

INVESTING IN THE FUTURE

2023-2024

ENDOWMENT REPORT

WE TRULY THANK YOU.

At the University of Kentucky, we love to say that “Ev’ry Wildcat Star Will Shine” as we vigorously forge a brighter future for our campus, our communities and the world. The generosity of our supporters creates a profound and lasting impact, enabling us to develop opportunities that transform lives and advance innovation.

While our fundamental goal is to educate future generations of leaders, our commitment to excellence extends beyond the classroom, with world-class researchers at the forefront of groundbreaking studies in healthcare, agriculture, engineering, the humanities, law and more. Your support of endowments empowers these scholars, researchers and practitioners to pursue their work with the necessary resources, fostering discoveries that benefit not only our Commonwealth but also the world.

Endowment contributions allow us to attract and retain distinguished faculty, providing them with the stability to innovate and inspire across a diverse range of disciplines. These funds support essential research projects and academic programs. They enhance our capacity to deliver transformative care through the UK HealthCare system and foster advancements that impact multiple sectors of society.

Philanthropy drives our mission, cultivating a network of talent who lead as innovators and advocates, carrying the spirit of the Bluegrass into their communities. They emerge not only as professionals but as ambassadors of Kentucky’s unique heritage—from horse country to Mammoth Cave, from rich farmlands to the comforting flavors of hot browns and bourbon. Each contribution strengthens our bond with the Commonwealth, transforming aspirations into achievements that resonate throughout the state.

Together, we build a legacy of hope and promise that reaches beyond our campus and into the heart of Kentucky’s future. We are—and will always be—the University for Kentucky.



Jake Lemon

Vice President for Philanthropy & Alumni Engagement
Chief Philanthropy Officer







At the University of Kentucky, our endowment's investment strategy takes a long-term view — think of it as planting seeds today for a vibrant campus tomorrow. These funds are strategically invested to support the university's mission in perpetuity.

A core principle of our investment philosophy is diversification. Our endowment spreads its investments across various asset classes. We emphasize growth-oriented investments like public and private equity — consider high-growth tech startups and established companies at the forefront of innovation. In addition, we incorporate more stable options such as fixed income and hedged strategies, which act as a safety net during unpredictable market swings.

This diversified approach is designed to navigate various market environments and mitigate declines during severe equity market selloffs. During tumultuous times, like those witnessed in 2020, our strategy helps cushion our investments against sharp downturns.

While our diversified strategy provides stability, it may sometimes lead to periods when our endowment returns lag the soaring stock market. For instance, in Fiscal Year 2024 (FY24), U.S. equities outperformed significantly, buoyed by better-than-expected economic data and excitement surrounding artificial intelligence.

In FY24, the UK endowment posted a return of 9.5%. U.S. equities played a pivotal role in this performance, complemented by contributions from our diversifying strategies and investments in public real assets. However, private investments lagged this year. Although the endowment's performance trailed stock market returns, it still exceeded our long-term return target of 7.5%. These results align with our expectations, given the broad asset allocation and prudent risk profile we maintain. Our prudent approach safeguards our endowment against market volatility, allowing us to support the university's mission for future generations.

