

Through The Second Century Campaign, the University will strengthen its position among national universities by dramatically increasing resources and endowment to support student quality, faculty and academic excellence and SMU's campus experience. SMU is defining a second century of achievement. Unlimited. Unstoppable. Unbridled.

**FISCAL YEAR 2008–09 WILL BE REMEMBERED AT SMU AS BOTH
A TIME OF GREAT PROGRESS AND A PERIOD WHEN THE**

University confronted the challenges brought about by the worst international economic downturn in 60 years.

Thanks to the prudent financial management of SMU's endowment, as well as the inspiring support of alumni, family and friends, SMU continues to move ahead on our goals – improving student quality, supporting faculty and academic achievement and enhancing the campus experience.

Although the SMU endowment decreased in market value during the year, it is a point of pride that the University has not suffered losses as great as those at a number of other universities and colleges.

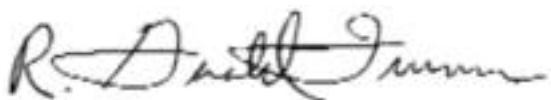
In this report, you will read about examples of the many ways the endowment helps to sustain essential University priorities. In 2008–09, endowment income provided support for student scholarships, faculty research, academic programs and other activities and initiatives for students that are critical parts of the SMU experience.

You also will have the opportunity to review the first financial report on the endowment compiled by Michael A. Condon, who became the University's treasurer and chief investment officer in December 2008. Mike comes to SMU with broad experience in higher education investment management, particularly with sophisticated institutional portfolios. His leadership will ensure that SMU continues the strong stewardship of significant new gifts to our endowment.

I am deeply grateful that we kicked off the public phase of The Second Century Campaign last year because it gave us an offense to help the institution push through these challenging times. We will continue to move forward confidently, thanks in large part to those of you who have led the way by establishing new endowments and supporting our efforts to secure a bright future for the University.

You share the spirit of SMU's founders who envisioned a great University on the Texas prairie almost 100 years ago. Your contributions provide important opportunities for students and faculty to excel in the classroom, library, laboratory and on the athletic field.

Working together, we are certain to achieve our goals. Thank you for your crucial support!



R. Gerald Turner
SMU President

Thanks to the prudent financial management of SMU's endowment, as well as the inspiring support of alumni, family and friends, SMU continues to move ahead on all fronts.

– R. Gerald Turner
SMU President



STUDENT QUALITY

Supporting Graduate Research

The Dr. John H. Hicks Memorial Endowed Scholarship Fund provides support for a Perkins School of Theology graduate student conducting research in archaeology or the Old Testament, and includes money for travel. Awarded every three years, the scholarship was named in honor of John Hicks, a minister and SMU Old Testament professor from 1922 to 1957. The scholarship recipient for 2009–10 is Rachel Lamb '07, who is using the award for travel to Israel to study biblical hermeneutics and exegesis from a Palestinian Christian perspective.

A talented student body is a defining feature of a great university. SMU has proven that investing in scholarships has a measurable impact on student quality. As the University has increased scholarship support over the past decade, the average SAT score for entering students has risen 97 points.

The SMU endowment supports a range of both undergraduate and graduate scholarships. These include the University's new school-based academic excellence scholarships for undergraduates – the Edwin L. Cox BBA Scholars in Cox School of Business, the Meadows Scholars in Meadows School of the Arts, the Dedman College Scholars, inaugurated in fall 2009, and the emerging Lyle Scholars in Lyle School of Engineering – among many others. Scholarships also are provided through the University's annual scholarship fund.

SMU's ability to offer scholarship support is important during the best economic times. But providing scholarships is even more crucial as families continue to be affected by the economic downturn. SMU remains committed to ensuring that financial concerns are not an impediment keeping the best students from attending the University.

Honoring the Past, Ensuring a Bright Future

"You can't create a scenario with more wins than this one," says Frank M. Roby '74, explaining the reasons why he and his wife, the Rev. Linda Smith Roby '72, '00, decided to create the Max Roby Memorial Meadows Scholars Endowment Fund.

