



ENDOWMENT STEWARDSHIP REPORT

2020

THE GEORGE
WASHINGTON
UNIVERSITY

WASHINGTON, DC

Letter from the Vice President

At the George Washington University, we change the world one life at a time. The generosity of donors like you makes it possible for our students and faculty to pursue their dreams and tackle society's biggest challenges. As a cornerstone of the university, the Endowment provides vital funding that benefits students, faculty, research, and programs. Given the unprecedented challenges of the past year and the uncertainties ahead, support from the Endowment is more crucial than ever.

I am extraordinarily proud of the numerous ways that our GW community has adjusted to the current reality, including supporting two important new initiatives—the GW Cares Emergency Student Assistance Fund and the GW COVID-19 Response Fund, both established in the wake of the pandemic's arrival. From providing aid to students to help with expenses related to transportation and housing to bolstering telemedicine and distance-learning capabilities for our future doctors and care providers, you have helped us address these urgent needs head on.

As we look to the future and our bicentennial celebration in 2021, we are optimistic about GW's aspiration to achieve preeminence as a comprehensive global research institution. The current situation is testing us in unanticipated ways, yet we are committed to investing in our institution and continuing to produce outstanding outcomes. Your generous and prescient support empowers us to do so.

Thank you.

For GW,



Donna Arbide

Vice President for Development & Alumni Relations



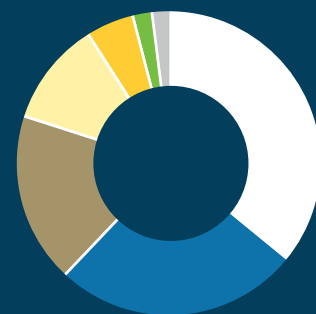
Throughout the duration of the COVID-19 health pandemic, the GW community has banded together in tremendous ways, particularly to support and ensure the safety and wellbeing of a number of students who were drastically impacted by the unexpected halt in their semester and forced to undergo uncertain life pivots.

As such, we could not be more proud to share how far the ripple effect of contributions to the GW Cares Emergency Student Assistance Fund went in helping so many of our students and families adjust to a new reality.

Number of students helped: **788**

Dollars awarded to help students: **\$346,302**

HOW THE FUND HELPED OUR STUDENTS



- Housing assistance: **36%**
- Food access: **26%**
- Transportation: **18%**
- Lost income: **11%**
- Technology access: **5%**
- Medical expenses: **2%**
- Other: **2%**

Report on Philanthropy

The George Washington University has continued to focus on its mission of further establishing a best-in-class fundraising operation that converts philanthropy into tangible impact and encourages an ongoing culture of giving. In fiscal year 2019-20, GW persevered through many unforeseen challenges to have one of the best fundraising years in our institution's history. More than 18,000 friends, alumni, and faculty came together to support our endeavors in a number of areas. Thanks to you,

we were able to surpass our initial fundraising goal and raised more than \$102 million. Approximately 18 percent of funds raised in 2019-20 were directed to the Endowment. The donors who have invested in GW to make this past year such a success have directly contributed to creating opportunities for current and future generations of students to experience invaluable internships, study abroad, and hundreds of other "only at GW" moments.

