

ENDOWMENT REPORT

FISCAL YEAR 2024



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 students, now and into the future.

Value of the Endowment Portfolio

The endowment portfolio continues to grow over time through new gifts from donors and investment market returns.



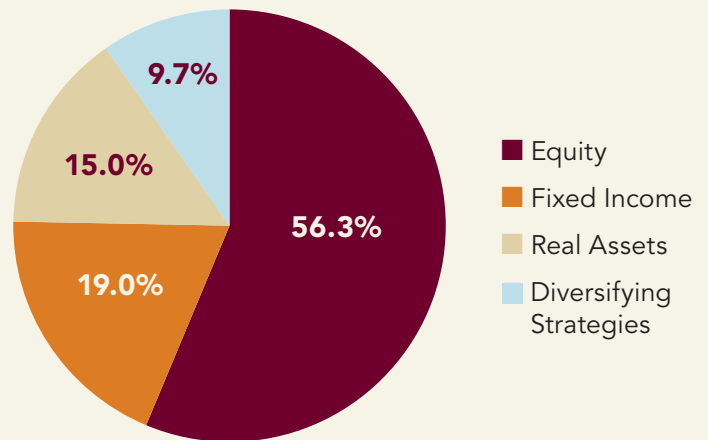
Investment Performance

Annualized for periods ending June 30, 2024.

- 1 Year **10.2%**
- 3 Year **3.8%**
- 5 Year **7.1%**
- 10 Year..... **5.4%**
- Inception **6.1%**
(July 31, 1997)

Asset Allocation as of June 30, 2024

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

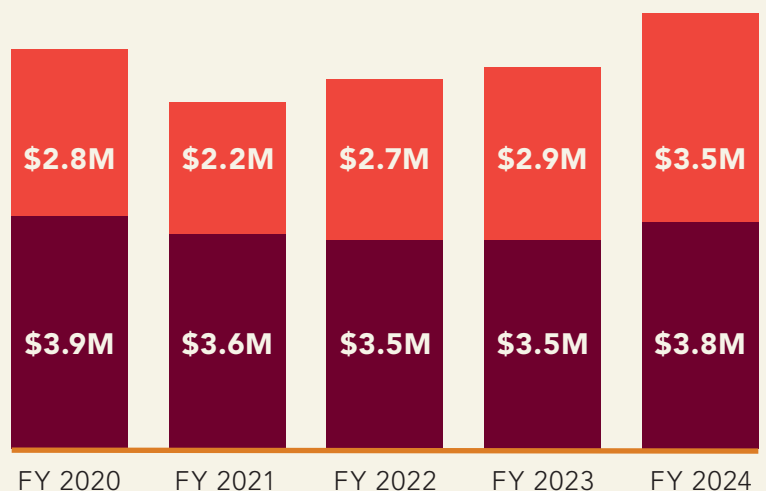


Support for Campus

The endowment portfolio provided **\$7.3 million** to UM in FY 2024.

The chart (right) shows the amount of support that the endowment portfolio has provided to UM over the last five fiscal years.

- Academic and University Support
- Scholarships, Graduate Fellowships and Student Support



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 distributions from the endowed fund support 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 intent.

How are an endowed fund's distributions calculated?

Distributions are initiated 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. This practice protects the endowment during periods of market volatility and helps maintain the value of the endowment for UM over the long term.

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. The fee is currently 1.86%.

The UM Foundation is an independent, nonprofit organization with 501(c)(3) status that supports the University of Montana 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.

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 the asset management firm, Commonfund, to provide outsourced chief investment officer services to manage investment of the endowment portfolio with the primary objective of seeking to maintain the purchasing power of the portfolio. 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.

WE CAN ANSWER YOUR QUESTIONS

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



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

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