





Thank you.

As the newly appointed president and CEO of the UConn Foundation, it is my privilege to present our 2019 Endowment Report. Although I have been at UConn for approximately four months now, I have long been aware of UConn's reputation for academic and athletic excellence. I am delighted to have the opportunity to thank you all for the role you play in the University's success.

This is an incredibly exciting time to be a part of UConn Nation. We have announced that many of UConn's NCAA Division 1 athletic programs will move to the Big East Conference on July 1, 2020. Innovation, entrepreneurship, and creative expression are flourishing across our campuses. Each day, our students take advantage of a wide range of enriching opportunities outside of the classroom, such as internships, field work, research projects, and community outreach initiatives. Our faculty are uncovering new knowledge and applying fresh approaches to the most critical issues we face today in medicine, law, politics, and environmental studies, to name just a few areas.

The stories highlighted in this report represent just a small fraction of your collective impact on this work. UConn would not be among the top 25 public universities in the country today without your support. In establishing philanthropic endowments to fund some of the most vital aspects of our mission, you are allowing us to extend the benefits of academic excellence beyond the confines of our University and prepare students for professional achievement and meaningful citizenship after graduation.

I am deeply grateful for your ongoing engagement and your generosity, and I look forward to working with you all to secure a brilliant future for UConn in the months and years ahead.

Go Huskies!

Sincerely,



Scott M. Roberts
President & CEO
UConn Foundation



Portfolio Overview

Prepared by Gerald J. Ganz, Jr., MBA, CPA, CGMA
Senior Vice President of Finance & Administration
and Chief Financial Officer

The University of Connecticut Foundation's long-term investment portfolio produced a positive return for the ninth time in ten years during the 2019 fiscal year.

After losing ground during the first six months of the year, the portfolio rebounded sharply during the second half of the year. Investors are still grappling with tariff concerns, slowing global growth, and an inverted yield curve, but volatility dropped dramatically in the first quarter of 2019 after the Federal Reserve abruptly changed its stance from raising rates to potentially lowering rates.

During fiscal 2019, the long-term portfolio returned 4.80% compared to a market value weighted benchmark return of 5.02%, for an underperformance of 0.22%. For the trailing three-year (8.06% vs. 8.37%), five-year (5.12% vs. 4.88%), and ten-year periods (7.14% vs. 7.85%), the portfolio's performance also ran fairly close to its benchmark, with varying degrees of success relative to comparability.

The portfolio experienced a positive return from every asset class/strategy except one during fiscal 2019. The portfolio's allocation to Private Capital was the biggest contributor to the positive return experienced during the year, returning 11.31%. For the second year in a row, the Hedge Fund Directional and Non-Directional portfolios were positive performers, returning 9.28% and 3.54%, respectively. The Directional portion has high equity exposure and is designed to have longer-term returns comparable to the public Global Equity portfolio, but with risk/diversification benefits. The Non-Directional portion has lower equity exposure and is designed to have longer-term returns in excess of the liquid Fixed Income portion of the portfolio.

Global Equities returned 5.30% during fiscal 2019. Roughly 75% of this portion of the portfolio was invested in passive indices, and the remaining 25% was invested with active managers. Having a large exposure to passive indices has been helpful over the last several years, as many active managers have underperformed passive indices.

The Fixed Income asset class contributed 5.44% during the year. Fixed income markets had strong performance during fiscal 2019, as fears of a slowdown in global growth appeared and world central banks, including the U.S. Federal Reserve, signaled more accommodative policies. The strong fixed income performance occurred despite U.S. equity markets being near all-time highs.

Private Debt (+5.85%) and Private Real Assets (+1.11%) were also sources of positive returns in fiscal 2019.

As was the case last year, the worst performer of the fiscal year was the portfolio's tail hedge, Portfolio Diversification Strategies, which returned -16.25%. As the market has continued its uninterrupted equity rally, and volatility continued to remain at near-historic lows, the portfolio's long volatility manager has underperformed. What's important to note, though, is that Portfolio Diversification Strategies remains a small portion of the overall portfolio (1.2%), which is less than half the size of last year's allocation. Therefore, the impact on the portfolio from this negative performance was minimal. This asset class will eventually provide the downside protection we seek as a result of our allocation here during future adverse market environments.

The Foundation's long-term investment portfolio now totals \$435.4 million. UConn's total endowment, which includes the Foundation's endowment and endowed gifts made directly to the University, is now \$462.8 million.

TOTAL UNIVERSITY ENDOWMENT	MARKET VALUE	NUMBER OF FUNDS
UConn Foundation	\$447,776,600	1,819
University Endowment Managed by UConn Foundation	\$15,059,023	133
Total	\$462,835,623	1,952

What's included in the total endowment?

