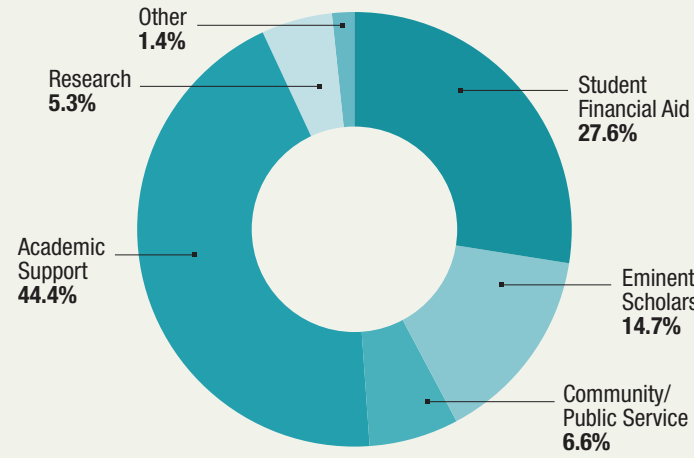
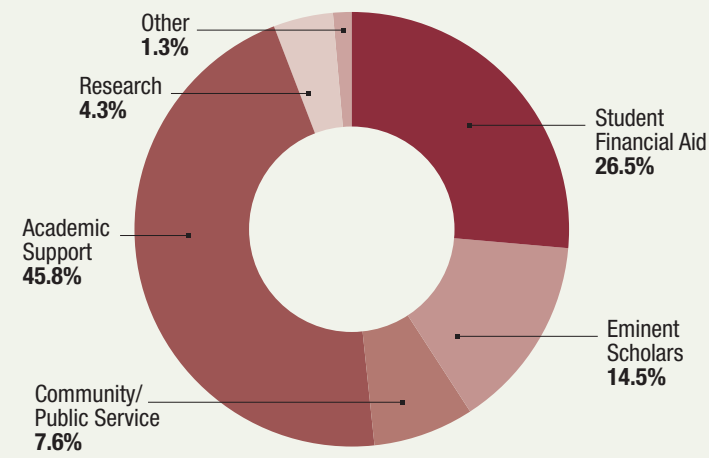


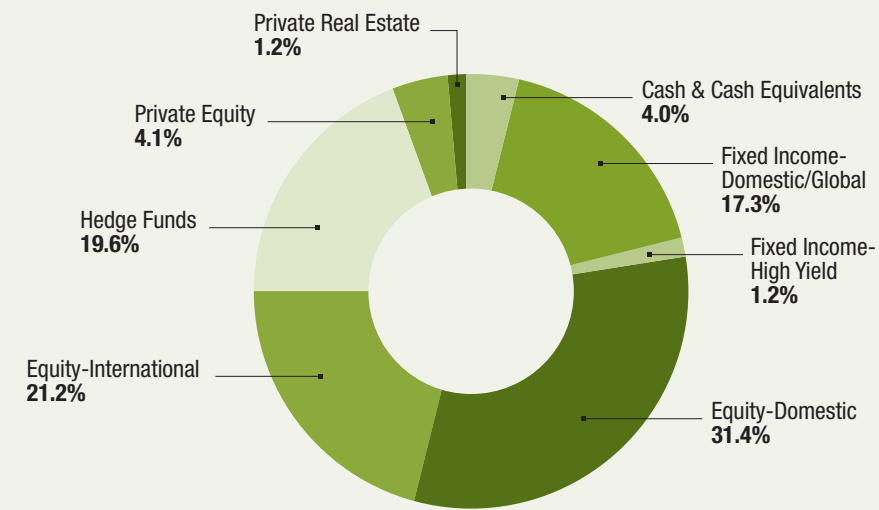
FY 2021 ENDOWMENT **MARKET VALUE** BY PURPOSE
(\$189.2 MILLION)



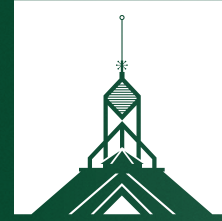
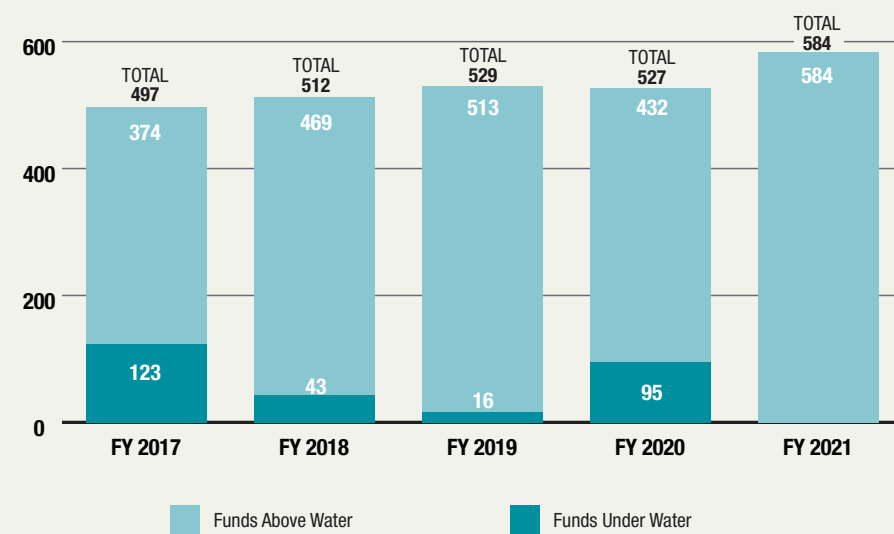
FY 2021 ENDOWMENT **PAYOUT** BY PURPOSE
(\$4.9 MILLION)



