

ENDOW ★ UNT

FOR THE SUPPORTERS AND FRIENDS OF UNT

June 2004

Volume 2, Issue 2

FUND UPDATE

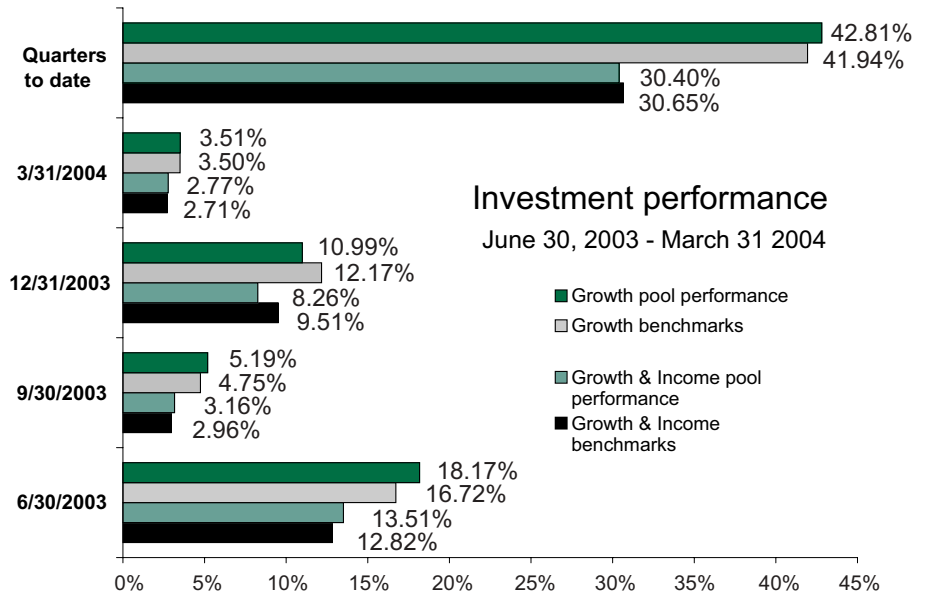
Steady fund performance boosts distributions

First quarter turnaround pushes Foundation assets to \$48 million in March

With continued strength in equity markets, UNT Foundation's Growth Pool produced a total return of 3.51 percent for the first quarter of 2004, compared to a -2.51 percent total return for the first three months of 2003. The Growth and Income Pool produced a quarterly return of 2.77 percent, compared to -2.58 percent for the same quarter a year ago.

Last year's pivotal return to positive growth continued in the first quarter of 2004, contributing to a 50.28 percent increase in total market value over the first quarter of 2003. This brings the Foundation's assets to \$48.99 million as of March 31, compared to \$32.6 million in the previous year's first quarter.

With this rebound in market values, 75 percent of individual true endowments (those in which only



■ Comparing true endowments, distributions: charts, Page 4

income and reserves are available for distribution) rose to levels above their historic cost (original donations plus additional gifts). This will enable distributions during the second quarter of 2004 to 347

scholarships, lectureships, chairs and other funds. More than 275 of these funds also received distributions in the first quarter.

For newer funds that were created since the late 1990s, the gap narrowed between market value and historic cost, moving those funds closer to allowing distributions in the near future.

Luncheon brings in \$100,000

The University of North Texas was organized as a public university system in 1999 to support a variety of new initiatives throughout the region and at its two main campuses, UNT Denton and the UNT Health Science Center in Fort Worth.

The chancellor and the UNT System's Board of Regents are involved in several

projects in Dallas, including development of a new University of North Texas at Dallas.

Chancellor Lee Jackson has initiated an important support group, the UNT System Chancellor's Circle, to involve key UNT supporters, alumni and civic

Please see LUNCHEON, Page 3

UNT Foundation board member Ken Newman is CEO and co-founder of the highly successful Horizon Health Corporation, a publicly traded health services company based in Lewisville, Texas. Horizon has been listed the last two years among Forbes' "200 Best Small Companies."

A 1966 Business graduate who played on the UNT golf team, Newman is recognized for his many years of service to the University of North Texas. He received the Green Glory Award in 1986, President's Citation in 1994, and the Distinguished Alumnus Award in 1997.

He served as the first chair of the Foundation's Investment Committee.

Another graduation day has passed for former students who will be making a life for themselves outside the University of North Texas. Their futures are bright as they move on with a sense of accomplishment that only a degree can give. It reminds us all of why we work so hard to make our university the best it can be and why we give so generously.

Each of our gifts, large or small, has contributed to the quality of education UNT has provided to students over the years. It is inconceivable to imagine what UNT would be like without the many donors who placed their trust in the Foundation Board of Directors to grow the endowment and provide for scholarships, professorships and research.

We invite all faculty, staff, alumni, donors and friends to join with us to add to the endowment and to participate in fundraising events, such as the recent Book and Author Luncheon, that benefit the university.

