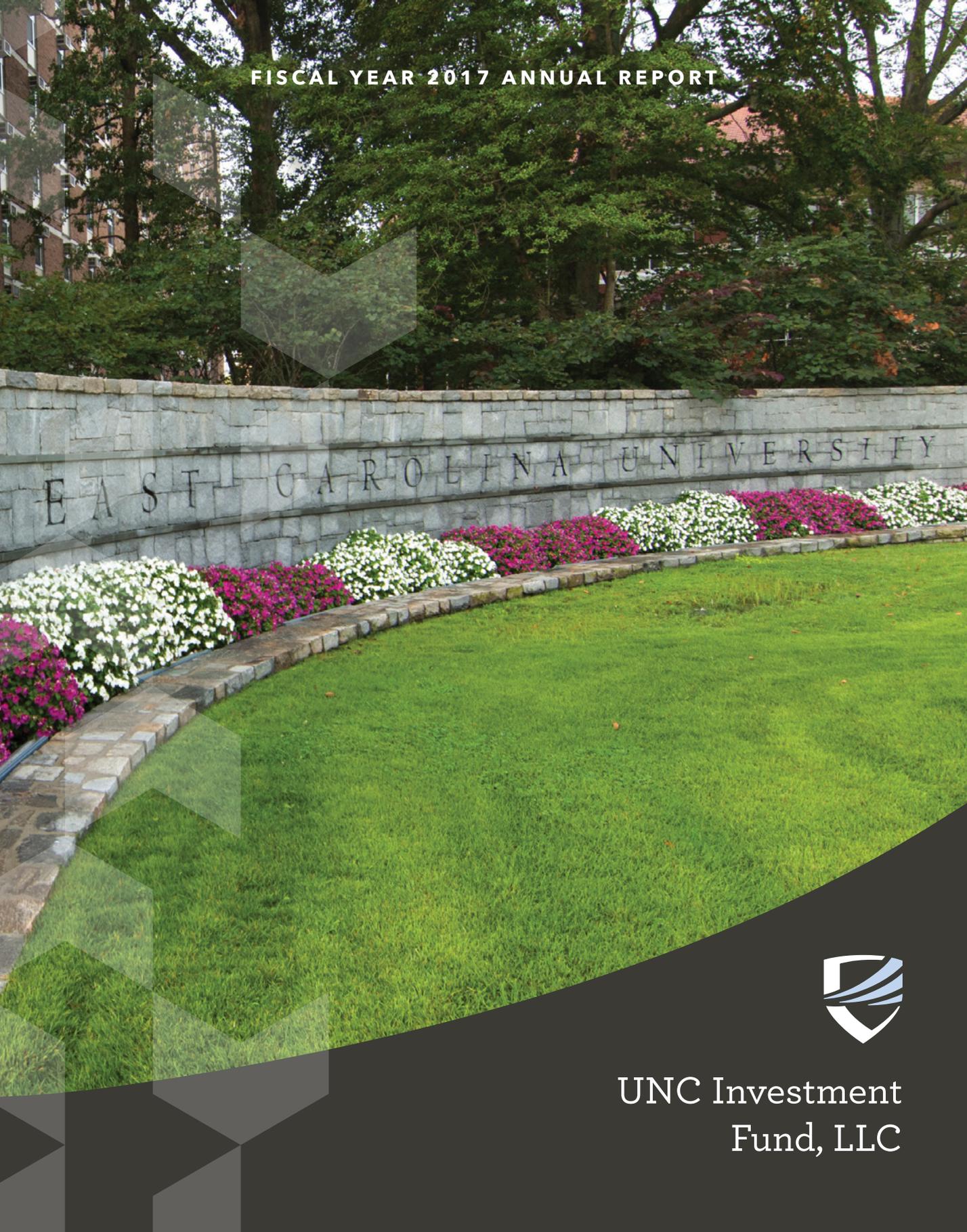


FISCAL YEAR 2017 ANNUAL REPORT



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 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 38.

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, which exceeds the Fund’s primary benchmark, the Strategic Investment Policy Portfolio (“SIPP”). More information on SIPP can be found on page 13.

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





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.

It is with great pleasure that we present the Fiscal Year 2017 Annual Report for the UNC Investment Fund, LLC ("Fund"). In the most recent fiscal year ended June 30, 2017 ("FY 2017"), the Fund posted a solid +12.1 percent net investment return with the strong performance of global equity markets acting as a substantial tailwind. 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 7.5 percent are deemed to have achieved this target. In addition to contributing to the Fund's long-term return objective, the FY 2017 return of +12.1 percent exceeds the Fund's primary benchmark, the Strategic Investment Policy Portfolio ("SIPP") which recorded an +11.8 percent return for the year. Relative to peers, the Fund's FY 2017 return ranks in the third quartile of the Cambridge Associates universe of college and university endowment funds, as endowments with larger allocations to traditional equities were the top performers during the most recent fiscal year. Over the longer term, however, the Fund's 3-, 5-, 10-, 15-, and 20-year net returns all rank in the top quartile of the Cambridge Associates endowment universe.

On the heels of strong investment gains and additional contributions from Fund members, the Fund's growth in assets over the year was the largest in its history growing \$862 million from \$4.6 billion at the start of the year to \$5.4 billion at June 30, 2017. Over the past five years, the Fund has grown by more than 70 percent (an increase of more than \$2.2 billion) with an annualized investment return of +9.3 percent over the same period.

Strong returns within the Fund's equity oriented asset classes, both public and private, drove the Fund's overall performance for the year with Long Biased (traditional) Equity and Private Equity returning +21.5 percent and +15.1 percent, respectively. Over longer time horizons, the Fund's Private Equity investments have generated consistently 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 +12.6 percent net annualized return more than tripling the broader global equity market return.

While we are pleased with the Fund's +12.1 percent return for FY 2017, we remain focused on achieving the Fund's primary long-term objective by continuously seeking opportunities to enhance the Fund's return while maintaining a disciplined approach towards risk. As we work to achieve this objective, we 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. Speaking for the entire Chapel Hill Investment Fund Board as well as the staff of the UNC Management Company, we are grateful for the opportunity to support the missions of the campuses across the University of North Carolina system.

Chapel Hill Investment Fund Board

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 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.



David Carroll

Managing Member, Carroll Family Holdings, LLC



Max Chapman Jr.*
Chairman

Chairman, Gardner Capital Management



Haywood Cochrane

Chairman, Corium, Inc.



David Craver

Managing Director, Lone Pine Capital LLC



John Ellison Jr.*

President & Chief Executive Officer, The Ellison Company, Inc.



Matthew Fajack*
Treasurer

Vice Chancellor for Finance & Administration, The University of North Carolina at Chapel Hill



Carol Folt

Chancellor, The University of North Carolina at Chapel Hill



Michael Kennedy

Senior Client Partner, Korn Ferry



Steven Lerner

Founder & Managing Partner, Blue Hill Group



Willard Overlock Jr.*

Retired Partner, Goldman Sachs Group, Inc.



David Routh
Secretary

Vice Chancellor for University Development, The University of North Carolina at Chapel Hill



Nelson Schwab III

Senior Advisor, Carousel Capital



Sallie Shuping-Russell
Vice President

Managing Director, BlackRock



Dwight Stone

President & Chairman, D. Stone Builders, Inc.



John Townsend III*

*Executive Committee Member
As of June 30, 2017

Portfolio at a Glance

	FISCAL YEAR AS OF JUNE 30				
	2017	2016	2015	2014	2013
Market Value (\$ millions)	\$5,411.2	\$4,549.6	\$4,643.2	\$4,137.3	\$3,554.0
Fund Return	12.1%	-2.0%	9.3%	15.7%	12.1%
SIPP Benchmark Return	11.8%	-0.8%	3.2%	15.0%	10.4%
Fund Asset Allocation					
Long Biased Equity	31.0%	26.2%	29.1%	29.8%	29.0%
Long/Short Equity	17.8%	19.3%	20.0%	19.1%	18.3%
Diversifying Strategies	6.7%	8.0%	7.3%	9.6%	10.6%
Fixed Income	10.4%	8.5%	7.9%	8.0%	8.3%
Private Equity	19.2%	20.9%	19.4%	17.6%	18.1%
Real Estate	6.7%	7.3%	6.7%	6.8%	7.5%
Energy & Natural Resources	5.7%	5.8%	5.1%	6.5%	7.0%
Cash	2.5%	3.9%	4.5%	2.6%	1.2%

