It’s the first day of the fall semester, August 21, 2017

In this moment, all over campus, 10,000 eager and nervous freshmen are trying to find their classes. They’re beginning an experience that will shape the rest of their lives.

In this moment, President Robert C. Robbins is beginning his first school day as 22nd leader of our prestigious institution. Soon, he will begin an inclusive strategic planning process that engages the entire Wildcat family and reimagines the UA’s role in our ever-evolving world.

In this moment, faculty are in labs, classrooms and workspaces around campus. They’re inventing the un-inventible. They’re expressing creativity. They’re curing diseases, consulting with patients and tackling society’s most daunting problems.

In this moment, student-athletes are practicing. Some are with their teams on the field. Others are in the gym, working out alone. Some are in class, studying hard to keep their grades up. They’re doing the unspoken, day-to-day work that makes Arizona Athletics so exciting on game day.
STORIES OF PHILANTHROPY

Individual Impact
6 Far From Home

Campus Impact
8 Remembering Norm

Community Impact
10 Tackling Poverty
12 Reinforcements for Hope

Global Impact
14 Powerful Words
16 Time to Go Big

ANNUAL & ENDOWMENT REPORT

18 A Historic Year of Giving
20 A Committed Team
22 Our Track Record
24 Flourishing Funds
26 Strategic Adjustments
28 Breakdown of our Investments
30 A Closer Look
36 The UA Foundation Leadership

Biosphere 2 photo: Edward Bass’ $30 million investment in Biosphere 2 exemplifies how big things continue to happen at the UA.

Photo: Clarissa Becerril

AVP Marketing And Communications
Liz Warren-Pederson

Writers
Cory Aaland, Alexis Blue (UA News),
Jeffrey Javier, Katy Smith

Cover Photo & Design
Clarissa Becerril

Get In Touch
Email comments, questions or feedback to:
communications@uafoundation.org

For assistance with giving to the UA,
email donorservices@uafoundation.org or call 520-621-5491

©2017 University of Arizona Foundation
Arizona NOW, the UA’s most ambitious and comprehensive campaign, concluded in the past year. You went above and beyond the goal, raising $1.59 billion for students, faculty, programs and partnerships. On the heels of this accomplishment, friends and alumni continue to step up. The most recent fiscal year was the second-highest fundraising year in UA history. Generosity is making the UA stronger in every area.

“As a Phoenix resident, I’m excited that the biomedical campus continues to expand and enhance the UA’s presence in the Phoenix metropolitan area, opening an exceptional higher education path to many more Arizonans. This was an especially exciting year. The College of Medicine – Phoenix gained full accreditation, the Biomedical Sciences Partnership Building opened and the Eller College of Management expanded its footprint.”

“We’re seeing data science and computer science being incorporated with physical and even biological science. We have driverless cars and implanted devices improving human health. Space sciences are informing how we grow food. In this environment, we’ve got to differentiate ourselves from other institutions around the world. I think with our particular strengths, we’ll be able to do that.”

Leading our moment

Your support has brought us to this moment, our moment, a vantage point revealing the value of our achievements and the promise of what’s to come.

We’re grateful to you and excited to propel the University of Arizona to even greater heights.

John-Paul Roczniak
President & CEO
The University of Arizona Foundation

Richard H. Silverman
Chair
The University of Arizona Foundation Board of Trustees

Robert C. Robbins
President
The University of Arizona
University of Arizona students and faculty are partnering with an Italian town to create a museum and exhibition center showcasing the area’s storied history, including a period when citizens fought a devastating disease outbreak with witchcraft.

Architecture students will design, create and install exhibitions for Lugnano in Taverina, an hour north of Rome. They’ve begun the design phase on location, giving junior Miranda Stevens her first experience studying abroad.

“It’s a great opportunity to situate real-world experiences in the context of our studies,” she said.

“I believe the lessons we take away will change the way we approach school projects. We will work within the constraints of an existing building for the first time and will be asked to design to a level of detail we may not have been able to achieve previously.”

The Lugnano Villa Archaeology and Restoration Project was conceived by David Soren, a UA Regents’ Professor of Anthropology and Classics. He’s co-leading the effort with architecture lecturer Darci Hazelbaker.

Since 1986, Soren has worked on archaeological excavations in the area. Analysis from his finds reveals that, in the fifth century, Lugnano was hit hard by “blackwater fever” malaria, which is particularly deadly to infants and unborn children.

Evidence suggests the desperate residents turned to traditional black magic. Findings included two cauldrons filled with ash from possible offerings, as well as burials with toads and raven’s claws — common weapons of witchcraft against disease and evil.

This semester, Hazelbaker, Stevens and 15 additional students are in Lugnano documenting artifacts and meeting locals to discuss their expectations for the project to revitalize tourism. Once they return, a new group of students will take over. Installation should be completed in summer 2018, Hazelbaker said.

The project is being funded, in part, by a grant of €170,000 (about $187,000) from an Italian consortium of towns that includes Lugnano. An additional $50,000 to restore the roof of a church that will house the exhibit came from the Tucson-based Joseph and Mary Cacioppo Foundation.

“I’m sure I speak for everyone when I say we are humbled by the fact that the Lugnano community members are trusting us with a project so historically significant to their town,” said Stevens.

– Alexis Blue and Katy Smith
Norman McClelland’s, and his family’s, legacy extends far beyond the halls and classrooms of McClelland Hall and McClelland Park, which the Eller College of Management and the Norton School of Family and Consumer Sciences, respectively, call home.

McClelland’s support stemmed from his experiences at the University of Arizona, where he earned dual bachelor degrees in agriculture and business administration, and his close tie to his sister Frances, who also graduated from the UA and co-led with Norman the family-owned Shamrock Foods Company.

“What stood out to me about him was how much he really cared about Frances,” said Andrea Romero, director of the Frances McClelland Institute for Children, Youth and Families. “And he prioritized the family relationships in his life, which was a philosophy he applied to his business.”

McClelland served as CEO of the Shamrock Foods Company for 45 years, after which he was chairman until his passing in July at the age of 90. Founded in 1922, the company is now one of the top privately held companies in the United States and one of the top 100 employers in Arizona.

Romero said much of the research conducted at the institute would not have been possible without the McClellands’ support. She added that Norm was particularly invested in research about fathers and their role in parenting.

“A lot of research in the past emphasized the mother’s role but with Norm’s support, we are developing a better understanding of the father’s role in family dynamics and the significant impact they have on the health and well-being of children,” Romero said.

Less than a mile north on Park Avenue from McClelland Park is McClelland Hall. Kenneth Smith, the Eller Distinguished Service Professor of Economics, was the dean of the Eller College when McClelland Hall opened in 1992.

