

The University of Massachusetts Foundation 2023 Endowment Report



Dear Friends,

The University of Massachusetts is anchored by the revolutionary spirit of Massachusetts and inspired by its mission to expand opportunity through education, innovation, and community engagements. Across our four comprehensive campuses in Amherst, Boston, Dartmouth, and Lowell; a top-ranked medical school, and a justice-driven law school we endeavor to live up to our legacy of excellence every day.

Our world-class faculty conducts more than \$813 million in research annually, making us one of the most significant research universities in New England. Each year, 20,000 graduates embark on careers that make a difference – nearly three quarters staying in Massachusetts to join the 330,000 alumni here and contributing their knowledge, talent, and energy to the economy and life of our communities. The ranks of proud UMass alumni continue to grow as we attract increasingly diverse cohorts of students and create new pathways into the university through increased financial aid, early college offerings, support for first-generation students, and an intentional approach to diversity, equity, and inclusion that makes each of our campuses welcoming to all.

Through the ingenuity of our faculty, the success of our alumni, and the promise of today's students, the UMass community remains a powerful engine of innovation and economic development in the Commonwealth, generating \$8 billion in annual economic impact, and supporting nearly 40,000 private sector jobs across the Commonwealth.

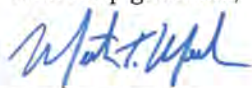
None of this would be possible without the university's exemplary community of supporters, including the 54,800-plus donors who gave to the University of Massachusetts last year. Among these donors are Robert J. and Donna Manning, whose \$15 million gift to the UMass Boston College of Nursing and Health Sciences in 2021 continues to make an impact. This year, the Mannings opened the door for an expanded partnership to enhance the college's Clinical Leadership Collaborative for Diversity in Nursing program, recruiting, and retaining nursing students from underrepresented communities. As part of this initiative, Mass General Brigham has committed \$10 million, fortifying the state's health care workforce in the process.

We are also grateful to Governor Maura Healey, Senate President Karen Spilka, House Speaker Rob Mariano, and their colleagues in the Legislature who support investments in public higher education and continue to champion the Public Higher Education Endowment Incentive Program (PHEEIP). The PHEEIP contributed \$10 million in public funds to UMass last year, building on prior year contributions which have generated more than \$154 million in private support over nearly three decades.

Every one of those supporters—whether they're giving \$15 or \$15 million—is integral to the University of Massachusetts mission. These contributions are cherished, and we are all fully committed to the well-managed stewardship of them. The result is an endowment that has now grown to \$1.3 billion, guaranteeing critical annual investments (almost \$41 million in FY2023) in the programs, services, and facilities our students and faculty need and deserve to excel.

Together, we are building momentum at the University of Massachusetts. I look forward to continuing this transformative work with you.

With deep gratitude,



Martin T. Meehan

President, The University of Massachusetts



Foundation Board of Directors

Dear Fellow Alumni and Friends,



It is a privilege to provide you with this year's endowment report for The University of Massachusetts Foundation. Enclosed, you will find figures highlighting performance across established benchmarks and asset allocation strategies.

Before commenting on performance, I am proud to share that endowment assets now total \$1.31 billion, and that support to the university generated from the endowment has nearly doubled in the past 10 years. With this growth, the endowment increasingly provides resources to the operating budget of the university, which we strive to grow in the future.

In FY2023, the University of Massachusetts campuses worked closely with the foundation to raise nearly \$44M in new endowed funds. These partnerships with donors, staff, and faculty across the university make possible the perennial endeavor to build private support. We are grateful for the generous philanthropic commitments which bolstered our assets last year. More importantly, these gifts will advance new initiatives that benefit the campuses and citizens across the Commonwealth in profound ways.

The endowment portfolio has undergone a meaningful overhaul in terms of strategy, asset allocation, and partnerships with talented investment firms since the creation of an investment office roughly six years ago. Since then, the endowment has generated a five-year return of 7.8%, exceeding its market benchmark by 1.6% annually. Collectively, the Investment Committee and Investment Office of the foundation continue to capitalize on our advantage of being long-term investors and generate returns in excess of our draw rate, with an appropriate amount of risk.

