

PHILLIPS EXETER ACADEMY

Endowment Report



2020

When John and Elizabeth Phillips founded Phillips Exeter Academy in 1781, they did so with the understanding that “the time of youth is the important period” and established that the “disposition of the minds and morals of the youth ... will exceed every other care” at the school. Educating students in “goodness and knowledge” became paramount, and the Phillipses contributed their land and financial resources to make it all possible. Today, with a market value of \$1.3 billion (as of June 30, 2020), Exeter’s endowment upholds our founders’ vision and extends it into the future.



Kathryn Gabriella “KG” Buckham-White ’22

Recipient of the Robert Saltonstall Memorial Scholarship, one of 517 endowed financial aid funds providing critical support for qualified students.



A year before Kathryn Gabriella “KG” Buckham-White ’22 applied to Exeter, she and her family traveled from their hometown in Atlanta to visit campus. “We sat in on Mr. [Russell] Weatherspoon’s existentialism class,” the upper recalls. “I just felt so engaged. I loved the way Harkness encouraged conversation-based learning. From that moment on I said, ‘I’m coming here.’”

Buckham-White’s parents were supportive of their daughter’s academic dream but were concerned they could not afford a boarding school tuition. Undeterred, Buckham-White applied and her efforts were rewarded with a scholarship. “When we opened the acceptance letter, [my parents] were shocked to see our grant,” Buckham-White remembers. “Exeter’s financial aid program has been a blessing,” she says. “That’s why I work so hard in my

classes and strive to get the grades I do. I just want to make sure that I’m fully taking advantage of my opportunity. I’m so thankful.”

Buckham-White has been able to explore her different interests at Exeter “almost boundlessly,” she says. She is an active member of the Exeter Student Service Organization, a vocalist in the all-female a cappella group Sans Hommes, and a varsity athlete.

“KG makes everything look easy, but I know that’s because she is quietly working very hard behind the scenes,” says Science Instructor Jeanette Saraidaridis Lovett. “She is a model Exonian: hardworking, caring and inclusive.” Girls volleyball coach and Physical Education Instructor Bruce Shang agrees. “KG was just named a captain of the team as an upper, which is very rare,” he says. “It is because she has demonstrated great leadership on and off the court.”

In Lamont Hall, where Buckham-White is a proctor, she is known for her ever-present smile more than her spikes. “Her dormmates uniformly praise her for her kindness and unanimously supported her proctor application,” Lovett says. Buckham-White finds the proctor role one of her most rewarding on campus: “It’s important for me to connect with the younger students, make sure they’re doing okay, offer homework help and offer personal help.”

“

I have been put in a position to succeed. All of the values that have been instilled in me as an Exeter student — non sibi, independent and critical thinking, collaboration — have served me well and I’ve done so much maturing since coming here. I’ve changed in how I operate as a student, as a person, as an athlete.”



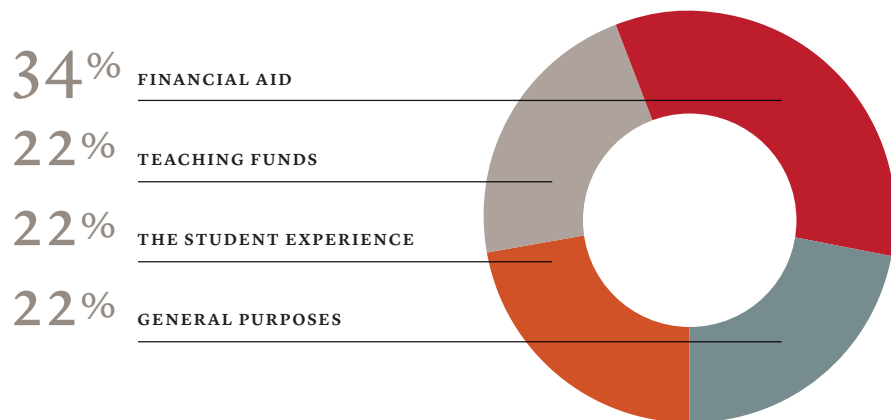
Academically, she has challenged herself as well. A French student since seventh grade, Buckham-White is now conversationally fluent — a point of pride, as her goal is to live and work abroad. In math, she has learned to be a more independent thinker, and she names *Faith and Doubt* as one of her most transformative courses: “It’s just been eye-opening to take a religion class in which every kind of perspective is appreciated and discussed in a healthy way.”

