Access to superior external investment management firms
• Competitive fees
• Highly diversified portfolio of investments allocated across investment managers, asset classes, and geographies
• Proven long-term investment track record generated with moderate volatility

THE INVESTMENT OBJECTIVES

• **Primary Objective**: Support the current and future needs of the Fund’s Member institutions by generating, in perpetuity, a predictable and stable stream of annual spending distributions while also preserving purchasing power (net of inflation) after accounting for spending distributions.

• **Secondary Objective**: Achieve a rate of return, net of all fees and expenses, that exceeds the Fund’s primary benchmark, the Strategic Investment Policy Portfolio (“SIPP”). More information on SIPP can be found on page 11.

The Fund’s asset allocation framework, as defined by SIPP, is principally implemented through investments in external investment managers.

THE MANAGEMENT COMPANY

The UNC Management Company, Inc. (“Management Company”) has been appointed by CHIF’s Board to provide investment management services to the Fund as well as Fund administration and performance reporting. The Management Company works closely with the Board and its Executive Committee requiring their direction and approval for:

• Determination of asset allocation
• Hiring and termination of external investment management firms
• Purchase or sale of assets
It is with great pleasure that we present the Fiscal Year 2015 Annual Report for the UNC Investment Fund, LLC ("Fund" or "UNCIF"). In the most recent fiscal year ended June 30, 2015 ("FY 2015"), the Fund posted a 9.3 percent net investment return. Given the relatively challenging financial market environment in FY 2015, this was a particularly strong result. The Fund’s 9.3 percent return far outpaced its primary investment benchmark, the Strategic Investment Policy Portfolio ("SIPP") which recorded a 3.2 percent return for the year. In addition, the Fund’s FY 2015 return ranked in the top 5 percent of the Cambridge Associates universe of college and university endowment funds.

The Fund’s significant outperformance for the year was driven by exceptionally strong returns generated by its underlying investment managers, once again reinforcing the importance of investment manager selection in the portfolio construction process. Investments in tactical opportunities, such as currency hedges and allocations to regional equity markets, also contributed positively during the year.

On an absolute basis, the Fund’s FY 2015 return was driven by the very strong 27.7 percent net return recorded by the Fund’s Private Equity asset class. The Fund’s Private Equity investments have consistently generated strong results, illustrating the importance of the asset allocation process, where opportunistic asset classes such as Private Equity can add significant value over public equity markets. Over the past ten years, the Fund’s Private Equity portfolio has produced a 15.9 percent net annualized return, more than doubling the 7.9 percent annualized return on the S&P 500 Index.

Reflecting the Fund’s positive performance in FY 2015, the Fund’s assets increased by $505.9 million during the year to reach $4.6 billion. Over the past five years, the Fund has grown by more than 80 percent, an increase of more than $2.1 billion. This five year growth in assets is the result of both investment gains and additional contributions from the Fund’s Members.

In recent months, the financial market complacency of the past few years has been replaced by heightened volatility reflecting renewed concerns regarding the state of the global economy and an increase in geopolitical tensions. While the future is unpredictable, the disciplined and consistent investment approach employed by the Fund has been proven to add value over long-term time horizons. Under the care of the professional staff at the UNC Management Company and the oversight of the Chapel Hill Investment Fund Board, we will continue to seek out attractive investment opportunities designed to meet the Fund’s investment objectives.

Speaking for the entire Chapel Hill Investment Fund Board as well as the staff of the UNC Management Company, we remain grateful for the continued support from our Member institutions and their donors. We also maintain our commitment to the Fund’s investment philosophy of investing for the long term in a portfolio of exceptional investment managers diversified across asset classes, strategies, and geographies and with a significant allocation to alternative assets.

JONATHON C. KING
President & CEO, Chief Investment Officer, UNC Management Company, Inc.

MAX C. CHAPMAN JR.
Chairman, Gardner Capital Management
Chairman, Board of Directors, University of North Carolina at Chapel Hill Foundation Investment Fund, Inc.

A MESSAGE FROM THE CHAIRMAN OF THE BOARD & PRESIDENT OF UNC MANAGEMENT COMPANY, INC.
One of the distinguishing features of the Fund is the oversight and governance provided by the Board of Directors of the Chapel Hill Investment Fund, its controlling Member. The Board, focused on the long-term strategy of the Fund, convenes at least three times a year to discuss and debate asset allocation, investment policy, and to monitor performance. The Board’s Executive Committee meets more frequently to review intermediate-term recommendations of the Management Company. With its collective financial market expertise and extensive experience, the Board serves as an invaluable resource to the Management Company in its mission to deliver exceptional risk-adjusted returns. Listed above are the Directors as of June 30, 2015.

[Image of board members]
## PORTFOLIO AT A GLANCE

<table>
<thead>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Biased Equity</td>
<td>29.1%</td>
<td>29.8%</td>
<td>29.0%</td>
<td>24.5%</td>
<td>24.3%</td>
</tr>
<tr>
<td>Long/Short Equity</td>
<td>20.0%</td>
<td>19.1%</td>
<td>18.3%</td>
<td>17.8%</td>
<td>19.5%</td>
</tr>
<tr>
<td>Diversifying Strategies</td>
<td>7.3%</td>
<td>9.6%</td>
<td>10.6%</td>
<td>13.4%</td>
<td>14.2%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>7.9%</td>
<td>8.0%</td>
<td>8.3%</td>
<td>8.8%</td>
<td>7.2%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>19.4%</td>
<td>17.6%</td>
<td>18.1%</td>
<td>17.8%</td>
<td>171%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>6.7%</td>
<td>6.8%</td>
<td>7.5%</td>
<td>7.2%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Energy &amp; Natural Resources</td>
<td>5.1%</td>
<td>6.5%</td>
<td>7.0%</td>
<td>7.2%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Cash</td>
<td>4.5%</td>
<td>2.6%</td>
<td>1.2%</td>
<td>3.3%</td>
<td>2.8%</td>
</tr>
</tbody>
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### FISCAL YEAR AS OF JUNE 30

<table>
<thead>
<tr>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Market Value ($ millions)</td>
<td>$4,643.2</td>
<td>$4,137.3</td>
<td>$3,554.0</td>
<td>$3,175.5</td>
<td>$2,903.7</td>
</tr>
<tr>
<td>Fund Return</td>
<td>9.3%</td>
<td>15.7%</td>
<td>12.1%</td>
<td>2.1%</td>
<td>15.3%</td>
</tr>
<tr>
<td>SIPP Benchmark Return</td>
<td>3.2%</td>
<td>15.0%</td>
<td>10.4%</td>
<td>4.7%</td>
<td>20.2%</td>
</tr>
</tbody>
</table>
Continuing the bull market that began in March 2009, U.S. equities generally recorded positive returns for the fiscal year ended June 30, 2015 as evidenced by the 7.4 percent return of the S&P 500 Index. This is in sharp contrast to international equity markets that struggled during the fiscal year with the MSCI EAFE (Europe, Australasia, Far East) Index losing -4.2 percent during the year. The MSCI Emerging Markets Equity Index fared even worse returning -5.1 percent. The broad domestic fixed income market, represented by the Barclays U.S. Aggregate Bond Index, returned just 1.9 percent for the year as interest rates moved sharply higher during the final quarter of fiscal year 2015, tempering prior gains. Hedge funds also generated muted returns with the HFRI Equity Hedge Index up just 2.4 percent for the period. With the sharp drop in commodity prices over the year, the GSCI Commodity Index collapsed, losing -36.8 percent.