The fund, which provides scholarship support for a student in Meadows School of the Arts majoring in journalism, honors Mr. Roby's father, Max Roby, a pioneer in television news who served as both a reporter and an anchor during a career that spanned four decades.

The endowment supports one of 11 Meadows Scholarships awarded in 2008–09, the program's inaugural year. Scholarship offerings such as these are key components of SMU's successful initiative to improve student quality.

Frank Roby described the endowment as a way to honor his father's contributions and to recognize the work of an earlier

generation of journalists who laid a foundation for those who would come later.

He also called the endowment a way to express appreciation "for a great education that positioned me for my career."

"It's a win for the University, which gets stronger through the contribution and perhaps encourages others to give," he adds. "And of course it's a win for the student who receives the support."

To be eligible for a Meadows Scholarship, students must have a combined SAT score (math and critical reading) of at least 1350 and a minimum high school GPA of 3.5. Most students selected as Meadows Scholars far exceeded the minimum requirements, according to José Antonio Bowen, dean of Meadows School of the Arts.

The Roby scholarship's first recipient is Amanda Oldham '12 of Trophy Club, Texas. She is pursuing a double major in journalism and English.





Amanda Oldham '12
Max Roby Memorial Meadows Scholar
Meadows School of the Arts

FACULTY AND ACADEMIC EXCELLENCE

Supporting Faculty Experts

Daniel W. Shuman, who holds the M.D. Anderson Foundation Endowed Professorship in Health Law in Dedman School of Law, has been recognized widely for his contributions to mental health law and forensic practice. Shuman, who was appointed to the chair in 2006, is the author or co-author of 13 books and more than 60 articles and book chapters. He received the 2006–07 Exemplary Non-Judicial Faculty Award from the Texas Center for the Judiciary, the primary provider of specialized judicial education and training opportunities for Texas appellate, district and county court at law judges. His book, *Psychiatric and Psychological Evidence*, originally published in 1986 and now in its third edition, earned the American Psychiatric Association's Manfred S. Guttmacher Award. A former assistant attorney general for the state of Arizona, Shuman joined the SMU faculty in 1977.

The creation of new knowledge is central to the mission of a great university. In 2008–09, the SMU endowment continued to provide support for faculty engaged in groundbreaking research and scholarship. That included research with an emphasis on issues that present significant challenges to society, such as energy, the environment, globalization and political economy, as well as ways to employ evolving technology to fight and prevent disease.

The endowment also made possible a number of new faculty appointments, including nationally recognized experts such as Maj. Gen. Jeffrey W. Talley of the U.S. Army Reserve, lauded for his work “engineering the peace” in Baghdad. Talley joined Lyle School of Engineering as chair of the Department of Environmental and Civil Engineering and Bobby B. Lyle Endowed Professor of Leadership and Global Entrepreneurship.

Current members of the SMU faculty also were recognized by national organizations, including the American Academy of Arts and Sciences and the National Science Foundation, for significant contributions to their fields.

Endowing Discovery

In spring 2009 anthropology chair David J. Meltzer was elected to the prestigious National Academy of Sciences (NAS) for his pioneering research on the origins, antiquity and adaptations of the first Americans – Paleoindians – who colonized the North American continent following the Ice Age.

Meltzer, the third SMU professor so honored, credits the endowed QUEST Archaeological Research Fund, which has been supporting his research since 1996, with making his work possible. He has written two books under QUEST auspices.

“The QUEST endowment changed my professional life,” says Meltzer. “It was an endowment for research, and with the financial freedom it provided I had the opportunity to pursue a major archaeological project.

