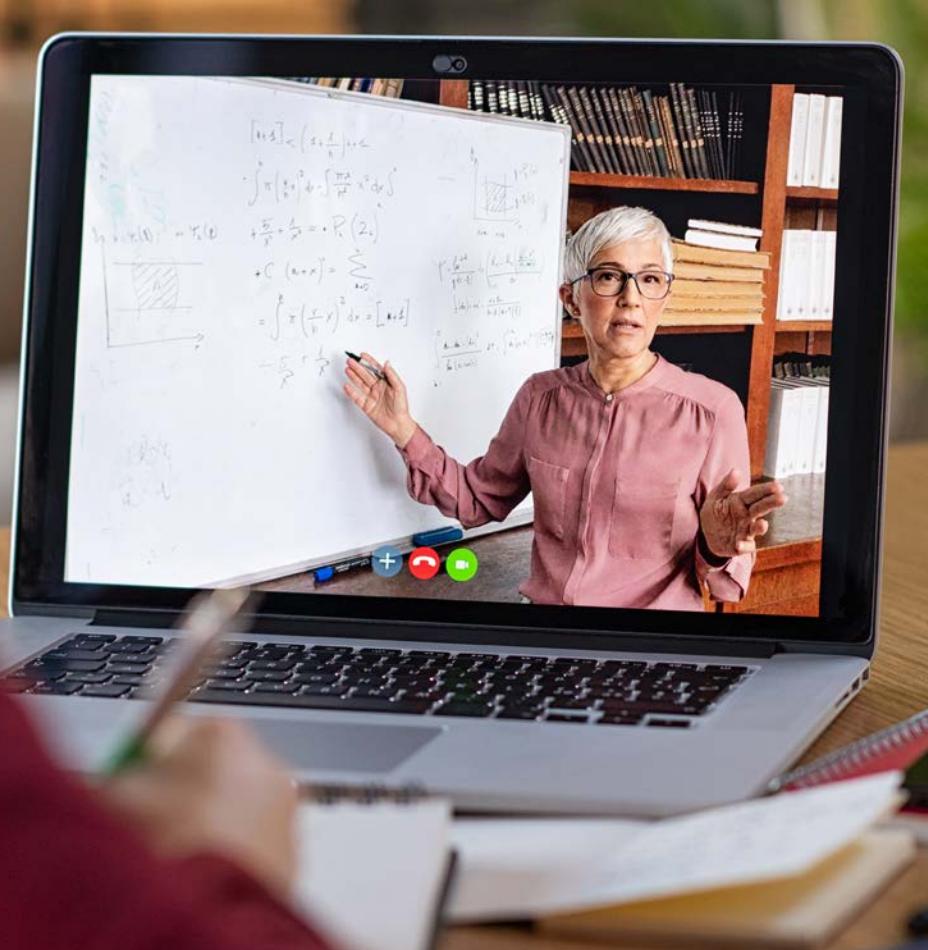




2020

NACUBO-TIAA Study of Endowments





2020 NACUBO-TIAA Study of Endowments

Annual report from the National Association of College and University Business Officers and TIAA on higher education endowment and foundation investment performance and management practices.

Welcome

We are pleased to bring you the 2020 NACUBO-TIAA Study of Endowments, the preeminent analysis of the financial, investment and governance policies and practices of the nation's endowed institutions for higher education. This year's Study reflects the responses of 705 institutions representing \$637.7 billion in endowment assets.

The 2020 Study marks the third year of collaboration between NACUBO and TIAA to produce this leading analysis of endowments. The NACUBO-TIAA Study of Endowments is a natural outgrowth of our long-standing relationship and our shared objective of supporting colleges and universities. Our goal is to continue to evolve and enhance this important tool for endowment decision-makers.

This Study is just one of the many ways that NACUBO has worked to advance the economic vitality of higher education, a mission that has never been more needed, over its 59 years.

TIAA was founded to serve higher education institutions and their employees. Now in its second century, TIAA remains committed to helping the five million individuals and 15,000 not-for-profit institutions that it serves.

To those who participated in the Study, we thank you for your contributions and your dedication to higher education, especially in these challenging times.

Sincerely,



Susan Whealler Johnston
President & CEO
NACUBO



Roger W. Ferguson, Jr.
President & CEO
TIAA

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Introduction

This year, 705 institutions responded to the NACUBO-TIAA Study of Endowments (NTSE) survey, making the Study once again the largest and most comprehensive of its kind. Repeat participation rates remained extraordinarily high:

- 97% of FY2020 Study respondents also participated in the FY2019 Study
- Nearly 100% of the respondents in the Over \$1 billion cohort also participated in the FY2019 Study
- 98% of the respondents in the \$501 million - \$1 billion cohort also participated in the FY2019 Study

NACUBO and TIAA have closely reviewed the survey findings for FY2020 (July 1, 2019, to June 30, 2020) and prior years to identify trends in the data and address their potential implications. We hope to inspire conversations among trustees, faculty and administrators, investment managers and others who are working toward the long-term success of higher education in America.

Chapter 1

Market commentary and investment environment

To say that the 12-month period ending on June 30, 2020, (FY2020) was remarkable for financial markets and the global economy is an understatement. In a typical year, events such as the U.S.-China trade war, Brexit and an upcoming U.S. presidential election would dominate any market commentary. But the COVID-19 pandemic completely overwhelmed any other news in FY2020 and made those other stories mere afterthoughts.

We recap the performance of major asset classes for the full FY2020 and then examine the major events that drove markets during each of the three distinct phases of FY2020: pre-pandemic (July – December 2019); early phases of pandemic (January – March 2020); and the initial recovery (April – June 2020).

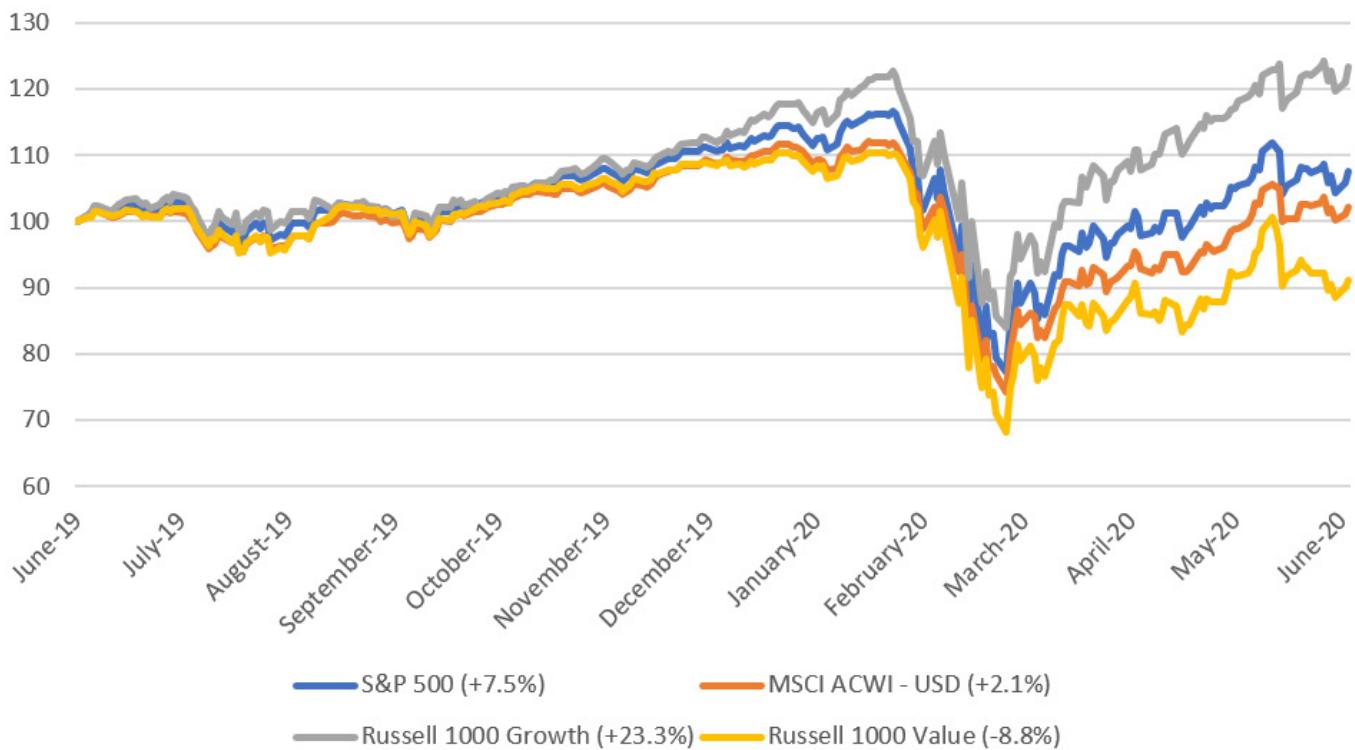
FY2020 asset class performance

Equities

Despite experiencing whipsaw volatility along the way, equity markets ended up delivering what on the surface appear to be rather unremarkable returns in FY2020. U.S. equities led the way, with the S&P 500 returning 7.5% for the 12-month period and the MSCI All-Country World Index up 2.1% in U.S. dollars. The V-shaped recovery in the second quarter, fueled largely by the massive stimulus efforts of central banks, played an enormous role in driving these 12-month returns.

Growth stocks significantly outperformed value stocks during FY2020. During the first six months of the fiscal year, the divergent performance of growth and value started gaining more attention, causing some investors to position for a long-awaited value rebound as the calendar turned to January 2020. But growth's outperformance accelerated dramatically during the pandemic and initial stages of the recovery, led by the remarkable performance of tech-enabled companies that continued to generate profits in the pandemic. For FY2020, the Russell 1000 Growth Index was up 23.3% compared to a loss of 8.8% for the Russell 1000 Value Index.

Equity returns - FY2020



Source: Bloomberg

Fixed income

The Bloomberg Barclays U.S. Aggregate Index was up 8.7% for FY2020 while the Global Aggregate Index was up 6.1% in local currency. These returns reflect the global downward march in interest rates—in many cases into negative territory. The pandemic and resulting recession put significant additional downward pressure on rates, as investors flocked to non-risk assets and central banks cut rates aggressively as part of the stimulus efforts. The phenomenon of negative rates, however, was prevalent well before the pandemic. In September 2019, approximately one-third of bonds globally were trading at negative rates. Ten-year U.S. Treasury rates fell from 2.03% as of July 1, 2019, to 0.66% as of June 30, 2020.

Credit spreads widened dramatically during the early phases of the pandemic but then narrowed during the second quarter as fixed income markets normalized and the economy gradually began reopening. The Bloomberg Barclays U.S. Municipal Bond Index finished FY2020 up 4.4%, and the Bloomberg Barclays U.S. Corporate High-Yield Index finished FY2020 flat.

Real assets

The pandemic and declines in demand caused by the recession resulted in negative returns across most real assets in FY2020, although returns varied significantly by type of asset. The NCREIF Property Index rose 2.7%; commercial real estate was the sector most affected by the pandemic, even as sectors such as industrials performed well. The Bloomberg Commodity Index was down 17.4%, and the price of WTI crude oil, which briefly and remarkably went into negative territory in the spring of 2020 because of the dual threats of excess supply and a price war between Russia and Saudi Arabia, was down 32.8% for the year. The price of gold, however, increased 26.3% during the year as investors flocked to the asset for recession protection.

Returns by asset class – FY2020

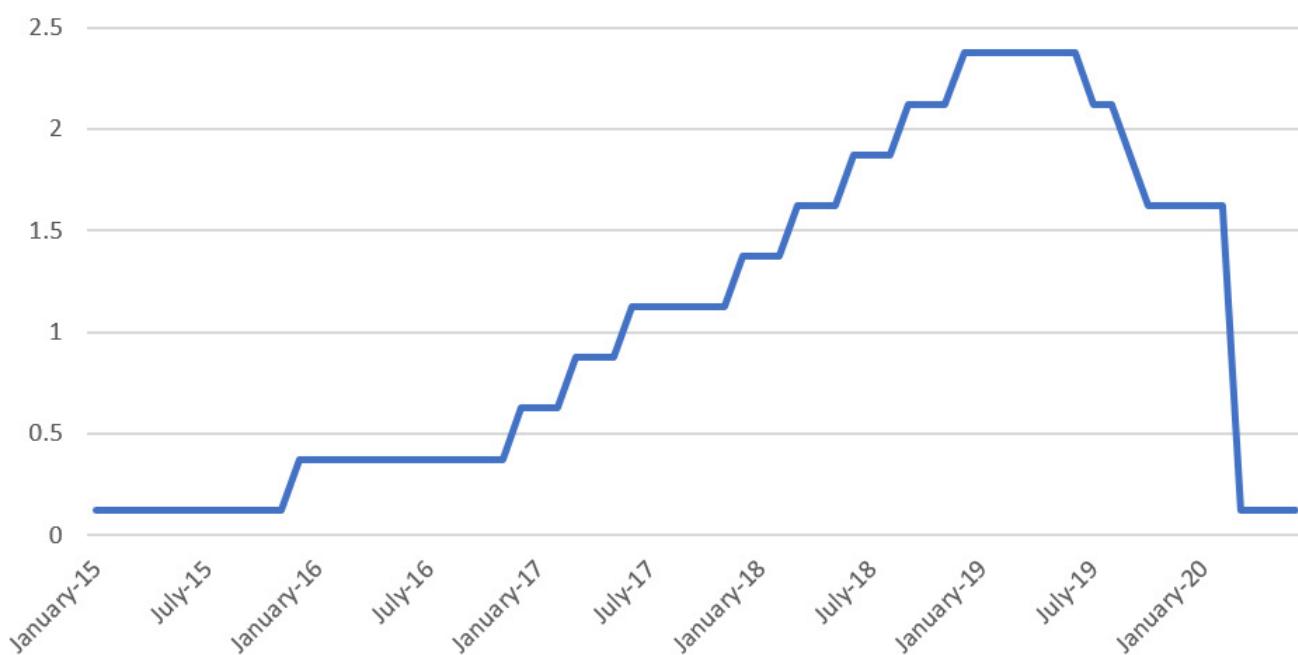
ASSET CLASS	RETURNS
EQUITIES	
U.S. large-cap (S&P 500)	7.5%
U.S. small-cap (Russell 2000)	-6.6%
Growth (Russell 1000 Growth)	23.3%
Value (Russell 1000 Value)	-8.8%
Global (MSCI ACWI USD)	2.1%
International (MSCI EAFE USD)	-5.1%
Emerging markets (MSCI EM USD)	-3.4%
FIXED INCOME	
Global aggregate (Bloomberg Barclays Global Aggregate – local currency)	6.1%
U.S. aggregate (Bloomberg Barclays U.S. Aggregate Index)	8.7%
U.S. high-yield (Bloomberg Barclays U.S. Corporate High-Yield Index)	0.0%
U.S. municipal (Bloomberg Barclays U.S. Municipal Bond Index)	4.4%
Emerging markets (Bloomberg Barclays EM USD Aggregate Index)	3.0%
REAL ASSETS	
U.S. commercial real estate (NCREIF Property Index)	2.7%
Commodities (Bloomberg Commodity Index)	-17.4%
Oil (WTI Crude Oil, \$/barrel)	-32.8%
Gold (\$/ounce)	26.3%

Source: Bloomberg

Pre-pandemic: July – December 2019

The second half of calendar year 2019 was defined by concerns about slowing global growth. This was true even in the United States, which was in the strongest position of any major economy. In the summer of 2019, there was increasing concern that the U.S. economy may be headed into a recession in 2020, but by December 2019, those fears had largely faded as the labor market continued to strengthen and the U.S. consumer showed impressive resilience. U.S. growth prospects were further bolstered by fiscal policy that saw the Federal Reserve go from gradually tightening for several years to neutral in the summer of 2019 to loosening in the fall.

Fed Funds Target Rate: 2015 – 2020



Source: Federal Reserve

The U.S.-China trade war offset some of these tailwinds and hurt U.S. companies' potential for earnings growth. But the tit-for-tat on tariffs between Washington and Beijing ended up hurting China and the eurozone countries, which collectively are heavily tied to emerging markets, more than the United States. Europe and Japan struggled to catalyze growth despite highly accommodative monetary policy. European equity markets, however, started gaining momentum in the fall on optimism about the leadership of newly appointed European Central Bank President Christine Lagarde.

In retrospect, calendar year 2019 proved to be one of the strongest years for the U.S. economy in the past decade, although it may not have felt like it at the time. Tailwinds related to rising wages, strengthening personal balance sheets and loosening fiscal policy suggested that the United States was entering calendar year 2020 on relatively steady ground. This strong foundation would prove to be incredibly important in helping to weather the unimaginable storm that was about to come.

Pandemic early stages: January – March 2020

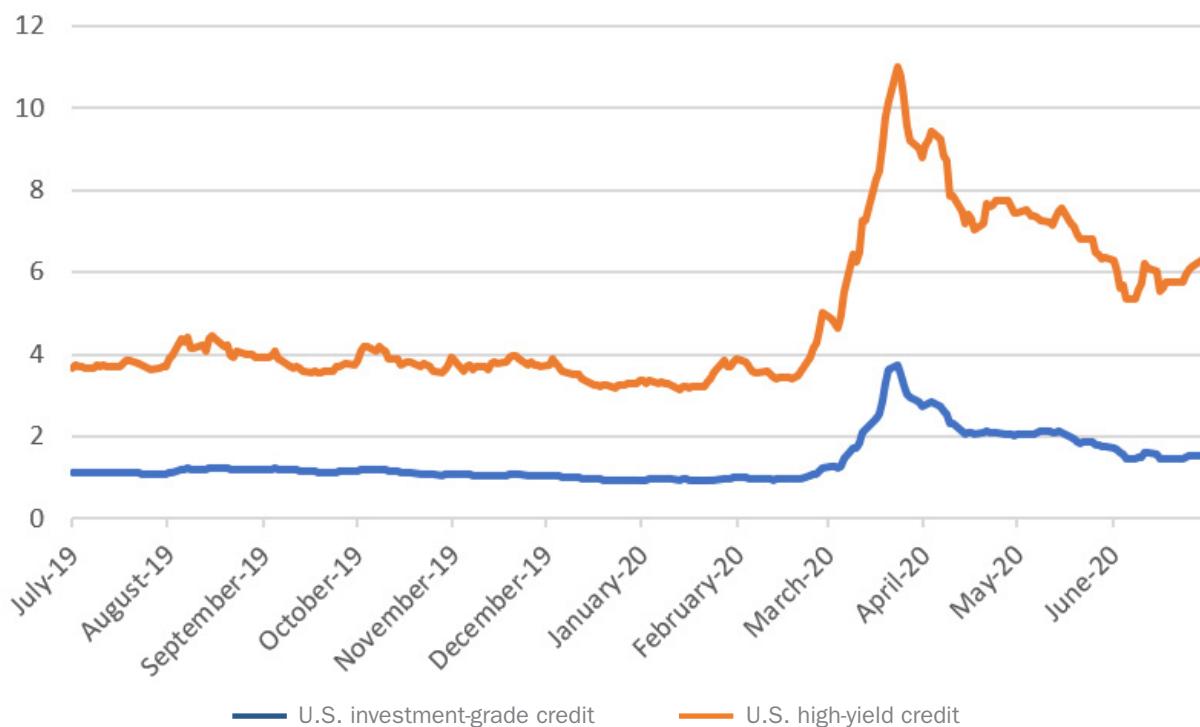
The 11-week period from when the World Health Organization announced finding coronavirus-related pneumonia in Wuhan, China, in early January to when equity markets hit their bottom on March 23 was among the most harrowing for investors in the history of financial markets. The public health concern and market volatility that at first seemed like it might be contained in China quickly spread to the United States and Europe well before shutdowns and social distancing measures were imposed in those regions.

From a financial perspective, the number one priority in March was basic market functioning. Short-term credit markets and U.S. municipal bond markets were effectively broken. Even the most liquid, robust market in the world, U.S. Treasuries, showed signs of extreme stress. This raised questions not just of what moves investors should make to try to protect their portfolios but whether investors could execute these moves amid widespread market dysfunction.

The value of nearly every asset class aside from the U.S. dollar plummeted simultaneously. This reminded investors that in times of crisis, the concept of “everything goes to 1” in terms of correlation is a real threat. It also reminded investors that liquidity risk is not limited to private assets.

Central banks provided essential market stability through a swift, massive and globally coordinated response. These efforts made an enormous impact in restoring confidence and liquidity to markets. The S&P 500 bottomed out on March 23, down 34% from its February 19 high, before mounting a dramatic comeback.

U.S. credit spreads (OAS%)



Source: Bloomberg

Initial recovery: April – June 2020

Coming into April, investors were rightly fixated on the policy responses by governments around the world as well as measures of liquidity, volatility and spreads between safe-haven assets and risk assets. Thanks to the massive and largely effective stimulus efforts of central bankers, those measures quickly began reflecting proper market functioning.

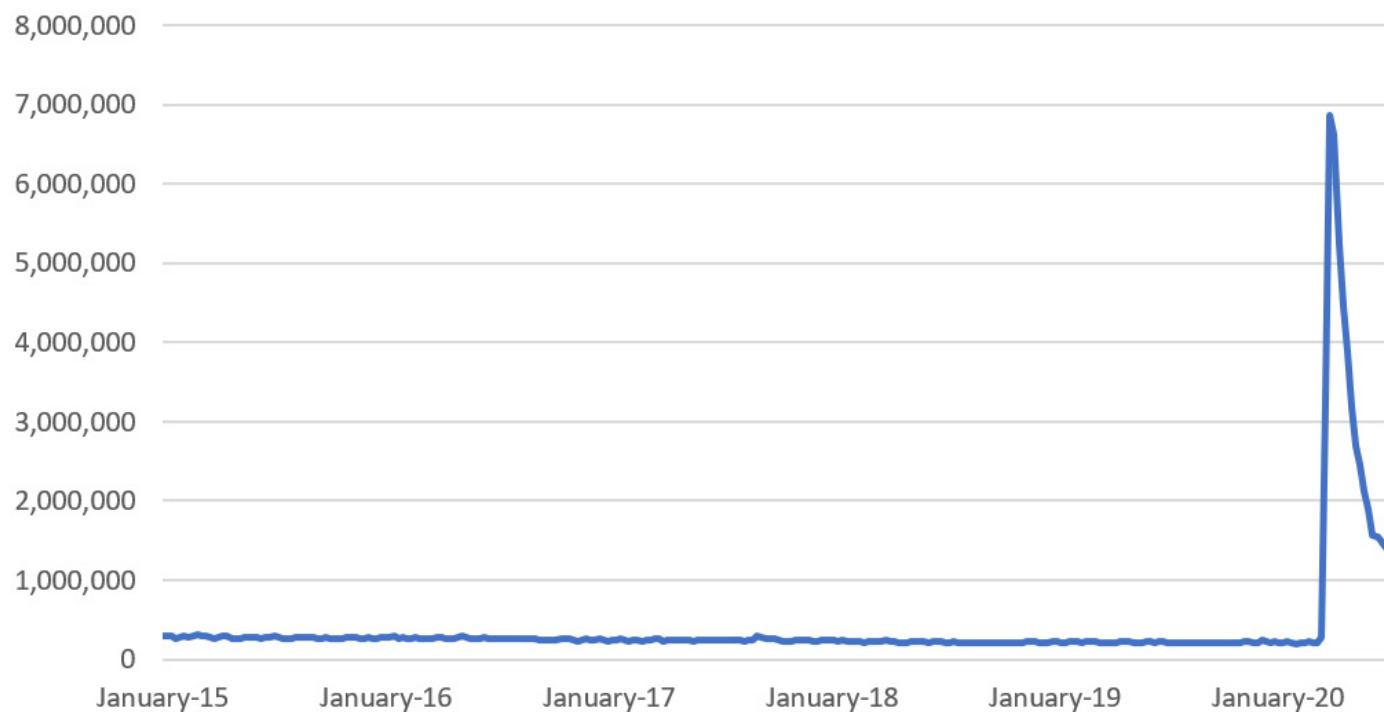
In addition to COVID case counts and the shape of the infection curve, investors were closely watching weekly jobless claims and other high-frequency economic data in an attempt to gauge how quickly commerce activity would return. During a time of such extreme uncertainty, traditional forward-looking measures such as earnings estimates became largely worthless.

Equity markets continued to recover throughout the spring, staging what is arguably the most impressive and unexpected recovery on record. The spring recovery can be broken into three phases: 1) subsiding panic about basic market functionality; 2) a handful of high-growth, predominantly U.S.-based companies exhibiting that they could generate profits during the pandemic; and 3) starting in mid-May, increasing confidence that the virus was being contained and the global economy was recovering.

China, which was the first country to report widespread infections and among the first to implement a containment and response plan, provided investors a window into what the shape of the recovery in other countries might eventually look like. We now know that the shape of the recoveries in the United States and Europe differed dramatically than China's. But in the spring of 2020, China's efforts to contain the virus while resuming economic activity provided confidence to investors worldwide.

By the end of June, it seemed that the 2020 recession—the deepest and shortest downturn the world has experienced since World War II—had passed. The National Board of Economic Research pegged February as the end of the longest uninterrupted period of growth in U.S. history and acknowledged that a new expansion may have begun as early as May.

U.S. weekly initial unemployment insurance claims



Source: Federal Reserve Bank of St. Louis

Post-FY2020 Outlook

As investors looked beyond June 30, 2020, they saw a market environment defined by an unusual mix of optimism and uncertainty. Volatility increased in late June as COVID case counts in the United States began to spike again; this presaged a second wave and renewed restrictions in the United States and Europe in the third and fourth quarters.

Nevertheless, risk assets as of June 30 were priced at a level that expressed an optimistic scenario for the next 18 months, fueled largely by near-zero interest rates across the developed world, an expected strong recovery in corporate profits and optimism about one or more COVID vaccines being approved and widely adopted by 2021. This optimism put equity markets at their most expensive valuations since the height of the technology bubble in the early 2000s. Investors also grappled with how to generate income or total returns from diversified portfolios in what appears to be an “even lower for even longer” rate environment.

Chapter 2

Endowment values and inflows

From July 1, 2019 through mid-February 2020, endowment values benefited from a rising stock market and the favorable outlook for gifting it created. When the pandemic hit and the stock market tumbled, endowments' market values declined, donors appear to have held back on making big gifts, and student enrollment fell, negatively affecting institutional inflows.

Although a decline in overall gifting in FY2020 was not surprising given the level of market volatility in February and March, the robust market rebound experienced in April through June provided support for endowments' market values.

This chapter examines endowments' market values and inflows for FY2020 and offers context for the external forces and considerations that affected them.

In this chapter:

- Changes in endowment values
- Gifting trends
- Institutional cash flows
- CARES Act relief
- Student-managed investment funds

Changes in endowment values

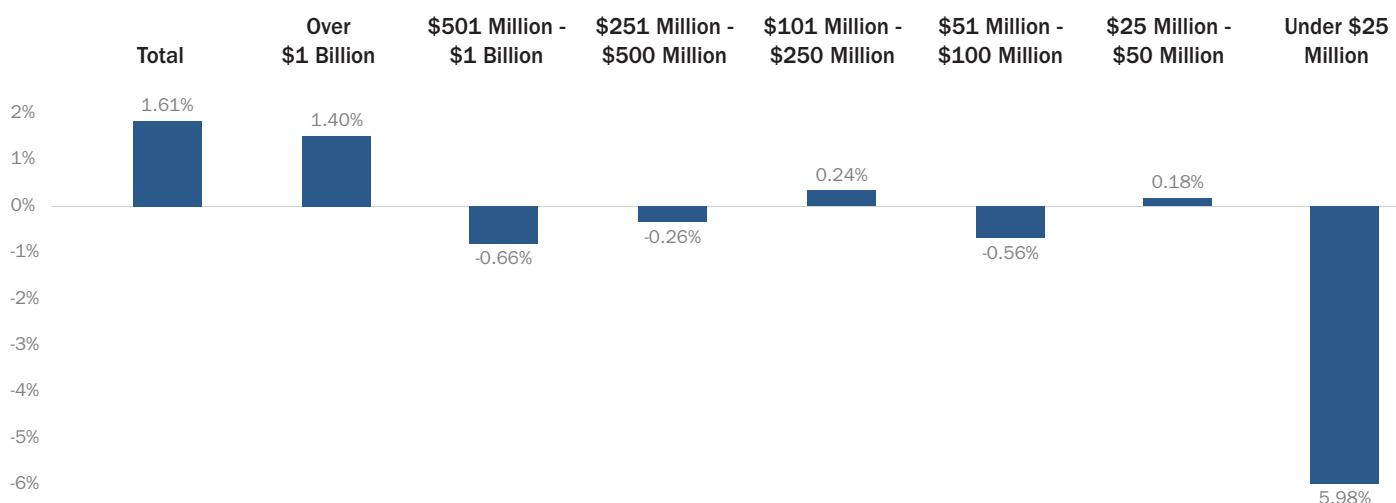
As of the end of FY2020, the 705 institutions that responded to the survey reported endowment assets with a total market value of \$637.7 billion and an average endowment size of \$905 million, up 1.6% from 12 months earlier. Of the total market value, 80% is held by endowments with more than \$1 billion in assets, and slightly more than two-thirds is held by private college and university endowments.

Average market value of endowment assets

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Average Total Market Value Endowment Assets 2020	\$904,579 K	\$4,583,535 K	\$720,378 K	\$358,315 K	\$163,337 K	\$73,445 K	\$37,437 K	\$16,893 K
Average Total Market Value Endowment Assets 2019	\$890,204 K	\$4,520,517 K	\$725,174 K	\$359,246 K	\$162,949 K	\$73,856 K	\$37,368 K	\$17,968 K

The survey results show that despite the extreme volatility and uncertain outlook generated by the pandemic, changes in the market values of the average endowment by size cohort were fairly minor over FY2020, with the exception of the very largest and the very smallest institutions. Of course, this is partly a function of the calendar; had these values been measured at the end of March 2020, the result would have been markedly different.

Percent change in average market value of endowment assets, 2020 vs. 2019



Gifting trends

The level of new gifting in FY2020 declined compared to FY2019. This is not surprising—during periods of heightened market volatility, individuals are less likely to make sizable gifts, preferring to wait until asset values recover. The total value of new gifts received in FY2020 compared to FY2019 declined by 5% to 18% across size cohorts, except for the smallest institutions, where new gifts increased marginally. The largest endowments saw the greatest percentage decrease in the value of new gifts.

New gifts to endowments

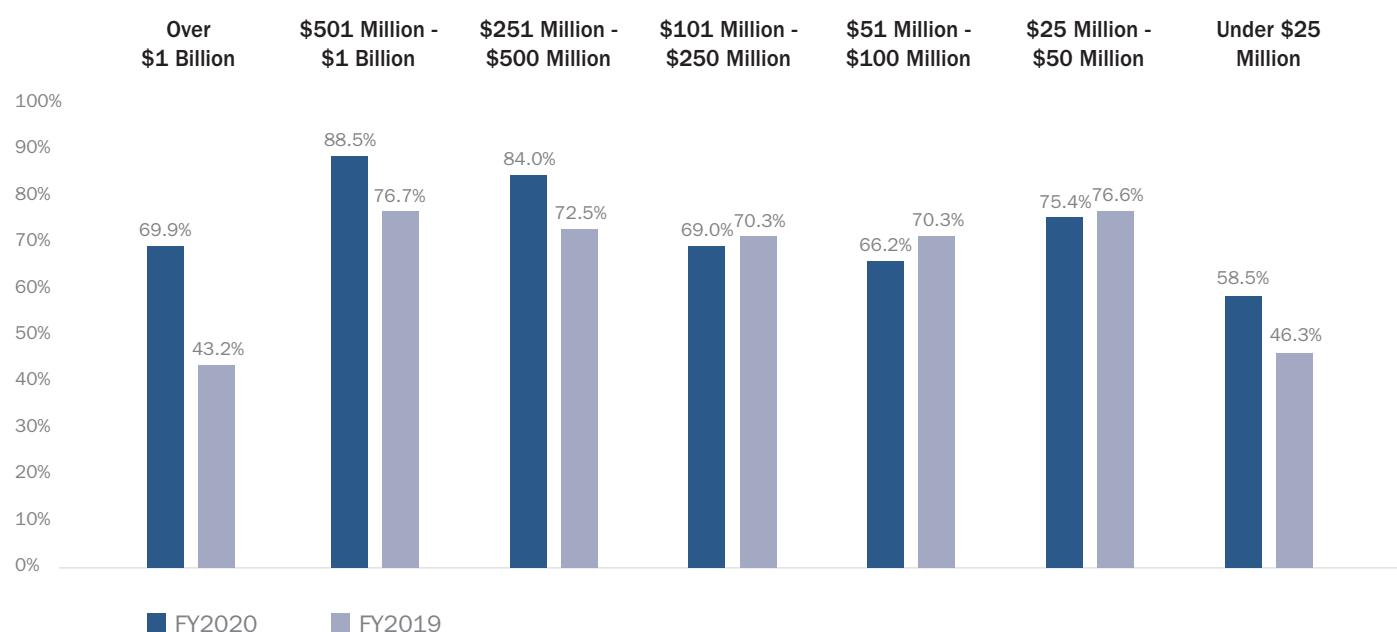
	Total Institutions	\$501 Million - Over \$1 Billion	\$251 Million - \$1 Billion	\$101 Million - \$500 Million	\$51 Million - \$250 Million	\$25 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total # of Institutions	705	111	80	83	171	134	82	44
# of Respondents	679	99	76	82	168	130	81	43
% Change in Total Value of New Gifts, 2020 Versus 2019	-16.4%	-18.3%	-11.0%	-15.5%	-11.0%	-10.9%	-5.4%	3.1%
Average Value of New Gifts - 2020	\$16,096 K	\$77,291 K	\$17,795 K	\$8,648 K	\$4,712 K	\$2,259 K	\$1,262 K	\$661 K
Median Value of New Gifts - 2020	\$3,447 K	\$53,997 K	\$15,748 K	\$7,262 K	\$3,252 K	\$1,495 K	\$952 K	\$387 K
Average Value of New Gifts - 2019	\$18,731 K	\$85,098 K	\$19,482 K	\$10,359 K	\$5,233 K	\$2,477 K	\$1,318 K	\$626 K
Median Value of New Gifts - 2019	\$3,553 K	\$36,797 K	\$14,942 K	\$7,511 K	\$3,678 K	\$1,741 K	\$1,009 K	\$290 K

Another potential contributing factor to the decline in gifting is that investors were not required to take minimum distributions from their individual retirement accounts in calendar year 2020. Congress made this change to help people respond to the economic uncertainty related to the pandemic. In a typical year, many donors use these required distributions to make charitable contributions because of the favorable tax treatment involved, so the elimination of the requirement may have negatively affected gifting.

Average versus median gift size

When the average of a data set exceeds the median, it indicates the influence of large outliers. In FY2020, while the average value of new gifts declined for all but the smallest endowments, the *median* value actually increased for those with assets over \$500 million. This suggests that there were fewer outlier gifts made to these large endowments in FY2020, as the median gift value moved closer to the average compared to FY2019.

Median gift as % of average gift, FY2020 vs. FY2019



Institutional cash flows

Approximately 43% of endowments reported a decrease in institutional cash flow versus FY2019. Key factors leading to this decrease include declining enrollment and its negative impact on tuition revenue as well as lost revenues from student housing and other on-campus sources in the last few months of FY2020, when remote learning became the norm. It is worth noting, however, that about 30% of respondents said that their institution did not experience a decrease in cash flow.

Percent change in institutional cash flow

	Total Institutions	\$501 Million - Over \$1 Billion	\$251 Million - \$1 Billion	\$101 Million - \$500 Million	\$51 Million - \$250 Million	\$25 Million - \$100 Million	\$5 Million - \$50 Million	Under \$25 Million
Total # of Institutions	705	111	80	83	171	134	82	44
# of Respondents	662	92	73	77	168	129	81	42
Decrease > 75%	0.6%	0.0%	0.0%	1.3%	0.6%	0.8%	0.0%	2.4%
Decrease 51% to 75%	0.5%	1.1%	0.0%	0.0%	0.0%	0.0%	1.2%	2.4%
Decrease 25% to 50%	4.4%	3.3%	2.7%	2.6%	3.0%	6.2%	9.9%	2.4%
Decrease < 25%	37.9%	27.2%	38.4%	39.0%	47.0%	41.1%	25.9%	35.7%
No decrease	30.1%	34.8%	34.2%	33.8%	23.2%	31.0%	33.3%	23.8%
Uncertain	26.6%	33.7%	24.7%	23.4%	26.2%	20.9%	29.6%	33.3%

It is worth noting that more than 5% of respondents reported declines of greater than 25%, and several institutions reported declines of over 50%. These results highlight the challenges that institutions faced as a result of the coronavirus pandemic.

CARES Act relief

Of the endowments that participated in the survey, 84% said that their institution sought funding offered under the CARES Act, including 94% of those at private colleges and universities. While endowments were not permitted to receive CARES Act funding, institutions sought funds for a variety of permitted uses (see *information under the blue bar below*).

Institutions sought relief offered by the CARES Act

	Total Institutions	Private College / University Endowment	Public College, University, or System Fund	Institutionally related foundation (IRF)	Combined Endowment / Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	680	421	87	133	34	5
Yes	83.68%	93.82%	77.01%	60.15%	70.59%	60.00%
No	11.03%	4.28%	12.64%	27.07%	23.53%	40.00%
Uncertain	5.29%	1.90%	10.34%	12.78%	5.88%	0.00%

Even institutions with the largest endowments applied for and received funds, including forgivable loans under the Paycheck Protection Program. In some cases, this led to questions about why colleges and universities would not simply tap into their endowments to cover funding gaps during the pandemic. In fact, negative publicity along these lines caused several high-profile institutions to turn down or rescind applications for CARES Act funding.

This suggests a potential lack of public understanding of the fundamental purpose and business model of educational endowment funds. It is likely that many people mistakenly view endowments as being able to serve as rainy-day funds or piggy banks that can be used to meet any perceived need. Institutions may benefit from expanded efforts to explain to their constituents and the general public the purpose of endowments and the long-term benefits they provide.

94% vs. 77%
Percentage of private versus public institutions that sought CARES Act funding.

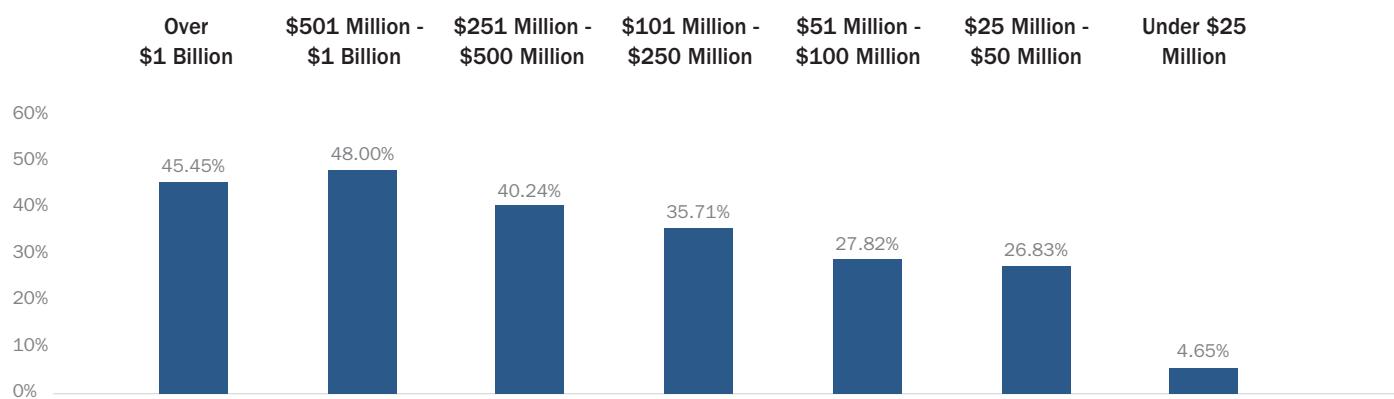
CARES Act Funds for Higher Education

The 2020 CARES Act's Higher Education Emergency Relief Fund provided approximately \$14 billion to colleges and universities. The CARES Act specifies that the funds can be used in a variety of ways, including helping institutions to resume operations, support students, reduce COVID-19 transmission, develop technology and train faculty and staff to support remote learning, and offset lost revenue. No less than 50% of funds must be used to provide emergency financial aid grants to students for expenses related to the disruption of campus operations due to the coronavirus.

Student-managed funds

The survey revealed that for 34% of responding institutions, students manage a portion of the endowment funds. The largest institutions are the most likely to offer student-managed funds, and adoption appears to be increasing across all cohorts relative to last year's survey, particularly for smaller endowments. These student-managed funds are more prevalent at public colleges and universities (40% said they offer student-managed funds) than private institutions (32%).

Percent of endowments with student-managed funds (by endowment size)



Although small in size—the average market value of student-managed funds is \$1.6 million—student-managed funds can serve as an important recruiting tool for students interested in finance. In addition, as students become more vocal advocates for responsible investing in the endowment, a student-managed fund can be one way to respond to those demands.

Chapter 3

Endowment spending

Spending by endowments requires balancing two conflicting goals: funding operating budgets with steady and predictable distributions and maintaining the real, long-term value of endowment assets. FY2020 challenged endowments' ability to strike this balance.

The results of this year's survey show that endowment spending in FY2020 was mostly in line with policy, despite potential pressures to use funds to address pandemic-induced challenges for students and campus budgets. But, as covered in more detail in chapter 4 on investment returns, muted investment returns in FY2020 as well as a subdued outlook for returns across asset classes are expected to force endowments to reexamine their spending rates—or find other ways to resolve the current shortfall—going forward.

In this chapter:

- Effective spending rates
- Spending distribution by function
- Withdrawals
- Endowment spending rules

Effective spending rates

Most institutions seek to earn a net investment return on their endowment that, over time, exceeds their spending rate plus inflation. It is the growth in real, inflation-adjusted value that determines how much an institution can increase spending on its academic mission—including hiring faculty members, providing financial aid, and running libraries and other facilities—as well as build intergenerational equity.

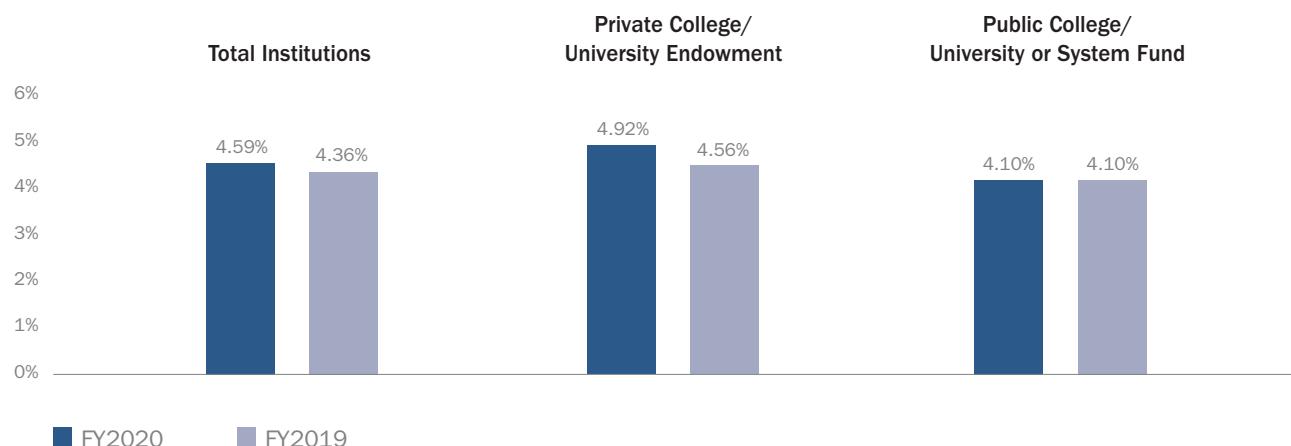
4.59%

Endowments' average effective annual spending rate in FY2020

Endowments generally fell significantly short of their goals to earn investment returns that exceeded their spending rates plus inflation in FY2020. The average annual effective spending rate rose from 4.36% in FY2019 to 4.59% in FY2020, continuing a multiyear trend in this survey. But the average investment return net of fees among endowments in FY2020 was just 1.82%. This return was not even enough to cover the inflation rate of 1.90%, as measured by the Commonfund Higher Education Price Index.

