



James N. Jannetides Professorship of Business Ethics Fund

July 1, 2018, to June 30, 2019

SIU Foundation ENDOWMENT PERFORMANCE

For Fiscal Year 2019

The SIU Foundation Endowment provides steady financial support for Southern Illinois University. Endowment funds are invested for long-term growth, and returns from those investments are essential to sustaining academic quality.

The SIU Foundation Investment Committee oversees the management of the endowment portfolio using a diversified strategy focused on long-term, sustained growth with below average risk and volatility. Members of the committee have substantial years of experience in investment management, allocation strategies and market valuations.

As of June 30, 2019, the market value of the SIU Foundation Endowments was \$149,307,712. In the period between July 1, 2018 through June 30, 2019, gifts to our foundation and distributions from our endowment accounts provided the following support to Southern Illinois University:



SIU Foundation participates in the annual study done by the National Association of College and University Business Officers (NACUBO). Our endowment average annual rates of return over the years has compared quite favorably to other institutional portfolios of similar size:

	2011	2012	2013	2014	2015	2016	2017	2018	2019
NACUBO	19.7%	-0.7%	11.9%	15.5%	2.0%	-2.4%	12.5%	7.9%	*TBA
SIU ENDOWMENT	26.4%	-1.2%	14.7%	19.6%	0.9%	-3.4%	12.8%	6.8%	2.1%

*TBA (To Be Announced) – Results not available until 1/31/20.

We also utilize a spending distribution calculation for the endowment payout. This calculation helps to shield the operating budget from the full impact of market fluctuations by moderating the year-to-year variability of the endowment's distributions.

Thank you for your generous support. Southern Illinois University continues to create and exchange knowledge to shape future leaders, improve our communities, and transform lives.

David Delaney
President
SIU Foundation

A GUIDE TO UNDERSTANDING ENDOWMENTS

An endowment account is created under the terms of a gift agreement that indicates the gift is to be invested rather than immediately expendable.

New contributions to endowment accounts are invested quarterly into the endowment investment pool. Interest, dividends, realized capital gains/losses, unrealized gains/losses and other investment income are allocated monthly to the endowment account based on the number of shares the account owns in the endowment pool at the beginning of the month.

An endowment account has a corresponding spending account. A portion of the endowment account's revenue is distributed annually to the corresponding spending account to be used for the endowment's stated purpose as indicated in the gift agreement.

SPENDING DISTRIBUTION CALCULATION

The SIU Foundation Board of Directors determines the endowment pool annual spending distribution. Consideration is given to:

- duration and preservation of the endowments
- purpose of the endowment funds
- general economic conditions
- possible effect of inflation or deflation
- expected total return from income and the appreciation of the investments
- additional resources of the institution and the investment policy

The foundation's executive committee annually reviews and approves the endowment spending distribution. Each February, university budget officers are notified of the next fiscal year's planned distribution. The spending distribution calculation is based on December 31 values and is released to the spending fund account on July 1.

Please visit the SIU Foundation website (www.siuf.org) for more information on endowment management.