When it was decided that the college needed to raise half of the $19 million cost for a new building, it was Norman and Frances who donated the lead gift of $2.5 million. The siblings also established endowed funds at the college, such as the McClelland Family Endowment for Faculty Excellence and the Frances McClelland Chair in Accounting.

Norman strongly believed in supporting faculty so that the college could attract and compete with other business schools around the country.

“McClelland Hall has become a place where students come through on their way to a successful career and faculty make their mark for innovative research,” Smith said.

— Jeffrey Javier
tackling poverty
WITH COMPASSION & DATA

“We start with a premise that everyone has a story, and it’s up to us to hear them.”

Assistant professor Brian Mayer is director of the Tucson Poverty Field Workshop, a community partnership and sociology course through which undergraduates gather nuanced data on how and why Tucson residents struggle with poverty.

Over the past six years, University of Arizona students have collected around 1,500 stories through knocking on doors and asking people to talk for an hour or two.

“We’re able to get at deeper causes and consequences. We ask about daily challenges with food and rent — things that are of real interest to nonprofits, that can help them understand their potential clientele better and improve their service delivery,” said Mayer.

Since 2014, three organizations have funded the workshop’s costs and worked with Mayer to shape its research focus areas. Habitat for Humanity Tucson, Community Food Bank of Southern Arizona and Community Foundation for Southern Arizona pledged to provide $5,000 each for three years. All three agencies have now agreed to three more years of partnership starting in 2018.

“This longitudinal data is something that’s really been missing. It’s critical for us,” said T. VanHook, CEO of Habitat for Humanity Tucson, adding that the findings have helped refine Habitat’s outreach strategy.

VanHook, as well as Mayer and the large audiences who have turned out for community forums where the students present their findings, have all been surprised to learn that more than half of respondents who qualify for benefits don’t receive them.

This kind of insight goes to show we still have something to learn about poverty, said Mayer.

“We know a lot, but here in Tucson we haven’t been able to move the needle. We’ve been at 25 percent or higher now for 10-plus years. There is something out there we don’t know yet that can really help people,” he said.

Additional private support would help expand and improve the program, Mayer said. His ultimate goal is to build on the Tucson Poverty Field Workshop’s success by developing a follow-up course in which students have access to a pool of resources they could use to develop creative real-world solutions.

— Katy Smith

PHILANTHROPY AT THE UNIVERSITY OF ARIZONA | 11
A cancer diagnosis can’t be easy for anyone. But some patients living within the University of Arizona Cancer Center’s catchment area confront more treatment obstacles than others.

For many in this 389-mile-wide stretch along Arizona’s southern border, poverty, depression, difficulty communicating with health care providers, and the need to drive hours for appointments compound the challenges of accessing treatments.

That’s why the UACC tailors support services such as resource and provider coordination, psychological and psychiatric care, and help with survivorship transitions to the needs of underserved patients, said Heidi Hamann, associate professor in the UA departments of Psychology and Family and Community Medicine.

Thanks to a nearly $2 million grant from the Merck Foundation, those efforts will grow and integrate more closely with campus and community partners.

The Merck Foundation selected the UA as one of six health systems to participate in the Alliance to Advance Patient-Centered Cancer Care. The foundation committed $15 million over five years to support the alliance — an initiative designed to increase access to patient-centered care and reduce disparities in cancer care among vulnerable populations.

“I’m very grateful. These are aspects that are so crucial for the entire care process, and the award allows expansion and greater coordination,” said Hamann, the grant’s principal investigator.

Treating patients’ depression is among the most important care aspects, said Dr. Karen Weihs, the UACC’s medical director for psychosocial oncology services.

“People who are depressed don’t live as long. There’s now very good evidence that depression has all sorts of bad impacts on the cancer treatment itself,” said Weihs, who has researched and developed evidence-based treatment models for cancer patients.

With the Merck Foundation funding, Weihs hired a bilingual depression care manager to better serve UACC patients who speak Spanish exclusively. The new hire not only uses their native language, she’s also knowledgeable about the cultural diversity of Arizona’s Hispanic community, Weihs said.

The grant will increase patients’ access to additional Spanish-speaking advocates and fund expanded communication training for UA medical students. It also deepens existing collaborations with community partners, including El Río Community Health Center and the Arizona Community Health Workers Association.

The program will affect thousands of patients in Southern Arizona over the next five years, some through direct interventions and some indirectly through enhanced communication with health care providers, said Hamann.

Assessing improvements in patient outcomes is an important part of the project, she said.

“The goal is to report the results in traditional academic papers, but also more broadly. Working with our community partners will help with that,” said Hamann.

– Katy Smith

ABOUT THE MERCK FOUNDATION

The Merck Foundation is a U.S.-based, private charitable foundation. Established in 1957 by Merck, a leading global biopharmaceutical company, the Foundation is funded entirely by the company and is Merck’s chief source of funding support to qualified non-profit charitable organizations. Since its inception, the Merck Foundation has contributed more than $80 million to support important initiatives that address societal needs and are consistent with Merck’s overall mission of inventing for life by bringing forward medicines and vaccines for many of the world’s most challenging diseases. For more information, visit merckgiving.com.
The University of Arizona Poetry Center’s visitors can expect to be surrounded by 50,000 books of poetry or approximately 3 million individual poems. That’s a staggering volume of ideas, said Jim Walsh.

“In some cases, something as short as a sonnet or haiku can express something that would take an entire book to convey,” said Walsh, who has been involved with the center since the early 2000s and is now co-chair of its Development Council. He sees the Poetry Center as a valuable resource for the Tucson community, a place where the art of poetry can be maintained and nurtured.

“Poetry as an expression of the human spirit is older than science and a way for people to express their views and observations of their relationship to the world around them,” he said.

The Helen S. Schaefer building, named after the eponymous Tucson arts advocate and co-chair of the Poetry Center’s Development Council, brought the entire collection together. Before the building opened 10 years ago, much of the center’s collection was stored in separate buildings and inaccessible to the public.

“The Helen S. Schaefer building not only serves as the roof over our heads, it has also helped significantly expand our literary programs and community collaborations,” said Tyler Meier, executive director.

Today, thanks in large part to donors who contributed to the building and Poetry Center programs, the public can access every book of poetry and attend a variety of events. The Poetry Center’s Reading and Lecture series has featured many renowned poets and writers, including Lucille Clifton, W.S. Merwin, Joy Harjo, Robert Creeley and Alberto Ríos.

In November, through funding from the Ford Foundation, the Poetry Center will host the Poetry Coalition, a national group of peer poetry organizations working to promote the value poets and poetry bring to the culture.

“We’re thrilled to be able to host this group of leaders working in the vanguard on behalf of poets and poetry,” said Meier. “I can’t imagine a better way to celebrate the 10th anniversary of the Helen S. Schaefer building.”

