

2023 ANNUAL REPORT



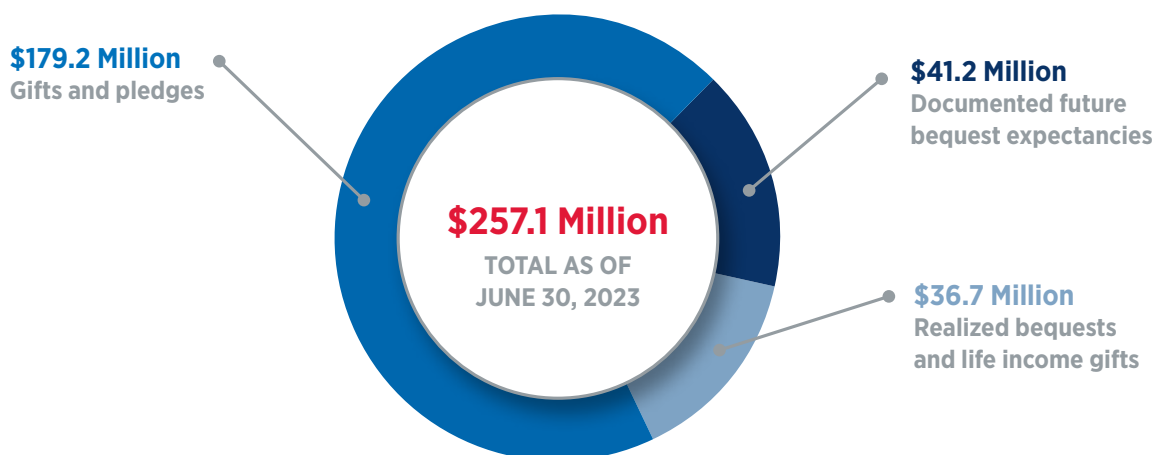
KU ENDOWMENT



Donor Generosity

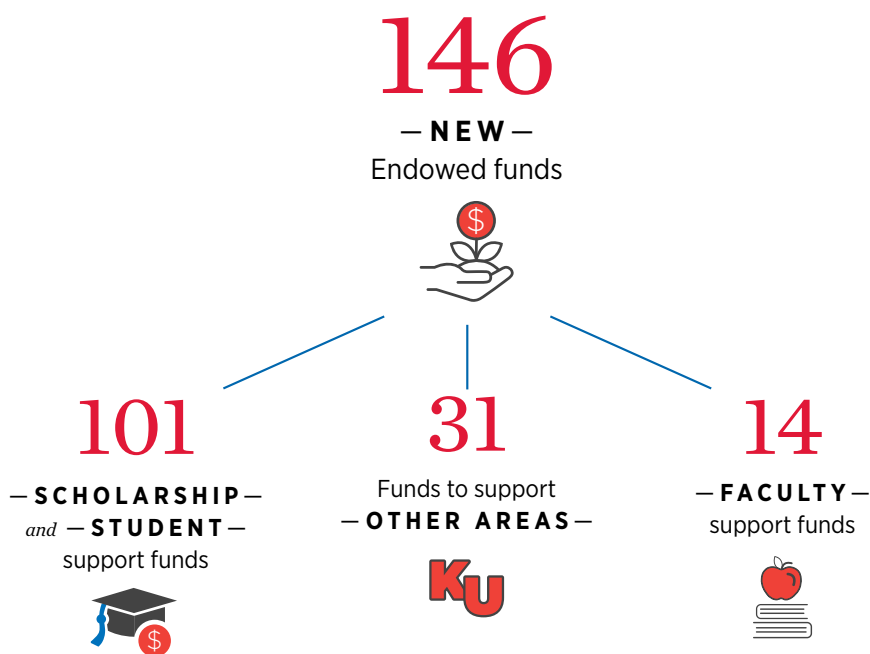
In fiscal year (FY) 23, donors contributed \$257.1 million to KU Endowment in support of the University of Kansas and The University of Kansas Health System. This dedication to giving represents the eighth time in the past 10 years that donor contributions exceeded \$210 million in a fiscal year.

