This year, UC San Diego was ranked the 14th best university in the world by the 2015 Academic Ranking of World Universities and the number one university in the nation for the sixth consecutive year by Washington Monthly for our contributions to the public good.”—Pradeep K. Khosla, Chancellor
MESSAGE FROM THE CHANCELLOR

UC San Diego educates next-generation leaders, advances the frontiers of knowledge, shapes new disciplines, creates businesses and jobs, and serves as a powerful economic engine for our local, national, and global economies. As Chancellor of UC San Diego, I thank you for your generous support of our campus and our work.

Your investment in endowed funds helps us achieve the transformational goals outlined in our Strategic Plan and our vision as a student-centered, research-focused, service-oriented public university. Your gifts truly make a difference by offering permanent, needed support for our students, faculty, research, patient care, and many public programs.

We are pleased and grateful that UC San Diego experienced a record-breaking philanthropic year, with private support totaling $177 million in fiscal year 2014–15. More than 29,000 donors contributed 43,000 gifts. Donors invested in over 900 endowed funds, directly supporting excellence across every area of the campus. The endowment funds benefitting UC San Diego grew by $200 million during fiscal year 2014–15, as a result of donations, investment returns, and campus funds. The value of the UC San Diego endowment is now more than $950 million.

Charitable giving to UC San Diego ensures our ability to thrive as a top-ranked public research university. This year, UC San Diego was ranked the 14th best university in the world by the 2015 Academic Ranking of World Universities and the number one university in the nation for the sixth consecutive year by Washington Monthly for our contributions to the public good.

I am deeply grateful for all you do for UC San Diego, and I look forward to continuing our partnership.

With deep appreciation,

Pradeep K. Khosla
Chancellor
UC San Diego
To say that Isaias Zeferino has overcome the odds is an understatement. As he was wrapping up his last semester at Palomar College, before transferring to UC San Diego, his mother died suddenly after giving birth.

“I took care of the baby during the nights, many times only getting three hours of sleep,” said Zeferino. “I thought about dropping out.” But Zeferino recalled his mother’s wish. “My mother loved the idea of me being a student at UC San Diego. I was broken, but I knew I had to finish my last semester so I could transfer.” And that’s what he did.

Now, Zeferino is beginning his journey at UC San Diego, studying computer science and engineering. His education is made possible, in part, thanks to the Engelhorn Family Endowed Scholarship, which provides funds for promising first-generation college transfer students with financial need.

“We believe community college transfer students bring unique and valuable perspectives, enriching the campus experience for all students,” said Sheldon Engelhorn. “This diversity of perspectives can help foster the kind of creative thinking we are going to need as a society.”

An alumnus himself, Engelhorn went on to launch a successful career as a biochemist and businessman, co-founding two life sciences companies. The Engelhorns were honored with the Chancellor’s Medal in 2012 for their sustained support of UC San Diego.
Erina Alejo’s passion for community work was sparked by her multicultural and social justice-oriented upbringing in San Francisco. She grew up in a single-parent household, which exposed her early on to the importance of mentors outside of family. Today, Alejo feels the need to give the same empowerment and support she received to her own community.

Alejo, who recently graduated in June 2015, received the Brutten Family Scholarship during her last year on campus. The scholarship, created by alumni Patricia ’83 and Marc Brutten ’79 for students who demonstrate leadership and a commitment to community service, helped give Alejo the opportunity to spend her time making a difference while still on campus. To date, the endowment has provided funding for a total of 18 scholarship awards.

A double major in visual arts media and human development, Alejo held several leadership positions in various university spaces. She was a non-profit business member at the General Store Co-op, a UC San Diego Extension conversation leader for international students, and a Cross Cultural Center social justice educator. Alejo was also an active participant in campus art shows and film screenings, and most recently, she served as a Career Services peer educator.

The recent graduate is now taking a year to immerse herself in community work, field research, and filmmaking prior to entering a Ph.D. program in anthropology. “I’d like to continue my interdisciplinary practice as an artist and social scientist,” said Alejo, who is also broadening her community involvement to Southeast San Diego as a field researcher and volunteer tutor for resettling refugee adults.