FY 2021 ENDOWMENT **ASSET ALLOCATION**
(\$189.2 MILLION)



PROPORTION OF FUNDS ABOVE WATER
(ABOVE ORIGINAL GIFT VALUE)



**GEORGE MASON UNIVERSITY
FOUNDATION, INC.**

George Mason University Foundation, Inc.

4400 University Drive, MS 1A3
Fairfax, Virginia 22030

development@gmu.edu
703-993-8850
gmuf.org

ENDOWMENT REPORT
FISCAL YEAR 2021

GEORGE MASON UNIVERSITY
FOUNDATION, INC.

Photo by Evan Cantwell



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 2021, which ended June 30.

This year the foundation received nearly \$7.4 million in new endowment funds and the endowment portfolio returned 23.3 percent for the year, which is one of the best results in recent history, though below our established benchmark return. Following a tumultuous year for both the economy and the markets due to the COVID-19 pandemic, 2021 saw the rollout of COVID vaccines, stronger economic data, and a robust equity market. Despite the abundance of good news and strong returns, the threat of COVID variants remains, in addition to the worries about increased inflation. The endowment underperformed the benchmark primarily due to lower volatility-focused investments, which trailed the broader markets, and an under-allocation to the private markets. Nevertheless, continued growth in both gifts and investment return pushed our endowment to its highest level yet—\$189.2 million, a significant achievement for such a young and growing university.

An endowment fund is intended to generate income in perpetuity; therefore, it must be invested and managed so that it remains financially sound. By investing endowed funds in a mix of equity, fixed-income, and alternative investments, we seek the diversification needed to grow and protect the portfolio over the long term. We understand and accept that there will be years when this approach deviates from our performance benchmarks, and that this is an inevitable part of managing for the long term. Our overarching goal is to maintain sound oversight, governance, and investment policies consistent with our fiduciary responsibilities that should result in appropriate risk-adjusted returns and responsible spending policies and ensure sustainable support for the university's future.

The prior year, fiscal year 2020, marked the first full year of implementation of the Banded Inflation Method for calculating endowment distributions. The foundation adopted the Banded Inflation Method in fiscal year 2017 to address “underwater” endowments, in that the market value was lower than the original gift amount for a significant number of our endowment funds. I am proud to announce that as of June 30, 2021, 100 percent of our endowment funds are now above water.

Fiscal year 2022 will bring a change to the endowment's external investment advisor. The continued growth of the endowment provided greater access to investment advisors and underlying fund managers that were not available to the foundation in recent years. After a comprehensive search process, the Board of Trustees has selected CornerStone Partners to provide its new outsourced chief investment officer. The Investment Committee is thrilled to partner with CornerStone, and we look forward to a long and prosperous relationship.

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 2021



Students attend the Get Connected Fair on Wilkins Plaza, Fairfax Campus. 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, serves as financial steward 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, the 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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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 580 individually endowed funds that have specific donor-designated restrictions on their purpose and use. 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.

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, 2021, was \$189.2 million, a 22 percent increase over the previous year. The endowment's return for fiscal year 2021 was 23.27 percent. The endowment's payout to support university activities was \$4.9 million, an increase of \$1.3 million over the prior year.

FOR THE FISCAL YEAR ENDING JUNE 30

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Endowment Return	9.20%	8.02%	4.60%	0.73%	23.27%
Policy Benchmark	11.30%	7.98%	5.65%	3.26%	27.59%
NACUBO Survey	11.90%	7.70%	5.10%	1.60%	TBD
Endowment Distribution for Mason Programs (millions)	\$1.9	\$1.9	\$2.1	\$3.6	\$4.9
Endowment Year-End Market Value (millions)	\$85.4	\$91.8	\$113	\$154.1	\$189.2



Mechanical engineering students learn about the twin engine Bell 429 with the Fairfax County Police, Helicopter Division in Robert Gallo's aeronautics class. Photo by Evan Cantwell