The foundation had another successful fiscal year, with $169.2 million raised for the university in private gifts, an all-time high of 44,402 donors to the university, and a 12.7 percent return on the main endowment, valued at $1.2 billion.

The State of Nebraska faced declining revenue this past year, which resulted in a cut in state appropriations to the University of Nebraska. Therefore, the number of donors and the amount of private funds available are even more important for the foundation and our role to advance the university. The $169.2 million in total funds raised is down from last year, and one reason is that much of our focus was on the conclusion of fundraising for some of the largest projects in our history: the Fred and Pamela Buffett Cancer Center and the Dr. Edwin Davis & Dorothy Balbach Davis Global Center for Advanced Interprofessional Learning at UNMC, and Howard L. Hawks Hall, the new home for the College of Business at UNL. Many of our donors have made multi-year commitments to these key university projects. In general, large projects drive large gifts, and we had fewer new projects launched in this fiscal year. A key area where we did see growth is in the overall number of people who give to the university through the foundation. This new all-time high of 44,402 donors is up 2.4 percent from last year and is our sixth consecutive year of growth.

Another major milestone for the year, albeit one a bit behind the scene, was a successful implementation of a new database system. Updating a database which contained more than a million records was no easy task; the staff did a great job on this transition while continuing to run the day-to-day business of the foundation. While it was largely an internal function, we hope you will notice it too, as we better respond and track preferences for all university donors and alumni and provide you with a better experience in the years to come.

More highlights and information can be found throughout this year’s annual report. We hope you take the time to review it and reach out to the foundation if you have questions. As always, you will find our independent auditor’s report at nufoundation.org/annual reports.

Mark Chronister
Chair of the Board of Directors

Brian F. Hastings
President and CEO
GIFTS RAISED

$169,168,735

Compared to
$228,871,400 in FY16
$212,727,924 in FY15

• 21% of gifts were endowed; 79% were expendable
• 99% of gifts were designated by the donor

MAIN ENDOWMENT

$1,184,321,692

Compared to
$1,064,518,642 in FY16
$1,184,321,692 in FY15

TOTAL ASSETS

$2,333,262,696

Compared to
$2,333,262,696 in FY16
$2,293,751,824 in FY15

ANNUAL DONORS

44,402

Compared to
43,346 in FY16
39,921 in FY15
Fiscal 2017 was a successful year operationally, with more change on the horizon as we focus on operational efficiencies, our fund management fee structure and partnering with the university to examine processes related to managing 10,408 active funds.

As a part of our ongoing focus to operate efficiently and our commitment to be fiscally responsible stewards of donor gifts, our 2017 operating expenses before depreciation and benefits paid to beneficiaries were held flat compared to 2016. The foundation also participates in facilitated benchmarking with leading fundraising programs across the country, and looking at our average results over the last few years, we are among the most efficient programs in terms of cost-per-dollar raised. We continue to evaluate this, and similar data, to evaluate our efficiency and effectiveness.

On July 1, 2017, we lowered the management fee we charge on the endowment from 1.75 percent to 1.65 percent, continuing our efforts to reduce the fee from the high of 1.85 percent in 2012 to a target fee that balances the need to increase the purchasing power of the endowment for the university and the need to invest in the foundation’s mission to meet the needs of the university. The average endowment management fee for foundations supporting public universities is 1.25 percent. Seventy-five percent of our operating expenses are funded by the management fee on the endowment, which we feel is an unsustainable burden on the endowment. Our board of directors has appointed a task force comprised of representatives from our board of directors, university leadership, the donor community and management. Their work is progressing with the goal to diversify revenue sources that will allow the foundation to expand its operation and grow results in accordance with the strategic plan, while reducing fees on the endowment so that we can optimize the purchasing power and growth of the endowment long-term.

The financial future of the foundation is solid and our commitment to maximizing the impact of donor gifts remains a top priority.