The somewhat unpredictable nature of the market over the past few years highlights the importance of sticking to a long-term investment strategy. After global equities declined 16.5% in FY22, they rebounded by 16.1% in FY23. Although the market rally of FY23 was relatively narrow, with 37% of the gains coming from the top 6-7 large cap technology companies in the index, the endowment benefited from remaining invested in equities to post a very strong fiscal year result.

Looking forward, we anticipate continued uncertainty in the markets as we come off an unprecedented era of low interest rates, high inflation post-COVID, geopolitical conflicts, and other national and global factors. Yet, we remain true to our investment strategy of having a long-term focus where we can benefit from having an equity bias. Additionally, we continually seek to partner with extraordinary investment managers, thus improving our odds of sustained success. This requires constant evaluation of our investment management roster and their performance. We remain grateful to all partners who serve or have served as stewards of the university's capital.

Advancing the university's mission by extending the horizon of strong investment returns demands vision and diligence. My sincerest gratitude goes to the Investment Committee and entire Foundation Board of Directors for their unwavering commitment to excellence, as well as to Jim Julian and his team for their constant efforts to strengthen the University of Massachusetts.

Thank you for all that you do for 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.

That is how I opened this letter to you last year, and it continues to guide the work of our dedicated team at the UMass Foundation. Across our development, investment, finance, and legal divisions, we at the Foundation are singularly focused on advancing university goals through responsible stewardship and committed philanthropy. The professional investment, advancement, and financial services we provide enable investments in students' futures and support the talent pool for a robust Massachusetts economy. As a result, UMass endowment assets have increased by 31% in the last five years.

The University of Massachusetts is playing an increasingly important role in contributing to a stronger Commonwealth.

That strength is attributable, in part, to the steadfast leadership of President Meehan, the University of Massachusetts Board of Trustees and Chairman Stephen Karam, the Foundation Board and Chairman Edward D'Alelio, and the continued support of the Massachusetts General Court. We are likewise grateful for the vision and leadership of Chancellors Reyes (Amherst), Suárez-Orozco (Boston), Fuller (Dartmouth), Chen (Lowell), and Collins (Chan Medical School), and their respective vice chancellors for advancement, as well as the UMass Amherst Foundation president, who collectively work each day to foster meaningful relationships and cultivate new partnerships in service of public higher education.


With this impressive slate of education advocates in our corner, the University of Massachusetts is making the dream of educational attainment and greater economic security accessible for more than 74,000 students enrolled each year. In FY2023 alone, in fact, the university awarded \$395 million in financial aid—\$22 million more than last year and a staggering \$185 million more than a decade ago.

This direct student aid has opened a door to opportunity for an increasingly diverse and impressive community of learners. Your contributions accelerate this important growth, empowering us to serve more students and support faculty in new ways. Another 92 new funds were added to the endowment in fiscal year 2023, bringing us to a total of 2,873 funds. Nearly \$44 million was raised for new endowed funds, and the Public Higher Education Endowment Incentive Program (PHEEIP) matched gifts from more than 220 donors. Thank you to Governor Maura Healey and the legislature for their continued support of the PHEEIP.

Across public support and private giving, from current families to generations of alumni, our community of supporters continues to thrive. Their investment today leads to greater outcomes for tomorrow, and we prioritize both in equal measure—making an impact for current students and faculty, while bringing significant long-term value across all five campuses.

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

Sincerely,



James R. Julian, Jr.

Chief Executive Officer

The University of Massachusetts Foundation

ENDOWMENT HIGHLIGHTS

The core purpose of the University of Massachusetts Foundation's robust endowment is to increase opportunity through public higher education. This provides budgetary stability, while ensuring that the university affords future students even greater opportunities than exist for students today. Growing resources for innovative and engaging learning, cutting-edge research, and continual discovery is essential to fulfill the university's mission, anchored in delivering a high-quality public education to all.

