NEXT

2024 ANNUAL REPORT

100 YEARS

THE DUKE ENDOWMENT

COMMITTED TO THE CAROLINAS

FROM OUR LEADERS

UP NEXT:

A SECOND CENTURY OF PHILANTHROPY

RHETT N. MABRY
President

CHARLES C. LUCAS III
Board Chair

As 2024 drew to a close, so did our yearlong celebration of The Duke Endowment's centennial. At special events in communities across North Carolina and South Carolina, we showcased and saluted the wonderful work of grantees past and present.

It truly was a special year, one that filled our Board of Trustees and staff with a renewed sense of purpose. But even as we celebrated and reflected on 100 years of work, we took the opportunity to ask ourselves what comes next for us as the Endowment enters its second century.

With that in mind, we announced in December our intent to invest $5 billion in grants across the Carolinas during the next 15 years. The amount matches the total we disbursed over the course of our entire first century, and, assuming stable market conditions and returns, it represents an acceleration of our normal giving.

The Endowment would not be able to take this bold step into the future without the solid foundation laid for us by our founder, James B. Duke.

When he created the Endowment in 1924, Mr. Duke identified four areas of grantmaking that remain remarkably relevant today: health care, higher education, child and family well-being and rural United Methodist churches. He charged his Trustees with oversight responsibility and he expected each of them to be fully engaged in the work of the Endowment. To that end, he gave the Trustees "uncontrolled discretion" to adjust to meet changing times and needs.

As we thought about next steps, we considered using that discretion to address new areas of concern or to issue new types of grants. In the end, however, the answer was always right in front of us, in the four grantmaking areas Mr. Duke so wisely chose all those years ago. We decided that accelerating our grantmaking — providing the Carolinas with more resources, faster — would be the best and most appropriate way to launch into the Endowment's next 100 years.

Our grantmaking teams will continue to have intentional and purposeful conversations with our grantees, other foundations and funders, and our friends and partners in government, to ensure our grants are as focused and impactful as possible.

I am excited about what lies ahead, and I am honored to work with my fellow Trustees and our remarkable staff to help chart the Endowment's course for its second century of work.

CHARLES C. LUCAS III
Board Chair

When he created The Duke Endowment in 1924, James B. Duke said he hoped his philanthropy would help meet mankind's needs "along physical, mental and spiritual lines."

He used $107 million — about $1.9 billion in today's dollars — to create what was then one of the largest philanthropic trusts in America.

And yet, in the Endowment's founding document, the Indenture of Trust, Mr. Duke narrowed the organization's grantmaking footprint to his native North Carolina and nearby South Carolina — the regions then served by his hydroelectric power company, today known as Duke Energy. He focused the Endowment's grantmaking on four named higher education institutions, child and family well-being, health care and his family's beloved rural United Methodist churches.

Why not cast a wider net, geographically and thematically?

"My opinion," he wrote in the Indenture, "is that so doing probably would be productive of less good by reason of attempting too much."

That remains one of my favorite quotes from Mr. Duke. Today, 100 years after he committed that thought to paper, it feels more relevant than ever. If we want to achieve his dream of improving life in the Carolinas, we must spend his philanthropic assets strategically and effectively.

For instance, we know public and private agencies spend $200 billion each year on health care in the Carolinas. Our health care grantmaking comprises less than 1 percent of that. Thus, our health care grantmaking team takes the philanthropic role of an accelerating partner, finding emerging programs or ideas we can grow to help provide greater access to care for those in need.

On the other hand, our Rural Church program area's annual grantmaking total equates to about 20 percent of the budgets of its central grantees, North Carolina's two United Methodist conferences. Thus, in our Rural Church area, we take the role of an initiating partner, supporting United Methodist clergy and congregations so they can create meaningful and measurable changes in the communities they serve.

Achieving measurable good in the world requires more than good intentions. It requires a focus on data and evidence, and a willingness to learn from mistakes. It demands leadership, commitment, ingenuity and collaboration.

Our 2024 Annual Report highlights grantees who live up to those high standards each day. From researching the complexities of artificial intelligence to pursuing new ways to combat mental illness and child abuse, they create innovative solutions for some of our oldest, most persistent challenges.

In establishing the Endowment, Mr. Duke bet big on the future of the Carolinas. A century later, his wise investment continues to pay dividends. We're excited to help build what comes next.

RHETT N. MABRY
President

"From the foregoing it will be seen that I have endeavored to make provision in some measure for the needs of mankind along physical, mental and spiritual lines, largely confining the benefactions to those sections served by these water power developments. I might have extended this aid to other charitable objects and to other sections, but my opinion is that so doing probably would be productive of less good by reason of attempting too much."

JAMES B. DUKE
Founder, The Duke Endowment

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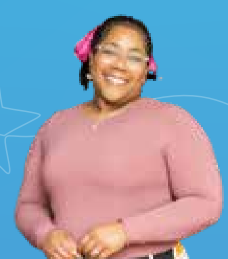

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NEXT
IN HIGHER EDUCATION

EMPOWERING INNOVATION

DUKE UNIVERSITY

Artificial intelligence (AI), machine learning and other generative tools are emerging so rapidly that they sometimes rewire our lives, work and relationships before we fully grasp the implications. Three noted Duke University researchers are probing these new technologies and tackling important issues related to privacy, safety and environmental sustainability in the age of AI.

ADVANCED TECHNOLOGY WITH A HUMAN TOUCH

DR. MICHAEL REITER
James B. Duke Distinguished Professor of Computer Science and Electrical & Computer Engineering at Duke University

In the not-too-distant future, we will open our homes and cars with facial recognition scans instead of today's keys, fobs and keypads.

Keeping such scans safe from hackers will be critically important.

That is where Dr. Michael Reiter comes in. A computing security and cryptography expert at Duke University, he studies adversarial machine learning and artificial intelligence. Reiter probes the new generation of AI-powered products for vulnerabilities, finding and fixing weaknesses before bad guys exploit them.

He is part of a growing cadre of Duke University scientists exploring — and re-setting — the front lines of our technological future.

"A lot of these security technologies have double-edged uses, but I am excited about this work," said Reiter, the James B. Duke Distinguished Professor of Computer Science and Electrical & Computer Engineering. "This (research) is very relevant to problems that the domain is facing right now."

DOUBLING DOWN ON SCIENCE & TECHNOLOGY

Recognizing the critical role science and technology will play in shaping the future, Duke University is advancing a campus-wide effort to expand and accelerate recruitment of new faculty in medicine, engineering, mathematics, computer science and natural sciences such as physics and biology.

In 2018, the Endowment's Board of Trustees approved a $50 million grant to launch a 10-year effort by the university and Duke Health to recruit outstanding faculty in the sciences. The Trustees added another $50 million in 2021. The two grants have helped Duke University and Duke Health hire or retain more than 40 faculty members in science and technology fields.

They included top thinkers such as Reiter, who was recruited from UNC Chapel Hill in 2020, and Dr. Chris Monroe, one of the world's leading experts in quantum computing, who arrived in 2021.

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In 2024, the Endowment also approved a five-year, $30 million grant to strengthen the university's expertise and offerings in artificial intelligence and machine learning.

RESEARCH ON THE FRONT LINES

In his office one afternoon, Reiter played a video of an experiment he conducted with a colleague. It begins with the colleague, named Mahmood, looking directly at the camera as facial recognition powered by artificial intelligence tries to identify him.

A caption above his head renders the scanner's verdict: a better than 99 percent chance it's Mahmood.

Mahmood puts on colorful glasses. Although his facial features remain largely unobscured, the software's verdict abruptly shifts to a 96 percent certainty that he is now someone named Ariel.

"The machine learning model is fooled," Reiter said, "even though none of us would be."

That's because, even though machine learning models can do things humans do, Reiter said the models execute in significantly different ways. Humans, for instance, are good at drawing inferences from one thing — like seeing one person's face and remembering it — but artificial intelligence models need more examples. Once they have them, however, they can find far more subtle patterns within the data.

Reiter says technological advances are quickly eliminating flaws like those in his facial recognition example. Within three years, he believes, machines will be smarter than humans in many respects.

"They're making staggering advances really quickly," he said. "It's humbling to think about facing a future where we are not the smartest thing."

AI HARDWARE WITH PEOPLE-CENTERED DESIGN

DR. TANIA ROY
Associate Professor of Electrical & Computer Engineering at Duke University

As artificial intelligence, large language models and machine learning proliferate, so do the massive, energy-sucking data centers needed to power them. Google's U.S. data centers alone used as much as 12.7 billion liters of fresh water to cool their servers in 2021, according to a study.

But what if, instead of building ever-bigger data centers, we built a new class of computer hardware requiring far less energy to handle artificial intelligence and other new technologies?

Dr. Tania Roy and her research assistants are working on that. In a busy lab at Duke University's Fitzpatrick Center for Interdisciplinary Engineering, Medicine and Applied Sciences, they are developing neuromorphic, or brain-like, semiconductor devices that can complete AI and machine learning tasks without power-hungry server farms.

"The transistor is the basic device that has revolutionized everything," Roy said. "Our computers, mobile phones — everything has them. We want to change that basic building block for AI, so that it can do AI more efficiently."

Dr. Roy's lab contains probe stations and other electrical measurement instruments that allow the researchers to test and develop tiny futuristic transistors. The goal is to develop neuromorphic circuitry that, like human brains, can handle complex tasks while using very little energy.

Holding one of the experimental circuits with tweezers, Roy explained that such chips could allow smart cameras or other devices to perform complex AI tasks without a data center connection. She said the tiny neuromorphic devices will pack so much information, and process it so efficiently, that the next class of Amazon's Alexa virtual assistant might operate without an internet connection.

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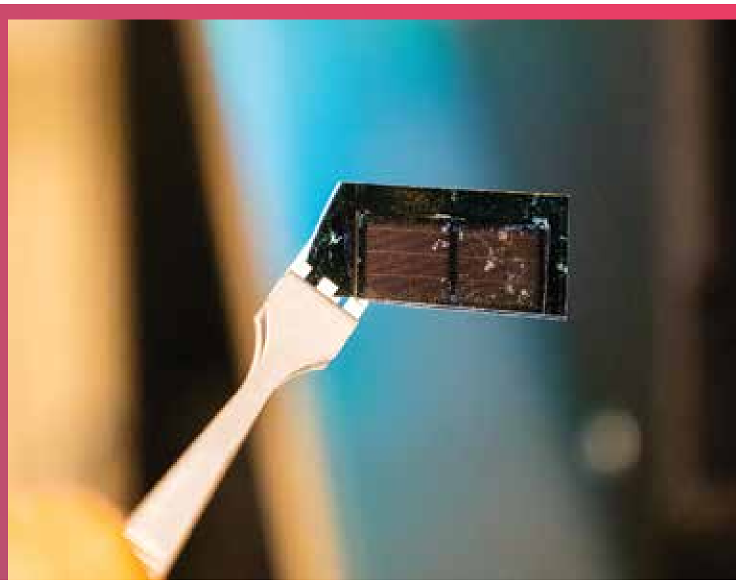
"The transistor is the basic device that has revolutionized everything. Our computers, mobile phones — everything has them. We want to change that basic building block for AI, so that it can do AI more efficiently."

DR. TANIA ROY
Associate Professor of Electrical & Computer Engineering at Duke University



"The rate at which the world is going, people want a lot of new things. Autonomous cars — everything. The progress is very fast," she said. "There's a big bottleneck because they're saying let's build even bigger servers so that we can process more. Advances in hardware must help them."

She and other neuromorphic computing researchers keep Duke University at the forefront of research in the field. The school ranks among the world's top universities in artificial intelligence and machine learning research.

