

ENDOWMENT REPORT 2021

A glimpse at your impact on
Abilene Christian University



ABILENE
CHRISTIAN
UNIVERSITY



“ACU is a genuine Christian environment where people will embrace you. Through my fraternity, connecting with classmates and leading at Wildcat Week, I’ve found friendships that will last a lifetime. The connections and growth, if you choose it, are amazing.”

ALEX NGUYEN ('23)
Psychology major



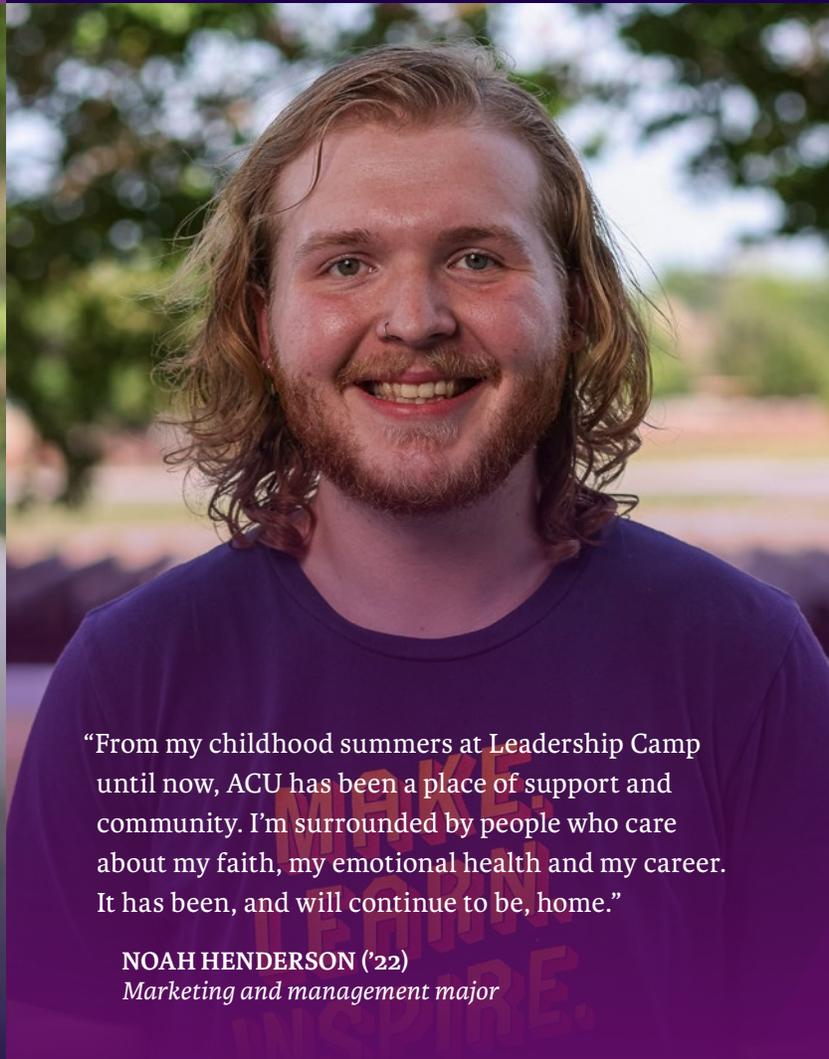
“At ACU, I’ve studied with amazing professors, served others through hands-on fieldwork and advocated for issues I care about at the state legislature. I’ve had experiences I could not get anywhere else, and my scholarships made it possible.”

BROOKLYN BAILEY ('22)
Social work major



“At ACU, I’m surrounded by people committed to growing together in a Christ-centered environment. I found a place where I belong and a safe place to share my story. I serve the Abilene community so I can bless other people the way donors bless me.”

JOCHEBED ODURO ('24)
Biology major



“From my childhood summers at Leadership Camp until now, ACU has been a place of support and community. I’m surrounded by people who care about my faith, my emotional health and my career. It has been, and will continue to be, home.”

NOAH HENDERSON ('22)
Marketing and management major

ENDOWMENT BY THE NUMBERS: FISCAL YEAR **2020**



674 people made
1,642 gifts and pledges to
251 endowment funds.



709 endowments funded
1,404 scholarships.



\$8.9 million was
committed to the endowment.



\$63.9 million has been given
to ACU through estate
gifts since 1982.



204: Operational endowments
supporting faculty, staff,
research, facility maintenance
and athletics equipment.

Wait for it.

That's the key phrase **Dr. Mel Hailey** uses to describe the fruits of ACU's Jack Pope Fellows Program.

