

NOVA SOUTHEASTERN UNIVERSITY

Endowment Report

Fiscal Year 2018

BE A SHARK.



Endowed Gifts Ensure NSU Sharks Do More Than Survive.

They Help NSU Sharks **Thrive.**



THE STUDENTS

Speech and Debate Head Coaching Position Endowed Fund—

Provides support for the head coaching position in speech and debate at NSU University School.

The Speech and Debate Program at NSU University School is ranked among the top 20 programs in the nation. The endowed coaching position in speech and debate is the only one of its kind at an independent school in the United States. Modeled on the more-common approach to endow athletic training positions, this endowed gift ensures that the head speech and debate coach does not have to carry a full teaching load. Instead, the fund enables him or her to focus on mentoring, coaching, and competition preparation.

Terry Stiles Master of Science in Real Estate Development

Endowed Scholarship Fund—Provides scholarships for students pursuing a Master of Science in Real Estate Development.

“Stiles was passionate about creating a first-class real estate master’s degree program at NSU. The program simply would not exist without Terry’s determination and generosity. This provides the next generation of real estate professionals with the education, relationships, and resources to be the future leaders in our industry.”

—Harry Posin, president of Label & Co. Developments, Inc., and an advisory board member for the Terry Stiles School of Real Estate Development at NSU’s H. Wayne Huizenga College of Business and Entrepreneurship

THE OCEANS

Clean Caribbean & Americas Endowed Marine Sciences Scholarship Fund—Awards scholarships to graduate marine science students in the Halmos College of Natural Sciences and Oceanography.

Clean Caribbean & Americas established this scholarship in recognition of the officers, directors, committee members, and employees whose efforts helped to preserve the Caribbean and Latin American marine environment.

Banks Family Halmos College of Natural Sciences and Oceanography Endowed Research Fund—Supports and expands scientific research conducted by Halmos College faculty members and students.

NSU trustee Walter Banks is the owner and president of Lago Mar Resort and Club in Fort Lauderdale. He and his wife, Debbie, share a keen interest in seeing that our oceans and waterways continue to thrive. As a businessman who has benefited from the ocean, the family’s gift is a way of saying thank you.

“The ocean has been very good to my family and me, and our oceans and waterways are critical to mankind,” he said. “I’m making an impact on the future of our aquatic environment, even if it’s a small impact.”

—Walter Banks, NSU Board of Trustees member and owner/president, Lago Mar Beach Resort & Club



THE MIND

Lenore Walker Endowed Scholarship Fund—Provides scholarships for doctoral students in the College of Psychology to study the psychology of gender and gender violence.

“Unfortunately, domestic violence, sexual assault, sexual harassment, rape, child sexual abuse, and sexual/human trafficking is not going away. This endowment fund keeps a spotlight on the new scholarship, while assisting worthy students and expanding the field.”

*—Lenore Walker, Ed.D., ABPP, professor emerita,
NSU College of Psychology*

Mary Jane Harlow Charitable Trust Endowed Playground Fund—Establishes support for updates to the Mary Jane Harlow Charitable Trust Playground and Organic Garden at the Mailman Segal Center for Human Development with improvements reflecting the latest research in working with children who have autism.

“The Mary Jane Harlow Charitable Trust is dedicated to the youngest and most vulnerable in our society. We are devoted to those on the autism spectrum and inner-city youth. We will work tirelessly to make sure children of all abilities and economic backgrounds have a safe place to run, play, learn, and just be children.”

—Mary Short, executor, Mary Jane Harlow Charitable Trust

THE BODY

Nutrition Education and Research Endowed Fund—Establishes support for students in the College of Pharmacy for travel and related expenses to national and international nutrition conferences.

NSU’s College of Pharmacy and the a2 Milk Company Limited (a2 Milk) share a common understanding that a healthy, balanced life is the key to longevity. In an effort to enhance

students’ understanding of the value of nutrition for whole-body health and wellness, a2 Milk established the Nutrition Education and Research Endowed Fund. This fund supports the nutritional education of pharmacy students and provides interdisciplinary opportunities, including travel to nutritional conferences to promote the integration of functional medicine and nutrition in better health outcomes.