For the 12-month period ended June 30, 2015, the UNC Investment Fund generated a solid 9.3 percent return. The Fund’s primary objective is to maintain the purchasing power of its underlying funds after accounting for spending distributions and inflation over the long term. Returns in excess of 8.0 percent are deemed to have achieved this target. In addition to contributing to the Fund’s long-term return objective, the fiscal year 2015 return of 9.3 percent handily exceeded the Fund’s primary benchmark, the Strategic Investment Policy Portfolio Index (“SIPP”) which returned 3.2 percent. The Fund’s performance also significantly exceeded, by 8.2 percent, a more traditional stock/bond portfolio with the Global 70/30 Portfolio (consisting of 70 percent MSCI All Country World Index (ACWI) and 30 percent Barclays U.S. Aggregate Bond Index) recording a 1.1 percent return. Relative to other endowments, the Fund’s 9.3 percent return is well ahead of the 3.2 percent median return of the BNY Mellon Endowment & Foundation Funds Universe, ranking in the top five percent of this universe.

For the year, six of the Fund’s seven primary asset classes generated a positive return with five out of seven exceeding their benchmark. Private Equity was the significant driver of the Fund’s performance over the year returning an impressive 27.7 percent and trumping its benchmark by almost 14 percentage points. The Fund’s other two equity based asset classes, Long Biased Equity

![FIGURE 1
ASSET CLASS RETURNS VS. SIPP BENCHMARKS
Fiscal Year 2015](image-url)
UNC INVESTMENT FUND, LLC

and Long/Short Equity were also strong performers, generating solid absolute returns of 8.2 percent and 8.5 percent and beating their respective benchmarks by 7.5 percentage points and 6.1 percentage points. While still negative for the year, Energy & Natural Resources, with its -8.5 percent return, was a significant outperformer over its benchmark which returned -21.0 percent for the same period. Diversifying Strategies’ 0.5 percent return and 3.3 percent underperformance relative to its benchmark reflected disappointing results with this asset class being an area of focus for fiscal year 2016.

During the year, as a result of positive investment performance as well as additional contributions by Members, the Fund’s market value grew by $505.9 million to exceed $4.6 billion as of the fiscal year end. Figure 2 above details the more than $2.1 billion dollar increase in the Fund’s market value over the past five years.

In late FY 2015 the S&P 500 Index reached record highs, further extending the bull market which began in the spring of 2009. Entering fiscal year 2016, however, the
complacency in equity markets seen over the past few years has been replaced by heightened volatility and significant drawdowns. For example, the S&P 500 Index had not experienced a 10 percent correction in almost four years until August 2015. This change in market sentiment was spurred on by equity market valuation concerns combined with a significant change in the outlook for China’s economy leading to an uncertain outlook for global growth more broadly. Deteriorating economic conditions in China have also had a dramatic impact on currencies, commodity prices, and emerging market equities. In addition to China’s economy, investors are also closely watching for signs as to the pace the U.S. Federal Reserve raises interest rates after a prolonged period of exceptionally loose monetary policy. With oil and gas prices at multi-year lows, the path of future oil prices also remains a key area of focus. With these concerns lingering, we expect volatility to remain elevated and returns to be muted relative to the bull market of the past six years. Amid this backdrop, identifying uncorrelated and tactical investment opportunities will be necessary in order for the Fund to meet its objectives going forward.

In order for the Fund to continue meeting its long-term return objective, we, at the UNC Management Company, maintain our conviction in a diversified portfolio invested across asset classes, strategies, and underlying investment managers. Sourcing the best underlying managers for the Fund who have proven track records of generating returns across various market environments remains a top priority. While the Fund’s asset allocation targets were set with a long-term time horizon, ranges were also established to give us the flexibility to make tactical allocations when necessary. We continue to assess and modify, when necessary, the Fund’s asset allocation within these ranges paying particular attention as we enter fiscal year 2016 to repositioning both the Fixed Income and Diversifying Strategies allocations to ensure the Fund’s ability to generate attractive returns while also protecting capital during periods of market stress.
INVESTMENT PRINCIPLES

The Fund’s primary objective is to support the current and future needs of its Member institutions by generating, in perpetuity, a predictable and stable stream of annual spending distributions while also preserving purchasing power (net of inflation) after accounting for spending distributions. More simply, the Fund, over the long term, has to return approximately 8.0 percent to achieve its primary objective: the spending rate (usually around 5.5 percent) plus inflation (around 2.5 percent).

While this objective is straightforward in concept, it is a challenge to achieve in practice. To meet this goal, the Fund’s investment philosophy has been built around three core principles:

1. MAINTAIN LONG-TERM PERSPECTIVE – By taking a long-term view, the Fund can benefit from inefficiencies that arise from the short-term focus of many market participants.

2. PARTNER WITH BEST-IN-CLASS INVESTMENT MANAGERS – The Fund invests its assets with third-party investment managers. The UNC Management Company is steadfast in its pursuit of exceptional investment managers. Our research process takes us across the globe as we seek to partner with managers that possess highly specialized skills, an ability to think independently, and have a demonstrated track record of adding value.

3. MANAGE RISK THROUGH DIVERSIFICATION – We strive to make the best investment decisions all of the time but accept that this is not possible given the certain uncertainty of financial markets. Risk management is a core tenet woven throughout our investment process and diversification serves as one of our primary risk management tools. We believe that investing across asset classes, geographies, and investment managers positions the Fund to achieve long-term success by limiting drawdowns associated with poor market conditions and the occasional inability of some investment managers to meet their targets.
STRATEGIC INVESTMENT POLICY
PORTFOLIO & ASSET ALLOCATION

Fundamental to the Fund’s Investment Objectives is the Strategic Investment Policy Portfolio (“SIPP”) established by the Board. SIPP provides asset allocation guidelines for the management of the Fund in accordance with its long-term return objectives and risk tolerance. SIPP is a broadly diversified portfolio with exposure to seven primary asset classes each of which is further divided into sub-strategies. SIPP establishes strategic asset allocation targets and tactical asset allocation ranges for the Fund’s seven primary asset classes. Each asset class is measured against a benchmark index which, when aggregated, serves as a method of assessing the Fund’s overall performance. SIPP reflects the long-term time horizon of the Fund. As such, modifications tend to be gradual with significant revisions occurring infrequently.

Key characteristics of SIPP include:

• Diversification across asset classes to allow the Fund to achieve its objectives through varying market environments
• Reliance on equity-related investments, both in public and private markets, to achieve long-term return objectives
• Significant allocation to private securities to capture the illiquidity premium associated with them
• Emphasis on equities over fixed income securities to reflect the Fund’s inflation sensitivity

Each of the seven underlying asset classes within SIPP provides different benefits to the overall portfolio across different market environments. The Fund is allocated across the different asset classes through investments with a number of investment managers chosen following a rigorous selection process. A brief description of each of the asset classes, including the investment strategy used and the types of investments typically held, follows.

LONG BIASED EQUITY
A traditional asset class characterized by ownership of publicly traded equity securities listed on global equity markets. This asset class is further divided into the following geographic sub-asset classes: domestic equity, developed markets international equity, emerging markets equity, and global equity.