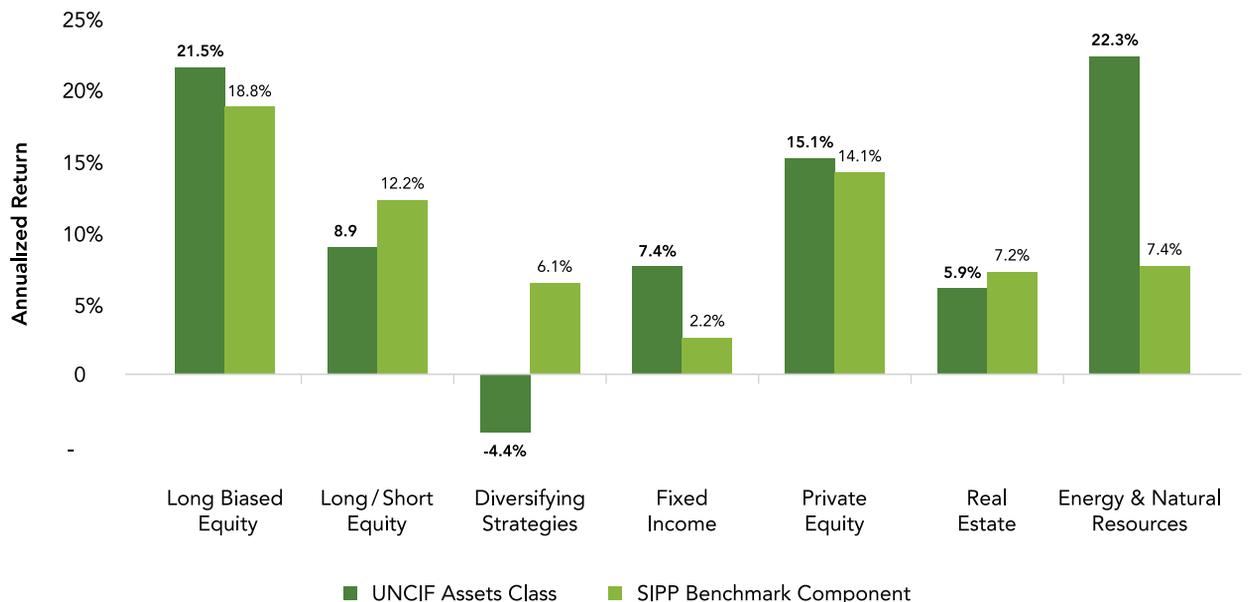


Fiscal Year 2017 Overview

During fiscal year 2017 (twelve months ended June 30, 2017) the global economy settled into a steady growth rate that was supportive of rising equity markets. With this backdrop, and after two relatively weak years, global equity markets rebounded in FY 2017, providing a strong tailwind for institutional portfolios with broad equity exposure. International equities were particularly strong, both in developed markets (MSCI EAFE Index +20.3 percent) and emerging markets (MSCI Emerging Markets Index +23.7 percent), outperforming U.S. equities (S&P 500 Index +17.9 percent) for the first time in nine years. Following the U.S. presidential election in November, investors adopted a “risk on” sentiment moving into equities and away from defensive asset classes such as traditional fixed income and gold. The broad domestic fixed income market, as measured by the Bloomberg Barclays U.S. Aggregate Bond Index, finished the year down -0.3 percent. As was widely expected, the U.S. Federal Reserve increased interest rates three times in FY 2017 (December 2016, March 2017, June 2017), lifting the benchmark federal funds rate to 1.25 percent. As the economic outlook is expected to continue to improve, additional rate increases are anticipated in FY 2018. Despite the fact that the current equity bull market is in its ninth year, we believe that going forward, equity markets can continue to increase in value fueled by global economic growth and the high degree of liquidity in the financial system.

FIGURE 1
Asset Class Returns vs. SIPP Benchmarks
 Fiscal Year 2017

During the year, the Fund benefited from the recovery in energy prices and the equity bull market with performance driven by strong equity markets (both public and private).



With the solid performance of global equity markets acting as a substantial tailwind, the UNC Investment Fund generated a +12.1 percent net investment return for FY 2017. The Fund's return for the year is solid on both an absolute and relative basis outperforming the +11.8 percent return of its primary benchmark, the Strategic Investment Policy Portfolio ("SIPP"), and the +7.1 percent return of its long-term return objective of spending plus inflation. However, the Fund trailed a more "traditional" Global 70/30 Portfolio comprised of 70 percent global equities (MSCI ACWI) and 30 percent bonds (Bloomberg Barclays U.S. Aggregate Bond Index) which returned +12.7 percent over the period. Relative to peers, the Fund's FY 2017 return ranks in the third quartile of the Cambridge Associates universe of college and university endowments with smaller endowments that tend to have larger allocations to equity markets being top performers. Over longer periods, three, five, ten, and twenty years, the Fund's return ranks in the top quartile relative to peers.

For the fiscal year, all but one of the Fund's seven primary asset classes generated a positive return with four out of seven exceeding their respective benchmark. Strong equity markets, both public and private, drove the Fund's overall performance with Long Biased Equity and Private Equity returning +21.5 percent and +15.1 percent, respectively. Energy & Natural Resources, returning +22.3 percent, rebounded from its weak performance in FY 2016 to be the Fund's top absolute and relative performer in FY 2017. Within the public portion of the Fund's portfolio, the relative outperformance of Long Biased Equity (2.7 percent over its benchmark) and Fixed Income (5.2 percent over its benchmark) offset the underperformance of Long/Short Equity and Diversifying Strategies which trailed their benchmarks by 3.3 percent and 10.5 percent, respectively. While the performance of Diversifying Strategies for the year is disappointing it is not unexpected. Diversifying Strategies' role in the portfolio is to have low correlation to traditional asset classes (particularly equities) and perform well in weaker markets at the cost of dampening returns in strong up markets.

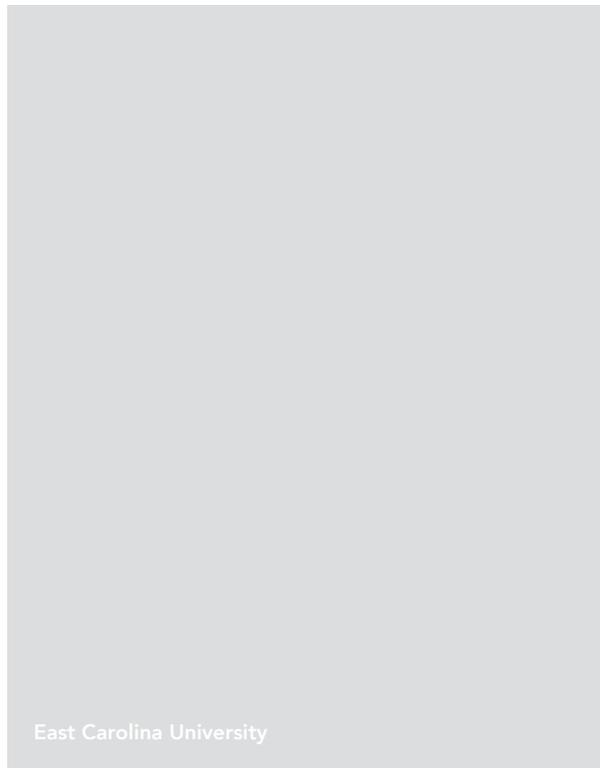
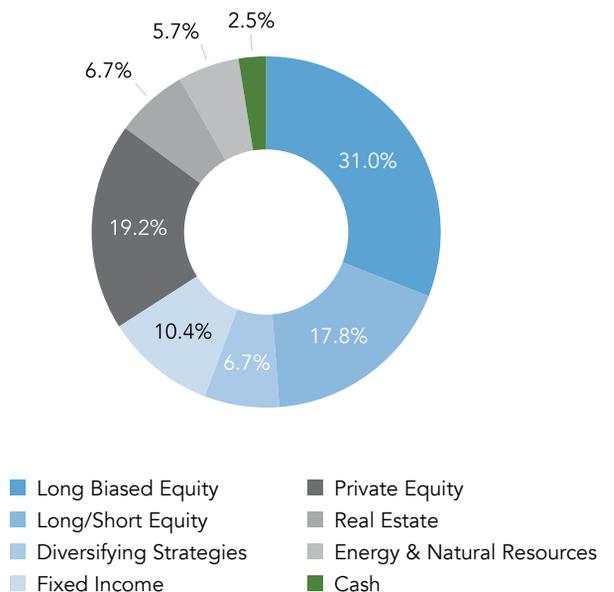


FIGURE 2
Fund Asset Allocation
 (% of total market value)
 As of June 30, 2017



On the heels of strong investment gains and additional contributions from Fund members, the Fund's growth in assets over the year was the largest in its history, growing \$862 million from \$4.6 billion at the start of the year to \$5.4 billion at June 30, 2017. Figure 3 below details the more than 70 percent growth in the Fund over the past five years (an increase of more than \$2.2 billion).

We expect the current market environment marked by low bond yields and modest equity returns to persist with volatility likely to increase. While the current U.S. economic cycle has been unusually long, we believe there is ample slack for it to power on – economic cycles don't have to die of old age. Additionally, global economic growth, though more muted than pre-financial crisis levels, appears poised to continue at a rate that is supportive of rising equity markets. However, we remain acutely aware of the uncertainties and risks inherent to financial markets and, as such, maintain that seeking out opportunities to enhance the Fund's return potential while focusing on capital preservation and downside protection is the most prudent course of action over the long term.

While we at the UNC Management Company are pleased with the +12.1 percent return generated by the Fund in FY 2017, we remain focused and committed to achieving the Fund's primary long-term objective: supporting the institutions of the University of North Carolina system in perpetuity on an inflation adjusted basis.

FIGURE 3

UNC Investment Fund Market Value (\$ millions)

As of June 30

Over the past five years, the Fund's market value has grown by more than 70% with net investment gains over the period of \$1.9 billion.



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 7.5 percent to achieve its primary objective: the spending rate (usually around 5.5 percent) plus inflation (around 2.0 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:



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.

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, deep market knowledge, an ability to think independently, and who have a demonstrated track record of investment success and adding value.

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.

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 with its components reviewed periodically. Any modifications tend to be gradual and made to reflect such factors as changes in market conditions, return expectations, and market liquidity.

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

FIGURE 4

Strategic Investment Policy Portfolio

Asset Class	Fund Allocation ¹	Strategic Target	Tactical Range	Benchmark
Long Biased Equity	31.0%	30.0%	24 – 36%	MSCI All Country World Index (ACWI)
Long/Short Equity	17.8%	15.0%	10 – 20%	Hedge Fund Research Institute (HFRI) Equity Hedge Index
Diversifying Strategies	6.7%	10.0%	6 – 14%	(50% HFRI Fund of Fund Conservative Index + 50% HFRI Fund of Fund Defensive Index) + 0.5%
Fixed Income	10.4%	10.0%	6 – 14%	30% BB L-T Gov't/Credit, 30% BB U.S. Aggregate, 20% BB HY Corporate, 20% 90-Day T-Bills ²
Private Equity	19.2%	18.0%	14 – 22%	60% CA PE Index / 40% CA Venture Capital Index ³
Real Estate	6.7%	8.0%	5 – 12%	90% NCREIF / 10% NAREIT ⁴
Energy & Natural Resources	5.7%	7.0%	5 – 10%	50% S&P GSCI / 50% Real + 3% ⁵
Cash	2.5%	2.0%	-2 – 8%	90-Day T-Bills

¹ As of June 30, 2017

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 60% Cambridge Associates Private Equity Index, 40% Cambridge Associates Venture Capital Index

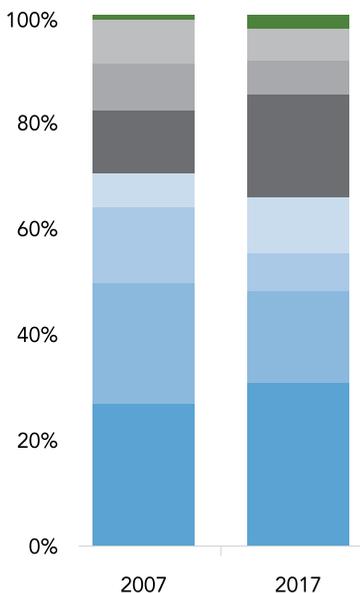
⁴ NCREIF – National Council of Real Estate Investment Fiduciaries / NAREIT – National Association of Real Estate Investment Trusts

⁵ 50% S&P Goldman Sachs Commodity Index, 50% Real + 3%

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 Diversifying Strategies while significantly increasing its exposure to private equity markets.