Last fall, the Poetry Center’s supporters came together in raising $250,000 to name its onsite guest poet accommodations for Lois Shelton, a beloved former director of the Poetry Center. The campaign pushed the center’s program endowment past the $1 million mark. The funds will support programs like the Reading and Lecture Series and other youth and community programs.

– Jeffrey Javier
"Think about where we are in this moment on Earth," said Joaquin Ruiz, director of Biosphere 2, UA vice president for innovation and dean of the College of Science. "We have a problem that we are creating, a problem driven by population explosion. How will we feed everyone, provide access to clean water, manage energy needs, address environmental issues?"

Answers are coming from researchers working in the largest closed ecological system in the world, Biosphere 2. The facility, completed in 1991 and initially run as a private enterprise, has been operated by the University of Arizona since 2007.

Now, a new, $30 million commitment from environmentalist Edward P. Bass — who has been involved with Biosphere 2 since its inception — ensures it will continue as a unique experimental apparatus for work addressing grand challenges affecting our quality of life on Earth.

"Our individual and collective actions as a species directly affect the planet," said Bass. "The UA is ideally suited to make the best and most use of Biosphere 2's resources and its potential to benefit long-term well-being on Earth."

Columbia University managed research at Biosphere 2 for seven years. "Over the last decade, we've expanded the efforts that Columbia began," Ruiz said. "Under UA's leadership, scientists continue to explore new and innovative ways to use Biosphere 2 as a bridge between smaller scale, highly controlled laboratory experiments and observations and field observations and experiments," Bass said. "The LEO experiment is one example of the UA's inventive use of Biosphere 2."

LEO, the Landscape Evolution Observatory, is the world's largest laboratory experiment in interdisciplinary earth sciences. "Under controlled conditions, we're studying questions that are hard to answer in the real world," said Peter Troch, science director of Biosphere 2 and professor of hydrology and water resources. "For example, how do ecosystems respond to climate change?"

"People use the term sustainability when thinking about these problems, but we're concerned with the issue of the future: resilience," Ruiz said. "Changes are coming. These changes involve the possibility of running out of water, running out of energy, running out of food. These are the areas Biosphere 2 scientists will be engaged in understanding and ameliorating over the next 10 years."

— Liz Warren-Pederson

GLOBAL IMPACT: Workers install some of the 67,000 sensors contained in the Landscape Evolution Observatory, or LEO, the world’s largest laboratory experiment in interdisciplinary earth sciences.

A SHARED INVESTMENT
Ed Bass’ commitment to Biosphere 2 includes two endowed faculty positions that are amplified by the Eminent Scholars Program. This state funding allows the endowed funds to grow for five years by providing the value of the endowment payout directly to Biosphere 2, while the actual payout is reinvested in the endowment fund.
Dear supporters and friends,

Our transparency in this report is unmatched in the endowment world.

We detail our strategy, positioning, managers, and detailed performance results because we believe it is important for you, our donors and stakeholders, to have this information. You have given your hard-earned dollars for the perpetual benefit of the University of Arizona, and we want you to know these important specifics about your investment.

Your ongoing support of our endowment is critical to the continued excellence of the University of Arizona. If you have established an endowment, we ask that you consider adding to it this year. If you have not established an endowment, we ask that you consider doing so, or consider adding to an existing endowed fund supporting your area of interest at this great institution.

Please let us know should you have any questions on this report or if you have a suggestion on how to improve our report to you next year.

On behalf of the University of Arizona Foundation and its board of trustees, thank you.

Sincerely,

Craig Barker
Sr. VP Financial Services, CFO, CIO
University of Arizona Foundation
The year just completed marks our 14th managing the endowment. The Investment Committee dedicates the first meeting of each fiscal year to consider the target allocations for each asset class. These recommended targets are then presented to our Board of Trustees for approval; approved targets are published in Exhibit B to our Investment Policy Statement, which you can find at www.uafoundation.org/investmentpolicy. The Committee works throughout the year to maintain and/or reach our target allocations.

The Investment Committee and Board first engaged an independent investment consultant in 2006 to serve as an extension of our staff. Since July 1, 2013, we have worked with the Fund Evaluation Group (FEG). FEG provides services to institutions with approximately $58 billion in assets and has significant expertise in university endowments and deep expertise and research teams in alternative asset classes.

In addition to the Committee members, various trustees will from time to time participate in the Committee process. We would like to thank Karl Eller (Chairman and CEO, the Eller Company) for his continuing participation during fiscal year 2017.

We would like to thank departing member Joan Sweeney for her five years of service to the Investment Committee, the past four as Committee Chair. Joan has worked tirelessly, first as the Chair of the subcommittee whose work culminated in the selection of FEG as our independent investment consultant, then as the Chair of the subcommittee assessing the structure and operations of the Investment Committee, and finally as Committee Chair. Her expertise in capital markets (especially private equity and private credit) was invaluable as we continue building out our portfolio as described later in this report.

We would like to welcome John Payne as the Chair of the Investment Committee, and look forward to his leadership.

Investment Committee

Craig Barker
Sr. VP Financial Services, CFO, CIO
The University of Arizona Foundation

Gregg Goldman
Senior Vice President Business Affairs & CFO
The University of Arizona

Thomas Keating
Chairman
Trailhead Ventures LLC

Steve Kelly
Assistant Director Investments
The University of Arizona

Allan Norville
President & CEO
Financial Associates Inc.

John Payne
President and CIO
Sterling Investment Management

Peter W. Salter
Salter Labs

Sarah Smallhouse
President
Thomas R. Brown Foundations

Joan Sweeney
Chair
Retired

Kerry Tyler
Managing Director and COO
Lone Pine Capital

Our goal in managing the endowment is straightforward:

To manage the assets such that the return exceeds the "Hurdle Rate" (the sum of the Payout and the Endowment Fee) so the endowment principal is able to grow and fund in perpetuity the activities our donors envisioned when they made their gifts. In establishing this goal, our Investment Committee defines the primary risks to the endowment as (1) the failure to achieve our goal over a full market cycle, (2) volatility of returns, and (3) permanent loss of capital.

The Payout is the annual distribution from the endowment for the account’s purpose and is equal to 4% of the average fair value of the endowment principal at the three prior calendar year-ends. The Endowment Fee is the amount reimbursed to the Foundation for administering and providing stewardship to the endowment; the Endowment Fee was 1.35% of the fair value of the endowment principal in fiscal year 2017. Our Investment Committee and Board of Trustees set the Payout and Endowment Fee each year after considering a number of important factors. We invite you to review these factors, as well as all other aspects of our policies and practices, in our Investment Policy Statement. One other important term: Historic Dollar Value, which is the sum of all gifts received into an endowment fund since its creation.

CONGRATULATIONS

Two individuals integral to our investment process have received recognition from Chief Investment Officer Magazine.

