



Portfolio Review

Prepared for:
NCCU Endowment

April 12, 2024

This page is intentionally left blank.

Performance (%)

Equity Income	Gross of Fees	Net of Fees	S&P 500	Gross Excess Returns	Net Excess Returns
2024					
1Q 2024	7.84	7.72	10.56	-2.72	-2.84
2023					
2023	15.07	14.56	26.29	-11.22	-11.73
Annualized Trailing Periods as of 3/31/2024					
Trailing 1-Year	20.27	19.73	29.88	-9.61	-10.15
Trailing 3-Year	9.06	8.57	11.49	-2.43	-2.92
Trailing 5-Year	11.52	11.02	15.05	-3.53	-4.03
Trailing 7-Year	11.19	10.69	14.09	-2.90	-3.40
Trailing 10-Year	11.35	10.85	12.96	-1.61	-2.11
Since Inception*	11.95	11.45	13.36	-1.41	-1.91

*Inception Date 07/31/2013

Performance (%)

SMID Cap Core	Gross of Fees	Net of Fees	Russell 2500	Gross Excess Returns	Net Excess Returns
2024					
1Q 2024	9.15	9.03	6.92	2.23	2.11
2023					
4Q 2023	12.97	12.84	13.35	-0.38	-0.51
3Q 2023	-2.13	-2.24	-4.78	2.65	2.54
Annualized Trailing Periods as of 3/31/2024					
Since Inception*	20.69	20.28	15.40	5.29	4.88

Performance (%)

	Gross of Fees	Net of Fees	Benchmark**	Gross Excess Returns	Net Excess Returns
2024					
1Q 2024	8.40	8.28	9.11	-0.71	-0.83
2023					
2023	11.43	11.31	12.42	-0.99	-1.11
Annualized Trailing Periods as of 3/31/2024					
Trailing 1-Year	22.97	22.42	28.23	-5.26	-5.81
Trailing 3-Year	9.87	9.38	11.02	-1.15	-1.64
Trailing 5-Year	12.02	11.51	14.76	-2.74	-3.25
Trailing 7-Year	11.69	11.19	13.88	-2.19	-2.69
Trailing 10-Year	11.22	10.72	12.82	-1.60	-2.10
Since Inception*	9.62	9.12	10.54	-0.92	-1.42

*Inception Date 6/30/2003

Equity Assets

Value on Funding Date (6/11/2003)	\$	2,059,556
Contributions since Inception	\$	5,058,085
Withdrawals since Inception	\$	(7,559,429)
Growth in Assets Since Inception	\$	13,680,910
Current Value (03/31/2024)	\$	13,239,122

*Inception Date 6/30/2003

Past performance is not an indication of future results. Results for the period are time weighted. Returns are presented gross and net of management fees and include the reinvestment of all income. A complete list of firm composites and performance results is available upon request. Please refer to the GIPS® report for additional performance information which is included on pages 14 and 15.

Note: On 07/31/13, the account moved to 50% Equity Income and 50% Strategic Core per Board's approval

