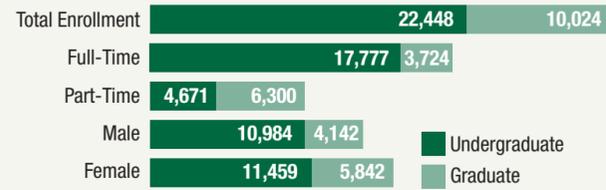
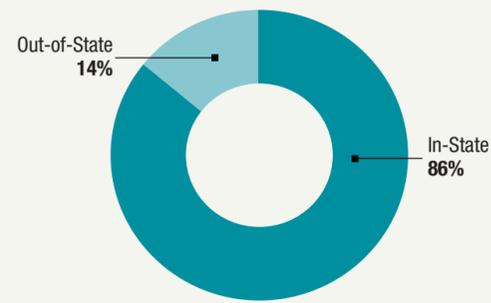


MASON BY THE NUMBERS

Student Enrollment

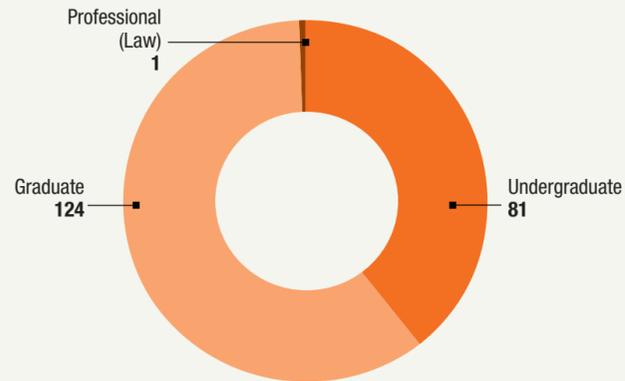


Undergraduate Students by Domicile



Degree Programs Offered

Total: 206

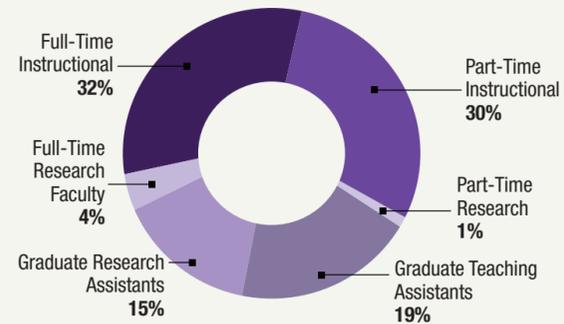


Top 10 Undergraduate Majors

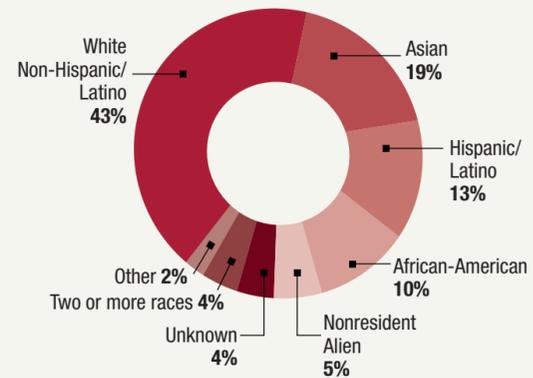


Faculty Appointment by Type

Total Faculty: 3,951



Undergraduate Students by Ethnicity



FASTER FARTHER

THE CAMPAIGN FOR GEORGE MASON UNIVERSITY



Office of Advancement and Alumni Relations
 4400 University Drive, MS 1A3
 Fairfax, Virginia 22030
 703-993-8850

ENDOWMENT REPORT

Fiscal Year 2016
 George Mason University

A NOTE FROM THE INVESTMENT COMMITTEE CHAIR

As a member of the George Mason University Board of Trustees and the chair of the Investment Committee, it has been my privilege to protect your investment by evaluating performance and overseeing the work of our investment advisors. I would like to share with you a few updates and figures from the past year.

Our new “outsourced CIO” investment advisors—the Sardana Group of UBS Financial Services Inc.—took over management of the endowment portfolio on July 1, 2015. With their advice and assistance, the foundation amended its endowment allocation to correspond with the National Association of College and University Business Officers (NACUBO) endowment allocation for endowments of our size. The transition went well, and by the fiscal year’s end, our allocation was aligned with our target allocation as well as that for NACUBO.

Our fiscal year 2016 return was minus 0.21 percent and, though negative, was an excellent outcome considering the extreme volatility of the fiscal year. It well exceeded our policy benchmark of minus 1.76 percent based on the historic NACUBO allocation for endowments of our size. This is the first time in many years our endowment has seen such strong results relative to our benchmark. When the 2016 NACUBO-Commonfund Study of Endowments survey data is released in February 2017, we believe our endowment’s performance will have exceeded that of our peers.

Over the coming year, we expect moderate global and U.S. growth with continuing high market volatility. Expected returns of diversified portfolios over the next five to seven years are expected to be lower than in the past. Our endowment is relatively young, therefore less resilient. Though the economic outlook is challenging, we look forward to working with the Sardana Group to secure a healthy endowment that will benefit Mason long in perpetuity.

