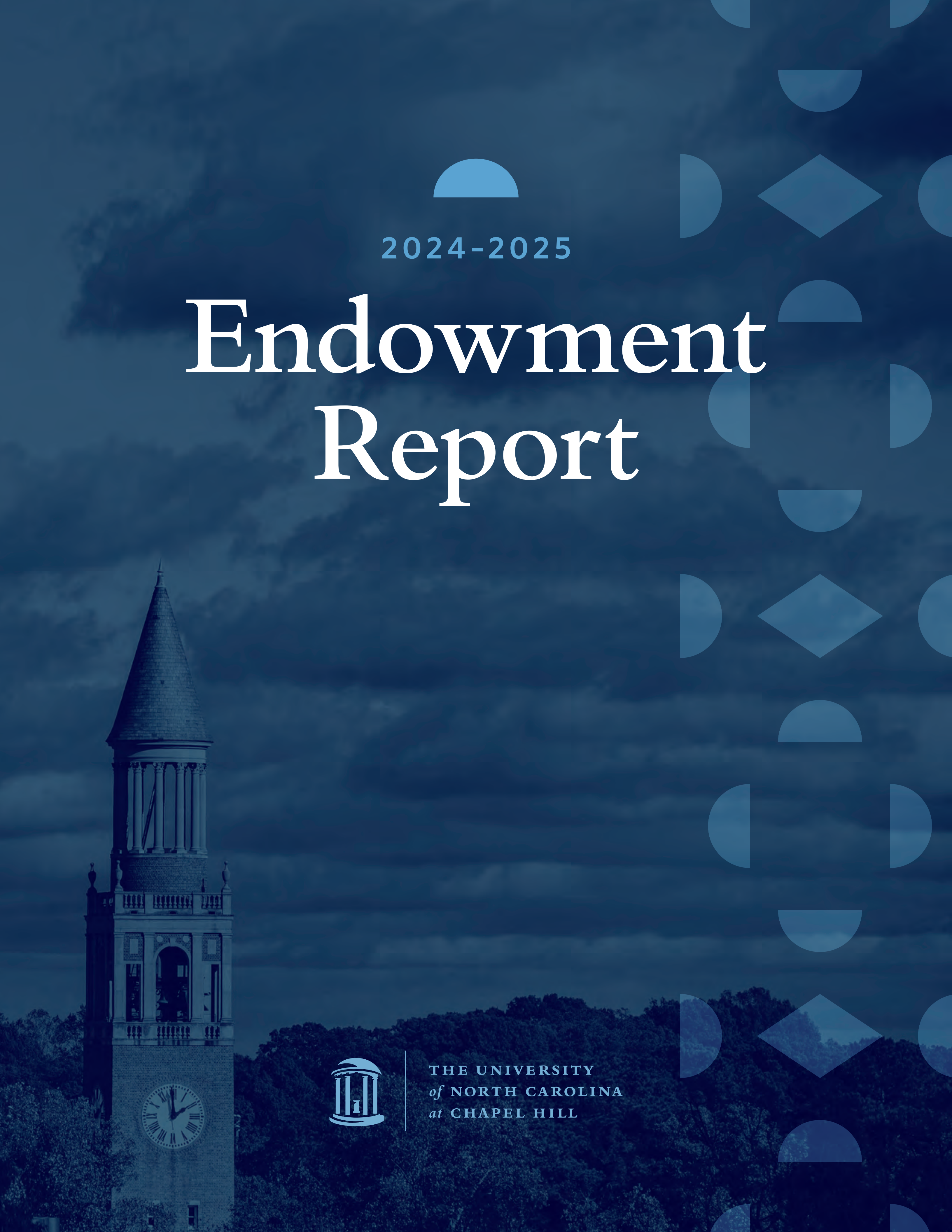


2024-2025

Endowment Report

THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

FISCAL YEAR 2025

By the Numbers

5,549 donors
MADE GIFTS TO AN ENDOWED FUND
$73.4 MILLION CONTRIBUTED

129
NEW ENDOWED FUNDS
were created

4,471
TOTAL
Endowments

$239M
ENDOWMENT DISTRIBUTIONS
to support scholarships, fellowships, programming and groundbreaking research

Carolina's endowment serves as the foundation for our most essential priorities: attracting exceptional students and faculty, driving innovative research, and shaping a brighter future.

