STATEMENT OF OBJECTIVES, POLICIES AND GUIDELINES FOR THE NORTH CAROLINA CENTRAL UNIVERSITY FOUNDATION, INC.

Updated: August 23, 2016
May 26, 2015
August 21, 2014
July 13, 2013
July 2009
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**Statement of Investment/Spending Policy, Objectives, and Guidelines**

**Executive Summary – Dated August 2014**

**Type of Fund:** Not for Profit Corporation as defined in Chapter 55A of the General Statutes of North Carolina.

**Investment Horizon:** +10-years

**Real Return Target:** CPI plus + 4%

**Spending Policy:** A maximum of 5% of the Total Return of the Foundation’s three year average market value.

**Asset Allocation**

**Asset Allocation Analysis:** Reference to Asset Allocation Addendum A

**Normal Policy Allocation:**

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INTRODUCTION
The North Carolina Central University Foundation, Inc. ("Foundation" or "Fund"), is and shall continue to be an independent, non-profit corporation as defined in Chapter 55A of the General Statutes of North Carolina. The purpose of the Foundation is to foster and promote the growth of higher education in North Carolina and specifically North Carolina Central University.

NORTH CAROLINA CENTRAL UNIVERSITY MISSION
The mission of the university is to prepare students academically and professionally to become leaders prepared to advance the consciousness of social responsibility in a diverse, global society. The university will serve its traditional clientele of African-American students; it will also expand its commitment to meet the educational needs of a student body that is diverse in race and other socioeconomic qualities.

PURPOSE OF THE INVESTMENT POLICY STATEMENT
This Investment Policy Statement ("Policy") is set forth by Foundation in order to:

1. Define and assign the responsibilities of all involved parties regarding the management of the assets of the Foundation.
2. Establish a clear understanding of the investment goals and objectives of the Fund's assets.
3. Offer guidance and limitations to all investment managers / consultants regarding the investment of the assets.
4. Establish a basis for evaluating investment results.
5. Establish the relevant investment horizon for which Fund assets will be managed.

In general, the purpose of this statement is to outline a philosophy and attitude, which will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

DELEGATION OF AUTHORITY
The governing body of the North Carolina Central University Foundation, Inc. is the Board of Directors which is a named fiduciary and has ultimate responsibility for directing and monitoring the investment management of Foundation assets. As such, the Directors are authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

1. Finance and Investment Committee: The Board of Directors has delegated the direct management and fiduciary oversight of the investment management of all investment assets to the Finance and Investment Committee ("Committee").
2. Investment Consultant: The investment consultant ("Consultant") advises the Board of Directors through the Finance and Investment Committee in establishing investment policy, objectives, and guidelines; selecting investment managers and investment vehicles, reviewing such managers and investment vehicles over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.
3. Investment Managers: The investment managers ("Managers") have discretion to purchase, sell, or hold the specific securities that will be used to meet the Fund's investment objectives, within the limits of each manager's specific investment mandate.
4. Custodians: The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Fund, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodians may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Fund accounts.
THE UNIFORM PRUDENT MANAGEMENT OF INSTITUTIONAL FUNDS ACT (UPMIFA)

It is the intent of the Investment Committee for the Foundation to have the Investment Committee follows the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as they apply to both Donor Restricted Endowment Funds as well as Unrestricted Institutional Funds.

1. Donor Restricted Endowment Funds
   The Investment Committee has interpreted the North Carolina version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the North Carolina version of UPMIFA. In accordance with the North Carolina version of UPMIFA, in making a determination to appropriate or accumulate, the institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, all of the following factors:

   1.1. The duration and preservation of the endowment fund.
   1.2. The purposes of the institution and the endowment fund.
   1.3. General economic conditions.
   1.4. The possible effect of inflation or deflation.
   1.5. The expected total return from income and the appreciation of investments.
   1.6. Other resources of the institution.
   1.7. The investment policy of the institution.