LONG/SHORT EQUITY
An asset class characterized by a manager’s ability to buy and/or sell short individual publicly listed equity securities that the manager believes the market has mispriced relative to their fundamental intrinsic value. The long and short positions are generally independent of one another and portfolios typically result in an overall net long exposure to equities. This flexibility is intended to add value and/or decrease risk.

DIVERSIFYING STRATEGIES
An asset class that includes investment strategies that tend to be uncorrelated with major equity market indices. Diversifying Strategies consist of the following three sub-strategies: multi-strategy, credit long/short, and macro/commodities.

FIXED INCOME
A broad and traditional asset class that generally comprises investment strategies (almost always including debt instruments) that are focused on income generation. The Fixed Income asset class tends to provide diversification to the portfolio acting as a complement to the Long Biased Equity asset class.

PRIVATE EQUITY
An asset class that includes equity investments and transactions in private companies (i.e. companies that are not publicly listed on any stock exchange). As the investments are illiquid, they are expected to provide higher returns than public equity investments over the long term.
FIGURE 4
STRATEGIC INVESTMENT POLICY PORTFOLIO

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Fund Allocation (1)</th>
<th>Strategic Target</th>
<th>Tactical Range</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Biased Equity</td>
<td>29.1%</td>
<td>27.0%</td>
<td>20 – 35%</td>
<td>MSCI All Country World Index (&quot;ACWI&quot;)</td>
</tr>
<tr>
<td>Long/Short Equity</td>
<td>20.0%</td>
<td>18.0%</td>
<td>12 – 24%</td>
<td>Hedge Fund Research Institute (&quot;HFRI&quot;) Equity Hedge Index</td>
</tr>
<tr>
<td>Diversifying Strategies</td>
<td>7.3%</td>
<td>12.0%</td>
<td>8 – 16%</td>
<td>HFRI Conservative Fund of Funds Index + 1%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>7.9%</td>
<td>10.0%</td>
<td>5 – 18%</td>
<td>30% Barclays U.S. Government/Credit, 30% Barclays Aggregate, 20% BC HY Corporate, 20% 90-Day T-Bills (2)</td>
</tr>
<tr>
<td>Private Equity</td>
<td>19.4%</td>
<td>18.0%</td>
<td>14 – 22%</td>
<td>70% Cambridge Associates Private Equity Index / 30% Cambridge Associates Venture Capital Index (3)</td>
</tr>
<tr>
<td>Real Estate</td>
<td>6.7%</td>
<td>8.0%</td>
<td>5 – 12%</td>
<td>90% NCREIF / 10% NAREIT</td>
</tr>
<tr>
<td>Energy &amp; Natural Resources</td>
<td>5.1%</td>
<td>7.0%</td>
<td>5 – 10%</td>
<td>50% S&amp;P GSCI / 50% Real + 3%</td>
</tr>
<tr>
<td>Cash</td>
<td>4.5%</td>
<td>0.0%</td>
<td>0 – 10%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

(1) As of June 30, 2015
(2) 30% Barclays U.S. Government/Credit Long Term Index, 30% Barclays U.S. Aggregate Bond Index, 20% Barclays Corporate High Yield Index, 20% 90 Day T-Bill
(3) 70% Cambridge Associates Private Equity Index, 30% Cambridge Associates Venture Capital Index
(4) 50% S&P Goldman Sachs Commodity Index, 50% Real + 3%
REAL ESTATE
An asset class in which investment managers invest in primarily private real estate opportunities (primarily commercial). Investments in Real Estate tend to provide a hedge against rising inflation, a source of current income, and diversification to the aggregate Fund. Real Estate markets can also be markedly inefficient and, as such, provide significant potential for investment gains.

ENERGY & NATURAL RESOURCES
Asset class comprised of investment managers that purchase oil, natural gas, power, and other commodity-related investments. Similar to Real Estate, Energy & Natural Resources investments provide a hedge against future inflation and can benefit from an inefficient market for such investments.

Decisions regarding allocations to each of the primary asset classes can have a significant impact on an investment portfolio’s absolute return and ability to achieve its return objectives within a given level of risk. Asset allocation decisions also influence the Fund’s ability to provide a sufficient level of liquidity to meet the annual payout to Member institutions and other liquidity needs of the Fund. As such, establishing the strategic asset allocation targets of SIPP is the first step of the investment process utilized to construct the Fund. SIPP, including the strategic targets and tactical ranges for each underlying asset class as well as the Fund’s actual allocations as of June 30, 2015, is illustrated in Figure 4 on page 12.

While the strategic asset allocation targets provide long-term guidance for the Fund, the tactical asset allocation ranges established by SIPP allow the Fund to react quickly when specific market conditions present themselves, purchase assets when they seem attractively valued, and sell assets deemed overpriced. These decisions may lead to pronounced deviations from the strategic targets and should, over the long term, contribute to the Fund’s return goals.

FIGURE 5
HISTORICAL ASSET ALLOCATION
As of June 30

Over the past ten years, the Fund has maintained its diversification amongst asset classes but reduced its aggregate exposure to Fixed Income and Diversifying Strategies while increasing exposure to public equity markets.
Two major events in 2014-15 supported Appalachian State University’s commitment to preparing students to lead purposeful lives as engaged global citizens who understand their responsibilities in creating a sustainable future for all.

The Campaign for Appalachian surpassed its $200 million goal by raising $203,593,769 in support of academics, the arts and athletics. This is the university’s largest fundraising effort to date, generating $142.9 million for academics, $17.8 million for the arts and $42.8 million for athletics.

The university continues to call for increased scholarship support in the form of both need-based and merit-based scholarships, as well as for increased faculty support, including distinguished professorships and program support, and for increased annual giving. “Private funding continues to be more instrumental every day in providing our students, faculty and staff with the resources they need to succeed at the highest level,” said Chancellor Sheri N. Everts.

In its leadership role to reduce energy expenditures across the UNC System, Appalachian hosted its fourth annual, carbon-neutral Appalachian Energy Summit. The three-day event attracted 425 clean energy advocates and educators for workshops, panel discussions and presentations focused on energy innovation, sustainability and savings. Since the summit began in 2011, UNC campuses have generated $499 million in savings system wide, with the expectation of reducing utility costs by $1 billion by 2020 and $2 billion by 2025.

Nearly 20 percent of the 2015 Appalachian Energy Summit attendees were students. Thirty of these students presented research to faculty experts across a variety of disciplines, as well as sustainability directors, energy and facility directors, transportation managers, campus architects and other professionals who incorporate sustainability into their professional objectives. Support from Appalachian’s business partners makes it possible for these students and professionals to attend the summit free of charge.

The Appalachian Energy Summit is one of the many ways Appalachian provides sustainable research opportunities for students. Others include innovative sustainable home design, issues of sustaining communities through social justice, and sustainable business practices.

“At Appalachian, sustainability is not a trend but a tradition,” said Chancellor Everts, “one which has led to a deep and broad commitment reflected in our academics, operations and community engagement.”
East Carolina University announced its plan to create the first School of Entrepreneurship in the East, made possible by a generous commitment of $5 million by Raleigh area entrepreneur, J. Fielding Miller, and his wife, Kim Grice Miller.

The new Miller School of Entrepreneurship is expected to serve as the regional hub for preparing generations of East Carolina students to take an entrepreneurial mindset into their communities. The school will infuse a culture of innovation and leadership across the campus and region using academic programs, workshops, research, public-private entrepreneurial partnerships and other services that respond to the needs of small businesses.

