

**UCONN**  
FOUNDATION

# ENDOWMENT REPORT 2017

YOU AND UCONN: A RELATIONSHIP THAT LASTS A LIFETIME



**STRENGTHENING UCONN**  
**ONE RELATIONSHIP AT A TIME**



**It is my privilege to share the 2017 Endowment Report with UConn's closest friends and supporters.**

We have a lot to celebrate together. Thanks to your generosity and long-term commitment to UConn, the UConn Foundation closed one of our best years on record for endowment growth.

On behalf of the University and the Foundation, I extend our deep gratitude for your loyalty to Connecticut's flagship public university and academic medical center. The endowment is the lifeblood of an institution. By investing in the endowment, you build an ever-stronger foundation that will continue providing support for generations to come.

This permanent stream of philanthropic dollars is ensuring growth and vibrancy across the entire University—at the main campus in Storrs, the regional campuses, professional schools, and UConn Health. Gifts made this year are funding mission-centric priorities: from scholarships and faculty support to new centers for scientific and academic research and new spaces for collaborative learning.

Your loyal friendship and giving make a difference. Thank you for your continued support.

Sincerely,

Joshua R. Newton  
President and CEO

# PORTFOLIO OVERVIEW

Prepared by Gerald J. Ganz, Jr., MBA, CPA, CGMA | Senior Vice President of Finance and Administration

The UConn Foundation's long-term investment portfolio, driven by a broad-based exposure to equity markets, delivered strong absolute and relative performance against a backdrop of synchronized growth across major economies during fiscal 2017. The portfolio returned 11.74 percent, outperforming a market value weighted benchmark (10.45 percent) by 1.29 percent.

Seven out of the last eight years the portfolio has had positive returns, with an annualized return of 7.51 percent during that period.

As a result of the global deflation theme and interest rate normalization, global equity, directional hedge funds, and non-directional hedge funds capitalized on increased idiosyncratic stock behavior, generating strong outperformance through fundamental stock picking. The global equity portfolio benefited from its international footprint, returning 19.54 percent, with emerging market, Japanese, and European managers strongly outperforming. Exposure to growth stocks and small cap stocks also helped drive performance. Directional hedge funds returned an impressive 21.34 percent, as our global exposure to activist managers continued to generate impressive returns from their idiosyncratic portfolios. A distressed credit manager also produced strong returns from positions in the energy and mining space. Non-directional hedge funds returned 9.44 percent, benefiting primarily from its exposure to a technology-focused fund.

The portfolio's private investments were also a source of strong returns for the fiscal year, with private capital returning 8.27 percent and private real assets returning 12.72 percent.

Some of the portfolio's asset classes aimed at downside protection dragged on performance during the strong equity market rally. The fixed income portfolio generated a slightly negative return of -0.40 percent as rates continued to rise. Although a negative return, the managers in this asset class were able to outperform the benchmark by 2.47 percent through active currency tilts and security selection.

The worst performer for the fiscal year was our tail hedge—portfolio diversification strategies—which dragged on performance during the persistent market run up. It returned -10.06 percent. The long volatility strategy suffered the biggest loss as volatility continued to compress to near-historic lows across most markets. Systematic trend-following managers also suffered losses in the FX and fixed income markets throughout the year. The small size of this asset class (less than 5 percent of the total portfolio) muted its negative contribution to the overall portfolio; in the long run, we expect this asset class to provide helpful downside protection and positive convexity during times of market distress.

Each endowment experienced growth of at least 5.27 percent after taking all distributions into consideration.

The Foundation's long-term investment portfolio now totals \$365.8 million. After adding funds held in trust for endowed purposes, the UConn Foundation's portion of the total University endowment is now \$385.0 million. The total University endowment—including the Foundation's endowment, endowed gifts to the University, and the Law School Foundation—now equals \$421.9 million. The total endowment has grown by \$176.1 million, or 71.6 percent, since March 2009.

TOTAL UNIVERSITY ENDOWMENT	MARKET VALUE	NUMBER OF FUNDS
UConn Foundation	\$384,998,354	1,629
Law School Foundation	\$22,357,308	125
University Funds Managed by UConn Foundation	\$14,537,943	133
<b>TOTAL</b>	<b>\$421,893,605</b>	<b>1,887</b>

## What's included in the total endowment?

The total includes all endowed funds that benefit UConn. Endowed funds are held by the UConn Foundation as well as the University itself and the Law School Foundation. The UConn Foundation coordinates the investment and management of its portfolio and the endowed funds held by the University.

*As of June 30, 2017*

# YOU & UCONN: MAKING AN IMPACT

Total endowment grew **\$44.7 million (11.9 percent)** last year.

