NACUBO | TIAA

2021

NACUBO-TIAA Study of Endowments

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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 *2021 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 720 institutions representing $821 billion in endowment assets.

The 2021 Study marks the fourth 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 one of the many ways that NACUBO works to help ensure the success of colleges and universities. Since 1962, NACUBO has been an indispensable source of clear, trusted knowledge for campus leaders—providing a bold voice, collaboration and resources to tackle higher education's evolving challenges.

TIAA was created to provide a secure, dignified retirement for employees of higher education institutions. Now in its second century, TIAA remains committed to helping the five million people and 15,000 institutional clients 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

Thasunda Brown Duckett
President & CEO
TIAA

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Introduction

This year, 720 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 FY2021 Study respondents also participated in the FY2020 Study
- 100% of the respondents in the Over $1 billion cohort also participated in the FY2020 Study
- 98% of the respondents in the $501 million – $1 billion cohort also participated in the FY2020 Study

NACUBO and TIAA have closely reviewed the survey findings for FY2021 (July 1, 2020, to June 30, 2021) 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

Despite the ongoing COVID-19 pandemic, the global economy recovered strongly during the 12 months ending on June 30, 2021 (fiscal year 2021, or FY2021), with substantial GDP growth in the U.S., Europe, and China versus FY2020. Among developed economies, low interest rates and regional progress against the pandemic generally resulted in a much better-than-expected recovery in housing prices, job creation, and consumer spending. Global monetary policy remained extremely accommodative as central banks sought to spur reflation through increased lending and consumption.

Within this environment, U.S. equities, global equities and real assets rose dramatically on the back of phased reopenings, increased consumer demand and rising corporate profits. Near the end of FY2021, the threat of inflation, the potential for a pullback in stimulative monetary and fiscal policy, and moderating economic growth created new sources of uncertainty.

We recap the performance of major asset classes for the full FY2021 and then examine the significant events that drove markets during three distinct phases: initial recovery from the COVID-19 recession (July – October 2020); dramatic uptick in optimism driven by vaccine approval and continued stimulus (November 2020 – March 2021); and slowing growth and rising inflation concerns (April – June 2021).

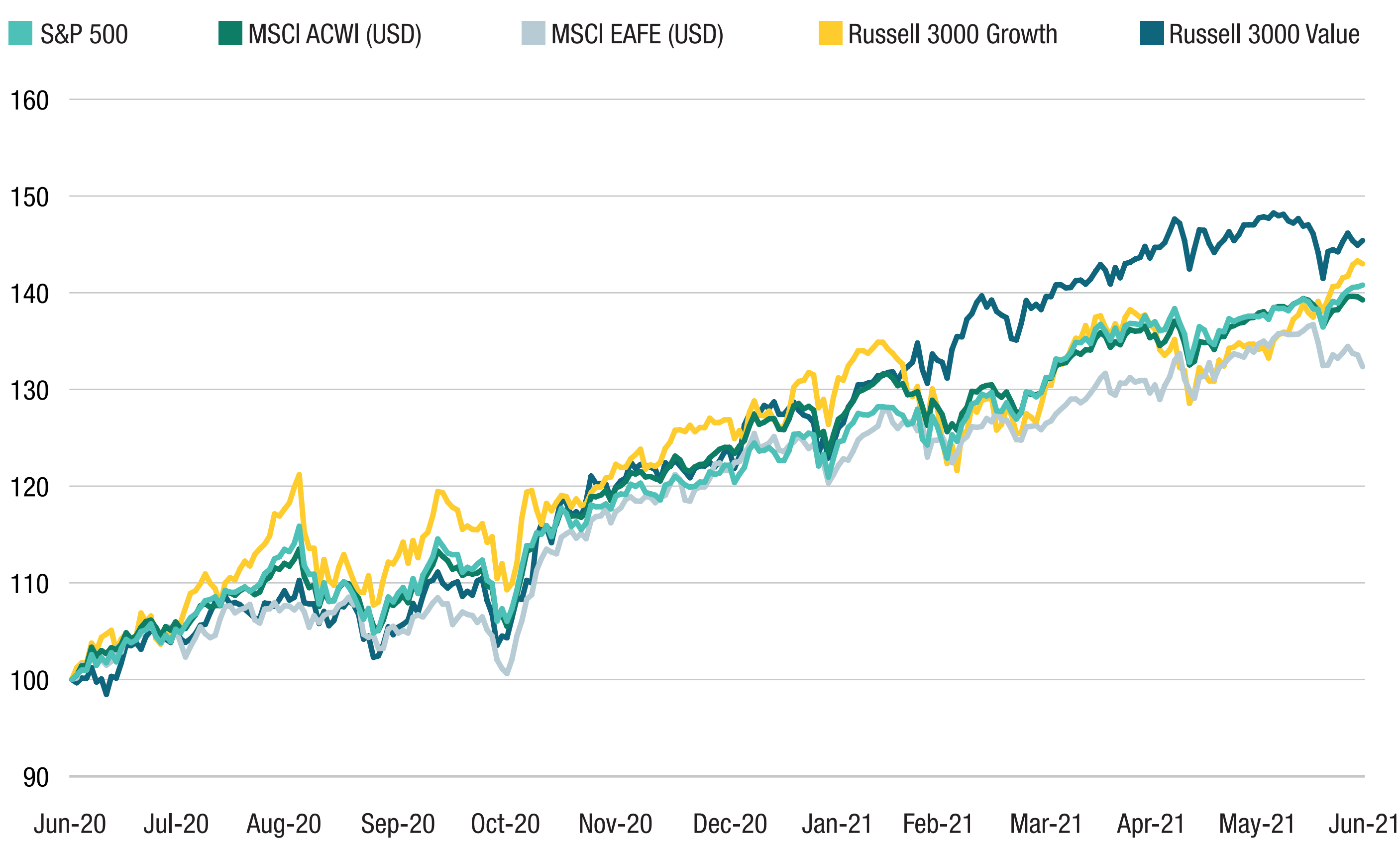
FY2021 asset class performance

Equities

U.S. and global equities produced extraordinary returns during FY2021, with the S&P 500 Total Return Index rising 40.8% and the MSCI All-Country World Total Return Index (ACWI) up 39.3% in U.S. dollars. As economic recovery persisted, U.S. and global equity returns were remarkably consistent throughout the fiscal year. The S&P 500 and the MSCI ACWI experienced only modest pullbacks as accommodative monetary policy, massive fiscal stimulus, phased reopenings and increased consumer demand boosted stocks. Emerging markets returns were broadly in line with U.S. and global equities, with the MSCI Emerging Markets Total Return Index up 40.9% in U.S. dollars.

In the United States, small-cap stocks substantially outperformed all other capitalization sizes as the Russell 2000 Total Return Index gained 62.0% during FY2021. Value stocks slightly outpaced growth stocks, with the Russell 3000 Value Total Return Index rising 45.4%, versus a gain of 43.0% for the Russell 3000 Growth Total Return Index. While total returns for growth and value stocks were fairly similar over the full 12 months, relative momentum between the two styles bounced back and forth quite dramatically, especially in the first three months of calendar 2021.

Equity returns - FY2021



Fixed income

As the global economy continued to recover from the COVID-19 pandemic, investors anticipated substantially higher corporate earnings over the near to medium term, leading to relatively muted interest in risk-free and investment-grade fixed income assets. Investors also began to fear that rising inflation would meaningfully detract from net returns on coupon interest payments, further dampening demand.

Against this backdrop, the Bloomberg Barclays Global Aggregate Total Return Index rose 0.08% in local currencies, while the U.S. Aggregate Bond Total Return Index fell 0.33%. As investors sought higher-risk assets, the 10-year U.S. Treasury yield rose from 0.68% on July 1, 2020 to 1.47% on June 30, 2021, while the 2- to 10-year yield curve steepened by about 70 basis points[1], indicating further economic expansion and investors' mounting concerns that ultra-accommodative monetary and fiscal policy and supply chain disruptions would spur inflation in this expansionary environment.

The Bloomberg Barclays U.S. Municipal Bond Total Return Index finished FY2021 up 4.2%, while the Bloomberg Barclays U.S. Corporate High-Yield Total Return Index gained 15.4% during the period, reflecting investors' continued search for yield in a low-rate environment. High-yield credit spreads narrowed significantly through January 2021 but began to widen in early February as investors grew concerned about slowing economic growth and inflation.

[1] Source: Bloomberg

U.S. 10-year Treasury Note yield

Source: Bloomberg

Real assets

The global economic recovery pushed demand for most real assets up dramatically in FY2021 as surging consumption and low interest rates supported prices for energy, industrial materials and real estate. For example, the price of West Texas Intermediate crude oil, which suffered extreme declines early in the pandemic, was up a staggering 87.1% on the back of increased global demand for transportation and shipping.

Meanwhile, the S&P GSCI Copper Index gained 55.8% as copper prices (a potential leading indicator of industrial production) rose substantially.[2] With the rise in prices for energy and industrial materials, the Bloomberg Commodity Total Return Index was up 45.6%. Bucking the trend in commodities prices, gold fell 0.6% as investors reallocated capital toward higher-risk areas of the market such as equities, real estate and energy.

With interest rates at or near all-time lows in the U.S., investors bought up residential and commercial real estate assets. Housing prices surged in many parts of the United States. Despite fundamental questions about how the future of remote working would affect demand for office buildings and other segments of commercial real estate, the NCREIF Commercial Real Estate Index rose 7.4%.

[2] Source: Bloomberg

Returns by asset class – FY2021

ASSET CLASS	RETURNS: JULY 1, 2020 TO JUNE 30, 2021
EQUITIES	
U.S. large-cap (S&P 500)	40.8%
U.S. small-cap (Russell 2000)	62.0%
Growth (Russell 3000 Growth)	43.0%
Value (Russell 3000 Value)	45.4%
Global (MSCI ACWI USD)	39.3%
International (MSCI EAFE USD)	32.4%
Emerging markets (MSCI EM USD)	40.9%
FIXED INCOME	
Global aggregate (Bloomberg Barclays Global Aggregate – local currency)	0.8%
U.S. aggregate (Bloomberg Barclays U.S. Aggregate Index)	-0.3%
U.S. high-yield (Bloomberg Barclays U.S. Corporate High-Yield Index)	15.4%
U.S. municipal (Bloomberg Barclays U.S. Municipal Bond Index)	4.2%
Emerging markets (Bloomberg Barclays EM USD Aggregate Index)	6.3%
REAL ASSETS	
U.S. commercial real estate (NCREIF Property Index)	7.4%
Commodities (Bloomberg Commodity Index)	45.6%
Oil (WTI Crude Oil, $/barrel)	87.1%
Gold ($/ounce)	-0.6%

Source: Bloomberg

Initial recovery from the COVID-19 recession
(July – October 2020)

In the summer and early fall of 2020, the global economy entered rapid-recovery mode from the early stages of the pandemic. The U.S. labor market improved much faster than expected, with the unemployment rate falling from 11.1% in June to 6.9% in October [3] as consumer and business confidence increased, fueled largely by the success of fiscal and monetary stimulus programs.

U.S., European Union (EU), Japanese and Chinese GDP surged as global consumers benefitted from phased reopenings, increased import/export capacity, and renewed optimism in most parts of the world. Much of this growth, however, occurred in the early summer. By the end of July, the V-shaped portion of the initial economic recovery from the pandemic had run its course, and the pace of recovery slowed appreciably from August through the end of October.

U.S. consumer spending rose dramatically from July through September of 2020, jumping 41.4%[4] versus the previous quarter, as consumers trended back toward more normal consumption patterns. With the increase in consumer spending, U.S. GDP increased by 33.8% from the previous quarter, the highest one-quarter increase ever recorded. (Approximately 70% of U.S. GDP is derived from consumer spending).[5]

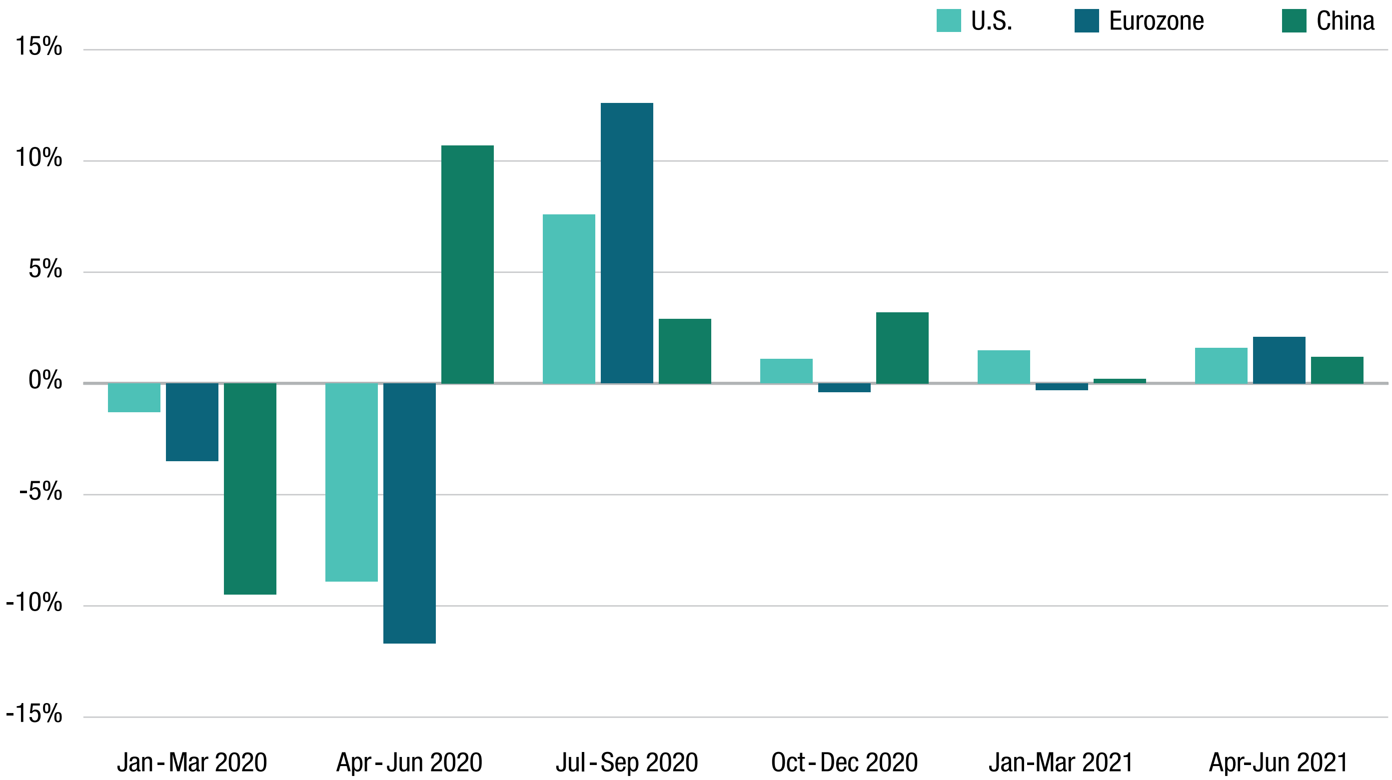
The substantial decrease in unemployment and other positive signs indicated to many investors that the worst economic effects of the pandemic had passed, thereby supporting market demand for risk assets. At the same time, the Federal Reserve (Fed) provided highly accommodative monetary policy by maintaining the federal funds target rate at 0.25% and engaging in asset purchases. Starting in September, however, risk assets lost momentum from the torrid pace they had set from late March through August. The expiration of fiscal stimulus in the U.S. and an increase in political uncertainty leading up to the November U.S. elections likely contributed to the pullback in equity prices.

