



UMW Foundation Presentation to University Budget Advisory Committee October 5, 2015

Jeff W. Rountree '91
Chief Executive Officer
UMW Foundation

Gregory A. Branner '85 CPA
Chief Financial Officer
UMW Foundation



UMW Foundation Statement of Purpose

“Organized and incorporated in 1975, the UMW Foundation is an independent and separately incorporated 501(c) (3) organization and is responsible for receiving, managing, and administering donations of cash, securities, real and intellectual property, and other private resources for the support of the University of Mary Washington; and managing such gifts in accordance with donor intent and its fiduciary responsibilities.

Furthermore, in connection with its asset-management and real estate management activities, the Foundation retains personnel experienced in planning for and managing private contributions and works with the University to assist and advise in such activities.”



UMW Foundation Elevator Speech

“The UMW Foundation, a not-for-profit 501c(3), serves as the private asset manager for the University of Mary Washington.”

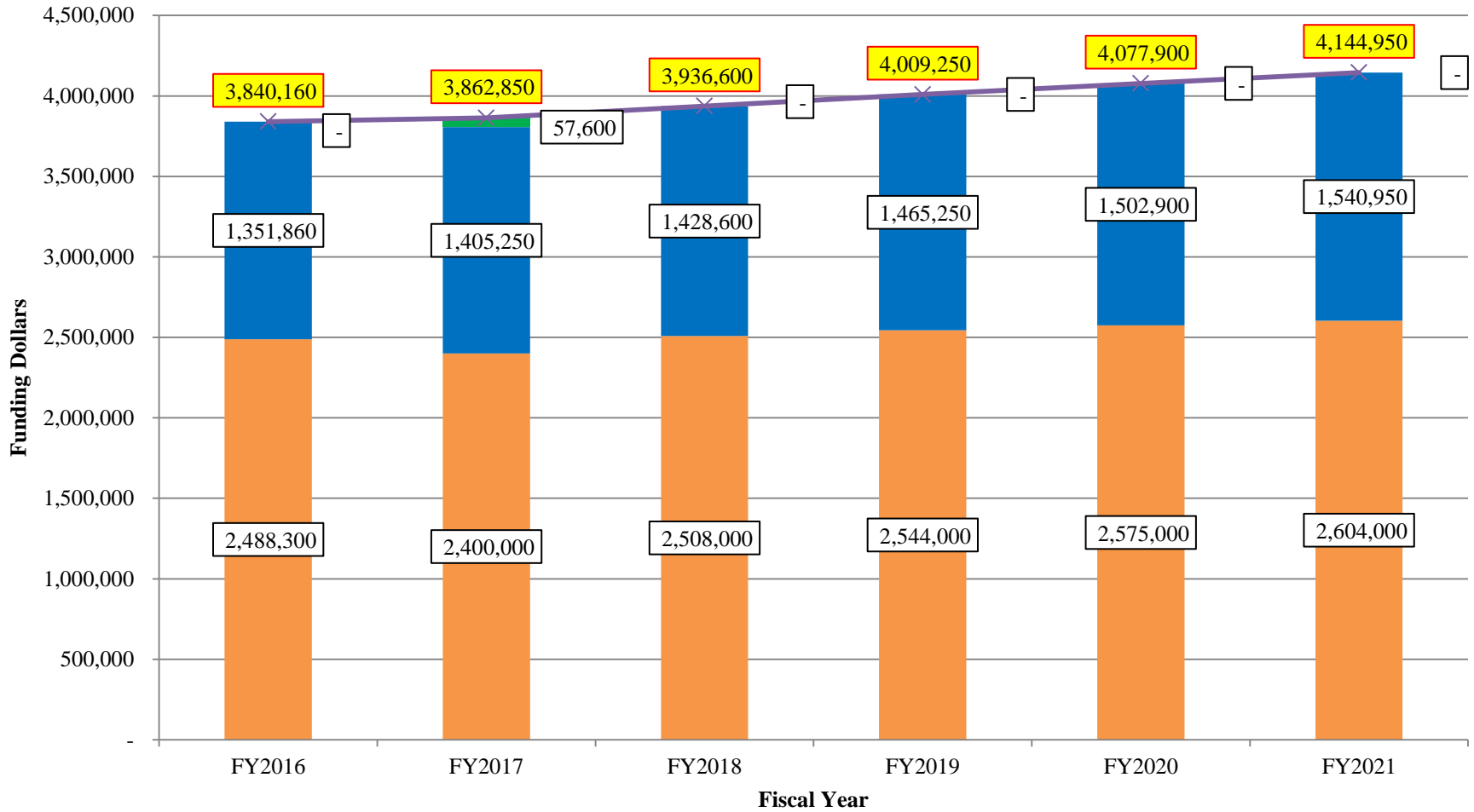
“The Foundation manages all of the University’s privately donated cash and investments and is heavily engaged in real estate acquisition, development and management on behalf of the institution.”