Spending rates for private college and university endowments (4.92%) were substantially higher than those of public colleges and universities (4.10%). Across size cohorts, all but the smallest endowments reported higher effective spending rates in FY2020 compared to FY2019.

Average annual effective spending rates, FY2020 vs. FY2019



As noted in Chapter 4 of this report, the average annual investment returns net of fees for endowments over the past three and five years were 5.17% and 5.09%, respectively, exceeding average spending rates by just a small margin before inflation. With spending rates plus inflation approaching 7.0%, endowments are searching for new ways to meet these hurdles.

It is surprising, therefore, that only 12% of endowments are considering decreasing their spending rates in the next two to three years. On the other hand, 81% of endowments said they will maintain their current spending rates.

Endowments considering changing spending rate in next 2-3 years

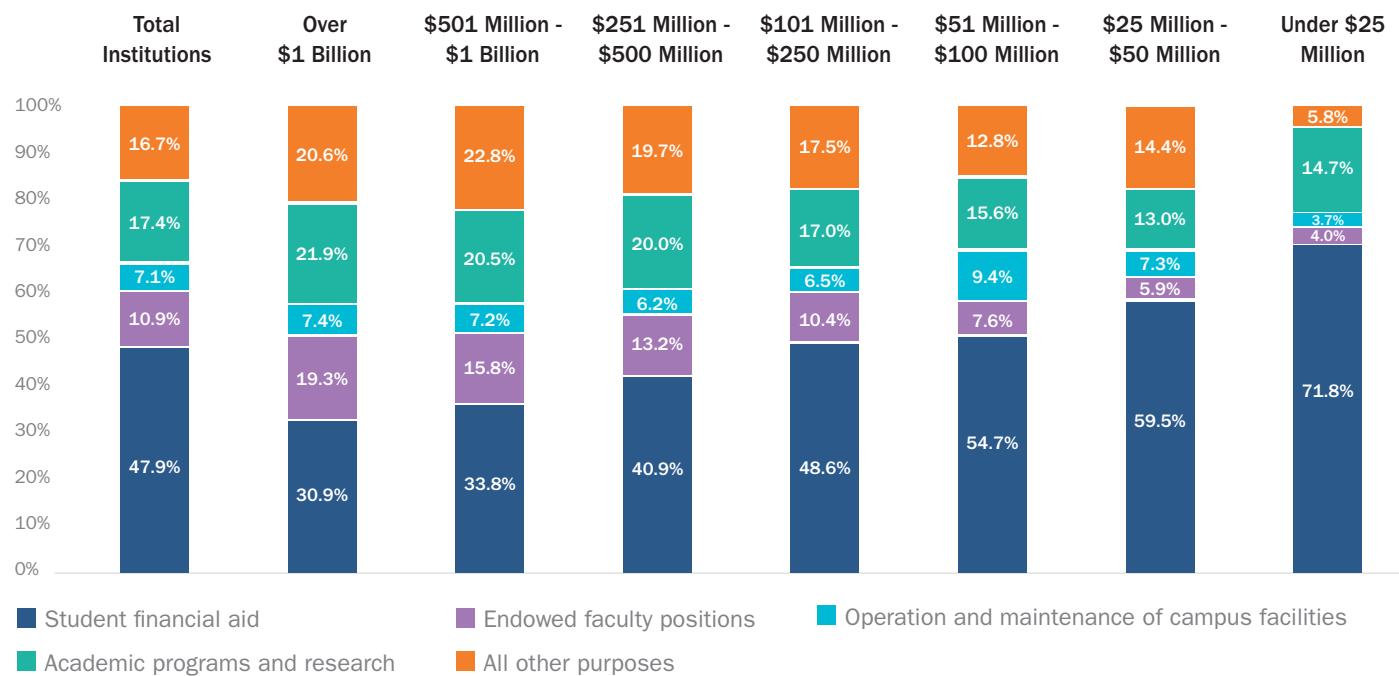
	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	645	87	73	80	160	127	76	42
Increase spending rate	6.82%	3.45%	5.48%	8.75%	6.88%	11.02%	6.58%	0.00%
New spending rate increase	5.64%	5.40%	4.73%	5.52%	4.92%	6.26%	6.17%	
Decrease spending rate	11.78%	5.75%	20.55%	8.75%	12.50%	12.60%	14.47%	4.76%
New spending rate decrease	4.35%	4.50%	3.90%	4.77%	4.87%	3.66%	4.66%	5.50%
Maintain current spending policy	81.40%	90.80%	73.97%	82.50%	80.63%	76.38%	78.95%	95.24%

Spending distribution by function

Consistent with FY2019, the largest percentage of endowment policy spending went to student financial aid in FY2020. On average, endowments allotted 48% of their spending to financial aid in FY2020. Endowments with less than \$25 million allocated roughly twice as much to financial aid as their largest peers, reflecting the importance of financial aid in recruiting students to small colleges and universities. Small institutions also generally have smaller research functions and therefore allocate less funding to academic programs and research relative to larger peers.

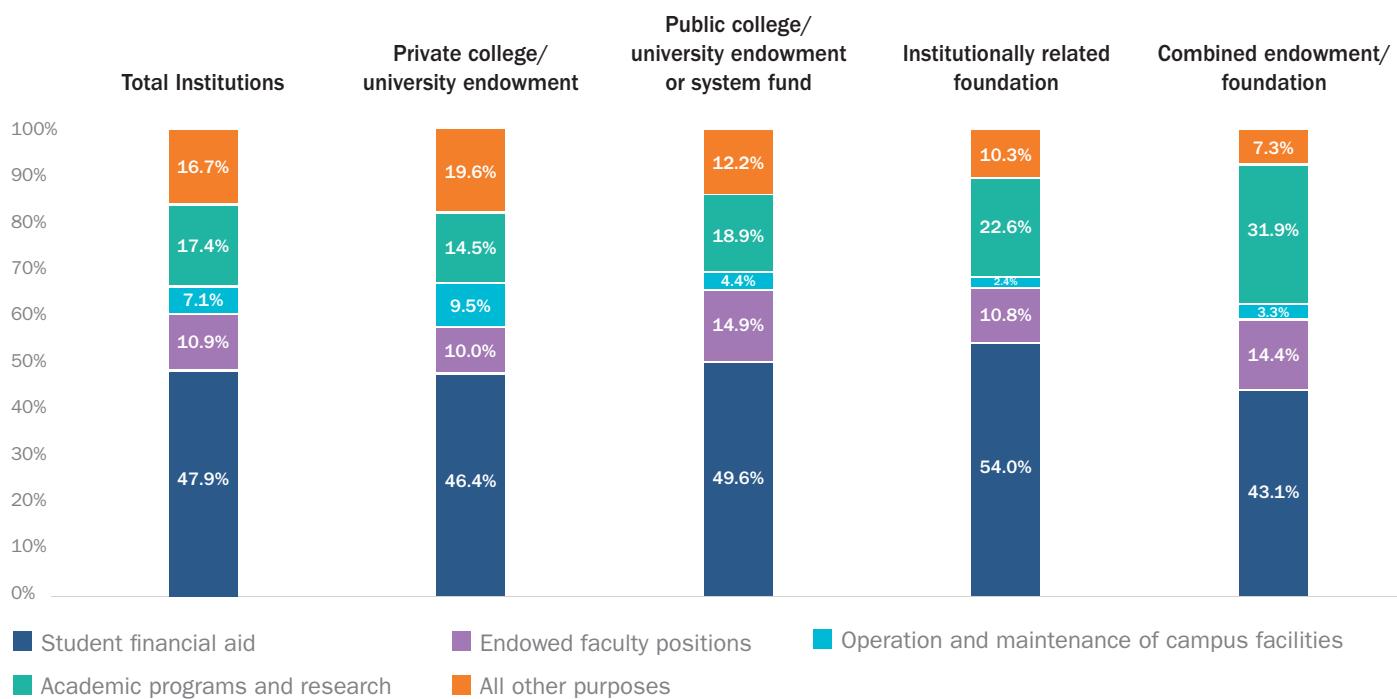
The second largest spending category, academic programs and research, received an average of 17% of all policy-based spending, with larger endowments allocating a greater percentage to this area relative to smaller endowments. Not surprisingly, large endowments also allot a greater percentage of annual spending to endowed faculty positions, with the largest endowments directing two or three times the percentage of small endowments to attracting and retaining top faculty.

Spending policy distributions by function by endowment size, FY2020



Endowments at public institutions allocate more spending to academic programs and research and endowed faculty positions relative to private endowments. Public endowments direct a marginally greater level of spending toward financial aid relative to private endowments.

Spending policy distributions by function by endowment type, FY2020



Withdrawals

Despite the challenges created by the pandemic, most of the funds distributed by endowments in FY2020 were allocated in accordance with spending policies. The combination of policy-based distributions plus fees and administrative expenses accounted for roughly 90% of total spending for endowments larger than \$500 million and at least 80% for smaller size cohorts. It is worth noting that significantly more of the total spending by smaller endowments was allocated to special appropriations than larger endowments.

87%

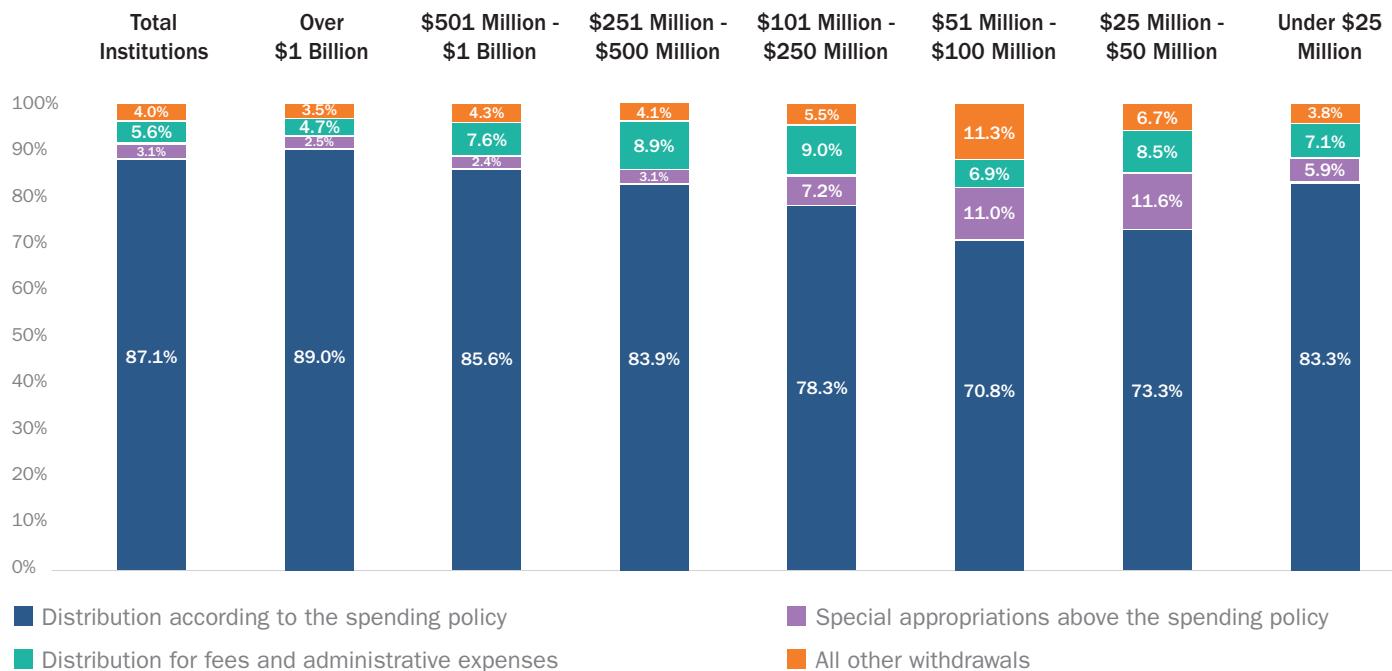
Portion of withdrawals allocated in accordance with spending policies in FY2020

Timing is everything:

Context for COVID-19's impact on spending and withdrawal changes in FY2020

While the survey results may suggest that COVID-19's impact on endowment spending and withdrawals was relatively minor in FY2020, it is important to consider the timing of when the fiscal year ended. June 30 was less than four months after the pandemic broke out in the United States, and many endowments may have considered that to be too short of a timeframe to make major changes amid all the uncertainty. It is possible that most of COVID-19's impact on endowment spending will not be seen until the second half of calendar year 2020 (FY2021).

Withdrawals from endowment by function



Spending in support of operating budgets

74%

Endowments that either increased or maintained spending in support of operating budgets in FY2020

Almost half of endowments increased support for their institution's operating budget in FY2020. This is not surprising given the challenges caused by COVID-19. The pandemic quickly forced institutions of higher education to increase spending related to priorities such as shifting to remote learning, training faculty and staff and taking steps to reduce the transmission of COVID-19.

In spite of this, slightly more than one-fourth of respondents decreased support for operating budgets during FY2020. One possible explanation is that these endowments were associated with institutions that were better prepared from a technology and operational standpoint for the shifts that COVID-19 required. Again, it will be interesting to see how these figures differ in next year's survey, as a large portion of the spending required in response to the pandemic may have occurred after June 30, 2020.

Percentage of operating budget funded by endowment, FY2020

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	691	105	79	83	165	133	82	44
Average percentage of operating budget funded by endowment	12.29%	18.79%	14.41%	13.11%	10.01%	11.17%	13.52%	2.26%
Median percentage of operating budget funded by endowment	4.42%	9.00%	5.84%	7.00%	4.50%	3.28%	3.62%	0.00%
Increased	49.00%	49.44%	58.33%	55.56%	50.31%	47.20%	42.50%	30.77%
Decreased	26.43%	32.58%	22.22%	24.69%	28.57%	26.40%	28.75%	10.26%
No change	24.57%	17.98%	19.44%	19.75%	21.12%	26.40%	28.75%	58.97%

The extreme market volatility this year illustrates why an institution's reliance on endowment spending to support its operating budget is an important factor in determining the risk profile of the endowment's portfolio. In general, an endowment that funds a relatively small portion of its institution's operating budget can afford to take on more risk and own more illiquid assets. Conversely, institutions that depend more heavily on the endowment to fund their operating budgets should carefully assess the level of market risk and illiquidity they can accept without exposing their operating budgets to large cuts when markets suffer a serious decline.

Special Appropriations

2%

Portion of respondents who used special appropriations to cover shortfalls related to COVID-19 in FY2020

Only 18% of survey respondents made special appropriations in excess of their spending policies in FY2020, a decrease from the 25% that did so in FY2019. Among size cohorts, large endowments were more likely to use special appropriations for capital campaign costs, while smaller endowments were more likely to use special appropriations for financial aid or in support of operating budgets. While the percentage that made special appropriations to cover shortfalls related to COVID-19 was generally very small, that percentage is likely to increase in FY2021. Although Congress provided \$23 billion more for colleges and universities in the COVID-19 relief bill (the Consolidated Appropriations Act, 2021) passed in December 2020, that amount is less than 20% of what had been requested by associations representing colleges and universities.

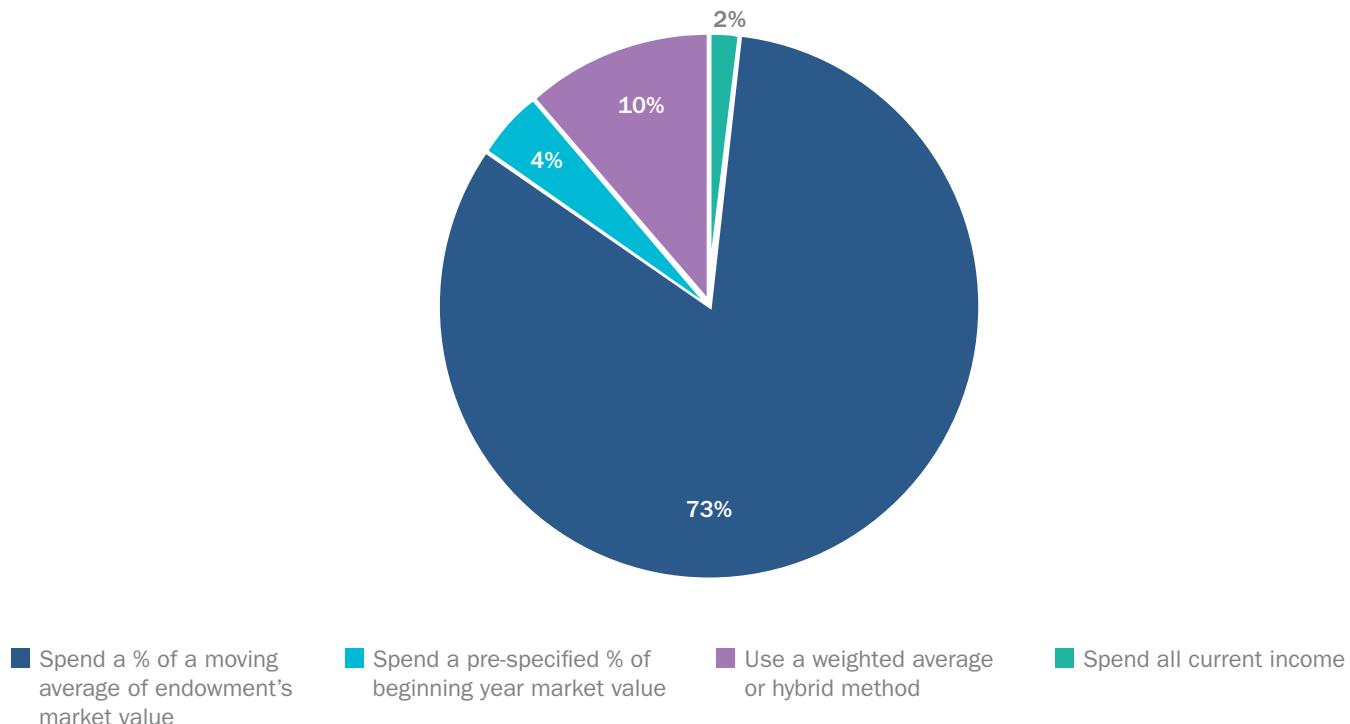
Categories of special appropriations, FY2020 (multiple responses allowed)

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	130	20	16	13	40	21	17	3
Made Special Appropriations	18.44%	18.02%	20.00%	15.66%	23.39%	15.67%	20.73%	6.82%
Capital campaign costs	2.55%	6.31%	5.00%	4.82%	1.17%	0.75%	0.00%	0.00%
Campus or facility improvements	3.83%	2.70%	2.50%	3.61%	6.43%	2.24%	4.88%	2.27%
Debt service	1.99%	3.60%	3.75%	1.20%	1.75%	2.24%	0.00%	0.00%
Financial aid	3.12%	0.00%	2.50%	3.61%	4.09%	2.99%	6.10%	2.27%
In support of the operating budget	7.80%	3.60%	6.25%	7.23%	8.77%	9.70%	12.20%	4.55%
New strategic initiatives	3.55%	3.60%	0.00%	3.61%	5.85%	4.48%	2.44%	0.00%
Short falls resulting from COVID-19	2.27%	0.00%	0.00%	1.20%	5.26%	3.73%	1.22%	0.00%
Other	4.26%	7.21%	6.25%	2.41%	5.26%	2.99%	2.44%	0.00%

Endowment spending rules

The vast majority (73%) of endowments used a moving average of the endowment's market value to determine their spending policy for FY2020. Of those that use a moving average, roughly two-thirds of respondents use a rolling three-year or 12-quarter average of the endowment's market value to determine the amounts distributed in a given year. The largest endowments are the most likely to use a weighted average or hybrid approach, while small endowments are the most likely to spend a pre-specified percentage of the beginning year market value.

Spending policy rules (all respondents)



Chapter 4

Investment returns

The first half of FY2020 (i.e., the third and fourth quarters of calendar year 2019) saw many asset classes post solid returns as markets generally were supported by consumer strength, interest rate cuts and easing of trade war concerns despite slowing global economic growth. Those relatively favorable conditions were shattered when the COVID-19 health crisis broke out and necessitated almost a complete shutdown of economic activity around the world. This sent risk assets nosediving, with U.S. equities entering a bear market at record speed. Many markets recovered almost as quickly, however, in the spring of 2020, thanks to unprecedented monetary and fiscal stimulus that helped shift market sentiment and erase much of the previous quarter's losses.

For the 12 months ending June 30, 2020, endowments generated an average return of 1.8% overall (all returns are reported net of fees), down from 5.3% in FY2019. This decrease reflects the fact that few major areas of the investible universe were immune to the steep drawdowns during the early stages of the pandemic and that most markets had not fully recovered by the time the fiscal year ended on June 30.

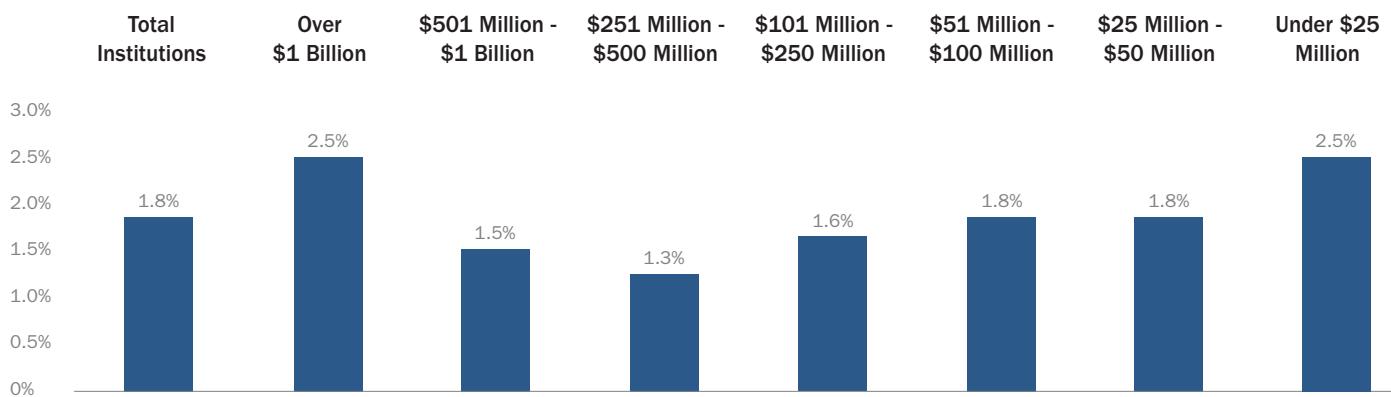
In this chapter:

- One-year returns and dispersion by endowment size
- One-year returns by asset class
- Longer-term return trends
- Target returns

One-year returns and dispersion by endowment size

The largest endowments (those with more than \$1 billion in assets) were the highest-performing cohort in FY2020, with an average return of 2.51%. The smallest cohort (endowments with less than \$25 million) was the second-best performer, just five basis points behind the \$1 billion-plus funds.

Average one-year returns, FY2020



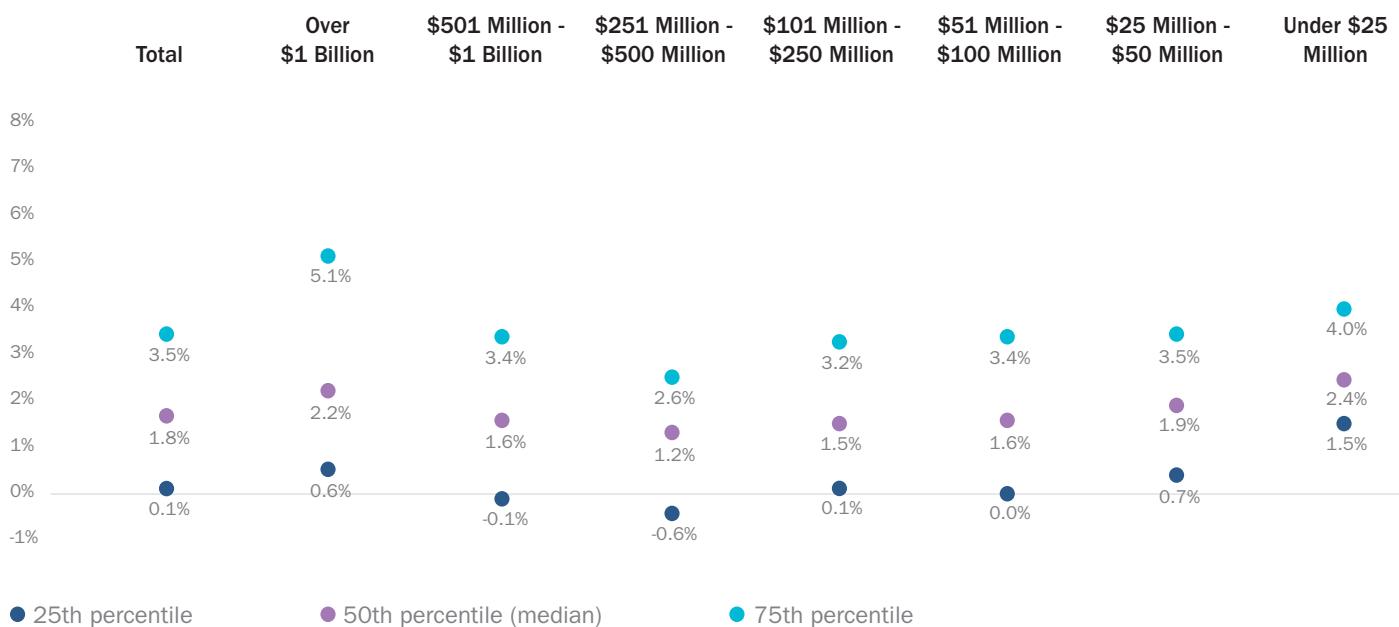
Consistent with recent years' surveys, the outperformance of the largest endowments could partly be explained by their substantial exposure to private equity and venture capital and their access to the most highly regarded managers across asset classes. This access is particularly important in private equity and venture capital where the returns generated among managers vary drastically.

The relatively strong performance of the smallest cohort may be attributed to these endowments' sizable allocations to domestic equities and fixed income. U.S. equities staged a remarkable recovery after the March drop and wrapped up the fiscal year with their best quarterly performance in decades; in fixed income, both the investment-grade and high-yield segments also rebounded notably from the selloff.

To understand the breadth of outcomes that endowments experienced in FY2020, it is useful to look at the dispersion of the returns within each size cohort. The interquartile range, or the difference between the 75th and 25th percentiles, is a particularly helpful measure. Across all institutions, the interquartile dispersion was 3.4%.

This spread was widest for the largest cohort, at 4.4%. Again, this is likely driven by this cohort's relatively large allocations to private equity and venture capital, as well as real assets; all of these private asset classes have wide dispersions of returns in any given year because of the varying performances of specific managers. Conversely, the smallest cohort had the narrowest interquartile dispersion, at 2.4%. This likely is caused by smaller institutions having approximately 70% of their portfolios allocated to U.S. public equities and investment-grade fixed income; these publicly traded asset classes generally have small return dispersions and can be accessed through index strategies. Chapter 5 will provide a more thorough analysis of endowments' asset allocations in FY2020.

Interquartile dispersion of one-year returns, FY2020



One-year returns by percentile, FY2020

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Deciles								
90th Percentile	5.30%	7.09%	4.82%	5.18%	4.20%	5.04%	5.29%	5.56%
80th Percentile	4.00%	5.30%	4.22%	3.26%	3.50%	3.94%	4.20%	4.73%
70th Percentile	3.05%	3.70%	2.90%	2.30%	2.74%	2.92%	3.00%	3.46%
60th Percentile	2.30%	3.00%	2.10%	1.73%	2.00%	2.29%	2.32%	2.72%
50th Percentile (Median)	1.80%	2.20%	1.60%	1.22%	1.51%	1.60%	1.91%	2.41%
40th Percentile	1.09%	1.64%	0.96%	0.39%	0.90%	0.72%	1.55%	2.22%
30th Percentile	0.40%	0.94%	0.23%	-0.30%	0.37%	0.30%	0.86%	1.97%
20th Percentile	-0.30%	0.01%	-0.50%	-0.76%	-0.25%	-0.24%	0.24%	0.97%
10th Percentile	-1.40%	-1.30%	-1.38%	-1.66%	-1.20%	-1.40%	-1.29%	-0.96%
Quartiles								
75th Percentile	3.47%	5.05%	3.41%	2.60%	3.20%	3.45%	3.45%	3.97%
50th Percentile(Median)	1.80%	2.20%	1.60%	1.22%	1.51%	1.60%	1.91%	2.41%
25th Percentile	0.10%	0.61%	-0.13%	-0.57%	0.10%	0.00%	0.66%	1.53%
Percentiles								
95th Percentile	6.39%	7.97%	5.30%	6.21%	5.70%	5.88%	5.89%	6.03%
5th Percentile	-2.87%	-2.80%	-3.16%	-3.06%	-2.14%	-2.01%	-3.57%	-2.21%

Interpreting returns in the context of risk

Returns are certainly informative, but they represent only one side of the equation. Looking at returns without understanding the risk that the investor took to generate those returns tells an incomplete story about how endowments approach investment management.

Endowments, like all investors, are rightly focused on risk-adjusted returns. More specifically, most endowments are focused on minimizing the amount of risk they must assume to generate adequate returns relative to the endowment's hurdle rate.

As noted above, the largest endowments and the smallest endowments both generated average returns of approximately 2.5% in FY2020. But the path each cohort took to arriving at this result varied significantly. As discussed in Chapter 5, the smallest endowments, which often cannot meet the minimum investment requirements of top-tier alternatives managers, tend to concentrate their portfolios in domestic public equities and investment-grade fixed income, whereas the largest endowments have significantly higher allocations to private equity, venture capital, real assets and marketable alternatives. One of the primary reasons that endowments add these so-called "alternative asset classes" to portfolios is because they often exhibit low correlations to public equities and fixed income. This diversification is designed to result in a smoother, less volatile journey over the long term.

One-year returns by asset class

Returns for public equity markets varied meaningfully based on geography in FY2020. Endowments' U.S. stock exposure produced an average return of 4.0%, while exposure to non-U.S. stocks—both developed and emerging markets—resulted in losses. This pattern was intact across all size cohorts.

Not surprisingly, returns from private venture capital and private equity, while positive, varied dramatically across endowment size. The largest two cohorts materially outperformed smaller cohorts in these markets, likely thanks to large endowments' ability to access higher-quality and more-proven managers.

Average return for invested asset classes, FY2020

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	565	74	68	74	143	106	68	32
U.S. equities	4.04%	3.73%	4.27%	4.54%	4.38%	3.82%	3.76%	3.43%
Developed non-U.S. equities	-1.56%	-1.63%	-3.03%	-2.97%	-1.47%	-0.53%	-1.08%	-0.45%
Emerging markets	-1.90%	-1.83%	-2.15%	-2.09%	-1.88%	-2.00%	-1.88%	-1.15%
Global equities	0.75%	1.29%	1.45%	1.44%	0.46%	0.49%	-0.03%	0.19%
Private venture capital	3.22%	7.06%	6.36%	2.71%	3.08%	1.58%	0.15%	0.04%
Private equity	2.38%	4.22%	4.42%	4.05%	1.59%	1.21%	0.86%	0.35%
Marketable alternatives	-0.10%	1.10%	0.34%	0.05%	0.06%	-0.19%	-2.43%	-0.25%
Investment grade active	3.85%	3.23%	3.05%	3.94%	4.35%	3.91%	4.54%	3.28%
Investment grade passive	1.89%	1.02%	1.86%	2.74%	2.02%	2.10%	1.19%	2.66%
Non investment grade	-0.15%	-0.67%	-0.40%	0.06%	-0.24%	-0.09%	0.59%	0.08%
Private debt	0.10%	0.08%	-0.01%	-0.56%	0.24%	0.32%	0.34%	0.00%
Cash and equivalents <1 year	0.47%	0.50%	0.75%	0.44%	0.41%	0.47%	0.35%	0.38%
Marketable real assets	-4.00%	-5.10%	-4.97%	-5.74%	-4.68%	-3.08%	-1.36%	-1.20%
Private real estate	-0.43%	-1.21%	-0.30%	-1.72%	0.31%	-0.48%	0.03%	0.16%
Private energy and energy infrastructure	-5.42%	-10.28%	-11.47%	-7.43%	-3.75%	-2.88%	-0.96%	-0.94%
Other Private real assets	-0.34%	-0.90%	0.22%	-0.91%	-0.44%	0.10%	-0.23%	-0.09%

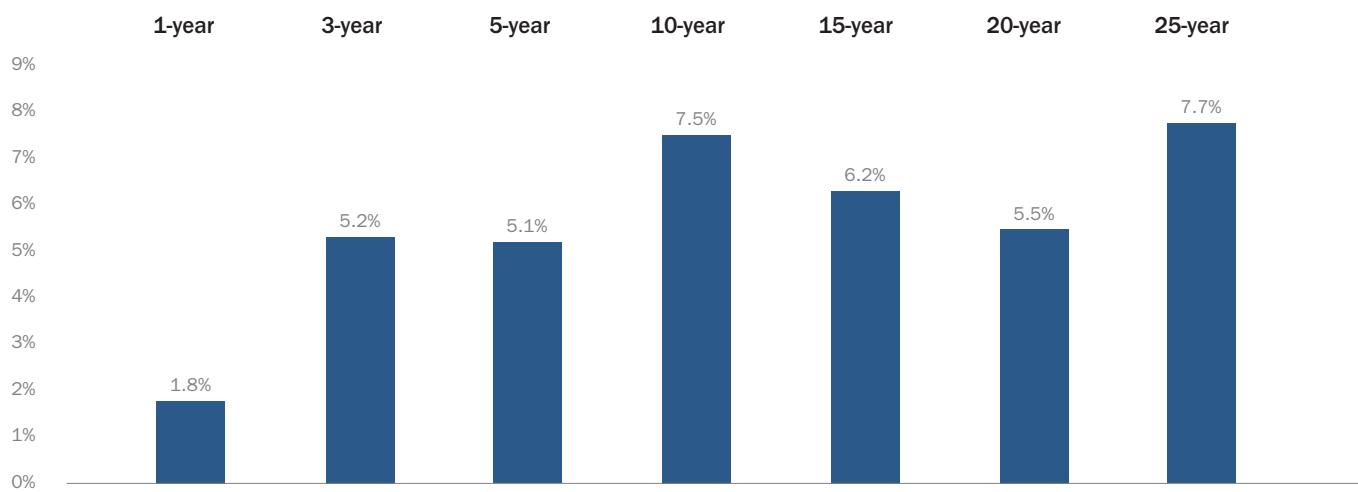
Endowments of all sizes experienced pressure in their marketable real assets and private energy and infrastructure investments. Marketable real assets, such as REITs, were acutely affected by COVID-19 concerns, particularly in sectors such as lodging, hospitality and retail that were most directly impacted by social distancing measures. The energy sector, which is no stranger to volatility, experienced a particularly tumultuous period in early 2020 as the dual shock of the recession and the Russia-Saudi Arabia price war pushed futures prices briefly into negative territory in April. As discussed in Chapter 5, the larger endowments had greater allocations to energy and energy infrastructure, which impaired their total returns.

Longer-term return trends

For the past several years, many market commentators have been predicting that markets were entering a period of lower expected returns. These predictions were made against the backdrop of a decade-long bull run in equity markets and a three-decade decline in interest rates that pushed bond prices higher.

Examining endowments' returns over multiple timeframes suggests that the era of lower returns may have already arrived. Endowments' one-year returns (1.8%) are significantly lower than their five-year annualized returns (5.1%), which are significantly lower than the 10-year annualized returns (7.5%). Returns then turn lower when looking across 15 years (6.2%) and 20 years (5.5%), periods that include the global financial crisis (GFC). The longest time frame captured by the survey, 25 years, also has the highest annualized returns (7.7%); this quarter century includes multiple economic and market cycles.

Net annualized average returns, FY2020



While one-, three- and five-year returns data are interesting, endowments are likely more concerned with their annualized returns over 10 years or more. The endowment model is designed to support institutions in perpetuity, and this makes endowments uniquely positioned among various types of investors to focus on long-term returns. This dynamic is reflected in endowments' relatively large allocations to private asset classes that often tie up liquidity for extended periods.

Average annualized returns, FY2020

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
1-year net annualized return	1.82%	2.51%	1.48%	1.34%	1.60%	1.77%	1.85%	2.46%
3-year net annualized return	5.17%	5.93%	5.10%	5.23%	4.98%	4.69%	5.14%	5.39%
5-year net annualized return	5.09%	5.69%	5.06%	5.03%	4.98%	4.71%	5.09%	5.28%
10-year net annualized return	7.48%	7.94%	7.38%	7.59%	7.45%	7.01%	7.53%	7.46%
15-year net annualized return	6.18%	6.88%	6.10%	6.28%	5.83%	5.92%	5.80%	5.22%
20-year net annualized return	5.55%	6.22%	5.44%	5.33%	5.26%	5.28%	4.89%	4.17%
25-year net annualized return	7.69%	8.45%	7.76%	7.10%	6.78%	8.15%	6.73%	7.10%

Five-year returns by percentile, FY2020

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	637	103	79	81	160	113	67	34
Deciles								
90th percentile	6.60%	7.40%	6.40%	6.60%	6.29%	6.10%	6.50%	6.85%
80th percentile	6.10%	6.66%	6.01%	5.97%	5.70%	5.67%	6.37%	6.53%
70th percentile	5.60%	6.34%	5.79%	5.48%	5.30%	5.18%	5.62%	6.21%
60th percentile	5.30%	6.05%	5.20%	5.29%	5.07%	4.90%	5.37%	5.78%
50th percentile (Median)	5.00%	5.60%	5.00%	5.00%	4.87%	4.60%	5.12%	5.44%
40th percentile	4.70%	5.40%	4.63%	4.80%	4.60%	4.40%	4.79%	4.90%
30th percentile	4.50%	5.10%	4.47%	4.50%	4.40%	4.20%	4.62%	4.61%
20th percentile	4.16%	4.56%	4.26%	4.28%	4.17%	3.91%	4.12%	4.22%
10th percentile	3.70%	4.04%	3.89%	3.59%	3.81%	3.60%	3.52%	3.63%
Quartiles								
75th percentile	5.80%	6.55%	5.90%	5.68%	5.47%	5.33%	6.12%	6.29%
50th percentile (Median)	5.00%	5.60%	5.00%	5.00%	4.87%	4.60%	5.12%	5.44%
25th percentile	4.37%	4.83%	4.40%	4.40%	4.36%	4.10%	4.45%	4.45%
Percentiles								
95th percentile	7.17%	7.83%	6.53%	7.15%	6.88%	6.85%	6.69%	7.08%
5th percentile	3.30%	3.70%	3.47%	3.20%	3.49%	3.40%	3.23%	2.96%

10-year returns by percentile, FY2020

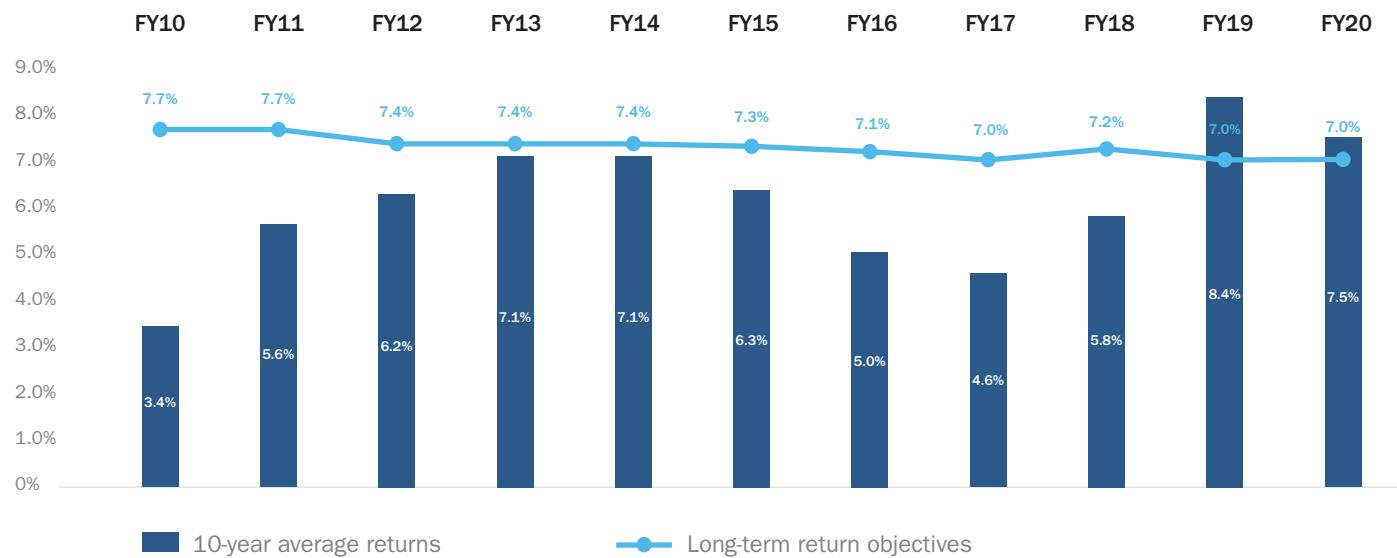
	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	565	101	78	76	141	93	55	21
Deciles								
90th percentile	8.91%	9.56%	8.83%	9.00%	8.54%	8.19%	8.98%	9.26%
80th percentile	8.26%	8.80%	8.12%	8.30%	7.98%	7.78%	8.43%	8.50%
70th percentile	7.83%	8.40%	7.76%	7.76%	7.66%	7.57%	8.07%	8.30%
60th percentile	7.57%	8.10%	7.50%	7.48%	7.40%	7.30%	7.50%	8.06%
50th percentile (Median)	7.32%	7.80%	7.30%	7.32%	7.20%	6.94%	7.22%	7.70%
40th percentile	7.10%	7.50%	7.02%	7.00%	7.07%	6.62%	7.05%	7.42%
30th percentile	6.83%	7.40%	6.80%	6.88%	6.80%	6.49%	6.90%	7.11%
20th percentile	6.60%	7.10%	6.64%	6.60%	6.55%	6.20%	6.71%	6.58%
10th percentile	6.20%	6.60%	6.19%	6.30%	6.20%	5.80%	6.44%	5.28%
Quartiles								
75th percentile	8.00%	8.57%	7.91%	7.93%	7.83%	7.65%	8.13%	8.45%
50th percentile (Median)	7.32%	7.80%	7.30%	7.32%	7.20%	6.94%	7.22%	7.70%
25th percentile	6.70%	7.20%	6.70%	6.71%	6.70%	6.37%	6.85%	6.96%
Percentiles								
95th percentile	9.50%	10.30%	9.30%	9.50%	9.41%	8.90%	9.67%	9.80%
5th percentile	5.80%	6.30%	5.90%	6.09%	5.84%	5.60%	5.96%	4.20%

Target returns

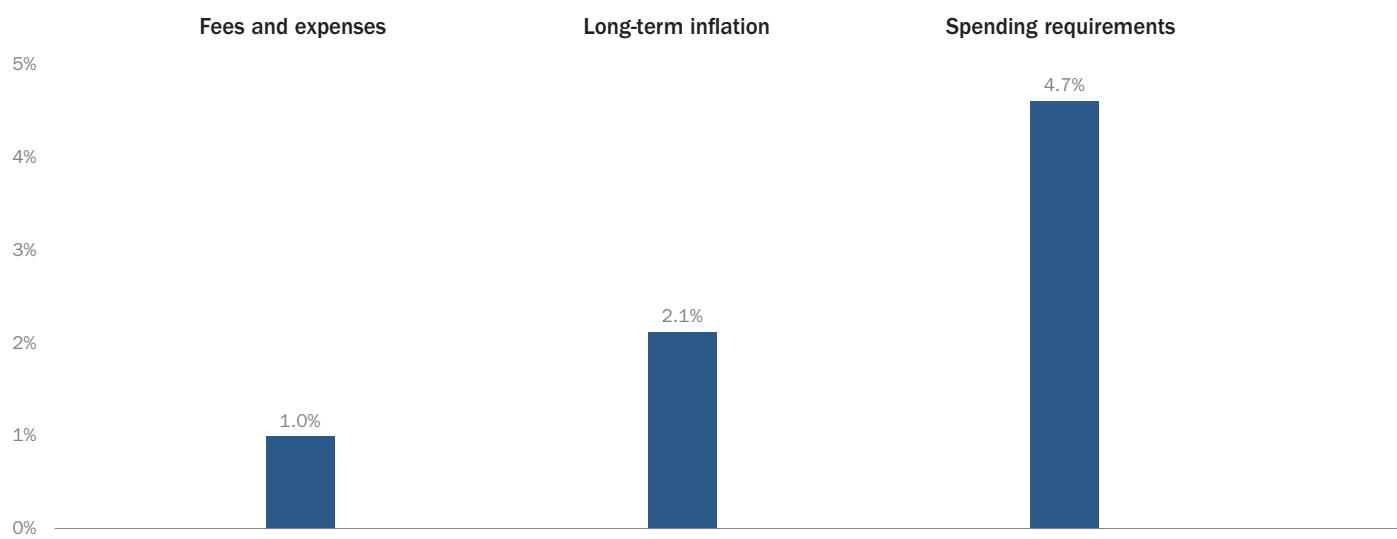
For years, 7.5% has been considered the standard target return for endowments. This target, or “bogey,” comprises spending requirements, inflation expectations, fees and expenses and other elements. It is worth noting that the median 10-year annualized return (7.3%) for endowments falls short of this target.

