

ENDOW ★ UNT

FOR THE SUPPORTERS AND FRIENDS OF UNT

May 2008

Volume 5, Issue 1

Foundation appoints 5 new board members

The UNT Foundation's board of directors filled four of its seats when it met in March. The four recent appointees join Phil Diebel as newcomers to the board. Mr. Diebel was selected in December. With the additions the Foundation's board of directors now consists of 26 members.

The four recent appointees are C. Dean Davis, Richard Gonzalez, Delva King and Mike Mewhinney.

Mr. Davis is the founder of the Austin law firm Davis & Davis, P.C.

He graduated cum laude from UNT in 1953 with a bachelor of arts in political science. Davis served as a UNT System regent in the 1960s and '70s and was a principal member of the former North Texas State University Educational Foundation. He was named a UNT Distinguished Alumnus in 1990.

Diebel retired from UNT in November as vice president of finance and business affairs for the Denton campus and vice chancellor for finance



Phil Diebel

for the UNT System, culminating 26 years of service to the university.

Diebel is a lifetime member of the President's Council and a Mean Green Club member.

Mr. Gonzalez is CEO for the Crescent Group and a managing partner

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UNT Photo - Jonathan Reynolds

Emerald Ball Went Texan

Foundation board members again stepped up in 2008 to lead sponsorship for the Emerald Ball at UNT. This year's event, under the theme the "Emerald Ball Goes Texan," featured boot-scooting music from Asleep at the Wheel and a Trappings of the Texas West fundraising auction. The event raised more than \$200,000 and an additional challenge grant from the Greater Texas Foundation for UNT's Emerald Eagle Scholars program.

UNT endowment growth among best in 2006-07

A recent article in the Chronicle of Higher Education drew attention to UNT's outstanding endowment growth in the 2006-07 fiscal year.

The Chronicle prints survey results from the National Association of College and University Business Officers (NACUBO). Of 785 colleges and universities that provided information in the survey, UNT posted the 29th-highest growth percentage in 2006-07 – 34.9 percent. The average for all schools was 17.2 percent. The university's endowment is combined with the UNT Foundation endowment for the study.

UNT also was ranked in the top half of all the schools in total endowment, with \$92.6 million at the end of the fiscal year.

Since 2002, UNT's total endowment has grown almost 250 percent.

Read all about it!

You can read this newsletter and past Endow UNT issues online at:
<http://endow.unt.edu>

While you're there, you can view other important information about the UNT Foundation. If you are interested in helping the University of North Texas grow, this web site is a great place to start.

For more information about UNT's Office of Development, access:
www.unt.edu/development.

If you would like information about making a planned gift to UNT, you can learn more at:
www.unt.edu/giftplanning.

To learn more about the UNT Alumni Association, go to the North Texas Exes web site at:
www.unt.edu/alumni.

To read University President Gretchen Bataile's newsletter, go to:
www.unt.edu/president/insider.

For general news and features about the more than 140,000 UNT alumni, read The North Texan at:
www.unt.edu/northtexan.

Endow UNT is published quarterly 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 at 801 North Texas Blvd., Denton, TX 76201. Call the Foundation at (940) 565-4555.

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Foundation settles into new location

The UNT Foundation moved into its new location on the Gateway Center's first floor around the first of the year. The Foundation and UNT's Office of Development shared the second floor, but both have added staff positions and some rearranging was necessary.

The Foundation is now conveniently located just inside the doors under the Gateway arch, across from the North Texas Exes Alumni Association center. Foundation phone numbers are unchanged.

Foundation welcomes new staff

Lisa Sanchez joined the Foundation staff this year as general accounting clerk. She will assist the Foundation with record-keeping and provide general support for all Foundation staff under the direction of controller Wes Davis.

Davis launches 'acting career'

Wes Davis is one of seven UNT faculty, staff and students who are



UNT Foundation controller Wes Davis and accounting clerk Elessa Sanchez outside the Foundation's new offices on the Gateway Center's first floor.

featured in an upcoming campaign to reconnect with UNT alumni and friends. Dallas-based Pursuant Group is working with the university on the "Six Degrees" program, which uses e-mail to seek contact information for those who have had a relationship with UNT but might have lost touch.