Nolan Bean, FEG: Nolan was named a 2017 Knowledge Broker, one of the 10 most influential investment consultants, “people tasked with identifying the best investment managers and financial firms, as well as how to put them all together in a portfolio that will perform well.”

Craig Barker, UAF: Craig received the CIO Industry Innovation Award for Foundations in December 2016.

“Joan Sweeney did a fabulous job as our chair. The UA Foundation was very fortunate to have someone with her unique skills serve in this position. Among many contributions, Joan was instrumental in expanding the Foundation’s portfolio into alternative investments. One of my goals as chair is to leverage the expertise of our committee members to continue to foster opportunities for our investments to evolve during dynamic financial market conditions.”

– John Payne
As endowment investing is a perpetual endeavor, it is best to measure the success of such a program over the very long term. The combination of a long time horizon and high return target translates into a portfolio that requires a greater allocation to risk assets to meet its long-term objectives. We balance this need with investment tools designed to help protect capital in down markets.

This approach has served the Foundation well; our performance for the 14 years ending June 30, 2017 is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Return Before Hurdle Rate</th>
<th>Return After Hurdle Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>14.61%</td>
<td>14.50%</td>
</tr>
<tr>
<td>2005</td>
<td>12.49%</td>
<td>12.49%</td>
</tr>
<tr>
<td>2006</td>
<td>12.31%</td>
<td>12.31%</td>
</tr>
<tr>
<td>2007</td>
<td>15.53%</td>
<td>15.53%</td>
</tr>
<tr>
<td>2008</td>
<td>1.60%</td>
<td>1.60%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Return Before Hurdle Rate</th>
<th>Return After Hurdle Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>8.85%</td>
<td>8.85%</td>
</tr>
<tr>
<td>2010</td>
<td>7.18%</td>
<td>7.18%</td>
</tr>
<tr>
<td>2011</td>
<td>7.23%</td>
<td>7.23%</td>
</tr>
<tr>
<td>2012</td>
<td>10.63%</td>
<td>10.63%</td>
</tr>
<tr>
<td>2013</td>
<td>(3.51%)</td>
<td>(3.51%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Return Before Hurdle Rate</th>
<th>Return After Hurdle Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>(17.68%)</td>
<td>(17.68%)</td>
</tr>
<tr>
<td>2015</td>
<td>9.10%</td>
<td>9.10%</td>
</tr>
<tr>
<td>2016</td>
<td>16.27%</td>
<td>16.27%</td>
</tr>
<tr>
<td>2017</td>
<td>(0.30%)</td>
<td>(0.30%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Return Before Hurdle Rate</th>
<th>Return After Hurdle Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>14.50%</td>
<td>14.50%</td>
</tr>
<tr>
<td>2015</td>
<td>0.80%</td>
<td>0.80%</td>
</tr>
<tr>
<td>2016</td>
<td>(3.60%)</td>
<td>(3.60%)</td>
</tr>
<tr>
<td>2017</td>
<td>9.40%</td>
<td>9.40%</td>
</tr>
</tbody>
</table>

Our return before the Hurdle Rate in fiscal year 2017 was 9.46%, our strongest year since 2014. Context is provided by the performance of a number of important benchmarks in fiscal year 2017:

- Russell 2000 Index
- MSCI Emerging Markets Index
- MSCI ACWI ex-U.S. Index
- S&P 500 Index
- HFRI Equity Hedge Index
- FTSE NAREIT Global Index
- Barclays Ag. Bond Index
- Barclays U.S. TIPS Index
- Bloomberg Commodities Index

Our average return for the 14 years ending June 30, 2017 before the Hurdle Rate was 6.81%, while the average return after the Hurdle Rate for the same period was 1.81%. This means that our model portfolio was able to achieve our goal of beating the Hurdle Rate and providing a level of inflation protection to the endowment corpus during the 14 year period.

We believe it is important to maintain a highly diversified portfolio, tilting toward opportunities as they present themselves. The period since March 2009 has been a very difficult one for a diversified approach such as ours, as the unconventional monetary policies of the Federal Reserve have continued to drive U.S. equity markets, U.S. Treasury markets and the U.S. dollar ever higher and made investments outside of these three asset classes appear unwise. These policies have also made it appear as if a passive investment approach is the right one for almost every asset class, that a growth orientation is superior to a value orientation, and that certain hedge funds no longer have a place in a portfolio. At some point, when these unconventional monetary policies end (that they are still in place more than eight years after the global financial crisis is shocking), we believe these trends will reverse.

*Using values received by July 20. Using performance information received through September 15, FY 2017 performance was 10.0%.
Palo Alto Healthcare was added to the portfolio in fiscal 2011 as a part of our effort to improve the positioning of our long/short equity allocation. In 2015 we reclassified Palo Alto to our U.S. small equity allocation to better reflect their approach. Palo Alto specializes in health care investing with an edge in that practicing medical doctors are members of their investment team. Palo Alto was the No. 1 performer in the pool in both 2015 and 2014 and the No. 5 performer in 2012, and outperformed the Russell 2000 index by nearly 23 percentage points net of fees in 2017.

The Children’s Investment Fund was added to the portfolio on July 1, 2016 as one of two new managers in our International Large Cap Equity allocation that (1) runs a concentrated portfolio, (2) hedges currency exposures, and (3) has a track record of outperforming their index. Portfolio manager Christopher Hohn has an impressive 20-year track record of significantly outperforming his benchmark, and TCI outperformed its benchmark by nearly 12 percentage points net of fees in 2017.

Lancaster European Equities was added to the portfolio on June 1, 2016 as a part of the repositioning in International Large Cap Equity noted above. Portfolio Manager Matthew Wood made a strong post-Brexit recovery and outperformed his benchmark by nearly 6 percentage points net of fees in 2017.

GMO Emerging Markets is the longest-held fund in our portfolio, added in September 2003. It was also a top performer in 2011 (No. 3), 2010 (No. 6), 2007 (No. 1), 2006 (No. 2), and 2005 (No. 1). The Emerging Markets Fund outperformed the MSCI EM index by 40 basis points in the year. Our relationship with GMO (Grantham, Mayo, Van Otterloo & Co. LLC) was the first strategic partnership we formed when we moved to the model portfolio approach in August 2003. GMO is the largest manager in the endowment with 13% of the endowment in six different strategies.

RWC Frontier Markets entered the portfolio as Everest Frontier Markets Fund in 2014, then transitioned to RWC Frontier Markets in 2015. RWC invests in fast-growing and early stage frontier markets such as Bangladesh, Pakistan and Vietnam. RWC outperformed the MSCI Frontier Markets index by nearly 4 percentage points in the year.