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 intended to complement the aggregate portfolio by including investment strategies that tend to be relatively uncorrelated with major equity market indices.

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.

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, 2017, is illustrated in Figure 4 on page 13.

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.



News from Our Members

The endowments, foundations, and organizations invested in the Fund support the institutions of the University of North Carolina system. Here, we highlight some of their students, faculty, and donors.

Appalachian State University Endowment

Appalachian State University Foundation, Inc.

Appalachian State University has a century-long commitment to sustainability – from generating its own power in the early 20th century to creating the nation’s oldest academic sustainable development and sustainable technology programs that prepare today’s students for 21st century careers.

The University defines sustainability as those opportunities in which everyone and everything, in any given situation, wins. When discarded items are collected from residence halls and resold to other students to benefit non-profits instead of going in a landfill, that is a win-win. If Appalachian can offer moderately-priced child care, along with opportunities for students to learn in a professional training environment, that is a win-win. If the University can diversify its campus population and nurture multicultural understanding and empathy, that is a win-win.

“Win-win situations are sustainable and we will sustain,” said Chancellor Sheri N. Everts. “Appalachian measures its priorities by a sustainability metric.”

Private giving through the Appalachian State University Foundation, Inc. offers more win-win situations for sustainability. More than 20 sponsors made the 2017 Appalachian Energy Summit, which brought together some of the world’s most brilliant minds in energy policies and practices, possible. Since 2012, the summit has allowed the UNC system to avoid more than \$499 million in utility costs, representing almost nine billion pounds of CO2 emissions. Private giving also supported the Solar Vehicle Team this year as it transformed solar transportation and gained national attention after top-three finishes in the 2016 and 2017 Formula Sun Grand Prix competitions.

Through efficient and effective use of resources, the Appalachian State University Endowment helped secure a former church building near campus, adding 5,000 square feet of academic space to the main campus in the fall of 2017. Additionally, the former site of Watauga County’s high school has been purchased for increased laboratory, classroom or residence hall space.



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

CLASSROOM READINESS

Latham Clinical Schools Network has supported ECU student teachers for 20 years.

East Carolina University students are preparing to teach in their own classrooms through a unique network of schools in eastern North Carolina. Established in 1996, the ECU College of Education's Latham Clinical Schools Network provides field experiences for student teachers to fulfill the state's senior year teaching requirement. Over the past two decades, the network has expanded to 43 school systems.



"The overall impact in 20 years is that approximately 70,000 early field placements and 9,600 student teachers have been able to learn in, while simultaneously contributing to, the public schools in the eastern region of the state," said Dr. Vivian Martin Covington, executive director of the Office of Educator Preparation in the ECU College of Education, the largest professional educator preparation institution in the state. "The network's strength is its partnerships. This can only be accomplished with willing public school partners who engage deeply with our programs to ensure that, together, we prepare the very best teachers for the region and state."

Emery Bowser, who graduated in May, taught 23 kindergartners at Snow Hill Primary School alongside veteran teacher and Snow Hill native Candace Griffin during the 2016-17 academic year. Snow Hill is located in Greene County, about 40 minutes from Greenville. One of the network's original partners, the county has a population of roughly 21,000 people with 25 percent living in poverty.

"We're in a rural poor county with struggling learners," Griffin said. "We benefit from the network because it gives us more hands. When you have more hands, you can reach more students. The students are the ones who benefit in the end."

Griffin said she and Bowser learn from each other. "The student teachers inform us about the latest teaching methods and philosophies as well as give us fresh ideas to use in the classroom," Griffin said. "I think it's helping me

become a better teacher and it's helping Emery become a good teacher too."

"The clinical schools network is very important not only to students but also to teachers because it's a two-way street," Bowser said. "We're able to get into the classroom, work with students, plan our own lessons, and start to teach for ourselves. Beyond that, the veteran teachers are there to help us grow as well as learn from us."

Bowser said she has always wanted to teach kindergarten. "It's the most vital year of school in the elementary grades because it's really the foundation for their education. Students are learning how to handle themselves and starting to become independent," she said.

ECU places education students in classrooms early, beginning in the sophomore year. "You just take little by little every semester. You start writing lesson plans then you enter the classroom and really start learning how to teach," Bowser said.

Many of the teachers and administrators in Greene County are ECU alumni who got their start through the Latham Clinical Schools Network. One of those is Charlie Howell III, assistant principal at Greene County Middle School. Howell received his bachelor's degree in history education from ECU in 2012 and currently is in graduate school. A Maynard Scholar, he taught history for four years at Greene Central High School before moving into administration.

For Howell, the early classroom connection cemented his tie to the community. “It was a perfect match,” said Howell, a native of Kinston. “Without that placement, I would not be where I am at all. It allowed me to flourish. Even as a student teacher, I was able to be involved in the school. I believe the clinical schools network taught me to be responsible and accountable,” Howell said. “It taught me personal responsibility, how to advocate as a professional, and the power of networking. It connected me to people all over the place.”

Greene County Middle School has about 50 teachers and staff and 800 students with roughly one-third each Hispanic, Caucasian, and African-American. Poverty and low socioeconomic status are challenges for his students. “One of the things we’re trying to facilitate is readiness,” Howell said, which includes a 45-minute period where student groups meet with a teacher each day to help foster success. Another innovation is the Student Success Academy, where Greene Central High School juniors and seniors tutor students at the middle school. “We’re preparing and mentoring them and giving them guidance,” Howell said.

Ensuring that ECU students get authentic teaching experiences in a diverse public school setting is a key part of the Latham Clinical Schools Network. “ECU has always produced more teachers than any other school in the state and it’s increasingly important to eastern North Carolina because a lot of these people stay locally to teach,” said Dr. Bryan Latham, who provided a \$250,000 endowment to the College of Education in honor of his parents, Walter and Daisy Carson Latham. The Lathams were longtime educators and ECU alumni from Bethel. “Education was very important to me serving as the core of my success. My parents were teachers which led to my decision to support educators,” said Latham, a retired physician and surgeon. “It’s an investment in the future. ECU does more to produce people equipped to go out in the community and make a positive impact than any other school I’ve encountered.”

“The Latham Clinical Schools Network is a strong and enduring partnership because of ECU’s shared commitment to serve the region and willingness to pursue excellence through innovation,” said Dr. Christopher D. Locklear, ECU’s vice provost for academic success, who was in the first ECU education class to participate in the network.

As a student teacher, Locklear taught U.S. history at New Bern High School. Before that, his only classroom experience had been a 16-hour practicum which was solely observation. “The student teaching experience provided a supportive environment for the practical application of theory and, perhaps most importantly, provided me with a setting to reflect on my instructional design, delivery, and classroom management,” Locklear said. “I will always be appreciative for the constructive criticism I received during the internship. I have no doubt that the investment of time and talent by my supervisor and clinical teacher made me a better teacher.”

After several years of teaching and earning his master’s degree in school administration at ECU, Locklear began working with the Latham Clinical Schools Network, where he facilitated clinical practicum placements between undergraduate courses and schools, participated in annual clinical teacher training and monthly meetings with network leadership, and supervised clinical interns as needed. Over time, his responsibilities shifted to internship placements within the network and later to ECU’s partnerships with community colleges and teacher education enrollment management.

East Carolina University Medical & Health Sciences Foundation, Inc.

While supporting her younger sister through a number of severe illnesses over four decades, Dr. Laura Gantt, associate dean for nursing support services in the College of Nursing at East Carolina University, witnessed both the best and the worst in health care. Her experiences taught her that one thing distinguishes exceptional care: compassion – or as Gantt puts it, “truly caring about patients and their families.”

Gantt’s sister, Madeline, was diagnosed with bipolar disorder at age 14 and developed a series of chronic illnesses as an adult. When her health declined severely in 2010, Madeline moved to Greenville to live with Gantt. It was then that Dr. Michael Lang, a clinical associate professor in ECU’s Brody School of Medicine who is board-certified in both psychiatry and internal medicine, took

over Madeline's care and the Gantt family found a level of support they hadn't known previously. "He was both her primary care physician and her psychiatrist," Gantt explained. "I would have been in a much more horrible place without him because he helped me manage things really well."

Lang oversaw Madeline's care until she passed away from cancer at age 57 in June 2016. Shortly after her sister's passing, Gantt honored the compassion she and her family had experienced by making a planned gift to establish the Madeline S. Gantt Endowed Professorship in Psychiatry. She also created the Madeline Gantt Endowment to support continuing education for the ECU Internal Medicine-Psychiatry Residency Program, which Lang directs.

"This gift is going to provide ongoing education on arguably the most important aspect of care," said Lang, "which is how the patient and the patient's family improve with what we're doing and making sure they partner in the patient's recovery."

The endowment also supports the new Department of Internal Medicine Compassion in Medicine Awards Luncheon. The goal of the event is to help new physicians learn to keep the needs of patients and families at the center of their practice. Together the gifts will total more than \$430,000.



"Compassion in care and providing patients with a compassionate medical home is a top priority for us at ECU," said Dr. Paul Bolin, professor and chair of the Department of Internal Medicine. "This gift enables us to emphasize that and keep it central in our training of young physicians."

Addressing about 100 physicians at the inaugural Compassion in Medicine event on April 28, internist/psychiatrist Dr. Jim Peden, Brody's associate dean for admissions, spoke about his experiences as a two-time cancer survivor. In 2001, Peden was diagnosed with a myxoid liposarcoma – a rare kind of cancer that grows in connective tissue, most often in the limbs – in his right lower leg. He underwent multiple surgeries, radiation, and chemotherapy before experiencing a recurrence that led to an above-the-knee amputation in 2004.