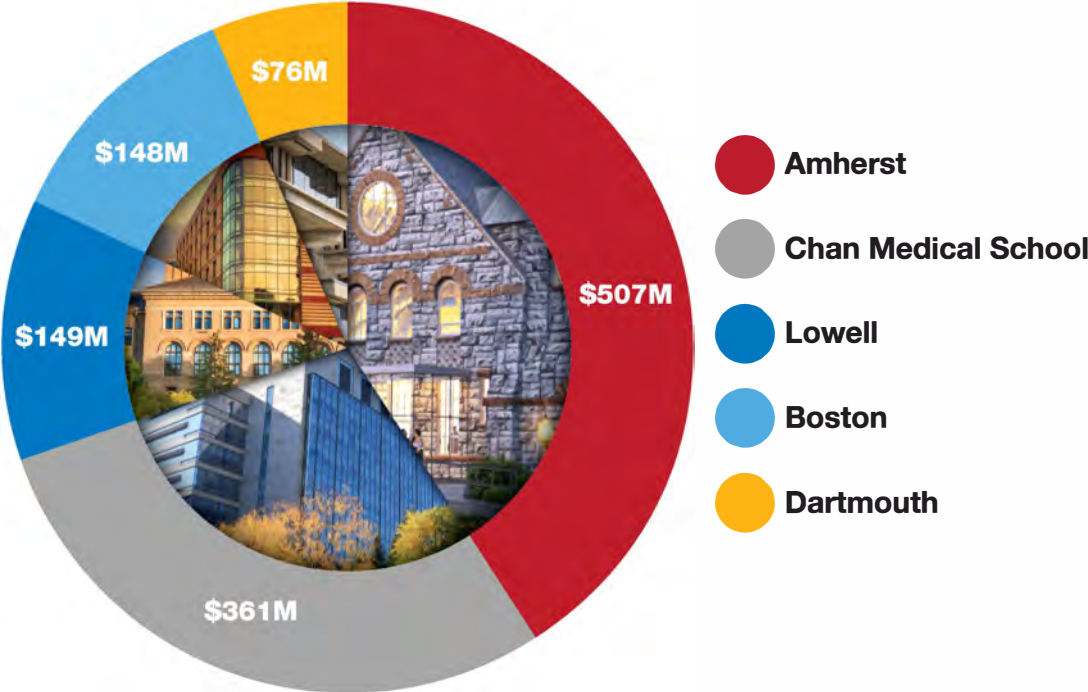
As of June 30, 2023, the endowment was valued at \$1.31 billion. After a 15.6 percent decline in fiscal year 2022, the foundation's endowment realized positive returns of 14 percent in fiscal year 2023. These short-term gains are appreciated, yet the foundation remains focused on long-term investment returns. For the year, the endowment exceeded its benchmark by 2.2% and exceeded it for three and five years by 2.4% and 1.6%, respectively. The 10-year return for the endowment was 6.8%.

Expanding its impact each year, endowment assets have close to doubled over the last decade.

During the same period, spending generated from returns on the individual funds that comprise the endowment—and that go to support students, faculty, and academic programs on all five UMass campuses—grew from \$15.85 million to almost \$41 million annually. Such impact is the result of vital partnerships with donors and advancement colleagues across the university.

Over time, these relationships across the university community have generated consistent growth in endowment assets for all five campuses. The figure below shows the value of the endowment designated for each campus. Additionally, five percent of endowment funds are designated to support more than one campus and other system endeavors through the President's Office. The UMass Foundation also holds endowment funds for the Edward M. Kennedy Institute, which make up just over one percent, or \$19 million, of the total.

