

# 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 the L.C. Smith College of Engineering and Computer Science give forever, building the financial foundation on which SU's future depends.



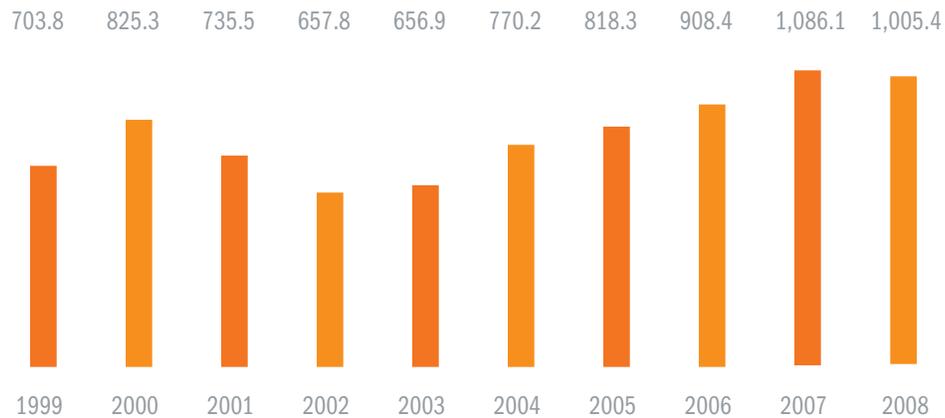
## Why Endowment Matters

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 11 years. Yet compared to those of other private research universities, our endowment fund is modest. In fact, according to a 2007 endowment study by the National Association of College and University Business Officers, SU is 196th in a list of 516 independent institutions ranked on market value per full-time equivalent student.

Clearly, we must significantly 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 meet the urgent need to provide financial assistance 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 1999-2008 (\$ millions)



# The Long-Term Investment Fund

The Syracuse Endowment includes the Long-Term Investment Fund, a pooled investment fund valued at \$945.9 million as of June 30, 2008.

The Long-Term Investment Fund consists of approximately 1,800 individual endowments that provided more than \$49 million in support of Scholarship in Action during the 2007-08 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.

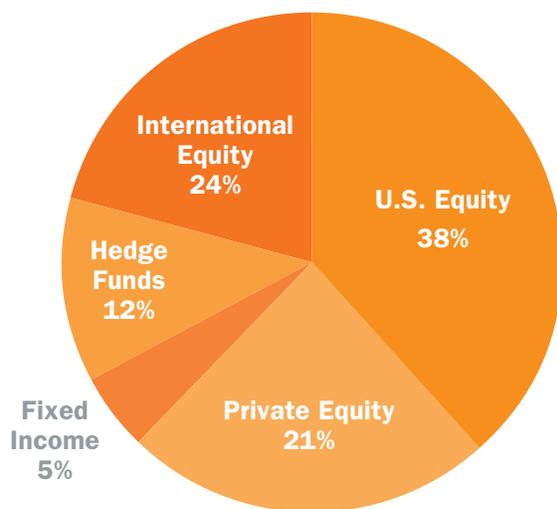
As individual gifts are received, each endowment fund is assigned units based upon the month-end unit value. The annual distribution from each endowment is determined by the number of units in the fund and the unit distribution rate established each year by the Investment and Endowment Committee.

Currently, an endowment gift of \$1 million provides approximately \$45,000 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.** An L.C. Smith College of Engineering and Computer Science alumnus makes a \$50,000\* gift to the Department of Civil and Environmental Engineering to establish a named endowed scholarship in memory of his father.
- 2.** A gift agreement is drafted between Syracuse University and the donor, guaranteeing that his 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 engineering 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 engineer receives financial support. The college is able to use the scholarship to recruit and retain top students. A steady revenue stream allows the college to plan for future needs. And the donor has created a living legacy in memory of his 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 **315.443.3330** or visit [giving.syr.edu](http://giving.syr.edu)

### The Campaign for Syracuse University

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

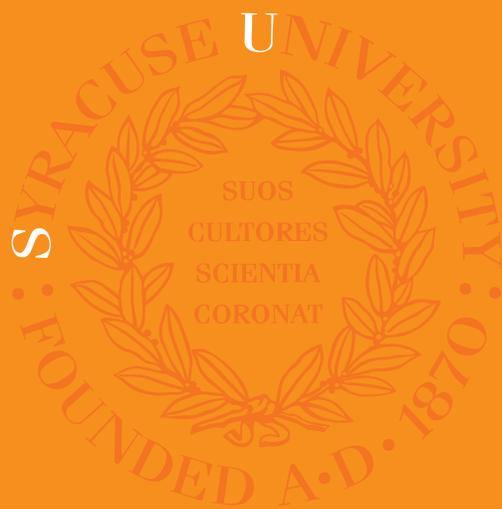


Thomas and  
Colleen Wilmot

## SCHOLARSHIP IN ACTION **ENDOWED CHAIR INCITES INNOVATION**

Syracuse University Trustee Thomas C. Wilmot Sr. '70 will be forever known as the builder and developer of the great, upscale malls that redefined retailing for a nation of consumers. With his wife, Colleen, he is having an equally positive impact on the L.C. Smith College of Engineering and Computer Science by establishing an endowed chair that will enable the college to recruit a top-notch expert in the development of engineered systems for built environments.

The holder of the Thomas and Colleen Wilmot Endowed Chair will be as comfortable in the marketplace as in the classroom, providing students with the real-world experiences they need to develop innovative technologies that can be used to spin off new companies.



# SYRACUSE UNIVERSITY

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