



Annual Report

FISCAL YEAR

2019

A dark, monochromatic photograph of the Statue of Liberty, showing her head, crown, and raised right arm holding the torch. The statue is set against a dark background.

UNC Investment Fund, Inc.

PREPARED BY
UNC MANAGEMENT COMPANY



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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 31 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 11.

The Fund’s asset allocation framework, as defined by SIPP, is principally implemented through investments with 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 to:

- Determine asset allocation
- Hire and terminate external investment management firms
- Direct purchase or liquidation of assets





A Message from the Chairman of the Board

John L. Townsend III

Chairman, Board of Directors

In January 2019, I was elected by the Chapel Hill Investment Fund Board of Directors to serve as its Chairman following Max Chapman's decision to step down after more than 25 years of service. Max's contributions to the Board have been invaluable. His dedication, insight, and expertise have proven pivotal to the development of the UNC Management Company and the success of the UNC Investment Fund, LLC ("Fund"). In my new role as Chairman, I look forward to continuing to build on the record of success achieved by the Fund and it is with great pleasure that I present the Fiscal Year ("FY") 2019 Annual Report for the Fund.

In the most recent fiscal year ended June 30, 2019, global equity markets suffered their sharpest drawdown in years during the first half of the year only to rebound in the second half of the year and finish in positive territory. Against this backdrop of equity market volatility, the Fund posted its third consecutive year of strong absolute returns and second consecutive year of very strong relative performance generating a +7.7 percent net investment return.

The Fund's primary objective is to maintain the purchasing power of its underlying funds after accounting for spending distributions and inflation over the long term. Annualized returns in excess of +7.5 percent are deemed to have achieved this target. As such, the Fund's +7.7 percent FY 2019 return represents a modest positive contribution to achieving this long-term objective. The Fund's +7.7 percent return also exceeds the +6.7 percent return generated by its primary benchmark, the Strategic Investment Policy Portfolio ("SIPP"). Relative to peers, the Fund's FY 2019 return ranks solidly in the top quartile of the Cambridge Associates universe of college and university endowments for the second year in a row. The Fund's strong performance relative to peers extends to the long term with its 3-, 5-, 15-, and 20-year net returns also ranking solidly in the top quartile.

On the heels of strong investment gains across the portfolio, the Fund generated nearly half a billion dollars in net investment gains with total Fund assets growing from \$6.2 billion at the start of the year to \$6.6 billion at June 30, 2019. Over the past ten years, the Fund has grown by nearly 200 percent (an increase of more than \$4.3 billion) with an annualized investment return of +9.0 percent.

Within the Fund, strong relative performance was generated across the portfolio as five of the Fund's seven asset classes outperformed their benchmark. Private Equity and Real Estate drove the fiscal year's absolute performance returning +23.0 percent and +11.3 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 more traditional investments in public equity markets.

Following the Fund's strong absolute and relative performance over both the short and long term, it is important not to become complacent, but to maintain focus on our role as stewards of the endowment assets of the UNC System. We remain committed to achieving the Fund's primary long-term objective by examining the Fund's asset allocation and manager line-up and constantly evaluating investment opportunities and managers across the globe to ensure the Fund is positioned to meet its objectives. Speaking for the entire Board as well as the staff of the UNC Management Company, we look forward to navigating FY 2020 and working thoughtfully and diligently to make the best investment decisions across varying market environments.

Chapel Hill Investment Fund Board of Directors

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 and investment policy and to monitor performance. The Board's Executive Committee meets more frequently to review intermediate-term recommendations made by 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.



John Townsend III*
CHAIRMAN



James Keith Brown
Senior Managing Director-Partner,
Coatue Management, LLC



David Carroll
Managing Member, Carroll
Family Holdings, LLC



Haywood Cochrane
Chairman, Corium, Inc.



David Craver*
Managing Director,
Lone Pine Capital LLC



John Ellison Jr.*
President & Chief Executive
Officer, The Ellison Company, Inc.



Kevin Guskiewicz
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.



Jonathan Pruitt*
TREASURER
Vice Chancellor for Finance &
Operations, The University of
North Carolina at Chapel Hill



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

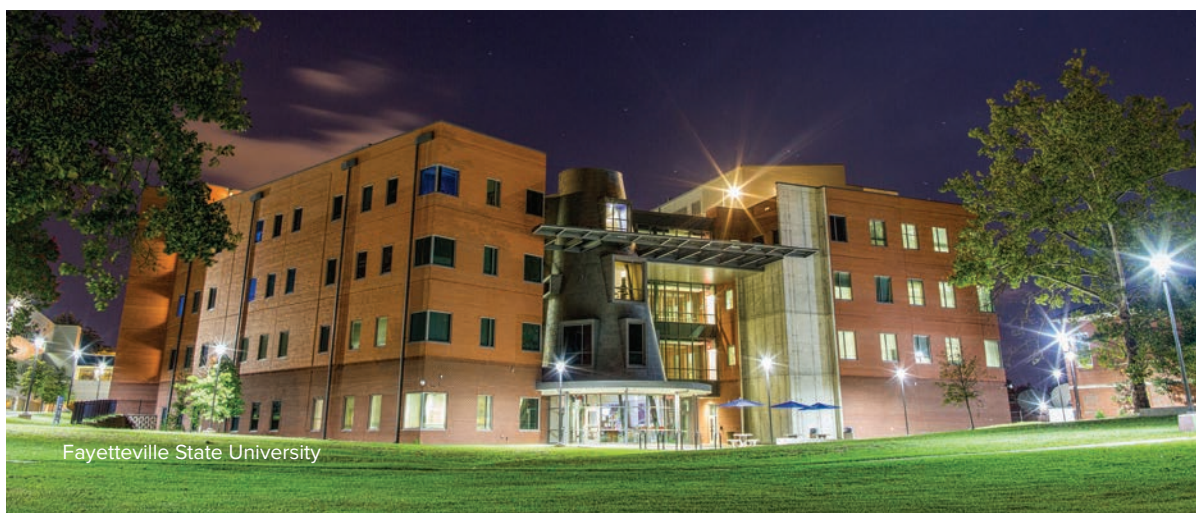


Dwight Stone
President & Chairman,
D. Stone Builders, Inc.

As of June 30, 2019
** Executive Committee Member*

Portfolio at a Glance

	Fiscal Year as of June 30				
	2019	2018	2017	2016	2015
Market Value (\$ millions)	\$6,568.9	\$6,155.9	\$5,411.2	\$4,549.6	\$4,643.2
Fund Return	7.7%	12.0%	12.1%	-2.0%	9.3%
<i>SIPP Benchmark Return</i>	6.7%	8.8%	11.8%	-0.8%	3.2%
Fund Asset Allocation					
Long Biased Equity	27.5%	31.1%	31.0%	26.2%	29.1%
Long/Short Equity	15.5%	15.9%	17.8%	19.3%	20.0%
Diversifying Strategies	9.9%	9.1%	6.7%	8.0%	7.3%
Fixed Income	9.4%	8.9%	10.4%	8.5%	7.9%
Private Equity	24.1%	19.6%	19.2%	20.9%	19.4%
Real Estate	5.8%	6.0%	6.7%	7.3%	6.7%
Energy & Natural Resources	6.8%	7.2%	5.7%	5.8%	5.1%
Cash	1.1%	2.1%	2.5%	3.9%	4.5%

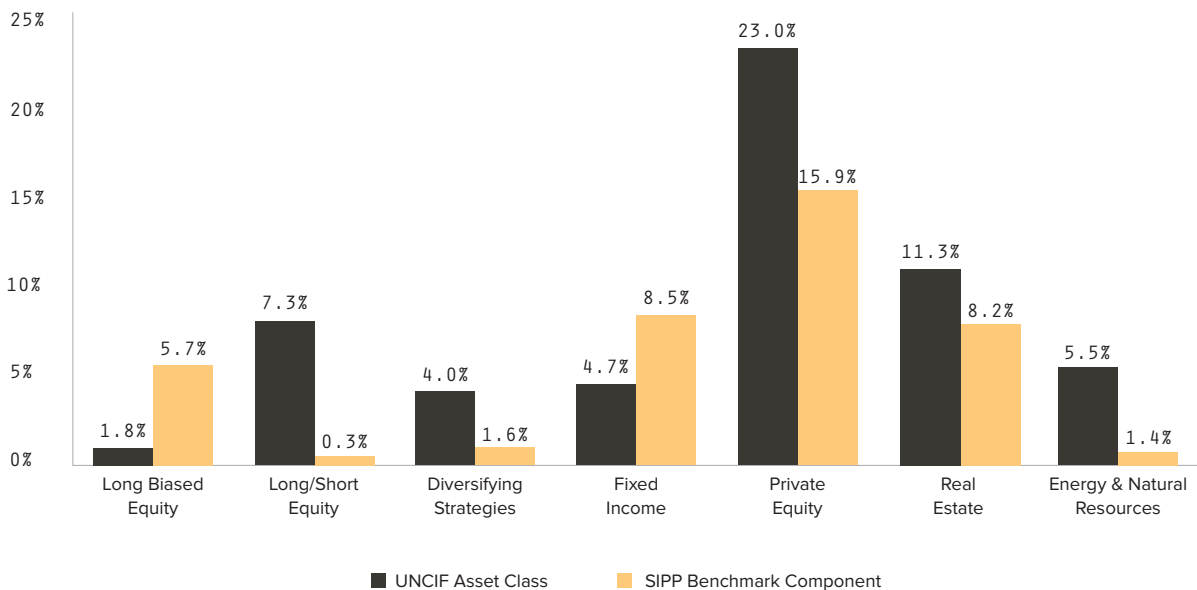


Fiscal Year 2019 Overview

During Fiscal Year 2019, U.S. equities recorded another strong year with the S&P 500 Index advancing +10.4 percent. FY 2019 represents the S&P 500 Index's third consecutive fiscal year period with returns in excess of 10 percent. In addition, U.S. equities once again significantly outperformed international equities both in developed and emerging markets with the MSCI EAFE Index (Europe, Australasia, Far East) generating a +1.1 percent return for the fiscal year period and the MSCI Emerging Markets Index recording a +1.2 percent return. Overall, equities globally were supported by assurances from the U.S. Federal Reserve ("Fed") and other central banks that they would implement and continue with policies to support growth and counteract economic weakness. However, gains were somewhat dampened by geopolitical uncertainty and fears of a trade war fueled by President Trump's tariff threats and subsequent vows of reprisals from U.S. trading partners, particularly China. Despite its solid return for the year, in Q2 FY 2019 (three months ended December 31, 2018) the S&P 500 Index suffered its sharpest decline in roughly a decade losing -13.5 percent and sending the index to a level last seen in the summer of 2017. The steep drop during the quarter was initially driven

