Table of Contents

1 Overview
2 A Message from the Chairman of the Board & President of UNC Management Company, Inc.
3 Chapel Hill Investment Fund Board of Directors
4 Portfolio at a Glance
5 Fiscal Year 2016 Overview
6 Investment Principles
7 Strategic Investment Policy Portfolio & Asset Allocation
8 News from Our Members
9 Investment Performance
10 UNC Management Company, Inc.
11 Fund Members
Overview

The Fund

The UNC Investment Fund, LLC (“Fund” or “UNCIF”) is the commingled vehicle created to invest the assets of its 29 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” or “CHIF”) 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 asset classes, sectors, geographies, and investment managers
- 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
- Direct purchase or liquidation of assets
We are pleased to present the fiscal year 2016 Annual Report for The UNC Investment Fund, LLC (“UNCIF” or “Fund”). It was a difficult year for UNCIF, with the Fund recording a disappointing -2.0 percent net investment return. This is the Fund’s first fiscal year loss since the financial crisis in FY 2009 and only its second down year since its inception in 2002.

Over the past couple of decades, many university endowment funds, including UNCIF, have adopted the “endowment model” approach to portfolio management. Under this approach, the Fund’s assets are invested in a highly diversified, multi-asset class portfolio that includes significant allocations to alternative assets. Over the long term, this approach has served the Fund well. In FY 2016, however, diversification away from U.S. equities and bonds had a negative impact as U.S. equities significantly outperformed international equities and domestic fixed income generated very strong returns, while many alternative assets, including hedge funds and energy-oriented investments, generated weak returns. Illustrating the challenging investment environment for endowments in FY 2016, the median return of the Cambridge Associates universe of 162 university endowment funds was -2.7 percent.

On a brighter note, UNCIF’s disappointing performance in FY 2016 followed a period of relatively strong performance. As a result, the Fund’s three- and five-year returns of +7.4 percent and +7.2 percent, respectively, remain attractive on both an absolute and relative basis ranking in the upper quartile of the Cambridge Associates university endowment universe for both periods.

Within the UNCIF portfolio, the Private Equity asset class was a notable strong performer in FY 2016, generating an +8.2 percent return. Over the past ten years, the Fund’s Private Equity portfolio has produced a +13.9 percent annualized net return, more than tripling the +4.3 percent annualized return of the MSCI All Country World Index and showing that alternative asset classes can add significant value over public equity markets.

Reflecting UNCIF’s negative return in FY 2016, the Fund’s assets decreased by $93.6 million to finish the year at $4.5 billion. Over the past five years, however, the Fund has grown, as a result of both investment gains and contributions from Members, by nearly 60 percent, an increase of more than $1.6 billion.

We are currently operating in a low return environment marked by historically low interest rates, high equity valuations, and weak global growth. We believe these conditions will persist going forward, at least for the medium term, which makes seeking pockets of opportunities to enhance the Fund’s return potential imperative. Despite the Fund’s disappointing FY 2016 return, we remain disciplined and committed to our 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.

Speaking for the Chapel Hill Investment Fund Board as well as the staff of the UNC Management Company, we are grateful for the continued support from our Member institutions and their donors as we reflect upon FY 2016 and sharpen our pencils for FY 2017.
One of the distinguishing features of the Chapel Hill Investment Fund is the oversight and governance provided by its Board of Directors to the UNC Investment Fund, LLC as 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.

*Executive Committee Member
As of June 30, 2016
## Portfolio at a Glance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Value ($ millions)</td>
<td>$4,549.6</td>
<td>$4,643.2</td>
<td>$4,137.3</td>
<td>$3,554.0</td>
<td>$3,175.5</td>
</tr>
<tr>
<td>Fund Return</td>
<td>-2.0%</td>
<td>9.3%</td>
<td>15.7%</td>
<td>12.1%</td>
<td>2.1%</td>
</tr>
<tr>
<td>SIPP Benchmark Return</td>
<td>-0.8%</td>
<td>3.2%</td>
<td>15.0%</td>
<td>10.4%</td>
<td>4.7%</td>
</tr>
<tr>
<td><strong>Fund Asset Allocation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long Biased Equity</td>
<td>26.2%</td>
<td>29.1%</td>
<td>29.8%</td>
<td>29.0%</td>
<td>24.5%</td>
</tr>
<tr>
<td>Long/Short Equity</td>
<td>19.3%</td>
<td>20.0%</td>
<td>19.1%</td>
<td>18.3%</td>
<td>17.8%</td>
</tr>
<tr>
<td>Diversifying Strategies</td>
<td>8.0%</td>
<td>7.3%</td>
<td>9.6%</td>
<td>10.6%</td>
<td>13.4%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>8.5%</td>
<td>7.9%</td>
<td>8.0%</td>
<td>8.3%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>20.9%</td>
<td>19.4%</td>
<td>17.6%</td>
<td>18.1%</td>
<td>17.8%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>7.3%</td>
<td>6.7%</td>
<td>6.8%</td>
<td>7.5%</td>
<td>7.2%</td>
</tr>
<tr>
<td>Energy &amp; Natural Resources</td>
<td>5.8%</td>
<td>5.1%</td>
<td>6.5%</td>
<td>7.0%</td>
<td>7.2%</td>
</tr>
<tr>
<td>Cash</td>
<td>3.9%</td>
<td>4.5%</td>
<td>2.6%</td>
<td>1.2%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>
Fiscal Year 2016 (twelve months ended June 30, 2016) presented a challenging financial market environment for university endowments. Most endowments failed to achieve a positive return for the fiscal year as diversification away from traditional U.S. stocks and bonds negatively impacted investment performance. Over the past couple of decades, university endowment funds have significantly reduced their allocation to domestic equities in favor of global equities. This tilt detracted from performance during the year as U.S. equities markedly outperformed international equities in both developed and emerging markets. In FY 2016, the S&P 500 U.S. equity index recorded a +4.0 percent gain while the MSCI EAFE (Europe, Australasia, Far East) index, reflecting developed international equity markets, was down -10.2 percent and the MSCI Emerging Markets equity index lost -12.1 percent. In addition to an increased exposure to global equities, university endowments have also increased their exposure to hedge funds and energy-oriented investments. Both of these asset allocations hurt performance during the fiscal year with the HFRI Equity Hedge Index, a measure of equity-oriented hedge fund performance, returning -5.1 percent (lagging both the S&P 500 Index and the MSCI All Country World Index) and the energy-heavy S&P Goldman Sachs Commodity Index extending its losses from the prior fiscal year, losing a further -26.1 percent. While university endowments have increased their exposure to global equities, hedge funds, and energy-oriented investments, they have cut allocations to traditional fixed income instruments. This allocation underweight detracted from their fiscal year performance as high quality long-term bonds outperformed most major asset classes. The Bloomberg Barclays U.S. Aggregate Bond Index was up +6.0 percent for the year while the Bloomberg Barclays Long-Term Government Credit Index recorded an impressive +15.7 percent return.