This, along with the expectation that investors are entering an era of muted expected returns, may explain why endowments have been gradually decreasing their long-term return targets over the past decade. If the lower-return environment comes to fruition, endowments will need to consider all the levers they have at their disposal to meet their targeted hurdle rates. In addition to lowering the target, endowments can take on more risk and explore changes related to liquidity management and portfolio construction.

Average 10-year annualized returns and long-term return targets



Median expectations for target return components, FY2020



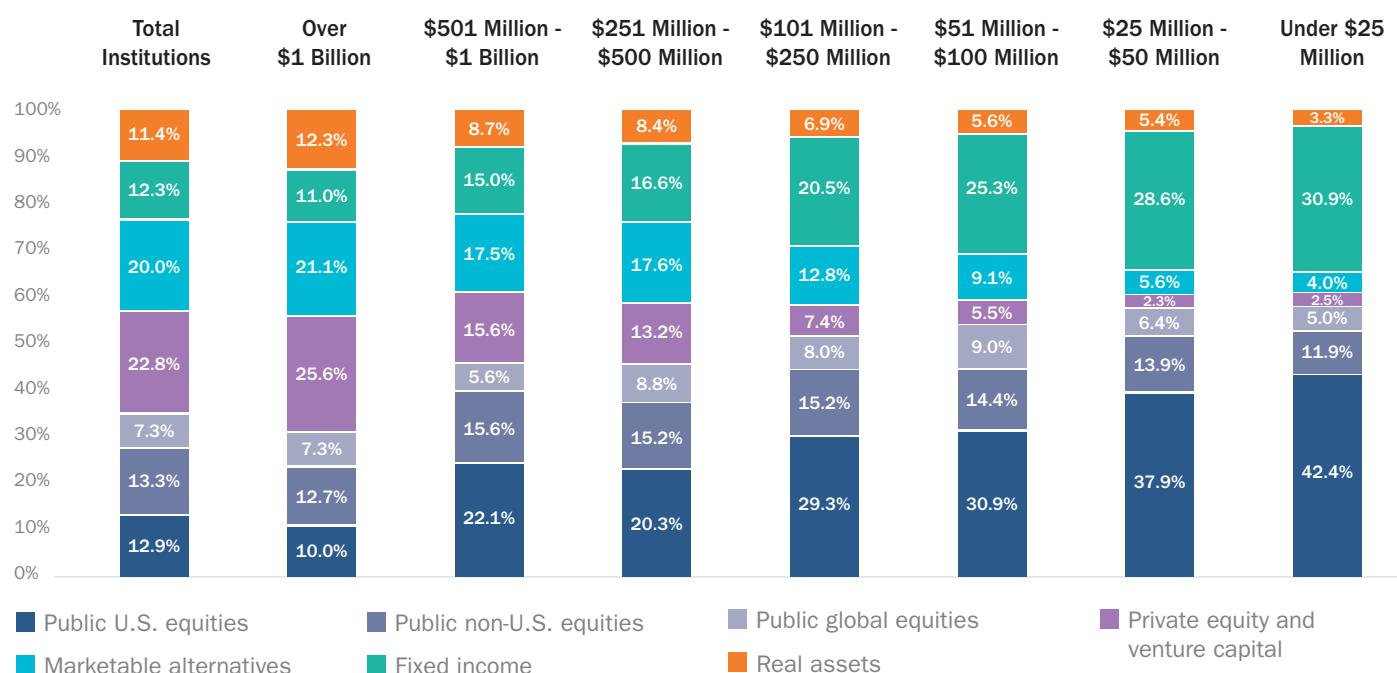
Chapter 5

Asset allocation

Establishing an appropriate asset allocation is critical to endowments' efforts to construct investment portfolios that generate adequate returns while accounting for constraints related to risk tolerance and liquidity. The importance of asset allocation and liquidity management was accentuated in 2020 amid the COVID-19 pandemic and resulting market volatility. Institutions will need to be especially thoughtful about their strategic and tactical positioning as the impacts of the pandemic continue to play out amid an uneven global economic recovery and persistent low-rate environment.

Across all participating endowments, portfolio allocations as of June 30, 2020, (the end of FY2020) were 33% in public equities (U.S., non-U.S. and global), 23% in a mix of private equity and venture capital, 20% in marketable alternatives, 12% in fixed income, and 11% in real assets. Larger endowments typically exhibited less reliance on fixed income and domestic public equities, while showing greater utilization of non-U.S. stocks, private equity, venture capital, real assets and marketable alternatives. These allocations and trends, both at the total institution level and across the size cohorts, largely mirror what was seen in FY2019.

Asset allocations for endowment cohorts, FY2020



In the following sections, we analyze select asset classes and discuss differences in allocation decisions by endowment size.

- Equities (public and private)
- Marketable alternatives
- Fixed income
- Real assets
- Allocation by endowment type
- Active vs. passive strategies

Detailed asset allocations by endowment size (dollar-weighted), FY2020

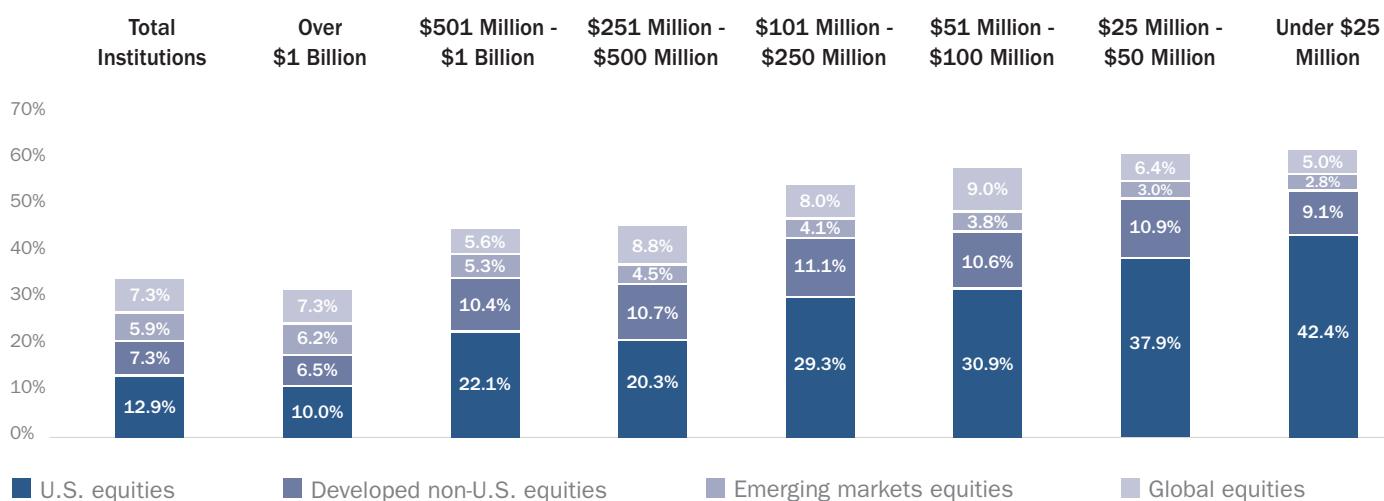
	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Equities	76.26%	76.75%	76.26%	75.03%	72.58%	69.01%	65.98%	65.81%
U.S. equities active	8.81%	7.27%	14.25%	12.05%	16.59%	19.26%	21.84%	27.85%
U.S. equities passive/index	4.09%	2.72%	7.81%	8.25%	12.69%	11.62%	16.01%	14.54%
Developed non-U.S. equities active	6.38%	5.92%	8.32%	7.92%	8.48%	7.84%	7.60%	5.47%
Developed non-U.S. equities passive/index	0.95%	0.58%	2.04%	2.77%	2.59%	2.78%	3.28%	3.59%
Emerging markets active	5.62%	6.07%	4.45%	3.74%	3.38%	3.02%	2.12%	2.10%
Emerging markets passive/index	0.30%	0.17%	0.81%	0.77%	0.71%	0.80%	0.91%	0.73%
Global equities active	6.59%	6.70%	5.00%	8.01%	6.44%	7.30%	5.23%	2.80%
Global equities passive/index	0.70%	0.65%	0.55%	0.75%	1.51%	1.72%	1.14%	2.22%
Private venture capital	9.31%	10.80%	4.99%	3.38%	1.60%	0.93%	0.43%	0.46%
Private equity	13.52%	14.76%	10.56%	9.81%	5.76%	4.60%	1.83%	2.08%
Marketable alternatives	19.98%	21.11%	17.48%	17.58%	12.83%	9.13%	5.59%	3.97%
Fixed income	12.35%	10.98%	15.03%	16.55%	20.49%	25.35%	28.60%	30.85%
Investment grade active	4.97%	4.29%	4.63%	6.73%	11.06%	14.90%	16.47%	19.37%
Investment grade passive/index	1.59%	0.98%	4.01%	3.40%	3.83%	5.20%	5.78%	7.81%
Non investment grade	0.63%	0.52%	0.82%	1.04%	1.49%	1.08%	1.71%	0.55%
Private debt	1.33%	1.33%	1.88%	1.08%	0.75%	0.72%	1.13%	0.26%
Cash and equivalents <1 year	3.83%	3.86%	3.69%	4.30%	3.36%	3.45%	3.51%	2.87%
Real assets	11.40%	12.28%	8.71%	8.42%	6.93%	5.65%	5.41%	3.33%
Marketable real assets	1.18%	0.91%	1.77%	2.37%	3.02%	2.35%	1.44%	1.57%
Private real estate	5.52%	6.16%	3.44%	3.13%	2.39%	2.11%	1.94%	0.73%
Private energy and energy infrastructure	3.57%	4.05%	2.31%	1.74%	0.76%	0.80%	0.32%	0.94%
Other	1.14%	1.16%	1.20%	1.18%	0.76%	0.38%	1.71%	0.09%

Equities (public and private)

Public equities exposure comprises allocations to U.S. equities, non-U.S. equities (developed non-U.S. equities and emerging markets equities), and global equities. The aggregate total public equity exposure for all institutions in FY2020 was 33%. This is down modestly from 35% in FY2019.

Larger endowments, compared with their smaller counterparts, have considerably less exposure to U.S. and developed non-U.S. public equities, but higher exposure to emerging markets public equities. Larger endowments have the desire and capacity to invest in areas with greater return potential and diversifying power. Given the current rich valuations of U.S. public equities, larger endowments likely are using private equity and venture capital, which are predominately U.S. exposures, as a replacement for much of their U.S. public equity allocations. Conversely, smaller endowments' outsized U.S. public equity exposure points to a greater reliance on traditional asset classes; in many cases, smaller endowments may lack the risk capacity or the investment staff to fully evaluate asset classes such as emerging markets equities.

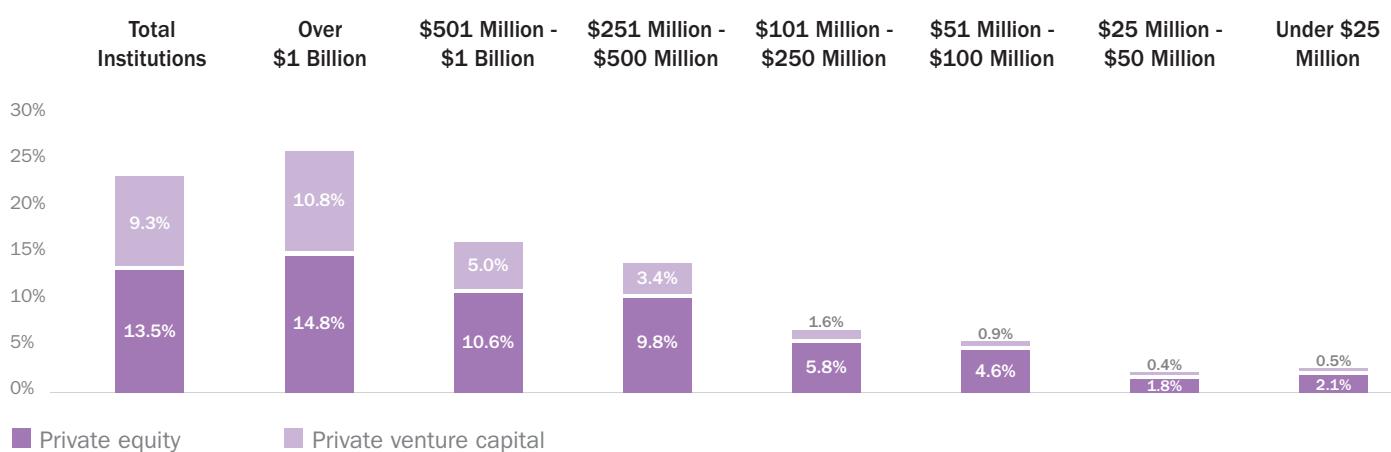
Breakdown of allocations to listed equities, FY2020



Compared with the other size cohorts, the largest endowments allocate significantly higher proportions of their assets to private equity and venture capital. Endowments with more than \$1 billion in assets allocated more than 25% to those two asset classes collectively; this figure drops considerably to 16% for the next-largest size cohort (\$501 million – \$1 billion). The smallest group (under \$25 million) allocated just 2.5% to private equity and venture capital.

This shift from public equities toward private equity and venture capital reflects the willingness and ability for larger institutions to reach for higher return targets, including by aiming to harness the private markets illiquidity premium for their U.S. equities exposure. Smaller endowments may not be able to pursue such an approach due to greater fee sensitivity, lower risk tolerance, different liquidity requirements and other factors such as minimum investment amounts.

Allocations to private equity and venture capital, FY2020



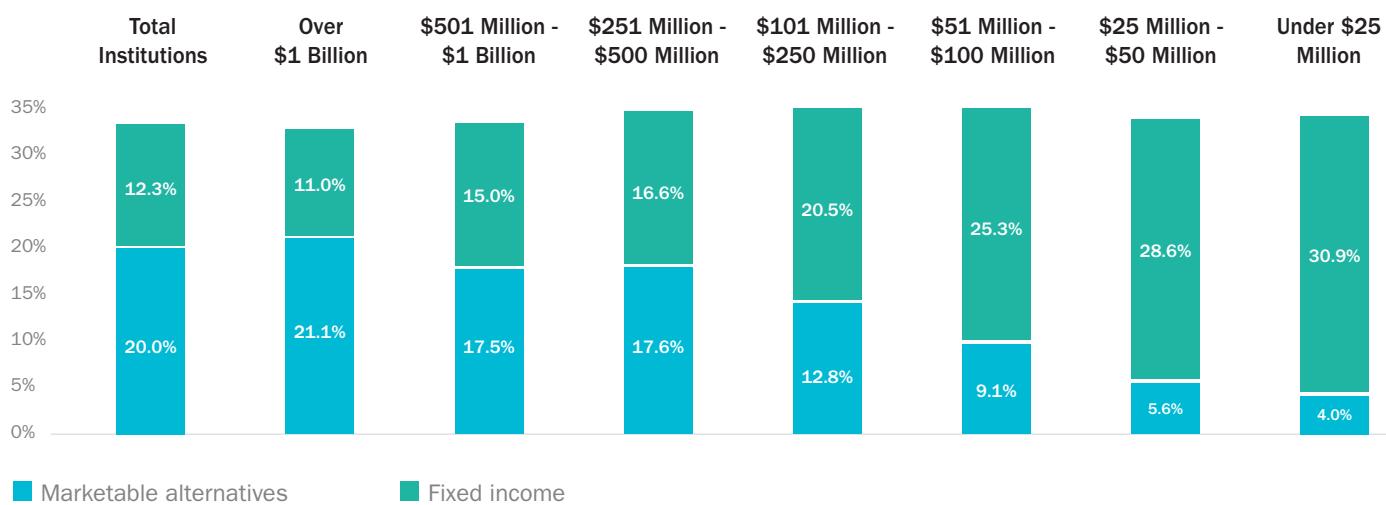
Marketable alternatives

Marketable alternatives (primarily hedge funds) made up 20% of survey respondents' portfolios. Endowments use hedge funds and other types of marketable alternatives to play a variety of roles in a portfolio, including return enhancement, but more prominently for diversification and downside protection.

Consistent with recent years' surveys, allocations to marketable alternatives vary drastically across endowment size, with larger funds reporting higher allocations. This is not surprising given that large endowments have greater access to interesting and sophisticated liquid hedge funds. Furthermore, large endowments may view these investments as portfolio diversifiers that have the potential to provide returns beyond those of traditional fixed income securities, which typically come from credit spreads plus a bond premium. While smaller endowments may use fixed income as the portfolio's primary diversifier to public equities, it is likely that larger endowments are using marketable alternatives for this role. Endowments' reliance on marketable alternatives is likely to increase during an extended period of low interest rates.

The idea that endowments may view marketable alternatives and fixed income as playing similar roles in a portfolio is reflected in the ensuing chart. Across all size cohorts, marketable alternatives and fixed income collectively account for 30% to 35% of endowments' portfolios, but the ratio of the two asset classes changes dramatically by size.

Allocations to marketable alternatives and fixed income, FY2020

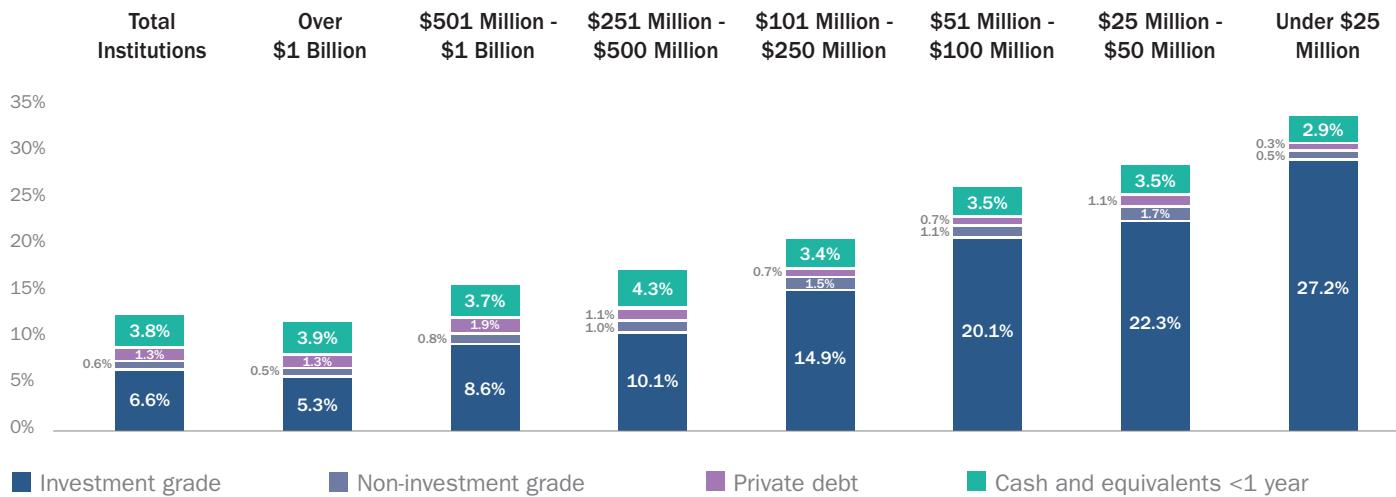


Fixed income

A closer examination of fixed income shows that smaller endowments reported significantly greater exposure to fixed income, particularly investment-grade securities. This suggests that smaller endowments view high-grade bonds as a ballast against equity market volatility in the total portfolio context. Larger endowments' low exposure to investment-grade fixed income aligns with the earlier discussion about the tendency of larger funds to allocate away from fixed income toward marketable alternatives and private investment opportunities.

Non-investment-grade fixed income and private debt are used surprisingly little by all size cohorts, including the largest endowments, which have the greatest risk capacity. Collectively, these two asset classes accounted for less than 2% of total allocations. The negative perception of high-yield, or junk, bonds stemming from the 1980s and 1990s, may contribute to this, especially for smaller endowments. Although it is not yet reflected in endowments' allocations, structural shifts in lending have led to the emergence of private credit in recent years. Across the investment industry, private debt has become increasingly popular since the global financial crisis (GFC) as non-bank lenders stepped in to fill the market void as commercial banks exited certain lending areas.

Breakdown of allocations to fixed income, FY2020



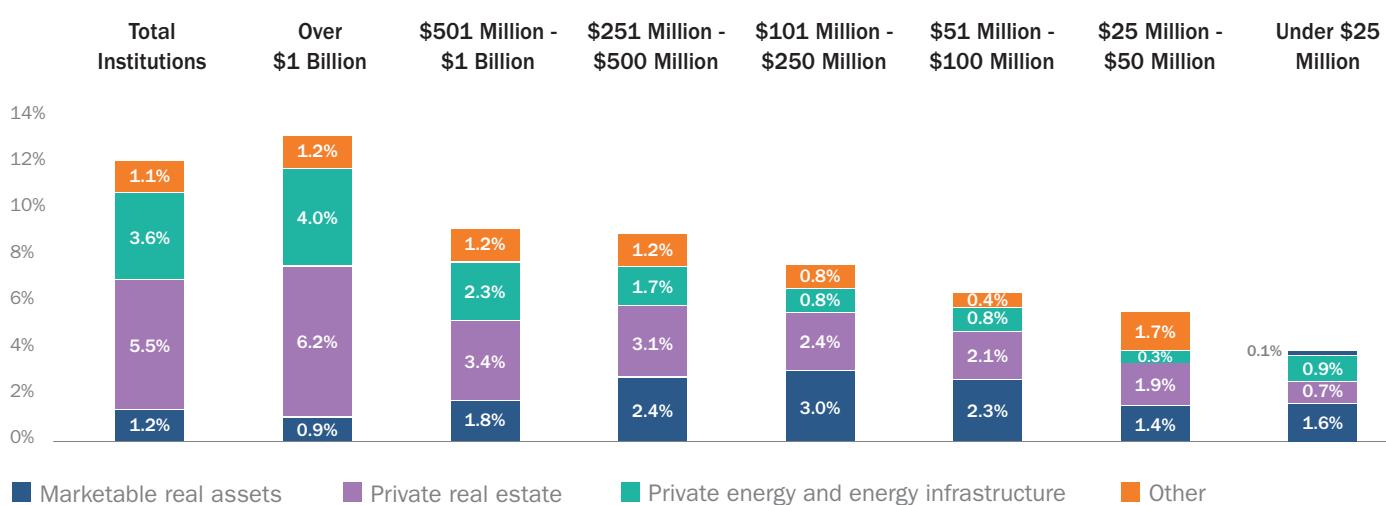
Endowments' allocation to non-investment-grade fixed income will likely increase significantly in coming years. In an environment of low expected yields for traditional fixed income, institutional investors of all types are dedicating more capital to non-traditional asset classes such as direct lending, high yield bonds, leveraged loans and private credit.

It is not surprising that larger endowments, which have higher allocations to private or illiquid assets, also have higher allocations to cash and cash equivalents, which give endowments flexibility to meet capital calls without selling other assets. Among lessons learned from the GFC and from the March 2020 market selloff is that funds need to keep appropriate levels of cash and liquid instruments to avoid forced selling at the worst possible time. While this is especially important when it comes to avoiding the “forced liquidation” of private assets, the principle applies to publicly traded assets, as well.

Real assets

Larger endowments have more exposure than smaller endowments to real assets, particularly in private real estate and private energy and energy infrastructure. Real assets can play a variety of roles in a portfolio, including diversification, yield generation and hedging against inflation. In addition to having more capacity to introduce the heightened complexity of real assets into a portfolio, large endowments may also have more granular investment policy statements that explicitly point to inflation as a variable to address. This may contribute to why larger endowments have significantly higher allocations to real assets.

Breakdown of allocations to real assets, FY2020



Allocations by endowment type

When viewing asset allocation data by endowment type—private, public, institutionally related foundation, combined endowment/foundation and other—there is little variance among their portfolio allocations. Still, the small variances could be attributed to a range of factors, namely the fact that different types of endowments have different regulatory and tax treatments, which could lead to different return expectations. Additionally, public schools have an inextricable link to governments, so their spending needs, investment policy statements and hurdle rates, among other considerations, are affected by the government's finances and fiscal health.

Active vs. passive

One of the biggest decisions endowments face is whether to use active or passive strategies for their allocations to publicly traded equities and fixed income. In both asset classes, large endowments are more likely than smaller endowments to use actively managed strategies as opposed to using index-based strategies to get exposure to the asset class. This can be attributed to smaller endowments being more fee sensitive as well as having less staff and resources dedicated to researching active managers; this means that smaller endowments are more likely to focus on minimizing fees through passive investing.

Within equities, emerging markets, which is considered to offer a relatively large opportunity set for active managers, provides an interesting example of how large and small endowments may approach the asset class differently. For the largest endowments, emerging markets active represented more than 30% of their total non-U.S. equities allocation, compared to just 12% for the smallest endowments. Conversely, the smallest endowments have more than 4% of their non-U.S. allocations in emerging markets passive, compared to less than 1% for the largest endowments.

U.S. equity allocations: active vs. passive, FY2020

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Active	68.30%	72.75%	64.59%	59.36%	56.66%	62.38%	57.70%	65.70%
Indexed (Passive/index)	31.70%	27.25%	35.41%	40.64%	43.34%	37.62%	42.30%	34.30%

Non-U.S. equity allocations: active vs. passive, FY2020

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Global equities active	32.07%	33.34%	23.62%	33.45%	27.85%	31.10%	25.80%	16.58%
Global equities passive	3.42%	3.22%	2.61%	3.11%	6.54%	7.31%	5.61%	13.13%
Developed non-U.S. equities active	31.06%	29.49%	39.28%	33.04%	36.69%	33.43%	37.49%	32.32%
Developed non-U.S. equities passive	4.63%	2.89%	9.63%	11.55%	11.22%	11.84%	16.18%	21.20%
Emerging markets (Active)	27.38%	30.20%	21.01%	15.62%	14.64%	12.89%	10.44%	12.42%
Emerging markets (Passive)	1.44%	0.86%	3.85%	3.23%	3.06%	3.43%	4.47%	4.34%

Within fixed income, endowments of all sizes are more likely to use active strategies than passive strategies for their investment-grade exposures. This is not surprising given the prevalence of credit risk involved in fixed income investing and the fact that fixed income is a negotiated market. At the same time, passive strategies in fixed income investing are becoming more efficient, and more capital is likely to be deployed in fixed income indexing over time.

Fixed income allocations: active vs. passive, FY2020

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Investment grade (Active)	69.20%	74.15%	48.92%	60.20%	67.51%	70.37%	68.75%	69.86%
Investment grade (Passive)	22.07%	16.89%	42.37%	30.47%	23.37%	24.55%	24.13%	28.16%
Non-investment grade	8.73%	8.96%	8.71%	9.33%	9.12%	5.08%	7.12%	1.98%

Chapter 6

Debt

Endowments took advantage of the low interest rate environment in FY2020 by decreasing their effective interest rates and continuing to shift away from floating-rate debt to lock in low fixed rates. While the largest institutions were more likely to report an increase in debt, the vast majority of respondents to this year's survey reduced their overall debt loads in FY2020. The timing of the COVID-19 pandemic likely influenced these results; a number of institutions may have waited to tap credit markets until the second half of calendar year 2020, when lending resumed and they had a better understanding of the decline in revenue resulting from the pandemic. In addition, many institutions sought relief that was offered by the CARES Act in the first half of calendar year 2020, affecting their overall borrowing needs.

Fewer than half of institutions represented in this year's survey have a formal debt policy. Although this is an increase versus last year's survey, there is substantial room for improvement in this area, especially as institutions continue to turn to debt markets to address the challenges of the pandemic and other shortfalls.

This chapter examines debt levels among colleges and universities for FY2020.

In this chapter:

- Interest rate environment
- Debt loads
- Formal debt policies

Interest rate environment

1.4%

Yield on the
30-year U.S.
Treasury Bond as
of June 30, 2020.

Concerns about economic growth because of the COVID-19 pandemic and central banks' unprecedented stimulus efforts drove interest rates to historic lows in FY2020. From July 1, 2019 through June 30, 2020, the yield on the bellwether 10-year U.S. Treasury Note declined from 2.03% to 0.66%, as the U.S. Federal Reserve provided liquidity and stability to the bond market. Yields on government bonds in many other developed countries, including Germany, France and Japan, remained at or below zero, making U.S. Treasuries attractive by comparison. Short-term rates, measured by the one-month T-bill, declined even further, from 2.17% on July 1, 2019, to 0.13% on June 30, 2020, as the Fed slashed the federal funds rate to help stimulate the economy in response to the pandemic.

Although credit spreads widened significantly in late February and March 2020 in response to the initial COVID-19 lockdowns, the market recovered strongly by the end of FY2020, supported by tremendous fiscal and monetary stimulus. In the first half of calendar year 2020, investment-grade corporate borrowers issued record levels of new debt, which was quickly absorbed by investors. The Fed has clearly stated its intentions to keep rates low for an extended period, which will likely encourage more issuance in both the taxable and tax-exempt markets.

Debt loads

More than three-quarters of the institutions represented in this year's survey have some level of long-term debt. Not surprisingly, the largest institutions tend to utilize long-term debt to a greater extent than the smallest institutions. Ninety-six percent of private institutions that participated in the survey carry at least some level of debt versus just 65% of public institutions.

Debt levels for FY2020

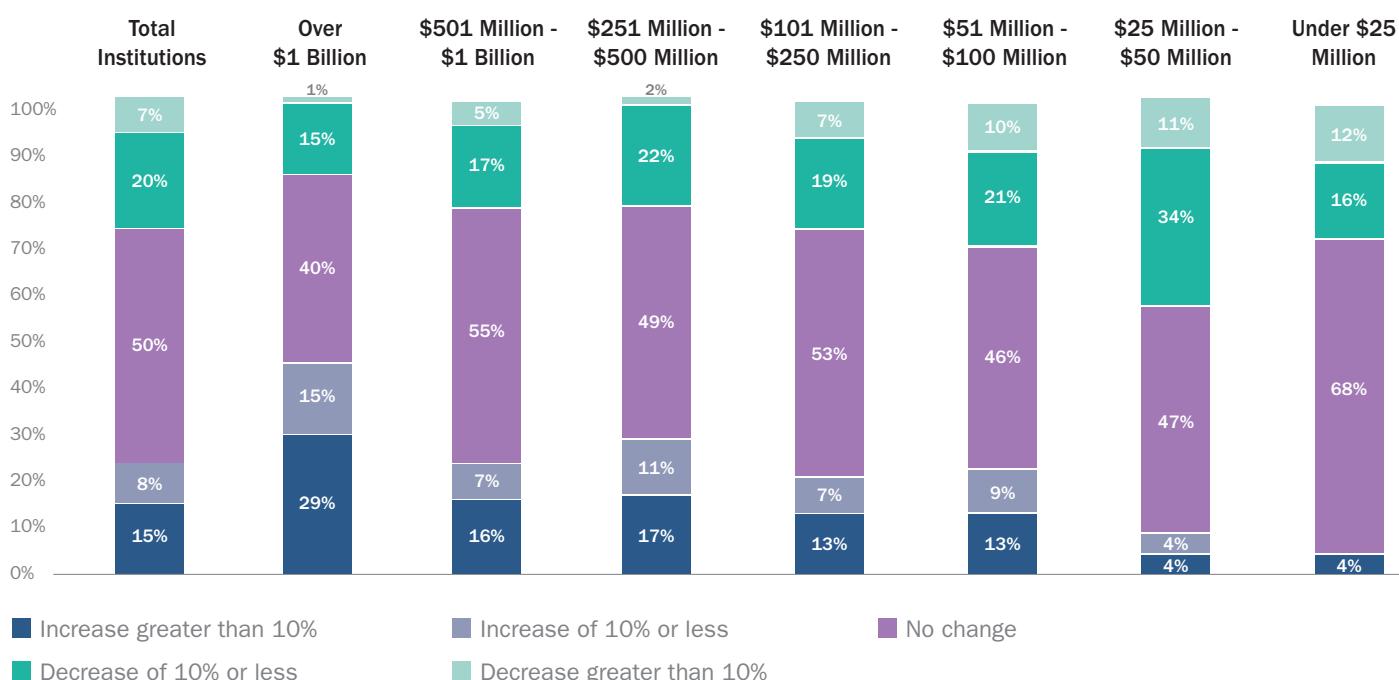
	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	515	75	61	65	136	98	53	27
Average debt	\$264,519 K	\$1,172,274 K	\$268,558 K	\$179,054 K	\$97,032 K	\$53,630 K	\$42,962 K	\$21,519 K
Median debt	\$68,982 K	\$665,735 K	\$204,540 K	\$117,483 K	\$57,948 K	\$43,589 K	\$29,638 K	\$14,789 K

Changes in debt levels

Despite the combination of low interest rates and pressure from declining revenue caused by COVID-19, roughly half of institutions reported no change to their debt levels during FY2020. Those with the largest endowments were the most likely to increase their debt loads, while institutions with smaller endowments were more likely to decrease debt. This may indicate that larger institutions were better prepared to take advantage of the lower interest rate environment during the pandemic. Because of their size and relative creditworthiness, large institutions are able to tap credit markets more quickly than smaller institutions. In addition, some smaller institutions may be more limited in their ability to take on additional debt given their elevated levels of debt service as a percentage of their operating budgets, as covered in the section below.

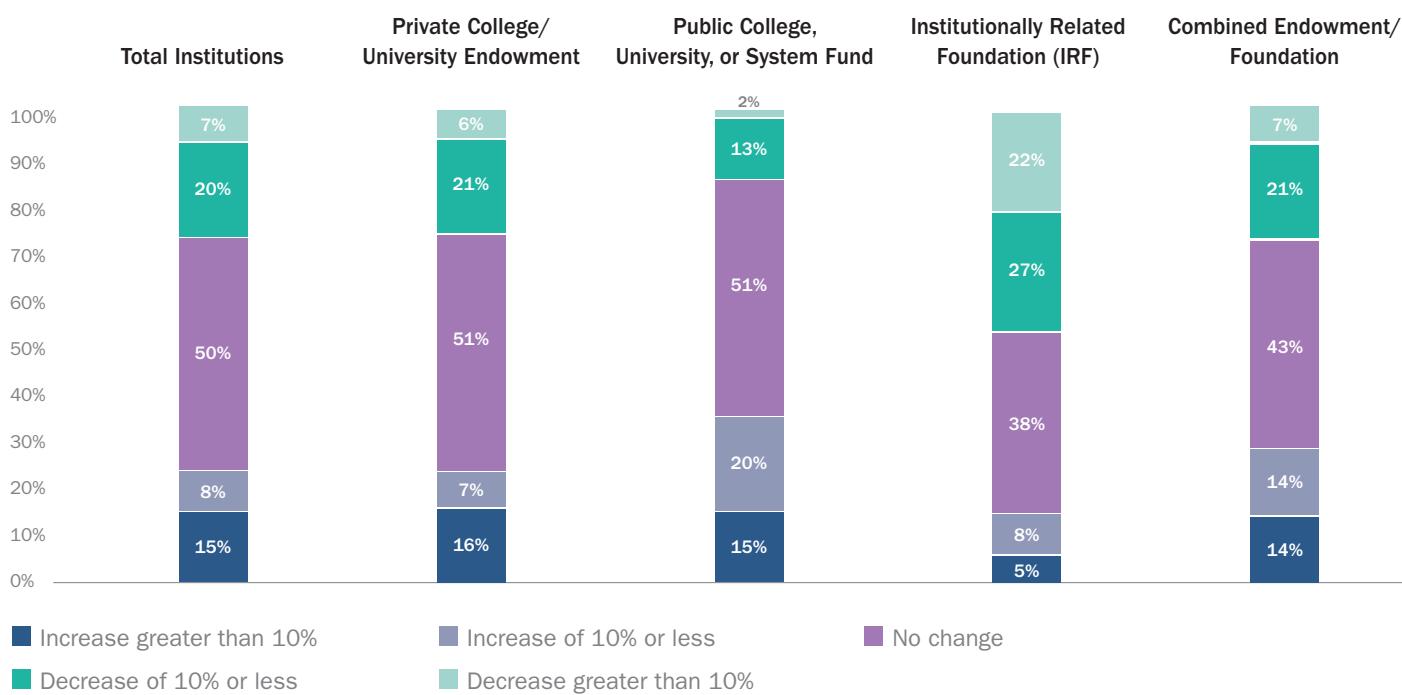
Looking ahead, it will be interesting to see if FY2021 survey results show a more widespread increase in debt loads among institutions. A greater level of borrowing seems likely in FY2021 due to lost revenue and increasing costs related to the pandemic. This could be especially true among smaller institutions that were not able to access credit markets during the early stages of the pandemic.

Changes to debt in FY2020, by endowment size

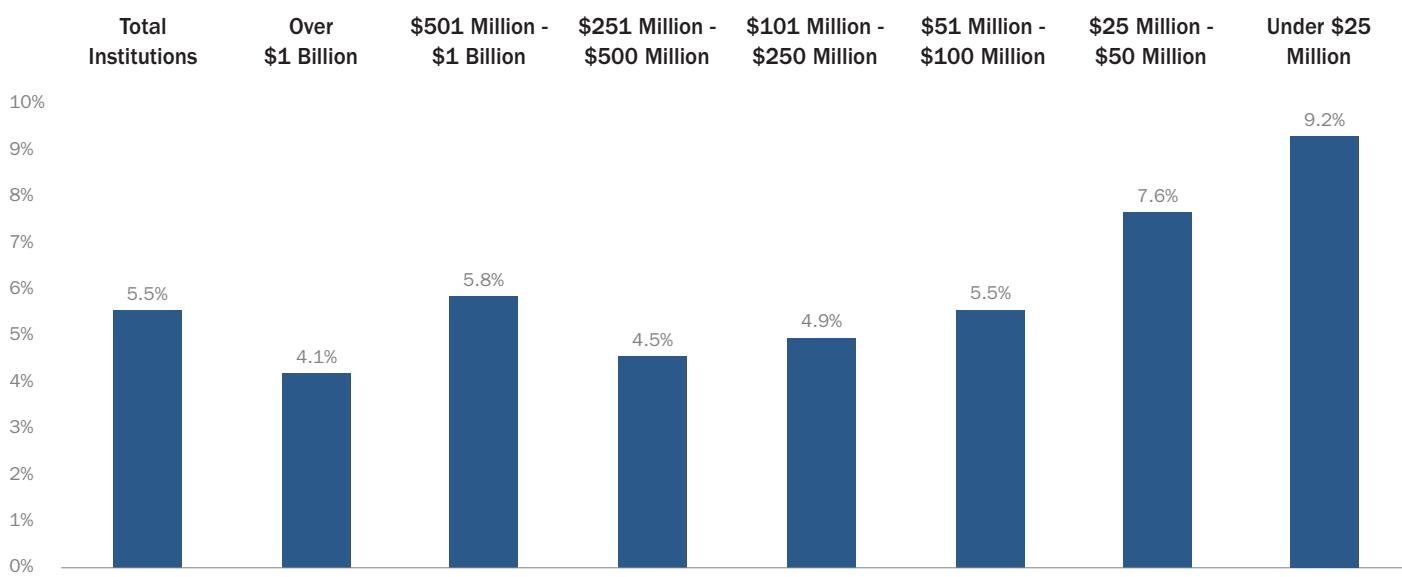


For both private and public institutions, roughly half did not change their level of debt during FY2020. Among those that changed debt levels, public institutions were more likely to increase debt than decrease it, while the reverse was true for private institutions.

Changes to debt in FY2020, by endowment type



Debt service as a % of the institution's operating budget, FY2020



Debt service represents a non-trivial portion of the operating budget for institutions whose endowments are in the smallest size cohorts. High levels of debt service may constrain an institution's operational and growth capacity in a number of ways—such as delaying plans for hiring new faculty or increasing financial aid for students. This emphasizes the need for a thoughtful approach to debt issuance as well as the value of establishing a formal debt policy, as covered later in this chapter.

Fixed-rate versus floating-rate debt, FY2020

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	515	75	61	65	136	98	53	27
Percentage of debt that is fixed rate	80.51	81.69	80.77	88.96	80.42	77.70	80.17	67.53
Average interest rate	3.76	3.90	3.75	3.89	3.84	3.60	3.57	3.56
Percentage of debt that is floating rate	11.22	8.73	6.00	6.42	12.32	13.96	17.20	13.96
Average Interest rate	1.71	1.53	1.40	1.79	1.57	2.27	1.54	1.66

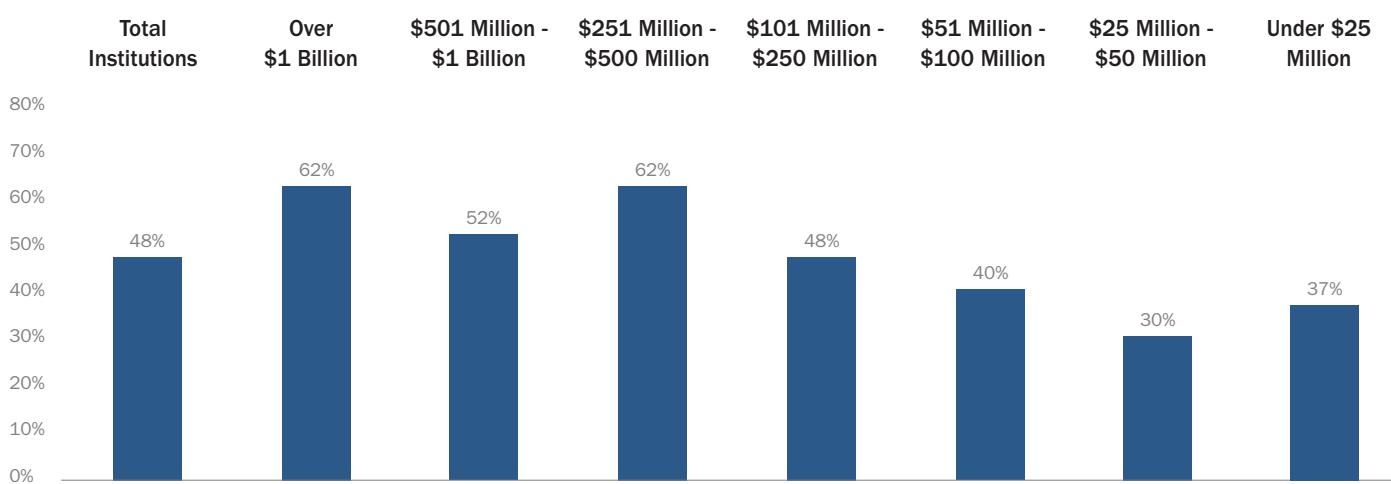
Fixed-rate debt represents the vast majority of long-term debt issued by institutions represented in the survey. This is not surprising, as public bond issuance overwhelmingly consists of fixed-rate debt. The low-interest-rate environment has allowed institutions to lock in low fixed rates on their debt. Even if they didn't issue new debt in FY2020, institutions may have refinanced existing debt to lower their average interest rate.

