

2022 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.



Endowment



Impact



Investment



Contact

The University of Washington Endowment

Generous donors have created a lasting legacy

TOTAL ENDOWMENTS
IN CEF

5,572

NEW ENDOWMENTS ADDED
IN FISCAL YEAR 2022

161

FISCAL YEAR 2022
ENDOWMENT DISTRIBUTIONS

\$146 million

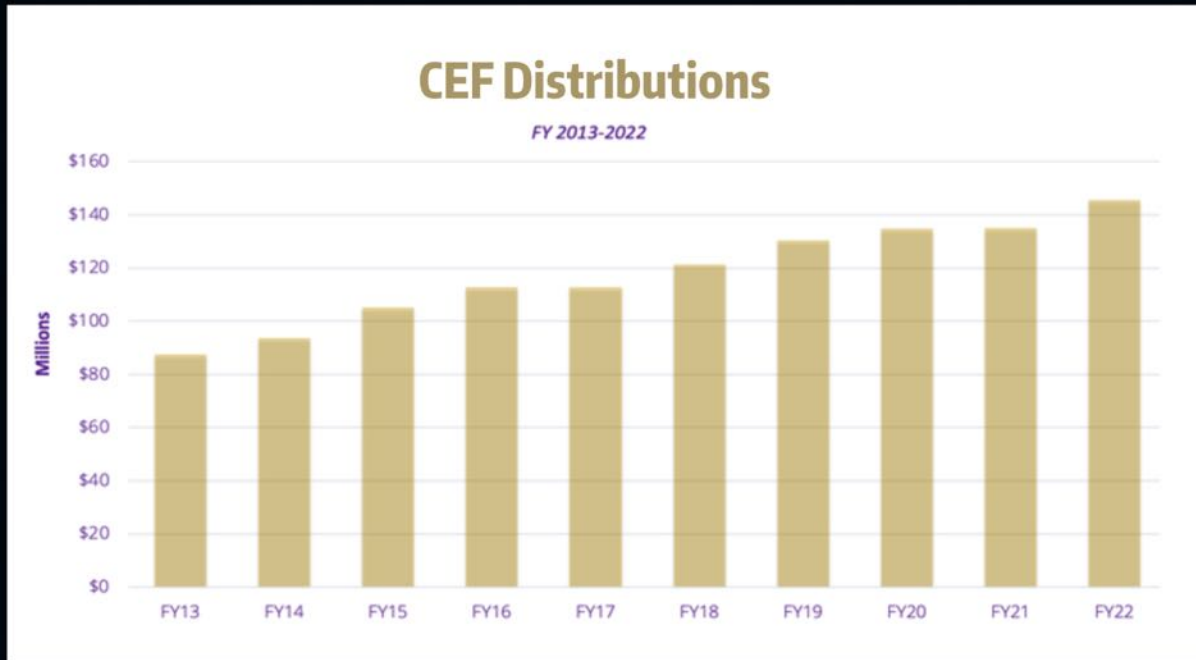
Endowment Highlights by Fiscal Year

	2018	2019	2020	2021	2022
Market Value (in millions)	\$3,407	\$3,588	\$3,560	\$4,712	\$4,678
Return	9.6%	5.8%	1.1%	35.1%	-5.5%
Number of Endowments	4,904	5,076	5,253	5,411	5,572
Distributions to campus (in millions)	\$121	\$130	\$135	\$135	\$146
New endowments	219	172	177	158	161

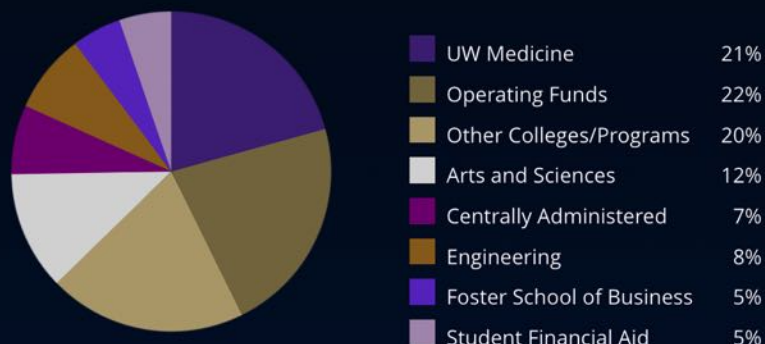
The impact is felt year after year,
generation after generation.