Figure 1 **Asset Class Returns vs. SIPP Benchmarks • Fiscal Year 2019**

During the year, each of the Fund's primary asset classes generated positive performance with Private Equity driving the Fund's return for the year.

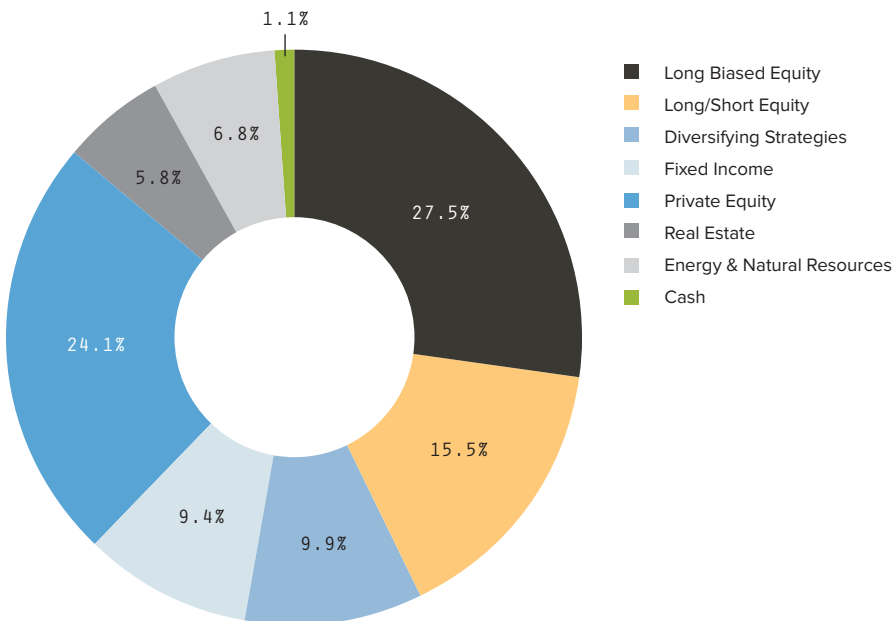


by concerns that the U.S. economy was in danger of overheating, which would lead the Fed to quicken and/or extend its pace of interest rate increases in an effort to curb inflation. Later in the quarter, markets continued their decline as the global economic outlook weakened amid indications of significant slowdowns in China and Europe and a sharp drop in oil prices (more than 35 percent decline for the quarter). However, in Q3 FY 2019 (three months ended March 31, 2019), with Fed Chairman Jerome Powell stressing that the Fed would not hesitate to respond with all the tools at its disposal to counteract an economic downturn or financial turmoil, the monetary policy environment for equities brightened considerably which provided a powerful tailwind to sentiment. During the second half of the fiscal year, equity markets rebounded strongly, recovering the prior quarter's losses and ultimately finishing the fiscal year in positive territory.

Fixed income markets performed unusually well during FY 2019 as investors, unable to stomach the turbulence from the U.S.-China trade dispute and leery of a darkening economic outlook, reallocated from stocks into bonds. The broad domestic fixed income market, as measured by the Bloomberg Barclays U.S. Aggregate Bond Index, finished the year up +7.9 percent. During Q1 FY 2019 (three months ended September 30, 2018), the Fed increased interest rates however later in the year, the Fed completed an about-face in their policy, shifting from increasing short-term interest rates to cutting rates to offset the impact of trade tensions on the economy and to sustain its expansion. Amid these increasingly dovish signals from the Fed and other developed market central banks, the yield on the 10-year Treasury fell significantly during the fiscal year, starting the year at 2.85 percent and sliding lower to close June 2019 at 2.00 percent.

The Fund generated a +7.7 percent net investment return for FY 2019. The Fund's FY 2019 return is strong on both an absolute and relative basis outperforming the +6.7 percent return generated by both its primary SIPP benchmark and a more "traditional" and 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). Relative to peers, the Fund's FY 2019 return ranks solidly in the top quartile (at the 88th percentile) of the Cambridge Associates universe of college and university endowments.

Figure 2 **UNCIF Asset Allocation (% of total market value) • As of June 30, 2019**



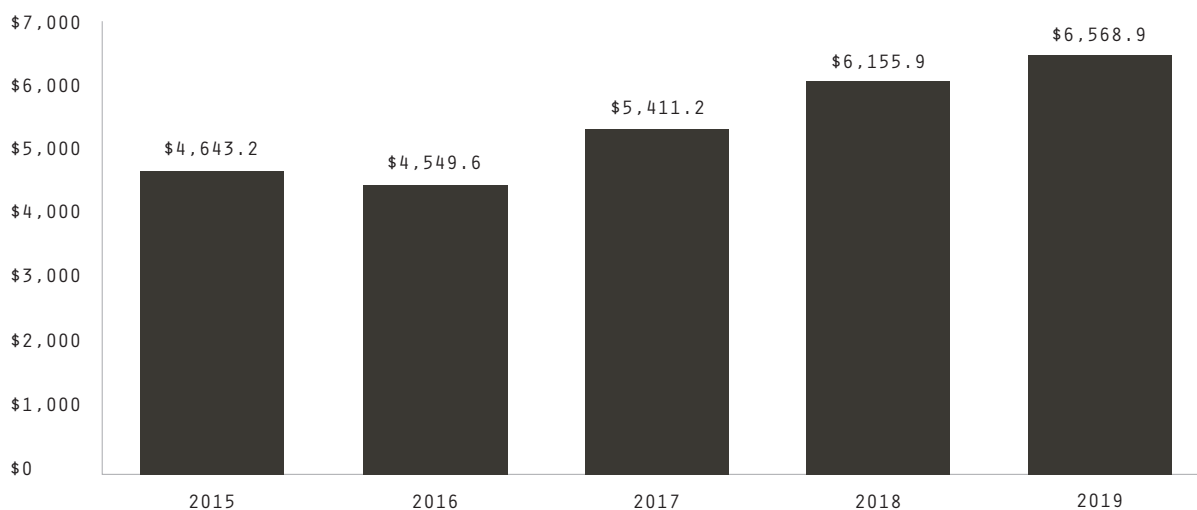
For the fiscal year, each of the Fund's seven primary asset classes generated a positive return. Private Equity and Real Estate drove the fiscal year's absolute performance. Strong relative performance was generated across the portfolio as five of the Fund's seven asset classes outperformed their benchmark. In aggregate, the Private Portfolio returned +17.1 percent for the 12-month period led by Private Equity which returned +23.0 percent, 7.1 percent ahead of its benchmark. Real Estate was also a solid absolute and relative performer with its +11.3 percent return beating its benchmarks by 3.1 percent. The Public Portfolio, in aggregate, returned +3.7 percent for FY 2019. Long/Short Equity generated very strong absolute and relative performance with its +7.3 percent return for the year significantly outdistancing its benchmark by 7.0 percent and outpacing global equities more broadly. On the heels of weak performance from domestic equity managers, Long Biased Equity, the Fund's largest allocation, returned +1.8 percent for the period and trailed its MSCI ACWI benchmark by 3.9 percent. Diversifying Strategies and Fixed Income both generated a positive return for the 12-month period returning +4.0 percent and +4.7 percent, respectively with Diversifying Strategies beating its benchmark by 2.4 percent.

During the year, as a result of positive investment performance as well as additional contributions by Members, the Fund's market value grew by \$413 million to exceed \$6.5 billion as of the fiscal year end. Figure 3 on page 9 details the more than \$2.4 billion dollar increase in the Fund's market value over the past five years.

We are pleased with the +7.7 percent return generated by the Fund in FY 2019 and proud of its performance relative to peers. We maintain our belief that market volatility will persist as political and geopolitical tensions around the world and trade escalations between China and the U.S. continue to weigh on investor sentiment. While global economic strength of recent years has lost momentum, central banks appear to be committed to supporting growth and counteracting a potential downturn. As we sharpen our pencils heading into FY 2020 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 nearly 60% with over \$2 billion in net investment gains over the period.



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, needs 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:

1. Maintain a Long-Term Perspective

By taking a long-term view, the Fund can benefit from inefficiencies that arise from the short-term focus of many market participants.

2. Partner with Best-in-Class Investment Managers

The Fund invests its assets with third-party investment managers. The UNC Management Company is steadfast in its pursuit of exceptional investment managers. Our research process takes us across the globe as we seek to partner with managers that possess highly specialized skills, deep market knowledge, an ability to think independently, and who have a demonstrated track record of investment success and value creation.