"Whatever is possible at the cutting edge, we are doing that," Roy said. "There will be many more opportunities for people to do things with AI and it's very optimistic. Of course, for everything that we invent, there can be a downside, but everything has that problem, right? We will figure it out."

PRIVACY, AI AND THE HUMAN SIDE OF TECHNOLOGY

A Conversation with

DR. PARDIS EMAMI-NAEINI
Assistant Professor of Computer Science and Electrical & Computer Engineering at Duke University

Q: How did your research path begin?

A: I got my bachelor's in computer engineering from Sharif University of Technology in Iran. When I started my Ph.D. at Carnegie Mellon University, there was a professor there looking into computing and security from the human side of technology, which was new to me. That made me aware of this new field of usable security or human-centered security, which says that people are often the weakest link in computing security and privacy. No matter how secure your technology is, if people are not using two-factor authentication or are connecting to an unsafe network, that's it, they are not secure anymore.

Q: You did research on how consumers approach issues of privacy and security. What did that reveal?

A: I conduct large-scale experimental surveys and other user research to understand people's security and privacy interactions, behavior and expectations. What we found is that people care about privacy and security, but they're not able to find usable information readily available. Even people who care about privacy and security cannot find the information.

Q: What was your solution?

A: That led me to design a cybersecurity nutrition label. It is similar to a food nutrition label but the ingredients, so to speak, are the security and privacy factors. And you supply that information in an easy-to-use format. I graduated from Carnegie Mellon University in 2020, and shortly after that the Biden Administration put out an executive order that said we need to have consumer-facing labels to enhance the transparency of smart devices. We started engaging with various governmental organizations, including the National Institute of Standards and Technology and the Federal Communications Commission, to inform their efforts in designing such labels in the United States. Many details of this process are still being decided, including the standards that manufacturers should follow, but UL Solutions has been appointed as the lead administrator for the program, working with stakeholders to ensure the program is effective. It is expected to start in 2025.

Q: You've also done research into the rising use of AI chatbots. What have you found there?

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A: My students and I have found that many people are using AI chatbots for mental health. They don't have therapists, or they live in rural areas where they don't have access to therapists. So, they talk to ChatGPT. They want reassurance that they're okay. But they also want better privacy, and some participants were concerned about oversharing. Where is this information going? Do they have any control? The majority of our participants had this misconception that your interaction with the AI chatbot is protected by HIPAA (the Health Insurance Portability and Accountability Act). That is actually very concerning.

Q: Are there any protections in place yet?

A: There's not much right now that consumers can do to protect their sensitive mental health-related information when interacting with these general-purpose chatbots. Based on our findings, we provide several guidelines to manufacturers. Our advice to them is that there should be a difference in how you handle users' data in educational uses, compared to health-related uses or the gaming context. The context really matters. For example, there's a smart mirror that can analyze the tone of your voice and your conversations with others in the household. When you stand in front of it, it can start talking to you, based on your mood, to make you feel better. We are getting to the point where these are not just devices anymore. People start seeing these devices as companions, therapists and doctors. But we really need to understand the risks of this technology to really push for transparency.

Q: What will it take for us to get better privacy safeguards?

A: There are multiple stakeholders involved. If the government does not care about transparency, then manufacturers are not exactly incentivized to care about it. The Apple App Store and Google Play Store already put privacy labels in front of consumers when you want to download a new application to your phone. So, I'm hopeful that they can add information about AI. Specifically, details about what user information they use to train their AI models, how they handle such information and the risks involved with their privacy practices. Also, do users have any control over these models? The challenge for us researchers is to actively work with stakeholders. We can't just do research alone. We need to educate people. They need to be more informed because there are a lot of risks.

Q: Are you optimistic about the future of interactions between people and AI?

A: I personally don't think that people are going to be replaced by these technologies, at least not anytime soon, but in the meantime, they can be severely harmed by them. So, we need to make sure that people are getting more and more informed, but we have to do it without overwhelming them with more and more privacy policies that no one reads. There's a lot of excitement around AI technologies right now. They're useful technologies. But if you cannot reliably compare these tools based on their privacy and security practices, I think that's a problem.

Q: How are you enjoying your work at Duke University?

A: I have amazing students. We are in the lab, moving fast. A big part of my job is to make the case that the technical side of computing has been doing amazing for many years. Now it's the people side and the ethics of computing that we need to develop more. It's not a technical challenge. It's people-centered. In the next 20 years or so, perhaps we'll have chatbots and humanoid robots everywhere. We will need to know how to interact with them. ■

"Clearly, artificial intelligence, machine learning and other technological advances will shape our collective future in powerful ways. We are proud to support Duke University as it makes expanding and energizing science and technology education and research a top priority."

KRISTI K. WALTERS
Director of Higher Education,
The Duke Endowment

NEXT
IN CHILD & FAMILY WELL-BEING

HELPING FAMILIES SUCCEED

FOSTER AMERICA

CAROLYN JETER
Parent Advocate,
Foster America

EARLY INTERVENTION HELPS FAMILIES STAY TOGETHER

America's child welfare system runs on the emergency room model, swinging into action after someone's been harmed.

But what if child welfare help came far earlier, perhaps even before social workers launch investigations into reported abuse or neglect?

That paradigm-shifting thought drives an ambitious national project called the Opportunities for Prevention & Transformation Initiative, or OPT-In for Families. Hoping to keep kids from entering foster care, OPT-In offers families help at the earliest sign they might be struggling, well before the child welfare system formally intervenes.

OPT-In focuses on child maltreatment reports that are "screened out" of the child welfare system because they do not meet the threshold for assessment or investigation by social services. It pays close attention to screened-out child neglect reports, such as those involving unkempt homes, inadequate clothing or food insecurity. Experts say such reports are often screened out due to a lack of immediate danger to children. However, those issues can intensify over time, overwhelming parents and sparking later maltreatment.

Instead of leaving such families to fend for themselves, OPT-In connects them to community resource hubs where trained navigators find programs that meet their needs. The initiative could help many in South Carolina, where social workers screen out almost 36,000 families annually. The South Carolina Department of Social Services is helping lead the effort to build an OPT-In pilot program in the Palmetto State.

"This isn't even child welfare. This is the prevention of child welfare cases," said Chynna Phillips, a senior director for Foster America, a national organization helping to develop the South Carolina pilot sites. The Duke Endowment, the Aviv Foundation, the Leon Levine Foundation, the HopeStar Foundation and the Doris Duke Foundation are supporting the pilot. The Doris Duke Foundation, OPT-In's initiating funder, also supports pilot sites in Oregon, Kentucky and Washington, D.C.

JAMAL STROUD
Parent Advocate,
Foster America

"It's so easy to separate families and say, 'Let's put the kids in foster care.' But it's like going down a rabbit hole from there, I've lived it."

Jamal Stroud, a father of two, looks back on his troubled childhood and concludes he might have avoided foster care had his family received the kind of parenting classes, economic supports and other early assistance that will be provided by OPT-In.

"It's so easy to separate families and say, 'Let's put the kids in foster care.' But it's like going down a rabbit hole from there," he said. "I've lived it."

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He serves on OPT-In's South Carolina advisory board. So does Carolyn Jeter, a mother of two who calls OPT-In a welcome change from the traditional after-the-fact approach to child welfare. She applauds its focus on listening closely to people like her, who have lived experience of the foster care system. As a child, she and her siblings were split up as they were shuffled from placement to placement.

"I believe if we had [OPT-In's] type of wraparound service," she said, "it would have been a much better outcome."

Once the project is fully up and running in South Carolina, its goal will be to reduce the number of families who are re-reported to social services for alleged abuse or neglect. Officials also hope to see reduced spending on investigations and foster care.

The Endowment supports OPT-In as part of its commitment to support the development and testing of innovative child welfare approaches. OPT-In should be available to South Carolina families in fall 2025.

"Some of the child welfare system's most pressing challenges have been around for generations," said Phil Redmond, director of the Endowment's Child and Family Well-Being program area. "Promising new programs like OPT-In offer us new ways of attacking these stubborn problems and improving the futures of families across the Carolinas."

"Promising new programs like OPT-In offer us new ways of attacking these stubborn problems and improving the futures of families across the Carolinas."

PHILLIP H. REDMOND JR.
Director of Child & Family Well-Being,
The Duke Endowment

NEXT IN HEALTH CARE

TRANSFORMING MENTAL HEALTH CARE

PRISMA HEALTH

DR. BRITTANY PEACOCK
Prisma Health

BETTER ACCESS AND OUTCOMES THROUGH COLLABORATION

Many Americans who need mental health help never get treated, studies show.

Sometimes, they don't know about or can't access treatment. Or stigmas surrounding mental illness keep them away.

A new evidence-based approach called Collaborative Care aims to close that treatment gap by giving patients access to mental health services in the same primary care offices they visit for routine physicals, flu vaccines or other common health needs.

That simple change could bring big results. Experts say as many as one in five primary care visits involve mental health issues, but primary care doctors typically aren't trained or equipped to handle them. These issues may then go untreated and intensify into crises that require treatment in a hospital emergency department.

Research shows that Collaborative Care can significantly improve patient outcomes and result in long-term cost savings, with multiple studies documenting greater improvements in both depression and anxiety outcomes compared to usual care.

Nancy Veino, a resident of Travelers Rest, S.C., says she benefited from Collaborative Care after a debilitating battle with tinnitus sent her into a depressive tailspin. As she received tinnitus treatment, the constant buzzing in her ears caused her so much emotional distress that her primary care provider, Physician Assistant Heather Cullen, realized Veino also needed mental health counseling. Veino received it through Molly McCurley, a Prisma Health behavioral health care manager stationed in the same practice.

"It was really great," Veino said during a recent visit to the office. "Instead of [Cullen] saying to me, 'let's find you a therapist,' and then having to wait for an appointment, and then maybe me saying, 'I don't want to wait,' and then not doing it at all, I was able to start here right away and get on with the process of getting well."

The practice, led by Dr. Brittany Peacock, was one of two South Carolina Prisma Health Collaborative Care pilot clinics the Endowment supported through a three-year, $475,000 grant that began in 2020. "As a young physician, I was attracting a lot of new patients, many of them with mental health issues," she said. "The wait list was at least six months to get them in [for mental health care]. Collaborative Care has been such a blessing."

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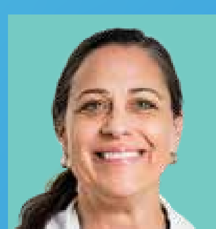
"Many children in South Carolina have Medicaid, and we are excited to expand this program in our pediatric clinics. Being able to open this up is a major step in access to mental health care in South Carolina."



DR. KAREN LOMMEL
Robert A. Jolley Endowed Chair of Psychiatry and Community Health, Prisma Health

Pioneered by the University of Washington, Collaborative Care asks primary care doctors to include routine depression screenings in their patient interactions. Behavioral health care managers such as McCurley, who are licensed professionals skilled in therapeutic interventions, receive assistance from a psychiatric consultant in providing evidence-based treatment recommendations back to the primary care provider.

Prisma Health's results have been excellent.

An analysis of 33 Collaborative Care patients showed per-patient, per-month medical costs of emergency department admissions and other hospitalizations plummeted from $2,330 before the program to $394 after. Early intervention at the primary care level can help keep patients' conditions from escalating to urgent or emergency needs, said Jessica Anderson, manager of Prisma's behavioral health program.

Prisma Health's Collaborative Care project now includes about two dozen clinics. Spurred by the results, South Carolina officials extended Medicaid reimbursement coverage to the model.

