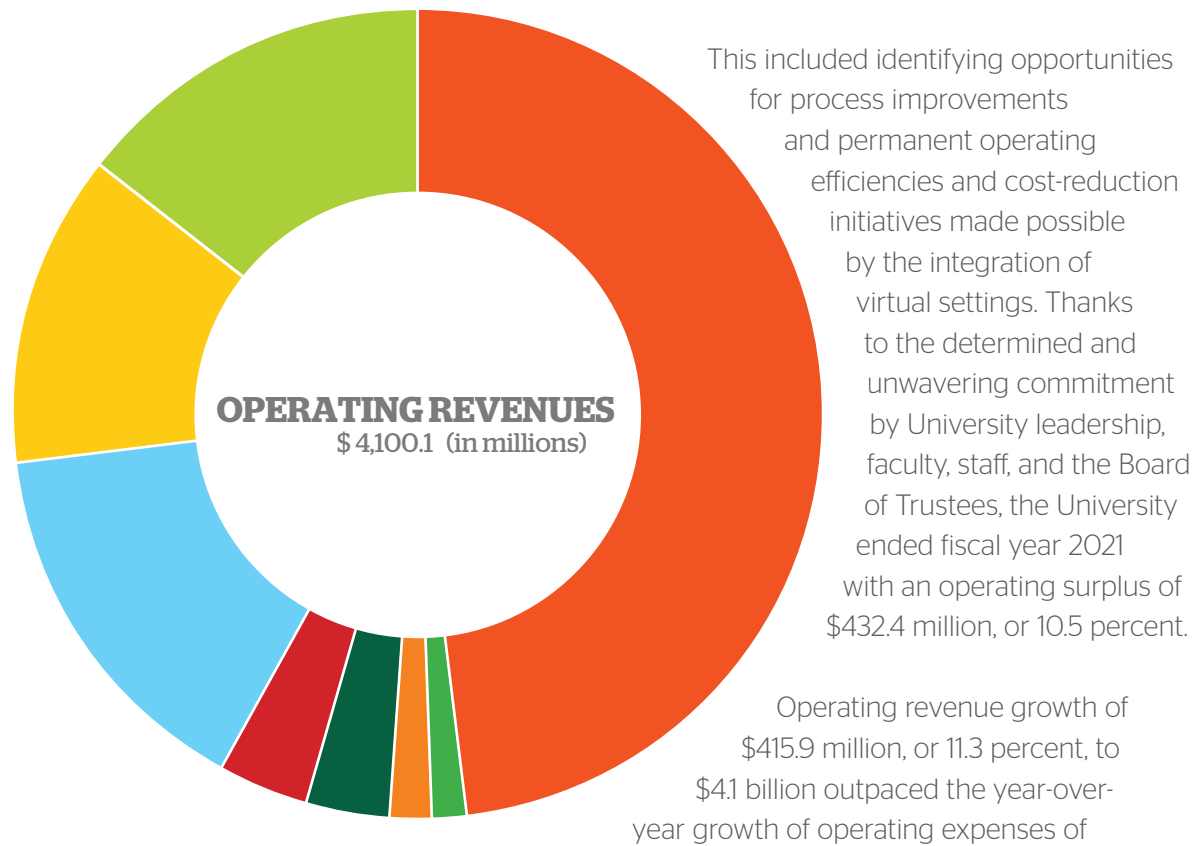




REPORT ON BUSINESS AND FINANCE

As the University continued to adapt and emerge from the financial and operational disruption caused by COVID-19 throughout fiscal year 2021, the executive leadership team remained fully committed to achieving a sustainable recovery, with an emphasis on financial and operational stewardship while positioning the University for continual growth in a post-pandemic landscape.



Tuition and Fees, net \$610.2 (14.9%)	Grants and Contracts, net \$512.8 (12.5%)	Medical Professional Practice \$589.3 (14.4%)	Hospital and Clinics \$1,973.5 (48.1%)
Gifts and Trusts, net \$62.5 (1.5%)	Endowment Distribution/ Investment Income \$59.7 (1.5%)	Auxiliary Enterprises, net \$138.6 (3.4%)	Other Sources \$153.5 (3.7%)

\$8.5 million, or 0.2 percent. The controlled growth in expenses was contributed by the COVID-19 financial mitigation actions and other operational efficiencies. Tuition revenue, net of scholarship and fellowship costs, which increased by \$22.6 million, or 3.8 percent, attributed to an increase in undergraduate enrollment and a modest tuition increase, was offset by the University's commitment to providing financial assistance to its students.