[3] Source: U.S. Bureau of Economic Analysis

[4] Source: U.S. Bureau of Economic Analysis

[5] Source: U.S. Bureau of Economic Analysis

GDP growth by region: Change from previous quarter



Vaccine approval and U.S. elections
(November 2020 – March 2021)

The last two months of calendar year 2020 and the first few weeks of January 2021 were hugely consequential for the global economic and policy outlook. The approval of multiple COVID-19 vaccines in late 2020 propelled hope that the normalization of global economy activity would accelerate in the first half of 2021. The election of Joe Biden as the 46th president of the United States in early November coupled with the Georgia Senate runoff gave Democrats control of the White House and both houses of Congress, paving the way for additional fiscal stimulus that would be passed in March.

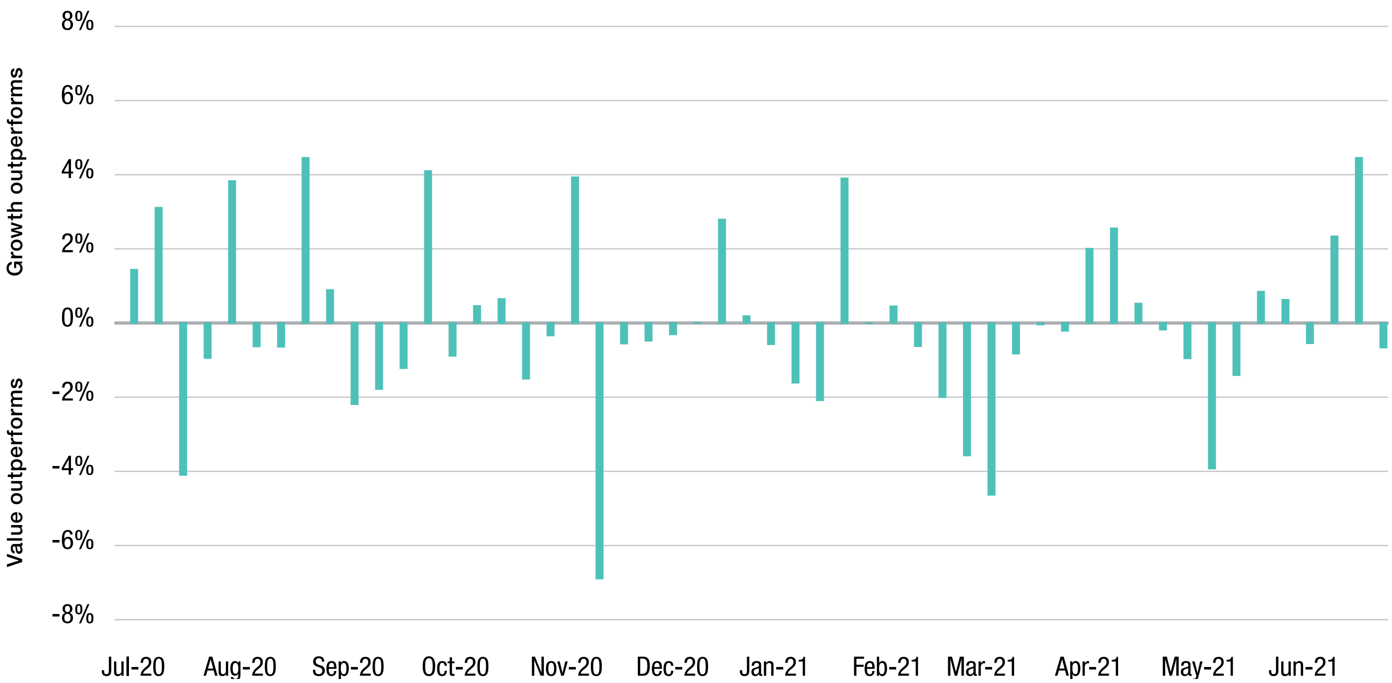
In the meantime, Congress passed additional stimulus in late-December. Investors' growing optimism, which took hold despite renewed COVID-19 outbreaks that caused economic activity to slow in many parts of the world in late-2020, reflected a widespread feeling that a bright light at the end of a very dark tunnel was now visible.

Global equity markets and other risk assets reflected this optimism. Stock prices surged in late-2020, and the rally gained steam in early 2021 as better-than-expected economic data pushed earnings forecasts higher throughout most of Q1 2021. With the global vaccination rollout proceeding faster than many initial expectations and consumer spending and confidence fueled by massive stimulus efforts, the global economy accelerated rapidly in early 2021. Despite an abrupt rise in interest rates—the 10-year U.S. Treasury yield nearly doubled from 0.91% to 1.74% from January 1 through March 31 of 2021—credit markets were mostly calm.

While stimulus efforts added near-term momentum to economic activity and consumer sentiment, they also stoked inflation concerns that would come to fruition over the rest of calendar year 2021. The impact of stimulus during this period was especially pronounced in the United States, which added far more stimulus as a share of its economic output than its developed market peers. Dark clouds on the horizon included slowing economic growth in China and lagging economic activity in continental Europe and the United Kingdom thanks to ongoing lockdowns.

As consumer sentiment improved, and as the Fed continued to provide ultra-accommodative monetary policy, many investors sought to take advantage of the so-called "reflation trade" by deploying capital in cyclical industries such as energy, financials and industrials and asset classes that have historically performed well in the early stages of economic recovery. Meanwhile, rising interest rates served as a headwind to growth stocks. Timing these investments, however, was exceedingly difficult in early 2021. Weekly volatility among growth and value stocks was extremely pronounced as investors tried to determine which style would gain or lose most from ongoing developments in the pandemic and the resulting benefits and costs to specific industry sectors.

Growth vs. value equities: weekly performance gap



Source: Bloomberg

Peaking economic growth and mounting inflation concerns
(April – June 2021)

The spring of 2021 likely represented the high-water mark for global growth in the young economic cycle. Private-sector demand increased rapidly as large portions of the world's largest developed economies—most notably the United States—received COVID-19 vaccinations. Along with unprecedented income support from fiscal stimulus, the economic reopening led to a boom in personal spending that fueled the bulk of GDP expansion from April through June.

With trillions of dollars of stimulus moving through the U.S. and global economies—both of which were increasingly beset by supply chain disruptions and labor force dislocations—global equity market momentum slowed somewhat as investors anticipated that higher inflation might eventually damage corporate profits. The U.S. and EU were broadly unable to import a sufficient level of goods to meet consumer demand, particularly in terms of big-ticket items such as automobiles and electronics, which suffered from a global lack of supply in semiconductors. U.S. inflation, as measured by the one-year increase in the Consumer Price Index, jumped from 1.4% in January to 5.4% in June. The slowdown in the Chinese economy accelerated in June 2021, and the emergence of the Delta variant cast more doubt over the global economic outlook.

U.S. personal spending and PCE inflation

Source: U.S Bureau of Economic Analysis

Despite these mounting concerns, global equity markets posted solid returns as corporate profit growth surpassed expectations. The reflation trade, which propelled cyclically sensitive value stocks and international markets in the first several months of calendar year 2021, took a back seat to the familiar defensive growth trade that dominated most of the post-global financial crisis period.

During this period, it became harder for companies to achieve the kind of stellar quarter-over-quarter profit increases that were common as the economy emerged from the low point of the COVID-19 recession. As equity performance moderated and consumer sentiment fell, investors reallocated capital to safety assets, and the 10-year Treasury yield slipped back below 1.5% as rising risk-free bond prices pushed down yields.

Post-FY2021 Outlook

Looking ahead, investors faced strongly contradictory forces in the U.S. and global economies as of June 30, 2021.

On the downside, ongoing COVID-19 infections (particularly from the Delta variant) cast uncertainty over the pace and shape of the economic recovery, and the positive effects of policy stimulus had begun to fade. Supply chain disruptions, labor shortages, increasing inflation, and deteriorating consumer sentiment threatened to undo some of the economic progress that developed and emerging markets had made since the beginning of the pandemic. In addition, investors faced uncertainty as to how long global central banks—particularly those in the United States and the EU—would be able to maintain the same degree of accommodative monetary policy.

On the upside, monetary policy remained accommodative across most global central banks for the time being. Private sector balance sheets were in very strong shape, while rising asset prices and accumulated savings appeared to incentivize business and consumer spending. At the same time, enterprise investments in technological and physical infrastructure offered some hope that increased productivity would eventually slow the pace of inflation.

Based on this combination of factors, the pace of global economic growth appeared to be past its peak, but growth appeared set to continue at a slower pace. The global economic cycle seemed less synchronized than is typical in the early stages of recovery from a recession, suggesting choppier market returns and a more frustrating environment for cyclical asset classes. After the V-shaped recovery in corporate earnings in FY2021, companies were unlikely to report comparatively impressive gains over the next several quarters. This in turn raised the question of whether high-valuation equity markets would be able to sustain their momentum within an environment of potentially rising rates.

CHAPTER 2

Endowment values and inflows

IN THIS CHAPTER:

- Changes in endowment values
- Gifting trends
- Student-managed investment funds

During FY2021, endowment values benefited from dramatic gains in several asset classes, including publicly traded equities, commodities, and high-yield fixed income, all of which produced outsized returns relative to their historical averages. This overall positive market environment also created a very favorable backdrop for gifting activity. Endowments of all sizes and types benefited from these inflows. Increases in gifting activity relative to FY2020 were especially pronounced among smaller and medium-sized institutions.

Donors' strong support of endowments in FY2021 is encouraging, especially when considering the difficult environment that donors and endowments experienced in FY2020 following the onset of the COVID-19 pandemic. It will be interesting to see how gifting activity changes in next year's survey, as investment performance across asset classes is not expected to be quite as strong in FY2022.

This chapter examines endowments' market values and inflows for FY2021 and offers context for the external forces and considerations that affected them.

Changes in endowment values

As of the end of FY2021, the 720 institutions that responded to the survey reported endowment assets with a total market value of $821.0 billion and an average endowment size of $1.1 billion, both up 35% relative to FY2020. Of the total market value, 84% was held by endowments with more than $1 billion in assets, and slightly more than two-thirds was held by private college and university endowments.

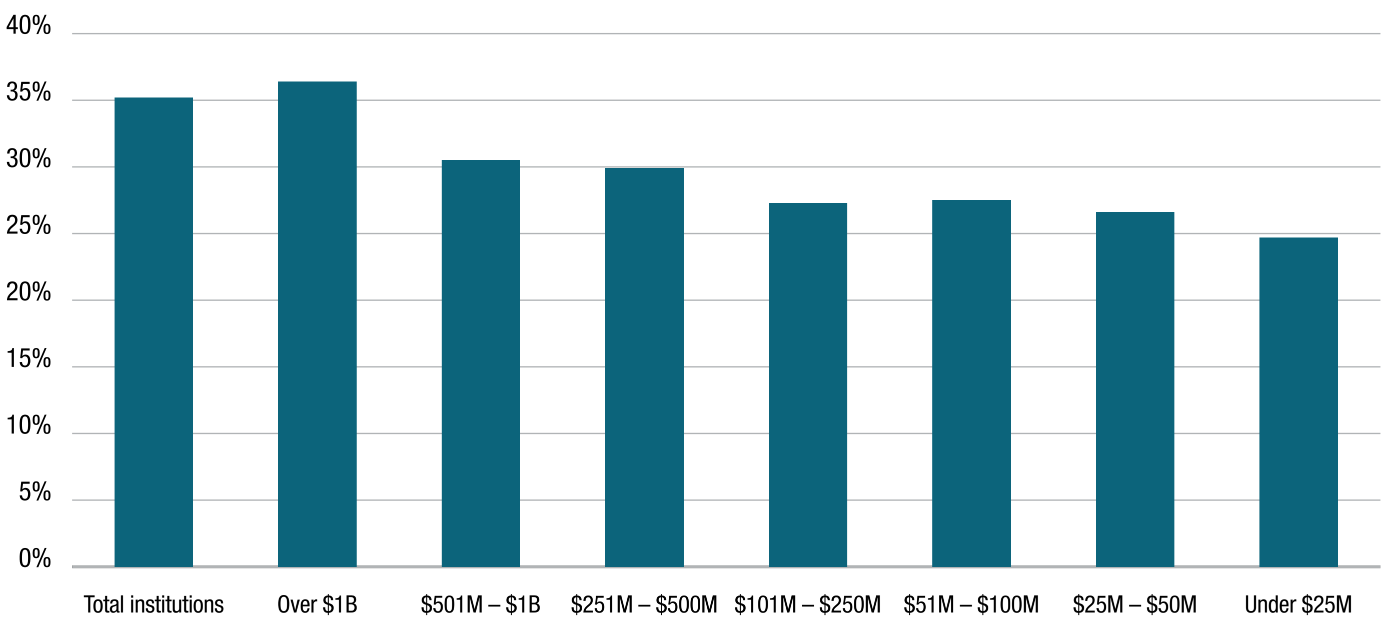
This year's survey shows that outsized gains and increased gifting activity in FY2021 led to a very substantial increase in the market value of endowments of all sizes, from the largest to the smallest institutions.

