

ENDOWED FUNDS

AN ENDURING GIFT FOR
FUTURE GENERATIONS



KU ENDOWMENT
The University of Kansas



There is no better way to create lasting opportunities at the University of Kansas than to establish an endowed fund. These funds provide the long-term investments necessary to ensure KU's success.

Endowed funds can be used to recruit promising students, attract and retain renowned scholars, launch promising research, or any other purpose of your choice. When you establish an endowed fund, you enter into a partnership with KU Endowment. Our goal is to ensure that your gift can provide consistent support every year while protecting its value across the generations. Moreover, you have the satisfaction of knowing that your name — or the name of a friend, family member or favorite professor — will be remembered forever.

HOW DO ENDOWED FUNDS WORK?

We invest endowed funds together with a pool of similar funds, with the objective of generating a stable source of funding for the university's benefit, now and in the future.

You can decide how to name the fund, whether for yourself or for someone you wish to honor. In some instances, you also can contribute to existing endowed funds.

WHAT PERCENTAGE OF THE FUND IS SPENT EACH YEAR?

KU Endowment uses a Constant Growth spending policy, where spending is adjusted annually by inflation, measured by the Consumer Price Index for All Urban Consumers.

The target annual spending rate of the Constant Growth policy is 5.5% of the market value, with:

- 4.6% out of 5.5% allocated to participating funds for current expenditure;
- 0.9% out of 5.5% allocated to KU Endowment as an administrative fee.

For example, a \$100,000 endowed fund would make about \$4,600 available for use every year to the university.

To avoid potential under-distributions or unsustainable over-distributions relative to the current market value in any given year, the policy is subject to a 4.5% “floor” and a

6.5% “cap” of the trailing four-quarter average market value.

The spending policy may be modified by KU Endowment’s Executive Committee upon the recommendation of the Investment Committee to account for changes in market and economic conditions and the needs of KU.

HOW LONG DOES A FUND LAST?

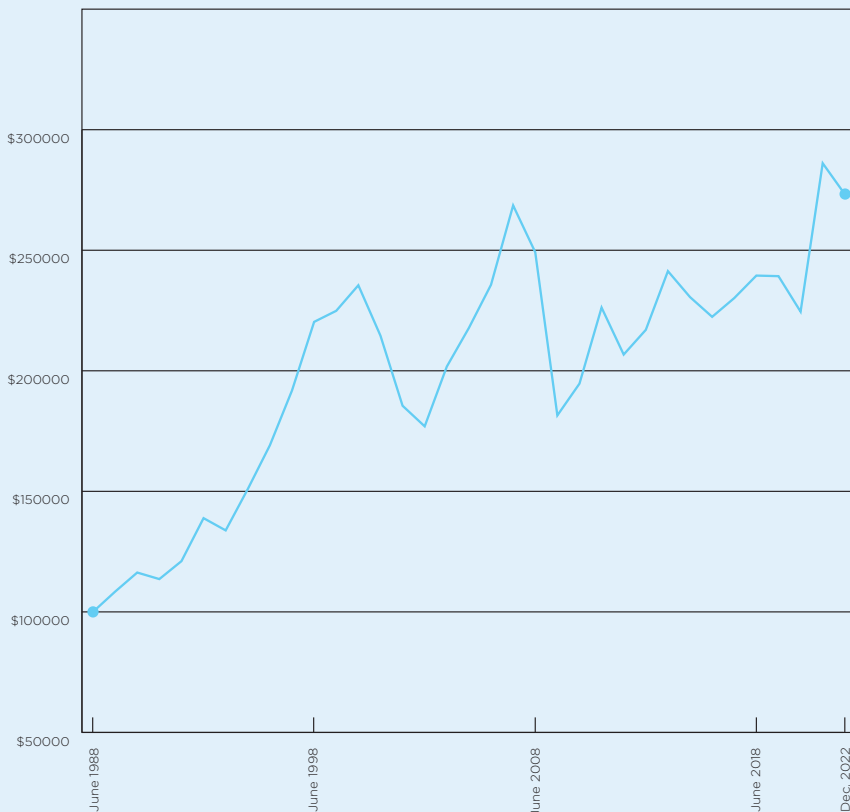
Endowed funds continue to provide support in perpetuity. Our first endowed fund, established more than 100 years ago, is still purchasing books for the library in memory of an alumna.

WHAT CAN ENDOWED FUNDS HELP SUPPORT?

They can provide crucial support for a wide variety of purposes that enhance the university — scholarships, professorships, research, facilities or another area of the donor’s choice.

\$100,000 ENDOWED FUND

Invested in Long-term Investment Program
June 1988 — December 2022



TOTAL SUPPORT PROVIDED FOR THE FUND’S PURPOSE

\$313,970

ENDING MARKET VALUE OF FUND

\$273,229

Past performance is not necessarily indicative of future performance. Performance is net of external investment-related expenses (e.g., managers, custodians and consultants) and spending policy distributions.

WHAT TYPE OF INVESTMENT IS REQUIRED?

The investment amount required depends on the type of fund to be created. For some purposes, such as providing general program support for an academic unit or for a student award, a minimum \$25,000 gift is sufficient. For undergraduate scholarships, the minimum gift is \$50,000.

For endowed professorships or similar investments, the amount varies depending on the purpose of the fund and the academic discipline it is designed to support.

