



# Your Legacy, Rotary's Promise — Your Guide to Rotary's Endowment

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Unless otherwise specified, the numbers in this report are as of 30 June 2024 and are unaudited.  
All monetary amounts in this report are in U.S. dollars.

# THE ROTARY FOUNDATION

The mission of The Rotary Foundation is to help Rotary members to advance world understanding, goodwill, and peace by improving health, providing quality education, improving the environment, and alleviating poverty. More than 100 years ago, Rotarians took bold action to empower generations to come: They established The Rotary Foundation to secure a better future.

Today still, The Rotary Foundation transforms gifts into projects that change lives close to home and around the world. As the charitable arm of Rotary, the Foundation benefits from a global network of Rotary members who invest their time and expertise to ensure that projects are high-impact and sustainable and meet the most pressing needs of the communities they serve.

Strong financial oversight, a stellar charity rating, and a unique funding model mean that Rotary makes the very most of your contributions.

## ROTARY'S ENDOWMENT PRIORITIES

Basic education and literacy

Community economic development

Disease prevention and treatment

Environment

Maternal and child health

Peacebuilding and conflict prevention

Rotary Peace Centers

SHARE

Water, sanitation, and hygiene

World Fund

# ENDOWMENT AT A GLANCE

The Rotary Foundation created the Endowment in 1982 to give future generations of Rotary members the resources they need to design and implement sustainable projects year after year. While a gift to the Annual Fund helps people live better lives today, gifts to Rotary’s Endowment support the same life-changing programs forever.

Contributions to Rotary’s Endowment are invested and professionally managed to provide a source of funding every year to support Rotary members’ local and global philanthropic work. This year, the Endowment provided funding of \$24.7 million in support of the work of the Foundation. This funding provided Rotary Peace Fellowships, contributed to global grant projects around the world, and enabled districts to address the needs of their own communities through district grants. As the Endowment grows, so does the good that Rotary members can do in the world.

## NAMED ENDOWED FUNDS

With a gift of \$25,000 or more to the Endowment, members or friends of Rotary may create a permanent legacy in their own name or in honor of a friend or family member. Rotary pools these gifts for investment purposes but maintains a separate accounting for each named endowed fund. Donors receive a personalized endowed fund certificate suitable for framing when their fund is established, as well as annual financial updates.

As of 30 June 2024, there were 3,038 named endowed funds within the Endowment, representing nearly 50 countries and geographic regions. In 2023-24, 256 new individual named endowed funds were established.

Visit [rotary.org/legacy](https://rotary.org/legacy) for information on endowed naming opportunities.

### NEW NAMED ENDOWED FUNDS ESTABLISHED IN 2023-24, BY SPENDING DESIGNATION

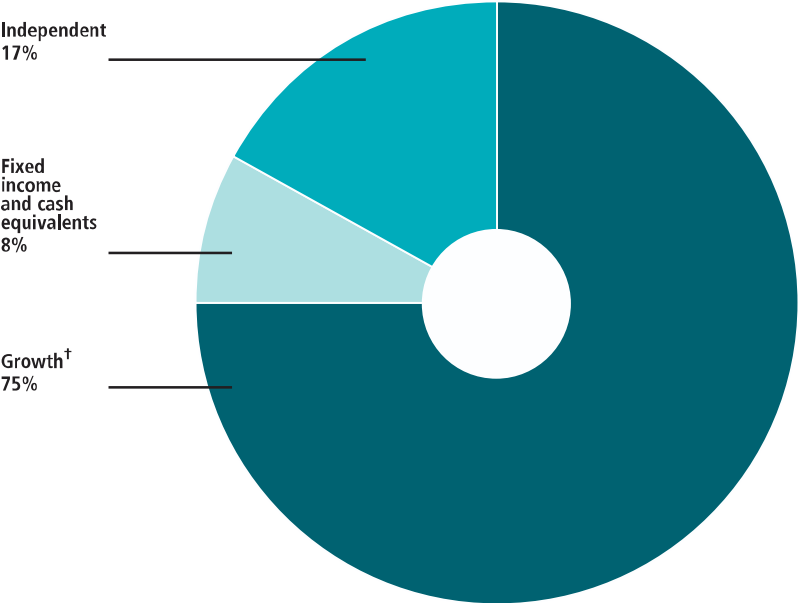
Designation	New Funds
SHARE	175
Areas of Focus	45
Rotary Peace Centers	18
World Fund	13
Global Grants	5

