



ENDOWMENT REPORT

July 1, 2018 – June 30, 2019



REALIZING OUR GREAT POTENTIAL



On behalf of the University of North Carolina Wilmington, I am pleased to share our Fiscal Year 2019 Endowment Report.

UNCW's 2018-19 academic year will always be remembered as a time of great success, despite the tremendous challenges that Hurricane Florence brought to our campus. We became the first university in the UNC System to launch a satellite into space. Thanks in part to the Watson College of Education, we earned the

elevated designation of a "Doctoral University: High Research Activity" institution according to the Carnegie Classification of Institutions of Higher Education. And we celebrated a historic fundraising year with \$23 million in gifts and commitments while our endowment surpassed \$100 million.

The visions for our university are bold, but so is the belief of our donors. In December 2018, alumnus David Congdon '78, and his wife, Helen, made a transformational investment in the Cameron School of Business. As a result, our programs in business analytics, information systems and supply chain management will prepare our graduates to thrive on a global stage with endowment funds supporting scholarships, professorships and capital upgrades.

At UNCW, our students, faculty and staff do more than just think globally—we act locally. As construction of Veterans Hall progresses, we're excited to find philanthropic partners who recognize that our unique approach to interprofessional education, the need for state-of-the-art equipment, and our commitment to undergraduate research and community engagement will radically change health and wellness in southeast North Carolina.

Gifts to UNCW's endowment position us to address the most pressing needs of our region, build workforce expertise and advance our local economy, school systems and nonprofit organizations—just to name a few opportunities. As you review the enclosed report, remember that as our investments grow, so does your imprint on our region and the world. Thank you for your extraordinary commitment.

Sincerely,

A handwritten signature in black ink, appearing to read "Eddie Stuart", written in a cursive style.

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.

FINANCIAL SUMMARY

as of June 30, 2019	2018-19	2017-18
Opening Balance	\$ 98,876,860	\$ 91,940,718
Additions	3,854,980	1,874,885
Net Earnings	6,175,898	9,601,223
Spending Distribution	(3,803,366)	(3,607,527)
Administrative Fees	(980,972)	(932,439)
Year-end Balance	\$ 104,123,400	\$ 98,876,860



OBJECTIVES AND PERFORMANCE

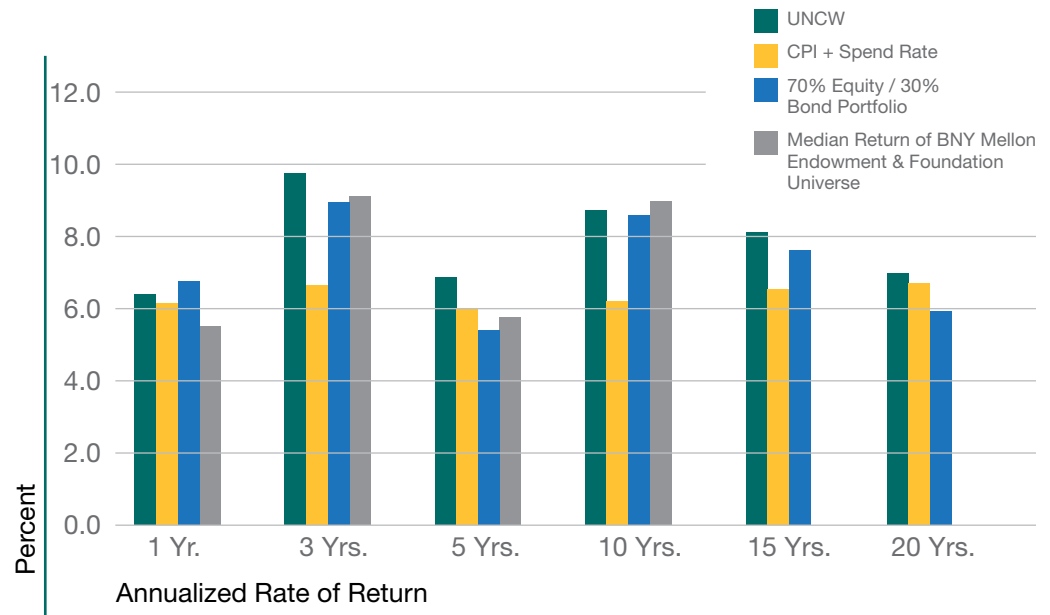


“The funding from this endowment has enabled me to hire graduate research assistants who have published articles, presented at conferences and gone on to Ph.D. programs. Our research and my work on post-acute stroke care have not only increased UNCW’s visibility, but more importantly, have improved care for stroke survivors and their families across North Carolina.”

Barbara Lutz, Ph.D., RN, CRRN, **Sandy and Deborah McNeill Distinguished Professor in Nursing**

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



Based on Bank of New York Mellon endowment survey of 138 portfolios.



A DIVERSIFIED PORTFOLIO

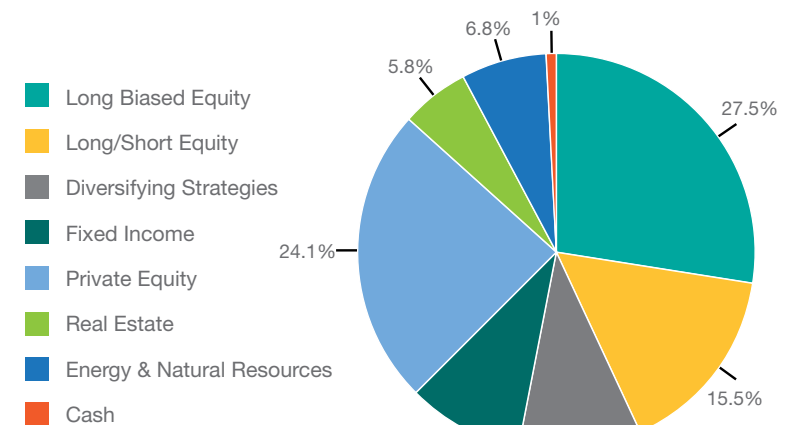
Since 2002, the Department of History has hosted the **Sherman Emerging Scholar Lecture Series**, funded by an endowment established to honor two lifelong learners, Virginia and Derrick Sherman. The series provides an opportunity for promising scholars to share research that connects history with current world challenges or events. Over the 17-year series, lectures have focused on the environment, disease and spirituality, among other topics.

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) 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 Board of Trustees of the UNCW Endowment Fund 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

	2018-19	2017-18
Scholarships	\$1,664,521	\$1,523,027
Academic Support	684,727	646,529
Professorships	720,294	712,180
Facilities	261,254	260,762
Public Service	129,456	127,342
General Support	343,114	337,687
	\$3,803,366	\$3,607,527



BOUNDLESS OPPORTUNITIES

Endowed scholarships give student-athletes like Maurice Holmes '19 the opportunity to reach new heights. In addition to being the first Seahawk to win CAA Athlete of the Year in track and field, the recent graduate released three music albums, was actively involved with campus ministry, the Black Student Union and UNCW’s debate team, all while working as a resident assistant. Having earned his B.S. in Business Administration in May 2019, “Moe” is pursuing a job in financial planning to assist low-income students.

Maurice Holmes was the recipient of the **J.W. Jackson Scholarship Endowment and the Porter SAA Endowed Scholarship.**





UNIVERSITY *of* NORTH CAROLINA WILMINGTON

DIVISION *for* UNIVERSITY ADVANCEMENT

UNCW is an equal opportunity/affirmative action institution.
Report produced by the Division for University Advancement. Data provided by the UNCW Division for Business Affairs.