“The Foundation is the University’s family office managing nearly \$200M in private assets.”





UMW Foundation Projected Annual Funding to UMW



- Endowment & other restricted support to UMW
- Unrestricted support to UMW
- Projected UMWF budget surpluses
- ✕ Total projected annual funding to UMW



UMW Foundation Assumptions of Annual Funding Estimates

- Projections for endowment and other restricted support assume annual endowment earnings of 6% and annual spending of 5% of the 3-year weighted average balances.
- Unrestricted support is comprised of all budgeted amounts spent in support of UMW projects and programs, which include:
 - Operating expenses of the UMW Advancement office and President's office budget.
 - Other direct University support in the form of faculty disability insurance, alumni association funding, travel and outreach, and other spending at the discretion of UMW.

Endowment Investment Management and Performance



J. William Poole



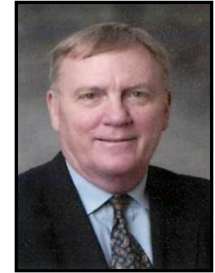
Edward V. Allison



Michael A. Cirami
Chairman



Lisa Soltis



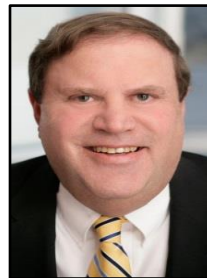
Donald H. Newlin



Kathy Mehfoud



Patti Kemp



Robert J. Barry



Sam Harding



Carol Martel



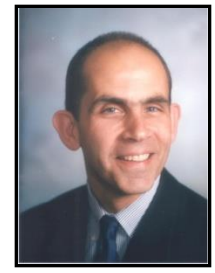
Eugene Bailey



Holly T. Cuellar



Sean M. Tuffy



Richard Pearce

Members of the Foundation's Investment Committee



UMW Foundation

Endowment Funding & Management

- The UMW Advancement Office performs all fund raising with contributions going to the UMW Foundation for investment and management.
- All investments are managed in accordance with the Foundation's Statement of Investment Policy.
- The Foundation's Investment Committee (IC) is charged with managing the endowment assets.
- UMWF retains professional independent investment advisors, Artemis Wealth Advisors LLC, to assist the UMWF with these responsibilities.



UMW Foundation

Statement of Investment Policy

- UMW's Statement of Investment Policy (SIP) governs the management of the Foundation's investment portfolio.
- The SIP states that the overall financial objectives of UMW are:
 - To support the current and future operations of UMW.
 - To support UMW's student scholarship and academic programs.
 - To preserve the purchasing power of the Foundation's endowment.
- The investment objectives are long-term in nature and designed to ensure the sustainability of the endowment portfolio over time.
- The SIP also defines portfolio composition and asset allocation.
- The SIP also includes a summary explanation of the UMW endowment spending policy.