Similar to other university endowment portfolios, the UNC Investment Fund struggled in FY 2016, generating a -2.0 percent loss for the year. The Fund’s FY 2016 return is disappointing on an absolute and relative basis with the year’s return trailing both the -0.8 percent return of the Fund’s primary benchmark, the Strategic Investment Policy Portfolio (“SIPP”), and the -0.7 percent return of a more traditional Global 70/30 Portfolio comprised of 70 percent global equities (MSCI All Country World Index) and 30 percent bonds (Bloomberg Barclays U.S. Aggregate Bond Index). However, relative to peers, the Fund’s FY 2016 return ranks solidly in the second quartile of the Cambridge Associates College & University universe of endowment funds (“Cambridge Associates Universe”).

**FIGURE 1**  
Asset Class Returns vs. SIPP Benchmarks  
Fiscal Year 2016

Strong returns from the Fund’s Private Equity and Real Estate allocations tempered weak performance from exposure to public equity markets during the year.
For the fiscal year, only two of the Fund’s seven primary asset classes generated a positive return. However, four out of seven exceeded their benchmark. Private Equity and Real Estate drove performance returning +8.2 percent and +10.8 percent, respectively. Private Equity was also the Fund’s top relative performer for the year, beating its benchmark by 4.7 percent. Long Biased Equity and Long/Short Equity detracted from performance. With a -8.8 percent return for the year, Long Biased Equity trailed its benchmark by 5.1 percent. This weak relative and absolute performance resulted, in large part, from the significant underperformance of a number of the Fund’s equity managers that had been strong performers over the last two years and essentially gave back a portion of their prior outperformance. Fixed Income was the Fund’s weakest relative performer, trailing its benchmark by 6.8 percent. The Fund’s Fixed Income portfolio is underweight long-term government bonds which was one of the best performing asset classes over the period. Energy & Natural Resources had another negative year returning -10.9 percent amid continued low oil prices.

During the year, despite contributions by Members, the Fund’s market value decreased slightly to finish the fiscal year at $4.5 billion. Notwithstanding the slight dip in market value in FY 2016, figure 3 on page 9 details the more than $1.6 billion dollar increase in the Fund’s market value over the past five years, which includes $1.4 billion in net investment gains.

We are currently operating in a low return environment that, with weak global economic growth, historically low (and in some instances even negative) global interest rates, and high equity valuations, we expect to persist over the medium term. Given the current risks and uncertainties in financial markets, we maintain that focusing on capital preservation and downside protection is the most prudent course of action in the near term. This, coupled with the notion that virtually no major asset class is “cheap” on a historical basis with the forward looking return profile for most asset classes tending to be muted, has led us to favor those investment opportunities that provide modest returns with less volatility rather than more aggressive strategies.

The Fund generated a -2.0 percent investment return for FY 2016 marking its first negative fiscal year return since 2009. While we, at the UNC Management Company, are disappointed with this result, we remain committed to achieving the Fund’s primary long-term objective: supporting the Fund’s Members in perpetuity on an inflation adjusted basis. However, despite the challenges seen during FY 2016, the Fund’s three and five-year annualized returns (+7.4 percent and +7.2 percent, respectively) exceed this objective and rank in the top quartile of the Cambridge Associates Universe.
Over the past five years, the Fund’s market value has grown by nearly 60% with net investment gains over the period of $1.4 billion.
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 achieve 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 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 risk/return targets.
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 investments to capture the associated illiquidity premium
- 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.

**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 publically 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>26.2%</td>
<td>27.0%</td>
<td>20 – 35%</td>
<td>MSCI All Country World Index (“ACWI”)</td>
</tr>
<tr>
<td>Long/Short Equity</td>
<td>19.3%</td>
<td>18.0%</td>
<td>12 – 24%</td>
<td>Hedge Fund Research Institute (“HFRI”) Equity Hedge Index</td>
</tr>
<tr>
<td>Diversifying Strategies</td>
<td>8.0%</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>8.5%</td>
<td>10.0%</td>
<td>5 – 18%</td>
<td>30% BB L-T Gov’t/Credit, 30% BB U.S. Aggregate, 20% BB Corporate HY, 20% 90-Day T-Bill(2)</td>
</tr>
<tr>
<td>Private Equity</td>
<td>20.9%</td>
<td>18.0%</td>
<td>14 – 22%</td>
<td>70% CA PE Index / 30% CA Venture Capital Index(3)</td>
</tr>
<tr>
<td>Real Estate</td>
<td>7.3%</td>
<td>8.0%</td>
<td>5 – 12%</td>
<td>90% NCREIF / 10% NAREIT</td>
</tr>
<tr>
<td>Energy &amp; Natural Resources</td>
<td>5.8%</td>
<td>7.0%</td>
<td>5 – 10%</td>
<td>50% S&amp;P GSCI / 50% Real + 3%(4)</td>
</tr>
<tr>
<td>Cash</td>
<td>3.9%</td>
<td>0.0%</td>
<td>0 – 10%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

(1) As of June 30, 2016
(2) 30% Bloomberg Barclays U.S. Government/Credit Long Term Index, 30% Bloomberg Barclays U.S. Aggregate Bond Index, 20% Bloomberg 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, 2016, 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 over-priced. 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.
Appalachian State University is committed to introducing students to different cultures and teaching them how to live and interact in a global society. As part of this emphasis on global learning, the university has increased its support for students studying abroad.

In fiscal year 2016, Appalachian received financial support from the Institute of International Education’s (IIE) Generation Study Abroad™ initiative to increase the number and diversity of students who study abroad by the end of the decade. Appalachian is matching this funding, making available a total of six student scholarships. These scholarships will be used towards the cost of tuition, books, and travel related to study, service-learning or internships abroad this academic year.

In addition, eight Appalachian students received the prestigious Benjamin A. Gilman International Scholarship sponsored by the U.S. Department of State’s Bureau of Educational and Cultural Affairs and administered by the Institute of International Education (IIE). Those students are studying abroad in Japan, South Africa, Chile, India, China, and Jordan.

Another source of support for international experiences is The Appalachian Fund, the university’s annual giving program. The fund supports many high-needs areas on campus with the Study Abroad Scholarship among them. In 2015, the scholarship allowed Ronald Vargas to study in Angers, France. This year, the scholarship supports Shannon Wells’ dream of studying in Japan.

“Global learning delivers a rich experience that greatly enhances worldwide understanding,” said Chancellor Sheri N. Everts. “Appalachian will continue to deepen the accessibility to international experiences for students and strengthen the international interaction here at home.”

Appalachian is also strengthening its merit-based scholarships by increasing funding for students across the board by $500,000 – a 33 percent increase. Appalachian’s premier merit-based scholarship is the Wilson Scholarship, created with a private gift from alumni donors Brad and Carole Wilson in 2013. The Wilson Scholarship includes a study abroad experience in Costa Rica where, as freshmen, the scholars engage in service opportunities and sustainability education. There are now 14 Wilson Scholars on campus. This fall, Appalachian had the largest Wilson Scholars class, welcoming six first-year students chosen based on their academic achievements, service, and leadership.
Programmimg the Future
Camp exposes girls to engineering, technology careers

Greenville area ninth-grade young women built tiny computers and got a close-up look at potential career fields as part of the inaugural Engineering and Technology Summer Academy at East Carolina University ("ECU").

