

December 2025

Upon the Virginia Tech Foundation's 75th anniversary in 2023, the Board and leadership team dedicated VTF to performance ... answering to the purpose of stewardship and a vision of orchestrating the growth and impact of Virginia Tech's assets to achieve the University's aspirations for education and research. As the midpoint of the journey to 80 years of operation nears, VTF appreciates the trust placed by Virginians and the donors to Virginia Tech in VTF's ability to perform as steward and fulfill the vision. It is a daily call to action sounded by every VTF employee, in honor of the University and its stakeholders. The results of Fiscal Year 2025 demonstrate the dedication of the VTF team to high-caliber performance.

A university endowment grows through a careful, professional, and sophisticated approach to management and building rock-solid strength over the long term. A university real estate portfolio supports the need for space, not just constructed well but designed to consider how success can be felt beyond the university's walls. For the land-grant university, the value of the endowment and real estate portfolio addresses the needs and expectations of stakeholders while adhering to financial and management best practices. By prioritizing financial stability and growth to support teaching and invention that benefit communities, VTF helps Virginia Tech prepare talent and deliver life-improving discoveries across every industrial pursuit.

As an investment management entity, VTF performs in the same environment that the global industry inhabits, with the added consideration of serving an institution of higher education. The world is growing into a new equilibrium, marked by volatility, uncertainty, economic pressures, and technological shifts. VTF's job is to offer steady management of assets, within a focus of fiduciary responsibility and sound professional standards, as the world finds its way into a steadier state.

One thing is certain: VTF's focus on stakeholders, from students and their families to Virginia Tech faculty and researchers, to the Commonwealth of Virginia, is inspired and nurtured by the responsibility of stewardship. The VTF strategic plan is a roadmap of accountability, used daily to manage projects carefully designed, executed, and measured. As it conducts itself into the future, the VTF team will continue to emphasize robust risk management, value protection and growth, organizational efficiency, technological prowess, and dedication to Virginia Tech's strategic priorities.

William Park, Chair of the Board

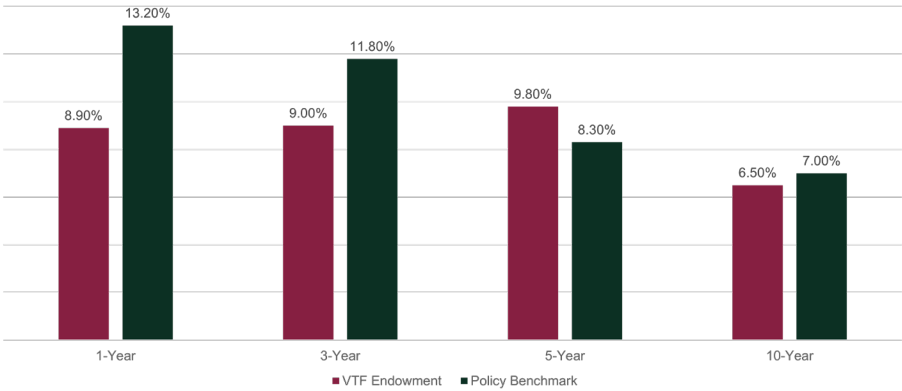
Justice (ret.) Elizabeth A. McClanahan, Chief Executive Officer

Endowment Performance

Fiscal Year 2025 performance was positive, with the Endowment returning +8.9%. The period saw heightened volatility as the U.S. Presidential election sparked a reordering of global trade, and significant investment in artificial intelligence provided support for corporate earnings growth. While performance was strong, the endowment trailed its Policy Benchmark return of +13.8% over the 1-year period. Illiquid asset classes, which include private equity, venture capital, real estate, resources, and infrastructure, impacted this gap as a continued slowdown in capital market activity translated into low levels of deal activity.

A majority of asset classes positively contributed to performance, with public equity investments leading the way. In a switch from previous years, international equity markets outperformed domestic equity markets, with the depreciation of the U.S. dollar playing a key role. In addition, market neutral hedged strategies, liquid credit, and infrastructure were also notable contributors. The vast majority of detraction from performance can be attributed to a single manager in the real estate sector engaged in multi-family development.