ENDOWMENT ASSETS BY CAMPUS
IN MILLIONS



A TRADITION THAT FUELS INNOVATION

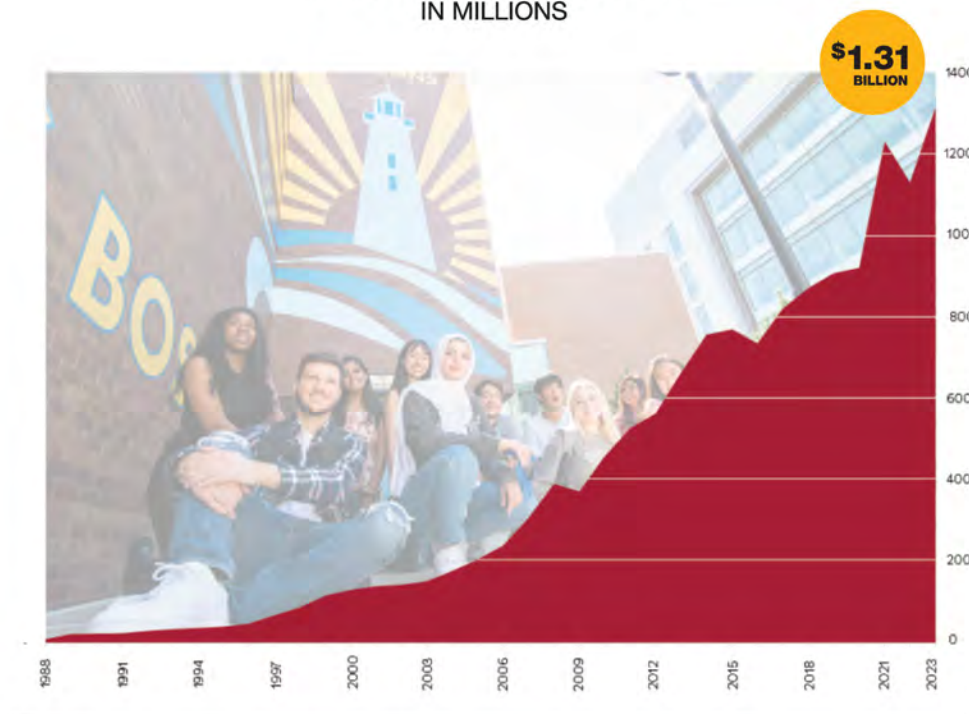
As an independent 501(c)(3), the University of Massachusetts Foundation has been a trusted steward of UMass endowments for nearly 75 years. Professional investment, finance, and advancement-focused services ensure opportunities for current students and faculty, while providing substantial long-term value for the endowment resources of all five campuses. Serving as a strategic and enduring partner, the UMass Foundation is organized for the purpose of stimulating philanthropic support for the university from alumni, parents, friends, foundations, and organizations.

In service to the university, the foundation is driven to make public higher education accessible and more affordable for greater numbers of students and their families. Endowment dollars also play a critical role in advancing faculty research and excellence, and specific areas of academic study, athletics, libraries, and other donor-designated purposes that advance university needs and priorities.

With a future-focused strategy designed to deliver long-term returns, the UMass Foundation ensures reliable and enduring philanthropic resources are provided across the university community.



ENDOWMENT ASSETS IN MILLIONS



THE UNIVERSITY OF MASSACHUSETTS FOUNDATION
FISCAL YEAR 2023



A Visionary Gift Positions UMass Boston to Lead in Applied AI



In May 2023, UMass Boston announced the creation of the Paul English Applied Artificial Intelligence (AI) Institute, conceived and funded by tech entrepreneur and UMass Boston alumnus Paul English '87, G'89, H'19. The new institute—created with a \$4 million commitment to the university (plus \$1 million in scholarship support) from Mr. English—will be the first of its kind in the nation.

“I’ve had the privilege of visiting dozens of universities over my career,” said English. “What stands out about UMass Boston is its pragmatism, grit, and diversity. It is these things that will propel UMB to lead on Applied AI.”

The Paul English Applied AI Institute will be embedded in academic study across UMass Boston’s schools and colleges and include a focus on the social, ethical, and diversity challenges associated with AI. By catalyzing UMass Boston’s efforts to gather experts from the full spectrum of the university’s scholarship and to organize its activity and interdisciplinary expertise around AI, the institute will give UMass Boston students in every field the tools to succeed in and shape the increasingly AI-powered world of work. This pipeline of top talent overwhelmingly joins the workforce right here in the Commonwealth after graduation.

A \$2 million match from the Public Higher Education Endowment Incentive Program (PHEEIP) helped inspire and magnify English’s generous gift. Rather than the standard five-year gift timeline, he plans to fully fund the endowment in two years to provide more expeditious access to disbursements, allowing the work of the institute to remain at the forefront of innovation.