Miller, an ECU alumnus and co-founder/CEO of CAPTRUST, a financial and investment advisory firm based in Raleigh, will provide the funds for this initiative, to include startup funding, a professorship in entrepreneurship and a matching pool to challenge other ECU alumni to join in supporting the school.

The development of a School of Entrepreneurship comes as East Carolina is experiencing campus-wide momentum related to its innovation, engagement and economic impact initiatives. In July, the Association of Public and Land Grant Universities designated East Carolina as an Innovation and Economic Prosperity campus, placing it alongside universities such as Auburn, Clemson and the University of Maryland.

Dr. Stan Eakins, dean of the College of Business, said, “Modern business requires innovation to be successful. It doesn’t matter which industry, or whether it is a start-up or large established firm; competition demands that businesses constantly seek new and better ways to operate and serve their communities. That’s why it’s so critical to instill essential entrepreneurial abilities among our future leaders, and we’re grateful for this bold opportunity to lead the way.”

Miller said, “Entrepreneurship gave me the opportunity to achieve independence, the ability to profit from hard work and the capacity to give back in a meaningful way. I hope this gift will encourage other ECU alumni and entrepreneurs to support this effort, and extend the school’s impact even further.”

Associate Professor Michael Harris, who serves as chair of the Department of Management and director of ECU’s Small Business Institute, said he sees the new school becoming a national model for educating and encouraging entrepreneurs. “We want students to come in and open their minds and say, ‘I want to be a job creator’ instead of someone who works for a corporation,” he said.

Campus-wide collaboration will be essential to the new school’s success, complementing services and activities already offered, including the Office of Innovation and Economic Development, Office of Technology Transfer, Small Business Institute, and Small Business Technology and Development Center. The School of Entrepreneurship is expected to be an active part of ECU’s newly proposed millennial campus, a site where the university can collaborate with private companies to commercialize research discoveries and offer advanced training to benefit the region’s high-tech industries.
Three medical students at East Carolina University’s Brody School of Medicine have been awarded the most prestigious scholarship available at the university.

Anthony “Tony” Botros, John Hurley and Catherine Thriveni have been chosen for the Class of 2019 Brody Scholar award, valued at approximately $112,000. Each will receive four years of medical school tuition, living expenses and the opportunity to design their own summer enrichment program that can include travel abroad. The award will also support community service projects the students may undertake while in medical school.

Botros, a Concord native, graduated from the University of North Carolina at Chapel Hill in 2014 with degrees in biology and chemistry. Although his volunteer and shadowing activities piqued his interest in oncology, Botros said he’s undecided about which medical specialty he’d like to pursue long term.

“My career goal is to establish free health care clinics across the world that will operate and engage the community in a unique way,” said Botros. During his time at Brody, he hopes to work closely with medical nonprofit organizations to learn more about how they operate.

“Because the Brody family has graciously borne the heavy financial burdens of medical school through the Brody Scholarship, I can begin pursuing my dream of opening up clinics for the underserved much sooner after graduation than I had planned,” he said. “It also means I will be able to network with past, present and future Brody Scholars – all who share a desire to help others – in order to make this dream a reality.”

Hurley, who hails from Monrovia, Maryland, served in the Army as a medic for 16 years – most of that time at Fort Bragg – before attending Campbell University. He graduated in 2014 with a degree in applied science.

Leaning towards a career in internal medicine, Hurley enjoys working in remote, underserved areas. “I feel that the greatest ability is squandered if not used for the greatest need,” he said. “I have the ability and the passion for difficult, remote work and am now being blessed with the education to support it.”

He equates receiving the Brody Scholarship with an increased responsibility to help others. “I have dreamed of being able to attend school without the added burden of financial uncertainty,” he said. “After 16 years in the military and constant stress, the Brody family is blessing me with that possibility. I am eternally grateful and forever humbled by the opportunity.”

Thriveni attended North Carolina State University on a Park Scholarship, the university’s four-year merit scholarship program founded on scholarship, leadership, service and character. She recently completed her degree in biological sciences with a concentration in human biology.

She aspires to a career in primary care with a special focus on disease prevention. “I’m passionate about providing care that encourages the overall wellness of the patient, physically and mentally,” she said. “I’m also passionate about being a culturally-competent physician. Health is so intimately related to lifestyle habits, which are closely connected with culture.”

Thriveni said having the Brody family and board of directors behind her has made her more courageous as she begins her medical education. “I feel so grateful to know that I’ll have a home within a home at Brody and a network of support. Knowing that someone has invested in your future motivates you that much more to inspire and achieve,” she said.
“This year’s Brody Scholars were selected from an incredibly talented group of 80 incoming medical students,” said Mark Notestine, president of the ECU Medical & Health Sciences Foundation. “They were chosen not only because of their outstanding academic accomplishments, but also because of their demonstrated leadership, altruism, caring, compassion and dedication to the future of medicine – and to the people of North Carolina.”

In its 33rd year, the Brody Scholars program honors J.S. “Sammy” Brody. He and his brother, Leo, were among the earliest supporters of medical education in eastern North Carolina. The legacy continues through the dedicated efforts of Hyman Brody of Greenville and David Brody of Kinston. Subsequent gifts from the Brody family have enabled the medical school to educate new physicians, conduct important research and improve health care in eastern North Carolina.

Since the program began in 1983, 131 students have received scholarships. About 70 percent of Brody Scholars remain in North Carolina to practice with the majority of those practicing in eastern North Carolina.

NORTH CAROLINA AGRICULTURAL AND TECHNICAL STATE UNIVERSITY ENDOWMENT FUND

At a time when enrollment at universities across the country is trending downward, the opposite is occurring at North Carolina Agricultural and Technical State University (N.C. A&T)—largely due to donors like Willie A. Deese, who has provided scholarship opportunities for students and support for faculty and researchers to enhance their innovative instruction and discoveries.

Deese credits the education and co-curricular experiences he received at N.C. A&T for much of his successes, and through his generosity, Deese has thanked the university more than tenfold.

A 1977 alumnus of N.C. A&T’s School of Business and Economics, and a former chairman of the university’s board of trustees, Deese has climbed the ranks of corporate America to become Executive Vice President and President of Merck’s manufacturing division, with responsibility for Merck’s worldwide manufacturing operations. Before joining Merck in 2004 as Senior Vice President for global procurement, he had a track record of outstanding success as an executive and manager for several pharmaceutical, health care and high technology companies, including GlaxoSmithKline Pharmaceuticals, PLC, SmithKline Beecham Pharmaceuticals, PLC, Kaiser Permanente, and Digital Equipment Corporation.

Over the years, Deese has been committed to investing in the lives and futures of N.C. A&T students. He has fulfilled (and then some) pledges of more than $800,000 to establish the Willie A. Deese Endowed Scholarships in both the School of Business and Economics and the College of Arts and Sciences, as well as $50,000 for the Deese Global Endowed Lecture Series in the College of Arts and Sciences. He regularly contributes to other endowments for student scholarships and faculty development. Overall, Deese is credited with contributions totaling close to $3 million to the university since his first gift.

In addition to his bachelor’s degree in business administration from N.C. A&T, Deese has an MBA from Western New England University and an honorary doctorate from N.C. A&T.

