



December 14, 2022

Dear Mr. and Mrs. Catricketes:

One of the most fulfilling aspects of my position is working directly with students and their families as they navigate the financial aid process. While they may not know what to expect initially, we strive to make this milestone experience one that is encouraging and supportive. Through the incredible, enduring philanthropy of our dedicated donors, my team and I are able to open the University's doors—and keep them open—for so many talented, hardworking students.

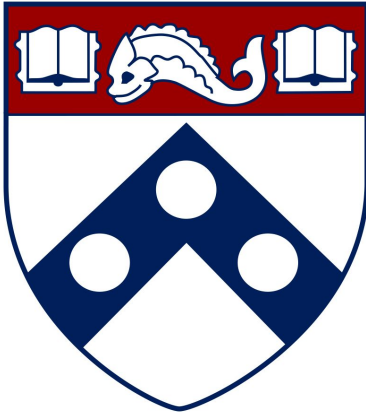
It is a privilege to experience the real life impact of the Named Scholarship Program, and, with pride and gratitude, I am pleased to share with you with the enclosed report on your Named Scholarship and student recipient for the 2022-23 academic year.

This fundamental program exemplifies the University's commitment to excellence and affordability. As we keep encouraging our undergraduates to aim higher and dream bigger, your support helps us meet their ever-increasing needs, making the possibilities before them truly infinite. You have my deepest thanks for your generosity.

Sincerely,

A handwritten signature in black ink, appearing to read "Elaine P. Varas".

Elaine Papas Varas  
Senior University Director of Financial Aid



## Carlie Zhang

Class of 2026  
College of Arts and Sciences  
Major: Undeclared

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Philadelphia, PA  
Central High School

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### Post-Penn Plans

I am currently deciding between working as a therapist or as a physician assistant, both of which require additional schooling. Regardless, I hope to help disadvantaged communities in health care.

### Something I am the most proud of

My involvement in the Asian American community is something I'm proud of, and it is something I plan to continue doing throughout my life!

### Go-to study break snack

I love beef jerky!

### A meaningful learning experience I've had outside of the classroom

The people you meet from extracurriculars, hobbies, and in your field of study are super important, both in networking and making college a more enjoyable time.

### An idea I've encountered at Penn that's changed the way I think

In high school, I spent a lot of my effort in improving my grades. Now, I focus on my growth in education rather than numbers.

### Who has had a positive impact on my life

I grew up working with a local organization in Chinatown called Asian Americans United. My mentors there have taught me valuable life lessons and to embrace my culture and identity.

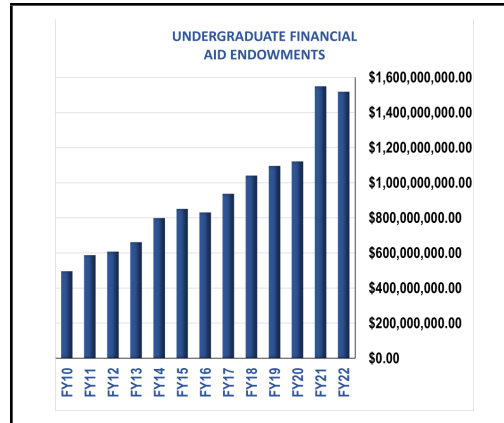
### Favorite spot on campus

I love studying in the Starbucks across from Huntsman Hall!

## Overview

Established in 2014 by Nick Bhuta, Anastasia and Frank Castrickes, W'98, Paul Godinez, C'96, and Josh Thimons to provide financial support to an undergraduate who would otherwise be unable to meet the cost of a Penn education, with preference for students from Philadelphia zip codes: 19121, 19122, 19123, 19125, 19132, 19133, 19134 and 19140. Second preference for any student from the Philadelphia area.

## Financial Summary as of 6/30/2022



*Thanks to scholarship donor support, from FY10-FY22, the portion of Penn's endowment designated for undergraduate financial aid has more than tripled and is now over \$1.5 billion. This critical resource funds approximately one-quarter of Penn's Undergraduate Financial Aid budget with the balance met primarily from University operating monies. Increasing endowed coverage of our Undergraduate Financial Aid initiatives stands as one of the University's highest fundraising priorities.*

<b>Market Value:</b>	<b>\$237,015.59</b>
Total value of your fund, including additions and appreciation.	
<b>Book Value:</b>	<b>\$176,318.84</b>
The original contribution plus any other contributions to the fund.	
<b>Available Income:</b>	<b>\$11,732.27</b>
The income available to be spent during the 2022-2023 academic year.	

### Undergraduate Financial Aid Investments at Penn

Penn is the largest institution in the United States to offer grant-based financial aid to cover full demonstrated need, and our commitment to undergraduate financial aid has never been stronger. The University's financial aid budget has increased by more than 150% since 2008. Typically, Penn's annual target payout rate is 5% of each endowment fund. In light of pandemic-driven needs and opportunities, the target payout rate was increased to 6% for the 2021-2022 academic year. This temporary, elevated spending rate allowed a greater portion of a student's financial aid package to come from endowed funding. For the 2022 - 2023 academic year the payout rate returned to 5%. The University's investment policies are designed to maximize the impact on current students while ensuring that the necessary resources will be in place to keep a Penn education affordable and accessible for future generations.

### University of Pennsylvania Endowment Spending

Penn has adopted an endowment spending policy that governs those funds invested in the Associated Investment Fund (AIF). The spending policy is designed to smooth out fluctuations in annual spending levels and is independent of the cash yield and appreciation of investments for the year. Under the policy the distribution of spendable income is the sum of (i) 70% of the prior fiscal year distribution adjusted by an inflation factor; and (ii) 30% of the fund's year-end market value, lagged one year, multiplied by 5.0% for endowments.

The return on the AIF for FY22 was 0.0%. Total endowment assets as of June 30 were \$20.7 billion, the majority of which are invested in Penn's AIF. The spending rule as described above, under Pennsylvania law, was applied to the market value of the endowment to determine available income.

Endowment growth of \$200.8 million reflects the impact of investment returns, spending distributions, new gifts, and transfers. Over the past five years, the endowment has returned an annualized 11.9%. The endowment returned 11.1% and 9.0% per annum over the past ten and twenty years, respectively. Penn's performance has consistently outpaced a composite benchmark for these periods. Importantly, Penn's long-term performance has enabled the endowment to exceed its goal of maintaining purchasing power after spending distributions.