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CAMPUS DIVERSIFIES PORTFOLIO

BY STEPHANIE NEWTON
STAFF WRITER

While Franklin Street has come to define the University's ambience, another well-known thoroughfare is sharing the spotlight. It's called Wall Street.

As institutions of higher learning across the country begin to diversify their investment portfolios through a wide array of asset allocation categories, endowments continually are expanding through new funding avenues.

In the past ten years UNC's investment endowment has almost tripled, from \$541 million in 1996 to \$1.4 billion for fiscal year 2004-05.

"We expect to earn a higher rate of return over the 1986 and

1996 portfolios," said Jon King, president of UNC Management Company Inc. "But because of the diversification, there is less risk of any one sector of the market creating a catastrophic downturn."

Managing the UNC-Chapel Hill Foundation Investment Fund, the company computes the annual payout for endowment funds based on specific guidelines. The University's endowment — which serves to provide a perpetual source of income — includes the assets of the school and 21 additional related foundations and associations.

"There is nothing in the portfolio now that is over 18 percent," he said, referring to the contributions from different sectors. "We have a

lot more pie slices, but they are all thinner."

During the 2004-05 fiscal year UNC saw a 15.5 percent return on its \$1.4 billion endowment.

The trend mirrors similar success at other higher institutions across the country. Rival schools Duke, Wake Forest and N.C. State universities saw 18.1, 12.3 and 8.15 percent returns, respectively.

Growing from seven investment categories in 1986 to 10 in 2005, UNC's endowment is seeing significant shifts away from fixed income and traditionally low-risk, low-return investments such as bonds and cash, King said.

Current targets are more risky and high-returning options such as real estate, private equity and a

joint venture for energy and natural resources.

"Five years ago, nobody cared about energy," he said. "It was boring, it was volatile, and prices were low."

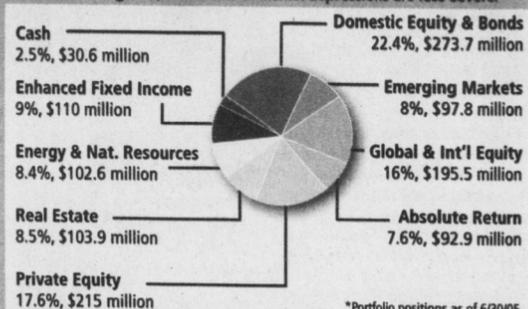
By going against the grain and catching energy early on, the management company employed "more forward-thinking and opportunistic vantage points," King said.

"It was my predecessor who should get the credit for doing this," King added, speaking of Mark Yusko and his decision to raise a number of funds in the category incrementally during the last five to 10 years.

SEE ENDOWMENT, PAGE 4

Investment fund allocation

UNC's investment fund* is being diversified to combat market downturns. With more categories, the effects of market depressions are less severe.



SOURCE: UNC MANAGEMENT COMPANY INC.

DTH/BOBBY SWEAT

Health services to see merger

BY BRIAN HUDSON
UNIVERSITY EDITOR

After an intensive, year-long review process, administrators have announced an overhaul of campus health programs that is aimed at providing more coordinated services for students.

Effective Jan. 1, the University's student health, counseling and health outreach services will be combined into the Campus Health Services, administrators announced Thursday.

The change will allow health officials to provide more cohesion that will result in increased outreach and development service, said Margaret Jablonski, vice chancellor for student affairs.

"Ideally students are going to experience this as one building, one service," she said.

A new position — assistant vice chancellor for campus health services — will be created to oversee Student Health Service, Counseling and Psychological Services and the Center for Healthy Student Behaviors.

Previously, each unit reported to a different person in the student affairs office.

Administrators have targeted July 1 as the start date for the new vice chancellor, said Christopher Payne, associate vice chancellor for student affairs. During the interim Payne will serve in the position.

Administrators opted for a review of health programs last January, and during the summer they consulted the American College Health Association, of which UNC is a member, for guidance.

SEE CAMPUS HEALTH, PAGE 4

POLICE ESCORTS



COURTESY OF JUSTIN COOK

Cpl. D.L. Mock of the Durham Police Department gang unit waves to children at Wal-mart in the New Hope Commons shopping center on Saturday. Twenty officers teamed up with 22 inner-city children from the Salvation Army Boys and Girls Club of Durham to

take them Christmas shopping during the annual Shop With Cops program. Officers hope that reaching out to children from the inner city and allowing them to have positive experiences with police officers will help deter crime. The department also offers education programs to help prevent crime.

UNC takes purse abroad

BY JENNA RAMAN
STAFF WRITER

In the University's efforts to create a globally competitive campus, administrators are jumping across the pond with an expansion to the London study abroad program.

UNC and King's College in London have struck a deal to expand their undergraduate exchange program so that graduate students and faculty members also can study and work abroad.

Along with this deal, the University purchased a property in Bedford Square in London, making this the first UNC-owned study abroad facility in Europe.

Dee Reid, assistant to the dean in the College of Arts and Sciences, said the program offers a multilevel experience.

"We want to have a truly interesting program and have a facility in England so any faculty, student and alumni can use (it)," she said.

The newly purchased European

Study Center in Winston House, which will hold classes for the honors program in London, also will enable members of the University, from alumni to undergraduates, to hold meetings.

"It just seemed to make sense to look for a facility of our own," said James Leloudis, UNC's associate dean for honors. "Having a building will allow us to do so much more."