THE NSU SPIRIT

Dallas Perez (DP21) Endowed Scholarship Fund—Provides scholarships for student-athletes on the NSU Baseball Team.

Dallas Perez was a finance major at NSU who joined the NSU Sharks baseball team in August 2015 as an outfielder, wearing number 21. He was part of the team that captured the 2016 NCAA Division II National Championship. He died in a car crash at age 21 in December 2016.

“Dallas was a special young man who had a great impact on our program and all of those he came into contact with. He was a servant leader—smart, athletic, and a great teammate. Dallas’ influence on our program continues through signage in our locker room and on the outfield wall that reminds us of him. We will continue to honor his life and legacy through the DP21 Endowment Fund.”

—Gregory Brown, NSU head baseball coach

FREQUENTLY ASKED QUESTIONS AND REPORT

Overview

The solid investment strategy to preserve real purchasing power, and the university's goal to maximize long-term total return and predictability of payout allocations, combined with donor's philanthropic contributions to support the future of NSU students, has resulted in sustained growth for the endowment.

What is the NSU endowment?

NSU's endowment is a collection of gift funds and reserves that are not wholly expendable on a current basis and earmarked reserves (board-designated or quasi-endowment funds) that collectively comprise 333 individual funds, each of which was established to support NSU's teaching, research, service, and learning mission. The majority of these funds are restricted to provide support for specific purposes (dedicated scholarships, named professorships, academic support, etc.) as set forth by the donors. The individual funds are pooled for investment purposes under NSU's Endowment Fund Investment Policy. NSU oversees management of endowed funds to provide support for current programs, while facilitating a comparable level of support for future generations.

How does an endowment strengthen NSU?

The purpose of the endowment is to provide permanent support to NSU. By investing gifts made to the endowment, NSU provides for distributions using a payout formula that allows a steady stream of income to support current needs, while seeking to preserve the endowment's corpus.

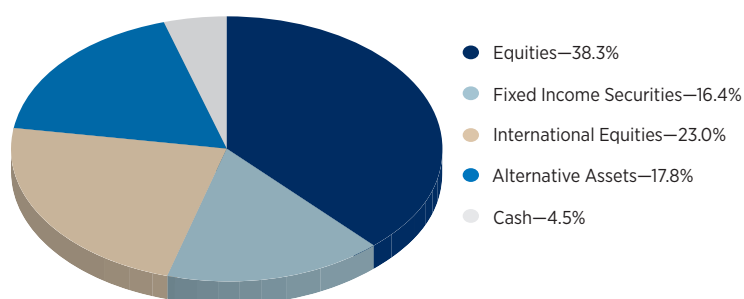
What is NSU's spending policy?

The spending policy provides that up to 5 percent of the endowment fund may be distributed annually, calculated based on a three-year moving average of the endowment fund's market value as of December 31 of the past three calendar years. No distributions will be made from an individual endowment until the account reaches a minimum of \$25,000. Until that time, all earnings will be reinvested. In addition, there is a one-year holding period from the time an endowment is funded until it is available for distribution.

What is NSU's investment policy?

NSU has adopted an investment and spending policy for endowment assets that provides a predictable stream of funding to programs supported by its endowment. Endowment assets are invested in a manner that is intended to produce a real return, achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends), net of inflation and investment management costs. Actual returns in any given year may vary. To satisfy its long-term, rate-of-return objectives, the university targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints. The composite asset mix for the endowment funds pooled for investment as of June 30, 2018, was as follows:

POOLED ENDOWMENT COMPOSITE ASSET MIX FY 2018



Who manages the endowment investments?

Investment performance of the university's endowment fund is monitored by Colonial Consulting, LLC. (2005—current for a total of 14 years). The Investment Committee of the NSU Board of Trustees is responsible for oversight of the fund and meets regularly to review asset allocation and investment performance.

