

How Are Funds Invested?

The assets of the foundations are invested in short-term, intermediate-term, or long-term investments, depending on the type of fund.

Unrestricted and restricted current funds [General fund, restricted funds, endowment income funds and building-to-endowment funds] that are available to be spent at all times will be invested in short or intermediate-term funds. The goal of the investment of these assets is to maximize the return, given the liquidity requirements. Since returns are historically higher the longer the investment horizon, another goal is to invest as much as possible in intermediate-term funds while still being able to adequately fund short-term needs.

Non-current restricted funds [Endowments and life income funds] that are not available to be spent currently are invested in a long-term asset portfolio in order to maximize rates of return over longer periods. The portfolio consists of stocks, bonds, real estate, hedge funds, private equity, and other alternative asset classes. Each foundation's board of directors approves the structure of the portfolio.

The majority of the non-current restricted funds **[endowments]** are invested in the NC State Investment Fund, Inc., a pooled investment entity supporting the NC State University's Endowment Fund and related foundations.

The current investment policy of the NCSIF can be located here:

<http://foundationsaccounting.ofb.ncsu.edu/investment-fund/governance-documents/>