Carefully managed to grow while maintaining its principal, the endowment provides a consistent and enduring source of funding. This financial resilience is vital as we respond to the ups and downs of state appropriations, tuition revenue and federal support. Whether it's scholarships for undergraduates, graduate fellowships, endowed faculty positions, cutting-edge research or vibrant arts programming, the strength and reach of our Carolina community are made possible by the enduring generosity of our endowment and its committed donors.

The impact is felt year after year, generation after generation.

$2 billion
DISTRIBUTED
over the last
10 YEARS

ENDOWMENTS IN ACTION

Making Meaningful Work Possible

Endowed fellowship provides funding for law students completing work within public and criminal defense.

When UNC School of Law student Griffin Lamb '26 (JD) stepped into work last summer, he confronted some of the legal system's most challenging and rooted issues. Interning at the Center for Death Penalty Litigation, Lamb dove into capital punishment cases, particularly focusing on those from North Carolina's "legal desert" counties, where there are fewer than one lawyer per 1,000 residents.

During his internship, Lamb assisted attorneys with investigating exculpatory evidence, visited clients on death row and conducted research into recent developments of capital defense litigation. He traveled across the state to conduct jury investigations, interview witnesses and even speak with executioners. Seeing the progression of cases from initial witness meetings all the way to trial dates provided Lamb with crucial insight into the extensive preparation that goes into each case.

As a recipient of the Dan Pollitt Fellowship, Lamb received funding that allowed him to fully immerse himself in the experience without financial stress. Established in 1992 by former students in honor of late Professor Daniel Pollitt, a distinguished civil rights attorney and longtime Graham Kenan Professor of Law at UNC-Chapel Hill, the endowed fellowship provides funding for law students completing work within public and criminal defense — areas that are often underfunded.

"I find it encouraging, because it signals that there are people who recognize how urgent and essential legal advocacy is in these deserts," said Lamb. "It gives students and aspiring lawyers like me the ability to do this work when, due to financial stressors, it wouldn't have been possible otherwise."

Cole Voorhies, who serves as the director of public interest and government advising at Carolina Law, worked with Lamb to find the right summer opportunity for him. He added that such philanthropic efforts and grants are not only crucial in supporting work in public defense, but are also instrumental in freely pursuing the legal fields law students are passionate about.

"In terms of being a Carolina Law student, with all these different grants and types of grants, it means there will be a meaningful opportunity to explore what you want to explore," Voorhies said. "Carolina Law is intended to serve North Carolinians. For most working class people, it's where the rubber meets the road," added Voorhies. "Our students thrive on knowing that public service creates tangible benefits that everybody in North Carolina can appreciate."

For Lamb, the summer experience reinforced his commitment to public defense while expanding his understanding of structural advocacy.

"Doing public interest work at the law school has given me a deep sense of purpose and perspective that can be hard to find elsewhere," reflected Lamb. "When you do this type of work, you're going to meet lawyers on the ground who are inspiring human beings. You're going to see the impact of the law in a really close-up way."

By Samee Ghaffar '27, University Development

Griffin Lamb '26 (JD) interned at the Center for Death Penalty Litigation with support from the UNC School of Law's philanthropic summer grants and the Dan Pollitt Fellowship. (Photo of Lamb submitted by subject; School of Law photo courtesy of UNC Development)

ENDOWMENTS IN ACTION

New Endowment Funds Ackland Asian Art Curator

Visionary donors established an endowed curatorship that honors Sherman E. Lee and guarantees lasting care for more than 3,000 works of Asian art.

