



# ENDOWMENT REPORT

July 1, 2017 – June 30, 2018

# A VESTED INTEREST



On behalf of the University of North Carolina Wilmington, I am pleased to share our Fiscal Year 2018 Endowment Report (reflecting July 1, 2017 – June 30, 2018).

We are incredibly grateful for the thousands of alumni, parents, friends, corporations, foundations and organizations who invest in our great university. Last year, UNCW received \$15.4 million in gifts and commitments. Unique among those were endowment gifts as, by design, they benefit both current and future generations of Seahawks. Contributions

over time, combined with strong investment performance, ensure the long-term stability and growth of our institution.

Now comprised of more than 450 funds, UNCW's endowment serves as a perpetual source of support for the university and its mission of teaching, research and service. Over the past fiscal year, the university's endowment increased by 7.5 percent, totaling almost \$99 million as of June 30, 2018. From scholarships and professorships to academic programs and athletic facilities, students, faculty and

staff all across campus benefited from \$3.6 million in endowment spending distributions.

The growth we have realized reflects the generosity of our donors as well as careful management of the assets entrusted to the university. Donors often share that they support UNCW because they believe their gifts will have a greater impact than at other institutions. We agree, and we are committed to being exceptional stewards of your investments. In Fiscal Year 2018, for every state dollar spent on fundraising operations in university advancement, \$7.48 was raised — a 648 percent ROI.

While the university's Strategic Plan continues to guide us into the future, endowment donors have moved us forward. The enclosed report highlights your own personal influence. Today, and every day, we value your enduring commitment.

Sincerely,

A handwritten signature in black ink, appearing to read "Eddie Stuart", with a long horizontal flourish extending to the right.

Eddie Stuart '05M  
Vice Chancellor for University Advancement

# THE UNCW ENDOWMENT

The University of North Carolina Wilmington and the UNCW Foundation Inc. depend on endowment gifts to ensure UNCW's students, faculty and programs will thrive in perpetuity. An endowment is a long-term investment that creates financial stability, allowing the university to plan using dependable and predictable sources of revenue. Moreover, an endowed gift offers donors an opportunity to connect a family name or loved one to an area of UNCW in which they have a special interest. Endowment donors may make gifts to either an unrestricted endowment, which provides support for programs at the university's discretion, or they may establish an agreement for a restricted endowment, which supports a specific purpose such as a scholarship, professorship, athletic or academic program.

This Annual Endowment Report provides an overview of what the endowment portfolio does for the university and serves as a financial summary of its investment and distribution activities for the past year. A separate statement detailing information on a donor's particular endowment(s) may also be enclosed. Additional information about UNCW's endowment, including frequently asked questions and definition of terms, can be found online at [www.uncw.edu/endowmentreport](http://www.uncw.edu/endowmentreport).

## FINANCIAL SUMMARY

<b>as of June 30, 2018</b>	2017-18	2016-17
Opening Balance	\$ 91,940,718	\$ 84,266,637
Additions	1,874,885	2,920,274
Net Earnings	9,601,223	9,212,025
Spending Distribution	(3,607,527)	(3,552,915)
Administrative	(932,439)	(905,303)
Year-end	\$ 98,876,860	\$ 91,940,718



