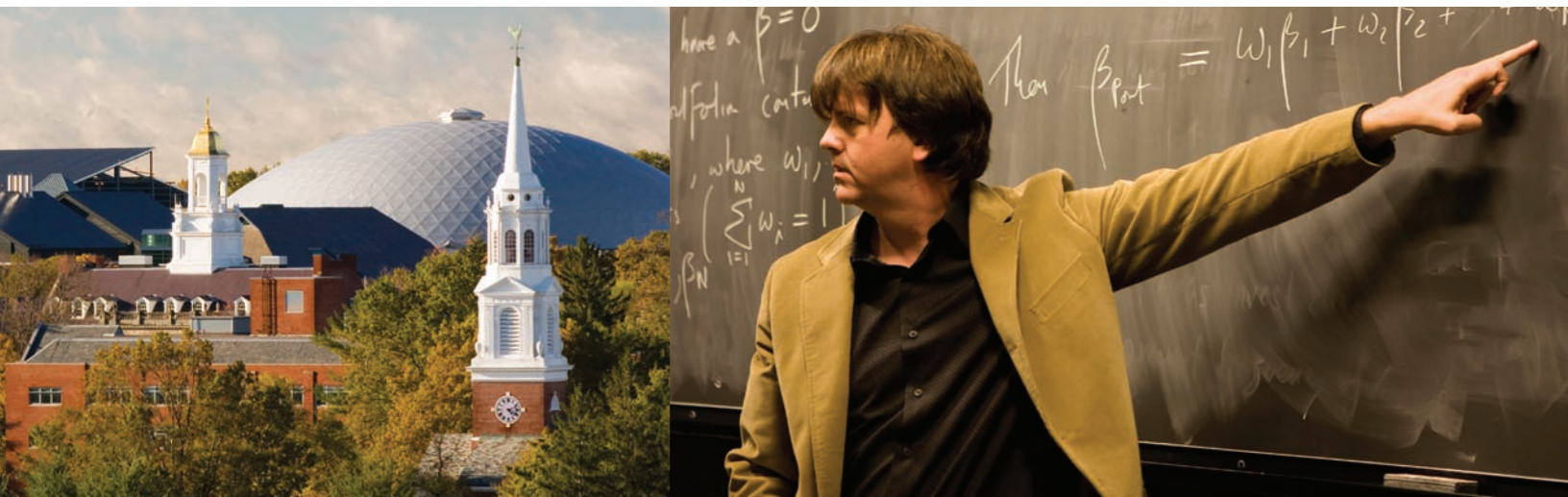


GIVING BACK. MOVING FORWARD.

2011 CAMPAIGN REPORT



campaignforuconn2011report.org



Chairman's Message



Fiscal Year 2011 ended on a positive note with \$50.6 million raised, bringing the *Our University Our Moment* campaign total to \$278 million. Viewed in the context of a slow economy, this success is gratifying—we deeply appreciate the generosity of alumni and friends.

The collective impact of our donors' support is becoming increasingly apparent. For the first time ever, *U.S. News & World Report* ranked the University of Connecticut among the nation's top 20 public universities—a rise from #27 last year to a four-way tie for #19. Private philanthropy helped get us there.

Yet, even as we savor this good news, major challenges lie ahead. Since the end of our fiscal year, economic instability in the world has caused unease, and a weak economy continues to bedevil the nation and the state. Like other public universities, UConn has had to come to grips with a drop in state support—a defining feature of the “new normal.”

Now, more than ever before, building the endowment is essential for UConn's future. Next to other top-20 public institutions, UConn's endowment—\$329 million on June 30th—is anemic. Consider the top three: University of California, Berkeley, \$2.6 billion (June 2010); University of California, Los Angeles, \$1.8 billion (March 2011); University of Virginia \$5.2 billion (May 2011); or an institution tied with UConn for #19, the University of Pittsburgh, \$2 billion (June 2010).