The Bruttens have a long history of supporting UC San Diego students. More than a decade ago, the couple set up an endowment to establish the UC San Diego Student Foundation. Since its founding in 1999, the program has provided UC San Diego students the opportunity to learn first-hand what it takes to run a foundation, the importance of philanthropy, and the realities of investing and fundraising. The Student Foundation has awarded a total of 58 scholarships since it was created.
“OUR PRIMARY INTEREST IN OUR PHILANTHROPY IS SUPPORTING FAMILIES, AND PARTICULARLY YOUTH, IN DISADVANTAGED OR CHALLENGED COMMUNITIES.”—ROBERT E. PRICE

FUNDING FUTURE STEWARDS OF OUR LAND AND OCEANS
Because of their passion for changing the way education is delivered to students living in underserved areas, Robert and Allison Price, through Price Philanthropies, donated $6 million in 2015 to benefit UC San Diego’s Birch Aquarium at Scripps Institution of Oceanography. The gift established the Price Philanthropies Ocean Science Education Fund, an education outreach program in ocean and earth science.

This permanent resource will expand access to the aquarium’s current outreach programs and support development of an innovative new education program for students throughout San Diego County. These hands-on programs will not only advance student engagement in science and inspire interest in STEM (science, technology, engineering, and math) fields, but also provide a blueprint for how teachers, informal science educators, and scientists can work together to transform science education.

Allison Price added, “Children are the future stewards of our land and our oceans. The more educated our young people are, the better chance we have of maintaining our environment.”

Price Philanthropies (formerly, Price Family Charitable Fund) was founded by philanthropist and Price Club founder Sol Price and his wife, Helen, in 1983. Today, their son Robert Price is president of Price Philanthropies, as well as chairman of the board of PriceSmart, Inc., which is the largest operator of membership warehouse clubs in Latin America.
UC San Diego’s Department of Music, founded by composers more than 40 years ago, spans the spectrum from classical to contemporary, including jazz, Hindustani, computer, and experimental music. Now, the department, under the Division of Arts and Humanities, finally has key tools universities use in recruiting and retaining outstanding scholars: endowed faculty chairs.

Through the University of California’s Presidential Match for Endowed Chairs, each campus has been provided matching funds for up to eight new endowed chairs. Under this program, local philanthropists helped fund the music department’s first two endowed faculty chairs ever. San Diego builder Conrad Prebys established the $1 million Conrad Prebys Presidential Chair in Music, and composer Rand Steiger—currently serving as chairman of the UC San Diego Department of Music—has been appointed the inaugural holder. The $1 million Reed Family Presidential Chair in Music was established by longtime music supporters Ann and Joel Reed. The first chairholder is Steven Schick, a percussionist, conductor, author, and distinguished professor of music.
“What these chairs mean for the Department of Music,” said UC San Diego Arts and Humanities Dean Cristina Della Coletta, “is that we can honor outstanding faculty like Steve Schick and Rand Steiger for their past and potential contributions to UC San Diego, as well as support their current work. We thank Conrad Prebys and the Reeds for creating a lasting legacy that will benefit our music faculty for years to come.”

The Presidential Match program also helped establish the $1 million Dr. James Y. Chan Presidential Chair for Global Health in the Division of Social Sciences. Funded by a pledge from retired physician James Y. Chan, the endowed chair provides a dedicated source of funds for the chairholder’s scholarly activities as well as support for undergraduate and graduate students with global health interests. Thomas J. Csordas, renowned anthropologist and director of the Global Health Program at UC San Diego—the first program of its kind within the University of California system—has been appointed the inaugural holder of the chair.

Gifts were made during fiscal year 2015 for three other endowed faculty chairs established through the UC Presidential Match program, including the $3.3 million Joseph D. Schmidt, M.D. Presidential Chair in Urology, the $2.25 million Koman Family Presidential Endowed Chair in Cancer Research, and the $2 million Peter C. Farrell Chair in Pulmonary Medicine. UC San Diego will have a total of eight Presidential Chairs when all are funded—the endowed chairs will support, in perpetuity, three general campus faculty members, four in Health Sciences, and one at Scripps Institution of Oceanography.