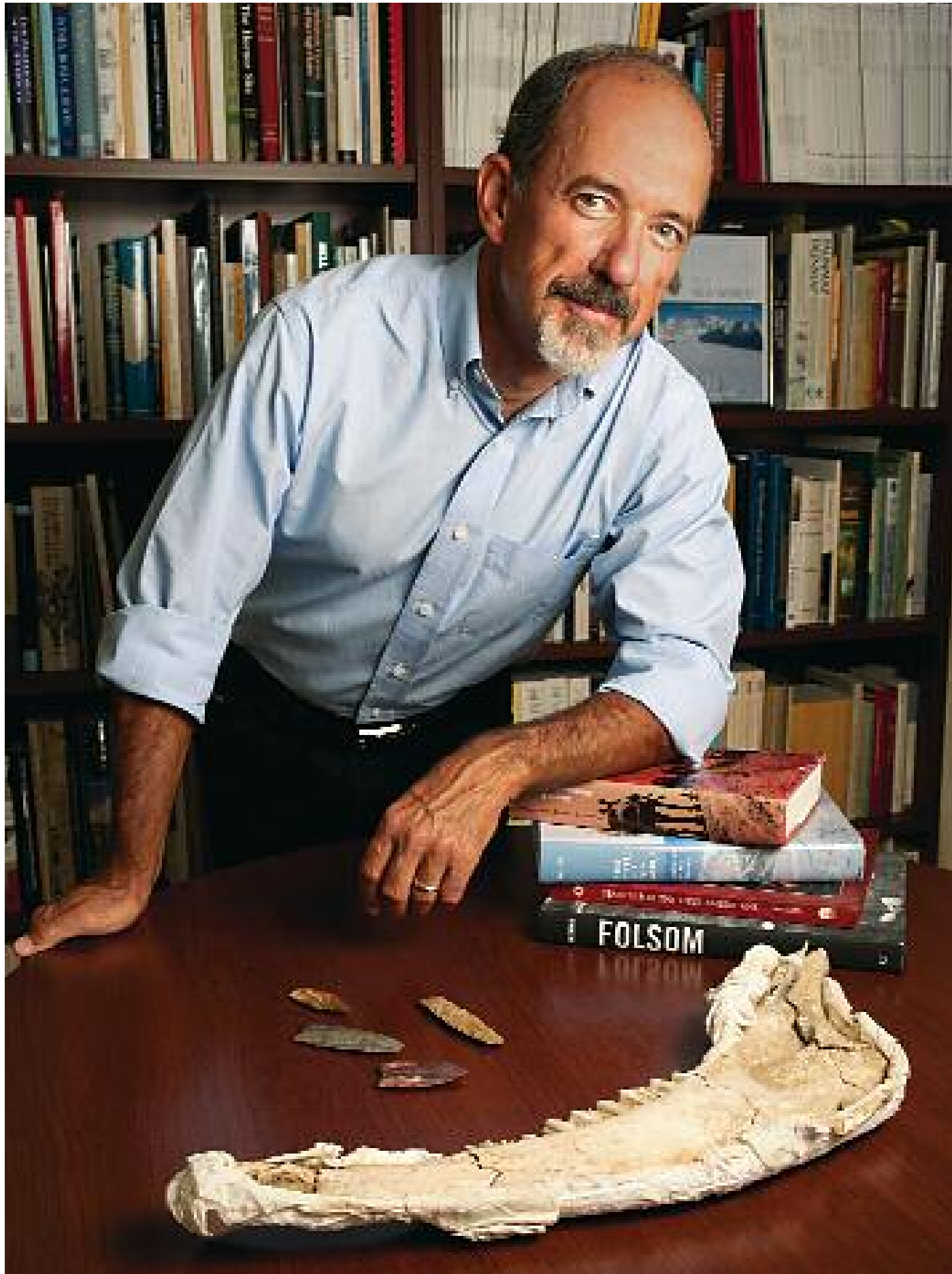
“And from that beginning, I have been able to bring to fruition dozens of field projects, which have yielded a slew of

Ph.D. dissertations for my students, and lots of highly visible publications.”

Meltzer has served as Henderson-Morrison Chair in Anthropology in Dedman College since 2002. He succeeded Henderson-Morrison chair *emeritus* Fred Wendorf, who held the position from the time of its establishment in 1974.

