

Board Members, Past Board Presidents & Honorary Directors in attendance

Brie Arthur	Janis McFarland	Missy Rankin
Terry Ball	Alice May	Rani Ray
Catharine Burns	Susan Moeser	Stephen Rich
Nate Byrd	Ken Moore	Judith Rizzo
Melanie Christian	Florence Peacock	Ladell Robbins
Carey Durham	Gail Perry	Jenny Routh
Anne Harris	James Pick	Carol Tresolini
Bo Howes	Sims Preston	Barbara Wendell

Administration and Staff in attendance

Lisa Hicks	Kelly Medlin	Dan Stern
Stephen Keith	Jennifer Peterson	Damon Waitt
Joanna Lelekacs	Johnny Randall	Alan Weakley
Jodie LaPoint	Aislinn Spain	Jordan Wilkins

I. Welcome and Introductory Remarks by Anne Harris, President

Motion to approve minutes from previous NCBG Foundation Board meeting – accepted unanimously *

Anne presented an overview of activities and accomplishments since the last meeting. She noted the completion of the Entryway Project and thanked Directors for their contributions. She also noted the formation of the ad-hoc Membership Committee this year and the success of the Carolina Moonlight Gala. She reviewed strategic initiatives going forward.

II. Committee Reports

- **Conservation** – Bo Howes, Chair
Bo presented the Conservation report.
- **Development** – Stephen Keith
Stephen presented the Development report (attached).
- **Finance** – Nate Byrd, Chair
Nate presented the Finance report (attached).

- **Audit Presentation** – Blackman & Sloop
- **Ad Hoc Membership Committee Report** – Sim Preston, Chair
Sims presented the Membership report.
- **Governance** – Judith Rizzo and Carol Tresolini, Co-Chairs
Judith and Carol presented the Governance report.
Carol recognized retiring Directors and announced the appointment of Florence Peacock as Honorary Director.
A motion to accept the following slate of officers was approved unanimously. *
 - Anne Harris, President
 - Sims Preston, Vice President
 - Jenny Routh, Secretary
 - Nathan Byrd, Treasurer
 - Terry Ball, Assistant Treasurer

Six new Director candidates were presented by their sponsoring Directors.

A motion to accept the following slate of new Directors was approved unanimously. *

- Michael Andrews
- Kerry Bird
- Chris Bogan
- Vivette Jeffries-Logan
- Jodie LaPoint
- Charlotte Offerdahl

III. Membership Meeting

- **Welcome and Introduction of New Board Directors** – Anne Harris, President
Anne welcomed new Directors and presented the Honorary Director award to Florence Peacock.
- **State of the Garden** – Damon Waitt, Director
Directors from Garden programs presented updates.
 - Gardens and Horticulture – Dan Stern, Director of Horticulture
 - Education – Joanna Lelekacs, Director of Education
 - Conservation – Dr Johnny Randall, Director of Conservation
 - Herbarium and Research – Dr. Alan Weakley, Director of Herbarium
 - Capital Campaign – Stephen Keith, Director of Development
 - Capital Projects – Dr. Damon Waitt, Director

No other motions proposed and no new business.

