

ENDOWMENT GIFTS

WHAT THEY ARE—WHY THEY MATTER

An endowed fund is established to last in perpetuity, with only the payout from the fund spent each year to support Syracuse University's goals and priorities. That means gifts to our endowment give forever, building the financial foundation on which SU's future depends.



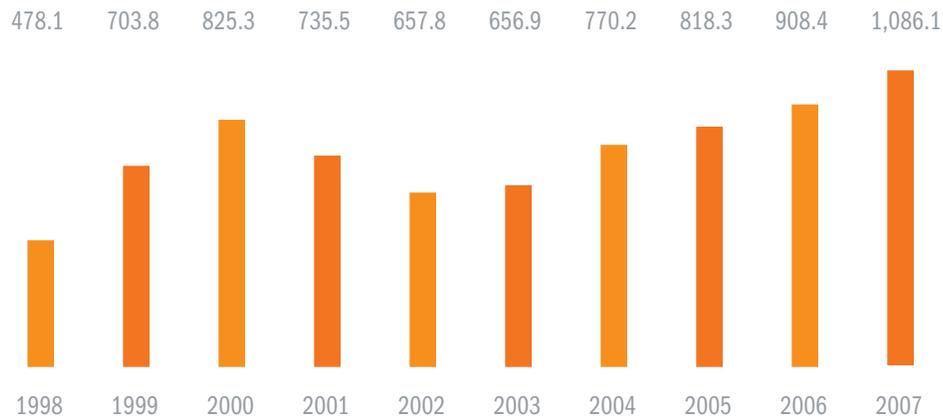
Why Endowment Matters

Endowment gifts are the most lasting and powerful resources a donor can give. Because they provide a steady stream of income from permanently invested funds, endowment gifts keep on growing and giving from one generation to the next.

Strong financial management has enabled The Syracuse Endowment to more than double in the past 10 years. Yet, at \$1.086 billion, our endowment fund is modest compared to those of other private research universities. In fact, according to a 2006 endowment study by the National Association of College and University Business Officers, SU is 205th in a list of 517 independent institutions ranked on market value per full-time equivalent student.

Clearly, we must increase the size of our endowment fund if we are to keep pace with an ever-changing educational environment, continue to expand our programs and facilities, and provide greater access to students from a wide range of ethnic and socioeconomic backgrounds. New endowed funds created through The Campaign for Syracuse University will help us achieve these goals.

THE SYRACUSE ENDOWMENT 1998-2007 (\$ millions)



The Long-Term Investment Fund

The Syracuse Endowment includes the Long-Term Investment Fund, a pooled investment fund valued at \$1.0475 billion as of June 30, 2007.

The Long-Term Investment Fund consists of approximately 1,700 individual endowments that provided more than \$44 million in support of Scholarship in Action during the 2006-07 fiscal year. Many of these endowments are unrestricted and provide the stable support that enables SU to respond to new challenges and opportunities.

When you create an endowment in support of a faculty member, program, or scholarship, you have the satisfaction of knowing that your name—or the name of a friend, family member, or favorite professor—will be remembered forever, as the endowment gives perpetually, year after year.

How the Long-Term Investment Fund is Managed

The Long-Term Investment Fund is managed like a mutual fund. Endowment fund assets are commingled for investment purposes and are accounted for using unit accounting.

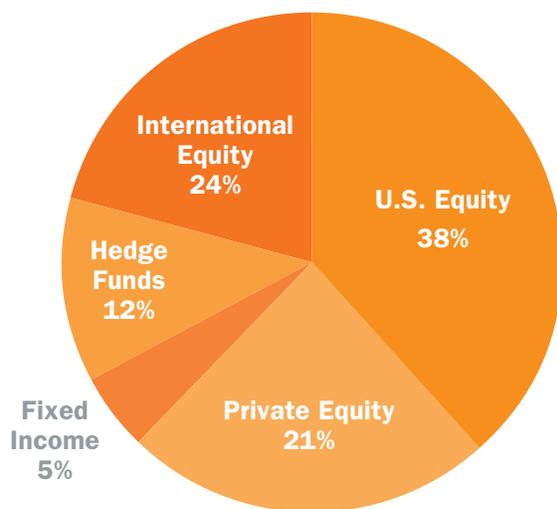
As individual gifts are received, each endowment fund is assigned units based upon the month-end unit value. The annual distribution from each endowment is determined by the number of units in the fund and the unit distribution rate established each year by the Investment and Endowment Committee.

Currently, an endowment gift of \$1 million provides approximately \$38,000 during the first year to support a donor's stated purpose.