3. Manage Risk Through Diversification

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



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 investment 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

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.

Figure 4 Strategic Investment Policy Portfolio (SIPP)

Asset Class	Fund Allocation ¹	Strategic Target	Tactical Range	Benchmark
Long Biased Equity	27.5%	30%	24 – 36%	MSCI All Country World Index (ACWI)
Long/Short Equity	15.5%	15%	10 – 20%	Hedge Fund Research Institute (HFRI) Equity Hedge Index
Diversifying Strategies	9.9%	10%	6 – 14%	(50% HFRI Fund of Fund Conservative Index + 50% HFRI Fund of Fund Defensive Index) + 0.5%
Fixed Income	9.4%	10%	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	24.1%	18%	14 – 22%	60% CA PE Index / 40% CA Venture Capital Index ³
Real Estate	5.8%	8%	5 – 12%	90% NCREIF / 10% NAREIT
Energy & Natural Resources	6.8%	7%	5 – 10%	50% S&P GSCI / 50% Real + 3% ⁴
Cash	1.1%	2%	-2 – 8%	90-Day T-Bills

1. As of June 30, 2019

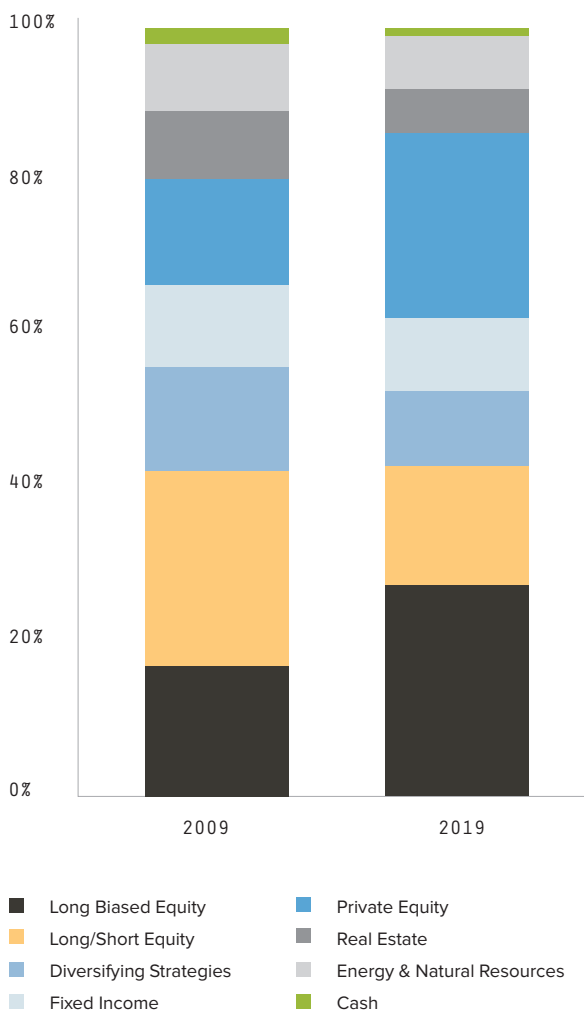
2. 30% Bloomberg Barclays U.S. Government/Credit Long Term Index, 30% Bloomberg Barclays U.S. Aggregate Bond Index, 20% Bloomberg Barclays Corporate High Yield Index, 20% 90 Day T-Bill

3. 60% Cambridge Associates Private Equity Index, 40% Cambridge Associates Venture Capital Index

4. 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. While the Fund's aggregate exposure to public equities has remained consistent, the Long/Short Equity allocation has been reduced. Over the period, the Fund's allocation to Private Equity has increased significantly.



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 publicly listed equity securities that the manager believes the market has mispriced relative to their fundamental intrinsic value. The long and short positions are generally independent of one another and portfolios typically result in an overall net long exposure to equities. This flexibility is intended to add value and/or decrease risk.

Diversifying Strategies

An asset class 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 generate 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 (usually 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, present the opportunity for significant investment gains.

Energy & Natural Resources

An 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, 2019, is illustrated in Figure 4 on page 11.

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 aggregate return.



North Carolina State University

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.

1. Appalachian State University Endowment • Appalachian State University Foundation, Inc.
2. East Carolina University Endowment Fund • East Carolina University Foundation, Inc.
3. East Carolina University Medical & Health Sciences Foundation, Inc.
4. North Carolina A&T Investment Foundation, Inc.
5. North Carolina Central University Endowment Fund
6. NC State Investment Fund, Inc.
7. The North Carolina School of Science and Mathematics Foundation
8. The University of North Carolina at Charlotte Investment Fund
9. The University of North Carolina Press, Inc.
10. The University of North Carolina at Wilmington Endowment Fund • The Foundation of the University of North Carolina at Wilmington, Inc.
11. The University of North Carolina School of the Arts Endowment Fund • The University of North Carolina School of the Arts Foundation, Inc.
12. Western Carolina University Endowment Fund • Western Carolina University Foundation
13. Winston-Salem State University Endowment • Winston-Salem State University Foundation, Inc.

Appalachian State University Endowment Appalachian State University Foundation Inc.

This fall, 20 students in Appalachian State University's Beaver College of Health Sciences started classes as Beaver Scholars, qualifying for scholarships of \$10,000 per academic year. The scholarship was established by alumnus Don Beaver '62 '64 and his wife, Vickie Beaver, of Conover, the couple for whom the college is named. The recipients were selected during the 2018–19 academic year.

The new scholarships were among 1,500 awarded last year at Appalachian to students based on financial need, scholarly abilities, and academic achievements. Of those recipients, 38% identify as first-generation college students, 38% come from rural counties, and 41% are low-income students.

"Private funds continue to be critically important to college affordability," Chancellor Sheri Everts said.

"Programs like Beaver Scholars create opportunities for our students to earn an exceptional Appalachian education and to make real and powerful differences in their communities and beyond," she continued. "For these students, that means advancing the health and well-being of our state's citizens by increasing the number of critical health care personnel in communities that need it most."

The Beaver Scholarships are awarded to undergraduate and graduate students majoring in health-focused programs, with priority given to students who demonstrate a strong commitment to improving health care in the region. Like many Appalachian scholarships, the Beaver Scholarship is renewable as long as the recipient meets certain academic standards.

Christian Rodriguez, a first-year nursing major, said receiving the Beaver Scholarship provided him with the opportunity to be the first member of his family to attend college.

"This is a big step forward for my family," he shared. "This scholarship allows me to meet new friends and to expand my networking opportunities, and ultimately to achieve my goal of becoming a nurse. I'm very excited to be able to meet the Beavers and personally thank them for their support."



Appalachian State University's inaugural 2019–20 Beaver Scholars with Appalachian Chancellor Sheri Everts, third from left in front row, Vickie Beaver, center, and Don Beaver '62 '64, third from right in front row, during the reception held for the scholars Sept. 6, 2019, in the university's Leon Levine Hall of Health Sciences. Photo by Marie Freeman

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



What started as a hobby for Taylor Hicks, a creative outlet to practice calligraphy, morphed into a business with more than \$250,000 in sales in 2018.

Hicks, a senior in the ECU College of Business, owns Simple & Sentimental. The company started in 2016 in her freshman dorm room. She would use her calligraphy skills to create bookmarks that she left in a basket outside her room for other students. Soon, requests started coming in for personalized Christmas gifts.

Her first step as a business owner came in two parts. First, she bought a die-cutting machine to create personalized vinyl stickers and then she posted her products on the e-commerce website Etsy. In 2017, she created and sold bridesmaid boxes that contained a wineglass and a personalized note. That summer, she made \$9,000; she made \$58,000 for the entire year. "I then realized you can still be creative and run a business," Hicks said.

As Simple & Sentimental was taking shape, the College of Business and its Miller School of Entrepreneurship were planning to launch their flagship entrepreneurial competition, the Pirate Entrepreneurship Challenge.

The Miller School of Entrepreneurship was established in 2015 with a \$5 million gift from ECU alumnus J. Fielding Miller and his wife Kim Grice Miller, also an ECU alumna. Miller is co-founder and CEO of Raleigh-based company Captrust. The school serves as a regional hub for preparing students to take an entrepreneurial mindset and skill set into their communities. It has made a concerted effort to develop programs that encourage students to express their creative ideas and test the waters to see if those same ideas have marketability.

The Pirate Entrepreneurship Challenge is designed to do just that.

In the first round, ECU students pitch their ideas to the community, which votes for teams to move onto the second round. There, 12–15 teams pitch their ideas to judges. Second-round winners are assigned mentors — community entrepreneurs and ECU faculty and staff who will consult with them to pitch their product to another panel of judges during the final round. It's there the competitors must demonstrate a clear market need for their ideas. Hicks won the first Pirate Entrepreneurship Challenge in 2017–2018 and walked away with \$12,500, money she used to procure office space in Greenville.

“Let’s face it. Any entrepreneurial spirit has its start in creativity,” said Mike Harris, director of the Miller School. “But that’s only part of a solution. For creativity to drive impact, the execution has to happen. That’s what Taylor has been able to accomplish.” And it’s been some impact. For 2019, Hicks said she is on track to reach almost half a million dollars in sales.

To date, more than 150 student teams have participated in the Pirate Entrepreneurship Challenge representing more than 10 ECU colleges. As Harris puts it, the challenge is part of an entrepreneurial ecosystem that nurtures ideas and depends on ECU resources, faculty and students, local institutions and governments, entrepreneurs, alumni, community colleges, and the local high school system. The Miller School is helping drive this system to give students opportunities to develop and articulate their creative ideas.

