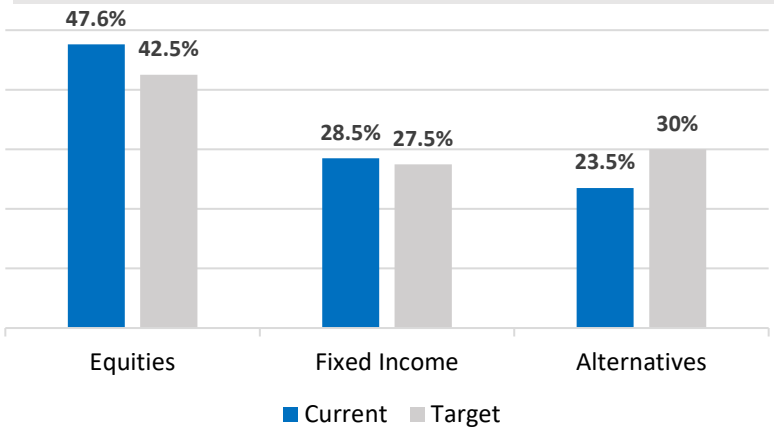
Endowment Pool Quarterly Report

UMKC | UNIVERSITY OF MISSOURI-KANSAS CITY FOUNDATION

As of March 31, 2019

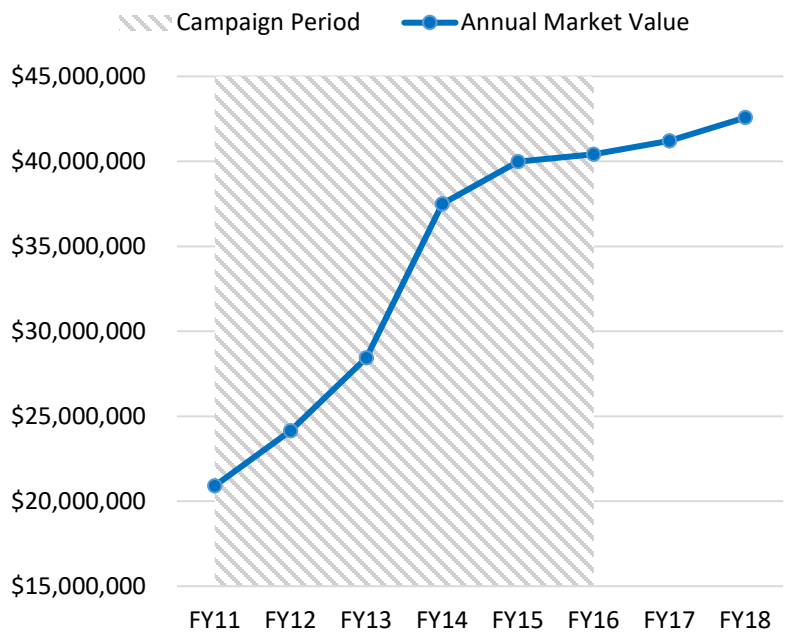
PERFORMANCE (net of fees)	QTR	YTD	1 YEAR	3 YEAR	5 YEAR
Total Endowment Pool Preliminary	(7.9)%	(4.8)%	4.31%	7.09%	4.38%
Policy Benchmark	(7.7)%	(6.4)%	-	-	-
Difference +/-	0.2%	(1.6)%	-	-	-

ASSET ALLOCATION



ASSET RANGES	MIN	MAX
Equities	20%	55%
Fixed Income	15%	45%
Alternatives	0%	35%
Cash	0%	20%

MARKET VALUE GROWTH



PURPOSE	PERCENT OF POOL
Scholarships	39%
Program Support	22%
Chairs	13%
Professorships	12%
Fellowships	6%
Other	2%
Unrestricted	2%
Faculty	1%
Lectureships	1%
TOTAL	100%

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OVERVIEW

The UMKC Foundation is a separate, but affiliated, enterprise devoted to raising funds for the benefit of the University of Missouri- Kansas City, while exercising fiduciary responsibility over philanthropic investments made to the university. The UMKC Foundation's endowment pool is essential to sustaining academic excellence, as it provides a steady source of income to support student scholarships, professorships, program support, research, and other learning opportunities at the University of Missouri- Kansas City, even in the midst of budget fluctuations and the economy as a whole. The endowment pool contains various gifts, bequests, and other funds to be held in perpetuity, and allow the university to utilize the income in conformance with donor stipulations.

INVESTMENT OBJECTIVE

The primary investment objective is to exercise fiduciary responsibility while maintaining the purchasing power of the UMKC Foundation's endowment pool to meet current and future spending requirements. The endowment pool must be managed properly in order to provide ongoing support of endowed programs in perpetuity.

INVESTMENT MANAGEMENT

Investment performance is evaluated by the UMKC Foundation Board of Directors and Finance Committee at least annually to determine whether the goals and objectives of the investment policy are being met accordingly. The investment target asset allocations are aimed at providing better returns for longevity and the benefit of the university.

SPENDING POLICY

The UMKC Foundation spending formula, used for distributions from the endowment pool, applies the distribution rate to a base of a trailing twenty-eight quarter average of the endowment's total market value as of December 31st of the prior year. This annual calculation allows for semi-annual distributions to the university, in order to align with the scholarship awarding periods in the academic year.

The spending distribution rate is in transition to be lowered from 4.5% to 4.0% over a period not to exceed the six years ended June 30, 2024, dependent upon market returns. The decrease is consistent in maintaining the purchasing power of each endowment.

An administrative fee is also assessed each fiscal year with the proceeds used to support the UMKC Foundation's development functions. The administrative fee is calculated with a rate of 1.25% to the endowment's total corpus market value as of December 31st of the prior year.

QUESTIONS

Should you have any questions regarding the UMKC Foundation's endowment investment, or would like to establish a new endowment through a gift to the UMKC Foundation, please contact Katherine Walter at (816) 235-2754 or via email at walterka@umkcfoundation.org.

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