

Endowment Performance Summary

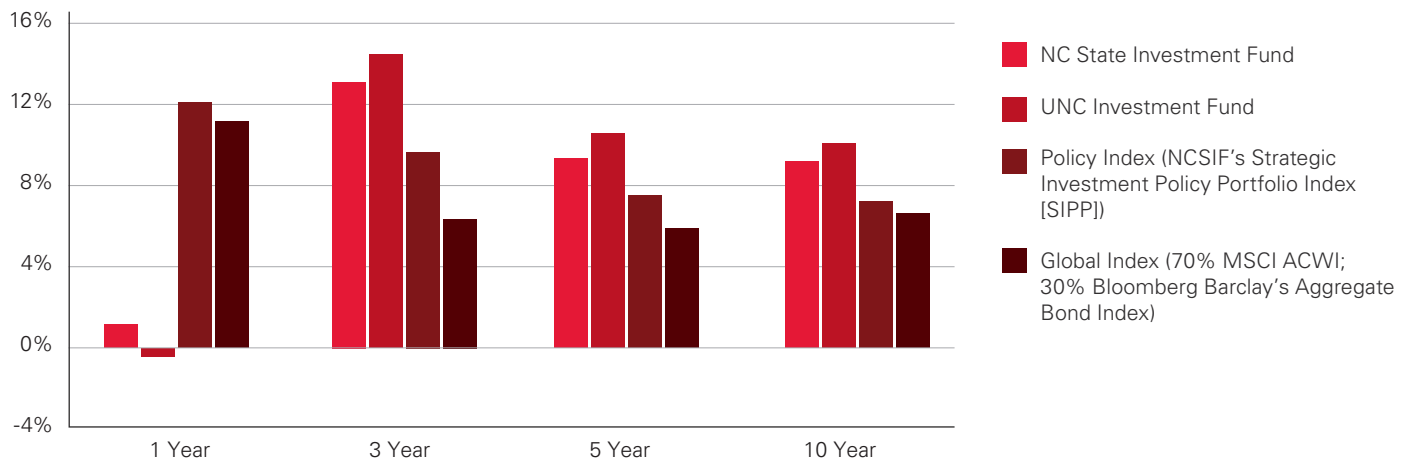
Thanks to our endowment donors, we are continuing our history of setting a strong footing for the future. Coming off last year's record-breaking mark of \$2.02 billion, the NC State endowment has steadied and increased slightly to \$2.03 billion over the past year.

In this report, you will see a summary of the management and performance of the NC State Investment Fund, Inc. (NCSIF), which operates the investment fund for the university and its affiliated foundations. Visit go.ncsu.edu/endowments for a more in-depth look at the NCSIF's performance in fiscal year 2023.

The fiscal year 2023 aggregate return for the university and its associated entities, including the NCSIF, was 1.41%. The NCSIF's three-, five- and 10-year average annual returns of 13.3%, 9.8% and 9.5% as of June 30, 2023, place it in the top quartile among university endowments.

The main contributors to the NCSIF's performance this fiscal year were strong performance within equity markets and underperformance in private assets. Over the longer three-, five- and 10-year periods, the NCSIF consistently outperformed the policy benchmark; for the 10-year period ending June 30, 2023, the NCSIF outperformed the policy benchmark and the global index by 2.1% and 2.8%, respectively.

