



UNC MANAGEMENT COMPANY
ANNUAL DUE DILIGENCE REVIEW

NCSU Office of Investments Staff
August 1, 2023

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Business Overview

Fund General Information	
Firm Name	UNCMC
Fund Legal Name:	UNC Investment Fund II, Inc. (UNCIF)
Address	1400 Environ Way
	Chapel Hill, NC 27517
Regulatory Body that supervises the firm:	UNCMC BOD and CHIF Board of Directors
	Executive Committee
Firm Contact	
Name	Janine Vanzetta Burke
Title	Investor Relations & Communication, Senior Director
Phone Number	919.448.5790
Email Address	http://jvanzetta@uncmc.unc.edu/
Assets Under Management	
Assets Under Management:	\$10.2 billion as of March 31, 2023
Amount of NCSIF Investment	\$1.2 billion as of March 31, 2023 (see Chart 1)
Percentage of NCSIF	74% invested in UNCIF as of March 31, 2023
NC State Investment Fund	Third largest participant of UNCIF with approximate 12.1% ownership in UNCIF as of March 31, 2023
History	In November 2007, the NC State Investment Fund's (Fund) Board of Directors approved the allocation of 10% of its endowed assets to the UNC Investment Fund, LLC (UNCIF) and in May 2008 the Board approved the allocation of all remaining non-committed funds to UNCIF. The full transition of these non-committed assets was completed in December 2009.
Management Fees	
On account balance's of first \$50mm	35 basis points
On account balance over initial \$50mm	20 basis points
NCSIF currently pays approximately	21 bps per year
For a one year period ended March 31,2023	NCSIF paid UNCMC \$3.0m vs. \$3.5m for the one year period March 30, 2022
<i>At its May 20, 2022 meeting, the Board of Directors of CHIF approved a reduction in the investment management fee effective July 1, 2022. The revised fee structure decreased the asset-based management fee charged on an account balance's first \$50 million from 50bps to 35 bps per year. After the initial \$50 million, account balances are charged 20bps down from 24bps per year.</i>	

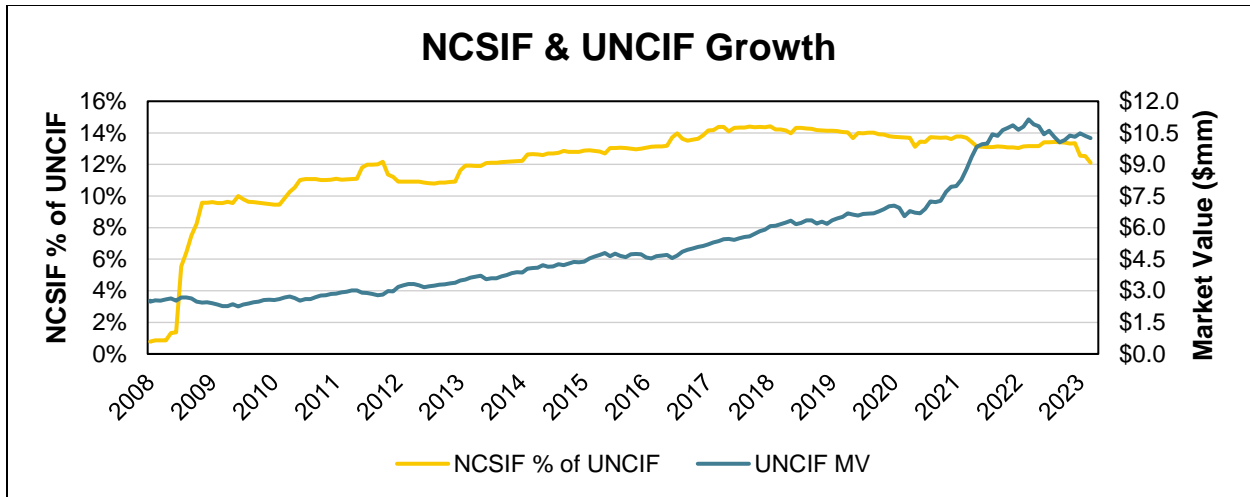


Chart 1 – NCSIF & UNCIF Growth

On-Site Review	
Date:	May 23, 2023
NC State Representatives	Chris Ip, Chief Investment Officer
	Chris Pinkus, Investment Analyst
	Anthony Allen, Investment Analyst
	Julia Snyder, Investment Reporting Specialist
	Sarah Joyce, FAI, Controller
UNCMC Representatives	Jonathon C. King, President, CEO & CIO
	Janine Vanzetta-Burke, Director, Investor Relations & Communications
	Ed Hetherington, VP & Managing Director, Public Investments
	Matt Lesesky, Managing Director, Private Investments
	Margaret Holder, Senior Director, Corporate Finance & Administration
	Chris Mattke, Senior Director, Investment Operations & Administration

Questionnaire

1.0 CHIF General Information	
1.1	<p>Provide a brief overview of the CHIF, including information on the founding, subsequent history and information on any predecessor firm and/or parent firm.</p> <p><i>In 1996, The University of North Carolina at Chapel Hill Foundation Investment Fund, Inc. (CHIF), an external investment pool, was created to provide a commingled investment vehicle for the endowed assets of UNC-Chapel Hill and its Associated Entities. As of December 31, 2002, the assets of CHIF were contributed to the UNC Investment Fund, LLC (UNCIF), a North Carolina limited liability company organized and operated to invest assets contributed to it by CHIF and The University of North Carolina and its constituent institutions and their related endowments, tax-exempt foundations, and affiliated entities.</i></p>
1.2	<p>Provide an overview (including chart) of the ownership structure of the Firm, its relevant investment advisors and any parent organization.</p> <p><i>The CHIF Board of Directors is currently a 15-member board, made up of 11 ex-officio members and five members that are appointed to the Board as follows: two members are appointed by the UNC Foundation Board and up to three members are appointed by the eleven ex-officio members of CHIF. Of the 11 ex-officio members, nine are ex-officio from UNC's Endowment Fund Board of which six are elected by the Board of Trustees of The University of North Carolina at Chapel Hill and the remaining three are ex-officio by Board of Trustees title (Chairman of the Board of Trustees, Chancellor, and Board of Trustees Officer). The remaining two members are ex-officio by virtue of their UNC-Chapel Hill administrative title. (Exhibit 1 CHIF Board Composition).</i></p> <p><i>The primary responsibilities of the CHIF Board of Directors are to establish UNCIF's asset allocation framework, review its policies and procedures, select investment managers, and monitor performance. The CHIF Board retained the services of the UNC Management Company (UNCMC), formerly the UNC Investment Office, as manager of the UNCIF. To enhance the effectiveness of the decision-making processes, the Board of Directors of the CHIF delegates certain decision-making authority to a five-member Executive Committee of the Board.</i></p> <p><i>The Executive Committee is authorized to exercise full authority of the Board in the hiring and firing of investment managers. The current members of the Executive Committee are John Townsend, Nathan Knuffman, Anne Brennan, David Craver, and John Ellison. (Exhibit 2 CHIF Officers and Committees).</i></p>
1.3	<p>Describe any changes over the last year.</p> <p><i>As of March 31, 2023, two members were appointed to the CHIF Board over the last year, Brien White (Ex-Officio), and Lee Lesley (Ex-Officio). As the new Vice Chancellor of Development at UNC-Chapel Hill, Michael Andreasen replaced David Routh on the CHIF Board in January 2023. David Craver (Lone Pine Capital), Kristen Tongberg (Cambridge Associates) and Stephon Jackson (T. Rowe Price) are Members At Large. Their Biographies can be found in (Exhibit 3 CHIF Biographies).</i></p>
2.0 UNCMC General Information	
2.1	<p>Provide a brief overview of the UNCMC Board of Directors, including information on the founding, subsequent history and information on any predecessor firm and/or parent firm.</p> <p><i>UNCMC was established on January 1, 2003 as a non-profit, professionally staffed asset management company created to provide investment services to the University of North</i></p>

	<p><i>Carolina System, its constituent institutions and their affiliated endowments and foundations.</i></p> <p><i>UNCMC has seven primary groups: Investment Management, Investment Strategy and Risk Management, Investor Relations and Communications, Legal, Investment Operations and Finance, and Human Resources. The investment team is split between public and private strategies. The Public Investments team consists of a SVP and Senior Managing Director, two managing directors, two investment analysts and one senior administrative assistants. The Private Investments team has three managing directors, one senior investment analyst, two investment analysts, and two senior administrative assistants. The Investment Strategy and Risk Management function, created in 2014, currently has two permanent employees dedicated to the effort. The remaining employees focus on investor relations and client reporting, compliance, legal affairs, operations, administration, accounting, performance, and reporting. (Exhibit 4 UNCMC Organization Chart).</i></p> <p><i>UNCMC is governed by a Board of Directors (UNCMC BOD) consisting of eight board members. The Chancellor, Vice Chancellor for Finance & Operations, Chairman of the Board of Trustees of The University of North Carolina at Chapel Hill, the Chairman of the Board of Directors of The University of North Carolina at Chapel Hill Foundation Investment Fund, Inc., and the President of the Management Company serve as ex officio members of the Board. The remaining three board members are elected by the ex officio members.</i></p> <p><i>UNCIF and UNCMC is governed by the CHIF Board of Directors. Thirty-two institutions are invested in UNCMC (Exhibit 5 Current UNCIF Members).</i></p>
2.2	<p>Describe any changes over the last year.</p> <p><i>As of March 31, 2023, the only new addition to the UNCMC BOD over the last year was David Carroll, elected in May 2022 to succeed John Ellison on July 1, 2022. Michael Kennedy was elected in May 2022 to replace John Ellison as Chairman of the UNCMC BOD commencing July 1, 2022.</i></p>
2.3	<p>Staffing Updates</p> <p><i>As of January of 2023, Kevin Tunick retired.</i></p> <p><i>As of May 1, 2023, UNCMC has 40 filled positions which includes four internships. UNCMC has a three-to-five-year analyst program. One senior analyst term was completed, and Sean Kirkpatrick left for a new employment opportunity. Joining the team on the Private Team as Investment Analysts are Nicholas Bailey and Angus O'Rourke. There were six promotions within the investment group as detailed in Exhibit 6 Staffing Update.</i></p> <p><i>UNCMC will also be hiring an analyst in 2023 to aid in the accounting and office management work under the management company umbrella.</i></p>
2.4	<p>Staff compensation review.</p> <p><i>UNCMC performs an annual study to look at whether they are in line with the industry. The most recent study was completed by Mercer and Associates, with a peer set of endowments and foundations ranging in size from \$7-15 billion. The findings from the Mercer Study are that UNCMC's compensation is in line with their peer set.</i></p>

