

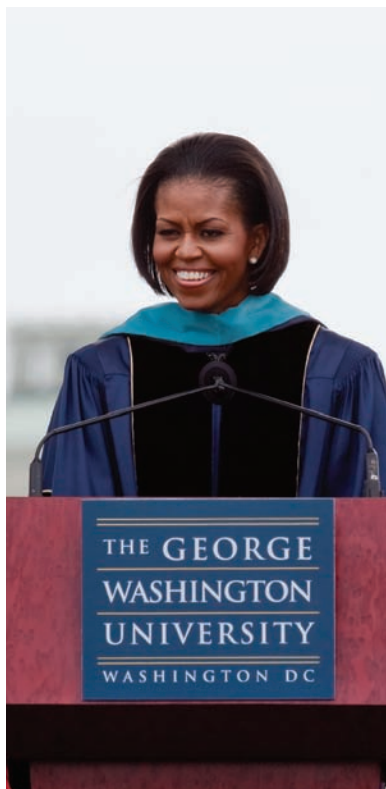


2010 ENDOWMENT ANNUAL REPORT

THE GEORGE
WASHINGTON
UNIVERSITY

WASHINGTON DC

2010 ENDOWMENT ANNUAL REPORT



*"Knowledge is, in every country, the surest basis of public happiness."
George Washington, First Annual Message, January 8, 1790*

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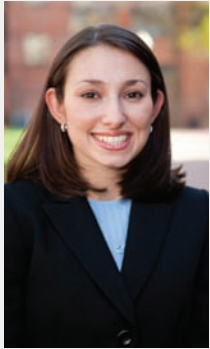
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"Scholarship support allows me the freedom to take the opportunities that really inspire me, as opposed to being worried about paying back my loans. Many government and public interest internships are not paid. Having scholarship support allows me to take these internships, which gives me an idea of what I really want to do, rather than having to take a paying position at a firm where I



am not as committed to the work."

JENNIFER
FREY,
LAW, 2011

GW

ENDOWMENT HIGHLIGHTS

IN FISCAL YEAR 2009-2010

- GW's Endowment assets increased by \$133 million to \$1.144 billion
- 39 new endowment funds were created and \$18 million in gifts and transfers were contributed to the Endowment
- The Endowment provided \$63 million in support of university activities
- Endowment assets in aggregate returned 18.25% and the Unitized Endowment Pool returned 11.96%
- The Endowment reduced its exposure to U.S. equities and niche credit strategies, and increased allocations to corporate bonds

IN THE PAST 5 YEARS

- GW's Endowment assets increased by \$320 million
- 207 new endowment funds were created and \$109 million in gifts and transfers were contributed
- The Endowment distributed \$259 million in support of university activities
- Endowment assets earned an average annual return of 7.41% and the Unitized Endowment Pool generated an annualized return of 3.52%
- The Endowment portfolio has become globally diversified and has made significant investments in agriculture, natural resources, power infrastructure, and emerging markets



FROM THE CHIEF INVESTMENT OFFICER

It is no wonder that investor sentiment is so poor. An investor who invested \$100 in the S&P 500 index on December 31, 1999, would only have \$85 as of June 30, 2010. In this age of uninterrupted flow of information, we are continually reminded that unemployment remains stubbornly high, housing prices are still stagnant, state and municipal governments are strapped for cash and cutting services, and many sovereign governments around the world are overburdened with debt.


Thus, it is not surprising that investors continue to grow increasingly risk averse. Over the past several years, money has been flowing out of stocks and going into bonds, as shown in the charts to the right, producing record low bond yields.

It is important, however, to remain forward-looking. Investors became complacent at the end of the last century because they came to accept the historically unprecedented bull market that began in 1982 as ordinary. This complacency was accompanied by unreasonably overvalued stocks and low equity market volatility. Dividend yields were at historical lows relative to bond yields, yet investors kept increasing their allocation to stocks.

Ten years into the new century, investors have an entirely different perception of risk. However, on a forward-looking basis, many sectors of the global stock market are certainly more fairly valued than they were in 1999. Dividend yields, which have historically been a significant driver of stock returns, are compelling relative to bond yields.

While impossible to time, we do believe that today's gloom and risk aversion is sowing the seeds of excellent investment opportunities. For example, looking at the developing world, we see rising household incomes, increasing urbanization, and growing consumer demand providing a backdrop for increasing profitability of global corporations. We continue to seek out and allocate funds to investment managers who are able to capture these opportunities.

When investors experience upward trending markets with short-lived declines, they feel confident about investing. History, however, has shown us that there are long periods of time when markets are not trending upward. We must confront the fact that, as investors, we will never have certainty about the future. Nor do we need this certainty to be a successful investor. Finding assets that are attractively priced based on historical metrics and applying a consistent and disciplined investment process will compensate considerably for the uncertainty inherent in investment management.