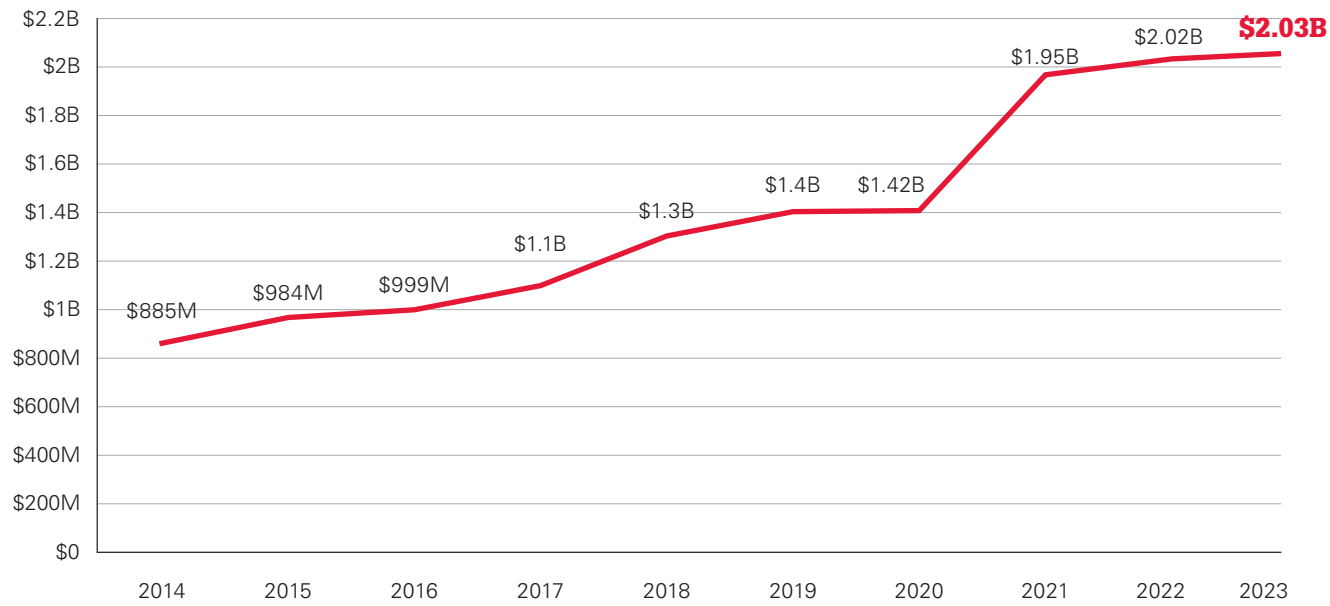
Performance as of June 30, 2023



Endowment Growth

Endowments provide solid and steady long-term funding to the university. NC State’s endowment is a large, complex pool comprising thousands of individual endowments. As of June 30, 2023, NC State housed a total of 3,683 individual endowed funds (not including the NCSU Student Aid Association). This represents growth of more than 119 new endowments over the past year. Individual endowments strengthen all aspects of the university’s mission, from providing crucial scholarships for students, to facilitating faculty and student research, to enhancing programmatic support.

