

Photo from Blue Ridge Aerial Survey, 1968



Photo by Evan Cantwell

ABOUT THE GEORGE MASON UNIVERSITY FOUNDATION

The George Mason University Foundation is an independent 501(c)(3) nonprofit corporation established in 1966 to receive, invest, and administer private gifts, including endowment and real property.

The foundation is governed by an independent volunteer board of trustees, separate from the university's Board of Visitors. The Investment Committee of the Board of Trustees, which meets a minimum of four times per year, provides financial oversight of the endowment. The staff and trustees of the foundation have accepted a fiduciary responsibility to steward these assets and abide by high standards of performance and ethical behavior.

The foundation is committed to providing comprehensive and timely information about its operations to the public, the media, and university stakeholders. Essential organizational information, such as audited financial statements, IRS Form 990, and other governing documents, are posted on the foundation's website and are available to the public upon request.



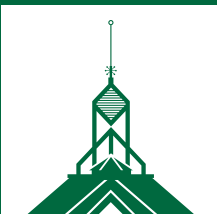
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GEORGE MASON UNIVERSITY FOUNDATION, INC.

George Mason University Foundation, Inc.

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ENDOWMENT REPORT

FISCAL YEAR 2022

**GEORGE MASON UNIVERSITY
FOUNDATION, INC.**





NOTE FROM THE INVESTMENT COMMITTEE CHAIR

As a member of the George Mason University Foundation Board of Trustees and the chair of the Investment Committee, I am privileged to protect and steward your investments by evaluating and overseeing the work of our external investment advisors. I would like to share with you a short review of fiscal year 2022, which ended June 30.

The foundation's endowment is an investment in the future—the future of George Mason University, its students, faculty, and programs. Mason is on an upward trajectory and the foundation's endowment will ensure funding is permanently available to support the mission of the university.

The foundation's multigenerational horizon enables us to withstand short-term market gyrations and invest with a long-term perspective. Consistent with many other university endowments, the portfolio is allocated to a diversified collection of equity and equity-oriented investments. We are not immune to temporary declines in securities prices but have the capacity to remain stable through these episodes and to focus on compounding attractive long-term returns. Such an approach enables the foundation to provide a stable level of cash flow to the operating budget and will also preserve purchasing power for the future.

This past year was a tumultuous one in financial markets. Investors faced an unprecedented and unique combination of negative forces, including Russia's invasion of Ukraine, supply chain disruptions, rapidly accelerating inflation fears, central bank policy uncertainty, and an economic slowdown in China. One result was the worst six months for investment grade bond markets in more than half a century. Rising interest rates punished fixed income securities that, within the last few years, had traded with historically low yields below the estimated rate of inflation. Equity markets were also penalized with U.S. and global investors essentially giving back the gains accrued during the COVID period.

The foundation portfolio was similarly challenged within this environment and fell 19 percent during the fiscal year. The decline approximately netted out the recent gains earned during the COVID era. However, we retain a strong conviction that the portfolio's equity orientation is the correct one for the foundation. Historical experience is clear that, over reasonably long time periods, equities and equity-like investments outperform low-risk bonds.