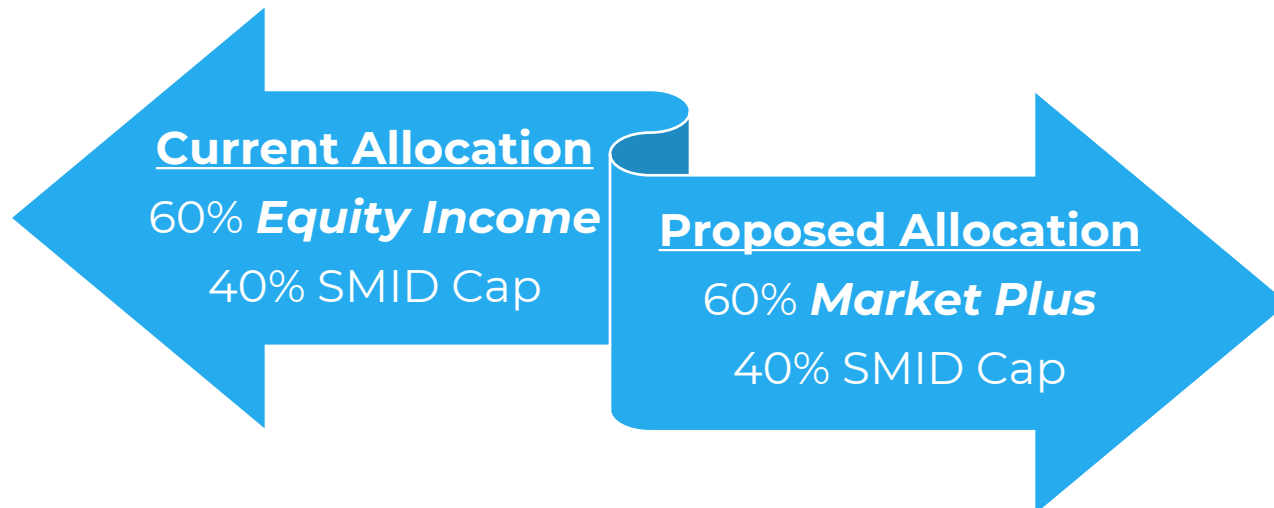
On 02/26/19, the account was 89% Equity Income and 11% Strategic Core per Board's approval

On 03/29/19, the account became 100% Equity Income per Board's approval

**Benchmark was S&P 500 from 6/30/2003 through 6/30/2023. On 6/30/23, the account became 60% S&P 500 and 40% Russell 2500 per Board's approval

Investment Proposal

- The **Equity Income** strategy which constitutes 60% of the current portfolio is a large cap strategy oriented primarily towards owning names that pay dividends, have strong balance sheets, and high profitability.
- The market regime has shifted to become more inflationary in the post-pandemic era. We have also experienced a corresponding rise in interest rates after more than a decade of a low-interest rate environment after the great financial crisis of 2008.
- Given the change in the market environment, we propose the creation of a more stable and diversified portfolio by transitioning the portfolio allocation in **Equity Income** to **Market Plus**, our lower tracking error (risk) large cap strategy



Equity Income and Market Plus

Investment Proposal

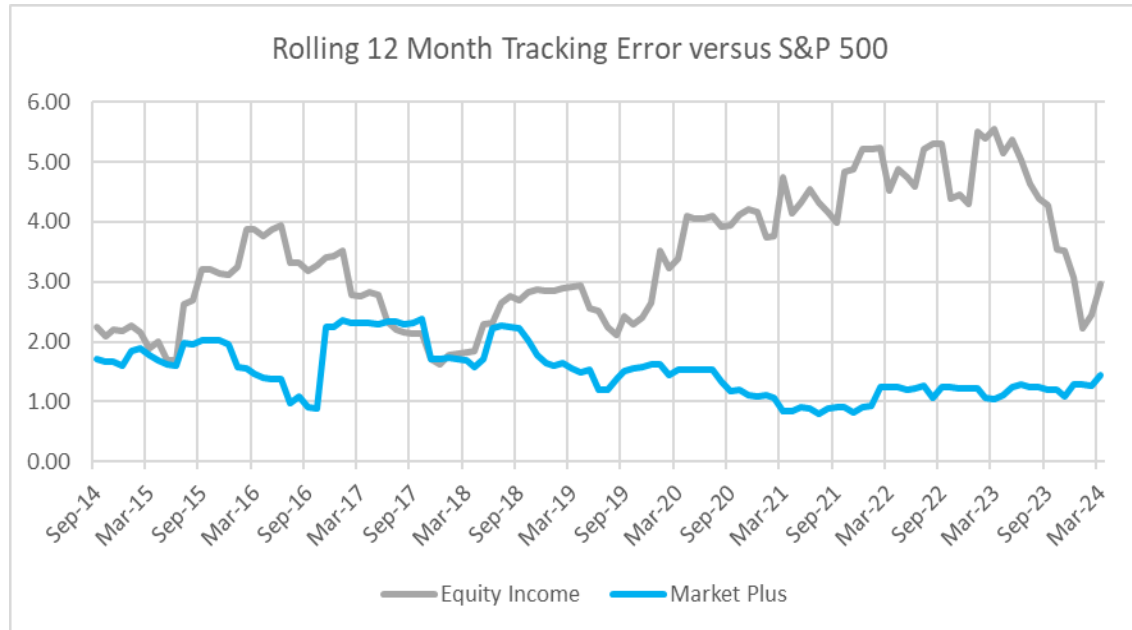
	Equity Income	Market Plus
Inception Date	09/30/2012	12/31/2001
Assets in Strategy (3/31/24)	\$8 Million	\$402 million
Benchmark	S&P 500	S&P 500
Predicted Tracking Error	4% to 7% vs. benchmark	1% to 2% vs. benchmark
No. of Stocks	45-50	100-175
Sector Weights	Benchmark \pm 5%	Benchmark \pm 2%
Annual Turnover	50% to 60%	70% to 80%
Stock Selection Methodology	Buy Screen Focused on Dividend Growth, Dividend Coverage, Low Leverage, Profitability	Machine Learning Stock Selection Models Focused on Reasonable Valuations, Strong Earnings Growth, High Quality