2.5	<p>Describe current work initiatives?</p> <p><i>UNCMC noted that they are focused on the following initiatives:</i></p> <ul style="list-style-type: none"> • <i>Retirement of Advent Axys as a legacy performance system was completed at the end of 2022 so the system is no longer active with all historical information transferred to BackStop (reduction of systems/costs)</i> • <i>Continued enhancement of the liquidity tracking model to continually monitor liquidity needs throughout the portfolio, especially during this difficult cycle of liquidity</i> • <i>Completion of the IT provider change and continued integration with the new provider, ITSCO</i> • <i>Automation of the policy portfolio benchmark calculation with historical “as of” look-up capabilities within BackStop</i> • <i>Development of manager flagging and scoring process within Centrl using completed DDQ’s in order to better assess manager risks from an operational standpoint</i>
2.6	<p>Key Person:</p> <p><i>Jon King does not have any short or medium-term plans to retire and there is no formal succession plan currently in place. The company believes that in the unlikely event he is unable to fulfil his duties as CIO and CEO, the organization has been set-up and managed so that operations could continue uninterrupted until a replacement is identified. Mr. King has six key deputies on a day-to-day basis and he relies heavily on the skills of his team: Ed Hetherington, Chris Bartholomew, Matt Lesesky, Rodgers Harshbarger, Josh Shapiro, and Chris Mattke. We will continue to monitor</i></p>
2.7	<p>Describe ESG initiatives?</p> <p><i>UNCMC declined the opportunity to provide comments within the ESG.</i></p>
3.0 Operations Review	
3.1	<p>Provide a brief overview of the UNCMC operational goal:</p> <p><i>UNCMC’s overarching operational goal is to consolidate and centralize all sources of investment information to make internal reporting more timely, streamlined, and relevant for decision making while reducing duplicative efforts between the operations and investment teams.</i></p>
3.2	<p>What outsourcing is utilized?</p> <p><i>UNCMC leverages several outside service providers during its operations (Exhibit 7 Service Providers). UNCMC has been using FactSet since 2021, having previously used HedgeMark. The decision to shift resources to FactSet was driven by poor user experiences and a lack of robust risk analytics within HedgeMark. Additionally, FactSet provides real-time market data and research on each user’s desktop vs being reliant upon a single Bloomberg terminal.</i></p>
3.3	<p>Auditors:</p>

	<p>UNCMC continues to use the same auditors (KPMG), legal counsel (Schell, Bray, Aycock, Abel & Livingston; and Robinson Bradshaw & Hinson, P.A.), and custodian (Bank of New York Mellon).</p>
3.4	<p>IT service provider:</p> <p>In 2022, UNCMC migrated to a new IT provider called ITSco, based out of Raleigh. UNCMC had previously used Logically, Inc. for IT solutions however made the change after a lengthy RFP process to better improve their overall IT experience.</p>
3.5	<p>Software providers:</p> <p>The following software providers are currently utilized by the company:</p> <ol style="list-style-type: none"> 1. <u>Backstop Solutions</u> – a client relationship management system database used to capture and share important notes, meetings, calls and documents and to manage the due diligence process 2. <u>FactSet</u> – a position-level risk and performance analytics software that also incorporates similar benefits as Bloomberg (securities database and market analytics) with total portfolio risk aggregation in a user friendly architecture 3. <u>Burgiss Private I</u> – a secure, private software platform to assist with investing in, capturing, understanding and managing, and reporting on portfolios of private capital investments as well as continuously updated, detailed information on company holdings and fundamental data within private capital funds 4. <u>Nexen</u> – a Bank of New York Mellon system maintained by the custodian used for performance analytics, trade instruction processing, and reports 5. <u>Alternative Soft</u> – a returns-based analytical software program used for analysis of traditional funds and hedge funds; also a portfolio construction investment tool to analyze performance, exposures, risk, scenario analysis, stress testing, and optimization. 6. <u>Bloomberg</u> – a computer software system that enables professionals in the financial service sector access to Bloomberg Professional Services through which users can monitor and analyze real-time financial market data and place trades on the electronic trading platform. 7. <u>Centrl</u> – a comprehensive and flexible due diligence platform, used by leading investors, managers and consultants. The questionnaire portion easily integrates within BackStop
3.6	<p>Any new vendors added?</p> <p>UNCMC added a new vendor in 2023 called Centrl to aid in the preparation and dissemination of the annual manager due diligence questionnaire process. Centrl is Centrl was chosen after vetting numerous vendors and due to many factors but most of all because of its seamless integration with BackStop.</p>
3.7	<p>New operational initiatives:</p> <p>In the past year, UNCMC accomplished the following IT-related initiatives:</p>

	<ul style="list-style-type: none"> • Replaced firewall • Added MFA for VPN • Upgrade to conference room equipment • Migrated from Spectrum to Google Fiber, and retained Spectrum as a backup solution for internet outages. • Transitioned IT vendor from Logically, Inc. to ITSCO • Partial upgrade to OneDrive • Implemented mobile device management on company-owned cell phones and laptops. • Moved VOIP service from ShoreTel to Teams and replaced phones. Included moving from physical server to the cloud for the phone system. <p><i>In the coming year, UNCMC plans to do the following:</i></p> <ul style="list-style-type: none"> • Finishing OneDrive implementation • Implementing more rigorous cyber threat monitoring (likely Datto)/remediation tool • Implementing mobile device management for cell phones owned by employees who use their phones for business. <p><i>UNCMC has now fully migrated to a shadow books and records system within Backstop which is detached from BNY Mellon to be able to reconcile monthly market values, cash flows and performance data to ensure the official books and records at BNY Mellon are accurate and representative. This is now possible for all pools under management as well as member account information.</i></p> <p><i>For assets that can be priced daily, there is automated daily reporting. Cambridge Associates provides measurement and benchmarking data.</i></p>
3.8	<p>Business Continuity strategy:</p> <p><i>In her role as the head of the Company's operations, Margaret Holder developed and implemented a Business Continuity and Disaster Recovery Plan (BCP) for UNCMC. The plan was finalized in March 2019 and is a general guideline for handling of business interruption. There was not a scheduled test of the disaster recovery plan in 2022. During the ongoing pandemic, UNCMC personnel were able to effectively work remotely. The return to office was in April 2022. Due to the challenges associated with remote work, UNCMC is constantly evaluating its business continuity needs and will adjust plans accordingly. Enhancements to IT infrastructure support business continuity efforts and are continuously being identified.</i></p>
4.0 Audit and Risk Management	
4.1	<p>Provide an update on your Audit and Risk Management:</p> <p><i>The most recent report on the Description of Operations and the Suitability of the Design and Operating Effectiveness of its Controls (formerly known as SOC Audit) was issued on August 22, 2022 by KPMG. There were no deficiencies identified in the investment management systems or with the operating effectiveness of controls for the twelve-month period ended June 30, 2022.</i></p> <p><i>UNCMC has agreed to have a SOC audit done every three years. UNCMC believes the discipline of going through the process improves their operations. The processes and controls being evaluated are investment opportunities, monthly close, reporting, and IT. In the years</i></p>

between SOC audits, an internal control review is done to ensure UNCMC follows its internal controls and to identify any areas of potential weakness.

Further, as of June 30, 2022, the UNC Investment Fund, Inc., the UNC Intermediate Pool, and the UNC Management Company, Inc. all received unqualified opinions on their annual audited financial statements.

5.0 Investment Review

5.1 Provide a brief overview of UNCMC's investment objectives:

The primary investment objectives for UNCMC are to preserve the real (inflation-adjusted) purchasing power of the portfolio, while providing a predictable and growing stream of spending distributions to members. To achieve these objectives, UNCMC remains focused on identifying the most attractive long-term investment opportunities and managers, while also ensuring an awareness of current financial market conditions.

5.2 Short-Term Performance Objectives:

Over a rolling three-year period, UNCMC seeks to:

- 1. Earn a rate of return that exceeds the return on the Strategic Investment Policy Portfolio (SIPP) by more than 50 basis points*
- 2. Earn a rate of return that places UNCIF in the top quartile of the Cambridge Associates \$1 Billion Plus Endowment Universe*

As of March 31, 2023, the Fund outperformed its SIPP by 3.3% for the trailing three-year period. The Fund was in the top quartile of the Cambridge Associates \$1B plus universe over a rolling three-year period as of December 31, 2022 with a 12.5% return vs 11.2% for the top quartile threshold. Per Janine Vanzetta Burke, the third Short-term performance objective will be removed from the IPS effective July 1, 2023 (to be voted on at the May 19, 2023 CHIF Board meeting).