Troy K. Wilhelm
Chief Financial Officer
GIFTS TRANSFERRED TO THE UNIVERSITY

$193,906,504

Compared to
$206,379,728 in FY16
$230,712,549 in FY15

WHERE FUNDS WERE TRANSFERRED

- Faculty: $6,860,990
- Research: $6,243,179
- Students: $22,404,803
- Programs: $54,909,941
- Museums, Libraries and Fine Arts: $2,951,337
- Alumni Associations: $724,000
- Construction/Renovation: $99,812,254

UNIQUE DONOR FUNDS UNDER MANAGEMENT

10,408
A Message from the Director of Investments

Many events surprised investors during the fiscal year ending June 30, 2017, not the least of which was the outcome of the U.S. presidential election. Domestic and international equity markets began to rally in early November, and continued the uptrend for the balance of the fiscal year. Domestic stocks performed well above their historical average for the year, with the S&P 500 returning +17.9 percent. International stocks fared even better, with the MSCI EAFE index posting a gain of +20.3 percent, while the MSCI Emerging Markets index gained +23.8 percent. On a negative note, core fixed income generally marked time during the year, with the Bloomberg Barclays U.S. Aggregate Bond Index losing -0.3 percent.

Fund A, our main endowment, was well positioned to benefit from a meaningful equity allocation and posted a net-of-investment fee gain for the fiscal Year of +12.7 percent. Coincidentally, this matches the median return reported by Cambridge Associates, an endowment consultant, of 43 public university endowments valued at more than $1 billion. While it is encouraging to see attractive one year returns, our focus continues to be on achieving our long-term objective of 6.0 percent as measured on a five year annualized basis. The diversified investment approach utilized by Fund A has resulted in strong out-performance of this objective, as evidenced by a +7.7 percent five year annualized return.

While Fund A is the foundation’s primary endowment benefiting the university, the foundation also manages Fund N, the university endowment, through an agency agreement with the university. Fund N was valued at $308.1 million at the end of the fiscal year, with an investment return of 13.9 percent. The foundation also has some smaller endowment funds managed outside of Fund A and Fund N.

The investment committee and foundation staff continue to emphasize cost-effective investment solutions where practical. A review of expenses completed during the fiscal year shows our investment cost structure is well below our peer average. This includes both investment operations expenses as well as investment management fees. Additionally, while mindful of ever-increasing equity valuations, we continue to focus on idiosyncratic investment opportunities that will provide for the continued growth of the endowment.

Our views for the continued long-term success of the foundation remain unchanged: focus on prudent expense management; identify and retain talented investment managers; remain focused on the long-term; and, let asset allocation be the primary driver of returns.

Brian Neale
Senior Director of Investments
RETURN ON MAIN ENDOWMENT

12.7%

FUND A (MAIN ENDOWMENT)

ASSET ALLOCATION

- International Fixed Income: 2.0%
- U.S. Fixed Income: 13.3%
- Private Equity / Venture Capital: 3.8%
- Real Assets: 10.2%
- Marketable Alternatives (hedge funds): 11.3%
- Cash: 0.9%
- U.S. Equity: 32.5%
- International Equity: 26.0%
# Statement of Financial Position

DOLLARS IN THOUSANDS FOR FISCAL YEAR ENDED JUNE 30 2017 2016 2015

## ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$40,780</td>
<td>$27,100</td>
<td>$998</td>
</tr>
<tr>
<td>Temporary investments</td>
<td>373,191</td>
<td>354,396</td>
<td>396,545</td>
</tr>
<tr>
<td>Pledges receivable</td>
<td>202,003</td>
<td>233,613</td>
<td>214,065</td>
</tr>
<tr>
<td>Other receivables</td>
<td>5,509</td>
<td>3,435</td>
<td>3,670</td>
</tr>
<tr>
<td>Investments</td>
<td>1,659,647</td>
<td>1,529,338</td>
<td>1,607,346</td>
</tr>
<tr>
<td>Property and equipment, net of depreciation</td>
<td>52,133</td>
<td>53,035</td>
<td>6,756</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$2,333,263</strong></td>
<td><strong>$2,200,917</strong></td>
<td><strong>$2,229,380</strong></td>
</tr>
</tbody>
</table>

## LIABILITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$5,232</td>
<td>$1,404</td>
<td>$988</td>
</tr>
<tr>
<td>University of Nebraska benefits payable</td>
<td>1,188</td>
<td>1,244</td>
<td>2,350</td>
</tr>
<tr>
<td>Scholarships, research, fellowships and professorships payable</td>
<td>13,353</td>
<td>12,171</td>
<td>7,481</td>
</tr>
<tr>
<td>*Note Payable</td>
<td>16,971</td>
<td>16,382</td>
<td>-</td>
</tr>
<tr>
<td>Deferred annuities payable</td>
<td>19,167</td>
<td>18,779</td>
<td>20,098</td>
</tr>
<tr>
<td><strong>Deposits held in custody for others</strong></td>
<td>325,803</td>
<td>299,673</td>
<td>332,065</td>
</tr>
<tr>
<td>*<strong>Deferred revenue</strong></td>
<td>3,117</td>
<td>6,556</td>
<td>3,392</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$384,831</strong></td>
<td><strong>$356,209</strong></td>
<td><strong>$366,374</strong></td>
</tr>
</tbody>
</table>

## NET ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>13,507</td>
<td>($26,299)</td>
<td>$17,643</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>966,858</td>
<td>949,313</td>
<td>964,325</td>
</tr>
<tr>
<td>Permanently restricted</td>
<td>968,067</td>
<td>921,694</td>
<td>881,038</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td><strong>$1,948,432</strong></td>
<td><strong>$1,844,708</strong></td>
<td><strong>$1,863,006</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td><strong>$2,333,263</strong></td>
<td><strong>$2,200,917</strong></td>
<td><strong>$2,229,380</strong></td>
</tr>
</tbody>
</table>

* The foundation acquired a building during FY16 in exchange for an interest-free note of $18 million. The note was recorded at its present value, and imputed interest expense is being recognized over the life of the loan.

** Gifts to other entities and managed by the University of Nebraska Foundation.

*** Deferred revenue in 2015 is for prepaid ground leases at Nebraska Technology Park. Deferred revenue in 2016 and 2017 is for the leasing back to the previous owner of a building purchased by the foundation in FY16.
## Investments

### Investments Stated at Fair Value

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of deposit, savings and money market funds</td>
<td>$15,228</td>
<td>$14,746</td>
<td>$14,104</td>
</tr>
<tr>
<td>U.S. government securities and sovereign debt</td>
<td>35,348</td>
<td>30,691</td>
<td>35,106</td>
</tr>
<tr>
<td>State government securities</td>
<td>156</td>
<td>241</td>
<td>587</td>
</tr>
<tr>
<td>Local government securities</td>
<td>124</td>
<td>639</td>
<td>852</td>
</tr>
<tr>
<td>International bonds</td>
<td>20,055</td>
<td>18,498</td>
<td>22,491</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>65,938</td>
<td>72,085</td>
<td>68,072</td>
</tr>
<tr>
<td>Common stock</td>
<td>504,238</td>
<td>459,308</td>
<td>428,980</td>
</tr>
<tr>
<td>Mutual funds — equity</td>
<td>83,356</td>
<td>83,947</td>
<td>87,674</td>
</tr>
<tr>
<td>Mutual funds — fixed income</td>
<td>133,266</td>
<td>135,565</td>
<td>137,498</td>
</tr>
<tr>
<td>Preferred stock</td>
<td>688</td>
<td>564</td>
<td>574</td>
</tr>
<tr>
<td>Limited partnerships</td>
<td>62,878</td>
<td>50,795</td>
<td>37,948</td>
</tr>
<tr>
<td>Commingled funds — public equity</td>
<td>282,828</td>
<td>187,168</td>
<td>186,898</td>
</tr>
<tr>
<td>Commingled funds — diversified real assets</td>
<td>35,098</td>
<td>35,870</td>
<td>37,995</td>
</tr>
<tr>
<td>Index funds — commodities</td>
<td>12,782</td>
<td>14,081</td>
<td>19,062</td>
</tr>
<tr>
<td>Index funds — public equity</td>
<td>219,694</td>
<td>247,363</td>
<td>319,560</td>
</tr>
<tr>
<td>Hedge funds</td>
<td>154,095</td>
<td>135,735</td>
<td>164,590</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$1,625,772</td>
<td>$1,487,296</td>
<td>$1,561,991</td>
</tr>
</tbody>
</table>