Funds generated by a strong endowment are vital to attracting eminent faculty and high-caliber students—key ranking measures—and providing long-term stability. Because UConn's endowment is far below the level needed to sustain a leading university, President Susan Herbst has set growing the endowment among her highest priorities, with a goal of \$1 billion.

UConn is on the cusp of becoming a truly great public university—private philanthropy has to take us the final distance.

Many thanks for supporting the University of Connecticut.

Sincerely,

Mark R. Shenkman
Chairman, Board of Directors
University of Connecticut Foundation

John K. Martin
President
University of Connecticut Foundation

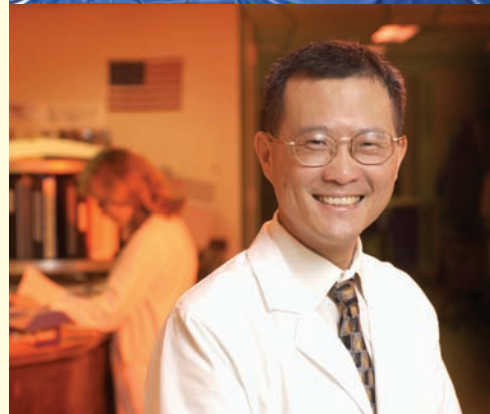


Our University. Our Moment.

Our University. Our Moment. The Campaign for UConn is the largest fundraising campaign in the University's 130-year history. With a goal of raising \$600 million, the campaign will dramatically increase private support for scholarships and fellowships for UConn's students; endowed chairs and research support for faculty; new programmatic improvements on every campus; and countless enhancements across the entire University community. The importance of this campaign cannot be overstated. In order to maintain the University's top 20 public research university status, UConn must dramatically increase its endowment; increase the number of privately funded scholarships, fellowships and chairs; and support the already groundbreaking research conducted here.

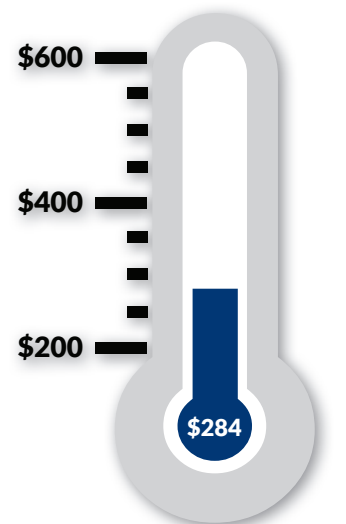
Our University. Our Moment.

THE CAMPAIGN FOR
UConn



The Campaign for UCONN

(Dollars in millions)
as of 09/30/11



campaignforuconn2011report.org

NEW POTENTIAL.

Great things are afoot at UConn: a dynamic leader in President Susan Herbst; new academic buildings; a historic investment in the UConn Health Center through Bioscience Connecticut; a vision for world-class facilities for UConn's student-athletes who inspire and thrill us; and much more. Donors will help shape this future, offering their vision and philanthropic investment in our state's flagship public university.



UConn Health Center's Future: Bioscience Connecticut

The UConn Health Center is an integral part of Bioscience Connecticut, the initiative led by Governor Dannel Malloy to spur the state's economy and create a thriving bioscience sector for sustained economic growth. It is projected to create thousands of short-term construction jobs as well as thousands more long-term jobs in the biosciences, while establishing a vibrant research triangle among the Health Center's Farmington campus, the University's main campus in Storrs and Yale University in New Haven.

The \$864-million plan calls for revitalizing the UConn Health Center's campus, expanding the medical and dental classes, building new business incubators, creating centers of excellence with neighboring institutions and more. Expansion plans include building a new world-class patient tower, an outpatient ambulatory center and parking garages. Existing facilities will undergo major renovation, making room for updated infrastructure, state-of-the-art research laboratories and modern educational spaces. Through Bioscience Connecticut, business incubator space at the University will double.

"Thanks to our dedicated alumni and our many friends who understand UConn's value to the state, we are well-positioned to harness the momentum built in recent years and move UConn to the top."