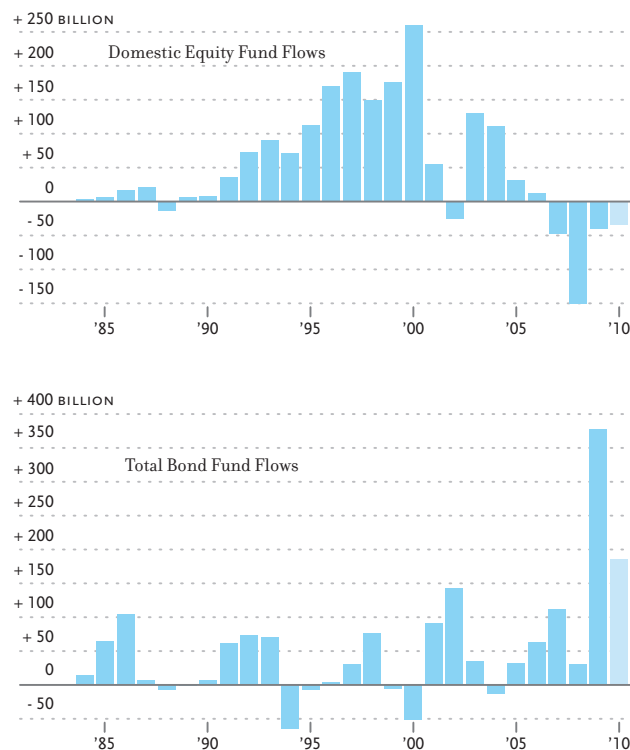


DONALD W. LINDSEY

Chief Investment Officer

The George Washington University

While impossible to time, we do believe that today's gloom and risk aversion is sowing the seeds of excellent investment opportunities.



(Sources: Investment Company Institute & The New York Times, August 21, 2010)

LAW ALUM REWARDS
INNOVATIVE THINKING
THROUGH SCHOLARSHIP FUND



The late Hyman “Hy” M. Goldstein, LLB ’19, LLM ’20 was a lawyer in private practice in Washington, DC, devoted to the legal profession. He specialized in business, personal, and estate law from the mid 1920’s until his death in 1965. Widely known for his integrity and foresight, his nephew, Morton Goldstein, JD ’61, said of Hy, “Clients, friends, and family all looked to him for advice not only in matters of business, but in life.”

Hy Goldstein and his wife, Jeanne, who recently passed away, demonstrated far-reaching philanthropic spirit in their bequest to The George Washington University Law School to endow the Hyman M. and Jeanne K. Goldstein Scholarship Fund. The Goldstein Scholarship Fund supports students who share Hy Goldstein’s interest in innovative methods of solving disputes and commitment to alternative dispute resolution. The Goldsteins recognized the value of a GW Law School education and the unique experience it offers.

They also understood that unconstrained by student debt, students will graduate with the freedom to pursue their dreams, choose a career, and make their mark on the world.

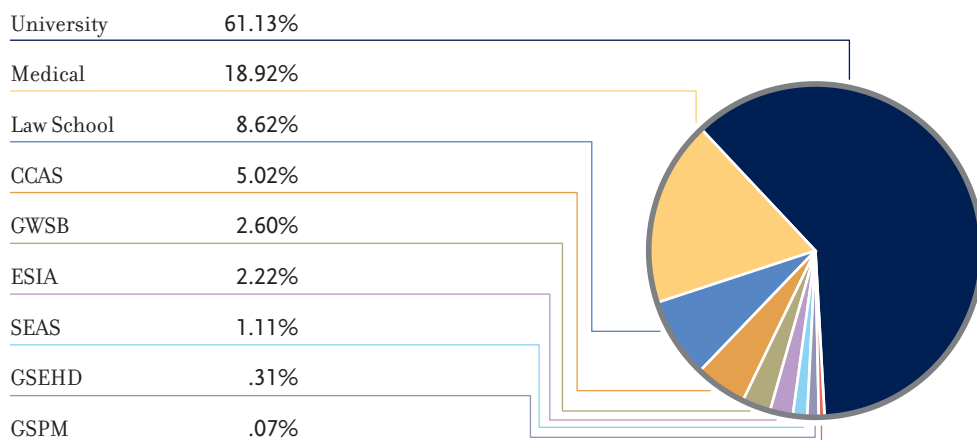
Goldstein scholars are selected based upon “diverse undergraduate extracurricular achievements, volunteer work, and demonstrated potential for acquiring the knowledge and skills necessary to become an effective mediator.” In keeping with Hy’s future-oriented approach, Goldstein scholars are expected to “possess a willingness to mentor future scholarship recipients and support others in carrying out these ideals.”