2. Unrestricted Institutional Funds
   The Investment Committee has interpreted the North Carolina version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as it applies in managing and investing the Unrestricted Institutional Funds, as requiring that all of the following factors, if relevant, must be considered:

   2.1. General economic conditions.
   2.2. The possible effect of inflation or deflation.
   2.3. The expected tax consequences, if any, of investment decisions or strategies.
   2.4. The role that each investment or course of action plays within the overall investment portfolio of the Fund.
   2.5. The needs of the institution and the Fund to make distributions and to preserve capital.
   2.6. An asset’s special relationship or special value, if any, to the charitable purposes of the institution.
   2.7. Management and investment decisions about an individual asset must be made not in isolation but rather in the context of the institutional fund’s portfolio of investments as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the Fund and the institution.
   2.8. Except as otherwise provided by law other than UPMIFA, the institution may invest in any kind of property or type of investment consistent with this section.
2.9. An institution shall diversify the investments of an institutional fund unless it reasonably determines that, because of special circumstances, the purposes of the Fund are better served without diversification.

2.10 A person that has special skills or expertise, or is selected in reliance upon the person’s representation that the person has special skills or expertise, has a duty to use those skills or that expertise in managing and investing institutional funds.

Each person responsible for managing and investing an institutional fund shall manage and invest the Fund in good faith and with the care an ordinary prudent person in like position would exercise under similar circumstances.

ASSIGNMENT OF RESPONSIBILITY

Responsibility of Finance and Investment Committee
The Committee is responsible for formulating and recommending Policy for the Fund to the Board of Directors. Duties include but are not limited to the following:

- Selection and retention of investment managers and investment vehicles as the Policy dictates. The Committee acts within the authority delegated by the Board of Directors in all matters relating to investment manager and investment vehicle selection. From time to time, certain members of the Committee may be required to recue themselves from such responsibility.
- Review performance on a quarterly basis of the Fund to stated objectives.
- Monitor the asset allocation of the fund. The Committee acts with the authority of the Board of Directors in all matters relating to rebalancing the portfolio to the strategic asset allocation targets, which may include intermediate term active adjustments over time.
- Determine if the overall policies and objectives continue to be appropriate and reasonable and make recommendations to the Board of Directors, as necessary.
- Adhere to the Board's interpretation of Uniform Prudent Management of Institutional Funds Act (“UPMIFA”).

Responsibility of the Investment Consultant(s)
The consultant's role is that of a non-discretionary advisor to the Committee. The consultant must operate without any conflicts of interest. Investment advice concerning the investment management of the Fund assets will be offered by the consultant, and will be consistent with the investment objectives, policies, guidelines and constraints as established in this statement. Specific responsibilities of the consultant include:

1. Reviewing the financial markets and economic climate in light of the Fund’s investment objectives and investment activity.
2. Assisting in the development and periodic review of the investment policy.
3. Conducting investment manager and investment vehicle searches when requested by the Committee.
4. Providing "due diligence", or research, on the investment manager(s).
5. Monitoring the performance of the investment manager(s) and investment vehicles to provide the Committee with the ability to determine the progress toward the investment objectives.
6. Communicating matters of policy, manager research, and manager performance to the Committee.
7. Providing review of the fund investment history, historical capital markets performance and the contents of this investment policy statement to any newly appointed members of the Committee.
8. The consultant must operate without any conflicts of interest.
Responsibility of the Investment Manager(s)
Manager(s) will have full discretion to make investment decisions for the assets placed under its jurisdiction within the investment methodology and mandate approved by the Committee. Institutional pooled funds selected will be governed by their prospectus, or disclosure documents as appropriate, as Policy addendums will not be written for pooled funds or for management of index funds.

Fiduciary Duty
In seeking to attain the investment objectives set forth in the policy, the Committee and its members shall exercise prudence and appropriate care in accordance with the Prudent Investor Rule. All investment actions and decisions must be based solely in the interest of the Fund. Fiduciaries must provide full and fair disclosure to the Committee of all material facts regarding any potential conflicts of interests.

Confidentiality
All information or advice furnished by either party to the other pursuant to this agreement shall be treated as confidential and shall not be disclosed to third parties unless as required by law.

Spending Policy
Income available for disbursement is determined by a total return calculation. Specifically, the fair market value of the Foundation’s three previous fiscal year ends (as adjusted for additions and withdrawals) is determined. Then a three year average is calculated. The generally accepted spending policy is a maximum of 5%. The Board of Directors by two-thirds vote may amend the stated spending policy to meet the prudent needs of the college. In addition to the above spending rate, annually 2% of the fiscal year-end market value for the total investments will be used to fund the operations of the Foundation.