Meltzer has led teams that worked to reconstruct the geomorphic, climatic and ecological conditions of the Gunnison Basin during Late Glacial times, excavated in Cement Creek Cave in the Upper Gunnison Basin and examined recently discovered human skeletal remains at the Hutchins Sand & Gravel Quarry in Dallas. “Understanding how the pioneers of what was then a truly new world survived and even thrived provides us with deep insight not only into their experience, but also into what ultimately made our species an evolutionary success,” Meltzer says.





David J. Meltzer
Henderson-Morrison Chair in Anthropology
Professor of Prehistory
Dedman College

CAMPUS EXPERIENCE

Advancing Athletics

Creating opportunities for students to compete is an essential part of the campus experience. The Cash Birdwell Endowment for Athletics supports the operational needs of SMU Athletics and all Mustang teams. The endowment is named for legendary trainer and former Assistant Athletic Director Cash Birdwell, admired by countless student-athletes and colleagues during his 34 years at the University and selected as college Trainer of the Year in 1978. The endowment accepts gifts of any size.

Counseling for Community

The Craven-Wilson Chaplaincy Endowment provides support for counseling services that benefit students living on campus, as well as residence hall advisers and staff. The Resident Community Chaplains Program is part of SMU's commitment to maintaining a responsible and caring campus community. Graduate students from Perkins School of Theology also benefit. Through the program they are trained to listen to staff and students with a compassionate perspective and to offer guidance and support.

The campus experience is a major strength of an SMU education, supporting academic endeavors and fostering a sense of community and pride. Activities outside the classroom provide opportunities for students to develop leadership skills, serve the community, encounter a diversity of outlooks and grow as responsible citizens.

The endowment enhances the campus experience through support for a range of extracurricular programs, athletics and travel abroad for both undergraduate and graduate students.

Providing Opportunities for Travel

"An amazing experience that really did change my life."

That's what Astrud Villareal '10 calls the fall 2008 semester she spent overseas through SMU Abroad.

The senior biology major, with minors in chemistry, international studies and human rights, took courses on medical practice and policy at Denmark's International Kollegium in Copenhagen. Now that she's interviewing for medical school, she labels that opportunity "a great investment."

"You learn so much more than just classroom material; you learn about the culture and history of the country, global issues that relate to that nation and, perhaps most important, you learn things about yourself that you didn't know," she says.

The Brock and Kelly Compton Family Endowment Fund for Global Education, established in 2008, will extend the pool of SMU students who are able to participate in SMU Abroad programs, according to Susan Kress, director of the program.

"The impact of an endowment like this is huge," Kress says. "There is an expectation that today's college graduate has had a significant international experience as part of the university degree."

In August, SMU Abroad launched a collaboration with the Council on International Education Exchange and

other education abroad organizations to provide more than 100 new study, internship and service opportunities in Africa, Asia, Europe, Latin America, the Middle East and the South Pacific.

The new programs were reviewed and approved by SMU's Education Abroad Council for academic content and suitability and follow the recommendations of SMU's International Education Task Force to increase opportunities abroad.

More than 500 SMU students study abroad each year on SMU-approved programs. For most programs, the price for spending an academic year or semester abroad is similar to tuition, room and board on the Dallas campus. Students receive academic credit for their courses abroad if they participate in SMU-approved programs and have applied through SMU Abroad.

Kress says international education is vital to success in the global marketplace.

"In the increasingly interdependent global reality, graduates need to be prepared to function in a multicultural environment and reflect intelligently on who they are as citizens, not only of the U.S., but of the world," she says.

"These attributes make graduates broader in their interests, wiser in their worldview and more competitive in the job market."