Is there a fee?

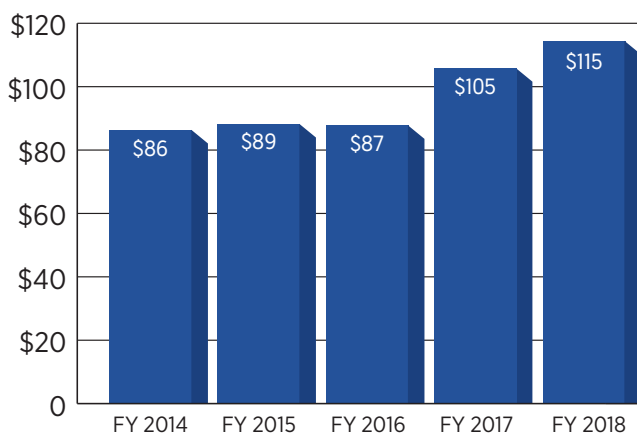
Endowed funds are subject to investment management fees; however, NSU does not charge a fee for administrative activities such as reviewing and maintaining the various funds that comprise the endowment. NSU values donor contributions and, accordingly, directs 100 percent of the funds received directly to the specified endowment funds.

How has NSU's endowment fund grown?

The following chart shows the market value of the university's pooled endowment fund has increased 57.1 percent in the past five years, from a total of \$73.2 million as of June 30, 2013, to \$115.0 million as of June 30, 2018. The most current financial reports for NSU are available at nova.edu/president.

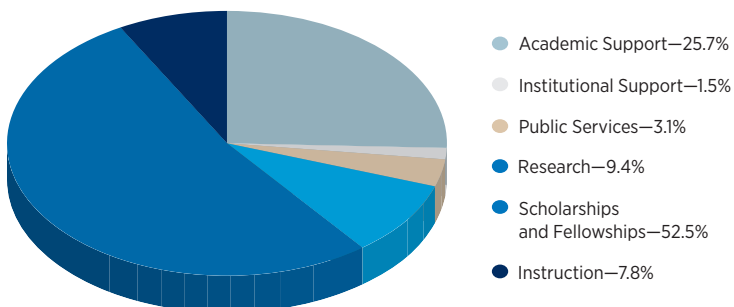
POOLED ENDOWMENT GROWTH FY 2014–FY 2018

(in millions)



Where is NSU's endowment making a difference now?

POOLED ENDOWMENT IMPACT CHART FY 2018



Note: Academic support includes NSU Art Museum Fort Lauderdale; Alvin Sherman Library, Research, and Information Technology Center; Mailman Segal Center for Human Development; and Health Professions Division operations (including HPD Foundation).

Endowment Opportunities

Scholarships—\$25,000 and above

This endowment is awarded to students on a need basis and/or on academic merit. The donor may specify the NSU college or unit, as well as undergraduate, graduate, or first-professional degree-seeking students.

NSU provided nearly **\$1.4 million** in scholarships to **434** students in 2017–2018 from endowed funds.

Classroom, Laboratory, Conference Room, or Seminar Room Fund—\$100,000 and above

This endowment funds equipment or furnishings, depending upon the needs of the facility.

Research Fund—\$250,000 and above

This endowment will be used to start, support, and sustain research endeavors. Donors may designate funds to a specific area of research that aligns with NSU initiatives

Professorship—\$500,000 and above

This endowment provides enhanced support for faculty members in a department or college. The funds will be designated to a specific area with direction from a dean or department chair.

Chair—\$1,500,000 and above

This endowment serves to recruit and support outstanding faculty members. The funds will be used to provide salary supplements to a new or existing budget. They may also be used to provide program support for the chair holder, who may be designated to a specific field of study within academic departments.

\$106 million raised for endowment from FY 2009 through FY 2018, (including pledges receivable) of which **\$7 million** was donated through planned gifts (bequests, charitable remainder trusts, expectancies, gift annuity pledges, and revocable trusts).

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NOVA SOUTHEASTERN
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