"Since I like technology, as well as making and fixing stuff, I think that it has helped me have a clearer path for my future," said Talisha Mills, a rising freshman at Ayden-Grifton High School.

The academy was made possible by a $100,000 grant from Duke Energy through the Duke Energy Foundation. The Duke Energy Foundation awards more than $25 million in charitable grants annually for projects that are vital to community health, such as education and workforce development.

"Without their funding, this academy could not have happened," said its co-organizer, Margaret Turner, who is the director of marketing and outreach in the College of Engineering and Technology at ECU. The program gave local young women hands-on experiences to learn about various STEM (science, technology, engineering and math) jobs in construction management, computer programming, quality assurance, and design in manufacturing. The academic sessions were led by faculty in the College of Engineering and Technology.

"I actually liked the surveying part a lot," said Daphne Meyer, a rising freshman at Ayden-Grifton High School. "I never knew how they built the buildings and set everything up so they could know the exact location on the ground it has to be. I never knew how they got it so exact."

Forty students from Pitt, Greene, Beaufort, Wayne, and Lenoir counties participated with 20 attending July 17-22 and the other half July 24-29. The soon-to-be high schoolers sampled college life by staying in a residence hall and eating in a dining hall each week.

"I thought it was very good for her (Daphne) and I was excited for her to be in a college environment and spend the night in a dorm and have the sorority with the other girls," said Daphne’s dad, Eric Meyer.

Their week ended with the girls presenting to their parents what they had learned.
“It seems pretty impressive the things that they did,” said Meyer. “It is practical knowledge and things she never really realized that went into engineering and building schools, bridges, and roads. Just with the surveying, I think, she learned a lot from that.”

Students also participated in a “lean manufacturing” workshop where they built airplanes out of Legos and learned how to improve the process needed to meet production goals. The girls toured DSM Dyneema in Greenville where they talked with female engineers. The participants also learned about the product design process and discussed the importance of quality in the manufacturing process.

“It is important for ECU and for eastern North Carolina to have opportunities like this — to pique young students’ interest in STEM fields and to show them that a college education is indeed possible for them,” Turner said.

The College of Engineering and Technology has approximately 2,500 students studying in undergraduate and graduate programs in computer science, construction management, engineering, and technology systems.

“We have a lot of companies right now that have special days, events that are held for women in IT (information technology) in general, so there is a lot of opportunity and a lot of companies are actively recruiting females to come into the program,” said Steve Baker, teaching instructor at ECU who taught campers how to build a Raspberry Pi mini-computer.

“I really wanted to do this because I enjoyed my STEM class during the year at school and I would love to pursue a career in the field,” said Alyssa Dunn, a rising freshman at Ayden-Grifton High School. “My favorite part of the whole week was the Raspberry Pi. It was very fun, having to apply your skills and program it and put it together so it felt like you were the one doing all of the work. It was kind of cool having your own device that you built.”

The students were able to keep their Raspberry Pi computers and are encouraged to continue to work with the devices at home to expand what they learned at the academy.

East Carolina University Medical & Health Sciences Foundation, Inc. ▼

CARING FOR THE FUTURE
Gifts will benefit health sciences students and patients

An increase in private investment over the past year is expanding educational opportunities for health sciences students at East Carolina University and improving quality of care for patients. Through January 2016, the ECU Medical and Health Sciences Foundation had received gifts, pledges, and commitments totaling nearly $10.2 million, including more than $5 million in bequest commitments from those who included the university in their wills. This $10.2 million in giving more than doubles the $4.0 million received at the same point in time in the previous fiscal year.

These gifts will go towards scholarships, professorships, research, and patient care. As a result, more students will be able to pursue health-related degrees at ECU, units will be able to recruit and retain top faculty for teaching and research, and patients will have access to expanded services and high-quality care.
We are so grateful for the generosity of our donors who are helping us improve health care in North Carolina and beyond,” said Vice Chancellor for University Advancement Chris Dyba.

“People are becoming much more aware of the quality and impact of our programs and are choosing to invest in health care through their personal philanthropy,” said Mark Notestine, president of the Medical and Health Sciences Foundation.

An anonymous bequest of $2 million to the Department of Psychiatry in the Brody School of Medicine will provide $1 million for an endowed professorship and $1 million for research. This research is intended to develop and promote prevention, early intervention, and more effective treatments for mental illness, according to Dr. Sy Saeed, chair of the department.

A bequest of $1 million from an anonymous retired Brody faculty member will support medical students working in the ECU Family Medicine Center on obesity and/or nutrition. The bequest can also be used to support students going on rotations at other medical schools or attending state or national conferences on these subjects.

Family Medicine also received a significant bequest from Caroline Raby ’70 to be used for scholarships for students pursuing a career in primary care medicine who demonstrate a commitment to service.

More occupational therapy graduates will be able to pursue advanced degrees thanks to a bequest from Randy Strickland ’75 and his wife Laura Ann Schluter Strickland to a scholarship endowment in the College of Allied Health Sciences.

“We have a strong commitment to education and compassion for students with a great need for education,” Laura Strickland said. “Much of Randy’s success he feels was his foundational work at ECU.”

Randy Strickland, who has more than 20 years of experience teaching occupational therapy and serving as an academic administrator, said he wants to improve prospects for tomorrow’s occupational therapy students. “I see how much things have changed since I began practicing. The need will be so much greater in the future,” he said.

The Travis and Cassandra Burt Distinguished Professorship in the Department of Cardiovascular Sciences at Brody will be used to hire a top cardiologist who can provide expert treatment for patients and educate the next generation of heart doctors.

“The heart center can use these funds to benefit other people’s lives 20-30 years from now,” said Travis Burt, who recovered from a cardiac episode and bypass surgery in January 2013 and set up the professorship with his wife as part of a new grateful patient program.

“I look at it as a hiccup, but I know my family members were worried,” Travis Burt said. “ECU had the expertise, equipment, and staff to make me and my family feel as good as possible throughout the whole process. We want to let people know that East Carolina is the best option; people don’t have to go to Raleigh anymore. ECU isn’t just up-and-coming, we’re on top.”

A recent $300,000 gift from an anonymous foundation to the School of Dental Medicine will help provide patient care for those who wouldn’t otherwise be able to afford treatment. It will also give students more opportunities to practice caring for patients as part of their education.

Finally, Jackie Jones Stone ’64 and her twin sister Jeannette Jones ’64, both members of the first graduating class of nurses at East Carolina, decided to bequeath a significant portion of their estates to scholarships for undergraduate students in the College of Nursing. The scholarships will be given to students from eastern North Carolina and eastern Virginia with an interest in community health nursing or psychiatric nursing.