Through the generous support of donors, the Ackland Art Museum has established an endowed curatorship for its collection of Asian works of art. The Sherman E. Lee Curator for Asian Art, when hired, will steward the museum's collection of more than 3,000 works of Asian art, with responsibilities for research, acquisition, preservation and presentation.

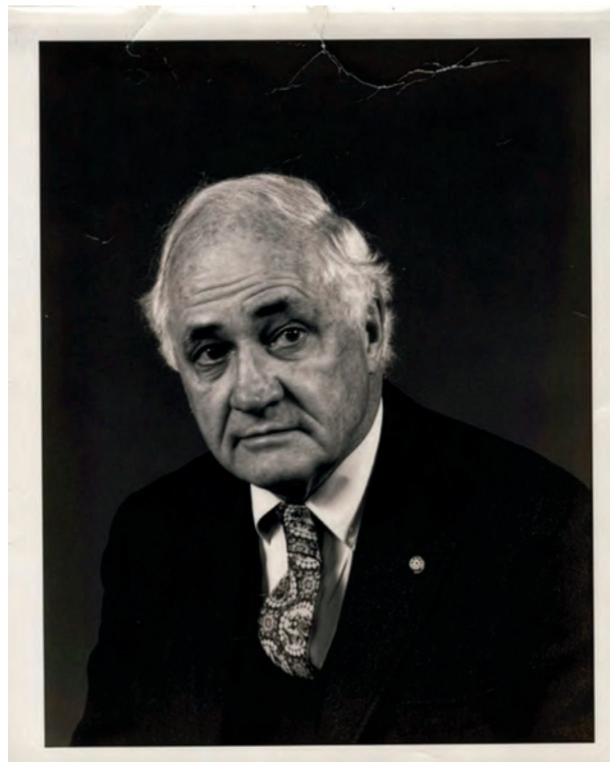
Representing the largest collection of Asian art in the state and among the most significant in the Southeast, the Ackland's collection spans diverse cultures and time periods. Its many notable works include Chinese ceramics, Japanese woodblock prints and religious sculptures from across Asia.

"It is a resource for students and faculty on campus to broaden their understanding of global cultures and histories," said Carolyn Allmendinger, who served as interim director of the Ackland. "It also meets the educational needs and interests of our state; it aligns especially closely with the public school social studies curriculum."

The $3 million endowment was established through gifts and commitments from an anonymous donor, the E. Rhodes and Leona B. Carpenter Foundation, and the estate of the late Joan Huntley. The fund will provide salary and benefits, as well as opportunities for travel, research and professional development.

The curatorship is named in honor of the late Sherman E. Lee (1918-2008), who was a renowned expert in Asian art and director of the Cleveland Museum of Art. Following his retirement in 1983, Lee moved to Chapel Hill and served as an adjunct professor of art history at UNC-Chapel Hill and a close advisor to the Ackland, especially for its holdings and acquisitions of Asian works.

Lee's daughter, Peg Bachenheimer, shared that a significant moment in her father's connection to Asian art dated to his service in the Navy while deployed in the Pacific. Soon after World War II ended, he asked his captain if he could take a trip ashore to China to view art. The captain agreed, and the brief visit confirmed Lee's interest in the field. Following the war, Lee spent two years as a "monuments man" in Japan, cataloging important artworks there.



Sherman E. Lee, a renowned expert in Asian art, helped the Ackland build its collection. (Photo provided by the Lee family)

Lee's book "A History of Far Eastern Art" was published in 1964 and remains a standard text in the field, and Bachenheimer remembers her father writing drafts on a yellow notepad every evening after dinner.