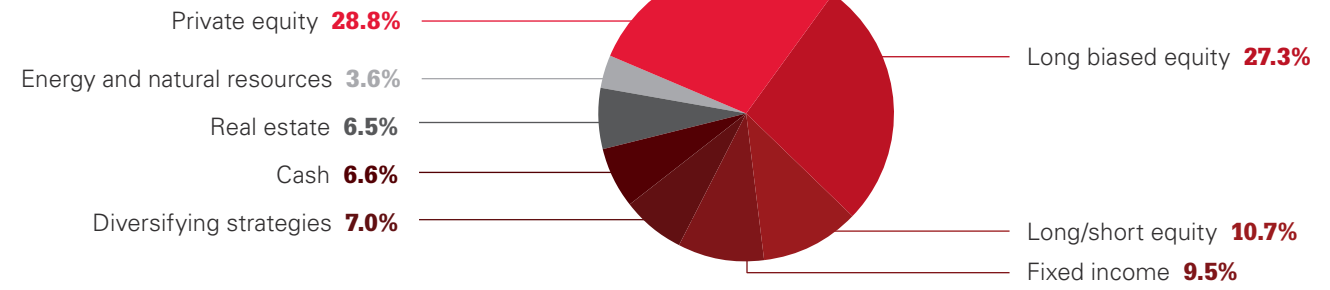
Endowment Value by Fiscal Year



Investment Strategy

The NCSIF is managed as a broadly diversified portfolio with exposure to eight primary asset classes and many substrategies within each asset class. The NCSIF seeks to diversify exposure to the substrategies through the use of multiple investment managers that use a variety of investment approaches. The purpose of diversification is to provide reasonable assurance that no single security, class of securities or investment manager has a disproportionate impact on the fund’s aggregate results. At times, the NCSIF invests in passive strategies. In working toward the fund’s investment strategy, through the UNC Management Company, the NCSIF invests in a number of niche managers that can employ different types of hedging strategies such as short-selling and derivative investing to help reduce the fund’s volatility. The focus on controlling volatility helps to preserve capital and benefits NCSIF participants through the power of compounding.

Asset Allocation



Governance and Investment Oversight

Effective governance and responsible oversight of the endowment’s investments are critical. Foundations Accounting and Investments is a multiservice office dedicated to providing investment management, accounting, budgeting, financial reporting, benchmarking and other help and guidance to the university and its associated entities.

The NCSIF is a North Carolina not-for-profit organization exempt from income tax under section 501(c)(3) of the Internal Revenue Code and was established to support NC State by operating an investment fund for the Endowment Fund of the university and other university-affiliated foundations. There are no involuntary participants in the NCSIF pool.

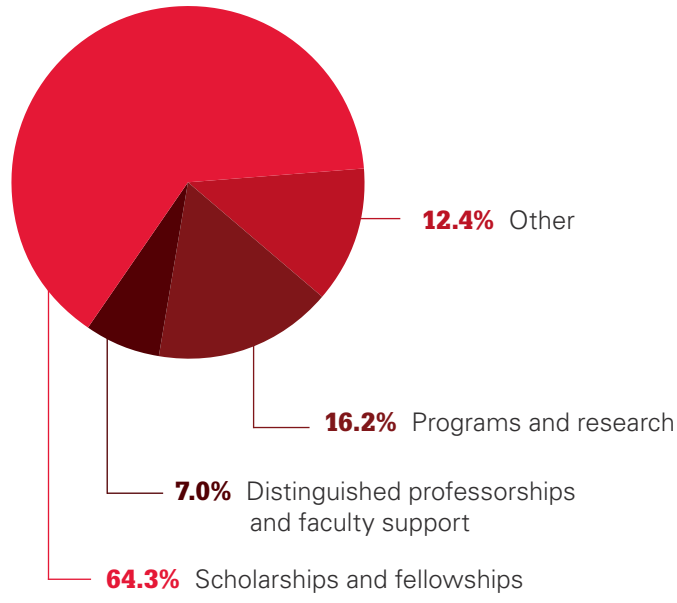
The NCSIF, reporting under the guidelines of the Governmental Accounting Standards Board, began operations in April 1999 and is classified as a 2a-7-like governmental external investment pool that is not registered with the Securities and Exchange Commission (SEC) as an investment company but has a policy that it will, and does, operate in a manner consistent with the SEC’s rule 2a-7 of the Investment Company Act of 1940.

Oversight for the NCSIF is provided by its Members Board and its Board of Directors. The Members Board is responsible for adopting policies and monitoring policy implementation. The Board of Directors’ primary role is to oversee the allocation of the NCSIF’s portfolio among asset classes and investment vehicles and to monitor investment performance.

Administration

NC State’s endowment comprises 3,683 individual funds, created by donors for designated purposes through gift agreements that clearly document intent, in accordance with the policies outlined by the university and its associated entities. NC State manages the endowment’s stewardship and administration.

Total Endowments



Note: This chart does not reflect financial information from the NCSU Student Aid Association (Wolfpack Club).

Contact Us

Endowment reports were prepared by the Office of Donor Services.
If you have questions about your endowment report, please contact the Office of Donor Services at donorservices@ncsu.edu or 919.513.9238.

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Learn more about your impact by visiting giving.ncsu.edu.