



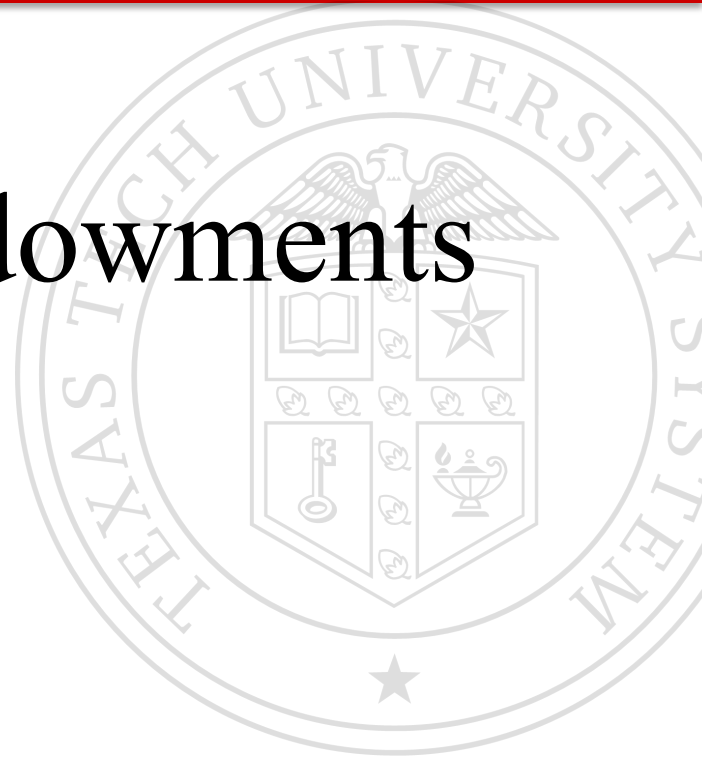
Report on TTUS Endowments

As of August 31, 2022

Penny Harkey

Interim Vice Chancellor and Chief Financial Officer

November 17, 2022



Endowment Funds



Definition:

- Gifts that are invested for long term growth to produce earnings that will last into perpetuity.

Purpose:

- Support strategic mission and goals of institution while also fulfilling philanthropic goals of individual donors.

Benefits:

- Support that will impact both current and future generations.
- Consistent and stable source of revenue that will last into perpetuity.

Investment Performance:

- Prioritizes long-term growth to provide reliable funding over time.

Endowment Funds

Financial Management/Oversight



TTUS Vice Chancellor and CFO (Treasurer of TTFI) oversees all financial functions related to Endowment Fund Management

IA Financial Services & Stewardship/Compliance

- Annual Compilation/Distribution of Endowment Reports to Donors
- Manage endowment pledge reminders/collections
- Review setup of all new endowment funds

TTUS Accounting & Reporting

- Calc/Process quarterly endowment distributions
- Manage all exceptions outside of LTIF Policy
- Year end profit/loss calculations/entry
- TTUS Consolidated Annual Financial Report schedules

TTUS Investment Office

- All areas of endowment fund investments
- Performance Reports to BOR, IRC, Foundation

- Total Value in excess of \$1.7B
- More than **5,000 separate endowment funds** across all TTUS Components
- **4,000+ Individual Endowment Reports** prepared each year
- Annual audit by external audit firm (Foundation Endowments)

