



**Board of Trustees
Finance & Administration Committee
March 22, 2022
8:30 a.m.**

Information Item

FAC-7 University Investment Fund (UIF) Board Update as of December 31, 2021

Total market value is \$408.2 million

Background Information

The total market value changed during the past quarter (in millions).

| | |
|---|-----------------|
| Market Value at June 30, 2021 | \$ 392.1 |
| New Gifts year-to-date | 5.8 |
| Net Return year-to-date | 26.5 |
| Distribution to Participants year-to-date | <u>(16.2)</u> |
| Market Value at December 31, 2021 | <u>\$ 408.2</u> |

Governed by the established investment policy, 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. See monthly snapshot below.

A handwritten signature in black ink that reads 'Robert J. Shea, Jr.'.

Robert J. Shea, Jr.
Vice Chancellor for Finance and Administration



UNCG Investment Fund, Inc.
Monthly Snapshot
 As of December 31, 2021
 Total Assets: \$408.2 mm

Objectives

Financial Objectives:

- Provide a relatively predictable, stable, and constant (in real terms) stream of earnings for current use; and
- Preserve and enhance the real (inflation-adjusted) purchasing power of the Endowment Fund.

Investment Objectives:

- Attain an average real compound annual return of at least 5%, net of investment expenses, over rolling five-year periods;
- Outperform the Endowment Fund's custom policy benchmark; and
- Perform in the top third of a pool of Endowments with broadly similar investment objectives and policies.

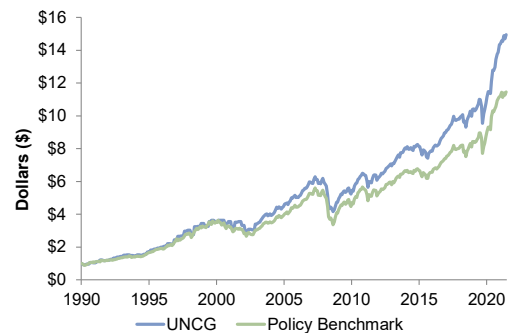
Monthly Performance Commentary

- Global equity markets (MSCI ACWI Index (Net)) were positive for the month, returning +4.0%. U.S. stocks (Russell 3000 Index; +3.9%) outperformed emerging market stocks (MSCI Emerging Markets Index (Net); +1.9%) and underperformed developed non-U.S. stocks (MSCI EAFE Index (Net); +5.1%). Bonds were negative for the month, returning -0.5% (BBG Barclays Government Index).
- In December, UNCG returned +1.7%. This is compared to +1.7% for the Policy Benchmark. For the Calendar Year-to-Date through December 31, UNCG has returned +17.0% versus +11.1% for the Policy Benchmark.
- UNCG's Capital Appreciation strategies returned +2.6% during the month, while Diversifying Strategies returned +0.6% and Deflation Hedging strategy returned -0.3%.

Performance

| | Total Assets | Performance | | | | |
|------------------------------------|-------------------|---------------------------------|---------------------------------|--|---|---------------------------------------|
| | | MTD 11/30/2021 12/31/2021 | FYTD 6/30/2021 12/31/2021 | Trailing 1-Year 12/31/2020 12/31/2021 | Trailing 3-Years 12/31/2018 12/31/2021 | Since Inc. 7/31/1990 12/31/2021 |
| Total Assets | \$408.2 mm | 1.7% | 4.2% | 17.0% | 17.1% | 9.0% |
| Benchmarks | | | | | | |
| Policy Benchmark | | 1.7% | 2.6% | 11.1% | 15.1% | 8.1% |
| Simple Benchmark | | 2.3% | 3.4% | 10.2% | 14.3% | 8.2% |
| Market Indices | | | | | | |
| MSCI All Country World Index (Net) | | 4.0% | 5.6% | 18.5% | 20.4% | 8.1% |
| BBG Barclays Government Index | | -0.5% | 0.2% | -2.3% | 4.1% | 5.4% |

Value of \$1 Over Time



Current Portfolio Positioning

| Asset Allocation | Liquidity | Top Positions vs. Policy | | | | | | | | | | | | | | | | | | |
|---------------------|-----------|---|-------------------|-----------|----------------------------|-------------|-------|----|-------------|------|----|-------------------|------|----|---------------|------|----|---------------------|------|----|
| | | <table border="1"> <thead> <tr> <th>Manager Selection</th> <th>% of UNCG</th> <th>Contribution to Risk (bps)</th> </tr> </thead> <tbody> <tr> <td>U.S. Equity</td> <td>15.2%</td> <td>46</td> </tr> <tr> <td>U.S. Equity</td> <td>2.7%</td> <td>31</td> </tr> <tr> <td>Deflation Hedging</td> <td>4.3%</td> <td>28</td> </tr> <tr> <td>Global ex U.S</td> <td>1.9%</td> <td>28</td> </tr> <tr> <td>Public Diversifiers</td> <td>1.6%</td> <td>24</td> </tr> </tbody> </table> | Manager Selection | % of UNCG | Contribution to Risk (bps) | U.S. Equity | 15.2% | 46 | U.S. Equity | 2.7% | 31 | Deflation Hedging | 4.3% | 28 | Global ex U.S | 1.9% | 28 | Public Diversifiers | 1.6% | 24 |
| Manager Selection | % of UNCG | Contribution to Risk (bps) | | | | | | | | | | | | | | | | | | |
| U.S. Equity | 15.2% | 46 | | | | | | | | | | | | | | | | | | |
| U.S. Equity | 2.7% | 31 | | | | | | | | | | | | | | | | | | |
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| Global ex U.S | 1.9% | 28 | | | | | | | | | | | | | | | | | | |
| Public Diversifiers | 1.6% | 24 | | | | | | | | | | | | | | | | | | |

Notes:

Inception Date: 07/31/1990

Liquidity is as of December 31, 2021. Manager Selection as of December 31, 2021.

Please refer to the performance report for disclosure relating to methodology, performance presentation and benchmark composition.