

2021 Consolidated Endowment Fund (CEF) Report



At the University of Washington our mission promises to enhance lives everywhere— a goal that would simply not be possible without your endowed support. As lasting legacies, endowed gifts provide perpetual support for students, faculty, and university programs and services. They serve as the foundation upon which we build our success. While we can measure the endowment's annual fiscal performance in this report, the impact that your gift will make in perpetuity is immeasurable.

Explore all report sections below



Endowment



Impact



Investment



Contact

The University of Washington Endowment

Generous donors have created a lasting legacy

TOTAL ENDOWMENTS
IN CEF

5,411

NEW ENDOWMENTS ADDED
IN FISCAL YEAR 2021

158

FISCAL YEAR 2021
ENDOWMENT DISTRIBUTIONS

\$135 million

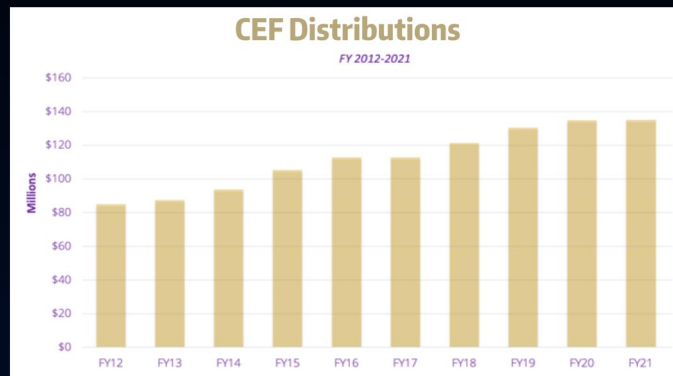
Endowment Highlights by Fiscal Year

	2017	2018	2019	2020	2021
Market Value (in millions)	\$3,144	\$3,407	\$3,588	\$3,560	\$4,712
Return	13.6%	9.6%	5.8%	1.1%	35.1%
Number of Endowments	4,685	4,904	5,076	5,253	5,411
Distributions to campus (in millions)	\$113	\$121	\$130	\$135	\$135
New Endowments	179	219	172	177	158

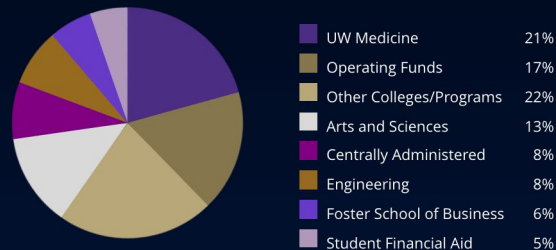
The impact is felt year after year,
generation after generation.

DISTRIBUTED OVER LAST 10 YEARS

\$1.1 billion



Endowments provide opportunities for
students and faculty in their quest for
excellence and innovation.



Endowments by Schools, Colleges, and Programs

Schools, Colleges, and Programs	Endowment Value at 6/30/2021	Number of Individual Endowments
UW Medicine	\$1,010,377,206	1079
College of Arts and Sciences	617,170,143	1093
College of Engineering	398,253,520	491
Foster School of Business	260,174,193	276
Student Financial Aid	229,040,142	261
Office of the President and Provost	168,193,166	99
Law School	140,276,262	115
College of the Environment	151,892,082	318
Intercollegiate Athletics	119,311,028	243
University Libraries	68,038,353	115
Graduate School	66,152,393	100
School of Nursing	72,600,030	166
Tacoma Campus	62,449,085	93
Undergraduate Academic Affairs	69,269,795	39
College of Built Environments	61,028,799	141
School of Dentistry	46,522,892	105
College of Education	45,433,574	93
Evans School of Public Policy & Governance	30,401,527	42
School of Pharmacy	38,332,541	87
Health Sciences	22,876,867	5
School of Public Health	30,785,430	105
School of Social Work	42,637,358	55
Office of Research	11,074,550	4
University of Washington Press	9,158,746	17
Information School	11,047,797	62
Bothell Campus	6,746,128	35
Office of Minority Affairs and Diversity	9,231,326	54
CoMotion	17,174,988	2
Finance and Facilities	1,543,412	5
Office of the Vice President of Student Life	5,719,508	31
Continuum College	1,632,375	4
University Advancement	1,332,231	6
	3,825,877,447	5,341
Operating Funds	811,544,521	2
Non-UW Endowment	74,627,580	68
Total	\$4,712,049,548	5,411

Endowed gifts coupled with investment returns
resulted in the growth of the CEF.