In the end, she says, “The real thing that I’ll take away from Exeter is confidence with myself and who I am as a person. I have found my voice here. I know that my time here is one of the most, if not the most, valuable experiences I will ever have in my life.”

Financial aid accounts for the single largest designated use of endowment income (34%); hundreds of funds support student grants for tuition, room and board, and other expenses that provide a full, equitable experience for every student. It is a fundamental resource for making Exeter accessible to “youth of requisite qualifications from every quarter.”

The remainder of the endowment is designated in roughly equal portions for teaching funds (compensation and professional development); programs supporting the student experience (residential life, student wellness, academic support, experiential learning); and general use. The latter purpose is designed to offer some flexibility in spending, allowing the Academy to continually improve and maintain its margin of excellence.

Endowment by Purpose Restriction



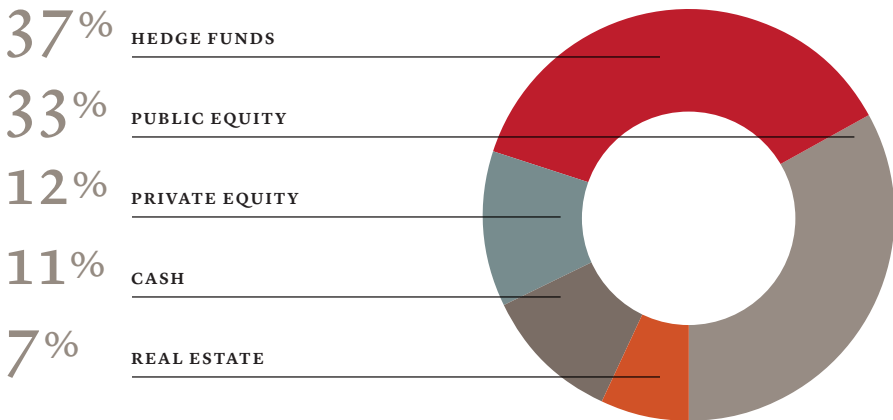


Collectively, the endowment's 1,464 individual funds reflect a 240-year tradition of philanthropy sustained through careful management and the unwavering generosity of alumni, family and friends.

Investment Management

The endowment is managed with two goals in mind: to provide consistent support for Exeter's annual operations and to maintain the purchasing power of endowment gifts in perpetuity. To achieve this over time, Exeter has selected a team of outstanding investment managers focused on long-term return generation. The portfolio is diversified across asset classes and investment strategies. As a result, investment performance is expected to lag in periods of rising equity markets and outperform in periods of declining equity markets.

Endowment Asset Allocation as of June 30, 2020





“*Exeter’s endowment represents a substantial investment in and commitment to sustaining the academic excellence that is the hallmark of an Exeter education. John and Elizabeth Phillips’ foresight in establishing the Academy and laying the groundwork for its continued financial stability is something that the Investment Committee and I are proud and honored to help carry forward for future generations of Exonians.*”

— SUZI KWON COHEN ’88, CHAIR

Investment Committee and Staff

Exeter’s Investment Committee comprises current and former trustees as well as non-trustee alumni, all of whom serve as experts in a voluntary capacity. The committee partners with the school’s internal investment staff to oversee the endowment.

INVESTMENT COMMITTEE MEMBERS

<i>Suzi Kwon Cohen ’88, Chair</i>	<i>Walter C. Donovan ’81</i>	<i>Cia Buckley Marakovits ’83</i>
<i>K. Tucker Andersen ’59</i>	<i>Geetanjali Gupta ’96</i>	<i>P. Andrews McLane ’65</i>
<i>Meredith Landers Barth ’93</i>	<i>Scott S.W. Hahn ’90</i>	<i>Katharine Procter ’88</i>
<i>Brad Briner ’95</i>	<i>Eiichiro Kuwana ’82</i>	<i>Richard L. Smith ’66</i>
<i>Wole C. Coaxum ’88</i>		<i>Morgan C.W. Sze ’83</i>