		As of March 31, 2023		
		UNCIF	SIPP	Over (Under)
1	Earn a rate of return that exceeds the return of the SIPP by 50 bp over a rolling three-year period	15.5%	12.2%	3.3%

		As of December 31, 2023		
		UNCIF	CA Universe Top Quartile	Over (Under)
2	Earn a rate of return that places the Fund in the top quartile of the Cambridge Associates \$1B Plus Universe over a rolling three-year period	12.5%	11.2%	1.3%

4.3	<p>Long-Term Performance Objectives:</p> <p>Over rolling five and ten-year periods, UNCMC seeks to:</p> <ol style="list-style-type: none"> 1. Earn an average return of at least 5.5% plus inflation per year, net of all fees, including management advisory fees and custody charges 2. Earn a rate of return, net of all fees, that exceeds the return on a 70/30 stock/bond benchmark index comprised of 70% MSCI All Country World Index (ACWI) and 30% Bloomberg U.S. Aggregate Bond Index <p>UNCMC achieved both long-term performance objectives as of March 31, 2023.</p>
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		As of March 31, 2023					
		5-year			10-Year		
		UNCIF	CPI + 5.5%	Over (Under)	UNCIF	CPI + 5.5%	Over (Under)
1	Earn an average annual real total return of at least 5.5% per year, net of all fees, including management advisory fees and custody charges, over rolling five and ten year periods	10.50%	9.40%	1.10%	9.80%	8.20%	1.60%

		As of March 31, 2023					
		5-year			10-Year		
		UNCIF	CPI + 5.5%	Over (Under)	UNCIF	CPI + 5.5%	Over (Under)
2	Earn a rate of return, net of all fees, in excess of 70% ACWI Index / 30% Bloomberg U.S. Aggregate Bond Index benchmark over rolling five and ten year periods	10.50%	5.40%	5.10%	9.80%	6.20%	3.60%

6.0 Investment Policy	
6.1	<p>Provide a brief overview of the Investment Policy and any changes in it this year:</p> <p><i>UNCIF asset allocation targets and ranges are listed in the table below. Changes were most recently made at the May 19, 2023 CHIF Board of Directors meeting with those changes effective at the start of FY 2024 (July 1, 2023).</i></p>

	SIPP Target	SIPP Range	Benchmark
Long Equity	26%	20% - 32%	MSCI ACWI Index
Long/Short Equity	15%	10% - 20%	HFRI Equity Hedge Index
Diversifying Strategies	10%	6% - 14%	(50% HFRI Fund of Funds: Conservative Index + 50% HFRI Fund of Funds: Market Defensive Index)+0.5%
Fixed Income	8%	5% - 12%	Blended SIPP Benchmark*
Cash	2%	-2% - 8%	90-day T-Bills
Private Equity	27%	20% - 34%	60% Cambridge Associates Private Equity Index (U.S. & Ex U.S.) + 40% Cambridge Associates U.S. Venture Capital Index
Real Estate	8%	5% -12%	90% NCREIF + 10% MSCI U.S. REIT
Energy & Natural Resources	4%	2% - 8%	50% S&P GSCI + 50% Real 3%
*30% Bloomberg U.S. Government/Credit LT Index + 30% Bloomberg U.S. Aggregate Bond Index + 20% Bloomberg Corporate High Yield Index + 20% 90-Day T-Bills			

7.0 Investment Guidance	
7.1	<p>Investment Guidance summary:</p> <p><i>As mentioned in recent years' reports, the CHIF Board has provided guidance to UNCMC to continue to manage the portfolio with a forward-looking perspective. As such, UNCMC has identified areas to achieve the UNCIF's primary investment objectives. These objectives as well as any updates are noted below:</i></p>

1. Maintain a long-term investment horizon

By taking a long term view, the Fund can benefit from inefficiencies that arise from the short-term focus of many market participants.

2. Portfolio diversification is a key component in managing risk

The team has historically focused on diversification through its uncorrelated bucket, also known as Diversifying Strategies, in addition to its Long/Short Equity allocation. These allocations outperformed over the past year, with Long/Short Equity returning -2.8% for the one-year period ending March 31, 2023 (its HFRI Equity Hedge Index benchmark returned -3.2% and MSCI ACWI returned -7.4%). Comparatively, Diversifying Strategies returned +13.7% for the one-year period ending March 31, 2023 compared to +1.8% for its benchmark.

3. Focus assets with highest conviction investment managers

UNCMC has continually reiterated its desire to focus on maintaining strong relationships with managers and utilizing their reputation in the market to gain preferred access. Mr. King noted that within the private portfolio, it becomes difficult to keep the manager count low due as fund-level assets continue to grow. However, their focus continues to be on communicating to managers the value they bring as LPs in order to gain preferred access and higher allocation levels. Additionally, while UNCMC still focuses on smaller funds (typically sub \$1 billion), with the growth of financial markets and private markets, the 'line in the sand' has extended, and the team is now more likely to have conversations with managers in the \$1 billion+ range.

4. Alternative asset classes will play a significant role

67% of UNCIF is invested in alternatives (Long/Short Equity, Diversifying Strategies, Private Equity, Real Estate, Energy & Natural Resources) as of March 31, 2023 vs a target of 62%. Allocating to these asset classes has the potential to reduce reported volatility while increasing alpha but can also come at a liquidity cost. As discussed with Mr. King, the team remains focused on the role of liquidity within the broader portfolio, given the number of 'clients' invested in the pool, all of which have spending needs and have the ability, within pre-specified guardrails, to withdraw from UNCIF. Additionally, as part of the Operations Team's continued build out of Backstop, the team is focused on having a more transparent, real-time understanding of the Fund's liquidity which can be particularly challenging given the complex and unique terms of the hedge funds within the portfolio.

5. Downside protection matters

As highlighted in previous sections, financial markets experienced a lot of volatility during CY 2022. The MSCI ACWI produced a -18.4% return for the year ended December 31, 2022. UNCMC's focus on downside protection proved beneficial during this period, with UNCIF losing -5.2%, a fraction of MSCI ACWI's loss.

8.0 Investment Process

8.1

Investment Process update:

There were no significant changes to UNCMC's investment process. However, the team continues to enhance its ongoing due diligence process through the utilization of Qualtrics. The investment team has also revamped major portions of the public-investments DDQ and incorporated questions asked in ILPA's template in the private-investments DDQ. Now that the formalized Operational Due Diligence process is in its fifth year, UNCMC has the ability to compare manager answers across years and against peers which has provided invaluable information and greater identification of manager operational risk. They will look to add an enhanced scoring and flagging process within the new Centrl system after the questionnaire build-out is completed.

As discussed by UNCMC during previous on-sites, one of UNCMC's main risk management tools has historically been diversification. The extensive diversification employed by UNCIF is designed to protect invested capital during down markets. This diversification coupled with selective tactical asset allocation adjustments have remained key components of UNCMC's risk management process. Moving forward, UNCMC will seek to continue its focus on diversification across and within strategy types while also striving to strike the proper balance between upside participation and downside protection.

As seen in Chart 3, public equity managers (Long Equity and Long/Short Equity) had a gross market exposure of approximately 125% (net exposure of approximately 72%) as of December 31, 2022. From a historical basis, current exposure levels have remained range bound over the last ten years, with a slight uptick in 2020. As shown below, the exposure to equity markets collapsed following the Great Financial Crisis, hindering the portfolio's ability to participate in the market's recovery.

8.2

Use of leverage:

UNCMC does have the authority from its board and has employed leverage at the portfolio level.

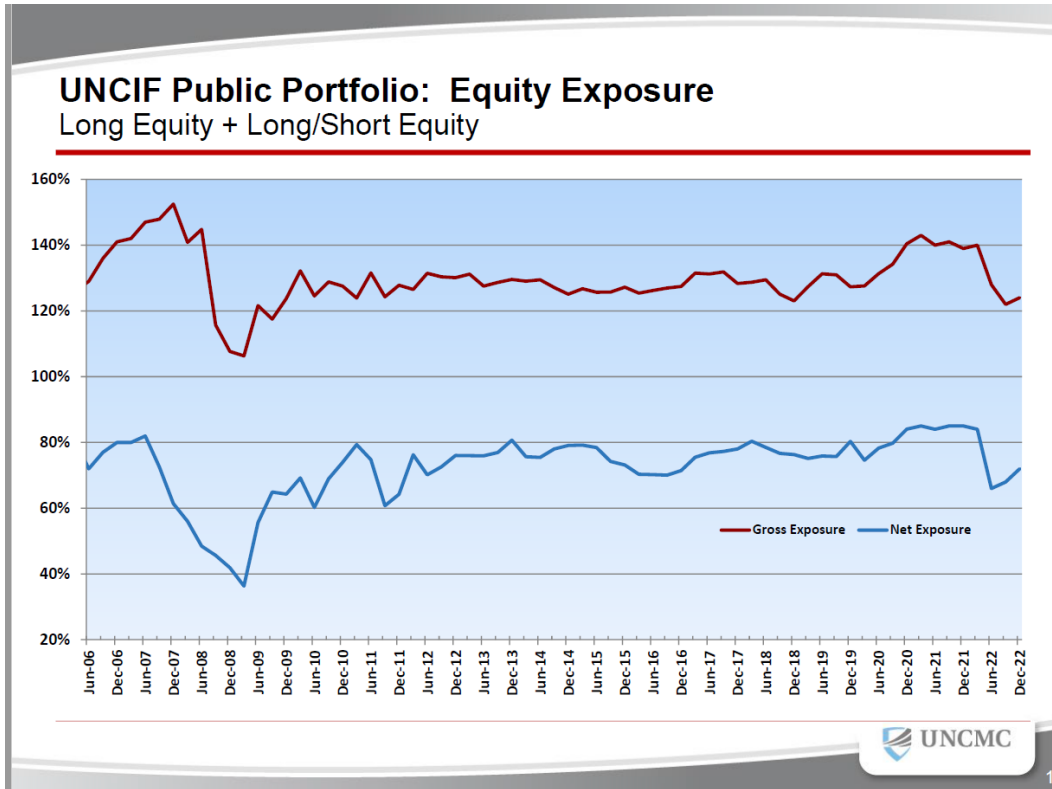


Chart 3 UNCIF Public Portfolio: Equity Exposure

9.0 Portfolio Overview

9.1 Public Asset Managers overview:

For the past year, the Public Team held 26 in-person meetings through on-site visits and/or meetings at UNCMC's office, as well as 220 manager phone/video calls. The Private Team held 212 in-person meetings through on-site visits and/or meetings at UNCMC's office, as well as 585 manager phone/video calls.