“We’re thinking about the future. It’s very difficult for families today [to pay for college] so any little bit we could give, we wanted to do it. It’s the least we could do,” the sisters agreed on a recent visit to campus. “Giving these students a chance, that’s what it’s about. The more scholarships there are, the more attractive a school is. We hope this scholarship can make a difference in one more person studying nursing and being successful at ECU and in their career.”
Hilda Pinnix-Ragland loves her alma mater so much so that she and her husband Al have given nearly $50,000 to North Carolina Agricultural and Technical State University in the form of two scholarships to benefit accounting students in the College of Business and Economics.

As a birthday gift, Pinnix-Ragland’s husband, Al, and sister, Dr. LaRosa Pinnix-Bailey, established the Hilda Pinnix-Ragland Endowed Scholarship. When the $25,000 endowment is met, the scholarship will be awarded through the College of Business and Economics to an accounting student who demonstrates academic achievement and a financial need. Recipients must be full-time students classified as sophomore or higher, North Carolina residents, and maintain a 3.0 GPA or higher.

A similar scholarship, the Hilda Pinnix-Ragland Endowment, is administered through the North Carolina Community Foundation. Eligible students must be enrolled in the university and pursuing a degree in accounting. They also must have achieved a cumulative GPA of 3.0 with financial need also considered in the selection of the recipient(s).

Pinnix-Ragland graduated magna cum laude from N.C. A&T with a Bachelor of Science degree in accounting. She also earned an MBA from Duke University and completed Harvard University’s Kennedy School of Public Policy Executive Leadership Program. Pinnix-Ragland retired as vice president of corporate public affairs for Duke Energy in June and has moved full-speed ahead into her next career as a compensated member of the board for RTI International. She is a past chair of the N.C. State Board of Community Colleges.

Crediting successes she experienced as a student and ultimately as a professional to the support she received from faculty members and alumni, Pinnix-Ragland wants current students to know they are similarly supported.

“It is not about me. It is about educating beautiful minds, giving them an opportunity,” she said. “I was afforded that opportunity and shame on me if I don’t think about other people and pay it forward.”

The University of North Carolina School of the Arts Endowment Fund

The University of North Carolina School of the Arts (“UNCSA”) set a new record in the spring of 2016, raising nearly $7 million in two months.

In May, UNCSA Chancellor Lindsay Bierman announced $1.9 million in gifts for scholarships and a $5 million pledge for a major capital project.

“I’m proud of what we’ve accomplished so far and am excited about our future,” Chancellor Bierman said. “It’s an exciting time for the School of the Arts.”

A $5 million pledge from Chancellor Emeritus Alex C. Ewing will serve as the lead gift in a comprehensive fundraising campaign being planned at UNCSA. The $5 million pledge is among the largest gifts in the school’s 51-year history and will go toward the renovation of the largest on-campus performance venue and classroom on campus: Performance Place.

Opened in 1988, Performance Place contains the Gerald Freedman, Catawba, and Patrons theatres, and is the primary facility used for the plays and musicals presented by the schools of Drama and Design & Production. It also hosts several School of Music events, such as performances by the UNCSA Jazz Ensemble. Together, the performances reach nearly 50,000 people annually. In addition, the facility hosts community events from the RiverRun International Film Festival to the National Black Theatre Festival.
In March 2016, North Carolina voters approved $2.9 million in Connect NC bond money earmarked to begin renovation of Performance Place. The $5 million pledge by Ewing will enable a complete overhaul of the facility, including replacement of outdated theatrical lighting, fixed seating, carpeting, and door hardware.

As an arts conservatory, UNCSA offers a range of performance and screening venues so that students gain experience in the environments they will encounter as professionals. These spaces function as student classrooms and laboratories, and student academic evaluations are based largely on performances and productions that are staged or screened in these facilities. Ensuring that these venues meet the standards of current technology is critical to preparing students for the real world.

The Ewing gift will transform how UNCSA students are trained and will enable the school to prepare artists for the 21st-century arts and entertainment industry. Improving these theatres also will improve the user experience, benefiting students and the community. The renovated facility will be named Alex Ewing Performance Place.

Alex Ewing served as chancellor from 1990 to 2000. During his tenure, he founded the School of Filmmaking, where the three-theatre Exhibition Complex is named (ACE) in his honor. He also established the Lucia Chase Endowed Fellowship in Dance, named for his mother who was a principal dancer and longtime artistic director with American Ballet Theatre. The fellowship provides annual funding for world-renowned guest artists in the School of Dance.

“Alex Ewing has left his mark on this institution in many ways,” Chancellor Bierman said. “We’re profoundly grateful to Alex for his continued support of the School of the Arts. This transformative gift will launch our campaign which will include support for student scholarships, faculty, endowments, educational programs, and critical upgrades to our facilities.”

Chief Advancement Officer Edward J. Lewis said UNCSA is in the preliminary stages of planning the campaign. “Happily, during this quiet phase, we have the opportunity to build on the momentum of this generous gift, and other recent fundraising success, to ensure a successful comprehensive fundraising campaign. We look forward to announcing our goal in the public phase, but for now we are thrilled to build on the $6.9 million in recent gifts,” Lewis said.

The announcement of Ewing’s $5 million gift followed the announcement of his $1 million gift for scholarships to honor his late wife, Sheila Ewing, who died in November 2015. The Alex and Sheila Ewing Scholarship benefits students in each of UNCSA’s five arts schools – Dance, Design & Production, Drama, Filmmaking, and Music – beginning in fall 2016. Also announced at that time was a $250,000 gift, from an unnamed donor, for a scholarship in the School of Drama.

Last but not least was an event in March that raised $200,000 to fully endow the Gillian Murphy Scholarship in Dance at more than $650,000. Established in 2014, the scholarship is named for Murphy, one of UNCSA’s most celebrated alumni and a principal dancer with American Ballet Theatre.

“I call it the $200,000 dinner,” Chancellor Bierman said. “Dance Dean Susan Jaffe hosted an extraordinary performance by Gillian and her colleagues who are stars of the American Ballet Theatre, including Misty Copeland and fellow UNCSA alumnus Blaine Hoven.” Other performers included American Ballet Theatre principal dancers Stella Abrera, Isabella Boylston, Marcelo Gomes, and James Whiteside.

The performance and the dinner afterward netted enough to fully endow the scholarship.
A new scholarship endowment, announced last October and seeded by a gift from Chancellor Randy Woodson and his wife, Susan, created the Employee Dependent’s Tuition Scholarship which has distributed a quarter of a million dollars in tuition grants to 127 students for the 2016-17 academic year.

The first Employee Dependent’s Tuition Scholarship recipients are the children or dependents of 79 staff and 38 faculty members at the university; a few employees have more than one student enrolled and receiving a scholarship.