The Foundation and other offices will use new information to keep alumni and friends up to date with what's happening at UNT.

New Foundation board members

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for Freedom Wireless LP. He earned his bachelor of business administration in finance at UNT in 1990. He began his entrepreneurial career when he was a student. Gonzalez also currently serves on the College of Business advisory board and the Murphy Enterprise Center advisory council. He was awarded the UNT President's Citation in 2006.

Delva King is vice president of the advertising agency, the King Group, Inc. Dr. King earned her bachelor of arts in



Delva King

psychology at UNT in 1972.

She received the Outstanding Alumnus Service Award from the university in 1998. Her husband and business partner, Johnny King, earned a UNT degree in 1971.

Mr. Mewhinney is founder and finance specialist for investment advisor Clover Partners. Prior to founding the company he was a principal and equity portfolio manager for Barrow, Harley, Mewhinney and Strauss. Mewhinney's brother, James Mewhinney, is a member the UNT College of Business advisory board. Their father, Leonard Mewhinney, taught management courses at North Texas State College in the 1950s.

Remember **UNT Foundation** in your will.

Diverse investments ease impact of 'R' word

Consumers might wonder how anyone could doubt it, but in the investment world ... well, you can never be too sure.

Nevertheless, the UNT Foundation's investment consultant used the 'R' word frequently in its spring report:

Recession.

U.S. consumers are finding out the hard way that their debt spending is catching up with them, and as they look for ways

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to save they exacerbate stagnating economic conditions.

With few short-term solutions and a myriad of economic hurdles on the road to recovery, investments are suffering. The UNT Foundation's investment portfolio has not escaped the economic downturn, though a wisely diverse allocation has enabled it to fare better than its benchmarks.

The Foundation's investment pool slipped 3.6 percent in the second quarter of fiscal 2007-08, while the benchmark S&P 500/Lehman Aggregate tumbled 6.6 percent. For the second consecutive quarter, both the Foundation pool and its benchmark finished negatively, but the Foundation's slide has been considerably less slippery.

Chris Adkerson of Hammond Associates, the Foundation's investment consultant, said that diversification lessens the impact of a globally slowing economy.

"The key to diversification is that you'll have lower highs and more shallow lows," he said. "Over time you get very nice, target returns that are smooth."

To demonstrate, Adkerson pointed to the Foundation pool's allocation to well-managed hedge funds and real assets like oil, gas and real estate. In the last quarter, those investments countered the impact of an apparent recession and the generally distressed look of credit markets and other investment areas.

