

# Business Affairs Committee Endowment Update

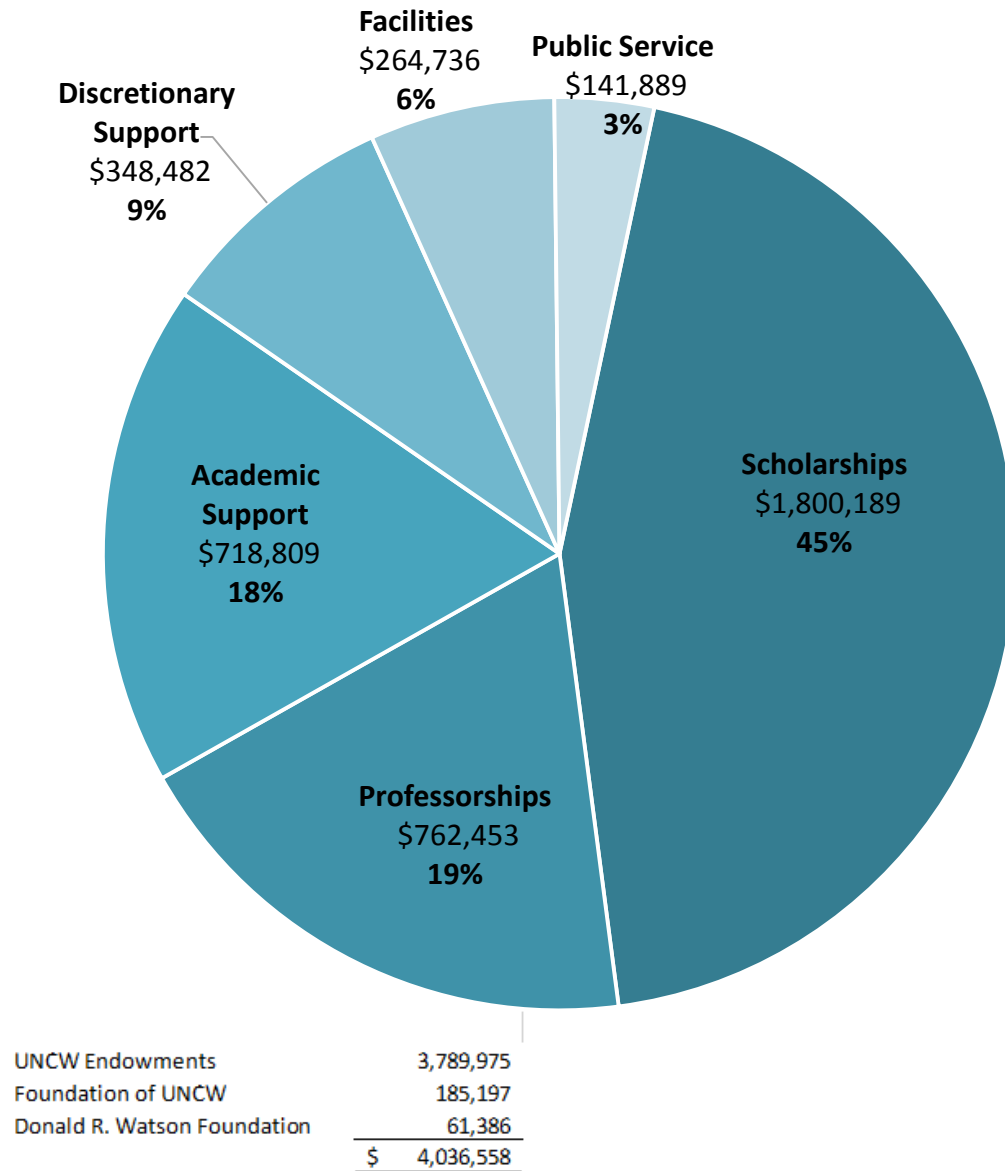