“For the first year, it has been really successful,” said Johanna Donovan, senior assistant director of scholarships in the Office of Scholarships and Financial Aid, which administers the program. “The response has been great. We tried to publicize it through several avenues across campus and employees were thrilled.” The Employee Dependent’s Tuition Scholarship currently is designed to provide scholarships of up to $2,000 per academic year ($1,000 awarded each semester), for a maximum of eight semesters, to all dependents of current full-time employees who have been successfully admitted to the university as first-degree undergraduate students and meet regular academic requirements. Family income and employee job function are not factors.

Since their arrival at N.C. State in 2010, the Woodsons have championed the importance of philanthropy for the institution’s future. Their support of the scholarship endowment has been bolstered by gifts from 94 other donors, half of whom are current N.C. State staff or faculty members.

In order for the scholarship to be provided for current and future dependents in perpetuity, the endowment must receive additional funding, according to Brian Sischo, vice chancellor for university advancement. Because officials could not predict the initial number of qualified applicants, some university funds helped supplement the program this year. As the program evolves, the value of the award might be adjusted based on the number of students and available money.

“We have to raise money to make sure this program can continue,” Sischo said. “It’s a terrific way for a donor to honor all the great things our students, faculty, and staff are doing.”

When the new scholarship was announced, the Woodsons said they hoped it would encourage and enable more employees’ children to earn their degrees from N.C. State while serving as a “thank you” for employees’ hard work. Additionally, the scholarships could help attract and retain more outstanding faculty and staff, a key goal in the university’s strategic plan.

Along with faculty and staff dedication, private financial support is playing a critical role in the university’s upward trajectory, the chancellor said at the time that the Employee Dependent’s Tuition Scholarship was announced.
North Carolina Central University
Endowment Fund

North Carolina Central University ("NCCU") commemorated 105 years as an institution of higher education on July 10, 2015, entering its 105th year of serving as a hub for intellectual dialogue and discourse and a source of academic distinction for North Carolina, the Triangle region, the United States, and the world.

The distinctiveness that helps NCCU showcase its achievements includes the accomplishments and contributions of the institution’s alumni. This includes alumnus and current NCCU Board of Trustee member Michael P. Johnson who has invested in several university initiatives, including two aimed at moving the institution toward its goals of increased student retention and graduation rates and continuing to elevate the prominence of the School of Business. In the 2014-15 fiscal year, Johnson’s gift of $50,000 helped fund the university’s new Minimum Admissions Requirements ("MAR") Pilot Program and Finish Line Initiative. While the MAR Program provides academic attainment to prospective students with high GPAs but who are slightly short of the minimum SAT requirements, the Finish Line Initiative provides assistance to help seniors who need additional coursework in the summer following their intended graduation.

Johnson, an alumnus with a degree in business administration, now serves as President and Chief Executive Officer of J&A Group, LLC. In 2016, Johnson made a major donation to NCCU giving $250,000 toward the establishment of a new endowment. The impact of this gift tripled when the University of North Carolina General Administration matched the $250,000 with an additional $250,000 and the U.S. Department of Education’s Title III Part B program then doubled the $500,000 investment to create a $1 million endowment. Johnson’s generous gifts are his way of paying back to the university that molded him, just as it continues to do for today’s students.

The North Carolina School of Science and Mathematics Foundation

Students at the North Carolina School of Science and Mathematics ("NCSSM") now have the opportunity to craft mechanical parts for robotics projects, build chemistry models, print three-dimensional objects, and more thanks to the Peter T. Haughton Fabrication and Innovation Lab ("FabLab"), NCSSM’s newest lab facility.

The lab is the brainchild of Carl Ryden ’89, chair of the NCSSM Foundation. Ryden sought to honor his friend and classmate, Pete Haughton ’89, who died unexpectedly in 2006. Ryden envisioned an interdisciplinary space that would foster the cross-pollination of art, craftsmanship, and science. “Pete was incredibly gifted at mathematics, but he found his greatest pleasure in using his genius to create beautiful and useful things,” Ryden said. He and Haughton both graduated from MIT’s Leaders for Manufacturing program, which exposed them to MIT’s famed FabLab, a benchmark for such facilities.

NCSSM’s FabLab also offers a prime model of a public/private partnership, says Katie Wagstaff, president of the NCSSM Foundation. State funding allowed NCSSM to renovate a one-story brick building, once used as the assembly hall in the school’s earliest days, in order to house the lab. Private support, led by Ryden, has helped to equip the lab. Donations to the Peter T. Haughton Fabrication and Innovation Lab Endowment will help cover the continuing costs of materials, equipment, and staffing.

NCSSM’s FabLab answers a growing call to expose more youth to the hands-on experiences of measuring and cutting materials to create things. “Engineering education has, for a long time, focused on working in the digital space,” says David Bryan, FabLab manager. “These are very marketable skills that will set our students apart. More employers in engineering and related fields want to see that candidates have at least some exposure to hands-on work, if not experience.”
The University of North Carolina at Asheville Endowment Fund
The University of North Carolina at Asheville Foundation, Inc. ▲

UNC Asheville’s newest scholarship program, the CORE (Connecting Opportunities for Regional Excellence) Scholarship Partnership, advances educational excellence and strengthens the regional economy. At its heart, the program provides individual support by helping transfer students take their next steps in higher education. The CORE Scholarship Partnership was developed alongside Asheville-Buncombe Technical Community College (“A-B Tech”) and offers students a full scholarship at A-B Tech for up to two years to earn an associate’s degree followed by full funding for two years at UNC Asheville to obtain a bachelor’s degree.

“This is huge. This is life-changing,” said CORE Scholar Patricia Downey, a south Asheville single mother of five. For Downey, the scholarship “is assurance that I can actually achieve my goals. All I have to do now is the work.”

Hard work is no stranger to Downey or to Amber Owens, who also received a CORE Scholarship as part of a highly competitive application process. “I work multiple jobs,” said Owens who lives in Weaverville with her daughter. “At first it was, ‘how can I do this, I can’t do this,’ and then you have to switch your mindset to ‘I have to do this.’”

Each year, more than 100 students transfer to UNC Asheville from A-B Tech, with more than 1,500 A-B Tech transfer students graduating from UNC Asheville since 1985. The CORE Scholarship Partnership program recognizes at least two students each year. It also encourages local businesses and individuals to invest in the success of the CORE Scholars by providing professional internships and, eventually, full-time employment opportunities upon graduation.

The CORE Scholarship Partnership program is supported by a growing community of donors including corporations and organizations such as Wells Fargo and the Children’s Welfare League and generous individuals such as George and Sandra Beverly. In 2016, UNC Asheville added the McKibbon CORE Scholarship which, in addition to financial support, also provides the possibility of an internship with the McKibbon Hotel Group.

The University of North Carolina at Charlotte Investment Fund ▲

KAREN POPP AND DEMOND MARTIN

More than ever before, many successful alumni are taking ownership of the University with generous gifts of time, energy, and donations.

In September, two of the University’s most accomplished alumni, attorney Karen Popp, ’80, and business executive Demond Martin, ‘97, were honored at the launch of the University’s Exponential Campaign, held in the newly named Karen A. Popp and Demond T. Martin Student Union. Both Popp and Martin were elected UNC Charlotte student body presidents before going on to successful careers in law and finance, respectively.

