



ENDOWMENT REPORT

FISCAL YEAR 2023

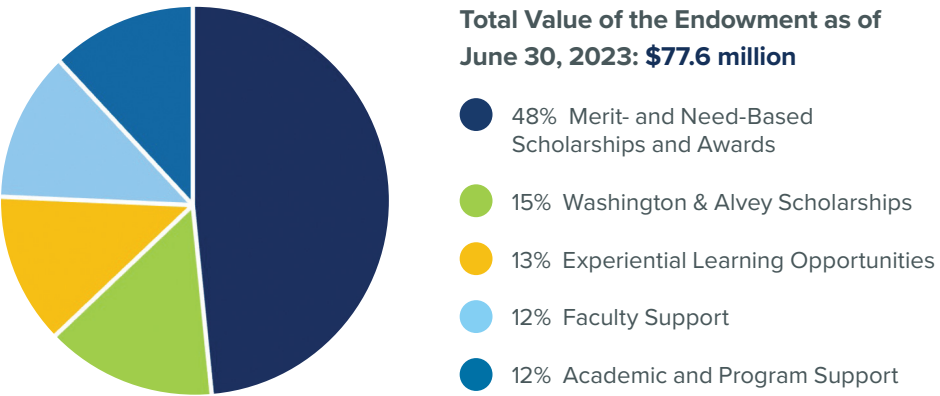
Jenell Poling '24
Mice Night Out, 2022
Oil on canvas.

"Bright colors and heavy contrast are my favorite things to express not only in paintings, but in all my work."

University of
Mary Washington

COMPOSITION OF ENDOWMENT

The University of Mary Washington Foundation (UMWF) endowment consists of 501 individually endowed funds that have specific donor-designated restrictions for their purpose and use. Income from these funds provides perpetual support for students, faculty, and programs. This chart illustrates the types of endowed awards made possible through generous gifts.



Experiential learning opportunities at UMW include internships, independent student research, and international and domestic education abroad.



“I am the first one in my family to have the opportunity to attend college and hopefully one day graduate. I chose Mary Washington because I loved the community, and I felt a part of it.”

Carlos Ortega '25
Don and Kathleen Edwards Scholarship in Computer Science, Fredericksburg Kiwanis Scholarship, and the Margaret Roan Ball Scholarship

PHILANTHROPIC IMPACT

Annual endowment awards are based on the spending policy approved each year by the UMWF Board of Directors. The spending policy ensures that the actual value of the endowment is maintained over time. This is accomplished by adjusting the spending rate so that it does not exceed the long-term realized returns from the Foundation’s investments in the capital markets. The board continued to hold the spending rate at 4.0% for FY2023. Each individual endowment award payout is calculated by multiplying the spending rate by the average account balance for the previous five years.*

The chart below shows the growth of the total amount available for students, faculty, and programs over the past 10 years from both endowed and current-use accounts.* In 2023, students received \$2.369 million through 784 scholarships and individual awards, and an additional \$634 thousand was available for faculty and programs.



Total Available for Students, Faculty, and Programs from Private Support – Endowed and Current-Use Accounts

**The endowment spending rate was 5% in FY2013-2017, 4.7% in FY2018, 4.3% in FY2019, and 4% in FY2020-2023.*

INVESTMENT PERFORMANCE

The UMWF portfolio is actively managed by Artemis Wealth Advisors of New York, NY, with oversight by the UMWF Investment Committee. The Foundation’s overall financial objectives are to (1) support, in accordance with donor intent, the institution through student scholarships and academic programs and (2) to preserve the purchasing power of the Foundation’s endowment.

In FY2023, the UMWF endowment portfolio reported single-year investment gains of 9.5%, outperforming its primary benchmark. On a five-year basis the portfolio outperformed the benchmark by .90 basis points per annum (5.3% vs. 4.4%). The portfolio also outperformed the benchmark in each of the past five fiscal years with the exception of 2022, when both the prices of stocks and bonds fell simultaneously in response to Federal Reserve interest rate hikes put in place to help slow the pace of inflation. The long-term view of the management of UMWF’s endowment is not predicated on the performance of one year, hence the Investment Committee’s Investment Objectives, which include:

- *Outperforming a blended portfolio (Blended Portfolio Benchmark) weighted 60% Morgan Stanley Capital International (MSCI) All Country World Index (ACWI) and 40% Barclays Global Bond Index (GBI) on a rolling five-year basis.*
- *Attaining an average annual real total return (net of investment management fees and adjusted for inflation) of at least 3.0% over the long term (rolling five-year periods).*

FOR THE FISCAL YEAR ENDING JUNE 30

| | FY 2019 | FY2020 | FY2021 | FY2022 | FY2023 | 5-YR AVG |
|-------------------------------------|---------|--------|--------|----------|--------|----------|
| Endowment Return | 6.4 % | 6.6 % | 17.1 % | (-14.1%) | 9.5 % | 5.3 % |
| Blended Portfolio Benchmark | 6.1% | 3.4 % | 23.3 % | (-15.6%) | 9.0 % | 4.4 % |
| Endowment Year-End Value (millions) | \$55.5 | \$58.8 | \$69.4 | \$60.4 | \$77.6 | – |

INVESTMENT PORTFOLIO

Portfolio Composition and Asset Allocation

Diversification among asset classes has historically increased returns. The Foundation strives to diversify both by asset class and within asset classes (e.g., within equities by economic sector, industry, quality, and size). This strategy enhances returns and reduces the risk of significant declines in the market value of the endowment.