— University of Connecticut President Susan Herbst

Supporting the Future of UConn Athletic

Serving both the academic and athletic needs of UConn's student-athletes, the Division's roadmap for the future is ambitious and historic. And it can only happen with the type of support that boosted the basketball and football programs to success in the past. Under the direction of the UConn Foundation, fundraising for the Division of Athletics remains a top institutional priority for the University to reach its full potential.

For example, the new Basketball Student-Athletes Development Center, which will house dedicated men's and women's practice courts and other operational areas supporting UConn's basketball programs, will have a profound impact on the University's ability to generate revenue, recruit talented student-athletes, and provide scholarships for deserving young men and women who proudly wear the Husky uniform. Woven into the Division of Athletics's future planning is a dramatic review of facilities for each of its 700 student-athletes, across all sports.

GIVING BACK. MOVING FORWARD.



Student Support

UConn's ultimate legacy is the collective experience of its students. And those experiences are greatly enhanced by donors who make education affordable and achievable. The UConn Foundation raised nearly \$10 million in scholarship and fellowship support this year. Many donors, like President Herbst and the Solys family, give to support a particular passion. Others give because they see firsthand how donors help students like Rebecca D'Angelo '14, who gave back through the Barton Challenge.

Faculty Support

By providing for endowed chairs and research support, donors enable UConn to recruit and retain the very best faculty and graduate students. The groundbreaking work done by faculty like Dr. Bruce Liang, or in the exciting world of regenerative biology, make tomorrow healthier for everyone. Establishing chairs in areas where there's a tradition of excellence at UConn, as Dick DelFavero did with a gift toward agricultural resource economics, also bolsters the University's reputation here and abroad.

Service to Community

As the state's flagship public university, UConn serves communities across Connecticut. That commitment keeps our citizens healthy through care provided at the UConn Health Center; offers hope and inspiration to students in Hartford through Husky Sport; and ensures that learning never ends through programs like the Osher Foundation Center for Lifelong Learning in Waterbury. Donor support makes it all happen.

2011 FINANCIAL PERFORMANCE

The University of Connecticut Foundation, Inc. raised more than \$50 million in philanthropic support during fiscal 2011 as part of *Our University. Our Moment.* The Campaign for UConn. The \$600 million campaign benefits UConn faculty, students and academic programs.

The results come at a time of renewed emphasis on private philanthropy and endowment growth at UConn. Gifts to endowment were \$20.2 million, exceeding the annual goal and representing the second highest amount raised for this purpose since 2001.

The UConn Foundation's endowment net assets now equal \$303.5 million, up \$40.5 million, or 15 percent, over 2010. The Foundation manages both its own and University endowment assets. Total endowment assets managed by the Foundation now stand at \$314.1 million, which is a \$51.1 million, or 19 percent, increase over 2010.

Total Foundation assets equal \$396 million, an increase of \$48 million from 2010.

The financial year-end results signal a continuation of growing private support from alumni, friends, corporations and private foundations. In light of declining state funding and budget cuts due to the challenging economic conditions facing the state and the nation, such support is seen as increasingly vital for the University to maintain the quality of its educational, research and public service programs.

The total amount of new gifts and commitments raised was \$50.6 million (including \$10.5 million in bequests and revocable planned gifts). This represents an increase of 11 percent over 2010, and is the highest total since 2008, reversing a two-year decline attributable to the economic recession. Of these funds, \$9.8 million was raised for the UConn Health Center and

\$10.1 million was raised for the Division of Athletics. The \$50.6 million total raised for the UConn Health Center, the Division of Athletics and all other areas of the University was designated for the following purposes:

- \$5.7 million for faculty support;
- \$9.7 million for scholarships;
- \$30.1 million for academic programs; and
- \$5.1 million for capital improvements.

The number of donor households totaled 28,931, with UConn alumni accounting for nearly 46 percent of the gifts raised. Alumni donated \$23.2 million, parents donated \$1.3 million, other individuals donated \$8.6 million, and corporations, foundations and other organizations gave \$17.5 million. Fifty-three new endowments were established, increasing the total number of endowed funds to 1,406.