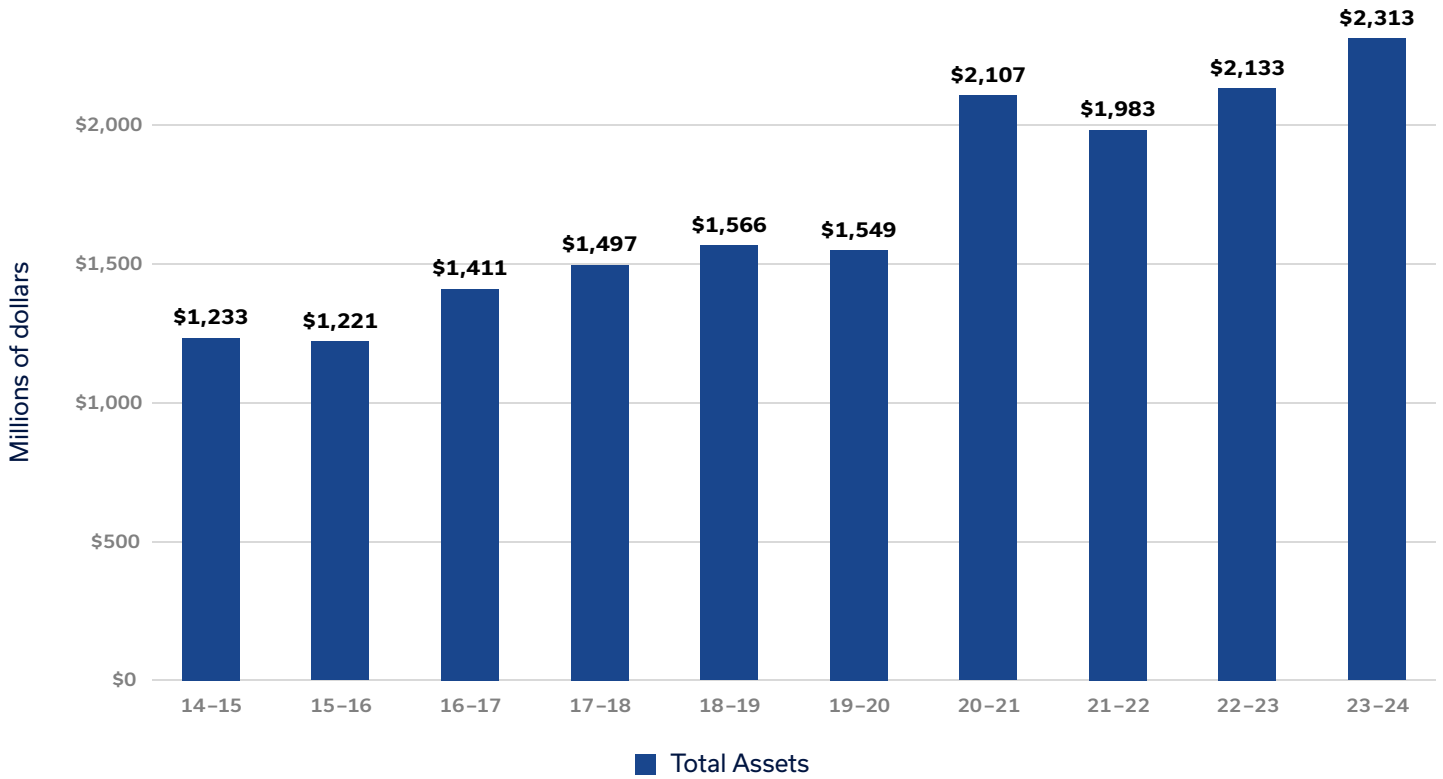
We remain steadfast in our conviction regarding our diversified investment strategy, keeping our focus on generating a reliable income stream to support the university's mission for the long haul. After all, investing in our university today means a brighter tomorrow for the Commonwealth.

A handwritten signature in white ink that reads "Todd D. Shupp". The signature is fluid and cursive, with a checkmark above the first letter of "Todd".

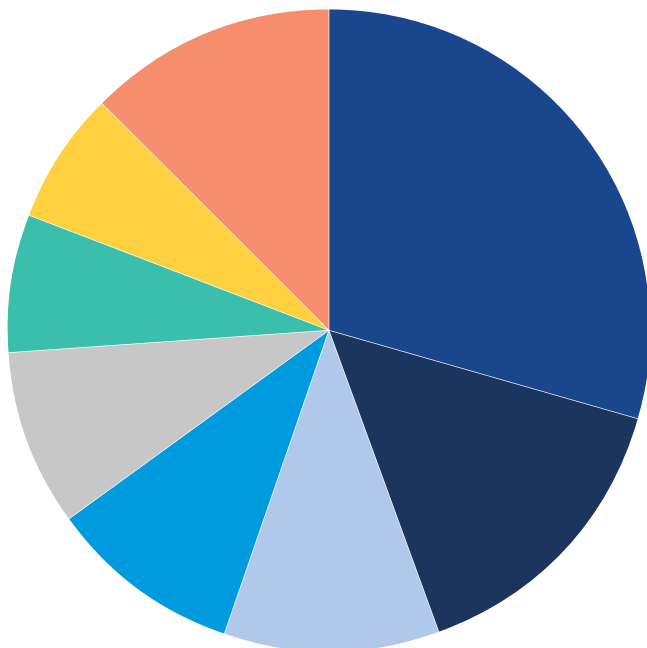
Todd Shupp, CFA
Chief Investment Officer
University of Kentucky Investment Office

UNIVERSITY ENDOWMENT DATA.