INVESTMENT PERFORMANCE

RETURNS AS OF JUNE 30, 2023

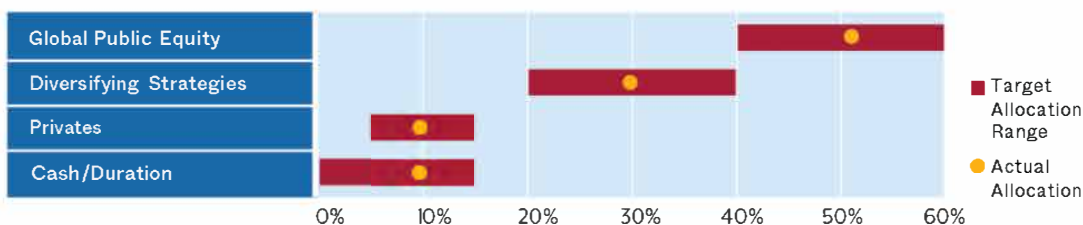
Investment	1 Year	3 Year	5 Year	10 Year
UMass Foundation	14.0%	9.7%	7.8%	6.8%
Blended Portfolio				
Global 75/25 (MSCI ACWI IMI / Bloomberg Barclays US Agg)	11.8%	7.2%	6.2%	7.0%
Equity				
Global Equity (MSCI ACWI IMI Index)	16.1%	11.0%	7.6%	8.6%
Domestic Equity (Russell 3000 Index)	19.0%	13.9%	11.4%	12.3%
International Developed Equity (MSCI EAFE IMI Index)	17.5%	8.4%	3.9%	5.5%
Emerging Mkt Equity (MSCI EM IMI Index)	3.2%	3.6%	1.4%	3.2%
Fixed Income				
Bloomberg Barclays US Aggregate Index	-0.9%	-4.0%	0.8%	1.5%
Hedge Fund				
HFRI Fund Weighted Composite	5.0%	8.1%	5.0%	4.7%

THE UNIVERSITY OF MASSACHUSETTS FOUNDATION
FISCAL YEAR 2023



ASSET ALLOCATION VS. TARGET RANGE

RETURNS AS OF JUNE 30, 2023



THE UNIVERSITY OF MASSACHUSETTS FOUNDATION
FISCAL YEAR 2023



Sydney Seeds a More Diverse Engineering Pipeline at UMass Lowell



Greg Sydney '81 struggled with his first-year plastics engineering coursework. As a first-generation college student, he was balancing part-time work at a shipping plant and classes. His family had moved from Trinidad and Tobago to Mattapan, Massachusetts when Sydney was 12 years old. He earned good grades in high school but didn't know what to expect in college.

The community Sydney built for himself at UMass Lowell helped him turn a corner.

Sydney and his engineering classmate, Rick Reese '81, co-founded and ran the Lowell chapter of the National Society of Black Engineers (NSBE). Through Sydney's involvement with NSBE, he found friends, study partners, and professors upon whom he could rely.

As an engineer, Sydney worked for Boston Scientific Corporation and BD (Becton Dickinson Company), among others. He holds 10 U.S. patents and one Japanese patent. He is especially proud of his career during the 1980s AIDS pandemic, where at BD, he worked on the change from glass to plastic vials. His work provided patients with accurate HIV testing and ensured greater protections for health care workers.

Coming full circle at age 63, Sydney was inspired to help build a stronger pipeline of students from backgrounds not historically represented in engineering. He established UMass Lowell's first endowed scholarship for NSBE members, which received state matching funds.

Sydney is now reaching out to classmates and colleagues to encourage them to join him and support more diversity in engineering. "We need to get more role models in engineering from all communities," he says.



DELIVERING ON OUR VISION

Each year, thousands of donors make generous contributions to the University of Massachusetts. They believe in our mission, and we take that responsibility and trust to heart.

To protect and maximize the gifts we receive on behalf of UMass campuses across the Commonwealth and their work throughout the world, the UMass Foundation's teams of investment and finance professionals thoughtfully manage and distribute contributions, while our development and legal teams work hand-in-hand with campus partners to ensure those distributions yield significant impact.