HIGHLIGHTS

\$12.8 Million

raised for scholarships and financial aid

\$18.8 Million

in funds raised for the Endowment

32

new Endowment funds established

18,386

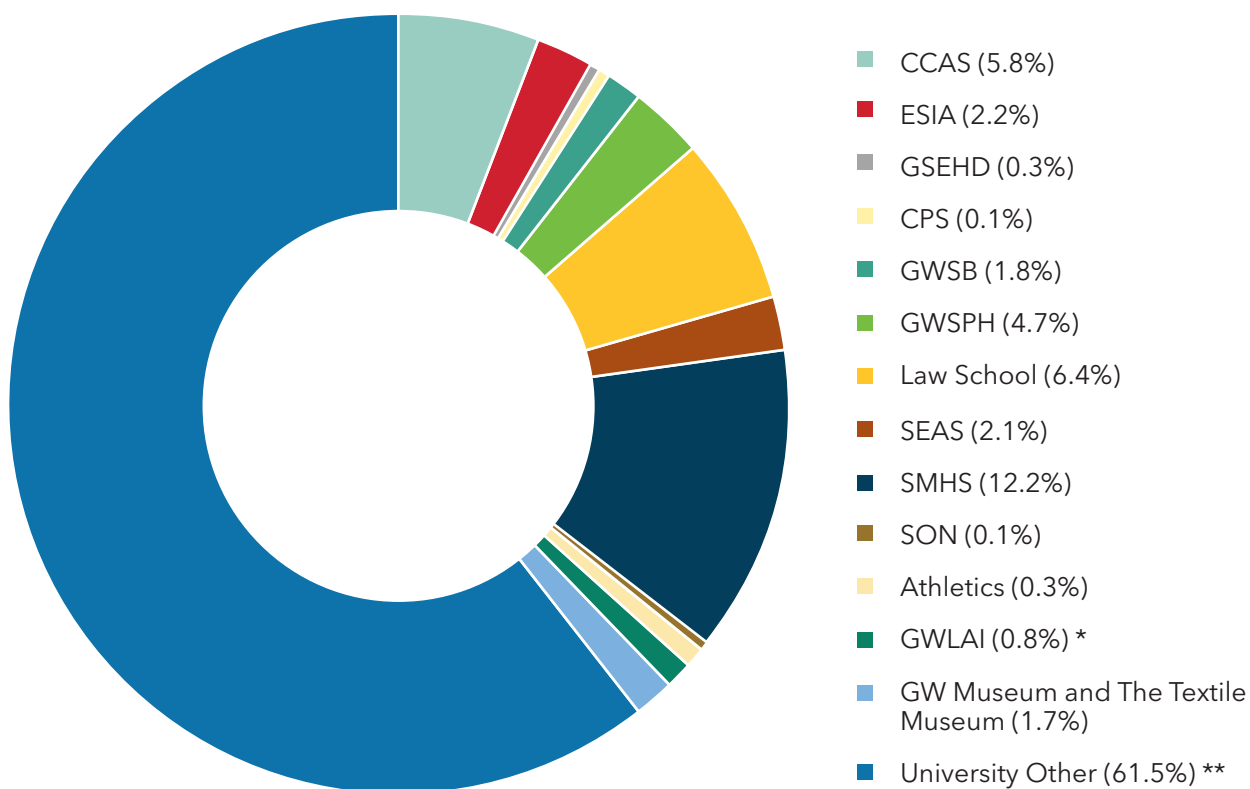
total donors



Overview of the Endowment

Endowed gifts create a permanent legacy and play a critical role in enabling the university to achieve its mission by providing stable financial support now and in the future. The Endowment comprises both donor-restricted endowment funds and quasi endowments designated by the university. The majority of donor-restricted endowment gifts are invested in the Pooled Endowment, together with some of the university's quasi endowments. The remainder of the Endowment is composed of separately managed funds and a portfolio of real estate investment properties.