PIMCO Research Affiliates Enhanced International, which was formerly known as the Research Affiliates Enhanced International Large Fund, added to the portfolio in 2009, was the No. 3 performer in 2014. The fund outperformed the MSCI EAFE index by 240 basis points in the year. Our relationship with Research Affiliates began in October 2004 with our investment in the PIMCO All Asset Fund, which they sub-advice. It was the second strategic partnership we formed and accounts for 9% of the endowment in five different strategies.

“The top performing funds highlight the strategy employed, which focuses on investing globally with best in class active managers (Childrens, Lancaster), exploiting opportunities in niche inefficient markets (Palo Alto, RWC), and a value oriented approach of buying assets when they are on sale (GMO and PIMCO).”

– Nolan Bean, CFA, CAI, Fund Evaluation Group, LLC
Continued moving toward a “flatter” portfolio. Since hiring FEGs as of July 1, 2013 we have been moving our model portfolio targets toward FEGs’ “flattened” portfolio targets. Such a portfolio maintains an equity bias, but recognizes the fact that exceptional U.S. equity returns have significantly reduced the likelihood of such returns going forward. The Cyclically Adjusted Price/Earnings Ratio (CAPE) for U.S. Large Cap Equities is currently 29.9X, which is in the 96th percentile (has only been more expensive 4% of the time). This contrasts with the CAPE for Emerging Market Equities, where we have a higher allocation, of 1.4X and in the 25th percentile.

Accordingly, it is important to spread our risks more equally across the four major asset categories: (1) Global Equity (target of 42%) which consists of U.S. and international equity, long-short equity, and private equity; (2) Global Fixed Income/Credit (target of 15%) which consists of U.S. Rate Sensitive investments, U.S. Credit Sensitive investments, and International Fixed Income; (3) Real Assets (target of 25%) which consists of public and private real estate, TIPS, Gold, Timber/Agriculture, and Commodities/Energy; and (4) Diversifying Strategies (target of 20%) which consists of Mean Reversion, Tactical Asset Allocation, and Low Volatility Hedge.

Steps taken toward the “flatter” portfolio in fiscal year 2017:

- **Equities:** Reduced our targets for U.S. (by 1%) and international developed (by 3%) equity and increased our target for private equity (by 2%).
- **Global Fixed Income/Credit:** Increased our target for credit sensitive investments (by 3%) and reduced our target for international fixed income (by 1%).

**Added a new Emerging Equities manager.** On December 1 we invested $10 million with New Horizon, an Indian long-only equity manager, to further complement our exposure to emerging market equities. We continue to believe emerging equities offer the most compelling future returns. We believe a manager with deep expertise in Asia can add valuable insight to our portfolio.

**Expanded our commitments to venture capital and added our second growth equity manager.** In February we committed $6.5 million to RRE Ventures VII, the leading venture firm in New York City, which is now the second-largest venture capital market in the U.S. RRE is our sixth venture/growth equity manager, and we are targeting a total of seven such managers in the near term.

In December we committed $6.5 million to Summit Partners Growth Equity IX, our fifth venture/growth equity manager. Summit is an independently owned firm that invests in growth opportunities in the technology, healthcare and business services industries.

Finally, we added two commitments with existing managers. In January we committed $6.5 million to Menlo Ventures XIV and in May we committed $5.5 million to Atlas Ventures XI.

**Added a new commitment to an existing international private equity manager.** In May we committed $6.5 million to Asia Alternatives Fund V, our fifth commitment with this firm. Asia Alternatives is independently owned and targets investments in Asian-focused venture capital, growth equity, buyout and special situations funds. We have four international private equity managers with a target of seven such managers in the near term.

**Finalized our roster of private real estate managers.** In August we committed $6.5 million to participate in the final closing of Parallon Real Estate II. Parallon will invest in real estate in the U.S. with an emphasis on office, retail, multi-family and industrial properties.

In September, we expanded our relationship with Westport Capital Partners by committing $6.5 million to New Cold, which began as an investment in Westport Capital III (in which we invest). New Cold is an automated cold-storage and logistics platform with operations across Europe, Australia and the U.S.

**Finalized our roster of Commodities/Private Energy managers.** In September we further diversified this allocation by committing $6.5 million to Rockland Power III, an independently owned firm focused on the acquisition, restructuring and development of power-related assets in North America.

Also in September, we liquidated our holding in a commodity ETF we were using as a place-holder (PowerShares DB Commodities Index) and invested in the Elkhorn Fundamental Commodity Strategy ETF (RCOM). RCOM is sub-advised by Research Affiliates, one of our strategic partners as noted earlier in this report.

Finally, in March we made a $6.5 million commitment to Edge Natural Resources II, our second commitment with this leading private energy manager.

**Added New Credit-Sensitive investments.** In September we made a second mezzanine debt manager and committed $6.5 million to Merritt Capital VI, an independently owned firm. Similar to our first mezzanine manager (Falcon), Merritt’s long tenure in the asset class means they are able to generate significant proprietary deal flow.

In September we also invested $10 million in Marble Ridge Offshore, which launched in 2016 as a value-oriented, opportunistic distressed fund investing across the capital structure. Marble Ridge won the 2016 New Fund of the Year Award from Absolute Return Magazine.

**Added a third Long/Short Equity manager.** We invested $10 million as of January 1 with Highfields Capital, a value oriented hedge fund that is typically hard closed. Highfields has a track record of excellence since it was launched in 1998; even though we were fully allocated to long-short equity at the time, the opportunity to invest with Highfields warranted moving into an overweight position in this asset class.

**Committed to a fourth Low Volatility Hedge manager.** We committed $15 million to Elliott International in connection with Elliott’s spring capital raise. Similar to Highfields, the opportunity to commit to a manager with a 40-year track record of excellence warranted moving into an overweight position, even though we are fully allocated in low volatility hedge. We will be opportunistic, rather than target-driven, when we have an opportunity to add exceptional managers to the portfolio.

**Added a new Agriculture manager.** In August we added a second manager to our timber/forestry allocation by committing $6.5 million to Homestead Capital USA Farmland. Homestead focuses on high quality farmland in four regions of the U.S.: Midwest, Mountain West, Pacific, and Delta. Homestead is a nice complement to our investment in GMO Farmland Optimization, which has significant international holdings.

**Replaced our REIT manager.** We believe it is appropriate to concentrate our holdings with strategic partners; this belief makes us fairly unique among institutional investors. In May we replaced Cohen & Steers Global with DFA Global Real Estate Securities as our public real estate manager. This is our fifth investment with DFA, and these five investments account for 12% of our endowment pool.

**Maintained the Payout rate at 4%.** Our Investment Policy Statement and Arizona law require us to specifically address a number of factors each year when setting the Payout Rate. A Payout Rate should not be adjusted each year to reflect the return achieved in the previous year, but should be a rate which provides “intergenerational equity” (the beneficiaries of today should not benefit at the expense of the beneficiaries of tomorrow, and vice-versa). We believe the 4% rate declared for fiscal year 2018 is the rate which gives us the best chance to achieve that equitable result. After considering all the factors required in our Investment Policy Statement, the Endowment Fee was maintained at 1.35% for fiscal year 2018.

