



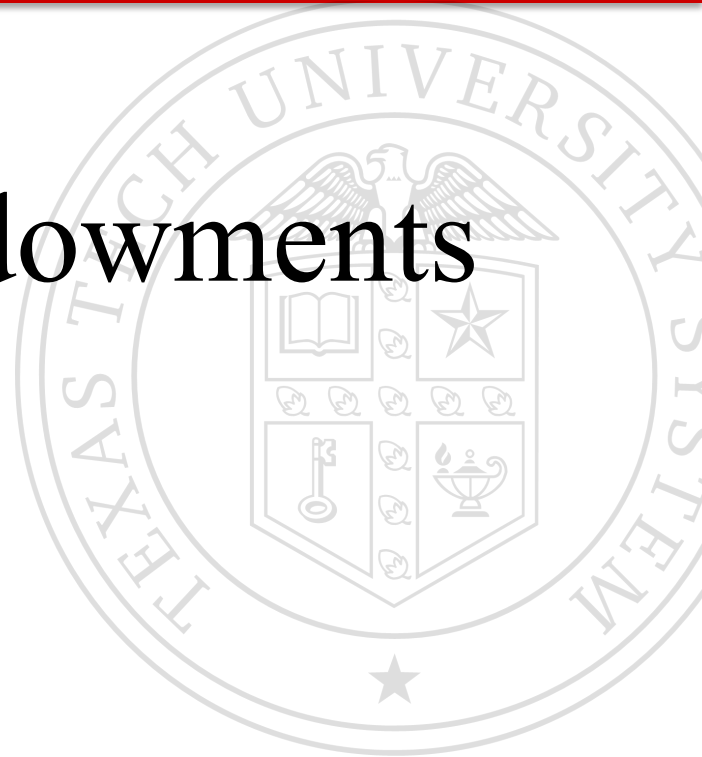
Report on TTUS Endowments

As of August 31, 2023

James Mauldin, CTP, CPA

Vice Chancellor and Chief Financial Officer

November 16, 2023



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 affairs of the TTU System's operating and endowment funds.

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 exception processes/reporting for funds 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)

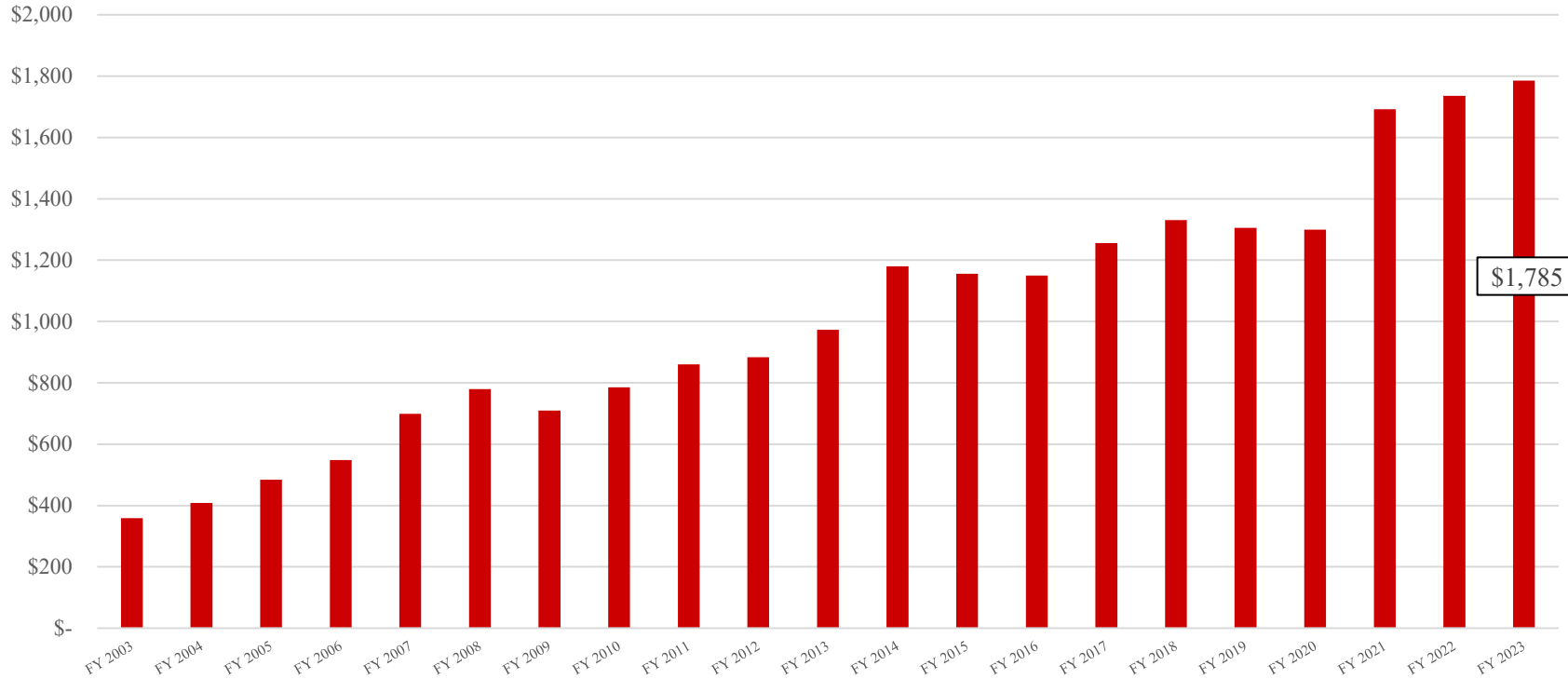
The Financial Management Structure for TTUS Endowments provides:

