



ENDOWMENT DONOR SPOTLIGHT



HOW ARE THE FOUNDATION'S ENDOWMENT FUNDS MANAGED?

The foundation's Board of Trustees (specifically, members of the Investment Committee) are investment stewards of the foundation's endowment and are obligated to foster and promote a culture of fiduciary responsibility. Fiduciary requirements include the duties of loyalty, care and placing the interest of beneficiaries above all.

Prudent practices for investment stewards, as identified by fi360 and the Center for Fiduciary Standards, outline seven fiduciary standards of care:

- Know standards, laws and trust provisions
- Diversify assets to specific risk/return profile
- Prepare investment policy statement
- Use "prudent experts" and document due diligence
- Control and account for investment expenses
- Monitor the activities of "prudent experts"
- Avoid prohibited transactions and manage conflicts of interest in favor of the portfolio

These standards and their underlying principles shape the conduct of those who are entrusted with the care of the foundation's endowment.

Carolyn Taylor dreamed of being a nurse. All seemed to be going well at her nursing school admissions interview until the subject of tuition came up. Her parents admitted that they could not afford the tuition. At that point, a school of nursing administrator abruptly ended the interview, suggesting Taylor wasn't "nurse material."

Ten years later, Taylor was able to fulfill her dream at George Mason University. She recently earned her fourth George Mason degree, a doctorate in nursing. Her other degrees are BSN '78, MSN '86 and MBA '94.

In 2008, her husband Les honored Carolyn by establishing the Carolyn A. Taylor Scholarship Endowment. This endowed scholarship provides financial aid for undergraduate nursing students and was designed to increase access to nursing education for underserved student populations. Since its inception, the endowment has awarded three scholarships.

"I'm a product of scholarships at Mason," she says. "It's why I'm so committed to paying forward what I've earned."

For more information, please contact:
George Mason University Foundation
4400 University Drive, MSN 1A3, Fairfax, VA 22030
(703) 993-8850 or email development@gmu.edu

George Mason University Foundation, Inc.

THE GEORGE MASON UNIVERSITY FOUNDATION WAS ESTABLISHED IN 1966 TO ADVANCE AND FURTHER THE AIMS AND PURPOSES OF GEORGE MASON UNIVERSITY.

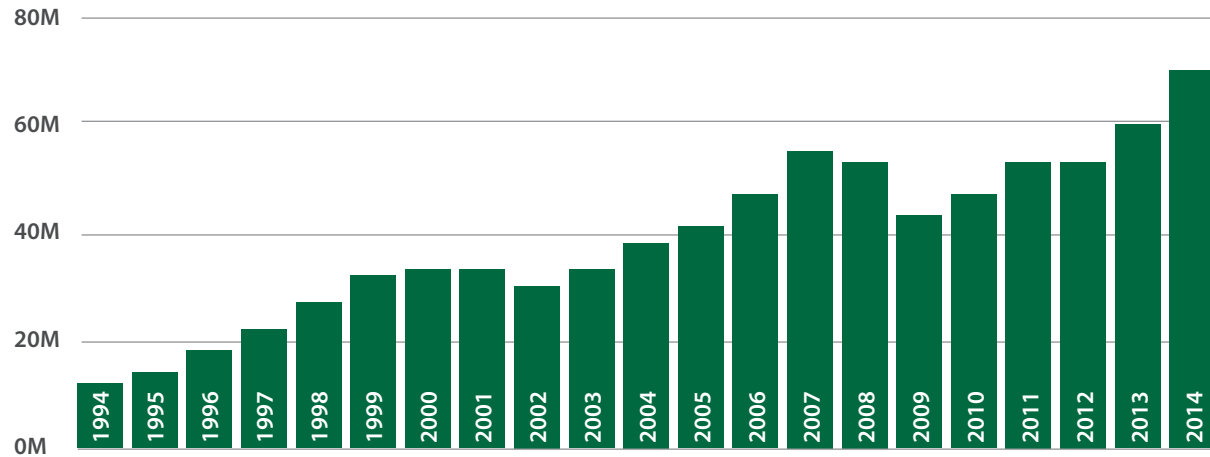
GMUF is a 501(c)(3) charitable foundation organized and operated exclusively for the benefit of George Mason University. The foundation helps the university in generating private support and manages, invests, and administers private gifts, including endowments. The foundation's endowment has grown from \$12.5 million in 1994 to more than \$70.2 million as of June 30, 2014.

WHAT IS AN ENDOWMENT?

An endowment is a fund established by a donor with provisions that limit the spending of the principal (gift). Endowments may be restricted as to purpose or unrestricted, depending on the donor's intent. Endowments serve the university in perpetuity. They are managed with the goal of protecting intergenerational equity while generating a predictable stream of income for the university.