Composition of Investment Portfolio as of June 30, 2023.

- 44% Public Equities
- 27% Fixed Income
- 17% Hedge Funds and Private Equity
- 8% Cash and Cash Equivalents
- 4% Real Assets



“The support of Mary Washington has been incredibly important to me. My scholarships made me feel like my work is truly being recognized and appreciated.”

Jenell Poling '24
Alfred Levitt Memorial Scholarship in Art, Endowment Report cover artist

Source: Artemis Wealth Advisors Quarterly Investment Performance Reports

Alumna's Bequest Bolsters Fund for Mary Washington

When **Lynne Gourley Farrell '62** was growing up, her parents were always helping a family in need. "Her sense of benevolence came from our mother and father as well as our church," **Judy Gourley Kamishlian '59** said of her late sister, who held such a deep appreciation for her Mary Washington education that she spent the rest of her life giving back to her alma mater.

When she passed away on Aug. 27, 2020, Lynne left UMW a generous estate gift that helped establish the Lynne Gourley Farrell '62 Fund for Mary Washington Endowment. Now part of her legacy, her endowment will help strengthen and grow the University and enhance the experience for current and future generations of students.

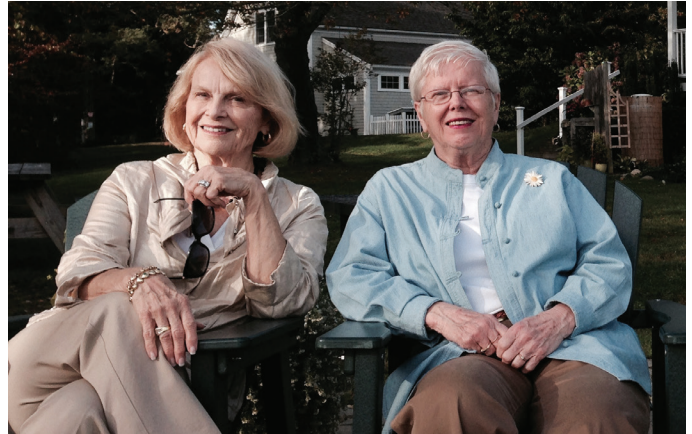
The unrestricted Fund for Mary Washington underpins every aspect for which the University is known and loved – a leading liberal arts and sciences education, small class sizes, personal relationships with professors and classmates, low student debt upon graduation, and more. Donors who give to the Fund help UMW's leadership achieve a crucial flexibility to meet emerging student, faculty, and program opportunities.

"For Lynne, making unrestricted gifts was a thing of principle," Judy said. "She always trusted Mary Washington to make the best and wisest decision when it came to her donations."

Growing up in the small mill town of Fieldale, Virginia, Judy said her parents were active in their church, fostering in their daughters a belief in helping others and an intellectual curiosity.

"They always expected us to go to college," said Judy, who applied to Mary Washington because of its "reputation as an academically outstanding Virginia women's college." Lynne joined her, earning a degree in clothing and textiles, while studying art, music, and literature. "Our education opened up a bigger world for us, and Lynne took advantage of that."

After graduation, Lynne worked in marketing for Thalhimers, a department store chain based in Richmond, and taught elementary school for several years, bonding



Lynne Gourley Farrell '62 (left) and sister Judy Gourley Kamishlian '59

"For Lynne, making unrestricted gifts was a thing of principle," Judy said. "She always trusted Mary Washington to make the best and wisest decision when it came to her donations."

with students who kept in touch with her over her lifetime. She also traveled extensively – with husband Paul and later with Judy – and was an advocate for education, community, and the arts, supporting the United Way, the Virginia Beach Foundation, and the ACCESS College Foundation, even endowing a scholarship in memory of a friend.

Lynne's obituary, penned by Judy, recognizes UMW as the greatest benefactor of her gifts. At Lynne's humble request, the sisters named the Gourley Living Room in the Cedric Rucker University Center in 2015, honoring their late parents and the values they instilled in them.

And yet, given her commitment to the Fund for Mary Washington, it seemed fitting that her endowment should bear her name. "She was proud to lead in this," Judy said. "Lynne would want to inspire others to give, just as she did."

For information about funding an endowment or other ways to support UMW students, visit giving.umw.edu or contact the Office of University Advancement at advance@umw.edu or 540/654-1024.

University of
Mary Washington

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