



# ENDOWMENT REPORT

JULY 1, 2016 - JUNE 30, 2017

# ENDURING GRATITUDE



On behalf of the University of North Carolina Wilmington, I am pleased to present our Fiscal Year 2017 Endowment Report.

Over the years, UNCW's level of excellence has risen concurrent with an increase in private support. During the fiscal year (July 1, 2016 – June 30, 2017), donors contributed more than \$17.2 million in gifts and commitments to the university – an increase of 14 percent over the previous year. The endowment grew by 9 percent over the same period, totaling almost \$92 million as of June 30, 2017.

Contributions to UNCW's endowment are the most enduring investments in our mission. The income generated from the endowment enables our students, faculty and staff to give flight to their imagination. Through a strong rate of return, we were able to distribute \$3.5 million in support for academic programs, research endeavors, facilities and professorships. Most notable, \$1.5 million of the allocation was distributed to make 466 scholarship awards, helping to attract and retain high-quality,

diverse students. UNCW is steadfast in its commitment to put student success at the center of everything we do – teaching, research and service.

It's no coincidence that throughout 2017, the university was recognized for excellence and value by numerous organizations including *U.S. News & World Report*, *Military Times* and *The Princeton Review* – just to name a few. These accomplishments are fueled by endowment donors who believe in our mission and support our vision for the future.

An enclosed report highlights your personal impact on UNCW. We are grateful for your commitment to the university and will continue to steward the endowment with great care.

With gratitude,

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 online at [www.uncw.edu/endowmentreport](http://www.uncw.edu/endowmentreport).

## FINANCIAL SUMMARY

<b>as of June 30, 2017</b>	2016-17	2015-16
Opening Balance	\$84,266,637	\$90,896,398
Reclassification of Real Estate		(4,745,964)
Restated Opening Balance	84,266,637	86,150,434
New Gifts	2,920,274	2,499,725
Net Earnings	9,212,025	(280,749)
Spending Distribution	(3,552,915)	(3,269,671)
Administrative Fees	(905,303)	(833,102)
Year-end Balance	\$91,940,718	\$84,266,637



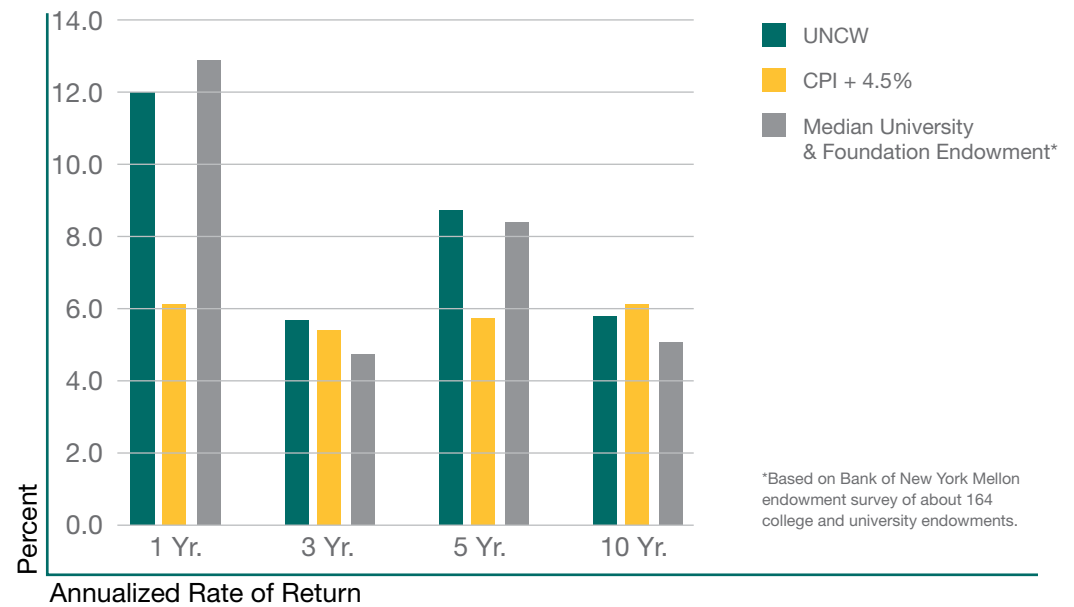
# OBJECTIVES AND PERFORMANCE



UNCW's men's soccer team made its fifth consecutive CAA championship appearance during the 2016-17 season. The Calvin Lane Soccer Alumni SAA Scholarship Endowment, established in 2004, helps UNCW recruit student-athletes who excel in the classroom and in competition. Calvin Lane served as the men's soccer coach from 1971 to 1985 with 10 winning seasons.

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





## NOTABLE BENEFITS | A DIVERSIFIED PORTFOLIO

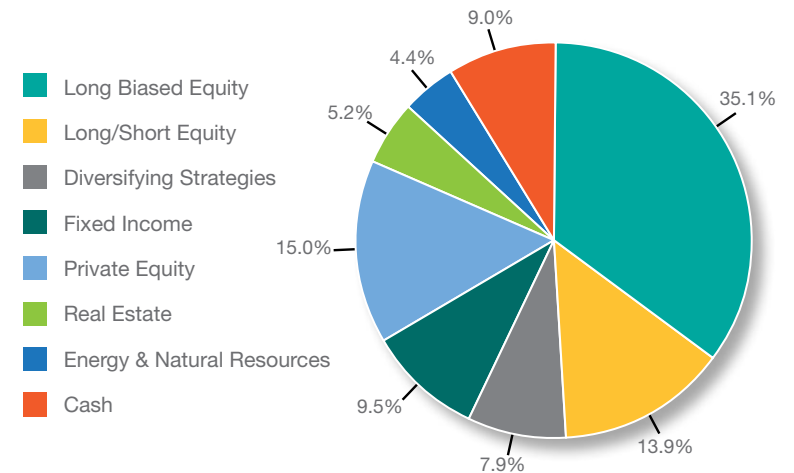
The Beckwith Endowment for Music, created by Barbara Beckwith Dobo in memory of her mother and her grandmother, supports the Department of Music and provides scholarship support for music students as well as unrestricted funds.

# 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% annual spending rate since fiscal year 2013.

Spending rates for individually named endowment funds are determined by calculating 4.5% 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

	2016-17	2015-16
Scholarships	\$1,508,448	\$1,383,919
Academic Support	610,441	547,831
Professorships	688,451	644,600
Facilities	260,217	245,277
Public Service	148,754	137,510
General Support	336,605	310,534
	<b>\$3,552,915</b>	<b>\$3,269,671</b>



## THE BETTY HOLDEN STIKE EDUCATION LABORATORY | MEASURABLE BENEFITS

For more than 30 years, over 7,500 future teachers have served over 6,000 local grade students on the campus of UNCW. Annual earnings from the Dr. John Stike Education Laboratory Endowment help supplement institutional programming and operational costs associated with the lab operated by the Watson College of Education.





UNIVERSITY *of* NORTH CAROLINA WILMINGTON

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DIVISION *for* UNIVERSITY ADVANCEMENT

UNCW is an equal opportunity/affirmative action institution. 800 copies of this public document were printed at a cost of \$1,872 or \$2.34 per copy (G.S. 143-170.1).  
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