8.0%

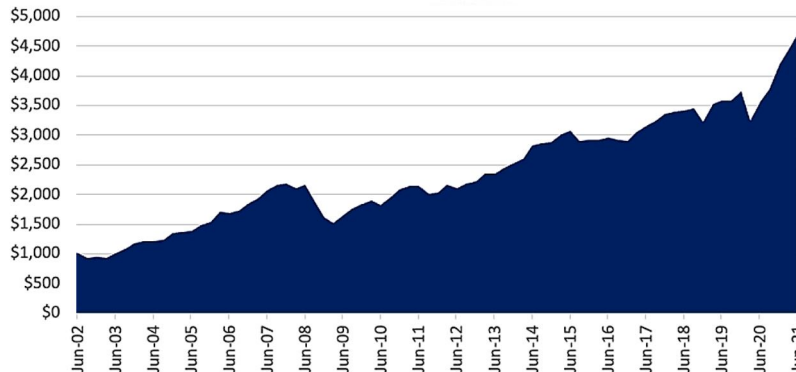
ANNUALIZED RETURN OVER LAST
20 YEARS

\$3.6 billion

IN NET GROWTH OVER
LAST 20 YEARS

Market Value of the CEF Over 20 Years

Fiscal Year 2002-2021 (\$in millions)



TOTAL ENDOWMENT ON JUNE 30, 2021

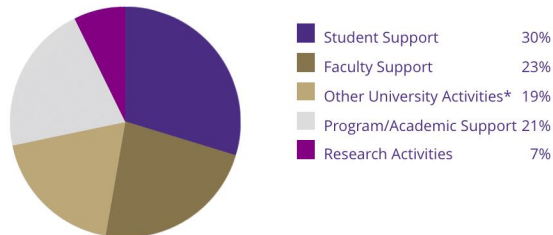
\$4.7 BILLION
since the first \$400 cash endowed gift in 1905



Impact

The impact of endowment gifts is evident in every corner of the University of Washington, from the inspiring faculty who hold endowed professorships to the extraordinary students that choose the UW because of scholarships and fellowships.

Endowment Support by Purpose



* A portion of the University's operating funds are invested in the CEF. Distributions benefit campus-wide programs.

Gifts at Work

Endowments create extraordinary impact across our campuses. These are just a few of the countless stories that philanthropy makes possible year after year, generation after generation.

Students

2,877
Endowments

\$40 million
Distributed in 2021

Investing In Student Success

[Read More](#)



Faculty

667
Endowments

\$32 million
Distributed in 2021

Native Knowledge

[Read More](#)



Research

266
Endowments

\$10 million
Distributed in 2021

Speeding Up the Science

[Read More](#)



Programs

1,368
Endowments

\$23 million
Distributed in 2021



Riverways to Educational Equity

[Read More](#)

University

233
Endowments

\$30 million
Distributed in 2021

**A Safer PNW
with the
GeoHazards
Initiative**

[Read More](#)

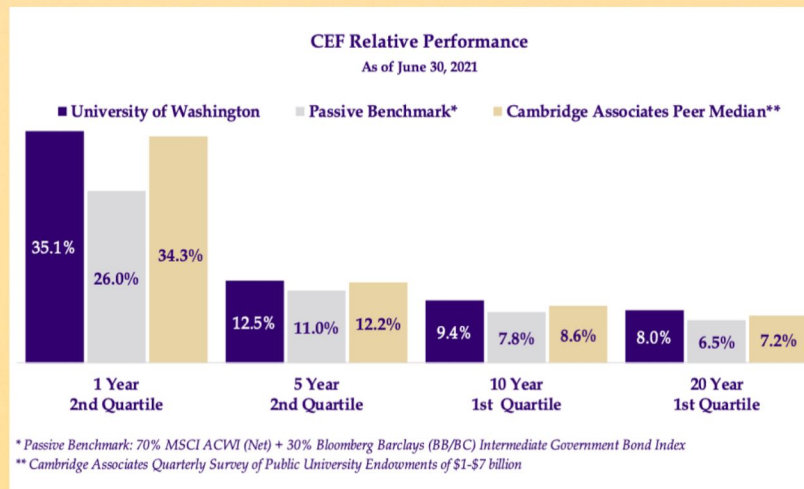


Investment

Investment Performance

For the fiscal year ending June 30, 2021 (Fiscal Year 2021) the University of Washington's Consolidated Endowment Fund (CEF) returned +35.1% versus +26.0% for the passive benchmark and +34.3% for the public university peer median. Despite the challenges brought on by the Covid-19 pandemic, fiscal year 2021 turned out to be a very favorable investment environment for risk assets as fiscal and monetary policies across the globe remained extremely accommodative. Unlike in fiscal year 2020 where the US led gains driven by a small number of big-name tech stocks, equity market performance this year was broader based. The CEF's diversified portfolio performed well in this environment.