On September 22, 2016, UNC Charlotte launched a $200 million fundraising campaign. University leaders described the lead pledge from Popp and Martin as the cornerstone for the drive. According to Chancellor Philip L. Dubois, the union of the Popp and Martin names permanently attached to the Student Union is a fitting reminder that diversity is one of UNC Charlotte’s core values.

“Notably, one of our honorees is a white female, a successful lawyer. The other
is an African-American male, a first-generation college student, and a graduate of our University Transition Opportunities Program, who has enjoyed success in the financial services industry,” he said.

Martin’s gift will create an endowment that provides support, in the form of scholarships and unique programmatic opportunities, for promising, motivated students from underrepresented groups, with a special focus on those with financial need.

GENE AND VICKIE JOHNSON

Gene Johnson, ’73, sensed there was something amiss when he and his wife Vickie, ’71, attended a 49ers exhibition football game at Jerry Richardson Stadium in the spring of 2013.

Johnson, who holds the distinction as the first alumnus to chair the University’s Board of Trustees, met with Chancellor Philip L. Dubois and offered to lead the effort to raise money for a marching band. The chancellor accepted, but he told Johnson it was much too late to assemble a marching band for the first regular-season home game in August.

So Johnson — a former drummer — suggested a drumline. He and his wife pledged the first $25,000. In just a few days, Johnson raised $100,000 — enough to purchase the necessary equipment to get the drumline going.

“IT was easy (to raise the money),” Johnson said, “and the reason it was easy is that people were passionate about football and the complete experience.”

As the driving force behind the marching band, Vickie and Gene Johnson announced they would donate $2 million to support the endeavor. The gift was announced at the site of the future Vickie and Gene Johnson Marching Band Center. The facility was officially dedicated on October 21, 2015.

The Pride of Niner Nation Marching Band made its debut at the first home football game against Presbyterian College on September 12, 2015. Starting with 150 members, the marching band will eventually have up to 350 members.

A portion of the gift was used for the Vickie and Gene Johnson Marching Band Scholarship Fund. Proceeds from a planned $4.5 million permanent endowment also will provide funding for scholarships to active members of the UNC Charlotte marching band.

DAVID AND NANCY HAUSER

Following a significant gift commitment from alumni and longtime UNC Charlotte supporters, David and Nancy Hauser, a striking new campus facility for football tailgating and other events is now available.

“We’re calling it an alumni pavilion,” David Hauser said, speaking of the structure’s conceptual design and architectural style, which blends well with the rest of the campus. “But I think it will be much more than that.”

Hauser earned his M.B.A. from the Belk College of Business at UNC Charlotte in 1977, the same year his wife Nancy earned her master’s degree in history from the University. David Hauser currently serves on the UNC Charlotte Board of Trustees.

David Hauser is a retired business executive. He began working at Duke Energy in 1973 and retired from the position of chief financial officer in 2009. Hauser left Duke Energy to become chairman and CEO of FairPoint Communications Inc. and retired from FairPoint in 2010. He continues to invest his time and expertise to support up-and-coming entrepreneurs.

“Nancy and I believe there will be numerous opportunities to use this new pavilion to enhance the collegiate experience for alumni, current students, and others. In large part, we were motivated by our desire to create a venue that will attract alumni back to reconnect with their classmates,” he said.
The Hunter and Stephanie Edwards Promenade, which houses the University, coaches, and media boxes and broadcast booths at Jerry Richardson Stadium, honors a generous contribution from a pair of proud UNC Charlotte alumni.

Hunter Edwards graduated from UNC Charlotte in 1988 with a degree in economics while his wife Stephanie was a 1986 graduate with a degree in biology. The couple’s donation directly impacted the 49ers football program as it made the leap from the Football Championship Subdivision (FCS) to the Football Bowl Subdivision (FBS) as a member of Conference USA, in the fall of 2016.

“Hunter and Stephanie Edwards have joined others that have helped make this transition a reality,” Director of Athletics Judy Rose stated. “We are so proud that both are alumni. Their gift of $2 million is the largest from alumni to directly support the football team’s transition to FBS.”

Hunter Edwards recalled, “When Judy asked, ‘Would we consider making a donation to the college and specifically the football program?’ My first gut reaction was, ‘Are you crazy?’ Yeah, she is crazy, and obviously so are we. We’re proud to be a part of this University. It played a big part in my adult life. It’s where I met my wife, where I got my degree and it started my career because of that degree. On behalf of myself and my wife, we are pleased to be honored here.”

**The University of North Carolina Hospitals**

**UNC CANCER CENTER, HOSPITALS RECEIVE $10 MILLION COMMITMENT FOR CANCER RESEARCH**

In October 2015, the UNC Lineberger Comprehensive Cancer Center received a $10 million commitment from a Burlington, N.C. couple, Ken and Cheryl Williams, who designated their gift for the Ken and Cheryl Williams Fund for Venture Initiatives at UNC Lineberger, the state’s only public comprehensive cancer center. The generous donation will support promising, leading-edge cancer research at UNC Lineberger and UNC Hospitals, allowing the center’s leadership to make timely investments in emerging, high-impact areas of cancer research.

“This tremendous gift will strengthen UNC Lineberger’s pursuit of the most promising areas of cancer research that will save and improve lives in North Carolina and beyond,” said UNC–Chapel Hill Chancellor Carol L. Folt. “UNC Lineberger faculty and physicians have a great track record of collaborating across disciplines to seek cures for cancer, which is a leading cause of death in North Carolina and the United States. We are very grateful for Ken and Cheryl’s vision to make this far-reaching gift. Their generosity builds on the continuing strategic investment by the state of North Carolina in this world-renowned cancer center.”

Folt and other leaders at UNC, including Ned Sharpless, director of UNC Lineberger, commemorated the commitment from the Williams with a name dedication on the entire ground-floor lobby at the NC Cancer Hospital. It is named after their son, Tony.

“I want to express my overwhelming appreciation to Ken and Cheryl Williams for their wonderful generosity. This is such a monumental gift, and I know that we will one day look back on it as a transformational moment in the history of this cancer center. Ken and Cheryl have placed tremendous faith in UNC Lineberger and the work we’re doing to save lives. Their gift enables us to...
pursue research paths that we feel have the greatest potential to prevent cancer and benefit patients facing the disease. We are both humbled and energized to meet the challenge.”

Ken and Cheryl Williams have been longtime supporters of the University of North Carolina. Ken received his master’s degree from the School of Public Health (now the Gillings School of Global Public Health) in 1970 and his doctorate in 1976. He served as senior vice president of Quintiles, a contract research company headquartered in Durham, N.C., before retiring. Ken and Cheryl have been active donors and volunteers with the Educational Foundation at Carolina and with UNC Lineberger as members of the board of visitors.