As of March 31, 2023, the public team oversees 65 funds represented by 57 managers. In terms of correlations within the public portfolio, this year UNCMC once again provided 'pro forma' calculations to better reflect the current composition of the portfolio. Prior to 2019, the team tracked correlations based on the actual, historical performance of each asset class. For pro forma correlations, the team has taken the current manager lineup and backfilled the return streams for each allocation based on current weightings to better reflect what they believe the go-forward correlations will be. Per Chart 3 and Chart 4, Long Equity and Long/Short Equity represent approximately 40% of UNCIF and are the most highly correlated asset classes (0.80) while other strategy types such as Real Estate and Long/Short Equity have negative correlations (-0.13).

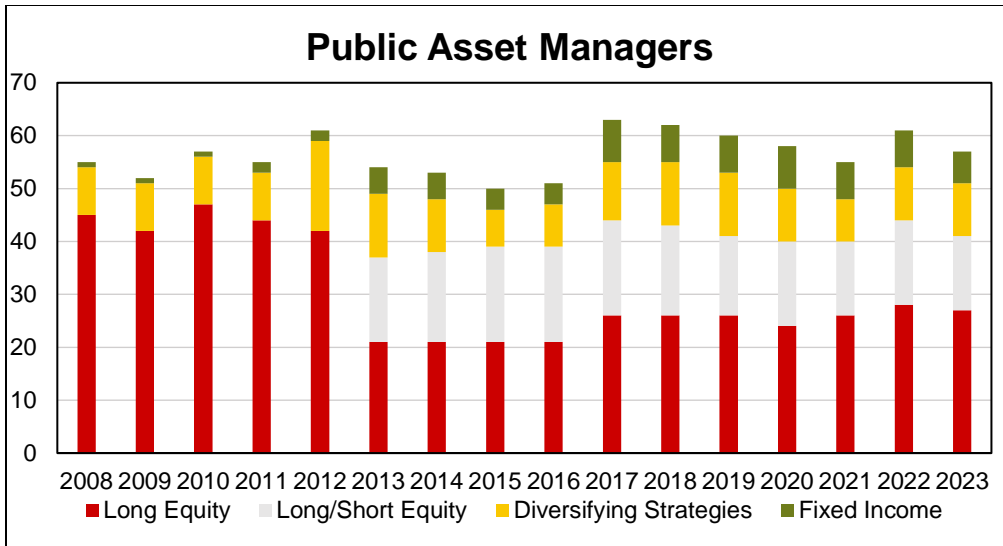


Chart 3 – Public Asset Managers

UNC Investment Fund

Asset Class Correlation

	Long Equity	Long/Short Equity	Fixed Income	Diversifying Strat	Private Equity	Real Estate	Energy & Nat. Res.	Public Portfolio	UNCIF
Long Equity	1.00								
Long/Short Equity	0.79	1.00							
Fixed Income	0.57	0.52	1.00						
Diversifying Strat	0.07	0.08	0.01	1.00					
Private Equity	0.05	-0.04	0.10	0.10	1.00				
Real Estate	-0.06	-0.13	0.09	0.04	0.34	1.00			
Energy & Nat. Res.	-0.04	-0.07	0.09	-0.05	0.31	0.32	1.00		
Public Portfolio	0.98	0.87	0.61	0.09	0.06	-0.05	-0.03	1.00	
UNCIF	0.81	0.69	0.56	0.13	0.57	0.20	0.24	0.84	1.00

Date from October 1, 2012 through March 31, 2023

Chart 4 – UNCIF Asset Class Correlation

9.2

Private Asset Manager overview:

For the private portfolio as of March 31, 2023, there are 50 total Core managers (-2 YoY), of which 16 represent Buyout (-4), 12 VC (+2), 12 RE (+1), 4 ENR (+0), 5 Private Credit (-1) and 1 Private Diversifying Strategies (+0). There are currently 83 managers (-2) in wind-down which means UNCMC will not commit any money to future funds, and 3 managers (+0) are under review.

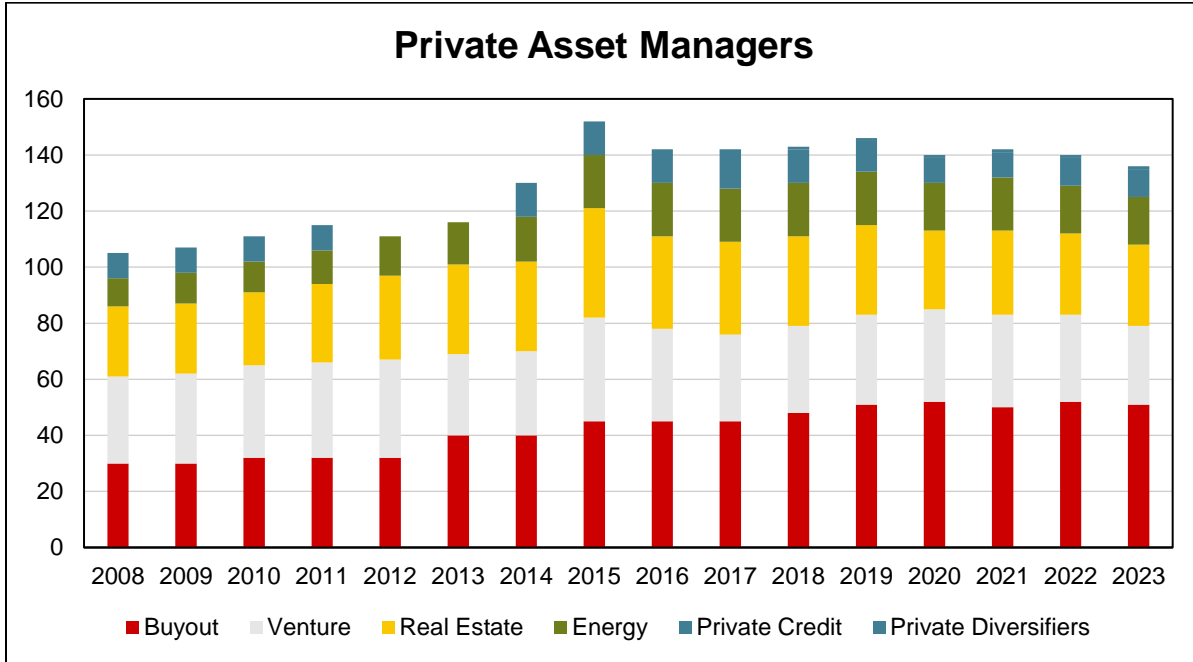


Chart 5 – Private Asset Managers

9.3

Summary

Mr. King stated that as the fund continues to grow and the target allocation to private equity increases, the manager count on the private side will increase as well, although the team is focused on gaining more allocation with their highest conviction managers. UNCMC sizes and directs their commitments such that no single commitment will be more than 1% and NAV will not grow to be more than 2% of the total private portfolio NAV.

10.0 Portfolio Changes

10.1	<p>What changes have been made to the portfolio over the last year?</p> <p><i>Over the last year, there have been modest allocation changes within UNCIF. The largest increase has been in Real Estate, which comprises 8.0% of the portfolio as of March 31, 2023, an increase of 2.2% over the last year. Real Estate has returned 9.7% for the one-year period ending March 31, 2023. Private Equity dropped from 32.9% of the portfolio to 31.1% as of March 31, 2023 and has returned -16.7% in the one-year period ending March 31, 2023. There were modest decreases to Long/Short Equity, Fixed Income and Long Equity.</i></p>
10.2	<p>Were any managers terminated?</p> <p><i>During Fiscal Year 2022, UNCMC did not terminate any managers in the Public Portfolio. At its May 2023 meeting, UNCMC will be discussing asset allocation targets and ranges with its board.</i></p> <p><i>See current allocation in Chart 6.</i></p>