ENDOWMENT MARKET VALUE BY SCHOOL AND UNIT As of June 30, 2020



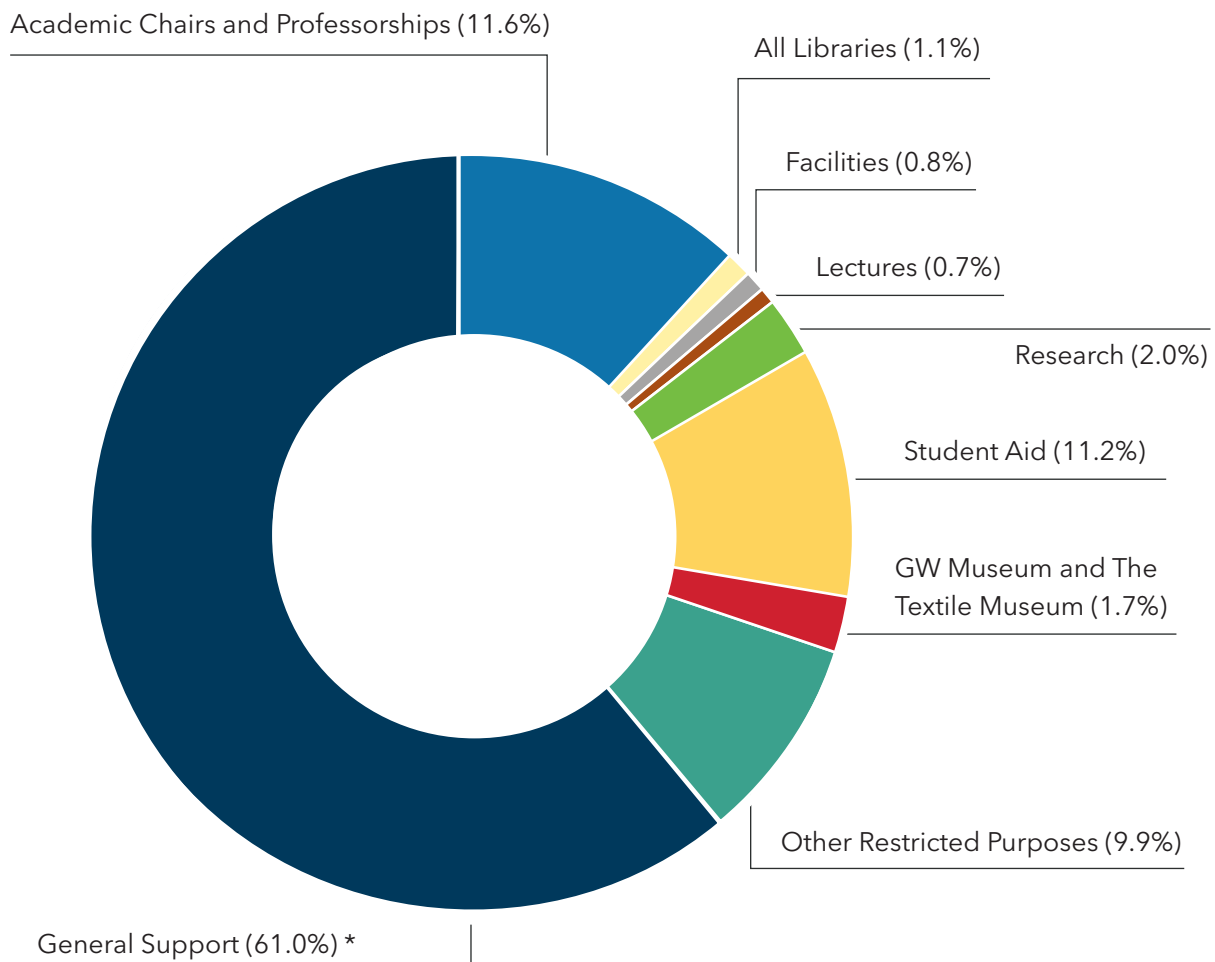
Total endowment market value as of June 30, 2020 was \$1.803 billion.

* GW Libraries and Academic Innovation (GWLAI) excludes Himmelfarb Health Sciences Library and Jacob Burns Law Library, which are housed under SMHS and Law School, respectively, on the above chart.

** University Other comprises the university's unrestricted quasi endowment (including the portfolio of real estate investment properties) plus other endowment funds that support the university as a whole.

The Pooled Endowment is made up of 1,489 individual endowment funds that provide perpetual financial support for an array of programs benefiting students across the university. The annual Endowment payout, which is calculated according to the spending policy approved by the Board of Trustees, supports scholarships and fellowships, professorships, academic and research programs, libraries, facilities, and many other programs.

ENDOWMENT MARKET VALUE BY PURPOSE
As of June 30, 2020



Total endowment market value as of June 30, 2020, was \$1.803 billion.