April 25, 2019



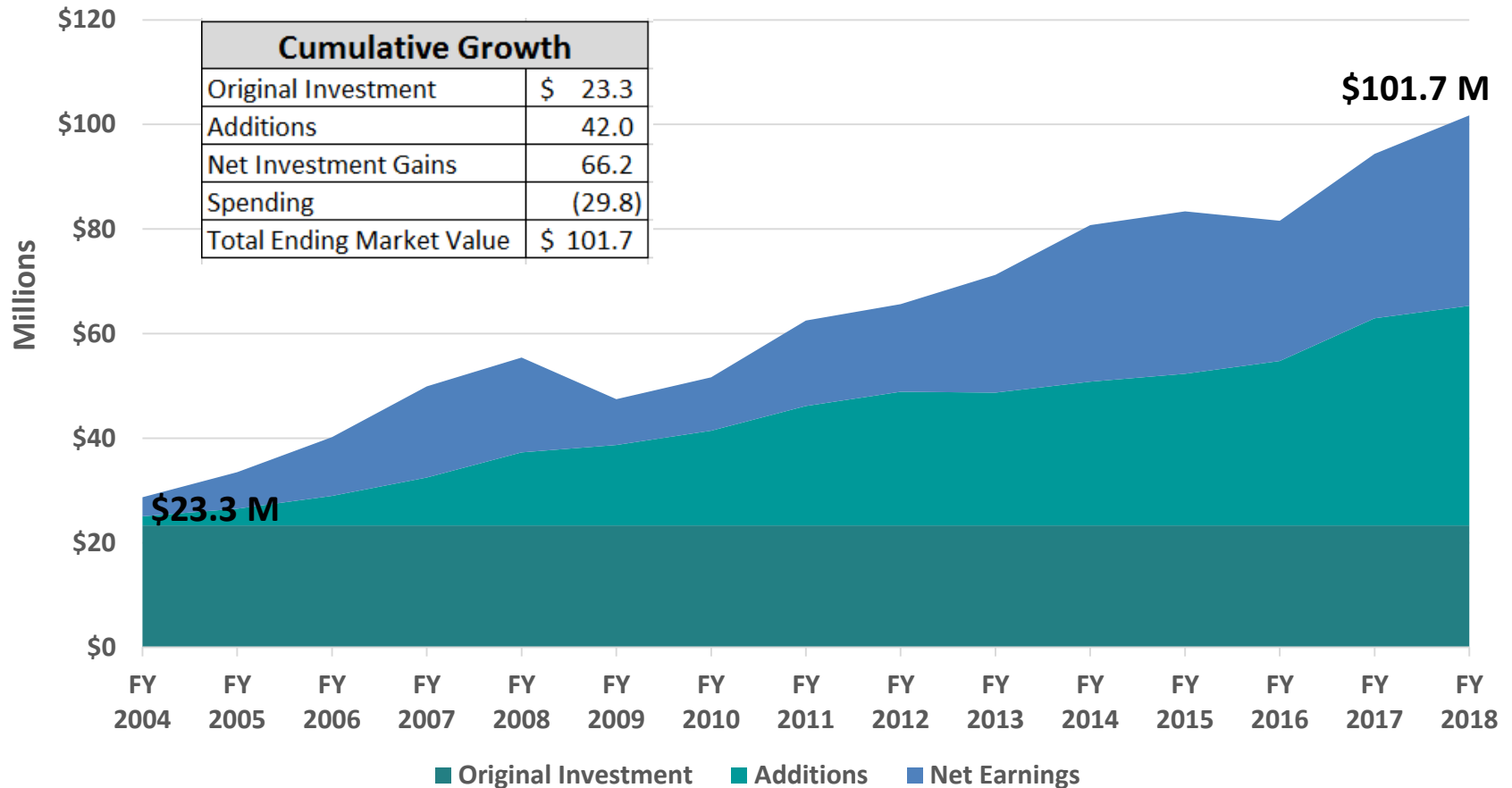
UNIVERSITY *of* NORTH CAROLINA WILMINGTON