OVERVIEW OF THE ENDOWMENT

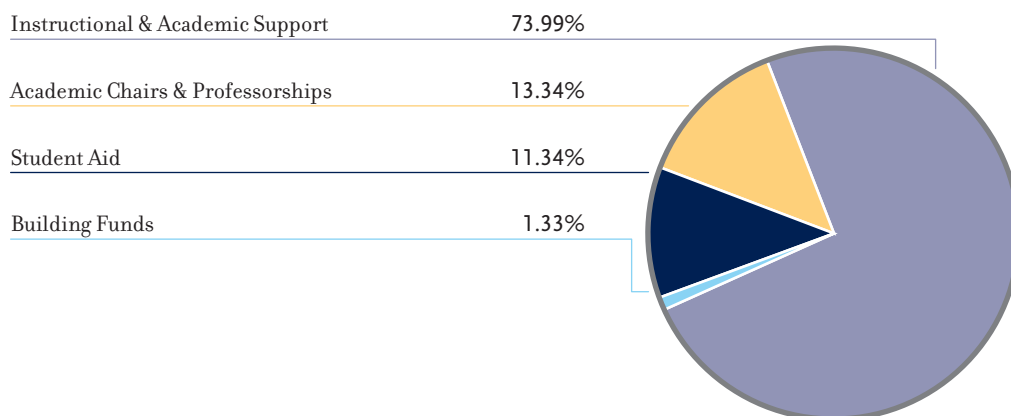
The George Washington University’s Endowment is made up of more than 1,100 individual endowments, most of which are designated to provide perpetual financial support for scholarships, professorships, academic and research programs, libraries, and other endowed programs. More than 60% of the Endowment benefits the University as a whole, with the remainder earmarked for individual schools.

Distributions from the Endowment are made according to the spending policy approved by the Board of Trustees. The spending policy is designed to provide a stable stream of income for current operations while ensuring that the Endowment will be able to provide an equivalent level of support for future generations, adjusted for inflation. Currently, the annual increase in distributions from the Pooled Endowment is capped by the change in CPI for the Washington Metropolitan Area, adjusted for new gifts received during the year. The total distributions from the Endowment represented 7.4% of the University’s operating expenses in fiscal year 2009-2010.

ENDOWMENT FUNDS BY SCHOOL, JUNE 30, 2010



ENDOWMENT FUNDS BY PURPOSE, JUNE 30, 2010



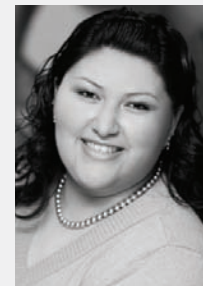
GW's endowment assets have increased nearly 40% in the last five years and more than seven-fold in the last 25 years.

In fiscal year 2009-2010, GW's Endowment returned 18.25% net of management fees and expenses, resulting in a dollar gain of \$177 million. The Endowment received \$18 million in gifts and other transfers during the year and paid out \$63 million to support university programs. The market value of GW's endowment assets increased from \$1.011 billion on June 30, 2009, to \$1.144 billion on June 30, 2010.

The Unitized Endowment Pool, the vehicle in which the vast majority of endowment gifts are invested, returned 11.96% for the fiscal year. The market value of the Unitized Endowment Pool increased from \$685 million on June 30, 2009, to \$733 million on June 30, 2010.

Through the University's careful financial stewardship and the continuing generosity of GW alumni, faculty, staff, parents, students, and friends, GW's endowment assets have increased nearly 40% in the last five years and more than seven-fold in the last 25 years.

"Being a first generation graduate student is an accomplishment I am very proud of. I know with the support I receive here at GW, I will accomplish great things and am looking forward to helping future students gain access to college."



CAROLINE
DELEON,
GSEHD, 2011

GW

GW ENDOWMENT ASSETS, 1985-2010

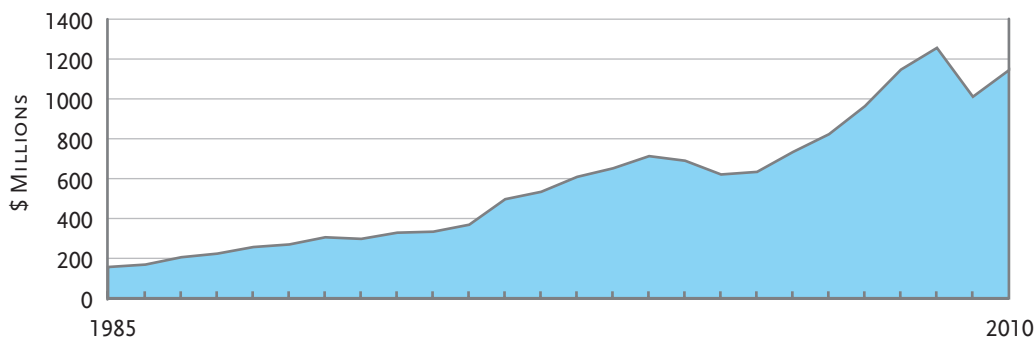




Photo By:
Danuta Otfinowski

Inspired by the passion Mansour F. Armaly, M.D., showed for researching and treating serious vision problems, particularly glaucoma, his family knew something significant was in order to honor his life and work. In the spring of 2010, Dr. Armaly's widow, Aida M. Armaly, and their children, Raya Armaly, M.D., and Fareed Armaly, established the Mansour F. Armaly Glaucoma Research Fund at GW.

