



ELON
UNIVERSITY

The power to change lives



Being given the opportunity to go to Elon University has absolutely changed my life for the better. It has allowed me to not only expand my knowledge, but to create lifelong relationships that I would not have had otherwise. Life at Elon is better than I could have ever imagined. Being with people I love, doing the things I love is something I could have never known I wanted without Elon. I just know that I'm in the right place.”

—Gabrielle Ferguson '19, strategic communications and media analytics major, host of on-campus radio show, recipient of the Sam and Vicky Hunt Scholarship

Endowment Report 2016

Elon's Endowment Funds

The Elon University endowment consists of individual funds established for a variety of educational purposes. Most endowed funds are designated by donors for scholarships, as illustrated in the accompanying pie chart. The endowed funds are pooled together for investment purposes.

Investment Returns

The endowment pool utilizes a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). External investment managers are employed to oversee the endowment and tasked with the objective of achieving returns that equal or exceed five percentage points (net of fees, spending and inflation). These investment managers utilize a highly diversified mixture of equities, fixed income and alternative investments. The university's primary investment objective is to maximize total return within reasonable and prudent levels of risk while maintaining sufficient liquidity to meet disbursement needs and ensure preservation of capital.

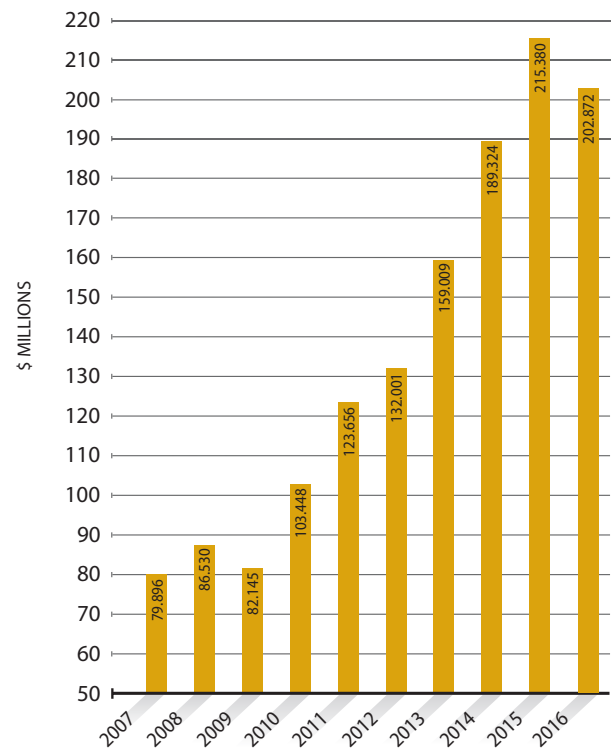
Global Endowment Management

Charlotte-based Global Endowment Management (GEM) provides management services for almost all of Elon's endowment. Since 2008, the firm has navigated turbulent markets to produce impressive results on Elon's behalf. From 2008 to 2016, Elon's endowment has grown from \$86 million to \$202 million, keyed by GEM's strategic investment leadership.

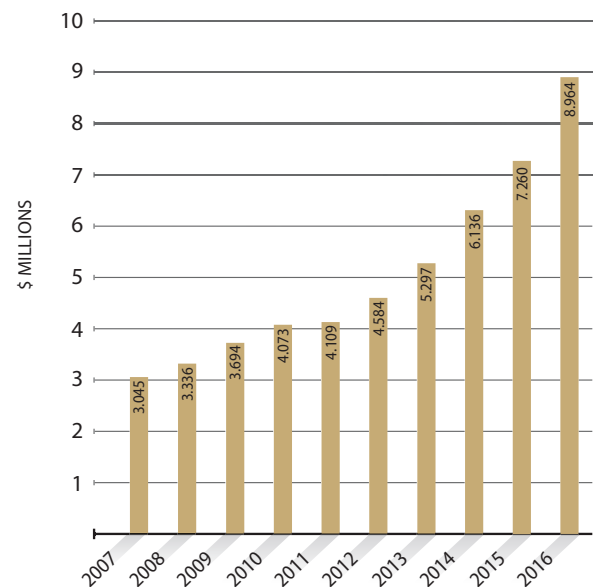
Spending Distribution

It is the practice of the university to prudently invest pooled endowment funds consistent with the endowment asset allocation policy approved by the Board of Trustees. The university's spending distribution is based on the moving three-year average of the market value of the pooled endowment, which equated to a distribution of 4.5 percent for endowed program funds and 5 percent for endowed scholarships at May 31, 2016. Actual endowment return earned in excess of distributions under this policy is reinvested as part of the university's endowment. For years such as this, where actual endowment return is less than distributions under the policy, the shortfall is covered by available gains from prior years. Specific appropriation for expenditure of unrestricted funds under the university's endowment spending policy occurs each year when the Board approves the university's operating budget for the ensuing fiscal year. All donor-restricted returns are invested until appropriated for expenditure by the institution.

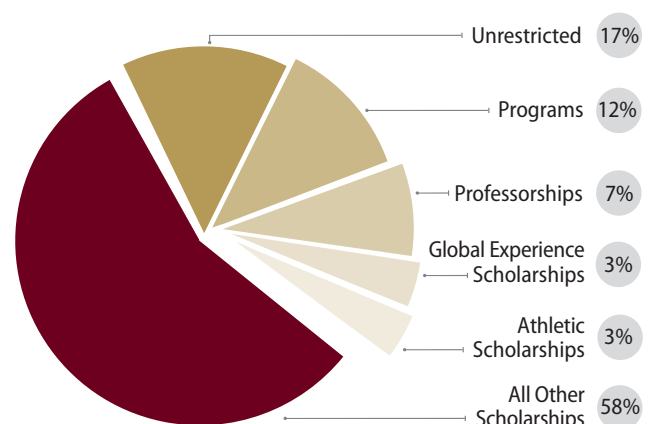
Endowment Market Value



Spending Distribution



Designation of Elon's Endowment



The world needs Elon graduates,

smart, dedicated, compassionate leaders determined to reach ambitious goals. Endowments provide Elon students access to extraordinary educational experiences that enhance their leadership skills and prepare them for life—opportunities for global engagement, undergraduate research with faculty mentors, internships at major corporations or nonprofits, and service in communities close to home or around the globe.

*Study
Abroad*



Internships



Research



Service



Leadership



To all of the donors who create and sustain the endowments that help Elon students soar, we say,

Thank you!