In his address, Peden discussed the anxiety he experienced during periods of uncertainty, how sharing his situation openly with friends and colleagues resulted in added support, and how he used humor to cope with treatment and a new disability. He also recounted the different ways his doctors relayed troubling information.

"Having bad news broken to me a lot informed the way I break bad news," he said, describing examples of both upsetting and reassuring approaches he experienced. Also at the event, Johnathan Polak, a second-year internal medicine resident, received the first Madeline S. Gantt Endowed Resident Physician Award. The award recognizes a resident who provides exemplary care to patients and provides funds for the recipient to attend a professional development opportunity of their choosing. Gantt relayed how Polak, who assisted with Madeline's care, insisted on giving her sister the best care possible at the end of her life.

"It's easy to fall into the training impulse 'if this, then that,'" Polak said. "There's so much more to medicine, really to being human, if we could all just take a moment and think about the other perspectives, the world would be a better place."

Fayetteville State University Endowment Fund

Fayetteville State University Foundation, Inc.

Nationally Ranked Academic Programs

Fayetteville State University offers a variety of quality degree programs for students with a wide range of interests.

Online Fire and Emergency Services Degree

Rank: 1

Best Degree Programs, "30 Best Online Bachelor's in Fire and Emergency Services Degree Programs"

Online Master in Criminal Justice

Rank: 1

National Center for Education Statistics (NCES) *College Navigator Database, "Top Criminal Justice Schools"*

Best Sociology Program

Rank: 8

AffordableColleges.com, "Best Sociology Programs"

Theatre Program

Rank: 8

HBCU-colleges.com, "Best Theater Programs for Students"

School of Nursing

Rank:9

Registerednursing.org, "Top 30 Nursing Programs in North Carolina"

Online Master of Business Administration in Healthcare Management

Rank: 45

Online MBA Today, "Top 50 Online MBA Programs in Healthcare Management"

College of Business and Economics

Rank: 57

Social Science Research Network Ranking for May 2017, "U.S. Business Schools"

College of Business and Economics

Rank: 89

Social Science Research Network Ranking for May 2017, "Worldwide Business Schools"

Leveraged Funding

Fayetteville State University understand the importance of supporting student success through public-private partnerships.

17% Increase in Grant Funding

FSU Office of Sponsored Research and Programs, from \$11,734,535 in 2016 to \$13,711,679 in 2017.

Military-Friendly

Fayetteville State University is proud to provide high quality educational opportunities to those who serve.

Yellow Ribbon G.I. Bill Education Enhancement Program

Master of Business Administration

Department of Veterans Affairs

National Accreditations

Fayetteville State University is proud to have received two important accreditations, or certification of competency and credibility.

AACSB Accreditation Reaffirmed

College of Business and Economics

Association to Advance Collegiate Schools of Business

FEPAC Accreditation

Forensic Science Program

Forensic Science Education Programs

Accreditation Commission



North Carolina Agricultural and Technical State University Endowment Fund

The historic growth of North Carolina Agricultural and Technical State University (“NC A&T”) is undoubtedly attributed to the students who choose to explore and expand their educational pursuits there. However, it is equally due to the philanthropic efforts of alumni, constituents, community partners, and friends who provide significant resources for the University’s development.

Alumni such as Dr. Bertram E. and Mrs. Marilyn B. Walls have instinctively supported and advocated for the University on various fronts. From his service as a former chairman of the board of trustees to their significant endowments, scholarships, and other philanthropic efforts, the Walls are generously paving the way for future students and growth.

In relation to the educational areas that the Wallses feel most connected to, they have established the Bertram E. and Marilyn B. Walls Endowed Scholarship for the Department of Biology, the Bertram E. Walls and Marilyn B. Walls Alzheimer’s Program Endowment Fund for COAACH (Center for Outreach in Alzheimer’s, Aging, and Community Health), and the Endowed Academic Scholarship.



Dr. Bertram and
Mrs. Marilyn Walls

“Our lives have been profoundly impacted by God’s grace, our parents, our history, and educational experiences at North Carolina A&T State University,” Dr. Walls said. “Coming from modest backgrounds, we were both blessed by others who loved us and made a sacrifice so that we would have an opportunity to do better and achieve higher goals.”

For the couple, the endowment funds go beyond the love they have for their alma mater to speak to their desire to honor family, provide for the common good of others, and support the University’s research efforts. “Both of us have intimate experiences with the cognitive, behavioral, physical, psychosocial, and economic challenges of persons suffering from Alzheimer’s disease,” Mrs. Walls said. “And we are acutely aware that Alzheimer’s disproportionately affects African Americans.”

The couple said that giving back is what they do—whether through personal involvement or financial contributions—and say it is a blessing to be able to help others and demonstrate their love of God and humanity.

The University of North Carolina School of the Arts Endowment Fund

The University of North Carolina School of the Arts Foundation, Inc.

Though only in his fourth year as Chancellor of the University of North Carolina School of the Arts (“UNCSA”), Lindsay Bierman has channeled the school’s human creative capital, establishing the University as an incubator for arts-based innovation and entrepreneurship.

Last December, Chancellor Bierman announced an extraordinary anonymous gift of \$10 million – the largest gift the school has received from an individual donor. The gift will be used to establish the Institute for Performance Innovation (“IPI”), which will support the creation of a groundbreaking graduate animatronics program in UNCSA’s School of Design and Production, advance a cutting-edge graduate program in gaming and virtual reality in the School of Filmmaking, and support faculty in the School of Drama.



“We are profoundly grateful for this transformative gift and deeply moved by the donor’s guiding vision and passion for UNCSA,” Bierman said. “It allows us to develop new career pathways for our students by enhancing our facilities, investing in technology, expanding our curricula, and partnering with businesses that shape and define our culture. “The IPI will strengthen our position as a leading arts conservatory and creative incubator and will directly and immediately impact the next generation of artists who will dominate the world’s screens, stages, and creative industries,” he added.

Vice Chancellor for Advancement Edward J. Lewis said the donation will be a lead gift in UNCSA’s comprehensive campaign. “This gift will provide tremendous momentum as we build partnerships that will keep UNCSA at the vanguard, leading the way in how artists of the future will learn, hone, and expand their craft,” he said. Specifically, the gift will provide \$6 million for endowed graduate fellowships, operating expenses, and technology in Design and Production; \$1 million in technology in Filmmaking; and \$1 million for endowed faculty professorships in Drama, as well as \$2 million to endow the Institute for Performance Innovation’s operating expenses and its executive director’s salary.

Once named, the executive director will determine the IPI’s organizational structure and funding model and will rapidly grow the Institute into a future-focused creative incubator where designers, filmmakers, musicians, dancers, actors, and other artists can create innovative content, shape new platforms, collaborate across schools and disciplines, and define a new wave of technology-enhanced arts experiences. The executive director will

also work with deans and faculty to leverage existing industry partners – including World Stage, Cirque du Soleil, Oculus, Advanced Micro Devices, Radiant Images, The Virtual Reality Company, and VRiety Shows – and form new partnerships with emerging leaders in the entertainment industry.

The UNCSA School of Filmmaking plans to enroll its first students in its new graduate (MFA) concentration in virtual reality/gaming in fall 2018. Last year, the film school was chosen by Oculus – one of the world’s greatest virtual reality (“VR”) pioneers – for a partnership that is already bringing industry experts and technology to UNCSA students.

“What I’ve personally experienced in our film school’s nascent VR lab was enough to demonstrate how this emerging immersive platform will upend the entertainment industry, revolutionize the way we teach, and dramatically impact the work of doctors, engineers, artists, and storytellers,” Chancellor Bierman said. “By 2020, revenues for virtual and augmented reality industries are projected to be between \$120 to \$150 billion, driven by hardware, games, branding, narrative storytelling, and commerce.”

As game-changing as VR will be, live entertainment continues to grow. More than 13 million people attended Broadway shows from May 2016 to May 2017, surpassing attendance at 10 New York/New Jersey sports teams by more than 2.16 million. Design and Production’s new graduate concentration in animatronics, which combines art, technology, and mechanical engineering in the making of computer-operated creatures, will

further expand that school's opportunities in market segments beyond its traditional reach, such as theme parks, live destination attractions, live projection, and live entertainment spectacles like the Super Bowl.

In addition to the IPI, Chancellor Bierman also announced last February a new Choreographic Institute in the School of Dance. Funded by a grant from the Thomas S. Kenan Institute for the Arts, the Institute was established to foster the development of new work by established and emerging choreographers and includes two programs, the Choreographic Development Residency for emerging choreographers of exceptional promise and the Choreographic Professional Residency for contemporary ballet choreographers of exceptional talent.

"The Choreographic Institute is an example of innovative programs and curricula that will propel UNCSA to the forefront of performing arts and media education in the United States," Bierman said. "I'm grateful to Susan Jaffe, our Dean of Dance, for developing the Institute and for agreeing to serve as a professional choreographic resident for the inaugural year."

Dean Jaffe and former UNCSA Dance Dean Ethan Stiefel, both former principal dancers with American Ballet Theatre, were the first participants in the Choreographic Professional Residency. They worked with professional dancers who were in residence on campus for two weeks in June. UNCSA Visiting Distinguished Artist Helen Pickett led the five-week Choreographic Development Residency in July, where she mentored choreographers Kyle Davis, Mari Meade, Charlotte Griffin and Marielis Garcia. Davis '08 and Meade '09 are UNCSA Dance alumni.

NC State Investment Fund, Inc.

If you don't believe that hard work and a positive attitude pay off, you haven't met Kate Thompson, a member of the NC State College of Veterinary Medicine's Class of 2019.

For her commitment to service, Thompson is receiving the Michele M. and Ross M. Annable Scholarship. The Annables established the scholarship endowment in 2016, which covers up to half the cost of tuition and fees for doctor of veterinary medicine candidates.

The need-based scholarship encourages recipients to lend their time and talent to their communities and to serve animals and animal owners with compassion. That description perfectly fits Thompson, who has a passion for volunteering and for the health and well-being of rescue animals. Her ultimate goal is to have a practice involved with animal behavior and shelter medicine.