Highlights of the year include opening the 100% privately funded Jayhawk Welcome Center, announcing the \$100 million gift from the Sunderland Foundation to The University of Kansas Cancer Center and hosting a successful *One Day. One KU.* for the sixth year. On our annual day of giving, the KU community donated more than \$3.2 million from 4,740 gifts. Jayhawks around the world came together to show their KU spirit, and an inspiring 522 donors made their first-ever gift to the university.



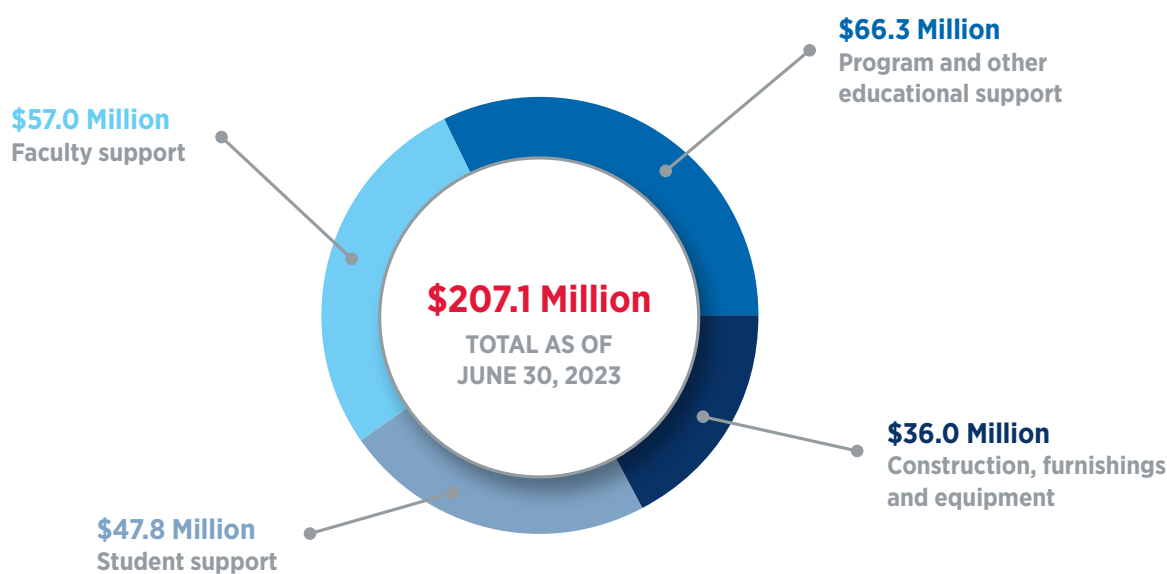
Expanding Opportunities

Endowed funds open doors to experiences, discoveries, innovations and advances. The funds are long-term investments that support the University of Kansas each year and provide essential resources for the future. Donors who establish endowed funds create lasting legacies and consistent perpetual support for their selected KU area or purpose, impacting generations of scholars. Endowed funds are designed to exist as long as the university does, and KU Endowment carefully stewards them to protect their value across generations.



Building a Greater KU

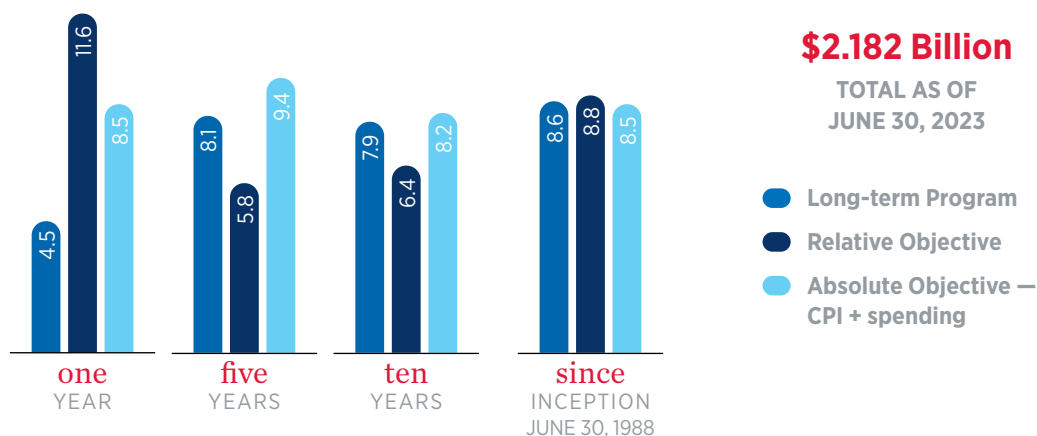
The success of the University of Kansas is a direct reflection of donor philanthropy. In FY 23, KU Endowment provided \$207.1 million in support to the university as a direct result of previous and current generosity from alumni and friends — an increase from \$196.2 million in FY 22. These gifts are supporting students, faculty, programs, initiatives and infrastructure. You are partners in enhancing KU's strengths across all areas and campuses, building on the university's remarkable momentum and creating tomorrow's possibilities.