* General Support comprises the university's unrestricted quasi endowment (including the portfolio of real estate investment properties) plus other endowment funds where the university may use its discretion to determine the specific use.

Endowment Management

In managing the Endowment, the university seeks to balance the dual objectives of enhancing the future purchasing power of Endowment funds and meeting current spending needs. The Endowment is invested with a long-term horizon in mind, with the goal of growing at a rate above inflation while providing a stable stream of income to support the purposes for which its individual funds were created.

Achieving these objectives requires appropriate asset allocation, careful implementation of investment strategies, and vigilant risk management. The Committee on Finance and Investments of the GW Board of Trustees is the governing body for Endowment management. This committee performs oversight of our Outsourced Chief Investment Office (OCIO) and approves the asset allocation policy.

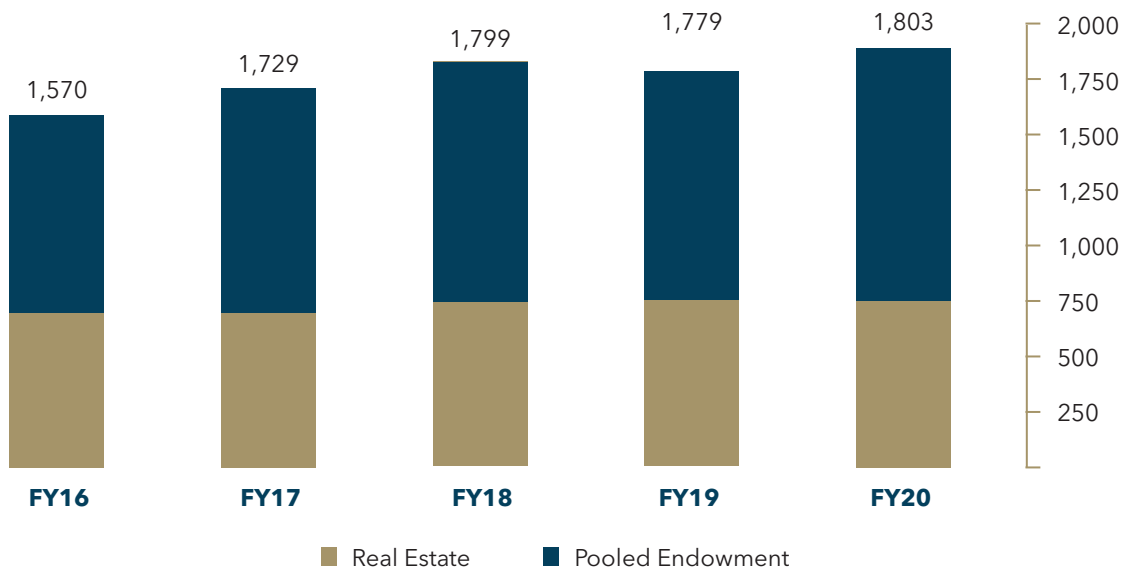
In October 2019, the Board of Trustees approved a new Pooled Endowment spending policy effective July 1, 2020 (FY21). The new spending policy calculates payout as 4.5 percent of the rolling 12-quarter average market value of the Pooled Endowment. Using a multi-period average market value reduces potential volatility in the payout resulting from short-term market swings. Lowering the target payout rate from 5.0 percent to 4.5 percent allows for retention of more investment earnings, thereby increasing the ability of Endowment gifts to support future generations.

In February 2020, the Board of Trustees announced the establishment of the Environmental, Social, and Governance (ESG) Responsibility Task Force. The board formed the task force to seek input from the university community and provide guidance to the Board on achieving these objectives:

- Providing an institutional statement of beliefs on environmental, social, and governance responsibility;
- Addressing a broad range of environmental, social, and governance issues;
- Establishing a process to consider proposals from the GW community;
- Promoting education, research, and intellectual debate; and
- Informing constituents about policies, practices, and obligations.

Based on recommendations provided by the ESG Responsibility Task Force, the Board has pledged to not make any new investments in businesses that derive the majority of their revenue from the extraction of fossil fuels and agreed to eliminate 100 percent of all such investments from the Endowment over the next five years.