**\$377.2 MILLION**

**11.9%  
GROWTH**

**\$421.9 MILLION**



## WHERE ENDOWMENT DOLLARS GO: TWO WAYS TO LOOK AT THE NUMBERS

### MAJOR AREAS



#### UNIVERSITY \$284,123,967

Supports UConn's academic, research, and public service missions.



#### UConn HEALTH \$87,669,593

Supports UConn's teaching hospital, medical research enterprise, and Schools of Medicine and Dental Medicine.



#### DIVISION OF ATHLETICS \$50,100,045

Supports UConn student-athletes and 22 programs, which have brought 22 national championships home to Connecticut.

### MISSIONS



#### STUDENTS \$176,651,210

Scholarships and fellowships transform lives. Awards put a UConn education within reach for promising students regardless of their financial resources.



#### FACULTY \$109,544,264

Endowed chairs, professorships, and other funds support innovative work by scholars, researchers, and physician-scientists across UConn.



#### PROGRAMS \$135,698,131

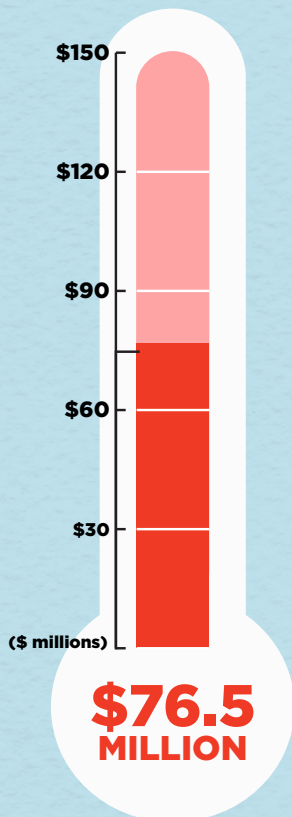
Endowed accounts support wide-ranging enhancements and opportunities, such as classroom upgrades, new technology, experiential learning, study abroad, and undergraduate research.

# YOU & UCONN: IMPACTING STUDENTS

Of the individual donors who created new endowed accounts, **87 percent gave to student support**. With commitments totaling \$6 million, donors established **41 new scholarships, fellowships, and student awards**.

Endowed student support is more important than ever. Increasing numbers of students are applying to UConn, and the need for financial aid is rising while state support is declining. UConn received a record 36,000 applications for 5,100 spots in the class of 2020. During the 2016-17 academic year, 79 percent of undergraduates applied for financial aid.

A one-time gift can help one or two students once. But every new endowed scholarship or fellowship will help countless students long into the future.



## TRANSFORM LIVES

Our third highest fundraising year for student support in UConn's history!

**\$76.5 Million Raised**  
**Toward \$150 Million Goal**

## THE BEAUDOINS & UCONN: THE POWER OF ONE ENDOWED SCHOLARSHIP

Mark '82 (BUS) and Pamela '82 (CLAS) Beaudoin wanted to give back. Mark serves on the Foundation's Board of Directors, but they wanted to do even more. They decided that the best way to help students at the School of Business was to create an endowed scholarship that would be able to spin off awards every year for meritorious students who have financial need. In 2007, they committed \$50,000 to be paid over five years. After a couple years of building up the market value, their endowment has now provided seven awards since fall 2009.

"My family could not be more thankful for this generous act. Again, I thank you for believing in me and choosing to help me out. We will never forget this kind gesture."

—Selman Kolenovic '14 (BUS), Beaudoin Scholarship recipient



**A ONE TIME GIFT CAN HELP ONE STUDENT TODAY,  
BUT AN ENDOWED GIFT HAS THE POWER TO HELP GENERATIONS TO COME.**



2007  
Fund established



2012  
Fully funded



2017

**MARK A. AND PAMELA J. BEAUDOIN SCHOLARSHIP  
7 AWARDS AND COUNTING**

7 Merit- and Need-Based Scholarships Have Been Awarded

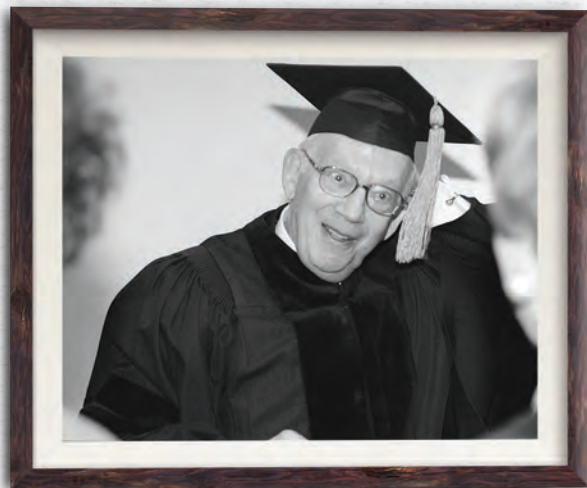
# THE SACKLERS & UCONN: A LEGACY OF SUPPORT

Beverly and Raymond (1920–2017) Sackler have generously supported the arts, human rights, and medical research at UConn for more than 30 years. Mr. Sackler died in 2017 after a brief illness. He was 97 years old. His vision and legacy will carry on through several endowments, providing support in perpetuity for the causes he was passionate about.

