Reading Your Endowment Report


**Sum of the market value of the investment holdings for the endowment at the beginning of the year (September 1, 2021).**

Funds received from donors or matching funds. Contributions may be received in the form of cash, securities, real estate, mineral interests, and other assets. Contributions are reported at market value on the contribution date. Includes reinvestment of distributions and allocations into the endowment principal which becomes a permanent part of the endowment. Allocations reinvested represent amounts not received by the institution, i.e., the difference between the amount available and the actual amount sent to the institution.

Funds that are withdrawn from the endowment. Because most endowments are perpetual, withdrawals are minimal. Those made are normally due to an administrative adjustment or if the endowment is a term endowment.

**Funds that are withdrawn from the endowment.**

Represents the change in endowment value during the period attributable to both realized and unrealized capital appreciation and income net of all investment fees and expenses, from both the LTF and separately invested assets. Separately invested assets are individual investment holdings of the endowment such as real estate, stocks, bonds, and mineral interests.

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Total funds distributed to the institution to support the purposes of the endowment. In some instances, the distributions are not received in cash but are automatically reinvested into the endowment principal. Distributions (payout) are derived from the LTF units held by the endowment and any separately invested assets.

The LTF distributions are determined by the number of units held and payout in cents per unit.

The separately invested assets receive income, which may include interest, dividends, and real estate income that is also distributed to the institution.

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Endowment’s investment in the LTF. It is the number of LTF units held by the endowment multiplied by the LTF market value per unit at the end of the year.

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Summary of information presented in the body of the Endowment Report for years 2018 through 2022.

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**Sum of the book value of the investment holdings held at the end of the year. The book value also represents all contributions, reinvested income and any realized gains (losses) attributable to the sale of an investment. The difference between market value and book value is unrealized gains and losses.**

Beginning market value, plus contributions and additions and net investment return, less withdrawals and cash distributions and allocations. This value will also comprise the sum of the market value of the investment holdings for the endowment at the end of the year.

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Number of LTF units held by the endowment at the end of the year.

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Endowment’s return is calculated individually for the twelve month periods ended August 31, 2018, 2019, 2020, 2021, and 2022 and the results are geometrically linked to provide a five year annualized return. The total return computes the change in the endowment’s investment value, including capital appreciation (realized and unrealized gains and losses), investment income net of all investment fees and allocations expressed as a percentage of the endowment’s market value at the beginning of the period (September 1, 2021).

Endowment’s return is calculated individually for the twelve month periods ended August 31, 2020, 2021, and 2022 and the results are geometrically linked to provide a three year annualized return. The total return computes the change in the endowment’s investment value, including capital appreciation (realized and unrealized gains and losses), investment income net of all investment fees and allocations expressed as a percentage of the endowment’s market value at the beginning of the period.

Endowment’s return is calculated individually for the twelve month periods ended August 31, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022 and the results are geometrically linked to provide a ten year annualized return. The total return computes the change in the endowment’s investment value, including capital appreciation (realized and unrealized gains and losses), investment income net of all investment fees and allocations expressed as a percentage of the endowment’s market value at the beginning of the period.

The LTF is charged various amounts for investment management and UT System and UT System institution administrative purposes.

The UTIMCO management services fee represents UTIMCO’s costs of managing the investments and providing day-to-day operations.

Other investment management costs include custody fees, consulting fees, legal fees, accounting fees, background check fees and risk management services fees.

External investment manager fees are either paid directly or, in the case of private investment general partners, hedge fund managers and mutual fund investments, are netted against investment returns in accordance with standard industry practice.