

THE UNIVERSITY OF ARKANSAS FOUNDATION, INC.
FY20 INVESTMENT COMMENTARY

For the 12 months ending June 30, 2020, the \$1.85 billion endowment investment pool managed by the University of Arkansas Foundation, Inc. benefiting multiple campuses of the University of Arkansas system earned a 2.9 percent investment return net of all internal and external investment costs and fees. The FY20 investment return exceeded the 2.0% median return of over 150 college endowments based on data reported by Cambridge Associates.

The endowment pool's diversified portfolio benefited from strong returns from private equity, global public equity and fixed income, as well as the continuing multi-year effort to reduce investment manager fees across all asset classes.

For the three, five and 10 years ended June 30, the endowment pool returned an annualized 6.3%, 6.4%, and 8.5%, respectively. For the fiscal year ended June 30, 2019 the pool earned a 5.9% net return.

During FY20 approximately \$72 million was distributed from the endowment pool under the Foundation's spending policy to the campuses of the UA system, the vast majority of which has been directed by donors for use on a particular campus for the support of students, faculty or educational programs.

The University of Arkansas Foundation, Inc. serves the University of Arkansas system by providing investment management and administrative services for non-endowed and endowed private gifts. The endowment pool is the result of private donations made by the University's many exceptional donors and is comprised of more than three thousand individual endowment accounts, all managed and accounted for separately but pooled for investment purposes.

Fayetteville Arkansas

November 9, 2020