The formula seems simple: Prepare students to be Christian-minded public servants, send them out into the world to gain experience and then wait to see what kind of impact they will have.

Graduates have gone on to be judges, lawyers, nonprofit leaders and more. Pope Fellows have gone on to serve in all levels of government, work for the FBI and receive lifetime appointments in the federal judiciary. Thirty-two years after the program began, the results of the program speak for themselves.

When you think of ACU's Pope Fellows Program, two names should come to mind. The first, obviously, is **Judge Jack Pope ('34)**, who served as associate justice on the Texas Supreme Court (1964-83) and as chief justice (1983-85). It was through his vision and urging that the university created a program in 1989 to prepare Christian students for public service.

The other name to know is the man who carried out that vision: Hailey, the longtime chair of the Department of Political Science and Criminal Justice who recently retired from full-time teaching and was the first director of the Pope Fellows Program. Pope himself went out of his way to recognize Hailey's contributions to the program, establishing the Mel Hailey Endowed Fund in 2010.

"Mel Hailey was the perfect person to fulfill Jack Pope's plans to shape students for public service," said Dr. Neal Coates, professor and chair of political science and criminal justice.

Every year, about 12-15 juniors join the Pope Fellows Program. Participants in the two-year program receive scholarships and complete a minor in public service. Throughout their tenure as Pope Fellows, participants from any major learn about public service in the classroom, attend special lectures, gain practical



Dr. Mel Hailey

experience and participate in service activities. The Mel Hailey Endowed Fund helps make all this possible by providing scholarships and internships for Pope Fellows and funding for travel and bringing in special speakers.

Over the years, Pope remained engaged with the program, until his death in 2017 at age 103. A conference room in the Department of Political Science and Criminal Justice is filled with group photos from annual visits the students made with the giant of the Texas judiciary. He wanted to make sure people from ACU had "a seat at the table" at all levels of public service, Hailey said.

"Through the years, Judge Pope was very much a very hands-on person," Hailey said, laughing as he reached for a folder full of letters. "I treasure these letters from him. He was very, very proud of the individuals who went through the program."

It's clear Hailey is, too.

He can rattle off the accolades of Pope Fellows, the positions they've held, the swearing-in ceremonies he's attended. Each represents another Christian servant leader making a real difference in the world.

"More and more you hear people complaining about public officials," Hailey said. "Well, do something about it. Put good Christian men and women in places where they are making and shaping public policy. That's the message we give to Jack Pope Fellows."

It takes time for these graduates to gain experience and advance in the world of public service. But thanks to the vision and commitment of people like Pope and Hailey and with the continued support of the Mel Hailey Endowed Fund, more are added to the ranks with each talented class of Pope Fellows.

After 32 years and countless success stories, the wait is clearly over.

Evan Babb's work in ACU's Nuclear Energy eXperimental Testing (NEXT) Lab may have started as just a summer job, but it quickly turned into a passion that is shaping his time in college as well as his plans after graduation.

The junior from Lubbock, Texas, arrived at ACU as a biology major with the thought of one day becoming a dentist or oral surgeon. But a positive experience working in a laboratory during his freshman year refocused his attention toward research.

His interest in research and alternative forms of energy drew him to the NEXT Lab – which is studying molten salt reactor technology with the promise of producing safer, cleaner nuclear power, abundant drinking water and medical isotopes.

“NEXT Lab is producing something that I think is the future of renewable energy and can offer a lot of great benefits for us,” he said.

Babb's work in the NEXT Lab, which involves researching ways to analyze the contents of the molten salt reactor in real time, inspired him to pursue a chemistry major on top of biology. And because a biochemistry major only requires a few extra classes in addition to what he will already be taking, he'll triple major in the sciences.

He knows the opportunities offered to him at ACU through the NEXT Lab are unlike any he could find at most other colleges as an undergraduate. And he appreciates the opportunity to participate in groundbreaking research and help solve real-world problems.

Beyond the triple major, more schooling likely lies in Babb's future. He plans to pursue a Ph.D. in nuclear chemistry so he can continue the type of research being done in the NEXT Lab.

Babb's interests extend beyond the laboratory. He's involved with ACU's chapter of International Justice Mission. And he co-hosts a devotional service every week



Evan Babb

in the Chapel on the Hill, where attendees gather to sing on Sunday nights.

He is also a peer leader this fall for a freshman Cornerstone class, which will give him a platform to offer advice and support to freshmen becoming acclimated to life at ACU. Being the oldest of six siblings prepared him for the role.