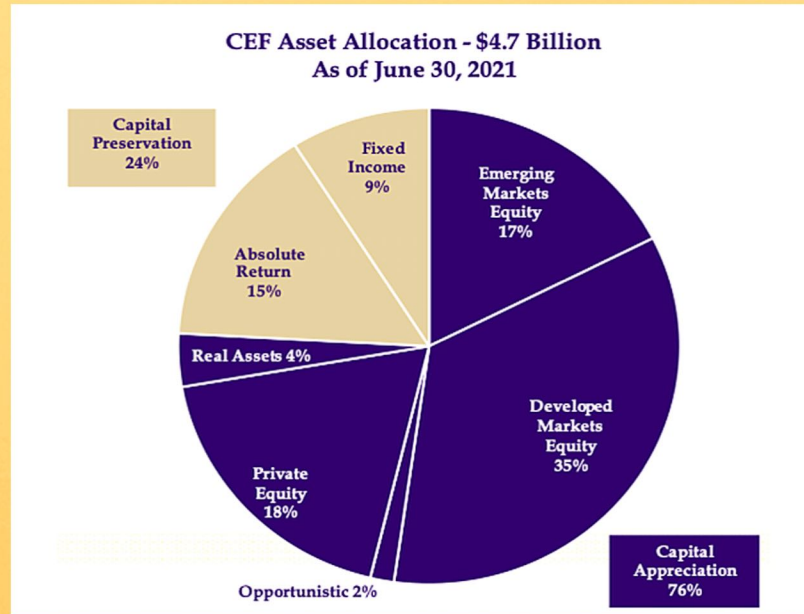
Our focus remains on long-term results where the CEF has maintained solid relative performance. The chart below shows that the CEF has returned +12.5%, +9.4% and +8.0% for the 5, 10 and 20-year periods, respectively, and outperforms the passive benchmark for all periods. The UW also fared well relative to public peers with above median performance for all periods.



The 20-year picture also highlights remarkable growth for the endowment. The CEF grew from \$1.1 billion to \$4.7 billion. In addition to new gifts totaling \$1.1 billion (net of fees), nearly \$2.0 billion of investment returns was distributed primarily to support campus scholarships, professorships and research over the last 20 years.

Investment Strategy

Asset allocation is critical to balancing the long-term potential return and the risk tolerance appropriate for the University of Washington.



The CEF's \$4.7 billion portfolio is diversified across two clearly defined categories of investments: those which facilitate growth or appreciation (Capital Appreciation), and those which preserve endowment values and provide liquidity (Capital Preservation). As of June 30, 2021, 76% of the CEF was invested in Capital Appreciation and 24% in Capital Preservation. Our long-term strategy is to maintain an equity-oriented portfolio and we recently revised our strategic asset allocation policy targets to increase our equity exposure. We continue to keep ample liquidity within Capital Preservation to meet the CEF's funding requirements, as well as to take advantage of market dislocations. UW remains differentiated from peers by a larger allocation to public international equities, particularly emerging markets in Asia.