ENDOWMENT

10, 5, and 3-year Investment Returns

PERFORMANCE

INVESTMENT PERFORMANCE		
FISCAL YEAR	UMW FOUNDATION	NACUBO/NCSE* \$25-\$50 M
2004	17.3%	14.7%
2005	11.7%	8.5%
2006	10.8%	9.3%
2007	17.1%	15.9%
2008	(4.3%)	(4.3%)
2009	(12.1%)	(18.5%)
2010	10.0%	12.0%
2011	17.4%	19.4%
2012	(1.8%)	(0.5%)
2013	10.5%	11.4%
2014	12.8%	15.2%
3-year avg 2012-2014	7.2%	8.9%
5-year avg 2010-2014	9.8%	11.4%
10-year avg 2005-2014	7.2%	6.5%
*National Association of College and University Business Officers (NACUBO) Commonfund Study of Endowments (NCSE)		

The UMW Foundation (UMWF) endowment participates in the NACUBO-Commonfund Study of Endowments (NCSE) and benchmarks its performance to comparatively sized endowments in the survey (\$25-\$50 million). Because UMWF maintains a lower risk posture favoring higher quality, low leverage companies across the globe, it modestly underperformed the NCSE average in the last four years. However, the UMW Foundation has achieved strong absolute performance and has out-performed comparably-sized endowments over the past ten year period while maintaining lower volatility and risk.