“I have a lot of experience mentoring my siblings. I'd like the opportunity to do that for other people,” he said. “I'm excited to be able to talk to them about what I know from my college experience and help them out in any way that I can.”

He's a recipient of the Todd and Shirley Barfield Endowed Scholarship, which was established in 1991 and goes annually to outstanding students majoring in biology, chemistry, physics, computer science or mathematics.

Shirley (Sandusky '53) Barfield said her husband, **Todd, M.D. ('52)**, who was an ophthalmologist surgeon for 31 years and passed away in 2017, “loved every minute of his work” and wanted to make it possible for students to pursue their dreams in the sciences.

“Abilene Christian did so much for us, and we wanted to pay it forward to the next generation,” she said.

That's exactly what they've done for Babb, who said scholarships such as the one endowed by the Barfields are the reasons he's able to attend ACU.

“Scholarships give me the opportunity that allows me to do something I'm passionate about and something I want to pursue in the future,” Babb said.

He's especially appreciative of the chance he's been given.

“I recognize that when I'm given a scholarship, I'm being given an opportunity that another person doesn't have, and I take that very seriously,” he said. “I intend to make full use of it in every possible way.”



WHAT IS THE ENDOWMENT?

Endowment gifts and the support they provide make an extraordinary difference in defining the strengths, quality and success of Abilene Christian University. The endowment provides the second-largest revenue stream for ACU, accounting for 17% of annual income in a typical year.

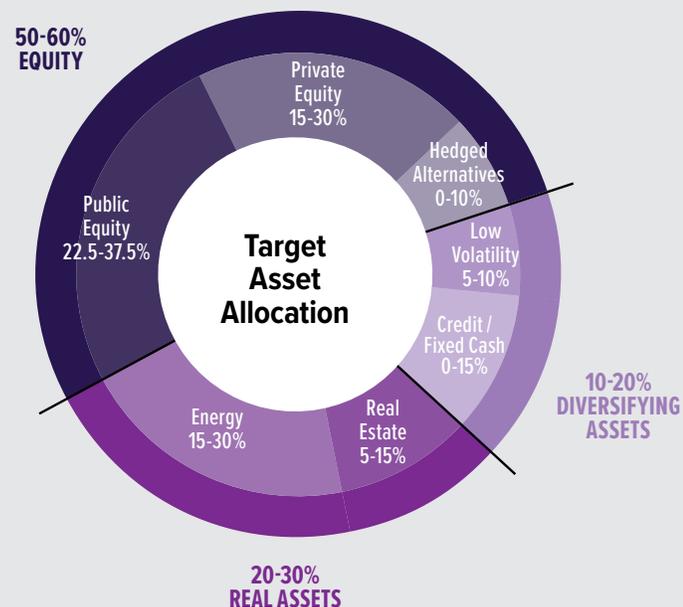
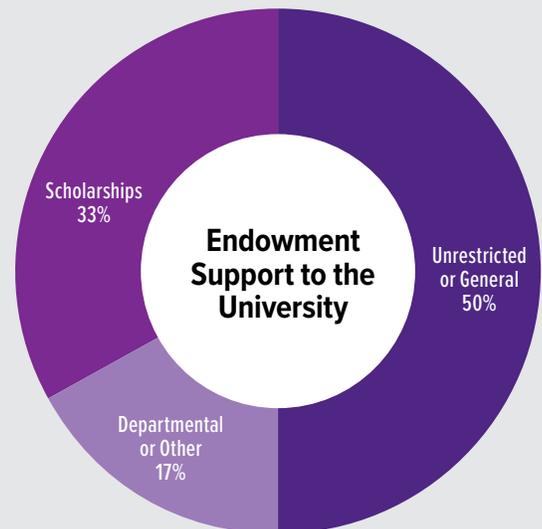
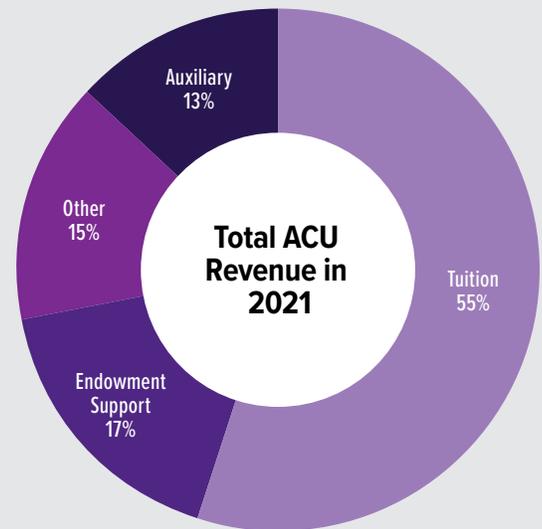
An endowment is a fund intended to benefit the university every year in perpetuity. Unlike current-use gifts, which are spent completely for immediate needs, endowed funds are invested for long-term growth and a portion of the return on those investments is spent each year.