One surprising finding in this year's survey is that institutions with small endowments paid a lower average interest rate on their fixed-rate debt than those with large endowments. One possible explanation is that smaller institutions tend to borrow at shorter maturities, which generally have lower interest rates, relative to larger institutions.

Formal debt policies

The majority of institutions (52%) continue to operate without a formal debt policy in place. Institutions with relatively large endowments are more likely to have a debt policy than their smaller peers. The percentage of institutions with a formal debt policy was higher across almost all size cohorts relative to last year's survey, showing signs of growing acceptance of the value of having a debt policy.

Institutions with a long-term debt policy, by endowment size



A formal debt policy is valuable for colleges and universities because it provides discipline and helps to drive the discussion about whether to issue debt—and for what uses. A debt policy provides guardrails that can be especially helpful in the tumult of a market crisis, helping to prevent short-term decision-making that may harm the institution in the long run. In addition, rating agencies increasingly expect colleges and universities to have formal debt policies in place, and lenders would rather lend to issuers with established policies and governance frameworks supporting their decision to issue debt.

Some of the key areas that a formal debt policy should cover include:

- Institutional philosophy regarding the use of debt
- Authority to issue debt
- Criteria addressing how debt will be used and how to prioritize potential uses
- Types of debt that can or will be issued
- Institutional philosophy regarding credit ratings or credit capacity
- Maturity and useful-life considerations
- Use of benchmarks and debt ratios
- Responsibilities for ensuring commitment to disclosure and compliance requirements

Chapter 7

Responsible investing

Endowments in the United States continue to take a patient, measured approach to implementing responsible investing. Many endowments recognize the investment merits of responsible investing, and this is particularly true for the largest endowments. But other endowments remain skeptical and are concerned that responsible investing may conflict with their duties as fiduciaries. In addition, practical issues related to resource limitations and the lack of standardized reporting continue to be significant barriers to adoption, especially for small and medium-sized endowments. All of these factors have contributed to limited growth in responsible investing practices among endowments.

The COVID-19 pandemic and waves of social unrest expanded the ESG focus from environmental factors to social and governance factors during FY2020. And while endowments reported marginally increasing stakeholder interest in responsible investing issues in FY2020, very few reported changes to their responsible investing practices as a direct result of COVID-19. It is likely that the impacts of these events were yet to be fully realized as of the end of FY2020.

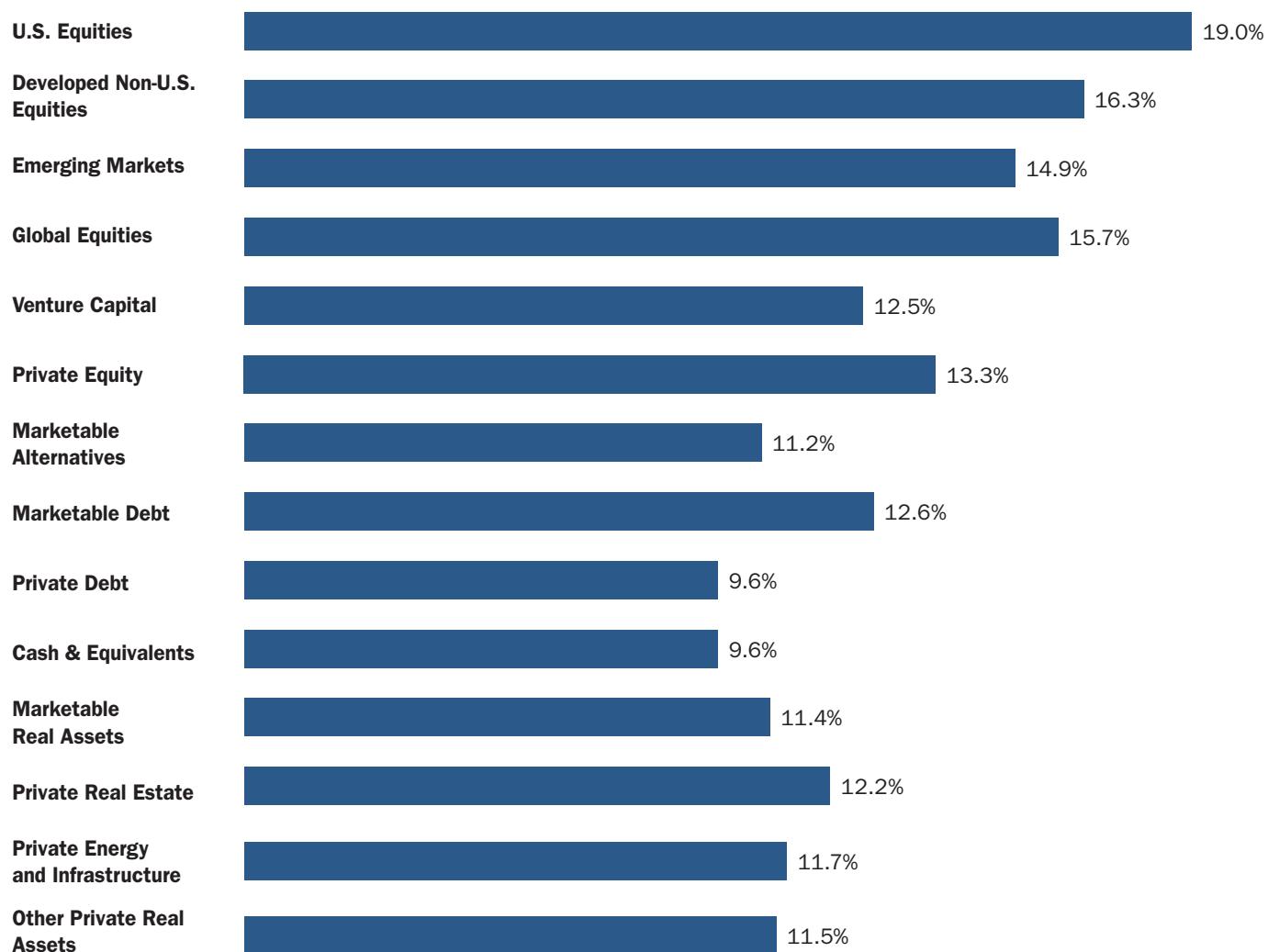
In this chapter:

- Responsible investing adoption levels
- Key barriers to pursuing responsible investing
- Stakeholder interest in responsible investing

Responsible investing adoption levels

This year's survey indicates that most endowments remain in the early stages of implementing responsible investing. Endowments generally don't integrate responsible investing criteria into portfolio construction in a meaningful way across asset classes. Endowments are most likely to integrate responsible investing criteria into portfolio construction in their public equity portfolios—19% of this year's respondents incorporate responsible investing in U.S. equities and 16% in global equities.

Percent of endowments integrating responsible investing into portfolio construction by asset class, FY2020



Percent of endowments that have adopted various responsible investing practices, FY2020

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	166	33	37	27	37	18	9	5
Joined ESG Network	16.10%	20.75%	14.81%	17.95%	17.31%	9.09%	10.00%	0.00%
Appointed CSO	5.93%	3.77%	9.26%	0.00%	9.62%	9.09%	0.00%	0.00%
Proxy Voting Committee	7.63%	15.09%	7.41%	5.13%	5.77%	4.55%	0.00%	0.00%
ESG in Investment Policy	56.78%	49.06%	55.56%	66.67%	50.00%	59.09%	90.00%	66.67%
Offered ESG	13.56%	11.32%	12.96%	10.26%	17.31%	18.18%	0.00%	33.33%

The majority of endowments have taken a first step in establishing a responsible investing approach, typically in the form of adding environmental, social and governance (ESG) factors to their investment policy. Responsible investing practices beyond this step, however, are quite limited. Just 16% of respondents have joined an ESG network and just 6% have appointed a chief sustainability officer (CSO).

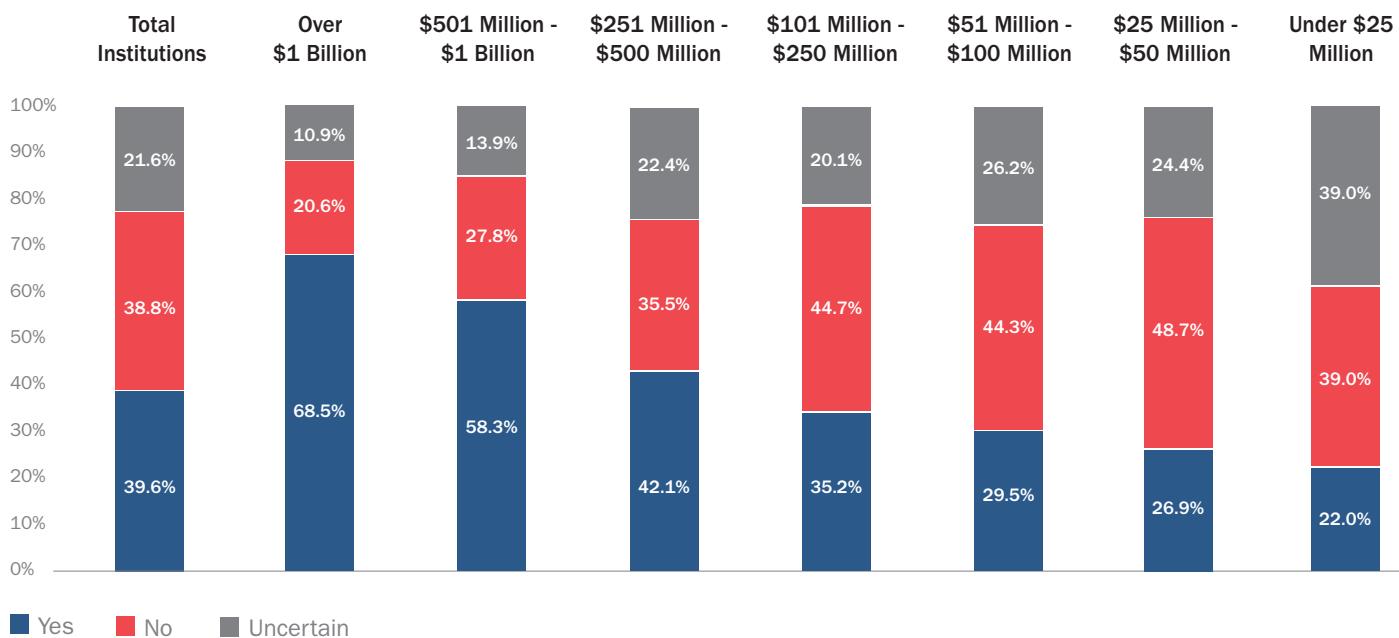
Best practices in governance, implementation and engagement

Governance: Many institutions have a sustainability committee comprising the chief investment officer and representatives from different functions. Similar to asset managers, endowments tend to have proxy voting committees or subcommittees that represent all material stakeholders.

Implementation: Proxy voting guidelines summarize how an institution will vote on social, environmental and governance issues. As voting rights give shareholders the opportunity to effect responsible governance of publicly owned corporations, many large asset managers are using proxy votes to press for better governance of environmental and social risks. Active shareholder engagement strengthens the relationship among endowed organizations, their capital and the companies and communities in which they invest.

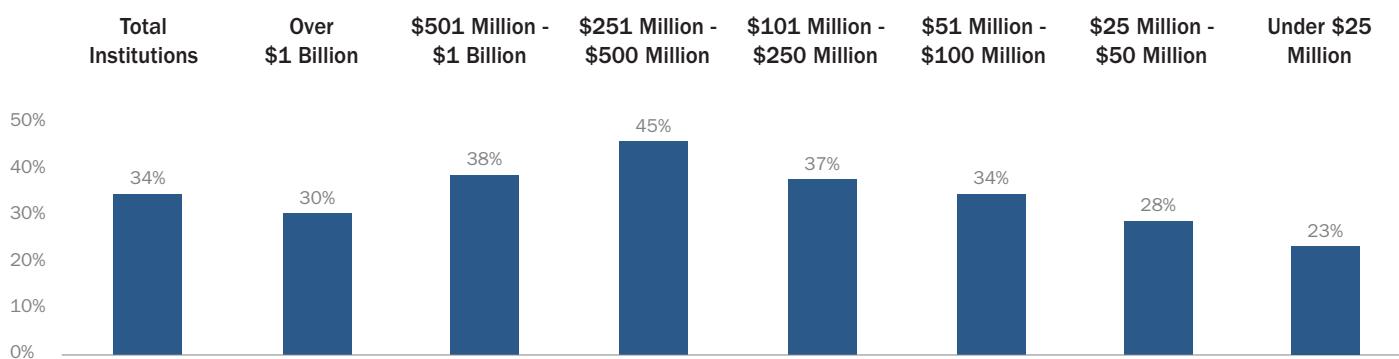
Engagement: A key component of responsible investing is engagement with the management of portfolio holdings to help companies manage or mitigate environmental, social and governance risks. In addition, for public equities, endowments can utilize their shareholder rights to vote proxies.

Does responsible investing factor into your investment manager due diligence and evaluation process?



Despite the lack of consistency in responsible investing implementation in the portfolio construction process, a relatively large number of endowments reported that responsible investing considerations are a part of their investment manager due diligence and evaluation process. This is particularly true for the largest and arguably most sophisticated endowments, 60%–70% of whom said responsible investing plays a role in manager due diligence.

Percent of endowments that used an investment consultant or OCIO to help evaluate how to implement responsible investing strategies, FY2020

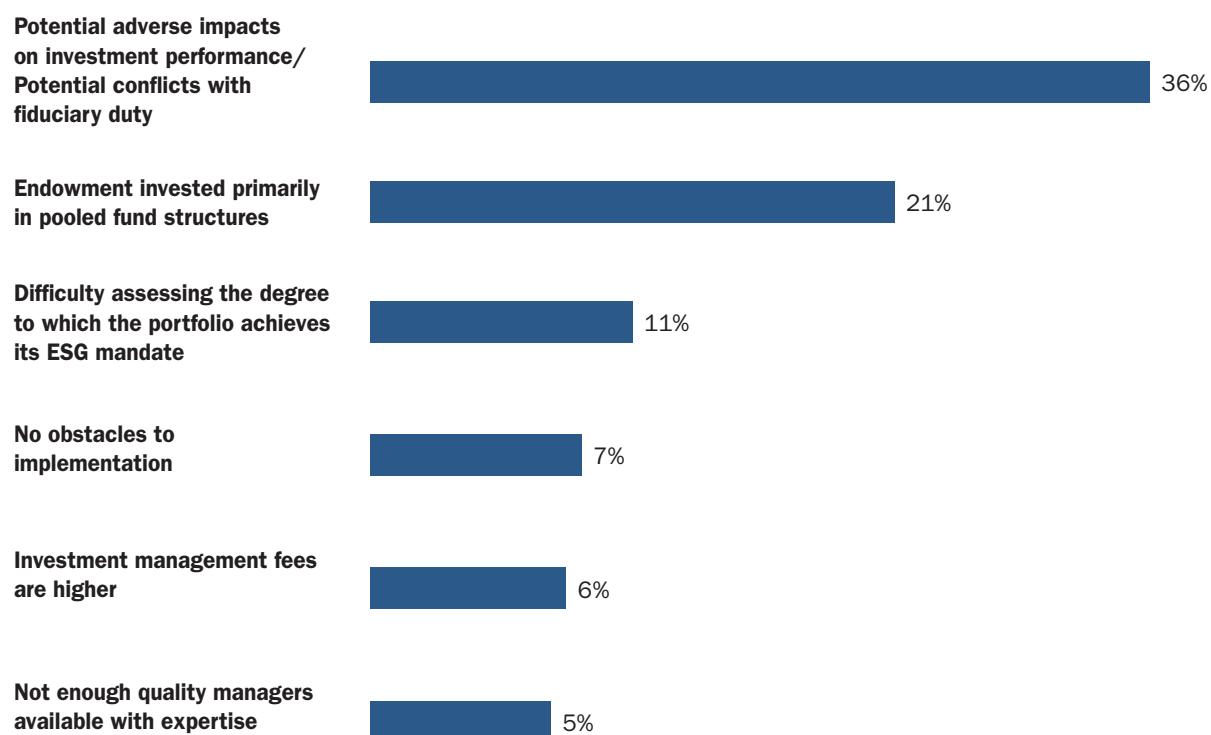


Endowments continued to turn to outside advisers and consultants to help evaluate their approach to responsible investing in FY2020. More than one-third of respondents worked with an investment consultant or outsourced CIO in FY2020 to evaluate how to implement responsible investing strategies, including approximately 45% of midsized endowments. This distribution of responses makes intuitive sense; the largest endowments tend to have the internal resources and investment expertise required to evaluate responsible investing on their own, while the smallest endowments generally are more limited in their ability to hire outside consultants.

Key barriers to pursuing responsible investing

The leading barriers to responsible investing reported by endowments are investment performance concerns, structural challenges and concerns related to tracking and assessing the degree to which portfolios achieve their responsible investing mandates.

Most significant reasons for not pursuing ESG, SRI or impact investing, FY2020 (multiple responses allowed)



Regulatory rulings have contributed to uncertainty on responsible Investing

On June 23, 2020, the Department of Labor (DOL), which oversees private-sector retirement plans such as corporate pensions and 401(k) plans, issued a proposed regulation defining plan fiduciaries' duties under the Employee Retirement Income Security Act (ERISA) when considering economically targeted investments or those that incorporate ESG factors. The intent of the rule is to provide clarity around fiduciary responsibility when selecting and maintaining investment options. In the preamble to the proposed rule, the DOL indicated that the agency has a growing concern that market trends emphasizing the non-economic benefits of ESG investing may lead ERISA plan fiduciaries to make investment decisions for reasons other than maximizing returns for plan participants. While the DOL mandate didn't apply to endowment funds, it sent a negative signal to the growth of responsible investing among all institutional investors, as the DOL supervises \$9 trillion in assets or about 30% of the value of the U.S. stock market.

Following a comment period, on October 30, 2020, the DOL released its final rule on Financial Factors in Selecting Plan Investments, commonly referred to as the "ESG Rule." Importantly, the DOL removed any reference to ESG factors from the rule and focused only on monetary and non-monetary factors. The final rule acknowledged that ESG factors could have investment merits that fiduciaries could properly consider and amended the Department's investment duties regulation to:

1. Require fiduciaries to select investments and investment courses of action based solely on monetary factors expected to have a material effect on risk/return consistent with the plan's investment objectives and funding policy
2. Prohibit fiduciaries from sacrificing investment returns or taking on additional investment risk to promote non-monetary goals when considering an investment or monitoring performance and expense
3. Require fiduciaries to consider reasonably available alternatives in their investment selection
4. Require additional documentation in the uncommon "tie breaker" situation, where a fiduciary chooses between two investments that are equal from a financial point of view, on the basis of factors unrelated to investment performance
5. Prohibit fiduciaries from offering an investment as a Qualified Default Investment Alternative (QDIA) if its strategy or goals include, consider, or indicate the use of non-monetary factors

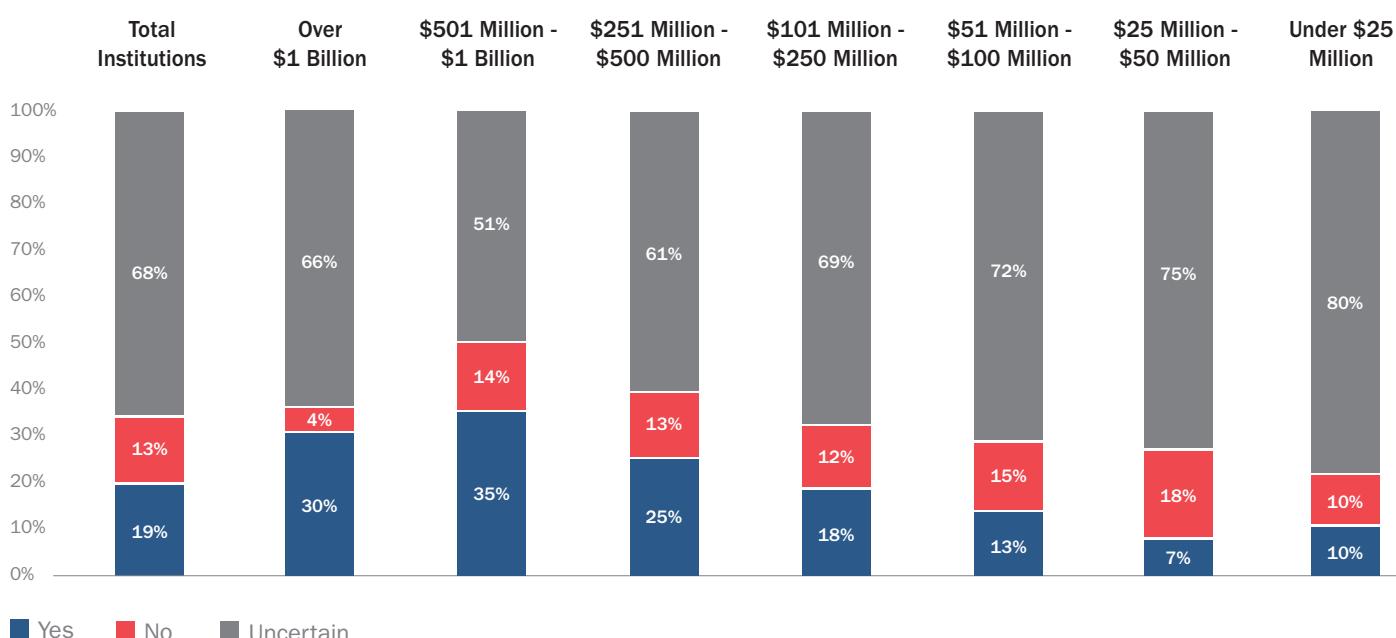
In late January 2021, in his first week of office, President Joe Biden signed an executive order that will review the Labor Department's 2020 ruling on ESG investments. The Biden administration could help reverse decisions under Trump's U.S. Department of Labor that make it harder for fiduciaries of retirement plans to steer money toward environmental, social and governance (ESG) funds.

Investment performance concerns

Investment performance concerns and potential conflicts with a board's fiduciary duty to sustain its long-term mission were two of the most commonly cited roadblocks to responsible investing in the 2020 survey, as more than one-third of respondents listed at least one of these concerns. Despite a growing body of research in support of responsible investing, a significant percentage of endowments continues to question the investment merits of responsible investing.

More than two-thirds of all respondents said that they are uncertain whether a responsible investing approach can be a source of alpha. Larger endowments are more likely to believe in the investment merits of responsible investing relative to smaller endowments; 30% of the largest endowment funds represented in the survey said that responsible investing can be a source of alpha in investment management versus just 10% of the smallest endowments.

Responsible investing approach can be a source of alpha in investment management, FY2020



Aligning responsible investing with fiduciary duty

Endowments that believe in the merits of responsible investing are seeking ways to increase their participation in this evolving investment area while protecting their roles as fiduciaries. In their investment policy statements, some endowments explain how fulfilling their fiduciary duty and integrating responsible investing approaches such as ESG factors can successfully co-exist.

Tracking and assessment concerns

Another key challenge for the adoption of responsible investing practices is the current lack of standardization in reporting frameworks across the industry. A proliferation of sometimes conflicting frameworks as well as the various terminologies and acronyms in the field often lead to more confusion than consensus.

UN PRI adoption remains low among endowments

The United Nations' Principles for Responsible Investment (PRI) is an organization dedicated to promoting environmental and social responsibility. The PRI has more than 2,300 participating financial institutions representing more than \$90 trillion in assets under management globally. To sign on to the PRI, an entity has to comply with six principles, pay a nominal annual membership fee and publicly report on its responsible investment activity using the UN's framework.

Just 3% of endowments responding to this year's survey reported that their institutions are UN PRI signatories. The leading deterrent from becoming a PRI signatory is likely the level of commitment required; signatories commit to incorporating ESG into their portfolio decision-making as well as actively monitoring their investments and reporting on their responsible investing activities.

Nevertheless, the PRI principles may provide helpful guidance for institutions looking to shape how they approach ESG and responsible investing.

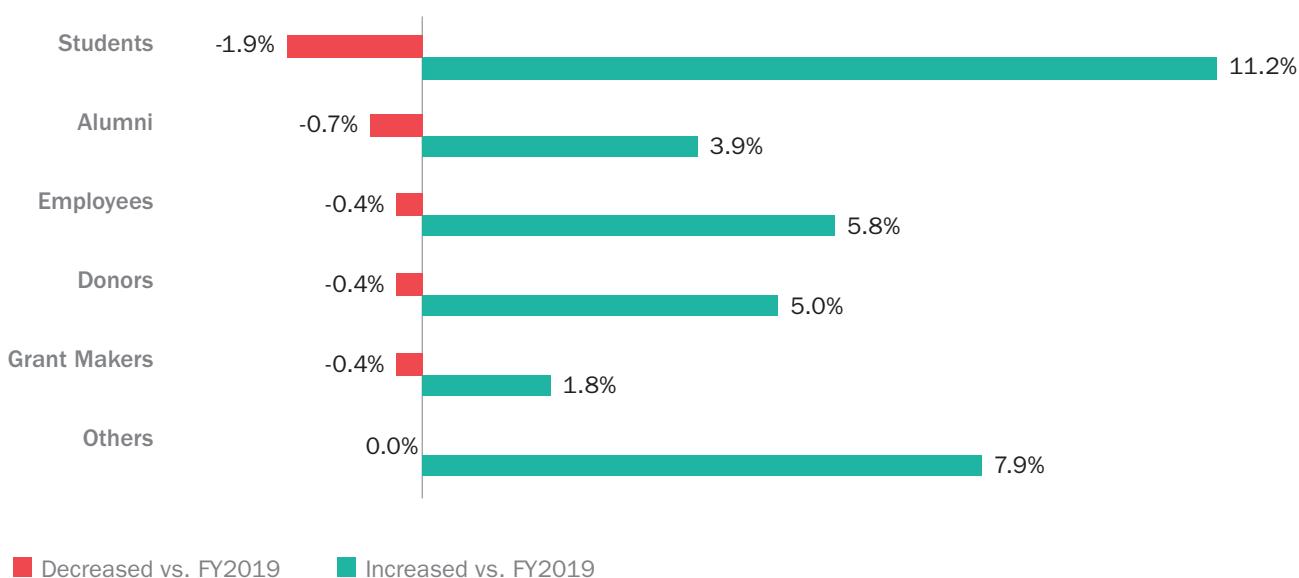
- **Principle 1:** We will incorporate ESG issues into investment analysis and decision-making processes.
- **Principle 2:** We will be active owners and incorporate ESG issues into our ownership policies and practices.
- **Principle 3:** We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- **Principle 4:** We will promote acceptance and implementation of the Principles within the investment industry.
- **Principle 5:** We will work together to enhance our effectiveness in implementing the principles.
- **Principle 6:** We will each report on our activities and progress towards implementing the principles.

Stakeholder interest in responsible investing

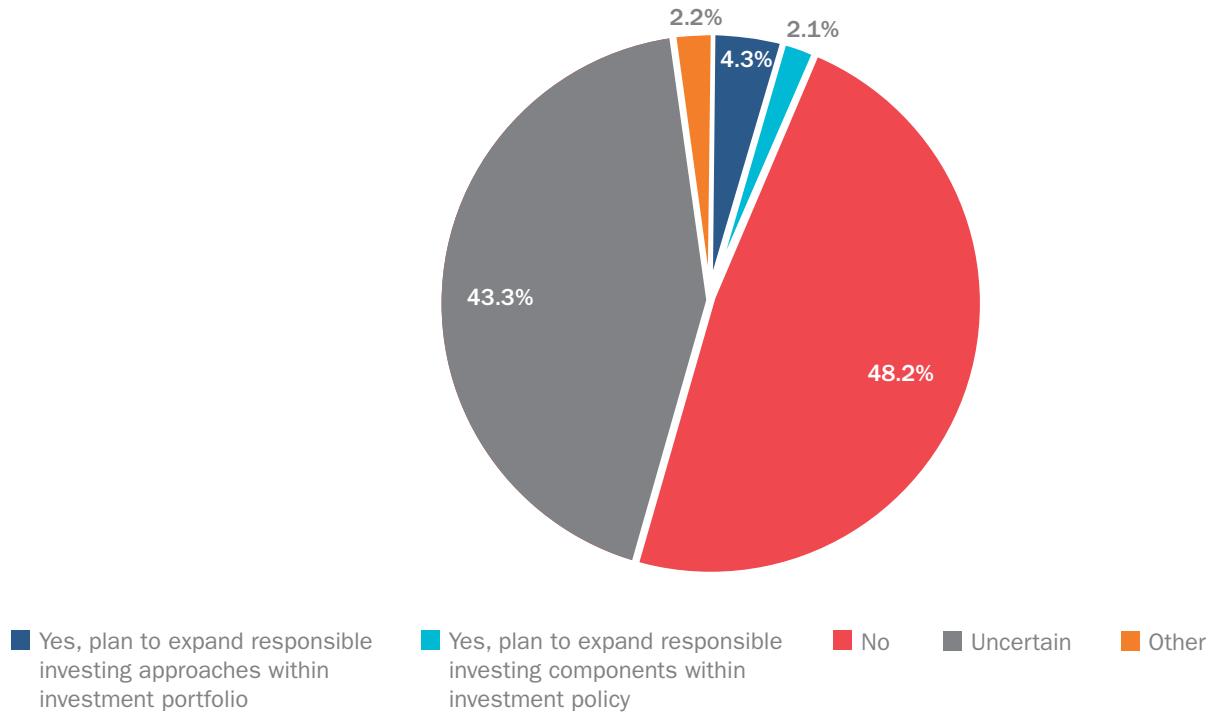
Before COVID-19, stakeholder attention continued to focus primarily on environmental considerations, including fossil fuel and carbon emissions exposure. But stakeholder attention largely shifted to social issues toward the end of the fiscal year following the arrival of COVID-19 in late February as well as increasing civil unrest.

Despite these hugely influential events, endowments reported relatively modest changes to stakeholder interest in responsible investing issues in FY2020. In addition, very few endowments reported that they plan to change their responsible investing approaches as a result of COVID-19. This lack of immediate impact isn't surprising given the long-term nature of endowments; the vast majority of endowments follow a patient and measured approach to managing their investment portfolios, and they generally are not prone to make sudden, significant shifts in response to the events of a given fiscal year.

Compared to last fiscal year, how have the following stakeholder groups' interest in the issue of responsible investing changed at your institution?



Impact of COVID-19 on responsible investing considerations



Chapter 8

Portfolio management and investment office

The events of FY2020 and the resulting market environment highlighted for endowments the importance of having appropriate policies, controls and internal and external resources for managing the fund. Never was this more apparent than during the early phases of the COVID-19 pandemic in the United States. Historical levels of volatility and liquidity challenges in March and April forced endowments to make high-pressure, high-stakes decisions amid extreme volatility.

This chapter examines endowments' decision-making and staffing related to managing the fund in FY2020 and provides context for the external forces and internal considerations that may shape these decisions.

In this chapter:

- Rebalancing policy
- Outsourcing investment management
- Managers and fees
- Diversity and inclusion policies

Rebalancing policy

Determining an endowment's rebalancing policy may not garner as much attention as decisions related to asset allocation or active vs. passive strategies, but rebalancing decisions can have a major impact on returns. This impact is magnified in a low-rate environment.

Rebalancing approaches

Endowments, like other types of investors, generally use one of four primary approaches to rebalancing the portfolio to the desired allocations:

- **Calendar-based:** rebalancing on a monthly, quarterly, semiannual or annual basis
- **Market value-based (target- and range-based):** rebalancing once an asset class increases or decreases beyond a predetermined percentage from the targeted allocation (i.e., the “drift band”)
- **Both calendar- and market value-based:** this combined approach typically involves rebalancing at least as often as the calendar-based schedule as well as whenever an asset class breaches its predetermined drift band
- **No formal rebalancing policy:** not having a predetermined schedule or drift rules for rebalancing; this approach gives the endowment control over when rebalancing occurs; in addition, some endowments choose to rebalance in response to a major gift or request from a donor.

The extreme volatility and liquidity challenges of March and April 2020 further highlight the importance of an endowment's approach to rebalancing. Endowments with monthly or quarterly calendar-based rebalancing policies would have been scheduled to rebalance on March 31, near the trough of equity markets and the peak of the liquidity crisis, and many drift-based rebalancing policies would have been triggered in mid-March. Clearly, endowments' rebalancing decisions during this period affected the fund's performance over the remainder of the fiscal year.

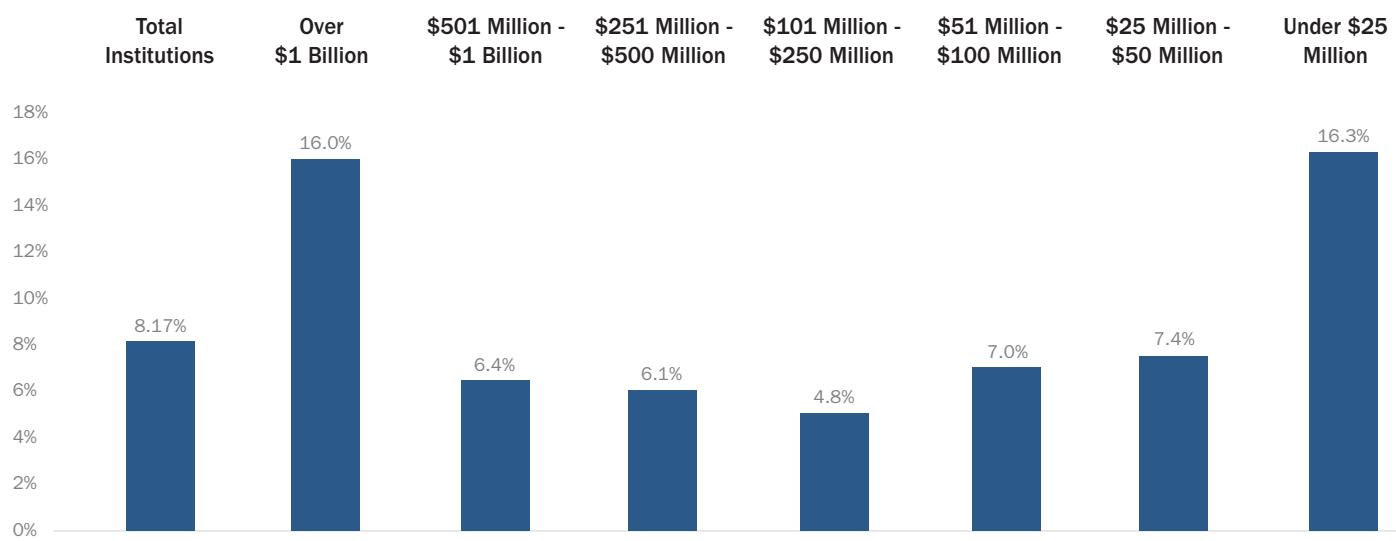
Rebalancing frequency and policy, FY2020

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	673	94	78	82	167	128	81	43
Calendar-based	4.46%	3.19%	2.56%	8.54%	5.99%	5.47%	1.23%	0.00%
Annually	17.32%	26.92%	26.09%	21.62%	12.86%	20.00%	3.70%	12.50%
Semi-annually	9.09%	0.00%	4.35%	13.51%	11.43%	10.00%	7.41%	12.50%
Quarterly	53.25%	53.85%	39.13%	40.54%	52.86%	60.00%	74.07%	50.00%
Monthly	14.29%	19.23%	26.09%	21.62%	12.86%	2.50%	7.41%	25.00%
Other	6.06%	0.00%	4.35%	2.70%	10.00%	7.50%	7.41%	0.00%
Market value-based (target and range based)	57.06%	55.32%	64.10%	47.56%	53.29%	60.94%	59.26%	65.12%
Both calendar and market value-based	30.31%	25.53%	26.92%	37.80%	35.93%	26.56%	32.10%	18.60%
No formal rebalancing practice	8.17%	15.96%	6.41%	6.10%	4.79%	7.03%	7.41%	16.28%

The survey shows that less than 5% of endowments used strictly calendar-based rebalancing, and an additional 30% used a combination of calendar- and market value-based rebalancing. A majority of plans (57%), used market value-based rebalancing.

It is interesting to note that endowments at either end of the size spectrum are most likely to not have a formal rebalancing policy. One explanation for this barbell effect is that the largest endowments may want the flexibility to use rebalancing (or, conversely, to allow drift to continue) as a form of active management. And at the other end of the spectrum, the smallest endowments may not have a rebalancing policy because the endowment's investment policy statement does not get into this level of granularity.

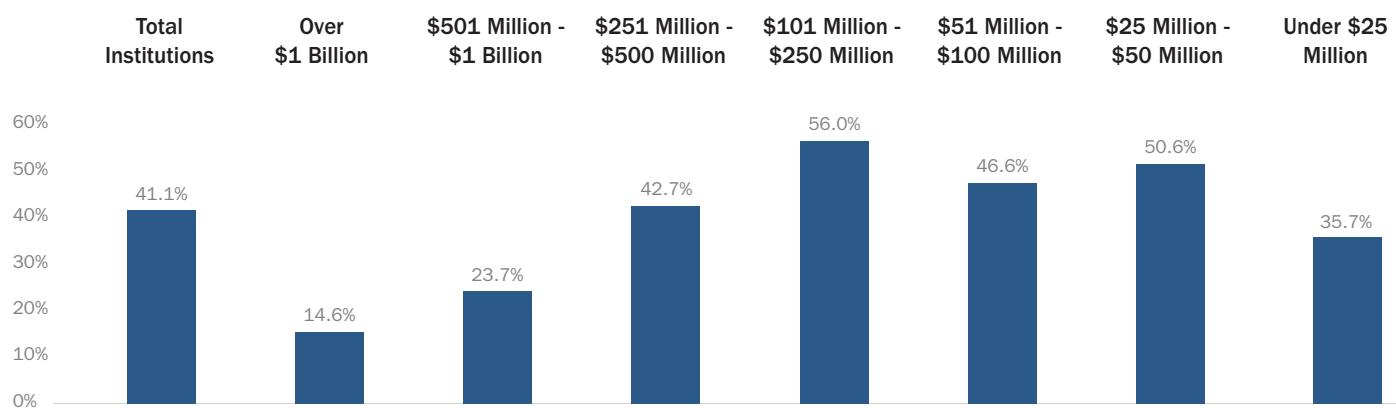
Percent of endowments without a formal rebalancing policy, FY2020



Outsourcing investment management

In FY2020, 41% of endowments reported using an outsourced chief investment officer (OCIO), up from 34% in FY2010. This trend reflects the increased adoption of the OCIO model following the global financial crisis (GFC) of 2007–2008 among institutional investors of all types, particularly among smaller and midsized funds.

During the GFC, many endowments realized how challenging it is to make investment decisions in the midst of extreme volatility—while also managing all of the other responsibilities that come along with running an endowment. The COVID-19 pandemic represents the first major financial crisis since the GFC and an opportunity for endowments to assess whether outsourcing core investment functions led to more disciplined decision-making and flexibility during the height of the volatility.

Percent of endowments using an OCIO to run investment management, FY2020

It is not surprising to see that endowments at either end of the size spectrum were the least likely to use an OCIO. Less than a quarter of endowments with at least \$500 million used an OCIO in FY2020; this is likely explained by the fact that these endowments often have enough resources to manage these functions internally. At the other end of the size spectrum, only 35% of endowments with less than \$25 million used an OCIO; this is likely explained by both supply and demand dynamics. Asset managers and consultants may view offering OCIO services to this smallest cohort as not being commercially viable, and small endowments may not have the resources to afford hiring an OCIO. As a result, many smaller endowments may use a financial adviser rather than an OCIO.

Responsibilities of an OCIO

OCIOs typically assume a broad collection of responsibilities in managing an endowment's investments. These include:

- Investment policy statement development
- Strategic asset allocation
- Tactical asset allocation
- Manager research and selection
- Implementation and trade execution
- Rebalancing
- Performance reporting and reviews

It is worth noting that outsourcing investment management through an OCIO is not necessarily a binary choice. Some OCIOs allow endowments to select which of these core functions to outsource.

This adaptability explains why there has been some blurring of the lines between OCIOs and investment consultants. A fundamental distinction between OCIOs and consultants is that an OCIO owns the ultimate responsibility for investment governance, implementation and performance, whereas a consultant's scope is focused on advising in these areas.

Use of internal CIO and external consultants among endowments not using an OCIO, FY2020

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Number of institutions not using an OCIO	397	82	58	47	73	70	40	27
Internal CIO	37.53%	98.78%	65.52%	27.66%	10.96%	8.57%	7.50%	0.00%
Consultant	80.35%	46.34%	72.41%	95.74%	95.89%	91.43%	90.00%	88.89%

The vast majority of endowments that did not use an OCIO used external investment consultants. The likelihood of using a consultant dropped considerably for endowments larger than \$500 million. Larger endowments may have less need for consultants because these larger funds may already have established relationships with leading managers. Furthermore, large endowments today are expecting—and receiving—more from their managers in terms of capital markets assumptions and insights as well as implementation ideas. It is worth noting, though, that many of the world's largest public pensions use multiple consultants. The differing approaches of large public pensions and endowments may be explained by the entrepreneurial cultures of many endowments as well as the fact that endowments face lower bureaucratic burdens than public pensions.