# ENDOWMENT INVESTMENTS

## INVESTMENT OBJECTIVE

The Rotary Foundation invests Endowment assets to provide funding for today’s programs while growing the portfolio to support Foundation programs in the future. Rotary seeks to generate an average annual investment return over time at least equal to the rate of inflation plus the average distribution rate. The following asset allocation strategy has been implemented to achieve this goal.

### PORTFOLIO ASSET ALLOCATION TARGETS\*



\* The actual asset allocation may deviate from the target allocation within ranges set forth in the investment policy statement.

† Growth includes equity, private investments, and real estate.

# INVESTMENT MANAGEMENT

The **Trustees** of The Rotary Foundation are responsible for setting the investment policy, including the investment objectives and asset allocation strategy.

The **Investment Committee** is responsible for overseeing Rotary’s investments, implementing our investment policy, reviewing and monitoring investment results, and recommending changes to the investment policy and asset allocation strategy.

The **office of investment** is responsible for the daily management of the Endowment, the implementation of and compliance with the statement of investment policy and guidelines, and deciding how to allocate capital to the various investment strategies and investment managers.

External professional investment managers are appointed by the office of investment to invest the assets of the fund on behalf of The Rotary Foundation.

# INVESTMENT PERFORMANCE

The Endowment’s investment return for Rotary year 2023-24 was 12%.

The investment returns net of fees for each fiscal year since 2014-15 are shown below. The average annual rate of return during this period is 6%.

## RETURN ON INVESTMENTS



# ENDOWMENT SPENDING

## SPENDING POLICY

The Rotary Foundation Trustees set spending rates for the Endowment each year. Spending from each named endowed fund is determined by comparing its market value as of 31 December with the principal amount contributed (the gift value).

Any named fund with a market value of at least 90% of the total contributions to the fund will provide spendable earnings for the fund’s designated programs. If a fund’s market value is less than 90% of the total gift value, distributions will be deferred to increase the value of the fund. This policy allows the Foundation to maximize support for programs today while letting the Endowment grow so it can also support programs in the future.

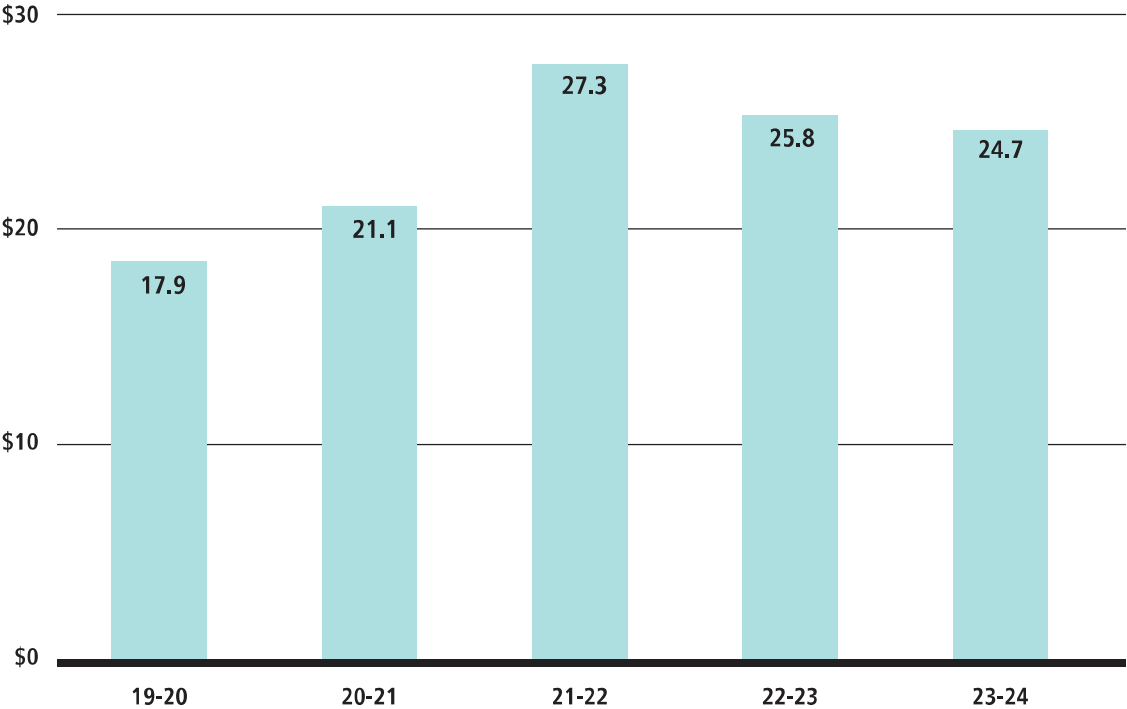
### SPENDING TIERS AND RATES USED IN 2023-24