“IN A WORLD WITH CONSTANTLY SHRINKING BORDERS, GLOBAL HEALTH IS AN EXTREMELY IMPORTANT ISSUE. I WANTED TO GIVE THE STUDY OF GLOBAL HEALTH THE PROPER RESOURCES AND RECOGNITION IT DESERVES.” —DR. JAMES Y. CHAN

Dr. Thomas J. Csordas, Dr. James Y. Chan, Dr. Carol Padden

THE UC PRESIDENTIAL MATCH FOR ENDOWED CHAIRS, LAUNCHED IN JULY 2014 BY UNIVERSITY OF CALIFORNIA PRESIDENT JANET NAPOLITANO, ENCOURAGES DONORS TO ESTABLISH ENDOWED FACULTY CHAIRS WHICH ARE SO VITAL TO UC’S EFFORTS TO ATTRACT AND RETAIN TOP-FLIGHT FACULTY. THE PROGRAM IS FUNDED THROUGH THE PRESIDENTIAL ENDOWMENT FUND, A SOURCE OF PRIVATE DONATIONS THAT THE PRESIDENT MAY USE AT HER DISCRETION TO SUPPORT UNIVERSITY ACTIVITIES. CAMPUSES MUST RAISE AT LEAST $500,000 PER CHAIR TO QUALIFY FOR THE MATCH.
“WE HOPE TO INSPIRE AND ENCOURAGE OTHERS TO GIVE SO THAT THE STUART COLLECTION CONTINUES TO FLOURISH AT UC SAN DIEGO,”
—MARY BEEBE, DIRECTOR OF THE STUART COLLECTION.

La Jolla Project, 1984. Richard Fleischner

Sun God, 1983. Niki de Saint Phalle
The art is carefully melded to the earth, absorbed into woodlands, and sewn into the fabric of existing structures. Each Stuart Collection artist was invited to imagine their works on campus, choosing a location that uniquely resonated with them. Now, a $1 million gift from Mary Looker has established an endowment—the Stuart Collection’s first—to help foster the growth of the public art collection.

“We are very fortunate to have the unwavering support of Mary Looker. She and her husband, Robert, have been an integral part of the growth of the Stuart Collection for many years,” said Mary Beebe, director of the Stuart Collection. “This gift, in his memory, is a great starting point in our vision to grow the endowment as a source of long-term income.”

Looker, who resides in Manhattan Beach, California, has been a member of Friends of the Stuart Collection—a network of 130 arts enthusiasts who help fund new projects—for more than 20 years. When approached about the idea of launching an endowment, she offered her wholehearted support. Her $1 million gift to create the Stuart Collection Endowment means the collection now has a permanent fund, proceeds from which will be used to supplement fundraising for future commissions.

Established by the vision and philanthropy of James Stuart DeSilva more than three decades ago, the Stuart Collection includes 18 public art pieces which are free to view and continue to draw visitors to the campus. Over the years, the full collection has been donated to UC San Diego with the responsibility of continuing to grow the body of work. To learn more about the Stuart Collection go to stuartcollection.ucsd.edu.
Daisy Miracle Brennan defied the odds when she was born on January 31, 2007. After her parents were told that she had a one percent chance of surviving the pregnancy, Daisy was delivered via C-section, took a breath, and cried.

Daisy spent two months in the neonatal intensive care unit (NICU) at UC San Diego Health—under the watch of the “Daisy Family” of doctors and nurses—before going home. Then on Memorial Day, at four months old, she passed away.

“Our ‘Daisy Family’ gave us four beautiful months with Daisy—four months more than we thought we would ever have with her,” said Lauri Brennan.

To honor Daisy’s memory, Lauri and her husband, Bill, established the Daisy Miracle Endowment Fund to support the NICU in caring for families going through similar experiences. The NICU is a highly specialized, nationally recognized center that cares for the most premature and critically ill newborns.

While the hospital provides all the necessities to give great care, the Daisy Fund makes possible the extras that make families’ lives better. That could mean new rocking chairs in the nursery, or the latest, specialized equipment for babies.

“For families with an infant in the NICU, those ‘extras’ make a big difference,” said Mary Hackim, director of Women and Infants Services. “We are so lucky to have people like the Brennans who are committed to the NICU and helping other families.”
ALUMNI GIFT HONORS OUTSTANDING TEACHERS

It was a lecturer who left the greatest impression on alumnus Taner Halicioglu when he was an undergraduate. Now, the 1996 computer science and engineering graduate—whose resume includes stints at eBay, Facebook, and Blizzard Entertainment—is giving back to ensure the next generation has the same opportunity to learn from outstanding teachers.