DISTRIBUTED OVER LAST 10 YEARS

\$1.2 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 6/30/2022	Number of Individual Endowments
UW Medicine	\$960,890,723	1135
College of Arts and Sciences	591,820,751	1136
College of Engineering	379,536,171	515
Foster School of Business	243,441,747	281
Student Financial Aid	216,282,284	266
Office of the President and Provost	154,772,254	100
Law School	130,854,247	119
College of the Environment	143,179,996	327
Intercollegiate Athletics	110,393,965	246
University Libraries	63,276,331	117
Graduate School	60,708,294	102
School of Nursing	67,474,845	174
Tacoma Campus	57,492,322	96
Undergraduate Academic Affairs	63,915,955	41
College of Built Environments	60,670,244	142
School of Dentistry	42,766,467	105
College of Education	41,921,620	94
Evans School of Public Policy & Governance	27,891,695	43
School of Pharmacy	36,593,067	92
Health Sciences	20,693,019	4
School of Public Health	28,688,263	106
School of Social Work	39,523,411	55
Office of Research	10,257,646	5
University of Washington Press	8,353,220	17
Information School	10,561,299	64
Bothell Campus	7,080,424	37
Office of Minority Affairs and Diversity	10,231,042	61
CoMotion	15,656,685	2
Finance and Facilities	1,408,689	5
Office of the Vice President of Student Life	4,621,342	35
Continuum College	1,488,830	4
University Advancement	1,214,817	6
	3,613,661,665	5,532
Operating Funds	1,016,428,977	2
Non-UW Endowment	47,838,964	38
Total	\$4,677,929,606	5,572

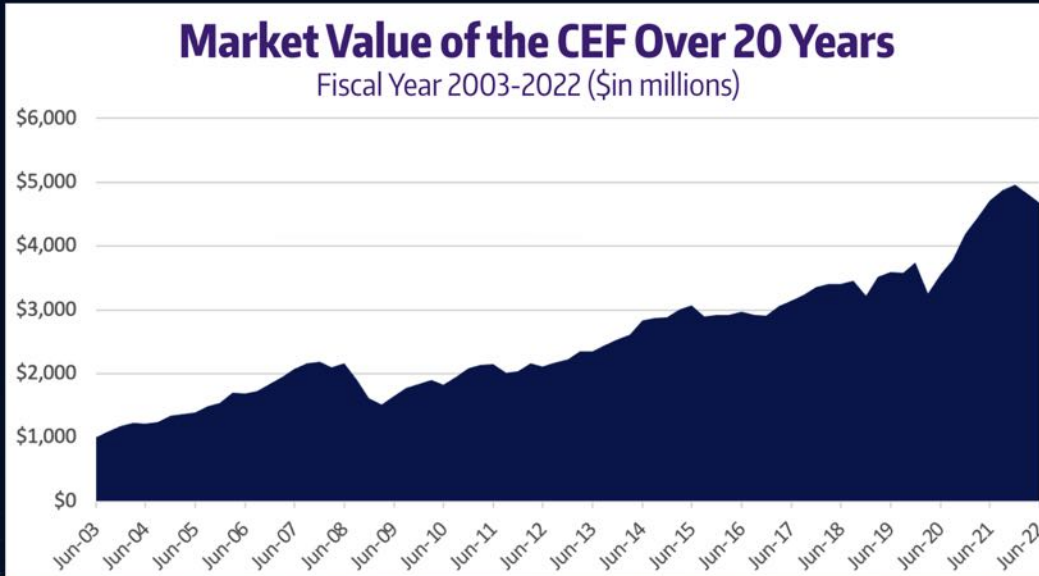
Endowed gifts coupled with investment returns
resulted in the growth of the CEF.

7.9%

ANNUALIZED RETURN OVER LAST
20 YEARS

\$3.67 billion

IN NET GROWTH OVER
LAST 20 YEARS



TOTAL ENDOWMENT ON JUNE 30, 2022

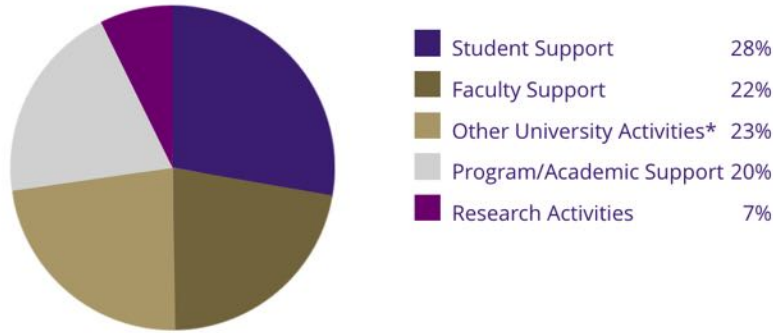
\$4.7 BILLION
since the first \$400 cash endowed gift in 1905



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.