Definition of Risk
The Investment Committee believes that any person or organization involved in the process of managing investment assets understands how it defines risk, so that the assets are managed in a manner consistent with the Fund’s objectives and investment strategy as documented in this statement of investment policy. The Committee defines risk as:

1. The probability of not maintaining purchasing power over the Fund’s investment time horizon net of expenses.
2. The probability of not meeting the Fund’s investment objectives.
3. The portfolios volatility being considerably more than the volatility of the normal portfolio as measured by 60% MSCI All Country World Index (ACWI)/40% Barclays Aggregate Bond Index.

GENERAL INVESTMENT PRINCIPLES
All investment actions and decisions must be based solely in the interest of the Fund. Fiduciaries must provide full and fair disclosure to the Committee of all material facts regarding any potential conflicts of interests.

1. Investments shall be made solely in the interest of the Fund.
2. The Fund shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims.
3. The Committee may employ one or more investment managers and/or investment vehicles of varying styles and philosophies to attain the Fund’s objectives.
DIVERSIFICATION AND ASSET ALLOCATION STRATEGY

The overall asset allocation strategy shall be to diversify investments to provide a balance that will enhance long-term total return while avoiding undue risk or concentration in any single asset class or investment strategy. The Committee has approved seven distinct asset classes for inclusion in the portfolio. They are as follows: domestic equity (large and small cap), domestic fixed income, international fixed income, international equity (developed and emerging), natural resources, real estate and cash. The portfolio will be invested with investment manager(s) and investment vehicles in each of these seven asset classes. Multiple manager(s) and or investment vehicles may be employed. The overall objective of the Fund will be to maintain a fully invested asset allocation strategy with minimal allocation to cash. Individual asset class managers may hold cash as a portion of their portfolios consistent with their investment methodology.

The aggregate funds Asset Allocation Guidelines (at market value) are illustrated in the table below. Addendum A – Strategic Asset Allocation Analysis provides supporting documentation on the Risk/Return expectations and the efficiency of the asset allocation model. Addendum A, illustrates the current strategic asset allocation, which employs an efficient portfolio optimized within the risk and liquidity constraints set forth in this policy statement. Maximum and minimum allocations are provided to give guidelines for re-balancing the portfolio when the valuations of each asset class move outside those collars. Specific policy is provided in the section on “Re-balancing”.

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Asset Allocation: Rebalancing Policy
The Committee and consultant will review the investment portfolio on a quarterly basis to evaluate the fund and its balance to the strategic asset allocation of this Policy Statement. When the Fund illustrates asset class balances outside the minimum or maximum policy allocation, the portfolio will require re-balancing activity to restructure back within its strategic asset allocation limits. All re-balancing activity will be executed by the consultant with approval from the Committee. An “Asset Allocation Rebalance Spreadsheet” will be used to illustrate and account for this re-balance activity. Contributions into the Foundation or distributions out of the Foundation will be managed to bring the fund closer to the strategic allocation, but will not require a full re-balance activity.

In a market characterized by extreme volatility in which one or more asset class’s minimum and/or maximum constraint is exceeded, the consultant will develop and recommend an alternative rebalancing plan subject to the Investment Committee and Management’s approval should the above guidelines otherwise require the sale of investments that may not be prudent and in the best long-term interests of the Fund.

Selection of Investment Managers
The Investment Committee’s selection of Investment Manager(s) must be based on prudent due diligence procedures. A qualifying Investment Manager must be a registered investment advisor under the Investment Advisors Act of 1940, or a bank or insurance company. The Investment Committee will use the services of a qualified consultant to assist in the manager selection process. The Consultant will conduct and document for the Investment Committee an investment manager search and evaluation for each manager adopted in the asset allocation analysis. The Investment Manager search process will provide quantitative historical performance information using reliable manager composite data to evaluate the manager’s performance track records. In addition, the Consultant will perform and report qualitative analysis of the investment manager’s personnel, investment process and stability of the business organization.

