

# ENDOWMENT FUND OF UNCW

PERFORMANCE						
March 31, 2017						
Market Value	\$ 84,143,105					
Performance	FYTD	1 YR	3 YR Annualized	5 YR Annualized	10 YR Annualized	Inception Annualized
<b>UNCW Endowment</b>	8.8%	9.8%	5.8%	8.0%	6.0%	7.5%
Benchmarks						
4.5% Annual "Real" Return	n/a	7.2%	5.7%	5.9%	6.3%	7.1%
Global Index (1)	9.0%	10.5%	4.5%	6.7%	4.4%	
UNCW Endowment Fund Managers						
<i>UNCIF (8/2003)</i>	9.1%	9.8%	6.4%	8.2%	5.8%	8.6%
<i>TIFF Multi-Asset Fund (3/2006)</i>	8.6%	9.3%	2.5%	5.6%	5.1%	5.9%

Note 1: Global Index = 70% MSCI All Country World Index / 30% Bloomberg Barclay's U.S. Aggregate Bond Index

FUND PERFORMANCE
<p>The UNCW Endowment Fund is invested with several managers in a wide variety of asset classes. The Fund closed the quarter with a market value of \$84 million. The largest manager for the Fund, UNCMC, managed 82% of the Fund's assets. Our investment with UNC Investment Fund (UNCIF) produced a 9.1% return for the nine months and 9.8% for the 12 months ended March 31, 2017. Another 16% of the Fund's assets are invested with The Investment Fund for Foundations (TIFF). TIFF produced a 8.6% return for the nine months and 9.3% for the 12 months ended March 31, 2017. The remaining 2% of Fund assets are in the State Treasurer's Short Term Investment Fund (STIF), which had a nine month return of 0.71% and a twelve month return of 0.91% at March 31, 2017.</p>

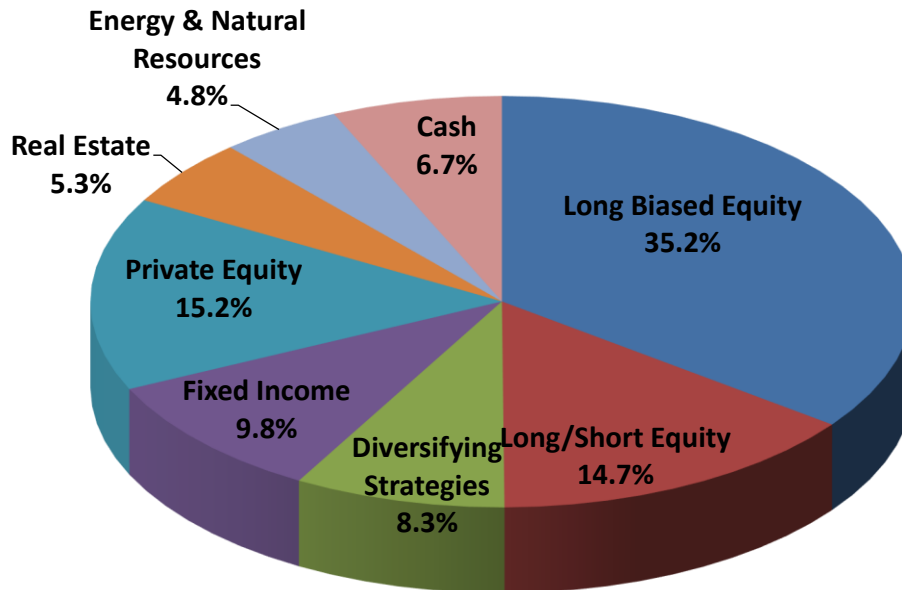
RISK METRICS			
March 31, 2017	10 Year Period		
	Annualized Return	Annualized Volatility	Annualized Sharpe Ratio
<b>UNCW Endowment</b>	<b>6.0%</b>	<b>7.4%</b>	<b>0.72</b>
UNCW Endowment Fund Managers			
<i>UNCIF</i>	5.8%	7.5%	0.68
<i>TIFF Multi-Asset Fund</i>	5.1%	11.5%	0.38

## ENDOWMENT FUND OF UNCW

### INVESTMENT STRATEGY

The primary objective of the endowment investment program is to support the current and future needs of the University. This is accomplished 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. Our broadly diversified portfolio provides exposure to seven primary asset classes and many sub-strategies within each asset class. Multiple investment managers further diversify exposure within each sub-strategy by utilizing a variety of investment approaches. The purpose of diversification is to provide reasonable assurance that no single security, class of securities, or investment manager has a disproportionate impact on the Fund's aggregate results. At times, passive investment strategies are employed. Through UNCMC, our endowment portfolio has access to a number of niche managers that can employ different types of hedging strategies such as short-selling and derivative investing to help reduce the volatility of the Fund. The focus on controlling volatility, particularly downside volatility, is aligned with our primary goals of preserving capital and generating a steady stream of spending distributions.

### ASSET ALLOCATION AT MARCH 31, 2017



### UNC INVESTMENT FUND, LLC

The UNC Investment Fund, LLC (UNCIF) is the commingled vehicle created to invest the assets of its 29 member institutions. 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. ("CHIF") is the Fund's controlling Member with its Board of Directors responsible for the Fund's governance. The UNC Management Company, Inc. has been appointed by CHIF's Board to provide investment management services to the Fund as well as Fund administration and performance reporting. With nearly 40 employees, UNCMC has two teams, Investment Management and Operations. The Investment Management team evaluates and monitors investment managers, monitors risk, and implements investment decisions approved by CHIF's Executive Committee. They work closely with the Board requiring their approval for changes in asset allocation, and hiring and termination of external investment managers. The Operations team performs all administrative, legal, compliance, accounting and performance reporting duties.