Through a generous gift, the family will support glaucoma research by members of the faculty, residents, and fellows in the department of Ophthalmology.

Dr. Armaly joined The George Washington University School of Medicine and Health Sciences in 1970, becoming the first full-time chair of the department of Ophthalmology. Over the next 26 years, the renowned glaucoma expert dedicated himself to establishing a vibrant academic department while developing a foundation for significant clinical research into serious eye conditions, such as diabetic retinopathy and diabetic macular edema.

INVESTMENT PERFORMANCE

For the fiscal year ending June 30, 2010, GW's Endowment returned 18.25% net of management fees and expenses. The Unitized Endowment Pool returned 11.96%, trailing the composite benchmark return of 13.88%.

The Unitized Endowment Pool registered positive returns in every quarter except the last quarter of the fiscal year. All asset classes posted positive returns for the full year.

Global equity markets continued their rebound from March 2009 lows and sustained strong positive returns until the last quarter of the fiscal year. Both investment grade and high yield corporate bonds outperformed developed market equities over the period. The Endowment's sizeable tactical allocation to corporate bonds proved to be beneficial, and the fixed income/credit portfolio in aggregate outperformed its benchmark. With a significant portion of the Endowment's equity portfolio invested in hedged strategies, it was a challenge to keep pace with the market bounceback. However, the Endowment benefited from a significant concentration in emerging market equities, which outperformed developed markets. Also, the hedged equity exposure proved to be an advantage in the sell-off in May; for the last quarter of the fiscal year while global equities were down more than 12%, the Endowment's equity portfolio was down significantly less and the Endowment as a whole lost 1.1%.

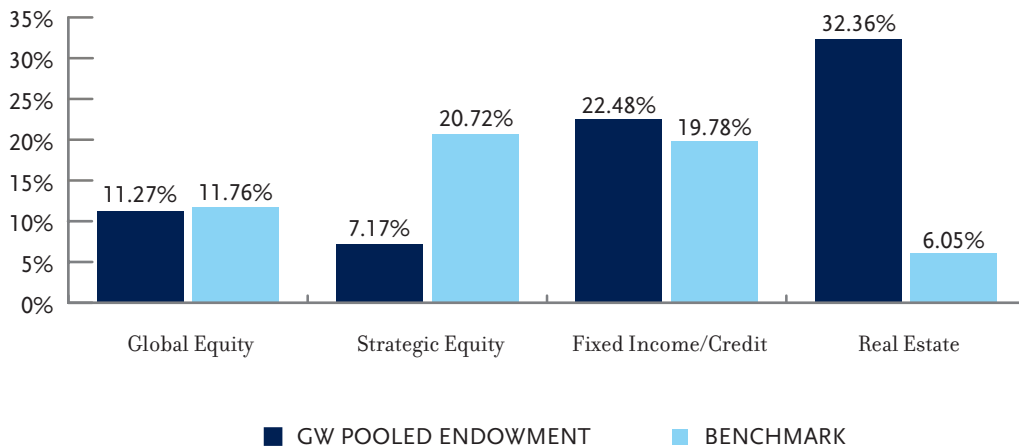
The Endowment's strategic equity portfolio, which is comprised of private, non-liquid investments concentrated in agriculture, mining and natural resources, oil and gas, and power infrastructure significantly underperformed its benchmark. These results were to be expected considering that most of the Endowment's private equity fund investments are still early in their lifecycle and valuations typically lag those of liquid assets.

The Endowment's real estate portfolio, which is separately managed and not part of the Unitized Endowment Pool, returned 32.36%, significantly in excess of the benchmark return.

