



TRINITY
UNIVERSITY

ENDOWMENT REPORT 2019-2020



Dear Trinity friends and supporters,

We are pleased to present this report for the past fiscal year. At Fiscal Year End 2020, Trinity's endowment was valued at \$1.28 billion, with new gifts made to the endowment totaling \$6.7 million.

This report presents the growth and impact of endowment funds during the past year, as well as several stories you won't want to miss:

- Learn about Ellis Shapiro Scholarship recipient Erin Eckert '01 and how the dynamic environment at Trinity prepared her for the career of her dreams.
- Careful pursuit of investment options drives our endowment fund diversification. Read about a new fund, which we recently added to our portfolio, that focuses on incubating companies targeting breakthroughs in human health and sustainability.
- Donors are at the heart of every endowment. Hear from Barbara Pritzlaff Pierce '78 about why she established a fund to support Trinity and the entrepreneurial students who are shaping tomorrow.

Since its founding in 1869, Trinity has been shaped by change. This year was no different. COVID-19 upended the familiar rhythms that our students, faculty, and staff had grown accustomed to, affecting every single member of our campus community. Despite this disruption, Tigers have persevered with resilience, as we always do. With ingenuity, persistence, and hard work, Trinity demonstrated its ability to pivot into a remote learning environment and continues to pursue its long-term strategic and aspirational goals. The endowment remains a steady and supporting force during these uncertain times, fulfilling its purpose to support the educational mission of the University into perpetuity.

Through every year and the ensuing changes that have occurred, you have been there for us. And for your support, we are deeply grateful.

Gary Logan
Vice President for Finance and Administration

Michael Bacon '89
Vice President for Alumni Relations and Development

TRINITY UNIVERSITY
ENDOWMENT

At-A-Glance

2019-20



\$1.28 billion

Value of endowment



35%

Portion of Trinity's operating budget that the endowment supported



\$49.9 million

Distribution to Trinity's operating budget



\$6.7 million

New gifts made to the endowment



4.5%¹

Endowment spending policy rate



614

Number of individual funds that made up the endowment

Figures above as of May 31, 2020



+1.1%

1-year annual return* (2019-20)

+7.6%

10-year annualized return*

*Long-Term Investment Pool, net of fees, as of 06/30/2020

1. The Board of Trustees approved spending rate for FY2020 aligns with approximately 55% of endowments in the Cambridge Associates FY19 College and University Investment Pool Returns survey reported a target spending rate ranging between 4-4.99%. n= 104.

Trinity University's Endowment

Portfolio Overview

The endowment value decreased by a net \$8 million in FY2020, holding value in the face of volatile markets and COVID-19 related headwinds. Investment returns contributed \$38 million across the Long-Term Investment Pool (LTIP) and Funds Held-In-Trust (FHIT) portfolios, with gifts and other additions adding \$11 million and \$(57) million in total distributions to the University for the operating budget and non-operating activities.