Primary responsibility for conducting investment activities, FY2020

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	402	84	60	47	75	68	40	28
Percent of institutions using an OCIO	41.10%	14.58%	23.68%	42.68%	56.02%	46.56%	50.62%	35.71%
Percent of institutions not using an OCIO	58.90%	85.42%	76.32%	57.32%	43.98%	53.44%	49.38%	64.29%
Day-to-day investment management								
Internal CIO	50.26%	95.24%	73.68%	48.89%	30.99%	28.36%	20.00%	14.29%
Investment committee/board of trustees	17.86%	4.76%	14.04%	28.89%	21.13%	17.91%	17.50%	39.29%
Consultant	31.89%	0.00%	12.28%	22.22%	47.89%	53.73%	62.50%	46.43%
Asset allocation								
Internal CIO	16.29%	59.04%	16.95%	2.13%	2.67%	1.49%	5.00%	0.00%
Investment committee/board of trustees	61.90%	37.35%	74.58%	72.34%	65.33%	61.19%	67.50%	75.00%
Consultant	21.80%	3.61%	8.47%	25.53%	32.00%	37.31%	27.50%	25.00%
Portfolio rebalancing								
Internal CIO	35.35%	90.24%	62.71%	14.89%	12.16%	8.96%	15.00%	3.70%
Investment committee/board of trustees	31.06%	7.32%	22.03%	46.81%	43.24%	38.81%	32.50%	40.74%
Consultant	33.59%	2.44%	15.25%	38.30%	44.59%	52.24%	52.50%	55.56%
Manager selection and ongoing due diligence								
Internal CIO	27.50%	79.52%	55.93%	14.89%	1.33%	2.94%	2.50%	0.00%
Investment committee/board of trustees	39.00%	9.64%	20.34%	38.30%	56.00%	55.88%	52.50%	60.71%
Consultant	33.50%	10.84%	23.73%	46.81%	42.67%	41.18%	45.00%	39.29%
Investment policy statement development								
Internal CIO	22.44%	66.27%	31.67%	19.15%	4.00%	2.94%	2.50%	3.57%
Investment committee/board of trustees	66.33%	31.33%	61.67%	63.83%	80.00%	82.35%	82.50%	85.71%
Consultant	11.22%	2.41%	6.67%	17.02%	16.00%	14.71%	15.00%	10.71%
Capital markets research/idea generation								
Internal CIO	25.13%	76.54%	46.55%	8.51%	2.70%	2.99%	5.13%	0.00%
Investment committee/board of trustees	11.42%	1.23%	8.62%	6.38%	9.46%	16.42%	17.95%	39.29%
Consultant	63.45%	22.22%	44.83%	85.11%	87.84%	80.60%	76.92%	60.71%

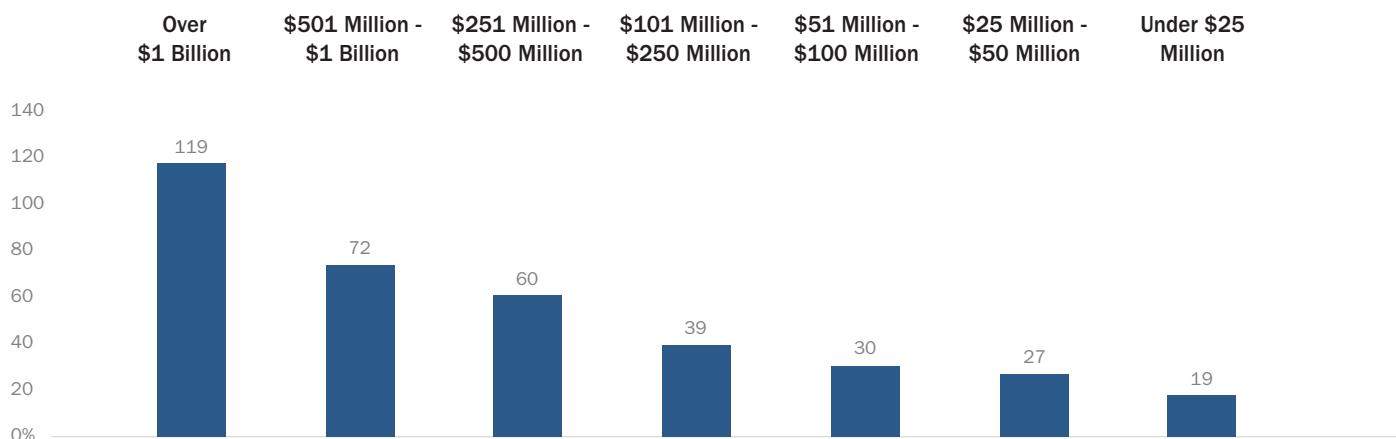
Broadly speaking, with smaller endowments, the primary responsibility for core investment functions is likely to transfer from an internal CIO to an investment committee/board of trustees or a consultant. Notably, the majority of endowments with \$100 million or less give consultants primary responsibility for day-to-day investment management, which again highlights the blurring of the lines between consultants and OCIOs.

More than 60% of all endowments give primary responsibility for asset allocation to an investment committee/board of trustees while only 22% give this responsibility to consultants. On the surface, this may seem somewhat surprising given that strategic asset allocation is one of the core services provided by consultants. But it is likely that the endowments that give this primary responsibility to investment committees/boards of trustees still lean heavily on their consultants to provide recommendations on asset allocation, even though the committee or board may have ultimate responsibility for determining the asset allocation as it is part of the investment policy statement.

Managers and fees

The average number of asset managers used decreases drastically as you move from larger endowments to smaller ones. This is largely driven by the size of large endowments' allocations to private asset classes (venture capital, private equity, private debt, private real estate and private energy and energy infrastructure) and marketable alternatives. Given the high dispersion of returns among private asset managers and the idiosyncratic nature of these assets, endowments look to mitigate some of this risk by diversifying among private managers more than they do among managers of publicly traded assets.

Average number of managers used, FY2020



Within public equities, on the other hand, the number of managers used varies little between the largest endowments and the smallest ones. It is not surprising that even the largest endowments use a relatively small number of U.S. public equity managers; managers in this asset class predominately have exposures to the same companies and risk factors, so adding managers in U.S. equities runs the risk of overdiversification and inefficient use of risk and fee budgets.

Average number of separate managers used by asset class, FY2020

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	594	85	73	75	150	111	70	30
U.S. equities	4	5	4	4	4	4	4	2
Developed non-U.S. equities	3	4	3	3	3	3	2	2
Emerging markets	2	4	3	3	2	2	2	1
Global equities	3	4	3	3	3	2	2	1
Private venture capital	7	18	8	5	2	1	1	1
Private equity	12	29	18	12	6	4	4	2
Marketable alternatives	8	16	11	9	5	4	4	3
Marketable debt	3	3	3	3	3	3	3	2
Private debt	3	7	4	3	1	1	1	1
Cash and equivalents <1 year	1	1	1	2	2	1	1	1
Marketable real assets	2	2	2	1	2	1	1	1
Private real estate	5	13	7	4	3	2	1	1
Private energy and energy infrastructure	4	10	5	3	2	1	1	1
Other private real assets	2	2	1	4	1	1	0	1

The drastic increase in average total fees paid to investment managers among larger endowments is primarily a function of the amount of assets owned by the largest cohort of endowments, which includes any size fund in excess of \$1 billion. But another contributing factor is this cohort's higher allocations to private and alternative managers; these asset classes have significantly higher fee structures than traditional publicly traded asset classes.

It is also worth noting that the largest endowments paid less in fees on average to investment consultants than did any of the next three largest size cohorts. While this may seem counterintuitive on the surface, it is likely a function of the fact that the largest endowments have less need for consultants. These megafunds need less support in terms of accessing external managers or executing core investment functions.

Fees paid (in dollars) to investment managers

	Total Institutions	\$501 Million - Over \$1 Billion	\$251 Million - \$1 Billion	\$101 Million - \$500 Million	\$51 Million - \$250 Million	\$25 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	696	107	80	82	169	133	81	44
Investment Consultants Average fees	\$287 K	\$522 K	\$439 K	\$487 K	\$224 K	\$122 K	\$102 K	\$61 K
Outsourced Chief Investment Officer (OCIO) Average fees	\$632 K	\$2,726 K	\$2,297 K	\$1,152 K	\$403 K	\$208 K	\$136 K	\$64 K
Investment Manager(s) Average fees	\$10,368 K	\$92,134 K	\$5,560 K	\$2,422 K	\$818 K	\$291 K	\$132 K	\$289 K
Custodian(s) Average fees	\$140 K	\$330 K	\$160 K	\$165 K	\$82 K	\$43 K	\$41 K	\$72 K
Internal Investment Team Average fees	\$1,294 K	\$2,936 K	\$654 K	\$397 K	\$200 K	\$101 K	N/A	N/A
Other Data Providers Average fees	\$1,082 K	\$2,834 K	\$543 K	\$55 K	\$302 K	\$57 K	\$78 K	N/A

Diversity and inclusion

6%
Percentage of endowments that have a diversity and inclusion policy for manager selection

Only 6% of all endowments reported that their institution has a formal policy addressing diversity and inclusion related to investment manager selection. (An additional 21% said that they were “uncertain” when answering this question.)

Part of the reason that more institutions do not have diversity and inclusion policies may be because they fear that implementing these policies may limit the endowment’s flexibility in allocating to managers and thus limit the endowment’s ability to meet its hurdle rate. Along these lines, it is not surprising to see that larger endowments are significantly more likely than smaller endowments to have manager diversity and inclusion policies. Larger endowments have more opportunities to spread assets among numerous managers.

Given the social unrest and increased focus on systemic inequality in 2020, it would not be surprising to see more institutions adopt a diversity and inclusion policy in the coming years. This could be especially true among large and midsized endowments, which have more flexibility in meeting these additional objectives.

University has a diversity and inclusion policy for investment manager selection

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	642	80	73	78	161	125	81	44
Yes	5.76%	15.00%	4.11%	8.97%	5.59%	4.80%	0.00%	0.00%
No	73.36%	71.25%	80.82%	71.79%	72.67%	72.80%	67.90%	81.82%
Uncertain	20.87%	13.75%	15.07%	19.23%	21.74%	22.40%	32.10%	18.18%

Insight chapter

Manager diligence in a virtual environment

Just as the COVID-19 pandemic disrupted many aspects of the global economy, endowments were forced to significantly change how they conducted due diligence of their asset managers during 2020. Travel restrictions, a mass shift to working from home and other pandemic-related social distancing measures fundamentally altered the ways that endowments sourced new investments and monitored the performance of their current asset managers.

Most of the traditionally in-person meetings—in which new managers were selected for mandates and current managers provided insights and performance reporting on their strategies—moved online. Interactions over virtual conference calls became the norm as both endowment investment professionals and asset management personnel worked primarily from their homes.

We examine how endowments adapted to conducting their diligence efforts in a virtual environment and explore how some of the changes caused by the pandemic may permanently shape the future of manager diligence and investment underwriting.

In this chapter:

- How endowments quickly adapted to the virtual landscape
- Private assets classes have unique virtual diligence challenges
- Changes that are likely here to stay
- Considerations for endowments in the virtual age

How endowments quickly adapted to the virtual landscape

Endowments' transition to a virtual diligence environment was fairly seamless. This did, however, create a bias toward relying on existing managers.

In-person meetings with existing and potential new managers have always been a central part of endowments' research and diligence processes. Once it became clear that the pandemic would significantly disrupt these normal operations, endowments quickly adapted to conducting manager diligence virtually. While the transition to a virtual environment in 2020 generally went well for endowments and asset managers, there were some unexpected consequences.

Existing relationships between endowments and asset managers became significantly more important during the pandemic. While cultivating positive long-term relationships between endowments and asset managers is crucial at any time, relationships that had already been established coming into 2020 took on even more gravity once in-person meetings became impossible. During new manager searches, endowments were more likely to narrow their prospective universe of managers to those whom they already had an existing relationship with, or at least those they had started conversations with prior to moving into an online-only format.

One consequence of this dynamic was that many endowments sought to expand relationships with existing managers into new asset classes. Rather than embarking on a wider search that included "unknown" managers in the midst of the pandemic, many endowments preferred to expand relationships with existing managers whom they were already comfortable with. This scenario often benefitted asset managers with deep and longstanding connections and offerings across multiple asset classes. On the other hand, it proved to be a challenging environment for inaugural funds or boutique managers trying to break in with new clients.

The venture capital landscape illustrates both the robustness of capital raising during the pandemic, as well as the likely winners and losers in a virtual world. A PitchBook study found that U.S. venture capital funds raised a record \$69 billion in 2020.¹ These gains, however, were not spread across the entire landscape.

Relative to previous years, a larger percentage of the venture capital assets in 2020 went to so-called "mega" funds of more than \$500 million. In addition, even though there were record flows, assets were allocated to far fewer funds. There were half as many venture capital fund closes in 2020 than in 2018, which had marked the previous record year for capital commitments. PitchBook also noted that first-time fundraising activity accounted for only 3.4% of total capital committed through September 30, 2020.² This total represented a decline of more than 60% from 2019 levels, demonstrating the difficulty for new funds to break through in a virtual environment.

¹ *Institutional Investor*, "The Asset Class That Raised Record Funds This Year." Nov. 23, 2020. <https://www.institutionalinvestor.com/article/b1pcv5py3dj/1/The-Asset-Class-That-Raised-Record-Funds-This-Year>

² *Institutional Investor*, "Venture Capital Funds on Track for Record Fundraising Year." Oct. 13, 2020. <https://www.institutionalinvestor.com/article/b1ns89tmk2yvn6/Venture-Capital-Funds-on-Track-for-Record-Fundraising-Year>

It remains to be determined how more concentration within larger funds will reverberate for endowments in the years ahead and whether this trend will continue if and when the due diligence process returns to “normal”—however that ends up being defined.

Private asset classes have unique virtual diligence challenges

Investing in private asset classes entails a long-term relationship with the manager. In the past, in-person meetings played a large role in helping endowments get a sense for whether they wanted to partner with a specific manager.

The ease of conducting diligence in a virtual environment differs by asset class. Given the availability and transparency of information on public investments, diligence processes for publicly traded equities and fixed income have generally continued rather seamlessly. On the other hand, sourcing of managers in private asset classes has been affected much more significantly than for public managers, particularly new managers.

Vetting unknown managers and potential co-investments in private asset classes was particularly challenging during the pandemic. Many private market investments require multiyear lockups and offer limited liquidity, so endowments typically have more thorough, hands-on approaches to getting to know these managers before making a commitment. In addition to fully evaluating the investment merits of a strategy, endowments want to determine whether the manager’s team is made up of the sort of people whom the endowment wants to form a long-term business relationship with. While this can be accomplished remotely, some of the softer aspects of these decisions are best made through in-person meetings.

In October 2020, *Institutional Investor*, citing data from Preqin, reported that private equity managers—who normally receive significant flows from endowments—were less successful in closing funds in the virtual environment than in the past, despite a record number of funds in the market.³ Just as with venture capital, institutional investors again focused on larger and more established private equity managers at the expense of boutique offerings.

The ways that managers provide information to investors have also changed because of the pandemic. In many private asset classes, particularly ones such as farmland and timberland, being able to “see” the physical asset is an important part of endowments’ diligence efforts. Real asset managers have helped facilitate endowments’ diligence by providing videos of the actual assets, along with voiceovers explaining the strategy, when endowment personnel could not visit these properties. These techniques certainly existed before 2020, but the pandemic drastically accelerated their adoption.

³ *Institutional Investor*, “A Record Number of Private Equity Funds Are in the Market—But Closing Them Won’t Be Easy.” Oct. 8, 2020.

<https://www.institutionalinvestor.com/article/b1nqhghd14jc58/A-Record-Number-of-Private-Equity-Funds-Are-in-the-Market-But-Closing-Them-Won-t-Be-Easy>

Similarly, asset managers' thought leadership efforts—including white papers and webinars—are playing a larger role in allowing endowments to gain insights into their managers' analysis of the current market environment and opportunities. This content was particularly helpful in giving endowments real-time visibility into how managers were evaluating companies or markets in the midst of extreme pandemic-driven downside scenarios. It seems likely that digital delivery of thought leadership materials and other insights will continue even after the pandemic recedes.

Both video-based asset tours and thought leadership content require resources to create and distribute. This further highlights the challenges that smaller managers, particularly in private asset classes, may face in adapting to the virtual engagement and diligence model.

Changes that are likely here to stay

In some ways, the pandemic has likely permanently changed the way endowments conduct diligence on their managers. It is easy to foresee a post-pandemic scenario in which all but the final step of the manager diligence process is conducted virtually. This scenario becomes even more plausible when considering that work-from-home arrangements and reduced travel budgets are likely to become the new norms.

As a whole, these changes are likely to be a net positive for endowments and the asset management industry as a whole. A virtual approach allows for more meetings and increased access to the managers' investment professionals. This can help deepen relationships even if more interactions occur over screens rather than in person. Virtual meetings also lead to more flexibility in terms of timing and participation of additional team members who may not be able or willing to travel for in-person meetings.

At the same time, in-person meetings are unlikely to go away completely. While much can be accomplished virtually, certain aspects of the endowment-manager relationship can be lost from a distance. Some intangibles and other parts of the "human element" are impossible to discern from reading a due diligence questionnaire or talking over Zoom. Relationships and trust are often fostered over less formal, in-person meetings. Moreover, endowment investment professionals likely feel that not meeting managers in person creates an element of career risk and liability for them, particularly if the relationship goes sour. This could be one reason why endowments and other institutional investors are relying more heavily on managers they already know and trust.

Virtual diligence processes provide endowments with more access to the investment professionals running a particular strategy.

Considerations for endowments in the virtual age

While investment conferences are on pause, CIOs and their research staffs will need to be more creative in finding ways to source intriguing new investment ideas.

While many endowments and managers successfully navigated the virtual due diligence environment, there are a few considerations to bear in mind as they adapt their operations to the new environment.

Though a vaccine could allow for a return to travel, the timing of “herd immunity” remains uncertain at this point. As a result, travel will likely remain limited for at least the first half of 2021. With this in mind, endowments may want to revisit and update the documentation related to their research and diligence processes, which sometimes can be codified in the investment policy statement. Sometimes these policies may call for a certain number of in-person meetings with current or prospective managers each year, so endowments may consider updating these policies to reflect the new reality.

In some ways sourcing unique investment opportunities has become more challenging for endowments. Historically, many endowment professionals relied on conferences and other in-person events as ways to network and get exposure to intriguing managers and ideas. While these events are paused (and many may never return), endowments should embrace virtual engagement tools as a way to expand their networks.

While the pandemic changed many aspects of life, some things remain the same: endowments will still need to source compelling investments for the years and decades ahead. The endowments that are best able to adapt to the realities of today’s environment will be well-equipped to identify, research and form relationships with best-of-breed managers.

Appendix I

About TIAA and NACUBO

TIAA

TIAA is a Fortune 100 financial services organization dedicated to helping our clients achieve financial well-being. We were founded over a century ago as the vision of one of history's great philanthropists, Andrew Carnegie, to make a difference in the lives of teachers. Since then, we have helped millions at academic, medical, research and cultural organizations—the people whose work makes the world a better place—retire with financial security.

Today, TIAA, through its various subsidiaries and affiliates, is a global asset manager with award-winning performance and \$1.3 trillion in assets under management. Our investment model and long-term approach aim to benefit the 5 million people and more than 15,000 institutions we serve. As we pursue powerful performance that drives better outcomes for our clients, we are committed to growing, innovating, continually improving and building on our proud history of diversity and inclusion.

NACUBO

Founded in 1962, the National Association of College and University Business Officers (NACUBO) is a membership organization representing more than 1,900 colleges and universities across the country. NACUBO's mission is to advance the economic vitality, business practices and support of higher education institutions in pursuit of their missions. For more information, visit nacubo.org.

Appendix II

Tables by size of endowment for fiscal year 2020

Figure Intro 1-s

Institutions by size

	Total Institutions
Total Institutions	705
Over \$1 Billion	111
\$501 Million – \$1 Billion	80
\$251 Million – \$500 Million	83
\$101 Million – \$250 Million	171
\$51 Million – \$100 Million	134
\$25 Million – \$50 Million	82
Under \$25 Million	44

Please note, any blank cells in the following tables indicate a non-applicable value.

Figure Intro 2-s

Number of full-time equivalent (FTE) students enrolled for credit in the fall of 2019

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	677	108	74	79	164	128	82	42
Total FTE Students	7,610,313	3,043,247	1,239,759	775,744	1,347,027	700,474	322,353	181,710
Avg FTE Students	11,241	28,178	16,754	9,820	8,214	5,472	3,931	4,326
Median FTE Students	4,338	19,225	8,935	4,853	3,578	3,276	2,556	2,447

Figure Intro 3-s

Potential long-term impacts of COVID-19 on your institution

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	525	55	57	62	132	113	70	36
Significant reduction in student enrollment	42.55%	11.71%	35.00%	38.55%	45.03%	55.97%	57.32%	63.64%
Significant reduction in tuition income	42.84%	16.22%	36.25%	42.17%	47.37%	50.75%	54.88%	59.09%
Significant reduction in out-of-state student enrollment	23.55%	9.91%	25.00%	31.33%	26.32%	27.61%	24.39%	15.91%
Significant reduction in international student enrollment	36.74%	27.93%	36.25%	42.17%	40.94%	38.81%	40.24%	20.45%
Others	26.67%	20.72%	31.25%	24.10%	31.58%	32.09%	18.29%	18.18%

Figure 2.1-s

Average market value of endowment assets (FY2020 vs FY2019)

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Total market value of endowment assets 2020	\$637,728,035 K	\$508,772,402 K	\$57,630,206 K	\$29,740,169 K	\$27,930,573 K	\$9,841,573 K	\$3,069,804 K	\$743,309 K
Total market value of endowment assets 2019	\$626,703,923 K	\$497,256,833 K	\$58,013,884 K	\$29,817,407 K	\$27,864,337 K	\$9,896,673 K	\$3,064,194 K	\$790,596 K
Average total market value of endowment assets 2020	\$904,579 K	\$4,583,535 K	\$720,378 K	\$358,315 K	\$163,337 K	\$73,445 K	\$37,437 K	\$16,893 K
Average total market value of endowment assets 2019	\$890,204 K	\$4,520,517 K	\$725,174 K	\$359,246 K	\$162,949 K	\$73,856 K	\$37,368 K	\$17,968 K

Figure 2.2-s

Total market value of life income assets

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	631	94	73	78	157	121	72	36
Total market value of life income assets	\$14,808,925 K	\$7,116,816 K	\$3,504,634 K	\$1,489,124 K	\$1,797,303 K	\$593,115 K	\$218,744 K	\$89,190 K
Average total market value of life income assets	\$23,469 K	\$75,711 K	\$48,009 K	\$19,091 K	\$11,448 K	\$4,902 K	\$3,038 K	\$2,477 K
Median total market value of life income assets	\$2,219 K	\$32,642 K	\$11,875 K	\$4,555 K	\$2,080 K	\$660 K	\$142 K	\$49 K

Figure 2.3-s

Total market value of donor-advised fund assets

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	576	79	61	69	146	118	70	33
Total market value of donor-advised fund assets	\$4,917,398 K	\$1,787,045 K	\$1,382,078 K	\$389,453 K	\$824,643 K	\$437,471 K	\$40,827 K	\$55,881 K
Average total market value of donor-advised fund assets	\$8,537 K	\$22,621 K	\$22,657 K	\$5,644 K	\$5,648 K	\$3,707 K	\$583 K	\$1,693 K

Figure 2.4-s

New gifts to the endowment received in both fiscal years 2020 and 2019

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	679	99	76	82	168	130	81	43
Total 2020 gifts	\$10,929,300 K	\$7,651,812 K	\$1,352,391 K	\$709,115 K	\$791,677 K	\$293,651 K	\$102,251 K	\$28,402 K
Total 2019 gifts	\$13,074,224 K	\$9,360,791 K	\$1,519,602 K	\$839,105 K	\$889,647 K	\$329,449 K	\$108,078 K	\$27,552 K
Average 2020 gifts	\$16,096 K	\$77,291 K	\$17,795 K	\$8,648 K	\$4,712 K	\$2,259 K	\$1,262 K	\$661 K
Median 2020 gifts	\$3,447 K	\$53,997 K	\$15,748 K	\$7,262 K	\$3,252 K	\$1,495 K	\$952 K	\$387 K
Average 2019 gifts	\$18,731 K	\$85,098 K	\$19,482 K	\$10,359 K	\$5,233 K	\$2,477 K	\$1,318 K	\$626 K
Median 2019 gifts	\$3,553 K	\$36,797 K	\$14,942 K	\$7,511 K	\$3,678 K	\$1,741 K	\$1,009 K	\$290 K

Figure 2.5-s

Change in your institutional cash flow from FY19 – FY20

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	662	92	73	77	168	129	81	42
Decrease greater than 75%	4	0	0	1	1	1	0	1
Decrease of 51% to 75%	3	1	0	0	0	0	1	1
Decrease of 25% to 50%	29	3	2	2	5	8	8	1
Decrease less than 25%	251	25	28	30	79	53	21	15
No decrease	199	32	25	26	39	40	27	10
Uncertain	176	31	18	18	44	27	24	14

Figure 2.6-s

Institutions that sought relief offered by the CARES Act

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	680	99	75	82	168	132	81	43
Yes	83.68%	77.78%	73.33%	85.37%	85.71%	87.88%	87.65%	83.72%
No	11.03%	12.12%	21.33%	10.98%	8.93%	9.09%	8.64%	9.30%
Uncertain	5.29%	10.10%	5.33%	3.66%	5.36%	3.03%	3.70%	6.98%

Figure 2.7-s

Student-managed funds

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	682	99	75	82	168	133	82	43
Yes	34.46%	45.45%	48.00%	40.24%	35.71%	27.82%	26.83%	4.65%
No	65.54%	54.55%	52.00%	59.76%	64.29%	72.18%	73.17%	95.35%
Uncertain	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Figure 2.8-s

Market value of student-managed funds

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	232	44	36	33	59	36	22	2
Total market value of student-managed funds	\$361,415 K	\$132,750 K	\$101,080 K	\$50,613 K	\$50,861 K	\$16,362 K	\$9,554 K	\$194 K
Average total market value of student-managed funds	\$1,558 K	\$3,017 K	\$2,808 K	\$1,534 K	\$862 K	\$454 K	\$434 K	\$97 K
Median total market value of student-managed funds	\$548 K	\$1,559 K	\$1,041 K	\$943 K	\$365 K	\$199 K	\$361 K	\$97 K

Figure 3.1-s

Withdrawals from endowment

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	702	111	80	82	170	133	82	44
Distribution according to your spending policy	\$20,316,465 K	\$15,404,680 K	\$2,123,012 K	\$1,163,448 K	\$1,097,882 K	\$384,214 K	\$113,078 K	\$30,151 K
Special appropriations above your spending policy	\$724,030 K	\$440,360 K	\$60,107 K	\$42,875 K	\$101,124 K	\$59,594 K	\$17,838 K	\$2,132 K
Distributions for fees and administrative expenses	\$1,304,767 K	\$814,294 K	\$188,872 K	\$122,874 K	\$125,510 K	\$37,545 K	\$13,111 K	\$2,560 K
All other withdrawals	\$922,940 K	\$607,528 K	\$107,805 K	\$57,096 K	\$77,440 K	\$61,438 K	\$10,270 K	\$1,363 K
Total withdrawals for FY 2020	\$23,317,807 K	\$17,316,467 K	\$2,479,797 K	\$1,386,293 K	\$1,401,956 K	\$542,791 K	\$154,296 K	\$36,207 K
Total withdrawals for FY 2019	\$22,444,496 K	\$16,788,578 K	\$2,355,119 K	\$1,313,889 K	\$1,321,431 K	\$488,328 K	\$144,795 K	\$32,356 K

Figure 3.2-s

Special appropriations to spending in fiscal year 2020

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	130	20	16	13	40	21	17	3
Made special appropriations	18.44%	18.02%	20.00%	15.66%	23.39%	15.67%	20.73%	6.82%
Capital campaign costs	2.55%	6.31%	5.00%	4.82%	1.17%	0.75%	0.00%	0.00%
Campus or facility improvements	3.83%	2.70%	2.50%	3.61%	6.43%	2.24%	4.88%	2.27%
Debt service	1.99%	3.60%	3.75%	1.20%	1.75%	2.24%	0.00%	0.00%
Financial aid	3.12%	0.00%	2.50%	3.61%	4.09%	2.99%	6.10%	2.27%
In support of the operating budget	7.80%	3.60%	6.25%	7.23%	8.77%	9.70%	12.20%	4.55%
New strategic initiatives	3.55%	3.60%	0.00%	3.61%	5.85%	4.48%	2.44%	0.00%
Shortfalls resulting from COVID-19	2.27%	0.00%	0.00%	1.20%	5.26%	3.73%	1.22%	0.00%
Other	4.26%	7.21%	6.25%	2.41%	5.26%	2.99%	2.44%	0.00%

Figure 3.3-s
Spending policy distribution by functions

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	620	76	70	74	159	123	77	41
Student financial aid	47.91%	30.86%	33.83%	40.89%	48.56%	54.65%	59.47%	71.84%
Endowed faculty positions	10.88%	19.32%	15.75%	13.18%	10.40%	7.56%	5.85%	4.00%
Operation and maintenance of campus facilities	7.14%	7.38%	7.15%	6.24%	6.53%	9.39%	7.28%	3.65%
Academic programs and research	17.41%	21.86%	20.45%	20.03%	16.99%	15.60%	12.97%	14.69%
All other purposes	16.65%	20.58%	22.82%	19.66%	17.51%	12.81%	14.44%	5.82%

Figure 3.4-s
Average annual effective spending rates for fiscal years 2020 and 2019

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	697	105	80	82	171	134	81	44
FY2020	4.59%	4.50%	4.36%	4.37%	4.66%	5.01%	4.58%	4.05%
FY2019	4.36%	4.35%	4.25%	4.24%	4.47%	4.45%	4.39%	4.05%

Figure 3.5-s

Percentage of operating budget funded by endowment

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	691	105	79	83	165	133	82	44
Average percentage of operating budget funded by endowment	12.29%	18.79%	14.41%	13.11%	10.01%	11.17%	13.52%	2.26%
Median percentage of operating budget funded by endowment	4.42%	9.00%	5.84%	7.00%	4.50%	3.28%	3.62%	0.00%
Increased	49.00%	49.44%	58.33%	55.56%	50.31%	47.20%	42.50%	30.77%
Decreased	26.43%	32.58%	22.22%	24.69%	28.57%	26.40%	28.75%	10.26%
No change	24.57%	17.98%	19.44%	19.75%	21.12%	26.40%	28.75%	58.97%

Figure 3.6-s
Spending policy for fiscal year 2020

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	683	102	78	82	168	131	80	42
Spend all current income	1.56%	0.90%	1.25%	3.61%	1.75%	1.49%	0.00%	2.27%
Spend a percentage of a moving average of the endowment's market value	73.05%	48.65%	62.50%	78.31%	81.29%	78.36%	87.80%	68.18%
Average percentage	4.58%	4.56%	4.63%	4.53%	4.62%	4.54%	4.63%	4.47%
Spend a pre-specified percentage of the beginning year market value	3.69%	2.70%	0.00%	2.41%	2.92%	8.21%	2.44%	6.82%
Average pre-specified percentage spent	4.08%	4.25%		4.00%	4.88%	3.63%		4.67%
Use a weighted-average or hybrid method	9.93%	18.92%	27.50%	6.02%	7.60%	4.48%	3.66%	0.00%
Decide on an appropriate rate or dollar amount each year	4.96%	2.70%	1.25%	3.61%	5.26%	6.72%	8.54%	6.82%
Other	12.8%	27.0%	10.0%	14.5%	8.2%	9.7%	6.1%	18.2%

Figure 3.7-s

Spending policy percentage of moving average time period

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	511	54	50	63	138	104	72	30
12 quarters	42.41%	33.33%	43.14%	42.86%	50.00%	44.34%	36.11%	30.00%
16 quarters	3.31%	1.85%	1.96%	4.76%	2.90%	3.77%	1.39%	10.00%
20 quarters	11.28%	16.67%	7.84%	15.87%	9.42%	12.26%	8.33%	10.00%
3 years	27.24%	14.81%	25.49%	17.46%	29.71%	24.53%	38.89%	43.33%
5 years	5.84%	7.41%	9.80%	4.76%	1.45%	8.49%	6.94%	6.67%
Other	9.92%	25.93%	11.76%	14.29%	6.52%	6.60%	8.33%	0.00%

Figure 3.8-s

Weighted-average or hybrid weighting of different methods

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	60	18	21	4	11	4	2	0
Spend a percentage of a moving average of the endowment's market value								
Average percentage	33.98%	35.38%	33.38%	30.00%	34.33%	42.50%	15.00%	
Median percentage	33.98%	35.38%	33.38%	30.00%	34.33%	42.50%	15.00%	
Spend a pre-specified percentage of the beginning year market value								
Average percentage	31.50%	36.00%	28.00%	20.00%	20.00%	80.00%	45.00%	
Median percentage	30.00%	30.00%	20.00%	30.00%	25.00%	80.00%	45.00%	
Grow last year's spending amount at a predetermined rate with upper and lower bands								
Average percentage	69.90%	73.57%	68.47%	70.00%	63.29%	75.00%	80.00%	
Median percentage	70.00%	70.00%	70.00%	70.00%	70.00%	75.00%	80.00%	

Figure 3.9-s
Change your spending policy or rule

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	693	104	78	82	170	133	82	44
Yes	9.52%	6.73%	8.97%	7.32%	12.94%	10.53%	8.54%	6.82%
No	90.48%	93.27%	91.03%	92.68%	87.06%	89.47%	91.46%	93.18%

Figure 3.10-s
Reasons for changes to spending policy rule

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	62	5	7	6	21	14	7	2
Increased spending to cover the impact of COVID-19	16.13%	20.00%	28.57%	0.00%	9.52%	14.29%	28.57%	50.00%
Increased for other reasons	37.10%	40.00%	0.00%	16.67%	61.90%	28.57%	42.86%	0.00%
Decreased for other reasons	46.77%	40.00%	71.43%	83.33%	28.57%	57.14%	28.57%	50.00%

Figure 3.11-s
Considering changes to spending rate in next 2-3 years

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	645	87	73	80	160	127	76	42
Increase spending rate	6.82%	3.45%	5.48%	8.75%	6.88%	11.02%	6.58%	0.00%
New spending rate increase	5.64%	5.40%	4.73%	5.52%	4.92%	6.26%	6.17%	
Decrease spending rate	11.78%	5.75%	20.55%	8.75%	12.50%	12.60%	14.47%	4.76%
New spending rate decrease	4.35%	4.50%	3.90%	4.77%	4.87%	3.66%	4.66%	5.50%
Maintain current spending policy	81.40%	90.80%	73.97%	82.50%	80.63%	76.38%	78.95%	95.24%

Figure 3.12-s
Annual administrative fee charged by institutionally related foundations

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	134	12	12	12	30	28	24	16
Minimum annual fee	0.25	0.40	0.55	0.25	0.50	1.00	0.75	0.50
Median annual fee	1.25	1.00	1.25	1.50	1.25	1.40	1.25	1.00
Maximum annual fee	3.60	1.50	1.95	1.75	2.00	3.60	2.00	2.25

Figure 3.13-s**One-time new gift fee charged by institutionally related foundations**

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	132	12	13	12	28	27	24	16
Minimum one-time fee	1.00	5.00	1.00	5.00	3.00	1.50	2.50	1.00
Median one-time fee	5.00	5.75	5.00	5.00	5.00	5.00	5.00	5.00
Maximum one-time fee	10.00	7.00	5.00	5.00	10.00	5.00	5.00	10.00

Figure 4.1-s**Average 1-, 3-, 5-, 10-, 15-, 20- and 25-year net annualized returns**

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
1-year net annualized return	1.82%	2.51%	1.48%	1.34%	1.60%	1.77%	1.85%	2.46%
3-year net annualized return	5.17%	5.93%	5.10%	5.23%	4.98%	4.69%	5.14%	5.39%
5-year net annualized return	5.09%	5.69%	5.06%	5.03%	4.98%	4.71%	5.09%	5.28%
10-year net annualized return	7.48%	7.94%	7.38%	7.59%	7.45%	7.01%	7.53%	7.46%
15-year net annualized return	6.18%	6.88%	6.10%	6.28%	5.83%	5.92%	5.80%	5.22%
20-year net annualized return	5.55%	6.22%	5.44%	5.33%	5.26%	5.28%	4.89%	4.17%
25-year net annualized return	7.69%	8.45%	7.76%	7.10%	6.78%	8.15%	6.73%	7.10%

Figure 4.2-s
One-year returns by percentile

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Deciles								
90th percentile	5.30%	7.09%	4.82%	5.18%	4.20%	5.04%	5.29%	5.56%
80th percentile	4.00%	5.30%	4.22%	3.26%	3.50%	3.94%	4.20%	4.73%
70th percentile	3.05%	3.70%	2.90%	2.30%	2.74%	2.92%	3.00%	3.46%
60th percentile	2.30%	3.00%	2.10%	1.73%	2.00%	2.29%	2.32%	2.72%
50th percentile (Median)	1.80%	2.20%	1.60%	1.22%	1.51%	1.60%	1.91%	2.41%
40th percentile	1.09%	1.64%	0.96%	0.39%	0.90%	0.72%	1.55%	2.22%
30th percentile	0.40%	0.94%	0.23%	-0.30%	0.37%	0.30%	0.86%	1.97%
20th percentile	-0.30%	0.01%	-0.50%	-0.76%	-0.25%	-0.24%	0.24%	0.97%
10th percentile	-1.40%	-1.30%	-1.38%	-1.66%	-1.20%	-1.40%	-1.29%	-0.96%
Quartiles								
75th percentile	3.47%	5.05%	3.41%	2.60%	3.20%	3.45%	3.45%	3.97%
50th percentile (Median)	1.80%	2.20%	1.60%	1.22%	1.51%	1.60%	1.91%	2.41%
25th percentile	0.10%	0.61%	-0.13%	-0.57%	0.10%	0.00%	0.66%	1.53%
Percentiles								
95th percentile	6.39%	7.97%	5.30%	6.21%	5.70%	5.88%	5.89%	6.03%
5th percentile	-2.87%	-2.80%	-3.16%	-3.06%	-2.14%	-2.01%	-3.57%	-2.21%

Figure 4.3-s**Three-year returns by percentile**

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	652	104	79	82	164	117	69	37
Deciles								
90th percentile	7.30%	8.51%	7.22%	7.39%	6.84%	6.60%	6.78%	7.29%
80th percentile	6.40%	7.50%	6.42%	6.22%	5.97%	5.78%	6.38%	7.02%
70th percentile	5.84%	6.91%	6.18%	5.87%	5.50%	5.28%	5.43%	6.39%
60th percentile	5.30%	6.30%	5.21%	5.32%	5.00%	4.90%	5.21%	6.02%
50th percentile (Median)	4.97%	5.92%	4.88%	5.03%	4.70%	4.48%	5.00%	5.34%
40th percentile	4.60%	5.46%	4.61%	4.66%	4.50%	4.18%	4.64%	4.87%
30th percentile	4.20%	5.02%	4.11%	4.13%	4.25%	3.96%	4.19%	4.47%
20th percentile	3.84%	4.42%	3.76%	3.83%	4.00%	3.63%	3.93%	4.27%
10th percentile	3.30%	3.30%	3.22%	3.31%	3.35%	3.36%	3.48%	2.77%
Quartiles								
75th percentile	6.20%	7.23%	6.26%	6.05%	5.70%	5.48%	5.93%	6.70%
50th percentile (Median)	4.97%	5.92%	4.88%	5.03%	4.70%	4.48%	5.00%	5.34%
25th percentile	4.00%	4.73%	3.86%	4.00%	4.16%	3.80%	4.00%	4.34%
Percentiles								
95th percentile	7.99%	9.15%	7.52%	7.97%	7.40%	7.09%	7.56%	7.88%
5th percentile	2.84%	2.52%	3.09%	3.00%	3.01%	2.88%	3.32%	1.98%

Figure 4.4-s
Five-year returns by percentile

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	637	103	79	81	160	113	67	34
Deciles								
90th percentile	6.60%	7.40%	6.40%	6.60%	6.29%	6.10%	6.50%	6.85%
80th percentile	6.10%	6.66%	6.01%	5.97%	5.70%	5.67%	6.37%	6.53%
70th percentile	5.60%	6.34%	5.79%	5.48%	5.30%	5.18%	5.62%	6.21%
60th percentile	5.30%	6.05%	5.20%	5.29%	5.07%	4.90%	5.37%	5.78%
50th percentile (Median)	5.00%	5.60%	5.00%	5.00%	4.87%	4.60%	5.12%	5.44%
40th percentile	4.70%	5.40%	4.63%	4.80%	4.60%	4.40%	4.79%	4.90%
30th percentile	4.50%	5.10%	4.47%	4.50%	4.40%	4.20%	4.62%	4.61%
20th percentile	4.16%	4.56%	4.26%	4.28%	4.17%	3.91%	4.12%	4.22%
10th percentile	3.70%	4.04%	3.89%	3.59%	3.81%	3.60%	3.52%	3.63%
Quartiles								
75th percentile	5.80%	6.55%	5.90%	5.68%	5.47%	5.33%	6.12%	6.29%
50th percentile (Median)	5.00%	5.60%	5.00%	5.00%	4.87%	4.60%	5.12%	5.44%
25th percentile	4.37%	4.83%	4.40%	4.40%	4.36%	4.10%	4.45%	4.45%
Percentiles								
95th percentile	7.17%	7.83%	6.53%	7.15%	6.88%	6.85%	6.69%	7.08%
5th percentile	3.30%	3.70%	3.47%	3.20%	3.49%	3.40%	3.23%	2.96%

Figure 4.5-s**Ten-year returns by percentile**

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	565	101	78	76	141	93	55	21
Deciles								
90th percentile	8.91%	9.56%	8.83%	9.00%	8.54%	8.19%	8.98%	9.26%
80th percentile	8.26%	8.80%	8.12%	8.30%	7.98%	7.78%	8.43%	8.50%
70th percentile	7.83%	8.40%	7.76%	7.76%	7.66%	7.57%	8.07%	8.30%
60th percentile	7.57%	8.10%	7.50%	7.48%	7.40%	7.30%	7.50%	8.06%
50th percentile (Median)	7.32%	7.80%	7.30%	7.32%	7.20%	6.94%	7.22%	7.70%
40th percentile	7.10%	7.50%	7.02%	7.00%	7.07%	6.62%	7.05%	7.42%
30th percentile	6.83%	7.40%	6.80%	6.88%	6.80%	6.49%	6.90%	7.11%
20th percentile	6.60%	7.10%	6.64%	6.60%	6.55%	6.20%	6.71%	6.58%
10th percentile	6.20%	6.60%	6.19%	6.30%	6.20%	5.80%	6.44%	5.28%
Quartiles								
75th percentile	8.00%	8.57%	7.91%	7.93%	7.83%	7.65%	8.13%	8.45%
50th percentile (Median)	7.32%	7.80%	7.30%	7.32%	7.20%	6.94%	7.22%	7.70%
25th percentile	6.70%	7.20%	6.70%	6.71%	6.70%	6.37%	6.85%	6.96%
Percentiles								
95th percentile	9.50%	10.30%	9.30%	9.50%	9.41%	8.90%	9.67%	9.80%
5th percentile	5.80%	6.30%	5.90%	6.09%	5.84%	5.60%	5.96%	4.20%

Figure 4.6-s
Fifteen-year returns by percentile

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	251	56	38	41	66	32	14	4
Deciles								
90th percentile	7.80%	8.30%	7.34%	7.38%	7.15%	7.23%	6.52%	6.96%
80th percentile	7.10%	7.80%	6.70%	6.80%	6.46%	6.50%	6.34%	6.32%
70th percentile	6.59%	7.52%	6.44%	6.40%	6.05%	6.17%	6.30%	5.67%
60th percentile	6.30%	7.31%	6.20%	6.36%	5.80%	5.84%	6.22%	5.29%
50th percentile (Median)	6.00%	6.88%	5.97%	6.12%	5.70%	5.75%	6.00%	5.03%
40th percentile	5.79%	6.60%	5.83%	6.02%	5.50%	5.61%	5.68%	4.77%
30th percentile	5.51%	6.12%	5.50%	5.90%	5.41%	5.32%	5.17%	4.46%
20th percentile	5.31%	5.76%	5.30%	5.79%	5.27%	5.02%	5.00%	4.04%
10th percentile	5.00%	5.50%	5.16%	5.40%	4.85%	4.75%	4.51%	3.62%
Quartiles								
75th percentile	6.75%	7.75%	6.66%	6.72%	6.31%	6.34%	6.30%	6.00%
50th percentile (Median)	6.00%	6.88%	5.97%	6.12%	5.70%	5.75%	6.00%	5.03%
25th percentile	5.48%	5.95%	5.33%	5.80%	5.33%	5.12%	5.05%	4.25%
Percentiles								
95th percentile	8.30%	8.76%	7.67%	7.60%	7.92%	8.48%	7.18%	7.28%
5th percentile	4.70%	5.18%	5.00%	4.90%	4.62%	4.57%	4.16%	3.41%

