

FISCAL YEAR 2025

ENDOWMENT OVERVIEW

The University of Tennessee's fiscal year is the 12-month accounting period that begins on July 1 and ends on June 30. This financial report is reflective of Fiscal Year 2025, which began on July 1, 2024, and closed on June 30, 2025.

As of June 30, 2025, the university's Endowment consisted of 4,360 individual endowment accounts with an aggregate market value of roughly \$1.3 billion. The total Endowment for the University of Tennessee System stood at roughly \$1.7 billion. For the twelve-month period, the Endowment outperformed its primary benchmark of "inflation plus spend," producing an estimated return of +10.0% versus the benchmark's +8.2%. Over the same period, the Global Market Benchmark produced a +13.1% return. This benchmark is a 60%/40% mix of global stocks and investment-grade bonds/cash, and it benefited from the strong, double-digit returns provided by most stock markets around the world. Fixed-income market returns were positive for the year as well, particularly credit-related assets. The only broad market segment that lagged expectations was private equity, although its returns remained modestly positive.

The Endowment takes a long-term approach to investing, and its goal is to achieve an annualized return greater than the rate of inflation plus spending, while preserving capital through a full market cycle. To that end, it implements a disciplined strategy that incorporates both active and passive management, depending on the target market or manager strategy. This approach enables the University to maintain its long-term, strategic focus and avoid the distractions of short-term market movements. It is important to note that the Endowment is broadly diversified across multiple asset classes. Consequently, over any given time period, its return may diverge significantly from popular indices such as the S&P 500, individual mutual funds, and its peers.

Spending policy is approved by the Board of Trustees and is equivalent to 4.5% of the endowment's average market value at the measurement date. The market value is calculated using a 7-year rolling average of prior quarter-end values. The use of a rolling average smooths cash distribution allocations and minimizes dramatic swings in the cash distribution amounts. Spending policy distributions support students, faculty, facilities, and programs. Many important university activities could not be achieved without the financial support from endowment funds.

**THE TOTAL
ENDOWMENT
FOR THE UT
SYSTEM
STOOD AT ROUGHLY
\$1.7 billion**

**THE UNIVERSITY'S
ENDOWMENT
CONSISTED
OF NEARLY
4,360
individual endowment
accounts**

**Aggregate market
value exceeding
\$1.3 billion**

**Many important
university
activities
could not be
achieved without
the financial
support from
endowment funds.**

IN FY25

Thank you for so generously believing in UT's mission. Because of your commitment, Volunteers receive the consistent, unwavering support that sets them on a path toward academic excellence, personal growth, and career readiness.

Your impact will be felt across generations—by the students, faculty, and programs that make this university extraordinary. Your generosity allows students to pursue their dreams and enter the workforce ready to make a difference. It fuels researchers who are making groundbreaking discoveries that improve lives in Tennessee and around the world.

Because of you, UT is a destination where students' hopes for the future take shape. The memories they make here transform their lives and even the trajectory of entire families. Your dedication and passion truly light the way for current and future Volunteers.

Go Vols!



BRIAN BROYLES
SENIOR VICE CHANCELLOR FOR ADVANCEMENT

UT KNOXVILLE ENDOWMENTS

4,360

NEW ENDOWMENTS

164

9,194

DONORS TO ENDOWMENTS

SIZE OF UT KNOXVILLE ENDOWMENT

Historical Gift Value

\$994,968,946

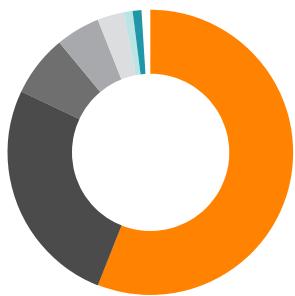
Market Value

\$1,255,858,432

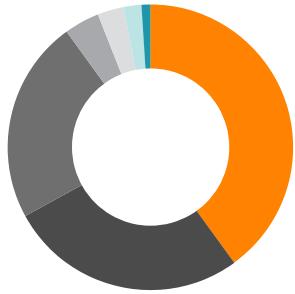
**TOTAL GIFTS IN FY25 TO
ENDOWMENTS**

\$84,188,174

| | |
|----------------------------|---------------------|
| FOUNDATIONS & CORPORATIONS | \$47,304,300 |
| ALUMNI | \$23,425,643 |
| OTHER | \$9,007,553 |
| FRIENDS | \$3,148,236 |
| FACULTY & STAFF | \$948,422 |
| PARENTS | \$245,270 |
| STUDENTS | \$108,750 |