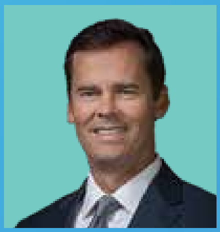
"Many children in South Carolina have Medicaid, and we are excited to expand this program in our pediatric clinics," said Dr. Karen Lommel, the Robert A. Jolley Endowed Chair of Psychiatry and Community Health with Prisma. "Being able to open this up is a major step in access to mental health care in South Carolina."

Lin Hollowell, head of the Endowment's Health Care grantmaking area, applauded Prisma Health's success with Collaborative Care.

"This is a great example of the innovation the Endowment looks to support," he said. "Through Collaborative Care, Prisma Health leaders saw a need in their community and took action to fill it by promoting access to an evidence-based program that can improve outcomes for patients with medical and behavioral health needs."

Behavioral Health Care Manager Molly McCurley (left), patient Nancy Veino (center) and Dr. Brittany Peacock discuss Veino's physical and mental health needs.

"This is a great example of the innovation the Endowment looks to support. Through Collaborative Care, Prisma Health leaders saw a need in their community and took action to fill it by promoting access to an evidence-based program that can improve outcomes for patients with medical and behavioral health needs."



LINWOOD B. HOLLOWELL III
Director of Health Care,
The Duke Endowment

NEXT IN RURAL CHURCH

KEEPING THE FAITH

GRACE UNITED METHODIST CHURCH

THE REV. MARK GUSTAFSON
Grace United Methodist Church

CENTERED IN COMMUNITY: THE FUTURE OF CONGREGATIONS

What should the church of the future look like?

The Rev. Mark Gustafson believes it should look a lot like the early Christian church, tightly focused on getting out into the community to serve and support neighbors.

He is putting that belief to the test as he leads one of the new United Methodist congregations in North Carolina that are sprouting from the ashes of the denomination's recent schism, which unfolded over several years and was officially finalized at the denomination's 2024 General Conference.

The aftershocks from the breakup, sparked by fights over sexuality and theology, have radiated through communities across the nation. Most United Methodist congregations in rural Bladen County, N.C., voted to leave the denomination. One of the three led by Gustafson left; another lost a sizable chunk of members and a third stayed put in United Methodism. One exiting congregant questioned if the pastor was a true believer in Jesus Christ.

"It was an awful time," Gustafson recalled.

Fast forward several years, and he now leads a hopeful new church called Grace United Methodist, one of a handful that the United Methodist conferences are planting in "church deserts" left by departing North Carolina congregations. The Endowment supports the effort through two five-year, $5.25 million grants given to the state's United Methodist conferences in 2023. The funding is intended to allow the churches to explore new and creative ways of doing ministry.

Early results for Grace look encouraging. Gustafson said Grace reflects the community, including African Americans as well as whites, gay people as well as straight. The church's 50 or so members are intently focused on community outreach. Taking the biblical admonition to love one's neighbor seriously, Grace stages regular food giveaways, school supply drives for teachers and seminars for the elderly on subjects such as navigating Medicare benefits.

> **"We're in the process of building something new. It's a beautiful place to worship and to be."**
>
> **THE REV. MARK GUSTAFSON**
> Grace United Methodist Church

"We're in the process of building something new," Gustafson said. "It's a beautiful place to worship and to be."

One overcast weekend, he joined congregants for "Super Sandwich Saturday," a monthly door-to-door distribution of 100-plus homemade sandwiches.

"Hello!" he shouted as one woman opened the door. "We're doing the sandwiches again!"

"God bless," the woman said as she accepted one. "I'm going to make it down there to see y'all at the church."

continued…

"Awesome," he said. "Have a great day!"

Gustafson later recalled that when the church first started delivering sandwiches to the apartment complex, the woman had a 'No Soliciting' sign on her door. Now, she reports that Grace's members are the only people for whom she'll answer the door.

The sandwich giveaway has made member Patty Scotten a familiar and welcome face in the community. It wasn't always that way, she recalled. Months ago, one resident rudely refused the sandwiches as being "for poor people," and predicted that drug addicts and dealers in the low-income apartment complex would accost church members.

Grace's members weren't deterred. As the distribution wound down one recent Saturday, Scotten pressed a wadded bill into Gustafson's hand.

An offering for the church, she told the pastor. It was from the sandwich refuser.

Robert Webb, head of the Endowment's Rural Church program area, said the aftermath of the disaffiliation debates left a unique opportunity to test new forms of ministry. As Grace and other churches explore these new forms of ministry, denominational leaders are preparing to study the results so that innovative and effective practices can be shared across the denomination.

"Our founder, James B. Duke, always believed United Methodist churches played a critical role as social and economic anchors in rural communities," Webb said. "Grace and other congregations like it are showing just how right he was." ■

"Our founder, James B. Duke, always believed United Methodist churches played a critical role as social and economic anchors in rural communities. Grace and other congregations like it are showing just how right he was."

ROBERT R. WEBB III
Director of Rural Church,
The Duke Endowment

NEXT
IN SPECIAL INITIATIVES

FORGING STRONGER CONNECTIONS

CHILDREN'S HOME SOCIETY OF NORTH CAROLINA

DASHAWN TAYLOR
Children's Home Society
of North Carolina

NEW FRONTIERS IN EARLY CHILDHOOD SYSTEMS

After Mamoudou Abdoulaye and his wife Mintou Daouda had their first child, they scheduled an appointment with their pediatrician.

At the checkup, the couple from Greensboro, N.C. received far more than just medical advice. Thanks to a ground-breaking initiative called Routes to Ready, they also received a consultation with a community navigator who told them about additional early childhood resources, applying for affordable health coverage and obtaining help finding a job. The navigator also shared information about local dental providers and how to get car seats for the baby.

It was a godsend for Abdoulaye, who had immigrated from the West African nation of Niger a few years earlier.

"I didn't have any information before that," he said. "The navigator was very helpful."

Routes to Ready could offer a glimpse of the early childhood system of the future as it works to forge a seamless, smooth-functioning service ecosystem out of traditionally scattered, siloed programs and agencies.

Underpinning Routes to Ready is a state-of-the-art, community-wide database that links four central family-serving organizations to each other. There are also nearly 400 other partners connected as referral resources for families.

Each time a family visits a Routes to Ready partner organization, all four Routes to Ready programs can see the new data in the system. Families, who must consent for their data to be shared, are spared from having to retell their story to multiple agencies. Agencies get a fuller picture of the families' issues.

"That's definitely very helpful," said DaShawn Taylor, the community navigator who worked with Abdoulaye's family. "As many people as we come in contact with, we [in human services agencies] can't always shoot each other an email saying, 'Hey, did you see this family recently?'"

The database, called the Integrated Data System, represents a leap forward in the human services sector, where disconnected organizations and data often hamper coordination and efficiency. "It's important to have access to resources," Taylor said, "but it's also important to have guidance through these complex systems."

Her organization, Children's Home Society of North Carolina, operates two of the four main programs anchoring the Routes to Ready system in Guilford County, where Greensboro is located. Children's Home Society offers prenatal and postnatal support for all county residents through its Community Navigation program. It offers additional help until the child turns three through the HealthySteps program. The Nurse-Family Partnership program, housed at the Generation Ed agency, sends nurses on home visits from pregnancy through the child's second birthday. Family Connects Guilford, coordinated through the Guilford County Division of Public Health, completes in-home nurse visits for newborns, helping ensure healthy starts.

continued…

The interlocking programs, backed by the Integrated Data System, form Routes to Ready, a comprehensive system of psychosocial care and support for children and families in Guilford beginning prenatally and continuing through age three. A school readiness system of care for children ages three to five is also planned. It is all part of a broader community-wide collaboration coordinated by Ready for School, Ready for Life, the "backbone" early childhood organization in the county. Building Routes to Ready is one of its top priorities.

Routes to Ready often connects parents and caregivers with trained navigators through their medical providers. The navigators help each family find the most useful local resources, then provide ongoing support and regular check-ins.

In 2024, the Routes to Ready system directly served at least 7,899 unduplicated children/families, representing 34 percent of the estimated prenatal-through-age-three population in Guilford. Prenatal navigators are connected to 15 of 17 obstetric sites in the county. Family Connects nurses, meanwhile, maintain a presence at the county's two main birthing hospitals, and HealthySteps connects with Guilford's pediatric offices.

Organizers are still fine-tuning Routes to Ready, but others are taking note. Stanford University's Center on Early Childhood spotlighted the Routes to Ready system as part of a web series looking at innovative, place-based early childhood initiatives.

Christina Dobson, director of analytics and insights at Ready for School, Ready for Life, said the navigation system is unique in that it allows cross-agency insight into individual child and family records, but also provides data aggregation to reveal broader community-wide patterns and needs.

"This helps us understand child and family needs and how or whether they are met," Dobson said, "so that we can leverage resources to serve more families and meet their needs more effectively."

The Endowment supports the work in conjunction with Blue Meridian Partners, a national philanthropic collaborative seeking to alleviate social problems confronting young people and families in poverty.

"The community navigation work being done in Guilford could potentially pave the pathway to better early childhood outcomes in communities across the country," said Meka Sales, Director of Special Initiatives at the Endowment. "We are proud to support families and staff at every level of the project as they work to help all Guilford County children get off to strong, healthy starts in life."

"We are proud to support families and staff at every level of the project as they work to help all Guilford County children get off to strong, healthy starts in life."

MEKA S. SALES
Director of Special Initiatives,
The Duke Endowment

2024 GRANTMAKING

	NEW COMMITMENTS	PAID IN 2024
CHILD & FAMILY WELL-BEING	**$23,732,890** 28 GRANTS PAGE 32	**$18,532,122** 48 GRANTS
HEALTH CARE	**$79,368,566** 122 GRANTS PAGES 33–34	**$50,151,958** 199 GRANTS
HIGHER EDUCATION	**$55,255,000** 11 GRANTS PAGE 35	**$88,975,702** 30 GRANTS
RURAL CHURCH	**$18,080,157** 30 GRANTS PAGE 36	**$18,494,424** 59 GRANTS
ADDITIONAL FOCUS	**$76,510,000** 31 GRANTS PAGE 37	**$71,940,570** 40 GRANTS

The Duke Endowment approved $252.9 million in new grants, some of which will be paid in future years. More than $248 million was distributed through 376 grants, some of which were approved in prior years.

TOTAL GIVING SINCE 1924

$5.1B

$12.2 billion in today's dollars

2024 TOTAL ASSETS

$5.0B

2024 GRANT TOTALS

NEW COMMITMENTS

$252.9M

222 GRANTS

PAID IN 2024

$248.1M

376 GRANTS

CHILD & FAMILY WELL-BEING

We fund implementation support for public and private child- and family-serving agencies to adopt and sustain evidence-based and evidence-informed programs shown to prevent or mitigate the consequences of child maltreatment.

NEW COMMITMENTS

$23,732,890

GRANTS PAID

$18,532,122

STRATEGIES

Commit to Innovation

$12,265,372

We recognize the lack of evidence-based or -informed models for the range of issues children and families face and the different populations served. If we did not commit to innovation, we would miss opportunities to identify programs that improve outcomes. We support grantees in developing and testing innovative, tailored, data-driven approaches. We encourage models that specifically look at risks and solutions.

Support Implementation for Tested Programs

$10,817,518

We fund implementation support for projects that adopt and sustain evidence-based or -informed models shown to prevent or treat child abuse and neglect and enhance well-being. "Implementation" refers to activities that are designed to put defined programs into practice. An active implementation framework answers the questions of what needs to be done (effective interventions), how to establish what needs to be done in practice, who will do the work to accomplish positive outcomes and where will effective interventions and implementation thrive. Rather than letting change happen, we work with organizations and agencies to make change happen for children and families of all races and ethnicities.

