

**ENDOWMENT  
FINANCIAL REPORT  
FISCAL YEAR 2025**

**WISCONSIN  
FOUNDATION AND  
ALUMNI ASSOCIATION**





# CEO's Message



Greetings,

As we share this year's endowment financial report, I want to extend my deepest gratitude for your generous support of the University of Wisconsin–Madison. Your commitment to sustaining excellence at UW–Madison through an endowed gift is both inspiring and essential to the university's success.

Endowed funds are among the most powerful tools we have to ensure long-term impact. They provide a permanent source of support for

students, faculty, research, and programs that define the Wisconsin Idea and extend its reach far beyond the campus and the state. Your gift is not only a reflection of your belief in the university's mission – it is a legacy that will benefit future generations.

The dedicated commitment of UW donors is making a direct and meaningful difference on campus every day. In fiscal year 2025, WFAA transferred a record \$548.8 million to donor-designated UW–Madison units and affiliates in support of research, scholarships, educational programs, facilities, and other essential initiatives. As you can see in the endowment snapshot, generous philanthropic gifts are enhancing the university's quality across every discipline.

You'll also see in your individual financial statement that at the beginning of fiscal year 2025, WFAA's institutional advancement fee (IAF), charged to endowment funds, was reduced from 100 basis points (bps) to 90 bps. This is the first time in WFAA's recorded history that the IAF has been reduced, and we are pleased to offer lower fees to help maximize the benefit of your gifts to campus.

Our investments team (WISIMCO) remains committed to ensuring long-term returns on endowed funds that provide perpetual benefits to the UW. In his letter, Chief Investment Officer Michael Stohler highlights the strong performance of the endowment portfolio and the disciplined stewardship that guides our investment strategy.

Thank you for your trust, your vision, and your unwavering support of UW–Madison.

On, Wisconsin!

A handwritten signature in black ink, reading "Alisa Robertson".

Alisa Robertson '94, MBA'03  
Chief Executive Officer  
Wisconsin Foundation and Alumni Association

# Endowments at the Wisconsin Foundation and Alumni Association



1

An endowed fund is established with a gift from a generous donor.

An endowment is a powerful investment in the future. Once created, it generates annual income in perpetuity. These funds begin making a difference immediately and continue to do so for generations. They provide everlasting and high-quality influence on the university's and its partners' missions through support for scholarships, fellowships, research, patient care, professorships, chairs, and other programmatic funds. Individual endowed funds are part of a larger pool, managed for long-term growth and stability.



2

Through prudent management by the investment staff and board, the endowed funds grow to support annual distributions.

## WISIMCO'S INVESTMENT STRATEGY

To ensure enduring impact, WFAA aims to preserve the endowment's purchasing power over time. This means generating returns that exceed both inflation and the spending rate. The portfolio is diversified across global asset classes and managed by our top-tier financial experts. The focus is on identifying high-potential opportunities that align with the Foundation's long-term goals.

4.5 percent of the endowment's average market value over the previous 20 quarters. WISIMCO and members of the board's investment committee regularly review the pool's performance, with a long-term goal of achieving a 6 to 9 percent annualized return over a complete market cycle (typically a five- to 10-year period).



3

The distributed income supports needs as designated by the donor.