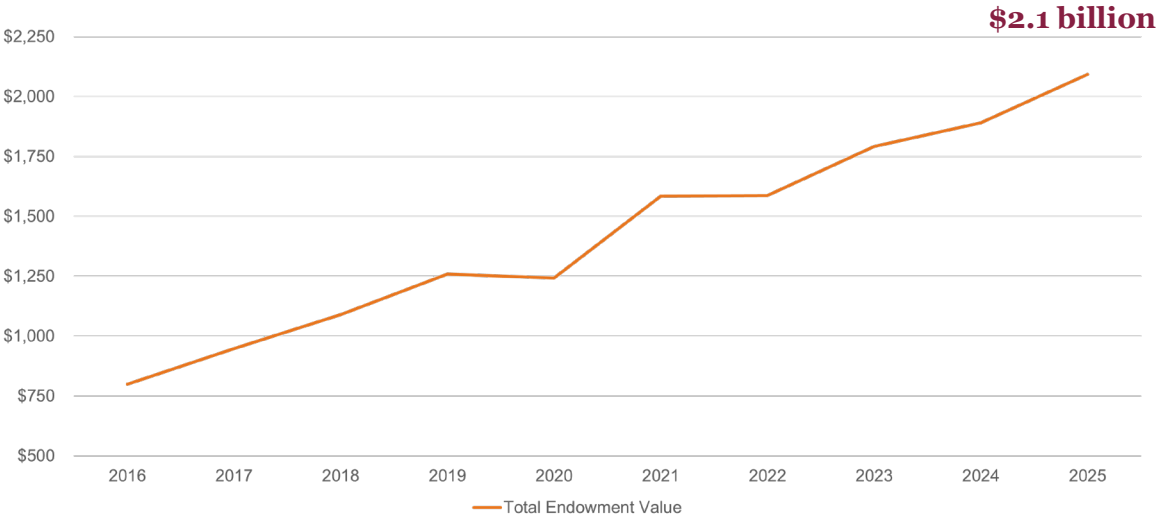
Annualized Performance



Fiscal Year 2025 Asset Class Performance	
Public Equity (incl. Long/Short Equity)	15.7%
Private Equity	5.2%
Public Fixed Income	9.3%
Private Credit	1.1%
Diversifiers	9.7%
Real Estate	-21.7%
Resources & Infrastructure	18.8%



Total Endowment Value as of June 30, 2025

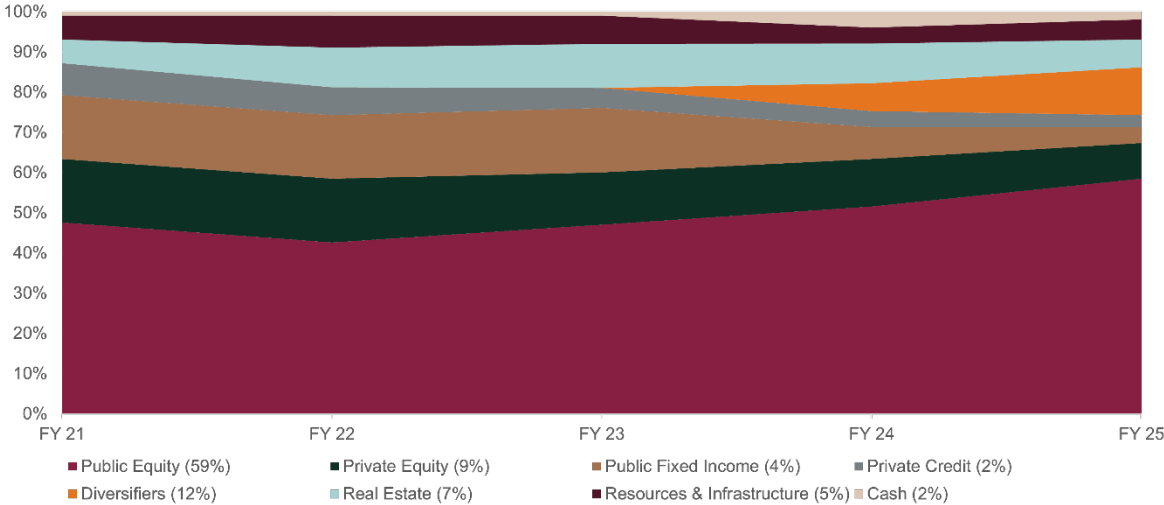


Asset Allocation

The long-term objective of the Endowment is to maintain the value of the asset pool in real terms while providing beneficiaries with a stable annual payout. To achieve this objective, the Foundation’s Investment Committee confirms the Endowment’s long-term strategic asset allocation on an annual basis while considering the risks of each asset class. Shifts in allocations are a function of the investment team’s view of the attractiveness of an asset class as well as the accessibility of opportunities within an asset class. Asset allocation, in conjunction with a Policy Benchmark reflective of the risks necessary to achieve the long-term objective, forms the framework along which decisions are made.