### Investments Stated at Other Than Fair Value

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real estate</td>
<td>$26,009</td>
<td>$32,573</td>
<td>$34,265</td>
</tr>
<tr>
<td>Real estate mortgage and contracts</td>
<td>2,218</td>
<td>3,860</td>
<td>5,480</td>
</tr>
<tr>
<td>Other</td>
<td>2,660</td>
<td>2,687</td>
<td>2,691</td>
</tr>
<tr>
<td>Cash value of life insurance</td>
<td>2,830</td>
<td>2,764</td>
<td>2,761</td>
</tr>
<tr>
<td>Annuity contracts</td>
<td>158</td>
<td>158</td>
<td>158</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$33,875</td>
<td>$42,042</td>
<td>$45,355</td>
</tr>
</tbody>
</table>

### Temporary Investments Stated at Fair Value

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasuries</td>
<td>$110,880</td>
<td>$118,257</td>
<td>$183,743</td>
</tr>
<tr>
<td>Certificates of deposit and money market funds</td>
<td>66,950</td>
<td>892</td>
<td>1,491</td>
</tr>
<tr>
<td>State government securities</td>
<td>37,241</td>
<td>40,028</td>
<td>46,776</td>
</tr>
<tr>
<td>Local government securities</td>
<td>48,143</td>
<td>59,901</td>
<td>55,269</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>35,098</td>
<td>35,870</td>
<td>37,995</td>
</tr>
<tr>
<td>Exchange-traded funds — income</td>
<td>24,926</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exchange-traded funds — equity</td>
<td>-</td>
<td>28,451</td>
<td>4,770</td>
</tr>
</tbody>
</table>

### Temporary Investments Stated at Other Than Fair Value

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real estate</td>
<td>$24</td>
<td>$209</td>
<td>$340</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$373,191</td>
<td>$354,396</td>
<td>$396,545</td>
</tr>
<tr>
<td><strong>Total Investments and Temporary Investments</strong></td>
<td>$2,032,838</td>
<td>$1,883,734</td>
<td>$2,003,891</td>
</tr>
</tbody>
</table>
## Statement of Activities

### DOLLARS IN THOUSANDS

**REVENUE AND GAINS**

<table>
<thead>
<tr>
<th></th>
<th>JUNE 30 2017</th>
<th>JUNE 30 2016</th>
<th>JUNE 30 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gifts, bequests and life insurance proceeds</td>
<td>$169,168</td>
<td>$228,871</td>
<td>$212,727</td>
</tr>
<tr>
<td>Investment income</td>
<td>39,465</td>
<td>32,818</td>
<td>29,122</td>
</tr>
<tr>
<td>Change in value of split-interest agreements</td>
<td>397</td>
<td>989</td>
<td>1,191</td>
</tr>
<tr>
<td>Realized and unrealized gains (losses), net</td>
<td>119,798</td>
<td>(48,466)</td>
<td>(10,906)</td>
</tr>
<tr>
<td><strong>Total Revenue and Gains</strong></td>
<td><strong>$328,828</strong></td>
<td><strong>$214,212</strong></td>
<td><strong>$232,134</strong></td>
</tr>
</tbody>
</table>

