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INVESTMENT NEWS

The final quarter of 2008 saw a continuation of the global, cross-market crisis that has distinguished the year as one of the worst—if not the worst—in modern financial history. Unlike previous crises, this one left no place to run or hide. Stocks, bonds, hedge funds, commodities, private equity—all were affected.

The year included record volatility, falling prices, the shriveling of credit markets and the end of a number of legendary financial institutions. To top it off, as December unfolded, it was revealed that a single individual made off with \$50 billion in investor assets, proving for many that there is no situation so bad that it can't get worse.

The UMF General Fund participated in the general market downtrend losing -14.48% for the quarter. The fund's top performing managers were the three managers who practice a "hedged" investment strategy. These managers earned only slightly negative

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SPIFFY reaches out to Maine School Children



Top: Investment card for students

Bottom: SPIFFY students in the classroom

SPIFFY (the Student Portfolio Investment Fund of the University of Maine Foundation) was established in 1993 with an original investment of \$200,000 and has been autonomously managed by students. Since then the total value of the fund has increased to \$1.1 million. In addition to making value-focused investments for the Foundation, SPIFFY has been spreading

“Overall, the reception has been terrific and we feel that we are planting an important seed in the minds of the students.”

A SPIFFY student presenter

financial literacy to middle schools throughout the state of Maine thanks to grants awarded to the University of Maine Foundation from Citi Foundation.

For the past two years, a group of SPIFFY students has visited schools talking to 7th and 8th graders about the stock market, the importance of saving, the concept of compounding interest and the basics of finance. In conjunction with the program, SPIFFY students prepare a PowerPoint presentation and do a “Do you Know Finance” quiz. They have also produced a colorful laminated “investing” card that they hand out to each of the participants. The children ask sound questions at the end and most principals have extended an invitation for SPIFFY to return.



Mark W. Anderson is coordinator of the Ecology and Environmental Sciences program and senior instructor in the School of Economics at the University of Maine.

Giving is About Transformation *By Mark W. Anderson '80G*

When I arrived at UMaine in August, 1978, I certainly did not think I would be here 31 years later. But there is a quiet infection about this place, one rooted in people, people who gave to the university both with their work and their financial resources. I had the privilege to work with some of the best of those people.

Geddes Simpson, entomologist and editor, carried on the academic tradition of Edith Patch and was one of the longest serving employees in UMaine history. Dave Smith, historian whose work blazed the way for this to become a place for serious intellectual work, infected everyone around him with the joy of learning. George Dow, Experiment Station Director from 1957 to 1969, oversaw the foundation of modern science in natural resources research. Wally Dunham, dean and director, was a true agent of positive change in challenging times (but aren't they all?). Kevin Boyle, County boy and UMaine graduate, became a world-class social scientist working as a faculty member at UMaine.

What distinguishes each of these people is that they believe so much in the power of this institution to change

lives that they gave it not only their best work, but also their financial support. Each of them shows us the way.

They all saw it happen in their work here—the transformative power of the university for young people. I too am witness to this process and I want to tell you a short tale of two classes. I have the privilege every year to teach NFA 117, an introduction to academics and college life. In my section I get to meet all the new Ecology and Environmental Sciences students who have chosen UMaine for their education. In this class, we help students make the leap from high school to university. We get to see where students start their college careers.

Four years later (OK, sometimes five years later) I get to see some of the same students in EES 489, the capstone class for students in Ecology and Environmental Sciences. I see in this second class the transformation that has occurred during a college education. That transformation is often startling. The unsure and searching high school graduates have become bright, inquisitive and confident young professionals ready to make their mark in the world and do great things.

So for me, giving is about this transformation. I am inspired by those who came before, believed in what they saw and knew that it would be important to support those students who would be coming in the future, those who would become the future.

My wife Lorraine and I want to be part of that legacy too and that is why we support the University of Maine through the Foundation.

NEWS BRIEFS

◆ Five Outstanding Alumni to be Honored at 75th Anniversary Dinner

Five outstanding alumni, representing the five degree-granting colleges at the University of Maine, have been chosen by a selection committee chaired by former Foundation board chair Robert W. Daigle. Announcement and presentation of the honorees will be made at the Foundation's 75th Anniversary reception and dinner on June 9, 2009, exactly 75 years after the Foundation was incorporated. The alumni were chosen for their outstanding contributions to their profession and to their community. Each of the alumni selected benefited from some form of

scholarship assistance while attending the University of Maine and has not previously been recognized by the Alumni Association, the Foundation or the University of Maine.

◆ Boyson Recognized by *Barrons*

Michael A. Boyson of Smith Barney in Portland, fund advisor to the University of Maine Foundation, has been recognized by *Barron's* financial magazine as the number one fund advisor in the state of Maine and one of the top 1,000 advisors in the country. These rankings are based on the methodology and criteria of independent research organization Barron's Winner Circle.

Giving Back — Thanks in Return



The Office of Student Financial Aid and the University of Maine Foundation encourage student scholarship recipients to thank benefactors for their generosity. The quotes below are typical of the heartfelt appreciation that students feel when they receive scholarship assistance.

“I am so grateful for the scholarship you awarded me. The money has gone to pay for my last semester of classes. I feel so honored and lucky for this opportunity and greatly appreciate what you have done.”

“This scholarship is of immense value to me. The idea of being engrossed in so much debt for my education seems daunting at times, especially in these economic times. I am grateful for the gracious and compassionate support you have shown me.”

“Thank you so much for your contribution in helping me achieve my goals. This semester has really renewed my dreams for the future, and it would not have been made possible without your generosity.”

FEATURED NEW FUND



Todd Mills, Bank of America and Amos Orcutt, University of Maine Foundation

Bank of America Scholarship Fund

The Bank of America Scholarship Fund was established at the University of Maine Foundation in 2008 with a gift from Bank of America. Committed to creating positive change in Maine through its philanthropic efforts, Bank of

America established this fund in order to create opportunities for Maine students.

Scholarship aid is awarded to deserving undergraduate students attending the University of Maine who are graduates of Maine high schools, remain in good academic standing, have demonstrated financial need and plan to pursue a degree in the Maine Business School. Preference is given to first generation college students.

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returns (-0.52%, -4.16% and -5.16%) while those managers that focused primarily on equities suffered the greatest losses. The fund avoided any exposure to the various fraudulent schemes reported in the financial press during the quarter. All fund investments are carefully scrutinized before being considered for possible funding. This screening process proved invaluable in this recent market environment.

While the difficulties of the last quarter of 2008 have placed the fiscal year return in a strongly negative position (-26.42% fiscal year to date) thus far this year, the fund continues to invest in an opportunistic manner, taking advantage of short-term dislocations and historically cheap valuations to position the fund for both recovery and long-term profitability. A tremendous shock has been delivered to the global financial system but such an event creates favorable circumstances for the implementation of a patient, prudent investment strategy. We are planting the seeds of the next advance now.

Senior Alumni Honor Recipients of Non-Traditional Student Scholarship



On April 19, 2009, the University of Maine Senior Alumni honored the recipients of the Donald V. Taverner '43 Non-Traditional Student Scholarship at Buchanan Alumni House. Every year, the Senior Alumni work to raise funds for their endowment held by the University of Maine Foundation. The scholarships are awarded to deserving students, many of whom are not typical college-aged students.

Senior Alumni honored recipients of the Donald V. Taverner '43 Non-Traditional Student Scholarship Fund. Scholarship recipient, Sarah Lingley, Civil Engineering major, with Dick Noyes '51.

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