

Winston-Salem State University
Board of Trustees Endowment Committee
Chancellor's Conference Room, Thursday, June 15, 2017
Minutes

Committee Chairman Dr. William Harris called the Board of Trustees (BOT) Endowment Committee meeting to order at 8:04 a.m.

Roll Call: Ms. Leslie Gaynor

Members Present:	Chair Dr. William Harris	Chancellor Elwood Robinson
	Mr. William G. Benton	Dr. Randy Mills, ex-officio
	Mrs. Peggy Carter	Ms. Michelle Cook, ex-officio
	Mr. Scott Wierman	

A quorum was established.

Staff Present: Ms. Constance Mallette
Mr. Frank Lord
Mr. Gordon Slade
Ms. Leslie Gaynor

Guest: Mr. Jonathan King, President – UNC Management Company, Inc. (By Telephone)

Adoption of Agenda

Mr. Benton moved and Mr. Wierman seconded the motion to adopt the agenda. The motion passed.

UNC Management Company, Inc. Presentation (Endowment Fund Update)

Mr. Jonathan King began his presentation by stating that this has been an interesting period. Last fiscal year prior to June 30 was a negative year, but this year we're making up for a lot of that. The equity markets have confounded a lot of experts and continue to go up. We've participated in our share of that increase. I like to remind people that we also pay attention to downside protection and playing defense. We tend to perform on a relative basis better in markets that aren't quite this strong, but we'll take it. The absolute number looks good.

- After a difficult FY '16, the Fund has generated solid performance in FY '17
The Fund has returned 9.3% for FYTD 2017 (9 months)
Through April, the Fund has returned 10.8% (10 months)
 - Alternative asset classes hurt performance in FY 2016 but we maintain the conviction that a highly diversified portfolio with significant allocations to alternative assets provides the best return/risk profile
 - The Fund's 3, 5, and 10-year returns remain strong relative to benchmarks and peers (top quartile performance)
 - We expect the current market environment (low bond yields, modest equity returns) to persist with volatility likely to increase
- We continue to seek opportunities to enhance the Fund's return potential while maintaining a disciplined approach toward risk

The UNC Management Company, Inc. Presentation ended

Approval of September Minutes

Mr. Benton moved and Mr. Wierman seconded the motion to approve the March 16, 2017 minutes. The motion passed.

Enhanced Revenue/Integrated Planning and Budgeting

University Endowment Financial Statements Ending March 31 2017, Presented by **Mr. Frank Lord**

- University Endowment
 - 3rd Quarter return 2017: +0.9% , March 2017
 - WSSU Endowment Invested Funds combined as of March 31 2017 \$40,686,726

- WSSU Endowment Funds invested as of March 31 2017 (fair market value) \$29,034,434
- Net Realized and Unrealized Gains \$1,588,835
- Cash Gifts received \$35,060
- Permanently Restricted Cash to be invested \$25,000
- Restricted Cash for Spending \$3,153,642
- WSSU Endowment principal invested with UNC Management Trust account \$18,448,317
- Total Amount Spent:

Scholarships	29,811
Chairs/Professorships	104,531
Program Development	10,700
Library	6,536
Total Amount Spent	151,578
- \$109,821 has been reinvested and reflected in the previous reports. There should be reinvestments for chair/professorships with restricted balances over \$100,000 along with some other small required reinvestments.
- \$35,060 in gifts/contributions has been invested as of December 1 and is reflected in the second quarter report.
- The Corn Products Endowed Scholarship was moved to the WSSU Foundation effective December 1.

Foundation Endowment Financial Statements presented by **Mr. Gordon Slade**

- Foundation Endowment
 - WSSU Endowment funds invested as of March 31 2017 (fair market value) \$11,652,292
 - Net Realized and Unrealized Gains \$989,119
 - Cash Gifts received \$288,037
 - Restricted Cash for Spending \$332,299
 - WSSU Endowment principal invested with UNC Management Trust account \$8,789,884
 - Amount spent on scholarships \$39,876

Income Distribution

The Committee was presented a recommendation for an annual income distribution spending rate of 4.5% for academic year 2017-2018. Mr. Wierman moved and Mr. Benton seconded the motion to approve. The motion passed.

Discussion

No other discussion items.

Motion to Adjourn

Mr. Benton moved and Mr. Wierman seconded the motion to adjourn. The motion passed.

Chairman Harris adjourned the meeting at 9:06 am.

Respectively Submitted by: Leslie Gaynor, Finance and Administration, Office Director

Leslie Gaynor