

**Board of Trustees
Business Affairs Committee
University of North Carolina
Wilmington**

January 26, 2012

University of North Carolina Wilmington



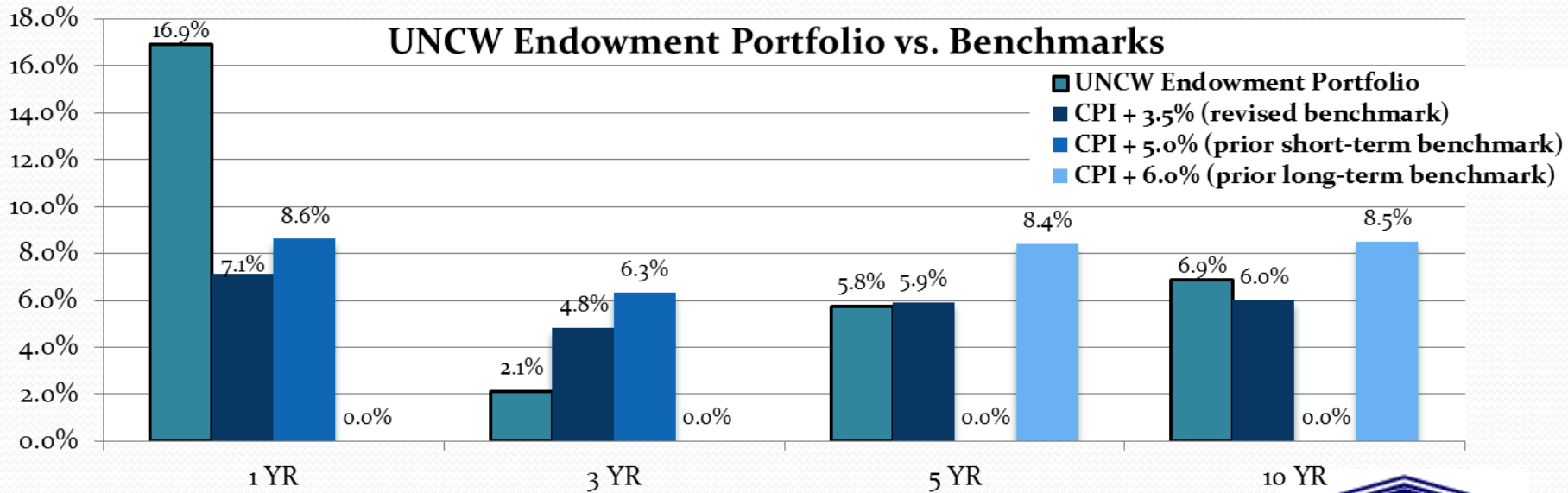
RECOMMENDATION

- To increase Endowment Spending Rate for FY 12-13
to 4.5%

University Endowment Portfolio Performance Review

For the Year Ended June 30, 2011

Portfolio vs. Benchmarks	Trailing Period Net Total Returns				Return since inception	Date of inception
	1 YR	3 YR	5 YR	10 YR		
UNCW Endowment Portfolio	16.9%	2.1%	5.8%	6.9%	7.5%	07/01/87
CPI + 3.5% (revised benchmark)	7.1%	4.8%	5.9%	6.0%		
CPI + 5.0% (prior short-term benchmark)	8.6%	6.3%	n/a	n/a		
CPI + 6.0% (prior long-term benchmark)	n/a	n/a	8.4%	8.5%		



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Projected Distributions for FY 12-13

<i>Using 3 Yr Moving Avg Based on <u>June 30</u> Valuation Date</i>									
	2012-13 @ 3.5%			2012-13 @ 4.0%			2012-13 @ 4.5%		
	# Endow.	Distrib. Amount	Payout per Unit	# Endow.	Distrib. Amount	Payout per Unit	# Endow.	Distrib. Amount	Payout per Unit
Eligible to receive payout	286	\$ 1,615,040	10.8897	286	\$ 1,845,760	12.4454	285	\$ 2,074,502	14.0011
Not Eligible to receive payout:									
underwater ***	18			18			19		
	304			304			304		

2011 NACUBO Study of Endowments

Average Annual Policy Spending Rates										
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
All Institutions	4.6	4.5	4.4	4.4	4.6	4.7	4.7	4.9	5.1	5.0
All Public Colleges/Universities	4.3	4.3	3.7	4.0	N/A	N/A	N/A	N/A	N/A	N/A
\$51 Million - \$ 100 Million	4.5	4.6	4.7	4.6	4.8	4.7	4.7	4.9	5.2	5.3
UNCW	3.5	4.5	4.5	4.5	4.5	4.5	3.5	3.5	4.5	4.5