The total includes all endowed funds that benefit UConn. The UConn Foundation coordinates the investment and management of its portfolio, as well as the endowed funds of the University.

Endowment Momentum

WHERE DO UNIVERSITY ENDOWMENT DOLLARS GO?



STUDENTS | \$190.1 million

Scholarships and fellowships put a UConn education within reach for promising students from a wide variety of backgrounds.



FACULTY | \$121.5 million

Endowed chairs, professorships, and other funds give scholars, researchers and physician-scientists across UConn the resources they need to pursue innovative work.



PROGRAMS | \$151.2 million

Endowed accounts support important programmatic priorities, including new technology, experiential learning opportunities, undergraduate research, and graduate student conference participation.

THREE-YEAR TOTAL UNIVERSITY ENDOWMENT GROWTH



9.7%
INCREASE
OVER PAST THREE
YEARS

Endowment Management

The UConn Foundation is honored to manage endowed funds in support of the University's mission. This fiduciary responsibility is carried out by members of the Foundation Board of Directors' Investment Committee, Foundation management, and staff. The endowment is managed as a single portfolio, but funds are invested in various asset classes in order to diversify risk.

The UConn Foundation distributes 4.25 percent of the rolling three-year average of quarterly market values of endowed funds to UConn. This spending policy is intended to provide stable income to the University for its current needs while maintaining the long-term purchasing power of the endowment. Earnings in excess of spending distributions and advancement fees are added to the balance of the endowment and may preserve fund spending and fees during periods of poor market performance.

The Age of Cybersecurity

Preparing students to protect our digital future

Stories about information insecurity and hacking have become an almost-daily occurrence. The consequences of digital attacks can potentially impact businesses, government networks, utilities and transportation, financial records, and medical information, just to name a few areas. Starting with the 2019-2020 academic year, UConn will implement the first hands-on cybersecurity laboratory course to be required for all computer science and computer engineering majors.

The course stems from an endowment created by two University of Connecticut alumni—brothers Samuel '50 (ENG) and Stephen Altschuler '54 (ENG). The fund is structured to provide a laboratory environment and kits that allow students to explore various types of digital vulnerabilities and experiment with innovative countermeasures.

“We believe that cybersecurity is among the most critical issues of this age,” the brothers, both businessmen, said in a joint statement. “In order to assure that society will be able to safely continue to use the ever-accelerating advancements of technology, the study of cybersecurity is crucial.”

The course will also take a proactive approach to examining the design of hardware, software, networks, and other digital products. “It’s critical that we teach our students not to view security as an afterthought,” said Professor Laurent Michel Ph.D., associate head of UConn’s Department of



Stephen Altschuler (far left) and Samuel Altschuler (far right) with their undergraduate scholarship recipients at a ceremony in 2015. (Christopher Larosa/UConn Photo)

Computer Science and Engineering. “We want to move to a model where the elements needed to protect information are engineered into products and platforms from the beginning.”

Prof. Michel admits that this kind of culture shift in the industry will take time. Meanwhile, UConn’s efforts to train the next generation will ensure a more knowledgeable and nimble workforce, both inside and beyond Connecticut.

“The security threats we’re seeing today will never just fade away,” he said. “We need to have this as part of the core of our curriculum so that everyone going through the program gets exposed to it.”

With an estimated 20 percent increase in computer science majors expected next year, Professor Michel said the Altschulers’ donation came at the perfect time.

“This work requires a significant investment,” he said. “We, as faculty, have a vision about what needs to happen, but we need financial muscle to make it possible. The Altschulers’ fund is making this a reality for UConn.”





Huskies Helping Huskies

Unlocking opportunities for student-athletes



Taylor Woods '20, a member of UConn's track and field team, spent the summer interning for the Washington Mystics of the Women's National Basketball Association (WNBA). As a native of the D.C. area, she was thrilled to have this exciting opportunity.

"I was shadowing people in Community Relations, Marketing, and Public Relations to see what the best fit for me would be," she said. "I went to all the home games and got to work personally with some of the players. It was a pretty awesome job, and I loved the experience."

Woods found the internship through Jamelle Elliott '96 (BUS), '97 MA, director of the National C Club, a new initiative to engage current and former UConn student-athletes in mentoring, career counseling, and networking.



Jamelle Elliott and John Fodor

"We know not everyone's going to settle down in Storrs after graduation," said Elliott, who is a former UConn women's basketball player and assistant coach. "We're bringing Storrs to more than 7,000 former student-athletes."

The National C Club, which is supported by the John R. Fodor '85 Student-Athlete Mentorship Fund, launched its web-based platform during the 2018 Homecoming Weekend and already has more than 600 alumni actively involved in relationship-building and sharing internship and job opportunities.

