University of Massachusetts Foundation

2022 Endowment Report

Dear friends,

For the University of Massachusetts, fiscal year 2022 was highlighted by stories of recovery, resilience, and record philanthropy. As global events have shifted the rhythms of campus and academic life, new perspectives on the power of education and the enduring commitment of our campuses, our alumni, and our friends continue to strengthen the university and instill a deep sense of gratitude.

Proudly, UMass remains the top public university in New England and is now ranked 56th among U.S. universities and 28th among U.S. public universities.

Three historic philanthropic gifts—from UMass Lowell alumni Rob and Donna Manning, the Chan family, and the late UMass Amherst alumna, Dr. Elaine Nicpon Marieb—brought optimism and possibility to all five of our campus communities. Together, these gifts totaled nearly $250 million, which will grow the endowment and enable immediate strategic investments in key areas such as medical research, workforce development, technology, and student and faculty support. Ever-inspiring are the ambition and dedication of students, faculty, staff, and donors across the system to the university's core mission to provide a world-class, accessible, and affordable education.

During the past 10 years, the UMass endowment has generated an annualized return of 6.3 percent and nearly doubled in value. It remains above $1.1 billion and now counts itself among some of the most significant endowments in the country. The funds comprising the endowment distributed $43 million in spendable income in support of the five campuses, while providing approximately $8 million for both student financial aid and for our faculty and staff.

A key to our success is the powerful combination of private giving leveraged with matching public support. Last year, the Public Higher Education Endowment Incentive Program (The PHEEIP) contributed $15 million in state funds. The program has now generated more than $130 million in private support over the past 26 years. Such generosity has advanced our educational and research capabilities, ultimately translating to opportunity—notably, in FY2022, more than 50 percent of the matching funds available were designated to student financial aid. Because endowed funds generate annual revenue in perpetuity, The PHEEIP is essential to the university's long-term financial resilience. Massachusetts is fortunate to have elected leaders who value public higher education and recognize the importance of UMass to the economy.

As the Commonwealth's only public research university, it is critical that UMass continues to deliver on its mission of transforming lives in Massachusetts and beyond. Strong endowment growth enhances our long-term stability and success, while bolstering the resiliency and opportunity of UMass for students today, and over future generations. The inspiring students and donors featured in this year's report exemplify what we can accomplish together.

Thank you for all that you do for the University of Massachusetts.

Sincerely,

Martin T. Meehan
President, University of Massachusetts

Dear fellow alumni and friends,

The future for the University of Massachusetts is brighter than ever, thanks in large part to our community of supporters like you.

It is our privilege to be able to share with you the University of Massachusetts Foundation Endowment Report for the fiscal year ending on June 30, 2022. As we reflect on the year gone by and look ahead to the future of the foundation, our investment philosophy remains rooted in taking advantage of our long duration capital base. This approach affords the foundation access to unique investment opportunities and enables us to have the foresight and discipline to avoid imprudent reactions during short-term market dislocations. While negative returns for a single year are never welcome, they are to be expected, as the focus remains on long-term capital appreciation.

Indeed, the financial landscape of fiscal year 2022 looked quite different from the prior year. Global equities were down 16.5 percent and bonds declined by 10.3 percent. Meaningful risks continue to exist in the global markets, particularly around inflation, interest rates, the enduring war in Ukraine, and the high costs of energy. UMass's endowment returns reflected these broader market trends, yet we exceeded our benchmarks for three- and five-year periods.

While market uncertainty has led to more market volatility, it is also creating interesting investment opportunities that are being pursued by the investment firms with whom we have partnered. In fiscal year 2022, the foundation continued to expand its partnership with best-in-class investment managers by adding eight new relationships.

Working in partnership and with the support of the Investment Committee, the foundation's skilled and experienced investment team maintains its focus on generating resources for the university's current and future operating needs while preserving real value for future generations. To achieve these goals in service to the university's mission, the team continually identifies talented and committed investment managers that can enable the foundation to adapt to some short-term volatility while realizing longer-term success. Deepest thanks go to the committee and the full Foundation Board of Directors for making that success a reality, as well as Jim Julian and his team for their continued hard work.

Above all else, the UMass Foundation remains steadfast in its confidence and commitment to ensuring strong support for the mission of the University of Massachusetts.

We are grateful for your enduring investment in the University of Massachusetts.

Sincerely,

Edward H. D'Alelio, '74, Chair

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Dear colleagues, legislators, and friends,

When the University of Massachusetts is strong, the Commonwealth gets stronger.

