

Key to Understanding Your Endowment Status Report

This reference guide is designed to help you more easily read your Endowment Status Report, including how to differentiate between the values of the principal and distribution accounts and your contribution's historical and current market values. On the reverse side, a glossary provides more detail on terms used in this report.

Key Terms

Fund Purpose

Brief description of the purpose of your fund

Principal Account

This account is invested in the Foundation's Long Term Investment Pool

Historical Gift Value

Total value of all contributions to your endowment

Market Value

Total account value including market performance and distributions

Investment Gains/(Losses)

Your endowment's market performance, net of fees

Advancement Support

An assessment to fund CU Advancement operations

Distribution Account

This account holds all distributions from your principal account and represents all funds currently available to the University

Expenditures for Fund Purpose

Total amount spent by the University this year for the purposes of your endowment

University of Colorado Foundation		2018
Endowment Status Report		
John and Jane Smith Endowed Research Fund		
<i>To provide research support at the University of Colorado. Support includes faculty salary and funding for research programs, capital, and operations.</i>		
Principal Account		<i>Activity from July 1, 2017 to June 30, 2018</i>
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Historical Gift Value		
Balance as of July 1, 2017		\$ 343,122.82
Contributions and Other Adjustments		10,000.00
Balance as of June 30, 2018		<u>\$ 353,122.82</u>
Market Value		
Balance as of July 1, 2017		\$ 415,706.78
Contributions and Other Adjustments		10,000.00
Investment Gains/(Losses)		48,619.47
Transfers to Distribution Account		(15,184.90)
Advancement Support		(6,871.85)
Balance as of June 30, 2018		<u>\$ 452,269.50</u>
Distribution Account		
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Balance as of July 1, 2017		\$ 1,513.34
Contributions and Other Adjustments		0.00
Transfers from Principal Account		15,184.90
Expenditures for Fund Purpose		(16,146.95)
Balance as of June 30, 2018		<u>\$ 551.29</u>
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NOTE: This is a sample report to be used for educational purposes. Your individual report may differ.

Did You Know?

Your endowed fund provides annual support to the University through distributions that are approximately 4% of market value. To preserve long-term value and maximize future impact, your endowed fund is invested in the Foundation's Long Term Investment Pool (LTIP). Over the past 10 years, the LTIP has had an average return of 6.44%, net of all investment fees. In FY18, the LTIP gained 11.07%.

Learn more about FY18's performance and read an investment outlook in our quarterly Investment Update, which you can download at giving.cu.edu/cufoundation.

(continued on reverse)

Glossary of Terms

Financial information is reported in a Principal Account and in a Distribution Account. The Principal Account is invested in the Foundation's Long Term Investment Pool (LTIP). The Distribution Account represents all funds currently available to be spent by the University.

Principal Account

Historical Gift Value: This is the total value of all contributions to your endowment. For quasi-endowments, this may reflect liquidations of principal.

Market Value: This is the net value of all activity recorded in your endowment, including, but not limited to, contributions, investment activity, distributions and advancement support.

Contributions and Other Adjustments: This includes all contributions credited to the fund.

Investment Gains/(Losses): This reflects the net of all market-related activity, including interest and dividends, unrealized gains/(losses), realized gains/(losses), as well as investment management and consulting fees.

Transfers to Distribution Account: In accordance with the Foundation's Endowment Spending Policy, each year approximately 4% of the market value of the Principal Account balance is transferred from the Principal Account into the Distribution Account, where it is available to be spent by the University. For quasi-endowments, this may include liquidations of principal.

Advancement Support: The University uses revenue generated by endowments to fund its advancement operations. The standard assessment is 1.9% on the first \$1 million in an endowment fund and 1% on amounts in an endowment fund greater than \$1 million. The \$18 million in revenue generated by all endowments in FY18 funded nearly half of the University's advancement operations, which in turn enabled the University's development professionals to work with donors who gave \$440.4 million in private support to the University in FY18. Beginning in FY19, the assessment will be 1.5% on all amounts in an endowment fund.

Distribution Account

Contributions and Other Adjustments: This includes all contributions credited to the Distribution Account. Amounts in a Distribution Account that are invested in the LTIP per the direction of a gift agreement or a fund manager are subject to the same market risks and assessments as if the funds were still held in a Principal Account.

Transfers from Principal Account: In accordance with the Foundation's Endowment Spending Policy, each year approximately 4% of the market value of the Principal Account balance is transferred from the Principal Account into the Distribution Account, where it is available to be spent by the University.

Expenditures for Fund Purpose: This is the total amount expended by the University in FY18 for the purposes of your endowment.

We Can Answer Your Questions

Email accounting@cufund.org or call the Foundation's CFO, Mike Pritchard, at 303-813-7905.

Remember that quarterly investment updates are posted at giving.cu.edu/cufoundation throughout the year.