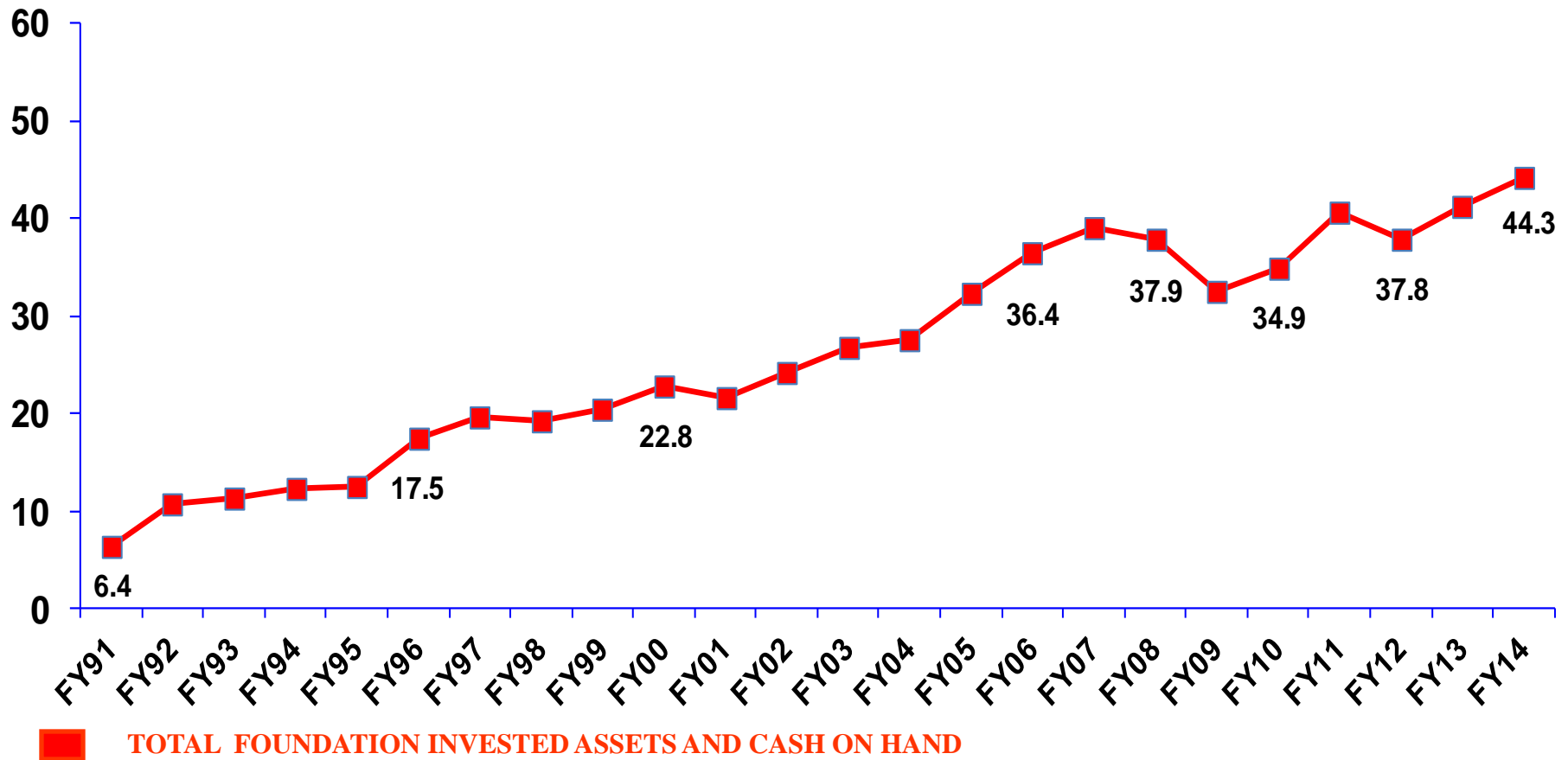


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Portfolio Investments and Cash

(as of June 30, 2014)

Millions



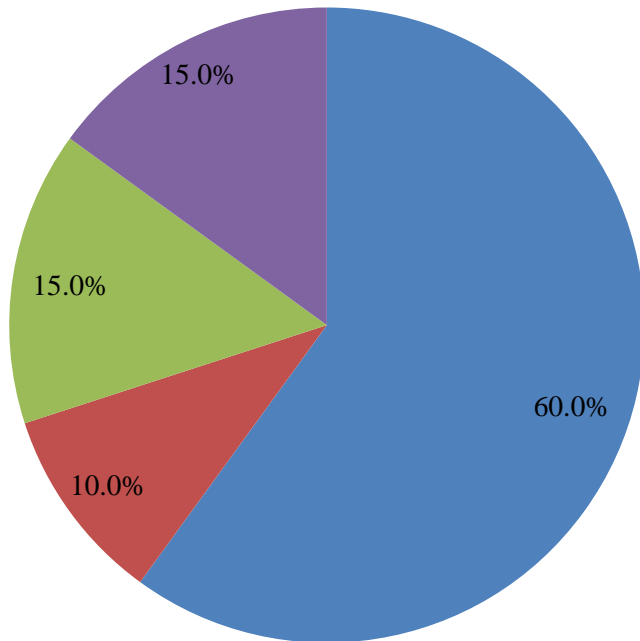
All amounts are as of June 30 (fiscal year-end)



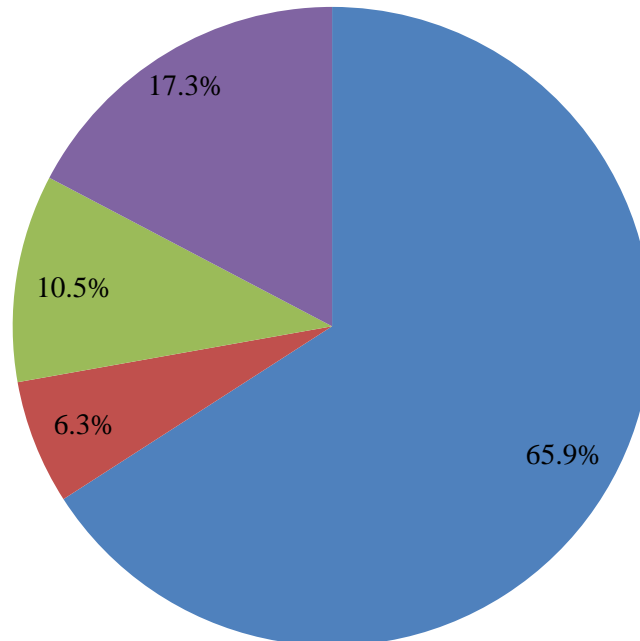
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Asset Allocation & Manager Targets

Policy Target



Actual Allocation



Legend & Tactical Range

- Public equity (50%-70%)
- Private equity (0%-20%)
- Real assets (0%-20%)
- Bonds & cash (10%-25%)

Source: Mangham Associates & UMW Foundation, Investment Performance Reports, June 30, 2014



