



# ENDOWMENT REPORT

July 1, 2022 – June 30, 2023





# CONTINUING A TRADITION OF SUCCESS



What a year it has been! Over the last 12 months, we officially celebrated the installation of Chancellor Volety, touted a record five CAA championships, surpassed 100,000 alumni, welcomed three new deans, launched two new colleges, and approved our next 10-year strategic plan.

*Like No Other: The Campaign for UNCW* also continues to make history. The most ambitious fundraising effort to date is more than 92 percent toward its stretch goal of \$125 million! I'm thrilled to report the university's endowment has almost tripled during the

campaign with nearly 600 endowed funds.

As of June 30, 2023, UNCW's endowment was valued at \$154 million, slightly less than the \$156 million we reported one year ago. While some recently established funds will feel the impact of this, our established funds continue to generate distributions, and our three-, five- and ten-year projections continue to be strong.

Your belief in UNCW's ability to transform lives continues to be our beacon, especially during fluctuating market conditions. Long-term investments in our endowment have increased access and affordability for thousands

of students and expanded high-demand academic programs, both priorities in our new strategic plan. Additional priorities include increasing support for the arts and athletics, expanding upon our partnerships and modernizing our infrastructure.

UNCW's most important asset continues to be its people and the returns are evident in the accomplishments of students, faculty, staff and alumni. Together, we have increased pipeline initiatives to address the nursing shortage, informed state and federal policies focused on climate-change response and engaged students in civil discourse and applied learning experiences to ensure they are career ready – just to highlight a few. In short, your investments pay dividends as we prepare Seahawks to change the world.

Thank you for shaping who we are today and inspiring who we will become.

In Seahawk spirit,

A handwritten signature in black ink, appearing to read 'Eddie Stuart', with a long, sweeping horizontal line 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 at [uncw.edu/endowmentreport](https://uncw.edu/endowmentreport).

## FINANCIAL SUMMARY

<b>as of June 30, 2023</b>	<b>2022-23</b>	<b>2021-22</b>
Opening Balance	\$156,246,678	\$149,412,261
Additions	4,573,349	6,834,851
Net Earnings	(121,042)	5,501,441
Spending Distribution	(5,253,117)	(4,380,463)
Administrative Fees	(1,320,432)	(1,121,413)
Year-end Balance	\$154,125,436	\$156,246,678



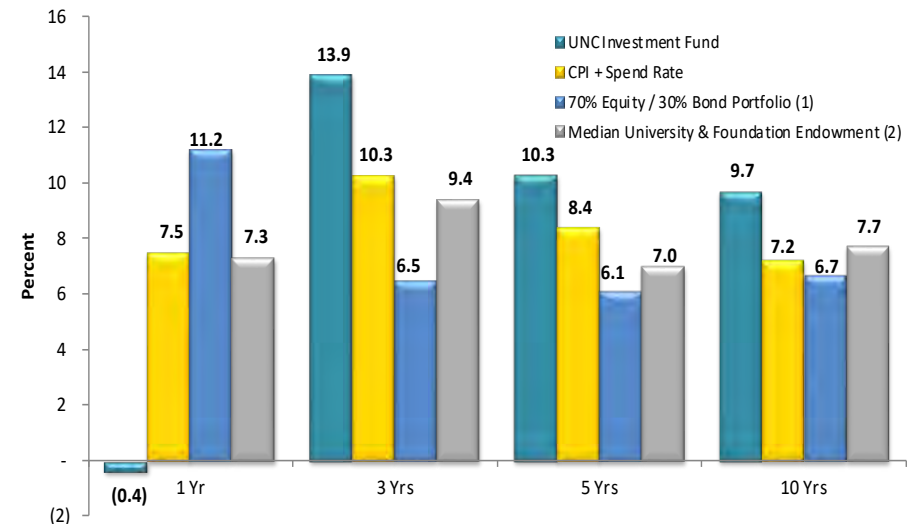
# OBJECTIVES AND PERFORMANCE



In February 2023, the Seahawks captured the men's and women's Coastal Athletic Association OR JUST CAA Swimming & Diving Championship titles for the second time overall and the first since 2006. Thousands of Seahawk Club donors helped bring both trophies back to the coast. Leading the way was the late Dave Allen, the beloved head coach who founded the UNCW swimming program in the late 70s and molded it into a recurrent power in the CAA. The David Allen Endowed Support Fund for Swimming & Diving Endowment, created by alumni and friends of the UNCW Swimming Program to honor Coach Allen, helps student-athletes in the program continue to excel both in the classroom and pool. Sadly, Coach Allen passed away on June 21, 2023.

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



## Annualized Rate of Return

(1): 1, 3, 5, 10 Years: Global 70/30 Portfolio - 70% MSCI All Country World Index / 30% Bloomberg Barclays U.S. Aggregate Bond Index

(2): BNY Mellon Endowment & Foundation Universe - 112 portfolios are represented for the year ended June 30, 2022



## STUDENT BENEFITS

Scholarships are key to helping UNCW recruit and retain first-generation students, many of whom are from historically underrepresented communities. This allows UNCW to create a diverse community and a student experience like no other.

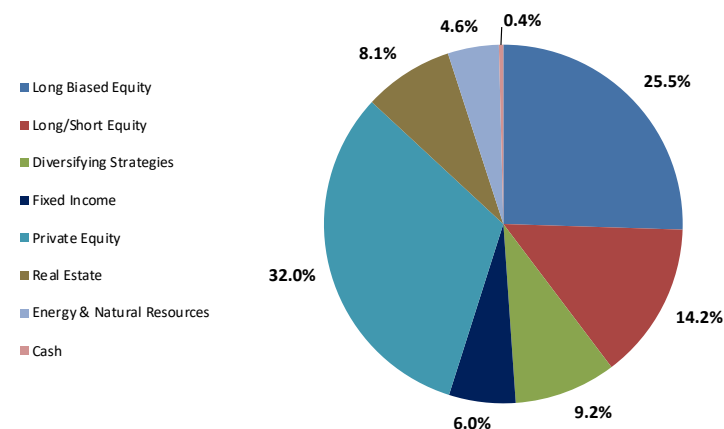
Donors Luis and Yeraldi Munguia, Gustavo Rodea and Maria Guadalupe Durán '10, '13M, and dedicated staff like Angel Garcia and his wife Abigail lead the way with their scholarship and community support.

## 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)) 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 Endowment Board 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

	2022-23	2021-22
Scholarships	\$2,480,635	\$2,016,484
Academic Support	789,022	750,777
Professorships	1,019,407	887,122
Facilities	297,535	272,674
Public Service	288,104	141,839
General Support	391,695	358,981
	<hr/> \$5,266,398	<hr/> \$4,427,877



## A DIVERSIFIED PORTFOLIO

For more than two decades, UNCW's Coastal Ocean Research and Monitoring Program (CORMP) has gathered valuable weather and oceanographic data to improve maritime safety, forecast coastal hazards and understand local coastal climate patterns. The program operates nine mooring stations along the coasts of North Carolina and South Carolina and will expand to Florida.

The National Weather Service, National Data Buoy Center and National Hurricane Center all use the program's real-time observations to aid local weather service offices in anticipating possible changes in storm track and to forecast storm-induced hazards.

In March, the CORMP Endowed Support Fund was created to provide support for the program and advance marine science at UNCW.



# LIKE NO OTHER.

*The Campaign for UNCW*



UNIVERSITY *of* NORTH CAROLINA WILMINGTON

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DIVISION *for* UNIVERSITY ADVANCEMENT

UNCW is an equal opportunity/affirmative action institution.  
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