Dividend Yield - Interest Rate Periods				
Rising Rate Periods		10yr rate		Dividend Yield
Start	End	Start	End	
Sep-1998	Jan-2000	4.42	6.67	-2.1%
May-2003	Jun-2006	3.37	5.14	-3.0%
Dec-2008	Dec-2009	2.21	3.84	-1.1%
Jul-2012	Dec-2013	1.47	3.03	-1.5%
Jul-2016	Oct-2018	1.45	3.14	-0.2%
Jul-2020	Mar-2024	0.53	4.20	-4.1%

Falling Rate Periods		10yr rate		Dividend Yield
Start	End	Start	End	
Jan-2000	May-2003	6.67	3.37	2.9%
Jun-2006	Dec-2008	5.14	2.21	-1.4%
Dec-2009	Jul-2012	3.84	1.47	0.1%
Dec-2013	Jul-2016	3.00	1.45	0.5%
Oct-2018	Jul-2020	3.14	0.54	-3.4%

Source: FactSet, Qontigo, Bloomberg

- The Dividend Yield factor tends to underperform in rising rate environments. 8

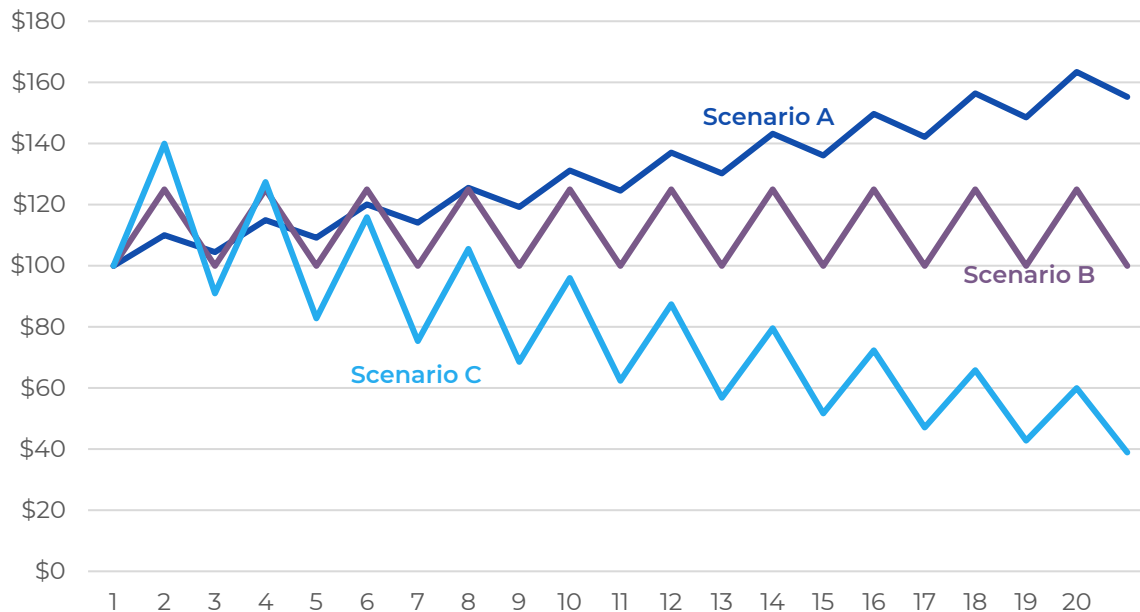


- Tracking Error is a measure of volatility of excess returns versus the benchmark (S&P 500)
- The Market Plus strategy is more diversified and less volatile when compared to the Equity Income Strategy

Impact of Volatility

It is better to have lower returns and lower volatility than higher returns paired with higher volatility in the long-term

Impact of Volatility on Returns



Scenario A: +10% / -5%	
Volatility (Std Dev)	7.50%
Cumulative Return	55.30%
Annualized Return	2.23%

Scenario B: +25% / -20%	
Volatility (Std Dev)	22.50%
Cumulative Return	0.00%
Annualized Return	0.00%

Scenario C: +40% / -35%	
Volatility (Std Dev)	37.50%
Cumulative Return	-61.06%
Annualized Return	-4.61%

Performance Summary					
Calendar Year	Equity Income	Market Plus	SMID	60/40 Equity Income/ SMID*	60/40 Market Plus/SMID
2014	13.6%	16.9%	11.2%	12.7%	14.6%
2015	1.7%	2.1%	-2.0%	0.3%	0.5%
2016	16.6%	12.8%	17.5%	17.0%	14.7%
2017	20.9%	25.6%	23.5%	22.0%	24.8%
2018	-5.8%	-6.5%	-8.0%	-6.6%	-7.0%
2019	27.0%	28.8%	36.7%	30.9%	32.0%
2020	8.9%	14.3%	4.1%	7.2%	10.3%