Net patient service revenues increased by \$485.7 million, or 23.4 percent, from emergency room admissions, hospital acuity, surgeries, cancer and clinic visits, contracted payment rates, and Medicaid supplemental revenue. Grants and contracts revenue decreased by \$65.8 million, or 11.4 percent, to a total of \$512.8 million. Sponsored research expenditures decreased to \$376 million in fiscal year 2021, or 1 percent. Federal awards represent about 71 percent of total sponsored research expenditures. These decreases

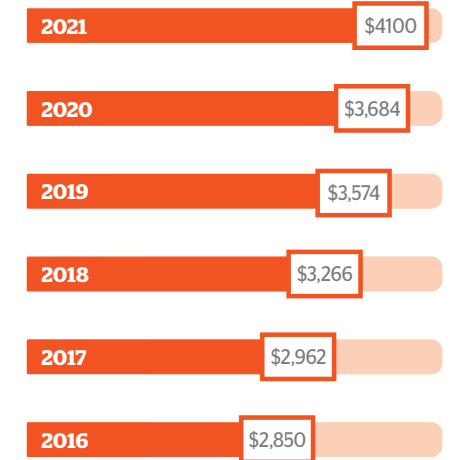
were attributed to timing because of COVID-19.

Auxiliary enterprise revenue, which is derived primarily from athletics, housing, and dining activities, decreased by \$14.6 million, or 9.5 percent. The decrease in revenue can be largely attributed to COVID-19 with capacity restrictions in athletics, cancelled events, reduction in food service revenue, and parking permit sale reductions from remote work and instruction.

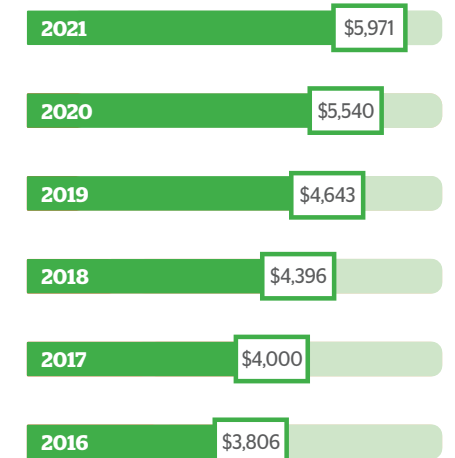
Operating expenses increased \$8.5 million, or 0.2 percent, from 2020, while supplies and services, depreciation and amortization, utilities and maintenance, and interest accounting increased \$94.3 million. These increases were offset by a decrease of \$72 million and \$13.8 million in compensation and benefits and other expenses, respectively.

Compensation and benefits, comprising 55.9 percent of total operating expenses, decreased \$72 million, or 3.4 percent, primarily

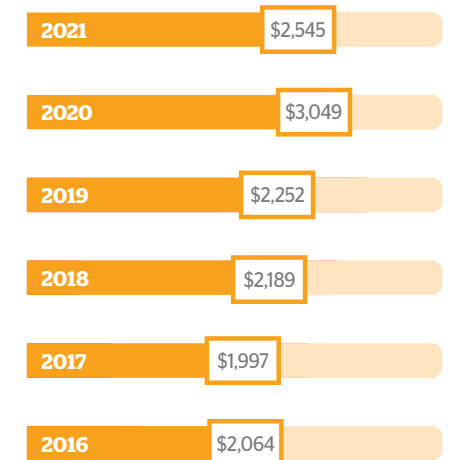
TOTAL OPERATING REVENUES (in millions)



TOTAL ASSETS (in millions)



TOTAL LIABILITIES (in millions)



a result of the suspension of employer contributions to the employee defined contribution plan for the first three quarters of the fiscal year.

Supplies and services, comprising 28.5 percent of total operating expenses, grew by \$68.9 million, or 7.1 percent. Medical supplies supporting UHealth's response to increased clinical volume and to COVID-19 were the driver of this increase.

Utilities and interest expenses increased by \$1.7 million and \$8.8 million, respectively. Other expenses decreased by \$13.8 million, totaling \$262.1 million.