9,194**FY25 DONORS TO ENDOWMENTS**

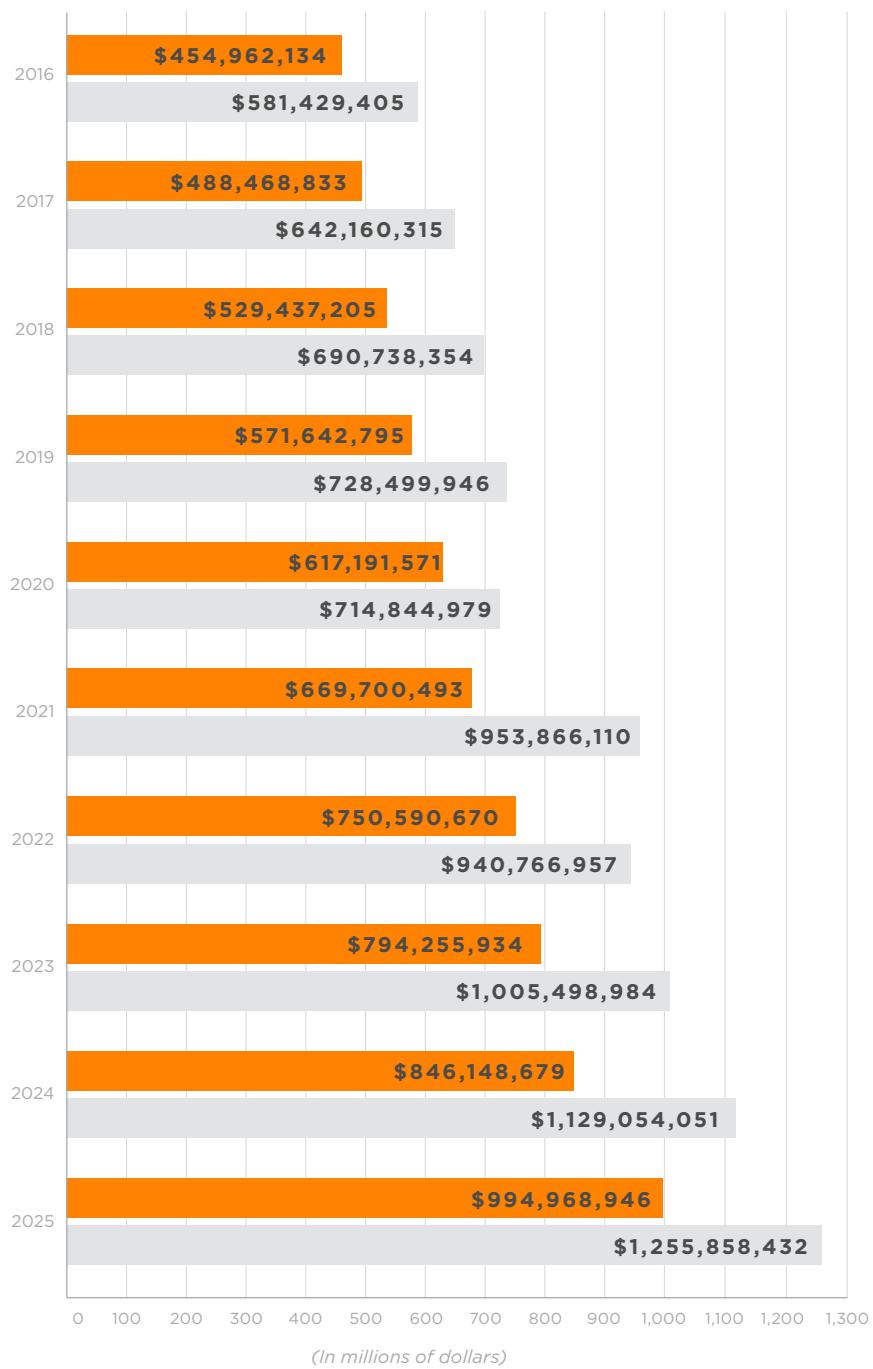
| | |
|--------------------------|-------|
| Alumni | 55.8% |
| Friends | 25.8% |
| Faculty/Staff | 7.4% |
| Parents | 5.4% |
| Corporations/Foundations | 3.2% |
| Other | 1.3% |
| Students | 1.1% |