Advocate for Improvement

$650,000

Many dedicated, knowledgeable professionals work in the child welfare system, but systemic challenges can inhibit their effectiveness. We use our resources and relationships to support advocacy and communications strategies that speed improvement of the prevention, early intervention and foster care systems. We believe that by working closely with government agencies and nonprofit organizations that reflect the communities served, we can enhance the spread of information and facilitate conversations within communities.

HEALTH CARE

The Duke Endowment believes that all people can achieve their best health when communities are designed to support healthy lifestyles, and when our health care system is able to engage patients and provide holistic care that meets the unique needs of each individual. We partner with health systems to accelerate innovations that can improve community health and enhance patient care.

NEW COMMITMENTS

$79,368,566

GRANTS PAID

$50,151,958

STRATEGIES

Enhance Patient Care

$64,492,566

We work with health systems and their community-based partners to identify, test and spread innovative practices that have the potential for scale and sustainability. We prioritize models that build capacity to provide essential health and social services with special attention to vulnerable and low-income populations. We know that by providing access to culturally appropriate care — at the right time and place — health improves and disparities are reduced.

Improve Community Health

$12,147,000

We advance programs and policies that promote healthy lifestyles and address social determinants of health. We create opportunities for collaboration to meet community needs and ensure local voices inform improvements. We prioritize data collection and sharing so that partners are better equipped to identify opportunities and target interventions.

Grants Supporting Both Strategies

$2,729,000

Additionally, Health Care may recommend support for infrastructure that advances work across both strategies.

HEALTH CARE PRIORITIES

Access to Care for Vulnerable Populations

Access to essential health care services is critical to good health, yet vulnerable populations in the Carolinas face a variety of barriers. We are interested in supporting access-expanding projects for underserved populations. Health Care also funds 30 AccessHealth networks (by invitation only) to increase access to essential services for low-income uninsured adults.

Maternal and Infant Health

Significant health disparities fuel poor maternal and infant health outcomes. Health Care will support evidence-based programs and models that prioritize reducing health disparities and improving maternal and infant health outcomes.

Mental Health

Research has shown that early identification and treatment of mental health conditions can significantly improve overall health and well-being. The Endowment is interested in supporting models of care that increase access to quality mental health services and prevention programs with a specific emphasis on pediatric mental health care.

Oral Health

Millions of adults and children do not receive essential oral health services each year, leading to poor health outcomes and lower quality of life. To broaden access to care and reduce oral health disparities in children, The Duke Endowment is helping school-based oral health programs (by invitation only) expand, including investments in advocacy and policy reform efforts.

Population Health

Research suggests environmental factors and personal behaviors carry a far more significant impact on population health outcomes than clinical care. These social determinants of health hold the keys to addressing America's high rates of obesity and chronic disease. Our Healthy People, Healthy Carolinas initiative uses regional community coalitions to help address these upstream drivers of health.

Workforce Development

Given the many efforts underway to improve population health and reduce disparities in health outcomes, there is a need for a community-based workforce that serves as a liaison between health care, social services and the community, including individuals with relevant lived experience, such as community health workers.

HIGHER EDUCATION

We strive to understand and support the selected priorities of four schools — helping them learn from each other as they contribute to the higher education sector. The long-term goal is advancing high-value education for students. We support the four institutions named in Mr. Duke's Indenture of Trust: Davidson College, Duke University, Furman University and Johnson C. Smith University.

NEW COMMITMENTS

$55,255,000

GRANTS PAID

$88,975,702

STRATEGIES

Support Institutional Priorities

$54,400,000

We work with the schools to support select institutional priorities for long-term impact. We meet with leaders regularly at each institution to learn about and identify ways to help advance each school's strategic priorities.

Promote Learning and Pursue Shared Opportunities

$855,000

We connect the schools with each other, along with other institutions and potential partners, to enhance and share learnings.

RURAL CHURCH

We are committed to engaging churches in their role as catalysts for rural communities. We support clergy and congregations — ensuring they have the tools to walk faithfully together — as they strengthen their communities. We invest in rural United Methodist churches to make greater contributions that create meaningful and measurable change.

NEW COMMITMENTS

$18,080,157

GRANTS PAID

$18,494,424

STRATEGIES

Cultivate and Support Pastoral Leaders

$8,263,898

We support programs that recruit and retain candidates for ministry; nurture clergy growth and competencies including cultural sensitivity; and support training for district superintendents to develop missional strategies that strengthen connections between churches and their communities. We believe that doing so benefits rural communities across the state.

Build Congregational Capacity

$6,280,903

In healthy churches, clergy and laity maintain strong awareness of their community and ties to it. We support programs that engage rural congregations with their neighbors to identify and implement solutions that could have a lasting, positive impact on their rural region.

Identify and Test Selected Programs

$3,235,056

We identify, develop, test and share programs that have demonstrated positive outcomes, with a special focus on children. Simultaneously, we provide funding for churches to implement these programs.

Reimagine Church Real Estate

$300,300

We support conversations that help rural congregations make informed decisions about how to optimize their assets and use them as catalysts for community-focused ministry. Using real estate in ways that meet community needs and expand usefulness of facilities can increase connections between the church and community — boosting vitality for both.

ADDITIONAL FOCUS

Through our strategic emphasis on early childhood and other emerging issues, we seek to continuously adapt to meet today's challenges, even as we honor our founder's mandate.

NEW COMMITMENTS

$76,510,000

GRANTS PAID

$71,940,570

STRATEGIES

Zero To Eight Place-Based

$52,700,000

The Duke Endowment is focusing on early childhood as a way to produce greater impact across our grantmaking and provide for better and more equal opportunity for children and families. We believe this emphasis on prenatal to age 8 promises a more effective approach to addressing the issues that confront our communities today.

Disaster

$14,550,000

The Duke Endowment, as part of its mission to improve life in the Carolinas, provides assistance to communities in North Carolina and South Carolina in the wake of major natural disasters.

Other

$9,260,000

The Duke Endowment makes additional investments beyond its grantmaking program areas in order to respond and adapt to meet changing needs.

NE
XT
IN GRANTMAKING

AN AMBITIOUS GRANTMAKING GOAL FOR THE FUTURE

After celebrating a century of work in the Carolinas, what should The Duke Endowment do next?

The Board of Trustees answered that question in December 2024 by announcing its intent to distribute up to $5 billion in grants across North Carolina and South Carolina over the next 15 years. The announcement, which capped a year of centennial celebrations, means the Endowment intends to distribute as much grant money in the next 15 years as it did across its first 100 years.

"If our founder, James B. Duke, were here today, he would urge us not to rest on our laurels," said Endowment President Rhett Mabry. "He would be looking for opportunities where strong leadership, broad coalitions and solutions-oriented plans can come together to produce lasting, measurable results."

Based on its current assets, the Endowment would normally expect to make about $4 billion in grants in the next 15 years. The planned $1 billion in additional dollars will flow through the Endowment's existing four grantmaking program areas of higher education, rural United Methodist churches, health care and child and family well-being. Endowment leaders aren't actively seeking special grant applications, but rather are looking to have focused, in-depth conversations with current and potential partners.

The Endowment is interested in potentially joining forces with state and local government officials and other philanthropic leaders to apply proven-effective interventions to social problems. The United States spends billions each year to provide social supports for housing, food access, education, medical care, transportation, job training and more. However, the money is too often spent without knowing if the intended impact was achieved.

At the same time, programs with compelling evidence of effectiveness, although increasing in number each year, reach only a small percentage of those who might benefit. Embedding these models into established practice, at scale, with sustainable government funding, has been the exception rather than the norm. After 20 years of developing and testing promising interventions, Endowment officials feel optimistic about helping steer such public-private partnerships toward success.

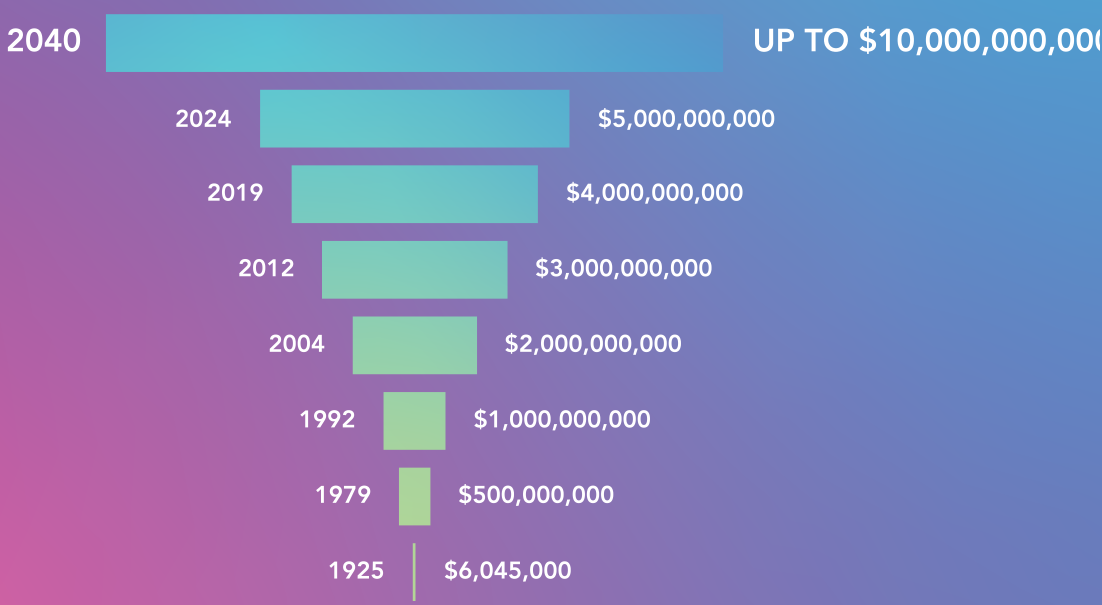
"We are still in the early stages of formulating these ideas, but we are excited about the possibilities," Mabry said. "Foundations and government have similar goals — to provide effective services and improve the lives of citizens — but too often we fail to work together. We believe that a partnership anchored in joint planning, shared vision and commitment will increase the chances of success." ■

Commemorating our first century and looking ahead to the next, we intend to invest up to

$5 billion over the next 15 years

as we advance opportunities, accelerate progress, enrich lives and strengthen communities.