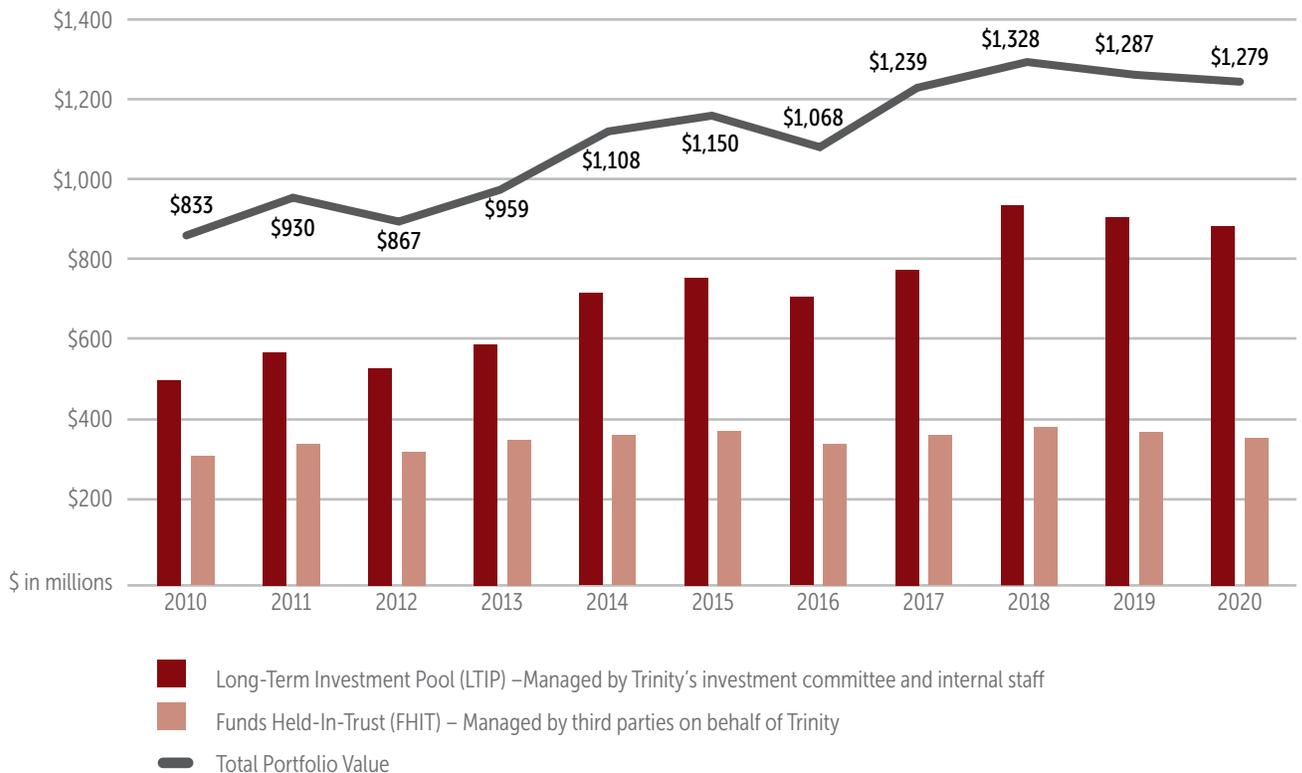
Beginning Value	\$ 1,287
Gains and Income	\$ 38
Endowment Gifts and Pledges	\$ 9
Other Additions	\$ 2
University Distributions	\$ (57)
Ending Value	\$ 1,279

(in millions, rounded)



DID YOU KNOW?
Endowment gifts are at a six-year high.

Portfolio Value Growth Over Time 2010-2020



Source: Trinity University audited financial statements, as of 05/31/2020

Distributions

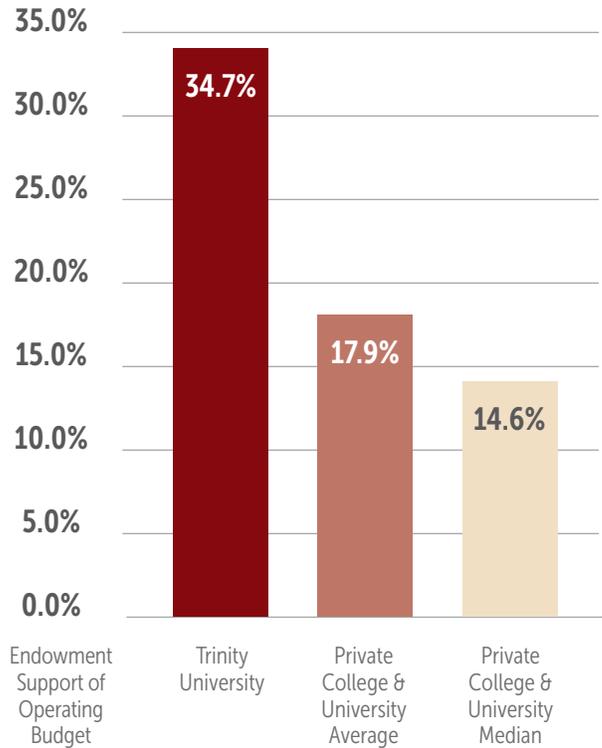
The endowment is critical to supporting Trinity's mission

Trinity University aspires to redefine liberal arts education for the 21st century by exemplifying what it means to provide a transformational academic experience for students. This vision could not be accomplished without the support of the endowment, as it represents one of the largest funding sources for the University operating budget. The amount of support the endowment provides to the operating budget is double the average and median private college and university, which in turn is considerably higher than that of public schools.