East Carolina University Medical & Health Sciences Foundation, Inc.

A narrow ribbon of road winds for 60 miles northeast of Greenville, threading through cotton fields and horse pastures. The road leads to quintessential small-town Ahoskie — where an East Carolina University dental office uses a pioneering combination of creativity, innovation, and technology for dentistry and education.

The ECU School of Dental Medicine’s community service learning center (“CSLC”) in Ahoskie — along with its seven statewide counterparts that stretch from the Appalachians to the Atlantic — is part of one of the most enterprising recent innovations to dental education and patient treatment. The CSLCs in rural and underserved communities provide students hands-on training while patients receive much-needed dental care. In March, the American Dental Education Association recognized the CSLC model by awarding it with a 2019 William J. Gies Award for Innovation, Vision, and Achievement through its ADEAGies Foundation.

Dental school supporters have long touted its ability to educate new dentists in a state that has experienced a dentist shortage for years, especially in the 80 rural North Carolina counties where 40 percent of the state’s population lives. Not only do its rigorously trained graduates fill the slots being vacated by retiring veteran dentists, they also address the gap in oral health care felt in most of North Carolina’s rural and underserved communities.



The School of Dental Medicine has treated more than 63,000 patients who come from all 100 counties in the state. It is educating students who are all from North Carolina and call 82 of those counties home. The school boasts around 250 alumni.

“Our model focusing on rural communities and underserved populations fits perfectly into ECU’s mission of service,” said Dr. Greg Chadwick, dean of the School of Dental Medicine. “Using a curriculum that combines rigorous coursework with a novel approach to service and clinical experiences, we are shaping not only dentists, but leaders who will explore new ways to improve oral health across North Carolina.”

The CSLCs have allowed the dental school to create modern solutions for the unique oral health care problems facing North Carolina residents.

Amber Doering of Como was tasked with finding affordable, convenient, and top-quality dental care not only for her and her husband but also for her eight children. The Ahoskie CSLC proved a perfect fit for the family and helped break down the barriers to care they previously faced.

"This dental school truly met a need where there was a big gap," Doering said. "I have also seen people firsthand who needed help, who lived in pain and were literally missing much-needed teeth out of lack of help or choices due to their budget constraints. Now they are smiling again because they received the help they needed."

During their fourth year of dental school at ECU, students spend a total of 27 weeks learning and living in the CSLC communities during nine-week rotations. In traditional dental school clinics, students have limited collaboration with other dental team members and usually see one patient during each clinic session. Students and residents at the ECU CSLCs typically see five to six patients a day and are exposed to the daily workings of a dental practice through interaction with dental assistants, hygienists, and administrative staff.

Patient care funds ("PCF") set up to benefit School of Dental Medicine patients are helping students and faculty provide for the rural communities in the greatest need. The patient care funds provide students essential experience in formulating treatment plans based on what the patient can afford and what funding is available through the PCF.

"Since we already provide dental services at reduced fees, this means that each dollar that is donated is stretched even further," said Dr. Matt Causey, clinical assistant professor and chair of the PCF. "The funds cover procedures for patients in financial need, procedures that are of educational benefit to the students. This has a tremendous impact on the health of our patients." Said one patient who received PCF-funded care, "The difference in what the school and the patient care funds gave me and what it would cost me is basically the cost of food for a month."

North Carolina A&T Investment Foundation, Inc.

During 2018–19, North Carolina Agricultural and Technical State University ("A&T") celebrated an academic year highlighted by record enrollment, national rankings, and endowment growth. These and other achievements would not have been possible without the support of donors like Rosa M. Beasley, '49, who personified the concept of Aggies Do and exemplified the meaning of Aggie Pride.

Beasley created an endowment to support North Carolina A&T's College of Business and Economics and College of Engineering. The University will match her \$800,000 gift to create the \$1.6 million Rosa M. Beasley Endowed Scholarship.

She also provided \$300,000 to support the University, and the main auditorium in the Academic Classroom Building will be named in her memory.



Born in Edenton, North Carolina, Beasley developed her warmth and genuine concern for others during her childhood. “The way we lived, we also gave to people. I grew up being nice to people,” she said.

Beasley believed education was “imperative to have a fulfilling and successful life.” At the suggestion of her homeroom teacher at Edenton High School, Elizabeth Spellman, Beasley enrolled at North Carolina A&T in 1945 and graduated four years later with a B.S. in business administration.

Beasley began working for the Federal Aviation Administration (“FAA”) and joined the Washington, D.C., chapter of North Carolina A&T’s alumni association in 1950. She was instrumental in the purchase of the chapter’s alumni house in the 1960s and again when a new space was needed in 2015. She also led many groups, committees, and campaigns in her decades of service, which were recognized with the chapter’s distinguished Ike Woodward Award.

Beasley rose through the FAA’s leadership ranks and earned an Outstanding Performance Award. She realized the significance of her role and often mentored other professionals to help them reach their potential. She was regarded as one of the most respected individuals within her division by the time she retired in January 1987.

An only child who never married or had children, she treated Aggie students and alumni as members of her family just as she did relatives including her uncle Robert L. Beasley, whom she considered her brother as he was only two years her senior. She was tremendously thankful for the opportunities afforded to her through her A&T degree and wanted to ensure others had the same opportunity.

Beasley died July 8, 2019 at 91, but her legacy of love, compassion, and support for A&T will live on in the lives of those who knew her and the recipients of her generosity.

North Carolina Central University Endowment Fund

North Carolina Central University (“NCCU”) recorded several achievements during fiscal year 2018–2019, including attaining a number of metrics established as University-wide goals and objectives.

The academic year saw enrollment grow to 8,207 undergraduate and graduate students — NCCU’s highest enrollment since 2012. NCCU also welcomed the first cohort of Cheatham-White Merit Scholars in August 2018, a group of 18 students awarded scholarships created by the N.C. General Assembly for incoming first-year students at NCCU and North Carolina Agricultural and Technical State University. The Cheatham-White Scholarship covers full tuition, room and board, student fees, books, a laptop computer, supplies, personal expenses, and four summer experiences including international studies.

With the addition of several new academic programs, the University expanded its course offering for NCCU students, including those that deliver unique internship experiences, as well as graduate and professional school options. New offerings were also added to NCCU Online, the University’s online portfolio of degree programs.

Meanwhile, the campus continues to move forward on five capital projects focused on essential infrastructure, including three state-of-the-art, living and learning residences created through a public-private, or P3, partnership. A new Student Center currently under construction will add a contemporary flavor and updated amenities to complement students’ academic experience and a new School of Business will create a high-touch business-learning environment to students pursuing degrees in economics, finance, marketing, and several other in-demand programs.

Alumni Couple Establishes Endowed Scholarship to Support Education

Dr. William “Bill” McNeal and his wife, Nata Fayette “Faye” McNeal, understand the importance of a high-quality education to a well-lived life. “Education is the great equalizer,” Bill McNeal said. “It can level the playing field, regardless of race, economic background, gender or religion.”

Faith in education was at the core of the career choices made by the two lifelong educators, as well as their decision to establish an endowment for student scholarships in the School of Education. “The ticket out of poverty, the ticket to a great career and a fulfilling life, is education,” Bill said. “Students can break the cycle of poverty and the cycle of non-fulfilling careers by obtaining their education.”

The power of education has certainly been evident in their own lives. Both Bill and Faye grew up in North Carolina, first meeting as students on NCCU’s campus. Bill obtained bachelor’s and master’s degrees in social studies and political science in 1971, while Faye obtained her Bachelor of Science degree in business education the same year.

After graduation, Bill spent two years in the Army before he and his bride moved to Connecticut for their first teaching jobs. In 1974, they relocated to Raleigh to work for the Wake County Public School System. “I pursued a career in counseling to serve as a resource for students planning for their futures,” said Faye, who continued her education, earning master’s degrees in business education and guidance and counseling from NCCU.

Bill, who earned his doctorate at North Carolina State University, was promoted to assistant principal, then principal and, ultimately, administrator at the school and district levels. He was named Wake County Schools superintendent in 2000 and led the system in achieving a 95% grade-level proficiency among third and eighth-grade students.

He served as superintendent until 2006, during which time the system was named third on Forbes Top Ten List for the Best Education in the Biggest Cities. Bill was named National School Superintendent of the Year in 2004. That same year, he received the NCCU Chancellor’s Merit Award and was honored to serve as his alma mater’s commencement speaker.

Since her 2006 retirement, Faye has continued working with students as a scholarship coordinator for the North Carolina American Chemical Society’s Project SEED program, which provides science training and help with the college admissions process for underserved, academically gifted high school students.



Bill has authored a book, “A District’s Journey to Excellence,” offering an account of his tenure as Wake County Schools superintendent. In addition, he also works with North Carolina State University to coach aspiring principals in the university’s Master of School Administration program.

Neither Faye nor Bill show signs of slowing down. In their spare time, the couple enjoys spending time with their two daughters Tiffany Fox and Crystal Utley and their families. They also continue building their endowment fund and encouraging other alumni to establish funds to support NCCU. “There is a long list of individuals from all ethnic backgrounds who attended historically black colleges or universities and beat the odds,” Bill said. “NCCU has been a driving force for many. It needs the ongoing support of alumni giving to ensure that the university is thriving and equipped with the resources for generations to come.”

NC State Investment Fund, Inc.