2021	29.6%	29.5%	34.6%	31.7%	31.6%
2022	-12.4%	-19.5%	-8.6%	-10.8%	-15.2%
2023	15.1%	27.3%	26.4%	19.7%	27.1%
YTD (03/31/24)	7.8%	10.9%	9.2%	8.4%	10.2%
Full Period (Annualized)					
Return	12.1%	13.5%	13.7%	12.9%	13.7%
Tracking Error vs. S&P 500	3.6%	1.6%	4.5%	4.1%	3.7%

*Actual Combined Strategy Returns Since 06/30/23

- A combination of Market Plus and SMID results in better performance and lower risk across time.

- Given the dividend growth orientation and high tracking error of the current strategy, we recommend diversifying the exposure of the portfolio to increase the potential for return generation and risk control.
- We recommend moving the 60% portfolio allocation in **Equity Income** to a more diversified large cap strategy like **Market Plus** which has the potential to adapt to changes in style and factor performance and get exposure to outperforming companies regardless of their dividend orientation.
- A combination of **Market Plus (60%)** and **SMID Cap (40%)** will provide diversified exposure across both style and size.

Global Investment Performance Standards (**'GIPS®'**) Reports*

*GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Annual Disclosure Presentation

Year End	Performance Results (%)			3-Yr Annualized Ex-Post Standard Deviation (%)		Number of Portfolios	Composite Assets (\$mm)	Total Firm Assets (\$mm)
	Composite Gross TWR	Composite Net TWR	Benchmark ¹	Composite Gross	Benchmark ¹			
2022	-12.44	-12.83	-18.11	N/A	N/A	Five or Fewer	11	13,512
2021 ²	14.92	14.57	15.08	N/A	N/A	Five or Fewer	10	14,866

Composite inception date: April 30, 2021

¹ Benchmark: S&P 500

² Results shown for the calendar year 2021 represent partial period performance from May 1, 2021 through December 31, 2021.

