



August 14, 2019

Commissioner Clayton Christian
Office of the Commissioner of Higher Education
Montana University System
P.O. Box 203201
Helena, MT 59620-3201

Dear Commissioner Christian,

Enclosed is our annual report as required under BOR Policy 901.9 (Campus Affiliated Foundation). The report addresses the financial benefits to the University of Montana Western and related expenses of the University of Montana Western Foundation. The report also addresses the investment management results achieved by the foundation related to our endowment portfolio and performance metrics associated with the responsibilities cited in the operating agreement.

It is my pleasure to provide you with the data requested. Please let me know if you have any questions about the content of this report.

Sincerely,

A handwritten signature in cursive script that reads "Roxanne G. Engellant".

Roxanne G. Engellant
Executive Director

C: Dr. Beth Weatherby, Chancellor, The University of Montana Western
Michael Reid, Vice Chancellor, The University of Montana Western
Liane Forrester, Controller, The University of Montana Western
Deb Creger, Chair, The University of Montana Western Foundation

The University of Montana Western Foundation

TABLE I - FOUNDATION SUPPORT OF UNIVERSITY

	FY 2019	FY 2018	FY 2017	FY 2016
Foundation Funds to University [1]				
Scholarships	\$ 397,298	\$ 352,056	\$ 278,003	\$ 260,698
Programmatic	\$ 434,529	\$ 435,948	\$ 602,413	\$ 241,679
Capital	\$ 15,000	\$ -	\$ 345,548	\$ 179,287
Total Foundation Funds Directed to the University	\$ 846,827	\$ 788,003	\$ 1,225,964	\$ 681,664
University Funds to Foundation				
Development Services [2]	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Investment Administrative Fee [3]	\$ 36,307	\$ 34,498	\$ 33,758	\$ 3,000
Salaries & Benefits, Cost Share [4]	\$ 59,516	\$ 58,988	\$ 56,799	\$ 53,369
Total University Funds Directed to Foundation	\$ 105,823	\$ 103,486	\$ 100,557	\$ 66,369
Net Foundation Funds to University	\$ 741,004	\$ 684,517	\$ 1,125,407	\$ 615,295

[1] Foundation held funds transferred to or on the behalf of the university. Amounts include spending from donor-restricted as well as unrestricted gifts and bequests.

[2] University payments to foundation for contracted services per operating agreement.

[3] Administrative Fee assessed on university owned endowment funds (Emerick), managed by the foundation . FY17 implemented a 1% management fee.

[4] University salary and benefits support to administrative staff and executive director per operating agreement.

Note: The University also provides adequate space and facilities for the foundation per operating agreement.

The University of Montana Western Foundation

TABLE II - INVESTMENT MANAGEMENT

	FY 2019	FY 2018	FY 2017	FY 2016
Long Term Investment Portfolio Balance				
University of Montana Western Foundation	\$ 6,822,542	\$ 6,594,742	\$ 6,029,642	\$ 5,109,949
University of Montana Western D.I. Emerick Trust [1]	\$ 2,037,763	\$ 1,961,937	\$ 1,962,934	\$ 1,815,324
University of Montana Western M.B. Emerick Trust [1]	\$ 1,714,462	\$ 1,647,083	\$ 1,636,724	\$ 1,544,554
TOTAL	\$ 10,574,767	\$ 10,203,762	\$ 9,629,300	\$ 8,469,827
Annualized Return	1 Yr.	3 Yr.	5 Yr.	Since Inception
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University of Montana Western Foundation	5.14%	6.72%	3.87%	6.01%
Fixed Income	6.66%	3.11%	2.71%	3.12%
Equities	6.39%	13.38%	7.64%	10.83%
University of Montana Western D.I. Emerick Trust [1]	5.03%	7.54%	4.36%	6.31%
Fixed Income	6.26%	3.66%	2.83%	3.22%
Equities	6.51%	13.43%	7.88%	10.86%
University of Montana Western M.B. Emerick Trust [1]	5.29%	7.68%	4.46%	6.33%
Fixed Income	6.33%	3.65%	2.77%	3.33%
Equities	6.61%	13.44%	7.90%	10.90%
University of Montana- Combined Accounts	5.14%	7.04%	4.07%	6.12%
Fixed Income	6.54%	3.29%	2.73%	3.19%
Equities	6.45%	13.40%	7.74%	10.85%
Fixed Income Indices				
Barclays Aggregate Bond Index	7.87%	2.31%	2.95%	3.20%
BBG Barclays Interm. Govt/Credit Index	6.93%	1.99%	2.39%	2.59%
Equity Income Indices				
Large Cap:				
Standard & Poor's 500 Stock Index	10.41%	14.17%	10.69%	13.99%
Russell 1000	10.02%	14.15%	10.45%	14.00%
Mid Cap:				
Russell Mid Cap Core Index	7.83%	12.16%	8.63%	13.35%
Small Cap:				
Russell Small Cap Core Index	-3.31%	12.30%	7.06%	11.88%
International:				
MSCI EAFE Net	1.08%	9.11%	2.25%	6.00%
TOTAL EQUITIES:				
MSCI All Country World Index	6.32%	12.22%	6.74%	9.69%

[1] Funds owned by the university.

The University of Montana Western Foundation

TABLE III - SELECTED PERFORMANCE METRICS

	FY 2019		FY 2018	
<i>Fundraising</i>				
<u>Gifts & Pledges</u>				
> \$10,000 [1]	10	\$ 236,041	10	\$ 256,937
\$1,000 - \$10,000	119	\$ 264,423	123	\$ 263,669
< \$1,000	1142	\$ 125,676	998	\$ 149,473
Total	1271	\$ 626,140	1131	\$ 670,080
<u>Invested</u>				
% Endowed	13.54%	\$ 86,501	32.89%	\$ 224,695
% Current	86.46%	\$ 539,639	67.11%	\$ 445,384
Total	100.00%	\$ 626,140	100.00%	\$ 670,080
<u>Restriction</u>				
% Restricted	96.45%	\$ 607,625	97.19%	\$ 654,488
% Non-Restricted	3.55%	\$ 18,515	2.81%	\$ 15,592
Total	100.00%	\$ 626,140	100.00%	\$ 670,080
<u>Purpose</u>				
% Scholarships	36.25%	\$ 230,932	53.06%	\$ 362,211
% Programmatic	61.50%	\$ 379,698	44.34%	\$ 287,868
% Capital	2.25%	\$ 15,510	2.59%	\$ 20,000
Total	100.00%	\$ 626,140	100.00%	\$ 670,080