MARKING A CENTURY OF GIVING

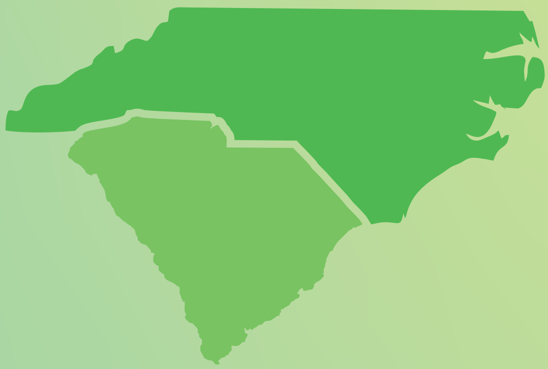


2024 FINANCIALS

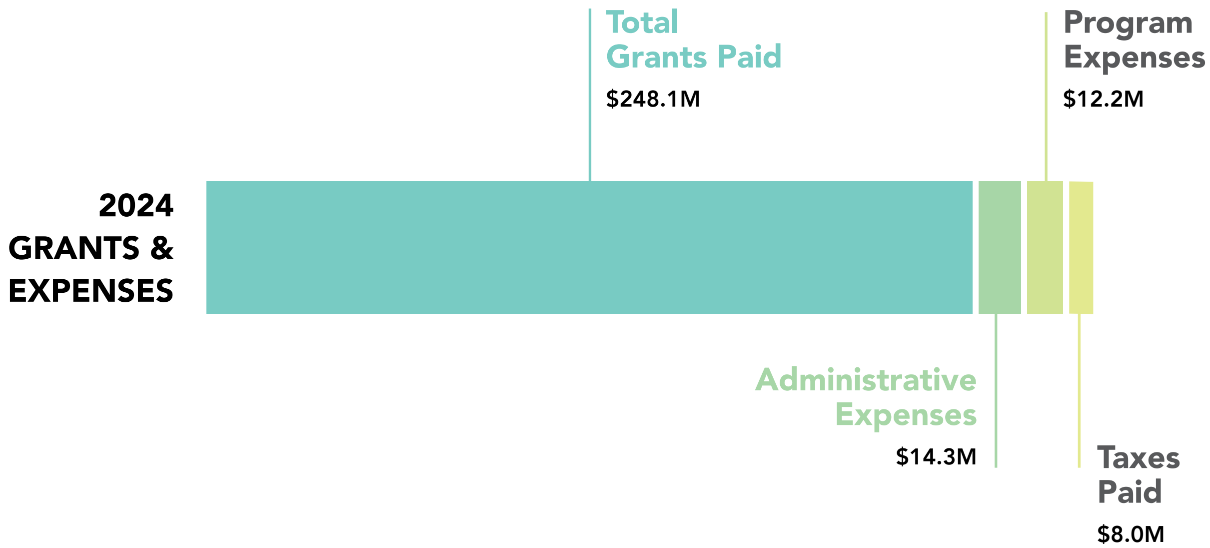
$248.1M

GRANTS PAID

IN 2024



Since James B. Duke's death in 1925, the assets of The Duke Endowment have achieved significant growth, from $107 million to $5.0 billion.



More than 87 percent of the Endowment's total spending goes directly to grantmaking, which compares favorably to foundations of similar size.

This chart shows our grantmaking in the context of our expenses.

INVESTMENTS

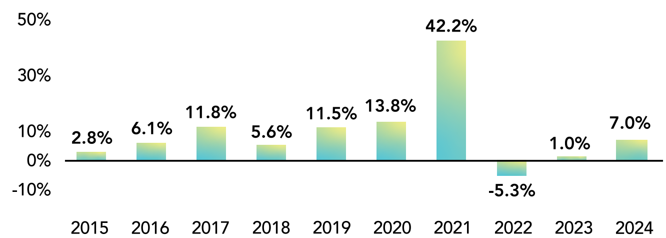
Since July 2007, The Duke Endowment's investment portfolio has been managed by DUMAC Inc., a professionally staffed investment organization in Durham, N.C., governed by Duke University.

During 2024, the investment return on the Endowment's portfolio was 7.0 percent.* Investment gains across public and private asset classes were somewhat offset by losses in private real estate and portfolio hedges. The Endowment's investment portfolio increased in value from $4.88 billion to $4.96 billion from December 31, 2023, to December 31, 2024, impacted by investment returns, grants and expenses. The Endowment's total assets were $5.02 billion at year end.

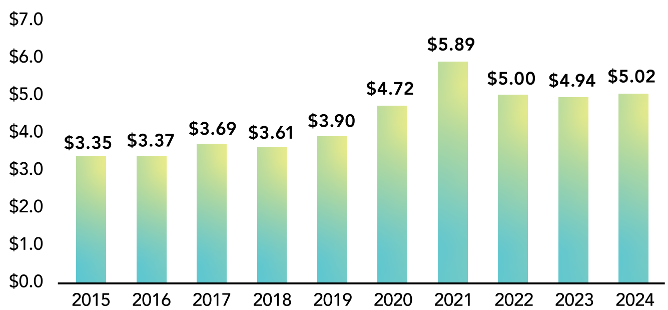
For the 10-year period ending December 31, 2024, the Endowment's investment portfolio returned 9.0 percent annualized, net of fees, outperforming its policy benchmark, which returned 6.8 percent annualized, and a 70 percent MSCI All Country World Index/30 percent Bloomberg U.S. Aggregate Bond Index benchmark, which returned 7.0 percent annualized over the same period.

Investment return is based on pre-audit investment valuations.

INVESTMENT RETURNS
percent



TOTAL ASSETS
in billions



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
The Duke Endowment

Opinion

We have audited the financial statements of The Duke Endowment (the "Endowment"), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Endowment as of December 31, 2024, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Endowment and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on 2023 summarized comparative information

We have previously audited the Endowment's financial statements as of and for the year ended December 31, 2023 (not presented herein). We expressed an unmodified audit opinion on those audited financial statements in our report dated May 20, 2024. In our opinion, the accompanying summarized comparative information as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Endowment's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Grant Thornton LLP is the U.S. member firm of Grant Thornton International Ltd (GTIL). GTIL and each of its member firms are separate legal entities and are not a worldwide partnership.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Endowment's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Endowment's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

Columbia, South Carolina
May 22, 2025

STATEMENTS OF FINANCIAL POSITION

December 31, 2024
(with comparative amounts for the year ended December 31, 2023)

	2024	2023
Assets		
Cash and cash equivalents	$ 21,736,103	$ 15,275,296
Securities transactions receivable	4,969,538	9,633,668
Investments, at estimated market value	4,958,846,599	4,883,815,923
Land, building, furniture and equipment, net	32,520,370	33,571,697
Other assets	1,993,045	1,818,413
TOTAL ASSETS	**$ 5,020,065,655**	**$ 4,944,114,997**
Liabilities and Net Assets		
Liabilities:		
Grants payable	$ 25,813,643	$ 43,750,723
Net deferred excise tax liability	20,193,946	20,031,582
Securities transactions payable	1,233,918	4,835,640
Notes payable	25,441,701	26,925,110
Other liabilities	18,664,686	21,183,260
Total Liabilities	**$ 91,347,894**	**$ 116,726,315**
Net assets:		
Without donor restriction	$ 9,444,240	$ 3,658,170
With donor restrictions		
Purpose restrictions	4,659,592,443	4,564,049,434
Restricted in perpetuity	259,681,078	259,681,078
Total Net Assets	**$ 4,928,717,761**	**$ 4,827,388,682**
TOTAL LIABILITIES AND NET ASSETS	**$ 5,020,065,655**	**$ 4,944,114,997**

See accompanying notes to financial statements.

STATEMENTS OF ACTIVITIES

For the Period Ended December 31, 2024
(with summarized financial information for the year ended December 31, 2023)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL 2024	TOTAL 2023
Revenue				
Dividends and interest income, net	$ 81,480,286	$ —	$ 81,480,286	$ 101,225,473
Net realized gain on investment transactions	—	269,793,016	269,793,016	28,357,103
Increase in net unrealized appreciation on assets	—	11,518,503	11,518,503	57,412,020
Total Revenue	**$ 81,480,286**	**$ 281,311,519**	**$ 362,791,805**	**$ 186,994,596**
Expenses				
Administrative	$ 14,289,119	$ —	$ 14,289,119	$ 13,281,727
Grantmaking	12,183,890	—	12,183,890	11,473,009
Provision (refund) for taxes	7,954,456	—	7,954,456	(2,029,080)
Decrease in pension benefit obligation	(3,122,434)	—	(3,122,434)	(5,228,344)
Total Expenses	**$31,305,031**	**$ —**	**$ 31,305,031**	**$ 17,497,312**
Released from Restrictions	**$ 185,768,510**	**$ (185,768,510)**	**$ —**	**$ —**
Grants Approved				
Higher Education	$ 73,725,702	$ —	$ 73,725,702	$ 73,571,200
Health Care	51,610,184	—	51,610,184	50,262,575
Child & Family Well-Being	15,623,932	—	15,623,932	14,818,894
Rural Church	18,313,473	—	18,313,473	17,846,066
Administrative Grants	849,818	—	849,818	268,397
Special Opportunities	42,701,586	—	42,701,586	27,534,412
Centennial	27,333,000	—	27,333,000	61,643,000
Total Grants Approved	**$ 230,157,695**	**$ —**	**$ 230,157,695**	**$ 245,944,544**
Change in Net Assets	**$ 5,786,070**	**$ 95,543,009**	**$ 101,329,079**	**$ (76,447,260)**
Net Assets at Beginning of Year	**$ 3,658,170**	**$ 4,823,730,512**	**$ 4,827,388,682**	**$ 4,903,835,942**
NET ASSETS AT END OF YEAR	**$ 9,444,240**	**$ 4,919,273,521**	**$ 4,928,717,761**	**$ 4,827,388,682**

See accompanying notes to financial statements.

STATEMENTS OF CASH FLOWS

Year ended December 31, 2024
(with comparative amounts for the year ended December 31, 2023)

	2024	2023
Cash Flows From Operating Activities		
Change in net assets	$ 101,329,079	$ (76,447,260)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation expenses	1,051,327	1,100,683
Net realized gains on investment transactions	(269,793,016)	(28,357,103)
Increase in net unrealized appreciation on assets	(11,518,503)	(57,412,020)
Increase in net deferred tax liability	162,364	809,276
Changes in assets and liabilities:		
Decrease (increase) in securities transactions receivable	4,664,130	(3,907,449)
Increase in other assets	(174,632)	(161,305)
(Decrease) increase in grants payable	(17,937,080)	23,924,716
Decrease in securities transactions payable	(3,601,722)	(677,667)
Decrease in other liabilities	(2,518,574)	(4,486,110)
Net Cash Used in Operating Activities	**$ (198,336,627)**	**$ (145,614,239)**
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	$ 2,217,724,364	$ 2,103,955,821
Disbursements for purchase of investments	(2,011,443,521)	(1,969,257,288)
Net Cash Provided by Investing Activities	**$ 206,280,843**	**$ 134,698,533**
Cash Flows from Financing Activities		
Principal payments on notes payable	$ (1,483,409)	$ (1,427,905)
Net Cash Used in Financing Activities	**$ (1,483,409)**	**$ (1,427,905)**
Net Increase (Decrease) in Cash and Cash Equivalents	**$ 6,460,807**	**$ (12,343,611)**
Cash and Cash Equivalents at Beginning of Year	**15,275,296**	**27,618,907**
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 21,736,103**	**$ 15,275,296**
Supplemental Cash Flow Information		
Cash paid (refunded) during the year for taxes	$ 7,954,456	$ (2,029,080)
Cash paid during the year for interest	$ 1,022,475	$ 1,077,979

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024
(with comparative amounts for the year ended December 31, 2023 and summarized financial information for the year ended December 31, 2023)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Organization

The Duke Endowment (the Endowment) was established by James B. Duke by Indenture and Deed of Trust of Personalty, dated December 11, 1924, for specific charitable, educational and religious purposes. The Endowment is to have perpetual existence. Subsequently, additional amounts were contributed to the Endowment under Items VIII, X and XI of the Will of James B. Duke and by gifts from members of Mr. Duke's family. Additional amounts were also received from The Doris Duke Trust. The Endowment has been classified as a private foundation and, accordingly, is subject to federal excise taxes imposed on net investment income, including realized capital gains. The Endowment is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

(b) DUMAC

On July 1, 2007, the Trustees of the Endowment entered into a formal agreement with Duke Management Company (DUMAC), an organization providing investment management services for the Duke University endowment assets, whereby Duke Management Company would perform investment management services on behalf of the Endowment.

Pursuant to the terms of the arrangement, DUMAC is compensated by the Endowment for its investment management services at a rate proportionate to the Endowment's share of the total investment assets managed by DUMAC in comparison to the total operating expenses of DUMAC, paid annually. For the years ending December 31, 2024 and 2023, the Endowment incurred investment management fees to DUMAC in the amount of $6,382,143 and $5,259,577, respectively. Such fees are netted against dividends and interest income within the accompanying Statements of Activities.