“Cheryl and I believe in the importance of the work that is taking place here at UNC Lineberger,” said Ken Williams. “The world-class research, the highest quality patient care – we know we’ve made a very wise investment in an organization that is dedicated to finding cures for this vicious disease. We have a high degree of trust and confidence in Dr. Ned Sharpless and future Lineberger leaders to understand best those emerging research opportunities that can make the greatest impact against cancer. And now, we just hope others will step up to the plate to do what they can to help eradicate cancer by supporting UNC Lineberger.”

The University of North Carolina Press, Inc. 


Our acclaimed regional publishing program continued with books like *Grandfather Mountain: The History and Guide to an Appalachian Icon* by Randy Johnson, *Lessons from the Sand: Family-Friendly Science Activities You Can Do on a Carolina Beach* by Charles O. Pilkey and Orrin H. Pilkey. We also continued our highly-praised *Savor the South®* Cookbooks series, with volumes celebrating *Beans & Field Peas, Crabs & Oysters, Barbecue and Greens*. And, UNC Press had a runaway success with the movie edition of *The Free State of Jones: Mississippi’s Longest War* by Victoria E. Bynum, which was published simultaneously with the release of the movie starring Matthew McConaughey.

UNC Press's new office of scholarly publishing services had a strong first year. In offering publishing solutions to the 17 system campuses for digitally based classroom and other scholarly materials, we successfully published several new works, including books by the UNC-Chapel Hill Department of Latin American Studies and the physical science department at Fayetteville State University.

And, through a generous grant from the Andrew Mellon Foundation, UNC Press’s expansion of services offered through its fulfillment division, Longleaf Services, has generated interest in the university press community, and in the past year we have finalized contracts with several new presses, including Cornell University Press, University of Virginia Press, University of Georgia Press, and U.S. marketing and distribution services for Cork and Calgary University Presses.

For more information, visit us at www.uncpress.org
The University of North Carolina at Wilmington Endowment Fund
The Foundation of the University of North Carolina at Wilmington, Inc.

The University of North Carolina Wilmington (“UNCW”), the state’s coastal university, is dedicated to the integration of teaching and mentoring with research and service. Our commitment to student engagement, creative inquiry, critical thinking, thoughtful expression, and responsible citizenship is expressed in our baccalaureate and master’s programs, as well as doctoral programs in the areas of expertise that serve state needs. Our culture reflects our values of diversity and globalization, ethics and integrity, and excellence and innovation.

UNCW is committed to attracting and retaining high-quality and diverse students, faculty, and staff; ensuring an inclusive campus culture and a global mindset; and assuring student success through increased retention and graduation rates. Our faculty are devoted to enhancing learning experiences and educational programs and to advancing research and scholarly activities. The university is dedicated to enabling and nurturing a sense of a student-centered community by enhancing academic advising and student support programs for career placement and graduate school admission. Engaging with the local community, region, state, and beyond is important to our efforts to broadly and effectively communicate the university’s impact to key partners. People are UNCW’s highest priority.

UNCW is often recognized nationally, which reiterates the positive impact our university has on the lives of our students, and ultimately the communities they become a part of after graduation. Our goal is to provide strong educational programs in an enriching environment that enhances our students’ perspectives and prepares them to be successful leaders in the future.

Western Carolina University Endowment Fund
Western Carolina University Foundation, Inc.

Growth continues to be a key word at Western Carolina University (“WCU”), where the size of the student body hit an all-time high in the fall 2016 semester. Total enrollment at WCU now stands at 10,805 students, smashing the old record of 10,382 set in the fall of 2014. WCU’s 2016 freshman class totals 1,913 students, surpassing the previous high of 1,859 set in 1972 during an enrollment boom near the end of the Vietnam era.

With the growth of the student body comes the evolution of the university campus. Noble Hall, a new 120,000-square-foot mixed-use facility on Centennial Drive in the heart of WCU’s campus, is now home to more than 400 students and is awaiting phased business openings expected to get underway in October 2016.

Construction of the $29.3 million building, which originally had been included in the university’s master plan for new construction as a long-range project, was accelerated to replace a structure on WCU’s traditional commercial strip that was heavily damaged by fire in November 2013. The new facility features residential units on all four floors, with a capacity for 420 student beds, and space for commercial and dining establishments on the ground floor. The facility will include a locally-owned bookstore/café, a campus outpost for a Sylva-based outdoor recreation retailer, a convenience store, a Subway sandwich shop, and the first Chili’s Bar and Grill in North Carolina west of Asheville.

Construction of the mixed-use facility is one of a handful of projects in the works or on the drawing board for WCU. Around the corner on Central Drive, construction is progressing on the $27.4 million Brown Building project, which includes the renovation of 30,000 square feet of existing space and the addition of another 25,000 square feet of space to the 54-year-old structure. Work began in spring 2016, and by early summer the erection of steel beams was underway with the facility beginning to take shape. Brown Building served for many years as a campus food option located in the historic hill area, but food services moved out when WCU opened Courtyard Dining Hall in 2010. After the project is completed in the summer of 2017, Brown once again will be a dining option for students while also providing space for Residential Living’s administration offices.
On WCU’s West Campus, plans are in the works for a medical office building that will be the first privately developed structure built as part of the Millennial Initiative. In December 2015, Summit Healthcare Group of Winston-Salem came aboard as WCU’s partner in the project. The two parties are working together to find the best site for the facility, which will be near WCU’s Health and Human Sciences Building. By summer, a concept had been approved for the development of design plans with construction beginning as early as spring 2017. The building is expected to include at least 30,000 square feet of space for health care professionals and health-related businesses.

And, thanks to voter approval of a $2 billion statewide bond issue in March 2016, a replacement for WCU’s 1970s-vintage Natural Sciences Building is now in the early planning stages. In September 2016, the WCU Board of Trustees selected Skanska USA, a New York firm with offices in Durham, as construction manager at risk for the $110 million project. Design is expected to take place throughout 2017, with construction to begin on or near the site of the current Natural Sciences Building. The project may take place in phases, with a portion of the new facility to be constructed before the existing building is demolished and replaced. University leaders hope to see the new building completed by 2020.

As enrollment surges, WCU continues to make progress toward its goal of boosting endowed scholarships. 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 then, 167 new endowed scholarships have been created.

Winston-Salem State University Endowment
Winston-Salem State University Foundation, Inc.

Winston-Salem State University (“WSSU”) is one of 44 universities from around the country participating in a project aimed at ensuring success for historically underrepresented groups, particularly low-income, first generation, and minority students. Re-Imagining the First Year of College (“RFY”) is an initiative of the American Association of State Colleges and Universities (“AASCU”) with support from the Bill & Melinda Gates Foundation and USA Funds.

The coalition of 44 member institutions will work together for three calendar years (2016-2018) to develop comprehensive, institutional transformation that redesigns the first year of college and creates sustainable change for student success.