### EXPENSES — BENEFITS TRANSFERRED TO THE UNIVERSITY

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student assistance</td>
<td>$22,405</td>
<td>$26,327</td>
<td>$33,976</td>
</tr>
<tr>
<td>Faculty assistance</td>
<td>6,861</td>
<td>5,731</td>
<td>5,323</td>
</tr>
<tr>
<td>Research</td>
<td>6,243</td>
<td>9,123</td>
<td>8,378</td>
</tr>
<tr>
<td>Academic programs</td>
<td>54,910</td>
<td>55,331</td>
<td>61,660</td>
</tr>
<tr>
<td>Museum, library and fine arts</td>
<td>2,951</td>
<td>2,729</td>
<td>1,975</td>
</tr>
<tr>
<td>Campus and building improvements</td>
<td>99,813</td>
<td>106,342</td>
<td>118,526</td>
</tr>
<tr>
<td>Alumni associations</td>
<td>724</td>
<td>796</td>
<td>868</td>
</tr>
<tr>
<td>Deferred compensation</td>
<td>-</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total Benefits Transferred</strong></td>
<td><strong>$193,907</strong></td>
<td><strong>$206,380</strong></td>
<td><strong>$230,713</strong></td>
</tr>
</tbody>
</table>

### EXPENSES — OPERATIONS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management and fundraising</td>
<td>$26,642</td>
<td>$26,725</td>
<td>$24,051</td>
</tr>
</tbody>
</table>

### EXPENSES — OTHER

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Paid to other charities</em></td>
<td>$119</td>
<td>$98</td>
<td>-</td>
</tr>
<tr>
<td>Paid to beneficiaries</td>
<td>2,730</td>
<td>2,958</td>
<td>3,043</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,706</td>
<td>1,085</td>
<td>776</td>
</tr>
<tr>
<td><strong>Total Operations and Other</strong></td>
<td><strong>$31,197</strong></td>
<td><strong>$30,866</strong></td>
<td><strong>$27,870</strong></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$225,104</strong></td>
<td><strong>$237,246</strong></td>
<td><strong>$258,583</strong></td>
</tr>
<tr>
<td>Increase (decrease) in net assets</td>
<td>103,724</td>
<td>(23,034)</td>
<td>(26,449)</td>
</tr>
<tr>
<td>Net assets at beginning of year</td>
<td>1,844,708</td>
<td>1,863,006</td>
<td>1,889,455</td>
</tr>
<tr>
<td><em>Change in reporting entity</em></td>
<td>-</td>
<td>4,736</td>
<td>-</td>
</tr>
<tr>
<td><strong>Ending Net Assets</strong></td>
<td><strong>$1,948,432</strong></td>
<td><strong>$1,844,708</strong></td>
<td><strong>$1,863,006</strong></td>
</tr>
</tbody>
</table>

*Due to the consolidation of the UNF Charitable Gift Fund in 2016.

To review our Independent Auditor’s Report, please visit nufoundation.org/annualreports
Executive Leadership Team

Brian F. Hastings, President and CEO
Michael Bird, Vice President, UNO Advancement
Lori A. Byrne, Senior Vice President, Development
Lucas Dart, Vice President, UNK Alumni Relations & Development
Dorothy Endacott, Vice President, Marketing Communications
Keith Miles, Senior Vice President, General Counsel
Brian Neale, Senior Director of Investments
Joe Selig, Senior Vice President, UNL Development
Connie Soucie, Vice President, Talent, Culture and Human Resources
Ben Storck, Assistant Vice President, Advancement Services
Dara Troutman, Chief of Staff
Amy Volk, Senior Vice President, UNMC Development
Troy Wilhelm, Chief Financial Officer

To see a list of University of Nebraska Foundation Trustees, please visit nufoundation.org/about/trustees
Board of Directors
2016 – 2017