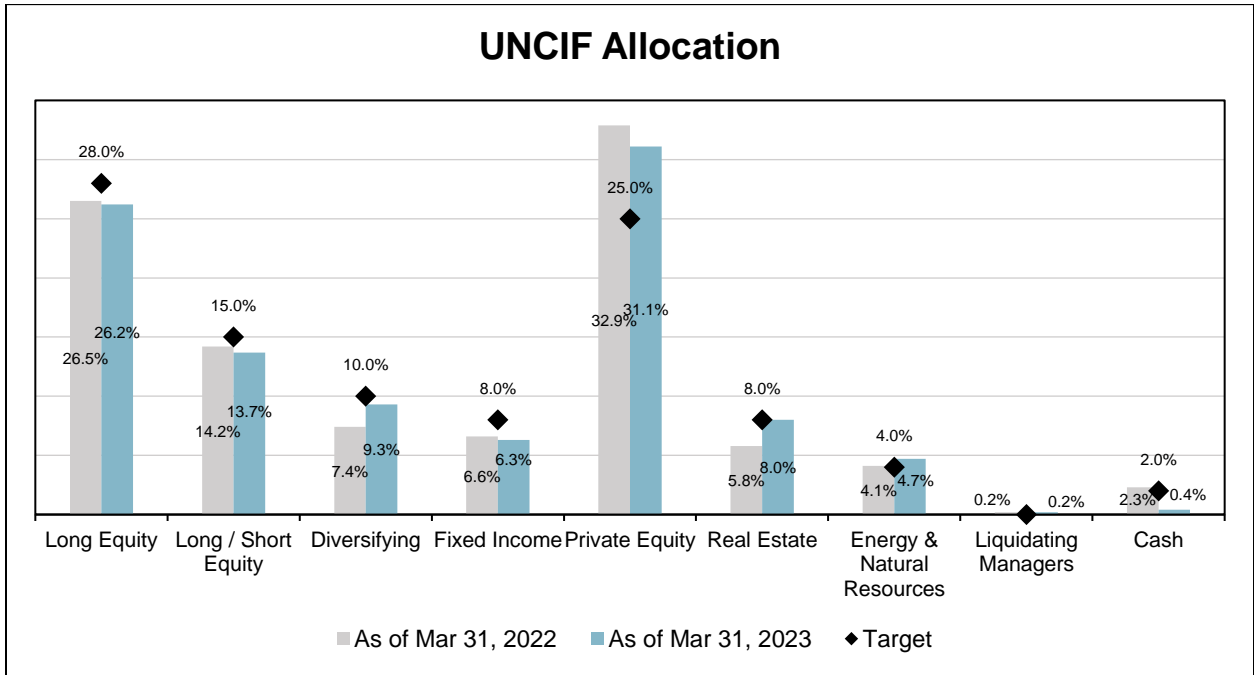


Chart 6 – UNCIF Allocation

11.0 Risk	
11.1	<p>What tools do you use to monitor risk?</p> <p><i>UNCMC continues to use a risk tool called the “Surprise Factor” Model, which categorizes each of the 70 public funds (count as of December 31, 2022) in a 3 by 4 quadrant based on their inherent risk and staff’s comfort level (Exhibit 8 Surprise Factor Analysis). Risk factors included in the analysis include leverage, transparency, and operations.</i></p>
12.0 Liquidity	
12.1	<p>Define your sources of liquidity.</p> <p><i>There were no Member terminations this past year, and very little new capital that could potentially come into the Fund. With 32 current members, UNC-Greensboro is the only UNC System institution that does not have exposure to the UNC Investment Fund. However, the total amount of new money that could come into the fund is not regarded as a source of liquidity.</i></p>
12.2	<p>Have there been changes in the liquidity terms?</p> <p><i>To reflect the growth in UNCIF’s asset base, UNCIF’s liquidity terms were revised in May 2022, effective October 1, 2022, with increases to the monthly and quarterly amounts available for withdrawal. In addition, to allow UNCIF to continue to invest in illiquid opportunities necessary to maintain its long-term return profile, its Board approved a longer payout period for certain large withdrawals (which includes an aggregate limit on the amount of withdrawals in a quarter). Redemption terms can be changed at anytime by UNCIF, as they did in May 2022, without consent of Members. See Chart 9.</i></p>
12.3	<p>Define your fixed income strategy:</p> <p><i>UNCMC has avoided long duration, high quality fixed income investments for a long time, and that hurt them for some time, with most fixed income investments in the portfolio being opportunistic. The short end of the curve is suddenly attractive to them as a good source of liquidity. Unfunded commitments as a percentage of the fund are lower than they have been historically.</i></p>
12.4	<p>What is your worse case scenario strategy?</p> <p><i>According to Mr. King, for those at UNCMC who remember the Global Financial Crisis very well, there were some big risks in large endowments and 2009 was very painful – most large endowments managed to survive very well despite the severity of the downturn. Just in case we are potentially looking at something that severe, over the past year UNCMC converted S&P futures to a value ETF. There are also \$500-600 million of equities that can be cashed in one to three days. Mr. King hopes that Diversifying Strategies come into play here, and UNCMC looks at liquidity on a daily and monthly basis.</i></p>

Withdrawal Type	Current Redemption Terms	Notice Period	Liquidity	Proposed Change
Spending Distribution	Withdrawals taken to support normal endowment spending up to 7% of member's beginning market value in any given FY (can be taken throughout the year)	30 days	Monthly	No Change
Routine	Withdrawals up to a cumulative \$10mm in a calendar quarter (for each UNCIF member or individual CHIF participant)	30 days	Monthly	Increase quarterly maximum to \$25mm
Capital	Withdrawals up to \$50mm per calendar quarter For requests in excess of \$200mm, \$50mm paid quarterly for 1 st 4 quarters, next 4 quarters will pay greater of \$50 million or 25% of excess over \$200mm until redemption is complete (max 8 quarters)	90 days	Quarterly at Calendar quarter ends	<ul style="list-style-type: none"> ▪ Increase Quarterly withdrawal limit to \$75 million (reduced by "Routine" withdrawals during the quarter) ▪ Clarify that Capital and Routine withdrawals are aggregated for purposes of calculating limits ▪ Eliminate the 8-quarter time limit for paying out large withdrawal requests ▪ Impose a "Fund Level Gate" on total Capital redemption requests in excess of 1% of Fund assets per quarter

Chart 9 - UNCIF Redemption Policy

13.0 On-Site Questions	
1.0	<p>If NCSIF is now the third largest investor in UNCIF, who has moved to second?</p> <p><i>UNC Health</i></p>
2.0	<p>Earlier you talked about a liquidity concerns. Cash needs are met through 9/30/23. How severe is your concern? Are you considering changing your redemption policy any time soon?</p> <p><i>No, just changed it and unless we have a reason. We don't want changes to be arbitrary. We want to be a resource for participants not a traditional management company. We can manage through any scenario. Request heads up/notice of cash calls.</i></p> <p><i>Confirmed that the same redemption terms apply to everyone.</i></p>
3.0	<p>Employee retention and hiring?</p> <p><i>No problem retaining. Staff enjoys working here. Fortunate with no turnover, less hiring. One analyst position open – We are taking our time to find the right hire. Fortunate to not have to deal with State of NC HR requirements and we pay competitively.</i></p>
4.0	<p>Remote work environment/schedule?</p> <p><i>3 days in office; 2 at home. Appreciated flexibility. We use Microsoft Teams for meetings. Business Continuity Plan overhauled in 2019.</i></p>
5.0	<p>Satisfaction with BNY?</p> <p><i>Chris Mattke visited NY just a few weeks and was outspoken on issues. Rate them as a 7 of 10. Technology could be better. Didn't see staff turnover on their team during COVID.</i></p>
6.0	<p>Satisfaction with Backstop being your shadow books and records?</p> <p><i>Helped have more comfort with BNY. Made process faster and real time catches. Backstop is more used for internal reporting, to project inner month data.</i></p>
7.0	<p>Have you had any data breaches?</p> <p><i>Constant struggle; never really answered the question. Built out constant training and testing. Fish testing of staff; results are looking very good. Multifactor used everywhere. IsCo (??) handles annual training to reduce risk. Didn't really answer the question.</i></p>
8.0	<p>Have you had other participants/system schools reach out regarding post year end mark-ups, downs and convincing their auditor of a locked in NAV?</p> <p><i>Get calls from time to time but this past year was the first time it went negative. UNCIF is the one that books the change. UNC System Fund does not book the change. KPMG was the one that hosted the discussion and their line of thought was the 6/30 NAV was the price that business would have been conducted. KPMG signs opinion for both the System and the Fund. Projected 6/30/23 write down \$80m assuming nothing goes haywire.</i></p>
9.0	<p>Do any other Fund participants require a due diligence report?</p>

	<i>Yes, several other require a report.</i>
10.0	How does NCSIF due diligence report compare to the other participants? <i>Similar.</i>
11.0	How was the Fund exposed to the SVB bank failure and its fallout? <i>They believe overall they netted a gain from the bank failures because they had a manager who was short a bunch of banks.</i>

SUMMARY	
<p>The UNCMC staff was very accommodating to the NC State Investment Fund Board of Directors and staff. This year was a new format. The day consisted of the NCSIF May Board of Directors meeting in the morning. In the afternoon, the Board of Directors had their annual meeting with the UNCMC staff to ask questions prior to the Office of Investments' ("OOI") Due Diligence meeting. UNCMC staff was professional answering our questions.</p> <p>Ongoing concerns include: 1) UNCMC's ability to change key terms, notably management fee and redemptions, without consent from Members, 2) manager concentration risk: LTIP's high exposure (~75% of LTIP) to UNCIF, 3) lack of transparency into UNCIF's portfolio, 4) no Board or Board Observer seat—having one would improve NCSIF's strategic partnership and alignment with UNCMC, and provide NCSIF with transparency into UNCMC's governance and UNCIF's portfolio.</p> <p>Key new issues identified from the meeting include: 1) UNCIF's use of leverage at the portfolio level, 2) retirement of Kevin Tunick, a key member of UNCMC's private markets team, 3) UNC Health is second largest UNCIF investor, which creates potential misalignment with NCSIF and other Members, and 4) UNCIF increasing SIPP upper boundary for PE by 2% (from 32% to 34%); with ~75% exposure to UNCIF, LTIP's look-through PE exposure from UNCIF is ~26%, above LTIP's 22% Strategic Asset Allocation ("SAA") to PE, and near the upper limit of LTIP's 15-30% PE range, without taking into account LTIP's direct private assets exposure through Hamilton Lane's mandate (8% long-term target).</p> <p>As a result of this year's review, OOI recommends examining LTIP's investment in UNCIF, in collaboration and conjunction with NCSIF's Investment Consultant Graystone's LTIP Investment Policy Statement ("IPS") and broader enterprise assessment during FY 2024.</p> <p>OOI will present this report's key findings to the NCSIF Board of Directors at the August 23, 2023, Board of Director closed meeting.</p>	

Exhibit 1 – CHIF Board Composition

CHIF Board of Directors

Current Composition

			Term Expires
CHIF Ex-Officio All Endowment Fund Board members: elected by UNC-CH Board of Trustees (except for first 3, who are Ex-Officio)	David Boliek	Chairman of the Board of Trustees	Ex-Officio
	Kevin Guskiewicz	Chancellor	Ex-Officio
	John Preyer	BOT Officer or BOT Committee Officer	Ex-Officio
	John Ellison Jr.		2023
	Anne Brennan		2023
	John Townsend III		2024
	David Carroll		2024
	Lee Lesley		2025
	Brien White		2025
CHIF Ex-Officio by virtue of position at UNC-CH	Nathan Knuffman	Vice Chancellor for Finance & Ops	Ex-Officio
	Michael Andreasen	Vice Chancellor for Development	Ex-Officio
Foundation Members Elected to CHIF Board by "At Large" members of UNC-CH Foundation Board	Michael Kennedy		2024
	Vacant		
At Large Members Up to 3 -- elected by CHIF Ex-officio	David Craver		2024
	Stephon Jackson		2024
	Kristen Tongberg		2024