Perpetual Support

KU Endowment aims to provide consistent and ongoing support to the University of Kansas, achieved through investing endowed funds in our Long-term Investment Program (LTIP). The LTIP gained 4.5% during the fiscal year. Our results placed us modestly behind the Cambridge Associates median for endowments over \$1 billion (4.9%) but ahead of peer schools in Kansas and Missouri and the 2.1% average for the Ivy League.

The conventional wisdom throughout the year was that the economy would slip back into recession and stocks would suffer. Instead, the economy proved resilient, and public equities, as represented by the MSCI All Country World Index, gained 14.5%. On the other hand, bonds struggled with the Federal Reserve raising interest rates seven times during the fiscal year to choke off the worst bout of inflation since 1976-82. This recent period of elevated inflation has narrowed the margin between our long-term returns and our objective, which is to grow the LTIP at the inflation rate plus spending over time. We expect that as inflation moderates, returns will, over time, again exceed our investment objective.



Statement of Financial Position

| | THOUSANDS AS OF 6/30/2023 | THOUSANDS AS OF 6/30/2022 |
|--|------------------------------|------------------------------|
| Cash and cash equivalents | \$6,785 | \$7,276 |
| Receivables | \$155,173 | \$175,427 |
| Loans, pledges, other | | |
| Investments | \$2,658,122 | \$2,549,369 |
| Securities, trusts held by others, real estate, interest in other KU Endowment entities* | | |
| Property and facilities | \$42,054 | \$29,278 |
| Land, buildings, equipment and furnishings less accumulated depreciation | | |
| Deposits and other assets | \$4,007 | \$4,919 |
| Total assets | \$2,866,141 | \$2,766,269 |
| | | |
| Liabilities | \$134,835 | \$133,707 |
| Accounts payable, accrued expenses, life income gift payables, agency funds, other liabilities | | |
| Net assets | \$2,731,306 | \$2,632,562 |
| Without donor restrictions, with donor restrictions | | |
| Total liabilities and net assets | \$2,866,141 | \$2,766,269 |

* Other entities include the KU Endowment Charitable Gift Fund, a separate 501(c)(3) entity that administers gifts divided between KU Endowment and other charitable beneficiaries.

The Statement of Financial Position and Statement of Activities are excerpted from KU Endowment's 2023 financial statements, which have been audited by Ernst & Young, LLP.

Statement of Activities

| | THOUSANDS FOR THE YEAR ENDED 6/30/2023 | THOUSANDS FOR THE YEAR ENDED 6/30/2022 |
|--|--|--|
| Fundraising Contributions and grants received and pledged, bequests, life income gifts, other | \$215,886 | \$268,166 |
| Income from asset holdings Investments, realized and unrealized gains (losses) on investments and trusts held by others, real estate, other income | \$110,028 | (\$85,728) |
| Other receipts | \$2,092 | \$1,813 |
| Total revenues, gains and other support | \$328,006 | \$184,251 |
| | | |
| University support Student support, faculty support and contractual services, construction, furnishings, equipment and supplies, and program and other educational support | \$207,073 | \$196,172 |
| Supporting services Administrative and fundraising support, asset management and other educational support | \$22,189 | \$16,704 |
| Total expenses | \$229,262 | \$212,876 |
| | | |
| Change in net assets | \$98,744 | (\$28,625) |
| Net assets at beginning of year | \$2,632,562 | \$2,661,187 |
| Net assets at end of year | \$2,731,306 | \$2,632,562 |

Expenditures from agency funds, which are owned by the University of Kansas but managed by KU Endowment, provided additional university support of \$9.3 million in FY 22 and \$10.5 million in FY 23.