A native of Davidson, North Carolina, Deese and his wife Carol now reside in Doylestown, Pennsylvania.
Established by the North Carolina General Assembly in 1963, the North Carolina School of the Arts was the first state-supported, residential school of its kind in the nation, opening its doors to students in 1965. In 2014-15, the University of North Carolina School of the Arts (“UNCSA”) continued its 50th Anniversary celebration with a Community Festival in September, a year-long Speaker Series featuring students and faculty, and a year-long exhibition and programming series in conjunction with the New Winston Museum.

In April, more than 10,000 people saw the featured performance of the Tony Award-winning musical Guys and Dolls at the Stevens Center in downtown Winston-Salem, which “surpasses the hype and completely dazzles,” according to the Winston-Salem Journal. Nearly 600 people attended the 50th Anniversary Guys and Dolls gala on April 11, which featured the highest number of corporate sponsors in UNCSA gala event history. The gala raised almost double its original goal, and together, the gala and production raised more than 80 percent of a four-year fundraising goal for scholarships.

The financial strength of the school is the strongest it has ever been thanks to Chancellor Lindsay Bierman, who completed his first year at the helm; the hard-working deans, faculty, and Advancement staff; and a multitude of donors and advocates.

The School of the Arts continues to garner new friends who are interested in supporting UNCSA’s endowment and scholarship programs. Gifts to endowments, scholarships, discretionary funds and other designated projects totaled more than $7.2 million this past fiscal year. Most strikingly, investments made on behalf of the school have reached a combined market value of more than $50 million. “This is a major milestone for such a young institution,” said Chief Advancement Officer Edward Lewis. “Surpassing the $50 million mark during UNCSA’s 50th anniversary year underscores the strong commitment to the school by so many individuals, foundations, corporations and businesses over its rich history.”

Endowments support scholarships, professorships, guest artists, programs and general operations. The largest endowment at the School of the Arts is the A.J. Fletcher Opera Institute, with more than $13 million. In addition to that of the A.J. Fletcher Foundation, substantial gifts and grants have been made by the William R. Kenan, Jr. Charitable Trust, and by individuals through contributions of cash or stock as well as bequests. Most of the more than 150 distinct endowment funds at UNCSA are named to honor donors, alumni, and faculty.

A $50 million endowment places UNCSA in the top 16 percent of colleges and universities for endowment size. UNCSA has the second highest ratio of endowment dollars per student in the UNC system. Also during 2014-15, construction of four major buildings – the largest capital construction project ever undertaken on campus – concluded. Newly opened are a new library for the 21st century; a New Digital Media Building for the School of Filmmaking, for animation, gaming, and set design and construction; a Central Storage Building, for climate-controlled storage of sets and props as well as campus records; and a Police Operations Building.

Other reasons to celebrate the milestone anniversary year included the news that The Hollywood Reporter ranked the UNCSA School of Drama No. 6 in the world (undergraduate, with its high school program at No. 3), and the UNCSA School of Filmmaking No. 13 in the United States.
A new $16 million gift from the R.B. Terry Charitable Foundation is helping North Carolina State University’s College of Veterinary Medicine — ranked third in the nation by U.S. News & World Report in 2015 — continue its strong upward trajectory as an innovator in the field.

Half of the funds will go toward supporting and training the next generation of veterinary medicine leaders, by more than doubling the college’s student scholarship endowment. The rest of the unique gift will support faculty ($5 million) and research ($3 million) endowments.

The Terry Foundation has also pledged to match other private donations and state funds raised, potentially doubling the impact of its investment.

The gift already is making a difference. For example, Dr. Matthew Breen, a professor of genomics in the Department of Molecular Biomedical Sciences, has been named the Oscar J. Fletcher Distinguished Professor in Comparative Oncology Genetics. A member of the team that decoded the canine genome in 2005, Breen is recognized internationally for his research into molecular cytogenetics and the comparative medicine application to canine and human cancers. The professorship — named for a former college dean and current faculty member — was made possible through $666,000 provided from the Terry Foundation, with $334,000 in matching funds to come from the state’s Distinguished Professor Endowment Trust Fund.

In addition to graduating 80 to 100 doctors of veterinary medicine each year, the college provides outstanding care for some 28,000 animals annually and is making important strides in biomedical research, bio- and agro-security, food animal health and food safety, ecosystem health and animal welfare. Some of its research holds increasingly important ramifications for human health.

The gift continues a visionary and generous legacy. The late Randall B. Terry Jr., co-publisher of the High Point Enterprise, became involved with the college in 1998 when one of his nine beloved golden retrievers, Nike, fell ill. Terry was so impressed by the care that his dog received at NC State, he became a strong supporter of the college and the NC Veterinary Medicine Foundation, gifting more than $4 million himself for challenge grants and student scholarships. Following his 2004 death, the Terry Foundation pledged an initial $20 million to help build NC State’s world-class Randall B. Terry Jr. Companion Animal Veterinary Medical Center. This cutting-edge facility opened in 2011 and anchors the Centennial Biomedical Campus.

“The impact of philanthropy on this college has been exceptional and transformational,” said Dean Paul Lunn. “The R.B. Terry Charitable Foundation has contributed more than any other donor to building NC State’s College of Veterinary Medicine into a world-class and world-leading institution.”
BUILDING ON A SUCCESSFUL LEGACY

North Carolina Central University (“NCCU”) continues to serve as a hub for intellectual dialogue and discourse and a source of academic distinction for both North Carolina and nationwide. NCCU’s mission and legacy have successfully carried the institution for more than a century and we continue to prepare students academically, socially and professionally to serve and thrive as productive citizens in our global society. We also equip them with competitive credentials for success in the marketplace. From our two research institutes leading the quest to solve special health challenges of minorities to our expanding academic portfolio designed to increase access, diversity and enrollment in the science, technology, engineering and math (“STEM”) disciplines, NCCU remains at the forefront of opportunity for the 21st century scholar.

LEAVING BEHIND A LEGACY

Dr. Michel Bourgeois-Gavardin was not a graduate of NCCU, but he knew that the university was near and dear to the heart of his close friend and financial advisor Frankie Perry, president of the NCCU Foundation Board of Directors. Dr. Bourgeois-Gavardin was a medical doctor who practiced at the former Watts Hospital, Durham’s first hospital, which opened in 1895 and closed in 1976 when Durham General Hospital was constructed. He also was also a widower who had no living children. A few years before his death in 2013 at age 95, Dr. Bourgeois-Gavardin spoke with Ms. Perry about his desire to leave a portion of his estate to NCCU.

“He wanted to do something that was important to me,” Ms. Perry recalled, adding that her friend was especially fond of attending concerts performed by the university band.

Dr. Bourgeois-Gavardin drafted his will to leave half of his estate to NCCU, resulting in a $1.9 million endowment that now serves as a perpetual scholarship fund for NCCU students.

Student scholarships are vital in recruiting top scholars and making college possible for deserving students who require additional financial assistance. The generosity of donors such as Dr. Bourgeois-Gavardin continues to make NCCU a gateway to opportunity.

THE NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS FOUNDATION

Private support for the North Carolina School of Science and Mathematics grew this past spring with the addition of two new endowments, bringing the total number of such funds to 39.

At their 25th reunion a few years ago, alumni from the Class of 1988 formally established their Class of 1988 Endowment. The fund will focus on the school’s chief asset, its people, by celebrating the accomplishments of faculty and staff members.
on their retirement and by paying travel expenses to attract new talent. The endowment launched its work this past May by sponsoring an afternoon reception to honor two beloved employees on their retirement. Humanities instructor Dr. Jon Miller retired after 35 years as the last of the school’s founding instructors, and Dr. Steve Warshaw retired as vice chancellor for academic programs after 30 years.