Since it opened in 2013, the James B. Hunt, Jr. Library has stood out on North Carolina State University's Centennial Campus for its modern look, sustainability, and integration of technology.

Soon, it will be joined by another iconic structure.

Fitts-Woolard Hall, the newest engineering building on Centennial, will open its doors in summer 2020. This landmark facility, which will stand next to Hunt Library just south of the three existing engineering buildings on Centennial, will put some of the College's most impactful research on display and become a flow-through point for campus foot traffic. With its own unique design and large footprint, Fitts-Woolard Hall will stand as an impressive complement to the library.

"It will catch your eye and keep it," said Doug Morton, N.C. State's associate vice chancellor for facilities. "You will be looking not only at the library next door, you'll be looking at Fitts-Woolard Hall. It will be a unique structure on this campus."

The future home of the Department of Civil, Construction, and Environmental Engineering (CCEE); the Edward P. Fitts Department of Industrial and Systems Engineering (ISE); and the dean's administrative offices, is another important step toward unification of the College of Engineering on Centennial. It also represents a first-of-its-kind infrastructure project for N.C. State, using a public-private partnership to fund the construction of an academic building.



The \$154 million project received \$75 million from the voters of North Carolina through a 2016 bond referendum. The N.C. Legislature provided \$2 million and the University is providing \$17 million with the College pledging to fund the remaining \$60 million from private commitments.

Thanks to generous commitments from more than 300 alumni donors and a \$25 million naming gift from industrial engineering graduates Edward P. Fitts and Edgar S. Woolard, the College stands at \$48 million of its \$60 million goal. Reaching that fundraising goal is vital to help the College reach its full potential as the top public college of engineering in the country and one of the world's preeminent colleges of engineering.

Engineering on Display

Sitting at the southwest corner of a grassy oval ringed by Engineering Buildings I, II, and III, Fitts-Woolard Hall will serve as a connection for students, faculty, and staff members walking to and from the Oval, especially on rainy days.

Designer Clark Nexsen built in broad passageways and monumental staircases to handle the crowds. While they are passing through, visitors will have a chance to take in the work going on in some of the most impactful labs in CCEE and ISE. This "engineering on display" concept will celebrate the accomplishments and aspirations of the College and the two departments.

CCEE's asphalt, structural testing, materials, and hydraulics labs and ISE's advanced manufacturing and brain computer interface labs will be located on the first two floors in open, airy spaces with floor-to-ceiling glass walls that will allow passersby to take in the work going on inside. Outside, storm water runoff and building condensate will be filtered through a series of step pools that will eventually lead to nearby Lake Raleigh.

Clark Nexsen designed a structure with open frame systems that will allow lab and teaching spaces to be adjusted based on faculty members' needs over the coming decades. Mann and Daniels Halls, the current homes of CCEE and ISE, respectively, are both more than 50 years old and are using spaces for laboratories that were not originally designed for that purpose.

"We're building Fitts-Woolard Hall so that the faculty members in those two departments will have exactly the spaces they need for those labs to be successful," said Cameron Smith, senior director of the University's Capital Project Management Department.

Leaving a Legacy

Alumni who have benefitted from their education in the College of Engineering at N.C. State have a chance to pass that opportunity to future students and leave a mark on this important building through a number of naming opportunities.

The College, along with Clark Nexsen and construction manager Skanska, celebrated progress on Fitts-Woolard Hall in December with a topping-off ceremony that marked the placement of the highest steel beam in the building's framework. Meanwhile, the N.C. State Engineering Foundation is hosting a series of information sessions on campus and in cities around North Carolina. Hard-hat tours of the building site will begin this fall.

With \$12 million in commitments needed to help finance construction, the College needs many more of its graduates in all disciplines to step up and support the effort. Reaching its fundraising goal will help the College avoid having to assume debt payments that would take away from scholarships and programs that benefit students and faculty members.

"Fitts-Woolard Hall embodies the strengths of the College of Engineering and is a crucial step in the achievement of our goals and full potential," said Dr. Louis Martin-Vega, dean of the College. "Alumni who support this effort will truly be making an investment that will benefit the University and the state of North Carolina for generations to come."

North Carolina School of Science and Mathematics Foundation



Melody Wen '20 and 14 of her fellow Science Olympiad teammates from North Carolina School of Science and Mathematics (“NCSSM”) spent the majority of their 10-hour bus ride from Durham to Ithaca, NY, with their heads down, reviewing prompts in preparation for the national Science Olympiad competition at Cornell University.

Melody, who was scheduled to participate in three separate challenges, was particularly focused on her specialty event, a cryptography challenge called Codebusters. A quick solution in the timed portion, where “seconds matter a lot,” Melody says, might provide the margin between first and second place overall in the challenge.

Melody and her teammates had performed well in qualifying challenges, winning first place in a regional event and first place overall at the state level. Awaiting them at the nationals in Ithaca were 59 other high school teams from across the United States who had earned the right to compete in the finals.

Traveling to the nationals of the Science Olympiad is a goal that thousands of students across the country aim for each year. For many of those invited to participate, it is among the most significant recognitions of their achievement.

“When we finally found out we were going to be advancing to nationals, the entire team was elated.” Melody said. “It was an absolutely amazing experience to work towards and be able to compete at the national level tournament. I know that the experience we had at nationals is something that we will always remember.”

It takes more than hard work and dedication, however, to get to nationals. The financial requirements can be significant, too. From entrance fees to supplies to travel, the costs of participating in academic competitions can add up.

Fortunately for Melody and her teammates, funding from the Ives Academic and Club Competition and Conferences Endowment administered by the NCSSM Foundation removed the financial hurdle inherent in traveling to the out-of-state competition. It is one of many such instances where the Ives Endowment and similar funding streams have ensured that financial considerations do not hinder those whose work has earned them an opportunity to demonstrate their talents for audiences beyond NCSSM.

“Conferences and competitions are valuable learning experiences for our students,” said Katie O’Connor, NCSSM’s Vice Chancellor for Academic Programs. “Through them, they learn how to communicate their work effectively to those outside their usual circle of classmates and teachers, learn how to work collaboratively both with their classmates and with new colleagues, and, of course, they also get to learn high-level content and material for a real-world context.”

The endowment has been funded by charitable gifts from Brad Ives ’82 and his wife Debra, their children, and by parents, siblings, and friends. “Our family established the Ives Endowment at NCSSM to ensure that students can embrace academic opportunities far beyond the borders of campus regardless of their own ability to afford such an experience,” Ives said.

NCSSM’s team did well at the Science Olympiad finals, placing in the top half overall in combined team scores. Moreover, all that extra preparation on the bus ride paid off especially well for Melody. She and two others — Alexander Tong ’20 and Alexander Zhuang ’19 — claimed first place as a group in their Codebusters event. “Once we finished the timed question, we were feeling pretty good and cautiously optimistic,” Melody said. “But you still don’t know, you know, because it’s nationals.”

One thing NCSSM’s students can be certain of is the continued support for transformative learning experiences thanks to endowments such as the Ives Endowment.

“Our students are afforded incredible opportunities due to the generosity of our donors,” said Vice Chancellor O’Connor. “We are incredibly grateful for these gifts.”

The University of North Carolina at Charlotte Investment Fund

The UNC Charlotte community will never forget the tragic events of April 30, 2019, when an armed individual opened fire in a University classroom, cutting short the lives of two students and injuring four others.

No member of Niner Nation was unaffected by this event. As the University firmly commits to remember and honor the victims, there is also a strong sense of hopeful optimism and resilience. The overwhelming backing of a broad community that expressed their support for the University after this tragic event has provided great inspiration and comfort to the campus as a whole.

Since April 30, the University’s collective strength has been on full display. Through student vigils, the sharing of dozens of messages of encouragement through the Niner Nation Remembers website, and many offering ideas for moving forward, the University’s broader community rallied to show its support. More than \$137,000 was raised for victims and families through the Niner Nation Unites crowdfunding site, and separately, permanently endowed scholarships were established by an anonymous donor in memory of Riley Howell and Reed Parlier. A Niner Nation Remembrance Commission was also formed and will make recommendations about appropriate campus memorials.



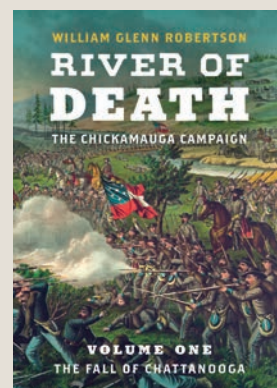
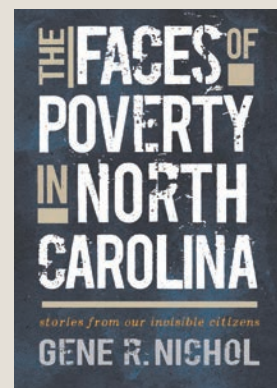
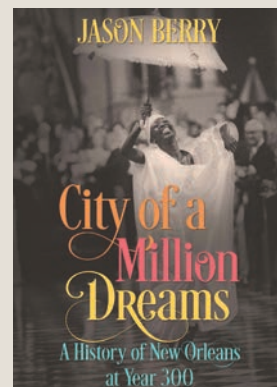
The past few months have shown the world the depth and breadth of the greater UNC Charlotte community. The pride for the University is evident and the importance of the campus to the city of Charlotte and the surrounding region has never been more apparent. The phrase “We Are All Niners” represents a declaration of the pride felt toward the University as a whole. Together, our future is bright, bold, and strong.

The University of North Carolina Press, Inc.

