



ENDOWMENT REPORT

Fiscal Year 2023

Greetings,

We are so grateful for donors who support endowed funds at the University of Montana Foundation. These sustaining gifts allow the University of Montana to thrive in its mission of providing a world-class education, accessible to all learners.

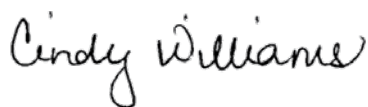
Dedicated donors make an impact at the University of Montana every day. Between July 1, 2022 and June 30, 2023 (FY2023), the UM Foundation endowment portfolio provided \$6.4 million to the University of Montana's students, programs, faculty and staff. This year, endowed funds established by donors helped the University recruit and retain students, engage and retain world-class faculty, and achieve academic and research milestones.

This report provides detailed information on the University of Montana Foundation's endowment portfolio and activity for FY2023. The endowment portfolio posted an overall return of 7.5% and the portfolio balance as of June 30, 2023 was \$257 million.

Thank you for choosing to invest in the future of the University of Montana. As the examples in these pages show, your generosity fosters potential, brings ideas to life and lifts up UM's students and faculty.

Thank you for your support.

Sincerely,



CINDY WILLIAMS
PRESIDENT AND CEO

The UM Foundation is an independent, nonprofit organization with 501(c)(3) status that supports UM by managing private fundraising efforts, donations and investment of endowed gifts to benefit UM. The UM Foundation operates under an agreement with UM that is reviewed and approved by the Montana University System Board of Regents.



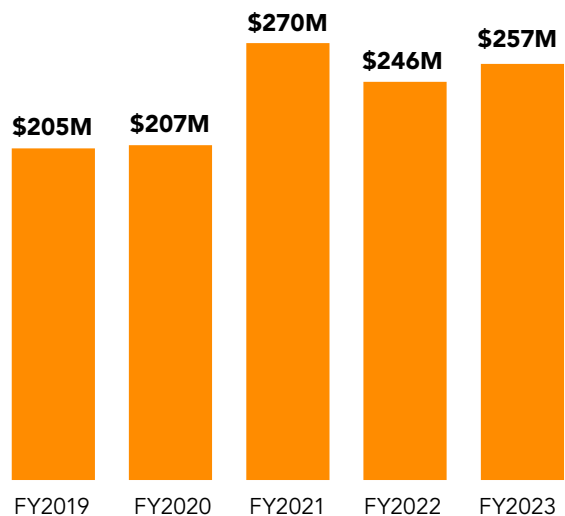
INVESTING IN THE UNIVERSITY OF MONTANA

Donor contributions to endowed funds are an investment in the long-term prosperity of the University of Montana. Endowed funds support UM's people, places and programs to ensure success for all Grizzlies, now and into the future.

The UM Foundation Board of Trustees is responsible for the investment of endowed funds. Individual endowed funds are invested together as a single pooled endowment portfolio. The Board has engaged Commonfund, an asset management firm, to provide outsourced chief investment officer services to manage investment of the endowment portfolio with the primary goal of maintaining the purchasing power of the portfolio into the future. The Board retains authority over policy, strategy and asset allocation associated with the portfolio and also monitors the performance of Commonfund's investment management of the portfolio.

VALUE OF THE ENDOWMENT PORTFOLIO

The endowment portfolio value grows through new gifts from donors. The portfolio may also grow or decline due to investment market fluctuations.