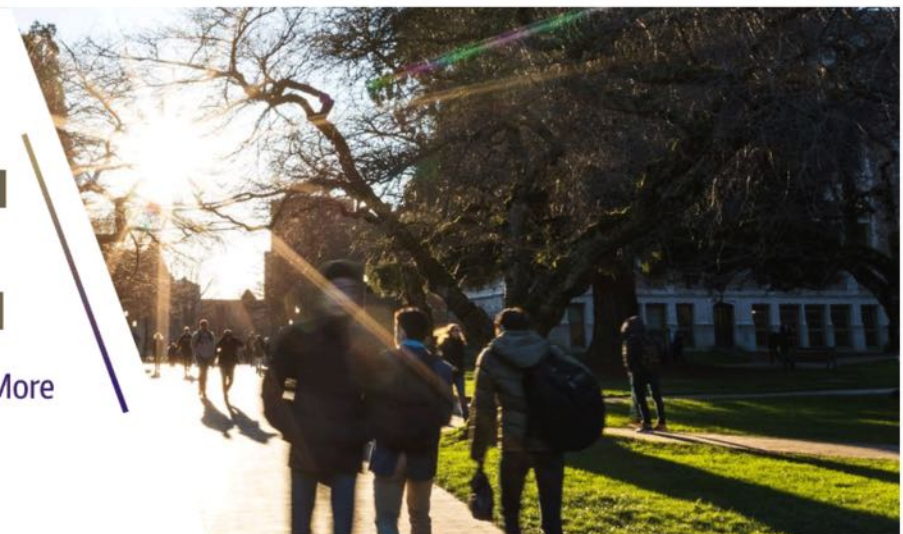
Students

2,939
Endowments

\$42 million
Distributed in 2022

Presidential Scholars Look Ahead

[Read More](#)



Faculty

690
Endowments

\$33 million
Distributed in 2022



A New Age of Fires

[Read More](#)

Research

267
Endowments

\$10 million
Distributed in 2022

Dream Team Engineers the Future of Biotech

[Read More](#)



Programs

1,607
Endowments

\$35 million
Distributed in 2022



**Spratlen Makes
MAP into a
Major DEI Player**

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University

69
Endowments

\$25 million
Distributed in 2022

**Dinosaur
Dreams**

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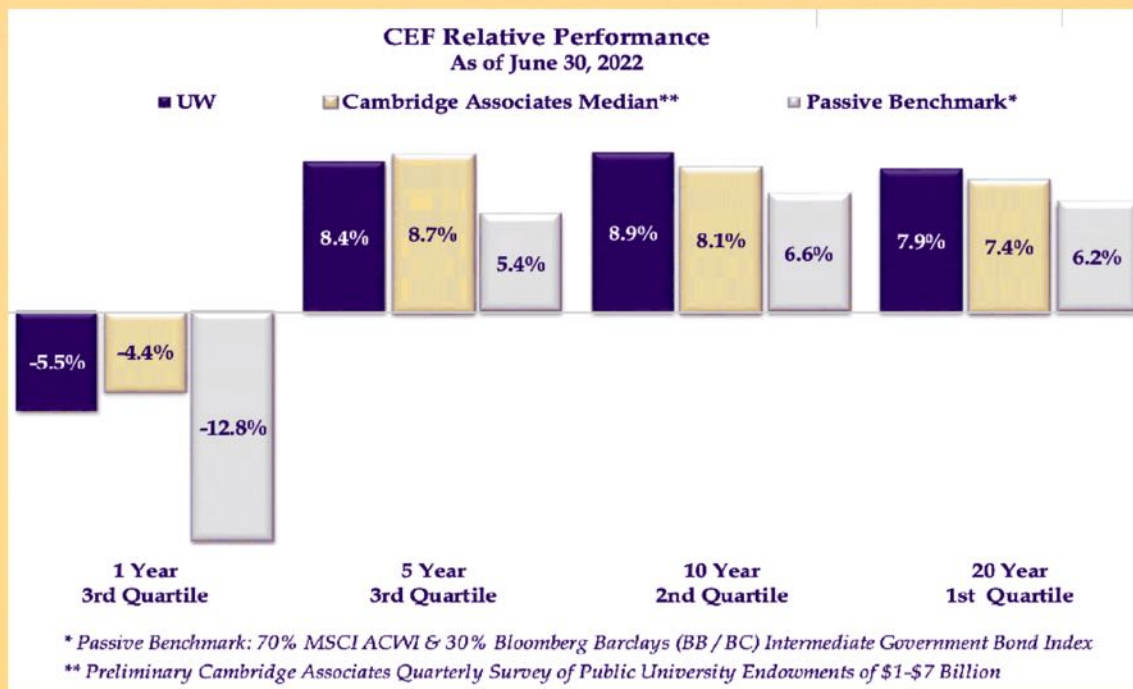