"The vision is that the center becomes a crossroads," he said.

The property cost \$5 million, which is being financed by private funds.

The initial exchange program, developed in 2002, allowed students from UNC to attend King's College to enroll in a few classes. A formal exchange was created in 2004, and undergraduates from both schools could complete a semester at the other school.

Because of the expansion of the exchange program, fac-

SEE UNC LONDON, PAGE 4

Beards, bellies full, santas ready for ho-holidays



DTH/SHANE BROGAN

Randy Gibson (left), dressed as Santa Claus, holds Carly Robertson, 8 months, at University Mall on Sunday. Santa is now in malls nationwide.

BY JULIE TURKEWITZ
STAFF WRITER

It was like something out of a Jimmy Stewart movie.

A stewardess spotted James Kiddy's white beard and round belly and immediately knew there was a celebrity on the plane.

"Do you play Santa?" she asked. "No," replied Kiddy of Fayetteville. "I am Santa."

This season, thousands of rotund and jolly men are donning red velvet suits and echoing Kiddy's words at malls and parties around the world.

"I decided that instead of playing Santa, I would become him," says Cliff Snider of High Point, a marketing director who has played

Santa every Christmas since 1962, when he was 16.

"I decided to grow out my beard, create my own costumes and become Santa year-round."

Nicholas Claus of Seattle says portly men with white beards have difficulty escaping the Santa label.

"I get called Santa no matter what I do or where I go," Claus says.

It's no surprise — besides having the authentic beard and belly, Claus, formerly Stephen Moore, changed his legal name 20 years ago.

"It just fits better," says Claus, a founding member of the Amalgamated Order of Real Bearded Santas, a 664-member group dedicated to improving the quality of professional Santas.

Kiddy, Snider and Claus are on Santa duty year-round.

"I'm totally berserk when I'm Santa," Claus says. "It's that love of children that is such a powerful thing. They say 'I love you' and give you a big sloppy kiss."

The money isn't bad, either. Claus says that he makes \$30,000 during the holiday season.

But to make the big bucks, training and authenticity are key, says Timothy Connaghan, executive director of AORBS. He says most mall Santas make between \$5,000 and \$10,000 a season.

Connaghan started the International University of Santa

SEE MALL SANTAS, PAGE 5

LOW ATTENDANCE TURNS UNC BLUE

BY JACOB KARABELL
SENIOR WRITER

The scene seems to repeat itself year-in and year-out.

The lower section of Carmichael Auditorium has a smattering of fans, with some sections mostly full and others mostly empty.

The upper section consists of desolate blue bleachers that seem to yearn for the excitement of an earlier era when the men's basketball team consistently drew capacity crowds.

Noise reverberates when the pep band plays, but aside from that, the gym rarely reaches a high decibel level. Carolina Fever

students periodically fill their section, but otherwise there are few sightings of students.

The action on the court, meanwhile, contains one of the top women's basketball teams in the country. The Tar Heels remain the only team in the ACC to have won a national championship — on a buzzer-beating shot by Charlotte Smith in 1994 — and they advanced to the Elite Eight of the NCAA Tournament last season before falling to eventual champion Baylor.

So, why haven't fans and students flocked to watch Coach Sylvia Hatchell's team?

"I don't know," Hatchell says. "I'll do anything, and I've tried about everything, but I don't know what else we can do. I think the Tar Heel fans and the graduates just have to embrace our team and get behind us and support us more."

Tonight, the Tar Heels will get a one-night taste of an atmosphere they would love to bring home.

No. 7 UNC will battle No. 8 Connecticut as part of the Jimmy V Classic at the Hartford Civic Center. A sellout of more than 15,000 fans is expected.

In one way, Connecticut has followed a similar progression of on-court success to North Carolina.

The Huskies first qualified for the NCAA Tournament in 1989, and they won the school's first national title six years later — a year after the UNC claimed its championship.

Unlike at UNC, though, fans began to flock to watch the Huskies. In 1994-95 UConn led the nation in attendance, the beginning of its perennial standing near the top of the women's basketball attendance chart.

"The national title in 1995 had the most to do with it," says Randy Press, an assistant director of athletic communications

SEE ATTENDANCE, PAGE 5



DTH/LOGAN PRICE

Sophomore Alex Miller lines up a free throw in Carmichael Auditorium during Friday's blowout of South Florida while a handful of fans watch on.

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LOOK OUTWARD Wachovia unveils a plan to outsource jobs to better efficiency

TWO GROUPS, ONE VISION N.C. Hillel and GLBT-SA sponsor Friday Shabbat

WON'T WALK OVER YOU Global GuluWalk held to benefit North Uganda

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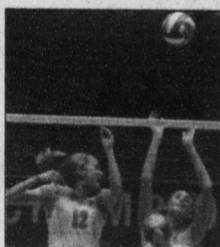
HALL OF SWEETS

Memorial Hall opens its stage to Carolina Ballet's production of "The Nutcracker," the first ballet to be put on at the performing arts landmark.

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FESTIVAL OF LIGHTS

N.C. Hillel holds its annual Hanukkah celebrations Saturday at the center. The campus group has held similar celebrations since 1936.



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GAME, SET, MATCH

The Tar Heels volleyball team falls in four games to College of Charleston in the NCAA Tournament first round Saturday at the Smith Center.

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