



**Board of Trustees
Finance & Administration Committee
March 14, 2023
8:30 a.m.**

Information Item

FAC-5 University Investment Fund (UIF) Board Update

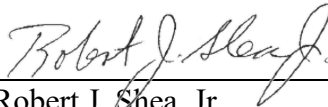
University Investment Fund December 31, 2022, Update
Total market value is \$359.7 million

Background Information

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

Market Value at June 30, 2022	\$ 368.0
New Gifts year-to-date	2.8
Net Loss year-to-date	4.4
Distribution to Participants year-to-date	<u>(15.5)</u>
Market Value at December 31, 2022	<u>\$ 359.7</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.



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

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:

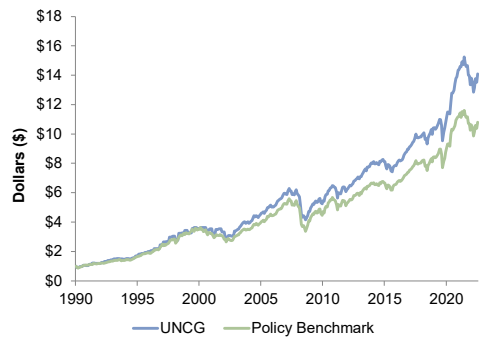
- Attain an average real compound annual return of at least 5%, net of investment expenses, over rolling five-year periods;
- Outperform the Endowment Fund's custom policy benchmark; and
- Perform in the top third of a pool of Endowments with broadly similar investment objectives and policies.

Monthly Performance Commentary

- Global equity markets (MSCI ACWI Index (Net)) were positive for the month, returning +7.2%. U.S. stocks (Russell 3000 Index; +6.9%) underperformed emerging market stocks (MSCI Emerging Markets Index (Net); +7.9%) and underperformed developed non-U.S. stocks (MSCI EAFE Index (Net); +8.1%). Bonds were positive for the month, returning +2.5% (BBG Barclays Government Index).
- In January, UNCG returned +4.2%. This is compared to +4.0% for the Policy Benchmark. For the Fiscal Year-to-Date through January 31, UNCG has returned +5.6% compared to the +3.3% the Policy Benchmark.
- UNCG's Capital Appreciation strategies returned +5.0% during the month, while Diversifying Strategies returned +1.9% and Deflation Hedging strategy returned +3.4%.

Performance

	Total Assets	Performance			Value of \$1 Over Time	
		MTD 12/31/2022 1/31/2023	FYTD 6/30/2022 1/31/2023	Trailing 1-Year 1/31/2022 1/31/2023	Trailing 3-Years 1/31/2020 1/31/2023	Since Inc. 7/31/1990 1/31/2023
Total Assets	\$374.6 mm	4.2%	5.6%	-4.9%	8.6%	8.5%
Benchmarks						
Policy Benchmark		4.0%	3.3%	-10.0%	3.8%	7.3%
Simple Benchmark		5.5%	5.9%	-7.9%	3.5%	7.5%
Market Indices						
MSCI All Country World Index (Net)		7.2%	9.6%	-8.0%	6.8%	7.4%
BBG Barclays Government Index		2.5%	-1.2%	-8.4%	-2.5%	4.8%



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>1.5%</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	1.5%	24
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Public Diversifiers	1.5%	24																		

Notes:

Inception Date: 07/31/1990

Liquidity is as of June 30, 2022. Manager Selection as of June 30, 2022.

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