Paintings and ceramics from "Clouding: Shape and Sign in Asian Art," the Ackland's 2021-22 permanent collection installation. (Photo by Scott Hankins)

> **"Thank you for continuing to honor a man who in life promoted and encouraged scholars of the arts, and the enriching effect that their continued support has on the rest of the community."**
>
> *— Thomas Lee*

Bachenheimer said that she and her siblings, Elizabeth Chiego and Thomas Lee, felt proud that the curatorship would honor the legacy of their father. She also shared that her late sister, Katharine Lee Reid, was a curator at the Ackland in the early 1980s and followed in her father's footsteps to become director of the Cleveland Museum of Art. Reid later served on the Ackland's National Advisory Board and advocated for establishing a curator of the Asian collection. Her work on the board was important in securing the grant from the Carpenter Foundation.

"Dad would be honored to know of the success of the endowment and new curatorial position at the Ackland," Thomas Lee said. "Thank you for continuing to honor a man who in life promoted and encouraged scholars of the arts, and the enriching effect that their continued support has on the rest of the community."

By Drew Guiteras, University Development

Alison Axtman's research lies at the forefront of chemistry and biology, with a focus on using small molecules to explore and impact disease-propagating biological pathways. (Photo by Danny Alexander)

ENDOWMENTS IN ACTION

An Endowment That Fuels Discovery

A new distinguished fellowship empowers early-career faculty like Alison Axtman to push the boundaries of drug discovery through open science.

The first of its kind at the UNC Eshelman School of Pharmacy, the Maureen Daly Blouin Distinguished Scholar in Open Science Drug Discovery is dedicated to bolstering the research endeavors of an early-career faculty member whose academic pursuits focus on open science drug discovery.

Alison Axtman, assistant professor in the division of chemical biology and medicinal chemistry and part of the Structural Genomics Consortium (SGC-UNC), was selected as the inaugural fellow to receive this appointment. She has been at the school for almost 10 years and moved to a tenure track position in 2024.

"This recognition is going to help my lab flourish in many different ways and gives us the flexibility to pursue the science we are most interested in," said Axtman. "I'm so thankful for this honor — it's validation that the work I'm doing at Carolina is recognized at a high level."

The SGC-UNC is a not-for-profit, public-private partnership that performs basic science of relevance to drug discovery. All material and intellectual output of SGC-UNC is placed in the public domain for use without restriction — also known as open science.

Axtman's research focuses on neurodegenerative diseases. Her team is working on validating new targets for Alzheimer's disease and researching genetic causes as well as more broadly implicated aberrant proteins that contribute to Lou Gehrig's disease (also known as ALS).

This distinguished fellowship was made possible with an endowment by the SGC-UNC as well as many alumni and friends who gave in honor of former dean Robert (Bob) Blouin and his wife, Maureen Blouin.

"It was such an honor when this opportunity came up, and I believe this will just add to the Blouin legacy at the school," said Maureen Blouin. "I clearly remember Bob having to write grants as a young investigator — I know how important it is to give a young investigator a foot up."

By Mariava Phillips, UNC Eshelman School of Pharmacy

Overview

The UNC Investment Fund, LLC ("Fund" or "UNCIF") is the commingled vehicle created to invest the assets of The University of North Carolina at Chapel Hill Foundation Investment Fund, Inc. ("Chapel Hill Investment Fund" or "CHIF"), along with other eligible entities affiliated with the University of North Carolina system.

The Investment Objectives

The Investment Fund's primary long-term investment goal is to provide an increasing stream of spending support in perpetuity while simultaneously ensuring that the underlying value of invested gifts grows at a rate at least equal to inflation. This rather straightforward goal, however, creates an ongoing conflict between maximizing current spending and protecting the original corpus of gifts from inflation. A dollar spent today cannot be reinvested to generate additional dollars tomorrow, and losses impair the Investment Fund's ability to earn returns sufficient enough to meet future spending needs. The Investment Fund's investment strategy must manage the delicate balance between protecting the corpus, which favors a more conservative investment strategy, and growing asset values over time, which favors a more aggressive investment strategy.

To achieve its long-term investment objective, the Investment Fund is:

- diversified across asset classes and investment strategies including a significant allocation to alternative strategies;
- primarily invested via external, third-party investment managers; and
- structured to protect capital during periods of declining markets.