The Investment Committee receives reports from selected managers during its meetings throughout the year. Reporting managers in 2017 included:

- **Julia Coronado**, Graham Capital, Chief Economist
- **Arjun Divecha**, GMO, Chairman and Head of Emerging Equities Research
- **Jason Kezelman**, PIEMCO, Executive Vice President
- **John West**, Research Affiliates, Managing Director
- **Abigail Mason**, Kaxip & Company, CID
- **John Baschab**, Scout Energy Partners, Managing Director
- **Melissa Ma**, Asia Alternatives, Co-Founder and Managing Partner
Breakdown of Our Investments

Our portfolio was constructed using the following investment beliefs:

1. Downside protection matters. Our portfolio must be constructed to protect capital in difficult markets. "It's more important to ensure survival under negative outcomes than it is to guarantee maximum returns under favorable ones."¹ Charles Ellis, a well-known financial author and longtime chairman of the Yale Investment Committee, said: "If you avoid large losses with a strong defense, the winnings will have every opportunity to take care of themselves."² We will not take additional risk simply to keep pace with other endowments, but will only take on more risk when market conditions warrant.

2. There are no cheap asset classes. As a result, it is extremely important for our portfolio to remain highly diversified.

3. We need to make meaningful allocations to private equity, diversifying strategies and real assets to achieve our goal.

4. We maintain a value orientation in our equity portfolios, as we believe a combination of value and quality will win over the long term.

5. Economist Harry Markowitz is correct. Portfolio diversification provides investors with a "free lunch" in that a given level of return can be achieved with lower volatility. Moving toward a "flatter" portfolio is a key component of how we are building additional portfolio diversification.

6. It is important to have a meaningful allocation to funds which can quickly move between and within asset classes. As a result, we have designated 10% of our pool for managers in the mean reversion and tactical asset allocation spaces.

FEG’s Asset Allocation Analysis showed our 2017 model portfolio was expected to provide a total annual return of 7.9% with a standard deviation of 15.3% over a 10-year period. Standard deviation is a measure of the variability of returns around the mean; the higher the standard deviation (potential variability), the higher the potential risk.

Global Equity

A CLOSER LOOK

Asset Class Review

43.1% of the portfolio at June 30, 2017; 2017 return of 15.8% vs. the MSCI All Country World Index return of 18.8%.

International Equities: Our purpose for holding international equities is to generate growth via total return. Our international equity investments provided strong returns in 2017, with five of the six top performing investments in the endowment coming from these markets.

We use nine managers in our International Equity allocation: PIMCO Research Affiliates Enhanced, Lancaster European Equities, The Children’s Investment Fund, GMO (both International Small and Emerging), DFA Emerging Markets Small Cap, RWC Frontier Markets, Tybourne, Constellation, and New Horizon. We believe that international equities today are more attractively priced than their U.S. counterparts, and we maintain our overweight to them and in particular to emerging markets.

If you evaluate emerging markets over the short term, currency fluctuations and volatility can overwhelm the true investment potential for this asset class. Our Investment Committee has focused on the long-term valuation fundamentals in emerging equities since September 2003, and we have steadily increased our allocation from 3% at that time to 9% for fiscal year 2017 and also broadened it to include frontier markets and country/region specific managers. We have also expressed this view in our private equity portfolio with commitments to five Asia Alternatives Funds and two Africa Development Partners Funds, in our long/short equity portfolio with our investment in the Emerging Sovereign Group-Domestic Opportunities Fund (ESG-DOF) and in our private real estate portfolio with a commitment to the JP Morgan India Property Fund II.

Long Short Equity: The goal of this allocation is to generate at least the market rate of return with significantly lower volatility than a long-only equity allocation over a market cycle. We use three managers in this asset class, Marble Arch, ESG-DOF and Highfields. This was a challenging asset class in 2017, as a strong bull market presents a headwind to shorting or hedging. ESG-DOF had a challenging 2017, down 3.9% vs. up 14.5% for the emerging Markets index. We maintain our conviction in the manager.

Our 2017 global equity returns were negatively impacted by Pershing Square Holdings (8.3%), a top performer in both 2014 and 2015, in which we maintain our conviction.

Private Equity: Our rationale for holding private equity investments is that top managers, who through exceptional operational and management skill (not simply financial engineering) can generate returns in excess of public equity markets. The goal of our allocation to this segment is to outperform by 300-500 basis points per year the global equity indexes over a market cycle. Our private equity managers as a group over five years have achieved this goal, returning 13.9% vs. 12.3% for the Thomson One All Private Equity Index and 10.5% for the MSCI All Country World Index.

Working with Nolan Bean, our lead consultant at FEG and FEG’s research team leaders in private equity/venture capital, as of June 30, 2017 we have established relationships with leading firms in three major categories (1) International (Asia Alternatives, Africa Development Partners, ECI, and OpCapita), (2) U.S. small to middle market buyout (Staple Street, Mason Wells, Silver Oak and Angeles), and (3) U.S. venture capital/growth equity (DF Venture, Menlo Ventures, Atlas Ventures, DF Growth, Summit Capital and RBV Ventures). In 2018 we will work to expand the number of relationships, with a longer-term goal of allocating 20% to this asset class.

Our returns relative to the larger endowments you read about in the financial press are most affected by our significant relative underweight to Private Equity. We made our first commitment in 2004, and had a 2017 target of 11%. Many of the larger endowments have allocations of 10%-40% and have been investing for decades. The help of a first-rate consultant is critical to our efforts to grow our allocation to leading managers in this asset class, and we have that with FEG.

One other headwind to our Private Equity allocation is a result of our small endowment size in 2003 when we implemented the model portfolio approach. This meant that our initial allocations to Private Equity were in fund of funds, as our small size would not allow us to both invest directly and maintain a diversified portfolio. We have a number of legacy fund of funds investments that are nearing the end of their fund lives and are no longer generating significant gains. At the same time, we are making a number of new commitments which are still early in the curve (the tendency of funds early in their life to generate negative returns while the portfolio is maturing) and thus providing returns to the endowment. Once we have established the targeted number of relationships and are funding them on a serial basis (i.e. Fund I, Fund II, etc.), both of these factors should have minimal impact on our portfolio going forward.

We use four managers in our U.S. equity allocation: GMO Quality, Pershing Square Holdings, Palo Alto Healthcare and PIMCO Research Affiliates Enhanced (both large and small). We believe carefully selected active managers will outperform capitalization weighted indexes over long horizons. We also believe that Research Affiliates Fundamental Index portfolios will outperform passive or-similation weighted portfolios (such as the S&P 500), and to further express our quality theme we use the Research Affiliates Enhanced portfolios to screen out economically important companies which are highly leveraged and/or have a low earnings quality.