In FY2020, the Trinity endowment contributed **\$49.9 million** to the operating budget, representing 35% of total operating revenues.

The ability to provide this level of funding is driven by the performance of the LTIP and FHIT investment portfolios and the continued support of Trinity's alumni and donor community.

This assistance, along with generous donor gifts, allows Trinity to maintain its commitment to the individualized student experience, which includes strong scholarship and financial aid support as well as small class sizes and student/faculty ratios.



1. Cambridge Associates Private Colleges and University's 2019 Annual Review of Endowments. Data set includes 74 endowments.

Compound Annual Returns

The long-term financial objective of the LTIP is to provide a stable and consistent level of ongoing support for the University's operations while maintaining and enhancing the real purchasing power of the endowment fund in perpetuity. The following chart details the annualized returns over trailing periods within the last 10 years:

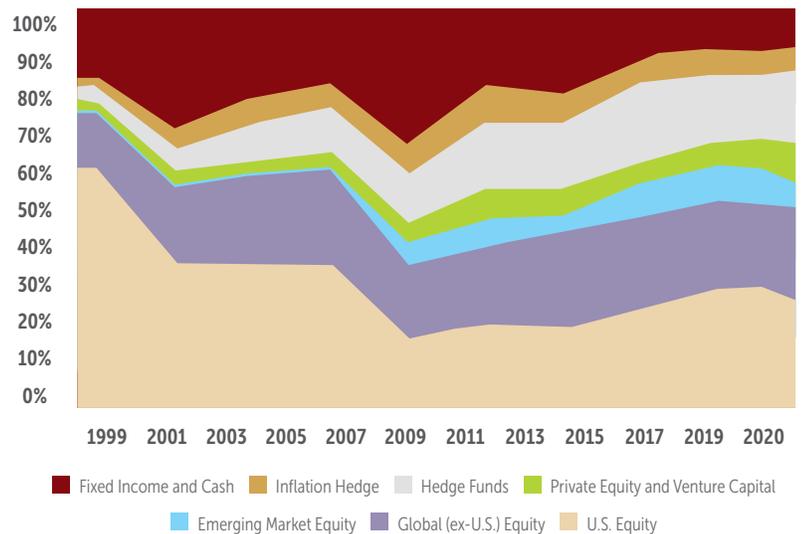


All figures as of June 30, 2020

Long-Term Investment Pool (LTIP)

LTIP Asset Allocation

Trinity's Long-Term Investment Pool consists of assets managed by Trinity's Investments Committee and internal staff. Diversification, a key contributing factor in endowment performance and budget distribution stability, provides benefits to an investment portfolio through exposure to assets with varied sources of economic return. The University's portfolio asset allocation strategy involves investing in a variety of asset classes across financial markets globally. Trinity has continued to diversify the LTIP over the past 20 years, with the goal of providing relatively predictable annual spending while preserving capital for future student generations.



Campus Impact

The Long-Term Investment Pool consists of 614 individual funds—an increase from last year’s 590, thanks to 24 newly endowed funds. Approximately 60% of those funds constitute true endowments—gifts restricted by donors to provide long-term funding for designated purposes. The remaining funds represent quasi-endowments—money that the Board of Trustees designates for key University purposes and treats as endowments. Both of these classifications are governed by the University spending policy and actively contribute to Trinity’s operating budget. The 614 endowment funds are broadly categorized and support many areas across the campus.