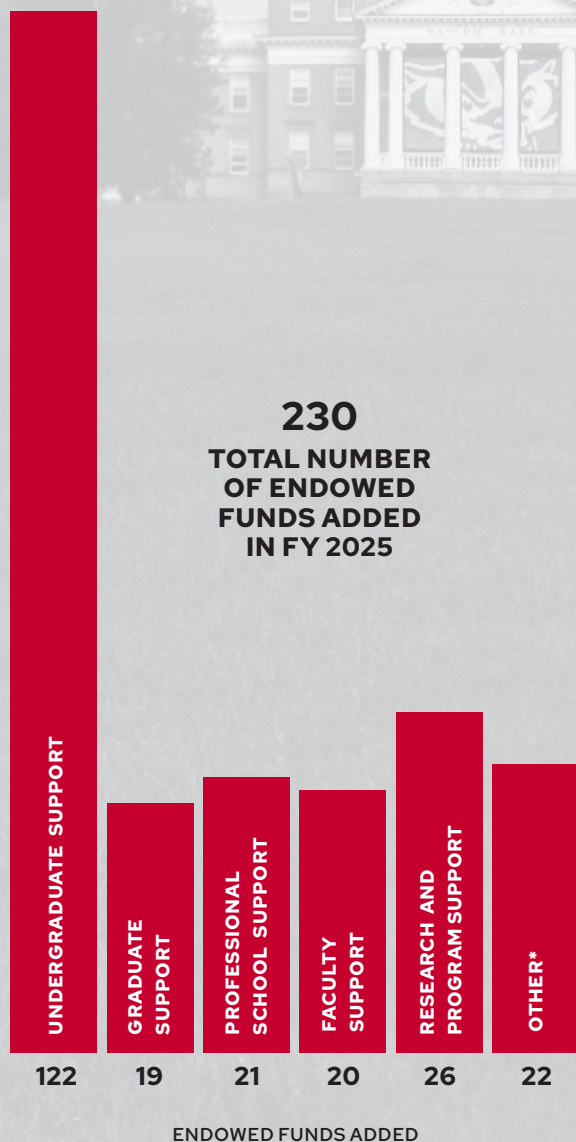
## SPENDING POLICY

Endowed funds provide a steady stream of income to sustain ongoing support. Because market performance can vary in the short term, the Foundation uses a spending formula to help stabilize fluctuations over time. The spending policy currently distributes

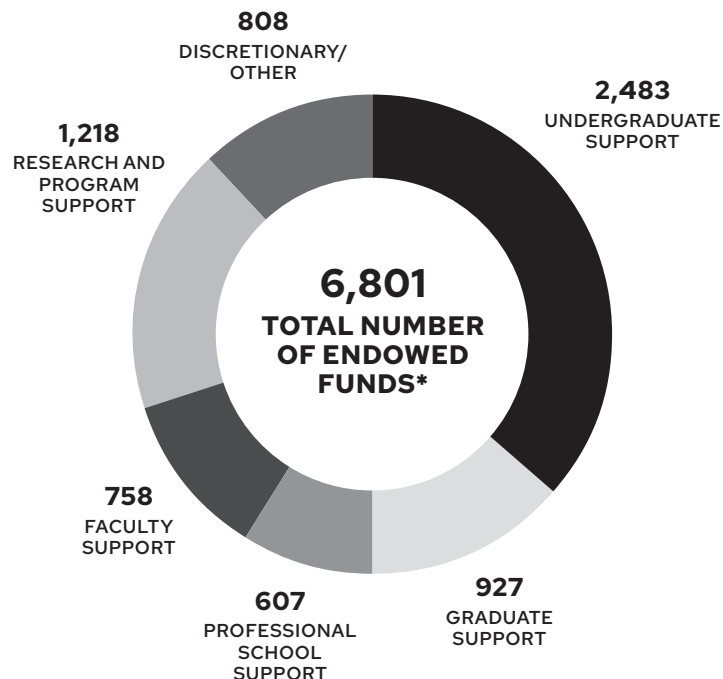
## COMMITMENT AND STEWARDSHIP

The Foundation is deeply committed to responsibly managing all philanthropic gifts. Staff and investment committee members monitor asset allocations and review return expectations annually. Our mission is to ensure that every gift is invested wisely so it remains meaningful and impactful for years to come.