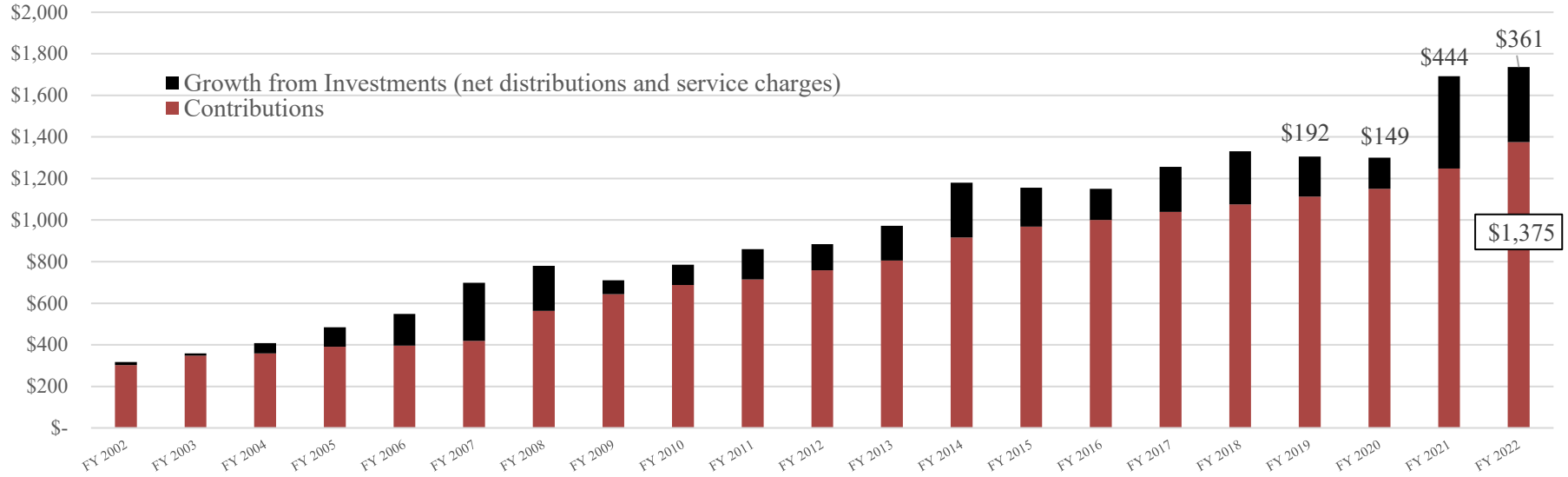
The Financial Management Structure for TTUS Endowments provides:

- Appropriate separation of duties
- Enhanced internal controls and financial compliance
- System level service/support to components on all matters related to endowments

The TTUS Board of Regents have fiduciary responsibilities over all funds managed by the TTU System, including endowment funds.

TTU System Total Endowment

FY 2002 – FY 2022, *(in Millions)*



\$1,375

\$444

\$361

\$192

\$149

(in Millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Contributions	302	348	358	391	396	419	563	644	688	714	758	805	917	968	1,001	1,040	1,075	1,113	1,151	1,248	1,375
Growth from Investments	15	11	50	93	152	280	217	66	97	146	126	168	263	188	149	216	256	192	149	444	361
Total Endowment	317	359	408	484	548	699	780	710	785	860	884	973	1,180	1,156	1,150	1,256	1,331	1,305	1,300	1,692	1,736