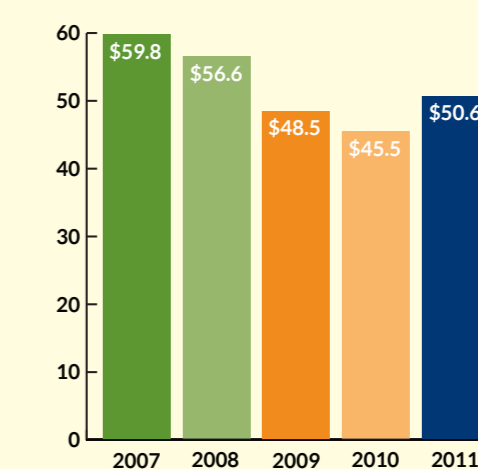
The Office of Annual Giving reported a record \$8.6 million—an 8 percent increase over last year—from more than 24,630 donors to current operating funds.

During fiscal year 2011, the University requested \$26.4 million, spent on scholarships, fellowships and awards (\$11.6 million); faculty and staff (\$8.3 million); programs and research (\$4.2 million); and facilities and equipment (\$2.3 million).

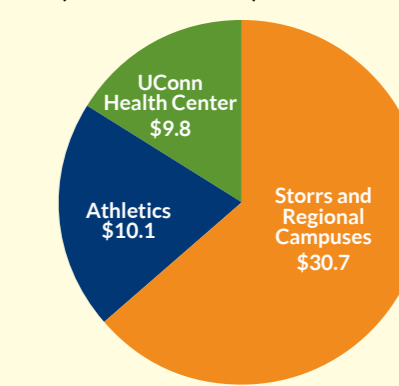
The pooled investment portfolio gained 15.5 percent for the fiscal year driven by global equities (+31 percent), private capital (+21 percent), and real estate (+21 percent). All strategies posted gains for the year: those focused on endowment growth earning 20 percent; investments guarding against inflation were up 6 percent; and those with the objective of reducing volatility gained 4 percent. Global equity markets accelerated more than 24 percent in the first half of the fiscal year and added slightly in the second half as markets started to turn with unrest in the Middle East and North Africa, the Japan earthquake and sovereign debt crises in the U.S. and Europe.

On the back of the global equity run, the policy fund benchmark outperformed the portfolio return. However, when accounting for risk taken, the endowment portfolio was much more effective posting return per the amount of risk taken of 3.6, compared to 2.2 for the benchmark. The Foundation's management of endowment has been focused on maximizing risk adjusted return and protecting the endowment from significant loss. In periods exhibiting sharp upward stock market movements, as was the case in the first half of the fiscal year, the Foundation performance will lag the benchmark. It would be expected the opposite to be true as well: In the summer months of 2011, when equity markets were down in excess of 10 percent, the portfolio was down approximately 3 percent.

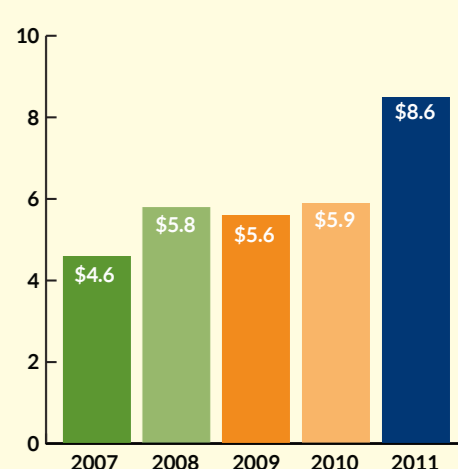
New Gifts and Commitments
(Dollars in millions)



Distribution of New Gifts and Commitments
(Dollars in millions)



Annual Fund Giving
(Dollars in millions)



In FY2010, annual giving counting procedures were changed to reflect industry standards.