George Mason University Foundation, Inc.
June 30 Endowment Balance
 By Fiscal Year in Millions of Dollars

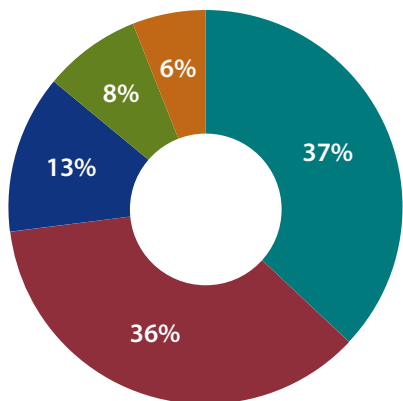


HOW ARE EARNINGS FROM AN ENDOWMENT USED?

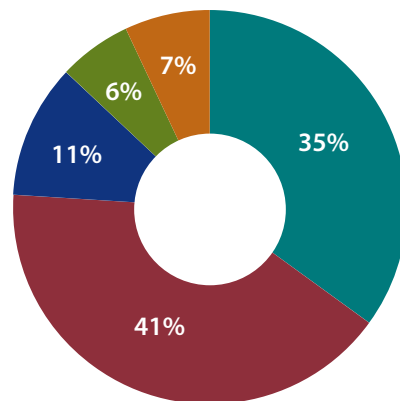
The earnings from an endowment are used for the purpose as stated in a gift agreement, signed by the donor, the foundation, and the university. Earnings from endowment may help fund student scholarships, eminent scholars, academic support, community/public service, research, athletics, libraries, university administrative needs, facilities, and special projects and programs.

- Student Financial Aid
- Community/Public Service
- Other
- Eminent Scholars
- Academic Support

Endowment Designation by Purpose
 \$70.2 million – FY 2014



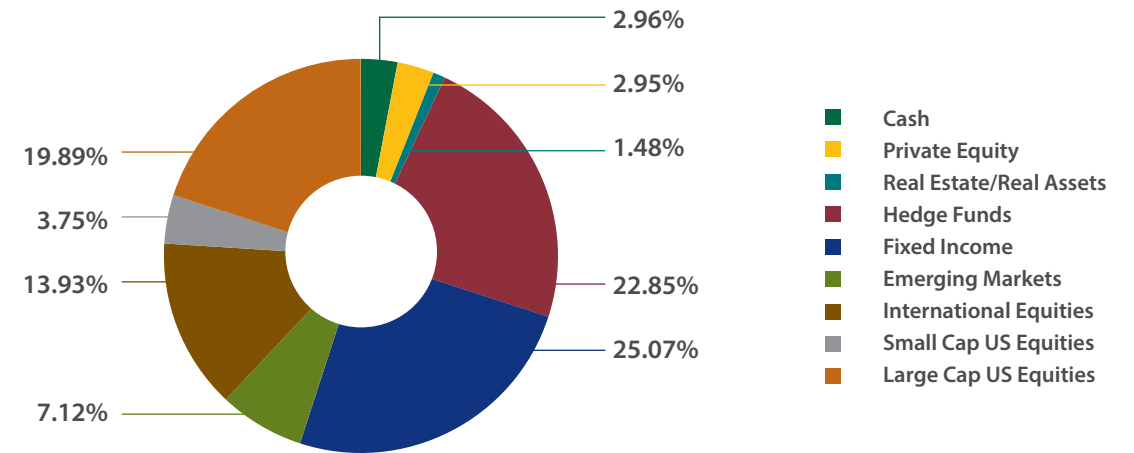
Endowment Payout by Purpose
 \$2.1 million – FY 2014



HOW ARE THE FOUNDATION'S ENDOWMENT FUNDS INVESTED?

Members of the foundation's Board of Trustees (specifically, members of the Investment Committee) are investment stewards of the foundation. The foundation endowment assets are invested in a widely diversified portfolio reflecting traditional and alternative equity strategies, international and emerging market strategies, traditional and alternative fixed income strategies, real estate and private equity. The Investment Committee, which meets a minimum of four times per year, determines investment strategy and hires managers. Currently, the foundation retains Graystone Consulting to recommend and monitor managers.

Endowment Allocation
 As of June 30, 2014



WHAT IS THE ENDOWMENT SPENDING POLICY OF THE GEORGE MASON UNIVERSITY FOUNDATION?

The policy seeks to ensure that the present value of existing funds grows at a rate that exceeds inflation minus investment fees, while generating a predictable stream of spendable income. The foundation spending (or "payout") rate is 4 percent of the three-year rolling average market value for endowments with a fair market value (FMV) equal to or exceeding the original gift value (corpus).

Any earnings in excess of this are reinvested in the endowment. A 2 percent spending rate will apply for those accounts with a FMV below the original gift value but not less than 80 percent of the corpus. If the FMV has diminished below 80 percent of the corpus, no distribution will be made.

WHAT ADMINISTRATIVE FEES ARE ASSOCIATED WITH THE ENDOWMENT?

Endowment gifts are exempt from transaction fees at the time of the gift. Alternatively, endowments are charged an annual management fee of 1.5 percent on the average market value of the endowment. Administrative fees support future Advancement initiatives and the management of the endowment.

WHY IS ENDOWMENT IMPORTANT?

Endowment is vital to Mason's future. State funding and tuition and fees provide only a portion of necessary funding. A healthy endowment provides stability of income, which can be counted on to advance the mission of the university in perpetuity.