IV. Closing and adjournment

* Motion made, seconded and passed

Development Report

NCBGF Fall Board Meeting

November 19, 2021

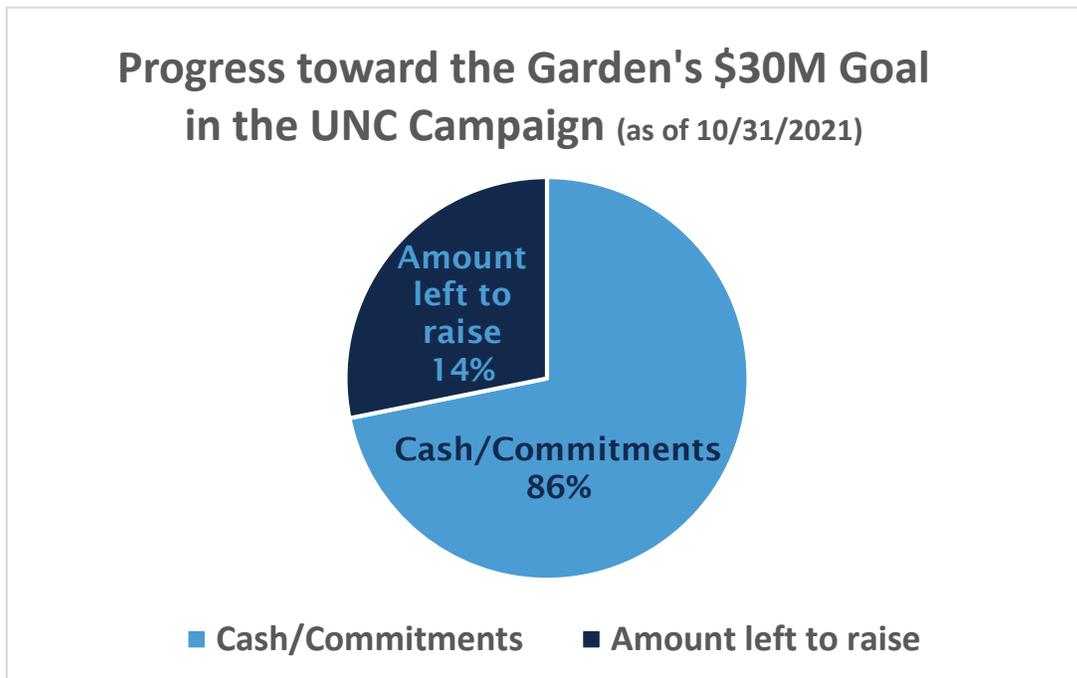
Gift Revenue FY21; Final Report (July 1, 2020 – June 30, 2021):

Fund Type	FY21 Goal	FY21 Final	% Goal
Unrestricted, general support gifts	\$600,000	\$658,049	109%
Restricted gifts (designated & expendable)	\$530,000	\$1,221,352	230%
Permanent Endowment gifts (restricted use)	\$100,000	\$593,750	593%
Total Gifts	\$1,230,000	\$2,473,151	201%
NCBGF Unique Supporters	3,600	4,039	112%

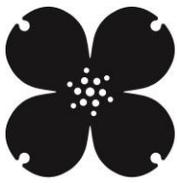
Gift Revenue FY22* (July 1, 2021 – October 31, 2021):

Fund Type	FY22 Goal	FY22 to Date*	% Goal
Unrestricted, general support gifts	\$600,000	\$118,792	19%
Restricted gifts (designated & expendable)	\$530,000	\$366,271	69%
Permanent Endowment gifts (restricted use)	\$170,000	\$12,852	7%
Total Gifts	\$1,300,000	\$497,915	38%
NCBGF Unique Supporters	3,900	1,545	39%

*33% through the fiscal year



Thank you for supporting the plant conservation mission of the North Carolina Botanical Garden.
Stephen Keith, Director of Development 919-962-9458



NORTH CAROLINA
BOTANICAL
GARDEN
FOUNDATION, INC.

BOARD OF DIRECTORS October 14, 2021

Officers

Anne Harris, President
Sims Preston, Vice President
Nathan Byrd, Treasurer
Jenny Routh, Secretary
Terry Ball, Assistant Treasurer

Mr. John Townsend III
Board Chairman of UNC Chapel Hill Foundation Investment Fund

1400 Environ Way
Chapel Hill, NC 27517

Directors

Brie Arthur
Patrick Barratt
Catharine Burns
Melanie F. Christian
Carey Durham
Bo Howes
James Joslin
Max Leach
Alice May
Janis McFarland
Susan Moeser
Florence Peacock
Gail Perry
Jim Pick
Rani Ray
Judith Rizzo
Ladell Robbins
Sandy Thompson
Carol Tresolini

Dear John,

We are writing on behalf of the North Carolina Botanical Garden Foundation (NCBG Foundation) to raise an issue for consideration by the Board of Directors for UNC and the UNC Management Company. Our organization has an endowment of approximately \$7m under the management of the UNC Investment Fund, and many of our Foundation directors, members, and donors have deep ties to the University system overall as well as to other foundations and endowments under the same management.

From our interactions with the Management Company staff through quarterly meetings and additional calls and emails, we believe that the Investment Fund would benefit from an update to its mandate or a broader interpretation of its existing mandate to incorporate additional investment restrictions and considerations in the area of Environmental, Social, and Corporate Governance (E.S.G.) criteria. Of particular emphasis for the Garden Foundation are environmental concerns given our mission of partnering with the North Carolina Botanical Garden to conserve our natural heritage.