"Winning a varsity letter at UConn is a big deal," said Fodor, who played football for UConn. "So, I was interested in helping to build a community where we can all help each other regardless of what sport we played and where we are in our life."

Elliott likens the C Club to LinkedIn. The online platform encourages new connections, and related events on campus—such as a career fair, award dinners, and mentoring nights—allow alumni to share their experiences with the students who are following in their footsteps.

This spring, the C Club provided junior and senior student-athletes with business cards for networking, and Elliott is working on a senior resume book that can be used by local, regional, and national companies in their recruiting for open positions.

"The National C Club helps us build professional networks that we otherwise wouldn't have," says Kelli Bates '19, a former member of the softball team. "Finding time to focus on our lives after eligibility isn't always easy, so this allows us to really think about how to be successful."

Next-Generation Health Care

Advancing excellence in nursing and pharmacy

UConn is poised to expand its capacity to prepare the health care practitioners of the future thanks to two new endowments created this year.

The Rose and Julius Urman Endowed Professorship in the School of Pharmacy and the Linda Urman Rashba Memorial Scholarship in the School of Nursing were established by Jeffrey D. Urman, M.D. '67 (PHAR) and his wife Marian with generous gifts totaling more than \$1.2 million.



Dr. Urman—a native of Stamford, Conn.—completed his undergraduate degree, his medical residency, and a fellowship in rheumatology at UConn. All three of his siblings also graduated from the University and married UConn grads. He says his family “pretty much bleeds Husky blue.”

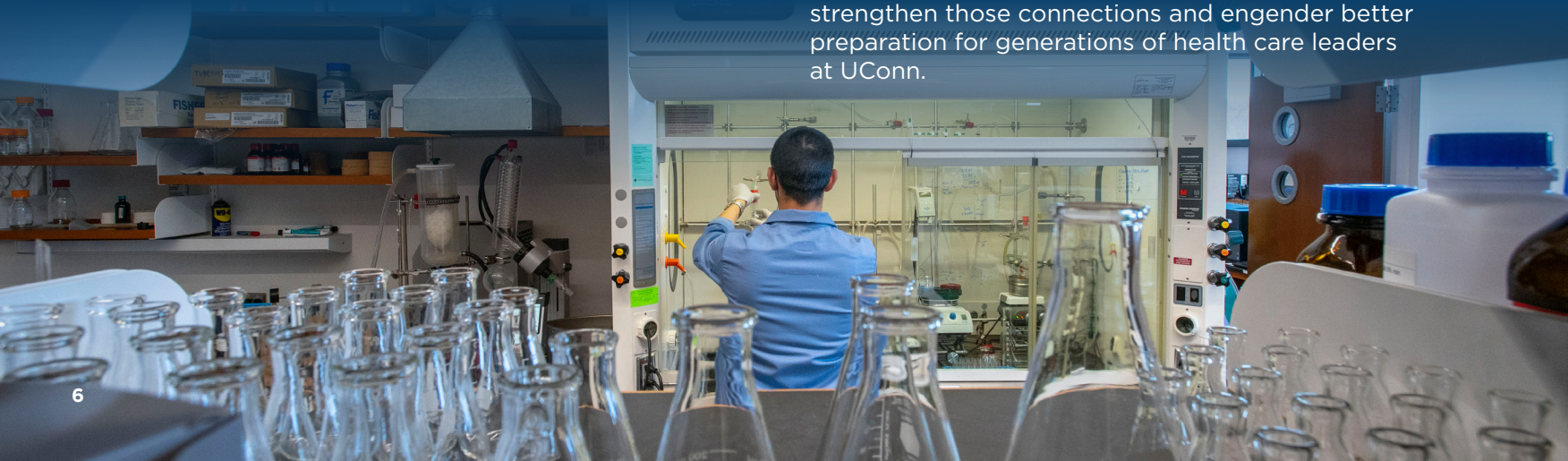
But his time at UConn did more than just prepare him for private practice in rheumatology and internal medicine. It also paved the way for his co-creation and marketing of a topical treatment for excessive sweating due to diabetes, a condition that affected his mother, Rose.

Now, the endowments he and his wife have set up will provide opportunity for others, including aspiring nurses following in the footsteps of his late sister Linda Urman Rashba '64 (NUR) and School of Pharmacy faculty members who are pursuing innovative treatments.

“It is impossible to overstate the significance of this gift to the School of Nursing,” said Dean Deborah Chyun. “It is the largest outright gift ever given to our school, and it will enable us to increase significantly the amount of scholarship aid we provide to students each year.”

“We will initially use this gift to support drug discovery,” said former Dean of the School of Pharmacy Professor James Halpert. “But, thanks to his generosity, we have great flexibility in how his donation will be used to support our faculty in the future.” Halpert also looks forward to inviting Dr. Urman to speak with pharmacy students about his work.

