

Annual Report
to Investors
2015-16



University of Colorado

Boulder | Colorado Springs | Denver | Anschutz Medical Campus

ADVANCEMENT | CU FOUNDATION



ALL FOUR: **COLORADO**

FOUR CAMPUSES UNITED

Together, we are CU: an overwhelming force for progress in Colorado and around the world. We are making a difference today and creating hope for tomorrow in everything we do.

A substantial and sustainable future

Dear Friends,

Our great university turns 140 this year. We were founded the same year Colorado became a state, and our fortunes have been intertwined ever since. CU has had a substantial impact not only on the development of our state and on generations of Coloradans, but also on people across the country and around the world.

That impact continues today due in a large measure to the generosity of our alumni and donors. Your contributions add value to CU's people, programs and places, and help us fulfill the promise of 1876. The passion you have for our university's ability to improve society is infectious. This investors report provides an overview of how philanthropy makes CU a stronger university.

While it is important for us to recognize our history and what brought us to this point, it is equally important for us to ensure a sustainable future. State funding for higher education continues to be a challenge in Colorado, which ranks 48th nationally in state funding per student. While our state's elected officials value higher education and we work hard to secure public funding to keep a CU education affordable, a Gordian knot of competing provisions in the state constitution means that higher education funding is perennially in jeopardy.

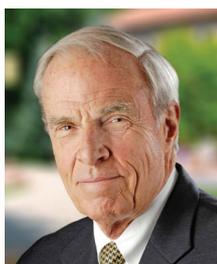
One solution is to help ourselves by partnering with our donors to build the university's endowment. We were pleased last year to see our endowment pass the \$1 billion mark. Still, we must aspire to greater heights and continue to grow our endowment to the multi-billions, just as our peers at some of the nation's most highly regarded public institutions have done.

Growing our endowment will be an increasing area of focus for us in the near future. The great benefit of endowments is that they allow us to attract and retain top talent, whether they are students, faculty or researchers. The funding certainty endowments provide is a powerful draw for the kind of talented people we have at CU already and the kind we want to attract to continue to grow our reputation as one of the top public universities in the world.

Our donors have played a critical role in getting CU to this point in its history, and we look forward to continuing the journey together toward building a sustainable future.

In these pages, we update you on CU Foundation endowment performance, and connect your support for CU with the milestones and achievements made possible because of it. As we manage and maximize the impact of your CU commitment, we aim to be transparent in our operations. Full CU Foundation audited financials are available at cufund.org/2016financials.

Thank you for your continued investment in CU.



A handwritten signature in black ink that reads "Bruce D. Benson".

Bruce D. Benson
President
University of Colorado



A handwritten signature in black ink that reads "Jack Finlaw".

Jack Finlaw
President and CEO
University of Colorado Foundation

University of Colorado Foundation

Our Mission

To receive, manage and prudently invest private support for the benefit of the University of Colorado.

Our Vision

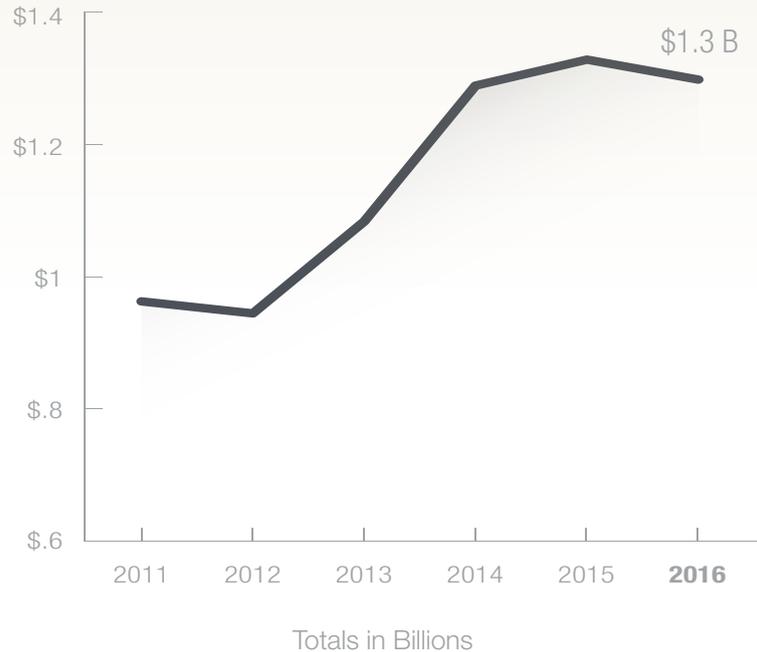
To promote private support for the University of Colorado, manage and grow the endowment, ensure the appropriate use of funds, engage volunteer leadership and pursue the best governance practices.

