



THE IMPACT OF YOUR GIVING

PACIFIC LUTHERAN UNIVERSITY

OFFICE OF THE PRESIDENT

12180 PARK AVENUE SOUTH

TACOMA, WA 98447

Dear PLU Investors,

Your endowment is an important investment in PLU, and I continue to be honored to share with you both the good work that you make possible, and also the care we take in stewarding your fund for the future. The enclosed report includes the audited financial performance of the PLU endowment from June 1, 2019 through May 31, 2020. Even in the midst of the early stages of a global pandemic, all individual endowed funds finished the year ahead of their fiscal year 2019 values. The overall endowment grew by \$3.6 million and, for the first time ever, concluded the year at over \$100 million.

Unsurprisingly, the past year tested our community in many ways. I am proud of the many ways students, staff and faculty care for each other and for our neighbors. The pandemic also reaffirmed that we must pursue innovation that builds on our strengths, increases student opportunities, and expands access to a transformative PLU education. Endowed funds are, and will continue to be, vital resources to enhance academic experiences and co-curricular learning opportunities to benefit students.

Endowments provide important financial resources — many are also deeply personal as they honor beloved family and community members, and all stem from a communal belief in helping others succeed. I shared in my December letter that distributions from some endowments, having dipped below their original value, were paused for fiscal year 2021. Pausing distributions allows funds time to recover in value, ensuring their long-term health. It is important that we continue to care for our shared investments diligently and thoughtfully so they will fulfill their meaningful purposes in perpetuity.

As we refine endowment spending plans for the fiscal year beginning June 1, 2021, I am cautiously optimistic of the growth that we are seeing in our managed endowment investments. With less than four months remaining in fiscal year 2021, we will likely exceed our targeted 7% rate of return that is required to fund distributions and keep pace with inflation.

Moving forward, we must still carefully monitor endowment performance, while also navigating a difficult enrollment environment and safely reopening campus to students in the fall. The critical work of preparing and equipping students who exemplify ethical character, care for others, global perspectives, and thoughtful service to the common good is imperative, especially through an evolving environment. I look forward to sharing more with you about all of these initiatives in the fall. I also invite you to learn more about our plan for the next five years at www.plu.edu/strategic-planning.

Because now, more than ever, the world needs more Lutes.

Gratefully,

Allan Belton
President