It is our understanding that the directive from the Board of Directors to the Management Company staff has historically been to pursue the highest levels of return while managing risk, irrespective of E.S.G. criteria. Reasons that have been given to us by the Management Company for emphasizing returns and risk rather than environmental or social considerations include the following:

1. Investment decisions are delegated to underlying managers rather than the Management Company staff, so there is little direct control over what the foundation is investing in. In the Management Company's experience, managers who specifically market E.S.G. mandates may be expensive, poor-performing, and/or too small to make a significant impact in a multi-billion-dollar investment pool relative to the opportunity set among non-E.S.G. managers.
2. The large number of constituents investing in the pool managed by the Management Company may have very different interpretations of what constitutes "socially responsible" or E.S.G. investments. Attempting to

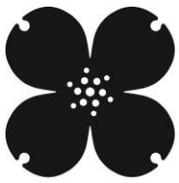
Past Presidents

Greg Fitch
Tom Earnhardt
Anne Lindsey
William Bracey
Arthur DeBerry
Jonathan Howes
Sally Couch Vilas
Bill Joslin
Charles Wheeler
Mae Woods Bell
R.B. Fitch
E. Reid Bahnson
Harry Billica
Hugh Morton
William Lanier Hunt

EX OFFICIO OFFICERS

**Director of the North
Carolina Botanical Garden**
Damon Waitt

**Vice Provost for Academic
and Community
Engagement**
Joseph Jordan



incorporate such a wide variety of opinions into the existing investment philosophy would entail additional oversight and complexity and may also limit the university's future access to certain high-quality investment managers who do not meet wide-ranging socially responsible criteria.

3. There can be issues of hypocrisy and “greenwashing” associated with attempting to incorporate environmental and ethical standards into investment decisions. Such issues would not be consistent with the ideals of honesty and transparency to which the university and its affiliated entities aspire.

While we understand and acknowledge these and other issues that a change in the mandate (or its interpretation) of the Investment Fund would bring, we feel that the benefits of a fresh approach would outweigh the costs. Our members have noted many other prominent organizations moving in this direction, including Harvard (the largest education-related endowment pool), the University of Minnesota, and Boston University, all of which recently announced their intention to divest entirely of fossil fuel investments.

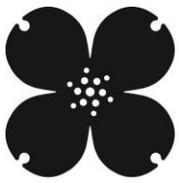
A precedent for additional action can be found in the minutes from the UNC Board of Trustees meeting on September 25, 2014. At the time, a resolution was passed by the UNC Board recognizing the University's role in seeking solutions to global issues using the financial resources of the University, and directing the UNC Management company to “research targeted investments for the University's endowment assets that advance environmentally friendly clean energy strategies”.

We feel that this 2014 resolution was an important step forward in the UNC Management Fund's history and that the fund has the opportunity to more aggressively pursue an environmentally-friendly investment mandate. It is our understanding that there have been some small targeted investments made by the fund into clean energy investments, however the dollars in question are dwarfed by the amounts that are deployed by the fund in fossil fuel industries and extractive technologies that are imposing various environmental costs.

Including E.S.G. criteria in investment decisions would also be in the same spirit as UNC's new Climate Action Plan's (Plan). The Plan includes strategic initiatives to ensure that UNC remains a sustainability leader as new climate technologies emerge to accelerate UNC's reduction in greenhouse gas emissions.

With this background in mind, the board of directors of the North Carolina Botanical Garden Foundation requests that the UNC Board of Directors and the UNC Management Company:

1. Update the mandate for the Chapel Hill Investment Fund to include environmental and social considerations as criteria for investment decisions in addition to risk and return, or at a minimum make more explicit the inclusion of environmental and social considerations as a critical component of its existing risk management oversight.



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2. Over time require additional levels of disclosure to the Management Company and investors in the Chapel Hill Foundation Investment Fund by the underlying managers of the fund's investments as to their impact on environmental and social issues.
3. Require managers to restrict their investments from industries that are unable to operate without causing clear and substantial environmental or social harm, for example: investments relating to fossil fuel production, the production and distribution of harmful addictive substances, and industries with inhumane supply chain conditions (child labor, etc.).

Rather than seeing these updates as narrowing the opportunity set for the investment funds to continue to perform strongly, we feel the changes we are suggesting would strengthen the position of the overall endowment as society and the investment industry overall moves forward toward a superior economic structure in the coming decades, leveraging the emerging technological research and academic leadership of our prominent universities such as the University of North Carolina.

We welcome any further conversations about this important issue and look forward to a continued partnership and open dialogue with the UNC Board of Directors and the UNC Management Company.

On Behalf of the North Carolina Botanical Garden Foundation,

Nathan Byrd
Treasurer
NC Botanical Garden Foundation

Anne Harris
President
NC Botanical Garden Foundation

CC Mr. Jonathan King
President of UNC Management Company