As stewards of the endowment,



"We must remain proactive and stay that long-term course; otherwise, we react in a knee-jerk fashion that could cause greater losses over time."

— Ken Newman

the Foundation Board remains focused on its overall goal to make sound investment decisions that insure long-term growth and also have the greatest potential for creating money for distribution. Half of this equation cannot be sacrificed when short-term problems arise. All of us have had varying experiences with down markets and up markets, but the fact remains that the Foundation endowment's rate of return has averaged 15-16 percent overall. The endowment has grown from \$1.5 million to almost \$50 million. We must remain proactive and stay that long-term course; otherwise, we react in a knee-jerk fashion that could cause greater losses over time. The endowment has grown in the past and we are confident that it will continue to grow.

Though our long-term record is excellent, the investment committee exercises ongoing diligence, as well as patience, to monitor and adjust the

funds to meet our investment goals. In addition to the committee's collective expertise, we partner with outside specialists, including the Institutional Consulting Group at RBC Dain Rauscher, meeting at least quarterly to assess the portfolio's performance.

The process is dynamic, not static. After analyzing the performance of the various funds, we evaluate the fund itself, such as examining changes in key management. We can adjust the asset allocations of a particular fund if it is not on target. For example, the allocation to fixed income in the Growth and Income Fund can move from its present level of about 30 percent bonds to as much as 50 percent bonds.

While we cannot lead the market, the UNT Foundation Board will continue to position the endowment funds to make the best of tumultuous times. We are committed to growing the endowment for the benefit of all. Please join us in helping it to grow.

EndowUNT is published four times per year for the donors and friends of the University of North Texas by the UNT Foundation, Inc. under the direction of its Board of Directors. The UNT Foundation is located in the Gateway Center, the entrance to the university, at 801 North Texas Blvd., Denton, Texas 76201.

Doug Chadwick
Executive Director
Amy McNabb,
Office of Development
Editorial direction
Randy Simmans,
Office of Development
Editor
Phyllis Wolper
Consultant

Luncheon

Circle members meet noted authors at inaugural event

From Page 1

leaders in these projects.

The first Chancellor's Circle event, a Book and Author Luncheon held at Dallas' Adolphus Hotel, raised more than \$100,000. The luncheon featured best-selling authors Karen Hughes and Kinky Friedman, who spoke and signed books for the 275 who attended.

Hughes, an adviser to President George W. Bush, spoke about her book, *Ten Minutes from Normal*. It is a personal reflection of her close working relationship with the president during the 2000 campaign and in the White House. On the day of the luncheon her book was ranked No. 2 on the New York Times best seller list.

Friedman, a mystery writer and *Texas Monthly* columnist, presented his 17th novel, *The Prisoner of Vandam Street*, which features his fictional detective, Kinky Friedman. He told stories of his visits to the White House under several presidents and of his various causes, including his animal rescue ranch in Medina, Texas.

Those who purchased tables for the luncheon were invited to a reception and book signing beforehand.

Ten percent of all Chancellor's Circle revenue will be placed in the permanent endowment of the UNT System Regents Cornerstone Fund. The remaining funds will support current initiatives through the Chancellor's Circle Fund.

Members of the Chancellor's Circle support the University System with at least \$10,000 in annual gifts to unrestricted or Cornerstone Endowment funds. To become a member, contact Connie Taylor at 940-565-7791.

BRIEFLY



UNT's new chemistry building encompasses 105,000 square feet at the corner of Avenue C and Mulberry. The three-phase construction is expected to cost \$20 million.

New chemistry building on track for fall

Construction of UNT's new Chemistry building is well on its way, nearing the completion of Phase I in 2004 in time for fall classes.

As each of three phases in the teaching and research building opens, it will further enable the university to provide programs that attract the best and brightest to our campus.

Several endowed funds for chemistry, managed by the UNT Foundation, provide scholarships and enhance teaching positions. For example, the Welch Chair in Chemistry supported by the Welch Foundation provides \$1 million in endowment matching funds to assist faculty with resources for research and other activities.

The James L. Carrico Memorial Fund, the Ed and Julia Hodges Memorial Scholarship in Chemistry and the James and Ruth Spurlock Scholarship Award all provide assistance to chemistry students.

Endow UNT online

On-campus delivery of the printed *Endow UNT* will soon end. If you are not receiving the newsletter notification by e-mail, send your

request to EndowUNT@unt.edu and type "subscribe" in the subject line.

To revise an e-mail delivery address, type "change" in the subject line. To discontinue e-mail delivery, type "remove" in the subject line. For all communications regarding subscriptions, please include your contact information in the message.

You also may mail your request to the Foundation office: University of North Texas Foundation, Inc., Gateway Center, P.O. Box 311250, Denton, Texas, 76203.

FROM LITTLE ACORNS COME MIGHTY OAKS

Leaders don't grow on trees, but if seeds are sown today, an endowment can provide the means to sprout tomorrow's leaders.