ENDOWMENT

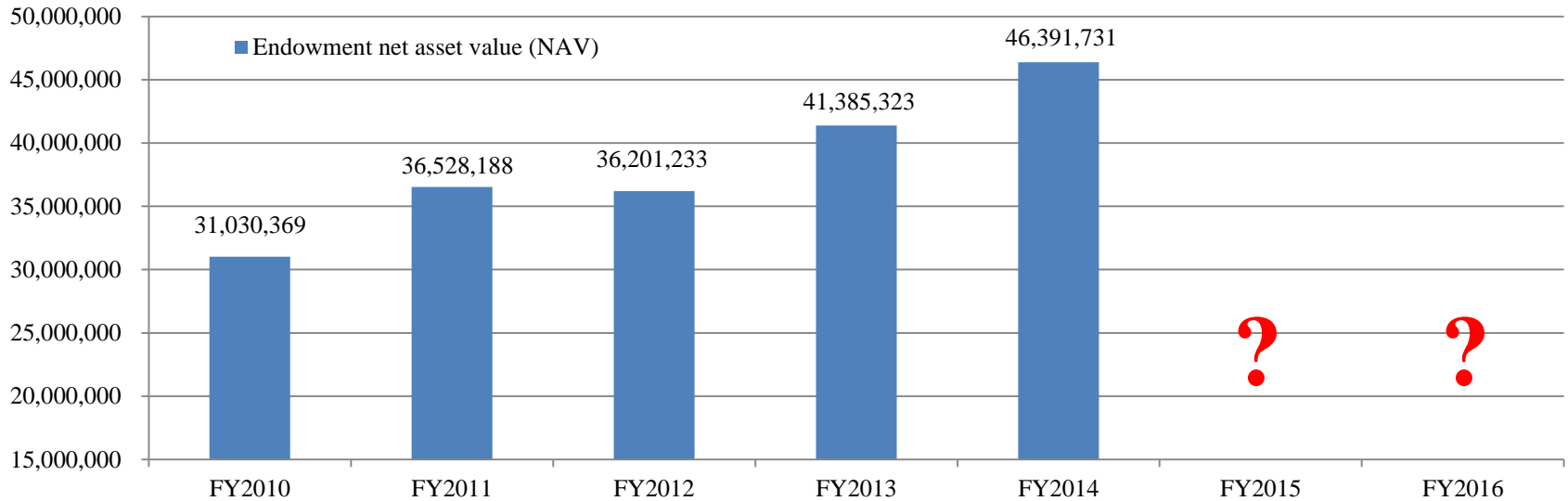
Endowment Spending Policy (ESP)

The annual spending from endowment funds will be up to 5.0% of the average ending asset market values over the last 3 years.

The 3-year moving average policy is designed to minimize the peaks and valleys of the portfolio's performance.