Market value of endowment assets

($ figures in 000s)

	TOTAL	PRIVATE COLLEGE/ UNIVERSITY ENDOWMENT	PUBLIC COLLEGE, UNIVERSITY, OR SYSTEM FUND	INSTITUTIONALLY-RELATED FOUNDATION (IRF)	COMBINED ENDOWMENT / FOUNDATION	OTHER
Total institutions	**720**	**442**	**95**	**143**	**33**	**7**
Total market value endowment assets 2021	**$820,995,308**	$562,469,435	$172,646,031	$51,243,798	$30,134,761	$4,501,283
Total market value endowment assets 2020	**$607,424,822**	$412,852,423	$129,718,617	$38,698,868	$22,642,757	$3,512,158
Average market value endowment assets 2021	**$1,140,271**	$1,272,555	$1,817,327	$358,348	$913,175	$643,040
Average market value endowment assets 2020	**$843,646**	$934,055	$1,365,459	$270,621	$686,144	$501,737

Increase in market value of endowment assets, FY2021 vs. FY2020



Gifting trends

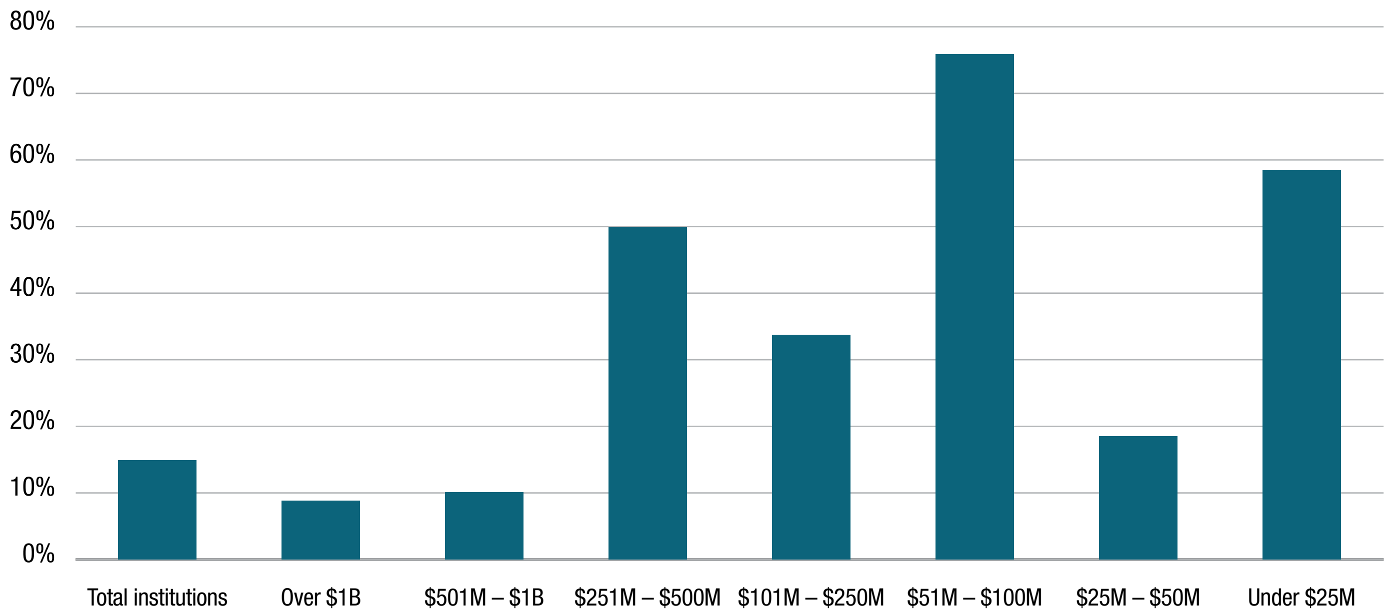
The level of new gifting in FY2021 increased significantly compared to FY2020, rising 15%. Increases in gifting activity in FY2021 vs. FY2020 were particularly strong among small and medium-sized endowments. Research has shown that charitable giving is often higher when market returns are strong.

New gifts to endowments

($ figures in 000s)

	TOTAL INSTITUTIONS	OVER $1B	$501M – $1B	$251M – $500M	$101M – $250M	$51M – $100M	$25M – $50M	UNDER $25M
Total institutions	**720**	**136**	**76**	**105**	**181**	**126**	**67**	**29**
Responded institutions	**690**	**123**	**73**	**101**	**178**	**120**	**67**	**28**
Total 2021 gifts	**$12,007,912**	$8,326,965	$1,170,189	$1,093,714	$918,964	$352,829	$125,182	$20,068
Total 2020 gifts	**$10,449,861**	$7,651,492	$1,062,481	$729,853	$687,102	$200,622	$105,652	$12,659
Average 2021 gifts	**$17,633**	$68,254	$16,030	$10,937	$5,251	$2,990	$1,897	$743
Average 2020 gifts	**$15,167**	$62,207	$14,555	$7,226	$3,860	$1,686	$1,577	$452
Median 2021 gifts	**$4,195**	$42,239	$11,370	$6,899	$2,898	$1,533	$868	$359
Median 2020 gifts	**$3,318**	$30,030	$11,497	$6,509	$2,373	$1,240	$743	$277

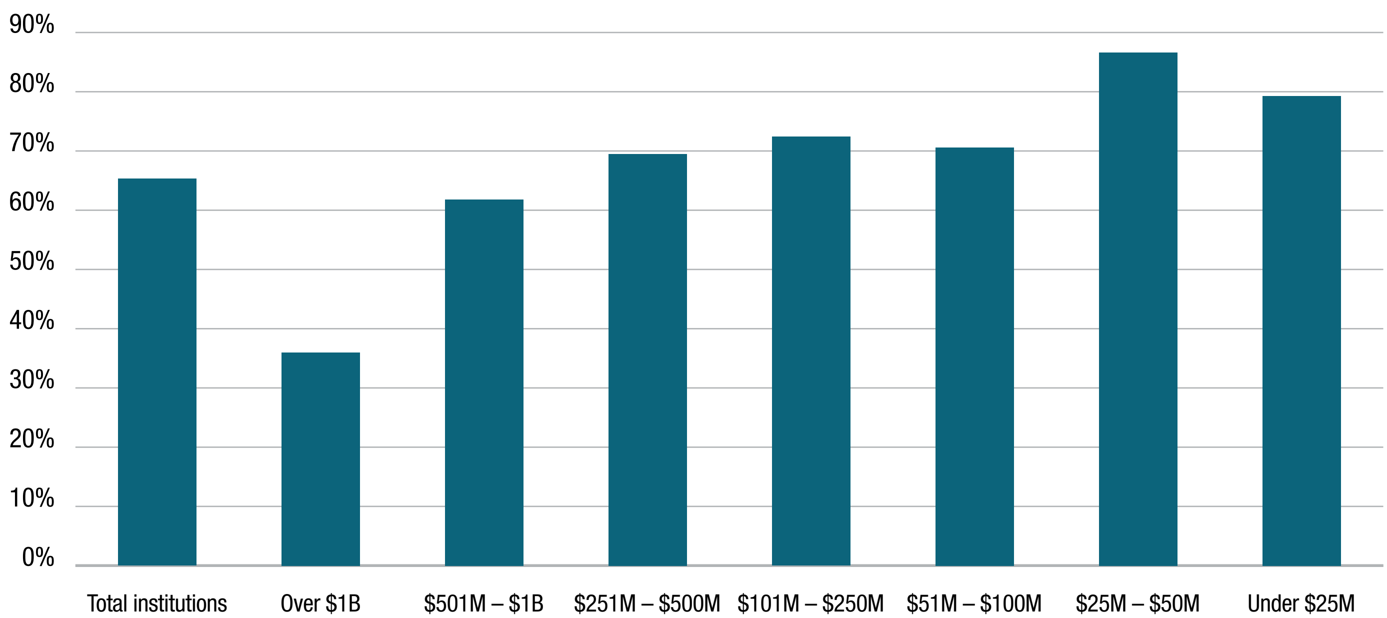
Increase in new gifts to endowments, FY2021 vs. FY2020



Gifts directed toward diversity, equity, and inclusion

For the first time, the 2021 survey asked respondents to indicate what percentage (if any) of the gifts they received had been specifically directed toward diversity, equity, and inclusion (DEI) initiatives. Of the 720 total respondents to the survey, 65% reported at least some level of gifting that was specifically tagged to DEI initiatives. DEI gifting activity was especially common among the smallest endowments, approximately 80% of which reported DEI gifts. In contrast, only 36% of the largest cohort reported such gifts.

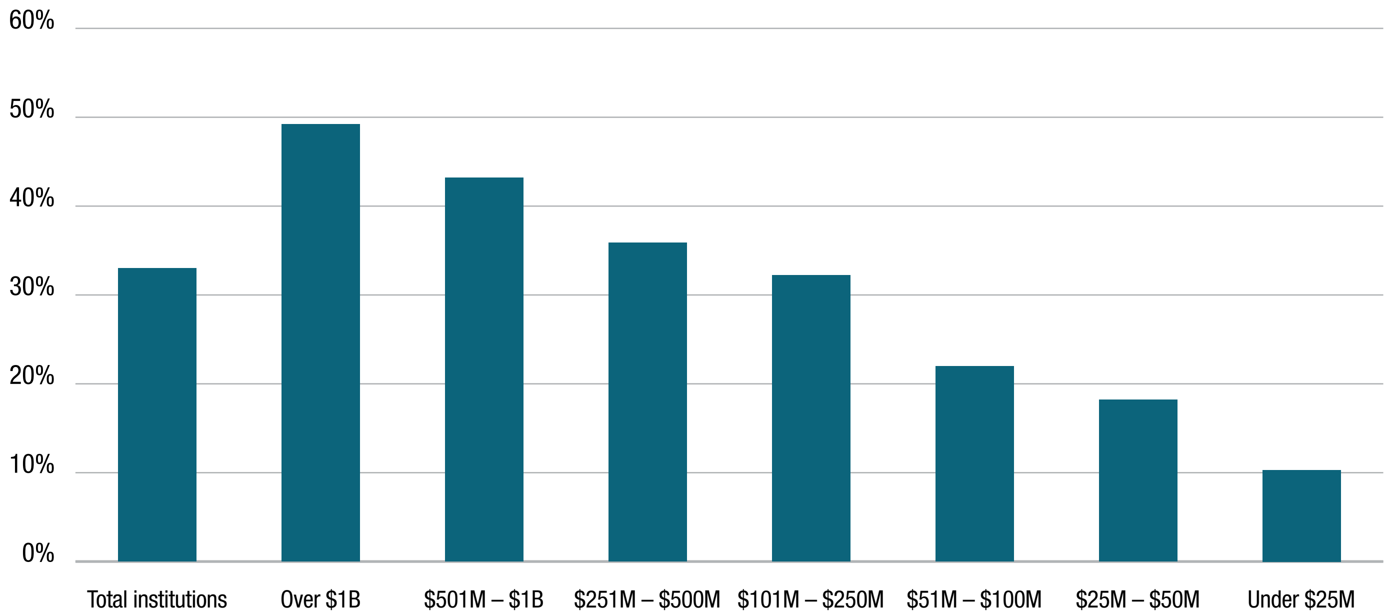
Endowments reporting gifts with a restricted purpose directed to diversity, equity and inclusion



Student-managed endowment funds

Students managed a portion of endowment funds at 33% of responding institutions in FY2021. The largest institutions offered student-managed funds more often than their smaller peers. In FY2021, student-managed funds were more prevalent at public colleges and universities (36%) than private institutions (31%).

Percent of endowments with student-managed funds



The average market value of student-managed funds was $2.3 million. Though small in size, student-managed funds can serve as an important recruiting tool for students interested in finance and investing curricula. In addition, as students become more vocal advocates for responsible investing in the endowment, a student-managed fund can serve as one way to respond to those demands.

Explore the data further

See the full data tables with FY2021 survey results on endowment values and flows:

- Results by **size cohort**
- Results by **type of institution**

CHAPTER 3

Endowment spending

IN THIS CHAPTER:

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

Spending by endowments requires a careful balance of two primary goals: funding operating budgets with steady and predictable distributions and maintaining the real, long-term value of endowment assets. Fortunately, outsized market returns in many asset classes may have made this balancing act easier for endowments in FY2021 relative to prior years. Still, the long-term nature of endowments' investment horizons—and the always-evolving environment for investing and gifting activity—mean that this challenge will continue beyond the current survey year.

The results of our 2021 survey show that endowment spending in FY2021 was largely in line with policy. Nevertheless, the ongoing pandemic and expectations for more modest returns across asset classes suggest that endowments continue to monitor and adjust their return targets so that they can adhere to spending formulas that help them maintain their commitment to intergenerational equity.

Effective spending rates

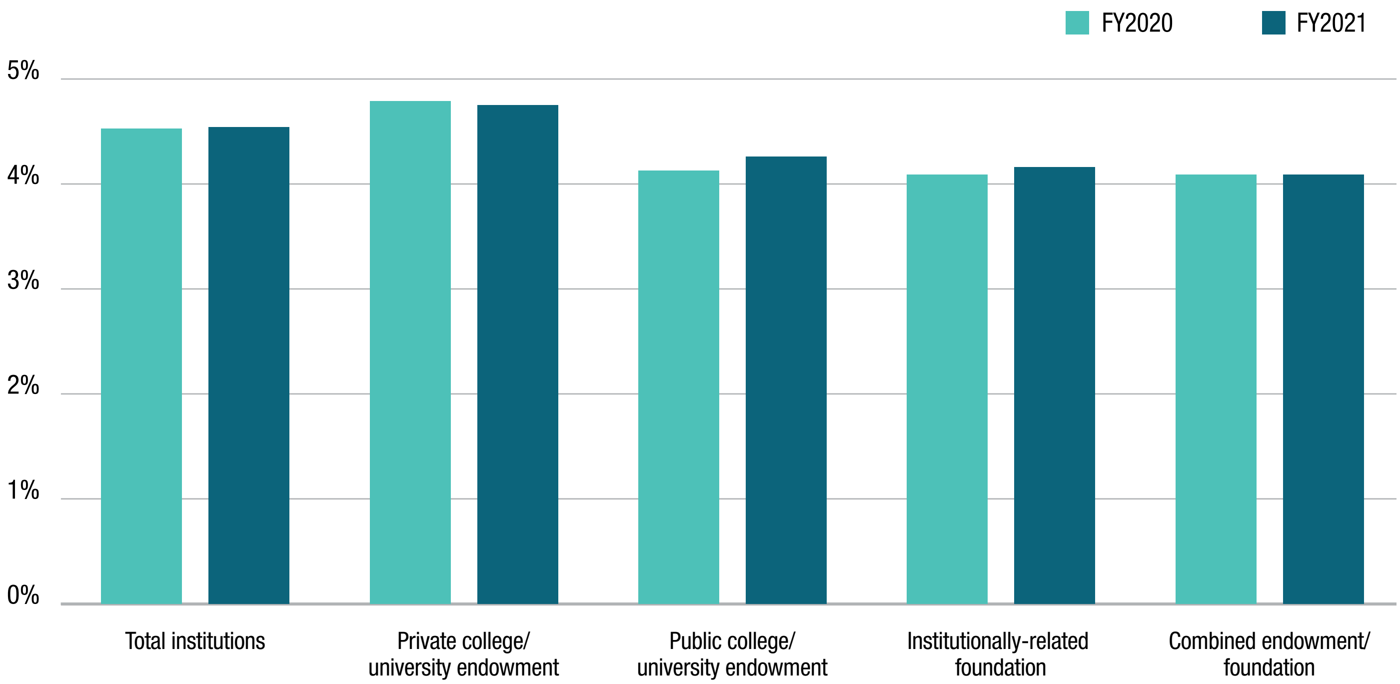
4.54%
Endowments' average effective annual spending rate in FY2021