INVESTMENT OFFICE

Justin J. S. Merrill, director of investments
Zachary M. Gaucher, senior investment analyst
Sara B. Urbano, senior financial analyst

Performance

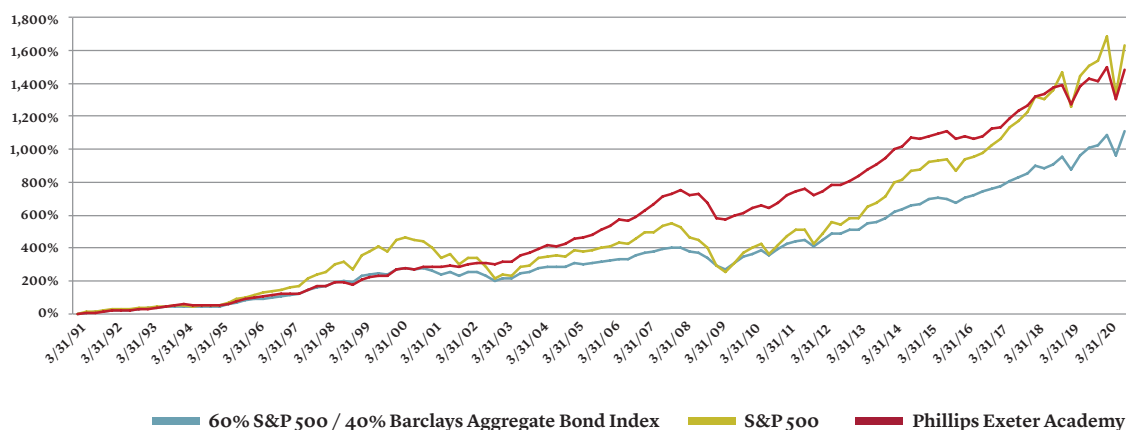
The Exeter endowment has generated strong long-term returns while taking an appropriate amount of risk. Despite the pandemic and the market volatility that defined 2020, the endowment returned 3.5% for the year ending June 30, registering a top-quartile performance among the Cambridge Associates Endowment and Foundation universe.

Performance Summary as of June 30, 2020

	1 YEAR	3 YEARS	5 YEARS	10 YEARS	20 YEARS
ENDOWMENT RETURN	3.5%	5.8%	5.6%	7.9%	7.5%
CA E&F MEDIAN	1.2%	4.7%	4.8%	7.0%	5.6%
60% MSCI ACWI/ 40% BARCLAYS AGGREGATE	5.6%	6.5%	6.2%	7.6%	5.3%

CA E&F Median = Cambridge Associates Endowment and Foundation universe

Cumulative Return Comparison: January 1, 1991 - June 30, 2020



Endowment Spending

Exeter's endowment spending policy is designed to maintain purchasing power over the long run and to provide relatively consistent support to the Academy's annual operating budget. Last year, endowment income funded more than half of the school's operating expenses.

The amount of the endowment spent in any one year is based 80% on the prior year's spending (increased by inflation) and 20% on the market value of the endowment (as determined by a four-quarter trailing average), multiplied by Exeter's endowment draw rate of 5%. Since it is only partially based on the current market value of the endowment, this spending policy helps shield the operating budget from short-term market volatility.

Community-driven Mission

A strong belief in the potential of youth and the lasting influence of education compelled John and Elizabeth Phillips to make their first gifts to the Academy. Over the years, Exeter alumni, families and friends have upheld and nurtured this vision for the school through their own extraordinary loyalty and philanthropic support.

Exeter's mission today to "unite goodness and knowledge and inspire youth from every quarter to lead purposeful lives" is a modern expression of the timeless values on which this school was founded. It will continue to guide the school in preparing our students to become global citizens, innovative thinkers and engaged community leaders.

Principal William Rawson '71; P'08 has said, "We are not special simply because we are here. But because we are here, we have the opportunity to accomplish special things together." A gift to the Academy's endowment directly impacts the ability of every student to seize that opportunity, now and in the future.

If you are interested in learning more about how to support Exeter's endowment, please contact Chuck Ramsay, director of principal and major gifts: 603-777-3482 or cramsay@exeter.edu.

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