Xponance®, Inc. ("Xponance®") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Xponance® has been independently verified for the periods from November 1, 1998 through December 31, 2022. The verification report is available upon request.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

On August 31, 2018, FIS Group, Inc. ("FIS Group") acquired Piedmont Investment Advisors, Inc.'s ("PIA") predecessor, Piedmont Investment Advisors, LLC. Xponance®, Inc. ("Xponance®") is an independent, registered investment adviser and is the successor registrant under the Investment Advisers Act of 1940 (the "Advisers Act") to both FIS Group and its wholly-owned subsidiary, PIA. Pursuant to a corporate rebranding and consolidation strategy, Xponance® was established effective April 1, 2020, to leverage the long histories of its predecessor entities in providing customized investment management products to institutional clients. FIS Group (through its former subsidiaries, Fiduciary Investment Solutions, Inc. and FIS Funds Management, Inc.) managed assets since 1996 and PIA (through its former affiliate Piedmont Investment Advisors, LLC) began managing assets in 2000. The firm maintains a list of composite descriptions and limited distribution pool fund(s) descriptions, which is available upon request.

Equity Income – Large Cap Composite contains fully discretionary equity income accounts and for comparison purposes is measured against the S&P 500 Index. The product typically has between 35 and 45 holdings and a current yield that is greater than the S&P 500. The Equity Income composite was created on April 30, 2021.

Results are based on fully discretionary accounts under management. Accounts that are no longer with the firm are included through the last full measurement period such accounts were managed in the composite's style. Past performance is not indicative of future results. The U.S. Dollar is the currency used to express performance.

Gross of fee returns are presented before management fees, but after custodial fees and transaction costs and include the reinvestment of all income. Net of fee returns reflect the deduction of the actual management fees (including performance-based fees if applicable) from the monthly gross of fee returns. Actual management fees incurred by clients may vary. During the period September 30, 2012, to September 30, 2013, net of performance was calculated by reducing the gross of fees performance by the entire bundled fee of 1.50%, which is comprised of the custodial fee and transaction costs, plus Piedmont's management fee. The composite include zero commission accounts.

The standard management fee schedule for the composite is as follows: First \$50mm: 40 bps; Next \$50mm: 35 bps; Over \$100mm: 25 bps. Fees are charged to clients on a quarterly basis. Fees are calculated as a percentage of assets under management and vary based upon the type of product and the total amount of assets under management. The percentage fee is expressed terms of basis points ("BPS") for our products. One hundred basis points equal 1%. All fees are negotiable.

The three-year annualized standard deviation measure is not presented because 36 monthly returns are not available.

Internal dispersion presented is an equal-weighted standard deviation of annual gross returns of those portfolios that were in the composite for the entire year. For those years when less than six portfolios were included in the composite for the full year, no dispersion measure is presented.

Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.

Optimized SMID Cap Core

Annual Disclosure Presentation

Year End	Performance Results (%)			3-Yr Annualized Ex-Post Standard Deviation (%)		Number of Portfolios	Composite Assets (\$mm)	Total Firm Assets (\$mm)
	Composite Gross TWR	Composite Net TWR	Benchmark ¹	Composite Gross	Benchmark ¹			
2022	-8.57	-9.08	-18.37	25.30	25.16	Five or fewer	0.73	13,512
2021	34.52	33.76	18.18	22.09	22.48	Five or fewer	0.80	14,866
2020	4.12	3.53	19.99	24.18	24.21	Five or fewer	0.60	12,493
2019	36.63	36.03	27.77	15.71	14.58	Five or fewer	0.57	5,411
2018	-7.99	-8.22	-10.00	14.84	14.10	Five or fewer	0.14	4,026
2017	23.51	23.01	16.81	12.05	12.13	Five or fewer	100	6,817
2016	17.46	17.04	17.59	13.07	13.67	Five or fewer	36	6,249
2015	-2.02	-2.33	-2.90	12.17	12.42	Five or fewer	0.1	5,577
2014	11.25	10.87	7.07	11.62	11.67	Five or fewer	0.1	2,542
2013	39.09	38.62	36.80	15.75	15.63	Five or fewer	0.2	2,731

Composite inception date: October 31, 2007.

