

ENDOWMENT
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REPORT



TEXAS Law

2019-20
FISCAL YEAR
ENDOWMENT
REPORT

Warm greetings from Texas Law!

We are so grateful for the investment you have made in the Law School through your endowment. As an endowment donor, you are part of a very special group of friends. Inside this report, you will find financial information about the endowment in general and yours in particular. In addition to that information, let me add just a brief note about the Law School this year.

Our focus is always on our students' success. As you can imagine, delivering our top-tier legal education has had its twists and turns since last spring. Our alumni, faculty, students, and staff have been nothing short of phenomenal. We have been able to safely offer in-person classes for those who want them and distance learning for those who prefer or need to be off campus. With help from alumni and others, we were able to devote significant resources to assist our Class of 2020 as they graduated into bar exam uncertainty, economic disruption, and an atypical job market.

All of this is to say, it's been a year we would never have chosen. But the response in our community has been tremendous. We've never needed the investment of our alumni and friends more. On behalf of the entire Law School community, thank you. We are deeply grateful for your commitment to our mission.

If you have any questions about the enclosed report, please reach out to Susan Hartenstein, Executive Director of the Foundation, at 512-232-1493 or susan@UTLSF.org.

Hook 'em,



Ward Farnsworth, Dean
The University of Texas School of Law



YOUR IMPACT HAS JUST BEGUN...

THE POWER OF ENDOWMENTS

Income from endowments provides support to the law school year after year, augmenting its operating budget and its core priorities of financial aid, faculty excellence and legal scholarship. This support is critical in today's extremely competitive academic environment.

CONTRIBUTION OF	\$250,000	\$1,000,000
GROWS TO IN 25 YEARS	\$372,000*	\$1,487,000*
PRODUCING PER YEAR	\$10,000+	\$40,000+
FOR A TOTAL OF OVER 25 YEARS TOWARD ITS PURPOSE	\$304,000*	\$1,218,000*

* Calculated with a 5.6% growth rate (the Foundation's annualized return rate for the last ten years) and a 4% spending rate (actual returns will vary)

In this example, over a 25 year period, an endowment will distribute more than it's initial donation while that original donation continues to grow and provide support year after year thus providing continuing support to the law school in perpetuity.

TEXAS LAW RESPONSE TO COVID

185 CLASSES WENT FULLY ONLINE IN A 2-WEEK PERIOD

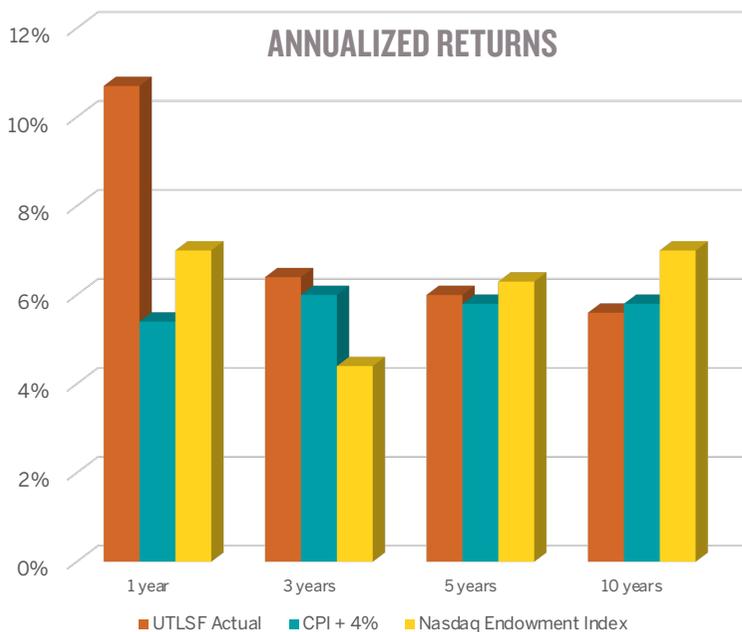
“ My first year at Texas Law, though tumultuous in many regards, cultivated the pride I have in this institution and its values. The faculty stepped up to every challenge, putting the students before themselves. And I know you, **OUR ALUMNI AND BENEFACTORS, WENT OUT OF YOUR WAY** to solve any problem placed in front of you. In sum, whether in times of plenty or times of need, this past year has been a pleasure and a success.