- 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 2003 – FY 2023, *(in Millions)*



TTUS Total Endowment Activity

As of August 31, 2023, *(in Millions)*



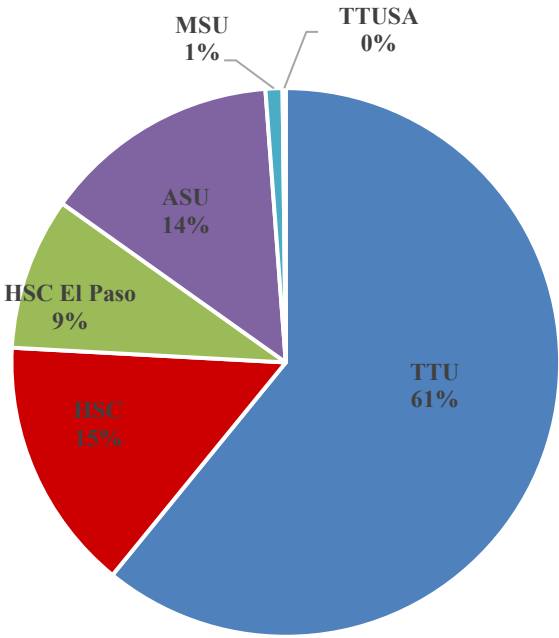
Endowment Activity <i>(in millions)</i>	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Beginning Fair Market Value	\$1,155.7	\$1,150.3	\$1,256.3	\$1,331.0	\$1,304.9	\$1,300.4	\$1,692.5	\$1,735.6
Contributions Received	\$33.8	\$38.4	\$35.4	\$38.0	\$38.1	\$97.3	\$126.2	\$51.5
Investment Returns <i>Realized and Unrealized gains/(losses)</i>	\$18.8	\$126.8	\$100.2	(\$0.7)	\$23.7	\$363.7	(\$9.0)	\$79.1
Distributions/Payout	(\$51.1)	(\$52.2)	(\$53.7)	(\$55.9)	(\$58.4)	(\$60.7)	(\$65.1)	(\$71.7)
Management Fee	(\$6.9)	(\$7.0)	(\$7.2)	(\$7.5)	(\$7.9)	(\$8.2)	(\$8.9)	(\$9.8)
Ending Fair Market Value	\$1,150.3	\$1,256.3	\$1,331.0	\$1,304.9	\$1,300.4	\$1,692.5	\$1,735.6	\$1,784.7

TTUS Long-Term Investment Fund Performance (%)

FY 20XX	1 – Year	3 – Year	5 – Year	10 - Year
FY 2023	5.56%	9.97%	6.18%	6.94%
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%