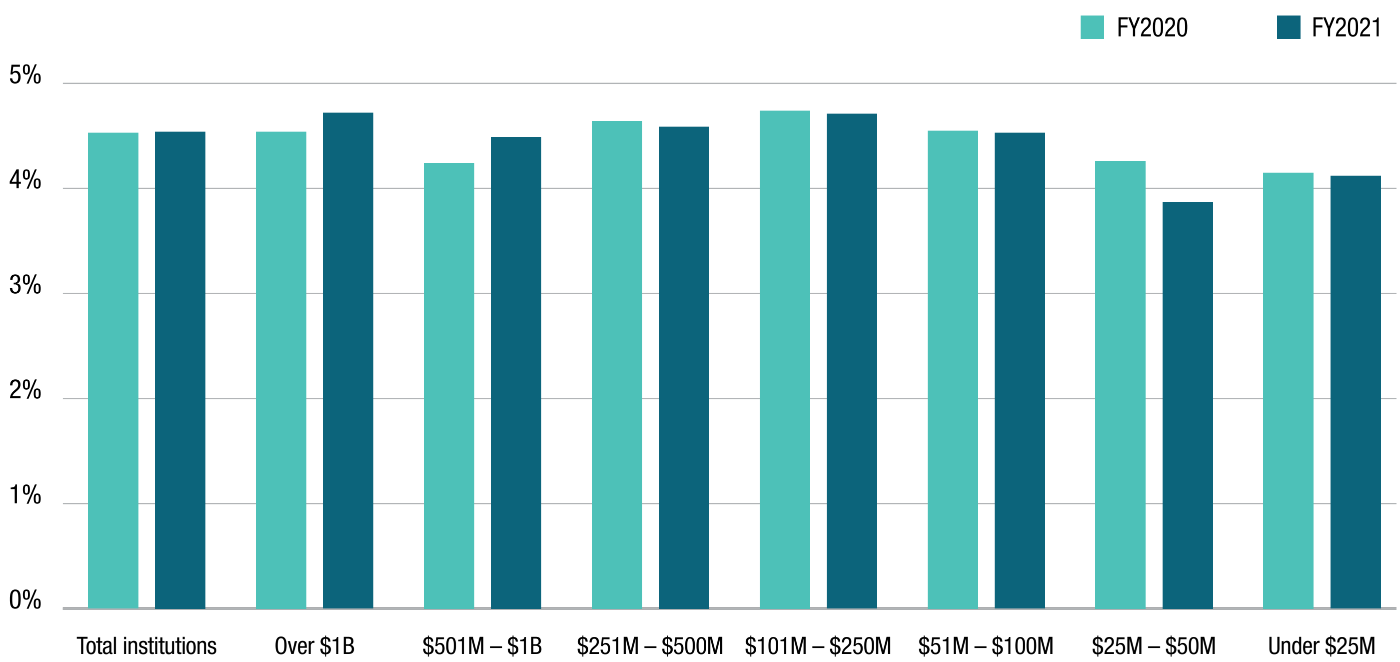
Most institutions seek to earn a net investment return on their endowment that exceeds their spending rate plus inflation and fees over time. It is an endowment's growth in real, inflation-adjusted value that determines how much an institution can increase spending on its academic mission—including hiring faculty members, providing financial aid, and running libraries and other facilities—as well as building intergenerational equity. It is important to recognize that the spending rate is typically set based on spending rules institutions use to balance their current spending needs with their goals for future growth. More information about these spending rules are described later in this chapter.

Endowments generally achieved their goal of earning investment returns that exceeded their spending rates plus inflation in FY2021. The average annual effective spending rate reported by endowments was 4.54% in FY2021, which is consistent with spending rates in FY2020. The average investment return net of fees among endowments in FY2021 was 30.6%, as described in more detail in chapter 4 on investment returns. This return far exceeded the inflation rate of 2.7%, as measured by the Commonfund Higher Education Price Index®.

Spending rates for private college and university endowments (4.75%) were higher than those reported by public colleges and universities (4.26%). Across size cohorts, the largest endowments reported higher effective spending rates in FY2021 compared to FY2020, while smaller endowments tended to decrease their spending in FY2021 versus FY2020.

Average annual effective spending rates





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 12.1% and 11.4%, respectively, easily exceeding average spending rates plus inflation. Endowments appear to be in a strong position in light of these results. The question, however, is how sustainable this recent strength will be.

How are endowments adjusting their forward-looking spending plans in light of these recent results? The vast majority of endowments said they expect to maintain their current spending rates. Meanwhile, more than 10% of endowments are considering decreasing their spending rates in the next 2–3 years.

Endowments considering changing spending rate in next 2–3 years

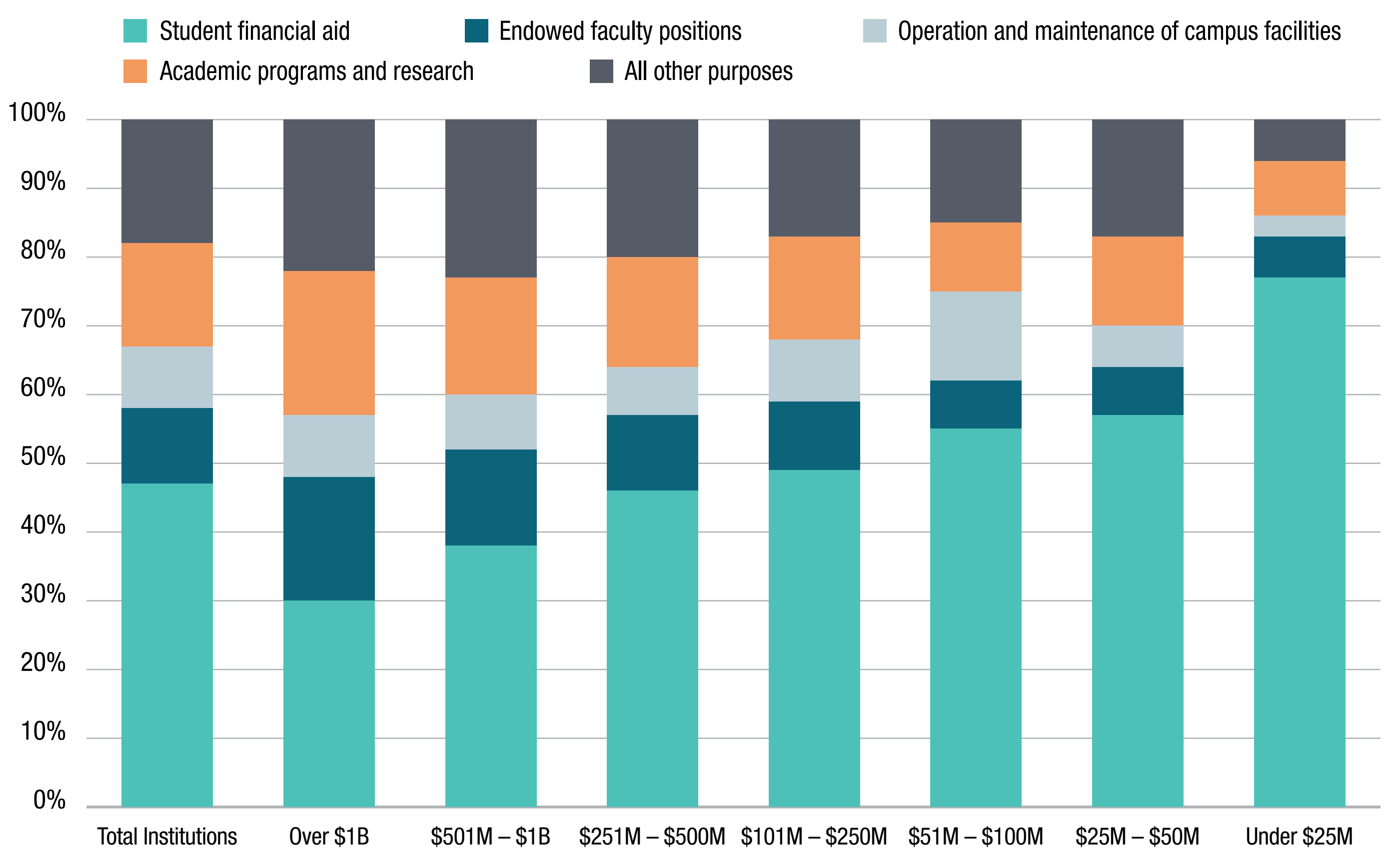
	TOTAL INSTITUTIONS	OVER $1B	$501M – $1B	$251M – $500M	$101M – $250M	$51M – $100M	$25M – $50M	UNDER $25M
Total institutions	**720**	**136**	**76**	**105**	**181**	**126**	**67**	**29**
Responded institutions	**646**	**111**	**69**	**95**	**170**	**110**	**64**	**27**
Increase spending rate	**6.50%**	2.70%	8.70%	4.21%	9.41%	3.64%	10.94%	7.41%
New spending rate increase	**5.07%**	3.67%	4.05%	5.31%	5.25%	5.69%	6.10%	4.25%
Decrease spending rate	**10.99%**	6.31%	14.49%	13.68%	12.94%	14.55%	4.69%	0.00%
New spending rate decrease	**4.73%**	4.45%	4.97%	4.65%	4.93%	4.53%	4.23%	0.00%
Maintain current spending policy	**82.51%**	90.99%	76.81%	82.11%	77.65%	81.82%	84.38%	92.59%

Spending distribution by function

In FY2021, the largest percentage of endowment policy spending went to student financial aid. On average, endowments allotted 46% of their spending to financial aid in FY2021, which was consistent with results in FY2020. Endowments with less than $25 million allocated more than twice the percentage of their spending to financial aid as their largest peers, reflecting the importance of financial aid in recruiting students to small colleges and universities.

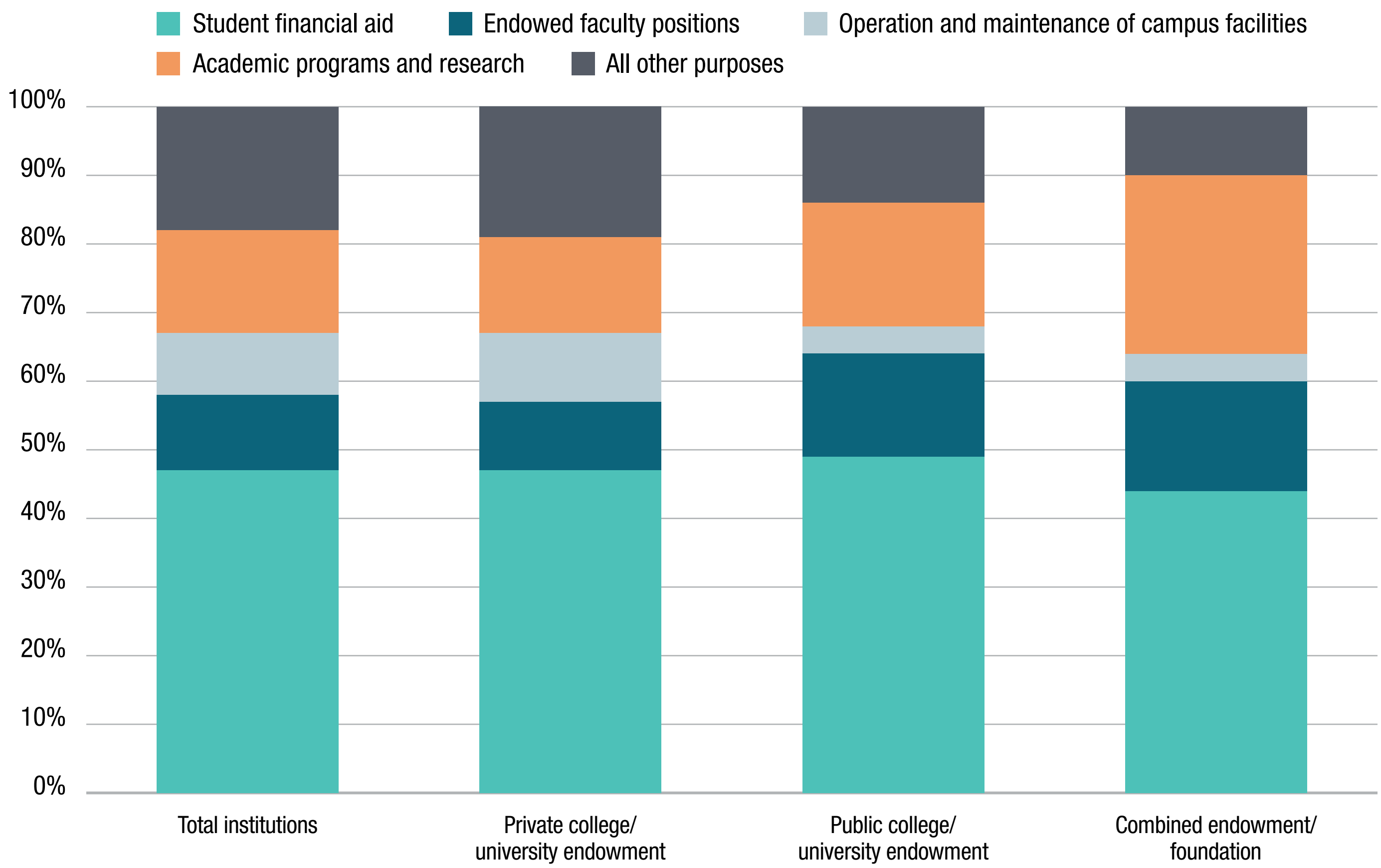
The second-largest spending category, academic programs and research, received an average of 15% of all policy-based spending in FY2021, a marginal decrease relative to FY2020. Larger endowments allocated a much greater percentage to academic programs and research relative to smaller endowments. In keeping with their research-driven academic missions, large endowments also dedicated a greater percentage of their annual spending to endowed faculty positions, with the largest institutions directing two or three times the percentage of small endowments to attracting and retaining top faculty.