“We learned that faculty and staff were ‘passing the hat’ for personal donations and scraping department budgets to fund retirement celebrations,” says Julie Gatton ’88, co-chair of the Quarter Century Fund Planning Committee. “Second, we learned that there is no specific budget for recruitment of faculty and staff. Typically, candidates pay for their own travel which, in effect, means the school is not able to conduct a nationwide search for top talent.”

Also in the spring, the Burroughs Wellcome Fund announced a $1 million gift to create the Burroughs Wellcome Fund Endowment for Student Research, Mentorship, and Innovation. Burroughs Wellcome Fund President John Burris called the gift an investment in North Carolina for inspiring and advancing STEM education across the state.

“As we work to increase the number of bright young people entering STEM fields, this endowment will help us support student research, mentorship and other innovative opportunities,” said Chancellor J. Todd Roberts. “Research has shown that students who participated in original research were 70 percent more likely to pursue STEM degrees, and students who participated in STEM mentorship/internships were 20 percent more likely to major in a STEM field than those who did not.”

THE UNIVERSITY OF NORTH CAROLINA AT ASHEVILLE ENDOWMENT FUND

THE UNIVERSITY OF NORTH CAROLINA AT ASHEVILLE FOUNDATION INC.

Growing undergraduate research opportunities through scholarships and fellowships has long been a goal of the UNC Asheville Endowment Fund, and a 2014 commitment from Charlie and Shirley Anne McCullough and their daughter, Leslie McCullough Casse, does just that. Their $1 million gift inspires students and faculty to focus on the land, ecosystems and cultural environment surrounding the campus at UNC Asheville and stemming throughout Western North Carolina.

Through the Charles T. McCullough Jr. Institute for Conservation, Land Use and Environmental Resiliency at UNC Asheville, students work with local organizations on issues surrounding natural resources, quality of life and the long-term health of the region, including an examination of local and regional food assets and food security. Each fellowship includes funding for students, materials support and in some cases a faculty stipend. In the first summer of funding availability in 2015, six projects received $4,000 each, some funding multiple students.

The research has the potential to assist governments, interest groups and the public in identifying, managing and enhancing the southern Appalachian area’s unique human and natural vitality. It’s also grown to a national scale, with projects partnered with the National Environmental Modeling and Analysis Center (NEMAC) at UNC Asheville featured by the White House through the U.S. Climate Resilience Toolkit.
Wayland H. Cato, Jr. Fellowship

In 2004, the Wayland H. Cato Jr. Foundation established a fellowship to provide assistance for full-time, first-year doctoral students demonstrating financial need. Designed especially for first-generation college students, the fellowship is making a significant impact in fulfilling UNC Charlotte’s commitment to addressing the educational and economic needs of the greater Charlotte region.

Cato fellowship recipients for 2015-16 are Mr. Colby Ford, a doctoral student in bioinformatics and computational biology, and Ms. Vanna Sombatsaphay, a doctoral student in biology. The fellowship provides them with a service-free stipend of $18,000 for the first academic year, full tuition support, health insurance, and an assistantship or other fellowship after their first academic year.

Ford entered UNC Charlotte with an associate’s degree from community college; in 2014-15, approximately 1,300 community college students possessing an associate’s degree transferred to UNC Charlotte. Ford then earned bachelor and master’s degrees from UNC Charlotte. As a master’s student, Sombatsaphay engaged in DNA sequencing research with research partners in Brazil, through the São Paulo Researchers an International Collaboration program.

Wayland H. Cato Jr. served for nine years on the UNC Charlotte Foundation Board and was awarded an honorary degree in 2000. He is the retired President, CEO and Chairman of the Board for the Cato Corporation. The Cato Building on UNC Charlotte’s campus is named in his honor. Mr. Cato retired as chairman of the board of Cato Corporation in 2004. He had held the position of Chairman since 1970, serving also as CEO from 1960 to 1999 and as a company Director from 1946 until his retirement.
**Carol A. Douglas Endowed Scholarship Fund for Re-entry Students**

UNC Charlotte is a campus rich in diversity. A high percentage of its students are first-generation college students with many working full-time jobs. Many qualify as nontraditional students. All of these factors can be very positive for the campus culture. Yet they also can present special challenges that result in students discontinuing their education. The Carol A. Douglas Endowed Scholarship Fund for Re-entry Students was established specifically to aid promising students who wish to return to UNC Charlotte but need help.

The scholarship is restricted to those who have either necessarily delayed pursuit of their undergraduate education or have had their pursuit of a degree interrupted by personal circumstance. Preference is given to those who, in the assessment of the Office of Adult Students and Evening Services, have the greatest potential for success.

UNC Charlotte was honored when Ms. Douglas established this endowed charitable gift annuity in 2011 to fund the scholarship in the Office of Adult Students and Evening Services (“OASES”). This was the first charitable annuity gift to OASES. Ms. Douglas’s gift helps UNC Charlotte’s adult, nontraditional students continue their education and will clearly make a difference in scholarships for future generations.

Although the late Ms. Douglas displayed remarkable generosity to adult students at UNC Charlotte, she also built a philanthropic legacy through many other university programs as well. At the university she established the Carol Ann Douglas Religious Studies Endowment and the Carol Ann Douglas Endowment Scholarship for Students with Disabilities. Carol was a member of the Bonnie Cone Society, a community of alumni and friends who have made provisions for the university in their estate planning. She also served on the Board of Directors of the Foundation of UNC Charlotte. In November 2012 Carol was awarded the Association of Fundraising Professionals NC, Charlotte Chapter Outstanding Legacy Award (honored posthumously). She was recognized for her extraordinary impact as a top business leader and for her outstanding work in Charlotte’s philanthropic community.

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**THE UNIVERSITY OF NORTH CAROLINA HOSPITALS AT CHAPEL HILL**

**SECU Foundation pledges $1 million for new UNC Health Care hospice facility in Chatham County**

A generous donation from the State Employees Credit Union Foundation paves the way for UNC Health Care’s future inpatient hospice facility in Chatham County.

In June, the State Employees Credit Union (“SECU”) Foundation committed $1 million to the Medical Foundation of North Carolina for construction of the SECU Jim & Betsy Bryan Hospice Home of UNC Health Care in Chatham County.

Scheduled to open in 2016, the new home will serve area patients and their families, providing an end-of-life care option not previously available to local residents.

“We are excited about this project and pleased to be working in partnership with the Medical Foundation to help bring a new inpatient and residential hospice care facility to the local medical community and citizens in Chatham County,” remarked Jim Johnson, Chairman of SECU’s Board of Directors. “Through the challenge grant, SECU members are helping provide the highest level of care, compassion and support for patients and their families needing hospice services.”

The SECU Foundation’s gift aligns with the foundation’s missions of supporting high-impact projects in areas of housing, education, health care and human services and promoting local and community development in North Carolina.
“The UNC Hospice Home is the 14th SECU Foundation-supported hospice initiative in the state,” continued Johnson. “We are honored to be part of this project, one that reflects the basic principles and founding philosophy upon which the SECU Foundation and Hospice were established – ‘People Helping People.’”

Part of a challenge grant, the donation commits the Medical Foundation of North Carolina to raise $1 million in matching funds.