Although the School of Nursing and the School of Pharmacy are already linked in many ways, both deans emphasized that these endowments will strengthen those connections and engender better preparation for generations of health care leaders at UConn.



Women Transforming Women

Empowering future leaders through scholarships

Lily DeBlasio '21 thinks the impact of her Women Transforming Women Scholarship reaches far beyond her own UConn experience.

“If you touch one person’s life, then that person has the ability to touch someone else’s,” she says. “By helping each other, that’s when change actually happens. Now, because of my ability to go to college, I’m inspired to help more people.”

The Women Transforming Women Scholarship was established in 2017 by UConn’s Women and Philanthropy group, a community of like-minded alumnae who came together to build a social network focused on empowering women.

Melinda (Tishler) Brown '77 (BUS), '85 MBA, who has worked as an executive at both PepsiCo. and Coach Inc., was one of the driving forces behind the initiative. “If we women don’t take care of our own, who will?” she said. “That’s what this is all about. This is women taking care of women.”

Two years later, the endowed scholarship boasts more than 200 individual donors and supports the work of 11 undergraduate women at UConn. It has also succeeded in creating a thriving community where donors and recipients build strong relationships and discuss the myriad pathways to future success.

“I think in the past, women haven’t been the most supported group,” said Tyler Ware '21. “To be supported by this group of women and to be recognized by UConn is just amazing and something I do not take for granted.”

Nicole Truszkowski '21 agrees: “When you donate to something like this, you have the opportunity to act as a mentor. When I talk to these women, they know the money means a lot to me, but I would like them to know that their words and their inspiring stories are what keeps me going.”

As the endowment continues to grow, the Women Transforming Women Scholarship will position more female students for professional and personal leadership.

“I love seeing so many well-established women trying to reach out into the community and help the younger generation,” said Sana Qureshi '21. “I think it’s good to see that kind of empowerment and really motivating to see that these people believe in me.”



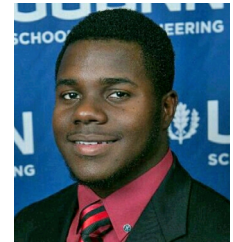
This year, donors committed to making a difference in our students' lives by creating 28 new endowments for scholarships and fellowships. This represents 68 percent of all new endowments created in fiscal year 2019.



“Your contributions to the Law School have made such a positive impact in my life...Your encouragement and guidance has helped me so much throughout my law school career, and I am sincerely touched by your commitment to philanthropy and mentorship. Thank you for making my time at UConn Law so special.”

Geraldine Macaisa '19 (JD), Cooper City, Florida
Laura A. Cahill Scholarship Fund

“Growing up in a less privileged community in Jamaica has not only offered financial and academic challenges but also helped me realize the value of a college education. The thought of entering as a freshman at UConn was intimidating at first, but having been selected for this award tells me that you believe in my capability to succeed. That faith in me will act as my motivation onwards.”



Jon-Marc McGregor '21 (ENG), Bridgeport, Connecticut
Paul Krenicki Endowed Scholars in Sustainable Energy



“I can truly say that because of your kindness and generosity, I am able to finish my undergraduate education with much of my costs reduced. I am a first-generation college student and Pell Grant recipient, and the financial burdens of living and studying at UConn are hard to bear along with my academics. It is the generosity of donors like you that makes education more accessible to students with these backgrounds.”

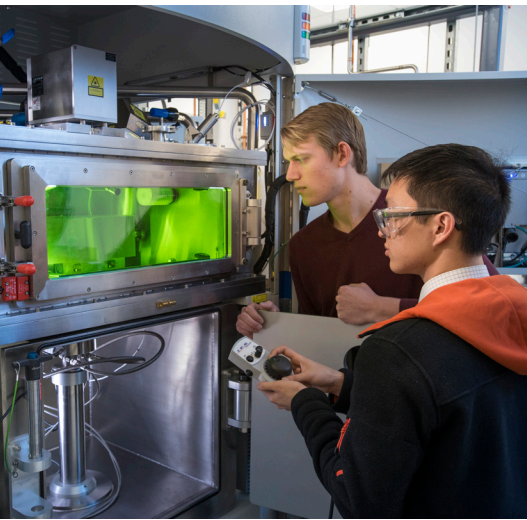
Leann M. McLaren '19 (CLAS), Manchester, Connecticut
Greenblatt Undergraduate Research Award Fund

YOUR IMPACT REPORT

We are pleased to present your custom endowment report.

Thank you for your steadfast commitment to UConn. Your gift continues to make a difference.

Thank you!





UConn
FOUNDATION

STRENGTHENING UCONN
ONE RELATIONSHIP AT A TIME

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