Describing the scholarship as life-changing, Thompson revealed that she cried when she learned that she had been selected, adding that she got the news on her birthday. Initially admitted as an out-of-state student with an undergraduate degree from Mississippi State University, Thompson has worked as many as four jobs in addition to keeping up with her demanding studies and volunteering with various student organizations.

The scholarship considerably alleviates financial stress, allowing Thompson to focus more on academic work and student service organizations. Since she has done everything from working in animal shelters to tutoring high school math students to pet-sitting, the scholarship will provide a welcome respite from juggling so many responsibilities and accruing additional student loan debt.

That leaves more time for Thompson to do what she really came to NC State to do. Last year she was president of the campus chapter of the American Veterinary Society of Animal Behavior, which deals with the treatment of behavior problems in companion animals, including anxiety disorders and compulsive behaviors. Knowledge of animal behavior is especially important for decreasing animal shelter populations and increasing adoption numbers, both of which are near and dear to Thompson's heart.

In the upcoming academic year she will serve as co-president of the Companion Animal Wellness Club which, among other things, stages the popular annual Dog Olympics event on the CVM campus. The event raises funds for local animal shelters.

Thompson is quick to point out that NC State was always where she wanted to attend veterinary school. Even after being admitted to Cornell University, Thompson held out for admission to NC State, her top choice.



She is especially grateful for the Annable Scholarship putting such emphasis on community service. Many scholarships have very specific criteria, such as area of medical specialization and geographic location, which narrows the list of available opportunities. So the Annable Scholarship was a welcome alternative for someone as focused on service as Thompson.

The Annables decided to invest in CVM students following their own experience at the Veterinary Hospital. The Annables' beloved German shepherd, Jordan, was saved from the crippling effects of hip dysplasia through a complex surgical procedure. Wanting to do what they could to help assure that others would have access to the same exceptional quality of veterinary care in the future, the Annables established the scholarship that bears their name with an endowment of \$5 million. That was matched with another \$5 million from the Randall B. Terry Charitable Foundation, creating an extraordinary \$10 million endowment fund.

Once the scholarship selection committee read Thompson's application, filled with a litany of service initiatives and achievements from her days at Mississippi State, where she majored in biochemistry, up through her current activities at NC State, they knew they had found a perfect candidate.

For example, last year, she arranged for renowned animal behavior expert Temple Grandin to come to campus to deliver a lecture. Beyond that, having had experience with autism in her own family, she asked Grandin, herself on the autism spectrum, to give a second lecture on the topic of autistic minds. Thompson's uncle and her cousin, Ross, who is also on the autism spectrum, flew to Raleigh from Texas to attend the presentation. In her scholarship application, Thompson wrote eloquently of the experience.

"Towards the end of her talk, Ross leaned over and whispered, 'She's the smartest girl in the world.' Such simple words, but from Ross they meant everything to me. After the lecture, I ushered my uncle and cousin over to meet Temple, who spoke intimately with them about Ross' future. During Dr. Grandin's book signing, I listened as many other autistic students like Ross told Temple how she had impacted their lives. One young girl whispered to Dr. Grandin, 'You make me proud to be me.'

"Watching the impact this event had on people's lives was incredibly meaningful. Most of my previous community service focused on improving animal welfare: donation drives, adopt-a-thons, etc. Ross showed me how animal-centered community service can improve human welfare. I am already brainstorming new ways to connect my passion for animals with my desire to better people's lives."

North Carolina Central University Endowment Fund

With the selection of the 12th Chancellor of North Carolina Central University ("NCCU"), Johnson Akinleye, NCCU has established strategic priorities known as "The Promise" to (1) embrace student success and offer multiple access points for students seeking higher education (2) expand NCCU's portfolio of academic offers and research initiatives and provide new opportunities for global immersion (3) expand



partnerships with higher education institutions, community colleges, K-12, private industry, and nonprofits to recruit, support, and employ students (4) facilitate the development of innovative strategies with Durham County, the City of Durham, and the Research Triangle to create economic opportunity and revitalization in areas surrounding NCCU (5) reinforce and invest in improved security measures to enhance campus safety and well-being, and (6) improve and build new infrastructure to better accommodate the NCCU community as it grows and thrives. The endowment's investment in the UNC Investment Fund fulfills strategic priority three in expanding investment to support students by partnering with the fund to access a portfolio invested across asset classes and asset types managed by a team of investment professionals.

The North Carolina School of Science and Mathematics Foundation

Student academic research is central to the mission of the North Carolina School of Science and Mathematics ("NCSSM"). In fact, the real-world research opportunities afforded its students are one of the defining elements of the school that distinguish it from the traditional high school experience.

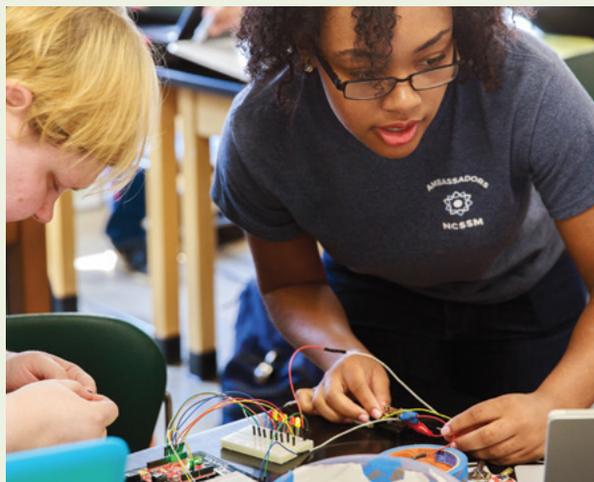
In recent years, NCSSM has enhanced the opportunities for student research through the establishment of the application-based Summer Research Internship Program. The program takes advantage of the summer's freedom from school coursework to provide high quality experiential learning opportunities to on-line and residential students. For one to five weeks each summer, student researchers and interns live on campus and actively engage in a research project on campus or at locations throughout the Triangle that further develop their knowledge not only in STEM-based fields, but in the humanities and social sciences as well.

From fossils to machine learning to nanotechnology to politics to environmental science, students intensely engaged in projects of special interest and importance to them. The program culminates in a community-wide Summer Research Symposium where researchers and interns present their findings to a broad audience.

Just prior to the development of the program, there were approximately 35 students conducting science research in the summer each year. Through the generosity of private support, NCSSM was able to increase participation during the summer of 2017 to 146 students engaging in research at locations throughout the Triangle.

"Our students take full advantage of the summer research and internship opportunities to focus eight hours a day on hands-on projects without the typical course load," says Sarah Shoemaker, Director of Mentorship and Research at NCSSM. "The impact of these types of real-world experiences on our high school students is evident not only in the development of their research skills but also in the development of their professional and personal skills which are integral to their future success in their college education and career."

Katie Wagstaff, President of the NCSSM Foundation which manages all private donations to NCSSM, underscores the importance of private support. "We are so fortunate to have private support that allows us to offer to our students, both on-campus and throughout the state, many of our most unique academic opportunities," Wagstaff says. "Quite often these opportunities are either unavailable in many areas due to various constraints or lack the significant local demand to justify additional staffing and resources to make them available. Thanks to our donors, however, NCSSM is able to meet these demands efficiently and conveniently."



The University of North Carolina at Asheville Endowment Fund

The University of North Carolina at Asheville Foundation Inc.

The McCullough Fellows at UNC Asheville spent the summer of 2016 in the field, conducting projects ranging from the economics of consumers and businesses participating in a micro-donation system to support farmland conservation to the divergence of a specific salamander population. The fellows had the opportunity to explore these paths thanks to funding from The McCullough Institute for Conservation, Land Use and Environmental Resiliency which provided \$4,000 for each project. The institute was founded and named to honor Dr. Charles T. McCullough Jr. for his lifelong civic and environmental advocacy. McCullough and his wife, Shirley Anne McCullough, committed \$1 million to create an endowment for the institute.

For several of the McCullough Fellows, their research projects required them to step outside of the typical studies for their major at UNC Asheville. "I have always seen myself as a scientist. I prefer to observe the natural environment independent of the humans that interact with it because I want to focus without the involvement of people," said Julia Krebs-Moberg, an environmental studies major who stretched outside of her academic comfort zone and worked with Groundswell International to develop a curriculum teaching individuals in food-insecure areas how to grow and prepare their own food.

"This project presented itself to me and I took it as an opportunity to have a more well-rounded view of how the environment and humans interact and how important it is to consider both," she said.

Similarly, atmospheric sciences major Ethan Wright branched out from his course of study to examine tree seedling growth resulting from the removal of rhododendron—a fast-growing woody plant that tends to shade out small seedlings – and the effect of microclimate variables, such as soil moisture, temperature, and sunlight measurements.

"Looking at microclimate variables relates to atmospheric science and even though I'm not an ecology major



studying tree growth, it worked in," said Wright, who worked with the Coweeta Hydrologic Lab for his McCullough Fellowship. "It was a good way to branch outside of my major and what I study every day to learn something completely different."

Biology major Robert Chambliss spent his summer in the field looking for the elusive Weller's salamander. "As the Weller's salamander is a rare and largely unstudied species, there has been a lot of legwork involved in investigating potential habitats, with long climbs up to high elevation areas," Chambliss said. After a long, steep climb, Chambliss searched for Weller's salamanders in their favorite hiding places like under moist, decaying logs. He then collected genetic specimens through a somewhat unusual method. "Since plethodontid salamander tails can automatize—a defense mechanism where the tail breaks at certain 'break points' and writhes about detached from the body, distracting a predator and allowing the salamander to escape—a simple pinch is enough to free a small section of tail from the tip," Chambliss explained. "No worries though, it grows back!" Using the data and salamander tails he collected,

Chambliss worked with Wild South, a nonprofit organization focusing on salamander conservation in Western North Carolina, to investigate the divergence of Weller's salamander populations. Together they hope to determine past environmental and climatic patterns in the Southern Appalachians and predict the future success of other high elevation species.