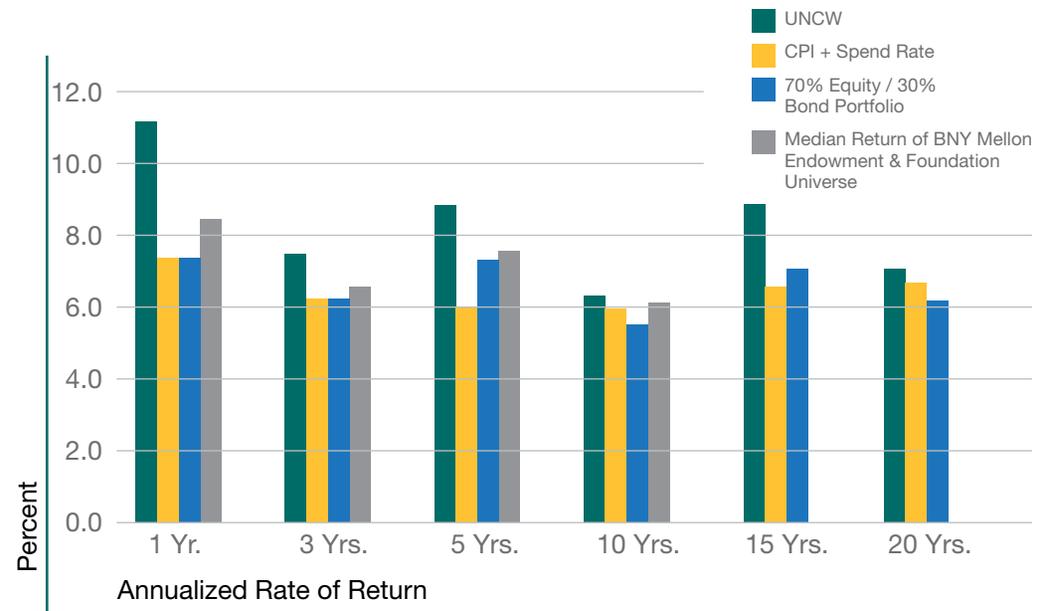
# OBJECTIVES AND PERFORMANCE

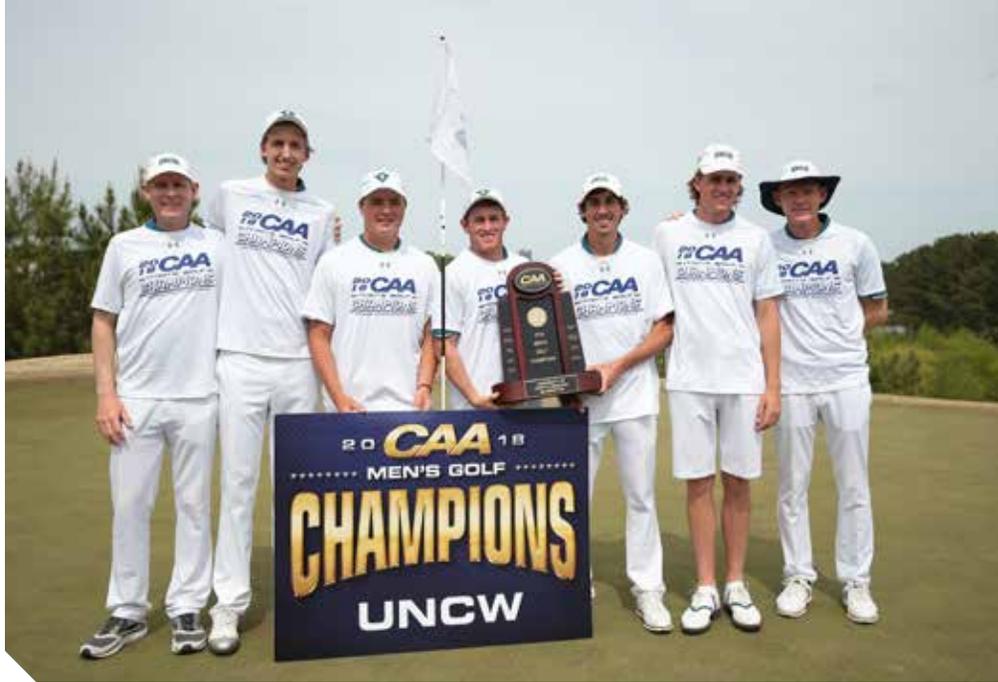


The Douglas Swink Scholarship in Theatre Endowment was established in 2008 by David Swink in memory of his father, Doug. "This award has been hugely helpful to me, allowing me the opportunity to spend less time at work and instead further my studies as an actor, leader, poet and model." –Sean Owens '18

The Endowment Fund continues to perform ahead of peer institutions and meet our primary objectives to include:

- Maintaining the inflation-adjusted purchasing power after costs and spending
- Providing a stable source of liquidity and financial support for the university's mission
- Diversifying the fund's exposure to all asset classes by hiring external managers