In 2018–19, UNC Press celebrated its 97th year with the publication of over 100 outstanding books, including *Our Higher Calling: Rebuilding the Partnership between America and Its Colleges and Universities* by Holden Thorp and Buck Goldstein, *Bruce Moffett Cooks: A New England Chef in a New South Kitchen* by Bruce Moffett with Keia Mastrianni, *Blue Muse: Timothy Duffy's Southern Photographs* by Timothy Duffy, *City of a Million Dreams: A History of New Orleans at Year 300* by Jason Berry, *River of Death — The Chickamauga Campaign, Volume 1: The Fall of Chattanooga* by William Glenn Robertson, *A Delicious Country: Rediscovering the Carolinas along the Route of John Lawson's 1700 Expedition* by Scott Huler, *The Lumbee Indians: An American Struggle* by Malinda Maynor Lowery, *Civil War Places: Seeing the Conflict through the Eyes of Its Leading Historians*, Edited by Gary W. Gallagher and J. Matthew Gallman, *The Faces of Poverty in North Carolina: Stories from Our Invisible Citizens* by Gene R. Nichol, *Conquered: Why the Army of Tennessee Failed* by Larry J. Daniel, *A Saint of Our Own: How the Quest for a Holy Hero Helped Catholics Become American* by Kathleen Sprows Cummings, and *Stone Free: Jimi Hendrix in London, September 1966–June 1967* by Jas Obrecht.

Our acclaimed regional publishing program continued with books like *The Month of Their Ripening: North Carolina Heritage Foods through the Year* by Georgann Eubanks, *Mothers and Strangers: Essays on Motherhood from the New South*, Edited by Samia Serageldin and Lee Smith, *The New Vegetarian South: 105 Inspired Dishes for Everyone* by Jennifer Brulé, *Southern Snacks: 77 Recipes for Small Bites with Big Flavors* by Perre Coleman Magness, *The Rise and Fall of the Branchhead Boys: North Carolina's Scott Family and the Era of Progressive Politics* by Rob Christensen, *Hiking and Traveling the Blue Ridge Parkway, Revised and Expanded Edition*, by Leonard M. Adkins, *Circa 1903: North Carolina's Outer Banks at the Dawn of Flight* by Larry E. Tise, *Every True Pleasure: LGBTQ Tales of North Carolina*, Edited by Wilton Barnhardt, *The Last Battleground: The Civil War Comes to North Carolina* by Philip Gerard, *The New Guide to North Carolina Beaches: All You Need to Know to Explore and Enjoy Currituck, Calabash, and Everywhere Between* by Glenn Morris, and *North Carolina Lighthouses: The Stories Behind the Beacons from Cape Fear to Currituck Beach* by Cheryl Shelton-Roberts and Bruce Roberts.

UNC Press's Office of Scholarly Publishing Services (“OSPS”) continued its expansion and growth in its fourth year. OSPS is increasingly engaged with the University of North Carolina System's 17 institutions on providing access to open educational resources and textbooks that have the potential to lower costs for students. OSPS helped North Carolina State University publish a six-volume, open access textbook on microwave and RF design by Michael Steer, the Lampe Distinguished Professor in Electrical and Computer Engineering. Two more significant open textbook projects are under way with the North Carolina School of Science and Mathematics and UNC Asheville. The office continues to work with numerous institutions in sustained and ongoing publishing partnerships — notably the North Carolina Office of Archives and History, Reacting Consortium Press, the UNC School of Government, and the NC State Extension.



The Press is embarking on ambitious initiatives building toward the 100th anniversary in 2022. The first was last year's successful completion of a \$3 million initiative to create the Wyndham Robertson Editorial Directorship, endowing a vital leadership position in honor of a longtime friend of the Press. The Press is currently in the midst of a \$2 million initiative to create the William R. Ferris and Marcie Cohen Ferris Imprint, a project that will expand the Press's strong foundation of scholarly books on the American South to a broader public eager for high quality books about the region.

UNC Press's fulfillment division, Longleaf Services, continues to grow and now provides fulfillment, marketing, and other publishing services for 15 U.S. based university presses, two Canadian university presses, and one European university press. During fiscal year 2019, Longleaf processed almost 120,000 orders, resulting in print and digital book sales totaling \$28.2 million on behalf of the 18 university presses.

For more information, visit us at uncpress.org

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



Donors contributed more than \$23.2 million in gifts and commitments to the University of North Carolina Wilmington ("UNCW") during Fiscal Year 2018–19.

Contributions came from more than 11,000 donors, with almost half a million dollars (\$493,299) raised from gifts of \$100 or less. The year's totals also included a \$10 million gift from David Congdon '78, and his wife, Helen, the largest-gift commitment in the University's history. The donation will establish the David S. Congdon School of Supply Chain, Business Analytics, and Information Systems within the Cameron School of Business. The Computer Information Systems Building on UNCW's campus will be rededicated as David S. Congdon Hall.

“Generous and innovative philanthropic leaders like the Congdons help the University address the most pressing needs of the region, building workforce expertise and benefiting local industries,” said Chancellor Jose V. Sartarelli. “We are confident that this commitment will serve as a catalyst to inspire other donors who want to transform the lives of students and help us engage faculty, alumni, and the community to expand, explore, and address the issues important to our region.”

The endowed funds established from this transformational gift will have a substantial impact on facilitating scholarships and professorships; providing research support; creating and maintaining corporate sponsorships; advancing program technology and equipment; and making capital improvements to the Computer Information Systems Building.

“The Congdons’ investment will provide an opportunity to increase high-achieving students’ interest in UNCW, recruit and retain world-class faculty, and invest in state-of-the-art technology,” said Cameron School of Business Dean Robert Burrus. “This investment will help spark the careers of students who plan to work in industries that are rapidly growing and that pay high starting salaries.”

A key initiative of UNCW’s Strategic Plan is working to ensure that students are employed within six months after graduation. With the implementation of these program enhancements, students will be better prepared to help businesses make smarter decisions and meet regional, national, and international workforce needs. The Cameron School of Business is focused on the technical, analytical, and interpersonal skills students will need, and the Congdons’ commitment will expand that mission.

The University’s 2018–19 academic year will always be remembered as a time of great success despite tremendous challenges. Following a nearly month long campus closure due to Hurricane Florence, the Seahawk community came together unlike ever before, with more than 1,200 donors giving over \$233,000 in support. These funds were granted to 437 students and 73 employees to assist with emergency housing, transportation needs, and other unforeseen expenses.

“The collective response in Florence’s aftermath demonstrated the resilience and spirit of the Seahawk family,” the Chancellor said. “Every year, our donors’ willingness to invest in UNCW’s future is a true testament to the strength, pride, and generosity of our campus community.”

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

The 2018–19 academic year brought continued philanthropic and artistic growth for The University of North Carolina School of the Arts (“UNCSA”), the state’s premiere arts conservatory.

The University made significant progress in the quiet phase of its first comprehensive campaign in decades — Powering Creativity: The Campaign for UNCSA. The campaign’s public phase launched in September 2019, but has been gathering momentum since Chancellor Emeritus Alex C. Ewing made a \$5 million lead gift in late 2016.

The 2018–19 academic year brought another \$5 million gift, this one by the William R. Kenan, Jr. Charitable Trust to expand support for Kenan Excellence Scholars. The scholarship was initiated in 2005, with this additional support increasing the number of student scholarships awarded from 12 to 20 annually.

The Kenan Excellence Scholars program provides in-state tuition, fees, and room and board for four years of study at UNCSA, with a focus on first-generation and minority students. Nominated by the deans of each of UNCSA’s five arts schools from their top accepted applicants, Kenan Excellence Scholars are selected based on their abilities in their arts discipline, capacity to lead and motivate, extracurricular achievement, grade point average, and SAT or ACT test scores.



The trustees of the William R. Kenan, Jr. Charitable Trust made this gift in honor of the transformative work completed by former UNCSA Chancellor Lindsay Bierman, who stepped down in July 2019 to become the CEO of UNC-TV.

Tom Kenan, Kenan Trust trustee and emeritus member of the UNCSA Board of Trustees, shared, “The trustees of the William R. Kenan, Jr. Charitable Trust and I are delighted to support the expansion of this important program, helping increase access for even more young artists to the top tier training offered by UNCSA.”

“The Kenan Excellence Scholarship Program is one of UNCSA’s highest student honors,” said Edward J. Lewis III, Vice Chancellor for Advancement at UNCSA. “Student scholarships are a central pillar of our comprehensive campaign and this gift is a significant step toward reaching our fundraising goal.”

Another central pillar of the campaign is faculty support, and generous donors made significant strides in this arena as well. In March 2019, the James G. Hanes Foundation made a gift of \$750,000 to establish the John Ehle and Rosemary Harris Distinguished Visiting Artist Endowed Professorship.

The fund, which will support guest artists at UNCSA, was named for novelist John Ehle and actress Rosemary Harris. The couple, who was married for more than 50 years until Ehle’s death in 2018, played pivotal roles in the early success of UNCSA and the artistic growth of Winston-Salem. Ehle, who is best known for his fiction set in the Appalachian Mountains, was instrumental in founding the School of the Arts. Harris, who has won Tony, Emmy, and Golden Globe awards, appeared on Broadway earlier this year as Mrs. Higgins in “My Fair Lady.”

“It is essential that UNCSA students have the chance to learn from people who have led distinguished careers in their respective arts,” said Eldridge C. Hanes, a trustee of the James G. Hanes Foundation. “The renowned artists this fund will help bring to campus will be an inspiration for the outstanding young artists at the school.”