**UT KNOXVILLE ENDOWMENT
FY25 FUNCTIONAL AREAS**

| | |
|------------------------------|-------|
| Scholarships and Fellowships | 40.4% |
| Instruction | 28.6% |
| Academic Support | 24.0% |
| Public Service | 3.6% |
| Facilities/Physical Plant | 2.0% |
| Research | 1.1% |
| Student Services | 0.3% |

ENDOWMENT ASSETS**OVER THE PAST 10 YEARS***(actual number for each year)*

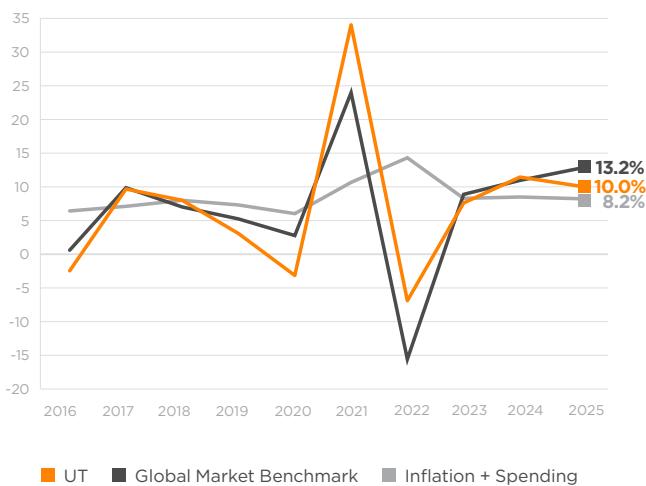
| |
|------------------------------|
| Book Value (2016-24) |
| Historical Gift Value (2025) |
| Market Value |

**ANNUALIZED
RETURNS****The Pool's inception date is 11/1990.*

| | 1-YEAR | 3-YEAR | 5-YEAR | 10-YEAR | Since inception* |
|-------------------------|--------|--------|--------|---------|------------------|
| CIP Return | 10% | 9.9% | 10.8% | 6.9% | 8.1% |
| Global Market Benchmark | 13.1% | 11.1% | 7.6% | 6.4% | 7.1% |
| Inflation + Spending | 8.2% | 8.4% | 10.1% | 8.6% | 8.1% |

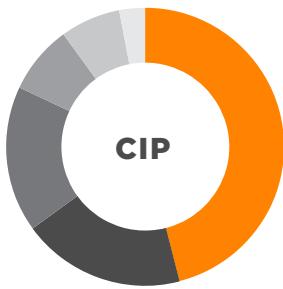
FISCAL YEAR RETURNS

OVER THE PAST 10 YEARS
(percentage fiscal year returns)



CONSOLIDATED INVESTMENT POOL

ASSET ALLOCATION BY STRATEGY



Actual

| | |
|-------------------------|-------|
| Public Equity | 46.4% |
| Private Equity | 19.1% |
| Diversifying Strategies | 16.9% |
| Real Assets | 7.8% |
| Bonds | 6.5% |
| Cash | 3.3% |

GLOSSARY

OF TERMS

Historical Gift Value represents total donor gifts and donor directed reinvestments added to the endowment as of the reporting period end. (2025)

Book Value represents the original contribution to establish the endowment plus any additional gifts and/or reinvestment added to the endowment. (2016-24)

Market Value represents the actual value of the endowment as of the specified date.

Gifts to Endowment represent donor gifts, including matching contributions, added to the endowment during the reporting period.

Income Distributions represent what was made available from the endowment to spendable cash during the reporting period to support the endowment's designated purpose.

Expended Funds represent what was spent from spendable cash during the reporting period for the endowment's designated purpose.

CIP stands for the Consolidated Investment Pool.

Policy Benchmark is a 60%/40% mix of global stocks and investment-grade bonds and cash.

Inflation + Spending is the one-year Consumer Price Index plus a constant of 5.5%.



THANK YOU
FOR INVESTING IN
VOLUNTEERS.

gratitude.