Our purpose for holding U.S. equities is to generate growth via total return. We have use four managers in our U.S. equity allocation: GMO Quality, Pershing Square Holdings, Palo Alto Healthcare and PIMCO Research Affiliates Enhanced (both large and small). We believe carefully selected active managers will outperform capitalization weighted indexes over long horizons. We also believe that Research Affiliates Fundamental Index portfolios will outperform passive or-similation weighted portfolios (such as the S&P 500), and to further express our quality theme we use the Research Affiliates Enhanced portfolios to screen out economically important companies which are highly leveraged and/or have a low earnings quality.

Our 2017 global equity returns were negatively impacted by Pershing Square Holdings (8.3%), a top performer in both 2014 and 2015, in which we maintain our conviction.
A CLOSER LOOK
Asset Class Review

Global Fixed Income/Credit

- 58.1% of the portfolio at June 30, 2017; fiscal year 2017 return of 6.7% vs.-0.3% for the Barclays’s U.S. Aggregate Bond Index

Cash: Our purpose for holding cash is two-fold: (1) provide dry powder in a market downturn, and (2) provide liquidity for our commitments to private equity, private real estate, private energy, private credit, and absolute return managers, which in total amount to 26.2% of the fair value of the portfolio.

We use three managers in our cash allocation. Our major position is in the JP Morgan U.S. Government Money Market Fund; we want to take no market risk whatsoever with a portion of our cash reserves. Our remaining allocation is a mix of DFA One-Year Fixed Income and PIMCO Short Term Bond, two high-quality bond funds which work well in combination to exceed the return we earn on the U.S. Government Money Market Fund.

Rate Sensitive: Our purpose for holding U.S. Fixed Income (both Rate Sensitive and Credit Sensitive) is to provide deflation protection and total return.

We believe that U.S. treasury (rate sensitive) securities are significantly overvalued. Therefore, we only hold a 2.0% position in rate sensitive investments through our holding in the DFA Extended Short Term Quality Fund.

Credit Sensitive: We believe the better opportunity set in U.S. Fixed Income is in credit sensitive investments, and we hold a mix of private credit funds (where capital is called over time) and credit hedge funds. We have positioned our credit hedge funds with a focus on asset-backed securities, which provide both a strong current yield and excellent total return prospects. This positioning was additive to performance in 2017 with strong returns from Rimrock Low Volatility (7.6%), Rimrock Structured Products (12.0%), and Waterfall Eden (16.1%).

International Fixed Income: Our purpose for holding International Fixed Income is to hold very diversified and total return.

We believe the opportunity set for Developed Markets international fixed income is extremely unattractive, as high-quality bonds in these markets trade either at all-time low or even negative yields. We will not own these securities in our endowment at these levels.

We believe the opportunity set for Emerging Markets fixed income is attractive, and so have investments in both the PIMCO Emerging Local Bond Fund and Gramercy Distressed Opportunity Fund III. The PIMCO Fund (3.3% return in 2017) can exploit the higher interest rates on offer in the emerging world, while the Gramercy Fund (4.3% return) can exploit their expertise in distressed debt investing in emerging markets via bonds denominated in or hedged to the U.S. dollar.

Diversifying Strategies

- 20.7% of the portfolio at June 30, 2017; fiscal year 2017 return 7.0% vs 8.0% for the HFRI Fund Weighted Composite Index

We categorize Diversifying Strategies in three unique segments:

Mean Reversion: Our purpose for holding these assets is to exploit a fundamental principle in investing: Investment returns will revert to the mean over time. Mean Reversion may not occur quickly, and in today’s environment central bankers around the globe are working to ensure it does not take place at all. Accordingly, our managers in this allocation (GMO and Whitebox) can appear “wrong” for an extended period of time. In their October 2014 Fundamentals, Research Affiliates stated: “The largest and most persistent active investment opportunity is long-horizon mean reversion. Quite simply, systematically buying assets with relatively low prices (and correspondingly high yields) and having the conviction to hold these positions over potentially extended horizons allows investors to earn higher risk-adjusted returns, albeit at significant emotional cost.”

The GMO Mean Reversion Fund returned -13.1% and the Whitebox Asymmetric Opportunities Fund returned 14.8% in 2017. The GMO Mean Reversion Fund provided strong returns in a number of market environments including 2005 (the No. 5 performer in the fund), 2008 (No. 6), 2009 (down only 1.2%), and 2012 (No. 4).

Whitebox has generated an annualized return which exceeds their benchmark by 4.0 basis points per year since the inception of their investment in October 2012.

Tactical Asset Allocation: Our purpose for holding these assets: To allow us to allocate a portion of our portfolio to top asset allocators using a primary or secondary benchmark (CPI + 5%) which aligns well with our endowment benchmark of inflation plus 5.35%. Our two managers (GMO and PIMCO) tactically invest in areas of the market which their asset class forecast shows are positioned to generate the most attractive return over the next seven to 10 years. The PIMCO All Asset Fund returned 10.8% in fiscal year 2017, while the GMO Global Allocation Absolute Return strategy returned 11.2%. Both have significantly outperformed the HFRI Fund Weighted Index since inception.

Low Volatility Hedge: Our purpose for holding Low Volatility Hedge assets is for diversification and total return. We are looking for equity-like returns with bond-like volatility over a full market cycle, and we only invest in funds with an inception to date standard deviation of 6.0 or less.

We use three low volatility hedge managers. King Street Capital is a long/short credit and event driven manager that returned 6.2% in 2017; Graham Discretionary is a global macro manager that returned 1.6% in 2017; and HBK is a multi-strategy hedge fund that returned 6.1% in 2017. Zero interest rate policies and trendless markets present headwinds to this allocation.
A CLOSER LOOK
Asset Review

Real Assets

20.8% of the portfolio at June 30, 2017; fiscal year 2017 return of 0.9% vs. a return of 6.8% for CPI + 3%.

We invest in Real Assets for inflation protection, diversification and total return. We allocate among six different categories:

Public Real Estate: This was the first alternative asset class added to our portfolio, and we selected Cohen & Steers as a way to invest in real estate in a liquid manner. DFA replaced Cohen & Steers near the end of 2017. We earned 4.3% in this allocation in 2017 vs. 3.1% for the benchmark.

Private Real Estate: We made our first private real estate investment in 2007 with a goal of outperforming our public real estate investments. Since engaging FEG, we have invested with Westport (and New Cold), Iron Point, Singerman, Harbert and Farallon. Our positioning in this asset class has been significantly upgraded, and we anticipate strong relative returns going forward. Our managers as a group returned 7.0% in 2017 vs. the 6.8% return from the Thomson One Private Real Estate Index.