The Management Company

The UNC Management Company, Inc. ("Management Company") has been appointed by CHIF's Board to provide investment management services to the Fund as well as Fund administration and performance reporting. The Management Company works closely with the Board and its Executive Committee requiring their direction and approval for:

- determination of asset allocation;
- hiring and termination of external investment management firms; and
- direct purchase or liquidation of assets.

Fiscal Year 2025 in Review

UNC Investment Fund Performance

Following a strong year in FY 2024, the UNC Investment Fund (the "Investment Fund") maintained momentum to generate solid performance in FY 2025, **returning +11.6% for the 12-month period**. For the year, six of the Investment Fund's primary asset classes generated positive returns. The Investment Fund's +11.6% return outpaces its primary benchmarks but trails the more "traditional" equity market-focused Global 70/30 Portfolio. Relative to peers, the Investment Fund's FY 2025 return ranks solidly in the second quartile of the Cambridge Associates' College and University universe of endowment funds ("Cambridge Universe"). Although the Investment Fund's three-year return ranks in the bottom quartile of the Cambridge Universe, reflecting its underperformance in FY 2023, the Investment Fund's 5-, 10-, and 20-year returns continue to rank in the top quartile of this endowment universe.

INVESTMENT RETURNS: A COMPARISON	FY 2025	3 YEAR	5 YEAR	10 YEAR	20 YEAR
UNC Investment Fund	**11.6%**	**7.8%**	**13.2%**	**9.7%**	**9.1%**
Primary Benchmark: SIPP	9.2%	7.1%	10.3%	7.9%	7.8%
Long-Term Return Objective[1]	8.2%	8.4%	10.1%	8.6%	8.1%
Traditional Portfolio: 70/30 Portfolio[2]	13.2%	12.8%	9.3%	7.7%	6.9%
Peer Universe Quartile Ranking[3]	Second	Bottom	Top	Top	Top

1 Inflation (as measured by CPI) + 5.5% (spending rate)

2 Global 70/30 Portfolio - 70% MSCI All Country World Index / 30% Bloomberg U.S. Aggregate Bond Index

3 Cambridge Associates' College and University Endowment Universe (preliminary as of 9/19/25)

Chapel Hill Investment Fund Market Value

The University of North Carolina at Chapel Hill Foundation Investment Fund ("Chapel Hill Investment Fund" or "CHIF") represents the portion of the Investment Fund that is invested on behalf of UNC-Chapel Hill and its affiliated foundations. The Investment Fund is managed by the UNC Management Company with oversight by the Chapel Hill Investment Fund's Board of Directors ("CHIF Board"). During FY 2025, CHIF's market value increased from $5.59 billion at the beginning of the fiscal year to $6.06 billion at June 30, 2025.

CHAPEL HILL INVESTMENT FUND	$ MILLIONS
Beginning Balance (6.30.2024)	**$5,589.2**
+ Investment Return	*$659.2*
+ Net Contributions	*$69.4*
- Annual Spending Distribution	*($254.3)*
FYE Balance (6.30.2025)	**$6,063.6**
Change	**$474.4**

Over the past 10 years, the market value of the Chapel Hill Investment Fund has more than doubled from $2.88 billion at June 30, 2015 to $6.06 billion at June 30, 2025. During this 10-year period, $2 billion has been distributed from the Chapel Hill Investment Fund to support University programs and development.

Spending Distribution Policy

The Chapel Hill Investment Fund's spending distribution policy strives to accomplish two objectives:

01 provide CHIF participants with financial support at a rate that is **sustainable** over the long term; and

02 provide CHIF participants with financial support at a rate that is **stable** over the long term.