INVESTMENT PERFORMANCE AND ASSET ALLOCATION

INVESTMENT PERFORMANCE

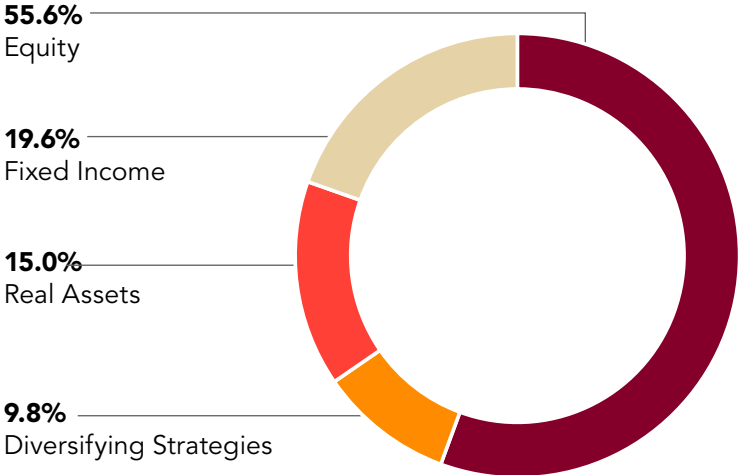
Annualized for periods ending June 30, 2023

1 Year	7.5%
3 Year	9.4%
5 Year	5.9%
10 Year	6.1%
Inception July 31, 1997	5.7%

ASSET ALLOCATION

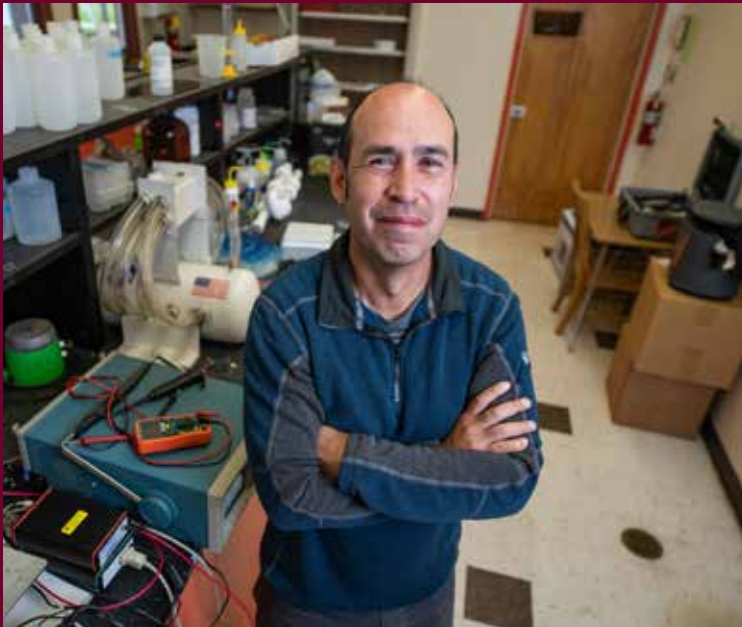
As of June 30, 2023

The asset allocation for the endowment portfolio is shown in the chart below. This allocation is set by the UM Foundation’s Board of Trustees and is periodically reviewed to ensure alignment with investment and diversification objectives.



“ I am honored to receive this endowed award, which helps me teach my passion while supporting Native American students’ success at UM and beyond.

Dr. Aaron Thomas, UM professor and recipient of an endowed faculty award



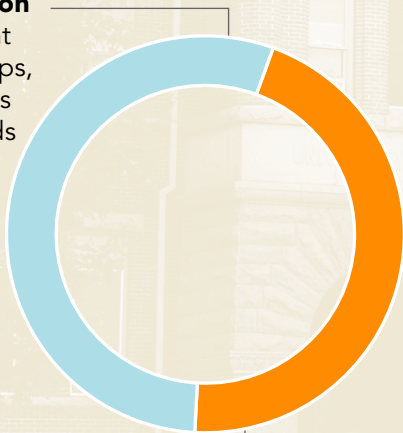
SUPPORT FOR CAMPUS

The endowment portfolio provides support to the University of Montana in two core areas: student scholarships, fellowships and awards; and academic programs and named faculty positions.

