Information Item

University Investment Fund Update- December 31, 2015

Background Information

Endowment assets of UNCG and its affiliated entities are managed by the UNCG Investment Fund. This graph shows the dollar amount held by each entity for the last five years. The spending bar indicates the amount of money the entities have collectively distributed for scholarships, departmental spending and professorships during each of the years.

The long term investment objective for the UNCG Investment Fund is to attain an average return on investment adjusted for inflation of at least 5%, as measured over rolling five year periods.

<table>
<thead>
<tr>
<th>Market Value at June 30, 2015</th>
<th>$ 248.6</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Gifts</td>
<td>2.5</td>
</tr>
<tr>
<td>Net Return</td>
<td>(10.8)</td>
</tr>
<tr>
<td>Distribution to Participants</td>
<td>(9.9)</td>
</tr>
<tr>
<td>Market Value at December 31, 2015</td>
<td>$ 230.4</td>
</tr>
</tbody>
</table>
The UNCG Investment Fund Board set a target asset allocation and Cambridge Associates Capital Management, the dedicated OCIO, makes investment decisions around those targets. The asset allocation is discussed at each quarterly meeting.

The UNCG Investment Fund returns on an annualized basis are in the chart below. The policy index is based on the asset allocation and is net of fees.

**Asset Allocation**

- **Cash Equivalents**: $4.3, 1.9%
- **US Equities**: $49.9, 21.7%
- **Global Equities**: $33.9, 14.7%
- **Emerging Markets**: $14.4, 6.3%
- **Private Equity**: $24.7, 10.7%
- **Market Sensitive Hedge Funds**: $23.8, 10.3%
- **Diversifying Strategies**: $34.6, 15.0%
- **Inflation Sensitive**: $10.6, 4.6%
- **Deflation Hedging**: $34.2, 14.8%
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**Annualized Returns**

- **1 Year**: (0.8)
- **3 Year**: 5.5
- **5 Year**: 4.5
- **Since Inception**: 8.4
- **1 Year**: (2.5)
- **3 Year**: 4.5
- **5 Year**: 3.9
- **Since Inception**: 7.6
- **1 Year**: (1.5)
- **3 Year**: 7.3
- **5 Year**: 6.4
- **Since Inception**: 7.9

**Legend**:
- Blue: UNCG Investment Fund
- Green: Policy Index: Reflects Asset Allocation
- Orange: Simple Index: 60% MSCI All Country 40% Barclays Aggregate Bond (Since 9/13)

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