Spending policy distributions by function, FY2021



In FY2021, endowments at public institutions allocated more spending to academic programs and research and endowed faculty positions relative to private endowments. Spending toward student financial aid was similar across endowment types.

Spending policy distributions by function, FY2021



Withdrawals

Despite the continued challenges of the COVID-19 pandemic during FY2021, endowments distributed most of their funds in accordance with their spending policies. The combination of policy-based distributions plus fees and administrative expenses accounted for roughly 98% of total spending for endowments larger than $500 million and about 77% for the smallest endowments.

Withdrawals from endowment

($ figures in 000s)

	TOTAL INSTITUTIONS	OVER $1B	$501M – $1B	$251M – $500M	$101M – $250M	$51M – $100M	$25M – $50M	UNDER $25M
Total institutions	**720**	**136**	**76**	**105**	**181**	**126**	**67**	**29**
Responding institutions	**700**	**124**	**75**	**104**	**181**	**123**	**65**	**28**
Distribution according to your spending policy	**$19,919,144**	$15,886,369	$1,603,903	$1,150,681	$921,052	$272,028	$74,921	$10,191
Special appropriations above your spending policy	**$965,695**	$697,722	$52,130	$93,898	$94,341	$19,009	$8,346	$249
Distributions for fees and administrative expenses	**$1,352,430**	$858,921	$191,766	$154,378	$105,365	$31,006	$8,504	$2,491
Total withdrawals for FY2021	**$22,237,269**	$17,443,012	$1,847,799	$1,398,957	$1,120,758	$322,043	$91,771	$12,931
Total withdrawals for FY2020	**$21,924,342**	$17,104,804	$1,850,742	$1,340,465	$1,178,983	$339,749	$93,059	$16,540

Spending in support of operating budgets

More than half of endowments increased support for their institution's operating budget in FY2021. Endowment revenue was likely a larger part of FY2021 operating budgets due in part to the loss of funding from tuition, room and board, and other sources schools suffered due to the lingering effects of the pandemic. The pandemic has continued to force many institutions of higher education to increase spending related to priorities such as remote learning, training faculty and staff, and taking steps to reduce the transmission of COVID-19. In spite of this, one-quarter of this year's survey respondents decreased support for operating budgets during FY2021.

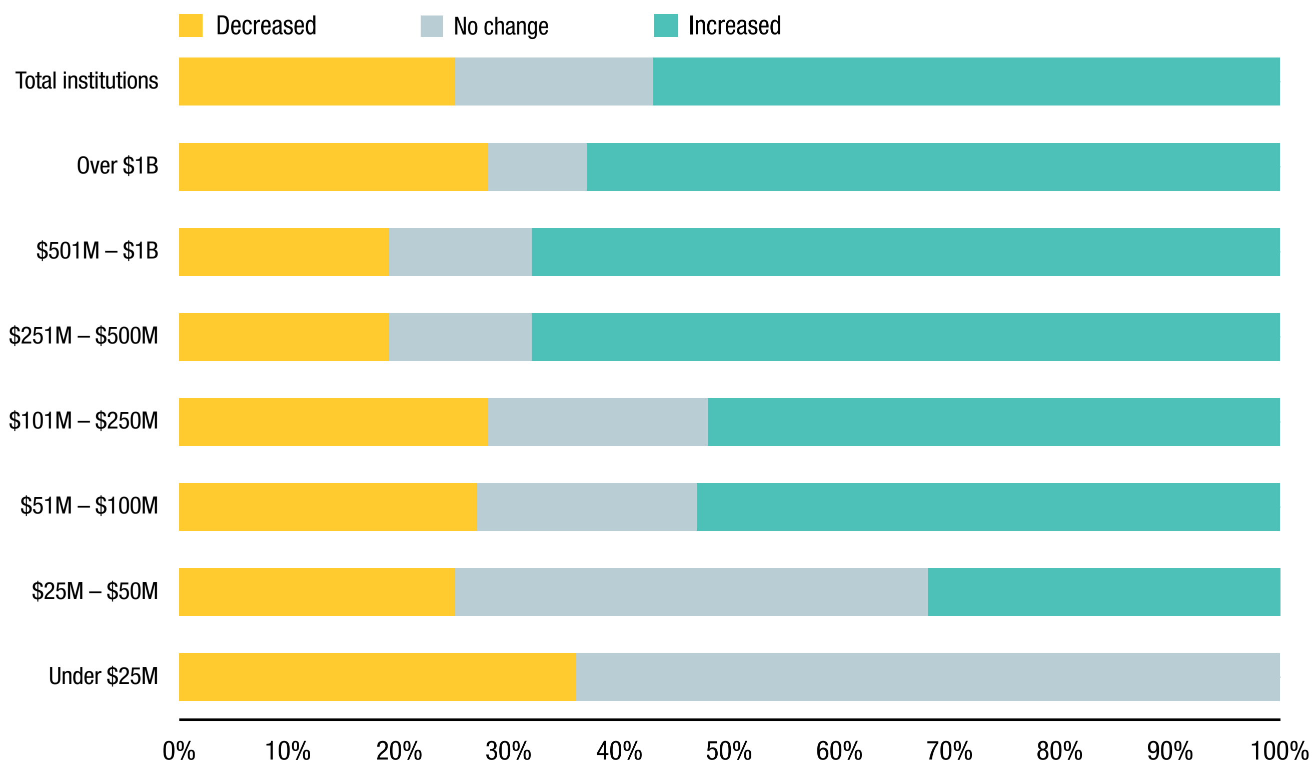
Percentage of operating budget funded by endowment

($ figures in 000s)

	TOTAL INSTITUTIONS	OVER $1B	$501M – $1B	$251M – $500M	$101M – $250M	$51M – $100M	$25M – $50M	UNDER $25M
Total institutions*	**577**	**122**	**65**	**87**	**150**	**93**	**43**	**17**
Responded institutions	**540**	**105**	**64**	**87**	**144**	**89**	**40**	**11**
Average percentage of operating budget funded by endowment	**11.28%**	19.58%	12.05%	12.74%	9.29%	7.53%	3.85%	0.78%
Median percentage of operating budget funded by endowment	**5.12%**	10.20%	6.27%	8.20%	5.40%	3.38%	1.15%	0.00%
Increased	**56.63%**	62.75%	68.75%	68.24%	52.90%	53.41%	32.50%	0.00%
Decreased	**25.19%**	28.43%	18.75%	18.82%	27.54%	27.27%	25.00%	36.36%
No change	**18.18%**	8.82%	12.50%	12.94%	19.57%	19.32%	42.50%	63.64%

* This question does not apply to institutionally-related foundations.

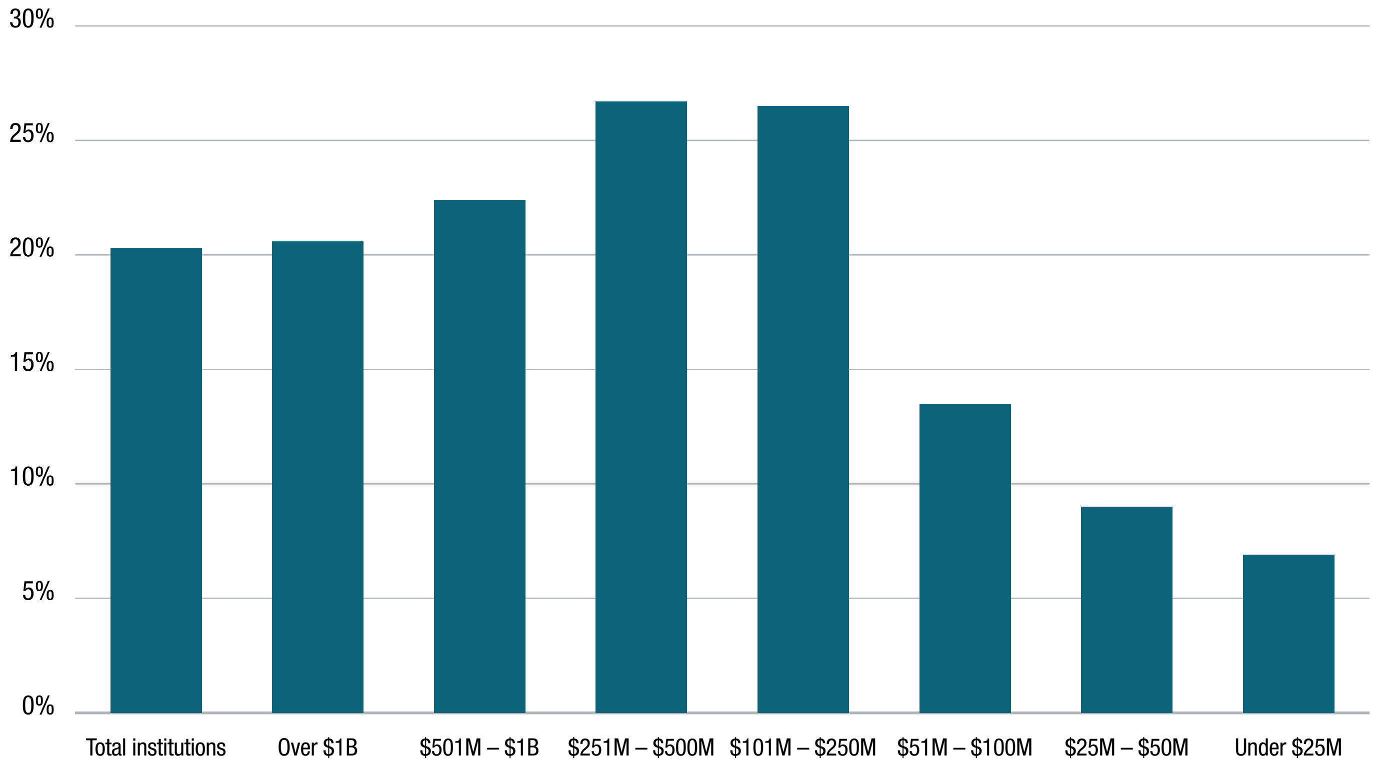
Percentage of operating budget funded by endowment, change from FY2020 to FY2021



Special appropriations

One-fifth of survey respondents made special appropriations in excess of their spending policies in FY2021, a marginal increase relative to FY2020. Across size cohorts, large endowments were more likely to use special appropriations for capital campaign costs, while the smallest endowments were more likely to use special appropriations for financial aid.

Endowments that made special appropriations to spending in FY2021



For the first time, the 2021 survey asked endowments how much of their special apropriations were allocated to supporting diversity, equity, and inclusion (DEI) initiatives. It is worth noting that while larger size cohorts tended to spend more than smaller cohorts in this category, no size cohort directed more than 1.5% of special appropriations toward DEI initiatives.

Categories of special appropriations in FY2021

($ figures in 000s)

	TOTAL INSTITUTIONS	OVER $1B	$501M – $1B	$251M – $500M	$101M – $250M	$51M – $100M	$25M – $50M	UNDER $25M
Total institutions	**720**	**136**	**76**	**105**	**181**	**126**	**67**	**29**
Responded institutions	**146**	**28**	**17**	**28**	**48**	**17**	**6**	**2**
Made special appropriations	**20.28%**	20.59%	22.37%	26.67%	26.52%	13.49%	8.96%	6.90%
Capital campaign costs	**2.08%**	4.41%	3.95%	1.90%	2.21%	0.00%	0.00%	0.00%
Campus or facility improvements	**3.47%**	2.21%	1.32%	2.86%	6.63%	3.17%	2.99%	0.00%
Debt service	**1.81%**	2.94%	1.32%	2.86%	2.21%	0.79%	0.00%	0.00%
Financial aid	**4.03%**	1.47%	5.26%	6.67%	3.87%	3.97%	2.99%	6.90%
In support of the operating budget	**8.61%**	6.62%	9.21%	11.43%	9.94%	8.73%	5.97%	3.45%
New strategic initiatives	**2.78%**	2.21%	0.00%	1.90%	7.18%	0.79%	1.49%	0.00%
Spending to support diversity, equity and inclusion	**0.69%**	1.47%	0.00%	0.95%	1.10%	0.00%	0.00%	0.00%
Other	**5.14%**	8.82%	5.26%	5.71%	6.63%	1.59%	1.49%	0.00%

Endowment spending rules

The vast majority (74%) of endowments used a moving average of the endowment's market value to determine their spending policy for FY2021. Of those that used a moving average, roughly 70% of respondents used a rolling 3-year or 12-quarter average of the endowment's market value to determine the amounts distributed in a given year. The largest endowments were most likely to use a weighted average or hybrid approach, while small endowments were most likely to spend a pre-specified percentage of the beginning year market value.