UNCSA's generous donors have also helped to strategically expand and enhance the campus, deepening its connections with the surrounding community. In May 2019, Ben C. Sutton, Jr., a Winston-Salem resident and former CEO of IMG College, the largest college sports sponsorship and media company in the nation, made a gift to UNCSA that will allow the University to move forward with an Arts Walk and connect the campus with Winston-Salem's greenway network. The property purchased through Sutton's gift will be landscaped and improved thanks to a grant from the Twin City Garden Club.

"We look forward to seeing the enhancements along the Arts Walk that will serve not only the campus community," Sutton said, "but will enhance adjoining neighborhoods as well."

In addition to scholarships, faculty support, and the living and learning environment, Powering Creativity: The Campaign for UNCSA also focuses on innovation and community engagement. The campaign seeks to raise \$65 million by June 2021.

Western Carolina University Endowment Fund Western Carolina University Foundation



Western Carolina University ("WCU") continues to break enrollment records since the implementation of the State of North Carolina's tuition "buy-down" program, The NC Promise Tuition Plan.

NC Promise reduced out-of-pocket undergraduate tuition at WCU and two other UNC institutions. WCU's total enrollment numbers were up again for Fall 2019 to 12,167, compared to 11,639 for Fall 2018. With incremental increases in enrollment projected to continue over the coming years, the availability of endowment funded scholarships also increases in importance.

To that end, the University's "Lead the Way" campaign came to a successful conclusion in April 2019. "Lead the Way" eclipsed its initial goal of raising \$60 million for student scholarships and programmatic support, finishing at a total of \$61.88 million raised. More than 12,000 donors made a gift to support the campaign, with nearly half of them contributing to WCU for the first time.

The Western Carolina University Foundation also beat its own internal goal of increasing gifts and pledges by 20% by the end of the 2018–2019 academic year. The University and its Foundation continue to strive for long-term growth and stability in permanently funded student support to meet the demands of the growing student body.

The increase in enrollment coincides with planned infrastructure improvement projects to WCU's Cullowhee, N.C. campus, primarily funded by state appropriations. Construction began on the Tom Apodaca Science Building in 2018, a 189,989-square foot, six-story structure slated for completion by June 2021. The \$110 million facility, made possible through funding from the 2016 statewide Connect NC bond referendum, will replace its 1970s-era predecessor. The new building will feature state-of-the-art lab equipment, lab and classroom space, and a steam micro-plant.

Additionally, the WCU Board of Trustees endorsed a modern design concept for long-awaited updates to the University's main steam plant and its turn-of-the-century smoke stack. The project currently awaits passage of a state budget containing the final \$16.5 million installment needed. Students, faculty, and staff are also very excited for construction to begin on three new parking deck locations that were delayed for a May 2020 start. The much-anticipated parking structures will relieve some restricted parking options for current students and, if all goes well, be completed by mid-2021. Debt service on the parking project will be paid for by using revenue from parking fees.

Unanimously approved by WCU's Board of Trustees in June of 2017, the construction of Lavern Hamlin Allen Hall was a monumental project taking shape throughout the 2018–2019 academic year. Allen Hall was named after the first African-American student to enroll in WCU, just three years after the Supreme Court's landmark *Brown v. Board of Education* ruling that racial segregation in public schools was unconstitutional. A dedication ceremony for the opening of Allen Hall was held on September 5, 2019, with Allen speaking to those in attendance, which included members of her family as honored guests.

As part of ongoing improvements to WCU's upper campus, the Allen Hall project created a pedestrian avenue and greenspace leading from Judaculla Hall, beneath a glass breezeway linking the two wings of the building, toward Brown Hall. All three of these facilities would have been unknown to students just two years ago, as record enrollment has continued to be the catalyst for expanding the University's opportunities and boundaries. The legacy of WCU continues to be written as more and more students are given the opportunity to obtain an affordable and meaningful education. Allen's impact will continue to inspire these students who will make their own lasting impressions on that legacy for generations to come.

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

As Winston-Salem State University ("WSSU") reflects on the accomplishments and successes of 2017–2018, we find a year filled with tremendous growth, amazing partnerships, and outstanding accomplishments. We are deeply grateful for the involvement of our alumni, donors, partners, and friends who continue to support the University.

Our donors' generosity plays an important role in the success of WSSU's 5,100 students. Thanks to their gifts, we are able to provide an educational experience that prepares our students to be critical thinkers, analytical problem-solvers, and confident leaders.

More than 80 percent of students at WSSU receive some form of financial aid. Some of these students are the first in their families to attend college. For most, balancing the financial challenges of paying for college is constantly on their minds. Our donors' gifts allow us to provide scholarships, student programming, advising support, and tools and technologies that allow them to thrive and grow in an environment that challenges them to dream big.

HIGHLIGHTS FOR 2017–2018:

More Rams Abroad

More WSSU students are going global thanks to the launch of three unique faculty-led study abroad programs and the extension of others. In May 2018, 13 students along with faculty traveled to Cuba, one of the new destinations for 2017–18, to study Afro-Cuban history and culture. The signature program is funded through a U.S. Department of State grant.

Boosting Graduate Programs

A \$2.4 million federal grant will help WSSU increase the number of African-American and low-income students in STEM and allied health graduate programs. The six-year grant, received in the fall of 2017, provides scholarships, tutoring, and support for students and faculty in six STEM graduate programs.

Understanding Social Mobility

WSSU is taking a leadership role in investigating and understanding how to spur economic and social development in Forsyth County through a new center. The Center for the Study of Social Mobility ("CSEM") is funded through a \$3 million grant from the Thurgood Marshall College Fund's Center for Advancing Opportunity, an initiative supported by The Charles Koch Foundation and Koch Industries.



Addressing the Nursing Shortage

A \$1 million donation from Blue Cross Blue Shield of North Carolina will help WSSU increase the number of underrepresented students graduating from the nursing program and the number of nurses practicing in primary care and rural areas. The investment, announced in April 2018, will provide scholarship and enhanced technology infrastructure for the Division of Nursing.

Meet Winston, WSSU's Virtual Assistant

WSSU is providing prospective students and their families with instant, 24/7 access to information through Winston, an artificial intelligence (AI) virtual assistant. In August 2017, WSSU became the first HBCU (historically black colleges and universities) in the country and the first college in North Carolina to employ an AI assistant to help prospective students apply and enroll in college. Winston is one of nearly a dozen new technologies WSSU rolled out in 2017–18 designed to improve retention and graduation rates and help students work smarter.

A New Master Plan

The University unveiled a long-term vision for campus that supports growth and offers enhanced amenities for students. The master plan proposes 1.35-million square feet of new construction, including four new academic buildings to support science, allied health, and graduate programs; the renovation and expansion of Hall Patterson, R.J. Reynolds Center, Hauser Hall of Music, and the Physical Plant; the construction of two new residence halls and an expansion of Atkins and Martin-Schexnider residence halls; expanded athletics facilities; two multi-tiered parking garages; a mixed-use North Campus Gateway Center; a new student success center; and a renovated library with a new café and social space spilling out to the Pegram Green.

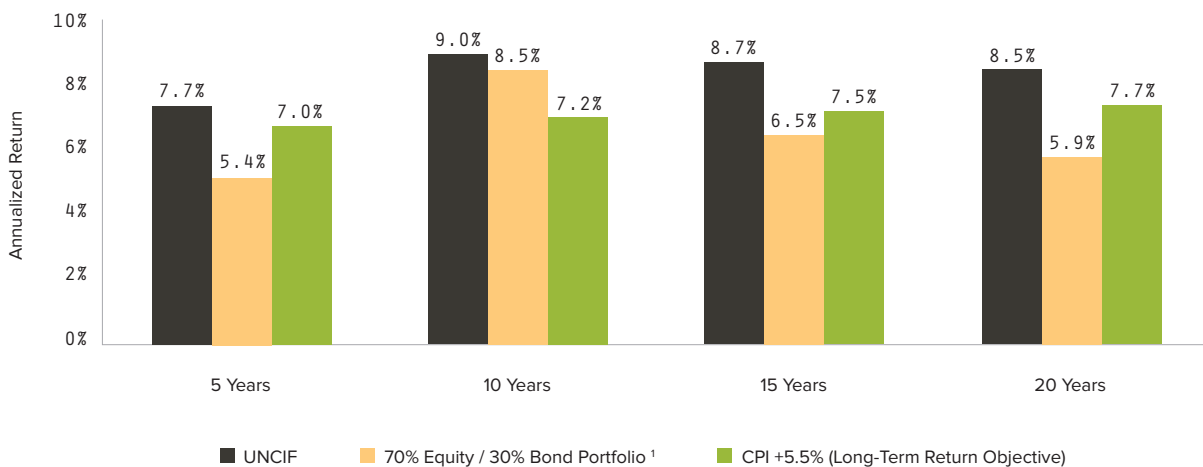
Investment Performance

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 discipline in the face of short-term market disruptions. Measured tactical tilts in asset allocation also allow 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 among third-party investment managers within each of the asset classes. Figure 8 on page 34 displays the Fund's total returns during those periods over the past twelve 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 • Periods ending June 30, 2019

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



1. 5, 10, 15 Years: Global 70/30 Portfolio - 70% MSCI All Country World Index (ACWI), 30% Bloomberg Barclays U.S. Aggregate Bond Index
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 across the 5-, 10-, 15- and 20-year periods ending June 30, 2019. Figure 6 on page 32 highlights the long-term benefits of investing in a diversified mix of asset classes, as a more "traditional", equity market focused 70/30 Portfolio comprised of 70 percent equities and 30 percent bonds falls short of meeting the Fund's long-term return target for the 5-, 15-, and 20-year periods.