TTUS Total Endowment Activity

As of August 31, 2022, *(in Millions)*



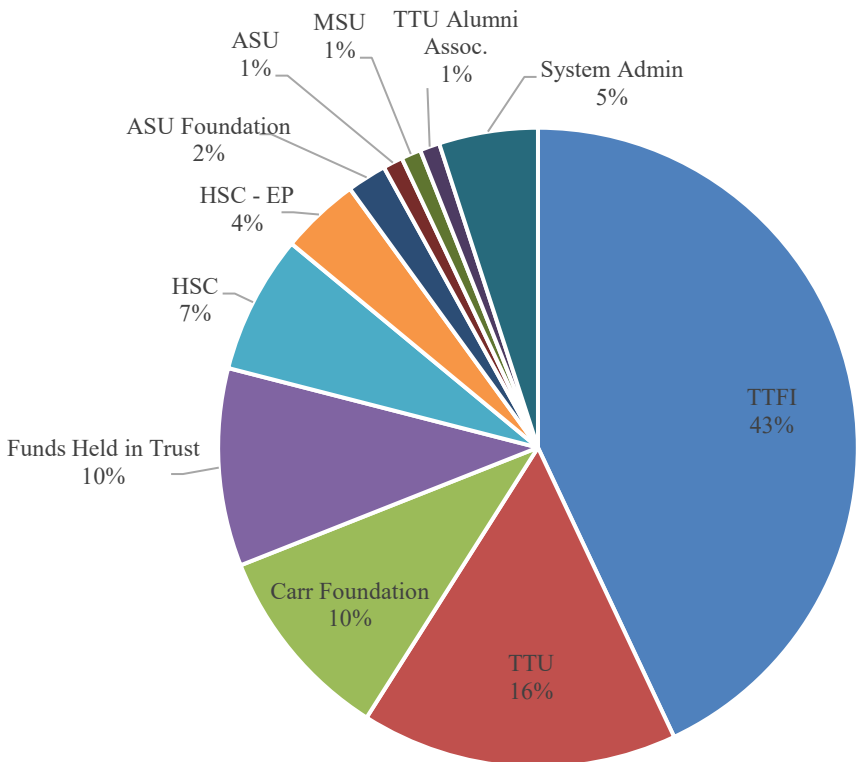
Endowment Activity <i>(in millions)</i>	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Beginning Fair Market Value	\$1,179.5	\$1,155.7	\$1,150.3	\$1,256.3	\$1,331.0	\$1,304.9	\$1,300.4	\$1,692.5
Contributions Received	\$50.5	\$33.8	\$38.4	\$35.4	\$38.0	\$38.1	\$97.3	\$126.2
Investment Returns <i>Realized and Unrealized gains/(losses)</i>	(\$20.9)	\$18.8	\$126.8	\$100.2	(\$0.7)	\$23.7	\$363.7	(\$9.0)
Distributions/Payout	(\$47.4)	(\$51.1)	(\$52.2)	(\$53.7)	(\$55.9)	(\$58.4)	(\$60.7)	(\$65.1)
Management Fee	(\$6.0)	(\$6.9)	(\$7.0)	(\$7.2)	(\$7.5)	(\$7.9)	(\$8.2)	(\$8.9)
Ending Fair Market Value	\$1,155.7	\$1,150.3	\$1,256.3	\$1,331.0	\$1,304.9	\$1,300.4	\$1,692.5	\$1,736

TTUS Long-Term Investment Fund Performance (%)

FY 20XX	1 – Year	3 – Year	5 – Year	10 - Year
FY 2022	-1.43%	8.55%	6.93%	7.32%
FY 2021	27.72%	9.03%	9.84%	7.78%
FY 2020	1.15%	3.40%	5.24%	6.09%
FY 2019	0.18%	7.31%	4.87%	6.90%
FY 2018	9.06%	8.30%	7.69%	5.88%

TTUS Total Endowment by Entity

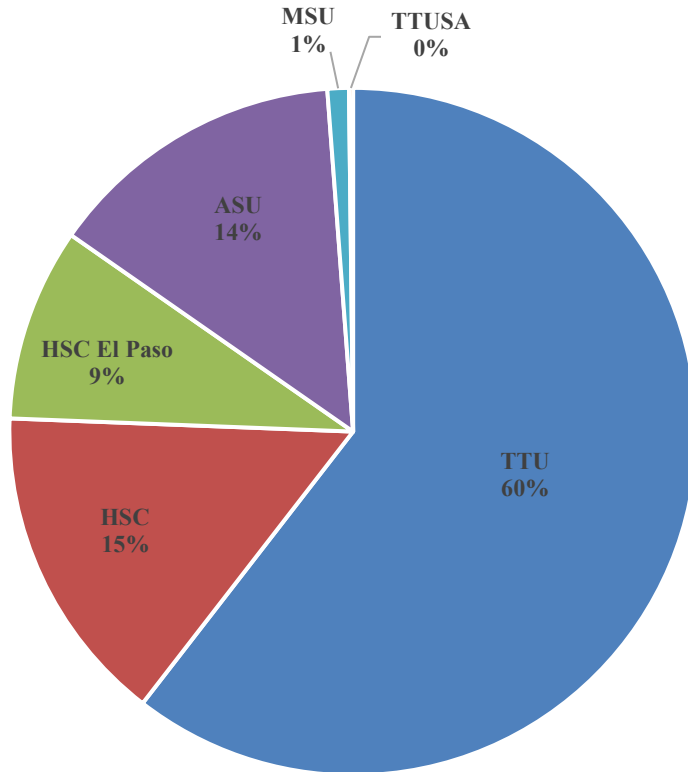
As of August 31, 2022



Institution	Total Endowment (\$)	(%)
TTFI	753,924,404	43%
TTU	282,126,922	16%
Carr Foundation	170,400,047	10%
Funds Held in Trust	169,400,231	10%
HSC	119,132,780	7%
HSC EP	63,302,950	4%
ASU Foundation	37,098,360	2%
ASU	20,174,145	1%
MSU	18,206,730	1%
TTU Alumni Assoc.	10,039,004	1%
System Admin	91,810,482	5%
TTUS Total Endowment	\$1,735,616,054	100%