END OF YEAR TOTAL ENDOWMENT MARKET VALUE (IN MILLIONS)



Statement on Pooled Endowment Performance

Market Overview

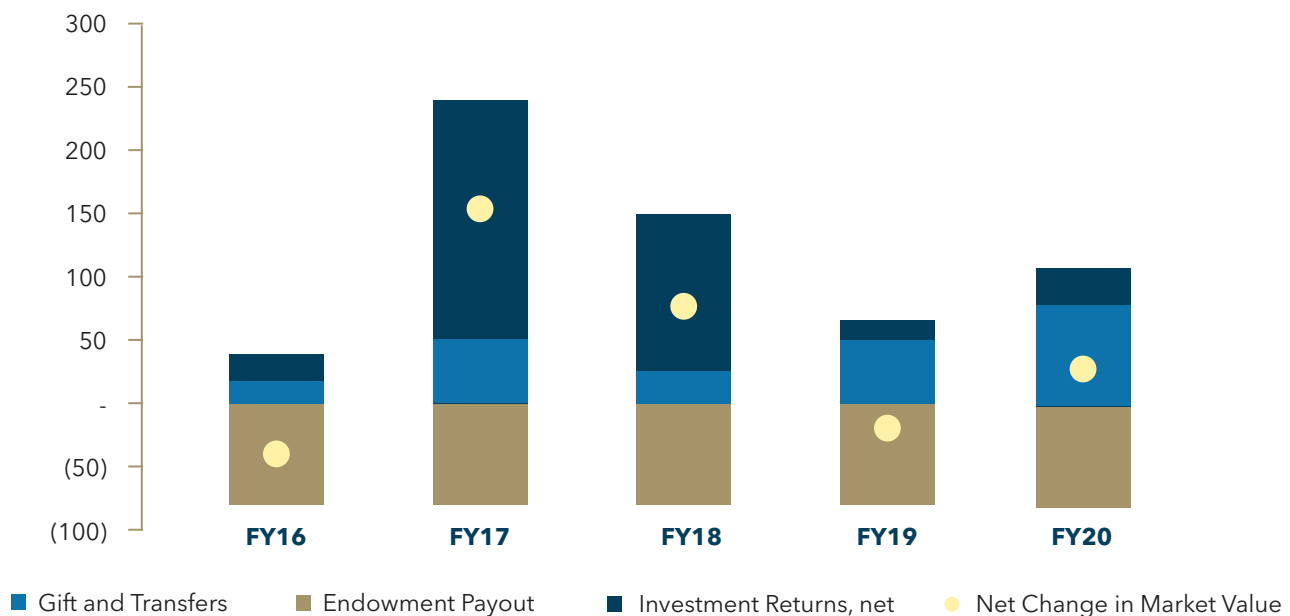
Global markets were notably volatile during fiscal year 2020. Through most of the first eight months of the fiscal year, despite lackluster growth in corporate earnings, U.S. equities marched higher and reached record highs and non-U.S. equities rose sharply. Subsequently, as countries implemented lockdowns to curb the COVID-19 pandemic, global equity markets declined rapidly through the end of the first quarter of the calendar year. Government bond yields fell to historic lows amid a flight to safety by investors. Finally, unprecedented fiscal and monetary support, deployed to combat the economic impact of the virus, fueled a rapid rebound in equity markets over the final quarter of the university's fiscal year. During this volatile 12-month period, U.S. equities rose 6.5 percent, with gains concentrated among a small number of very large technology companies, while non-U.S. equities declined 4.8 percent. Global bond markets offered positive returns as interest rates remained at record low levels.