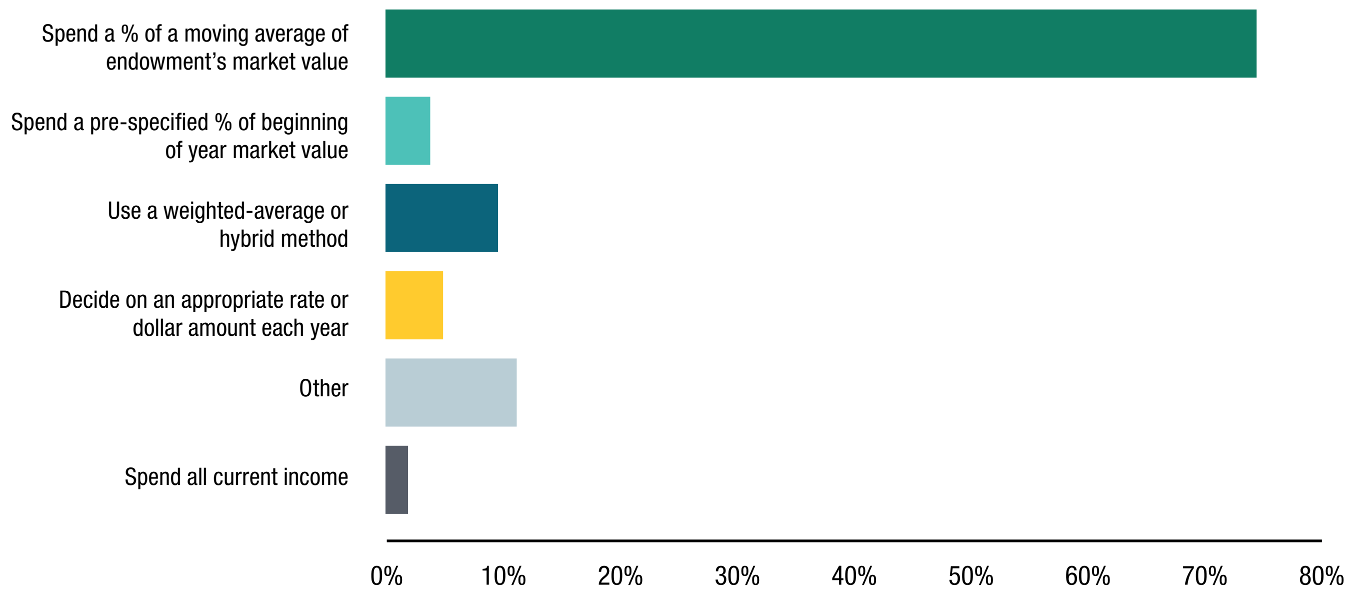
Spending policy for FY2021

(Multiple responses allowed)

	TOTAL INSTITUTIONS	OVER $1B	$501M – $1B	$251M – $500M	$101M – $250M	$51M – $100M	$25M – $50M	UNDER $25M
Total institutions	**720**	**136**	**76**	**105**	**181**	**126**	**67**	**29**
Responded institutions	**695**	**129**	**74**	**104**	**176**	**119**	**66**	**27**
Spend all current income	**1.67%**	1.47%	1.32%	2.86%	2.21%	0.79%	0.00%	3.45%
Spend a percentage of a moving average of the endowment's market value	**74.31%**	53.68%	73.68%	79.05%	80.66%	79.37%	88.06%	62.07%
Average percentage	**5.58%**	7.51%	6.36%	5.73%	4.75%	4.63%	6.24%	4.41%
Spend a pre-specified percentage of the beginning year market value	**3.61%**	2.94%	0.00%	1.90%	4.42%	6.35%	1.49%	10.34%
Average pre-specified percentage spent	**10.56%**	52.00%	0.00%	5.13%	3.30%	4.25%	0.00%	4.67%
Use a weighted-average or hybrid method	**9.44%**	22.06%	19.74%	6.67%	4.97%	3.97%	2.99%	0.00%
Decide on an appropriate rate or dollar amount each year	**4.72%**	0.74%	1.32%	4.76%	7.18%	7.14%	4.48%	6.90%
Other	**11.0%**	20.6%	6.6%	8.6%	8.3%	7.1%	11.9%	17.2%

Spending policy for FY2021, total institutions

(Multiple responses allowed)



Explore the data further

See the full data tables with FY2021 survey results on endowment spending:

- Results by **size cohort**
- Results by **type of institution**

CHAPTER 4

Investment returns

Endowments posted drastically higher investment returns in FY2021 than in FY2020, driven by a sharp rebound in risk assets following disruptions from the onset of the COVID-19 pandemic in March 2020. For the period, nearly every asset class in the endowment investment universe posted a positive return. As a result, all endowment size cohorts saw returns greater than 20% for FY2021, though there was broad dispersion in performance, with particularly striking differences among the largest endowments (those with more than $1 billion in assets) and the smallest (those with assets of $25 million and below).

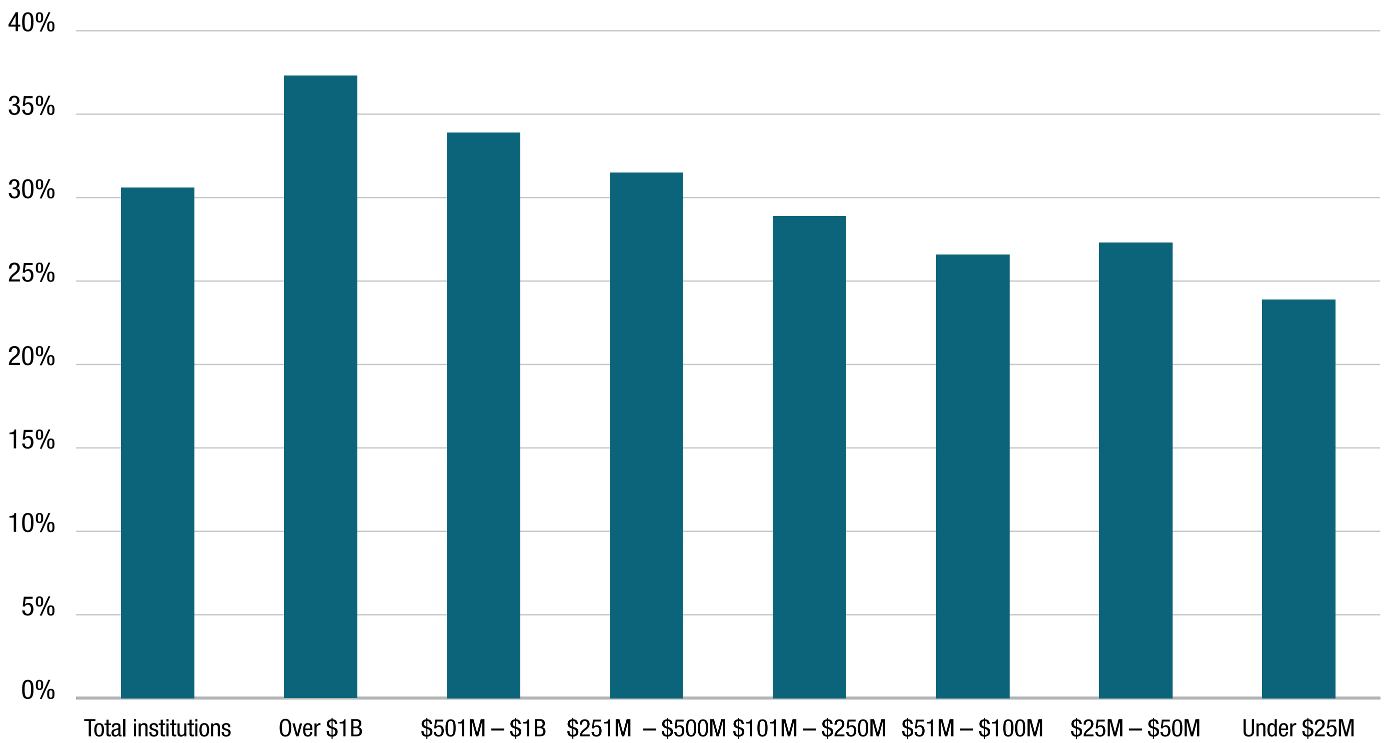
For the 12 months ending June 30, 2021, endowments generated an average return of 30.6% overall (all returns are reported net of fees), up sharply from the 1.8% overall average return in FY2020. This increase reflects the fact that the timing of FY2021 (July 1, 2020 to June 30, 2021) provided a highly supportive environment for risk assets following extreme volatility in the first six months of 2020. Endowments benefited from the broad recovery from the COVID-19 pandemic, though it bears mentioning that the timeframe reflects an idiosyncratic moment and exceptional circumstances.

IN THIS CHAPTER:

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 FY2021, with an average return of 37.3%. The smallest cohort (those with less than $25 million), posted returns of 23.9%. After relatively tight dispersion in FY2020—when the smallest endowments performed closely in line with the largest—in FY2021 the gap between these two cohorts expanded to more than 13 percentage points.

Average one-year returns, FY2021

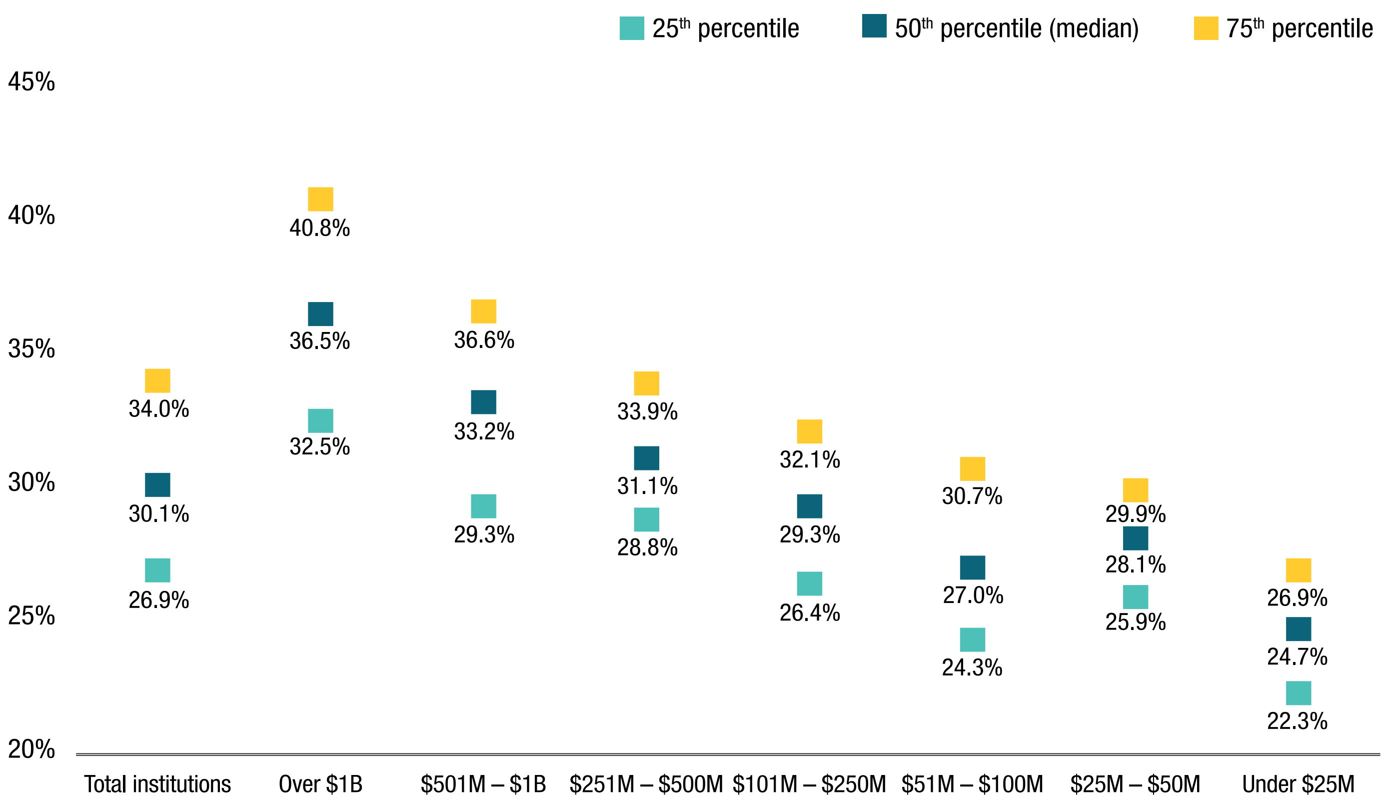


Consistent with recent years' surveys, the outperformance of the largest endowments is largely explained by their substantial exposure to private equity and venture capital. Private equity and venture capital were standout asset classes even in an overall bullish year, and the largest cohort posted high returns from these assets. Likewise, the relative underperformance of the smaller endowments is likely due in part to their lower exposure to private equity and venture capital and substantially higher exposure to traditional bonds.

To understand the breadth of outcomes that endowments experienced in FY2021, 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 dispersion was 7.1 percentage points—more than twice the 3.4% dispersion posted in FY2020, albeit on a base of much larger absolute returns.

This dispersion of returns was widest for the largest cohort (with assets above $1 billion), at 8.3 percentage points. Again, this is likely driven by this cohort's relatively large allocations to private equity and venture capital, as well as real assets; all these private asset classes have wide dispersions of returns in any given year, possibly due to the varying performances of specific managers, resulting from unique portfolio company holdings and differing valuation estimates. Conversely, the cohort of endowments with between $25 million and $50 million in assets had the narrowest interquartile dispersion, at 4.0 percentage points. This likely is caused by the fact this cohort allocated more than 55% of their portfolios to U.S. public equities and investment grade fixed income; these publicly traded asset classes generally have smaller return dispersions and are usually accessed via passive index strategies or active strategies with low tracking error. Chapter 5 will provide a more thorough analysis of endowments' asset allocations in FY2021.

Interquartile dispersion of one-year returns, FY2021



One-year returns by percentile, FY2021

	TOTAL INSTITUTIONS	OVER $1B	$501M – $1B	$251M – $500M	$101M – $250M	$51M – $100M	$25M – $50M	UNDER $25M
Total institutions	**720**	**136**	**76**	**105**	**181**	**126**	**67**	**29**
Deciles								
90th percentile	**39.30%**	47.39%	40.35%	39.34%	34.00%	33.05%	32.92%	28.91%
80th percentile	**35.40%**	42.51%	37.35%	35.08%	32.66%	31.30%	30.31%	27.47%
70th percentile	**33.10%**	39.35%	36.03%	32.98%	31.50%	29.62%	29.18%	26.83%
60th percentile	**31.68%**	38.00%	34.80%	32.24%	30.24%	28.02%	28.51%	25.53%
50th percentile	**30.14%**	36.52%	33.16%	31.10%	29.30%	26.99%	28.10%	24.71%
40th percentile	**28.80%**	34.87%	32.10%	30.06%	28.20%	26.11%	27.47%	23.95%
30th percentile	**27.50%**	33.20%	31.04%	29.20%	27.25%	24.96%	26.35%	22.96%
20th percentile	**26.08%**	31.60%	28.80%	28.36%	26.00%	23.29%	25.20%	22.19%
10th percentile	**23.19%**	29.59%	27.87%	26.19%	22.60%	20.40%	21.52%	15.02%
Quartiles								
75th percentile	**34.03%**	40.78%	36.58%	33.90%	32.07%	30.73%	29.85%	26.89%
50th percentile (median)	**30.14%**	36.52%	33.16%	31.10%	29.30%	26.99%	28.10%	24.71%
25th percentile	**26.90%**	32.46%	29.28%	28.80%	26.42%	24.29%	25.85%	22.31%
Percentiles								
95th percentile	**42.86%**	53.38%	45.73%	41.64%	36.60%	35.31%	33.69%	30.08%
5th percentile	**19.99%**	26.40%	27.08%	23.86%	20.60%	14.21%	18.50%	12.15%

One-year returns by asset class

Returns for public equity markets varied across geographies, though all regions generated positive results across all endowment size cohorts. Overall, with positive returns of 32%, U.S. equities led the way, outpacing the performance of developed non-U.S., emerging markets, and global equities by about 10 percentage points. Similar to FY2020, U.S. equities provided the best returns across all asset classes overall, though this time in a highly supportive “risk-on” environment. U.S. equities had been moderately positive in FY2020 (posting returns of just over 4%) in a very mixed environment for all asset classes, but in FY2021, U.S. equities were the best performers even in a bullish year for essentially all risk assets.