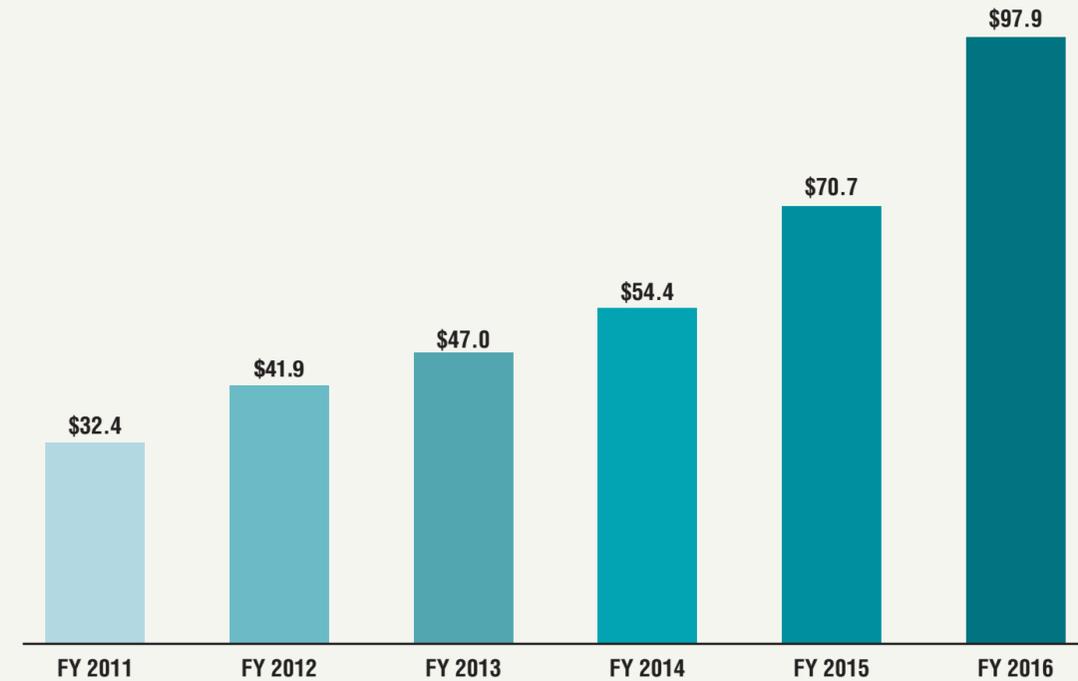
I want to close by thanking you for your support of George Mason University. In my 25 years of involvement with Mason, I have seen the university grow beyond all expectation. Mason owes its success in large part to donors like you who have chosen to make a perpetual investment in the people, programs, and places that comprise the Mason community.

Sincerely,

John Paul Phaup, MBA '91
Chair, Investment Committee
George Mason University Foundation Board of Trustees



TOTAL GIFTS AND PLEDGES BY FISCAL YEAR IN MILLIONS OF DOLLARS



The **George Mason University Foundation Inc.** was established in 1966 to advance and further the aims and purposes of George Mason University. The foundation helps the university to generate, manage, invest, and administer private gifts including endowments. 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 of the Board of Trustees, which meets a minimum of four times per year, serves as financial steward of the endowment; its members are obligated to foster and promote a culture of fiduciary responsibility.

Our endowment represents the generosity and vision of donors and stewards who, by investing in Mason through the GMUF, help ensure financial stability for the university. State funding, tuition, and student fees provide only a portion of the revenue necessary to provide world-class education and research opportunities. Income from our 458 endowed funds guarantees perpetual support for our community and its award-winning scholarship.

The foundation’s spending policy for endowment 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 “payout” or spending rate is currently 4 percent of the three-year rolling average of the market value for endowments, with a fair market value (FMV) equal to or exceeding the historic dollar value (HDV) of the corpus. Any earnings in excess are reinvested in the endowment. A 2-percent spending rate currently applies for those accounts with an FMV below the original gift value but not less than 80 percent of the HDV. If the FMV has diminished below 80 percent of the HDV, no distribution will be made.

FISCAL YEAR 2016 ENDOWMENT

For the Fiscal Year ending June 30

	FY 2012*	FY 2013	FY 2014	FY 2015	FY 2016
Endowment Return	-2.20%	9.65%	14.77%	1.45%	-0.21%
Policy Benchmark	1.23%	9.60%	15.14%	3.09%	-1.76%
NACUBO Survey	-1.00%	11.50%	15.20%	2.00%	tbd
Endowment Distribution for Mason Programs (millions)*	\$1.7	\$1.6	\$2.1	\$2.1	\$2.0
Endowment Year-End Market Value (millions)	\$53.4	\$59.9	\$70.2	\$73.0	\$76.8

*As a result of an endowment policy change, approved by the Board of Trustees on November 4, 2012, an additional \$493,400 distribution was paid in FY 2012 based on the FY 2011 endowment balance. The FY 2012 distribution noted above includes this additional distribution of \$493,400.