The UMass Foundation is essential to advance the university's goals, invest in students, and support a stronger economy for Massachusetts. It is through meaningful and sustained partnerships that we continue to strengthen the UMass Foundation and, by extension, the university.

Sincere gratitude is owed to the University of Massachusetts Board of Trustees leadership, the Foundation Board leadership, the Massachusetts General Court, and President Meehan for their steadfast commitment to advancing the missions of the foundation and the university. Special recognition for the university's growing success is also deserved by Chancellors Subbaswamy (Amherst), Suárez-Orozco (Boston), Fuller (Dartmouth), Moloney and Chen (Lowell), and Collins (Chan Medical School), and their vice chancellors for advancement. I am likewise grateful for the hard work and commitment of our foundation team, across the development, investment, finance, and legal divisions.

Together, these champions of the university community realized remarkable achievements in raising private and public support for a high-quality public education.

Our professionally managed endowment:

- Is now valued at more than $1.1 billion
- Is comprised of 2,775 funds, with 176 new funds added in fiscal year 2022
- Contributed $43 million to the five UMass campuses

More than $291 million was raised for new endowed funds, and we are deeply grateful for the thousands of generous alumni and friends who made such commitments for scholarships, fellowships, professorships, and other purposes. The Public Higher Education Endowment Incentive Program (PHEEIP) enhanced over 200 of these gifts, leveraging more than $30 million in private giving for university priorities. Indeed, strong state commitment provides the philanthropic community the confidence to give, while robust private support from alumni and friends demonstrates to the Commonwealth that the university is a worthy investment.

The university's mission guides us in providing education and research opportunities that improve the quality of life of people and communities, especially in the Commonwealth. Achieving this depends, in large part, on the financial health of our foundation and its ability to expand student access, drive faculty excellence in teaching and research, and develop programs and infrastructure to strategically shape the university's future. Our team is focused on increasing philanthropy and strengthening our investment portfolio with an eye toward the future. This asset—more vital than ever before to the strength and growth of our state—will help ensure that public higher education continues to fulfill its role as one of the Commonwealth's most valuable resources.

Thank you for the dedication and support you continue to give to the University of Massachusetts.

Sincerely,

James R. Julian
Chief Executive Officer
University of Massachusetts Foundation

Endowment Highlights

As of June 30, 2022, the University of Massachusetts endowment was valued at $1.12 billion. After a record setting 37.1 percent return in fiscal year 2021, the foundation's portfolio declined by 15.6 percent in fiscal year 2022. For the year, the endowment trailed its benchmark by 0.7 percent but exceeded it for three and five years by 1.6 percent and 1.0 percent, respectively. The 10-year return for the endowment was 6.3 percent.

Perhaps most notably, over the last decade, endowment assets have nearly doubled, growing from $564 million to $1.12 billion.

During the same period, spending generated from returns on the 2,775 individual funds that comprise the endowment—and that directly support students, faculty, and academic programs on all five UMass campuses—grew from $15.85 million to $43 million.

Just shy of forty percent of endowment assets, or $442 million, support the Amherst campus. The Medical School holds approximately a quarter of total endowment assets ($287 million), as do the combined endowment totals of the Lowell ($130 million), Boston ($126 million), and Dartmouth ($67 million) campuses. Five percent of endowment funds are designated to support more than one campus and other system endeavors through the President's Office. In addition to the campus and system-specific endowment funds, the UMass Foundation also holds endowment funds for the Edward M. Kennedy Institute, which make up just shy of two percent, or $20 million, of the total.

Consistent, Committed, *and* Focused on the Future

As an independent 501(c)(3) with nearly 75 years of experience, the UMass Foundation provides professional investment, finance, and advancement-focused services that directly impact current students and faculty, while delivering substantial long-term value across the endowments of all five campuses.

An investment with the foundation is an investment in the future of the university. By making public higher education accessible and more affordable for greater numbers of students, UMass is creating an essential talent pipeline to fuel economic strength, growth, and opportunity statewide. In addition, endowment dollars support faculty research and excellence, specific areas of academic study, athletics, libraries, and many other donor-designated purposes that serve university needs and priorities.

With a future-focused strategy that generates strong long-term returns, the UMass Foundation is a trusted steward of endowment assets.

We ensure reliable and enduring value from philanthropic support provided across the university community, working hand in hand with our campus partners. This collective commitment to public education enables the UMass Foundation to fuel both today's success and tomorrow's growth for the University of Massachusetts.

Finding a Community of Acceptance and Fulfillment

"Dr. Jay Sorgman devoted his life to education," said Dr. Anthony Wilson '90, Sorgman's husband of 32 years.