## COMPETITIVE BENEFITS | A DIVERSIFIED PORTFOLIO

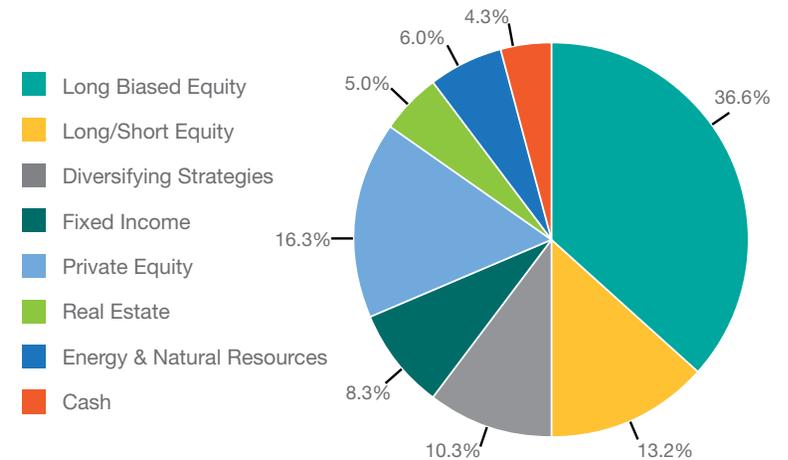
UNCW's men's golf team captured the 2018 Colonial Athletic Association (CAA) Men's Golf Championship. The Timothy Neil Wright Scholarship in Athletics, an endowment established in 2012, allows a student-athlete the opportunity to play golf at UNCW. Russell H. Sneeden III created the scholarship in memory of Mr. Wright, an active member of the Wilmington-area golfing community.

# PORTFOLIO MANAGEMENT AND ASSET POOL ALLOCATION

The Endowment Fund is governed by a nine-member, university-appointed board whose primary role is to oversee the allocation of the Endowment Fund's portfolio among asset classes and investment vehicles and to monitor performance.

UNCW utilizes the management services of UNC Management Company ([www.uncmc.unc.edu](http://www.uncmc.unc.edu)) and The Investment Fund for Foundations ([www.tiff.org](http://www.tiff.org)) for substantially all of its assets. The fund is subject to the UNC Policy for Endowment established by the UNC Board of Governors and is subject to an annual review by State of North Carolina auditors.

A unitized endowment pool allows multiple endowments to invest in the same pool of assets and has mechanics similar to that of a mutual fund.



# SPENDING POLICY AND DISTRIBUTION

Annually, the UNCW Endowment Board of the Board of Trustees and the Investment Committee of the UNCW Foundation Board review the spending policy payout for the upcoming fiscal year (July 1 through June 30). These boards have approved a 4.5 percent annual spending rate since fiscal year 2013.

Spending rates for individually named endowment funds are determined by calculating 4.5 percent of the pool's average market value at June 30 for the previous three years. That value is then divided by the pool's total units. This spending rate per unit is then applied to the ending units of each fund and serves as the next fiscal year's distribution.

## DISTRIBUTION BY SPENDING PURPOSE

	2017-18	2016-17
Scholarships	\$1,523,027	\$1,508,447
Academic Support	646,529	610,441
Professorships	712,180	688,451
Facilities	260,762	260,217
Public Service	127,342	148,754
General Support	337,687	336,605
	<b>\$3,607,527</b>	<b>\$3,552,915</b>



## THE WILLIAM BAGGETT | BENEFITS BEYOND INTERNSHIP AWARD | THE CLASSROOM

The William Baggett Internship Award in Business is an endowment with annual earnings used to assist students engaged with internships with small businesses, nonprofit organizations or those pursuing unpaid internships. Faculty-mentored internships are one of many applied learning experiences that reinforce classroom studies.





UNIVERSITY *of* NORTH CAROLINA WILMINGTON

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DIVISION *for* UNIVERSITY ADVANCEMENT

UNCW is an equal opportunity/affirmative action institution. 700 copies of this public document were printed at a cost of \$2,331 or \$3.33 per copy (G.S. 143-170.1).  
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