Portfolio Overview

As of June 30, 2020, the Pooled Endowment portfolio represented \$981.6 million of the total Endowment. The diversified Pooled Endowment portfolio held investments in global equities (57 percent of assets), bonds and cash (22 percent), and alternative assets including private equity and hedge funds (21 percent). Investment return for the Pooled Endowment was flat for the fiscal year. The portfolio's global equity assets recovered from the market's selloff in early 2020 and ended the fiscal year largely unchanged. Bond investments, which rise in value as interest rates decline, were an important return generator during the fiscal year. Hedge funds, invested across an array of strategies, performed well during the market downturn and contributed positive returns for the fiscal year, while the decline in value of mature, recession-sensitive private investments led to negative returns of private equity assets.

The Pooled Endowment lagged the return of its benchmark over the fiscal year. Active management necessarily has cycles of relative success. In an environment where relatively expensive assets became ever more over priced, disciplined, valuation-driven active strategies were not rewarded in the near term. While such market dynamics can persist, they sow the seeds of an eventual reversion that restores asset prices to their fundamental values, at times dramatically. In this environment, we have prioritized preserving the value of GW's portfolio to ensure long-term success.

COMPONENTS OF CHANGE IN ENDOWMENT MARKET VALUE (IN MILLIONS)



This graph depicts components of the change in the total Endowment's market value, including both the Pooled Endowment and the portion of the university's quasi endowment invested in a portfolio of real estate investment properties. When disaggregated, the Pooled Endowment's 2019-20 net investment return was flat, whereas the portfolio of real estate investment properties earned a net investment return of 6.9 percent, resulting in a blended total Endowment return of 3.0 percent.

2019-20 Fiscal Year Endowment Highlights

Endowment payout provided
\$90.9 MILLION
in support of university activities

The total Endowment
value of **\$1.803 billion**
as of June 30, 2020,
equates to approximately

\$77,000
**PER FULL-TIME
EQUIVALENT STUDENT**

Endowment assets in
aggregate generated
a fiscal-year
investment return of **3.0%**

Endowment assets in aggregate generated a five-year
annualized investment return of **4.9%** and a 10-year annualized
investment return of **7.5%**

Impact

Number of students who received
an endowed scholarship:

1,256



Number of professorships that
were funded (either fully or in part)
by the Endowment:

100



Number of students who received
an endowed award/prize:

307



Number of students who
received a stipend funded by the
Endowment:

118



Stories of Impact



Alex de Moura in competition at GW

LEAVING A LEGACY FOR FUTURE STUDENT ATHLETES

GW community bands together to memorialize the legacy of Alex de Moura, CCAS BA '17, through philanthropy

In August 2019, the GW community mourned the sudden and tragic loss of alumna Alex de Moura, CCAS BA '17, who drowned while swimming with friends in Mexico. At GW, Alex was an exceptional student-athlete, competing on the gymnastics team and twice named to the East Atlantic Gymnastics League First Team for the all-around. As team captain, she was not only admired for her drive and leadership but also for her positivity and joy.

After Alex's passing, her family, friends, and the GW community rallied together to ensure her legacy would never be forgotten. From the beginning, Alex's parents, Alexandre, CCAS BA '84, and Josephine de Moura, knew that they wanted to establish an endowed scholarship in her honor. The de Moura family and more than 100 other donors came

together to fund the Alexandra Vittoria de Moura Memorial Scholarship. This scholarship provides financial support for a GW gymnast at the sophomore level or above who most exemplifies Alex's loyalty to her team, compassion for her teammates, and her relentless determination to succeed.

In addition to this scholarship, the GW gymnastics coaches and staff are working to establish a certification program to educate the GW community on the dangers of rip currents.

// It is our fervent wish that the scholarship be awarded to someone who most closely resembles the skills and talents of our daughter, Alexandra. Someone who has leadership, humility, dedication, commitment, work ethic, and character. This scholarship is a wonderful way to perpetuate her legacy."

- Alexandre, CCAS BA '84, and Josephine de Moura, Alex's parents



Alex de Moura (left) with her family



Steven Roberts at a food drop for The Store

ENSURING NO STUDENTS GO HUNGRY

Faculty and former students create endowed fund to bridge gaps in students' needs

For many GW students, food insecurity is part of the college experience. Between paying for school, rent, and textbooks, many undergraduate and graduate students struggle with knowing where their next meal is coming from. Luckily, an ever-growing campus organization seeks to support these students. The Store, established in 2016, is GW's student-run food pantry whose mission is to aid students who face food insecurity and to provide additional resources for them to thrive while at GW.