Our Values

- Act with integrity
- Deliver exceptional customer service
- Be innovative and efficient every day
- Value and respect the thoughts and opinions of others
- Be excellent stewards of the financial resources entrusted to us

Long Term Investment Pool (LTIP) Assets

The LTIP was \$1.3 billion as of June 30, 2016. All of the endowments held by the Foundation for the benefit of CU were valued at \$1.06 billion as of that date.

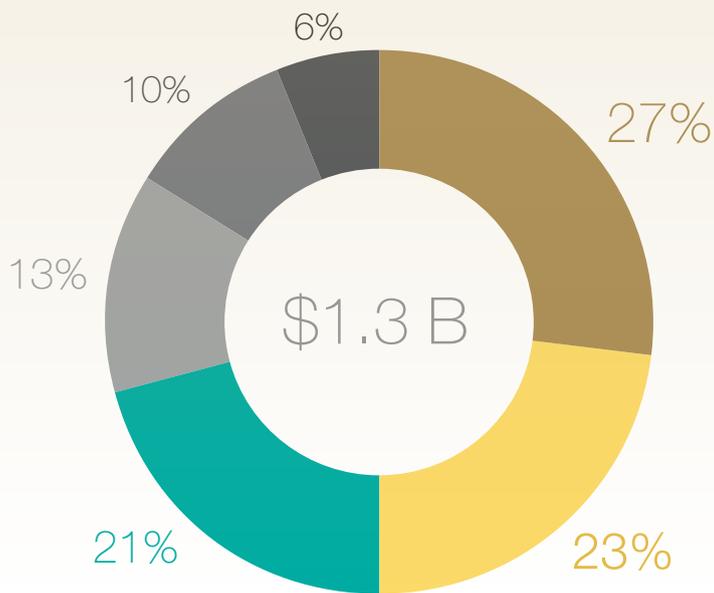


Annualized Investment Performance



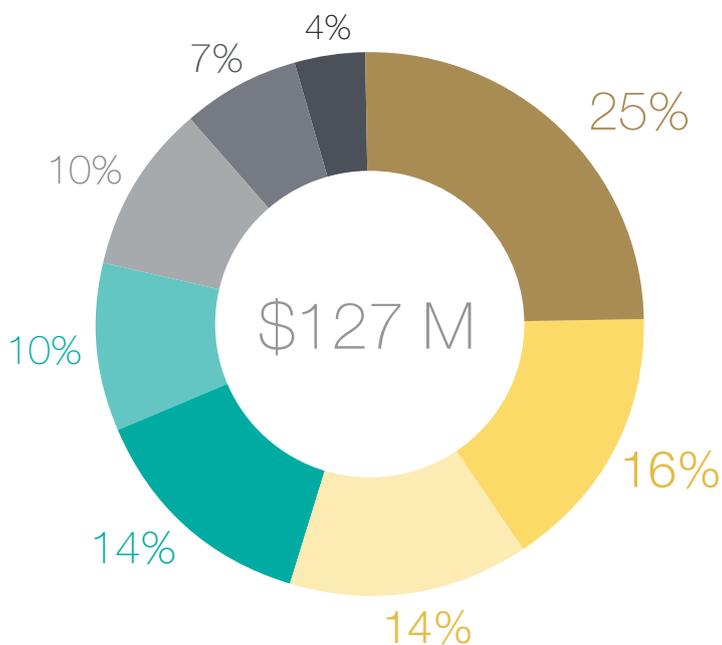
2,510

total number of endowments invested for the benefit of CU



2015-16 LTIP Asset Allocation

- International Equities
- Domestic Equities
- Global Private Capital
- Absolute Return
- Real Assets
- Fixed Income and Cash



2015-16 Transfers to CU

The CU Foundation transferred \$127 million to CU, including current gifts, endowment distributions, funds for capital projects and support for CU Advancement operations.