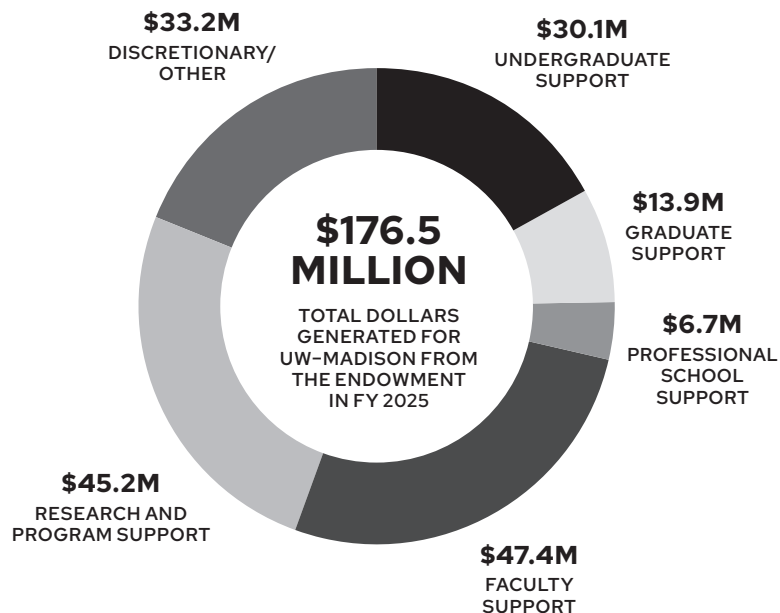
# FISCAL YEAR 2025 ENDOWMENT SNAPSHOT



\*Includes discretionary funds



\*Includes funds pending endowment



# Building an Enduring Legacy

Your investments are helping to build a future where anything is possible. During this complex time, generous donor support is critical to enabling the university and its affiliates to change Wisconsin – and the world – for the better through research funding, faculty and student recruitment, and financial aid.

INVESTMENT RETURN  
ON THE ENDOWMENT

**16.2**  
PERCENT

FUNDS  
TRANSFERRED

**\$548.8**  
MILLION



In fiscal year 2025, donors committed \$414.4 million to support the University of Wisconsin–Madison. The Wisconsin Foundation and Alumni Association transferred a record \$548.8 million in philanthropic resources and achieved a 16.2 percent investment return on the endowment.

By design, an endowment is an unyielding pillar – steady and strong. Your investments provide the solid support on which vital research, programs, and innovation thrive. Thank you for being part of this enduring legacy.

At the UW, progress is only possible through thoughtful planning, collaboration, and

the enduring generosity of donors like you. Your investment in our collective endowment is transforming lives; driving life-changing research; expanding access to opportunities; and advancing medicine, athletics, professorships, scholarships, and critical research for public good. From breakthroughs in treating blinding diseases to research focused on finding a cure for Alzheimer’s disease to capturing fusion energy as a future renewable energy source, endowments are making a profound difference.

Overall, WFAA’s total assets under management grew to nearly \$5.9 billion, including our

endowment valued at \$4.9 billion. These milestones reflect a culture of excellence and a shared commitment to innovation. Your gifts empower the university and its affiliates to support exceptional people and strengthen Wisconsin’s global impact.

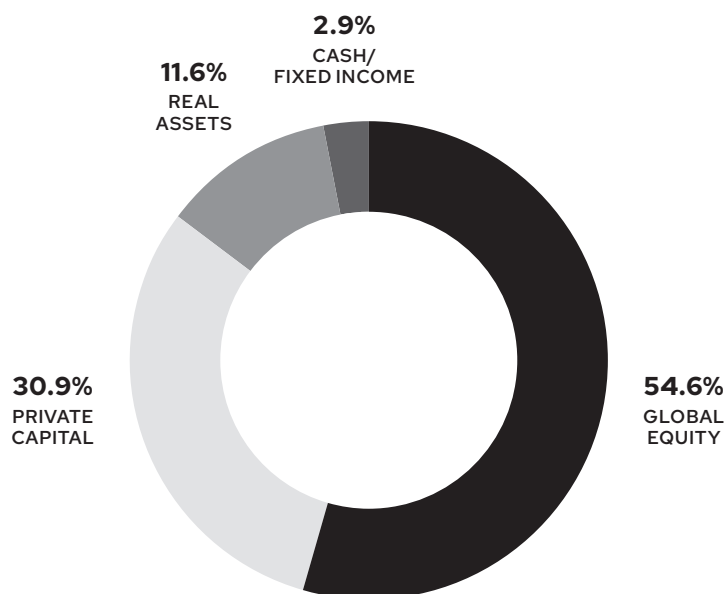
Because of your generosity and confidence in higher learning, hundreds of thousands of students have received a UW–Madison education. Endowed funds also help recruit and retain world-class faculty across every college, school, and program. Together, we’re building the foundation for groundbreaking discoveries and academic leadership.



# INVESTMENT PERFORMANCE AND ASSET ALLOCATION

## ASSET ALLOCATION

AS OF JUNE 30, 2025



## INVESTMENT PERFORMANCE\*

ANNUALIZED FOR PERIODS  
ENDING JUNE 30, 2025

**1 YEAR**  
**3 YEARS**  
**5 YEARS**  
**10 YEARS**

**16.2%**  
**13.8%**  
**11.1%**  
**8.2%**

*\*Net of external manager fees*

# Investments

## Perspective

Fiscal year 2025 saw continued strong performance in financial markets. Stock and bond markets, both domestic and international, delivered positive returns for the year. Risk appetite remained robust despite economic and policy uncertainty. Global and domestic equities enjoyed similar performance, with the MSCI All Country World Investable Market Index returning +15.9 percent and the S&P 500 returning +15.2 percent.