Spending Policy

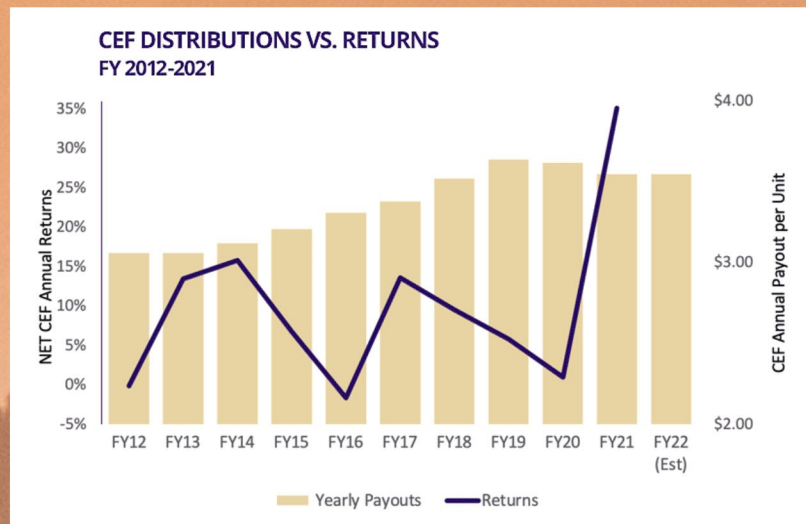
Given financial market volatility and projected lower returns for the CEF, the UW Investment Management Company (UWINCO) Board recommended a reduction in the endowment spending rate from a total spend of 5.0 percent to 4.5 percent. The Board of Regents is vested with the responsibility to set an endowment distribution spending policy that balances the needs of current endowment beneficiaries with the requirement to protect the corpus of the endowment to meet future University needs. On February 14, 2019 the Board of Regents approved an amendment to the Consolidated Endowment Fund Policy to implement a phased reduction to 4.5 percent by fiscal year 2022.

To cushion the impact of a reduction to units, a 3-year stepped reduction in the spending rate was developed. The distribution rate reduction will be phased as follows:

- **Fiscal Year 2020:** 10 basis points to 4.9 percent
- **Fiscal Year 2021:** 20 basis points to 4.7 percent
- **Fiscal Year 2022:** 20 basis points to 4.5 percent

All endowments will utilize the same rates. Fully implemented as of July 1, 2021, the program distribution rate is 3.6 percent and the administrative fee distribution rate is 0.90 percent to reflect a total distribution rate of 4.5 percent.

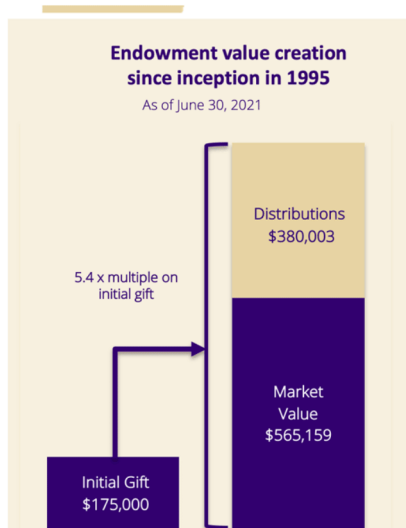
The strong FY21 performance will continue to benefit distributions over multiple years due to the use of a 20-quarter average market value in the spending calculation. This smoothing mechanism helps stabilize distributions as returns fluctuate each year. UWINCO will carefully monitor CEF positioning and market conditions and, along with Senior Administration and the Regents, will regularly review spending to ensure alignment with projected longer-term returns and best practices.



Power of Investment Returns & Prudent Spending Policy

The Generous \$175,000 gift from Robert H. Soper, invested in 1995, has provided powerful long-term impact. This fund has distributed over \$380,000 in support of students with disabilities and still has a market value five times more than its original value.

Robert H Soper Endowed Scholarship Fund



Endowment Purpose

The Soper endowment provides support for any student who self-identifies as having a physical disability that limits one or more major life activities. Most of the recipients are supported with multi-year awards. As seen below with the six current recipients, the endowment supports students across the entire campus spectrum.

Endowment Currently Supports

PHD Candidate – School of Law
Senior – Art
Senior – Psychology
Senior – Integrated Social Sciences
Junior – Mechanical Engineering
Junior - Psychology



Contribute to an Existing Endowment

Contact Donor Services to identify an existing endowment where your gift will provide intergenerational support to students, faculty, academic, research or operational activities at 877-UW-GIFTS (877-894-4387) or steward@uw.edu

Establish an Endowment

If you are interested in learning more about establishing an endowment, please visit the Donor Services website at <https://www.washington.edu/giving/endowment/> or contact them at 877-UW-GIFTS (877-894-4387) or steward@uw.edu

Further Information

For further information on the University's investment and endowment programs, please visit: Investment: <http://uwinco.uw.edu>, Endowment: <http://finance.uw.edu/treasury/CEF>

If you have any questions or comments about this report, or would like copies of the Consolidated Endowment Fund investment policies, please contact:

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robertcb@uw.edu

Endowment Giving

If you would like to receive information on how you can support the University's program, please contact:

Dan Peterson

Vice President for Development
University Advancement
(206) 685-1980
dcpeters@uw.edu

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Years

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