“We are incredibly grateful for this generous contribution from the SECU Foundation,” said Ann Braun, President of the Medical Foundation of North Carolina. “It will help us reach the finish line and fully fund construction of the new UNC hospice home.”

William Roper, CEO of UNC Health Care and Dean of the UNC School of Medicine, explained that the gift makes possible an important public service that will help area residents navigate the most difficult of health challenges.

“It allows us to provide patients and their families coordinated, compassionate, end-of-life care in a peaceful setting,” said Dr. Roper. “We are so pleased that the SECU Foundation recognizes the importance of this public service to the people of Chatham County and has agreed to partner with us.”

Located on two acres of land on Russett Run Road in Pittsboro, the 11,000 square-foot facility will house a kitchen, dining room, meditation space, family visiting areas, and ten private rooms, each with an individual outdoor patio.

The inpatient and residential services provided will be built upon the UNC Hospice program’s existing expertise in hospice and palliative care services. Patients and their families will receive support from a team of nurses, social workers, pastoral and grief counselors, and trained UNC Health Care volunteers.

For recently retired UNC School of Medicine faculty member Dr. Jim Bryan and his wife, Betsy, after whom the hospice will be named, the construction of an area hospice is a dream fulfilled. The Bryans have been longtime advocates for hospice care in North Carolina.

“This new hospice will provide care to a community in which traveling long distances for end-of-life care options has always been the reality,” said Dr. Bryan, who spent 50 years on faculty at the UNC School of Medicine.

“Often times, families living in this community have faced financial and emotional hardships when coordinating the care of loved ones who are being cared for too far away from home,” continued Dr. Bryan. “This new hospice gives them an alternative and will mean so much to patients and their families here.”

Other donors to the hospice home include The Duke Endowment, the Volunteer Association of UNC Health Care, Carol Woods Retirement Community, Carolina Meadows, and Galloway Ridge at Fearrington. Preston Development donated the land for the future hospice where construction began after the groundbreaking ceremony.

UNC Press established an office of scholarly publishing services, offering publishing solutions to the 17 system campuses for digitally based classroom and other scholarly materials. It piloted two successful works from Fayetteville State University and UNC-Chapel Hill.

And, through a generous grant from the Andrew Mellon Foundation, UNC Press is expanding the range of services offered through its fulfillment division, Longleaf Services, to create operational and cost efficiencies for university presses in the areas of manuscript editing, marketing, production and distribution.

For more information, visit us at www.uncpress.unc.edu

The University of North Carolina at Wilmington (“UNCW”) is dedicated to learning through the integration of teaching and mentoring with research and community engagement. A public institution with over 15,000 students, UNCW is widely acknowledged for offering a powerful academic experience that stimulates creative inquiry, critical thinking and responsible citizenship. With an array of high-quality programs at the baccalaureate and master’s levels, and doctoral programs in marine biology and educational leadership, the university is continuously recognized at a national level for academic excellence and affordability.

UNCW offers students a collegiate community rich in diversity and inclusion as well as global perspectives. Our superb students, faculty and staff are dedicated to enriching the quality of life in our region and across North Carolina through community engagement in such areas as health, education, the economy, the environment, marine and coastal issues, and the arts.

UNCW and the Foundation of UNCW, Inc. encourage endowment gifts from alumni, parents, students and friends of the university to ensure that support for UNCW’s mission will thrive in perpetuity. The benefits of these lasting gifts will enhance the UNCW experience for years to come, with every donation used to support vital activities, shape the character of the university and ensure permanent financing for the many endeavors of the university’s students, faculty and programs.
As Western Carolina University (“WCU”) gears up for its upcoming comprehensive fundraising campaign, an effort expected to focus on increasing endowed scholarships for students, the institution continues to reap benefits from its previous campaign, one with a focus on endowed professorships. During the 2014-15 academic year, three nationally recognized experts in their academic disciplines joined the WCU faculty through these endowed professorships.

Hugh Jack, formerly professor of product design and manufacturing engineering at Grand Valley State University, is the inaugural Cass Ballenger Distinguished Professor of Engineering. The professorship is designed to strengthen WCU’s program in engineering by bringing to campus a nationally known expert to provide enriched learning opportunities for students. The professorship is expected to play a role in enhancing the economy in the 10th Congressional District by expanding WCU’s engineering and technology programs and improving industry relationships in the Hickory area, which was represented by former U.S. Rep. Cass Ballenger (R-Hickory), who died in February 2015.

Tom Ashcraft, formerly head of the sculpture program in the School of Art at George Mason University, is WCU’s inaugural Distinguished Professor of Visual Arts. Ashcraft has more than 30 years of experience as an educator and artist, with lectures, visiting artist engagements, exhibitions and creative projects all over the world. Since 2005, he has been a core founding member of Workingman Collective, a group of artists and other professionals interested in collaboration, public art and socially engaged creative practice. The professorship is designed to enhance the quality of undergraduate and graduate art education at WCU, which is one of only three campuses of the UNC system offering the terminal master’s degree in fine arts and the only one west of Greensboro.

Brett H. Riggs, formerly a research archaeologist at UNC-Chapel Hill and a scholar who has worked with the Eastern Band of Cherokee Indians on various projects since the early 1990s, is the new Sequoyah Distinguished Professor of Cherokee Studies. Riggs is building upon existing partnerships between tribal and university leaders and playing an important role in developing and implementing future projects involving WCU, the Eastern Band and other Native American constituents. Riggs specializes in Cherokee studies and has worked in Western North Carolina for more than 20 years studying the lives of Cherokee families during the removal era of the 1830s.

The newly filled distinguished professorships are among a total of 25 established at WCU since 1996. They were made possible through gifts combined with matching funds through a state program initiated by the General Assembly to encourage private support of public institutions of higher education.

While WCU looks toward its upcoming campaign, the move to boost endowed scholarships already has a robust start. Chancellor David O. Belcher, in his March 2012 installation address, identified raising funds for endowed scholarships as the university’s top philanthropic priority in order to ensure access to higher education for all capable students. Since that address, 124 new endowed scholarships have been created.
Winston-Salem State University (“WSSU”) prepares diverse students for success in the 21st century by offering quality educational programs at the baccalaureate and graduate levels. The university provides an affordable, quality education as well as an enriching environment that attracts, retains and nurtures its students.

WSSU students arrive on campus with everything it takes to succeed – intellect, commitment, and drive. But what stands between many of them and graduation is financial aid. Without private support for scholarships, it would be nearly impossible for most students to graduate.

That is why WSSU has made fundraising for scholarships one of our key priorities. In 2014-2015 corporations, foundations, and individuals made investments that empower us to support our students and see them through to graduation. Overall, 99 new scholarship funds were established between last year and this year with the dollars raised for scholarships more than doubling.

The university awarded the first Almost Home Scholarships to students this year. A $275,000 grant from the Kate B. Reynolds Charitable Trust allowed us to establish the Almost Home Scholarship Program that provides financial aid for students who are near graduation but require a little extra support to complete their studies. Almost Home Scholarship recipients receive scholarship support that fills in the gap not covered by their financial aid package, as well as academic support and advising through our Student Success Center and career development and placement services through our Career Development Office.

Faculty, friends of the university, board members and corporations supported scholarships by making gifts to the Donald and Deborah Reaves Scholarship Fund in honor of the former chancellor’s service to the university.