“Winston-Salem State University has a rich history of serving academically promising students who come from under-resourced or historically underrepresented backgrounds,” says WSSU Provost Brenda Allen. “The RFY project is another example of our commitment to providing our students with the tools and resources they need to be successful in college. The first year often poses a barrier to success and through this project we will identify further opportunities to help students achieve their academic goals.”

RFY seeks to inspire redesigned approaches that work effectively for all members of an increasingly diverse, multicultural, undergraduate student body, eliminating the achievement disparities that have plagued American higher education for generations. Ultimately, re-designing this critical first year will allow for broader reform of the undergraduate experience in the future.

The institutions participating in RFY will form a learning community that reviews and shares evidence-based practices, programs, and implementation strategies. The RFY initiative entails a comprehensive, “top-down, bottom-up” approach that engages the whole campus in focusing on four key areas to help first-year students succeed: institutional intentionality, curriculum redesign, changes in faculty and staff roles, and changes in student roles.

“The RFY speaks to the first goal of our 2016-2021 strategic plan, which seeks to extend our liberal education approach beyond the classroom and into co-curricular experiences and living/learning communities,” says Allen. “Through RFY, we will be enhancing the first-year experience in a number of creative ways that are designed to provide opportunities for creative collaboration between students and faculty, foster leadership development, and hone students’ academic skills.”

As a participant, WSSU will receive extensive support through national meetings, expert webinars, individual consultation, and online resources and tools. The project will build a robust collection of integrated strategies, programs and approaches that participating campuses can adapt to improve student success. As the project advances, AASCU will share key findings with the broader higher education community. ➤
The Fund is constructed to achieve its primary investment objective over a long-term time 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 can 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 15- and 20-year periods ending June 30, 2016, with the Fund returning +7.8 and +9.0 percent, respectively. However, despite ranking in the top quartile of the Cambridge Associates Universe and outpacing its primary benchmark, SIPP, the Fund’s +6.5 percent ten-year return falls short of this objective reflecting the negative impact of the 2007-2008 Global Financial Crisis. Figure 6 below illustrates the comparative value created by investing $100 on July 1, 2006 through the end of fiscal year 2016 in each of the Fund, the Fund’s SIPP benchmark, the Global 70/30 Portfolio (consisting of 70 percent invested in the MSCI All Country World Index and 30 percent in the Bloomberg Barclays U.S. Aggregate Bond Index), and the S&P 500 Index. Over this time period, an investment of $100 in the Fund would have produced $188, compared to $181 for the SIPP benchmark and $160 for the Global 70/30 Portfolio. While the Fund trailed the $204 produced by an investment in the S&P 500 Index over the same period, the Fund achieved its return with less than half of the degree of risk, as measured by volatility, of 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, exceeded their benchmark return. Investments in private securities were the best performers over the period with Private Equity returning +13.9 percent. This strong performance confirms

**Figure 6**
Cumulative Performance
10 years ended June 30, 2016

On a cumulative basis over the last ten years, the Fund has outperformed both its SIPP benchmark and a more traditional Global 70/30 Portfolio with a significantly lower level of return volatility.

(1) 70% MSCI All Country World Index / 30% Bloomberg Barclays U.S. Aggregate Bond Index
of Investment Balance

<table>
<thead>
<tr>
<th>Investment Management Fee</th>
<th>% of Investment Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>First $50 million of investment balance</td>
<td>0.50%</td>
</tr>
<tr>
<td>Remainder of investment balance over $50 million</td>
<td>0.22%</td>
</tr>
<tr>
<td>Legal &amp; Accounting (1)</td>
<td>0.02%</td>
</tr>
<tr>
<td>Other Operating Costs (1)</td>
<td>0.02%</td>
</tr>
</tbody>
</table>

(1) Indicative, subject to variation

The notion that, over 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 +6.5 percent versus +2.9 percent for its benchmark. More strikingly, this +6.5 percent return exceeds the +4.3 percent annualized return generated by the broader equity market as measured by the MSCI All Country World Index. Figure 10 shows the ten-year annualized returns for each of the seven primary asset classes versus their respective SIPP benchmarks.

For the three- and five-year periods ended June 30, 2016, the Fund generated a +7.4 percent and +7.2 percent annualized return.

The Fund has outperformed each of its benchmarks over the past ten years on a cumulative basis by providing drawdown protection during periods of market stress.
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 +5.6 percent and +5.1 percent returns earned on the Global 70/30 Portfolio over the same periods. Figure 8 on page 29 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 9 on page 29 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.

**FIGURE 10**
Asset Class Returns vs. SIPP Benchmarks
10 years ended June 30, 2016

Over the long term, each of the Fund’s seven major asset classes has produced a positive return with Private Equity driving performance.

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 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.

**Fiscal Year 2016 Update**

- The Fund gained $3.2 million in exposure to new environmentally-minded investments
- At the end of the fiscal year, the Fund had $14.9 million in exposure to sustainable, clean energy focused investments
- The Management Company has highlighted sustainability as a topic of importance in its manager due diligence process adding it as an area of focus during on-site diligence meetings
- An increasing number of the Fund’s managers have identified sustainability as an important factor when evaluating businesses and appreciate its impact on risk and return
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 four functional areas: Investment Management, Investment Strategy & Risk Management, Operations & Finance, and Investor Relations & Communications.

Front row (left to right): Joshua Shapiro, Kevin Tunick, Bobby Williams, Elaine Brim, Margaret Holder, Ed Hetherington. Middle row (left to right): Shahir Amin, Deana Griffin, Nancy Pierce, Kimberly Woodlief, Angela Elam, Lauren Hong, Gina St.Phillips, Clay Robinson, Janine Vanzetta Burke, Jeffry Liu, Kay Day. Back row (left to right): Brook Scardina, Timothy Burch, Matt Lesesky, Jonathon King, Chris Rudolph, Judd Mair, Rodgers Harshbarger, Chris Bartholomew, Jonathan Cornish, Anita Barber. Not pictured: Richard Flintzer, Paul Kindem, Angela Moss, Patrick O’Neil, Pam Shirley, Susan Smith, Ben Wendt.
Fund Members

1 | Appalachian State University Endowment
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 | Rex Hospitals, Inc.
13 | UNC Intermediate Pool, LLC
14 | UNC Management Company, Inc.
15 | University of North Carolina at Asheville Endowment Fund
16 | University of North Carolina at Asheville Foundation, Inc.
17 | University of North Carolina at Chapel Hill Foundation Investment Fund, Inc.
18 | University of North Carolina at Charlotte Investment Fund
19 | University of North Carolina at Wilmington Endowment Fund
20 | The Foundation of the University of North Carolina at Wilmington, Inc.
21 | University of North Carolina General Administration
22 | University of North Carolina Hospitals at Chapel Hill
23 | University of North Carolina Press, Inc.
24 | University of North Carolina School of the Arts Endowment Fund
25 | University of North Carolina School of the Arts Foundation, Inc.
26 | Western Carolina University Endowment Fund
27 | Western Carolina University Foundation, Inc.
28 | Winston-Salem State University Endowment Fund
29 | Winston-Salem State University Foundation, Inc.