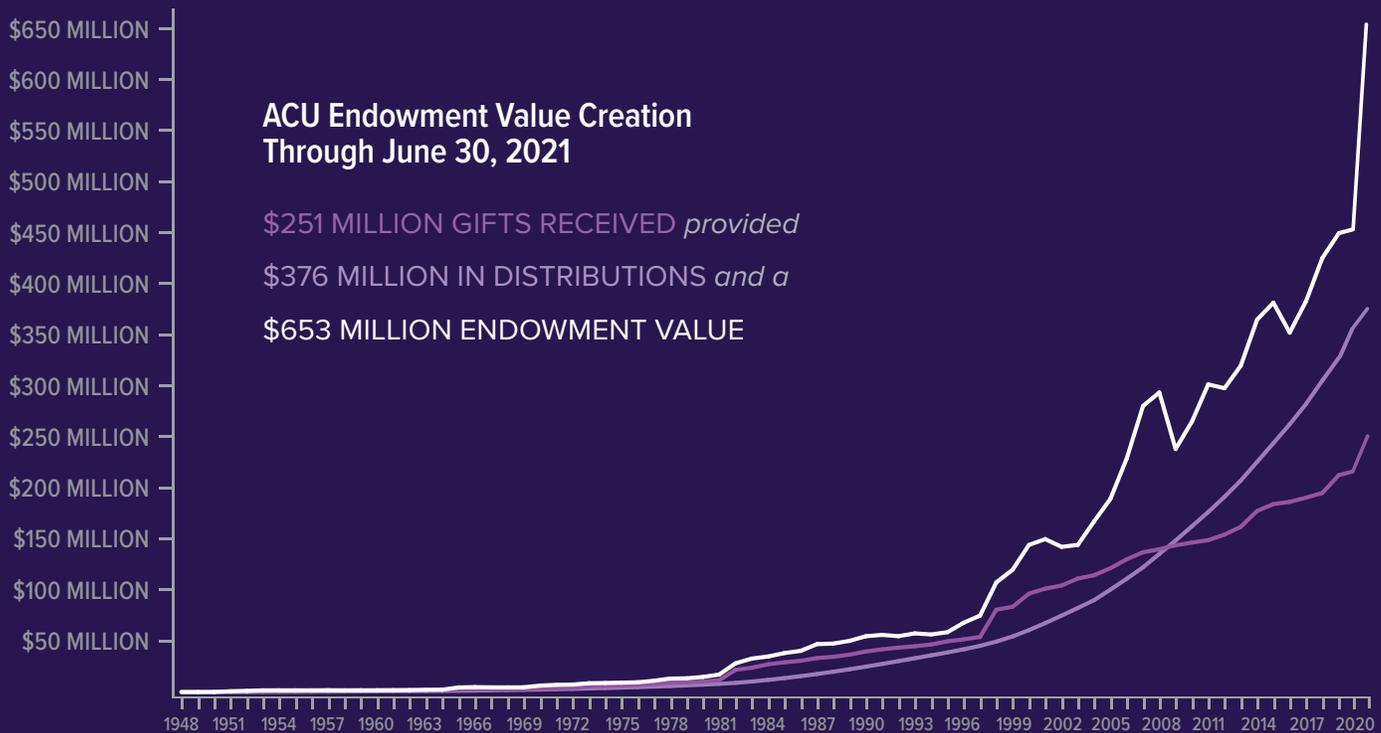
At ACU, our target distribution is 4.5% per year. The most flexible endowment gifts are unrestricted, allowing the university to use resources where they are most needed. Endowment funds cannot be redirected to purposes contrary to donor instructions. For example, a donor's gift restricted to supporting a scholarship cannot be repurposed to support departments. All such gifts honor in perpetuity the donor, the institution and those students and families who benefit from the support endowments make possible.

The university's endowment is a collection of more than 1,000 individual funds invested for the long term. Most of the funds have their own sets of restrictions and guidelines as to how they may be used. Some of these endowment gifts are more than 67 years old and reflect a donor's wishes based on what was known or expected at the time of the gift.