# Purpose of Endowment

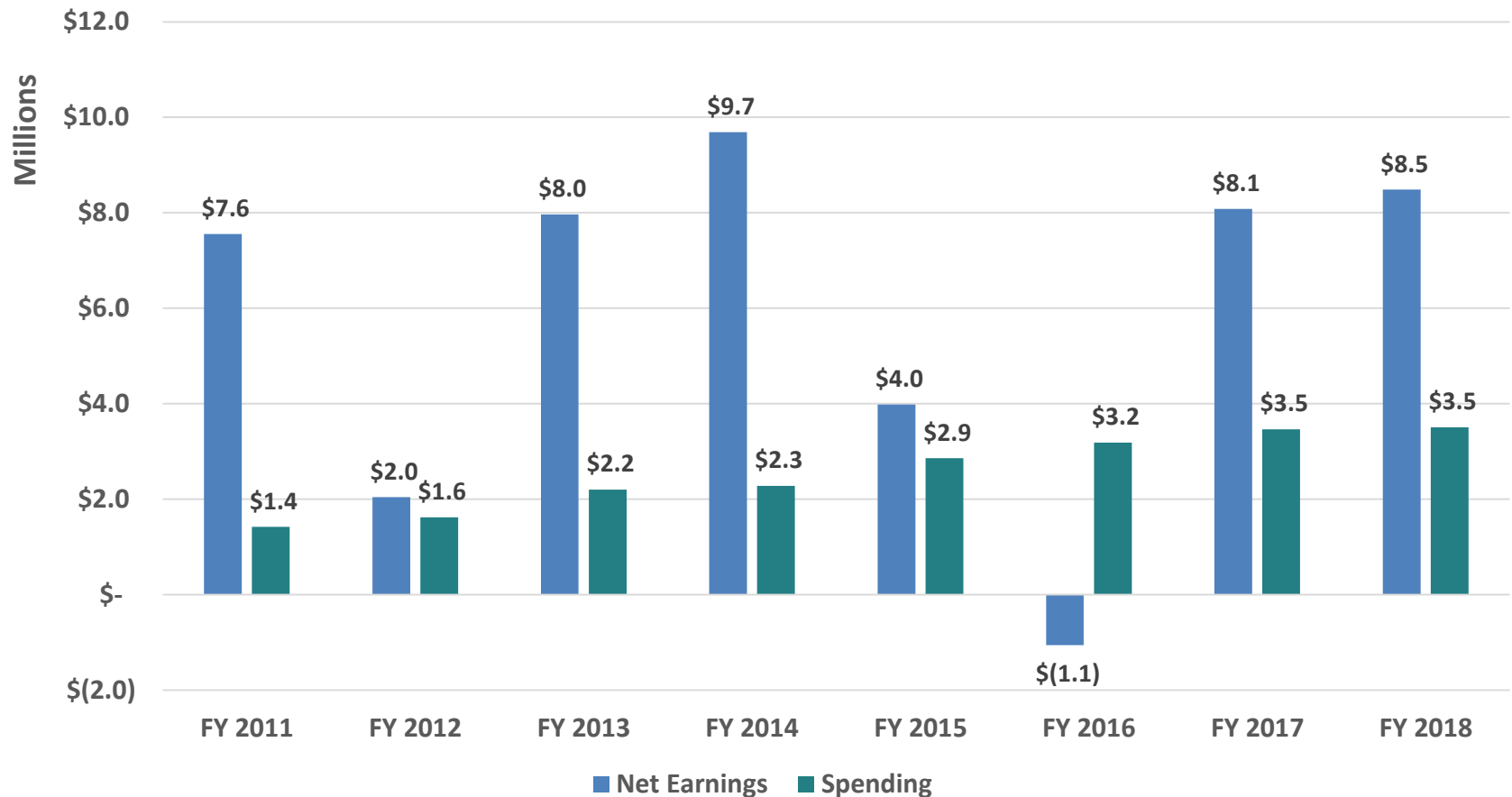
- UNCW relies on earnings from the endowment to cover a relatively small portion of its operating budget (less than 2%)
- These resources fund our highest priority strategic initiatives – student scholarships, endowed professorships, faculty support, and facilities.
- Endowment is not one fund, but a large pool comprised of hundreds of individual endowments.
- Exist to support this and future generations.



# Growth of the Fund



# Spending Policy Purpose: Provide Stable Funding



# 2018 NACUBO-TIAA Endowment Study

## Respondents by Endowment Size & Type of Institution

Endowment Size	Number of respondents	% of total respondents	Total value	% of total dollars
Over \$1 billion	104	13%	474 billion	77%
\$501 million to \$1 billion	85	11%	62 billion	10%
\$251 million to \$500 million	88	11%	32 billion	5%
\$101 million to \$250 million	195	24%	32 billion	5%
\$51 million to \$100 million	154	19%	12 billion	2%
\$25 million to \$50 million	103	13%	4 billion	1%
Under \$25 million	73	9%	1 billion	—
<b>Total by institution size</b>	<b>802</b>	<b>100%</b>	<b>\$617 billion</b>	<b>100%</b>
All public institutions	304	38%	204 billion	33%
All private institutions	498	62%	413 billion	67%
<b>Total by institution type</b>	<b>802</b>	<b>100%</b>	<b>\$617 billion</b>	<b>100%</b>

Source: 2018 NACUBO-TIAA Study of Endowments (NTSE)