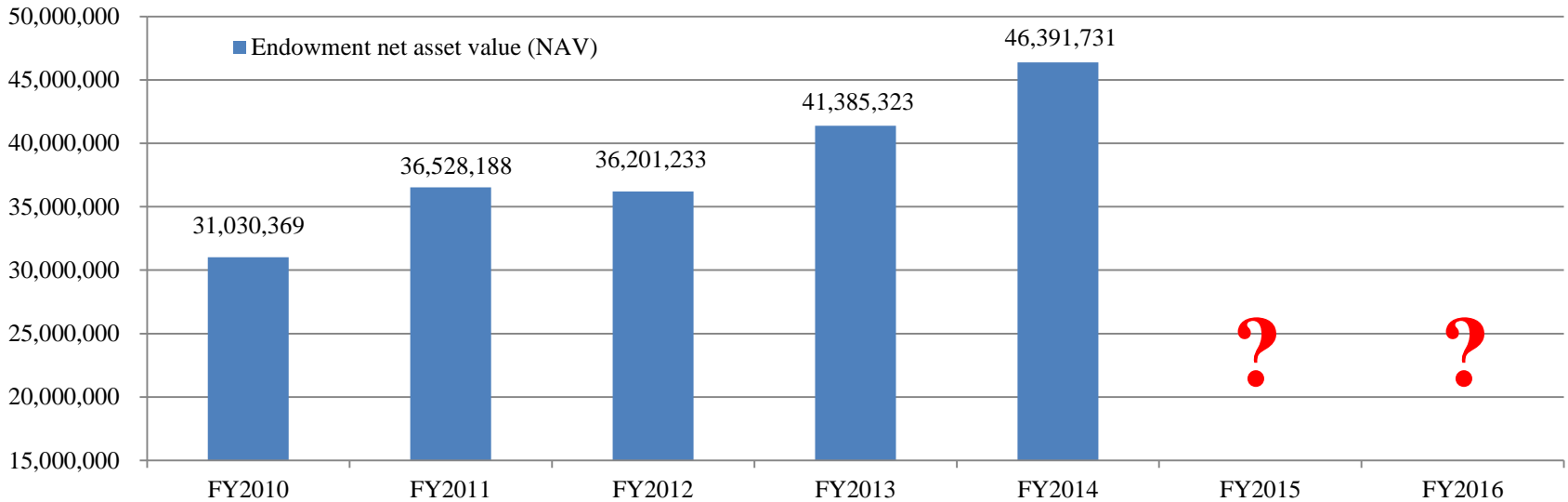


UMW Foundation Effects of Endowment Spending Policy





UMW Foundation Effects of Endowment Spending Policy



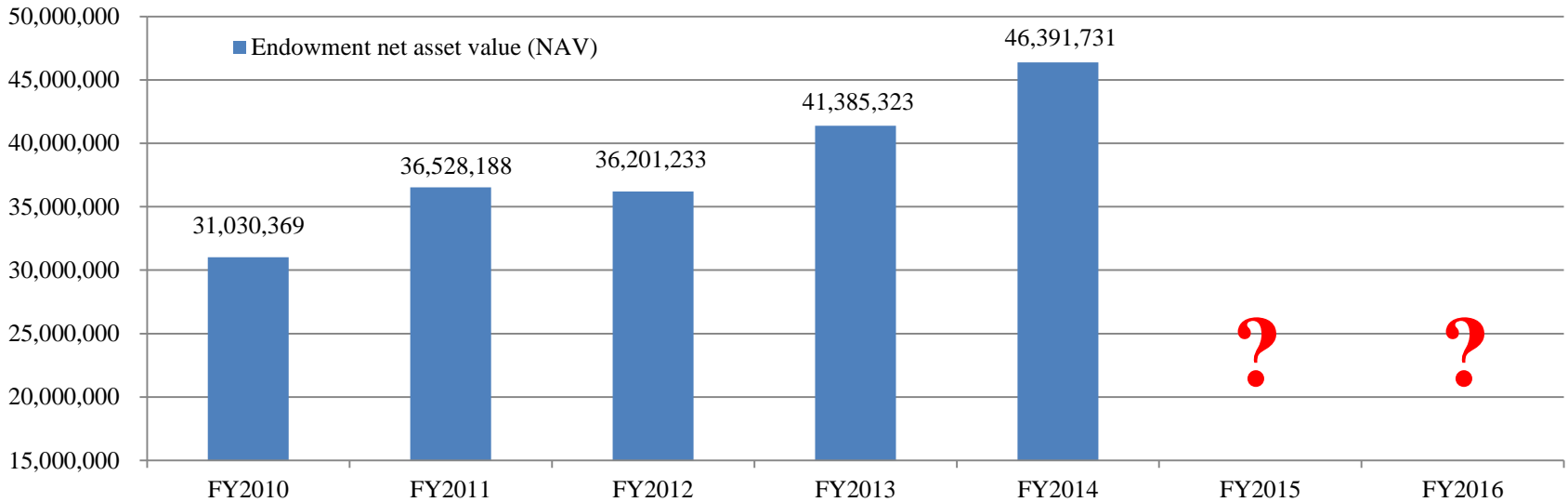
Average NAV of \$38,038,248 @ 5%
=\$1,901,912



Spending policy amount for FY2015 set in October 2013
based on average NAV for FY2011-FY2013



