

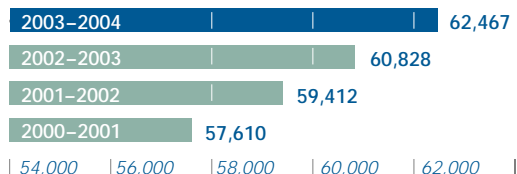
## Measuring Progress and Moving Forward

*This year, a record number of donors rose to the challenge to help Yale realize its vision. The growth of giving in so many areas reflects the many new and important ways donors are having an impact on Yale. Your generosity and foresight help Yale to secure its dynamic future in an increasingly challenging environment.*

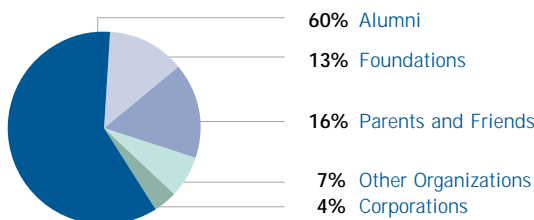
### vitality

More than 62,000 donors (alumni, parents, friends, corporations, foundations, and others) demonstrated their support to Yale, increasing total giving by 21% to over \$268 million in fiscal year 2003–2004. The Yale College Alumni Fund hit an all-time participation high of 44% for unrestricted Annual Giving. Donations from parents and friends increased dramatically, with parents raising their support for capital projects nearly fivefold.

Growth in Total Donors



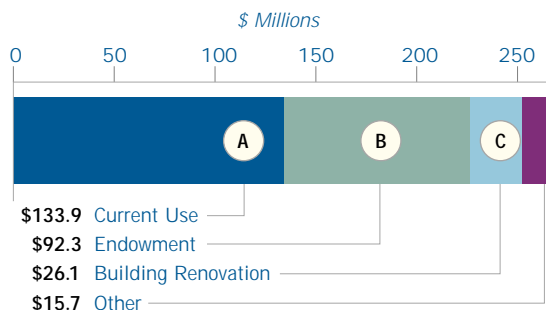
Gifts by Source



### commitment

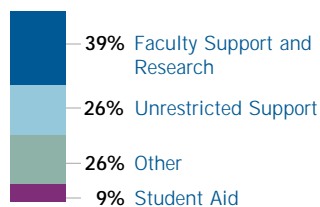
Donors redoubled their commitment to Yale's priorities, providing a stronger foundation for today's needs and for future opportunities. Gifts for current use rose 10% versus last year, while gifts to the endowment increased 34%. Contributions for facilities and renovation almost doubled as donors rallied to support this critical priority.

Support for Priorities



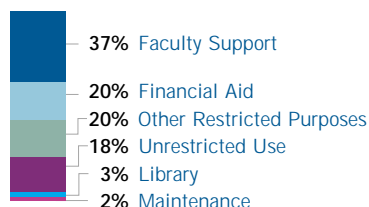
#### A Gifts for Current Use

Current use gifts offer Yale the flexibility to deploy funds as needed to help provide financial aid to students, expand faculty research and curriculum development, and underwrite all aspects of student and academic life.



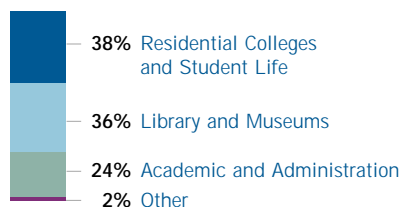
#### B Gifts to the Endowment

Gifts to the endowment, and the investment income from them, fund in perpetuity the scholarships, professorships, and programs that are at the heart of Yale's excellence. These gifts reflect the wide range of donor interests across all areas of the University.