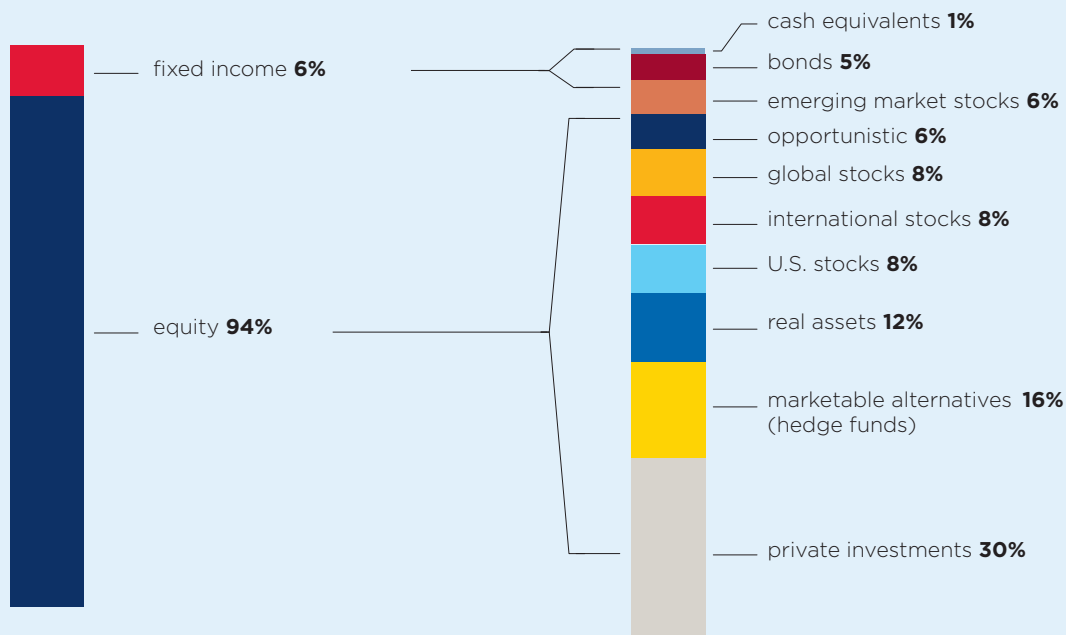
DO I HAVE TO DONATE IT ALL AT ONCE?

No, you can take up to five years. For example, annual installments of \$10,000 over five years will endow a \$50,000 scholarship fund.

HOW DO YOU INVEST AN ENDOWED FUND?

We pool all endowed funds together and invest them collectively as part of our Long-term Investment Program. Its asset allocations are diversified by asset class and within asset classes, with the intent to maximize returns and minimize volatility. Our investment and spending policies are crafted to make the most of upswings so we can continue to provide steady, reliable support during down times. KU Endowment engages professional investment firms to manage the Long-term Investment Program.

TARGET ASSET ALLOCATIONS



TOTAL MARKET VALUE OF
LONG-TERM INVESTMENTS

\$2.119 Billion

As of December 31, 2022



AN ENDURING GIFT

KU alumna Claudia Pendleton Johnson died in 1971, but she's helping students today. Her husband, William Savage Johnson, was a longtime professor and chair of the English Department. Claudia Johnson established an endowed scholarship for outstanding female students. To date, it has provided support for 165 students.

CLAUDIA PENDLETON JOHNSON SCHOLARSHIP FUND

Original value, 1971
\$15,664*

Scholarships awarded since 1971
165

Value of scholarships awarded
\$137,877

Current value of fund
\$104,379

(as of June 30, 2022)

**In the 1970s, the minimum amount required to create an endowed undergraduate scholarship was \$10,000. Today, that amount is \$50,000.*

HOW CAN I CREATE AN ENDOWED FUND?

You may establish an endowed fund in several ways:

- Donating cash;
- Donating securities, property or real assets;
- Creating a planned gift such as a charitable gift annuity, charitable remainder trust or by making a bequest in your will;
- A combination of these options.

GIVING STRATEGIES AND BENEFITS

Whatever your objective, the chart below shows a variety of ways to meet both your financial goals and your philanthropic goals for KU.

	IF YOU WANT TO:	YOU SHOULD:	BENEFITS TO YOU:
OUTRIGHT GIFTS	Give quickly and easily	Donate cash or securities www.kuendowment.org/givenow www.kuendowment.org/securities	Bypass capital gains tax; income tax deduction
	Make an outright gift from your IRA	Contact your IRA administrator to make a gift directly from your IRA account to KU Endowment	Reduces your income and counts toward the annual required minimum distribution from your IRA
	Support KU and benefit other charities too	Establish a donor-advised fund in the KU Endowment Charitable Gift Fund with an outright gift of \$250,000 or more	Administrative convenience; cost savings; tax advantages
	Gift a farm, home or other real estate	Donate the property to KU Endowment	Bypass capital gains tax; income tax deduction
DEFERRED GIFTS	Make a revocable gift during your lifetime	Name KU Endowment as a beneficiary in your will or living trust www.kuendowment.org/bequest	Lifetime control of assets; possible estate tax savings
	Gift proceeds of a life insurance policy or commercial annuity	Name KU Endowment as a beneficiary	Possible estate tax savings
	Avoid double taxation on retirement plan assets passed to heirs	Name KU Endowment as a beneficiary of your retirement plan assets	Avoids heavily taxed gift to heirs while providing for KU
	Give your personal residence or farm, but continue to live there	Establish a retained life estate; ownership of your home passes to KU Endowment, but you retain occupancy	Lifetime use of home; income tax deduction
LIFE INCOME GIFTS	Supplement your income while providing for KU's future	Enter a charitable gift annuity contract with KU Endowment, under which we'll pay you a fixed amount annually www.kuendowment.org/annuities	Guaranteed fixed annual payments for life; income tax deduction
	Create lifetime security for yourself or loved one while providing for KU	Establish a charitable remainder trust, which pays you income annually	Lifetime annual income; income tax deduction