- Academic Support
- Advancement Operations
- Research
- Scholarships
- Chairs, Professorships and Other Faculty Support
- Public Service, Administration, Library and Other Support
- Capital Projects
- Athletics

Our Volunteer Leadership

The University of Colorado Foundation, which manages and invests private support for the benefit of the university, is governed by a Board of Directors that has fiduciary oversight of the Foundation. The CU Foundation also convenes a Board of Trustees composed of approximately 120 individuals who meet four times annually and who make influential contributions of time, resources and leadership to help CU's priorities take flight.

Board of Directors

as of June 30, 2016

- | | | | |
|--|---|--|---|
| <ul style="list-style-type: none"> • James Linfield (Chair) • Margaret Bathgate (Vice Chair) • Barry Amman • David Baker | <ul style="list-style-type: none"> • Bruce Benson * • Fredrick Bradford • Jack Finlaw * • Heidi Ganahl • Michael Imhoff • Nan Joesten • Eric Kramer • Betsy Mangone | <ul style="list-style-type: none"> • Jeremy May • Kile Morgan • Brett Nicholas • Edward Osborne • Marcia Pryde • Johnnie Ray * • Kevin Reidy • Sue Sharkey * | <ul style="list-style-type: none"> • John Shaw * • Mary Sissel • Earl Wright |
|--|---|--|---|

* Ex Officio

CU Impact

Every day, donors make a difference throughout CU's four campuses. Our partnership helps CU donor dollars go further.

\$11,738

total given to Senior Class Gift collectively at 3 campuses



CU Boulder

1st exclusively student-funded scholarship

CU Denver

highest average gift per student at \$16.66

UCCS

unprecedented participation rate of 27 percent



Tyler Cowan

CU Denver
freshman studying
architecture

"Receiving a full-ride scholarship to CU Denver allows me to graduate with a degree and be debt-free. Knowing that someone else cares enough to cover the expenses of my education is just phenomenal. Someday I would like to provide this same opportunity to students. It would make me very proud to know that I helped someone else achieve their goals."

Cowan is a 2016 recipient of the Robert Kossman Scholarship, which is awarded to CU Denver students whose families have served in the military or with fire rescue or police departments.



3,516

full-time tenured and
tenure-track faculty



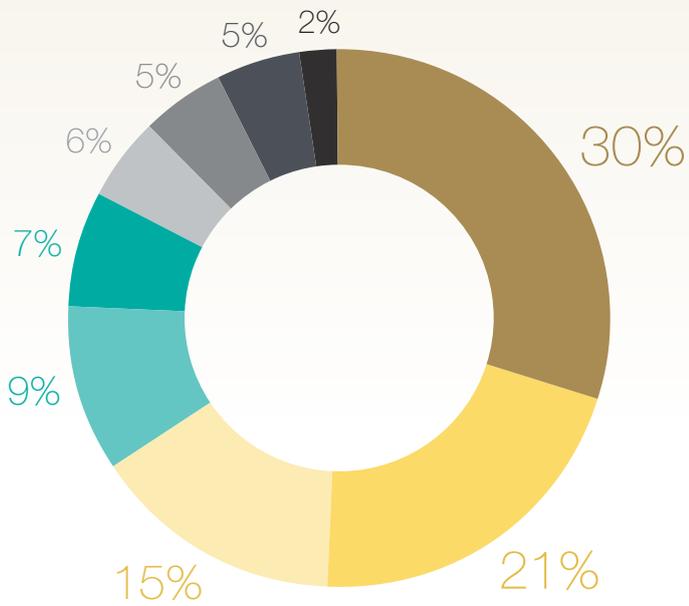
Helen Clement

Retired nurse

"I hope this scholarship program helps as many students in whatever field of medicine they choose, so they can fulfill their dreams... and those dreams are built on the foundation of an education."