“I want to give the Department of Computer Science and Engineering the resources it needs to teach students and the ability to serve as many aspiring students as possible,” he said. “These teachers truly inspire students.”

Halicioglu gave $2 million to help the department recruit, retain, and support exceptional professors and lecturers whose primary mission is to teach undergraduates.

Half of the gift establishes UC San Diego’s first-ever endowed chair for a teaching professor: the Paul R. Kube Chair of Computer Science, named for retired teaching professor Paul Kube. Kube was often the first face of computer science for entering students, and he had a passion for teaching undergraduates the fundamentals of the field. The chair honors his contributions and will be used to recruit an exceptional teaching professor.

The other half of the gift establishes a $1 million endowment fund (to be named later) that will support two distinguished lecturerships each year. The fund will enable renowned lecturers to devote part of their time to activities beyond classroom teaching, such as mentoring students, training tutors, and developing new courses and programs.

“The market for teaching talent in computer science is extremely competitive. This gift allows us to attract phenomenal teachers to our ranks—excellent teachers from anywhere in the world.”—Rajesh Gupta, Chair of the Department of Computer Science and Engineering.

Taner Halicioglu ’96
Honoring the Legacy of
Professor Jack Keil Wolf

As a researcher, Jack Keil Wolf was a pioneer in information theory and its applications. In the 1980s, Wolf was instrumental in bringing a technique known as maximum likelihood detection to the field of data storage. Essentially every hard disk drive, tape drive, and DVD player made in the last 20 years uses some form of this technology.

Wolf joined the faculty at UC San Diego in 1984 and served as professor in the Department of Electrical and Computer Engineering at the Jacobs School of Engineering. As a professor, he made an equally remarkable impact.

“Jack was an inspiring teacher and mentor,” said Roberto Padovani, executive vice president at Qualcomm Technologies. Padovani studied under Wolf as a graduate student at the University of Massachusetts, Amherst. “He was a great researcher in communication systems, information and coding theory, and was honored with many awards, but at his heart it was the joy of teaching that made him happy.”

After Wolf’s passing in 2011, Padovani and his wife, Colleen, were among more than 50 people— including colleagues, former students, friends, and family—who contributed to the Jack Keil Wolf Endowed Chair in Electrical Engineering, established to support the research and scholarly work of an exceptional faculty member. They also helped to establish a scholarship in his name. The Jack Wolf Endowed Scholarship provides support for outstanding incoming undergraduates in electrical and computer engineering.

In addition to the scholarship and chair, a third endowed fund was recently established in Wolf’s name. The Jack Keil Wolf Endowed Fund in Electrical and Computer Engineering will support the department’s mission of excellence, and continue Wolf’s legacy of inspiring teaching and profound research.

“JACK WAS LIKE A BRIGHT TORCH THAT LIT THE PATHS OF COUNTELESS PEOPLE. I AM EXTREMELY HONORED TO HAVE THE OPPORTUNITY OF CARRYING FORWARD A BIT OF THAT FLAME.”—ALEXANDER VARDY, INAUGURAL CHAIRHOLDER.
How does endowment strengthen UC San Diego?
With funds invested in perpetuity, UC San Diego’s endowment provides the university with a reliable, long-term financial resource. Growth in the size of the endowment helps to ensure our most critical programs and needs are permanently funded.

What are the goals of the endowment?
The Board of Trustees of the UC San Diego Foundation and the Regents of the University of California seek to:
- Maximize long-term total return
- Preserve and enhance real purchasing power
- Maximize the predictability of payout allocations to fund beneficiaries

Who manages UC San Diego’s endowment investments?
The Foundation’s endowment is managed by its Board of Trustees through the Investment/Finance Committee. The Foundation used the UC pooled funds as a significant part of its endowment investment strategy during fiscal year 2014–2015. The Regents endowment funds for the benefit of the San Diego campus are invested by the UC Chief Investment Officer in the General Endowment Pool (GEP).

What was UC San Diego’s endowment payout policy during fiscal year 2014–2015?
Both the Foundation and Regents payout rates are set annually and applied to rolling average market values to determine the actual amount of payout. Payout rates are set giving consideration to expected long-term returns, balanced against preservation of principal. Both the Foundation’s and Regents’ policies during fiscal year 2015 were set at 4.75 percent of the 60-month average unitized market value. Per policy, a small portion of the payout is taken annually to cover administration of endowed funds by both the Foundation and the Regents.