Investment

Investment Performance

For the fiscal year ending June 30, 2022 (FY22) the University of Washington's Consolidated Endowment Fund (CEF) returned -5.5% versus -12.8% for the passive benchmark and -4.4% for the public university peer median. Following an exceptional FY21, this fiscal year was tough for public equity markets, with negative returns driven by rising inflation and a shift to monetary tightening across the globe. There was a sizable divergence between US and international performance. After years of outperformance, growth stocks lagged value stocks this year, with the smaller high-growth tech companies the hardest hit. Against this backdrop, CEF performance was mixed across the different portfolio strategies.

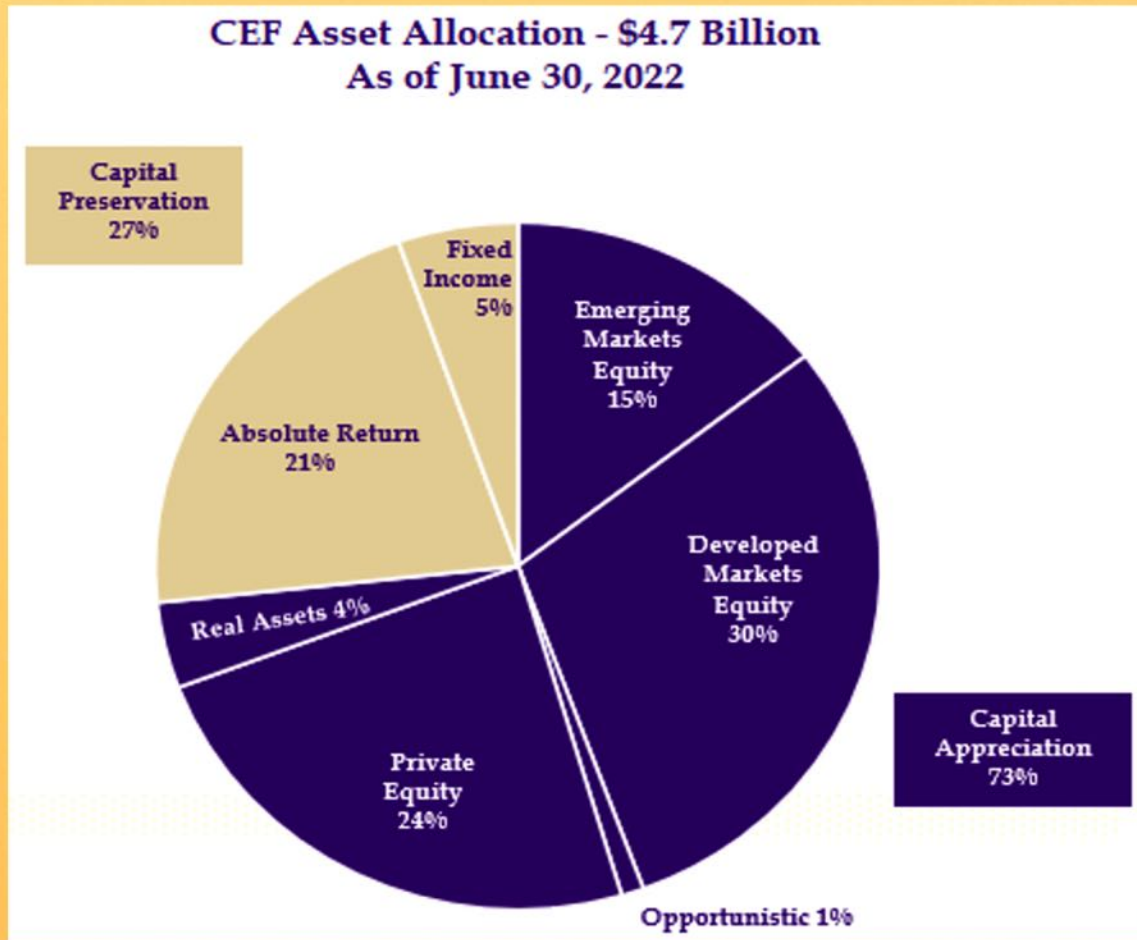
Our focus remains on long-term results where the CEF has maintained solid relative performance. The chart below shows that the CEF has returned +8.4%, +8.9% and +7.9% for the 5, 10 and 20-year periods, respectively, and outperforms the passive benchmark for all periods. UW performance relative to public peers is mixed but remains above median for longer-term periods.