VTF invests primarily through third-party investment managers that execute investment strategies on its behalf. This approach favors active management, the use of passive indices when appropriate, and opportunistic investments in co-investments. In the short-term, Endowment risks may be substantially different from the Policy Benchmark. However, investment decisions prioritize the long-term strategic asset allocation and focus on the Endowment’s long-term objective.

5-Year Asset Allocation

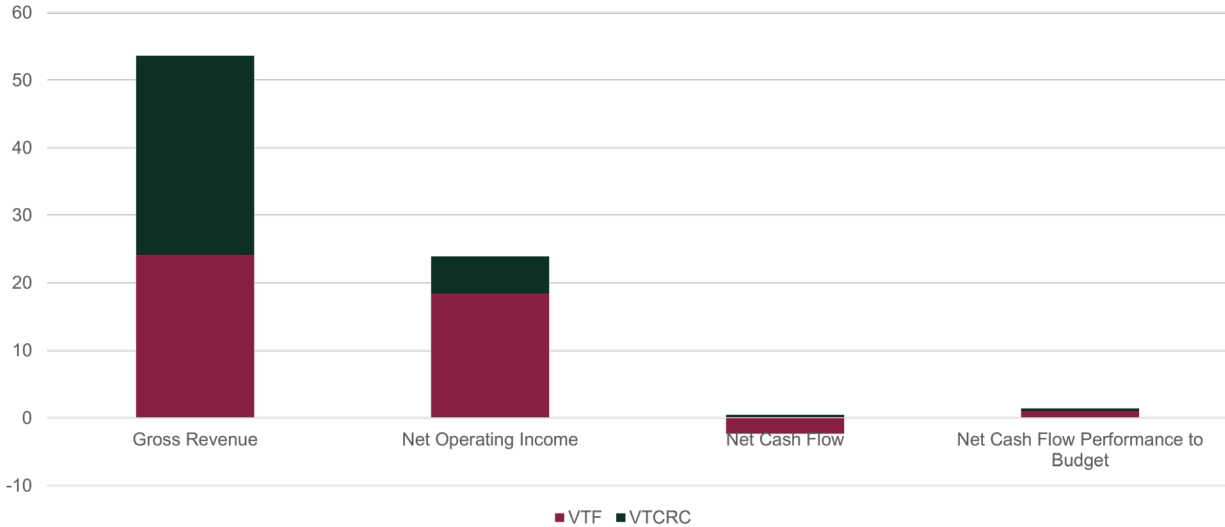


Endowment gifts are pooled in the Foundation’s Consolidated Endowment Fund and used to purchase units, similar to shares in a mutual fund. Each unit receives an annual payout that supports University programs. The payout per unit is reviewed and set each year by the Foundation’s Board of Directors, taking into account inflation, long-term investment returns, and the need for stable funding. To minimize volatility, the policy applies a 12-quarter moving average of endowment values. Under current policy, the payout is targeted within a range of 3.0 to 4.4 percent of that moving average each year.

Real Estate Portfolio Value

VTF and Virginia Tech Corporate Research Center, Inc. (VTCRC) real estate generated \$53.6M in revenue and net operating income of \$23.9M during fiscal year 2025. VTF received \$869,900 in donated real estate and liquidated \$1.13M in donated properties to generate income for academic programs. VTF and VTCRC oversaw more than \$116M in capital projects at various stages of planning, design, construction or occupancy.

Real Estate Financial Results for Fiscal Year 2025



	VTF	VTCRC	Total
Gross Revenue	24.1M	29.5M	53.6
Net Operating Income	18.4M	5.5M	23.9
Net Cash Flow after debt service and maintenance reserve funding	-2.3M	0.46M	-1.84
Net Cash Flow Performance to Budget	+1.0M	0.46M	+1.46