TTUS Total Endowment by Component

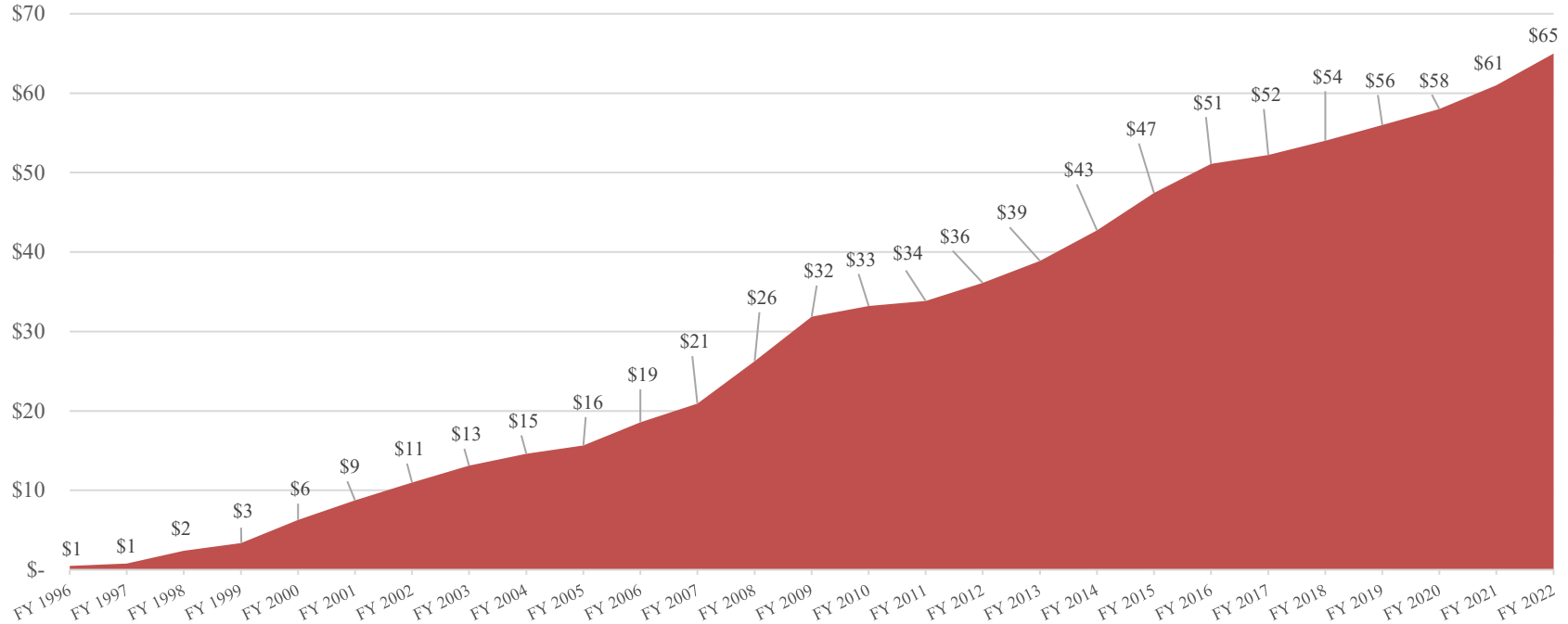
As of August 31, 2022



Component	Total Endowment (\$)	(%)
TTU	1,046,917,283	60%
HSC	263,136,088	15%
HSC EP	160,765,257	9%
ASU	243,368,911	14%
MSU	18,206,730	1%
TTU System Admin	3,221,785	0.19%
TTUS Total Endowment	\$1,735,616,054	100%