—Mason Taylor, 2L, Heath, TX

INVESTMENT RETURNS

Following a strong start to the fiscal year for most global markets, volatility spiked during early 2020 amid concerns related to COVID-19. Bolstered by massive stimulus programs, equity markets snapped back quickly, and most risk assets ended the year in positive territory.

Returns over the year were led by the portfolio's strong equity performance (14.1%) and fixed income allocations. The fixed income allocation provided meaningful protection during the equity market sell-off in March 2020. The liquidity of the portfolio allowed the flexibility to take advantage of opportunities when presented in the volatile market.



900 STUDENTS RECEIVED PERSONAL OUTREACH FROM ALUMNI

68 FACULTY MEMBERS ARE HOSTING THEIR FIRST-EVER SMALL 1L ADVISORY COHORTS

“Although full of challenges both expected and unexpected, my first year of law school confirmed that I am right where I belong. I thought I was done adjusting to a new classroom environment at the end of my first semester, but March saw a complete shift to online-only learning. **I COULD NOT HAVE FELT MORE SUPPORTED** by my professors and peers during that time.

—Shinjini Ray, 2L, Austin, TX

A Man with a Plan

Bruce Broillet '74 is the Chair of the Development Committee of The University of Texas Law School Foundation, a former Alumni Association president and a dedicated benefactor of the law school, as well as our foremost ambassador in Southern California. He and his wife, Norah, have generously included the law school in their estate planning.



For Bruce Broillet, the rationale for giving is simple. “There is a circle of life in the law school, and graduates should give back if they have the wherewithal to do it, to help the school and its great students.”

Broillet, one of the country's most successful trial lawyers, has long been dedicated to the law school. “I created my first scholarship at the law school more than 15 years ago, to honor my mom and dad.” Later, when the law school announced the Endowment for Excellence Fund,

What I'm doing is my part to ensure the well-being of the profession and, by extension, our world.

the Broillet family eagerly participated in that, too. “With the matching funds, I was excited to leverage my dollars to make an even bigger scholarship.”

Now, the Broillet's have included the law school in their estate planning. “Even though my wife isn't an alumna, she's as dedicated to this as I am. So many of our best friends are from UT, and even though we're spread out, we often get together for birthdays and other special occasions.”

For Broillet, his commitment to giving runs deeper than any one school. “The legal system is the mark of civilization. And law touches everything: the environment, arts, space, domestic harmony, health. Everything you can think of, there's an aspect of the law.”

What better way to help?

ENDOWMENT FREQUENTLY ASKED QUESTIONS

Who manages Texas Law's endowment?

The majority of endowment assets are held and managed by the University of Texas Law School Foundation, a separate 501(c)(3) established in 1952 by Dean Page Keeton along with alumni and friends. Fiduciary oversight for the endowment is vested in the Foundation's Board of Trustees' Investment Committee. In 2019, the Foundation hired an Outsourced Chief Investment Officer (OCIO), Prime Buchholz, to manage the endowment funds.

A smaller portion of endowment assets, those that were created with the main campus of the University of Texas at Austin, are held and managed by UTIMCO, a separate 501(c)(3) that oversees investments for the University of Texas System and the Texas A&M System.

Are endowments subject to any fees?

The Foundation charged a fee this year of 0.50% to cover the administrative costs of the Foundation. The amount of the fee is analyzed each year and the Foundation strives to keep it at the lowest level possible, instead relying on the earnings of non-endowed funds and reserves from prior years to provide the needed funds to manage the Foundation.

What is the Foundation's approach to managing its endowment?

The Foundation's primary objective is providing strong, steady returns for the benefit of the Law School. The Foundation seeks to maintain an appropriate balance between maximizing the rate of return and providing for growth of the principal, while safeguarding the monetary value of the individual gifts and their impact on the Law School programs they benefit.

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

Yes, additional contributions to an endowment can be made at any time and by any person, including gifts made through bequests and other estate planning options.

What is the spending policy on endowments?

The Foundation's Board of Trustees' Budget Committee recommends the spending (payout) policy each year. In fiscal year 2020, the Board of Trustees authorized a spending policy that allowed for a payout of 4% of the average market value of the previous twelve quarters.

For information on UTIMCO's fees or spending policy, please visit UTIMCO.org.