Sorgman and Wilson met when they were both students at UMass Chan Medical School, and since Sorgman's passing in 2020 at age 59 from brain cancer, Wilson has focused on keeping his husband's passion for education alive. In 2022, he established the Jay A. Sorgman, MD '87, Memorial Scholarship.

"Scholarships were really important to Jay when he got into medical school and especially after," Wilson said. Sorgman's family couldn't support him financially throughout his education, so "receiving scholarships made him very grateful, and he wanted to give back to others and UMass Chan."

As an interracial and interreligious couple, they felt accepted at UMass Chan, despite a societal "potential for bias," Wilson said. "The medical school community was caring and supportive of us and the multiple and different aspects of our lives."

Sorgman went on to practice gastroenterology, through which he continuously mentored medical students. He and Wilson also became active in UMass Chan alumni programs, reinforcing their commitment to its educational mission—a legacy that will endure through the Sorgman Memorial Scholarship, received this year by Daniel Mendoza Martinez '26.

Mendoza Martinez was born in Guatemala but moved to the United States when he was young and has called Milford, Massachusetts, home since then. He graduated from Harvard University with a degree in neuroscience, during which time he worked as a researcher for Beth Israel Deaconess Medical Center, ran the Harvard Undergraduate Research Journal, and volunteered with the local shelter for the homeless. During a gap year before medical school, he worked as a patient navigator for Mount Sinai Health System in the metro New York City area. Outside of medicine, Mendoza Martinez enjoys knitting, weightlifting, and cooking.

Like Sorgman and Wilson, Mendoza Martinez has found a dynamic community at the medical school.

"My UMass Chan Medical School experience so far has been the most physically tiring, but the most socially, intellectually, and emotionally fulfilling time of my life," he said.

ENDOWMENT ASSETS
IN MILLIONS

Creating New Opportunity for Urban Scholars

In December 2022, the Geneviève McMillan-Reba Stewart Foundation created the $900,000 Geneviève McMillan-Reba Stewart Endowed Scholarship Fund for graduates of Boston Public Schools with financial need.

The Cambridge-based foundation is dedicated in part to sponsoring educational and leadership opportunities for African American youth. The foundation has been a long-standing supporter of UMass Boston's Urban Scholars Program, which strives to end cycles of poverty in Boston by providing after-school and summer college preparation for 60 students from non-exam BPS high schools each year.

Thirty-two Urban Scholars Program participants have enrolled as freshmen at UMass Boston over the past five years, along with approximately 2,200 of their BPS peers.

By removing the financial barrier that exists for far too many students and families, Boston Public Schools Superintendent Mary Skipper says that the new endowed scholarship will allow generations of "promising students to realize their college dreams, close to home at a world-renowned university."

UMass Boston Chancellor Marcelo Suárez-Orozco echoed that message of equity.

"Education must provide equitable access to knowledge, to professions, and economic mobility for the current and future generations," he said.

"With this magnificent grant, the McMillan-Stewart Foundation is providing public school students access to an engaged and prosperous future that might otherwise be out of reach. Boston's only public research university is excited to partner with the McMillan-Stewart Foundation on behalf of the students of Boston, and deeply grateful to the foundation for its generosity."