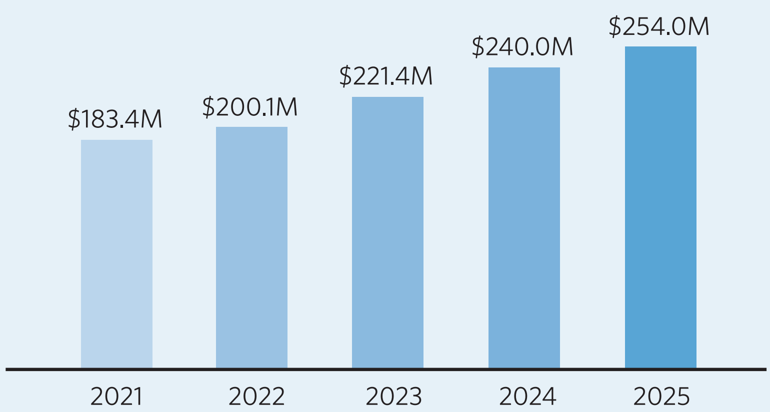
One of the distinguishing aspects of the Chapel Hill Investment Fund is the use of a "constant growth" spending rule. Under this spending rule, the annual per-unit distribution amount is ordinarily increased by the inflation rate (CPI). This spending approach is designed to meet the stated objective of providing a predictable and growing stream of spending to support underlying endowed programs.

In June of each year, participants in CHIF receive a distribution of between 4% and 7% of their market value as of June 30 of the prior year. The distribution is calculated on a per unit basis, weighted by the length of time each unit is owned during the fiscal year and adjusted to take into account units sold in connection with the funding of the prior fiscal year's distribution. Additionally, the CHIF investment policy allows for an administrative fee, currently 1%, supporting campus-wide fundraising and stewardship activities and offsetting the internal cost of managing endowment assets.

In October 2024, the CHIF Board voted for a distribution rate amounting to approximately 4.0% of CHIF's June 30, 2024, market value. For your endowment, this was the rate used to calculate the distribution that paid out on June 30, 2025, and was based on your fund's market value at June 30, 2024.

In the past 10 years, $2 billion has been distributed from the Chapel Hill Investment Fund to support University programs.

CHAPEL HILL INVESTMENT FUND:
DISTRIBUTIONS BY FISCAL YEAR *(in millions)*



Thank You

We deeply appreciate your generosity, dedication and belief in Carolina's potential.

By choosing to invest in an endowment, you demonstrate a clear understanding of the importance of long-term financial strength. Your support not only helps us recruit outstanding students and elevate our teaching and research excellence — it also empowers Carolina to engage meaningfully in global conversations that shape our future. The remarkable achievements unfolding across our campus are made possible by visionary individuals like you — those who choose to say "yes" to lasting transformation.

Thank you for the enduring legacy your gift creates for generations of Tar Heels to come.

The latest annual report for the Chapel Hill Investment Fund is available for download at: uncmc.unc.edu/the-fund

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Glossary for Annual Endowment Financial Reports

Book Value Includes all gifts to this fund, transfers from other funds, withdrawals and income distributions that have been reinvested into this fund. Book Value is not directly affected by changes in the market.

Beginning Market Value The fair market value of your fund at the beginning of the fiscal year. It is based on your fund's share of Carolina's total endowment market value.

Additions to Principal Includes gifts made to the fund during the fiscal year and any income reinvested into the fund. Note: Additions made in the month of June are not reflected in this total because they are not sent to CHIF until July.

Investment Return The value from investment performance over the fiscal year, net of fees.

Income Distribution The amount distributed in June 2025 for use in FY 2026. This amount is based on your fund's market value at June 30, 2024, and the Investment Fund Board's approved payout policy.

Withdrawals/Transfers The amount withdrawn or transferred out of the fund. Book Value is affected by this change.

Ending Market Value The fair market value of your fund at the end of the fiscal year. Note: Additions made in the month of June are not reflected in this total because they are not sent to CHIF until July.

THE UNIVERSITY *of* NORTH CAROLINA *at* CHAPEL HILL

OFFICE *of* UNIVERSITY DEVELOPMENT
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giving.unc.edu