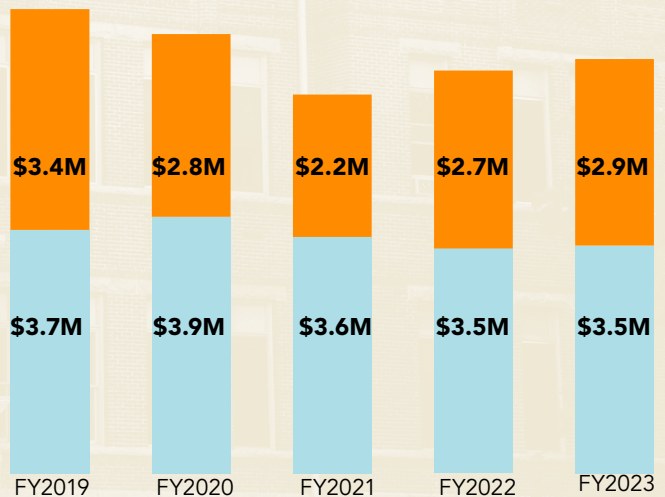
The chart below shows the \$6.4 million in support that the endowment portfolio provided to UM in FY2023.

The chart below shows the amount of support that the endowment portfolio provided to UM over the last five fiscal years.

\$3.5 Million
for student
scholarships,
fellowships
and awards



\$2.9 Million
for academic
programs and named
faculty positions



■ student scholarships, fellowships and awards
■ academic programs and named faculty positions

QUESTIONS ABOUT ENDOWED FUNDS

More than 1,200 individual endowed funds provide support for students and programs at the University of Montana. Endowed fund purposes include undergraduate scholarships, graduate fellowships, faculty chairs and professorships and program support.



What is an endowed fund?

An endowed fund is a gift that provides support in perpetuity for a specific use, designated by the donor. The principal of the gift is invested and a distribution from the endowed fund supports the specific use designated by the donor, such as a school, college, program or students.

May UM spend endowed fund distributions in ways other than directed by a donor?

No, donors specify the purpose of their gift and the UM Foundation is legally bound to honor donor wishes.

How are an endowed fund's distributions calculated?

Distributions are made from an endowed fund one year after the endowed fund is fully funded. The annual distribution from an endowed fund is 4.25% of the endowed balance of the fund (based on a twelve-quarter average unit-value of the endowment portfolio).

Is it possible that an endowed fund won't make a distribution every year?

Yes. The UM Foundation will temporarily suspend distributions if an endowed fund's fair market value falls below 90% of its original gift value.

Does the UM Foundation assess a fee on endowed fund balances?

Yes, similar to other public university affiliated foundations, the UM Foundation assesses an administrative fee on endowed funds to support Foundation operations. In FY2021 and FY2022, the administrative fee was 2.0%. In FY 2023, the administrative fee was lowered to 1.93%. The fee was again reduced in FY2024 to 1.86%.

WE CAN ANSWER YOUR QUESTIONS

Please contact Chief Finance and Operations Officer Jamie Stanton with any questions about the UM Foundation's endowment portfolio at jamie.stanton@supportum.org.



“ This scholarship helped me achieve my educational and career goals this year by providing me with the opportunity to pursue my passions. The skills I have learned in my college courses thus far, such as communication and empathy, already are preparing me to be an agent of positive change in my community and throughout the world. It is all thanks to the generosity of scholarships.

Annabelle Brown, UM Student

“ Thank you so much for your generous contribution to the University of Montana Foundation! Words cannot describe how amazing it feels to be supported by people that love the University and helping determined students. Your donation is greatly appreciated by not only myself, but my family, and all the well-deserving students too.

Andi Newbrough, UM Student



THE LIVES WE CHANGE
WILL CHANGE THE WORLD



The University of Montana Foundation inspires philanthropic support to enhance excellence and opportunity at the University of Montana.

SupportUM.org | P.O. Box 7159 | Missoula, MT 59807 | 800-443-2593 | umfoundation@supportum.org