TTUS Total Endowment by Component

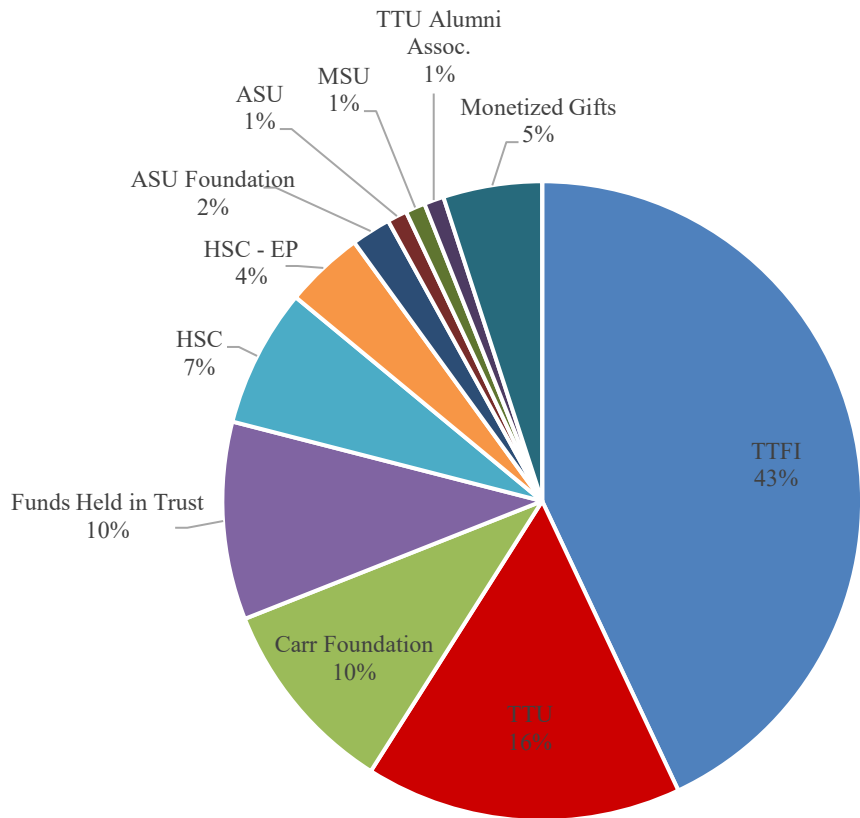
As of August 31, 2023



Component	Total Endowment (\$)	(%)
TTU	1,083,824,376	61%
HSC	267,001,192	15%
HSC EP	162,951,089	9%
ASU	248,146,920	14%
MSU	18,243,498	1%
TTU System Admin	4,580,504	<1%
TTUS Total Endowment	\$1,784,747,579	100%

TTUS Total Endowment by Entity

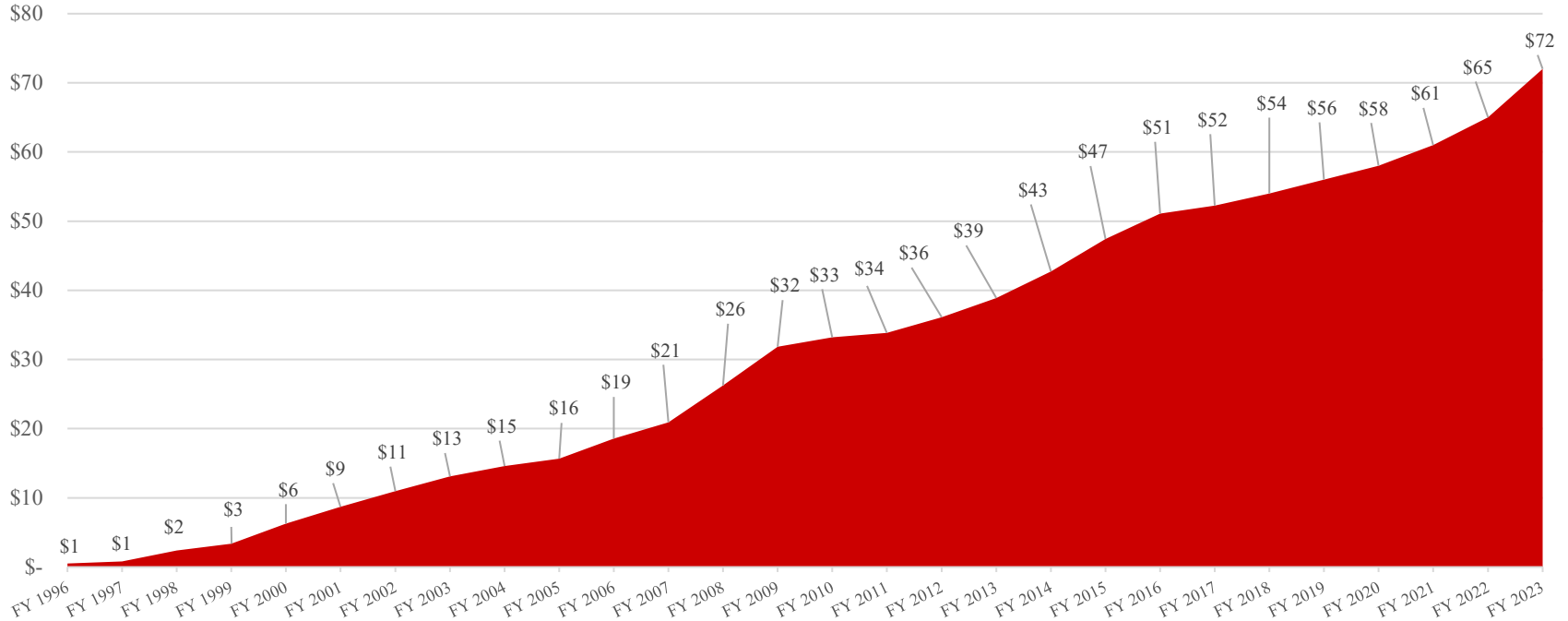
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Institution	Total Endowment (\$)	(%)
TTFI	776,937,939	43%
TTU	282,877,191	16%
Carr Foundation	171,909,151	10%
Funds Held in Trust	179,238,434	10%
HSC	122,172,325	7%
HSC EP	63,785,555	4%
ASU Foundation	39,645,949	2%
ASU	20,322,774	1%
MSU	18,243,498	1%
TTU Alumni Assoc.	9,993,758	1%
Monetized Gifts	95,633,116	5%
System Admin	3,987,889	>1%
TTUS Total Endowment	\$1,784,747,579	100%

