

**UW Governance Groups: Town Hall Divestment Discussion
Wisconsin Foundation and Alumni Association (WFAA) Information
2.18.2021**

Our beliefs.

WFAA leadership shares the concern of the majority of Americans regarding climate change and global warming. Our leadership team believes consumption of fossil fuels is at the root of this challenge and as an organization we will [continue to take steps](#) to reduce our carbon footprint.

Our purpose.

WFAA exists as an independent non-profit to support UW-Madison by building pride and affinity and securing resources from alumni and friends to support the UW mission. In our current All Ways Forward campaign for UW, we have raised over \$3.6 billion in new commitments since July 2013.

Our donors.

The alumni and friends who support UW-Madison financially represent a wide range of beliefs, occupations, interests, religions, political affiliations, nationalities, and identities. The only thing we can be sure that they all share is a passion for UW-Madison sufficient to give financial support. Our 6300 separate endowed funds were donated to particular causes at UW-Madison by households and individuals with widely differing views and beliefs.

Our investments.

The financial investments of donors are managed by a team of professionals until the funds are called upon by the UW unit designated as the beneficiary. Our investment operations are overseen by the Investment Committee of the WFAA Board of Directors, all of whom are donors and alumni of UW. The IC and the board approve our investment policy statement which defines the eligible set of investment vehicles. Our team does not select individual stocks (as much larger endowments do) but rather hires outside managers to invest funds on our behalf. In order to avoid potential conflicts and preserve independence, employees of UW-Madison cannot serve on the WFAA board.

Our assets.

WFAA has historically not shared portfolio-specific asset information—in part because of the ever-changing nature of business activities, as well as legal non-disclosure responsibilities. Speaking generally, fossil fuel assets have been a diminishing percentage of our overall portfolio investments. The primary reason for this change has been the asset class has been less attractive as capital has flowed to other energy-related positions. Our responsibility as investors is to follow the markets and make the best decisions for the long-term value of the WFAA endowment.

Our fiduciary responsibility for past gifts.

Donors entrust their gift dollars with the Foundation to support a specific UW program (scholarship, faculty chair, research program, etc.) and our commitment to them is to manage

their funds in the manner that provides the best risk and return tradeoff available to preserve the value of their endowment over a long period of time. Excluding assets from consideration at the demand of outside parties would be viewed as a violation of that responsibility to put donor interests first.

Our future relationships with donors.

We know from survey research, including a recent survey on climate issues by Resources for the Future, that a growing majority is concerned about global warming AND that views on issues like global warming are hardening on both sides. Polarization is one of the greatest headwinds we face in solving critical global and domestic challenges. We believe UW-Madison can play an important part in solving these challenges and that we will increase our influence by honoring the intent and understanding of past donors in order to have the confidence of donors in the future.

Our process.

Our board would need to approve changes to our investment policy statement that excluded any asset category. Divestment from fossil fuels and other potential exclusions are discussed periodically and that will continue at our March board meeting.