As of June 12, 2023



Exhibit 2 – Current CHIF Officers and Committees

UNCMC Board of Directors
Industry Experience
Tenure on CHIF Board

Current CHIF Board of Directors (As of March 31, 2023):

CHIF Board	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<i>John Townsend</i>															
<i>John Ellison</i>															
<i>Michael Andreasen</i>															
<i>David Carroll</i>															
<i>David Craver</i>															
<i>Lee Lesley</i>															
<i>Michael Kennedy</i>															
<i>John Preyer</i>															
<i>Kevin Guskiewicz</i>															
<i>Brien White</i>															
<i>Anne Brennan</i>															
<i>Nathan Knuffman</i>															
<i>Stephon Jackson</i>															
<i>Kristen Tongberg</i>															
<i>David Boliek</i>															

Officers

*Chairman	John Townsend
*President	John Townsend
*Vice President	David Carroll
Secretary	Michael Andreasen
Treasurer	Nathan Knuffman
Assistant Secretary	Elaine Brim

*The term of office is 4 years and the individual may be re-elected for one additional 4 year term

Executive Committee (Chairman, the Vice Chancellor for Finance and Operations, plus 2 or more other Directors)

John Townsend	Nathan Knuffman	John Ellison
David Craver	Anne Brennan	

Audit Committee (2 or more Directors – no UNC-CH employees)

David Carroll	Anne Brennan	John Ellison
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Direct Co-Investment Committee

John Townsend	David Carroll
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Nominating Committee

John Townsend	John Preyer	Michael Kennedy
Michael Andreasen	David Carroll	Kristen Tongberg

Exhibit 3 – CHIF Board Biographies

David Boliek, Jr.

Attorney & Partner, Williford, Boliek and Frangakis, LLP
Chairman of the UNC Board of Trustees
Ex-Officio Member of CHIF Board of Directors

David Boliek is an attorney and partner with Williford, Boliek and Frangakis LLP in Fayetteville. His practice focuses on litigation and consults on healthcare issues, specifically those in the allied health field. Previously, he spent several years as an award-winning journalist, political consultant and public relations professional. Boliek also previously served as CEO of a government contracting firm and as a prosecutor in Cumberland County. He earned his Bachelor of Arts degree in journalism from UNC-Chapel Hill and J.D. with honors and MBA from Campbell University. His community leadership roles have included serving on the UNC-Chapel Hill Board of Visitors, Boy Scouts of America and youth sports. He currently serves as chair of the Southeast Regional Area Health Education Center and as an elder at Highland Presbyterian Church in Fayetteville.

Kevin Guskiewicz

Chancellor of University of North Carolina at Chapel Hill
Ex-Officio Member of CHIF Board of Directors

Kevin M. Guskiewicz, a neuroscientist, academic leader and concussion researcher, is the 12th chancellor of the University of North Carolina at Chapel Hill (UNC-CH). Prior to his appointment as chancellor, Guskiewicz served as the interim chancellor from February 2019 until December 2019 and before that as dean of the College of Arts & Sciences. A Kenan Distinguished Professor of Exercise and Sport Science, he has been a member of Carolina's faculty since 1995. He is co-director of the Matthew Gfeller Sport-Related Traumatic Brain Injury Research Center. A nationally recognized expert on sport-related concussions, his work has influenced concussion guidelines in the NFL, NCAA and National Federation of State High School Associations.

For twenty consecutive years, Carolina has been ranked a top five public university with over 30 programs among the top ten overall. As chancellor, Guskiewicz has led the implementation of Carolina's new strategic plan, Carolina Next: Innovations for Public Good, that outlines a roadmap for the University's priorities moving forward. He has led Carolina's \$1.5 billion research enterprise, the nation's 12th largest research university in total research expenditures. He has launched several initiatives, including Carolina Across 100, the Institute for Convergent Science, the History, Race and a Way Forward Commission, and the Rapidly Emerging Antiviral Drug Development Initiative. He led the university community through the COVID-19 pandemic, including the transition to remote learning in March 2020 and the implementation of the Carolina Together Testing Program.

Prior to his appointment as chancellor, Guskiewicz served as the interim chancellor from February 2019 until December 2019. In that role, he held over 25 listening and learning sessions with constituents across campus and relaunched the Tar Heel Bus Tour with 90 faculty and campus leaders, demonstrating Carolina's commitment to the state.

Guskiewicz served as dean of the College of Arts & Sciences – Carolina's largest academic institution, with more than 16,000 undergraduate students and 2,500 graduate students – from January 2016 until February 2019. Guskiewicz made interdisciplinary teaching and research a cornerstone of his tenure. He championed the use of high-structure active learning techniques, and Carolina is a national leader in implementing these highly effective educational strategies. He significantly increased study abroad, academic internships and other experiential learning opportunities for Carolina students and oversaw work on a major revamp of UNC-Chapel Hill's General Education curriculum.

In 2011, Guskiewicz received the prestigious MacArthur Fellowship (often called a "genius grant") for his innovative work on the diagnosis, treatment and prevention of sport-related concussions. In 2013, Time

magazine named him a Game Changer, one of 18 “innovators and problem-solvers that are inspiring change in America.”

Guskiewicz earned a B.S. in athletic training from West Chester University, M.S. in exercise physiology/athletic training from the University of Pittsburgh and Ph.D. in sports medicine from the University of Virginia. Born and raised in Latrobe, Pennsylvania, he lives with his wife Amy and children Jacob, Nathan, Adam and Tessa in Chapel Hill.

John Preyer

Co-Founder & President, Restoration Systems, LLC

Vice Chair, UNC Board of Trustees

Ex-Officio Member of CHIF Board of Directors

John Preyer’s work in environmental restoration and environmental policy started in 1992 when he served as Legislative Director for U.S. Senator Lauch Faircloth of North Carolina. As Legislative Director he regularly dealt with numerous federal regulatory agencies including the U.S. Environmental Protection Agency, the U.S. Fish & Wildlife Service and all corresponding state agencies. In 1998 John co-founded Restoration Systems. In 2002 John was instrumental in securing the site which provided all off-site compensatory mitigation for the Federal Express Cargo Hub expansion at the Piedmont Triad Airport in Greensboro, NC. At the time, it was the state’s largest economic development project with a projected value of \$1.8 billion.

From 2002-2006 John served on the board of the NC Coastal Federation. Before joining the board, he worked closely with the Coastal Federation’s executive director on obtaining the land for their North River Farms restoration site. In 2007, John worked with the NC General Assembly to amend a state law that required all mitigation efforts for non-point source nitrogen and phosphorus loading in the Neuse and Tar Pamlico River Basins be performed by the state operated in-lieu fee mitigation program. The law was changed in 2008 and RS permitted the state’s first water quality mitigation bank to offset non-point source excess nitrogen loading in the Neuse River Basin. Since that time, competing water quality mitigation banks have been permitted, providing competitive pricing and additional up-front, functioning and in the ground mitigation. John is a graduate of UNC and lives in Chapel Hill with his wife and two children.

John L. Townsend III

Chairman

Ex-Officio Member of CHIF Board of Directors

Term Expires 2024

Townsend is managing partner and Chief Operating Officer for Tiger Management, LLC. He received a B.A. degree in history from Carolina in 1977, and an M.B.A. from the Kenan-Flagler Business School in 1982. He is married to Marree Shore Townsend, who also graduated from UNC in 1977. Currently, he serves as a senior adviser to Stone Point Capital and is a director of Belk, Inc. and a member of the Board of Directors for International Paper Company. Townsend is also a member of the Riverstone Group and of the investment committee of the Smith Richardson Foundation. He is a member of the Executive Committee of the UNC Investment Fund and served on the Board of Visitors for Kenan-Flagler Business School. He served on the Carolina First Campaign Steering Committee and is on the National Advisory Board for Ackland Art Museum. Previously, his family established the Townsend Freshman Seminars and the Townsend Family Professorship. He also serves as Chairman of the Board of The Episcopal High School, as a Trustee of Greenwich Hospital, as a Trustee of the US Ski and Snowboard Team Foundation and as a Trustee of the Grand Teton National Park Foundation.

Nate Knuffman

Chancellor for Finance and Administration

Ex-Officio Member of CHIF Board of Directors

Nathan “Nate” Knuffman became the University of North Carolina at Chapel Hill’s vice chancellor for Finance and Operations and chief financial officer March 22, 2021, after serving as interim vice chancellor for Finance and Operations since August 2020.

An expert in financial and administrative management, Knuffman had previously served as senior associate (deputy) vice chancellor for Finance and Operations since October 2018, overseeing the Division’s strategic planning and data analysis

functions to align Finance and Operations' priorities with the University's strategic plan, advising the vice chancellor, and managing various operational and administrative components of the Division of Finance and Operations, including the Service Center of Excellence.

Prior to joining Carolina, Knuffman served as vice president for financial planning and analysis at the UNC System Office, where he was a member of the senior team advising the UNC System President and supporting the UNC Board of Governors in finance and business matters. Previously, he served as the deputy director of the N.C. Office of State Budget and Management. In that role, he was responsible for the strategic management of daily operations, change and organizational management, and preparation and oversight of the governor's budget.

Michael Andreasen

Vice Chancellor for University Development
Ex-Officio Member of CHIF Board of Directors

Michael Andreasen is the University's senior development officer and oversees the Office of University Development staff, which works closely with campus fundraising offices and affiliated foundations that support schools, the College of Arts and Sciences and other units. Andreasen also is chief executive of the UNC-Chapel Hill Foundation Inc., a nonprofit corporation that receives gifts on behalf of the University, its schools and units.