NEW ENDOWMENTS ESTABLISHED AT SMU

New endowments established during the past fiscal year from June 1, 2008 – May 31, 2009

Donor Name	Fund Name
Elizabeth Weiss Altman '84 and Louis Altman	The Elizabeth and Louis Altman Endowed Scholarship Fund
Jilene K. Boghetich '76 and Tony Boghetich '75 Robert Glenn Rapp Foundation	The Boghetich Family Distinguished Teaching Award Endowment Fund
Jane R. Bolin and Pat S. Bolin '73 Pat and Jane Bolin Family Foundation	The Pat and Jane Bolin BBA Scholars Endowment Fund
Estate of Lois A. Bowers	The Lois A. Bowers Memorial Endowed Scholarship Fund *
Kelly Hoglund Compton '79 and R. Brock Compton The Hoglund Foundation	The Brock and Kelly Compton Family Endowment Fund for Global Education
Mary Helen Fabacher and Mike A. Fabacher	The Fabacher Endowed Professor of Alternative Asset Management
Estate of Pat Gibbs	Gibbs Memorial Scholarship Fund *
Estate of Kirby Gray	Kirby Gray Fund *
Estate of Henry H. Johns, Jr.	The Henry H. Johns Endowed Fund for Foreign Languages *
Shelli Mims Lindley and Steven J. Lindley '74 Willard and Ruth M. Johnson Charitable Foundation	The Mary Anne Lindley Endowed BBA Scholarship Fund
Ann Thompson Maguire '52 and Cary M. Maguire	The Maguire Endowed BBA Scholarship Fund
June A. and Peter G. McGuire Fund of Communities Foundation of Texas	The Richard M. Hull Endowed Service Scholarship
The Noel Family James Noel, III and Melinda C. Noel Carol Noel King '76 and J. Stephen King '77 Edmund O. Noel '75 and Patrice Oden Noel '75 William D. Noel '82 and Barbara W. Noel Robert C. Noel '80, '89 and Deanne Moore Noel '89	The Judge James Noel Dean and Professor of Law Endowment Fund
Caren H. Prothro, Perkins-Prothro Foundation	The C. Vincent Prothro Distinguished Chair of Biological Sciences
Caren H. Prothro, Perkins-Prothro Foundation	The C. Vincent Prothro Endowed Research Fund
Caren H. Prothro, Perkins-Prothro Foundation	The C. Vincent Prothro Graduate Fellowship Fund
Caren H. Prothro, Perkins-Prothro Foundation	The C. Vincent Prothro Undergraduate Scholarship Fund
Estate of Anita M. Roberts	The Dedman College Memorial Scholarship Fund *
Texas Instruments Foundation	The Texas Instruments Distinguished Chair in Engineering Education and Director of The Caruth Institute for Engineering Education Endowment Fund
A. Gordon Worsham and Sudie Appell Worsham	The Bassett Kilgore Endowed Graduate Fellowship Fund *

* Provided by a realized or future irrevocable planned gift



THANK YOU FOR YOUR UNBRIDLED GENEROSITY

Gifts to the SMU endowment have a significant impact on students and faculty, providing life-changing opportunities and supporting research, scholarship and academic achievement. Here are a few messages of thanks from those who have received endowment support.

*"You inspire me to continue my studies
and further pursue my career to help people.
I hope to one day influence someone else's life
the way you have impacted mine."*

– Pinky Patel '11
Dedman College
Recipient of the John William Macune, M.D. Scholarship

*"Through your generosity, I have been able to expand
my knowledge through rigorous classes, as well
as to network with the best that Texas and beyond
has to offer. Thank you again for this privilege."*

– Mike Hopkins, Jr. '09 (MBA)
Cox School of Business
Recipient of a scholarship from the Edwin L. Cox Endowment

*"The Harold Simmons Chair in Marketing endowment
has allowed me to develop a long-term research agenda,
pursue scholarly and professional endeavors
and engage in course development. It is a privilege
to be a beneficiary of the Simmons family's generosity."*

– Roger Kerin
Cox School of Business
Harold Simmons Chair in Marketing

*"I was a first-generation student working
to pay my own way for college, and
your assistance kept me at SMU."*

– Angellia Chandler '09
Bobby B. Lyle School of Engineering
Recipient of the William S. Montgomery Scholarship in Engineering



Thank you. As one who has given in support of endowments, you show an appreciation for SMU's past and a confidence in its bright future. On behalf of generations of SMU students to come and more than 100,000 alumni worldwide, the SMU family conveys its deepest gratitude for your unbridled generosity.