The 20-year picture also highlights remarkable growth for the endowment. The CEF grew from \$1.0 billion to \$4.7 billion. In addition to new gifts totaling \$1.2 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.



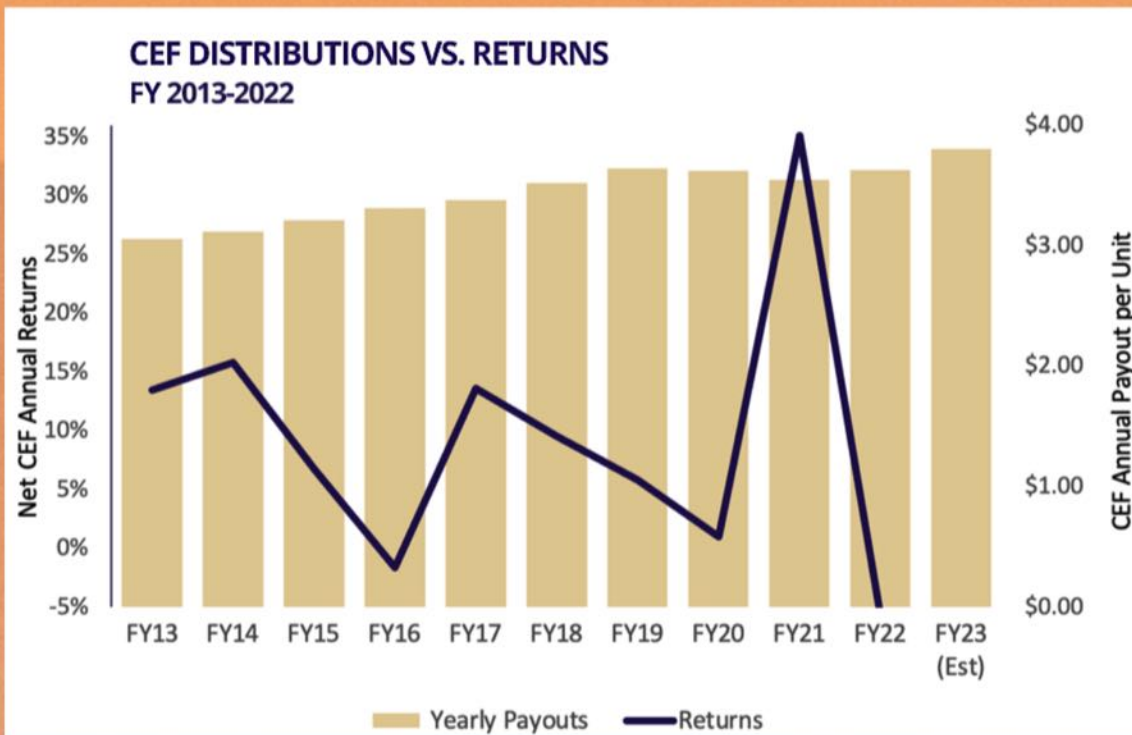
The CEF's \$4.7 billion portfolio is diversified across two clearly defined categories of investments: those which facilitate growth to support campus distributions (Capital Appreciation), and those which preserve endowment values and provide liquidity (Capital Preservation). As of June 30, 2022, 73% of the CEF was invested in Capital Appreciation and 27% in Capital Preservation. Our long-term strategy is to maintain an equity-oriented portfolio. Last year we revised our strategic asset allocation policy targets to increase our private equity exposure, which is being phased in over a three-year period (FY22-FY24). We continue to target ample liquidity within Capital Preservation to meet the CEF's funding requirements.

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.

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.



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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Endowment Giving

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

Tamara Michel Josserand

Vice President for Development

University Advancement

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