What is the national average for spending rates?
According to a national endowment study conducted annually and released each January by the National Association of College and University Business Officers (NACUBO), most institutions use an averaging mechanism to calculate payout. The average effective spending rate was approximately 4.4 percent in fiscal year 2014.

What is the university’s responsibility to the donor of an endowment?
The university has a fiduciary responsibility to ensure that an endowment gift is prudently invested and that an appropriate amount of payout from the gift will be made available now and in the future, and to comply with any donor restrictions on the use of the payout.

Are there any state standards for endowment management?
The Uniform Prudent Management of Institutional Funds Act (UPMIFA) was enacted and effective in California as of January 1, 2009. The UC San Diego Foundation and the UC Regents endowment investment and payout policies conform to this law.

Are there minimum gift levels to establish certain endowment funds?
Yes, by setting minimum gift levels for the establishment of endowment funds, the university ensures that sufficient annual payout from the endowment will be available to support the designated purpose.

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1 The Endowed and Current Use Gift Funds Minimum policy (PPM 410-4) is the current reference document for endowment minimums at UC San Diego. Additional policies related to gift administration and fees can be found in PPM 410-3.
UC San Diego Endowment Return on Investment

**As of June 30, 2015**

(annual rate of return)

UC San Diego Endowment Market Value

**As of June 30, 2015**

(dollars in millions)

UC San Diego Foundation

UC Regents (GEP)

Mercer Trust – Foundations & Endowments <$1B Universe

HEPI +4% Higher Education Price Index
REFERENCES

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Mercer universes: Mercer’s universes are intended to provide collective samples of strategies that best allow for robust peer group comparisons over a chosen timeframe. Mercer does not assert that the peer groups are wholly representative of and applicable to all strategies available to investors.

Asset Allocation is the primary driver of a portfolio’s total return over the long run, whereas sector and individual security selection are the primary drivers in the short term. Any comparison of endowment fund performance should be viewed in the context of the portfolio’s asset class holdings. As of June 30, 2015, the UC San Diego Foundation managed 705 endowment funds, and the UC Regents managed 298 funds for the benefit of UC San Diego.

Higher Education Price Index® (HEPI) measures the average relative level in the prices of a fixed market basket of goods and services purchased by colleges and universities through current-fund educational and general expenditures, excluding expenditures for research. Educational and general expenditures include the functions of instruction and departmental research, extension and public services, educational programs such as workshops and instructional institutes supported by sponsors outside the institution, student services, general administration and expenses, staff benefits, libraries, and operation and maintenance of the physical plant.

Mercer LLC The universe is comprised of observations from a substantial endowment and foundations client base with less than $1 billion in assets which includes information submitted by industry-leading consulting and trust/custody organizations. Additional information regarding Mercer LLC can be viewed at http://www.mercer.com/home.

Market Value represents the actual worth of the endowment fund principal as of the specified date. The financial summary on the report reflects the changes in the fund market values.

Net Gifts and Transfers are the sum of all gifts received into the fund during the fiscal year (July 1 to June 30), net of a one-time gift fee¹. Timing differences between when charitable contributions are recorded by the campus and when they are actually credited to the specific endowed fund may impact the amount shown. This line may also reflect the transfer of gifts from other funds and/or the addition of payout to principal.

Realized and Unrealized Gain (Loss) represents the difference between beginning and ending market values of the principal after accounting for gifts received, payout, and other transfers. It reflects market performance during the fiscal year.

Payout is the amount provided by the endowment in only one year and moved to the expendable account for use by the university department that benefits from the fund. The accumulated payout balance is also shown on the report.

The UC Regents General Endowment Pool (GEP) is invested by the Office of the Chief Investment Officer (OCIO) of The Regents. More information is available from the OCIO at www.ucop.edu/investment-office

UC San Diego Foundation Endowment is managed by its Board of Trustees. More information is available at http://ucsdfoundation.ucsd.edu.

¹The gift fee was eliminated as of July 1, 2015.

Please know we have made every effort to ensure the accuracy of the enclosed fund materials. If you have any questions regarding this report, please contact Corinne Cramer in the Office of Donor and Fund Stewardship at (858) 534-8888 or ccramer@ucsd.edu.