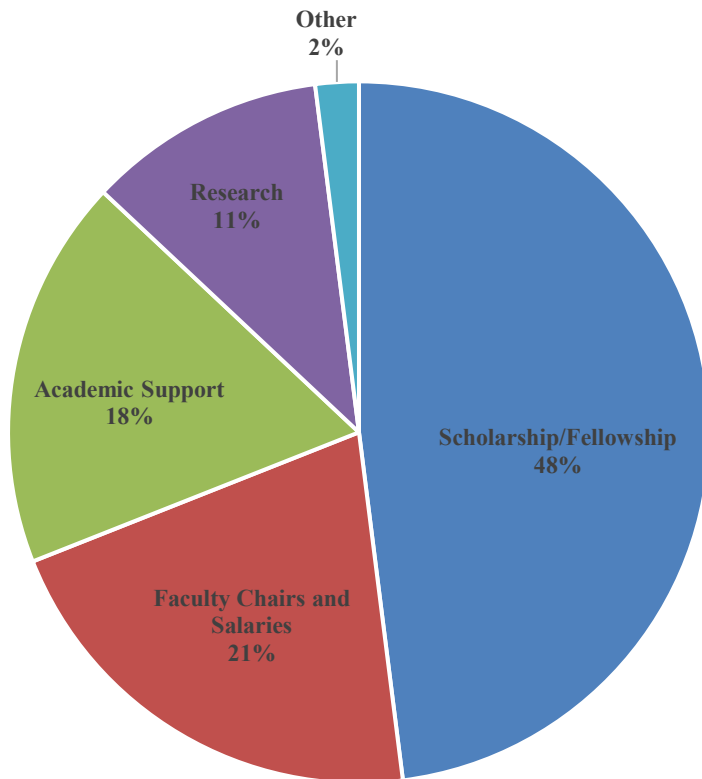
Distributions to Component Institutions

FY 1996 - FY 2022 (in millions)



- Through careful stewardship, the target distribution rate of **4.5%** has been realized **EVERY** year since inception
- Over **\$803M in total earnings** paid since inception of LTIF in FY 1996
- Increases in total distributions realized **EVERY** year since inception

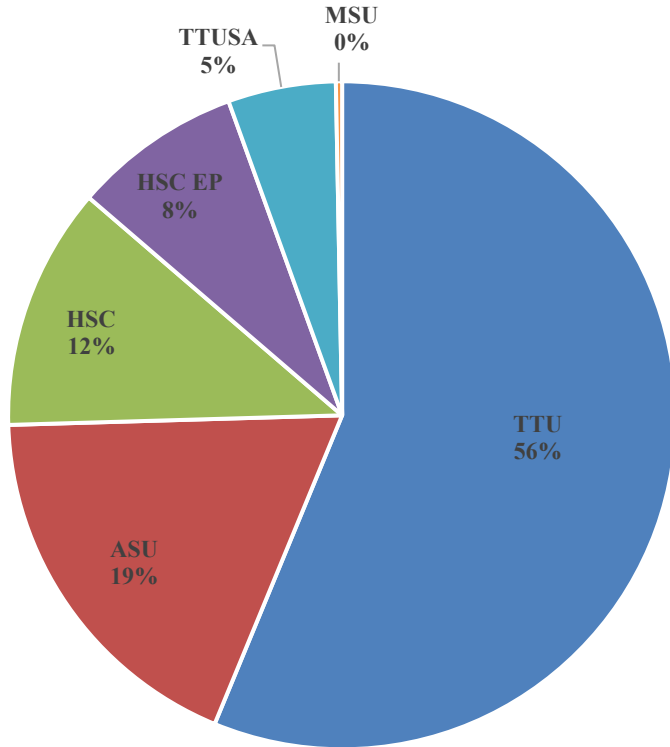
TTUS Total Endowment by Type



➤ Almost 50% of total TTUS Endowment dedicated to scholarship support

Endowment Distribution by Component

As of August 31, 2022



Component	Total Distributions (\$)	(%)
TTU	36,607,919	56%
ASU	11,917,995	18%
HSC	7,656,604	12%
HSC EP	5,321,531	8%
TTU System Admin	3,401,080	5%
MSU	194,785	0.30%
TTUS Total Distributions	\$65,099,915	100%



Questions?





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