The resources available to support students and further the university's goals have never been greater. Growing these resources is fueled by the generosity of donors and a continuing commitment from the state to fund the Public Higher Education Endowment Incentive Program (PHEEIP).

Thanks to the incredible community behind us, in 2023 the university raised close to \$198 million. This is the second-best year of total giving in university history—and we're just getting started.

The foundation gratefully received strategically important endowment gifts from Mass General Brigham, Paul English, and Doug and Diana Berthiaume, among others. Together, their commitments will have a transformative effect on fundamental aspects of the university's mission: student access, innovative teaching and research, workforce development, and service to the Commonwealth.

Along with the thousands of other donors to the foundation and the campuses, these generous commitments exemplify the revolutionary spirit of UMass.

Paying it Forward: UMass Chan Medical School Alumnus Supports Next Generation of Physicians



An internationally renowned expert in the treatment of male infertility, Peter Schlegel, MD'83, has left an indelible mark on the field of urology. Together with his family, Dr. Schlegel recently established an endowed scholarship fund at UMass Chan Medical School, giving back to the institution he recognizes as central to his successful career.

UMass Chan was still in its first decade of educating medical students when Dr. Schlegel matriculated in 1979. He feels the sharp focus on patient care, as well as a broad educational scope, really set UMass Chan apart.

“Working in the field for many years, I can see that the Medical School taught the fundamentals of patient care better than other institutions,” said Dr. Schlegel.

His prolific career includes over 30 years at Weill Cornell Medicine, where he is the former senior associate dean for clinical affairs and former chair of urology, and currently the James J. Colt Professor of Urology and professor of reproductive medicine. He is also an attending urologist at NewYork-Presbyterian Hospital.

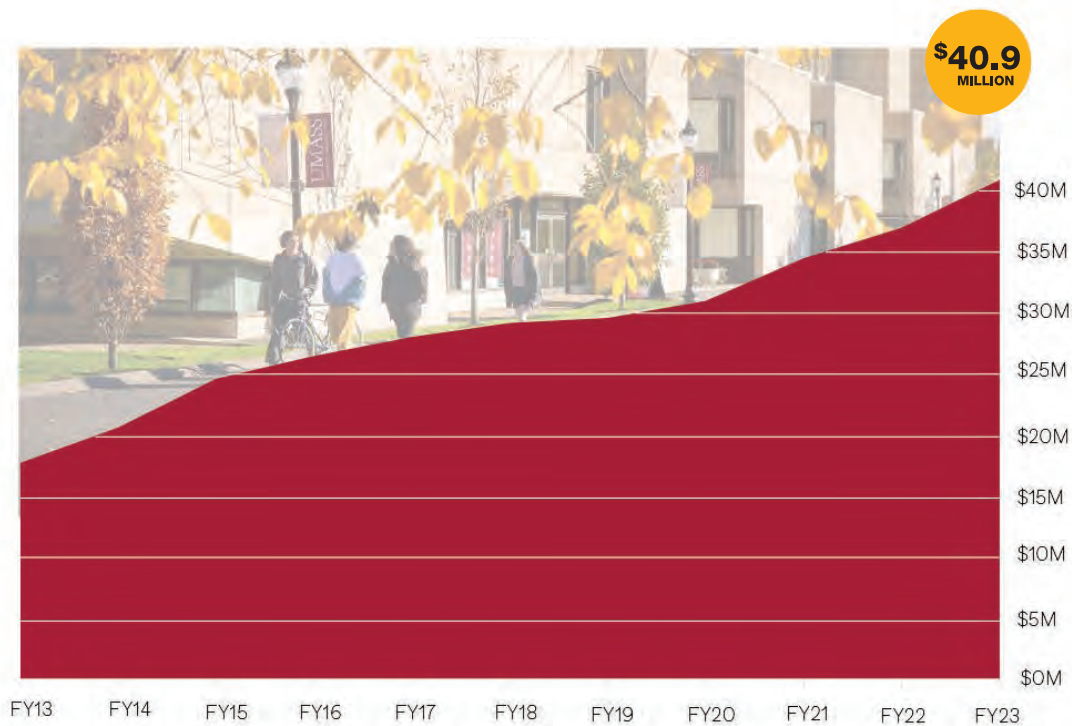
Grateful for the solid foundation in medicine that he received at UMass Chan, Dr. Schlegel is easing the way for future medical students through an endowed scholarship fund.