The Long-Term Investment Fund is well diversified across major asset classes, as well as within each asset class by market capitalization and investment style or strategy. The Investment and Endowment Committee establishes asset allocation targets to achieve the goal of maximizing long-term total return within acceptable levels of risk. Total return includes income, interest and dividends, and appreciation of the underlying assets.

Syracuse University uses professional investment firms to manage the Long-Term Investment Fund. The Investment and Endowment Committee reviews the fund's asset allocation each quarter, and balances the portfolios at least annually to maintain the allocation to each asset class within acceptable tolerance ranges.

TARGET ASSET ALLOCATIONS



How an Endowment Gift Works

In this step-by-step illustration, you'll see the benefits that accrue from an endowment gift to SU.

- 1.** A College of Visual and Performing Arts alumna makes a \$50,000* gift to the Setnor School of Music to establish a named endowed scholarship in memory of her father.
- 2.** A gift agreement is drafted between Syracuse University and the donor, guaranteeing that her gift will be added to The Syracuse Endowment and used solely for its stated purpose.
- 3.** The donor's named scholarship fund buys units in The Syracuse Endowment, much as one buys shares in a mutual fund.
- 4.** The Board of Trustees' Investment and Endowment Committee prudently invests the donor's gift across major asset classes in the University's portfolio to maximize long-term total return, within acceptable levels of risk.
- 5.** A predetermined portion of the annual return (currently calculated as 4.4 percent of the average market value during the previous three fiscal years) is used to provide a scholarship for one music student per year. The fund's principal remains intact.
- 6.** The remainder of the annual return is reinvested in the named fund's principal as a hedge against inflation and to generate growth.
- 7.** The named fund continues to grow, ensuring future scholarship support.

As you can see, the advantages of an endowed fund are many. A talented young musician receives financial support. The Setnor School of Music is able to use the scholarship to recruit and retain top students. A steady revenue stream allows the school to plan for future needs. And the donor has created a living legacy in memory of her father.

The Possibilities Are Endless

The previous example is just one of the many ways endowment gifts can have an impact. In addition to scholarships, donors can endow faculty chairs or professorships or support academic programs, student activities, the library, athletics, or other programs or departments.



To Learn More...

For more information about creating an endowment as an outright gift, pledge, or bequest, call us at **315.443.2865** or **877.2GROWSU**.

The Campaign for Syracuse University

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giving.syr.edu

* \$50,000 is the minimum amount required to establish an endowment fund.

Two Palestinian girls pass through an opening in the West Bank security wall near Abu Dis, an Arab neighborhood in East Jerusalem.

Photo by Jeffrey Fehder G '07, winner of the 2007 Alexia International Photography Competition, sponsored by the Alexia Foundation for World Peace and Cultural Understanding and hosted by the Newhouse School.

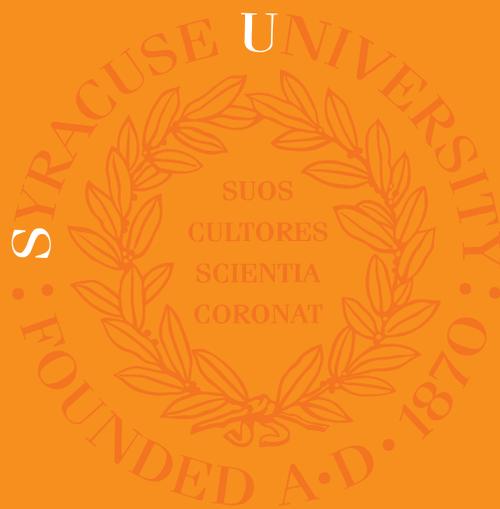


Professor David Sutherland, the Alexia Tsairis Chair in Documentary Photography

SCHOLARSHIP IN ACTION ALEXIA FOUNDATION INCITES GLOBAL UNDERSTANDING

Alexia Tsairis was a promising photojournalism student at the S.I. Newhouse School of Public Communications when she was killed in the 1988 Pan Am 103 terrorist attack. In her honor, her parents, Peter and Aphrodite Tsairis, created the Alexia Foundation for World Peace and Cultural Understanding, which has supported a Newhouse-based international photojournalism competition since 1991.

In 2006, the Tsairises made an additional \$3 million commitment to Syracuse University to establish the Alexia Tsairis Chair in Documentary Photography, and Newhouse professor David Sutherland was named inaugural chair. Because their endowment gift will continue to grow in perpetuity, Alexia's dream of connecting the world's people through documentary photography will live on for generations to come.



SYRACUSE UNIVERSITY

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