The Store operates on an honor system, allowing students to take what they need. In the 2019-20 academic year, more than 850 students visited The Store. Its services became even more vital to the wellbeing of the campus community as the COVID-19 pandemic shut down the city and GW transitioned to online classes.

The Store continues to expand its reach thanks to the generosity of numerous donors. This past year, a GW professor and his former student partnered to show their support for The Store. Steven V. Roberts, the J.B. and M.C. Shapiro Professor of Media and Public Affairs, and his late wife, Cokie Roberts, along with Ted Segal, CCAS BA '03, and his wife, Meredith Segal, GWSB BAccy '05, endowed the Roberts & Segal Fund for Food Security. Their gift enables The Store to increase its food options and to continue supporting students for years to come.

Mr. Roberts' goal is to help students who face unexpected hardships. "If one thing goes wrong, they're plunged into

a crisis. We have to do a better job of not only identifying those kids when they're in crisis, but also then having a mechanism that can quickly help them."

The impact of their gift is already being felt. One shopper says, "I do not have to worry about going hungry." Another shopper thinks The Store could teach all of us a thing or two about service: "Thank you. This is a model of how we should support each other, not only at GW, but in our society."

// This opportunity stood out to me as one that is so vitally important to students. There's no more fundamental element than food security."

- Ted Segal, CCAS BA '03



GW students stocking the shelves of The Store



From left to right: Provost M. Brian Blake, Dr. Patricia Pittman, President Thomas J. LeBlanc, and Dean Lynn Goldman

LEGACY OF HEALTH EQUITY LIVES ON

The Atlantic Philanthropies' generous giving sustains GW professor's lifelong work toward global health equity

Born into a family of physicians, Fitzhugh Mullan discovered a passion for activism as a medical student at the University of Chicago. During his illustrious career, which spanned 50 years, Dr. Mullan was a civil rights worker, National Health Service Corps leader, assistant surgeon general, senior adviser to Surgeon General C. Everett Koop, and a writer, researcher, and advocate for social justice. He also was a generous mentor, teacher, and leader to scores of physicians and public health professionals.

At the Milken Institute School of Public Health, one of Dr. Mullan's greatest achievements was the creation of the GW Health Workforce Institute, co-founded in 2015 with Patricia Pittman, a professor of health policy and management, to further research and education in health workforce equity.

Sadly, Dr. Mullan died in November 2019. However, thanks to transformational gifts made possible by The Atlantic Philanthropies, his passion will continue to inspire and empower future generations of health equity warriors working to combat disparities and promote health equity on a global scale. Over the years, The Atlantic Philanthropies have

contributed \$42 million to seed, grow, and sustain multiple initiatives at the institute, now known as the Fitzhugh Mullan Institute for Health Workforce Equity. These include the Atlantic Fellows for Health Equity, which develops global leaders to understand and address health disparities, and the Beyond Flexner Alliance, which integrates social justice considerations into education and medical practice.

In 2019-20, The Atlantic Philanthropies and Atlantic Advocacy Fund made gifts of nearly \$18 million, part of which endowed the Fitzhugh Mullan Professor of Health Workforce Equity, and Dr. Pittman was installed as the inaugural Mullan Professor. A renowned expert on health workforce issues and policy, Dr. Pittman carries forward Dr. Mullan's torch to ensure that the health workforce has the opportunity, competencies, and the courage to practice in ways that reduce disparities.

// He was a force for social justice and health equity who touched the lives of countless people. Fitz's inspiring legacy lives on in the people, programs, and policies he nurtured to help bring about fairer, healthier societies."

- Christopher G. Oechsli, President and CEO, The Atlantic Philanthropies



The late Dr. Fitzhugh Mullan giving a lecture



Frequently Asked Questions

How is GW's Endowment currently managed?