(c) Method of Accounting

The Endowment presents its financial statements on an accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Certain items are maintained on a cash basis, which is not materially different from the accrual basis of accounting.

(d) Basis of Presentation

The Endowment is required by the Indenture to use the interest and dividends (Endowment Income) earned on investments for purposes defined in the Indenture, subject to the defined authority of the trustees to withhold Endowment Income. More specifically, the Endowment is required by the Indenture to distribute to Duke University a certain amount of Endowment Income from the Original Corpus, Corpus Item VIII and Corpus Item XI, subject to a limited right to withhold by the trustees of the Endowment. The Indenture provides for additional trustee discretion with respect to the disbursement of Endowment Income to Endowment beneficiaries other than Duke University and also to Duke University out of accounts other than the three Corpus accounts listed above. In accordance with terms of the Indenture, which established the Endowment, realized gains and losses arising from investment transactions are considered part of Corpus. For purposes of presentation within the financial statements, all Corpus accounts are classified as net assets with donor restrictions.

The Endowment has elected to implement the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). As a result of this implementation, the trustees determined that they would classify as donor restricted net assets maintained in perpetuity (a) the original value of Original Corpus, Corpus VII and Corpus XI, plus (b) the original value of subsequent gifts to Corpus, less (c) distributions specified by the donor.

The net assets of the Endowment and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions — These amounts are free from donor restrictions and are available for appropriation to the beneficiaries of the Endowment or for similar charitable purposes in accordance with terms of the Indenture.

Net Assets with Donor Restrictions — These funds are subject to donor restrictions that will be met by the actions of the trustees for appropriation to the beneficiaries of the Endowment or for similar charitable purposes in accordance with terms of the Indenture or under circumstances described in Note 3.Using UPMIFA guidelines, the trustees have determined that $259,681,078 be classified as net assets with donor restrictions maintained in perpetuity as of December 31, 2024 and 2023. For the same periods, the remaining balance of $4,659,592,443 and $4,564,049,434, respectively, represent the appreciation in the original values listed above.

Dividends and interest are reported as increases in net assets without donor restrictions. Realized and unrealized gains and losses are reported as increases or decreases in net assets with donor restrictions. Expenses and appropriations are recorded as decreases in net assets without donor restrictions.

The financial statements include certain prior-year summarized comparative financial information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP.

Accordingly, such information should be read in conjunction with the Endowment's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

(e) Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and certain short-term interest-bearing investments held with banks for beneficiary and expense purposes. The Endowment maintains cash on deposit and the balance, at times, may be in excess of federally insured limits.

(f) Securities Transactions Receivable

Securities transactions receivable represents investment transactions that have been sold, but not settled. The Endowment recognizes investment transactions on a trade-date basis. Amounts are recognized in the Statements of Financial Position at fair market value.

(g) Investments

The Endowment accounts for investments under Accounting Standards Codification (ASC) 958, Not-for-Profit Entities, through which the Endowment has elected to record investments at estimated fair market value with gains and losses included in the Statements of Activities. Realized gains and losses are recognized when securities are sold based on the first-in, first-out method.

(h) Land, Building, Furniture and Equipment

Land, building, furniture and equipment owned by the Endowment are stated at cost at date of acquisition. Useful lives range from 39 years for buildings, seven years for furniture and five years for technological equipment. Depreciation is calculated on the straight-line basis over the assets' estimated useful lives, except for land. The Endowment reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment charge is recognized when the fair value of the asset or group of assets is less than the carrying value. There was no impairment recognized for the years ended December 31, 2024, or 2023.

(i) Grants Payable

The Endowment records grants payable once the Board of Trustees approves the grant. Once approved, each grantee organization must sign a grant agreement which stipulates guidelines and related requirements. The grantee must meet the terms of the signed grant agreement before funds are distributed.

(j) Securities Transactions Payable

Securities transactions payable represents investment transactions that have been purchased, but not settled. The Endowment recognizes investment transactions on a trade-date basis. Amounts are recognized in the Statements of Financial Position at fair market value.

(k) Provision for Taxes

The Endowment is exempt from federal income taxes on related income under Section 501(c)(3) of the Internal Revenue Code and is classified as a private foundation. Legislation in 2020 established a fixed federal excise tax rate on private foundations of 1.39% on net investment income.

In addition, the Endowment may be required to pay unrelated business income tax incurred through certain private equity investments. This tax is not material to the financial statements.

The Endowment records deferred excise taxes using the asset and liability method. Under this method, deferred excise taxes are determined based on temporary differences between the financial statements and tax bases of assets and liabilities using enacted tax rates expected to be in effect when such amounts are realized or settled.

(l) Risks and Uncertainties

A significant portion of the Endowment's assets are held in a variety of investment forms. Investment securities, and other investments, including alternative investments in general, are exposed to various risks, such as interest rate risk, credit risk, liquidity risk, foreign currency risk and overall market volatility. Additionally, certain of the Endowment's alternative investments contain redemption rights which may be restricted or eliminated by the underlying funds based on the provisions of the fund agreements. Alternative investment transactions are conducted primarily through secondary markets, and accordingly the risk exists that the secondary markets could experience fluctuations in liquidity and/or volume, which could impact the estimated fair value of these alternative investments.

Due to the level of risk associated with certain investment securities, it is possible that changes in values of investment securities will occur and that such changes could materially affect the amounts reported in the financial statements.

(m) Use of Estimates

Management of the Endowment has made certain estimates and assumptions relating to the reporting of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in preparing these financial statements in conformity with U. S. GAAP. Actual results could differ from these estimates.

Significant items in the Endowment's financial statements subject to such estimates and assumptions include valuations for certain investments without readily determinable fair values, and actuarially determined benefit liabilities related to the Endowment's pension and other postretirement benefit plans.

(2) FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair values of financial instruments have been determined by the Endowment as follows:

Cash and cash equivalents, securities transactions receivable, and liabilities are carried at cost which approximates fair value because of the short maturity of these instruments.

Investments are carried at estimated fair value, which is generally based on year-end published quotations, except as discussed below.

Certain Endowment assets that are held in various alternative investments, including partnerships that invest in the securities of companies, hedge funds and other investments, may not be immediately liquid and do not have a readily determinable fair value, that is, instruments not listed on national exchanges or over-the-counter markets. Partnerships follow the valuation guidelines stipulated in respective general and limited partnership agreements to determine fair value. Given the inherent risks associated with this type of investment, there can be no guarantee that there will not be widely varying gains or losses on these partnership investments in future periods. For its alternative investments, the Endowment is eligible and has utilized the practical expedient method to measure fair value under generally accepted accounting principles. In accordance with the practical expedient method, the net asset value (NAV) reported by the underlying alternative investment is concluded to represent the fair value.

The note payable is carried at cost as the Endowment has taken the position that cost approximates fair value due to the nature of the agreement.

(3) RELEASED FROM RESTRICTION

In December 2009, the Indenture was modified by court order to allow the trustees to expend net assets with donor restrictions to the extent necessary in the judgment of the trustees for the Endowment to make available to beneficiaries of the Endowment funds reasonably needed for purposes described in the Indenture, consistent with the fiduciary duty of the trustees to preserve the Endowment in perpetuity. The modifications were not in effect until after the trustees' final meeting of the year and did not affect the financial statements of the Endowment for years ended prior to January 5, 2010.

Under certain circumstances described above, the trustees may be required to transfer net assets with donor restrictions to net assets without donor restrictions to the extent necessary to comply with the provisions set forth in Section 4942 of the Internal Revenue Code. As reported on the Statements of Activities, the trustees determined that in 2024 and 2023 transfers of funds with donor restrictions in the amounts of $185,768,510 and $156,101,015, respectively, were required. Although the Endowment does not intend to transfer funds in excess of amounts approved for general expenditures as part of its annual budget process for operating expenditures and appropriations, trustees could release additional funds from net assets with donor restrictions if necessary.

(4) LIQUIDITY

The Endowment manages its financial assets to be available as its operating expenditures, liabilities and other obligations come due. In addition, the Endowment invests cash in excess of daily requirements in short-term investments or fixed income securities. Although the Endowment does not intend to spend from its donor restricted net assets, other than amounts appropriated for general expenditures as part of its annual budget approval and appropriation process, amounts from net assets with donor restrictions could be made available if necessary. However, donor restricted net assets contain investments with lock-up provisions that reduce the total investments that could be made available. Other than those amounts restricted in perpetuity, all other donor restricted net assets can be spent pursuant to the above limitations. Detail regarding notes payable is available in Note 8.

	2024	2023
Total assets	$ 5,020,065,655	$ 4,944,114,997
Less:		
Assets restricted in perpetuity	(259,681,078)	(259,681,078)
Illiquid private investments and real assets	(2,082,499,880)	(2,073,046,159)
Land, building, furniture and equipment, net	(32,520,370)	(33,571,697)
Other assets	(1,993,045)	(1,818,413)
FINANCIAL ASSETS AVAILABLE WITHIN ONE YEAR	**$ 2,643,371,282**	**$ 2,575,997,650**

(5) PROVISION FOR TAXES AND DEFERRED EXCISE TAX LIABILITY

The Endowment recorded in 2024 a net payment for excise taxes of $7,954,456 and a net refund in 2023 of $2,029,080. The Endowment's net deferred excise tax liability was $20,193,946 and $20,031,582 at December 31, 2024 and 2023, respectively, which primarily relates to unrealized gains on investments. The increase in deferred excise tax liability was $162,364 and was allocated to unrealized appreciation in net assets with donor restrictions for 2024.

(6) INVESTMENTS

Investments are composed of the following:

	2024	
	COST	**MARKET**
Short-term investments	$ 654,269,093	$ 654,269,093
Fixed income	138,434,967	129,826,895
Equities	665,535,923	1,040,293,425
Hedged strategies	489,395,413	743,765,935
Private investments	1,010,742,670	1,796,579,650
Real assets	432,066,290	545,601,308
Other	115,600,365	48,510,293
	$ 3,506,044,721	**$ 4,958,846,599**

	2023	
	COST	**MARKET**
Short-term investments	$ 670,056,365	$ 670,056,365
Fixed income	147,622,023	149,185,240
Equities	477,828,507	718,106,775
Hedged strategies	689,623,405	983,689,444
Private investments	976,464,655	1,782,518,200
Real assets	414,153,757	550,209,038
Other	66,946,200	30,050,861
	$ 3,442,694,912	**$ 4,883,815,923**

At December 31, 2024 and 2023, $44,561,296 and $41,053,542, respectively, were posted as collaterals for derivatives and thus not readily available for use. Collaterals held are included in hedged strategies and short-term investments.

The Endowment's investment classes are described in further detail below. Classes include direct holdings, which are generally marketable securities, and interests in funds for which the related investment strategies are described.

Short-term investments include cash collateral, money market funds, short-term U.S. Treasury, agency, corporate and other highly liquid debt securities with an aggregate duration of less than a year.

Fixed income includes non-government U.S. and non-U.S. debt securities, funds holding similar securities and debt-based derivatives.

Equities include U.S. and non-U.S. stocks, equity-based derivatives and interests in funds that invest predominantly long but also short stocks.

Hedged strategies primarily include interests in funds that invest both long and short in U.S. and non-U.S. stocks, credit-oriented securities and arbitrage strategies. Virtually all of the Endowment's investments in these funds are redeemable, and the underlying assets of the funds are predominately marketable securities and derivatives.

Private investments primarily include interests in funds or partnerships that hold illiquid investments in venture capital, buyouts and credit. These funds typically have periods of 10 or more years during which committed capital may be drawn. Distributions are received through liquidation of the underlying assets of the funds, which are anticipated to occur over the next four to 10 years. Certain private placement securities may also be held.