Mark Chronister
Chair

JoAnn Martin
Chair-Elect

Norm Hedgecock
Chair, Audit Committee

Karen Himle
Chair, Advancement Committee

John Massey
Chair, Finance Committee

Tonn Ostergard
Chair, Governance Committee

Bill Jackman
Chair, Investment Committee

Dan Bahensky

Paul Engler

Charles Fritch

John Gottschalk

Margaret Holman

Rodrigo López

Barb Schaefer

Don Voelte

Brian Hastings
Ex Officio

Hank Bounds
Ex Officio

Bob Whitehouse
Ex Officio
Committee Members

Executive Committee
Mark Chronister, Chair
JoAnn Martin, Chair-Elect
Karen Himle
Norm Hedgecock
Bill Jackman
John Massey
Tonn Ostergard
Brian Hastings, Ex Officio
Hank Bounds, Ex Officio
Bob Whitehouse, Ex Officio

Finance Committee
John Massey, Chair
Dan Bahensky
Damon Barry
Scott Carlson
Paul Engler
Bob Harris
Norm Hedgecock
Dennis Hirschbrunner
Kelly Holthus
Del Lienemann
John Olsson
Connie Sadler
John Schuele
Don Voelte
Mark Chronister, Ex Officio
JoAnn Martin, Ex Officio

Audit Committee
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John Hancock
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JoAnn Martin, Ex Officio
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Ex Officio
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Ex Officio

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Tax Review Subcommittee
Norm Hedgecock, Chair, Ex Officio
Mark Chronister, Ex Officio
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DISCLOSURE STATEMENT FOR DONORS
UPDATED JULY 1, 2017

The University of Nebraska Foundation wishes to educate donors about the foundation's fees and policies as they relate to charitable giving. Several states have specific requirements in place that nonprofit organizations such as the University of Nebraska Foundation are required to publish in order to solicit residents of that state. Our fees, policies and those state solicitation requirements are printed here and are available at nufoundation.org/legal.

Charitable Solicitations
The University of Nebraska Foundation is a 501(c)(3) tax-exempt organization soliciting tax deductible private contributions for the benefit of the University of Nebraska. All contributions are used solely for charitable purposes. The foundation is registered to solicit charitable contributions with the appropriate governing authorities in all states requiring registration. A copy of our most recent audited financial statement is available by writing to 1010 Lincoln Mall, Suite 300, Lincoln, NE 68508, by calling 402-458-1100, or if you are a resident of the following States you may obtain registration and financial information directly by contacting: CALIFORNIA: The Attorney General's website at http://caag.state.ca.us/charities. MARYLAND: For the cost of postage and copies, from the Maryland Secretary of State, State House, Annapolis, Maryland 21401, (410)-974-5534. NEW JERSEY: INFORMATION FILED WITH THE ATTORNEY GENERAL CONCERNING THIS CHARITABLE SOLICITATION AND THE PERCENTAGE OF CONTRIBUTIONS RECEIVED BY THE CHARITY DURING THE LAST REPORTING PERIOD THAT WERE DEDICATED TO THE CHARITABLE PURPOSE MAY BE OBTAINED FROM THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY BY CALLING 973-504-6215 AND IS AVAILABLE ON THE INTERNET AT http://www.state.nj.us/lps/ca/charfrm.htm. REGISTRATION WITH THE ATTORNEY GENERAL DOES NOT IMPLY ENDORSEMENT. NEW YORK: Upon request, a copy of the latest annual report can be obtained from the organization or from the Office of the Attorney General, Department of Law, Charities Bureau, Attn: FOIL Officer, 120 Broadway, New York, New York 10271. OREGON: Registration in no way constitutes or implies any endorsement, sanction or approval of this solicitation, its purposes, the manner in which it is conducted or the person or organization conducting it by the Oregon Attorney General. PENNSYLVANIA: The official registration and financial information of the University of Nebraska Foundation may be obtained from the Pennsylvania Department of State by calling toll free, within Pennsylvania, 1-800-732-0999. Registration does not imply endorsement. WASHINGTON: The official registration of the University of Nebraska Foundation may be obtained from the Washington Secretary of State at 1-800-332-GIVE or http://www.sos.wa.gov.