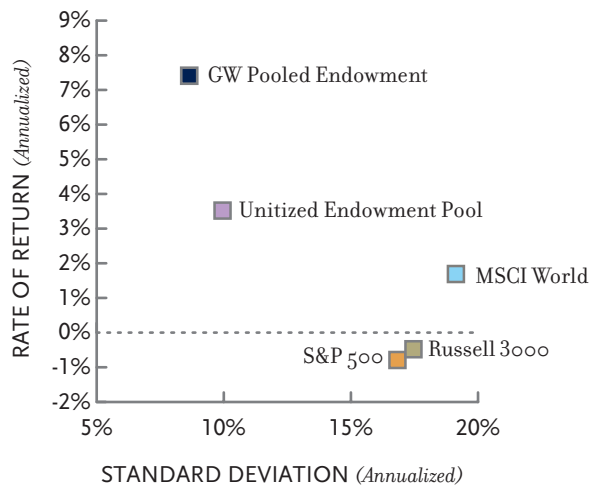
Because the Endowment's objectives and strategies are long-term in nature, investment performance can be meaningfully evaluated only over long periods of time. GW's Endowment earned annualized returns of -1.09% over the past three years and 7.41% over the past five years. The Unitized Endowment Pool earned an annualized return of -5.26% over the past three years and 3.52% over the past five years, compared to the composite benchmark returns of -3.56% and 3.61%, respectively. Over the past five years, the Endowment's returns have easily outperformed broad equity markets and with lower volatility.

Over the past five years, the Endowment's returns have easily outperformed broad equity markets and with lower volatility.

GW ENDOWMENT ONE-YEAR ASSET CLASS RETURNS VS. BENCHMARKS



RISK VS. RETURN: JULY 1, 2005 - JUNE 30, 2010



"With the help of this fellowship, I look forward to further focusing my studies in urban real estate and entrepreneurship during my tenure in GW's Global MBA program. In doing so, following my graduation, I plan to expand my contributions to smart-growth building



techniques through the lens of a real estate developer."

TIM HILL,
GWSB, 2012

GW

LINDNER FAMILY SCHOLARSHIP ENCOURAGES OTHERS TO PAY IT FORWARD



GW Trustee Emeritus Thaddeus A. Lindner, BA '51, DPS '94, and Mary Jean Lindner have had a long and close relationship with The George Washington University. Both attended the GW School of Business as undergraduates, and Mr. Lindner has served the University in various volunteer capacities, including President of the General Alumni Association, member of the Board of Trustees, and Chairman of the Luther Rice Society. Two of their children have also received degrees from GW.

In addition to generous commitments in support of important campus locations such as the Lindner Family Commons in the Elliott School of International Affairs, the Lerner Health and Wellness Center, and the Charles E. Smith Center, the Lindners have supported scholarships for GW students for a quarter of a century.

Established in 1985 by a gift from Mr. and Mrs. Lindner, the Thaddeus A. and Mary Jean Lindner Scholarship Fund supports scholarships to undergraduate students in the Columbian College of Arts and Sciences, the School of Business, and since 2001, the Elliott School of International Affairs.

The Lindners believe that individuals who benefit from their association with an institution such as GW and enjoy successful lives have a moral obligation to "give back" some of what they have received by assuring that others will have the same opportunities they enjoyed.

It is their hope that this scholarship fund will allow bright and motivated students who otherwise would not be able to afford a world-class education to attend GW, use that opportunity to succeed in life, and in turn be inspired to pass on that spirit of generosity to future generations of students.

ENDOWMENT MANAGEMENT

The goal of the Endowment is to preserve and enhance its purchasing power while providing a relatively predictable and stable source of income to meet the needs of the University. Specific investment objectives, to be realized over complete market cycles, are:

- To achieve an average annual rate of return, net of investment management fees and expenses, of at least 5% above inflation
- To control portfolio risk such that portfolio volatility is consistent with the broad equity market

Individual endowments are typically pooled for investment purposes and tracked with unit accounting as in a mutual fund. New gifts purchase units in the Unitized Endowment Pool and receive a pro rata share of earnings. This pooled approach enables endowment funds to collectively take advantage of the diversification benefits and efficiencies that are available only to large institutional investors. In addition to the Unitized Endowment Pool, GW's endowment assets include investment real estate properties designated by the University and a handful of endowment gifts with unique investment objectives, including student-managed funds.

The Investment Committee of the Board of Trustees is responsible for oversight of the Unitized Endowment Pool. The committee establishes guidelines for investment of the Unitized Endowment Pool, including target asset allocation, and reviews the performance of the portfolio to ensure that the goals and objectives of the Unitized Endowment Pool are achieved.

The Investment Office, which manages the Unitized Endowment Pool, is responsible for researching strategies to enhance portfolio returns and mitigate risks, selecting investments and investment managers to implement these strategies, and monitoring investment performance and risks. The portfolio is constantly monitored and adjustments are periodically made to strategy, asset class allocations, and investment manager allocations to reflect changes in market conditions, valuations, or manager performance. The real estate investment properties designated as endowment assets are managed by the University's Office of Real Estate.

This pooled approach enables endowment funds to collectively take advantage of the diversification benefits and efficiencies that are available only to large institutional investors.