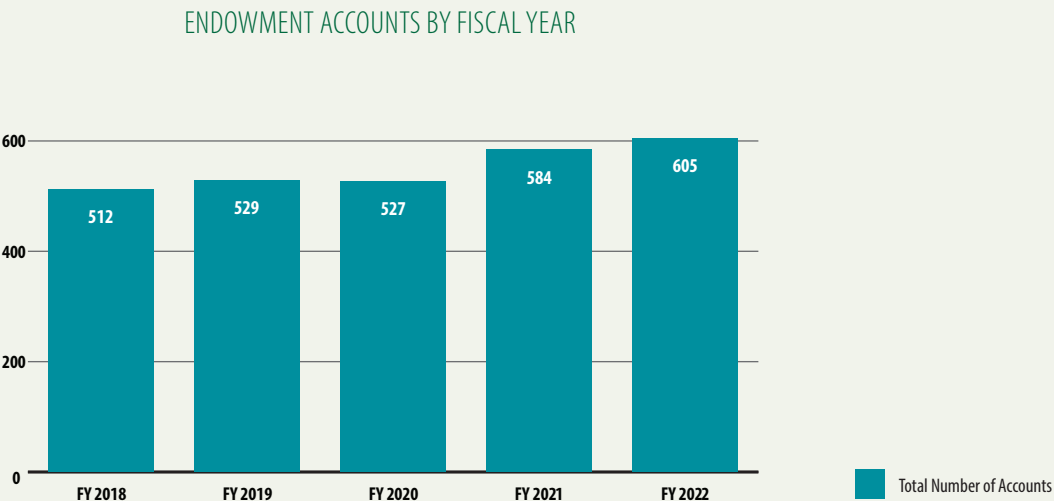
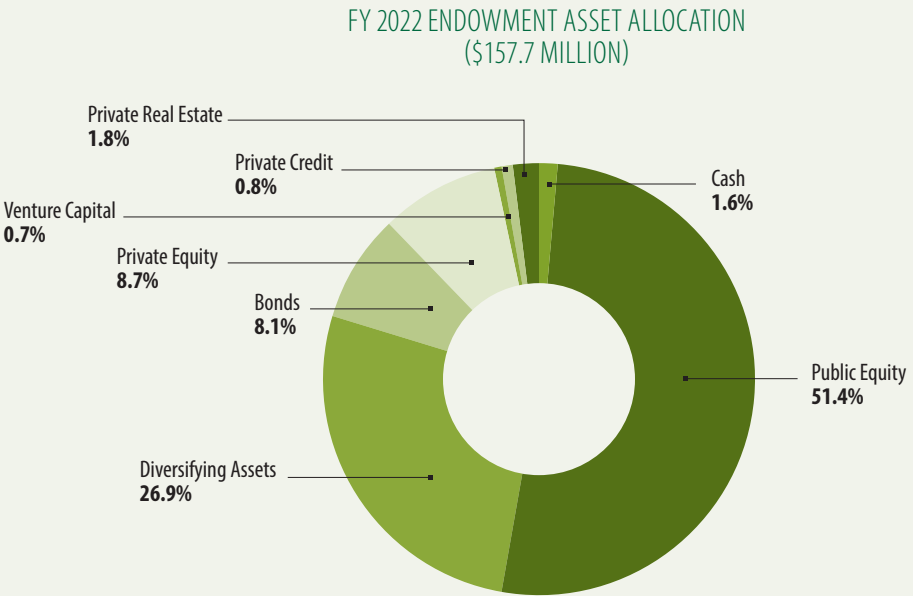
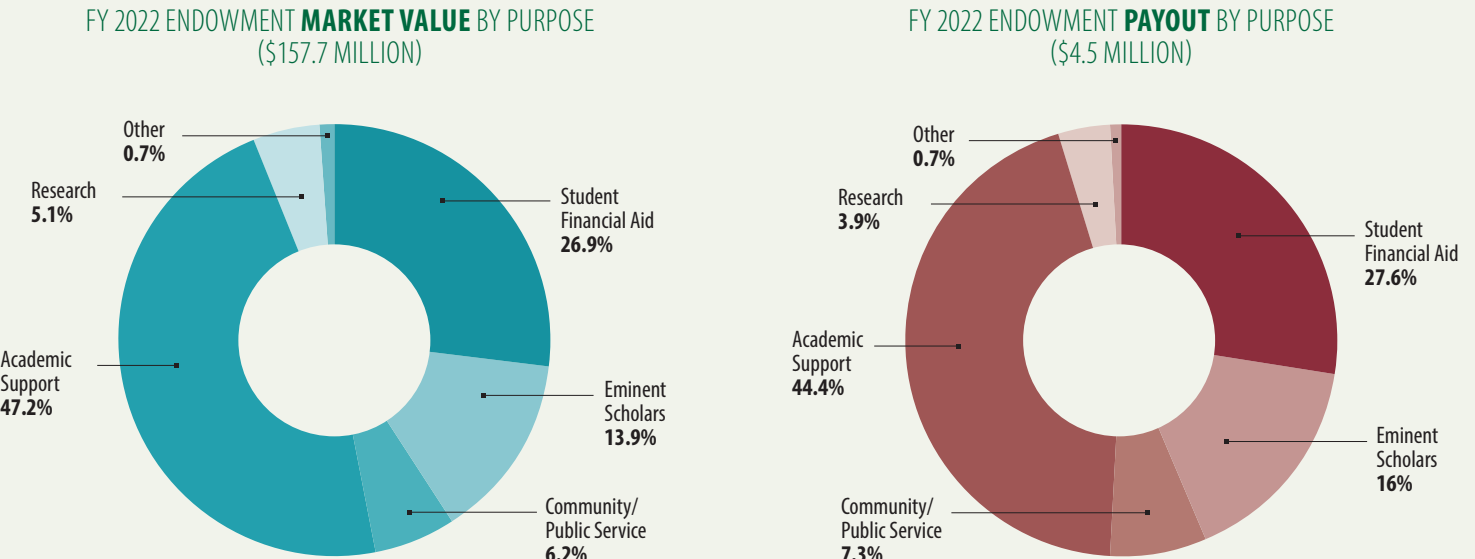
The primary change to our target asset allocation in the past year has been to significantly increase our commitment to private investments, including private equity, venture capital, and real assets. Over the next few years, we seek to build a private investments allocation of approximately 25 percent of the overall portfolio. We expect these positions to increase returns while also reducing the portfolio's exposure to publicly traded equity markets. During this fiscal year, we added more than two dozen new private investments to the portfolio through our external investment adviser, CornerStone Partners.