Fees
The foundation annually allocates a total of 1.65 percent of the market value of its main endowment, on a lagged basis, to support the foundation’s operations. This expense is applied quarterly to the previous month’s unadjusted (before additions for the month) market value. In addition, the foundation employs professional fund managers, and manager fees are assessed to the endowment.

Gifts made for immediate support of the university (rather than invested as an endowment) are considered expendable funds. No fee is charged to expendable funds, but income earned on expendable funds prior to expenditure by the University of Nebraska is added to the University of Nebraska Foundation’s general fund to support its operations. Distributions from estates (including living and revocable trusts or other trusts established by a donor for estate planning purposes) (collectively “Estate Gifts”) added to the foundation’s main endowment are used for the foundation’s operations during the first 12 full months after each distribution is made. Thereafter, distributions from Estate Gifts will be used for the designated charitable purpose.

From time to time, the foundation serves as trustee of charitable remainder unitrusts and annuity trusts (collectively, “CRTs”), and offers charitable gift annuity contracts (“CGAs”) which distribute variable (unitrusts) or fixed (annuity...
trusts and CGAs) payments to designated beneficiaries, with the remainder of the trust supporting the University of Nebraska upon the termination of the trust. CRTs or CGAs managed by the foundation are not charged a trustee or administrator fee. However, unless the agreement provides otherwise, any professional fund manager or advisor fees are charged to the CRT or CGA. A distribution fee is assessed based on the realized value of the CRT or CGA at the termination of intervening beneficiary interests in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Distribution Value of CRT or CGA</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>50% or less of original value</td>
<td>None</td>
</tr>
<tr>
<td>50-75% of original value</td>
<td>1.0% of realized value</td>
</tr>
<tr>
<td>75-100% of original value</td>
<td>2.0% of realized value</td>
</tr>
<tr>
<td>More than 100% of original value</td>
<td>2.0% of realized value plus 20.0% of excess over original value</td>
</tr>
</tbody>
</table>

**Spending Policy**

The endowment spending policy allocates a fixed percentage of a market value average (referred to as the “distribution”) to each individual fund within the endowment to be utilized for the specific charitable purpose of that fund. The spending policy calculates the annual distributions on the basis of 4.25 percent of the 20-quarter moving average of the endowment’s market value, as adjusted for new gifts. The annual distribution is allocated on a monthly basis to each individual fund and is funded, first from current ordinary income (interest dividends, etc.), and second from capital gains.

**Constituent Information**

The foundation maintains information on alumni, donors and friends of the university (“Constituents”). Some of this information is generally available from third-party sources (such as the internet). Constituent information maintained by the foundation will not be disclosed to any third party without the Constituent’s express written consent. The foundation also documents giving records, other financial information, contacts, philanthropic interests and the foundation’s cultivation strategies. This information is an internal work product and would be considered “trade secret” information vital to the foundation’s business objective and protected under Nebraska’s Trade Secrets Act. It will not be disclosed to any external source, unless required to do so by law. In the event a donor or alumnus wishes to see his or her own biographical data, past giving information, or direct correspondence to and from the foundation, that data can be viewed by contacting the foundation; a reasonable opportunity to view data will be provided during regular business hours at a foundation office.

The foundation maintains physical, electronic and procedural safeguards to protect nonpublic personally identifiable information and to comply with federal and state laws. In addition, we regularly review policies and practices, monitor our computer networks and evaluate the strength of our security protocols.

If you prefer not to be contacted by the foundation, contact us at 800-432-3216 or info@nufoundation.org and request that a “Do Not Contact” code be placed on your record.

This information is being provided to educate our donors about our fees and operating policies. All policies are reviewed on an annual basis and may be modified by the foundation’s board of directors. Visit nufoundation.org/legal for the most updated policies. If you have any questions or would like further information, please contact General Counsel Keith Miles or Chief Financial Officer Troy Wilhelm at 402-458-1100 or 800-432-3216.