¹ Benchmark: Russell 2500

Performance presented prior to December 15, 2010 occurred while the Portfolio Management Team was affiliated with a prior firm and the Portfolio Management Team members were the only individual(s) responsible for selecting the securities to buy and sell. Piedmont Investment Advisors maintains all of the books and records to support the historical performance.

Xponance,® Inc. ("Xponance®") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Xponance® has been independently verified for the periods from November 1, 1998 through December 31, 2022. The verification report is available upon request.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

On August 31, 2018, FIS Group, Inc. ("FIS Group") acquired Piedmont Investment Advisors, Inc.'s ("PIA") predecessor, Piedmont Investment Advisors, LLC. Xponance®, Inc. ("Xponance®") is an independent, registered investment adviser and is the successor registrant under the Investment Advisers Act of 1940 (the "Advisers Act") to both FIS Group and its wholly-owned subsidiary, PIA. Pursuant to a corporate rebranding and consolidation strategy, Xponance® was established effective April 1, 2020, to leverage the long histories of its predecessor entities in providing customized investment management products to institutional clients. FIS Group (through its former subsidiaries, Fiduciary Investment Solutions, Inc. and FIS Funds Management, Inc.) managed assets since 1996 and PIA (through its former affiliate Piedmont Investment Advisors, LLC) began managing assets in 2000. The firm maintains a list of composite descriptions and limited distribution pool fund(s) descriptions, which is available upon request.

Total firm assets presented through, and including, Calendar Year 2019 represent total firm assets for PIA, prior to April 1, 2020, this composite was managed by legacy firm PIA. Total firm assets presented post April 1, 2020 represent the total firm assets of Xponance®.

Optimized SMID Cap Core Composite contains fully discretionary SMID core equity accounts and for comparison purposes is measured against the Russell 2500 Index. The product typically has fewer than 100 holdings and a predicted tracking error target range of 5% - 8% vs. Russell 2500. The Optimized SMID Core Composite was created on December 15, 2010. The Optimized SMID Core Composite's inception date is 10/31/07. This composite was renamed on September 30, 2012 to better reflect the true strategy of the product. Formerly, the composite was named "Optimized Mid Cap Core vs. S&P Midcap Composite". This composite changed its benchmark on September 30, 2012 from the S&P Midcap to the Russell 2500 because the latter benchmark better represents the investable universe of the product.

Results are based on fully discretionary accounts under management. Accounts that are no longer with the firm are included through the last full measurement period such accounts were managed in the composite's style. Past performance is not indicative of future results. The U.S. Dollar is the currency used to express performance.

Gross of fee returns are presented before management fees, but after custodial fees and transaction costs and include the reinvestment of all income. Since August 1, 2018, net of fee returns reflects a model annual management fee of 0.60%, applied monthly. Net of fee returns are calculated by deducting the model management fee from the monthly gross of fee returns. Performance-based fees are not applicable. Prior to August 1, 2018, net of fee returns reflects the deduction of actual management fees (including performance-based fees if applicable) from the monthly gross of fee returns. Actual management fees incurred by clients may vary. The composite include zero commission accounts.

The standard management fee schedule for the composite is as follows: First \$50mm: 65 bps; Next \$50mm: 55 bps; Over \$100mm: 45 bps. Fees are charged to clients on a quarterly basis. Fees are calculated as a percentage of assets under management and vary based upon the type of product and the total amount of assets under management. The percentage fee is expressed terms of basis points ("BPS") for our products. One hundred basis points equal 1%. All fees are negotiable.

The three-year annualized standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period.

Internal dispersion presented is an equal-weighted standard deviation of annual gross returns of those portfolios that were in the composite for the entire year. For those years when less than six portfolios were included in the composite for the full year, no dispersion measure is presented.

Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.