Tier	Market Value of Fund on 31 December 2021	Spending Rate (%)
4	More than 10% higher than the gift value	5.0%
3	At least equal to, but not more than 10% higher than, gift value	4.0%
2	As much as 10% less than the gift value	2.0%
1	More than 10% less than the gift value	0

# SPENDABLE EARNINGS

The Endowment makes an annual distribution for programs and operating expenses. For Rotary year 2023-24, spendable earnings totaled \$24.7 million, of which \$19.2 million was used for program awards, \$0.6 million for operations, \$2.3 million for fund development, and \$2.6 million for general administration expenses.

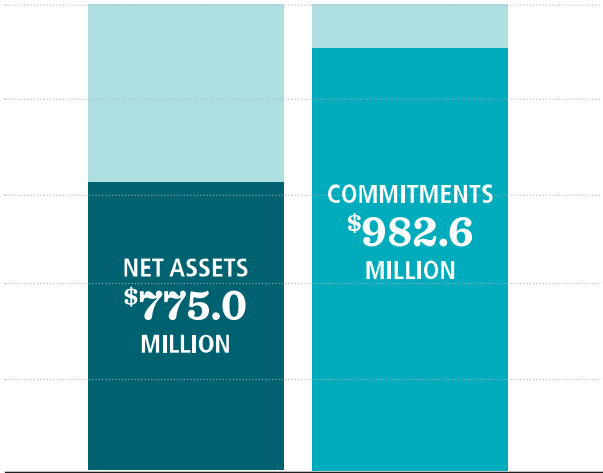
## SPENDABLE EARNINGS DISTRIBUTION (IN MILLIONS OF US\$)



# 2023-24 BUILDING THE ROTARY FOUNDATION ENDOWMENT: 2025 BY 2025

Rotary members are working toward the goal of reaching \$1.0 billion in net assets\* and \$1.025 billion in commitments† for future gifts, totaling \$2.025 billion for the Endowment by 2025. As of 30 June 2024, net assets equal \$775.0 million, and commitments totaled \$982.6 million, for a combined total of more than \$1.75 billion