Whether funding a scholarship, a professorship, or sponsoring research, your gift can branch out for decades to come. Consider including the UNT Foundation in your tax and estate planning, and grow a leader.

AN ENDOWMENT AT WORK

Educator's vision lives on through professorship

For 26 years on the UNT faculty, Dr. Sarah Law Kennerly was a leader in the education of librarians. She also was a visionary who wanted to insure that the University of North



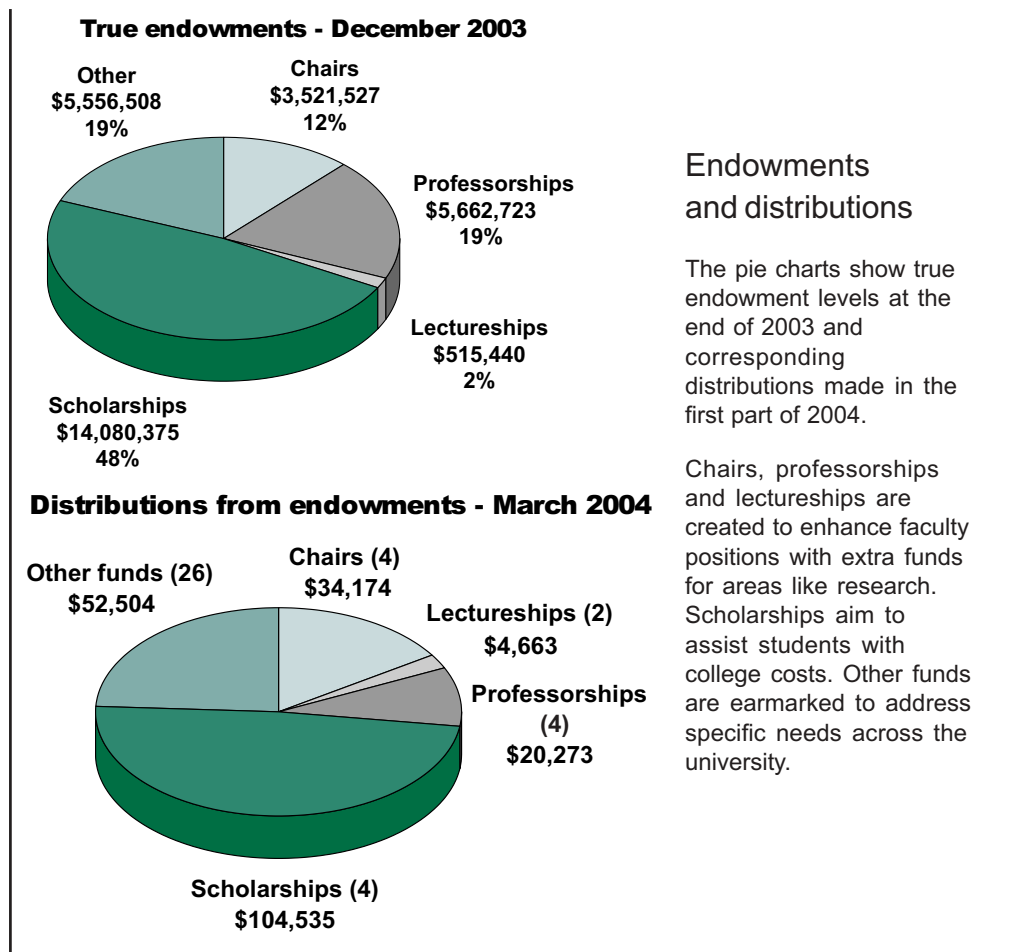
Sarah Law Kennerly

Texas School of Library and Information Sciences would continue to improve and provide quality instruction to its students, long after she retired.

Years ago, she bequeathed a modest sum to endow a professorship. Upon her passing in 2002, her gift had grown substantially, and it is valued at \$2.28 million.

“This bequest will allow the school to achieve a new plateau of excellence,” said Philip Turner, SLIS dean. “Through her generosity, Dr. Kennerly will impact generations of library and information science students.”

As a result of Kennerly’s vision, in the coming months a professorship



Endowments and distributions

The pie charts show true endowment levels at the end of 2003 and corresponding distributions made in the first part of 2004.

Chairs, professorships and lectureships are created to enhance faculty positions with extra funds for areas like research. Scholarships aim to assist students with college costs. Other funds are earmarked to address specific needs across the university.

will be launched in her name.

There is a critical shortage of certified and trained children’s librarians within Texas. In addition, 58 percent of the current professional librarians will retire within the next 15 years. The Kennerly professorship addresses this need.

The School of Library and Information Sciences repeatedly is named one of the best programs of its

kind in the nation by U.S. News and World Report and the first in the nation to offer an online graduate program in youth librarianship.

Faculty, staff and friends who start a bequest today also could easily have this future level of impact on departments or schools at UNT. Contact Doug Chadwick, Executive Director of the UNT Foundation, to find out how.