With the negative impact of the Global Financial Crisis of 2007–2008 now excluded from the calculation, the Fund's ten-year annualized return to June 30, 2019 of +9.0 percent easily exceeds the +7.2 percent return of its long-term objective. Additionally, the Fund's return over the ten-year period exceeds both the SIPP benchmark and the Global 70/30 Portfolio which returned +8.9 percent and +8.5 percent, respectively. Over the last ten years, each of the Fund's asset classes has positively contributed to performance. Real Estate is the only laggard to its benchmark over the period, trailing its benchmark by 4.0 percent. With a ten-year annualized return of +17.1 percent, the Fund's Private Equity asset class has added significant value over public equity markets, returning 7.0 percent over the +10.1 percent return of the broader global equity market (MSCI ACWI) and highlighting the integral role private investments play in helping the Fund achieve its long-term investment objectives.

Over the medium term, three- and five-year periods ended June 30, 2019, the Fund's returns exceed SIPP and the Global 70/30 Portfolio and rank in the top quartile of the Cambridge Associates universe of college and university endowments. More importantly, for both periods, the Fund's +10.6 percent and +7.7 percent returns enhance its "real" purchasing power by significantly outperforming its long-term objective of generating a return in excess of CPI (inflation) plus 5.5 percent.

Figure 7 Asset Class Returns vs SIPP Benchmarks • 10 years ended June 30, 2019

Over the long term, each of the Fund's seven major asset classes has produced a positive return with equities (both public and private) driving performance.

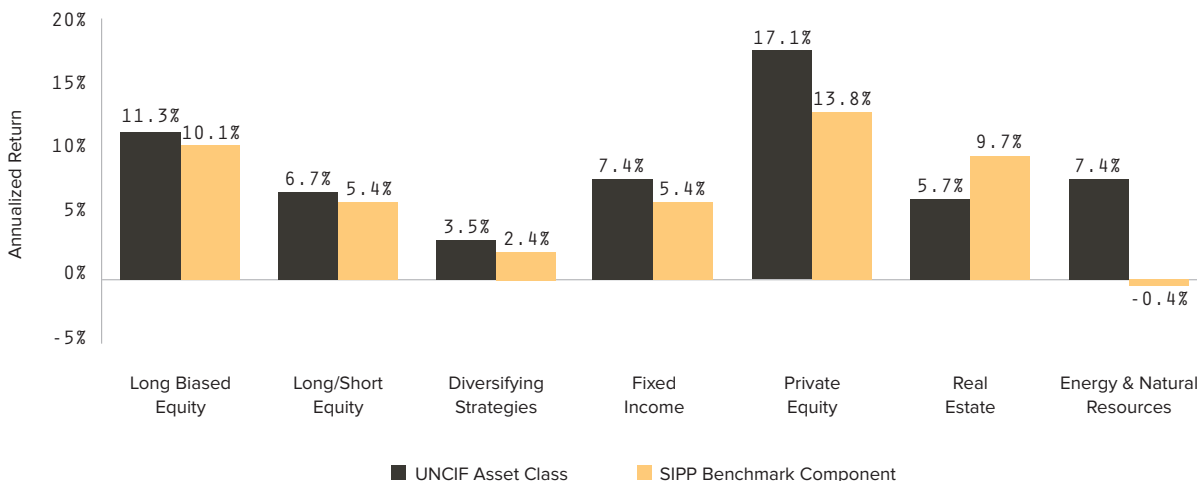


Figure 8

UNCIF: Drawdown Protection • S&P 500 Index

The Fund provides significant drawdown protection during periods of market stress. The most important and difficult asset allocation challenge remains striking the proper portfolio balance between upside participation and downside protection.

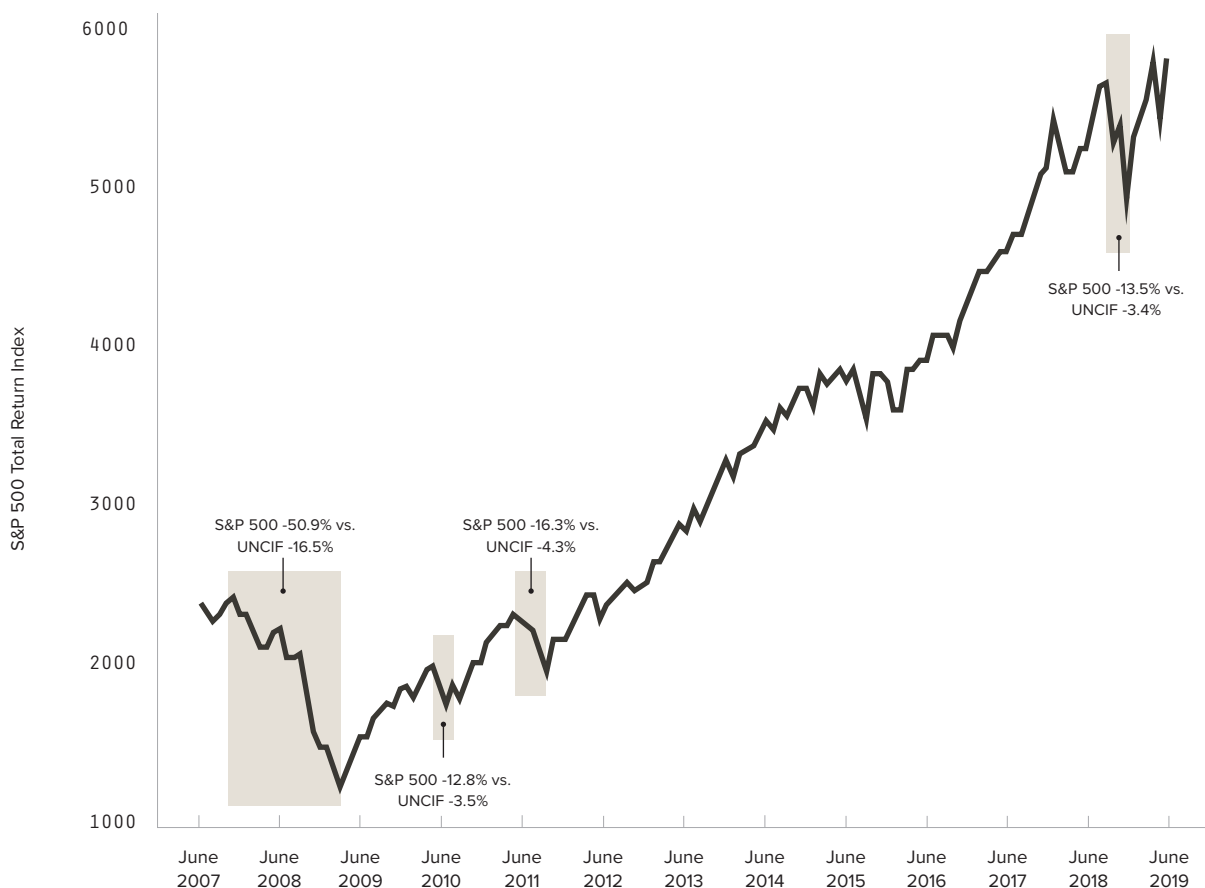


Figure 9

Investment Performance • Fiscal Year

	2019	2018	2017	2016	2015
UNCIF Return (Net)	7.7%	12.0%	12.1%	-2.0%	9.3%
SIPP Benchmark Return	6.7%	8.8%	11.8%	-0.8%	3.2%
Peer Universe Median ¹	5.4%	9.0%	13.1%	-2.7%	2.5%

1. Cambridge Associates universe of college and university endowments

Figure 10**UNCIF 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	0.01%
Other Operating Costs ¹	0.01%

1. Indicative, subject to variation



North Carolina State University



The University of North Carolina at Asheville

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 2019 Update

- The Fund received \$2.6 million in realizations from its exposure to environmentally-minded investments
- At the end of the fiscal year, the Fund had \$21.5 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
- 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

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): Bobby Williams, Kevin McGowan, Patrick O'Neill, Elaine Brim, Kevin Tunick, Rodgers Harshbarger. **Middle row (left to right):** Kimberly Baker, Margaret Holder, Celeste Reed, Deana Griffin, Rebecca Fry, Angela Elam, Kay Day, Susan Smith, Janine Vanzetta Burke. **Back row (left to right):** Timothy Burch, Matt Lesesky, Joshua Shapiro, Benjamin Wendt, Jonathon King, Jeffrey Liu, Ed Hetherington. **Not pictured:** Anita Barber, Chris Bartholomew, Jonathan Cornish, Richard Flintzer, Elaine Jeffries, Juddy Mair, Chris Mattke, Angela Moss, Sarah Rivera, Clay Robinson, Chris Rudolph, Luke Stone, Gina St.Phillips, Kimberly Woodlief.

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 A&T Investment Foundation, Inc.
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 Pembroke Endowment Fund
20. University of North Carolina at Pembroke Foundation, Inc.
21. University of North Carolina at Wilmington Endowment Fund
22. The Foundation of the University of North Carolina at Wilmington, Inc.
23. University of North Carolina Hospitals at Chapel Hill
24. University of North Carolina Press, Inc.
25. University of North Carolina School of the Arts Endowment Fund
26. University of North Carolina School of the Arts Foundation, Inc.
27. University of North Carolina System
28. Western Carolina University Endowment Fund
29. Western Carolina University Foundation
30. Winston-Salem State University Endowment Fund
31. Winston-Salem State University Foundation, Inc.











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