TEN-YEAR HISTORY OF ENDOWMENT VALUES



ENDOWMENT ASSETS BY PURPOSE



- Operating Funds (29.7%)*
- Chairs (14.9%)
- Fiduciary Funds (10.9%)**
- Scholarships (9.7%)
- Enrichment (8.8%)
- Professorships and Lectureships (7.0%)
- Fellowships (6.7%)
- Other (12.3%)

*Operating Funds include \$436M Hospital quasi endowment and \$244M University Operating quasi endowment

**Fiduciary Funds include \$250M Other Post-Employment Benefits (OPEB) quasi endowment

As of June 30, 2024

THE UK ENDOWMENT.

The University of Kentucky Endowment ("Endowment") is an aggregation of funds comprised of gifts from donors and grants from the Commonwealth of Kentucky with the requirement they be invested in perpetuity to generate a reliable and steadily growing revenue stream to support the mission of the university now and in the future. The revenue stream, or total return spending distributions, supports scholarships, chairs, professorships and basic research, as well as academic and public service programs, as defined by the individual endowment agreements. The Endowment is expected to provide fiscal stability since the principal is invested for long-term growth and total return spending distributions are generated year after year.

The University of Kentucky has a fiduciary responsibility to prudently manage and preserve the long-term purchasing power of the Endowment, as well as the individual endowment funds, in order to evenly support present and future beneficiaries. This fiduciary responsibility constitutes both a legal and moral obligation to donors and the Commonwealth of Kentucky who intend that their gifts and grants provide support for the university in perpetuity.

The Endowment also includes other funds set aside by the Board of Trustees with the expectation that they are invested on a long-term basis.

NEW ENDOWMENT FUNDS.

Spending distributions on new endowment funds will be delayed for at least one year in order to build a reserve for future spending distributions. This is done to help hedge against any market downturns.

Additional information on the University of Kentucky's endowment policies is available at:

www.uky.edu/ufs/uk-endowment

GLOSSARY.

REPORTING TIME FRAME

Your report contains data about the fund from the university's most recently closed fiscal year (July 1 to June 30).

ENDOWMENT PURPOSE

The purpose of the endowment is based on the criteria established at the time the gift was made, usually through an endowment agreement.

CONTRIBUTED VALUE

This figure represents the total amount of contributions to the fund since its creation through the end of the most recently closed fiscal year.

MARKET VALUE

The market value includes contributions, gains and losses attributed to the fund as of June 30 of the most recently closed fiscal year.

ENDOWMENT SPENDING DISTRIBUTION

This is the amount available to be spent according to the university's spending policy, which is to be used to support the fund's purpose.

ENDOWMENT GENERATED FUNDS

This figure represents the total amount generated through the years by your endowment that can be used for the purpose described in the endowment agreement.

OUR YEAR IN NUMBERS



FY24 FUNDRAISING TOTAL ————— **\$219,267,684.74**

TOTAL DONORS ————— **32,742**

FUNDRAISING BREAKDOWN

BREAKDOWN BY INVESTMENT TYPE

	AMOUNT	DONORS
Cash	\$103,808,324.77	31,745
Pledges	\$59,775,219.33	1,087
Deferred Gifts	\$20,265,549.15	41
Other	\$35,418,591.49	275
TOTAL	\$219,267,684.74	33,148*

BREAKDOWN BY CONSTITUENCY

	AMOUNT	DONORS
Alumni	\$96,564,705.36	13,327
Corporate	\$21,183,753.86	746
Foundation	\$25,439,830.22	214
Individual	\$38,314,406.50	17,737
Trusts/Organizations	\$37,764,988.80	718
TOTAL	\$219,267,684.74	32,742

BREAKDOWN BY AREA

	AMOUNT	DONORS
Capital Projects	\$48,938,359.38	1,398
Faculty Support	\$3,646,659.29	199
Programmatic Support	\$26,651,757.98	9,392
Student Support	\$52,269,407.27	16,519
Other Support	\$87,761,500.82	8,298
TOTAL		35,806*

**Due to grouping on gifts, this number will not match*