As a business leader and alumnus who proudly supports George Mason University, I would like to thank you for your generous giving and for your continued support. Mason owes its success in large part to donors like you who have chosen to invest in the current and future success of the Mason community.

Sincerely,

Trevor Montano, BS '00
Chair, Investment Committee
George Mason University Foundation Board of Trustees

October 2022



ABOUT THE ENDOWMENT

The endowment represents the generosity and vision of hundreds of donors and stewards who, by their gifts to the foundation over several decades, have helped ensure financial stability for George Mason University. Because state funding, tuition, and student fees provide only a portion of the revenue needed to offer world-class education and research opportunities, private philanthropy plays an increasingly critical role at Mason.

The endowment comprises more than 600 individually endowed funds that have specific donor-designated restrictions on their purpose and use. Income from these funds provides perpetual support for Mason's

schools and colleges, students, faculty, and programs. The total value of the endowment, as of June 30, 2022, was \$157.6 million, a decrease from the previous year. The past year was a difficult one for financial markets and our endowment. The endowment's return for fiscal year 2022 was -19 percent. The endowment's payout to support university activities was \$4.5 million, a decrease of \$400,000 over the prior year. Endowment assets are invested by the foundation in a diversified portfolio that includes traditional and alternative equity strategies, international and emerging market holdings, traditional and alternative fixed-income funds, real estate, and private equity.

FOR THE FISCAL YEAR ENDING JUNE 30					
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Endowment Return	8.02%	4.60%	0.73%	23.27%	-19.00%
Policy Benchmark	7.98%	5.65%	3.26%	27.59%	-10.40%
NACUBO Survey	7.70%	5.10%	1.60%	28.90%	TBD
Endowment Distribution for Mason Programs (millions)	\$1.9	\$2.1	\$3.6	\$4.9	\$4.5
Endowment Year-End Market Value (millions)	\$91.8	\$113	\$154.1	\$189.2	\$157.6



Photo by Ron Aira