Creating programs for artists-in-residence program, music composition, fine arts, and a unique collaboration with the Metropolitan Opera have transformed the School of Fine Arts. The Sacklers' generosity has enabled the School of Fine Arts to support the development of many artists at the undergraduate, graduate, and professional levels, and contribute immeasurably to the arts and culture at UConn and beyond.



The Raymond and Beverly Sackler Distinguished Lecture Series was established at the Thomas J. Dodd Research Center in 1993 to invite scholars, activists, and distinguished experts from around the world to discuss critical human rights issues. Over the course of 20 lectures, nearly 4,000 students, faculty, and community members have heard firsthand from luminaries including Samantha Power, former U.S. ambassador to the United Nations, U.S. Senator George Mitchell, who led global mediation in Northern Ireland, and John Ruggie, U.N. special representative on human rights and transnational corporations. The success of the lecture series helped catalyze the development of UConn's human rights program—one of the largest undergraduate and graduate academic programs in the country.



At the School of Medicine, the Sacklers have supported groundbreaking work in genetics, molecular science, regenerative medicine, and the intersection between the biomedical and engineering sciences. Through faculty and research funds, the couple has helped UConn Health recruit and retain nationally renowned researchers.

Both Beverly and Raymond Sackler were awarded honorary Doctor of Humane Letters in 1998 in recognition of their remarkable contributions and accomplishments.



# IMPACT STORIES FROM THE SACKLERS' GENEROSITY



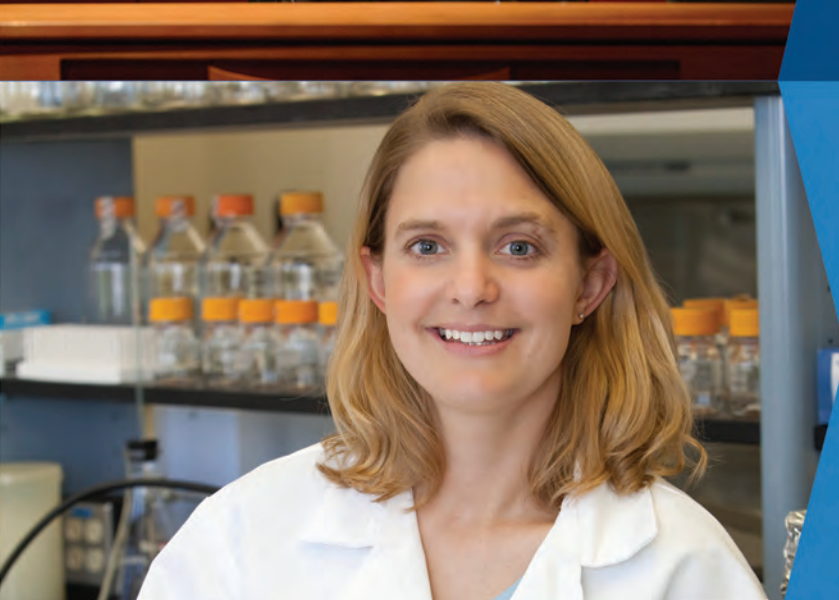
“The opportunities for students to work with Sackler Composition Prize winners are exceptional. Your generous gifts to the School of Fine Arts have contributed to the work of the Department of Music in profound ways that continue to have enormous and life-changing impact on our students.”

—*Eric Rice*  
*Head, Department of Music*



“The Raymond and Beverly Sackler Distinguished Lecture Series was the first permanent human rights initiative at UConn, and it has had a dramatic impact on our community. By bringing some of the most important human rights scholars, activists, and officials to campus, the lecture series helped plant the seeds of what has become the leading human rights program in the country.”

—*Glenn Mitoma*  
*Director of the Thomas J. Dodd Research Center and Assistant Professor of Human Rights and Education*



“The endowment has allowed me to fearlessly pursue research questions. I extend my deepest gratitude for the endowment itself, and for the opportunity to be part of the remarkable work of the Raymond and Beverly Sackler Foundation.”

—*Stormy Chamberlain*  
*Assistant Professor of Genetics and Genome Sciences*

YOUR LOYALTY HAS IMPACT.  
**THANK YOU!**





▲ Students spell out “UConn” on the Great Lawn during Convocation 2017.  
Your endowed support inspires the UConn spirit and traditions old and new.

## **UConn** **FOUNDATION**

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ONE RELATIONSHIP AT A TIME

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