TOTAL **\$908,781,329**

UNRESTRICTED: \$365,105,594
No donor restrictions but may contain designation by Trustees for an endowment

RESTRICTED: \$543,675,735
Includes temporary and permanently restricted donor funds

LOANS
8 funds
\$37,310,494

The endowment supports a loan fund program for student financial aid and academic support.

LIBRARY
19 funds
\$9,728,165

These funds provide Coates Library collection and resource support.



GENERAL
188 funds
\$482,732,109

Endowment funds support University expenses, the recruitment and retention of exceptional faculty and staff members, and undergraduate student research across a variety of disciplines.



FACULTY SUPPORT
65 funds
\$111,888,426

Funds support faculty in 18 different disciplines, including endowed professorships, lectureships, fellows, and faculty development.

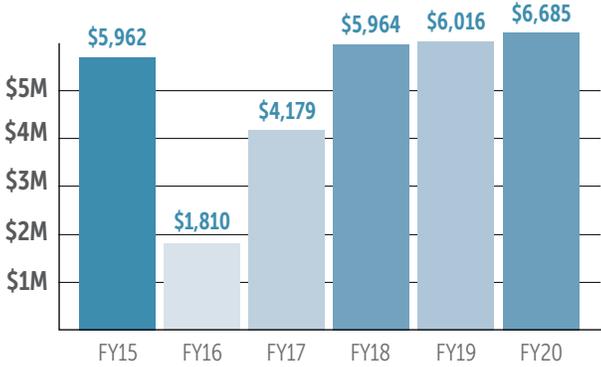


BUILDINGS AND GROUNDS
32 funds
\$59,667,117

Funds from endowments not only support buildings on campus but also provide money for the care of Miller Fountain and the Parker Chapel organ.

Endowment Gifts have reached a six-year high.

Tigers often make endowment gifts to combine their passion for Trinity with a desire to honor someone close to their heart or to create possibilities for future students. This year, alumni and parents gave scholarship gifts made in honor of faculty, student, and alumni members of our community including professors Coleen Grissom and Michael Kearl, student Robert Foye, and former University president Ron Calgaard. Other gifts created opportunities for student fellowships and chemistry research.





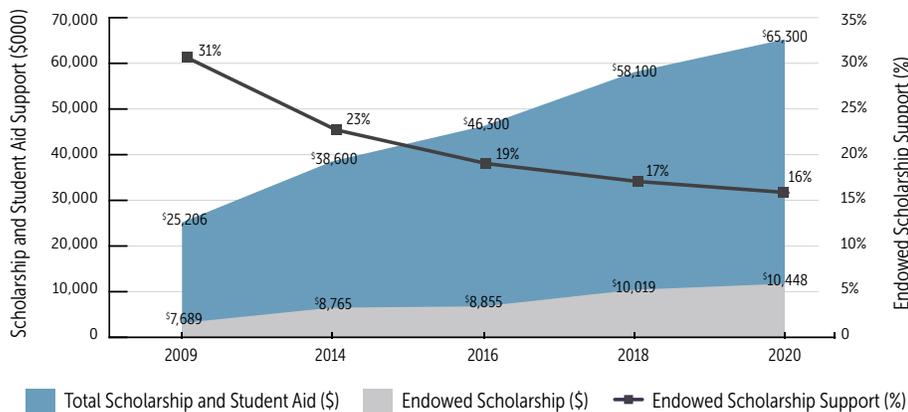
SCHOLARSHIP

302 funds
\$207,455,018

The greatest number of endowment funds support undergraduate and graduate scholarships.

Campus Impact Highlight

For FY2020, the 302 endowed scholarship funds provided more than \$10 million in much-needed financial assistance, supporting the total scholarships and student aid of \$65 million for the University. The growing support of scholarships and student aid illustrates Trinity's continued commitment to offer a student-centric, liberal arts-focused education. Yet, endowed scholarships only covered 16% of the total student financial aid requirements last fiscal year, while the rising need for scholarship and student aid support has outpaced endowed scholarship funds. To meet these demands, the University will remain strongly focused on raising endowed scholarships, an area of paramount importance.