Net assets increased \$935.5 million, or 37.6 percent, to a record high of \$3.4 billion, primarily from operational performance inclusive of financial mitigation actions, strong investment returns, philanthropic support, and stimulus funding provided under the CARES Act.

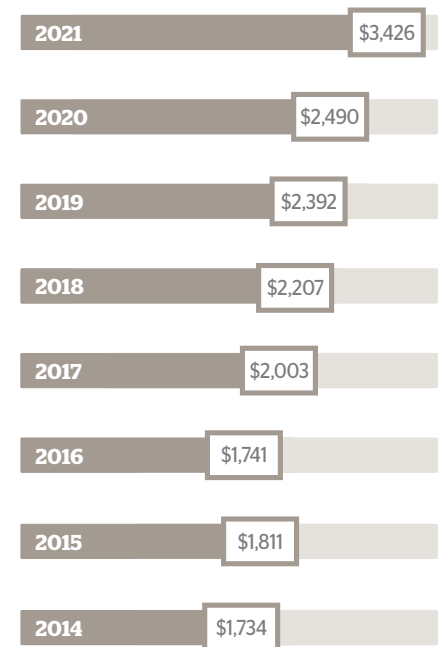
The change in net assets without donor restrictions from non-

operating activities was \$98.2 million, a \$96 million increase from the prior year, primarily attributed by strong investment returns for the University's endowment at 33.6 percent for the year.

The change in net assets without donor restrictions due to post-retirement related changes other than net periodic benefit costs was \$62.1 million, an increase of \$22.2 million from the prior year. The favorable increase is predominately because of a net gain of \$22 million within accumulated other comprehensive income due to favorable asset return, changes in actuarial assumptions, and the liability experience per the June 2020 census. At year end, plan assets were \$863 million, and the plan's unfunded liability was \$53.8 million, a decrease of \$63.2 million. The Employee Retirement Plan's overall funded status at the end of fiscal 2021 was 94.1 percent.

For the fiscal year, total gifts and trusts with and without donor restrictions totaled \$143.6 million, an increase of \$20.9 million from

NET ASSETS
(in millions)



2020 boosted by investment performance and philanthropy.

The University's total assets increased \$431.5 million or 7.8 percent over the prior year, primarily contributed by increases in investments of \$630.1 million, resulting from investment returns, investment of working capital, and 58 new endowments and new gifts totaling \$48.9 million.

Other assets increased by \$116.2 million mainly because of the implementation of the Financial Accounting Standards Board lease accounting standard, Accounting Standards Committee 842, and accounts and loans receivables increased by \$147.6 million. These increases were partially offset by decreases in cash and cash equivalents of \$427.6 million because of payments on the line of credit and contributions receivable by \$46.9 million.

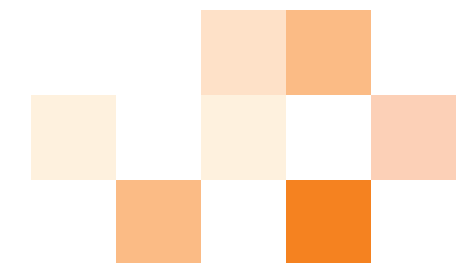
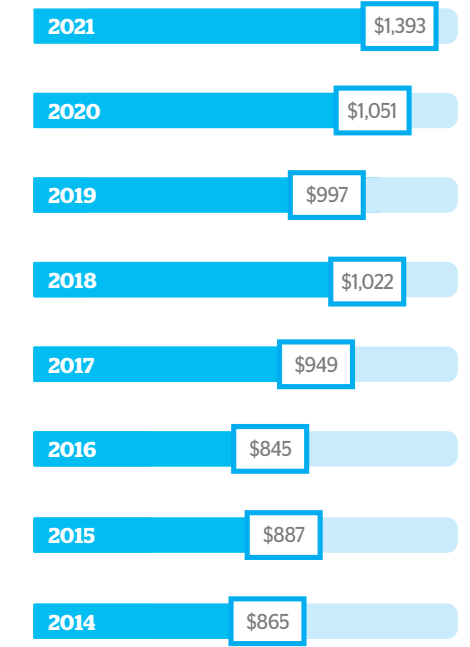
Total liabilities decreased by \$504 million or 16.5 percent, primarily attributed to a decrease in Bonds and Notes Payable of \$624.5 million due to the line of credit

repayment of \$698.8 million that was drawn during fiscal year 2020.