Figure 4.7-s**Twenty-year returns by percentile**

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	186	54	35	29	43	15	6	4
Deciles								
90th percentile	7.30%	8.00%	6.64%	6.65%	6.28%	6.12%	6.34%	6.05%
80th percentile	6.50%	7.41%	6.16%	6.08%	5.90%	5.74%	5.98%	5.50%
70th percentile	6.00%	7.06%	5.67%	5.71%	5.70%	5.66%	5.54%	4.94%
60th percentile	5.70%	6.49%	5.50%	5.43%	5.41%	5.42%	5.10%	4.63%
50th percentile (Median)	5.40%	6.09%	5.20%	5.30%	5.20%	5.30%	4.71%	4.43%
40th percentile	5.20%	5.72%	5.12%	5.12%	4.90%	5.21%	4.32%	4.23%
30th percentile	4.90%	5.39%	4.92%	4.97%	4.76%	5.04%	4.11%	3.81%
20th percentile	4.70%	5.03%	4.80%	4.79%	4.57%	4.66%	3.90%	2.94%
10th percentile	4.34%	4.53%	4.46%	4.41%	4.30%	4.44%	3.63%	2.07%
Quartiles								
75th percentile	6.20%	7.30%	5.96%	5.78%	5.81%	5.69%	5.76%	5.22%
50th percentile (Median)	5.40%	6.09%	5.20%	5.30%	5.20%	5.30%	4.71%	4.43%
25th percentile	4.80%	5.23%	4.85%	4.93%	4.65%	4.85%	4.01%	3.38%
Percentiles								
95th percentile	7.99%	8.22%	7.03%	7.28%	7.85%	6.29%	6.52%	6.32%
5th percentile	3.91%	4.40%	4.16%	3.58%	3.84%	4.31%	3.50%	1.64%

Figure 4.8-s
Twenty-five-year returns by percentile

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	112	37	23	18	19	8	4	3
Deciles								
90th percentile	9.79%	10.90%	9.12%	8.58%	7.91%	10.18%	8.18%	8.08%
80th percentile	8.48%	10.04%	8.34%	8.03%	7.75%	7.78%	8.06%	8.06%
70th percentile	8.10%	9.20%	7.99%	7.81%	7.57%	7.69%	7.94%	8.04%
60th percentile	7.80%	8.50%	7.73%	7.61%	7.45%	7.23%	7.68%	8.02%
50th percentile (Median)	7.60%	8.30%	7.60%	7.50%	7.20%	7.03%	7.35%	8.00%
40th percentile	7.39%	7.76%	7.40%	7.22%	7.01%	6.92%	7.02%	7.44%
30th percentile	7.07%	7.40%	7.38%	6.81%	6.90%	6.82%	6.51%	6.88%
20th percentile	6.72%	7.12%	7.24%	6.58%	6.50%	6.68%	5.64%	6.32%
10th percentile	6.31%	6.56%	6.42%	6.23%	5.90%	6.56%	4.77%	5.76%
Quartiles								
75th percentile	8.32%	9.73%	8.20%	7.90%	7.66%	7.77%	8.00%	8.05%
50th percentile (Median)	7.60%	8.30%	7.60%	7.50%	7.20%	7.03%	7.35%	8.00%
25th percentile	6.90%	7.27%	7.34%	6.73%	6.72%	6.75%	6.08%	6.60%
Percentiles								
95th percentile	10.91%	11.07%	9.38%	9.16%	8.03%	12.95%	8.24%	8.09%
5th percentile	5.74%	6.31%	6.21%	4.97%	4.23%	6.52%	4.34%	5.48%

Figure 4.9-s

Target nominal return assumptions by category

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	66	10	10	10	18	13	2	3
Fees and expenses	1.01%	0.83%	0.99%	1.10%	1.15%	1.00%	0.98%	0.81%
Long-term inflation expectation	2.13%	2.39%	2.16%	2.11%	2.08%	2.02%	2.14%	2.16%
Required to cover spending	4.67%	4.80%	4.62%	4.72%	4.65%	4.57%	4.73%	4.67%
Others	1.88%	3.10%	0.57%	1.95%	1.68%	2.17%	1.70%	2.03%
Total	6.99%	7.34%	7.35%	7.00%	7.01%	6.67%	6.89%	6.56%

Figure 4.10-s

Percentage of total endowment under water

	Total Institution	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	420	55	48	56	113	85	46	17
Average percentage under water 2020	5.69%	5.30%	3.35%	6.21%	6.76%	5.99%	6.27%	1.89%
Average percentage under water 2019	3.84%	3.13%	2.32%	4.48%	3.52%	5.30%	4.44%	1.28%
Median percentage under water 2020	1.00%	0.60%	0.54%	0.90%	1.30%	1.26%	0.85%	0.95%
Median percentage under water 2019	0.50%	0.54%	0.16%	0.57%	0.70%	0.60%	0.44%	0.20%

Figure 5.1-s
Asset allocations (dollar-weighted)

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
U.S. equities	12.89%	9.99%	22.05%	20.30%	29.27%	30.88%	37.86%	42.39%
Non-U.S. equities	13.25%	12.74%	15.62%	15.20%	15.17%	14.45%	13.91%	11.88%
Global equities	7.29%	7.34%	5.56%	8.76%	7.95%	9.01%	6.37%	5.03%
Marketable alternatives	19.98%	21.11%	17.48%	17.58%	12.83%	9.13%	5.59%	3.97%
Private venture capital	9.31%	10.80%	4.99%	3.38%	1.60%	0.93%	0.43%	0.46%
Private equity	13.52%	14.76%	10.56%	9.81%	5.76%	4.60%	1.83%	2.08%
Fixed income	12.35%	10.98%	15.03%	16.55%	20.49%	25.35%	28.60%	30.85%
Real assets	11.40%	12.28%	8.71%	8.42%	6.93%	5.65%	5.41%	3.33%

Figure 5.2-s
Detailed asset allocations (equal-weighted)

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Equities	71.83%	76.07%	76.30%	74.83%	71.95%	69.23%	66.71%	64.34%
U.S.equities active	16.76%	9.73%	14.06%	11.89%	16.92%	19.84%	22.30%	28.31%
U.S. equities passive/index	10.60%	4.52%	7.85%	8.18%	12.68%	12.13%	15.83%	13.08%
Developed non-U.S. equities active	7.62%	6.74%	8.27%	7.78%	8.35%	7.73%	7.68%	5.01%
Developed non-U.S. equities passive/index	2.46%	1.34%	2.05%	2.68%	2.46%	2.72%	3.43%	3.01%
Emerging markets active	3.53%	5.46%	4.35%	3.48%	3.33%	3.08%	2.06%	2.15%
Emerging markets passive/index	0.73%	0.36%	0.81%	0.84%	0.67%	0.83%	1.06%	0.60%
Global equities active	6.44%	6.80%	5.28%	8.55%	6.70%	6.97%	5.07%	3.55%
Global equities passive/index	1.42%	1.27%	0.63%	1.02%	1.50%	1.75%	1.22%	3.10%
Private venture capital	2.95%	8.79%	4.95%	3.23%	1.57%	0.91%	0.40%	0.33%
Private equity	6.74%	12.21%	10.50%	9.80%	5.61%	4.44%	1.82%	0.98%
Marketable alternatives	12.58%	18.85%	17.54%	17.39%	12.18%	8.82%	5.84%	4.22%
Fixed income	20.99%	12.97%	15.19%	17.10%	21.08%	25.23%	28.38%	32.10%
Investment grade active	11.14%	4.79%	4.66%	7.22%	11.79%	14.98%	16.66%	21.75%
Investment grade passive/index	4.02%	1.24%	4.03%	3.50%	3.72%	5.12%	5.65%	6.79%
Non investment grade	1.23%	1.22%	0.88%	1.01%	1.53%	1.14%	1.60%	0.63%
Private debt	1.11%	2.03%	1.86%	1.01%	0.80%	0.70%	0.99%	0.19%
Cash and equivalents <1 year	3.51%	3.69%	3.75%	4.36%	3.24%	3.29%	3.48%	2.74%
Real assets	7.18%	10.96%	8.51%	8.06%	6.98%	5.54%	4.91%	3.56%
Marketable real assets	2.15%	1.73%	1.78%	2.31%	2.88%	2.39%	1.38%	1.46%
Private real estate	2.70%	4.81%	3.39%	2.91%	2.41%	2.01%	1.73%	0.81%
Private energy and energy infrastructure	1.41%	3.56%	2.19%	1.65%	0.79%	0.79%	0.34%	0.49%
Other	0.91%	0.86%	1.16%	1.18%	0.89%	0.35%	1.46%	0.80%

Figure 5.3-s

Detailed asset allocations (dollar-weighted)

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Equities	76.26%	76.75%	76.26%	75.03%	72.58%	69.01%	65.98%	65.81%
U.S. equities active	8.81%	7.27%	14.25%	12.05%	16.59%	19.26%	21.84%	27.85%
U.S. equities passive/index	4.09%	2.72%	7.81%	8.25%	12.69%	11.62%	16.01%	14.54%
Developed non-U.S. equities active	6.38%	5.92%	8.32%	7.92%	8.48%	7.84%	7.60%	5.47%
Developed non-U.S. equities passive/index	0.95%	0.58%	2.04%	2.77%	2.59%	2.78%	3.28%	3.59%
Emerging markets active	5.62%	6.07%	4.45%	3.74%	3.38%	3.02%	2.12%	2.10%
Emerging markets passive/index	0.30%	0.17%	0.81%	0.77%	0.71%	0.80%	0.91%	0.73%
Global equities active	6.59%	6.70%	5.00%	8.01%	6.44%	7.30%	5.23%	2.80%
Global equities passive/index	0.70%	0.65%	0.55%	0.75%	1.51%	1.72%	1.14%	2.22%
Private venture capital	9.31%	10.80%	4.99%	3.38%	1.60%	0.93%	0.43%	0.46%
Private equity	13.52%	14.76%	10.56%	9.81%	5.76%	4.60%	1.83%	2.08%
Marketable alternatives	19.98%	21.11%	17.48%	17.58%	12.83%	9.13%	5.59%	3.97%
Fixed income	12.35%	10.98%	15.03%	16.55%	20.49%	25.35%	28.60%	30.85%
Investment grade active	4.97%	4.29%	4.63%	6.73%	11.06%	14.90%	16.47%	19.37%
Investment grade passive/index	1.59%	0.98%	4.01%	3.40%	3.83%	5.20%	5.78%	7.81%
Non investment grade	0.63%	0.52%	0.82%	1.04%	1.49%	1.08%	1.71%	0.55%
Private debt	1.33%	1.33%	1.88%	1.08%	0.75%	0.72%	1.13%	0.26%
Cash and equivalents <1 year	3.83%	3.86%	3.69%	4.30%	3.36%	3.45%	3.51%	2.87%
Real assets	11.40%	12.28%	8.71%	8.42%	6.93%	5.65%	5.41%	3.33%
Marketable real assets	1.18%	0.91%	1.77%	2.37%	3.02%	2.35%	1.44%	1.57%
Private real estate	5.52%	6.16%	3.44%	3.13%	2.39%	2.11%	1.94%	0.73%
Private energy and energy infrastructure	3.57%	4.05%	2.31%	1.74%	0.76%	0.80%	0.32%	0.94%
Other	1.14%	1.16%	1.20%	1.18%	0.76%	0.38%	1.71%	0.09%

Figure 5.4-s

U.S. equities asset mix (dollar-weighted)

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Active	68.30%	72.75%	64.59%	59.36%	56.66%	62.38%	57.70%	65.70%
Indexed (passive/index)	31.70%	27.25%	35.41%	40.64%	43.34%	37.62%	42.30%	34.30%

Figure 5.5-s

Non-U.S. equities asset mix (dollar-weighted)

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Global equities active	32.07%	33.34%	23.62%	33.45%	27.85%	31.10%	25.80%	16.58%
Global equities passive	3.42%	3.22%	2.61%	3.11%	6.54%	7.31%	5.61%	13.13%
Developed non-U.S. equities active	31.06%	29.49%	39.28%	33.04%	36.69%	33.43%	37.49%	32.32%
Developed non-U.S. equities passive	4.63%	2.89%	9.63%	11.55%	11.22%	11.84%	16.18%	21.20%
Emerging markets (Active)	27.38%	30.20%	21.01%	15.62%	14.64%	12.89%	10.44%	12.42%
Emerging markets (Passive)	1.44%	0.86%	3.85%	3.23%	3.06%	3.43%	4.47%	4.34%

Figure 5.6-s

Fixed income asset mix (dollar-weighted)

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Investment grade (Active)	69.20%	74.15%	48.92%	60.20%	67.51%	70.37%	68.75%	69.86%
Investment grade (Passive)	22.07%	16.89%	42.37%	30.47%	23.37%	24.55%	24.13%	28.16%
Non-investment grade	8.73%	8.96%	8.71%	9.33%	9.12%	5.08%	7.12%	1.98%

Figure 5.7-s
Average return for asset class

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	565	74	68	74	143	106	68	32
U.S. equities	4.04%	3.73%	4.27%	4.54%	4.38%	3.82%	3.76%	3.43%
Developed non-U.S. equities	-1.56%	-1.63%	-3.03%	-2.97%	-1.47%	-0.53%	-1.08%	-0.45%
Emerging markets	-1.90%	-1.83%	-2.15%	-2.09%	-1.88%	-2.00%	-1.88%	-1.15%
Global equities	0.75%	1.29%	1.45%	1.44%	0.46%	0.49%	-0.03%	0.19%
Private venture capital	3.22%	7.06%	6.36%	2.71%	3.08%	1.58%	0.15%	0.04%
Private equity	2.38%	4.22%	4.42%	4.05%	1.59%	1.21%	0.86%	0.35%
Marketable alternatives	-0.10%	1.10%	0.34%	0.05%	0.06%	-0.19%	-2.43%	-0.25%
Investment grade active	3.85%	3.23%	3.05%	3.94%	4.35%	3.91%	4.54%	3.28%
Investment grade passive	1.89%	1.02%	1.86%	2.74%	2.02%	2.10%	1.19%	2.66%
Non investment grade	-0.15%	-0.67%	-0.40%	0.06%	-0.24%	-0.09%	0.59%	0.08%
Private debt	0.10%	0.08%	-0.01%	-0.56%	0.24%	0.32%	0.34%	0.00%
Cash and equivalents <1 year	0.47%	0.50%	0.75%	0.44%	0.41%	0.47%	0.35%	0.38%
Marketable real assets	-4.00%	-5.10%	-4.97%	-5.74%	-4.68%	-3.08%	-1.36%	-1.20%
Private real estate	-0.43%	-1.21%	-0.30%	-1.72%	0.31%	-0.48%	0.03%	0.16%
Private energy and energy infrastructure	-5.42%	-10.28%	-11.47%	-7.43%	-3.75%	-2.88%	-0.96%	-0.94%
Other private real assets	-0.34%	-0.90%	0.22%	-0.91%	-0.44%	0.10%	-0.23%	-0.09%

Figure 5.8-s
Changes to asset allocation for public equities

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	162	30	24	20	46	20	18	4
Avg Change %	1.52%	-0.70%	7.44%	2.10%	0.31%	2.85%	0.01%	-2.71%
Median Change %	0.00%	-1.00%	5.00%	1.00%	0.55%	0.00%	-1.00%	-0.25%

Figure 5.9-s
Changes to asset allocation for private equities

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	162	30	24	20	46	20	18	4
Avg Change %	6.43%	8.82%	11.33%	6.65%	3.54%	5.02%	2.50%	
Median Change %	3.00%	5.00%	6.00%	4.00%	2.00%	2.50%	2.50%	

Figure 5.10-s

Changes to asset allocation for marketable alternatives

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	162	30	24	20	46	20	18	4
Avg Change %	-0.96%	-0.56%	-1.36%	-0.17%	-1.34%	0.33%	-2.27%	-2.00%
Median Change %	-2.00%	-0.50%	-5.00%	0.00%	-2.00%	-1.65%	-4.00%	-2.00%

Figure 5.11-s

Changes to asset allocation for fixed income

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	162	30	24	20	46	20	18	4
Avg Change %	-0.23%	-1.17%	2.88%	0.43%	-1.09%	-1.66%	1.05%	-0.28%
Median Change %	0.00%	-1.00%	0.50%	0.05%	0.00%	-1.00%	0.00%	-0.20%

Figure 5.12-s

Changes to asset allocation for real assets

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	162	30	24	20	46	20	18	4
Avg Change %	-0.77%	-1.96%	-1.50%	-1.77%	-0.14%	0.73%	-2.18%	6.98%
Median Change %	-1.00%	-1.95%	-3.50%	-2.50%	0.00%	0.00%	-0.50%	6.98%

Figure 6.1-s
Institutions having long-term debt

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	678	96	76	82	169	130	81	44
Yes	75.96%	78.13%	80.26%	79.27%	80.47%	75.38%	65.43%	61.36%
No	20.80%	14.58%	15.79%	19.51%	15.38%	23.85%	32.10%	36.36%
Uncertain	3.24%	7.29%	3.95%	1.22%	4.14%	0.77%	2.47%	2.27%

Figure 6.2-s
Debt levels for FY2020

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	515	75	61	65	136	98	53	27
Average debt	\$264,519 K	\$1,172,274 K	\$268,558 K	\$179,054 K	\$97,032 K	\$53,630 K	\$42,962 K	\$21,519 K
Median debt	\$68,982 K	\$665,735 K	\$204,540 K	\$117,483 K	\$57,948 K	\$43,589 K	\$29,638 K	\$14,789 K
Debt service as % of operating budget	5.46	4.07	5.81	4.52	4.93	5.45	7.64	9.15
Percentage of debt that is fixed rate	80.51	81.69	80.77	88.96	80.42	77.70	80.17	67.53
Average interest rate	3.76	3.90	3.75	3.89	3.84	3.60	3.57	3.56
Percentage of debt that is floating rate	11.22	8.73	6.00	6.42	12.32	13.96	17.20	13.96
Average interest rate	1.71	1.53	1.40	1.79	1.57	2.27	1.54	1.66

Figure 6.3-s
Changes to debt in FY2020

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	501	68	58	65	134	98	53	25
Increase greater than 10%	74	20	9	11	18	13	2	1
Increase of 10% or less	42	10	4	7	10	9	2	0
No change	249	27	32	32	71	45	25	17
Decrease of 10% or less	102	10	10	14	25	21	18	4
Decrease greater than 10%	34	1	3	1	10	10	6	3

Figure 6.4-s
Long-term debt policy

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	662	92	71	82	167	126	81	43
Yes	47.58%	61.96%	52.11%	62.20%	47.90%	39.68%	29.63%	37.21%
No	38.22%	21.74%	36.62%	32.93%	32.34%	48.41%	54.32%	48.84%
Uncertain	14.20%	16.30%	11.27%	4.88%	19.76%	11.90%	16.05%	13.95%

Figure 7.1-s**Integrate responsible investing criteria into endowment portfolio construction – equities**

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	613	70	70	76	156	121	78	42
U.S. equities								
Yes	18.99%	30.00%	27.14%	24.00%	15.48%	12.40%	15.38%	16.67%
No	45.66%	35.71%	42.86%	38.67%	51.61%	43.80%	53.85%	47.62%
Considering	17.35%	17.14%	20.00%	25.33%	14.19%	20.66%	12.82%	9.52%
Uncertain	18.00%	17.14%	10.00%	12.00%	18.71%	23.14%	17.95%	26.19%
Developed non-U.S. equities								
Yes	16.25%	28.99%	27.14%	20.27%	13.25%	8.55%	12.99%	7.69%
No	49.25%	36.23%	45.71%	41.89%	54.97%	48.72%	55.84%	58.97%
Considering	16.08%	17.39%	17.14%	24.32%	13.25%	17.95%	12.99%	7.69%
Uncertain	18.43%	17.39%	10.00%	13.51%	18.54%	24.79%	18.18%	25.64%
Emerging markets								
Yes	14.94%	27.54%	25.71%	18.92%	12.75%	7.83%	9.46%	5.26%
No	51.10%	37.68%	47.14%	43.24%	55.03%	53.04%	58.11%	63.16%
Considering	15.28%	17.39%	17.14%	22.97%	12.75%	15.65%	13.51%	5.26%
Uncertain	18.68%	17.39%	10.00%	14.86%	19.46%	23.48%	18.92%	26.32%
Global equities								
Yes	15.67%	34.33%	21.21%	21.33%	14.00%	6.72%	9.59%	8.11%
No	50.26%	35.82%	48.48%	44.00%	54.67%	50.42%	57.53%	59.46%
Considering	15.84%	14.93%	19.70%	22.67%	12.00%	18.49%	15.07%	5.41%
Uncertain	18.23%	14.93%	10.61%	12.00%	19.33%	24.37%	17.81%	27.03%
Private venture capital								
Yes	12.46%	29.41%	23.53%	13.51%	10.07%	4.50%	5.56%	5.56%
No	55.02%	39.71%	51.47%	48.65%	59.06%	58.56%	61.11%	63.89%
Considering	12.98%	13.24%	13.24%	22.97%	11.41%	11.71%	12.50%	2.78%
Uncertain	19.55%	17.65%	11.76%	14.86%	19.46%	25.23%	20.83%	27.78%
Private equity								
Yes	13.31%	31.88%	24.29%	18.67%	9.93%	4.39%	5.56%	2.86%
No	54.44%	37.68%	51.43%	46.67%	58.94%	57.89%	61.11%	65.71%
Considering	13.48%	13.04%	14.29%	22.67%	11.26%	14.04%	12.50%	2.86%
Uncertain	18.77%	17.39%	10.00%	12.00%	19.87%	23.68%	20.83%	28.57%

Figure 7.2-s

Integrate responsible investing criteria into endowment portfolio construction – marketable alternatives

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	613	70	70	76	156	121	78	42
Marketable alternatives								
Yes	11.17%	23.19%	18.57%	15.79%	9.40%	5.17%	4.11%	5.26%
No	54.99%	43.48%	54.29%	46.05%	59.73%	56.03%	60.27%	63.16%
Considering	14.04%	13.04%	15.71%	22.37%	10.07%	15.52%	15.07%	5.26%
Uncertain	19.80%	20.29%	11.43%	15.79%	20.81%	23.28%	20.55%	26.32%

Figure 7.3-s

Integrate responsible investing criteria into endowment portfolio construction – fixed income

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	613	70	70	76	156	121	78	42
Marketable debt								
Yes	12.59%	25.37%	17.39%	16.22%	9.59%	6.19%	9.21%	11.43%
No	54.14%	44.78%	52.17%	48.65%	59.59%	54.87%	56.58%	57.14%
Considering	12.93%	11.94%	18.84%	18.92%	10.27%	13.27%	11.84%	2.86%
Uncertain	20.34%	17.91%	11.59%	16.22%	20.55%	25.66%	22.37%	28.57%
Private debt								
Yes	9.62%	25.37%	16.67%	13.51%	6.85%	3.60%	2.74%	2.86%
No	56.64%	43.28%	56.06%	48.65%	62.33%	57.66%	60.27%	65.71%
Considering	12.41%	11.94%	15.15%	20.27%	9.59%	12.61%	12.33%	2.86%
Uncertain	21.33%	19.40%	12.12%	17.57%	21.23%	26.13%	24.66%	28.57%
Cash and equivalents <1 year								
Yes	9.64%	21.74%	15.94%	12.50%	5.33%	5.22%	5.26%	10.00%
No	58.88%	47.83%	59.42%	55.56%	63.33%	58.26%	61.84%	62.50%
Considering	10.83%	10.14%	8.70%	16.67%	9.33%	12.17%	11.84%	5.00%
Uncertain	20.64%	20.29%	15.94%	15.28%	22.00%	24.35%	21.05%	22.50%

Figure 7.4-s**Integrate responsible investing criteria into endowment portfolio construction – real assets**

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	613	70	70	76	156	121	78	42
Marketable real assets								
Yes	11.40%	22.73%	18.57%	16.44%	10.81%	4.46%	4.11%	5.41%
No	55.79%	45.45%	50.00%	47.95%	60.14%	58.93%	61.64%	62.16%
Considering	13.30%	13.64%	17.14%	21.92%	9.46%	13.39%	12.33%	5.41%
Uncertain	19.52%	18.18%	14.29%	13.70%	19.59%	23.21%	21.92%	27.03%
Private real estate								
Yes	12.16%	26.47%	21.43%	16.00%	10.14%	3.54%	8.00%	2.86%
No	54.97%	42.65%	51.43%	48.00%	58.78%	57.52%	60.00%	65.71%
Considering	12.50%	13.24%	14.29%	21.33%	9.46%	14.16%	9.33%	2.86%
Uncertain	20.38%	17.65%	12.86%	14.67%	21.62%	24.78%	22.67%	28.57%
Private energy and energy infrastructure								
Yes	11.67%	30.43%	22.86%	16.22%	7.59%	2.75%	4.17%	2.86%
No	53.66%	37.68%	48.57%	47.30%	59.31%	58.72%	58.33%	60.00%
Considering	14.29%	15.94%	15.71%	22.97%	11.72%	11.93%	13.89%	8.57%
Uncertain	20.38%	15.94%	12.86%	13.51%	21.38%	26.61%	23.61%	28.57%
Other Private real assets								
Other private real assets	11.46%	29.85%	19.40%	16.90%	8.97%	2.73%	4.17%	2.86%
No	56.61%	41.79%	53.73%	47.89%	61.38%	60.00%	62.50%	65.71%
Considering	11.46%	10.45%	11.94%	21.13%	8.97%	11.82%	11.11%	2.86%
Uncertain	20.46%	17.91%	14.93%	14.08%	20.69%	25.45%	22.22%	28.57%

Figure 7.5-s
Average number of investment managers used

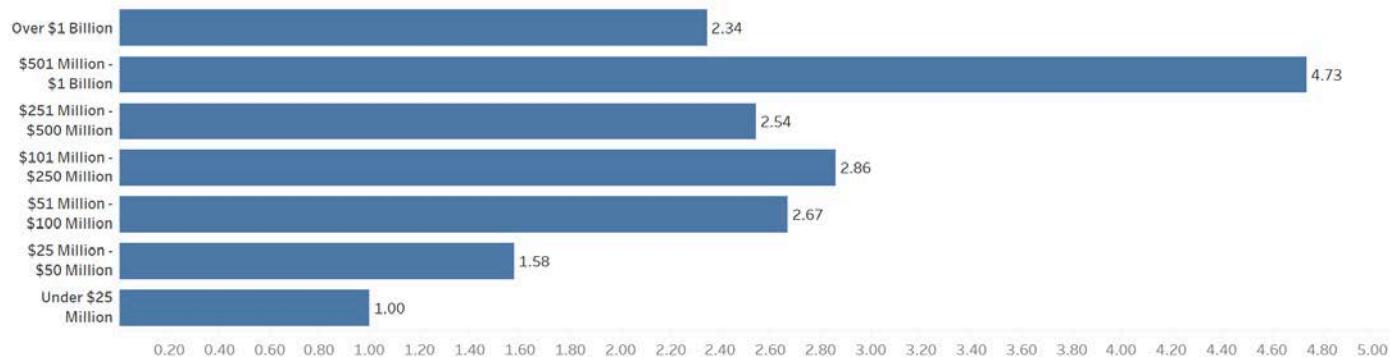


Figure 7.6-s
Most significant reasons for not pursuing ESG, SRI or impact investing practices

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	585	65	68	73	150	116	73	40
Potential adverse impacts on investment performance	18.58%	19.82%	28.75%	33.73%	15.20%	11.19%	13.41%	13.64%
Potential conflicts with mission's fiduciary duty	17.30%	18.92%	31.25%	28.92%	14.62%	9.70%	10.98%	11.36%
Investment management fees are higher	6.24%	4.50%	5.00%	8.43%	7.60%	5.22%	9.76%	0.00%
Endowment invested primarily in pooled fund structures	21.28%	23.42%	31.25%	31.33%	19.30%	17.16%	13.41%	13.64%
Difficulty assessing the degree to which the portfolio achieves its ESG mandate	10.64%	12.61%	21.25%	13.25%	7.60%	8.96%	6.10%	6.82%
Not enough quality managers available with expertise	4.68%	7.21%	3.75%	10.84%	5.26%	1.49%	0.00%	4.55%
No obstacles to implementation	6.95%	2.70%	2.50%	4.82%	9.94%	8.21%	7.32%	13.64%
Does not apply	40.43%	22.52%	28.75%	31.33%	47.95%	45.52%	57.32%	47.73%
Other	4.82%	3.60%	7.50%	6.02%	4.68%	4.48%	4.88%	2.27%

Figure 7.7-s

Align portfolio to UN Sustainable Development Goals (SDGs)

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	630	77	72	76	160	124	78	43
Yes	2.54%	5.19%	0.00%	2.63%	1.88%	4.84%	1.28%	0.00%
No	77.62%	77.92%	87.50%	76.32%	79.38%	68.55%	80.77%	76.74%
Uncertain	19.84%	16.88%	12.50%	21.05%	18.75%	26.61%	17.95%	23.26%

Figure 7.8-s

Institution a signatory to the UN Principles for Responsible Investment (PRI)

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	633	80	72	75	160	124	79	43
Yes	2.84%	5.00%	1.39%	4.00%	2.50%	3.23%	1.27%	2.33%
No	78.83%	82.50%	88.89%	82.67%	79.38%	73.39%	77.22%	65.12%
Uncertain	18.33%	12.50%	9.72%	13.33%	18.13%	23.39%	21.52%	32.56%

Figure 7.9-s

Responsible investing approach can be the source of alpha in investment management

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	614	71	71	75	157	123	76	41
Yes	19.38%	29.58%	35.21%	25.33%	18.47%	13.01%	6.58%	9.76%
No	12.87%	4.23%	14.08%	13.33%	12.10%	15.45%	18.42%	9.76%
Uncertain	67.75%	66.20%	50.70%	61.33%	69.43%	71.54%	75.00%	80.49%

Figure 7.10-s
Responsible investing approaches taken

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	166	33	37	27	37	18	9	5
Joined ESG Network	16.10%	20.75%	14.81%	17.95%	17.31%	9.09%	10.00%	0.00%
Appointed CSO	5.93%	3.77%	9.26%	0.00%	9.62%	9.09%	0.00%	0.00%
Proxy Voting Committee	7.63%	15.09%	7.41%	5.13%	5.77%	4.55%	0.00%	0.00%
ESG in Investment Policy	56.78%	49.06%	55.56%	66.67%	50.00%	59.09%	90.00%	66.67%
Offered ESG	13.56%	11.32%	12.96%	10.26%	17.31%	18.18%	0.00%	33.33%

Figure 7.11-s
Responsible investing in investment manager due diligence and evaluation process

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	621	73	72	76	159	122	78	41
Yes	39.61%	68.49%	58.33%	42.11%	35.22%	29.51%	26.92%	21.95%
No	38.81%	20.55%	27.78%	35.53%	44.65%	44.26%	48.72%	39.02%
Uncertain	21.58%	10.96%	13.89%	22.37%	20.13%	26.23%	24.36%	39.02%

Figure 7.12-s

Students' interest in responsible investing, change vs. last fiscal year

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	587	66	65	71	153	116	76	40
Increased interest	11.23%	21.21%	18.75%	11.59%	9.93%	11.21%	2.67%	2.63%
Interest about the same	31.61%	50.00%	54.69%	46.38%	29.80%	19.83%	17.33%	5.26%
Decreased interest	1.90%	0.00%	0.00%	2.90%	1.99%	2.59%	2.67%	2.63%
No interest	15.54%	0.00%	6.25%	11.59%	13.25%	22.41%	25.33%	34.21%
Uncertain	39.72%	28.79%	20.31%	27.54%	45.03%	43.97%	52.00%	55.26%

Figure 7.13-s

Alumni's interest in responsible investing, change vs. last fiscal year

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	587	66	65	71	153	116	76	40
Increased interest	3.90%	12.50%	6.67%	4.35%	1.36%	2.68%	2.67%	0.00%
Interest about the same	30.67%	42.19%	51.67%	37.68%	33.33%	21.43%	14.67%	13.51%
Decreased interest	0.71%	0.00%	0.00%	2.90%	0.00%	0.89%	1.33%	0.00%
No interest	17.02%	1.56%	6.67%	15.94%	14.29%	23.21%	29.33%	29.73%
Uncertain	47.70%	43.75%	35.00%	39.13%	51.02%	51.79%	52.00%	56.76%

Figure 7.14-s

Employees' interest in responsible investing, change vs. last fiscal year

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	587	66	65	71	153	116	76	40
Increased interest	5.82%	15.63%	11.11%	8.70%	2.74%	5.31%	0.00%	0.00%
Interest about the same	31.04%	40.63%	47.62%	44.93%	30.82%	21.24%	21.33%	10.81%
Decreased interest	0.35%	0.00%	0.00%	1.45%	0.00%	0.88%	0.00%	0.00%
No interest	17.46%	0.00%	11.11%	13.04%	17.12%	22.12%	28.00%	32.43%
Uncertain	45.33%	43.75%	30.16%	31.88%	49.32%	50.44%	50.67%	56.76%

Figure 7.15-s

Donors' interest in responsible investing, change vs. last fiscal year

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	587	66	65	71	153	116	76	40
Increased interest	5.01%	10.94%	8.20%	7.35%	1.41%	4.50%	4.00%	2.63%
Interest about the same	30.05%	42.19%	50.82%	39.71%	30.28%	18.92%	18.67%	13.16%
Decreased interest	0.36%	0.00%	0.00%	1.47%	0.00%	0.90%	0.00%	0.00%
No interest	15.74%	1.56%	4.92%	14.71%	14.79%	19.82%	26.67%	28.95%
Uncertain	48.84%	45.31%	36.07%	36.76%	53.52%	55.86%	50.67%	55.26%

Figure 7.16-s

Grant makers' interest in responsible investing, change vs. last fiscal year

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	587	66	65	71	153	116	76	40
Increased interest	1.82%	5.00%	1.67%	0.00%	1.42%	0.92%	2.67%	2.78%
Interest about the same	23.72%	28.33%	40.00%	32.84%	23.40%	17.43%	18.67%	2.78%
Decreased interest	0.36%	0.00%	0.00%	1.49%	0.00%	0.92%	0.00%	0.00%
No interest	17.52%	0.00%	8.33%	14.93%	17.73%	22.02%	26.67%	33.33%
Uncertain	56.57%	66.67%	50.00%	50.75%	57.45%	58.72%	52.00%	61.11%

Figure 7.17-s

Others' interest in responsible investing, change vs. last fiscal year

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	587	66	65	71	153	116	76	40
Increased interest	7.88%	11.11%	6.25%	16.67%	10.53%	2.17%	0.00%	13.04%
Interest about the same	7.05%	5.56%	18.75%	0.00%	10.53%	4.35%	7.89%	0.00%
Decreased interest	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
No interest	17.84%	0.00%	18.75%	20.83%	17.11%	17.39%	23.68%	21.74%
Uncertain	67.22%	83.33%	56.25%	62.50%	61.84%	76.09%	68.42%	65.22%

Figure 7.18-s

Changes to investment policy statement based on third-party input

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	603	71	67	73	154	121	77	40
Yes	10.42%	19.40%	16.67%	13.24%	9.46%	5.17%	6.76%	5.41%
No	80.56%	70.15%	77.27%	79.41%	81.76%	87.07%	79.73%	83.78%
Uncertain	9.03%	10.45%	6.06%	7.35%	8.78%	7.76%	13.51%	10.81%

Figure 7.19-s

Changes to portfolio based on third-party input

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	603	71	67	73	154	121	77	40
Yes	8.61%	15.15%	7.81%	18.06%	4.83%	7.38%	4.05%	7.89%
No	79.35%	74.24%	84.38%	70.83%	84.14%	79.51%	78.38%	78.95%
Uncertain	12.05%	10.61%	7.81%	11.11%	11.03%	13.11%	17.57%	13.16%

Figure 7.20-s

Used OCIO/consultant to evaluate responsible investing strategy

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	631	77	69	76	159	127	80	43
Yes	34.39%	29.87%	37.68%	44.74%	37.11%	33.86%	27.50%	23.26%
No	59.11%	68.83%	59.42%	46.05%	55.97%	59.84%	63.75%	65.12%
Uncertain	6.50%	1.30%	2.90%	9.21%	6.92%	6.30%	8.75%	11.63%

Figure 7.21-s

Changes in next 12 months to responsible investing considerations resulting from the COVID-19 pandemic

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	619	71	67	75	159	124	80	43
Yes, we plan to add and/or expand responsible investing approaches within our investment portfolio	4.27%	2.78%	2.94%	3.90%	7.78%	2.40%	2.50%	4.55%
Yes, we plan to add and/or expand responsible investing components within our investment policy	2.05%	1.39%	4.41%	2.60%	2.99%	0.80%	0.00%	2.27%
No	48.18%	40.28%	52.94%	49.35%	47.90%	43.20%	55.00%	54.55%
Uncertain	43.29%	54.17%	33.82%	41.56%	38.92%	52.00%	42.50%	36.36%
Other	2.21%	1.39%	5.88%	2.60%	2.40%	1.60%	0.00%	2.27%

Figure 8.1-s
Rebalancing frequency and policy

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	673	94	78	82	167	128	81	43
Calendar-based	4.46%	3.19%	2.56%	8.54%	5.99%	5.47%	1.23%	0.00%
Annually	17.32%	26.92%	26.09%	21.62%	12.86%	20.00%	3.70%	12.50%
Semi-annually	9.09%	0.00%	4.35%	13.51%	11.43%	10.00%	7.41%	12.50%
Quarterly	53.25%	53.85%	39.13%	40.54%	52.86%	60.00%	74.07%	50.00%
Monthly	14.29%	19.23%	26.09%	21.62%	12.86%	2.50%	7.41%	25.00%
Other	6.06%	0.00%	4.35%	2.70%	10.00%	7.50%	7.41%	0.00%
Market value-based (target and range based)	57.06%	55.32%	64.10%	47.56%	53.29%	60.94%	59.26%	65.12%
Both calendar and market value-based	30.31%	25.53%	26.92%	37.80%	35.93%	26.56%	32.10%	18.60%
No formal rebalancing practice	8.17%	15.96%	6.41%	6.10%	4.79%	7.03%	7.41%	16.28%

Figure 8.2-s

Use of OCIO to run the investment management of institution endowment

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	674	96	76	82	166	131	81	42
OCIO								
Number of institutions using an OCIO	277	14	18	35	93	61	41	15
Percent of institutions using an OCIO	41.10%	14.58%	23.68%	42.68%	56.02%	46.56%	50.62%	35.71%
Number of institutions not using an OCIO	397	82	58	47	73	70	40	27
Percent of institutions not using an OCIO	58.90%	85.42%	76.32%	57.32%	43.98%	53.44%	49.38%	64.29%

Figure 8.3-s

Institution with no OCIO resources for management of endowment

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Number of institutions not using an OCIO	397	82	58	47	73	70	40	27
Internal CIO	37.53%	98.78%	65.52%	27.66%	10.96%	8.57%	7.50%	0.00%
Consultant	80.35%	46.34%	72.41%	95.74%	95.89%	91.43%	90.00%	88.89%

Figure 8.4-s

Primary responsibility for conducting key activities

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	402	84	60	47	75	68	40	28
Percent of institutions using an OCIO	41.10%	14.58%	23.68%	42.68%	56.02%	46.56%	50.62%	35.71%
Percent of institutions not using an OCIO	58.90%	85.42%	76.32%	57.32%	43.98%	53.44%	49.38%	64.29%
Day-to-day investment management								
Internal CIO	50.26%	95.24%	73.68%	48.89%	30.99%	28.36%	20.00%	14.29%
Investment committee/board of trustees	17.86%	4.76%	14.04%	28.89%	21.13%	17.91%	17.50%	39.29%
Consultant	31.89%	0.00%	12.28%	22.22%	47.89%	53.73%	62.50%	46.43%
Asset allocation								
Internal CIO	16.29%	59.04%	16.95%	2.13%	2.67%	1.49%	5.00%	0.00%
Investment committee/board of trustees	61.90%	37.35%	74.58%	72.34%	65.33%	61.19%	67.50%	75.00%
Consultant	21.80%	3.61%	8.47%	25.53%	32.00%	37.31%	27.50%	25.00%
Portfolio rebalancing								
Internal CIO	35.35%	90.24%	62.71%	14.89%	12.16%	8.96%	15.00%	3.70%
Investment committee/board of trustees	31.06%	7.32%	22.03%	46.81%	43.24%	38.81%	32.50%	40.74%
Consultant	33.59%	2.44%	15.25%	38.30%	44.59%	52.24%	52.50%	55.56%
Manager selection and ongoing due diligence								
Internal CIO	27.50%	79.52%	55.93%	14.89%	1.33%	2.94%	2.50%	0.00%
Investment committee/board of trustees	39.00%	9.64%	20.34%	38.30%	56.00%	55.88%	52.50%	60.71%
Consultant	33.50%	10.84%	23.73%	46.81%	42.67%	41.18%	45.00%	39.29%
Investment policy statement development								
Internal CIO	22.44%	66.27%	31.67%	19.15%	4.00%	2.94%	2.50%	3.57%
Investment committee/board of trustees	66.33%	31.33%	61.67%	63.83%	80.00%	82.35%	82.50%	85.71%
Consultant	11.22%	2.41%	6.67%	17.02%	16.00%	14.71%	15.00%	10.71%
Capital markets research/ idea generation								
Internal CIO	25.13%	76.54%	46.55%	8.51%	2.70%	2.99%	5.13%	0.00%
Investment committee/board of trustees	11.42%	1.23%	8.62%	6.38%	9.46%	16.42%	17.95%	39.29%
Consultant	63.45%	22.22%	44.83%	85.11%	87.84%	80.60%	76.92%	60.71%

Figure 8.5-s**Number of separate managers institution currently uses for the management of each category**

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	594	85	73	75	150	111	70	30
U.S. equities								
Average no of managers	4	5	4	4	4	4	4	2
Developed non-U.S. equities								
Average no of managers	3	4	3	3	3	3	2	2
Emerging markets								
Average no of managers	2	4	3	3	2	2	2	1
Global equities								
Average no of managers	3	4	3	3	3	2	2	1
Private venture capital								
Average no of managers	7	18	8	5	2	1	1	1
Private equity								
Average no of managers	12	29	18	12	6	4	4	2
Marketable alternatives								
Average no of managers	8	16	11	9	5	4	4	3
Marketable debt								
Average no of managers	3	3	3	3	3	3	3	2
Private debt								
Average no of managers	3	7	4	3	1	1	1	1
Cash and equivalents <1 year								
Average no of managers	1	1	1	2	2	1	1	1
Marketable real assets								
Average no of managers	2	2	2	1	2	1	1	1
Private real estate								
Average no of managers	5	13	7	4	3	2	1	1
Private energy and energy infrastructure								
Average no of managers	4	10	5	3	2	1	1	1
Other private real assets								
Average no of managers	2	2	1	4	1	1	0	1

Figure 8.6-s

Diversity and inclusion policy regarding fund manager selection

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	642	80	73	78	161	125	81	44
Yes	5.76%	15.00%	4.11%	8.97%	5.59%	4.80%	0.00%	0.00%
No	73.36%	71.25%	80.82%	71.79%	72.67%	72.80%	67.90%	81.82%
Uncertain	20.87%	13.75%	15.07%	19.23%	21.74%	22.40%	32.10%	18.18%

Figure 8.7-s

Percentage of total endowment funds invested with diverse managers

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	374	35	38	47	99	80	48	27
Avg % invested with diverse manager	5.02%	15.08%	6.12%	7.53%	3.76%	1.97%	2.96%	3.85%
Median % invested with diverse manager	0.00%	12.65%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Figure 8.8-s
Fee (in dollars) paid to investment managers

	Total Institutions	Over \$1 Billion	\$501 Million - \$1 Billion	\$251 Million - \$500 Million	\$101 Million - \$250 Million	\$51 Million - \$100 Million	\$25 Million - \$50 Million	Under \$25 Million
Total Institutions	705	111	80	83	171	134	82	44
Responded Institutions	696	107	80	82	169	133	81	44
Investment consultants								
Avg fees	\$287 K	\$522 K	\$439 K	\$487 K	\$224 K	\$122 K	\$102 K	\$61 K
Median fees	\$180 K	\$438 K	\$310 K	\$341 K	\$165 K	\$94 K	\$84 K	\$51 K
Outsourced Chief Investment Officer (OCIO)								
Avg fees	\$632 K	\$2,726 K	\$2,297 K	\$1,152 K	\$403 K	\$208 K	\$136 K	\$64 K
Median fees	\$271 K	\$2,764 K	\$1,324 K	\$1,095 K	\$362 K	\$166 K	\$131 K	\$69 K
Investment manager(s)								
Avg fees	\$10,368 K	\$92,134 K	\$5,560 K	\$2,422 K	\$818 K	\$291 K	\$132 K	\$289 K
Median fees	\$565 K	\$10,338 K	\$4,966 K	\$1,987 K	\$694 K	\$268 K	\$122 K	\$57 K
Custodian(s)								
Avg fees	\$140 K	\$330 K	\$160 K	\$165 K	\$82 K	\$43 K	\$41 K	\$72 K
Median fees	\$65 K	\$255 K	\$125 K	\$98 K	\$34 K	\$16 K	\$16 K	\$72 K
Internal investment team								
Avg fees	\$1,294 K	\$2,936 K	\$654 K	\$397 K	\$200 K	\$101 K	N/A	N/A
Median fees	\$650 K	\$2,053 K	\$458 K	\$238 K	\$87 K	\$101 K	N/A	N/A
Other data providers								
Avg fees	\$1,082 K	\$2,834 K	\$543 K	\$55 K	\$302 K	\$57 K	\$78 K	N/A
Median fees	\$144 K	\$326 K	\$183 K	\$236 K	\$103 K	\$40 K	N/A	N/A

Appendix III

Tables by type of institution for fiscal year 2020

Figure Intro 1-t

Institutions by type

	Total institutions
Total institutions	705
Private College/University Endowment	433
Public College, University, or System Fund	94
Institutionally Related Foundation (IRF)	137
Combined Endowment/Foundation	36
Others*	5

* Includes education-related nonprofit organizations.