Prior to joining Carolina in 2023, Andreasen served as senior vice president for university advancement at the University of Oregon, overseeing all aspects of advancement including development; state, community and federal affairs; advancement operations; stewardship and public events and alumni relations. During his tenure, he consistently increased annual fundraising totals and secured some of the largest donations to any public flagship university.

Andreasen began his time at UO as the vice president for development, leading efforts to establish campaign priorities, setting a working goal of \$1.2 billion and developing a communications plan for the public launch in collaboration with the president, executive leadership and deans. Over 12 years, he served as a member of the University of Oregon Foundation Board, the Alumni Association Board, the Portland Business Alliance Board and the Greater Portland Chamber of Commerce.

Prior to joining UO, Andreasen was at the University of Michigan for seven years — first as executive director and assistant dean for advancement for development and alumni relations and then as executive director and assistant dean for advancement at the Stephen M. Ross School of Business. His more than 32 years of fundraising experience include roles in major gifts and campaign leadership at the University of California, Santa Barbara, and the American Film Institute. He began his career as the director of the annual fund for the University of California, Irvine, where he also earned a Bachelor of Arts in political science.

David Craver

Co-Chief Investment Officer, Lone Pine Capital LLC
At Large Member of CHIF Board of Directors (Elected by CHIF Ex-Officio)

Dave is a Managing Director, Co-Chief Investment Officer and Member of the Management Committee at Lone Pine Capital LLC, a global long/short and long-only equity money manager which he joined in 1998. Prior to Lone Pine, Dave was an Equity Analyst at Chilton Investment Partners (1997-1998) and Tiger Management Corporation (1992-1995). Dave graduated from the University of North Carolina at Chapel Hill (BS 1992) and the Tuck School of Business at Dartmouth College (MBA 1997). He is a Board Member of The University of North Carolina at Chapel Hill Foundation Investment Fund, Inc. and the Lone Pine Foundation.

David Carroll

Principal, Carroll Family Holdings LLC
Retired Wells Fargo Senior Executive Vice President Wealth and Investment Management
Ex-Officio Member of CHIF Board of Directors
Term Expires 2024

David Carroll led Wealth and Investment Management (WIM) at Wells Fargo from January 2009 until his retirement in July 2017. Approximately 34,000 team members in this unit provided a full range of personalized wealth management, private banking, retail brokerage, asset management, fiduciary services, institutional custody, and retirement products and services

to clients across U.S.-based businesses. At his retirement WIM recorded approximately \$16.5BN in annual revenue, \$2.7BN in net income, and managed and administered \$1.8 trillion in client assets.

Currently Mr. Carroll is the Managing Principal in his family's private equity and venture capital fund, principally focused on healthcare and technology. A financial services veteran with more than 38 years in the industry, David joined Wachovia Bank & Trust Company in 1979 and then First Union National Bank (Wachovia's predecessor) in 1981. From 2005 until the merger with Wells Fargo, Mr. Carroll served as senior executive vice president and head of Wachovia's Capital Management Group, which included retail brokerage (Wachovia Securities), asset management (Evergreen Investments), and Retirement and Investment Products. Previously, he was head of corporate services and merger integration, chief of eCommerce and technology, and was CEO of First Union's banks in Florida and earlier in Georgia.

Mr. Carroll earned a B.S. in business administration from the University of North Carolina at Chapel Hill. He is a board member the UNC Chapel Hill Foundation, the Chapel Hill Investment Fund, and the UNC Management Company. He also serves and on the Board of Visitors at the Kenan-Flagler Business School at the University of North Carolina, the Board of Advisors for Charlotte Latin School, the Board of Advisors for the Kenan Institute of Private Enterprise, the Board of Directors of Infoselective, S.A. de C.V., and the Advisory Board for The Mint Museum in Charlotte, N.C.

John Ellison

President & Chief Executive Officer, The Ellison Company, Inc.

Ex-Officio Member of CHIF Board of Directors

Term Expires 2023

John Ellison is president and chief executive officer of the Ellison Company, Inc. Mr. Ellison received a B.A. in History in 1969 and an M.B.A. in 1972 with both degrees from the University of North Carolina at Chapel Hill. He has previously served on the UNC Board of Trustees, the Carolina 1st Campaign Cabinet, the 2013 Campaign Planning Cabinet, and the General Alumni Associate Board of Directors. Mr. Ellison was also the chair of both the Educational Foundation Board of Directors and the UNC Board of Visitors. He worked on a strategic plan for the University that then-Chancellor James Moeser put him in charge of, and this plan laid the groundwork for the five-year academic plan at the time. Mr. Ellison has also served as the co-chair of the campaign to build the Kenan Football Center, and he served on the chancellor search committee that selected Holden Thorp. Currently, Mr. Ellison serves on the UNC Investment Fund Board, the UNC Endowment Fund Board and the Chancellor's Campaign Steering Committee.

Michael Kennedy

Senior Client Parnter, Korn Ferry

Foundation Member of CHIF Board of Directors

Elected by "At Large" members of UNC-CH Foundation Board

Mr. Kennedy brings broad private equity and corporate finance experience to his executive recruiting. He has conducted senior-level searches in a wide array of investment banking and capital markets areas, including mergers and acquisitions, corporate finance, loan syndications, structured finance and asset management. He leads the firm's efforts in the pension sector and has conducted searches for pension funds, endowments and foundations.

Prior to joining Korn Ferry, Mr. Kennedy owned a venture capital consulting firm where he advised a Southeast-based private equity fund. Before founding his own firm, he was a vice president in the corporate finance group at GE Capital Corporation, where he provided senior debt, mezzanine and equity financings to companies for recapitalizations, acquisitions and buyouts. Earlier, he was a vice president at the Wachovia Corporation in the U.S. corporate group. Mr. Kennedy started his financial services career in investment management at J.P. Morgan & Company in New York.

Mr. Kennedy was appointed by President Obama to serve as chairman of the Federal Retirement Thrift Investment Board, the largest pension fund in the country, and has been confirmed by the United States Senate.

Mr. Kennedy is an active member of Leadership Atlanta, the Atlanta Venture Forum and the Harvard Business Club of Atlanta. He recently served as Chair of the Board of Visitors at the University of North Carolina. He is a past member of the board of trustees of the Georgia Employees Retirement System pension fund, as well as served on the board of trustees of the Phillips Exeter Academy in Exeter, New Hampshire.

Mr. Kennedy earned a Master's in Business Administration from the Harvard Business School. He received a bachelor's degree with highest honors in History and Political Science from the University of North Carolina at Chapel Hill.

Anne Brennan

Chief Risk Officer, Neuberger Berman

Term Expires 2023

Ex-Officio Member of CHIF Board of Directors

Anne Brennan is the Chief Risk Officer at Neuberger Berman. She was previously a partner at Goldman, Sachs & Co., where she held various leadership positions in the firm's fixed-income business. At Goldman Sachs she was head of the credit research team for seven years, and she ran both the investment grade and leveraged finance sales teams. Anne earned a Bachelor of Arts degree in Economics and International Studies from the University of North Carolina, Chapel Hill. She is a CFA Charter holder.

Kristen Tongberg

Chief Investment Officer at Cambridge Associates

At Large Member of CHIF Board of Directors

Elected by CHIF Ex-Officio

Kristen Tongberg has more than 25 years of investment experience and is a Partner and Chief Investment Officer within Cambridge Associates' discretionary OCIO Endowment and Foundation Practice. Kristen serves as CIO for eleven non-profit clients with approximately \$4 billion in aggregate assets. She also serves on Cambridge Associates' Hedge Fund Research and Tactical Asset Allocation Investment Committees. Prior to joining Cambridge Associates in 2004, Kristen was an equity research analyst at MFS Investment Management. In this role, she directed \$4 billion invested in stocks under her coverage across MFS funds. Prior to MFS, Kristen worked within Investment Banking at Wheat First Butcher Singer.

Kristen holds an MBA from the Booth School of Business at the University of Chicago and a BA in History and Economics from the University of North Carolina at Chapel Hill. She is a CFA Charterholder.

Stephon Jackson

Head of T. Rowe Price Investment Management

At Large Member of CHIF Board of Directors

Elected by CHIF Ex-Officio

Steph Jackson is the Head of T. Rowe Price Investment Management. He is a member of the Management Committee, a member of the Black Leadership Council, and is the Executive Sponsor of Moonshot, a T. Rowe Price Foundation sponsored program supporting for-profit and non-profit entrepreneurs of color. Steph also is a Vice President of T. Rowe Price Group, Inc.

Steph's investment experience began in 1986, and he has been with T. Rowe Price since 2007, beginning as a portfolio specialist, supporting several U.S. small-cap and mid-cap strategies, in the U.S. Equity Division. After that, he was a director of Equity Research, leading the U.S. Associate Analyst team and the European Equity Research team in London. Most recently, Steph was the associate head of the U.S. Equity Division. Steph is a former member of the Equity Steering Committee, International Steering, Equity Research, and Risk Management Oversight Committees. He also is the former chair of MOSAIC, a business resource group that identifies issues and opportunities relevant to talent, business practices, and culture in support of the firm's diversity and inclusion strategy. Prior to T. Rowe Price, he was a senior portfolio manager and a managing director with Brown Capital Management, where he managed mid-cap and large-cap growth portfolios. Prior to that, he was a growth portfolio manager and director of equity research with NCM Capital Management.

Steph earned a B.S. in business administration from the University of North Carolina, Chapel Hill, where he was a Morehead Scholar, and an M.B.A. from the University of Pennsylvania, The Wharton School. Steph also has earned the Chartered Financial Analyst® designation. Steph serves on the UNC Management Company UNC Endowment Board of Directors. He is a former member of the Investment Committee of the France-Merrick Foundation, a former executive Board member of the Baltimore Community Foundation, and a former Board member of the Abell

Foundation. He also was the chairman of the Investment Committee of the Gilman School and a member of the Advisory Board of Bridges.