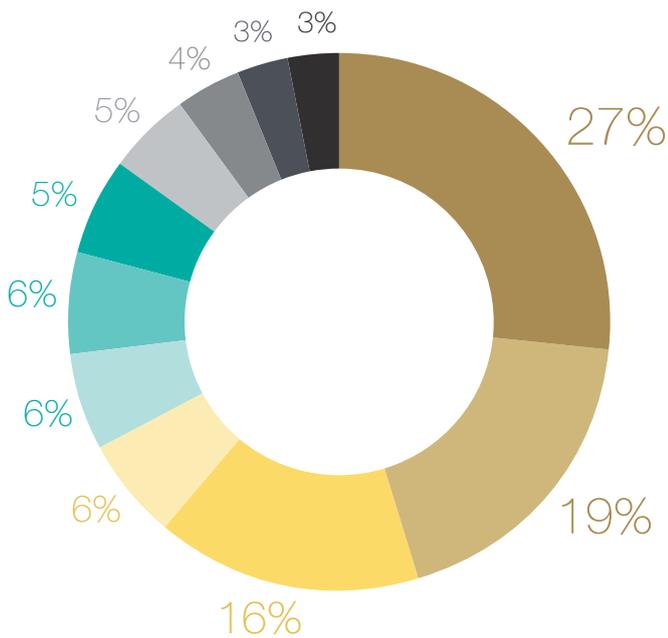
A \$3.4 million bequest commitment established the Clement Family Endowed Scholarship Program at UCCS, which will create several scholarships in perpetuity for students interested in medically related careers, reaffirming UCCS' position as an emerging leader in health care education.

2015-16 CU Budget: \$3.6 Billion



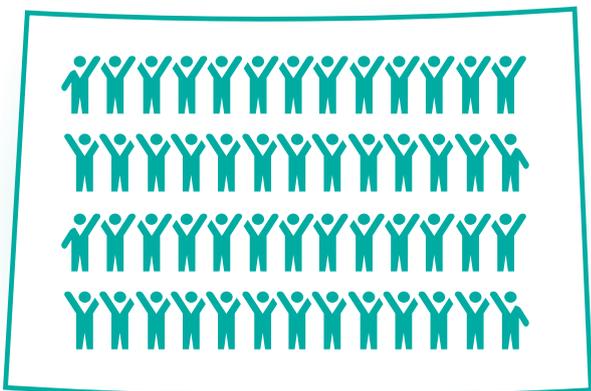
Revenue

- Student Tuition and Fees
- Health Services
- Federal Grants and Contracts
- Private Support
- Auxiliary Operating Revenues
- Sales and Services of Educational Departments
- State Support
- Indirect Cost Reimbursement
- Other Revenues



Expenses

- Instruction
- Health Services
- Research
- Scholarships and Fellowships
- Academic Support
- Auxiliary Operating Expenditures
- Transfers
- Institutional Support
- Plant Operations
- Student Services
- Public Service

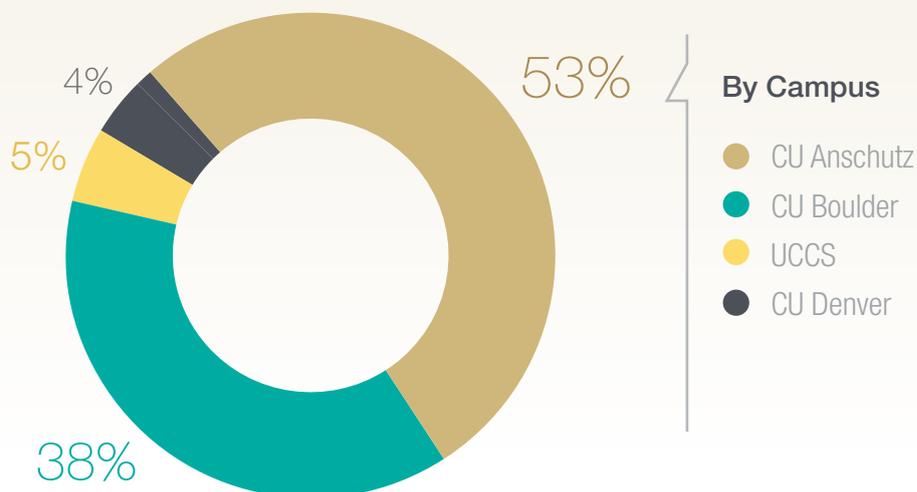


30,000+

people are employed at CU,
making it the third-largest employer
in the State of Colorado

Private Support

\$384.5 Million in Private Support

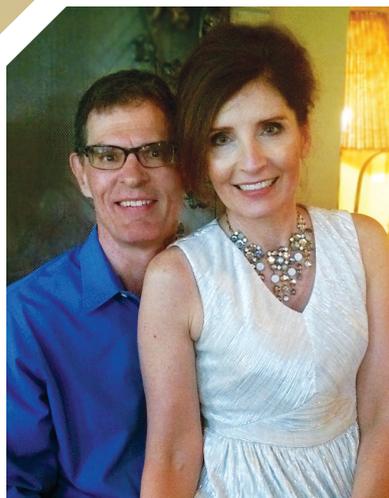


Philanthropic gifts from the private sector are important and valuable to the mission of CU: high-quality education and professional training, public service, advancing research and knowledge, and state-of-the-art health care.