**GOAL \$1 BILLION + \$1.025 BILLION = \$2.025 BILLION**



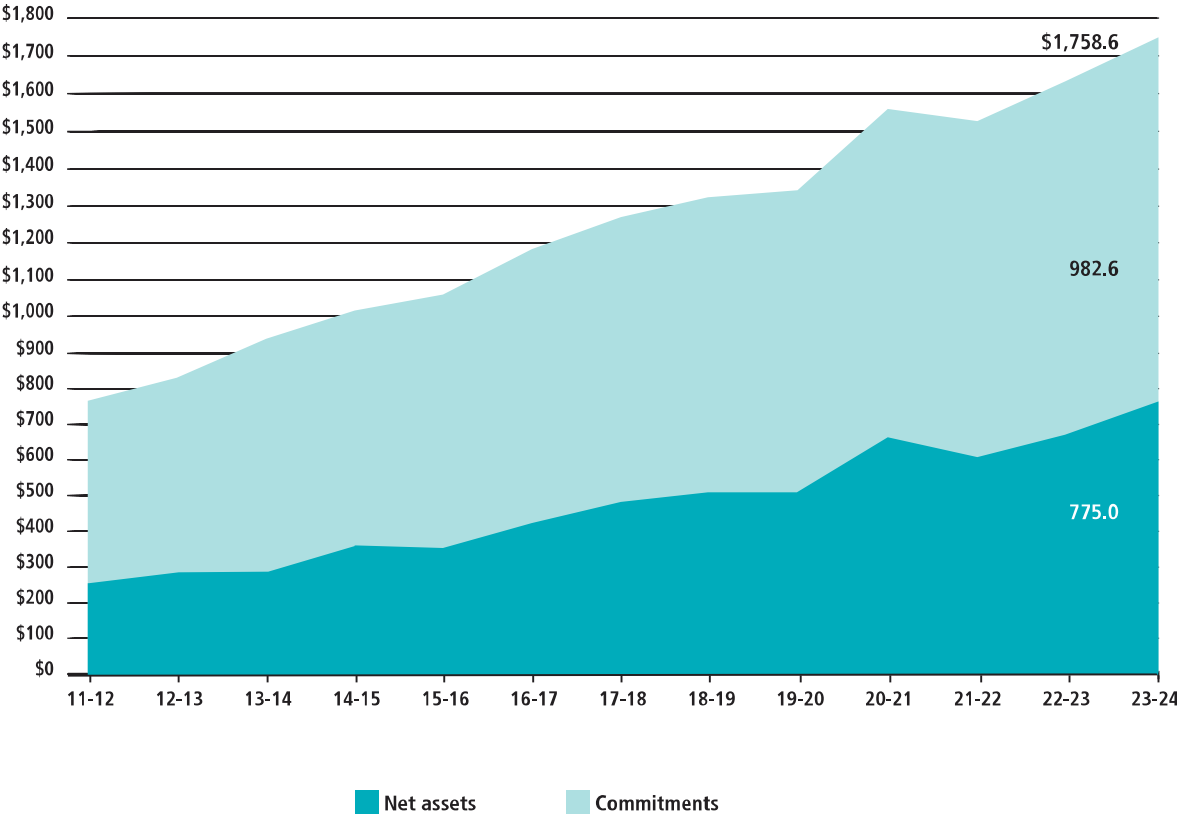
Combined total = \$1.758 billion

\* Net assets include life income agreements, which are irrevocable contributions that provide a beneficiary with payments for life or for a set number of years. The donor receives a U.S. charitable tax receipt for a portion of the face value of the gift.

† A commitment is typically a provision in a person's will or other estate plan that names The Rotary Foundation Endowment as a beneficiary. Commitments are not current assets of the Foundation and are not included in audited financial statements.