Farther down the mountain, Karl Knight and Carolina Arias spent their summer in Asheville thinking a lot about food. Arias, an environmental studies major, partnered with Bountiful Cities to investigate the best ways to support Asheville's many community gardens, specifically looking at the needs for funding and volunteers. "The goal is to use my research to launch new programs for Bountiful Cities' Community Garden Network," Arias said. "This has already occurred in some ways such as the tool library opened in June after I implemented findings from my systems research. My research on seed libraries and seed saving will be used in the fall when the seed library opens." Arias continued her work in a new yearlong position she's been offered as Bountiful Cities' new community garden network coordinator.

Knight's focused on restaurants and hotels in Asheville and the feasibility of "micro-donations", a voluntary surcharge added to customers' bills to aid the Southern Appalachian Highland Conservancy in their efforts to protect conservation areas and farmlands. Knight has been researching case studies of other cities and land conservation organizations that have implemented a voluntary surcharge system and investigating options for putting that system in place in Asheville.

"My personal interest is environmental law," said Knight, who came to UNC Asheville after working in horticulture and sustainable agriculture. "The reason I chose UNC Asheville to come back to, other than this is my hometown, was that they have an incredible Environmental Management and Policy program."

Each McCullough Fellow spent a day learning about their peer's projects and partner organizations, giving them a further opportunity to branch out beyond their own research. "I feel like I'm learning so much from the time we spend together talking about our projects," said Krebs-Moberg. "We are all working in different organizations with different successes and failures. I see their experience as a resource."

The University of North Carolina at Charlotte Investment Fund

UNC Charlotte's upward trajectory continued as it welcomed its largest-ever student body of over 29,000 students for the fall 2017 semester. Supporting this growth is the continued backing of the University's alumni and corporate and community partners who provide gifts of time, energy, and donations.

Through the generosity of alumni Demond and Kia Martin, the Martin Scholars Program was established this year as one of the University's leading merit-based scholarship programs. The scholarship supports high-achieving students with the highest level of financial need. The scholarship is available to continuing students as well as incoming freshmen and transfer students. Three current students joined the program this year as the first Martin Scholars and recruitment is currently underway for incoming freshmen and transfer students.

UNC Charlotte's newest residence hall, Levine Hall, was dedicated during a campus ceremony on April 13. Located near the main entrance to campus, Levine Hall houses more than 400 students in the Levine Scholars Program and the Honors College as well as the administrative offices for both programs. Levine Hall is named for Sandra and Leon Levine, two of the Charlotte region's most generous philanthropists and two of UNC Charlotte's biggest supporters.



Through their foundation, the Levines have committed more than \$18 million to the Levine Scholars Program which began in 2009. The Levine Scholars Program recruited its largest class ever this fall, bringing 23 students to fill the Levine Scholars Class of 2021.

In addition to celebrating the naming of Levine Hall and the Student Union, the University also recently celebrated other naming gifts:

- The Department of Accounting in the Belk College of Business was named the Turner School of Accountancy in recognition of a \$2.5 million gift from emeritus faculty member Tom Turner.
- A \$5 million Exponential Campaign gift from the Cato Corporation led to the naming of the Cato College of Education.
- A \$2 million Exponential Campaign gift was received from The Duke Energy Foundation to support the Charlotte Engineering Early College and the Women in Computing Initiative.
- Bank of America made a \$1.5 million gift to establish an endowed fund supporting the University's Data Science Initiative and to sponsor the University's lecture series, which resulted in the naming of the atrium in the University's Center City facility in honor of this gift.

These generous gifts provide much needed scholarship support, study abroad opportunities, and resources to attract and retain leading faculty to the University.



North Carolina Heart & Vascular Hospital

The University of North Carolina Hospitals at Chapel Hill

Rex Hospitals, Inc.

The new North Carolina Heart & Vascular Hospital officially opened for patients in early March 2017 on the main Raleigh campus of UNC REX Healthcare. The eight-story, 306,000-square-foot facility houses 114 large patient rooms with lots of natural light to encourage healing.

The hospital is now home to all of UNC REX's heart and vascular care. It's equipped with the latest technology for patient care and procedures, but also focuses on prevention, research, and education aimed at improving the health of patients from across Eastern North Carolina and beyond. The facility was supported by a \$10 million philanthropic campaign led by the REX Healthcare Foundation.

Designed with input from patients, families, physicians, and many other experts, heart-healthy features abound. For example, a demonstration kitchen allows the award-winning UNC REX chefs to teach patients and their loved ones healthy cooking and eating habits, to emphasize the importance of lifestyle changes. A team of rehabilitation specialists works with patients in a dedicated fitness space on personalized exercise and heart-improvement plans.

"Every aspect of the facility was designed with the comfort of patients and their families in mind," said Dr. James Zidar, Physician in Chief, UNC Health Care's Heart & Vascular Service Line. "The design is based on research, best practices from other heart centers across the country, and input from UNC REX patients, physicians, clinicians, and caregivers. We are treating more patients at UNC REX from across central and Eastern North Carolina. We wanted to open a facility that will improve care for them and for generations to come."

In addition, the new hospital includes a simulation lab, conference center, technology for live video streaming, and more that will help foster collaboration and training among physicians and students from around the world. As UNC REX has evolved from a community hospital into a regional referral center, it's also become a destination for clinicians who want to learn about the latest treatments and procedures.

“UNC REX is committed to innovation that improves patient care and makes the delivery of that care more efficient,” said Dr. Ravish Sachar, Physician in Chief, UNC REX Heart & Vascular. “The new hospital incorporates the latest technology for the treatment and prevention of cardiovascular disease. We offer patients a wide range of clinical trials and research. The dedicated education space will make it easier for UNC REX physicians to continue training physicians from across the county and around the world, and expand educational programs available for patients and the community.”

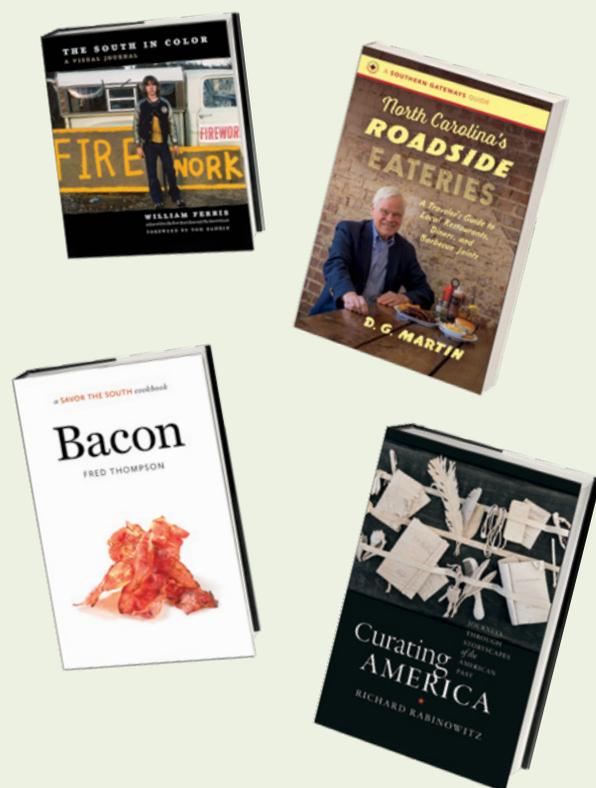
As heart and vascular services have shifted to the new facility, UNC REX has begun to make improvements and upgrades to vacated hospital space. For starters, a space previously used for cardiovascular prep and recovery is being converted into a behavioral health zone for patients seeking treatment in the hospital's emergency department. That space will help provide a safe, therapeutic environment for patients in mental distress and plans to open at the end of 2017.

The University of North Carolina Press, Inc.

In 2016-17, UNC Press celebrated its 95th year with the publication of over 100 outstanding books, including *The South in Color: A Visual Journal* by William Ferris, *The President's Kitchen Cabinet: The Story of the African Americans Who Have Fed Our First Families, from the Washingtons to the Obamas* by Adrian Miller, *All the Agents and Saints: Dispatches from the U.S. Borderlands* by Stephanie Elizondo Griest, *Talking Guitar: Conversations with Musicians Who Shaped Twentieth-Century American Music* by Jas Obrecht, *Braxton Bragg: The Most Hated Man of the Confederacy* by Earl J. Hess, *A Field Guide to Antietam: Experiencing the Battlefield through Its History, Places, and People* by Carol Reardon and Tom Vossler, *Game Changers: Dean Smith, Charlie Scott, and the Era That Transformed a Southern College Town* by Art Chansky, *Curating America: Journeys through Storyscapes of the American Past* by Richard Rabinowitz, *No More Work: Why Full Employment Is a Bad Idea* by James Livingston, *John Witherspoon's American Revolution* by Gideon Mailer, *Darkness Falls on the Land of Light: Experiencing Religious Awakenings in Eighteenth-Century New England* by Douglas L. Winiarski, *Family of Earth: A*

Southern Mountain Childhood by Wilma Dykeman, *Blue Texas: The Making of a Multiracial Democratic Coalition in the Civil Rights Era* by Max Krochmal, *Written/Unwritten: Diversity and the Hidden Truths of Tenure* edited by Patricia A. Matthew, *Julius Chambers: A Life in the Legal Struggle for Civil Rights* by Richard A. Rosen and Joseph Mosnier, *A More Civil War: How the Union Waged a Just War* by D. H. Dilbeck, and *Lovie: The Story of a Southern Midwife and an Unlikely Friendship* by Lisa Yarger.

Our acclaimed regional publishing program continued with books like *Learn to Cook 25 Southern Classics 3 Ways: Traditional, Contemporary, International* by Jennifer Brulé, *North Carolina's Roadside Eateries: A Traveler's Guide to Local Restaurants, Diners, and Barbecue Joints* by D. G. Martin, *North Carolina's Barrier Islands: Wonders of Sand, Sea, and Sky* by David Blevins, and *Living at the Water's Edge: A Heritage Guide to the Outer Banks Byway* by Barbara Garrity-Blake and Karen Willis Ampsacher. We also continued our highly-praised *Savor the South®* Cookbooks series, with volumes celebrating *Bacon*, *Chicken*, and *Fruit*.