The target asset allocation of the Unitized Endowment Pool is intended to ensure that investment objectives are met and that the portfolio is broadly diversified. The target asset allocation is defined by ranges and further ability to underweight or overweight is permitted with Investment Committee approval. In contrast to traditional asset allocation models that rely on fixed allocations to narrowly defined asset classes, the Unitized Endowment Pool's asset allocation policy gives it the flexibility to take advantage of secular trends and themes that offer the most promising return opportunities before they are widely recognized by the market.

The Unitized Endowment Pool is invested in a diversified, multi-asset class portfolio with a bias towards equity and real assets in order to keep pace with inflation over the long term. During fiscal year 2009-2010, the Endowment continued to allocate capital to investments that capitalize on major secular themes with strong growth prospects, including agriculture and natural resources, power infrastructure, health care, and emerging markets. However, exposure to U.S. equities and niche credit strategies was reduced early in the fiscal year in order to increase tactical allocations to corporate bonds, both investment grade and high yield.

"I am sincerely honored to receive the Turner Nonprofit Leadership Development Student Scholarship. I came to the Trachtenberg School of Public Policy and Public Administration because I have seen firsthand that effective leadership in nonprofits can empower people to make a long-lasting, positive impact on themselves and their communities. This scholarship will be a

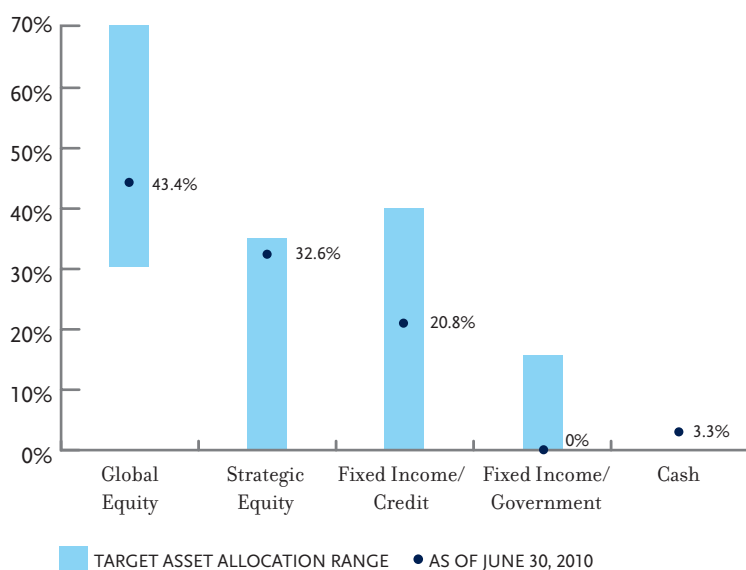


tremendous support to me as I complete my degree and continue toward my goal of leading an outstanding nonprofit organization."

ALLYSON CRINER,
TSPPPA, 2011

GW

POOLED ENDOWMENT ASSET STRUCTURE, JUNE 30, 2010



PARENTS HONOR FAMILY MEMBER THROUGH GW POWER & PROMISE FUND

Kalpesh and Shefali Patel became new members of the GW community this fall when their son joined The George Washington University as a member of the Class of 2014. It didn't take long for them to reach out to support their new extended family.



Wanting other bright, capable students to have the same opportunities as their son, the Patels made a gift to the GW Power & Promise Fund this summer to endow The Shantilal P. Patel Scholarship.

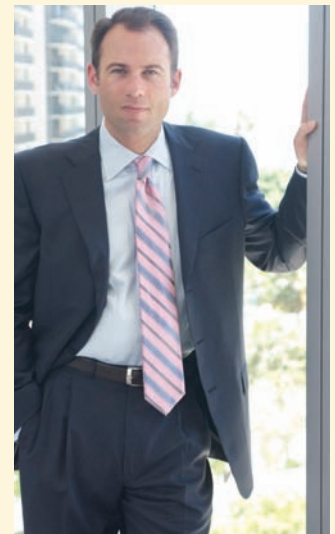
The annual need-based scholarship will be awarded to an undergraduate in the Columbian College of Arts & Sciences with preference given to students who perform community service. GW attracts people who want to make a difference in the world and the generous support of our circle of donors, now including the Patels, allows them to take full advantage of that passion. The GW Power & Promise Fund is a university-wide fundraising effort to quadruple philanthropic support of student aid so that qualified students will have access to GW regardless of their financial situations.

The Patels chose to name the scholarship after Kalpesh's father, Shantilal P. Patel, who was not able to pursue his aspirations of medical school as a young man due to his family's financial situation. "We decided to dedicate this gift to him as we feel a scholarship can truly change the course of a student's life, as well as take the burden off parents who want more than anything to be able to fulfill their child's dream, especially in these uncertain economic times."

The Patels believe "that the best gift one can give to a child is an education." The Patels go on to say, "We are excited to share our reason for giving with other parents, and to let them know any contribution can snowball into changing the course of a student's life, which is a powerful outcome."