While the uncertainty caused by COVID-19 continues into fiscal year 2022, so does the University's steadfast commitment to the health and safety of our community, to long term financial sustainability, and to our mission of transforming lives through education, research, innovation, service, and patient care. While we continue to carefully navigate the effects of a once-in-a-century pandemic, the University has demonstrated resilience once again, and its commitment to an ever brighter tomorrow has never been stronger.

Jacqueline A. Travisano
Executive Vice President for
Business and Finance and
Chief Operating Officer

ENDOWMENT FUNDS
(in millions)





REPORT ON THE ENDOWMENT

pandemic, investor sentiment was boosted by the vaccine rollout and liquidity provided by the Federal Reserve. At the onset of the pandemic, the University evaluated the Growth Pool asset allocation, and it was confirmed to be in alignment with our long-term strategy.

This assessment provided the confidence necessary to navigate the once-in-a-century pandemic and to set the Growth Pool up for a successful year. Guided by the University's investments committee's steady hand, the Growth Pool deployed more than \$300 million to take advantage of the rotation in the marketplace, seizing opportunities for new investments, rebalancing trades, and capital calls.

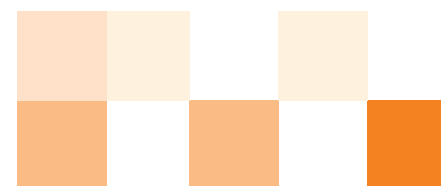
This was accomplished by generous support from philanthropic University stakeholders combined with diligent oversight both by the administration and our capable Board of Trustees investments committee.

Following the unprecedented level of uncertainty in the capital markets because of the COVID-19

“The Growth Pool’s asset allocation framework effectively positions the portfolio for robust, through-cycle returns in excess of hurdles such as inflation, as evidenced by performance in the past several years.”

The University also initiated partnerships with top-tier venture capital and private equity firms as the administration gradually and thoughtfully grew the portfolio's role in private investments toward its target allocation of 11 percent.

Additionally, the investments committee supported diversity, equity, and inclusion. New policies were established to prioritize diversity, equity, and inclusion efforts, including engaging existing investment managers to understand and support their inclusion efforts and ensuring that the University was engaging with prospective minority investment managers. Diversity targets within the portfolio were also established in fiscal year 2021.



The Growth Pool's asset allocation framework effectively positions the portfolio for robust, through-cycle returns in excess of hurdles such as inflation, as evidenced by performance in the past several years.

The administration is dedicated to optimizing its investment holdings and strategies to maximize the long-term impact of gifts and endowments to advance the University of Miami's mission. We thank all of our donors and stakeholders for their continued support and confidence.

Charmel Maynard
Associate Vice President,
Chief Investment Officer, and
University Treasurer

HISTORICAL GP PERFORMANCE VS. BENCHMARKS

	Actual ¹	Total Portfolio	Benchmarks
			60/40
2018	9.40%	9.13%	6.89%
2019	0.04%	-0.07%	2.04%
2020	2.20%	4.40%	7.62%
2021	33.61%	33.80%	23.51%

¹Net of Fees

POLICY PORTFOLIO TARGET AND RANGES

	Range	Target	May 31, 2021
Public Equity	50-70%	60%	66%
Absolute Return	5-15%	10%	9%
Private Equity	5-15%	11%	6%
Real Assets	0-15%	4%	4%
Fixed Income	5-20%	14%	14%
Cash	0-5%	1%	1%

ENDOWMENT GROWTH AT MARKET (IN MILLIONS)

	One Year	Five Years	Ten Years	Fifteen Years
Beginning Balance	\$ 1,050.8	\$ 844.6	\$ 719.9	\$ 620.4
Return, Including Unrealized Appreciation (Depreciation)	341.7	560.7	723.9	850.2
Distributions to Operations, etc. ¹	(44.0)	(214.8)	(391.0)	(549.6)
Gifts and Other Net Additions	44.9	202.9	340.6	472.4
Net Increase (Decrease)	342.6	548.8	673.5	773.0
Ending Balance	\$ 1,393.4	\$ 1,393.4	\$ 1,393.4	\$ 1,393.4

¹For most endowments, this is pursuant to the University's Endowment Spending Policy.