Please note, any blank cells in the following tables indicate a non-applicable value.

Figure Intro 2-t

Number of full-time equivalent (FTE) students enrolled for credit in the fall of 2019

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation
Total Institutions	677	432	92	120	33
Total FTE Students	7,610,313	2,034,111	2,779,137	1,914,582	882,483
Avg FTE Students	11,241	4,709	30,208	15,955	26,742
Median FTE Students	4,338	2,449	20,561	10,598	18,833

Figure Intro 3-t

Potential long-term impacts of COVID-19 on your institution

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	525	335	66	101	22	1
Significant reduction in student enrollment	42.55%	44.80%	25.53%	51.82%	30.56%	0.00%
Significant reduction in tuition income	42.84%	43.88%	35.11%	48.18%	36.11%	0.00%
Significant reduction in out-of-state student enrollment	23.55%	22.17%	20.21%	33.58%	13.89%	0.00%
Significant reduction in international student enrollment	36.74%	37.18%	37.23%	38.69%	27.78%	0.00%
Others	26.67%	26.79%	32.98%	21.90%	27.78%	20.00%

Figure 2.1-t

Average market value of endowment assets (FY2020 vs FY2019)

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Total market value of endowment assets 2020	\$637,728,035 K	\$432,237,741 K	\$135,295,384 K	\$46,414,981 K	\$22,172,023 K	\$1,607,906 K
Total market value of endowment assets 2019	\$626,703,923 K	\$425,026,136 K	\$132,155,316 K	\$45,495,533 K	\$22,404,504 K	\$1,622,434 K
Average total market value of endowment assets 2020	\$904,579 K	\$998,240 K	\$1,439,313 K	\$338,795 K	\$615,890 K	\$321,581 K
Average total market value of endowment assets 2019	\$890,204 K	\$981,585 K	\$1,421,025 K	\$332,084 K	\$622,347 K	\$324,487 K

Figure 2.2-t

Total market value of life income assets

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	631	395	76	121	35	4
Total market value of life income assets	\$14,808,925 K	\$9,960,622 K	\$1,719,777 K	\$1,548,858 K	\$1,311,617 K	\$268,051 K
Average total market value of life income assets	\$23,469 K	\$25,217 K	\$22,629 K	\$12,800 K	\$37,475 K	\$67,013 K
Median total market value of life income assets	\$2,219 K	\$2,766 K	\$3,079 K	\$1,440 K	\$1,981 K	\$178 K

Figure 2.3-t
Total market value of donor-advised fund assets

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	576	365	66	112	30	3
Total market value of donor-advised fund assets	\$4,917,398 K	\$3,462,091 K	\$291,365 K	\$1,159,723 K	\$4,220 K	\$0 K
Average total market value of donor-advised fund assets	\$8,537 K	\$9,485 K	\$4,415 K	\$10,355 K	\$141 K	\$0 K

Figure 2.4-t
New gifts to the endowment received in both fiscal years 2020 and 2019

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	679	421	86	133	34	5
Total 2020 gifts	\$10,929,300 K	\$6,134,660 K	\$1,879,343 K	\$2,161,038 K	\$730,581 K	\$23,678 K
Total 2019 gifts	\$13,074,224 K	\$7,476,657 K	\$2,464,597 K	\$2,304,586 K	\$785,387 K	\$42,996 K
Average 2020 gifts	\$16,096 K	\$14,572 K	\$21,853 K	\$16,248 K	\$21,488 K	\$4,736 K
Median 2020 gifts	\$3,447 K	\$2,804 K	\$6,870 K	\$3,463 K	\$8,433 K	\$3,535 K
Average 2019 gifts	\$18,731 K	\$17,388 K	\$26,789 K	\$16,945 K	\$22,440 K	\$8,599 K
Median 2019 gifts	\$3,553 K	\$2,868 K	\$5,309 K	\$4,239 K	\$11,670 K	\$1,403 K

Figure 2.5-t

Change in your institutional cash flow from FY19 - FY20

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	662	408	87	130	33	4
Decrease greater than 75%	4	2	1	1	0	0
Decrease of 51% to 75%	3	1	1	1	0	0
Decrease of 25% to 50%	29	13	6	8	2	0
Decrease less than 25%	251	187	30	22	11	1
No decrease	199	148	20	24	5	2
Uncertain	176	57	29	74	15	1

Figure 2.6-t

Institutions that sought relief offered by the CARES Act

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	680	421	87	133	34	5
Yes	83.68%	93.82%	77.01%	60.15%	70.59%	60.00%
No	11.03%	4.28%	12.64%	27.07%	23.53%	40.00%
Uncertain	5.29%	1.90%	10.34%	12.78%	5.88%	0.00%

Figure 2.7-t
Student-managed funds

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	682	423	89	130	36	4
Yes	34.46%	31.91%	40.45%	36.92%	44.44%	0.00%
No	65.54%	68.09%	59.55%	63.08%	55.56%	100.00%
Uncertain	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Figure 2.8-t
Market value of student-managed funds

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	232	135	34	48	15	0
Total market value of student-managed funds	\$361,415 K	\$215,269 K	\$67,338 K	\$57,646 K	\$21,162 K	
Average total market value of student-managed funds	\$1,558 K	\$1,595 K	\$1,981 K	\$1,201 K	\$1,411 K	
Median total market value of student-managed funds	\$548 K	\$390 K	\$1,119 K	\$651 K	\$1,303 K	

Figure 3.1-t

Withdrawals from endowment

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	702	432	93	136	36	5
Distribution according to your spending policy	\$20,316,465 K	\$14,822,705 K	\$3,139,048 K	\$1,574,687 K	\$720,161 K	\$59,864 K
Special appropriations above your spending policy	\$724,030 K	\$545,969 K	\$118,795 K	\$42,011 K	\$16,921 K	\$335 K
Distributions for fees and administrative expenses	\$1,304,767 K	\$552,027 K	\$302,715 K	\$365,309 K	\$84,679 K	\$35 K
All other withdrawals	\$922,940 K	\$419,925 K	\$202,337 K	\$165,133 K	\$135,546 K	\$0 K
Total withdrawals for FY 2020	\$23,317,807 K	\$16,390,230 K	\$3,762,895 K	\$2,147,141 K	\$957,307 K	\$60,233 K
Total withdrawals for FY 2019	\$22,444,496 K	\$15,719,733 K	\$3,634,062 K	\$2,069,250 K	\$953,757 K	\$67,694 K

Figure 3.2-t
Special appropriations to spending in fiscal year 2020

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	130	97	8	19	5	1
Made special appropriations	18.44%	22.40%	8.51%	13.87%	13.89%	20.00%
Capital campaign costs	2.55%	3.93%	1.06%	0.00%	0.00%	0.00%
Campus or facility improvements	3.83%	3.70%	2.13%	5.84%	2.78%	0.00%
Debt service	1.99%	2.77%	1.06%	0.00%	2.78%	0.00%
Financial aid	3.12%	2.31%	2.13%	5.11%	8.33%	0.00%
In support of the operating budget	7.80%	10.85%	2.13%	3.65%	2.78%	0.00%
New strategic initiatives	3.55%	4.62%	0.00%	2.92%	2.78%	0.00%
Shortfalls resulting from COVID-19	2.27%	3.70%	0.00%	0.00%	0.00%	0.00%
Other	4.26%	3.93%	2.13%	5.84%	5.56%	20.00%

Figure 3.3-t
Spending policy distribution by functions

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	620	389	74	124	30	3
Student financial aid	47.91%	46.40%	49.62%	53.97%	43.06%	0.00%
Endowed faculty positions	10.88%	9.95%	14.90%	10.80%	14.37%	0.57%
Operation and maintenance of campus facilities	7.14%	9.54%	4.39%	2.35%	3.34%	0.00%
Academic programs and research	17.41%	14.49%	18.88%	22.62%	31.90%	0.00%
All other purposes	16.65%	19.62%	12.21%	10.26%	7.33%	99.43%

Figure 3.4-t
Average annual effective spending rates for fiscal years 2020 and 2019

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	697	431	91	135	35	5
FY2020	4.59%	4.92%	4.10%	4.05%	4.02%	3.30%
FY2019	4.36%	4.56%	4.10%	4.05%	3.90%	3.81%

Figure 3.5-t**Percentage of operating budget funded by endowment**

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	691	431	91	131	33	5
Average percentage of operating budget funded by endowment	12.29%	11.31%	6.61%	19.75%	12.66%	7.00%
Median percentage of operating budget funded by endowment	4.42%	6.31%	0.97%	1.55%	1.19%	0.00%
Increased	49.00%	58.51%	29.49%	31.90%	38.71%	20.00%
Decreased	26.43%	30.22%	19.23%	21.55%	16.13%	0.00%
No change	24.57%	11.27%	51.28%	46.55%	45.16%	80.00%

Figure 3.6-t
Spending policy for fiscal year 2020

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	683	420	87	136	36	4
Spend all current income	1.56%	1.62%	1.06%	1.46%	0.00%	20.00%
Spend a percentage of a moving average of the endowment's market value	73.05%	70.44%	73.40%	83.21%	66.67%	60.00%
Average percentage	4.58%	4.79%	4.34%	4.23%	4.28%	5.00%
Spend a pre-specified percentage of the beginning year market value	3.69%	3.23%	5.32%	4.38%	2.78%	0.00%
Average pre-specified percentage spent	4.08%	4.66%	4.00%	3.20%	4.00%	
Use a weighted-average or hybrid method	9.93%	11.32%	7.45%	4.38%	19.44%	20.00%
Decide on an appropriate rate or dollar amount each year	4.96%	4.62%	4.26%	5.84%	8.33%	0.00%
Other	12.8%	15.2%	8.5%	8.0%	13.9%	0.0%

Figure 3.7-t

Spending policy percentage of moving average time period

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	511	302	68	114	24	3
12 quarters	42.41%	43.09%	39.13%	41.23%	50.00%	33.33%
16 quarters	3.31%	4.28%	1.45%	2.63%	0.00%	0.00%
20 quarters	11.28%	10.86%	10.14%	12.28%	16.67%	0.00%
3 years	27.24%	29.61%	20.29%	26.32%	20.83%	33.33%
5 years	5.84%	3.29%	11.59%	9.65%	4.17%	0.00%
Other	9.92%	8.88%	17.39%	7.89%	8.33%	33.33%

Figure 3.8-t

Weighted-average or hybrid weighting of different methods

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	60	42	7	5	5	1
Spend a percentage of a moving average of the endowment's market value						
Average percentage	33.98%	34.26%	24.80%	43.50%	35.00%	30.00%
Median percentage	33.98%	34.26%	24.80%	43.50%	35.00%	30.00%
Spend a pre-specified percentage of the beginning year market value						
Average percentage	31.50%	34.71%	10.00%		20.00%	
Median percentage	30.00%	30.00%	10.00%		20.00%	
Grow last year's spending amount at a predetermined rate with upper and lower bands						
Average percentage	69.90%	65.66%	80.00%	76.67%	82.00%	70.00%
Median percentage	70.00%	70.00%	80.00%	70.00%	80.00%	70.00%

Figure 3.9-t
Change your spending policy or rule

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	693	426	90	136	36	5
Yes	9.52%	11.03%	8.89%	6.62%	5.56%	0.00%
No	90.48%	88.97%	91.11%	93.38%	94.44%	100.00%

Figure 3.10-t
Reasons for changes to spending policy rule

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	62	44	8	8	2	0
Increased spending to cover the impact of COVID-19	16.13%	22.73%	0.00%	0.00%	0.00%	
Increased for other reasons	37.10%	38.64%	50.00%	25.00%	0.00%	
Decreased for other reasons	46.77%	38.64%	50.00%	75.00%	100.00%	

Figure 3.11-t
Considering changes to spending rate in the next 2-3 years

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	645	394	83	129	35	4
Increase spending rate	6.82%	8.63%	2.41%	5.43%	2.86%	0.00%
New spending rate increase	5.64%	5.98%	4.60%	4.36%	4.00%	
Decrease spending rate	11.78%	14.97%	4.82%	9.30%	2.86%	0.00%
New spending rate decrease	4.35%	4.64%	3.99%	3.13%	5.70%	
Maintain current spending policy	81.40%	76.40%	92.77%	85.27%	94.29%	100.00%

Figure 3.12-t
Annual administrative fee charged by institutionally related foundations

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	134	0	0	134	0	0
Minimum annual fee	0.25			0.25		
Median annual fee	1.25			1.25		
Maximum annual fee	3.60			3.60		

Figure 3.13-t**One-time new gift fee charged by institutionally related foundations**

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	132	0	0	132	0	0
Minimum one-time fee	1.00			1.00		
Median one-time fee	5.00			5.00		
Maximum one-time fee	10.00			10.00		

Figure 4.1-t**Average 1-, 3-, 5-, 10-, 15-, 20- and 25-year net annualized returns**

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
1-year net annualized return	1.82%	2.00%	1.37%	1.71%	1.21%	1.32%
3-year net annualized return	5.17%	5.24%	5.03%	5.03%	5.22%	5.19%
5-year net annualized return	5.09%	5.11%	5.03%	5.12%	4.82%	5.45%
10-year net annualized return	7.48%	7.57%	7.27%	7.39%	7.31%	7.50%
15-year net annualized return	6.18%	6.33%	6.17%	5.75%	5.66%	5.90%
20-year net annualized return	5.55%	5.80%	5.55%	4.79%	4.89%	5.95%
25-year net annualized return	7.69%	8.12%	7.51%	6.24%	7.06%	7.40%

Figure 4.2-t
One-year returns by percentile

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Deciles						
90th percentile	5.30%	5.59%	5.07%	5.04%	4.39%	3.44%
80th percentile	4.00%	4.20%	3.45%	3.70%	2.60%	1.68%
70th percentile	3.05%	3.30%	2.39%	3.02%	2.12%	0.78%
60th percentile	2.30%	2.40%	2.13%	2.33%	1.90%	0.74%
50th percentile (Median)	1.80%	1.88%	1.46%	1.70%	1.25%	0.70%
40th percentile	1.09%	1.13%	1.08%	1.06%	0.80%	0.66%
30th percentile	0.40%	0.50%	0.15%	0.41%	0.04%	0.62%
20th percentile	-0.30%	-0.20%	-0.64%	-0.16%	-0.56%	0.34%
10th percentile	-1.40%	-1.31%	-1.95%	-1.48%	-1.75%	-0.17%
Quartiles						
75th percentile	3.47%	3.70%	2.80%	3.30%	2.21%	0.80%
50th percentile (Median)	1.80%	1.88%	1.46%	1.70%	1.25%	0.70%
25th percentile	0.10%	0.20%	-0.18%	0.30%	-0.34%	0.60%
Percentiles						
95th percentile	6.39%	7.03%	6.47%	5.55%	4.83%	4.32%
5th percentile	-2.87%	-2.78%	-3.48%	-2.02%	-2.08%	-0.42%

Figure 4.3-t
Three-year returns by percentile

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	652	393	89	131	34	5
Deciles						
90th percentile	7.30%	7.50%	7.30%	6.73%	6.82%	6.52%
80th percentile	6.40%	6.40%	6.53%	6.39%	5.90%	5.84%
70th percentile	5.84%	5.90%	5.85%	5.80%	5.34%	5.32%
60th percentile	5.30%	5.30%	5.33%	5.34%	5.18%	4.96%
50th percentile (Median)	4.97%	4.90%	5.00%	5.03%	4.88%	4.60%
40th percentile	4.60%	4.60%	4.50%	4.65%	4.56%	4.54%
30th percentile	4.20%	4.20%	4.08%	4.20%	4.44%	4.48%
20th percentile	3.84%	3.88%	3.76%	3.86%	3.97%	4.40%
10th percentile	3.30%	3.40%	3.26%	3.20%	3.65%	4.30%
Quartiles						
75th percentile	6.20%	6.20%	6.22%	6.10%	5.63%	5.50%
50th percentile (Median)	4.97%	4.90%	5.00%	5.03%	4.88%	4.60%
25th percentile	4.00%	4.04%	3.98%	4.10%	4.15%	4.45%
Percentiles						
95th percentile	7.99%	8.83%	7.50%	7.26%	7.29%	6.86%
5th percentile	2.84%	2.89%	2.38%	2.90%	3.17%	4.25%

Figure 4.4-t
Five-year returns by percentile

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	637	390	83	125	34	5
Deciles						
90th percentile	6.60%	6.87%	6.49%	6.69%	5.97%	6.34%
80th percentile	6.10%	6.10%	6.20%	6.08%	5.44%	6.18%
70th percentile	5.60%	5.60%	5.65%	5.70%	5.31%	5.88%
60th percentile	5.30%	5.30%	5.31%	5.50%	5.09%	5.44%
50th percentile (Median)	5.00%	4.92%	5.00%	5.07%	4.97%	5.00%
40th percentile	4.70%	4.63%	4.80%	4.90%	4.65%	4.99%
30th percentile	4.50%	4.50%	4.39%	4.50%	4.49%	4.98%
20th percentile	4.16%	4.10%	4.04%	4.24%	4.35%	4.92%
10th percentile	3.70%	3.72%	3.60%	3.65%	4.30%	4.81%
Quartiles						
75th percentile	5.80%	5.80%	5.92%	5.80%	5.40%	6.10%
50th percentile (Median)	5.00%	4.92%	5.00%	5.07%	4.97%	5.00%
25th percentile	4.37%	4.34%	4.20%	4.38%	4.41%	4.97%
Percentiles						
95th percentile	7.17%	7.47%	6.60%	6.86%	6.32%	6.42%
5th percentile	3.30%	3.35%	3.22%	3.32%	3.45%	4.75%

Figure 4.5-t
Ten-year returns by percentile

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	565	350	76	105	29	5
Deciles						
90th percentile	8.91%	9.20%	8.53%	8.62%	8.42%	7.96%
80th percentile	8.26%	8.40%	7.90%	8.07%	7.80%	7.92%
70th percentile	7.83%	8.00%	7.76%	7.71%	7.55%	7.84%
60th percentile	7.57%	7.63%	7.50%	7.49%	7.46%	7.73%
50th percentile (Median)	7.32%	7.34%	7.19%	7.30%	7.40%	7.62%
40th percentile	7.10%	7.10%	7.00%	7.08%	6.95%	7.49%
30th percentile	6.83%	6.88%	6.70%	6.89%	6.84%	7.36%
20th percentile	6.60%	6.59%	6.40%	6.65%	6.55%	7.18%
10th percentile	6.20%	6.20%	5.95%	6.30%	6.27%	6.94%
Quartiles						
75th percentile	8.00%	8.16%	7.82%	7.82%	7.60%	7.90%
50th percentile (Median)	7.32%	7.34%	7.19%	7.30%	7.40%	7.62%
25th percentile	6.70%	6.70%	6.60%	6.74%	6.80%	7.30%
Percentiles						
95th percentile	9.50%	10.12%	8.85%	9.25%	9.14%	7.98%
5th percentile	5.80%	5.80%	5.78%	6.10%	6.00%	6.82%

Figure 4.6-t
Fifteen-year returns by percentile

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	251	162	33	38	15	3
Deciles						
90th percentile	7.80%	8.00%	7.56%	6.70%	6.27%	6.28%
80th percentile	7.10%	7.40%	7.04%	6.39%	6.00%	6.16%
70th percentile	6.59%	6.79%	6.49%	6.19%	6.00%	6.04%
60th percentile	6.30%	6.47%	6.30%	5.98%	5.98%	5.92%
50th percentile (Median)	6.00%	6.11%	6.07%	5.75%	5.76%	5.80%
40th percentile	5.79%	5.82%	5.88%	5.51%	5.64%	5.74%
30th percentile	5.51%	5.62%	5.63%	5.46%	5.50%	5.68%
20th percentile	5.31%	5.38%	5.23%	5.30%	5.37%	5.62%
10th percentile	5.00%	5.00%	4.83%	5.07%	4.93%	5.56%
Quartiles						
75th percentile	6.75%	7.17%	6.80%	6.25%	6.00%	6.10%
50th percentile (Median)	6.00%	6.11%	6.07%	5.75%	5.76%	5.80%
25th percentile	5.48%	5.50%	5.40%	5.44%	5.45%	5.65%
Percentiles						
95th percentile	8.30%	8.38%	7.73%	7.49%	6.48%	6.34%
5th percentile	4.70%	4.69%	4.73%	4.58%	4.50%	5.53%

Figure 4.7-t

Twenty-year returns by percentile

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	186	111	33	26	14	2
Deciles						
90th percentile	7.30%	7.84%	6.56%	6.24%	5.63%	6.15%
80th percentile	6.50%	6.82%	6.23%	5.60%	5.44%	6.10%
70th percentile	6.00%	6.33%	5.90%	5.35%	5.34%	6.05%
60th percentile	5.70%	5.92%	5.73%	5.21%	5.20%	6.00%
50th percentile (Median)	5.40%	5.64%	5.40%	5.05%	5.16%	5.95%
40th percentile	5.20%	5.30%	5.20%	4.85%	4.94%	5.90%
30th percentile	4.90%	4.99%	5.06%	4.57%	4.76%	5.85%
20th percentile	4.70%	4.80%	4.78%	4.36%	4.46%	5.80%
10th percentile	4.34%	4.50%	4.41%	3.93%	3.68%	5.75%
Quartiles						
75th percentile	6.20%	6.60%	6.10%	5.55%	5.38%	6.08%
50th percentile (Median)	5.40%	5.64%	5.40%	5.05%	5.16%	5.95%
25th percentile	4.80%	4.87%	4.96%	4.43%	4.72%	5.83%
Percentiles						
95th percentile	7.99%	8.05%	7.34%	6.65%	5.69%	6.18%
5th percentile	3.91%	4.24%	4.23%	0.98%	3.44%	5.73%

Figure 4.8-t
Twenty-five-year returns by percentile

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	112	70	17	14	10	1
Deciles						
90th percentile	9.79%	10.79%	8.44%	8.24%	7.74%	7.40%
80th percentile	8.48%	9.16%	8.12%	7.99%	7.49%	7.40%
70th percentile	8.10%	8.39%	7.91%	7.90%	7.42%	7.40%
60th percentile	7.80%	7.94%	7.64%	7.54%	7.40%	7.40%
50th percentile (Median)	7.60%	7.74%	7.30%	7.25%	7.30%	7.40%
40th percentile	7.39%	7.57%	7.04%	7.20%	6.88%	7.40%
30th percentile	7.07%	7.34%	6.94%	6.71%	6.36%	7.40%
20th percentile	6.72%	6.88%	6.67%	5.07%	6.28%	7.40%
10th percentile	6.31%	6.50%	6.41%	1.17%	6.20%	7.40%
Quartiles						
75th percentile	8.32%	8.61%	8.10%	7.92%	7.44%	7.40%
50th percentile (Median)	7.60%	7.74%	7.30%	7.25%	7.30%	7.40%
25th percentile	6.90%	7.06%	6.90%	6.09%	6.32%	7.40%
Percentiles						
95th percentile	10.91%	11.00%	9.00%	8.65%	8.07%	7.40%
5th percentile	5.74%	6.42%	6.09%	0.00%	6.20%	7.40%

Figure 4.9-t

Target nominal return assumptions by category

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	66	43	10	7	5	1
Fees and expenses	1.01%	0.67%	1.32%	1.22%	1.21%	N/A
Long-term inflation expectation	2.13%	2.18%	2.19%	1.98%	2.08%	2.00%
Required to cover spending	4.67%	4.85%	4.47%	4.34%	4.41%	5.00%
Others	1.88%	2.01%	2.56%	0.77%	1.20%	0.68%
Total	6.99%	6.97%	7.17%	6.93%	6.94%	6.34%

Figure 4.10-t

Percentage of total endowment under water

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	420	268	48	81	23	0
Average percentage under water 2020	5.69%	5.05%	7.79%	6.48%	6.00%	
Average percentage under water 2019	3.84%	3.38%	5.61%	4.63%	4.16%	
Median percentage under water 2020	1.00%	0.67%	1.84%	1.00%	1.54%	
Median percentage under water 2019	0.50%	0.37%	0.85%	0.60%	0.84%	

Figure 5.1-t
Asset allocations (dollar-weighted)

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
U.S. equities	12.89%	11.12%	14.51%	18.98%	24.12%	26.41%
Non-U.S. equities	13.25%	11.86%	16.81%	13.83%	17.15%	20.90%
Global equities	7.29%	7.70%	4.61%	13.61%	3.05%	3.21%
Marketable alternatives	19.98%	21.20%	18.69%	15.13%	14.58%	11.49%
Private equity	13.52%	14.44%	12.63%	9.58%	8.97%	16.38%
Private venture capital	9.31%	10.50%	7.87%	3.60%	7.14%	1.50%
Fixed income	12.35%	11.67%	12.41%	17.92%	13.24%	18.65%
Real assets	11.40%	11.51%	12.46%	7.34%	11.75%	1.47%

Figure 5.2-t
Detailed asset allocations (equal-weighted)

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Equities	71.83%	72.08%	72.63%	70.26%	72.50%	73.06%
U.S.equities active	16.76%	16.39%	16.74%	17.30%	21.12%	3.66%
U.S. equities passive/index	10.60%	10.47%	8.12%	12.42%	9.75%	25.42%
Developed non-U.S. equities active	7.62%	7.52%	7.34%	7.86%	8.73%	6.52%
Developed non-U.S. equities passive/index	2.46%	2.05%	2.86%	2.97%	3.66%	7.50%
Emerging markets active	3.53%	3.58%	3.87%	3.17%	3.16%	4.74%
Emerging markets passive/index	0.73%	0.64%	0.59%	0.97%	0.92%	2.24%
Global equities active	6.44%	7.01%	5.67%	6.40%	2.28%	1.88%
Global equities passive/index	1.42%	1.21%	2.46%	1.79%	0.10%	0.00%
Private venture capital	2.95%	3.30%	3.17%	1.61%	3.52%	1.20%
Private equity	6.74%	6.83%	7.80%	5.48%	6.92%	13.14%
Marketable alternatives	12.58%	13.09%	14.00%	10.28%	12.35%	6.76%
Fixed income	20.99%	20.42%	19.48%	24.58%	17.66%	24.26%
Investment grade active	11.14%	10.95%	10.44%	12.95%	8.63%	8.70%
Investment grade passive/index	4.02%	3.57%	3.44%	5.63%	4.56%	5.38%
Non investment grade	1.23%	1.16%	1.38%	1.24%	0.74%	6.98%
Private debt	1.11%	1.05%	1.53%	1.16%	0.52%	0.36%
Cash and equivalents <1 year	3.51%	3.68%	2.69%	3.60%	3.21%	2.84%
Real assets	7.18%	7.49%	7.89%	5.16%	9.85%	2.68%
Marketable real assets	2.15%	2.05%	2.35%	2.02%	3.31%	1.88%
Private real estate	2.70%	2.96%	2.82%	1.80%	3.03%	0.70%
Private energy and energy infrastructure	1.41%	1.37%	2.02%	1.02%	2.00%	0.10%
Other	0.91%	1.10%	0.70%	0.32%	1.51%	0.00%

Figure 5.3-t
Detailed asset allocations (dollar-weighted)

		Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions		705	433	94	137	36	5
Equities		76.26%	76.82%	75.12%	74.74%	75.01%	79.88%
U.S. equities active		8.81%	7.91%	9.59%	11.75%	15.75%	3.82%
U.S. equities passive/index		4.09%	3.21%	4.92%	7.23%	8.37%	22.58%
Developed non-U.S. equities active		6.38%	5.23%	9.15%	8.19%	8.65%	3.83%
Developed non-U.S. equities passive/index		0.95%	0.70%	1.05%	1.69%	3.06%	9.90%
Emerging markets active		5.62%	5.68%	6.44%	3.26%	4.62%	4.28%
Emerging markets passive/index		0.30%	0.26%	0.17%	0.70%	0.82%	2.88%
Global equities active		6.59%	7.44%	2.59%	12.21%	3.01%	3.21%
Global equities passive/index		0.70%	0.26%	2.02%	1.40%	0.04%	0.00%
Private venture capital		9.31%	10.50%	7.87%	3.60%	7.14%	1.50%
Private equity		13.52%	14.44%	12.63%	9.58%	8.97%	16.38%
Marketable alternatives		19.98%	21.20%	18.69%	15.13%	14.58%	11.49%
Fixed income		12.35%	11.67%	12.41%	17.92%	13.24%	18.65%
Investment grade active		4.97%	4.44%	5.97%	6.30%	6.34%	6.81%
Investment grade passive/index		1.59%	1.32%	1.83%	2.74%	2.61%	4.76%
Non investment grade		0.63%	0.59%	0.48%	1.38%	0.50%	4.38%
Private debt		1.33%	1.20%	1.21%	3.33%	0.50%	0.25%
Cash and equivalents <1 year		3.83%	4.12%	2.92%	4.17%	3.29%	2.46%
Real assets		11.40%	11.51%	12.46%	7.34%	11.75%	1.47%
Marketable real assets		1.18%	1.14%	0.83%	1.49%	3.37%	0.80%
Private real estate		5.52%	5.90%	5.40%	3.08%	4.06%	0.59%
Private energy and energy infrastructure		3.57%	3.14%	5.42%	2.49%	3.21%	0.08%
Other		1.14%	1.33%	0.81%	0.27%	1.12%	0.00%

Figure 5.4-t
U.S. equities asset mix (dollar-weighted)

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Active	68.30%	71.16%	66.10%	61.91%	65.32%	14.48%
Indexed (passive/index)	31.70%	28.84%	33.90%	38.09%	34.68%	85.52%

Figure 5.5-t

Non-U.S. equities asset mix (dollar-weighted)

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Global equities active	32.07%	38.03%	12.10%	44.50%	14.90%	13.32%
Global equities passive	3.42%	1.32%	9.43%	5.09%	0.20%	0.00%
Developed non-U.S. equities active	31.06%	26.73%	42.71%	29.83%	42.82%	15.91%
Developed non-U.S. equities passive	4.63%	3.57%	4.91%	6.16%	15.16%	41.06%
Emerging markets (Active)	27.38%	29.04%	30.05%	11.88%	22.86%	17.76%
Emerging markets (Passive)	1.44%	1.31%	0.80%	2.54%	4.07%	11.96%

Figure 5.6-t

Fixed income asset mix (dollar-weighted)

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Investment grade (Active)	69.20%	69.94%	72.11%	60.44%	67.11%	42.69%
Investment grade (Passive)	22.07%	20.84%	22.05%	26.28%	27.61%	29.83%
Non investment grade	8.73%	9.21%	5.84%	13.27%	5.27%	27.48%

Figure 5.7-t
Average return for asset class

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	565	354	66	114	28	3
U.S. equities	4.04%	4.11%	3.74%	4.20%	4.28%	-1.66%
Developed non-U.S. equities	-1.56%	-1.59%	-1.60%	-1.31%	-1.81%	-3.54%
Emerging markets	-1.90%	-2.08%	-1.36%	-1.72%	-1.46%	-4.96%
Global equities	0.75%	1.02%	0.38%	0.42%	-0.29%	1.16%
Private venture capital	3.22%	3.44%	3.48%	2.29%	3.63%	1.70%
Private equity	2.38%	2.55%	2.47%	1.24%	3.97%	5.78%
Marketable alternatives	-0.10%	0.16%	-0.03%	-0.70%	-1.21%	0.26%
Investment grade active	3.85%	3.87%	3.15%	4.34%	3.45%	4.28%
Investment grade passive	1.89%	1.95%	1.21%	2.06%	2.41%	0.24%
Non investment grade	-0.15%	-0.22%	0.28%	-0.30%	0.20%	0.00%
Private debt	0.10%	0.37%	-0.33%	-0.16%	-0.09%	-5.76%
Cash and equivalents <1 year	0.47%	0.52%	0.34%	0.42%	0.38%	0.58%
Marketable real assets	-4.00%	-4.32%	-3.58%	-3.39%	-2.96%	-7.90%
Private real estate	-0.43%	-0.44%	-0.46%	-0.50%	-0.04%	0.00%
Private energy and energy infrastructure	-5.42%	-5.53%	-5.66%	-4.36%	-8.31%	0.00%
Other private real assets	-0.34%	-0.18%	-0.46%	-0.58%	-1.21%	0.00%

Figure 5.8-t
Changes to asset allocation for public equities

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	162	97	16	32	13	4
Avg Change %	1.52%	1.42%	2.05%	2.79%	2.37%	-18.75%
Median Change %	0.00%	0.00%	2.00%	2.20%	4.00%	-18.75%

Figure 5.9-t
Changes to asset allocation for private equities

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	162	97	16	32	13	4
Avg Change %	6.43%	7.57%	3.90%	4.25%	3.89%	15.00%
Median Change %	3.00%	2.50%	2.50%	3.25%	4.00%	10.00%

Figure 5.10-t
Changes to asset allocation for marketable alternatives

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	162	97	16	32	13	4
Avg Change %	-0.96%	0.78%	-6.88%	-2.32%	-3.31%	-10.00%
Median Change %	-2.00%	-1.00%	-5.00%	-4.00%	-4.75%	-10.00%

Figure 5.11-t
Changes to asset allocation for fixed income

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	162	97	16	32	13	4
Avg Change %	-0.23%	-1.26%	1.09%	0.78%	0.03%	32.50%
Median Change %	0.00%	0.00%	-1.00%	1.00%	0.10%	32.50%

Figure 5.12-t
Changes to asset allocation for real assets

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	162	97	16	32	13	4
Avg Change %	-0.77%	-0.31%	-0.69%	-1.30%	-3.04%	
Median Change %	-1.00%	-1.00%	-1.00%	-2.00%	-5.00%	

Figure 6.1-t
Institutions having long-term debt

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	678	420	86	133	34	5
Yes	75.96%	95.95%	65.12%	27.82%	47.06%	60.00%
No	20.80%	2.86%	31.40%	64.66%	44.12%	20.00%
Uncertain	3.24%	1.19%	3.49%	7.52%	8.82%	20.00%

Figure 6.2-t
Debt levels for FY2020

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	515	403	56	37	16	3
Average debt	\$264,519 K	\$190,030 K	\$909,292 K	\$90,198 K	\$378,769 K	\$119,496 K
Median debt	\$68,982 K	\$65,523 K	\$260,971 K	\$16,138 K	\$264,710 K	\$106,507 K
Debt service as % of operating budget	5.46	5.37	4.05	8.90	4.53	3.65
Percentage of debt that is fixed rate	80.51	80.51	86.24	74.75	78.96	52.67
Average interest rate	3.76	3.81	3.74	3.20	3.98	4.03
Percentage of debt that is floating rate	11.22	12.41	3.05	14.84	1.04	14.00
Average interest rate	1.71	1.80	1.21	1.57	1.32	1.57

Figure 6.3-t
Changes to debt in FY2020

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	501	392	55	37	14	3
Increase greater than 10%	74	62	8	2	2	0
Increase of 10% or less	42	26	11	3	2	0
No change	249	199	28	14	6	2
Decrease of 10% or less	102	81	7	10	3	1
Decrease greater than 10%	34	24	1	8	1	0

Figure 6.4-t
Long-term debt policy

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	662	410	83	132	33	4
Yes	47.58%	57.07%	53.01%	15.91%	42.42%	50.00%
No	38.22%	31.22%	34.94%	64.39%	30.30%	25.00%
Uncertain	14.20%	11.71%	12.05%	19.70%	27.27%	25.00%

Figure 7.1-t**Integrate responsible investing criteria into endowment portfolio construction – equities**

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	613	378	73	124	33	5
U.S. equities						
Yes	18.99%	18.88%	19.18%	17.74%	21.21%	40.00%
No	45.66%	46.01%	45.21%	46.77%	39.39%	40.00%
Considering	17.35%	18.09%	13.70%	16.94%	21.21%	0.00%
Uncertain	18.00%	17.02%	21.92%	18.55%	18.18%	20.00%
Developed non-U.S. equities						
Yes	16.25%	16.89%	15.49%	12.40%	21.21%	40.00%
No	49.25%	49.59%	47.89%	52.07%	39.39%	40.00%
Considering	16.08%	16.35%	15.49%	15.70%	18.18%	0.00%
Uncertain	18.43%	17.17%	21.13%	19.83%	21.21%	20.00%
Emerging markets						
Yes	14.94%	15.19%	14.49%	12.50%	18.18%	40.00%
No	51.10%	51.10%	50.72%	52.50%	51.52%	20.00%
Considering	15.28%	16.02%	13.04%	15.00%	12.12%	20.00%
Uncertain	18.68%	17.68%	21.74%	20.00%	18.18%	20.00%
Global equities						
Yes	15.67%	17.45%	14.29%	10.74%	16.13%	25.00%
No	50.26%	49.31%	50.00%	52.07%	54.84%	50.00%
Considering	15.84%	16.07%	15.71%	17.36%	9.68%	0.00%
Uncertain	18.23%	17.17%	20.00%	19.83%	19.35%	25.00%
Private venture capital						
Yes	12.46%	13.69%	10.45%	10.17%	9.68%	25.00%
No	55.02%	53.07%	58.21%	58.47%	58.06%	50.00%
Considering	12.98%	14.53%	10.45%	11.02%	9.68%	0.00%
Uncertain	19.55%	18.72%	20.90%	20.34%	22.58%	25.00%
Private equity						
Yes	13.31%	14.96%	10.14%	9.32%	12.12%	40.00%
No	54.44%	52.91%	55.07%	57.63%	60.61%	40.00%
Considering	13.48%	14.13%	13.04%	13.56%	9.09%	0.00%
Uncertain	18.77%	18.01%	21.74%	19.49%	18.18%	20.00%

Figure 7.2-t

Integrate responsible investing criteria into endowment portfolio construction – marketable alternatives

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	613	378	73	124	33	5
Marketable alternatives						
Yes	11.17%	11.57%	11.27%	10.00%	9.09%	25.00%
No	54.99%	54.55%	50.70%	57.50%	60.61%	50.00%
Considering	14.04%	14.33%	15.49%	13.33%	12.12%	0.00%
Uncertain	19.80%	19.56%	22.54%	19.17%	18.18%	25.00%

Figure 7.3-t

Integrate responsible investing criteria into endowment portfolio construction – fixed income

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	613	378	73	124	33	5
Marketable debt						
Yes	12.59%	11.67%	17.39%	12.93%	6.67%	40.00%
No	54.14%	54.44%	52.17%	54.31%	56.67%	40.00%
Considering	12.93%	14.17%	8.70%	12.07%	13.33%	0.00%
Uncertain	20.34%	19.72%	21.74%	20.69%	23.33%	20.00%
Private debt						
Yes	9.62%	9.63%	11.76%	8.62%	6.67%	20.00%
No	56.64%	55.81%	55.88%	58.62%	63.33%	40.00%
Considering	12.41%	13.60%	11.76%	11.21%	6.67%	0.00%
Uncertain	21.33%	20.96%	20.59%	21.55%	23.33%	40.00%
Cash and equivalents <1 year						
Yes	9.64%	9.39%	10.14%	10.66%	6.06%	20.00%
No	58.88%	58.56%	56.52%	60.66%	63.64%	40.00%
Considering	10.83%	11.60%	10.14%	9.84%	9.09%	0.00%
Uncertain	20.64%	20.44%	23.19%	18.85%	21.21%	40.00%

Figure 7.4-t**Integrate responsible investing criteria into endowment portfolio construction – real assets**

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	613	378	73	124	33	5
Marketable real assets						
Yes	11.40%	11.20%	10.29%	11.02%	12.90%	40.00%
No	55.79%	55.18%	55.88%	57.63%	58.06%	40.00%
Considering	13.30%	14.57%	11.76%	11.02%	12.90%	0.00%
Uncertain	19.52%	19.05%	22.06%	20.34%	16.13%	20.00%
Private real estate						
Yes	12.16%	11.94%	14.49%	11.02%	12.12%	25.00%
No	54.97%	53.89%	56.52%	56.78%	57.58%	50.00%
Considering	12.50%	14.44%	8.70%	9.32%	12.12%	0.00%
Uncertain	20.38%	19.72%	20.29%	22.88%	18.18%	25.00%
Private energy and energy infrastructure						
Yes	11.67%	11.83%	11.76%	9.48%	16.13%	25.00%
No	53.66%	52.68%	54.41%	56.90%	51.61%	50.00%
Considering	14.29%	16.06%	11.76%	11.21%	12.90%	0.00%
Uncertain	20.38%	19.44%	22.06%	22.41%	19.35%	25.00%
Other private real assets						
Yes	11.46%	11.14%	14.71%	8.70%	13.79%	40.00%
No	56.61%	56.57%	55.88%	57.39%	58.62%	40.00%
Considering	11.46%	13.14%	8.82%	10.43%	3.45%	0.00%
Uncertain	20.46%	19.14%	20.59%	23.48%	24.14%	20.00%

Figure 7.5-t
Average number of investment managers used

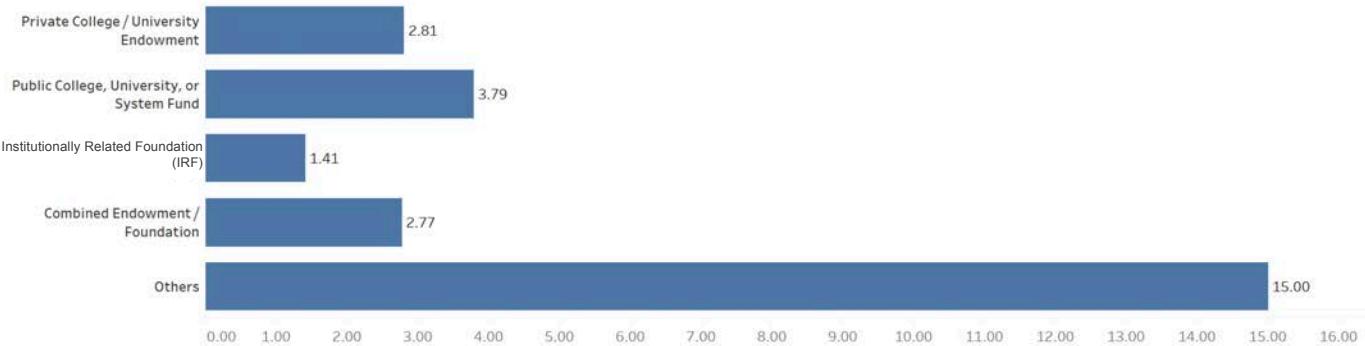


Figure 7.6-t
Most significant reasons for not pursuing ESG, SRI or impact investing practices