Average return for invested asset classes, FY2021

	TOTAL INSTITUTIONS	OVER $1B	$501M – $1B	$251M – $500M	$101M – $250M	$51M – $100M	$25M – $50M	UNDER $25M
Total institutions	**720**	**136**	**76**	**105**	**181**	**126**	**67**	**29**
Responded institutions	**567**	**99**	**68**	**92**	**146**	**97**	**45**	**20**
U.S. equities	**31.54%**	29.10%	38.01%	36.55%	30.74%	31.84%	26.39%	23.52%
Developed non-U.S. equities	**21.87%**	21.67%	30.24%	26.69%	20.61%	17.78%	18.35%	17.27%
Emerging markets	**21.03%**	25.43%	29.62%	24.62%	18.77%	15.62%	16.45%	13.12%
Global equities	**14.00%**	18.04%	17.78%	17.51%	15.13%	9.19%	6.85%	2.85%
Private venture capital	**22.02%**	49.67%	35.98%	26.50%	14.57%	4.99%	4.53%	0.36%
Private equity	**26.34%**	37.25%	41.77%	43.07%	21.92%	11.83%	11.15%	0.00%
Marketable alternatives	**10.60%**	13.60%	14.62%	13.18%	10.32%	7.71%	5.52%	2.68%
Investment grade active	**1.93%**	0.98%	2.56%	1.80%	1.99%	2.76%	2.01%	1.03%
Investment grade passive	**0.22%**	-0.14%	0.66%	0.16%	-0.01%	0.36%	0.70%	0.61%
Non investment grade	**2.15%**	2.64%	3.12%	1.69%	2.41%	1.87%	0.85%	1.64%
Private debt	**3.75%**	5.27%	9.40%	3.94%	2.98%	1.08%	2.65%	0.00%
Cash and equivalents <1 year	**0.16%**	0.01%	0.04%	0.25%	0.18%	0.20%	0.24%	0.22%
Marketable real assets	**9.48%**	11.45%	14.93%	9.49%	10.56%	5.95%	4.71%	5.46%
Private real estate	**4.43%**	8.92%	5.50%	6.19%	3.06%	2.23%	1.64%	-1.16%
Private energy and energy infrastructure	**5.88%**	14.33%	10.64%	7.25%	3.06%	0.72%	0.44%	1.36%
Other Private real assets	**2.36%**	7.44%	1.71%	1.87%	1.46%	0.62%	0.28%	0.00%
Other	**2.17%**	1.89%	0.27%	3.93%	2.79%	2.35%	0.89%	0.28%

Not surprisingly, returns from private venture capital and private equity varied dramatically across endowment size. The three largest cohorts materially outperformed smaller cohorts in these markets. While there will likely always be dispersion between the largest and smallest cohorts in terms of private equity and venture capital, FY2021 starkly exposed these differences. For example, the two largest cohorts (with assets above $1 billion and between $500 million and $1 billion) generated private venture capital returns of 50% and 36%, respectively, compared with returns of 4.5% and 0.4%, respectively, for the two smallest cohorts (with assets between $25 million and $50 million and less than $25 million).

Other private asset classes also experienced sharp dispersion across endowment cohorts. For instance, the largest cohort (with $1 billion and more in assets) experienced close to 9% returns from its private real estate allocation, while the -1% performance of the smallest endowments (with less than $25 million in assets) was the most negative in the entire investment universe for the year. In contrast to a broad disparity in returns for private assets, endowments of all sizes experienced positive performance from their marketable real assets.

While risk assets thrived in a supportive bullish market, fixed income dramatically lagged in FY2021. In FY2020, investment grade fixed income assets provided a ballast against volatility and helped endowments generate a positive return in extremely uncertain circumstances. In FY2021, however, investment grade fixed income was impaired by the specter of rising interest rates and the prospect of rapidly increasing inflation. In a rising rate environment, it's not a surprise that higher-yielding fixed income assets, including non-investment grade bonds and private debt, outperformed their investment grade counterparts in FY2021.

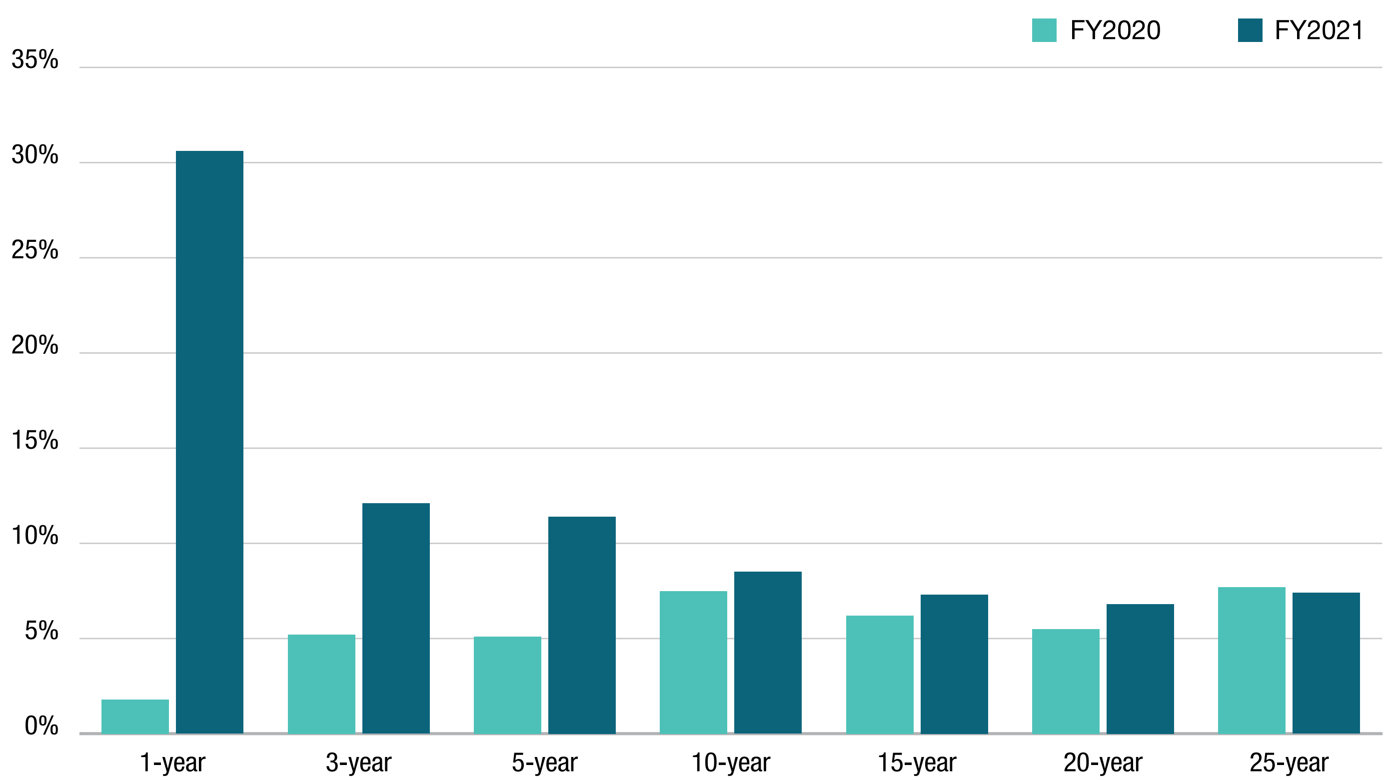
Longer-term return trends

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. From a forward-looking perspective, FY2021's exceptional market performance only reinforces the consensus view that long-term returns will soon begin trending downward—at a time when inflation and endowment spending needs are moving in the opposite direction.

Endowments' robust performance in FY2021 increased the longer-term average returns across most—but not all—time periods. The chart below—comparing net annualized average returns registered in FY2020 and FY2021—shows how one blockbuster year can affect multi-year return averages. The chart also highlights how the impact of one year becomes relatively muted across longer time frames.

In fact, the longest time frame captured by the survey, 25 years, shows a *decrease* for the 25-year annualized average return when compared with FY2020. This is likely due to the impact of another strong period—the booming mid-1990s equity market, driven by Internet and technology companies—falling off the calendar. Years with outsized returns clearly have a long-term impact across time periods, though it's worth noting that even with one extremely strong year, the 15-, 20-, and 25-year averages are all below the historical 7.5% target return level for endowments.

Average annualized returns



Average annualized returns by size, FY2021

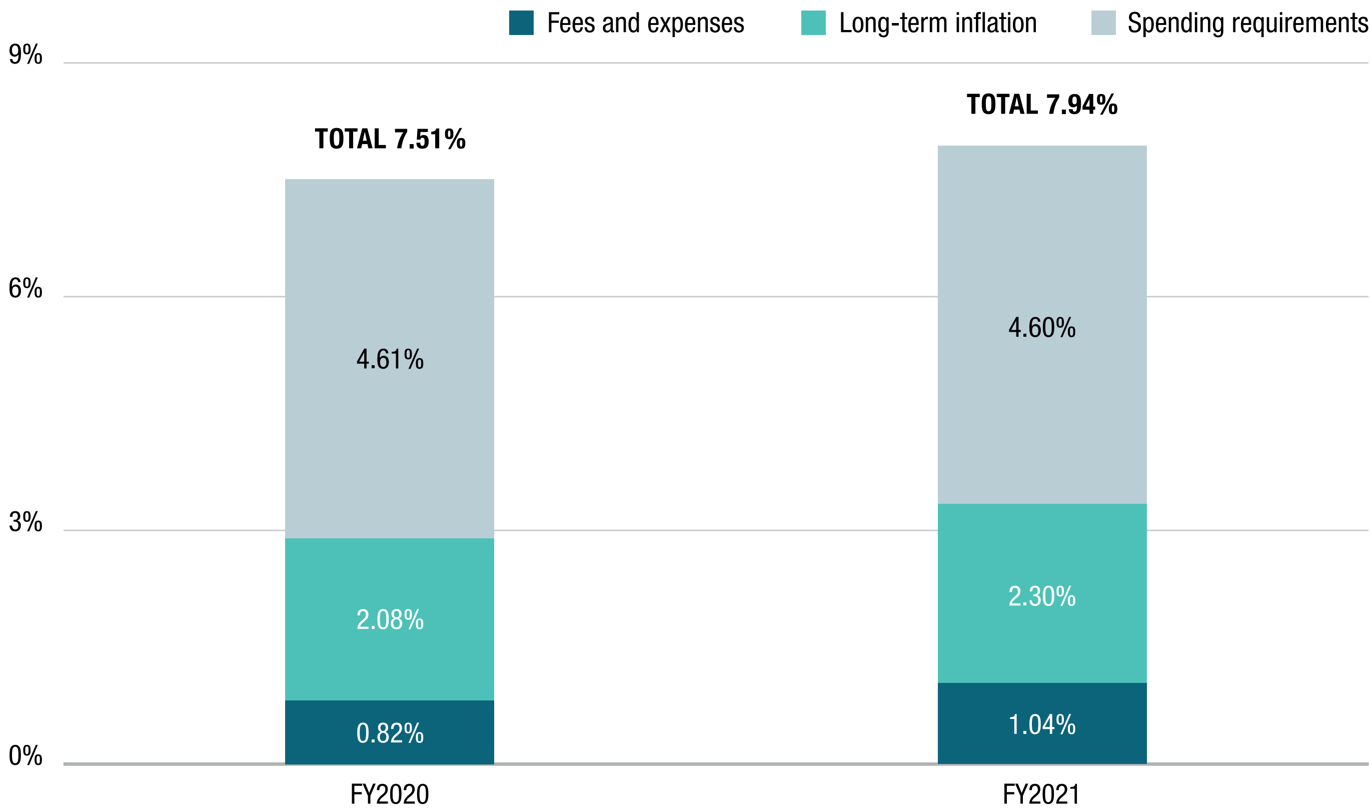
	TOTAL INSTITUTIONS	OVER $1B	$501M – $1B	$251M – $500M	$101M – $250M	$51M – $100M	$25M – $50M	UNDER $25M
Total institutions	**720**	**136**	**76**	**105**	**181**	**126**	**67**	**29**
1-year net annualized return	**30.62%**	37.25%	33.85%	31.45%	28.88%	26.63%	27.27%	23.90%
3-year net annualized return	**12.14%**	14.22%	12.57%	12.17%	11.29%	11.11%	11.71%	10.82%
5-year net annualized return	**11.44%**	13.03%	11.90%	11.53%	10.85%	10.46%	10.91%	10.36%
10-year net annualized return	**8.50%**	9.40%	8.61%	8.31%	7.99%	7.96%	8.95%	8.30%
15-year net annualized return	**7.33%**	8.03%	7.68%	6.99%	6.90%	6.82%	6.76%	7.45%
20-year net annualized return	**6.83%**	8.02%	7.43%	6.55%	6.11%	5.79%	3.61%	3.58%
25-year net annualized return	**7.36%**	9.08%	8.18%	7.20%	5.80%	5.78%	2.31%	4.11%

Target returns

For years, 7.5% has been considered the standard target return for endowments. This target, or "bogey," comprises three primary categories: spending requirements, inflation expectations, and fees and expenses. In FY2020, the total of the primary components of endowments' return targets was 7.51%. In FY2021, that total jumped to 7.94%, driven by large increases in long-term inflation expectations and fees and expenses.

It is worth noting that the average 10-year annualized return as of FY2021 (8.5%) for endowments exceeds the historical 7.5% hurdle rate. While that may seem like good news, the recent increase in the hurdle rate is a concerning development for endowments. In addition, the current 8.5% average 10-year annualized return includes an extended period of bullish equity markets, including FY2021's outsized returns across many asset classes. As endowments take on more risk to hit a rising return target, the dispersion of projected returns will increase as well. This means that attempting to replicate these types of returns over the next decade to hit the return target should be an increasingly daunting proposition.

Average expectations for primary target return components



Part of the increase in the target hurdle rate from FY2020 to FY2021 may be transitory. In FY2021, the outsized returns of private equity and venture capital are the likely culprit in driving up overall fees paid to investment managers (1.04% in FY2021 versus 0.82% in FY2020). The strong performance of private equity and venture capital managers likely triggered substantially higher performance and incentive fees for these managers. The largest endowment cohorts in particular experienced significant gains from their allocations to these assets, so they may view the higher fees as an acceptable tradeoff for access to the strongest managers in asset classes defined by high return dispersions.

While fees may fluctuate and decline over time, the second target return component—inflation expectations—is likely to be a long-term concern. The potential risks of inflation, and the Fed's potential response to spiraling costs for goods and services by raising interest rates, began dominating headlines in summer of 2021. As a result, endowments' long-term inflation expectations rose by 22 basis points in FY2021, a substantive increase that will likely have a long-lasting impact for many years to come. This increase is particularly noteworthy when considering that endowments and their consultants typically make gradual changes to these types of long-term assumptions.

