



**THE GEORGE MASON UNIVERSITY FOUNDATION**

was established in 1966 to advance and further the aims and purposes of George Mason University. The foundation 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 philanthropy. It also manages, invests, and administers private gifts including endowments. An endowment is a fund established by a donor with provisions that limit the spending of the original gift: the “corpus” or “principal.” Returns on the investment of the principal are spent or reinvested as the fund grows. Endowments may be designated for a specific purpose or general use—depending on donor intent—as laid out in a gift agreement signed by the donor, the foundation, and the university. The foundation’s endowment has grown from \$12.5 million in 1994 to more than \$73 million as of June 30, 2015.

**HOW ARE THE FOUNDATION’S ENDOWMENT FUNDS MANAGED?**

The Investment Committee of the foundation’s Board of Trustees are the financial stewards of the foundation’s endowment and are obligated to foster and promote a culture of

fiduciary responsibility. These stewards are obligated to the duties of loyalty, care, and placing the best interests of beneficiaries above all else.

**HOW ARE THE FOUNDATION’S ENDOWMENT FUNDS INVESTED?**

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 independent financial advisors to manage the portfolio.

**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’s “payout” or spending rate is four percent of the three-year rolling average of the market value for endowments with a fair market value (FMV) equal to or exceeding the corpus value. Any

earnings in excess are reinvested in the endowment. A two-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.

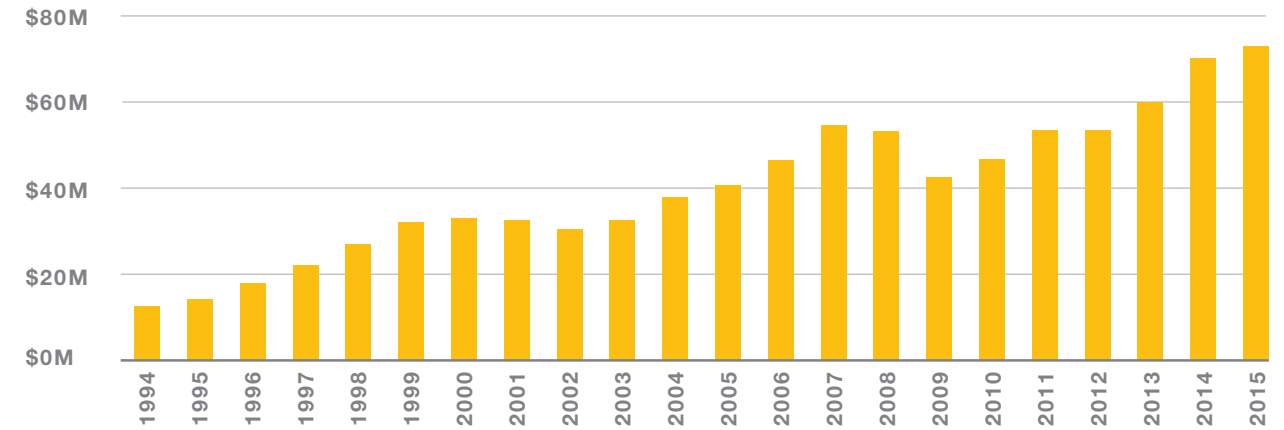
**WHAT ADMINISTRATIVE FEES ARE ASSOCIATED WITH THE ENDOWMENT?**

Endowment gifts are exempt from transaction fees at the time of the gift. Instead, endowments are charged an annual management fee. For FY2016, this fee is 1.25 percent on the average market value of the endowment. Administrative fees support the cost of managing the endowment.

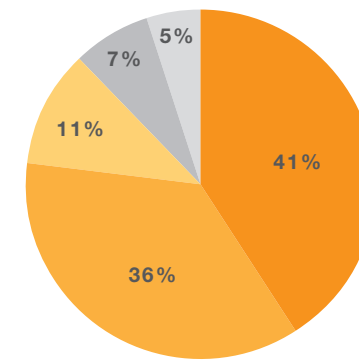
**WHY IS ENDOWMENT IMPORTANT?**

Endowment is vital to the university’s future. State funding, tuition, and student fees provide only a portion of the revenue necessary to provide world-class education and research opportunities. A healthy endowment generates a predictable stream of income and provides financial stability, serving Mason in perpetuity.

**ENDOWMENT GROWTH**

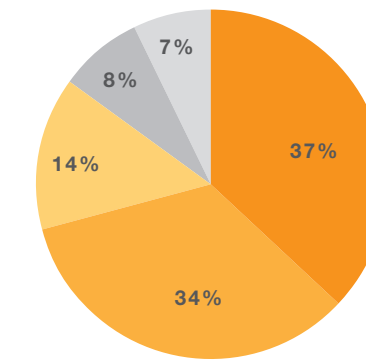


**ENDOWMENT PAYOUT BY PURPOSE**



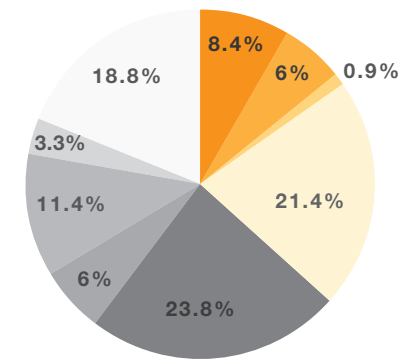
- Eminent Scholars
- Student Financial Aid
- Community/Public Service
- Academic Support
- Other

**ENDOWMENT DESIGNATION BY PURPOSE**



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

**ENDOWMENT ALLOCATION AS OF JUNE 30, 2015**



- Cash
- Private Equity
- Real Estate/Real Assets
- Hedge Funds
- Fixed Income
- Emerging Markets
- International Equities
- Small Cap US Equities
- Large Cap US Equities

**ENDOWMENT COMPARISON OF VIRGINIA FOUR-YEAR PUBLIC COLLEGES AND UNIVERSITIES**

Endowment Per Student

George Mason University	\$2,058.36
James Madison University	\$3,758.62
Radford University	\$4,806.18
Virginia State University	\$6,407.56
Old Dominion University	\$8,570.79
University of Mary Washington	\$10,229.11
Longwood University	\$10,610.87
Virginia Tech	\$25,507.21
Virginia Commonwealth University	\$48,436.64
College of William & Mary	\$94,535.02
Virginia Military Institute	\$243,181.76
University of Virginia	\$250,545.76