NEW ENDOWMENT REWARDS EXCELLENCE IN JD STUDENTS

Michael J. Avenatti, JD '00 gave his first gift to The George Washington University Law School immediately after his graduation by establishing the Michael J. Avenatti Award for Excellence in Pre-Trial and Trial Advocacy. The award is given annually to a member of the graduating JD class for demonstrating excellence in pre-trial and trial advocacy courses. His next gift supported the renovation of the Jacob Burns Moot Court Room.



Mr. Avenatti's most recent contribution created a scholarship award—a five-year pledge for an annual scholarship combined with an endowment investment.

After five years, the endowment's investment income will fund annual scholarships. Each recipient of the Michael J. Avenatti Scholarship will be a JD student having "diverse undergraduate extracurricular achievements and demonstrated leadership qualities indicating unique potential for becoming an effective trial advocate, with particular emphasis on prior work experience. First preference shall be given to students enrolled in the part-time evening division."

This generous gift ensures that The George Washington University will be affordable and accessible to qualified law students and that once enrolled, students can and will remain at GW with the assurance that they may complete their studies even when they can afford them the least.

Mr. Avenatti is a founding partner of the Eagan, O'Malley & Avenatti law firm, based in California, representing businesses in multi-million dollar civil litigation cases. He recently expanded his support of GW Law by joining the School's Board of Advisors, saying; "As a board member, I'm hoping to do everything I can to provide the same opportunities for students at GW that I had, and to further grow GW Law School's reputation as one of the premier law schools in the country."



"I still had a substantial amount of debt from my undergraduate education and my family was not in a position to help me financially through the School of Medicine and Health Sciences. As a result, I became entirely dependent on the possibility of loans and scholarships in order to finance my medical education and realize my dream of becoming a doctor."

RAQUEL BERNIER, SMHS, 2010

GW

NEW ENDOWMENTS DURING FISCAL YEAR 2009-2010

Individual endowments represent the legacy of benevolent donors who invest for long-term growth. Their permanent legacies generate funding that influences current and future generations. Endowments make it possible year after year to attract the best faculty, students, and research to GW. For the following new endowments, we thank you.

CALLIE BARKER ENDOWED SCHOLARSHIP FUND FOR ART EDUCATION	JEFFREY AND PAMELA GROSSMAN FAMILY ENDOWMENT	PELTON AWARD FOR OUTSTANDING SENIOR PROJECT
CLASS OF 2009 ENDOWED SCHOLARSHIP FUND	KIM AND DEREK DEWAN ENDOWED SCHOLARSHIP	PRAVEL, HEWITT, KIMBALL & KRIEGER PROFESSIONAL LECTURESHIP
CLASS OF 2009 UNIVERSITY PRIDE AWARD	LINDSEY M. FERRIS MEMORIAL PAF SCHOLARSHIP FUND	RICHARD EATON FOUNDATION ENDOWED PRIZE FUND
COOK FAMILY ENDOWED SCHOLARSHIP FUND	LUCY KIM WHITCOMBE MEMORIAL ENDOWED SCHOLARSHIP FUND	SAMUEL SHERWOOD ENDOWED SCHOLARSHIP FUND
DIANE P. LUCKMANN, M.D., ENDOWED SCHOLARSHIP	LURA BRADFELD ENDOWED SCHOLARSHIP FOR WOMEN	SARA STROUSS BRODY AND DR. EDWIN RICHARD BRODY ENDOWMENT FUND
DORIS M. CARTER FAMILY FOUNDATION ENDOWED FUND FOR THE F. DAVID FOWLER CAREER CENTER	MAJOR RICARDO A. CROCKER UNITED STATES MARINE CORPS MEMORIAL AWARD FUND	SCHNEIDER-TAYLOR FAMILY ENDOWED SCHOLARSHIP FUND
DORIS M. CARTER FAMILY FOUNDATION ENDOWED FUND FOR THE GW CAREER CENTER	MANATT-TRACHTENBERG PRIZE ENDOWMENT	SHANTILAL P. PATEL SCHOLARSHIP FUND
ENDOWMENT FOR THE MARK J. PENN ARCHIVE OF PRESIDENTIAL POLLING	MANSOUR F. ARMALY GLAUCOMA RESEARCH FUND AT GW	SHESSER FAMILY ENDOWMENT IN EMERGENCY MEDICINE
EUGENE B. CASEY SCHOLARSHIP FUND	MEIR KAZMIR, M.D., PROFESSORSHIP IN HEBREW BIBLE	SIOCHAIN FOUNDATION ENDOWED SCHOLARSHIP
GEORGE W. & AURABELLE M. SHELHORSE MEMORIAL SCHOLARSHIP	MICHAEL J. AVENATTI SCHOLARSHIP FUND	THEODORE AND JAMES PEDAS FAMILY SCHOLARSHIP FUND
GEORGE WASHINGTON UNIVERSITY UNDERGRADUATE ENDOWED SCHOLARSHIP FUND	NELSON AND MICHELE CARBONELL ENGINEERING SCHOLARSHIP	TIMOTHY W. TONG FELLOWSHIP ENDOWMENT
HARPSTER-BARBEE SCHOLARSHIP	PARENTS CAMPAIGN PHILANTHROPY BOARD ENDOWED FUND TO SUPPORT THE F. DAVID FOWLER CAREER CENTER	WILLIARD E. CALDWELL CREATIVE ENDOWED SCHOLARS FUND
IRA AND ADELA SHERESSE ENDOWMENT IN THE COLUMBIAN COLLEGE OF ARTS AND SCIENCES	PARENTS CAMPAIGN PHILANTHROPY BOARD ENDOWED FUND TO SUPPORT THE GW CAREER CENTER	