INVESTMENT PERFORMANCE

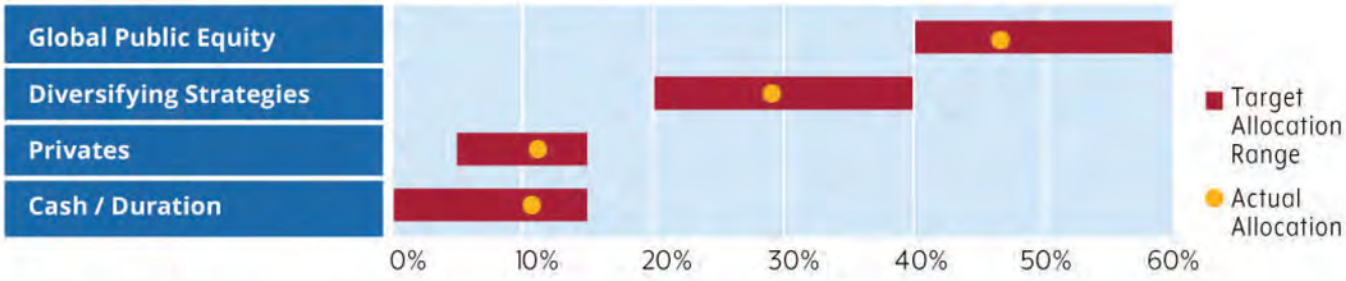
RETURNS AS OF JUNE 30, 2022

INVESTMENT	1 Year	3 Year	5 Year	10 Year
UMASS FOUNDATION	-15.6%	6.1%	6.5%	6.3%
Blended Portfolio				
Global 75/25 (MSCI ACWI IMI / Bloomberg Barclays US Agg)	-14.9%	4.5%	5.5%	7.1%
Equity				
Global Equity (MSCI ACWI IMI Index)	-16.5%	6.0%	6.7%	8.7%
Domestic Equity (Russell 3000 Index)	-13.9%	9.8%	10.6%	12.6%
International Developed Equity (MSCI EAFE IMI Index)	-18.7%	1.1%	2.1%	5.6%
Emerging Mkt Equity (MSCI EM IMI Index)	-24.8%	1.1%	2.3%	3.2%
Fixed Income				
Bloomberg Barclays US Aggregate Index	-10.3%	-0.9%	0.9%	1.5%
Hedge Fund				
HFRI Fund Weighted Composite	-5.6%	6.2%	5.1%	5.0%

THE UNIVERSITY OF MASSACHUSETTS FOUNDATION
FISCAL YEAR 2022

ASSET ALLOCATION VS. TARGET RANGE

RETURNS AS OF JUNE 30, 2022



ENDOWMENT BY CAMPUS
IN MILLIONS

AMHERST
$442M

CHAN MEDICAL SCHOOL
$287M

LOWELL
$130M

BOSTON
$126M

DARTMOUTH
$67M

THE UNIVERSITY OF MASSACHUSETTS FOUNDATION
FISCAL YEAR 2022

Guided by Goals, Fueled by Ambition

Kyle Furtado '23 is a student, a scholar, a teacher, an advisor, a technology coordinator, a web designer, and a software engineer intern.

In a word, he is ambitious.

Furtado is not afraid of hard work. He's a computer science major with a specialization in software engineering at the UMass Dartmouth College of Engineering, studies in the Honors College, and is in the accelerated bachelor's-to-master's degree program. His goal is to graduate debt-free. He works three off-campus jobs that not only pay for his education, but also align with his career goals: as a technology teacher at Antioch School in Fall River, an intern at Great Place to Learn Technology Partners in Swansea, and at the Newport Car Museum. Last summer, he interned as a software engineer for the combat systems department at the Naval Undersea Warfare Center in Newport, R.I.

The rigorous curriculum of the Honors College allows Furtado to develop a more holistic perspective on the field of computer science, one that he shares through his thesis on targeted digital ads and in his off-campus jobs.

"It's important to understand what's happening behind the scenes, so you can protect yourself in today's digital world," he said.

Furtado's stellar academic performance has earned him the Donald Watson Scholarship, available to full-time juniors majoring in the engineering and science disciplines. This scholarship, which is up to $3,000 and renewable based on the student's academic performance and co-op experience, will help Furtado achieve his long-term goals.

"UMassD students work hard. We have a vision for ourselves, and we have goals. Removing some of the financial burden allows us to focus on those goals," he said. "My dream is to work for the Department of Defense, where I can be at the forefront of technology."

Preserving a Legacy and Bringing New Art to Life

Photo Credit:
Mico Kaufman (1924-2016) Archives, UMass Lowell University Library.

Mico Kaufman in his basement studio with Guy de Vuban Kaufman, September 1969.

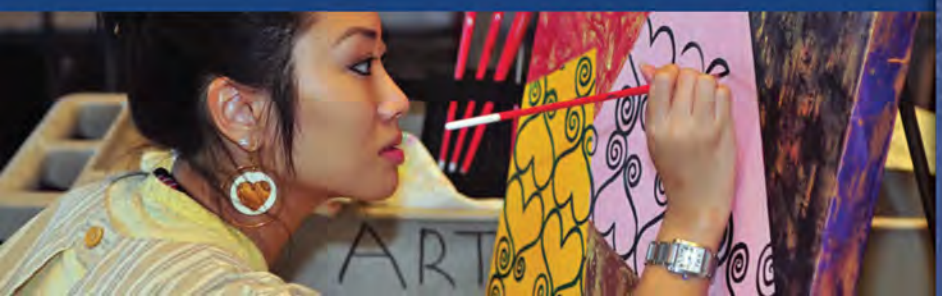
A trust from the late Mico Kaufman, world-renowned sculptor and artist, is helping UMass Lowell art and design students develop their talent through a new and exciting scholarship.