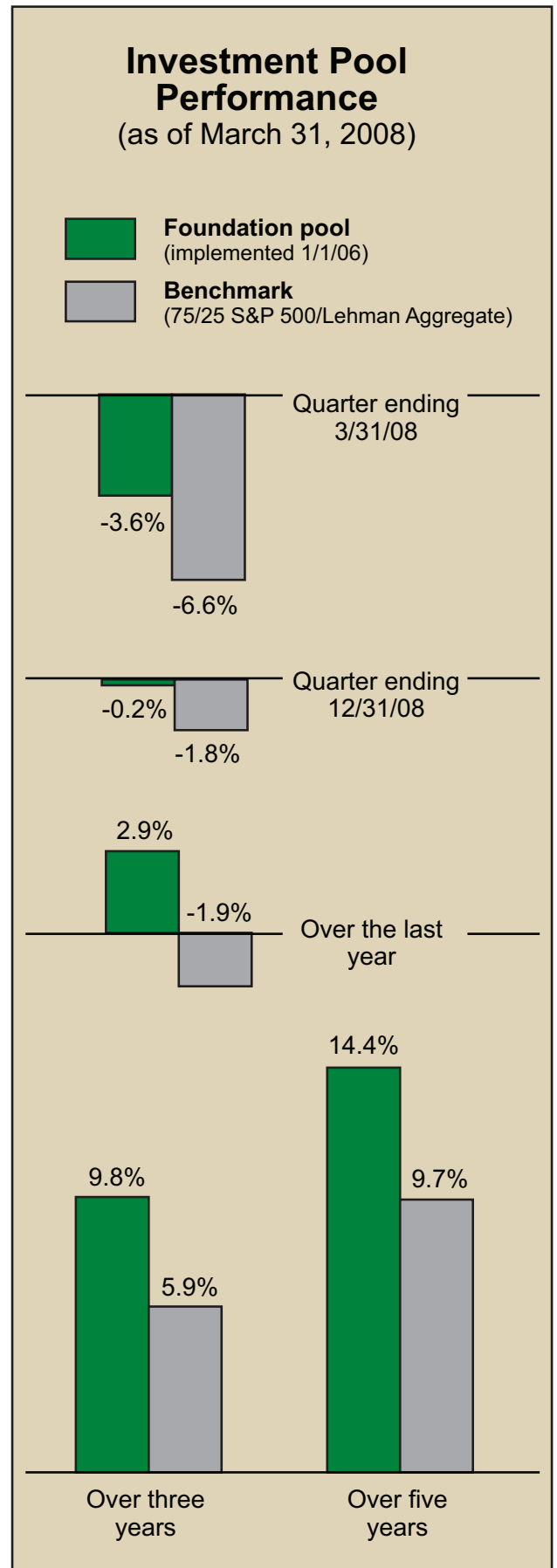
Don Potts, chair of the Foundation board's investment committee, recognizes the importance of a diverse portfolio in this economic climate.

"Hammond was chosen to assist in guiding the Foundation's investments after a highly competitive search and selection process," he said. "To date, we have been very pleased with our decision to hire Hammond."

Hammond's report outlines several key factors contributing to the economic downturn. Among them:

- The economy lost more than 200,000 jobs in the first three months of this year. The poor state of household finances could prolong this recession. Consumer spending might remain weak as households move to increase their savings rate.
- In order to ease credit conditions, the Fed cut the Fed Funds target rate by 200 basis points during the quarter, to 2.25 percent. It also essentially opened its discount window to primary dealers, lending more than \$37 billion to them during the quarter. While Fed actions have helped ease tension in the credit markets, they

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Allocation

Foundation's distribution lessens recession's impact

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have also placed further pressure on the dollar. The trade-weighted dollar declined 4 percent during the quarter. The weak dollar coupled with rising commodity prices has pushed inflation rates to around 4 percent.

- Developed international equities were crushed during the quarter. Investors became less optimistic about the world's ability to maintain strong growth rates as the U.S. economic situation worsens. Concerns about the impact of a strong yen and euro on Japanese and European exporters likely hurt local currency performance as well.

- In emerging markets, China and India were hammered, declining 24 and 27 percent, respectively. Emerging market valuations remain at elevated levels and could fall the hardest if global growth slows more than expected.

- Hedge funds that have increased directional exposure during the past few years suffered during the first quarter. The ongoing credit crunch should create opportunities for established managers with strong balance sheets.

- A slowing economy and a tighter credit environment could create short-term problems for commercial real estate.

Doug Chadwick, executive director of the Foundation, said the bottom line -- distributions to support UNT's objectives -- depends somewhat on the maturity of each account.

“Over longer periods of time, the endowments invested in the Foundation portfolio will accumulate adequate individual reserves to weather normal market fluctuations,” he said. “In the short term, newer endowments will be more susceptible to those fluctuations. Depending on the duration of the negative market cycle, some newer endowments may experience a decrease in funds available for distribution.”

Hammond notes in its report that since World War II, recessions in the United States have lasted roughly 10 and a half months, and that recessions in 1991 and 2000 were shorter.

Adkerson said that if the unemployment rate levels off, consumers could help the recovery, despite the fact that the economy typically slows during a presidential election year.