INVESTMENT PHILOSOPHY AND POLICIES

Endowment investment policies are designed to maximize long-term results at an acceptable level of investment risk. Endowed gifts are invested in ACU's pooled endowment, a globally diversified portfolio of assets including publicly traded stocks and bonds, hedged strategies, private equities, real estate and natural resources. The endowment's target asset allocation – the percent exposure to each asset class – is shown as of June 30, 2021.





PERFORMANCE SUMMARY

The diversified nature of ACU’s endowment has helped protect returns in a market environment that, during the past decade, has been characterized by significant volatility. Throughout this 10-year period, the endowment has produced an annualized return of 11.1% compared to the benchmark return of 7.7% annually.

Each year since 2006, ACU’s returns for 10-year periods consistently ranked in the top 10% of all university endowment returns.

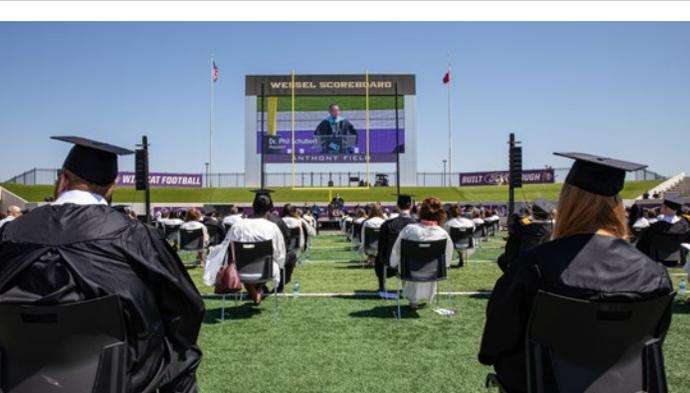
TYPES OF ENDOWMENT FUNDS

- **Unrestricted endowments** support the general purposes of the university.
- **Student scholarship endowments** strengthen our ability to attract and retain the most talented students, regardless of their ability to pay. Endowed financial support enables ACU to attract and educate one of the most diverse and selective student bodies among our peers.
- **Endowed chairs, professorships and fellowships** are a powerful vehicle to recognize and invest in groundbreaking research, exemplary teaching and faculty leadership, as well as recruit and retain pre-eminent scholars.
- **ACU’s departments, centers and programs** (including ACU Athletics) foster environments encouraging new areas for interdisciplinary thinking and collaboration, and advance innovative research and teaching. Endowed program funds provide ongoing support allowing faculty and staff, across a range of disciplines, to combine their unique expertise to tackle some of the world’s most pressing challenges.

Performance as of June 30, 2021

	ACU	Benchmark*
3 year	17.6%	11.7%
5 year	16.4%	11.0%
10 year	11.1%	7.7%
5 year Stdev	12.1%	12.6%
5 year Sharpe	1.3	0.8

* 70% MSCI All Country World Index / 30% Barclays Global Aggregate Bond Index



GOVERNANCE

The Abilene Christian Investment Management Company (ACIMCO) is a wholly owned subsidiary of Abilene Christian University. ACIMCO is governed by a board consisting of current and former ACU trustees, the president of the university and independent members.

- President, Chief Investment Officer – Jack Rich ('76), CFA, CPA
- Senior Vice President, Chief Operating Officer – Kent Rideout ('80), CPA **ACIMCO**

ACIMCO Board

- Rick Wessel ('81) – Chair, ACU trustee, public company CEO
- Todd Miller ('62) – Vice chair, former ACU trustee, real estate private equity partner
- Mark Anthony ('86) – Investor
- Mike Calvert ('67) – Former ACU trustee, business owner
- Kyle Hammond ('83) – ACU trustee, energy executive
- Eric Oliver ('81) – Hedge fund manager
- Kline Oliver – Hedge fund manager
- Scott Orr ('84) – Investment and governmental relations executive
- Danny Phillips ('81) – Former ACU trustee, investor
- Jim Porter – ACU trustee, venture capital
- Mark Rich ('05) – Foundation investment director
- Doug Robison – Energy executive
- Dr. Phil Schubert ('91) – ACU president



ABILENE CHRISTIAN UNIVERSITY

To make a gift or for information on donating stocks and bonds, visit acu.edu/give

To learn more about the endowment and how to make a gift, please contact the **OFFICE OF ADVANCEMENT**
ACU Box 29134, Abilene, Texas 79601-9134
325-674-2659

To learn how you can support ACU through endowment funds in your planned giving, contact **THE ACU FOUNDATION**
ACU Box 29200, Abilene, Texas 79699-9200
325-674-2508