UMW Foundation Effects of Endowment Spending Policy



Average NAV of \$41,326,096 @ 5%
=\$2,066,305



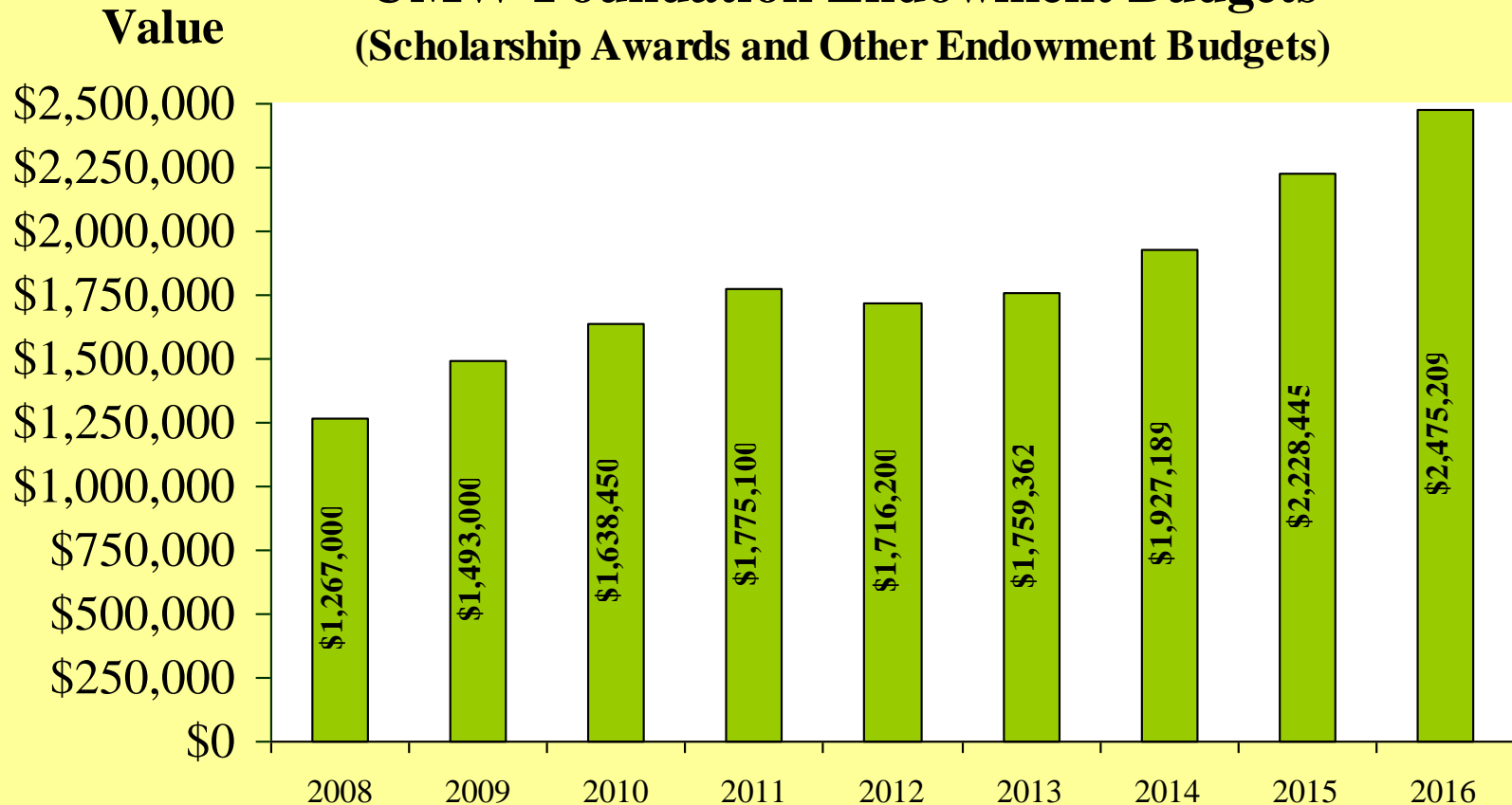
Spending policy amount for FY2016 set in October 2014
based on average NAV for FY2012-FY2014



ENDOWMENT

Endowment Funding to UMW

UMW Foundation Endowment Budgets
(Scholarship Awards and Other Endowment Budgets)



Spending Policy has been set at 5% for all years shown.