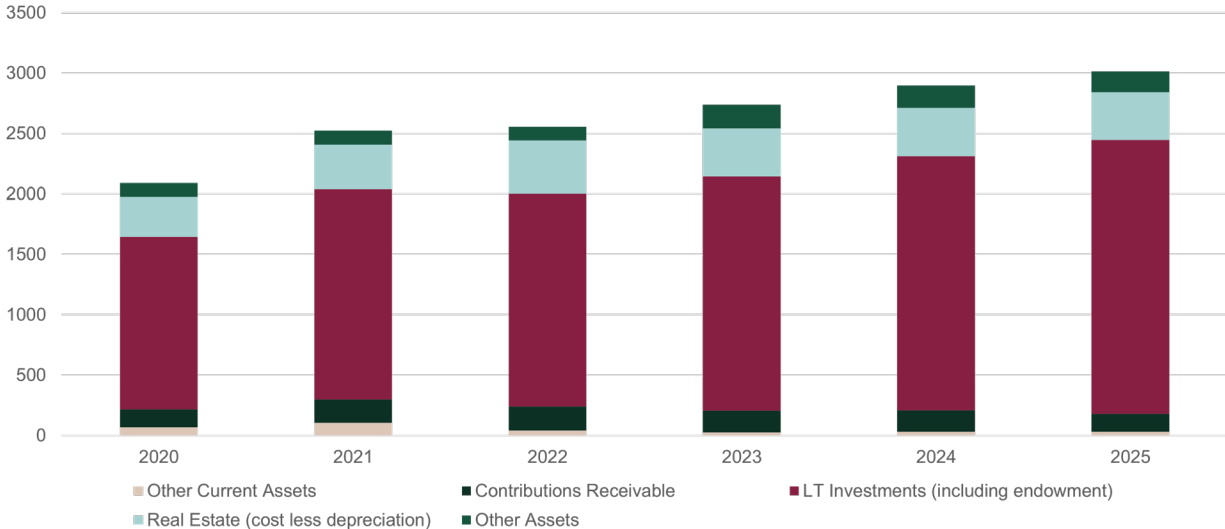


Financial Report

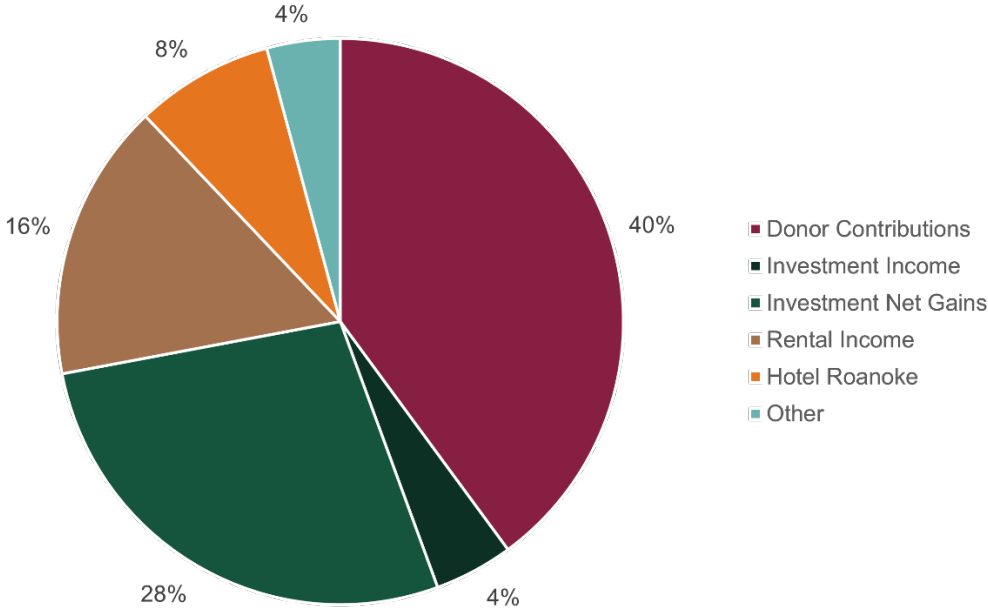
VTF’s financial profile has remained stable and strong. Total assets have continued to grow over the past five years (by 39 percent between Fiscal Years 2020 and 2025). Real estate currently comprises 13 percent of total assets, as conservatively measured by cost-less-depreciation for financial report purposes.

VTF’s two primary sources of revenue are donor contributions and investment returns, with a combined impact of 72 percent in Fiscal Year 2025. Rental income, mostly from Virginia Tech, represented 16 percent of total revenue for the year. Most of VTF’s annual expenses can be directly attributed to meeting the University’s needs. During Fiscal Year 2025, a combined 74 percent of total expenses supported the University’s programs, student scholarships, University capital projects, and University fundraising.

VTF Total Assets 2020-2025 (\$millions)



Revenue Sources – Fiscal Year 2025



Expenses – Fiscal Year 2025