Real assets include interests in funds or partnerships that hold illiquid investments in residential and commercial real estate, oil and gas production, energy, other commodities and related services businesses. These funds typically have periods of 10 or more years during which committed capital may be drawn. Distributions are received through liquidations of the underlying assets of the funds, which are anticipated to occur over the next five to 12 years. Additionally, certain liquid commodity- and real estate-related equities, private placement securities and related derivatives are included.

Other includes primarily other derivative instruments.

As of December 31, 2024, and 2023, redemption frequency and the corresponding notice period for all investments are shown within the table below. The values of the unfunded commitments included within the following table are as of December 31, 2024.

ASSET CLASS	UNFUNDED COMMITMENTS	REDEMPTION FREQUENCY (IN DAYS) (IF CURRENTLY ELIGIBLE)[1]	REDEMPTION NOTICE PERIOD (IN DAYS)
Short-term investments	$ —	daily	1
Fixed income	—	1 to 30	1 to 30
Equities	—	1 to >365	1 to 90
Hedged strategies	—	1 to >365	30 to 180
Private investments	284,361,643	N/A	N/A
Real assets	140,395,948	N/A	N/A
Other	—	N/A	N/A

The Endowment measures fair value at the price expected to be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The guidance prioritizes the assumptions that market participants would use in pricing the asset or liability (the inputs) into a three-tier fair value hierarchy. This fair value hierarchy gives the highest priority (Level 1) to quoted prices in active markets for identical assets or liabilities and the lowest priority (Level 3) to unobservable inputs in which little or no market data exists, requiring enterprises to develop their own assumptions.

[1] *Based on current terms, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreement.*

Observable inputs that do not meet the criteria of Level 1 and include quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets and liabilities in markets that are not active, are categorized as Level 2. Level 3 inputs are those that reflect management's estimates about the assumptions market participants would use in pricing the asset or liability, based on the best information available in the circumstances. Alternative investments are typically valued using Level 3 inputs, and such inputs include information provided by the managers of the underlying funds.

At December 31, 2024, $127,208,306 or 2.6% of the Endowment's total investments, are valued using Level 3 inputs. At December 31, 2023, $125,239,958 or 2.6% of the Endowment's total investments, are valued using Level 3 inputs. These items consisted of alternative investments in private equity funds as well as other alternative investments. The schedule below presents the Endowment's financial assets and financial liabilities that are recorded at fair value on a recurring basis, categorized by the level of inputs utilized in determining the fair value of each.[2] As of December 31, 2024 and 2023, the Endowment had no material financial assets or financial liabilities that were measured at fair value on a non-recurring basis.

	FAIR VALUE AS OF DECEMBER 31, 2024	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ITEMS (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	INVESTMENTS REPORTED AT NAV
Equities	$ 1,040,293,425	$ 581,738,200	$ 11,094,192	$ 1,772,068	$ 445,688,965
Fixed income	129,826,895	474,379	40,639,172	37,621,294	51,092,050
Hedged strategies	743,765,936	—	1,541,046	—	742,224,890
Other	48,510,293	(2,281,899)	46,002,192	4,790,000	—
Private investments	1,796,579,649	1,718,109	—	74,675,718	1,720,185,822
Real assets	545,601,308	25,258,366	(10,416,496)	8,349,226	522,410,212
Short-term investments	654,269,093	—	654,269,093	—	—
TOTAL ASSETS MEASURED ON A RECURRING BASIS	**$ 4,958,846,599**	**$ 606,907,155**	**$ 743,129,199**	**$ 127,208,306**	**$ 3,481,601,939**

	FAIR VALUE AS OF DECEMBER 31, 2023	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ITEMS (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	INVESTMENTS REPORTED AT NAV
Equities	$ 718,106,776	$ 559,254,405	$39,600,072	$ 868,000	$ 118,384,299
Fixed income	149,185,240	82,684	70,061,118	25,003,147	54,038,291
Hedged strategies	983,689,445	30,226,202	(3,763,513)	—	957,226,756
Other	30,050,860	8,812,151	16,448,709	4,790,000	—
Private investments	1,782,518,200	4,457,704	—	86,817,176	1,691,242,320
Real assets	550,209,037	13,834,319	(2,175,111)	7,761,635	530,788,194
Short-term investments	670,056,365	—	670,056,365	—	—
TOTAL ASSETS MEASURED ON A RECURRING BASIS	**$ 4,883,815,923**	**$ 616,667,465**	**$ 790,227,640**	**$ 125,239,958**	**$ 3,351,680,860**

[2] *Investments measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy (see chart defining measurement levels for each year). The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statement of Financial Position.*

The Endowment has included a summary of the investment valuation methodologies in Note 2.

For the years ended December 31, 2024, and 2023, there were no significant transfers in or out of Level 1, Level 2, or Level 3 fair value measurements of the Endowment's investment portfolio.

The following summarizes the relationship between cost and market value of investments:

	2024	2023
Gross unrealized gain, net of deferred excise tax	$ 1,794,898,930	$ 1,763,275,485
Gross unrealized loss	(362,290,998)	(342,186,056)
Excess of Market Over Cost	**1,432,607,932**	**1,421,089,429**
Increase in net unrealized appreciation on assets	11,518,503	57,412,020
Net realized gains from sale of investments	269,793,016	28,357,103
Total Net Gain	**281,311,519**	**85,769,123**
Net investment income	81,480,286	101,225,473
TOTAL RETURN	**$ 362,791,805**	**$186,994,596**

At December 31, 2024 Duke Energy Corporation common stock represented a concentration of approximately 1.6% of the Endowment's investments as compared to 1.5% in 2023.

From time to time the Endowment will participate in a securities lending program. The Endowment loans certain investment securities for short periods of time in exchange for collateral, consisting mainly of cash and U.S. Government securities, equal to at least 102% of the fair value of the investment securities on loan. As of December 31, 2024, and 2023, there were no investment securities on loan.

As part of its investment strategy, the Endowment invests in certain derivative instruments, typically intended to economically hedge certain investment positions from fluctuations in market, rate, currency or other identified risks. During fiscal 2024 and 2023, the Endowment, or external investment managers on the Endowment's behalf, entered into swap agreements, futures contracts or forward contracts, and acquired warrants or rights to increase, reduce or otherwise modify investment exposures.

The Endowment's investment related derivative exposures, categorized by primary underlying risk with the prior year being conformed to current year presentation, are as follows:

PRIMARY UNDERLYING RISK AS OF DECEMBER 31, 2024:	LONG NOTIONAL	SHORT NOTIONAL	DERIVATIVE ASSETS	DERIVATIVE LIABILITIES	(LOSS)/ GAIN
Equity price[3]	$ 632,407,141	$ 154,190,237	$ 9,152,238	$ (34,887,519)	$ 10,539,960
Interest rate[4]	422,006,507	106,368,809	23,315,389	(34,778,385)	(12,061,379)
Commodity[5]	173,403,402	5,932,637	2,769,404	(2,525,916)	9,323,838
Credit[6]	1,923,876,655	950,205,782	64,676,856	(14,459,961)	(28,820,490)
Foreign currency exchange rate[7]	8,669,618	149,329,950	2,166,706	(212,683)	5,319,459
TOTAL	**$ 3,160,363,323**	**$ 1,366,027,415**	**$ 102,080,593**	**$ (86,864,464)**	**$ (15,698,612)**

PRIMARY UNDERLYING RISK AS OF DECEMBER 31, 2023:	LONG NOTIONAL	SHORT NOTIONAL	DERIVATIVE ASSETS	DERIVATIVE LIABILITIES	(LOSS)/ GAIN
Equity price[3]	$ 1,002,963,031	$ 258,357,638	$ 33,438,685	$ (33,106,607)	$ (12,292,047)
Interest rate[4]	467,401,424	84,581,875	4,743,881	(3,084,077)	(2,437,208)
Commodity[5]	103,175,860	3,256,494	556,492	(1,680,696)	(15,501,892)
Credit[6]	1,638,786,418	1,002,246,246	52,270,957	(20,877,644)	(18,172,356)
Foreign currency exchange rate[7]	20,326,735	177,746,788	18,131,172	(22,606,355)	(1,848,895)
TOTAL	**$ 3,232,653,468**	**$ 1,526,189,041**	**$ 109,141,187**	**$ (81,355,379)**	**$ (50,252,398)**

As part of relative value strategies, the Endowment and investment managers on the Endowment's behalf entered into credit default swap derivative transactions on investment grade and high yield securities which typically have terms of five years or less to buy and sell credit protection. At December 31, 2024 and 2023 the notional of protection sold was $1,821,578,472 and $1,631,696,800 and the notional of protection bought with identical underlying assets was $233,100,200 and $149,175,800, respectively. These instruments are included in the Credit line of the preceding table.

The Endowment's investment related derivative assets and liabilities at December 31, by counterparty, are as follows:

	2024			2023		
	ASSETS	LIABILITIES	CASH COLLATERAL PLEDGED (HELD)	ASSETS	LIABILITIES	CASH COLLATERAL PLEDGED (HELD)
Counterparty A	$ 22,909,334	$ (28,667,536)	$ 4,310,000	$ 21,123,918	$ (5,683,231)	$ (15,870,000)
Counterparty B	3,998,593	(1,238,918)	(3,110,000)	10,915,108	(5,130,171)	(5,720,000)
Counterparty C	16,171,324	(11,679,428)	59,969,344	21,954,715	(19,049,131)	62,575,929
Counterparty D	1,868,263	(7,963,678)	831,456	10,736,482	(987,914)	(4,124,664)
Counterparty E	27,687,523	(7,327,738)	(17,823,754)	20,900,730	(17,963,909)	5,673,766
Counterparty F	6,966,826	(13,612,164)	(345,750)	5,136,388	(20,136,399)	(731,489)
All other counterparties	22,478,730	(16,375,002)	730,000	18,373,847	(12,404,623)	(750,000)
TOTAL	**$ 102,080,593**	**$ (86,864,464)**	**$ 44,561,296**	**$ 109,141,188**	**$ (81,355,378)**	**$ 41,053,542**

[3] *Includes options, swaps, and futures contracts.*

[4] *Includes options, swaps, swaptions, and futures contracts.*

[5] *Includes options, swaps, and futures contracts*

[6] *Includes credit default swaps, swaptions, and credit total return swaps.*

[7] *Includes options, futures, and forward contracts.*

(7) LAND, BUILDING, FURNITURE AND EQUIPMENT, NET

Land, building, furniture and equipment, net, are summarized as follows at December 31:

	2024	2023
Land	$ 4,303,101	$ 4,303,101
Building	37,896,786	37,896,786
Furniture	1,113,306	2,269,118
Technological equipment	1,610,176	1,610,177
Land, Building, Furniture and Equipment, Gross	**$ 44,923,369**	**$ 46,079,182**
Accumulated depreciation	(12,402,999)	(12,507,485)
LAND, BUILDING, FURNITURE AND EQUIPMENT, NET	**$ 32,520,370**	**$ 33,571,697**

During 2024, the Endowment disposed of and adjusted certain furniture items, which had net accumulated depreciation of $1,155,813. There were no disposals during 2023. During 2024 and 2023, depreciation expense was $1,051,327 and $1,100,683, respectively.

(8) INDEBTEDNESS

On October 31, 2012, the Endowment (the Issuer) entered into a $40,000,000 note purchase agreement with Massachusetts Mutual Life Insurance Company, MassMutual Asia Limited, and C.M. Life Insurance Company (collectively, the Purchasers), whereby the Endowment authorized the issue and sale of $40,000,000 aggregate principal amount of its 3.85% senior notes due October 31, 2037. In 2021, Massachusetts Mutual Life Insurance Company transferred $1,800,000 of $31,000,000 original principal to Great-West Life & Annuity Insurance Company. In 2024, C.M. Life Insurance Company transferred the total amount of their principal, $4,800,000, to Massachusetts Mutual Life Insurance Company.