Lee Lesley

Head of Investor Relations, IPI Partners
Ex-Officio Member of CHIF Board of Directors
Term Expires 2025

Lee Lesley currently serves as the Head of Investor Relations at IPI Partners, a global investment platform focused exclusively on data centers and other technology and connectivity-related real assets. Ms. Lesley was previously a partner and founder at Timpson Cove Partners, LLC (“Timpson Cove”), a strategic advisory firm providing outsourced investor relations to alternative investment managers. Prior to Timpson Cove, she was the Head of Investor Relations & Marketing at JMI Equity (“JMI”), a growth equity firm focused on investment in enterprise software companies. Prior to JMI, Ms. Lesley was a Principal and investment professional at Allied Capital, where she primarily focused on private equity and debt investments in the business services sector.

Ms. Lesley earned an MBA from the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill and a BA in English and Psychology from the University of North Carolina at Chapel Hill.

Brien White

Chief Operating Officer of U.S. Private Client, Endowments & Foundations, Brown Advisory
Ex-Officio Member of CHIF Board of Directors
Term Expires 2025

Brien is a partner, member of the Executive team and chief operating officer of U.S. private client, endowments and foundations. Previously, Brien was a portfolio manager and served as head of the southeast region. Prior to joining Brown Advisory, Brien worked as an investment advisor for Franklin Street Partners. He was also an investment banking analyst with Morgan Stanley and chief operating officer for HMS Golf Management.

Brien is a member of the board of directors for the Chapel Hill Investment Fund and the UNC Chapel Hill Endowment Fund. He is the past President of the Kenan-Flagler Business School Foundation. Brien serves as a trustee of Federal City Council and on the Endowment Committee for Landon School and the Investment Committee for Holton-Arms School.

Brien is a graduate of the University of North Carolina where he was a Morehead Scholar.

Exhibit 4 – UNCMC Organizations Chart

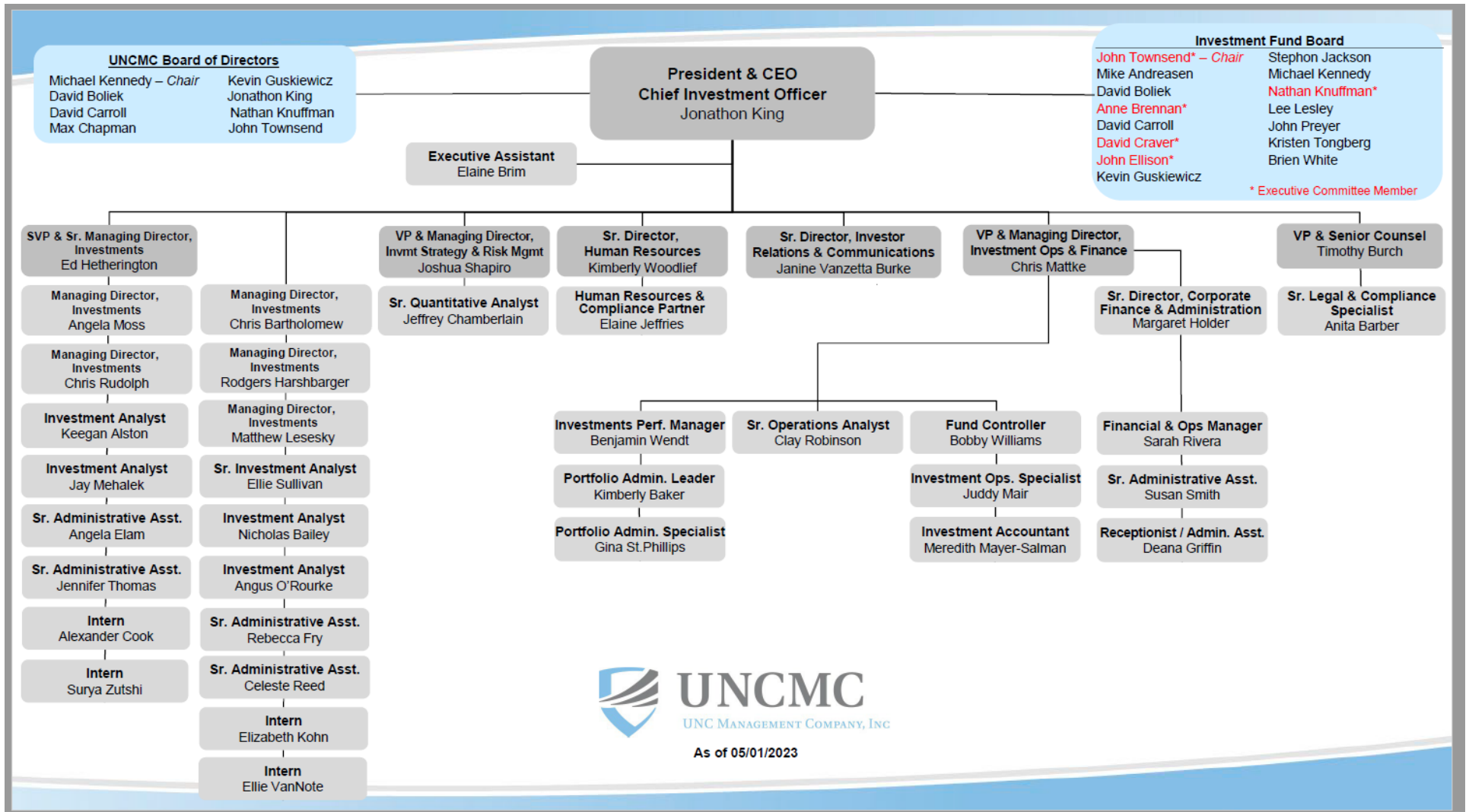


Exhibit 5 -Current UNCIF Members

	MEMBERS	Year Joined
1	Appalachian State University Endowment	2011
2	Appalachian State University Foundation, Inc.	2011
3	East Carolina University Endowment Fund	2010
4	East Carolina University Foundation, Inc.	2010
5	East Carolina University Medical and Health Sciences Foundation, Inc.	2010
6	Fayetteville State University Endowment	2015
7	Fayetteville State University Foundation	2007
8	NC State Investment Fund, Inc.	2007
9	North Carolina Agricultural and Technical State University Endowment Fund	2009
10	North Carolina Central University Endowment	2006
11	North Carolina School of Science & Mathematics Foundation	2007
13	UNC Intermediate Pool	2014
14	UNC Management Company, Inc.	2007
15	University of North Carolina Asheville Endowment Fund	2007
16	University of North Carolina Asheville Foundation, Inc.	2006
17	University of North Carolina at Chapel Hill Foundation Investment Fund, Inc.	2003
18	University of North Carolina at Charlotte Investment Fund	2006
19	University of North Carolina at Wilmington Endowment Fund	2007
20	The Foundation of the University of North Carolina at Wilmington	2006
21	University of North Carolina General Administration	2007
22	University of North Carolina Hospitals	2012
23	University of North Carolina Press	2006
24	University of NC School of the Arts Endowment Fund	2009
25	University of NC School of the Arts Foundation, Inc.	2007
26	Western Carolina University Endowment Fund	2006
27	Western Carolina University Foundation	2006
28	Winston Salem State University Endowment	2007
29	Winston Salem State University Foundation	2007
30	UNC Pembroke Endowment	2019
31	UNC Pembroke Foundation	2019
32	Elizabeth City State University Endowment	2021

Exhibit 6 - Staffing Updates

First Name	Last Name	New Title	Years With Firm
Ed	Hetherington	SVP & Senior Managing Director (Investments)*	8.5
Angela	Moss	Managing Director (Investments)*	16.8
Chris	Rudolph	Managing Director (Investments)*	17.0
Chris	Bartholomew	Managing Director (Investments)*	19.0
Rodgers	Harshbarger	Managing Director (Investments)*	14.6
Matthew	Lesesky	Managing Director (Investments)*	11.0
Nicholas	Bailey	Investment Analyst (Private Investments)	0.8
Angus	O'Rourke	Investment Analyst (Private Investments)	0.9
Janine	Burke	Senior Director (Investor Relations & Communications)*	9.9
Margaret	Holder	Senior Director (Corporate Finance & Administration)*	11.7
Kimberly	Woodlief Eddins	Senior Director (Human Resources)*	11.5
Jennifer	Thomas	Senior Administrative Assistant	Joined May 2023

* Indicates a promotion

Exhibit 7 - Service Providers

Company	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
KPMG															
UNC Chapel Hill Accounting Services															
Schell, Bray, Aycock, Abel & Livingston															
Robinson, Bradshaw and Hinson															
Bloomberg															
BNY Mellon															
BackStop															
Burgiss Private I															
KPMG-SOC															
Marsh & McLennan															
Logically, Inc.															
Alternative Soft															
Castle Hall															
King & Spalding LLP															
FactSet															
Beaumont Advisors															
Centrl (new in 2023)															

Exhibit 8 – Surprise Factor Analysis

Surprise Factor Analysis

As of December 31, 2022

Comfort Level ↑	High Comfort	13 Managers Total: \$1,269mm	9 Managers Total: \$583mm	6 Managers Total: \$427mm	4 Managers Total: \$207mm
	Medium Comfort	0 Managers Total: \$0mm	8 Managers Total: \$413mm	14 Managers Total: \$1,158mm	16 Managers Total: \$1,202mm
	Low Comfort	0 Managers Total: \$0mm	0 Managers Total: \$0mm	0 Managers Total: \$0mm	0 Managers Total: \$0mm
		Minimal	Low	Low/Moderate	Moderate/High

Risk Factors

- Leverage
- Transparency
- Operations