“I benefited tremendously from my medical education, which set me up for my career,” said Dr. Schlegel. The scholarship fund is a small way to thank the Medical School and pay it forward by supporting opportunities for others.”

ENDOWMENT SUPPORT

In fiscal year 2023, the foundation distributed \$40.9 million in spendable endowment income to the five campuses, which included \$9.6 million in student financial aid and \$8.2 million in faculty support. Since 2011, the endowment has provided more than \$345 million in revenue back to the campuses, supporting everything from a next-generation health care workforce pipeline to innovative climate science and beyond. Across every sector, every campus, and every UMass student, philanthropy is making a difference.

ENDOWMENT DOLLARS DISTRIBUTED BY YEAR IN MILLIONS



THE UNIVERSITY OF MASSACHUSETTS FOUNDATION
FISCAL YEAR 2023



Supporting Students, Empowering Faculty at Isenberg



In 2023, Paul J. McDonald '66 SBS and his wife Gail established two endowed funds in hopes of providing lasting and meaningful support for both students and faculty at the Isenberg School of Management at UMass Amherst.

McDonald has been involved with Isenberg for many years in different capacities. He continues to be deeply impressed by the quality of faculty teaching and expertise at Isenberg, inspiring his ongoing engagement and philanthropy. *The Paul J. and Gail M. McDonald Endowed Scholarship* seeks to assist Isenberg undergraduates with high financial need, with a particular focus on first-generation college students, graduates of Minnechaug Regional High School in Wilbraham, MA, and those pursuing careers in hospitality and tourism management.

In addition, the couple established the *Paul J. and Gail M. McDonald Endowed Faculty Fellowship* to support efforts to recruit new faculty and retain outstanding current faculty at Isenberg. This gift provides a consistent source of funding that can be used for salary supplementation; education and travel expenses; graduate assistantships; undergraduate student support; research expenses; and support services for the faculty member's program.

Going above and beyond their already-generous support, the McDonalds sponsored a challenge in April 2023, during UMass Gives, to inspire more than 1,000 additional gifts to Isenberg. The University earned the challenge in full, unlocking \$500,000 for the McDonald Faculty Fellowship endowment.