The Wisconsin Foundation and Alumni Association endowment portfolio delivered a return of +16.2 percent, outperforming our policy benchmark by 360 bps and the 70/30 global stock/bond blended benchmark by 230 bps. Our strong investment performance was driven by stock selection in public and private markets.

Given our long-term investment horizon, fiscal year returns are important, but we put a greater emphasis on long-term performance. Over the last 10 years, the endowment has grown at an annualized rate of +8.2 percent, outperforming the 70/30 global stock/bond blended benchmark. Most importantly, this long-term return is above the spending rate, fee, and inflation hurdles we aim to beat, meaning we have provided real growth to support the university's purchasing power.

As we look ahead, our investments in internal infrastructure and a strong team leave us well positioned to pursue long-term objectives and manage risk across dynamic market cycles. Additionally, we have remained disciplined in our commitment to cultivating deep partnerships. We continue to build collaborative, two-way relationships with top-tier investment managers with whom we explore compelling investment opportunities from around the world. We also remain grateful to our UW-Madison community for continuing to supplement our research process by lending their expertise and network of resources.

It is humbling to remember that the current endowment portfolio was built with generous gifts from donors like you. Thank you for entrusting our team to steward these resources while we provide sustaining support to the university.

Through your generosity, the UW is able to further develop the Wisconsin Idea, attract exceptional students and faculty, and create opportunities that will change lives for generations to come.

On, Wisconsin!



Michael Stohler  
Chief Investment Officer, WISIMCO  
Wisconsin Foundation and Alumni Association

# Glossary

## CONTACTS

### What if I have questions?

For questions, please contact  
Central Stewardship at 877-461-7611  
or [stewardship@supportuw.org](mailto:stewardship@supportuw.org).

**CONTRIBUTIONS** are the total value of all cash gifts (including by check or credit card) added to the endowed fund during the year. Contributions also include all cash proceeds from non-cash gifts, such as stock gifts. If applicable, contributions are presented net of the historical dollar value of past gifts transferred out of the fund per donor request.

**ENDOWMENT PAYOUT** is a board-determined policy specifying that a certain percentage generated by endowed funds be allocated to the program or purpose specified by the donor. The payout is currently 4.5 percent of the endowment's average market value over a rolling average of previous quarters, which was moved from a 16-quarter rolling average to a 20-quarter rolling average during the current fiscal year. Using a rolling average provides a stable income stream, helping the university and its partners with annual budgeting. For example, a fund with a \$100,000 market value annually generates approximately \$4,500 for the university to spend.

**ENDOWMENT PAYOUT INCEPTION TO DATE** is the income that has been generated since the fund was established. This income has been made available to be spent in accordance with the fund's purpose, specified by the donor. Endowed funds are designed to have an impact in perpetuity.

**INSTITUTIONAL ADVANCEMENT FEE** is the primary source of revenue funding WFAA's general operations in support of the university's and its partners' missions. Annually assessed at 0.9 percent for FY25, this fee is below the median of other independent foundations that support public universities and their partners. The fee was reduced from 1 percent to 0.9 percent as of July 2024.

**INVESTMENT GAIN (LOSS)** is the market performance — i.e., gain or loss — of the fund. All endowed funds are invested in the endowment portfolio and thus are subject to market fluctuation. Market performance is reported net of investment-related costs.

**MARKET VALUE** is the value of an endowed fund at a particular point in time. The change from beginning market value to ending market value includes the market gain or loss during the year, as well as new contributions, and is net of endowment payout, the institutional advancement fee, and transfers.

**TRANSFERS** are all other activity that may occur in an endowment fund. Transfers include either additions or deductions for the following: reinvested income, donor-challenge matching gifts, transfers into or out of the endowment fund from other funds, corrections/adjustments if applicable, and additional spending beyond accumulated endowment payout, including spending from principal if admissible. Reinvested income is generated endowment payout that is reinvested back into the fund, if permissible.





Wisconsin Foundation  
& Alumni Association  
UNIVERSITY OF WISCONSIN-MADISON

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