Commingled Funds
The Committee may also invest in commingled investment funds. The Committee recognizes that the investment practices of such funds will be in accordance with the funds’ prospectus and disclosure documents. However, in general, these investment practices must be in concert with the overall guidelines of this investment policy statement. The consultant shall be responsible to monitor the investment practices of such funds and investment vehicles to determine whether or not they are consistent with this Policy.

PERMISSIBLE INVESTMENTS
Domestic Equity
1. The domestic equity portfolio will be diversified according to economic sector, industry, number of holdings and other investment characteristics. However, it is recognized that any actively managed portfolio will not be as diversified as the market. To produce overall diversification, equity managers will be selected to employ different management strategies that together achieve the desired degree of diversification.
2. Domestic equity managers are not permitted to hold foreign securities except American Depository Receipts (“ADR’s”) or foreign stocks traded on recognized US Stock Exchanges.
3. No more than 5% of the manager’s portfolio, at cost, may be held in the securities of a single issuer.
4. Domestic equity managers should not participate in short selling of securities, the use of leveraging derivative instruments, such as financial futures and options, or any speculative device.
5. A manager may only deviate from these guidelines with advance permission from the Committee.
Domestic Fixed Income

1. Fixed Income investments must be direct issues of the United States Treasury, United States Government Agencies, or Instrumentalities including Mortgage Backed Securities and their derivative products, investment grade corporate and asset-backed bonds. Mortgage-backed and asset-backed securities not issued by an agency of the Federal Government must be A rated or better by a Nationally Recognized Statistical Rating Organization (NRSRO).

2. The average quality rating of the fixed income portfolio shall be A- or better by an NRSRO.

3. Only corporate debt issues that hold a rating in one of the four highest classifications by two of the three NRSRO’s (Moody’s, S&P and Fitch) may be purchased. For bonds with split ratings, the middle rating will apply. If there are only two ratings the lower (more conservative) rating will apply, and if only single rating is applicable that will apply. The Investment Manager(s) should avoid investing in securities that hold a rating that is less than BBB by two of the three NRSRO’s, except in the case of unanticipated downgrades. The Investment Manager(s) should immediately alert the Consultant and Investment Committee when any bond held in the portfolio is downgraded below these limits and should outline the course of action anticipated for that security.

4. Investment Manager(s) should invest no more than 2.0 times the respective index weight in BBB by an NRSRO or fifteen percent (15%) of the portfolio or which ever is lower.

5. Other than securities of the U.S. Government or its agencies, the fixed income portfolio shall not exceed five percent (5%) of any one issuer.

6. Investment Manager(s) has the latitude to adjust the overall duration of their portfolio within +/- 20% of their specific benchmark.

7. Please see page 15 of this document for additional information related to the domestic fixed income investment strategy.

International/Emerging Markets Equity

The following definitions may be used to distinguish between developed and emerging market securities.

1. International Developed Market Equity: Listed equity securities traded on developed non-U.S. markets. Developed markets are defined as those included in Morgan Stanley’s EAFE index.

2. Emerging Markets Equity: Listed equity securities traded on emerging non-U.S. markets. Emerging markets are defined as any market that is not included in Morgan Stanley’s EAFE index.

3. All restrictions listed above for Domestic Equity also apply to International/Emerging Markets with the following additions and modifications:
   - Managers must hold securities in a minimum of ten countries at all times.
   - Currency exposure may only be hedged to the US dollar. The decision to hedge is left to the manager’s discretion.

International Fixed Income Managers

1. The portfolio must be broadly diversified across a range of countries, regions, and securities.

2. The market value of an individual country may not exceed twenty-five percent (25%) of the total value of the international fixed income portfolio.

3. The composition of the portfolio and the techniques and strategies used will vary over time.

4. The fund expects to invest primarily in foreign securities, such as debt securities issued by foreign companies or governments, including supra-national entities.

5. The fund may purchase securities denominated in foreign currencies and in derivative instruments linked to foreign currencies.

6. The fund can invest without limit in lower-grade debt securities, if the investment manager believes it is consistent with the fund’s objectives.
Alternative Investments
The Foundation may employ investment managers to pursue alternative investment strategies (other than traditional long only purchases of stocks or bonds) for the purpose of diversifying the market exposure of the Foundation’s total portfolio and/or enhancing the overall return. Alternative investments may include managers, fund of funds, limited partnerships or other similar vehicles investing in domestic and international securities (either buying long or selling short). Alternative investments include but are not limited to real assets, venture capital, private equity, and marketable alternatives. The Finance and Investment Committee understands that mutual funds utilize futures and options to limit risk. Marketable alternative managers also utilize futures and options to limit risk. In each case, the manager (as with traditional managers) will be expected to operate within the guidelines proposed when the Committee approves the strategy. The generation of Unrelated Business Taxable Income (UBIT) is not permitted.