# Average Trailing Returns for Study Participants

## At June 30, 2018

	1 Year	3 Year	5 Year	10 Year
<b>Reporting Institutions</b>				
Average net return	8.2%	6.2%	7.3%	5.8%
Top quartile	9.1%	6.9%	8.0%	6.4%
Over \$1 billion	9.7%	6.8%	8.2%	6.0%
\$51 million - \$100 million	7.7%	6.0%	7.0%	5.7%
<b>Our Institution</b>				
UNCW Endowment	11.2%	7.5%	8.9%	6.3%
<b>Relative Indices</b>				
S&P 500	14.4%	11.9%	13.4%	10.2%
Russell 3000	14.8%	11.6%	13.3%	10.2%
MSCI World ACWI	10.7%	8.2%	9.4%	5.8%
Bloomberg Barclays Global Aggregate Bond	1.4%	2.6%	1.5%	2.6%

## UNC Peer Institutions - Endowment Size

Institution	Overall Rank	2018 Endowment Funds (\$)
University of North Carolina at Chapel Hill & Foundations	31	3,432,911,000
North Carolina State University and Related Foundations	88	1,293,743,000
University of North Carolina at Greensboro Investment Fund	264	293,162,000
University of North Carolina at Charlotte	311	217,594,000
East Carolina University	331	200,770,000
Appalachian State University and Foundation	469	107,603,000
University of North Carolina at Wilmington	480	101,729,000
Western Carolina University	524	85,641,000
North Carolina A&T State University and Foundation	590	63,827,000
University of North Carolina at Asheville	633	51,396,000
Winston-Salem State University & Foundation	654	46,214,000
University Of North Carolina Pembroke	743	24,028,000
UNC School of the Arts	752	22,898,000
Fayetteville State University	754	22,688,000

Source: 2018 NACUBO-TIAA Study of Endowments (NTSE)



## NC Institutions - Endowment Size

Institution	Overall Rank	2018 Endowment Funds (\$)
Duke University (DUMAC, Inc.)	14	8,524,846,000
University of North Carolina at Chapel Hill & Foundations	31	3,432,911,000
Wake Forest University	83	1,329,255,000
North Carolina State University and Related Foundations	88	1,293,743,000
Davidson College	135	821,776,000
University of North Carolina at Greensboro Investment Fund	264	293,162,000
Elon University	281	253,735,000
University of North Carolina at Charlotte	311	217,594,000
East Carolina University	331	200,770,000
Campbell University	354	181,019,000
Queens University of Charlotte	392	149,744,000
Appalachian State University and Foundation	469	107,603,000
Lenoir-Rhyne University	477	102,929,000
<b>University of North Carolina at Wilmington</b>	<b>480</b>	<b>101,729,000</b>
Western Carolina University	524	85,641,000
Guilford College	545	78,153,000
North Carolina A&T State University and Foundation	590	63,827,000
University of North Carolina at Asheville	633	51,396,000
Winston-Salem State University & Foundation	654	46,214,000
University Of North Carolina Pembroke	743	24,028,000
UNC School of the Arts	752	22,898,000
Fayetteville State University	754	22,688,000

# UNC Institutions - Endowment \$ Per Student

## *UNCW - Middle of the Pack*

Institution	Endowment (\$)	Endow \$ Per Student
University of North Carolina at Chapel Hill & Foundations	3,432,911,000	124,738
North Carolina State University and Related Foundations	1,293,743,000	45,853
University of North Carolina at Greensboro Investment Fund	293,162,000	17,930
UNC School of the Arts	22,898,000	17,778
University of North Carolina at Asheville	51,396,000	14,585
Winston-Salem State University & Foundation	46,214,000	9,616
Western Carolina University	85,641,000	8,726
University of North Carolina at Charlotte	217,594,000	8,281
University of North Carolina at Wilmington	101,729,000	7,393
East Carolina University	200,770,000	6,932
Appalachian State University and Foundation	107,603,000	6,124
North Carolina A&T State University and Foundation	63,827,000	6,103
University Of North Carolina Pembroke	24,028,000	4,303
Fayetteville State University	22,688,000	4,178

# Investment Performance



# TO BE UPDATED

## Relative Long-Term Return Summary

Period ended 3/31/19	1 Year	3 Years <sup>(1)</sup>	5 Years <sup>(1)</sup>	10 Years <sup>(1)</sup>	15 Years <sup>(1)</sup>
UNCW Endowment					
<b>Benchmarks</b>					
L-T Return Objective: CPI + 4.5%					
Traditional Portfolio: Global 70/30 <sup>(2)</sup>					
<b>Relative Indices</b>					
Domestic Equities: S&P 500 Index					
Global Equities: MSCI ACWI					
MSCI World ACWI					
Bloomberg Barclays Global Aggregate Bond					

1) Annualized

2) 70% MSCI All Country World Index (ACWI), 30% Bloomberg Barclays U.S. Aggregate Bond Index

# Thank You!