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	585	361	69	119	31	5
Potential adverse impacts on investment performance	18.58%	20.32%	12.77%	14.60%	22.22%	60.00%
Potential conflicts with mission's fiduciary duty	17.30%	18.01%	13.83%	15.33%	22.22%	40.00%
Investment management fees are higher	6.24%	6.24%	5.32%	8.03%	2.78%	0.00%
Endowment invested primarily in pooled fund structures	21.28%	25.87%	12.77%	13.14%	22.22%	0.00%
Difficulty assessing the degree to which the portfolio achieves its ESG mandate	10.64%	12.47%	4.26%	6.57%	19.44%	20.00%
Not enough quality managers available with expertise	4.68%	5.54%	2.13%	3.65%	5.56%	0.00%
No obstacles to implementation	6.95%	6.70%	7.45%	6.57%	11.11%	0.00%
Does not apply	40.43%	38.34%	37.23%	52.55%	30.56%	20.00%
Other	4.82%	3.93%	7.45%	6.57%	0.00%	20.00%

Figure 7.7-t

Align portfolio to UN Sustainable Development Goals (SDGs)

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	630	392	75	126	32	5
Yes	2.54%	2.55%	4.00%	1.59%	3.13%	0.00%
No	77.62%	76.02%	80.00%	80.95%	78.13%	80.00%
Uncertain	19.84%	21.43%	16.00%	17.46%	18.75%	20.00%

Figure 7.8-t

Institution a signatory to the UN Principles for Responsible Investment (PRI)

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	633	394	75	127	32	5
Yes	2.84%	3.55%	1.33%	2.36%	0.00%	0.00%
No	78.83%	77.41%	78.67%	81.89%	84.38%	80.00%
Uncertain	18.33%	19.04%	20.00%	15.75%	15.63%	20.00%

Figure 7.9-t

Responsible investing approach can be the source of alpha in investment management

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	614	382	72	123	32	5
Yes	19.38%	18.32%	19.44%	21.95%	15.63%	60.00%
No	12.87%	14.14%	16.67%	8.13%	9.38%	0.00%
Uncertain	67.75%	67.54%	63.89%	69.92%	75.00%	40.00%

Figure 7.10-t
Responsible investing approaches taken

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	166	106	16	27	14	3
Joined ESG Network	16.10%	16.34%	15.38%	12.12%	20.00%	25.00%
Appointed CSO	5.93%	5.23%	19.23%	0.00%	5.00%	0.00%
Proxy Voting Committee	7.63%	10.46%	3.85%	3.03%	0.00%	0.00%
ESG in Investment Policy	56.78%	56.21%	50.00%	66.67%	50.00%	75.00%
Offered ESG	13.56%	11.76%	11.54%	18.18%	25.00%	0.00%

Figure 7.11-t
Responsible investing in investment manager due diligence and evaluation process

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	621	383	76	125	32	5
Yes	39.61%	41.78%	34.21%	36.80%	34.38%	60.00%
No	38.81%	38.90%	38.16%	37.60%	43.75%	40.00%
Uncertain	21.58%	19.32%	27.63%	25.60%	21.88%	0.00%

Figure 7.12-t

Students' interest in responsible investing, change vs. last fiscal year

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	587	362	68	123	30	4
Increased interest	11.23%	10.89%	14.71%	8.13%	21.43%	0.00%
Interest about the same	31.61%	34.08%	38.24%	20.33%	32.14%	50.00%
Decreased interest	1.90%	1.40%	2.94%	3.25%	0.00%	0.00%
No interest	15.54%	15.92%	11.76%	17.89%	10.71%	0.00%
Uncertain	39.72%	37.71%	32.35%	50.41%	35.71%	50.00%

Figure 7.13-t

Alumni's interest in responsible investing, change vs. last fiscal year

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	587	362	68	123	30	4
Increased interest	3.90%	4.30%	4.48%	2.52%	3.70%	0.00%
Interest about the same	30.67%	32.66%	35.82%	21.85%	29.63%	50.00%
Decreased interest	0.71%	0.29%	1.49%	1.68%	0.00%	0.00%
No interest	17.02%	17.19%	16.42%	17.65%	14.81%	0.00%
Uncertain	47.70%	45.56%	41.79%	56.30%	51.85%	50.00%

Figure 7.14-t

Employees' interest in responsible investing, change vs. last fiscal year

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	587	362	68	123	30	4
Increased interest	5.82%	5.71%	6.06%	4.17%	14.29%	0.00%
Interest about the same	31.04%	31.71%	37.88%	24.17%	32.14%	66.67%
Decreased interest	0.35%	0.00%	1.52%	0.83%	0.00%	0.00%
No interest	17.46%	18.29%	16.67%	17.50%	10.71%	0.00%
Uncertain	45.33%	44.29%	37.88%	53.33%	42.86%	33.33%

Figure 7.15-t

Donors' interest in responsible investing, change vs. last fiscal year

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	587	362	68	123	30	4
Increased interest	5.01%	5.57%	4.48%	3.31%	7.14%	0.00%
Interest about the same	30.05%	30.21%	38.81%	23.14%	39.29%	0.00%
Decreased interest	0.36%	0.00%	1.49%	0.83%	0.00%	0.00%
No interest	15.74%	16.42%	14.93%	15.70%	10.71%	0.00%
Uncertain	48.84%	47.80%	40.30%	57.02%	42.86%	100.00%

Figure 7.16-t

Grant makers' interest in responsible investing, change vs. last fiscal year

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	587	362	68	123	30	4
Increased interest	1.82%	1.78%	1.54%	0.85%	7.41%	0.00%
Interest about the same	23.72%	24.33%	35.38%	16.24%	22.22%	0.00%
Decreased interest	0.36%	0.00%	1.54%	0.85%	0.00%	0.00%
No interest	17.52%	18.10%	15.38%	17.95%	14.81%	0.00%
Uncertain	56.57%	55.79%	46.15%	64.10%	55.56%	100.00%

Figure 7.17-t

Others' interest in responsible investing, change vs. last fiscal year

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	587	362	68	123	30	4
Increased interest	7.88%	7.14%	3.57%	8.20%	18.18%	100.00%
Interest about the same	7.05%	8.57%	7.14%	4.92%	0.00%	0.00%
Decreased interest	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
No interest	17.84%	17.14%	17.86%	16.39%	36.36%	0.00%
Uncertain	67.22%	67.14%	71.43%	70.49%	45.45%	0.00%

Figure 7.18-t

Changes to investment policy statement based on third-party input

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	603	372	73	122	31	5
Yes	10.42%	9.94%	9.86%	11.67%	13.79%	0.00%
No	80.56%	82.10%	81.69%	75.00%	79.31%	100.00%
Uncertain	9.03%	7.95%	8.45%	13.33%	6.90%	0.00%

Figure 7.19-t

Changes to portfolio based on third-party input

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	603	372	73	122	31	5
Yes	8.61%	9.60%	2.82%	10.74%	3.33%	0.00%
No	79.35%	79.38%	84.51%	74.38%	83.33%	100.00%
Uncertain	12.05%	11.02%	12.68%	14.88%	13.33%	0.00%

Figure 7.20-t
Used OCIO/consultant to evaluate responsible investing strategy

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	631	389	76	128	33	5
Yes	34.39%	35.48%	36.84%	30.47%	30.30%	40.00%
No	59.11%	57.33%	55.26%	66.41%	60.61%	60.00%
Uncertain	6.50%	7.20%	7.89%	3.13%	9.09%	0.00%

Figure 7.21-t
Changes in next 12 months to responsible investing considerations resulting from the COVID-19 pandemic

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	619	382	76	125	32	4
Yes, we plan to add and/or expand responsible investing approaches within our investment portfolio	4.27%	4.83%	1.32%	4.69%	0.00%	25.00%
Yes, we plan to add and/or expand responsible investing components within our investment policy	2.05%	2.29%	0.00%	2.34%	3.13%	0.00%
No	48.18%	48.85%	51.32%	42.19%	56.25%	50.00%
Uncertain	43.29%	42.24%	44.74%	48.44%	37.50%	0.00%
Other	2.21%	1.78%	2.63%	2.34%	3.13%	25.00%

Figure 8.1-t
Rebalancing frequency and policy

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	673	413	86	133	36	5
Calendar-based	4.46%	4.36%	2.33%	5.26%	2.78%	40.00%
Annually	17.32%	17.93%	16.13%	14.29%	18.75%	25.00%
Semi-annually	9.09%	8.97%	9.68%	8.57%	12.50%	0.00%
Quarterly	53.25%	52.41%	61.29%	57.14%	31.25%	75.00%
Monthly	14.29%	13.79%	9.68%	14.29%	31.25%	0.00%
Other	6.06%	6.90%	3.23%	5.71%	6.25%	0.00%
Market value-based (target and range based)	57.06%	56.42%	52.33%	65.41%	50.00%	20.00%
Both calendar and market value-based	30.31%	30.99%	34.88%	21.05%	44.44%	40.00%
No formal rebalancing practice	8.17%	8.23%	10.47%	8.27%	2.78%	0.00%

Figure 8.2-t
Use of OCIO to run the investment management of institution endowment

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	674	414	86	133	36	5
OCIO						
Number of institutions using an OCIO	277	169	39	54	14	1
Percent of institutions using an OCIO	41.10%	40.82%	45.35%	40.60%	38.89%	20.00%
Number of institutions not using an OCIO	397	245	47	79	22	4
Percent of institutions not using an OCIO	58.90%	59.18%	54.65%	59.40%	61.11%	80.00%

Figure 8.3-t

Institution with no OCIO resources for management of endowment

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Number of institutions not using an OCIO	397	245	47	79	22	4
Internal CIO	37.53%	39.18%	44.68%	27.85%	45.45%	0.00%
Consultant	80.35%	82.04%	78.72%	77.22%	81.82%	50.00%

Figure 8.4-t

Primary responsibility for conducting key activities

	Total institutions	Private College / University Endowment	Public College, University, or System Fund	Institutionally related foundation (IRF)	Combined Endowment / Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	402	250	48	78	22	4
Percent of institutions using an OCIO	41.10%	40.82%	45.35%	40.60%	38.89%	20.00%
Percent of institutions not using an OCIO	58.90%	59.18%	54.65%	59.40%	61.11%	80.00%
Day-to-day investment management						
Internal CIO	50.26%	52.46%	57.45%	37.66%	59.09%	0.00%
Investment committee/board of trustees	17.86%	15.16%	19.15%	24.68%	13.64%	100.00%
Consultant	31.89%	32.38%	23.40%	37.66%	27.27%	0.00%
Asset allocation						
Internal CIO	16.29%	17.34%	14.89%	11.54%	27.27%	0.00%
Investment committee/board of trustees	61.90%	59.68%	65.96%	66.67%	54.55%	100.00%
Consultant	21.80%	22.98%	19.15%	21.79%	18.18%	0.00%
Portfolio rebalancing						
Internal CIO	35.35%	35.51%	42.55%	29.49%	45.45%	0.00%
Investment committee/board of trustees	31.06%	31.02%	25.53%	33.33%	27.27%	75.00%
Consultant	33.59%	33.47%	31.91%	37.18%	27.27%	25.00%
Manager selection and ongoing due diligence						
Internal CIO	27.50%	28.92%	31.91%	21.79%	27.27%	0.00%
Investment committee/board of trustees	39.00%	37.75%	38.30%	38.46%	45.45%	100.00%
Consultant	33.50%	33.33%	29.79%	39.74%	27.27%	0.00%
Investment policy statement development						
Internal CIO	22.44%	23.69%	29.17%	10.26%	40.91%	0.00%
Investment committee/board of trustees	66.33%	64.26%	66.67%	74.36%	54.55%	100.00%
Consultant	11.22%	12.05%	4.17%	15.38%	4.55%	0.00%
Capital markets research/ idea generation						
Internal CIO	25.13%	27.57%	23.40%	19.23%	27.27%	0.00%
Investment committee/board of trustees	11.42%	9.47%	10.64%	16.67%	9.09%	50.00%
Consultant	63.45%	62.96%	65.96%	64.10%	63.64%	50.00%

Figure 8.5-t

Number of separate managers institution currently uses for the management of each category

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	594	373	75	111	30	5
U.S. equities						
Average no of managers	4	4	4	4	6	3
Developed non-U.S. equities						
Average no of managers	3	3	3	3	4	2
Emerging markets						
Average no of managers	2	2	3	2	3	2
Global equities						
Average no of managers	3	3	2	3	2	3
Private venture capital						
Average no of managers	7	7	8	4	10	5
Private equity						
Average no of managers	12	12	14	10	18	6
Marketable alternatives						
Average no of managers	8	8	10	6	10	4
Marketable debt						
Average no of managers	3	3	3	3	4	4
Private debt						
Average no of managers	3	3	4	3	3	1
Cash and equivalents <1 year						
Average no of managers	1	1	2	2	2	1
Marketable real assets						
Average no of managers	2	2	2	1	2	1
Private real estate						
Average no of managers	5	5	7	4	8	2
Private energy and energy infrastructure						
Average no of managers	4	4	6	4	6	1
Other private real assets						
Average no of managers	2	2	2	1	1	0

Figure 8.6-t

Diversity and inclusion policy regarding fund manager selection

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	642	397	78	129	34	4
Yes	5.76%	6.80%	6.41%	3.10%	2.94%	0.00%
No	73.36%	71.79%	79.49%	73.64%	76.47%	75.00%
Uncertain	20.87%	21.41%	14.10%	23.26%	20.59%	25.00%

Figure 8.7-t

Percentage of total endowment funds invested with diverse managers

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	374	231	43	81	16	3
Avg % invested with diverse manager	5.02%	5.50%	3.92%	3.38%	10.45%	0.00%
Median % invested with diverse manager	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Figure 8.8-t
Fee (in dollars) paid to investment managers

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	696	428	93	134	36	5
Investment consultants						
Avg fees	\$287 K	\$295 K	\$269 K	\$245 K	\$413 K	\$105 K
Median fees	\$180 K	\$185 K	\$218 K	\$130 K	\$370 K	\$105 K
Outsourced Chief Investment Officer (OCIO)						
Avg fees	\$632 K	\$636 K	\$521 K	\$474 K	\$1,561 K	N/A
Median fees	\$271 K	\$270 K	\$262 K	\$216 K	\$468 K	N/A
Investment manager(s)						
Avg fees	\$10,368 K	\$15,238 K	\$3,701 K	\$2,047 K	\$4,136 K	\$1,055 K
Median fees	\$565 K	\$563 K	\$478 K	\$544 K	\$3,458 K	\$1,200 K
Custodian(s)						
Avg fees	\$140 K	\$129 K	\$138 K	\$143 K	\$345 K	\$33 K
Median fees	\$65 K	\$58 K	\$110 K	\$47 K	\$141 K	\$33 K
Internal investment team						
Avg fees	\$1,294 K	\$1,476 K	\$1,240 K	\$569 K	\$890 K	\$200 K
Median fees	\$650 K	\$633 K	\$708 K	\$556 K	\$856 K	\$200 K
Other data providers						
Avg fees	\$1,082 K	\$479 K	\$3,931 K	\$374 K	\$181 K	\$184 K
Median fees	\$144 K	\$106 K	\$284 K	\$200 K	\$39 K	\$53 K

Appendix IV

Participating institutions

A

Abilene Christian University, TX
Agnes Scott College, GA
Albright College, PA
Alfred University, NY
Allegheny College, PA
American University, DC
American University in Bulgaria, DC
American University of Beirut, NY
Amherst College, MA
Arcadia University, PA
Arizona State University Foundation, AZ
Arkansas State University Foundation, AR
Art Center College of Design, CA
Asbury Theological Seminary, KY
Asbury University, KY
Ashland University, OH
Auburn University Foundation, AL
Augsburg College, MN
Augustana College, IL
Austin College, TX
Austin Presbyterian Theological Seminary, TX

B

Babson College, MA
Baldwin Wallace University, OH
Barnard College, NY
Barry University, FL
Bates College, ME
Baylor College of Medicine, TX
Baylor University, TX
Bellarmine University, KY
Belmont University, TN
Beloit College, WI
Berea College, KY
Berklee College of Music, MA

Berry College, GA
Bethany Lutheran College, MN
Binghamton University Foundation, NY
Blue Ridge Community College Educational Foundation, VA
Boise State University Foundation, ID
Boston College, Trustees of, MA
Boston University, MA
Bowdoin College, ME
Bowling Green State University Foundation, OH
Bradley University, IL
Brandeis University, MA
Brenau University, GA
Bridgewater College, VA
Brite Divinity School, TX
Broome Community College Foundation, NY
Brown University, RI
Bryant University, RI
Bryn Mawr College, PA
Bucknell University, PA
Buena Vista University, IA
Butler University, IN

C

Cal Poly Pomona Foundation, CA
California Baptist University, CA
California Institute of Technology, CA
California Institute of the Arts, CA
California Lutheran University, CA
California Maritime Academy Foundation, CA
California Polytechnic State University Foundation, CA
California State University Foundation, CA
California State University, Bakersfield Foundation, CA
California State University, Channel Islands Foundation, CA

California State University, Chico Foundation, CA	Clarkson University, NY
California State University, Dominguez Hills Foundation, CA	Clemson University Foundation, SC
California State University, East Bay, CA	Coastal Educational Foundation, SC
California State University, Fresno Foundation, CA	Coker College, SC
California State University, Fullerton Philanthropic Foundation, CA	Colby College, the President and Trustees of, ME
California State University, Long Beach Research Foundation, CA	Colby-Sawyer College, NH
California State University, Los Angeles Foundation, CA	Colgate University, NY
California State University, Monterey Bay, CA	College of Central Florida Foundation, FL
California State University, Northridge Foundation, CA	College of Charleston Foundation, SC
California State University, Sacramento Foundation, CA	College of New Jersey Foundation, NJ
California State University, San Bernardino, CA	College of Saint Benedict, MN
California State University, San Marcos Foundation, CA	College of St. Scholastica, MN
California State University, Stanislaus, CA	College of the Holy Cross, MA
Capital University, OH	College of the Ozarks, MO
Carleton College, MN	Colorado Mesa University Foundation, CO
Carnegie Institution of Washington, DC	Colorado School of Mines Foundation, CO
Carnegie Mellon University, PA	Colorado State University Foundation, CO
Carroll College, MT	Columbia College, MO
Carroll University, WI	Columbia Theological Seminary, GA
Case Western Reserve University, OH	Columbia University, Trustees of, NY
Cedar Crest College, PA	Columbus State University Foundation, GA
Cedarville University, OH	Concordia College, MN
Central College, IA	Concordia Seminary, MO
Central Michigan University, MI	Concordia University – Saint Paul, MN
Central Oregon Community College Foundation, OR	Concordia University of Wisconsin, WI
Centre College of Kentucky, KY	Connecticut College, CT
Chaminade University, HI	Converse College, SC
Chapman University, CA	Cornell College, IA
Chatham University, PA	Cornell University, NY
Claremont Graduate University, CA	Cornerstone University, MI
Claremont McKenna College, CA	Creighton University, NE
Clarion University Foundation, PA	Cuesta College Foundation, CA
Clark College District #14 Foundation, WA	Culver-Stockton College, MO
Clark University, Trustees of, MA	Curry College, MA
Clarke University, IA	

D

Dakota State University Foundation, SD
Dartmouth College, Trustees of, NH
David Lipscomb University, TN
Davidson College, NC
Defiance College, OH
Delaware Valley University, PA
Delta College, MI
Denison University, OH
DePaul University, IL
DePauw University, IN
DeSales University, PA
Dickinson College, PA
Doane University, NE
Drake University, IA
Drexel University, PA
Drury University, MO
Duke University, NC
Duquesne University of the Holy Spirit, PA

E

Earlham College, IN
East Carolina University, NC
East Tennessee State University, TN
Eastern Illinois University Foundation, IL
Eastern Kentucky University Foundation, KY
Eastern Virginia Medical School Foundation, VA
Eastern Washington University Foundation, WA
Elgin Community College Foundation, IL
Elizabethtown College, PA
Elmhurst College, IL
Elon University, NC
Embry Riddle Aeronautical University, FL
Emmanuel College, MA
Emory & Henry College, VA
Emory University, GA
Emporia State University Foundation, KS
Endicott College, MA
Erikson Institute, IL

F

Fairfield University, CT
Fairleigh Dickinson University, NJ
Faulkner University, AL
Fayetteville State University, NC
Ferrum College, VA
Flagler College, FL
Florida A&M University Foundation, FL
Florida Atlantic University Foundation, FL
Florida Institute of Technology, FL
Florida International University Foundation, FL
Florida Southern College, FL
Florida State College at Jacksonville Foundation, FL
Florida State University Foundation, FL
Fordham University, NY
Fort Hays State University Foundation, KS
Foundation for California Community Colleges, CA
Foundation for Indiana University of Pennsylvania, PA
Foundation for the University of the Virgin Islands (FUVI), VI
Franklin & Marshall College, PA
Franklin College, IN
Franklin University, OH
Freed-Hardeman University, TN
Friends University, KS
Furman University, SC

G

Gannon University, PA
Gateway Seminary, CA
George Mason University Foundation, VA
George Washington University, DC
Georgetown University, DC
Georgia Institute of Technology Foundation, GA
Georgia Southern University Foundation, Inc., GA
Georgia Southwestern Foundation, Inc., GA
Georgia State University Foundation, GA
Georgian Court University, NJ
Gettysburg College, PA

Golden Gate University, CA	Illinois Wesleyan University, IL	
Gonzaga University, WA	Indiana Institute of Technology, IN	
Goshen College, IN	Indiana State University Foundation, IN	
Goucher College, MD	Indiana University Foundation, IN	
Graduate Theological Union, CA	Indiana University of Pennsylvania, PA	
Grand View University, IA	Indiana Wesleyan University, IN	
Grinnell College, Trustees of, IA	Institute for Advanced Study, NJ	
Guilford College, NC	Iona College, NY	
Gustavus Adolphus College, MN	Iowa State University Foundation, IA	
H		
Hamilton College, NY	J	
Hamline University, MN	James Madison University Foundation, VA	
Hampden-Sydney College, VA	John Brown University, AR	
Hampton University, VA	Juniata College, PA	
Hanover College, IN	K	
Hardin-Simmons University, TX	Kalamazoo Valley Community College, MI	
Harding University, AR	Kansas State University Foundation, KS	
Harvard University, MA	Kansas University Endowment Association, KS	
Harvey Mudd College, CA	Keck Graduate Institute of Applied Life Sciences, CA	
Haverford College, PA	Kent State University Foundation, OH	
Heidelberg University, OH	Kenyon College, OH	
High Point University, NC	Kutztown University Foundation, PA	
Hillsborough Community College Foundation, FL	L	
Hobart and William Smith Colleges, NY	La Salle University, PA	
Hofstra University, NY	Lafayette College, NY	
Hollins University, VA	LaGrange College, GA	
Holy Names University, CA	Lake Forest College, IL	
Hood College of Frederick Maryland, MD	Lakeland University Foundation, WI	
Hope College, MI	Lamar University, TX	
Houghton College, NY	Lasell College, MA	
Howard Payne University, TX	Lawrence University, WI	
Howard University, DC	Lebanese American University, NY	
Humboldt State University Advancement Foundation, CA	Lebanon Valley College, PA	
Husson University, ME	Lehigh University, PA	
I		
Illinois College, IL	Lesley University, MA	
Illinois State University Foundation, IL	LeTourneau University, TX	

Lewis & Clark College, OR	Michigan State University, MI
Liberty University, VA	Michigan State University Foundation, MI
Linfield College, OR	Michigan Tech Fund, MI
Loma Linda University, CA	Middle Tennessee State University Foundation, TN
Long Island University, NY	Middlebury College, VT
Longwood University Foundation, VA	Midlands Technical College Foundation, SC
Lorain County Community College, OH	Midway University, KY
Louisiana State University System, LA	Midwestern University, IL
Loyola Marymount University, CA	Millikin University, IL
Loyola University Chicago, IL	Mills College, CA
Loyola University Maryland, MD	Minneapolis College of Art and Design, MN
Lubbock Christian University, TX	Minnesota State University Mankato Foundation, MN
Luther College, IA	Misericordia University, PA
Luther Seminary, MN	Mississippi State University Foundation, MS
Lynchburg College, VA	Molloy College, NY
M	
Macalester College, MN	Monmouth University, NJ
Manhattan College, NY	Monroe Community College, NY
Marietta College, OH	Montana State University Foundation, MT
Marquette University, WI	Montana Tech Foundation, MT
Marshall B. Ketchum University, CA	Montclair State University Foundation, NJ
Maryland Institute College of Art, MD	Morehouse College, GA
Maryville University of St. Louis, MO	Morningside College, IA
Marywood University, PA	Mount Aloysius College, PA
Massachusetts College of Liberal Arts, MA	Mount Holyoke College, Trustees of, MA
Massachusetts Institute of Technology, MA	Mount Saint Mary College, NY
McDaniel College, MD	Mount St. Joseph University, OH
McPherson College, KS	Mount St. Mary's College Los Angeles, CA
Meadville Theological School of Lombard College, IL	Muhlenberg College, PA
Medical College of Georgia Foundation, GA	Murray State University Foundation, KY
Medical College of Virginia Foundation, VA	Muskingum University, OH
Medical University of South Carolina Foundation, SC	 N
Meharry Medical College, TN	National Academy of Sciences, VA
Mennonite Education Agency Investment Fund LLC, IN	National Louis University, IL
Mercy College, NY	Nazareth College of Rochester, NY
Meredith College, NC	NC State University Foundation & Associated Entities, NC
Messiah College, PA	New England College, NH
Miami University Foundation, OH	New Jersey Institute of Technology, NJ
	New Mexico State University Foundation, NM

New York Chiropractic College, NY

New York Medical College, NY

New York University, NY

Niagara University, NY

Nichols College, MA

Nobilis Inc., VA

North Carolina A&T University Foundation, NC

North Carolina School of the Arts, NC

North Central College, IL

North Dakota State University Foundation and
Alumni Association, ND

North Iowa Area Community College Foundation, IA

North Park University, IL

Northampton County Area Community College
Foundation, PA

Northeastern University, MA

Northern Arizona University Foundation, AZ

Northern Illinois University Foundation, IL

Northern Kentucky University Foundation, KY

Northwestern University, IL

Northwest College Foundation, WY

Northwood University, MI

O

Oakland University, MI

Oakton Community College Educational
Foundation, IL

Oberlin College, OH

Occidental College, CA

Ohio Dominican University, OH

Ohio Wesleyan University, OH

Oklahoma State Regents for Higher Education, OK

Oklahoma State University Foundation, OK

Old Dominion University Educational Foundation, VA

Olin College of Engineering, MA

Olivet Nazarene University Foundation, IL

Oregon Health and Science University
Foundation, OR

Oregon State University Foundation, OR

Otterbein University, OH

P

Pace University Fund, NY

Pacific University, OR

Peirce College, PA

Pellissippi State Community College Foundation, TN

Pepperdine University, CA

Philadelphia College of Osteopathic Medicine, PA

Pittsburg State University Foundation, KS

Pitzer College, CA

Polytechnic University of Puerto Rico, PR

Pomona College, CA

Pratt Institute, NY

Presbyterian College, SC

Princeton Theological Seminary, NJ

Princeton University, NJ

Purdue University, IN

Q

Queens University of Charlotte, NC

Quinnipiac University, CT

R

Radford University Foundation, VA

Ramapo College, NJ

Randolph-Macon College, VA

Reed College, OR

Reformed Theological Seminary, MS

Regis College, MA

Regis University, CO

Rensselaer Polytechnic Institute, NY

Rhode Island School of Design, RI

Rhodes College, TN

Rice University, TX

Rider University, NJ

Ringling College of Art & Design, FL

Roanoke College, VA

Robert Morris University, PA

Roberts Wesleyan College, NY

Rochester Institute of Technology, NY

Rockhurst University, MO
Rocky Mountain College, MT
Roger Williams University, RI
Rollins College, FL
Roosevelt University, IL
Rose-Hulman Institute of Technology, IN
Rowan University Foundation, NJ
Rush University Medical Center, IL
Rutgers, The State University of New Jersey, NJ

S

Sacred Heart University, CT
Saginaw Valley State University Foundation, MI
Saint Anselm College, NH
Saint Francis University, PA
Saint John's University, MN
Saint Joseph's University, PA
Saint Louis College of Pharmacy, MO
Saint Louis University, MO
Saint Mary's College of California, CA
Saint Michael's College, VT
Salisbury University Foundation, MD
Salus University, PA
Salve Regina University, RI
Sam Houston State University, TX
Samuel Merritt University, CA
San Diego State University Foundation, CA
San Francisco State University Foundation, CA
Santa Clara University, CA
Sarah Lawrence College, NY
Scripps College, CA
Seattle Pacific University, WA
Seton Hall University, NJ
Shenandoah University, VA
Shepherd University Foundation, WV
Simmons College, MA
Sinclair Community College Foundation, OH
Skidmore College, NY
Smith College, MA
Sonoma State University Academic Foundation, CA

South Dakota State University Foundation, SD
Southern Adventist University, TN
Southern Connecticut State University Foundation, CT
Southern Illinois University Edwardsville Foundation, IL
Southern Illinois University Foundation, IL
Southern Methodist University, TX
Southwestern University, TX
Spartanburg Methodist College, SC
Spelman College, GA
Springfield College, MA
St. Ambrose University, IA
St. Bonaventure University, NY
St. Edward's University, TX
St. John's University, NY
St. Mary's College of Maryland Foundation, MD
St. Mary's University, TX
St. Norbert College, WI
St. Olaf College, MN
St. Thomas University, FL
Stanford University, CA
Stetson University, FL
Stevens Institute of Technology, NJ
Stonehill College, MA
Suffolk University, MA
SUNY Albany Foundation, NY
SUNY Buffalo Foundation, NY
SUNY Cortland College Foundation, NY
SUNY Fredonia College Foundation, NY
SUNY Health Science Center at Syracuse, NY
SUNY Oneonta Foundation, NY
SUNY Oswego College Foundation, NY
SUNY Plattsburgh College Foundation, NY
SUNY Potsdam College Foundation, NY
SUNY Stony Brook Foundation, NY
Susquehanna University, PA
Swarthmore College, PA
Syracuse University, NY

T

Taylor University, IN
Teachers College Columbia University, NY
Temple University, PA
Tennessee State University Foundation, TN
Tennessee Technological University Foundation, TN
Texas A&M Foundation, TX
Texas A&M University System, TX
Texas Christian University, TX
Texas Lutheran University, TX
Texas State University-San Marcos, TX
Texas Tech University System, TX
Texas Wesleyan University, TX
Texas Woman's University Foundation, TX
The Bloomsburg University Foundation, PA
The Brookings Institution, DC
The Catholic University of America, DC
The Citadel, SC
The Cleveland Institute of Music, OH
The College of William & Mary and Foundations, VA
The College of Wooster, OH
The Colorado College, CO
The Ferris Foundation, MI
The Foundation for Florida Gateway College, FL
The Johns Hopkins University, MD
The Marshall University Foundation, WV
The Medical College of Wisconsin, WI
The New School, NY
The Ohio State University, OH
The Ohio University Foundation, OH
The Pennsylvania State University, PA
The Principia Corporation, MO
The RAND Corporation, CA
The Rockefeller University, NY
The University of Akron Foundation, OH
The University of Chicago, IL
The University of Connecticut Foundation, CT
The University of Maryland Foundation, MD
The University of Montana Foundation, MT

The University of Tennessee, TN

The University of the Arts, PA

The University of the South, TN

Thomas College, ME

Tower Foundation of San Jose State University, CA

Transylvania University, KY

Tri-County Technical College Foundation, SC

Trinity College, CT

Trinity University, TX

Troy University Foundation, AL

Tufts University, MA

Tulane University, LA

U

UCLA Investment Company, CA

Union College, NY

University of Alabama, the Board of Trustees
of the, AL

University of Alaska Foundation, AK

University of Arizona Foundation, AZ

University of Arkansas Foundation, AR

University of Baltimore Foundation, MD

University of California, Berkeley Foundation, CA

University of California, Davis Foundation, CA

University of California, Irvine Foundation, CA

University of California, San Diego Foundation, CA
University of California, San Francisco
Foundation, CA

University of California, Santa Barbara
Foundation, CA

University of California, the Regents of the, CA

University of Central Arkansas Foundation, AR

University of Central Florida Foundation, FL

University of Chattanooga Foundation, TN

University of Cincinnati, OH

University of Colorado Foundation, CO

University of Dayton, OH

University of Delaware, DE

University of Denver, CO

University of Detroit Mercy, MI

University of Dubuque, IA	University of North Dakota Foundation, ND
University of Evansville, IN	University of North Texas Foundation, TX
University of Florida Foundation Inc., FL	University of Northern Iowa Foundation, IA
University of Georgia Foundation, GA	University of Notre Dame, IN
University of Hartford, CT	University of Oregon Foundation, OR
University of Hawaii Foundation, HI	University of Pennsylvania, Trustees of the, PA
University of Houston System, TX	University of Pittsburgh, PA
University of Idaho Foundation, ID	University of Pittsburgh at Bradford, PA
University of Illinois, IL	University of Puget Sound, WA
University of Illinois Foundation, IL	University of Redlands, CA
University of Indianapolis, IN	University of Rhode Island Foundation, RI
University of Iowa Foundation, IA	University of Richmond, VA
University of Kentucky, KY	University of Rochester, NY
University of La Verne, CA	University of San Diego, CA
University of Louisville Foundation, KY	University of San Francisco, CA
University of Maine Foundation, ME	University of Scranton, PA
University of Mary, ND	University of South Alabama, AL
University of Mary Washington Foundation, VA	University of South Alabama Foundation, AL
University of Massachusetts Foundation, MA	University of South Carolina Educational Foundation, SC
University of Memphis Foundation, TN	University of South Dakota Foundation, SD
University of Miami, FL	University of South Florida Foundation, FL
University of Michigan, MI	University of Southern California, CA
University of Minnesota Foundation, MN	University of Southern Mississippi, MS
University of Mississippi Foundation, MS	University of St. Francis, IL
University of Missouri System, MO	University of Texas System, TX
University of Mount Union, OH	University of the Incarnate Word, TX
University of Nebraska Foundation, NE	University of the Ozarks, AR
University of Nevada Las Vegas Foundation, NV	University of the Pacific, CA
University of Nevada Reno Foundation, NV	University of the Sciences in Philadelphia, PA
University of New England, ME	University of Toledo Foundation, OH
University of New Hampshire Foundation, NH	University of Tulsa, OK
University of New Mexico Foundation, NM	University of Utah, UT
University of New Orleans Foundation, LA	University of Virginia, VA
University of North Carolina at Asheville, NC	University of Washington, WA
University of North Carolina at Chapel Hill, NC	University of West Florida Foundation, FL
University of North Carolina at Charlotte Foundation, NC	University of Wisconsin Foundation, WI
University of North Carolina at Greensboro, NC	University of Wisconsin System, WI
University of North Carolina at Pembroke, NC	University of Wisconsin-Eau Claire Foundation, WI
University of North Carolina at Wilmington, NC	University of Wyoming Foundation, WY

University System of New Hampshire, NH	West Virginia University Foundation, WV
Ursinus College, PA	Western Carolina University, NC
Utah State University, UT	Western Kentucky University Foundation, KY
Utica College, NY	Western Michigan University Foundation, MI
	Western New England University, MA
V	Westminster College, PA
Valencia College Foundation, FL	Westminster College of Salt Lake City, UT
Valparaiso University, IN	Wheaton College, IL
Vanderbilt University, TN	Wheaton College, MA
Vassar College, NY	Whitehead Institute for Biomedical Research, MA
Vaughn College of Aeronautics and Technology, NY	Whitman College, WA
Villanova University, PA	Whittier College, CA
Virginia Commonwealth University Foundation, VA	Whitworth University, WA
Virginia Military Institute Foundation, VA	Wichita State University Foundation, KS
Virginia State University Foundation, VA	Widener University, PA
Virginia Tech Foundation, VA	Willamette University, OR
Viterbo University, WI	William Peace University, NC
	Williams College, MA
W	Wilson College, PA
Wabash College, IN	Winthrop University Foundation, SC
Wagner College, NY	Wisconsin Lutheran College, WI
Wake Forest University, NC	Wofford College, SC
Warner Pacific College, OR	Worcester Polytechnic Institute, MA
Warren Wilson College, NC	Worcester State Foundation, MA
Washburn Endowment Association, KS	Wright State University Foundation, OH
Washington & Jefferson College, PA	
Washington & Lee University, VA	X
Washington College, MD	Xavier University, OH
Washington State University, WA	
Washington University, MO	Y
Wayne State Foundation, MI	Yale University, CT
Webb Institute, NY	Yeshiva University, NY
Weber State University, UT	York College of Pennsylvania, PA
Webster University, MO	Youngstown State University Foundation, OH
Wellesley College, MA	
Wentworth Institute of Technology, MA	
Wesleyan University, CT	
West Chester University Foundation, PA	
West Point Association of Graduates, NY	

Appendix V

Glossary of terms

Calendar-based rebalancing: A process of rebalancing the endowment based on specific calendar dates, e.g., annually, quarterly.

Charitable gift annuities: A contract between the donor and a charity in which the donor transfers assets to the charity. The charity agrees to pay a specified sum of money each year to the donor, usually for life. The payment is a liability to the charity and is not based on the performance of the donated assets. Annuities may be written for one or two lives; payments may be deferred for more than one year after the gift. In some states, charitable gift annuities are regulated by the department of insurance.

Charitable remainder trusts: A tax-exempt irrevocable trust dispersing income to the beneficiaries of the trust for a specified period of time and then donating the remainder of the trust to the designated charity. These types of trusts include charitable remainder unitrusts, charitable remainder annuity trusts, net income trusts and flip unitrusts.

Diverse managers: Include any endowment assets that are invested with firms or companies that are women- or minority-owned. Women- or minority-owned investment management firms include those for which at least 25 percent of ownership is held by individuals who are either women or racial/ethnic minorities. Minority ownership includes individuals who are Latino, Black, Native American, Pacific Islander and Asian American.

Donor-advised funds: A charitable vehicle administered by a public charity created to manage charitable donations. To participate in a donor-advised fund, an individual or organization opens an account in the fund and deposits cash, securities or other assets. The donor surrenders

ownership of the assets but retains the right to advise on how the account is invested and how the assets are distributed to charity.

Effective spending rate: The total endowment spending divided by the endowment's beginning-of-year market value. Spending should include all withdrawals from the endowment, including other recurring and non-recurring withdrawals. Fees and expenses for managing the endowment should not be included.

Endowment funds held in trust by others: Assets not in the possession of or managed by the institution but held and administered for it by an external party, often foundations.

Environmental, social and governance

(ESG) investing: Integrating ESG factors into fundamental investment analysis to the extent that they are material to investment performance. A set of non-financial factors used alongside financial factors when analyzing potential investments (inclusion). Environmental criteria look at how a company addresses climate change through greenhouse gas emissions, waste management, etc. Social criteria examine how a company manages relationships with its employees, customers and the communities in which it operates. Governance addresses a company's board governance and executive pay, among other issues.

Fees in basis points: The fees paid to the manager annually expressed as a percentage of the market value of the assets managed. A basis point is one one-hundredth of a percentage point, or 0.01 percent. Fifty basis points is 0.50%; 500 basis points is 5.00%.

Functional classifications: Factors that are considered in constructing the endowment's strategic asset allocation.

Gifts and additions: All realized contributions to the endowment from donors (individuals, foundations, corporations, etc.), including additions made by the institution. "Individual gifts" refers to gifts from persons, whereas "other gifts" refers to gifts from foundations and corporations.

Impact investing: Involves investing in projects, funds, organizations or companies (both private and public) with the purpose of generating positive social or environmental change along with a financial return, which might be a market return or a below-market return depending on the investor's objectives. Sectors include renewable energy, sustainable agriculture, microfinance and affordable housing, among others.

Investment consultant: Provides investment advice including setting investment objectives, determining spending, establishing the strategic asset allocation and help selecting managers. An investment consultant typically does not have discretion to implement investment decisions but works closely with the board committee charged with overseeing the endowment.

Joint appointments: Refers to institutional staff members who hold appointments at both the institution and the related foundation.

Life income assets: Assets donated to the institution usually on the condition that the institution pays a specified amount of income to the donor or designated individual(s) for their lifetime, after which the institution has complete ownership of the assets.

Liquidity categories: Determines how quickly an investment can be sold and turned into available cash.

Long-term target return (nominal): The expected annual return that the institution has set for its endowment over the long term. Typically, the endowment's long-term target return, asset allocation and spending policy are mutually consistent and support the institution's long-term objectives.

Market value-based rebalancing: A process of rebalancing the endowment based on how the portfolio has strayed from its strategic weights as a result of market movements, gifts and withdrawals.

Net annualized return: Also called *average annual compound return*. Returns for periods longer than one year are typically annualized. An annualized return is the single rate of return that, if compounded over a particular period of time, produces the same result as the variable returns over the same period. Net refers to net of investment management fees and other direct expenses, but before indirect expenses.

Operating budget: An estimate of the total expenditures of the institution or organization over the past fiscal year. Generally, this equates to the uses of funds used for delivering or producing goods and services devoted to meeting the institution's education-related activities, and carrying out other activities that constitute the institution's ongoing major or central operations. It also includes funds devoted to auxiliary or other related activities, and enterprises conducted or operated by the institution or organization.

Outsourced chief investment officer (OCIO): A third party engaged to manage all or a portion of the endowment portfolio. The OCIO's functions typically include developing the asset allocation, selecting and monitoring investment managers, implementing portfolio decisions, risk management, reporting and other areas of portfolio management.

Pooled income funds: A charitable fund that receives irrevocable contributions from one or more donors. Donors own units in the pool, income beneficiary receives dividends and interest income earned based on its share of units. The charity receives and redeems the units at the death of the beneficiary (or the successor beneficiary).

Portfolio rebalancing: The process of bringing a portfolio's asset weights back to their target weights by selling overweight asset(s) and buying underweight asset(s).

Quasi-endowment (board-designated):

Endowment that is composed of unrestricted funds functioning as endowment as a result of a vote of a board of trustees. The board can vote at any time to spend these funds.

Responsible investing: An approach to investing that aims to incorporate components of environmental, social and governance (ESG) factors into investment decisions, but does not require that these methods are adopted in whole.

Risk metrics: Statistical measures of risk that are based on portfolio returns and/or portfolio holdings.

Socially responsible investing (SRI): A portfolio construction process that attempts to avoid investments in certain stocks or industries through negative screening according to defined ethical guidelines. Uses negative investment criteria to screen out companies that do not align with an institution's mission or values. Negative screening might involve avoiding companies that produce or sell addictive substances, e.g., alcohol, tobacco.

Special appropriations: Recurring or nonrecurring withdrawals in addition to the withdrawals according to the institution's spending policy.

Spending policy: The policy or formula that the

endowment uses to determine its annual draw from the endowment.

Strategic asset allocation: The allocation of the endowment assets across asset classes, e.g., domestic equities, international equities, private capital, fixed income.