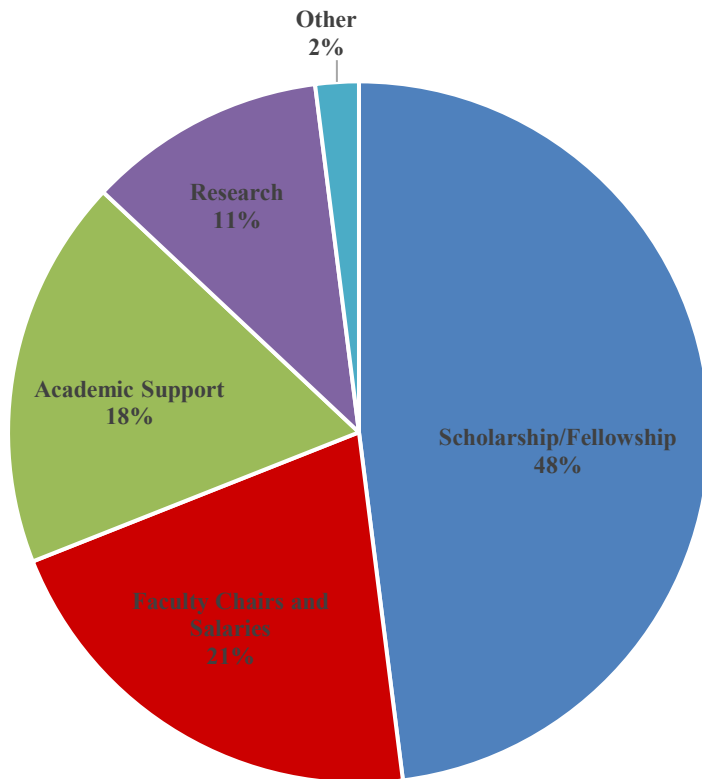
Distributions to Component Institutions

FY 1996 - FY 2023 (in millions)



- Through careful stewardship, the target distribution rate of **4.5%** has been realized **EVERY** year since inception
- Over **\$875M in total earnings** paid since inception of LTIF in FY 1996
- Increases in total distributions realized **EVERY** year since inception

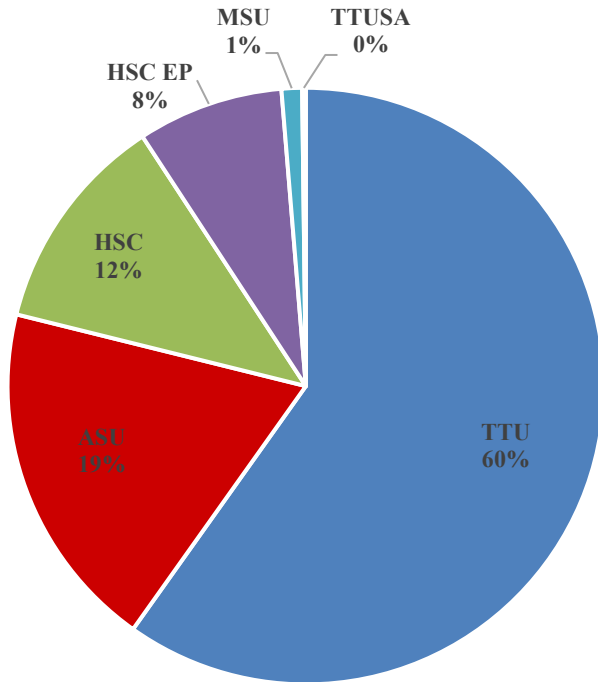
TTUS Total Endowment by Type



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

Endowment Distribution by Component

As of August 31, 2023



Component	Total Distributions (\$)	(%)
TTU	42,920,372	60%
ASU	13,650,811	19%
HSC	8,541,452	12%
HSC EP	5,677,048	8%
MSU	796,714	1%
TTU System Admin	142,637	>1%
TTUS Total Distributions	\$71,729,034	100%



Questions?





TEXAS TECH UNIVERSITY SYSTEM™