INVESTMENT GUIDELINES
Allowable Assets

Cash Equivalents
- Treasury Bills
- Money Market Funds
- Commercial Paper
- Banker’s Acceptances
- Repurchase Agreements
- Certificates of Deposit

Equity Securities
- Common Stocks
- Convertible Notes and Bonds
- Convertible Preferred Stocks
- American Depository Receipts (ADRs) of Non-U.S. Companies
- Stocks of Non-U.S. Companies (Ordinary Shares)
- REIT – Real Estate Investment Trusts that are publicly traded.

Fixed Income Securities
- U.S. Government and Agency Securities
- Corporate Notes and Bonds
- Mortgage Backed Bonds
- Preferred Stock
- Direct loans to the University
- Fixed Income Securities of Foreign Governments and Corporations
- Planned Amortization Class Collateralized Mortgage Obligations (PAC CMOs) or other "early tranche" CMOs
- Asset-Backed Securities
- Treasury Inflation Protected Securities (TIPS)

Commingled Funds
- Mutual Funds invested in securities as allowed in this statement.
- Commingled funds maintained under a bank.
- Exchange Traded Funds (ETFs).
Prohibited Assets for Separate Account Investment Managers
Prohibited investments for traditional investment managers include the following:
1. Commodities and Futures Contracts
2. Private Placements
3. Options
4. Limited Partnerships
5. Venture-Capital Investments
6. Direct Real Estate Properties (non-securitized and illiquid)
7. Exchange Traded Notes
8. Guaranteed Investment Contracts (GICs)

Prohibited Transactions
Prohibited transactions for include the following:
1. Short Selling
2. Margin Transactions

INVESTMENT PERFORMANCE REVIEW
Performance reports generated by the Consultant shall be completed at least quarterly and communicated to the Committee for review. The investment performance of total portfolios will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals and guidelines as set forth in this statement. The Committee intends to evaluate the portfolio(s) over at least a three-year period.

Investment Manager Watch List
1. An Investment Manager may be placed on a watch list at any time by the Investment Committee. The following list represents potential rationale for a manager to be placed on a watch list:
   1.1 Change of ownership
   1.2 Change in senior staff and/or management for any reason
   1.3 Investment style change
   1.4 Negative performance against assigned benchmarks over 3 – 5 years
   1.5 Dramatic change in level of assets managed by the investment firm
   1.6 Any breach of fiduciary or ethical duties to the Fund

2. Being placed on watch brings a heightened level of due diligence on behalf of the Consultant and Investment Committee. Actions that may be taken by the Investment Committee may include but are not limited to:
   2.1 Phone contact
   2.2 Written correspondence
   2.3 On-site visit
   2.4 Other measures deemed appropriate or necessary.
MANAGEMENT COST, FEES AND PROFESSIONAL COMPENSATION

One of the fiduciary responsibilities of Committee is to understand and account for all cost in the management of Fund assets. Management cost must be reasonable, to the direct benefit of the fund and without any conflicts of interest. The consultant will assist the Committee in the determination, understanding, negotiation and accountability of all fund investment cost. The following cost of asset management must be evaluative and considered:

- Investment Managers fees for both active and passive management,
- Commingled Pooled Fund internal expenses,
- Audit, Administrative and Sub-accounting fees,
- Custodial and Consulting fees.

The consultant will provide a schedule listed as the Asset Management and Consulting Fee Structure. At any time changes are made to the Asset Allocation Model or changes to the manager(s), investment vehicles employed, a new schedule will be provided.

INVESTMENT POLICY REVIEW

To assure continued relevance of the guidelines, objectives, financial status and capital market expectations as established in this statement of investment policy, the Finance and Investment Committee plans to review investment policy at least annually. Policy amendments must be approved by the Finance and Investment Committee and then submitted for final approval for the Board of Directors. All information or advice furnished by any parties to the other pursuant to this agreement shall be treated as confidential and shall not be disclosed to third parties unless as required by law.