6th straight record-breaking year for private support

7th consecutive year CU has exceeded the previous year's total for private support



Bob and Julie Seavy

Bob Seavy ('82) and his wife, Julie ('84), both alumni of CU Boulder, know all too well the devastating effects of Alzheimer's disease. Now the sixth-leading cause of death in the United States, Alzheimer's disease robbed Bob's mother and Julie's father of their personalities, memories and years of life.

In 2015, Bob completed a 1,900-mile "Remember the Future Ride" bicycle trek and raised nearly \$115,000 from 55 donors for the Rocky Mountain Alzheimer's Disease Center at the CU Anschutz Medical Campus. Under the direction of Huntington Potter, MD, the center treats thousands of patients with Alzheimer's disease annually and is conducting leading-edge research. Research indicates that a cure is on the horizon, and a dedicated community of supporters like Bob and Julie is helping to accelerate progress.

"Julie and I are extremely gratified to be part of this effort and to see direct evidence of how our private donations have helped the research effort to cure Alzheimer's."

—Bob Seavy



Naresh Mandava, MD

In 2015, the UCHealth Eye Center performed the first “bionic eye” procedure in the Rocky Mountain region, restoring limited sight to a woman who had been blind for almost two decades. This revolutionary surgery was conducted by center director Naresh Mandava, MD, and his renowned team. Dr. Mandava holds the Sue Anschutz-Rodgers Endowed Chair in Retinal Diseases, established in 2013. It provides vital resources to advance the innovative research in the Department of Ophthalmology that makes this life-changing work a reality.



54,000+

donors made 66,000+ private commitments to the university



Charles and Mildred Nilon

Charles Nilon was the first black professor at CU, and his wife, Mildred, was the first black librarian at CU. Their commitment to high-quality education and belief in the importance of service and community is still felt today. An endowed scholarship fund, which was established at CU Boulder and named in their honor, has raised nearly \$30,000 in its first year.

The fund supports students committed to advancing educational opportunities in under-resourced schools, especially those serving African-American communities.



With increased enrollment, more work stations were needed to provide UCCS engineering students with hands-on laboratory experience. Electronic measurement company Keysight Technologies Inc. donated 25 high-quality oscilloscopes, a fundamental tool in analyzing the quality of sound, radio and digital information.

“One might say that learning to use an oscilloscope is as important for an electrical engineer as a stethoscope is for a doctor or nurse. These scopes will play an important role in preparing our graduates for industry.”

— T.S. Kalkur, professor and department chair



**Marjorie
Gearhart Smith**

Marjorie Gearhart Smith ('70) found CU Denver's urban campus a great fit for nontraditional students like herself, a working mother pursuing an accounting degree in what was then a predominantly male profession. To give back, she endowed an accounting scholarship at the Business School for working students and single parents, and added to it with an IRA distribution. In true CPA fashion, she took advantage of a tax benefit. So far, 12 CU Denver students have benefitted from her generosity.

"As a former student and graduate of CU Denver, I chose an endowment that would benefit students now and into the future. It has been a most gratifying gift, and it has brought me many rewarding experiences, opportunities and friends."

— Marjorie Gearhart Smith



**Frank and
Joan Catoni
Conlon**

One of the pioneers of choral studies at the College of Music at CU Boulder made a trailblazing gift to ensure generations of students have the opportunity to master and carry on this distinct form of music. Joan Catoni Conlon, past director of graduate choral research, with her husband, Frank, established an endowed fellowship for graduate students pursuing the Master of Music or Doctor of Musical Arts. CU Boulder was one of the first music programs to offer a DMA in Choral Conducting and Literature. The attention paid to not just learning choral music, but also knowing the historical context in which it was written, is what sets the College of Music's program apart.

2,500+ people around the world
are CU Advocates

CU Advocates is a grassroots-driven network of people who want to become informed about and engaged with the university



For complete financial statements, visit cufund.org/2016financials

Advancement at CU

Advancement encompasses several roles and offices that collectively promote the long-term sustainability and success of the University of Colorado.

At CU, roles that fall under Advancement include fundraising, donor and alumni relations, and endowment management.





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cufund.org