UNC Press books won 65 different scholarly book awards this year (up from 60 last year) -- from Aisha Finch's *Rethinking Slave Rebellion in Cuba* (winner of the Tubman Prize and finalist for the Douglass Prize), to the four prizes awarded to Max Krochmal's *Blue Texas*. Plus, Nancy Tomes' *Remaking the American Patient* won the prestigious Bancroft Prize, which marked the ninth time an UNC Press book has been recognized with this award.

UNC Press's new office of scholarly publishing services continued its expansion and growth in its second 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 North Carolina State University's Cooperative Extension; offered through UNC Press the full line of titles published by the North Carolina Office of Archives and History; and brought on board a large list of titles published by Appalachian State University's Appalachian Consortium Press.

And, through a generous grant from the Andrew Mellon Foundation, UNC Press's expansion of services offered through its fulfillment division, Longleaf Services, has continued to generate keen interest in the university press community, and in the past year we have finalized contracts to provide various publishing services with several new presses, including University of Arkansas Press, Texas A&M University Press, University of Michigan Press, University of Missouri Press, Wayne State University Press and West Virginia University Press.

The University of North Carolina at Wilmington Endowment Fund

The Foundation of the University of North Carolina at Wilmington, Inc.

An innovative student-centered learning experience along with a strong commitment to engagement are two of the strategic priorities that will continue to guide the University of North Carolina Wilmington's ("UNCW") growth through 2021. These core values, however, have always been deeply rooted in every Seahawk – including the two individuals responsible for the University's largest outright philanthropic corporate commitment.



Dr. Yousry and Linda Sayed

On May 1, 2017, UNCW announced a \$5 million gift commitment from Quality Chemical Laboratories, its founder Dr. Yousry Sayed, and his wife Linda. Their commitment will support the development of new programs related to pharmaceutical sciences and chemistry within the College of Arts and Sciences. Among the many possibilities that this significant investment will yield are distinguished professorships and endowed funds to support student scholarships, state-of-the-art instrumentation and equipment for faculty research, a seminar series, and travel opportunities.

Prior to his current role as president and CEO of Quality Chemical Laboratories, Dr. Sayed served as a long-time University faculty member, student mentor, and campus volunteer. Linda Sayed graduated from UNCW in 1978 with a bachelor's degree in chemistry and earned a master's degree in education in 1985. When Dr. Sayed founded Quality Chemical Laboratories in 1998, he envisioned more than just a business to serve the pharmaceutical industry. He saw a way to continue educating others.

"This was essentially an extension of teaching and preparing students," said Dr. Sayed. "It was a natural step from where I left off teaching."

The Sayeds' generosity will support local industries by enabling UNCW graduates to remain in the Cape Fear region, contributing to the cultural and economic vitality of the community. Quality Chemical Laboratories employs approximately 200 people, including many UNCW graduates.

“The gift that Dr. Sayed is bestowing to UNCW and its students, to help develop programs in pharmaceutical sciences and chemistry, is a transformational gift, and its impact cannot be overstated,” said Dr. Aswani Voley, dean of the College of Arts and Sciences. “It will help us develop the human and physical infrastructure to create the next generation of scientists and provide them with skillsets to garner high-paying jobs.”

“You reach a point in your life where you want to make sure that your life makes a difference and a gift like this to UNCW will make a difference in the lives of thousands of students in the future,” said Linda Sayed. “The pharmaceutical industry is growing in our community and we need qualified people to fill the jobs.”

The Sayeds’ philanthropic investment served as a catalyst for UNCW’s record-breaking fundraising year. Participation among alumni, faculty, staff, and students in Fiscal Year 2017 increased and donors collectively contributed more than \$17.2 million in gifts and commitments.

Western Carolina University Endowment Fund

Western Carolina University Foundation

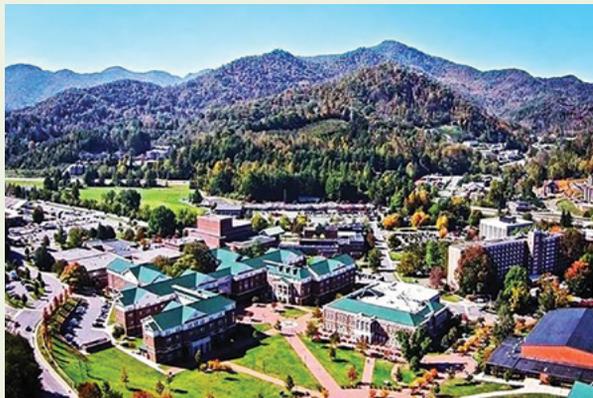
As the westernmost institution in the University of North Carolina system, Western Carolina University (“UNCW”) provides comprehensive educational opportunities to residents in the state’s western region and attracts students from around the globe to explore the region’s vast natural diversity. Founded in 1889 as a teaching college, WCU now provides an education to more than 11,000 students across undergraduate and graduate programs.

The University continues to be recognized in national rankings and faculty members are receiving prestigious honors. During the 2016-17 year, the University was ranked 13th among “top public regional universities” in the South by U.S. News and World Report which also ranked the University 37th as the “best regional universities” in the South. Kiplinger’s Personal Finance magazine ranked the University 98th for value for in-state students and 83rd for out-of-state students.

Three faculty members were chosen for the Fulbright U.S. Scholar Program to engage in scholarly projects overseas and internationally acclaimed author Ron Rash, WCU’s Parris Distinguished Professor of Appalachian Cultural Studies, was a recipient of the Guggenheim Fellowship.

UNCW also captured the title of “top adventure college” for the second year in a row through an online poll and was ranked as the top institution for outdoor adventure in the Southeast and Mid-Atlantic by representatives of Blue Ridge Outdoors magazine. The University’s “backyard,” the article said, consists of public lands like the Great Smoky Mountains National Park and the Pisgah and Nantahala national forests, which afford WCU students quick and easy access to some of the best landscapes the Southern Appalachians have to offer. WCU’s Base Camp Cullowhee which aims to offer the finest university outdoor program in the country, includes many land-, air- and water-based activities available near the University and continues to grow in the adventure-rich environment. Through the years, Base Camp Cullowhee has evolved from a small outdoor program within the recreation department to its own entity with over 9,000 participant experiences per year.

The rankings come as WCU set enrollment records for both the overall student body and the freshman class. The 2017 fall semester tally represents the fifth year out of the past six that WCU has seen enrollment increases, a track record that bucks a national trend of enrollment declines at colleges and universities across the U.S. since 2010. This academic year’s total enrollment of 11,034 comes just four years after the University topped 10,000 for the first time. Additionally, ten WCU degree programs have added 100 or more students in the past decade.



The rankings are a further reflection that WCU is enjoying a period of remarkable momentum. Enrollment is soaring and WCU has become a destination university. Not only is the University growing the student body, but students are arriving at a campus better prepared academically to meet the rigors of higher education. Amenities such as new and renovated dining facilities and residential and retail space, as well as the beginning of construction for a new natural sciences building, indicate the University's commitment to maintaining the level of quality necessary to ensure WCU will remain highly ranked going forward. Beginning next fall, WCU undergraduate students from North Carolina will see their out-of-pocket tuition expenses reduced to \$500 per semester through the NC Promise program.

Winston-Salem State University Endowment

Winston-Salem State University Foundation, Inc.

Technology provider CollegeNET has recognized Winston-Salem State University ("WSSU") for its commitment to advancing the economic opportunity of its students, naming the University a "Social Mobility Innovator" for the third consecutive year.

CollegeNET created the Social Mobility Index ("SMI") as a data driven system to rank U.S. colleges and universities according to how effectively they enroll students from low-income backgrounds and graduate them into promising careers. The SMI is one of several data-driven studies where WSSU has excelled. In January 2017, the Equality of Opportunity Project released data that found WSSU ranked second in North Carolina and among the top 30 nationwide for promoting upward economic mobility.

"It's inspiring that WSSU is providing educational opportunity to promising students regardless of their economic background," says Jim Wolfston, CollegeNET's CEO. "The University's civic contribution is key given that higher education's role in advancing economic mobility and the American Dream is rapidly deteriorating. Indeed, our nation is now caught in a damaging 'tri-imperfecta.' Tuition is increasing, economic inclusion on campuses is declining, and Pell Grants – intended for disadvantaged students with financial need – are being awarded more generously to richer families. WSSU's innovation provides a strong example of how we can reverse these trends."

WSSU Chancellor Elwood L. Robinson says a key factor in WSSU's success is its strong culture of engagement for students. "What pleases me most about this recognition is that it is based on what's most important to me as Chancellor: the outcomes," he says. "We are providing our students with an education of the highest quality that transforms not only our students and their families but our communities."



Investment Performance

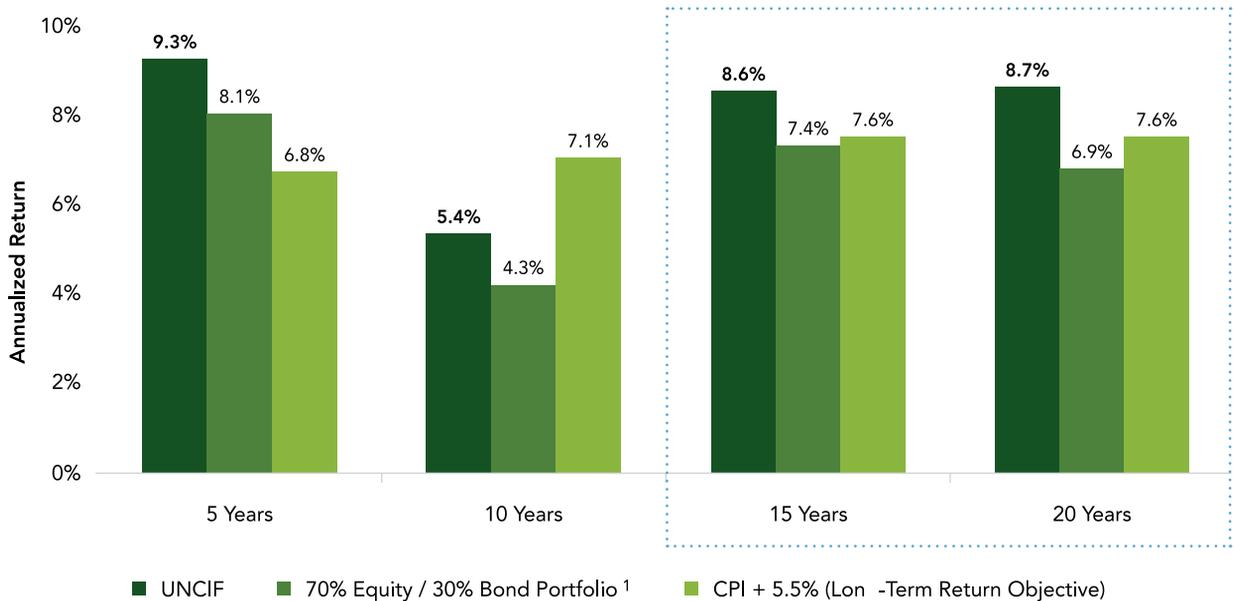
The Fund is constructed to achieve its primary investment objective over a long-term time horizon. By investing for the long term the Fund can capture extended trends in markets and the illiquidity premiums associated with investments in private securities. Investing for the long term also allows the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

In addition to maintaining a long-term investment horizon, the Fund is 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 and through diversification within each of the asset classes. Figure 8 on page 35 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.