We also launched a Scholars and Distinguished Scholars program that provides immediate current-use scholarship support to keep students on the pathway to graduation. Donors have the opportunity of establishing a $10,000 named scholarship ($2,500 per year for four years) that allows them the privilege of following the recipient of their named scholarship throughout his or her undergraduate career.

All of these programs enrich our students’ educational experience and make a profound difference in the quality of life for our students, their families, the community, and the State of North Carolina.
INVESTMENT PERFORMANCE

The Fund is constructed to achieve its primary investment objective over a long-term horizon. By investing for the long term the Fund can capture extended trends in markets and the illiquidity premiums associated with investments in private securities. Measured tactical tilts, however, in asset allocation allow for short-term market dislocations to be opportunistically captured. Investing for the long term also allows the Fund to maintain focus in the face of short-term market events and disruptions. While performance is actively monitored, our primary focus remains on our long-term return objective which could result in short- to medium-term underperformance.

The Fund’s long-term return objective is to generate a real (inflation adjusted) return in excess of 5.5 percent, thus maintaining the after-spending purchasing power of the underlying funds. The Fund has met this objective for the ten-year period ending June 2015, as the Fund returned 8.6 percent, which outpaced SIPP by 1.0 percent, and ranked the Fund in the top quartile of the BNY Mellon Endowment and Foundation Funds Universe. Figure 6 below illustrates the comparative value created by investing $100 on July 1, 2005 till the end of fiscal year 2015 in each of the Fund, the SIPP benchmark, the Global 70/30 portfolio (consisting of 70 percent invested in the MSCI All Country World Index and 30 percent in the Barclays Aggregate U.S. Bond Index), and the S&P 500 Index. Over this time period, an investment of $100 in the Fund would have produced $227, compared to $208 for the SIPP benchmark, $181 for the Global 70/30 portfolio, and $214 for the S&P 500 Index.

During this ten-year period, each of the Fund’s asset classes generated a positive return and, with the exception of Real Estate, either met or exceeded their benchmark return. Investments in private securities were the best performers over the period with Private Equity and Energy & Natural Resources returning 15.9 percent and 12.4 percent, respectively. These returns confirm the notion that, over

FIGURE 6
CUMULATIVE PERFORMANCE
10 years ended June 30, 2015

On a cumulative basis, the Fund has outperformed its SIPP benchmark, the Global 70/30 Portfolio, and the S&P 500 Index over the past 10 years.

(1) 70% MSCI All Country World Index / 30% Barclays U.S. Aggregate Bond Index
the long term, investors in private securities are rewarded for assuming illiquidity risk. The Fund's Long/Short Equity allocation also added substantial value returning 8.6 percent versus 4.9 percent for its benchmark. This 8.6 percent return exceeds the 6.4 percent annualized return generated by the broader equity market as measured by the MSCI All Country World Index. Figure 10 shows the ten year returns for each of the seven primary asset classes versus their respective SIPP benchmarks.

For the three and five-year periods ended June 30, 2015, the Fund generated a 12.3 percent and 10.8 percent annualized return, respectively, achieving the Fund's primary return objective of exceeding the sum of the spending rate plus inflation over the period. These returns compare to the 9.6 percent and 9.5 percent returns earned on the Global 70/30 portfolio over the same periods. Figure 9 on page 30 details the Fund's return for each of the last five fiscal years.

In addition to maintaining a long-term investment horizon, the Fund is also constructed to protect capital in down markets while participating in market rallies. This is achieved through the extensive degree of diversification created by investing across SIPP's seven primary asset classes. Figure 8 below displays the Fund's total returns during those periods over the past ten years when the S&P 500 Index dropped more than 10 percent. This figure illustrates that during periods of market stress, the Fund provided downside protection, sustaining just a fraction of the market's losses. By investing for the long term, tactically shifting between asset classes on a short-term basis, and selecting top performing investment managers, the Fund has been successful in achieving its primary return objective with low volatility and embedded downside protection.
THE FUND AND INVESTMENTS IN ALTERNATIVE ENERGY

In September 2014, the Board of Trustees of the University of North Carolina at Chapel Hill passed a resolution requesting the Management Company to research targeted investments for the University’s endowment assets that advance environmentally friendly clean energy strategies consistent with applicable asset allocation and investment objective policies. At the Management Company, we believe that supporting the development of alternative energy sources is the most effective and pragmatic way to assist in the important effort to reduce reliance on coal and other fossil fuel based energy sources.

The Management Company has taken several steps during FY 2015 in response to this resolution including:

- Identified nearly $18 million worth of existing exposure to alternative energy investments already within the Fund
- Developed internal expertise to better understand the sector and identify potential opportunities for investment
- Committed to more consistently provide status updates to both the Board of Trustees and Members

FIGURE 9
INVESTMENT PERFORMANCE
By Fiscal Year

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<td>12.1%</td>
<td>2.1%</td>
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<td>10.4%</td>
<td>4.7%</td>
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</tr>
<tr>
<td>BNY Mellon E&amp;F Universe Median</td>
<td>3.2%</td>
<td>16.0%</td>
<td>12.1%</td>
<td>0.2%</td>
<td>19.5%</td>
</tr>
</tbody>
</table>

FIGURE 10
ASSET CLASS RETURNS VS. SIPP BENCHMARKS
10 years ended June 30, 2015

Over the long term, each of the Fund’s seven major asset classes has produced a positive return with Private Equity driving performance.
The Management Company has been appointed by the Board to provide, under its supervision, investment and administrative services to the Fund. These include identifying, analyzing, and selecting external investment managers and tactical opportunities, monitoring the Fund’s performance, and serving as a liaison between the Fund and its Members through regular communication and performance reporting.

The Management Company was formed under Section 501(c)(3) of the Internal Revenue Code as a nonprofit organization. With over 30 employees, the Management Company is divided across three functional areas: Investment Management, Investment Operations & Finance, and Investment Communications.
FUND MEMBERS

1 | Appalachian State University Endowment Fund
2 | Appalachian State University Foundation, Inc.
3 | East Carolina University Endowment Fund
4 | East Carolina University Foundation, Inc.
5 | East Carolina University Medical & Health Sciences Foundation, Inc.
6 | Fayetteville State University Endowment Fund
7 | Fayetteville State University Foundation, Inc.
8 | NC State Investment Fund, Inc.
9 | North Carolina Agricultural and Technical State University Endowment Fund
10 | North Carolina Central University Endowment Fund
11 | North Carolina School of Science and Mathematics Foundation
12 | UNC Intermediate Pool, LLC
13 | UNC Management Company, Inc.
14 | University of North Carolina at Asheville Endowment Fund
15 | University of North Carolina at Asheville Foundation, Inc.
16 | University of North Carolina at Chapel Hill Foundation Investment Fund, Inc.
17 | University of North Carolina at Charlotte Investment Fund
18 | University of North Carolina at Wilmington Endowment Fund
19 | The Foundation of the University of North Carolina at Wilmington, Inc.
20 | University of North Carolina General Administration
21 | University of North Carolina Hospitals at Chapel Hill
22 | University of North Carolina Press, Inc.
23 | University of North Carolina School of the Arts Endowment Fund
24 | University of North Carolina School of the Arts Foundation, Inc.
25 | Western Carolina University Endowment Fund
26 | Western Carolina University Foundation
27 | Winston-Salem State University Endowment Fund
28 | Winston-Salem State University Foundation, Inc.