Donor Spotlight

Barbara Pritzlaff Pierce '78

Gifts to the Trinity endowment support a wide range of programs and purposes and reflect the deeply held values of the donors. The fund established by Barbara Pritzlaff Pierce '78 helps ensure that Trinity's operating budget remains robust and provides vital scholarship dollars to the entrepreneurs who will shape the future.

The F.W. Olin Entrepreneurship E-Teams Fund was established in honor of Barbara's great grandfather in 2008. It provides stipends for students in the Trinity Summer Accelerator program, freeing up valuable time and energy that may have gone to a summer job and allowing them to focus entirely on their venture.

"My great grandfather's life was one of hard work, vision, and service to others. He really was the embodiment of the American dream. I hope that, in some way, I am part of his legacy by donating to education and, more specifically, in support of entrepreneurship. Entrepreneurs helped build this country, and I believe they will be the ones to confront and solve the complex issues that lie before us.

The most rewarding aspect of leaving a legacy through a Trinity endowment is that it will be given to support the education of generations of students. These students will be equipped with an education that values leadership, independent and critical thought, collaboration, complex problem solving, and intellectual diversity.

I would encourage individuals thinking about making a gift to remember those who mentored and helped them in their educational journey. An endowed scholarship is the best way to help many students attain the gift of higher education." –Barbara Pritzlaff Pierce '78

Investment Spotlight

During FY2020, Trinity partnered with a biotechnology investment manager focused on incubating companies targeting breakthroughs in human health and sustainability. The firm is a pioneer in scientific discovery, founding and investing in companies directly focused on COVID-19 vaccines and multiple advanced therapies, including mRNA-enabling cells, to produce their own drugs to treat or prevent disease directly. Scientists at the firm have been granted more than 2,500 patents worldwide, operate within 1.3M square feet of lab space,

and have founded more than 100 companies, all in an effort to address the question: If an innovation is possible, will it have tremendous future value? The firm prides itself on supporting ingenious and unknown potential paths via innovation and compassion and believes these promising explorations can change lives and the shape of healthcare.

Through its diverse investments, the endowment aspires to reflect the University's bold educational endeavors and continued institutional innovation.



TRINITY UNIVERSITY

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CHANGE SERVICE REQUESTED

If you have questions, please contact the Office of the Vice President for Finance and Administration at 210-999-7306 or the Office of the Vice President for Alumni Relations and Development at 210-999-7328.



The Office of Investments seeks to contribute beyond its endowment mission. The Office takes pride in its internship program and has expanded the initiative through a new partnership with the Center for Experiential Learning and Career Services and Academic Affairs. During the Fall 2020 semester, it developed a for-credit option for students working in an analyst capacity. This pilot program further aligns the endowment with the University's educational mission and offers mentoring opportunities and major-related skills, with the goal of supporting Trinity's experiential learning ventures.

Erin Eckert is the 2020-21 recipient of the Ellis Shapiro Scholarship. Established in 1970 by the San Antonio Chapter of the Public Relations Society of America, the fund provides scholarship assistance to an undergraduate student majoring in communication at Trinity University. Erin looks forward to working in public relations and crisis communication.

"I've always believed in the importance of 'having soft edges and a firm center'—living with core values but being flexible and open to learning. At Trinity, I've had the opportunity to interface with students and faculty who have broadened my ideas and pushed me to challenge what I thought I knew. I've grown academically and personally in the causes I care about and in my understanding of others' lived experiences. Dr. Camille Reyes and Dr. Jennifer Jacobs Henderson have been influential in helping me refine my ideas for my honors thesis on public relations and social media activism. I believe that, in a world overrun by ads and misinformation, people who are trained to respond in ethical, truthful, and strategic ways will be more important than ever before. When things go wrong, we all want to be the person who has the right thing to say—the person who responds with courage and grace. Don't we all need that person right now?"

ERIN ECKERT '21

*Communication major
New Media minor*