

NC State Foundation SRI Fund

NC State University, Campus Box 7207, Raleigh, NC 27695-7207

Inception Date: May 31, 2014

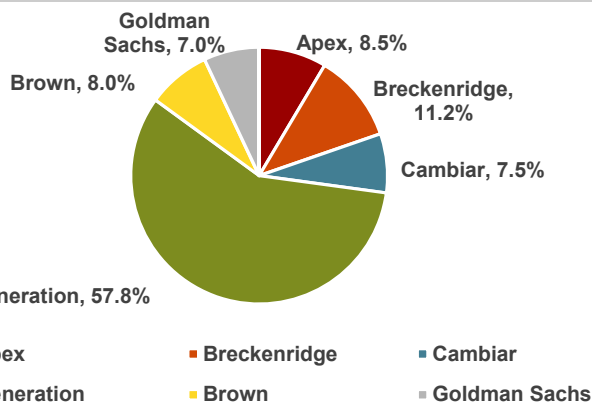
June 30, 2017

FUND HISTORY AND PHILOSOPHY

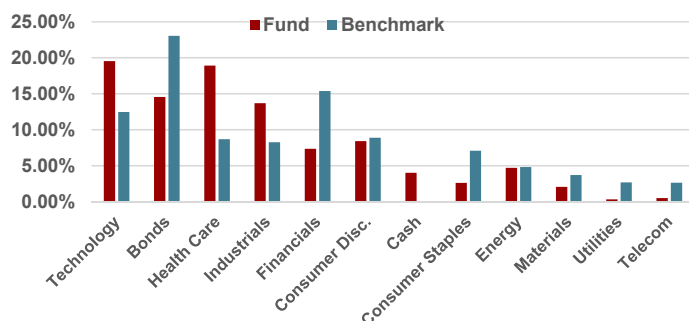
On September 26, 2013, The Park Foundation (Donor) pledged \$50 million, at the time the largest single contribution in NC State's 126-year history, to permanently fund the university's prestigious Park Scholarships program. In addition, an agreement was entered into by the NC State Foundation and the Donor to manage these funds in a socially responsible manner. Authority to manage the investment program in accordance with this investment policy was granted jointly to the Foundation's Treasurer and Assistant Treasurer.

The SRI Fund is a broadly diversified portfolio with an asset allocation that is intended to achieve an average annual real total return of at least 5% per year over rolling five- and ten-year periods. Asset allocation guidelines reflect a 60-70% Equity and 30-40% Fixed Income portfolio with 15% bandwidths, with emphasis on equity-related investments to help achieve the SRI Fund's long-term return objective. Of the initial pledge, \$10 million has been received. The market value at June 30, 2017 was \$11.2 million. The SRI Fund provided programmatic spending of \$468,140 and \$418,360 for FY 2018 and FY 2017, respectively.

MANAGER ALLOCATION



SECTOR ALLOCATION



This report is based on information available at the time of distribution. The information comprising this report has not been audited and is subject to change.

PERFORMANCE

Market Value	\$11,224,918			
Performance	QTD	CYTD	1 Year	3 Year
SRI Fund	7.5%	16.0%	21.0%	8.4%
Policy Index	3.4%	8.7%	12.7%	4.2%
Generation**	11.3%	23.8%	31.5%	13.9%
Apex*	2.8%	10.5%	17.4%	3.5%
Cambiar*	5.7%	9.6%	14.9%	1.0%
Brown*	5.1%	13.8%	17.5%	
Breckenridge*	-0.4%			
Goldman Sachs PE **	0.0%			

Policy Index: Global Index of 70% ACWI/30% Barclays Agg;
*Managed by RBC; **Managed by NC State

MANAGERS

Generation Investment Management manages over 50% of the portfolio in a Global Equity Strategy that integrates sustainability research with fundamental equity analysis.

RBC SRI Wealth Management Group (RBC) oversees 40% of the assets in a balanced equity/fixed income portfolio including Cambiar, Apex, Brown, and Breckenridge. RBC performs due diligence on the managers and negative screening based on the NC State Foundation's ESG factors while investing in quality managers to outperform over the long run. In May 2017, funds were liquidated from Calvert and invested with Breckenridge.

Goldman Sachs Impact Private Equity Managers' (Impact PEM) investment objective is to realize long-term compounded returns in excess of those available through conventional investments in the public equity markets while also creating measurable, positive environmental and/or social impact. The strategy seeks to build a diversified core portfolio of managers who will target a range of environmental and social themes such as clean infrastructure, resource efficiency, sustainable products, healthcare, and education. Funding began in May 2017.

ASSET ALLOCATION