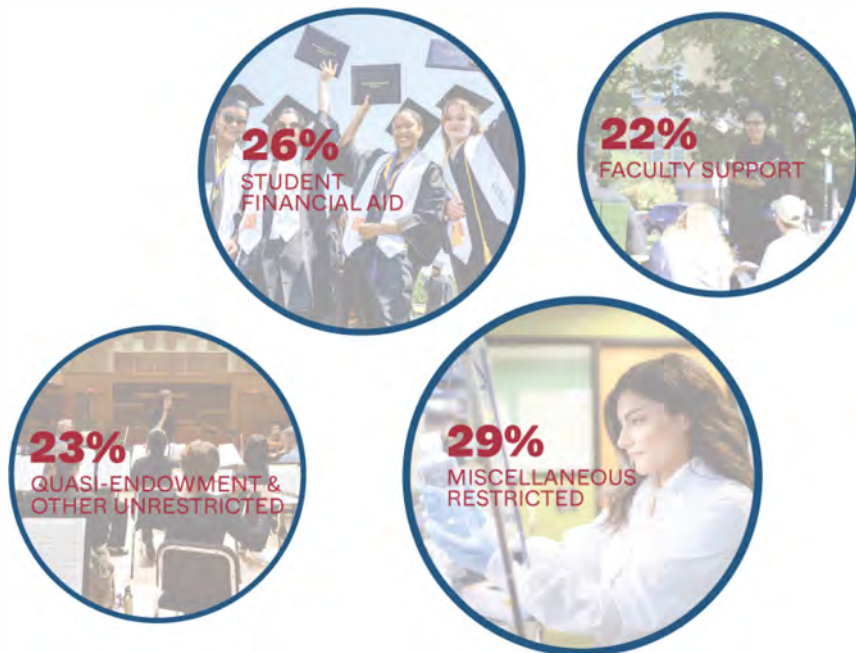
FY2023 PHEEIP HIGHLIGHTS

- 220 donor gifts received an endowment match—20% of these were new endowment donors.
- 74 percent of donors gave in support of endowed scholarships, meaning that more than 42 percent of the matching funds available in FY2023 will be allocated to student support.
- 24 percent of matching fund dollars were directed to chairs, professorships, and other faculty support, including resources for innovative research.
- Since 1997, the funds matched by the PHEEIP have grown to be valued at more than \$479 million. They now distribute almost \$5 million in student aid and \$8 million in other support to campuses per year.

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, research, and service missions in perpetuity. Endowed funds managed by the foundation advance university fundraising programs and shape the trajectories of other critical initiatives for the five campuses.

ENDOWMENT BY PURPOSE PERCENTAGE %



THE UNIVERSITY OF MASSACHUSETTS FOUNDATION
FISCAL YEAR 2023

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Managing Director, Investment Team

Ashley Chang
Director of Investments

Bill Chase
Director of Information Technology

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Vice President, Development & Constituent Engagement / Associate General Counsel

Paul C. Dawley, J.D.
General Counsel

Jon Gibbons
Chief Investment Officer

Ray Goodman
Assistant Vice President, Development

Ann Marie Greene
Executive Assistant

Olivier Jean-Baptiste Jr.
Systems Administrator

DeAnna Massey
Administrative Assistant

Sarah McDonnell
Assistant General Counsel

Andrew McIsaac
Senior Accountant

Barry F. Morrison, CPA
Chief Financial Officer

Maura O'Keefe
Manager of Compliance and Scholarship Administration

Christina Pierre-Jacques
Associate Vice President for Board Relations & Engagement

Carolyn Pires
Advancement Systems Analyst

Brian Pragana
Senior Advancement Systems Developer

Denel M. SantaLucia
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Linda Shen
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Derek Wade
Director of Investment Operations

Carol Walsh
Associate Director of Advancement Technology Operations

Qing Wan
Controller

Martin Wiedersheim
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Aimée W. Yen
Program Manager for Development

UMass Dartmouth's McCafferty Reflects on the Impact of Scholarship Support



Student-athlete and bioengineering major Maggie McCafferty '24, '25, of Bridgewater, Mass., found community and a sense of purpose at UMass Dartmouth. She says the scholarship support she received has allowed her to enjoy the full college experience and pursue her goal of becoming a biomedical engineer. In UMassD's 4+1 biomedical engineering and biotechnology program, McCafferty will earn a bachelor's and master's degree.

McCafferty hopes to work in a health care setting where she can apply her bioengineering knowledge and make an impact in her community.

"Biomedical engineers work to develop everything from medical masks to MRI machines. With a concentration in biomedical engineering, I plan to work with prosthetics and related medical devices," she said.

McCafferty received an impressive six scholarships as a UMass Dartmouth student: Rick Pitino Presidential Scholarship, McCoy Family Endowment Scholarship, Charles W. Fifield Jr. Scholarship, Scott C. Faulkner Memorial Scholarship, Wilkens Bioengineering Freshman Scholarship, and the Dean's Scholarship.

"Coming here on scholarships allowed me to focus on school and athletics because I didn't have to get a part-time job to help pay my tuition," she said. "I'm able to live on campus and have the full college experience because of my scholarship support. I also have siblings in college, and it's rewarding to know that I'm helping my family by paying for my education through scholarships."

"I'm going to graduate with little to no debt," she added, "and I'm going to get my master's degree through the 4+1 Biomedical Engineering and Biotechnology program at UMassD, thanks to the support I've received. It really is worth all the time and effort it takes to apply for scholarship funding."

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In one of the best state economies, boasting the most educated workforce, UMass continues to be the strongest contributor to that workforce, producing 20,000 graduates each year, the vast majority of whom remain in Massachusetts to join the 330,000 UMass alumni living and working here.

– Marty Meehan
President, The University of Massachusetts

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info@umassfoundation.org