Strategic Investment Group, our Outsourced Chief Investment Office (OCIO) since 2015, is responsible for day-to-day management of most assets in the Endowment. Certain separately managed funds and the portfolio of real estate investment properties are managed by the university rather than the OCIO. Strategic Investment Group works together with the Committee on Finance and Investments of the Board of Trustees to establish asset class targets and ranges consistent with the specific financial needs and objectives of our Endowment.

Does GW charge any administrative fees to manage my endowment gift?

The only fees charged to the Endowment are the expenses directly related to the management of the Endowment, such as costs related to the OCIO, investment managers, and custodian fees. The university does not charge additional overhead or administrative fees to the Endowment. Costs of managing the Endowment are netted from investment return and are comparable to the institutional expenses of investment company funds.

How is the amount of annual payout determined and then distributed?

Through the fiscal year ending June 30, 2020, the annual payout was intended to approximate 5 percent of the one-year average fair value of the Endowment. In October 2019, the Board of Trustees approved a new spending policy effective July 1, 2020. The new spending policy calculates payout as 4.5 percent of the rolling 12-quarter average market value of the Endowment. Payout is allocated monthly to individual funds.

When will an endowment begin generating payout that can be spent?

Endowments are established once the initial gift is received and all required paperwork has been completed. Beginning with the second month after establishment, the endowment will generate payout. If the initial gift is below the minimum required funding level for the type of endowment established, endowment payout will be automatically reinvested into corpus until the sum of reinvested payout plus additional gifts brings the corpus to the minimum required funding level. Once the corpus reaches the minimum required funding level, payout generated from that point forward is available to be spent.

Will GW reinvest the annual payout to help my fund grow?

Accumulated unspent endowment payout may be reinvested into the corpus of the fund at the donor's request if the fund does not meet minimum required funding levels or at the discretion of the university as long as reinvestment is not prohibited by the donor. Upon reinvestment, the fund is allocated additional units and, therefore, earns additional payout going forward.

What is an "underwater" endowment? Is there a policy for spending from underwater funds?

An endowment fund is "underwater" when its market value falls below the value of the original gift(s). The university's policies permit spending from underwater endowment funds unless precluded by relevant laws and regulations. The university follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by the Council of the District of Columbia. The prudent spending from underwater endowments allows for consistent support for the scholarships and fellowships, professorships, academic and research programs, libraries, facilities, and many other programs supported by the endowment.

What are the minimum endowment levels to establish a new, named endowed fund?

A named endowed award or prize fund may be established with a minimum gift of \$25,000, and the minimum gift for a named endowed scholarship or fellowship is \$100,000. Endowment gifts may be pledged and paid over a period of up to five years. For more information about establishing an endowed fund at GW (such as internships, financial aid, research funds, capital funds, and faculty or staff positions), please contact Jennifer Riordan, Executive Director of Donor Relations, at jriordan@gwu.edu or (202) 994-9432.

Definition of terms

Book value - Cumulative sum of all gifts and transfers (see definition below) since the inception of the fund. Sometimes referred to as principal or corpus.

Endowment payout - Board-approved amount that is withdrawn from market value and made available for spending.

Full-time equivalent student - Undergraduate students are considered full-time if the student is enrolled for 12 or more semester credits. Many of the university's students are enrolled full-time, but there are also students enrolled part-time. The full-time equivalent student calculation uses credit hours to convert part-time student counts into the equivalent count that the credits would represent if the students were enrolled at a full-time credit load.

Gifts and transfers - For donor endowments, this includes gifts and pledge payments plus reinvestment of unused payout. For quasi endowments, this includes additions of university funds, reinvestment of unused payout, and purchases or sales of Endowment real estate investment properties.

Investment return, net - Interest, dividends, realized gains/losses, and unrealized gains/losses, net of expenses directly related to the management of the endowment, such as costs related to the Outsourced Chief Investment Office, investment managers, and custodian fees.

Market value - Current value of the fund in today's market. This includes the book value and all accumulated net investment return, minus payout over the life of the fund.





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