

**THE UNIVERSITY OF ARKANSAS FOUNDATION, INC.**  
**FY 2022 INVESTMENT COMMENTARY**

For the 12 months ending June 30, 2022, the \$2.2 billion endowment investment pool managed by the University of Arkansas Foundation, Inc. benefiting multiple campuses of the University of Arkansas system returned -11.9% net of all internal and external investment expenses. The pool outperformed its benchmark return of -14.2% for the fiscal year.

In sharp contrast to FY22 which saw the UA Foundation's investment pool earn 40.1% net of fees, FY23 proved much more challenging with both public equities and fixed income seeing double digit declines during the period. While the pool benefited from outperformance by its active managers and timely tactical rebalancing during the year, continued exposure to the technology sector negatively impacted results while a smaller hedge fund allocation provided less downside protection.

For the three, five and 10 years ended June 30, the endowment pool returned an annualized 8.3%, 8.2%, and 8.6%, exceeding its policy benchmarks for all periods.

During FY22, approximately \$88 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 16, 2022