This statement of investment policy is adopted as of May 26, 2015 by the Board of Directors of the North Carolina Central University Foundation, Inc.

For and on behalf of the NCCU,

__________________________________________, President, NCCU Foundation, Inc.

__________________________________________, Chairperson, Finance Committee

__________________________________________, Chairperson, Investment Committee
Addendum A

The asset allocation review included in the investment policy statement was developed using capital market assumptions based on both historical performance as well as near-term forecasts for the selected asset classes. The asset allocation list is not comprehensive of all available asset classes. The asset classes used for this study have been approved for use by the Investment Committee and Foundation Board.

<table>
<thead>
<tr>
<th>Asset Allocation</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expected Return</strong></td>
<td></td>
</tr>
<tr>
<td>Return (1 Yr.)</td>
<td>6.9%</td>
</tr>
<tr>
<td>Return (10 Yr.)</td>
<td>6.5%</td>
</tr>
<tr>
<td><strong>Expected Risk</strong></td>
<td></td>
</tr>
<tr>
<td>Standard Deviation (1 Yr.)</td>
<td>10.9%</td>
</tr>
<tr>
<td>Standard Deviation (10 Yr.)</td>
<td>3.4%</td>
</tr>
<tr>
<td><strong>Best Case Return</strong></td>
<td></td>
</tr>
<tr>
<td>Highest Likely Return (1 Yr.)</td>
<td>29.8%</td>
</tr>
<tr>
<td>Highest Likely Return (10 Yr.)</td>
<td>13.3%</td>
</tr>
<tr>
<td><strong>Worst Case Return</strong></td>
<td></td>
</tr>
<tr>
<td>Lowest Likely Return (1 Yr.)</td>
<td>-12.9%</td>
</tr>
<tr>
<td>Lowest Likely Return (10 Yr.)</td>
<td>-0.1%</td>
</tr>
<tr>
<td><strong>Probability of Negative Return</strong></td>
<td></td>
</tr>
<tr>
<td>Probability of Negative Return (1 Yr.)</td>
<td>27.2%</td>
</tr>
<tr>
<td>Probability of Negative Return (10 Yr.)</td>
<td>2.8%</td>
</tr>
<tr>
<td>US Large Cap</td>
<td>35.0%</td>
</tr>
<tr>
<td>US Small Cap</td>
<td>10.0%</td>
</tr>
<tr>
<td>International Developed Equity</td>
<td>10.0%</td>
</tr>
<tr>
<td>International Emerging Markets</td>
<td>5.0%</td>
</tr>
<tr>
<td>US Fixed Income</td>
<td>30.0%</td>
</tr>
<tr>
<td>International Fixed Income</td>
<td>5.0%</td>
</tr>
<tr>
<td>US TIPS</td>
<td>0.0%</td>
</tr>
<tr>
<td>REITs</td>
<td>2.5%</td>
</tr>
<tr>
<td>Hedge Fund-of-Funds</td>
<td>0.0%</td>
</tr>
<tr>
<td>Commodities</td>
<td>2.5%</td>
</tr>
<tr>
<td>Cash</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Equities 60%
Fixed Income 35%
Inflation Protection 5%

Past performance is not indicative of future results. Information found in this study was derived from sources deemed reliable but does not guarantee its accuracy.
MANAGER SPECIFIC GUIDELINES

These Manager Specific Guidelines are an exhibit to the North Carolina Central University Foundation e “Statement of Overall Investment Objectives and Policy.” By its signature below, the Investment Manager agrees to these Guidelines as well as to the terms and conditions of the Statement, which is incorporated herein by reference.

Manager: Piedmont Investment Advisors
Mandate: Taxable Fixed Income
Fixed Income Style: Intermediate Core Fixed Income
Fixed Income Benchmark: Barclays Capital Intermediate Government Credit
Asset Allocation: The manager is expected to be fully invested.

NCCU Foundation, Inc.

Date: ____________________ By: ____________________

Piedmont Investment Advisors

By: ____________________

The maximum allocation to high-yield (below investment grade rated bonds) is 20% of the fixed income portfolio.