STUDENTS GAIN WALL STREET EXPERIENCE IN THE CLASSROOM



The George Washington University takes pride in the hands-on experiences it offers its students and the partnerships with Washington's research, government, and cultural institutions that provide them. Through a generous gift from GW Board of Trustees Chairman W. Russell Ramsey, GWSB BBA '81, and his wife, Norma, our MBA students are getting hands-on experience with Wall Street too.

The Ramsey Student Investment Fund provides MBA students with a unique opportunity to develop practical skills in stock selection and portfolio management. Each student is assigned to one of six sector teams, conducts fundamental bottom-up research on the stocks in their sector, and presents to the class a buy and a sell recommendation. The class then votes on which recommendations to accept.

Since its inception in 2005, the Ramsey Student Investment Fund has outperformed the market with a five-year annualized return of 1.05% for the period ending June 30, 2010, versus -0.79% for the S&P 500.

It has provided students with real-world experience in investment research and analysis, and given our students a leg up on the competitive job market that awaits them after graduation. In today's global and rapidly evolving capital markets, the Ramsey Student Investment Fund is achieving its mission of providing invaluable investment experience to GW's MBA students.

ENDOWMENTS - FREQUENTLY ASKED QUESTIONS

What are the minimum endowment levels to establish and name an endowed fund?

The minimum gift required to establish a named endowment fund is \$100,000. Endowment gifts can be pledged and paid over a period of up to five years.

May a donor restrict his or her gift?

Yes, a number of donors to The George Washington University choose to restrict how their funds can be used. You can designate your gift to support a particular school or program at the University. Please contact the Development Office (202-994-9432) to speak with someone about your options.

Once established, can I continue to give to my fund?

Yes, unless you state otherwise in your Memorandum of Understanding when the gift is established, the fund can be left "open" to future gifts from you or other individuals who choose to support the fund.

When will an endowment begin generating payout that can be spent?

Once the initial gift has been received, the minimum required funding levels have been achieved, and all required paperwork has been completed, initial payout funds will become available within two to three months. Some exceptions may apply.

What percentage of endowment earnings are spent?

The amount of earnings that are spent each year is based on a spending policy, approved by the Board of Trustees, that caps spending by the rate of inflation. Over the past five years, spending from the Endowment has been, on average, approximately 5% of Endowment market value.

What is a quasi-endowment?

Quasi-endowment funds are funds functioning as an endowment that are established by the institution from either donor or institutional funds, and will be retained and invested rather than expended. The quasi-endowment must retain the purpose and intent as specified by the donor or source of the original funds, and earnings may be expended only for those purposes. Since quasi-endowments are established by the institution rather than by an external source, the principal may be expended as stipulated by the donor.

What is an underwater endowment?

An endowment fund is defined as underwater when its market value falls below the value of the original gift(s) to the institution.

What is GW's payout policy for endowed funds? Is there a policy for spending from underwater funds?

Federal and state legislation provides guidance and authority to charitable organizations concerning the management and investment of funds held by the organization. In 43 states and the District of Columbia, the Uniform Prudent Management of Institutional Funds Act (UPMIFA) governs the spending policies and protects the interests of donors who want to see their contributions used wisely. The UPMIFA, adopted by the Council of the District of Columbia, took effect on January 23, 2008, and provides institutions with the legal authority to make prudent expenditures despite having endowment funds that have asset value below their original value (underwater funds). The George Washington University currently follows UPMIFA's prudent spending standards.

How often is an endowment payout distributed?

An endowment payout is distributed monthly.

Will GW reinvest the payout to help my fund grow?

Endowment payout may be reinvested into the corpus of the fund at the donor's request, if the fund does not meet minimum required funding levels, or at the discretion of the University.



"Thank you again for your generosity and support. I hope that one day I too will have the opportunity to help other students, such as myself, achieve their goals."

DAVID FUNG, SEAS, 2010

GW

