

Board of Trustees of the Endowment Fund of UNCW

February 7, 2019



UNIVERSITY *of* NORTH CAROLINA WILMINGTON

Agenda: Thursday, February 7, 2019

- (1) Call to Order
- (2) Approval of Minutes - October 26, 2017 and April 19, 2018
- (3) Update: FYTD Endowment Investment Performance
- (4) Approval for manager liquidation & reinvestment *
- (5) Approval of Quasi-Endowment *
- (6) Closed Session (if needed)
- (7) Old Business
- (8) New Business
- (9) Adjournment

* *Action Items*

Investment Performance

Relative Long-Term Return Summary

Periods ended 12/31/18	1 Year	3 Years ⁽¹⁾	5 Years ⁽¹⁾	10 Years ⁽¹⁾	15 Years ⁽¹⁾
UNCW Endowment	1.7%	6.8%	6.1%	7.8%	7.7%
UNC Investment Fund	4.0%	6.9%	7.2%	7.6%	8.5%
TIFF Multi-Asset Fund	-10.3%	3.5%	1.9%	7.4%	6.5%
L-T Return Objective: CPI + 4.5%	6.6%	6.5%	6.0%	6.3%	6.6%
Traditional Portfolio: Global 70/30 ⁽²⁾	-6.5%	5.4%	3.9%	7.9%	5.7%
Domestic Equities: S&P 500 Index	-4.4%	9.3%	8.5%	13.1%	7.8%
Global Equities: MSCI ACWI	-9.4%	6.6%	4.3%	4.7%	9.0%

1) Annualized

2) 70% MSCI All Country World Index (ACWI), 30% Bloomberg Barclays U.S. Aggregate Bond Index

Recommendation for Manager Liquidation and Reinvestment of Funds

University Endowment at December 31, 2018

University Endowment Assets	Market Value	% of Total
UNC Investment Fund	\$ 75,771,452	79%
TIFF * Multi-Asset Fund	12,777,800	13%
State Treasurer's Short-Term Investment Fund	7,038,769	8%
Investable Assets	\$ 95,588,021	100%

* The Investment Fund for Foundations

** \$6M in expendable quasi-endowment for Administrative Annex

Return & Risk Metric Comparisons Between Managers

Periods ended 12/31/18	1 Year	3 Years ⁽¹⁾	5 Years ⁽¹⁾	10 Years ⁽¹⁾	15 Years ⁽¹⁾	20 Years ⁽¹⁾
UNC Investment Fund	4.0%	6.9%	7.2%	7.6%	8.5%	8.5%
TIFF Multi-Asset Fund	-10.3%	3.5%	1.9%	7.4%	6.5%	6.8%

1) Annualized

10 Year Period ending 12/31/18	Annualized Return	Annualized Volatility	Annualized Sharpe Ratio
UNC Investment Fund	7.6%	5.8%	1.2%
TIFF Multi-Asset Fund	7.4%	10.3%	0.7%
70% MSCI ACWI / 30% Barclays US Aggregate Bond Index	7.9%	10.4%	0.7%

Action Item

UNCW staff recommends the liquidation of our endowment investments with The Investment Fund for Foundations and subsequent reinvestment of the proceeds with UNC Investment Fund.

New Quasi-Endowment

Action Item

Pursuant to the authority granted by the Board of Trustees at their December 14, 2018 meeting, Endowment Board approval is requested for the establishment of a quasi-endowment for the purpose of constructing a Film Studies building.

Thank You!