The note financed the construction of its headquarters located at 800 East Morehead Street, Charlotte, N.C. and for other general organizational purposes.

The Endowment is required to make payments of principal, in the amounts specified in the note purchase agreement, on the unpaid balance thereof at the rate of 3.85% per annum, payable semiannually on the last day of April and October in each year commencing 2013. As of December 31, 2024, and December 31, 2023, the principal balance of the notes payable was $25,441,701 and $26,925,110, respectively, which approximates fair value.

Future maturities of the principal note payments are as follows:

	AMOUNT
2025	$ 1,541,070
2026	1,600,972
2027	1,663,203
2028	1,727,852
2029	1,795,015
Thereafter	17,113,589
TOTAL NOTE PAYABLE	**$ 25,441,701**

The note purchase agreement contains financial covenants customary for such transactions, including limits on minimum total net assets, maximum total indebtedness to total net assets and priority indebtedness. The Endowment was in compliance with its covenants as of December 31, 2024 and 2023.

To supplement working capital and investment commitments, the Endowment has two lines of credit as of December 31, 2024; $30,000,000 with The Bank of New York Mellon expiring December 2026 and $30,000,000 with Morgan Stanley Bank, N.A. expiring November 2025. At December 31, 2024, there were no outstanding borrowings under these agreements.

(9) CONTRIBUTION RECEIVED

The Endowment has agreements with Blue Meridian Partners, Inc. (BMP), a 501(c)(3) public charity to support its regional strategy — Get Ready Guilford. Pursuant to the terms of the first agreement dated August 28, 2018, BMP invested $32.5 million through 2023. The Endowment is a Regional General Partner of BMP, which required the Endowment to fund one half or $16.25 million with the balance of $16.25 million funded by other partners of BMP. The Endowment entered into a new agreement with BMP on December 6, 2022, for $120 million to continue support of Get Ready Guilford. The Endowment, as a Regional General Partner of BMP is required to fund one half or $60 million with the balance of $60 million funded by other partners of BMP through 2029. As of December 31, 2024, the Endowment received $17 million of the $60 million pursuant to the terms of the second agreement. The remaining balance of $43 million will be paid in increments through 2029. The entire $152.5 million investment of the Endowment and BMP supports Get Ready Guilford, a strategy to break the cycle of intergenerational poverty in Guilford County, N.C.

(10) NET ASSETS WITH DONOR RESTRICTIONS

Donor restricted net assets with purpose restrictions consist of the following at December 31:

	2024	2023
Duke University under Original Corpus, Corpus Item VIII and Corpus Item XI	$ 1,027,578,978	$ 1,007,621,156
Other charitable purposes	3,632,013,465	3,556,428,278
DONOR RESTRICTED NET ASSETS — PURPOSE RESTRICTIONS	**$ 4,659,592,443**	**$ 4,564,049,434**

Donor restricted net assets that are restricted in perpetuity consist of the following at December 31:

	2024	2023
Duke University under Original Corpus, Corpus Item VIII and Corpus Item XI	$ 54,244,354	$ 54,244,354
Other charitable purposes	205,436,724	205,436,724
DONOR RESTRICTED NET ASSETS — RESTRICTED IN PERPETUITY	**$ 259,681,078**	**$ 259,681,078**

11) FUNCTIONAL EXPENSES

The cost of program activities and administrative services have been summarized on a functional basis on the Statements of Activities. The statements of functional expense present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported within that functional area. Indirect expenses that benefit multiple functional areas have been allocated by the Endowment based upon square footage and head count.

Expenses are reported on the Statements of Activities in natural categories. Functional expenses were categorized as follows:

	2024		
TYPE	ADMINISTRATIVE SERVICES	PROGRAM ACTIVITIES	TOTAL
Staffing	$ 4,347,252	$ 4,508,850	$ 8,856,102
Retirement plans and employee benefits	2,466,924	2,255,493	4,722,417
Professional fees	2,021,927	2,918,812	4,940,739
Office operations	862,495	676,033	1,538,528
Travel and conferences	102,130	198,557	300,687
Communications	1,877,727	—	1,877,727
Other expenses	1,466,488	757,838	2,224,326
Interest expense	562,361	429,439	991,800
Depreciation	581,815	438,868	1,020,683
	$ 14,289,119	**$ 12,183,890**	**$ 26,473,009**

	2023		
TYPE	ADMINISTRATIVE SERVICES	PROGRAM ACTIVITIES	TOTAL
Staffing	$ 4,023,726	$ 4,175,170	$ 8,198,896
Retirement plans and employee benefits	2,412,335	2,122,073	4,534,408
Professional fees	2,277,498	2,644,228	4,921,726
Office operations	1,059,515	613,663	1,673,178
Travel and conferences	111,589	163,113	274,702
Communications	1,552,071	—	1,552,071
Other expenses	624,179	855,210	1,479,389
Interest expense	576,918	467,532	1,044,450
Depreciation	643,896	432,020	1,075,916
	$ 13,281,727	**$ 11,473,009**	**$ 24,754,736**

For 2024 and 2023, investment expenses of $19,319,333 and $12,442,395, respectively, are netted against dividends and interest income within the accompanying Statements of Activities.

12) PENSION AND OTHER POSTRETIREMENT PLANS

The Endowment sponsors a noncontributory defined benefit pension plan covering all eligible employees, as defined under the plan. The benefits are based on years of service and the employees' average final creditable compensation. Contributions totaling $1,640,000 and $1,700,000 were made to the plan during 2024 and 2023, respectively. The benefit obligation as of December 31, 2024, and 2023 was $28,711,398 and $28,673,723, respectively, and the net pension liability, included in other liabilities in the statements of financial position, was $7,216,998 and $10,669,432, respectively, based on actuarial assumptions at December 31, 2024 and 2023.

The Endowment also sponsors a defined contribution plan with the Endowment providing matching contributions equal to 100% of employee contributions up to 3% and 50% of employee contributions between 3% and 5%. All full-time employees are eligible after a three-month period. Total Endowment contributions in 2024 and 2023 were $332,804 and $304,969, respectively.

The Endowment provides certain health care and life insurance benefits to retired employees. The accumulated postretirement benefit obligation at the latest measurement date of December 31, 2024, was $3,619,450. It was included in Other Liabilities on the Statements of Financial Position. At December 31, 2024, the Endowment determined that any additional liability for unfunded retirement benefits extended to retirees and to employees upon their retirement since the latest measurement date would not be material to its net assets.

(13) SUBSEQUENT EVENTS

The Endowment has evaluated its December 31, 2024, financial statements for subsequent events through May 22, 2025, the date the financial statements were available to be issued. The Endowment is not aware of any other subsequent events which would require recognition or disclosure in the financial statements.

2024 LEADERSHIP


100 YEARS

TRUSTEES

STAFF

Ashleigh J. Allessio
Senior Coordinator, Higher Education

William F. Bacon
Vice President/Director, Evaluation

Lee Baigas
Coordinator, Human Resources

Cheyenne Booth
Operations Assistant

Chris M. Collins
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Christina I. DiSalvo
Program Officer, Child & Family Well-Being

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Program Officer, Health Care

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Executive Assistant, President's Office

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Program Analyst, Rural Church

Jay E. Kennedy
Program Officer, Health Care

Elizabeth A. Kupec
Financial Analyst

Jacqueline M. Lademann
Senior Coordinator, Rural Church

Allen P. Lane
Coordinator, Finance

Rhett N. Mabry
President

Tania G. Mapes
Human Resources Manager

Ali Marzouq
IT Manager

Susan L. McConnell
Vice President/Director, Human Resources

Laura A. Peres
Project and Facilities Manager

Charity L. Perkins
Director, Communications

Phillip H. Redmond Jr.
Director, Child & Family Well-Being

Kristen R. Richardson-Frick
Associate Director, Rural Church

Karen H. Rogers
Chief Financial Officer/Treasurer

Meka S. Sales
Director, Special Initiatives

Matthew D. Sharp
Director, Information Technology

Ellie Smith
Program Analyst, Health Care

Megan M. Smith
Senior Accountant

Natalie C.W. Smith
Controller

Shaheen B. Towles
Associate Director, Communications

K. Todd Walker
Managing Director, Investments

Kristi K. Walters
Director, Higher Education

Stacy E. Warren
Associate Director, Health Care

Robert R. Webb III
Director, Rural Church

Anita W. West
Accounting Manager

Tamika D. Williams
Associate Director, Child & Family Well-Being

Brittany S. Worden
Program Analyst, Special Initiatives

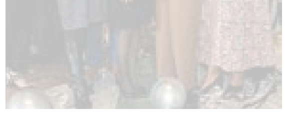
Diana Zilberdrut
Senior Coordinator, Communications and Investments

STAFF UPDATES: New Hires

Lee Baigas
Coordinator, Human Resources

Ellie Smith
Program Analyst, Health Care



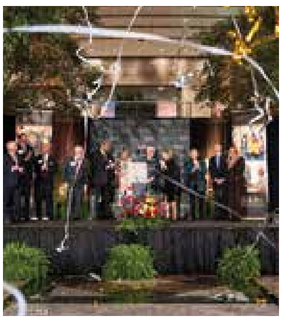



CENTENNIAL EVENT HIGHLIGHTS



29

Community/School Events and Related Speaking Engagements

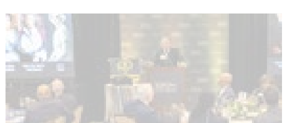





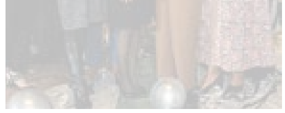
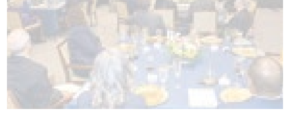




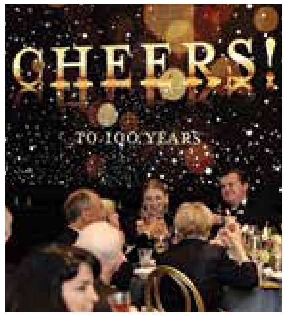









CELEBRATING A CENTURY OF PARTNERSHIP, SERVICE AND IMPACT

2024 was a year of reflection and connection. As we marked 100 years since James B. Duke signed the Indenture of Trust that launched The Endowment, we found special ways to engage with the partners and communities that his vision has touched over the past century:

Traveling exhibit hosted at **12 community organizations**

Seventeen grantee celebrations in communities across the Carolinas.

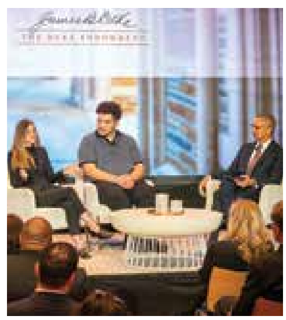
More than **75 narratives** highlighting the work and impact of grantees.

At least **12 centennial presentations** and talks given to civic groups or community organizations.

Many thanks to all of the grantees working to improve lives in the Carolinas, and here's to what's next!

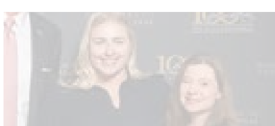
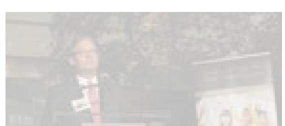









NEXT

2024 ANNUAL REPORT

100 YEARS
THE DUKE ENDOWMENT
COMMITTED TO THE CAROLINAS

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dukeendowment.org