# ENDOWMENT GROWTH

## ENDOWMENT MARKET VALUE AND COMMITMENTS\*

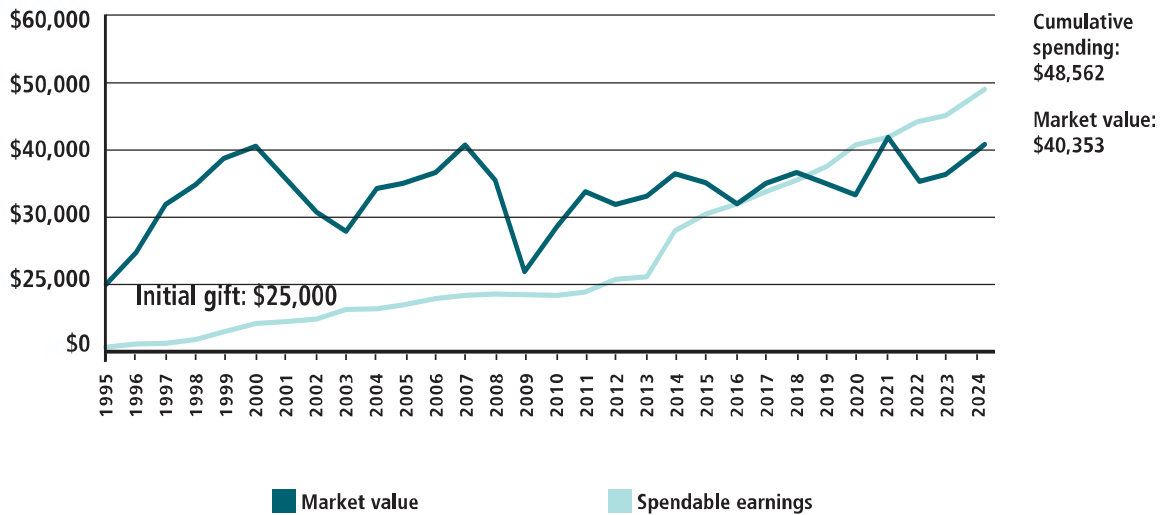


\* In millions of US\$

## NAMED ENDOWED FUND EXAMPLE

A named endowed fund of \$25,000 that was established in 1995 has grown to a market value of more than \$40,000 and provided spendable earnings since then of more than \$48,000.

See how an Endowment contribution grows over time and continues to give.



The illustration depicts past performance and cannot be relied upon as an indicator of future performance.

Visit [rotary.org/legacy](https://rotary.org/legacy) to learn more about building a Rotary legacy that will save lives and enrich communities during this century and beyond.

# HOW DO I GET MORE INFORMATION?

For more information, visit [Rotary.org](https://www.rotary.org). If you are interested in learning more about the benefits of giving, life income gifts, or named endowed fund opportunities, please contact your district fundraising chair, endowment/major gifts adviser, or regional Rotary Foundation coordinator.

Send questions to the gift officer for your area:

Brazil	<a href="mailto:fr.brasil@rotary.org">fr.brasil@rotary.org</a>
Europe/Africa	<a href="mailto:eao@rotary.org">eao@rotary.org</a>
Japan	<a href="mailto:rjapan@rotary.org">rjapan@rotary.org</a>
Korea	<a href="mailto:rikorea@rotary.org">rikorea@rotary.org</a>
North America	<a href="mailto:philanthropy@rotary.org">philanthropy@rotary.org</a>
South Asia	<a href="mailto:risao@rotary.org">risao@rotary.org</a>
South Pacific and Philippines	<a href="mailto:risppo@rotary.org">risppo@rotary.org</a>

# INVESTMENT GOVERNANCE

## THE ROTARY FOUNDATION 2023-24 BOARD OF TRUSTEES\*

### Chair

Barry Rassin, Bahamas

### Chair-elect

Mark Daniel Maloney, United States

### Vice Chair

Bharat S. Pandya, India

### Trustees

Martha Peak Helman, United States

Chun Wook Hyun, Korea

Jennifer Jones, Canada

Holger Knaack, Germany

Hsiu-Ming Lin, Taiwan

Larry A. Lunsford, United States

Geeta K. Manek, Kenya

Aziz Memon, Pakistan

Akira Miki, Japan

Greg E. Podd, United States

Carlos Sandoval Delgado, Mexico

Dennis J. Shore, Australia

### General Secretary

John Hewko, Ukraine

## THE ROTARY FOUNDATION 2023-24 INVESTMENT COMMITTEE

### Chair

Greg E. Podd, United States

### Vice Chair

Larry A. Lunsford, United States

### Members

Thomas P. Deinet, England

Jake Duffy, United States

Garth Friesen, United States

Robert A. Kelly, United States

Benjamin C. Linford, United States

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\* As of 30 June 2024