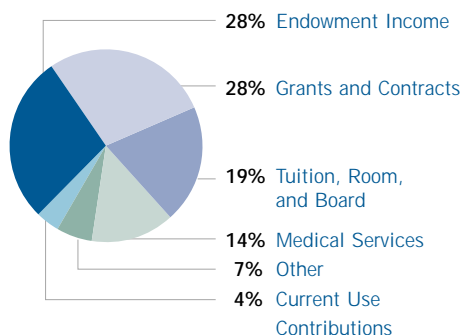


#### C Gifts for Building Renovation

New and renovated buildings are critical to maintaining Yale's academic leadership. To attract world-class faculty and students, Yale needs world-class facilities – supporting the sciences, the arts, and the burgeoning multidisciplinary collaborations that inspire breakthrough thinking.



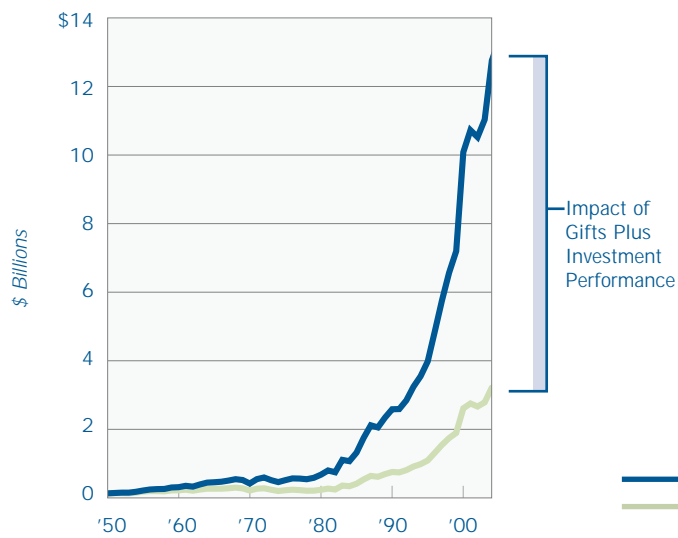
Role of Gifts in the Operating Budget



## balance

Income from Yale's endowment, together with contributions for current use, continue to have an important and carefully planned role in supporting the University's \$1.7 billion operating budget. As in recent years, your support and that of donors before you provides a third of the revenue needed to run Yale's innovative programs and day-to-day operations. Grants and contracts, tuition, and medical and other services are other important pillars of Yale's operating revenue.

Impact of Post-1950 Gifts

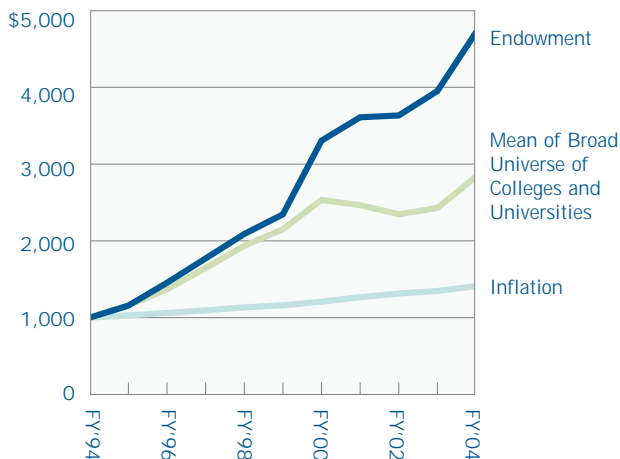


## momentum

Your continuing support of Yale's endowment is essential to the University's success. The endowment is not static; gifts to the endowment prove critical to fueling its growth, enabling it to keep pace with Yale's evolving needs. Since 1950, 75% of endowment growth has come from a combination of new gifts and their subsequent investment performance. Yale's endowment would fall far short of its current market value of \$12.7 billion at June 30, 2004, without the generous support of recent generations of alumni and friends of the University.

Relative Investment Performance

Growth of \$1,000 from 1994 to 2004



## stewardship

Yale's stewardship of your endowment contributions greatly increased their value over the last ten years. For the year ending June 30, 2004, Yale once again produced outstanding results, generating returns in excess of 19% despite unsettled financial markets. Over the ten-year period ending June 30, 2004, the endowment returned 16.8% per year, outpacing universities broadly and placing Yale in the top 1% of institutional investors.