FIGURE 6
Relative Long-Term Performance

Performance for periods ending June 30, 2017

A traditional equity/bond portfolio fails to achieve the Fund's primary objective highlighting the need for diversification and private investments.



¹ 5 & 10 Years: Global 70/30 Portfolio - 70% MSCI All Country World Index, 30% Bloomberg Barclays U.S. Aggregate Bond Index
15 & 20 Years: Domestic 70/30 Portfolio - 70% S&P 500 Index / 30% Bloomberg Barclays U.S. Aggregate Bond Index

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. 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 achieved this objective for the 15- and 20-year periods ending June 30, 2017, with returns of +8.6 percent and +8.7 percent, respectively. Figure 6 on page 33 highlights the long-term benefits of investing in a diversified mix of asset classes, as a more “traditional”, equity market focused Global 70/30 Portfolio comprised of 70 percent global equities (MSCI ACWI) and 30 percent bonds (Bloomberg Barclays U.S. Aggregate Bond Index) falls short of meeting the Fund’s long-term return target for the 15- and 20-year periods.

In contrast to these longer time periods, and despite ranking in the top quartile of the Cambridge Associates endowment universe, the Fund’s +5.4 percent ten-year return through June 30, 2017 falls short of achieving the primary return objective, reflecting the negative impact of the 2007-2008 Global Financial Crisis. During this ten-year period, six of the Fund’s seven asset classes generated a positive return with five exceeding their benchmark return. Investments in private securities were the best performers over the period with Private Equity returning +12.6 percent. This strong performance supports the notion that, over the long term, investors in private securities are rewarded for assuming illiquidity risk, even during periods of relatively weak equity market returns. The Fund’s Long/Short Equity allocation also added substantial relative value returning +4.9 percent versus +2.7 percent for its benchmark. More strikingly, this +4.9 percent return exceeds the +3.7 percent annualized return generated by the broader equity market as measured by the MSCI All Country World Index.

Over the medium term, three- and five-year periods ended June 30, 2017, the Fund generated a +6.3 percent and +9.3 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 +4.2 percent and +8.1 percent returns earned on the Global 70/30 Portfolio over the same periods.

FIGURE 7
Asset Class Returns vs. SIPP Benchmarks
 10 years ended June 30, 2017

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

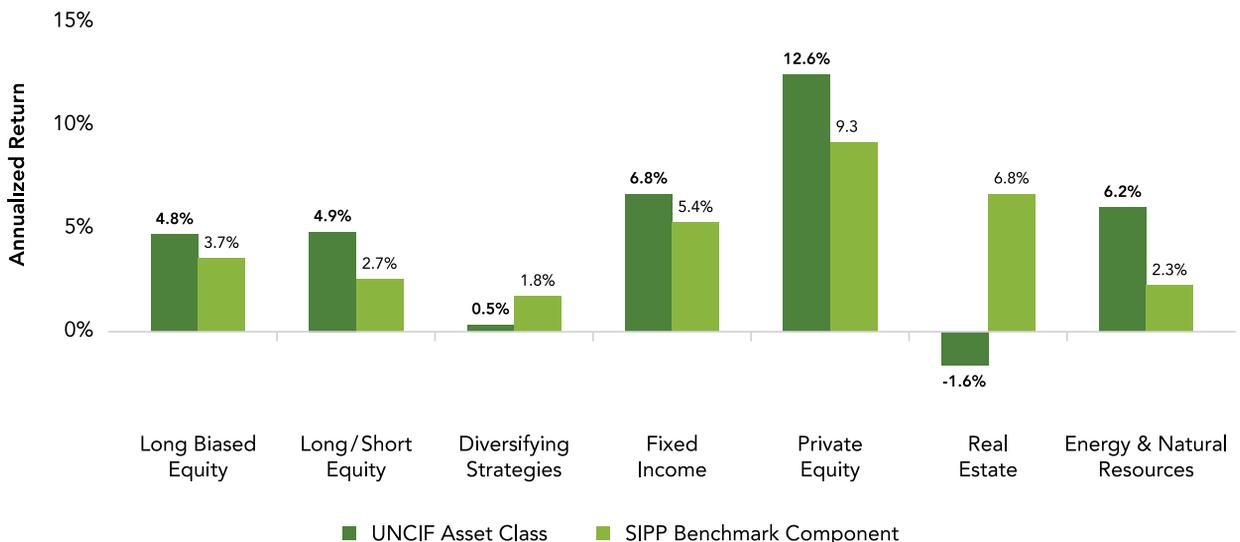


FIGURE 8
Drawdown Protection

S&P 500 Index

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.

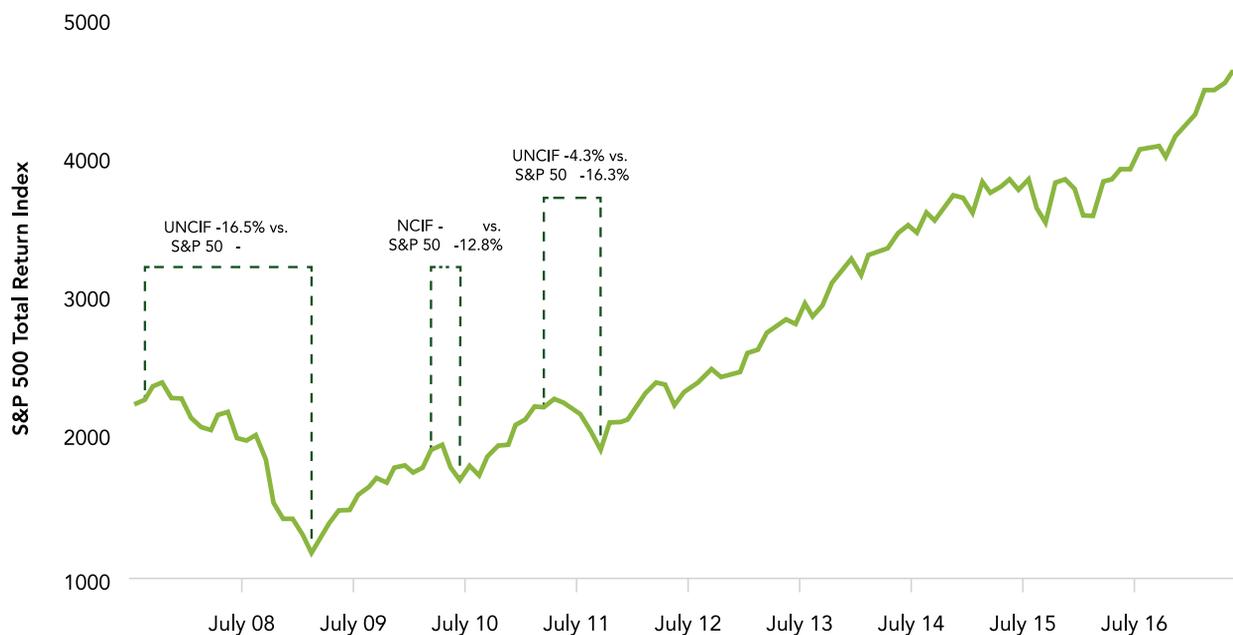


FIGURE 9
Investment Performance

By Fiscal Year

	2017	2016	2015	2014	2013
Fund Return	12.1%	-2.0%	9.3%	15.7%	12.1%
SIPP Return	11.8%	-0.8%	3.2%	15.0%	10.4%
Cambridge Associates University Endowment Universe Median	13.1%	-2.7%	2.5%	16.9%	11.9%

FIGURE 10
Fee Table

	% of Investment Balance
Investment Management Fee	
First \$50 million of investment balance	0.50%
Remainder of investment balance over \$50 million	0.24%
Legal & Accounting ¹	0.02%
Other Operating Costs ¹	0.02%

¹ Indicative, subject to variation



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 2017 Update

- The Fund gained \$4.6 million in exposure to new environmentally-minded investments, a 31 percent increase from the prior year.
- At the end of the fiscal year, the Fund had \$19.5 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. This has resulted in discussions around potential direct investments in renewable energy projects with an existing UNCIF manager.
- 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. Examples include managers partnering with university-led sustainability programs to identify methods of boosting portfolio company margins and promote environmental conscience policies.

UNC Management Company, Inc.

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): Deana Griffin, Janine Vanzetta Burke, Elaine Brim, Joshua Shapiro, Margaret Holder, Rodgers Harshbarger, Paul Kindem. **Middle row** (left to right): Angela Elam, Celeste Reed, Gina St. Phillips, Bobby Williams, Clay Robinson, Susan Smith, Juddy Mair, Cheryl Johnson, Angela Moss, Kimberly Woodlief, Pam Shirley. **Back row** (left to right): Brook Scardina, Matt Lesesky, Jeffery Liu, Kevin Tunick, Chris Mattke, Jonathon King, Jonathan Cornish, Chris Bartholomew, Ed Hetherington, Benjamin Wendt, Richard Flintzer. Not pictured: Anita Barber, Timothy Burch, Kay Day, Patrick O'Neill, Chris Rudolph.

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
28. Winston-Salem State University Endowment Fund
29. Winston-Salem State University Foundation, Inc.





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