Annual Disclosure Presentation

Year End	Performance Results (%)			3-Yr Annualized Ex-Post Standard Deviation (%)		Number of Portfolios	Internal Dispersion (%)	Composite Assets (\$mm)	Total Firm Assets (\$mm)
	Composite Gross TWR	Composite Net TWR	Benchmark ¹	Composite Gross	Benchmark ¹				
2022	-19.54	-19.78	-18.11	20.90	20.87	15	0.02	300	13,512
2021	29.49	29.19	28.71	17.59	17.17	17	0.01	951	14,866
2020	14.32	14.07	18.40	18.83	18.53	14	0.01	1,000	12,493
2019	28.84	28.57	31.49	12.29	11.93	12	0.01	1,095	5,411
2018	-6.51	-6.69	-4.38	11.29	10.80	9	0.02	799	4,026
2017	25.64	25.41	21.83	10.14	9.92	6	0.01	733	6,817
2016	12.82	12.65	11.96	10.83	10.59	Five or fewer	N/A	543	6,249
2015	2.07	1.91	1.38	10.23	10.47	Five or fewer	N/A	439	5,577
2014	16.87	16.67	13.69	9.32	8.97	Five or fewer	N/A	430	2,542
2013	32.59	32.38	32.39	12.25	11.94	Five or fewer	N/A	378	2,731

Composite inception date: December 31, 2001.

¹ Benchmark: S&P 500

Xponance[®] Inc. ("Xponance[®]") claims compliance with the Global Investment Performance Standards (GIPS[®]) and has prepared and presented this report in compliance with the GIPS standards. Xponance[®] has been independently verified for the periods from November 1, 1998 through December 31, 2022. The verification report is available upon request.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS[®] is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

On August 31, 2018, FIS Group, Inc. ("FIS Group") acquired Piedmont Investment Advisors, Inc.'s ("PIA") predecessor, Piedmont Investment Advisors, LLC. Xponance[®] Inc. ("Xponance[®]") is an independent, registered investment adviser and is the successor registrant under the Investment Advisers Act of 1940 (the "Advisers Act") to both FIS Group and its wholly-owned subsidiary, PIA. Pursuant to a corporate rebranding and consolidation strategy, Xponance[®] was established effective April 1, 2020, to leverage the long histories of its predecessor entities in providing customized investment management products to institutional clients. FIS Group (through its former subsidiaries, Fiduciary Investment Solutions, Inc. and FIS Funds Management, Inc.) managed assets since 1996 and PIA (through its former affiliate Piedmont Investment Advisors, LLC) began managing assets in 2000. The firm maintains a list of composite descriptions and limited distribution pool fund(s) descriptions, which is available upon request.

Total firm assets presented through, and including, Calendar Year 2019 represent total firm assets for PIA, prior to April 1, 2020, this composite was managed by legacy firm PIA. Total firm assets presented post April 1, 2020 represent the total firm assets of Xponance[®].

Market Plus Composite contains fully discretionary low tracking error large cap core equity accounts and for comparison purposes is measured against the S&P 500 Index. The product typically has 100-175 holdings and a predicted tracking error range of 1% - 2% vs. S&P 500. The Market Plus Composite was created December 31, 2001.

Results are based on fully discretionary accounts under management. Accounts that are no longer with the firm are included through the last full measurement period such accounts were managed in the composite's style. Past performance is not indicative of future results. The U.S. Dollar is the currency used to express performance.

Gross of fee returns are presented before management fees, but after custodial fees and transaction costs and include the reinvestment of all income. Net of fee returns reflect the deduction of the actual management fees (including performance-based fees if applicable) from the monthly gross of fee returns. Actual management fees incurred by clients may vary. Prior to June 30, 2004, net of fee returns was calculated using a dollar-weighted average fee.

The standard management fee schedule is as follows: First \$50mm: 35 bps; Next \$50mm: 30 bps; Over \$100mm: 25 bps. Fees are charged to clients on a quarterly basis. Fees are calculated as a percentage of assets under management and vary based upon the type of product and the total amount of assets under management. The percentage fee is expressed terms of basis points ("BPS") for our products. One hundred basis points equal 1%. All fees are negotiable.

The three-year annualized standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period.

Internal dispersion presented is an equal-weighted standard deviation of annual gross returns of those portfolios that were in the composite for the entire year. For those years when less than six portfolios were included in the composite for the full year, no dispersion measure is presented.

Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.