Inflation-Protected Securities: Though it has not yet appeared in size, we believe there is still a real possibility of inflation as a result of actions taken by central banks around the globe. In his December 2013 white paper entitled “No Silver Bullets in Investing” (page 14), James Montier states that “If you are seriously worried about inflation, then this (TIPS) is still insurance that pays you for owning it (as opposed to the expected negative value of most insurance).” Inflation-protected securities were a detractor in performance in 2017, with the DFA Inflation Protected Securities Fund declining by -0.9% vs. -0.6% for the benchmark.

Gold: We hold gold in our portfolio as insurance against deflation or a loss in faith in the financial system (to quote Jim Grant of Grant’s Interest Rate Observer, the value of gold is inversely related to the market’s confidence in central bankers). The First Eagle Gold Fund invests in gold primarily through the stocks of high-quality precious metals miners, which is a leveraged bet (both on the upside and downside) on physical gold. After a strong performance in 2016 No. 2 manager in the portfolio), First Eagle returned -14.6% vs. -21.8% for their index.

Timber/Agriculture: We added this asset class to our portfolio in 2004 to allow us to participate in an investment which has a low correlation to equity markets and provides biologic growth in all market cycles. We have three timber investments with GMO Renewable Resources and one Agriculture investment with GMO in their Farmland Opportunity Fund. We added a second manager (Homestead Capital) to this allocation in August.

Commodities/Energy: This asset class was added to the portfolio in 2005 to provide inflation protection and returns uncorrelated to the equity markets. We have a broadly diversified allocation which consists of:

A Commodity ETF (Elkhorn Fundamental)
An MLP Equity Manager (Harvest)
A total of $13 million in commitments to Scout Energy Partners. Scout makes direct investments in small-to-mid-sized upstream oil and gas assets in the Continental U.S.
A $5 million commitment to MAP 2013, a manager that constructs a highly diversified portfolio of natural gas and wind royalty interest investments in the U.S.
A total of $15 million in commitments to EDGE Natural Resources, focused on small to mid-sized private investments in the North American energy sector
A $6.5 million commitment to Pelican Energy Partners II, our first oilfield services investment
A $6.5 million commitment to Rockland Power III, our first power investment

In the next five years, we aim to grow the endowment to $1 billion — but we cannot do so solely through investment returns. Annual giving to the unified university endowment has grown every year in the last five fiscal years, from $171.1 million in 2013, to $29.4 million in 2014, $25.6 million in 2015, $27.1 million in 2016 and $37.4 million in 2017.

We are on the right path, and this moment offers the promise of keeping the University of Arizona strong, so it can continue to prepare students for productive and meaningful lives, conduct world- and life-changing research, inspire artistic advancement and rally fans around Wildcat athletics.

The success of our investment approach and strong commitments from supporters like you have brought us closer than ever to our goal. But the UA’s overall endowment lags behind our PAC-12 peers at No. 10, according to the most recent NACUBO-Commonfund Survey.

The margin of excellence among universities is built on private endowment support. As we hope we have demonstrated to you, we are working hard to generate the best risk-adjusted return possible for our endowment.

Join us in this moment, as we ensure a bright future for the University of Arizona.
THE UNIVERSITY OF ARIZONA FOUNDATION LEADERSHIP

OFFICERS OF THE BOARD

Chair
Richard H. Silverman
President & CEO
John-Paul Roczniak

Chair Elect
Ted H. Hinderaker
Past Chair
Thomas W. Keating

Secretary
Patricia A. Bartlett
Treasurer
Archibald M. Brown, Jr.

SENIOR FOUNDATION STAFF

John-Paul Roczniak
President & CEO

Ted H. Hinderaker
Senior Vice President
Financial Services & CFO/CIO

Patricia A. Bartlett
Senior Vice President
Constituent Relations, Marketing/Communications, & Giving Programs

Archibald M. Brown, Jr.
Special Counsel to the UAF President for Board Relations

Vicki Fleischer
Senior Vice President
Development & University Programs

Jennifer M. Bowden
Development & University Programs

The University of Arizona Foundation
Patricia A. Bartlett
BHI Energy, Inc., Excel Scaffolding, Inc., and Deltak Manufacturing, Inc.

Betsey E. Bayless
Manicapa Integrated Health System (Retired)

Carmen Bermúdez
Mission Management & Trust Co., Inc.

Archibald M. Brown, Jr.
Merlin, Inc. (Retired)

Melinda W. Burke
The University of Arizona Alumni Association

John F. Chávez
Manufacturers Bank (Retired)

Ginny L. Clements
Golden Eagle Distributors, Inc.

Andrew C. Comrie
The University of Arizona

Gilbert Q. Davidson
Town of Marana

Robert L. Davis
Tango Commercial Real Estate, LLC

Michael A. DeBell
DMB Associates, Inc.

Jon Dudas
The University of Arizona

Karl Eller
The Eller Company

Patricia A. Engels
Quest (Retired)

Peter A. Fasseas
Metropolitan Bank Group (Retired)

Brian Franke
Indigo Partners

Gregg Goldman
The University of Arizona

Maxine G. Henig
Community Volunteer

Ted H. Hinderaker
Hinderaker Kauh & Weisman, PLC

Michael Hummel
Salt River Project

David G. Hutchens
UNS Energy Corp., Tucson Electric Power

Roy A. Judelson
Archains, LLC

Thomas W. Keating
Trailhead Ventures, LLC

Steven W. Lynn
Strongpoint Marketing

John J. Marietti
Cleves-Bessmer-Marietti (Retired)

Lea P. Márquez Peterson
Tucson Hispanic Chamber of Commerce

Harvey J. Mason, Jr.
Harvey Mason Media

Robert C. Robbins
The University of Arizona

Linda B. Robin
Community Volunteer

John-Paul Roczniak
The University of Arizona Foundation

Joey Rodolfi
WOW Studios

Richard H. Silverman
Jennings, Strouss & Salmon, PLC

David P. Skinner, Jr.
Southern Arizona Urgent Care

Sarah B. Smallhouse
Thomas R. Brown Foundations

Kellie Terhune Neely
Hughes Federal Credit Union

Jon O. Underwood
Desert Mountain Properties (Retired)

In this moment,

Old Main is right where it’s always been. Students are walking in front of it, to and from class. Maybe you did the same, and your support celebrates the traditions we hold dear. Or maybe you support the UA because you recognize the special things our students and faculty continue to accomplish. Whatever your reason, we appreciate it more than you know. Thank you for making our thriving community possible.

As students and faculty begin their first day of fall semester, they’re busy and preoccupied. Regardless of whether they see it on a daily basis, donors like you have a positive impact on their work, their effort, and their experiences on campus. You and your support make this university great, and you make everything we accomplish possible. We hope, in this moment, that you feel how much you mean to the UA and everything it stands for.

Again, thank you.