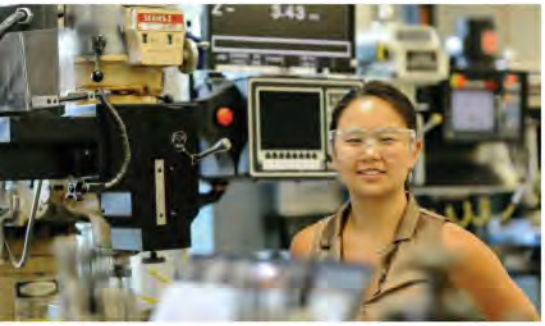
The Mico H. Kaufman Trust Endowed Fund, established in June 2022, will soon provide support for experiential learning opportunities such as internships, study abroad experiences, and faculty-led projects. Funding from the Public Higher Education Endowment Incentive Program will increase the gift's impact.

Kaufman, who was born in Romania, spent time in Jewish workcamps that pre-dated Nazi concentration camps before emigrating to the United States in 1951. He settled in Tewksbury, Massachusetts, and became a U.S. citizen. Kaufman sculpted subjects overlooked by society, such as the Lowell Mill Girls, and created portrait busts of prominent individuals and presidential inauguration medals. Through a collaboration with the UMass Lowell Plastics Department, Kaufman pushed the medium of sculpture, and, in 2011, UMass Lowell awarded Kaufman an honorary degree.

In 2018, Kaufman's longtime companion, Elsie Howell, donated more than 70 of Kaufman's works to the university. The Kaufman collection at UMass Lowell also includes a bust of American politician Paul Tsongas and a sculpture of French composer Claude Debussy.

"Mico felt connected to UMass Lowell and would have been proud to know that his funds are helping students have experiences that will shape them as artists," said Howell.





ENDOWMENT DOLLARS DISTRIBUTED BY YEAR
IN MILLIONS

THE UNIVERSITY OF MASSACHUSETTS FOUNDATION
FISCAL YEAR 2022

A Strong Tradition of Stewardship

At the UMass Foundation, we professionally invest, manage, and distribute the contributions of our donors, while collaborating with campus partners to maximize impact for a high-quality education. Individually and taken together, the resources we manage—including private philanthropy and funding from the Public Higher Education Endowment Incentive Program (PHEEIP)—signal the financial health of the university and empower UMass to compete nationally as a world-class public research university.

Our community has never been stronger.

In 2022, the university reached a fundraising record, with gifts to new endowed funds reaching more than $291 million combined. This funding, strategically allocated by the foundation's investment team and its partners, will yield results across all five campuses and in every dimension of teaching, learning, research, and the quality of the overall academic experience.

FY2022 PHEEIP Highlights:

The Public Higher Education Endowment Incentive Program (PHEEIP) has propelled the mission of the University of Massachusetts throughout the last twenty-five years. $74 million of state matching funds have enabled more than $130 million to be raised from thousands of donors. Together, the value of these endowment funds has grown to $400 million — now comprising one-third of the University's total endowment.

Endowment Support

In fiscal year 2022, the endowment distributed $43 million in spendable endowment income to the five campuses, which included more than $8 million in student financial aid—directly benefiting thousands of today's students across the UMass community.

Since 2011, the endowment has provided more than $305 million in revenue back to the campuses, providing meaningful and reliable support for our university's most gifted and deserving students, our innovative and engaging faculty, and countless other institutional priorities.

Endowment Purpose Statement

The University of Massachusetts endowment is an accumulation of funds-primarily from philanthropic gifts with donor-designated purposes—created and invested to support the university's teaching and research missions in perpetuity. Endowed funds managed by the foundation advance university fundraising programs and help strengthen other critical initiatives at each of the five campuses.

ENDOWMENT BY PURPOSE

PERCENTAGE %

THE UNIVERSITY OF MASSACHUSETTS FOUNDATION
FISCAL YEAR 2022

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Managing Director, Investment Team

Ashley Chang
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Bill Chase
Director of Information Technology

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Constituent Engagement / Associate General Counsel

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Senior Administrative Assistant

Linda Shen
Assistant Controller

Austin Taggart
Investment Analyst

Derek Wade
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Qing Wan
Controller

Martin Wiedersheim
Staff Accountant

Aimee Yen
Program Manager, Development

From the research expenditures to employment, to entrepreneurship and investment, UMass generates $7.5 billion in annual economic impact in Massachusetts and supports 30,000 private sector jobs across the state. The state of the University of Massachusetts remains strong, and UMass continues to deliver for the Commonwealth.

– Marty Meehan
President, University of Massachusetts

University of Massachusetts Foundation
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University *of* Massachusetts

The Fiscal Year 2022 Endowment Report was produced by the University of Massachusetts Foundation. Photos provided by University of Massachusetts Campus Communications.