While shorter-term causes of inflation, such as supply-chain constraints and pent-up demand following the COVID-19 pandemic, should ease over time, endowments appear to foresee inflation as a longer-term issue. Of note, the projected increase doesn't just affect planning for the next 12 months; the increase resets the calculation for endowments' target returns going forward. The threat of higher inflation shows that even as FY2021 provided exceptional investment returns, endowments' challenges in hitting their hurdle rates only became more daunting as a result of an outlier year.

It remains to be seen how endowments will (or will not) shift their allocations to meet the challenges of a higher-inflation world, but after many years in which there was talk of risks surrounding deflation, the specter of significantly higher inflation will likely be part of many asset allocation conversations.

Explore the data further

See the full data tables with FY2021 survey results on investment returns:

- Results by **size cohort**
- Results by **type of institution**

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.

Generally speaking, endowments' asset allocations as of June 30, 2021 (the end of FY2021) changed only slightly from the previous year. The relative consistency of asset allocations from one year to the next reflects endowments' focus on hitting their long-term targets rather than trying to make significant tactical portfolio shifts to capitalize on near-term opportunities. This long-term focus is appropriate given endowments' mandate to support institutions in perpetuity.

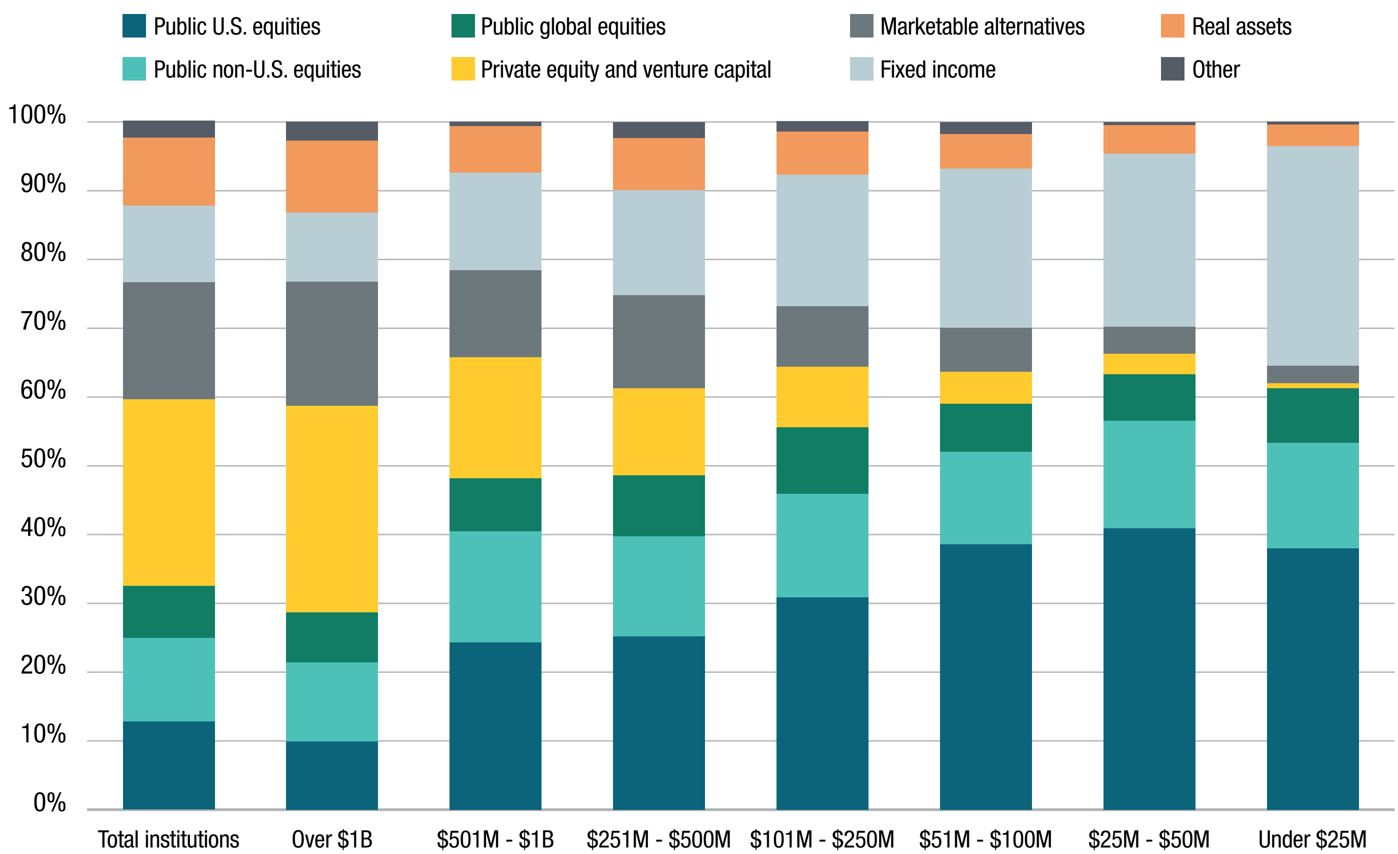
Across all participating endowments, portfolio allocations as of June 30, 2021 were 32% in public equities (U.S., non-U.S., and global), 27% in a mix of private equity and venture capital, 17% in marketable alternatives, 11% in fixed income, 10% in real assets, and less than 3% in other assets. Larger endowments typically exhibited less reliance on fixed income and domestic public equities, while showing far greater utilization of private equity and venture capital, as well as higher allocations to real assets and marketable alternatives.

Note: All data and charts in this chapter represent dollar-weighted averages, as opposed to equal-weighted averages.

IN THIS CHAPTER:

- Equities
- Marketable alternatives
- Fixed income
- Real assets
- Allocation by endowment type
- Active vs. passive strategies

Asset allocations for endowment cohorts, FY2021



Interpreting asset allocation changes after a year of outsized returns

The degree to which endowments' asset allocations changed from FY2020 to FY2021 likely reflects some combination of strategic decisions to shift allocations in light of new market developments, as well as "drifting" that results from the varying performance of specific asset classes. In a year of outsized returns for "risk-on" assets, such as FY2021, this drifting dynamic can be quite powerful. (See Chapter 6 for a deeper discussion on portfolio rebalancing.)

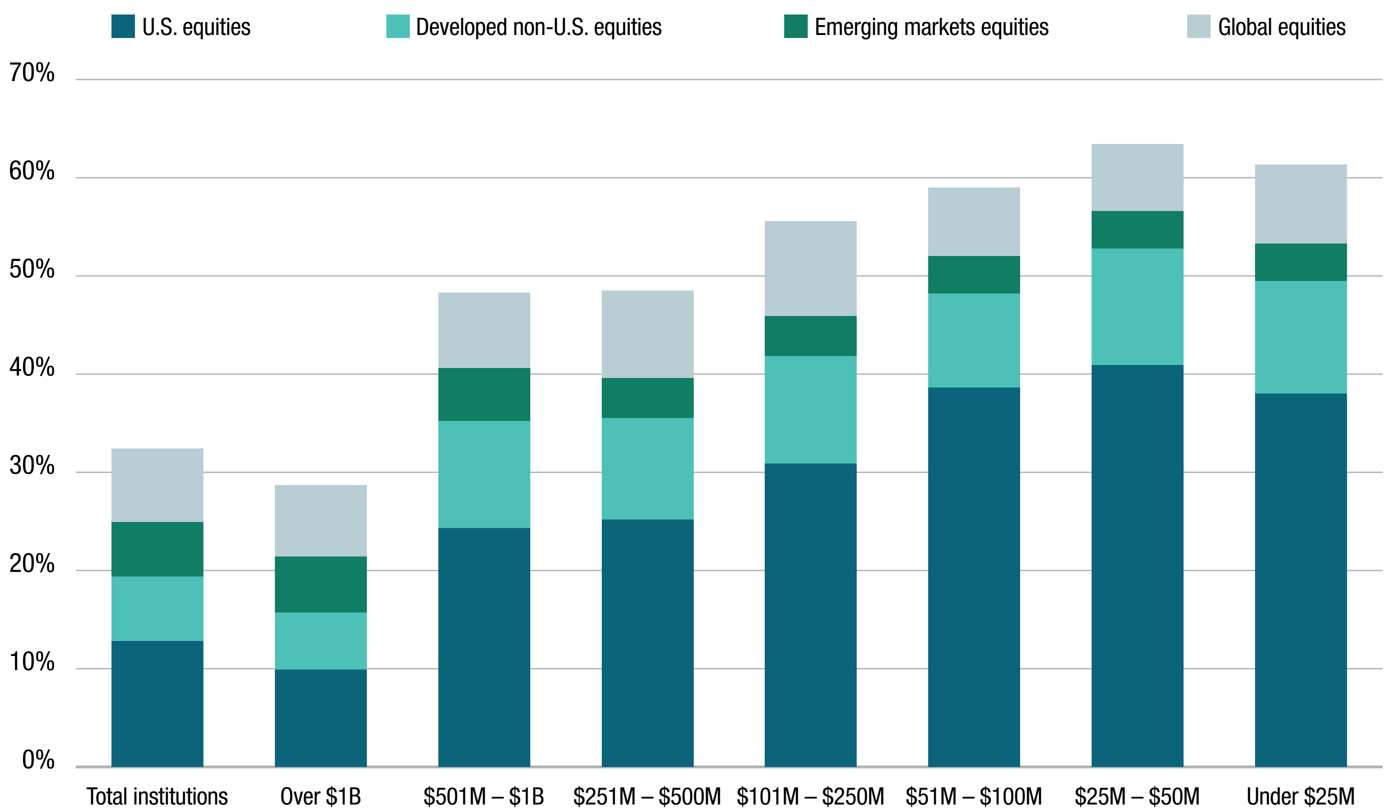
It's important to note that many endowments rebalance their portfolios after the close of their fiscal years, and these survey results reflect endowments' allocations as of June 30, 2021. Given that the prospect of rising interest rates and surging inflation were becoming more prominent around that time and in the ensuing months, it is likely that endowments will consider asset allocation adjustments against a backdrop of tightening monetary policy in the United States and other key markets.

Equities

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 FY2021 was 32%, down slightly from 33% in FY2020.

Larger endowments, compared with their smaller counterparts, have considerably less exposure to U.S public equities and much higher allocations to private equity and venture capital. Larger endowments have the desire and capacity to invest in private asset classes, which offer greater return potential, along with significantly less liquidity. 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, as well as a potential home-country bias. These allocations also reflect the fact that in many cases, smaller endowments may lack the ability to access private asset classes and thus look to public markets as primary drivers of returns.

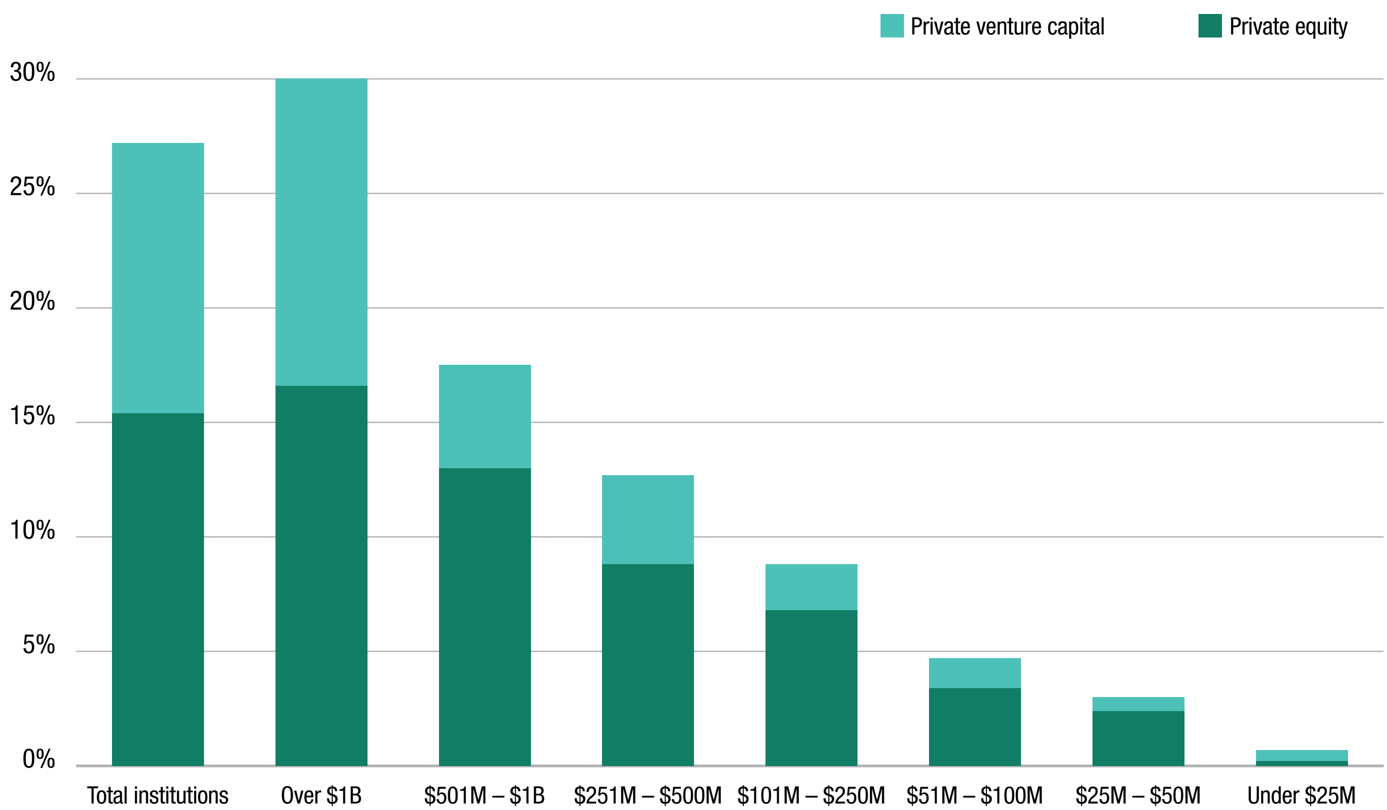
Allocations to listed equities, FY2021



Endowments with more than $1 billion in assets allocated nearly 30% collectively to private equity and venture capital; this figure drops to 18% for the next-largest size cohort ($501 million to $1 billion). The smallest cohort (under $25 million) allocated less than 1% combined to private equity and venture capital in FY2021.

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 market 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 or limited internal expertise in these more complex asset classes.

Allocations to private equity and venture capital, FY2021



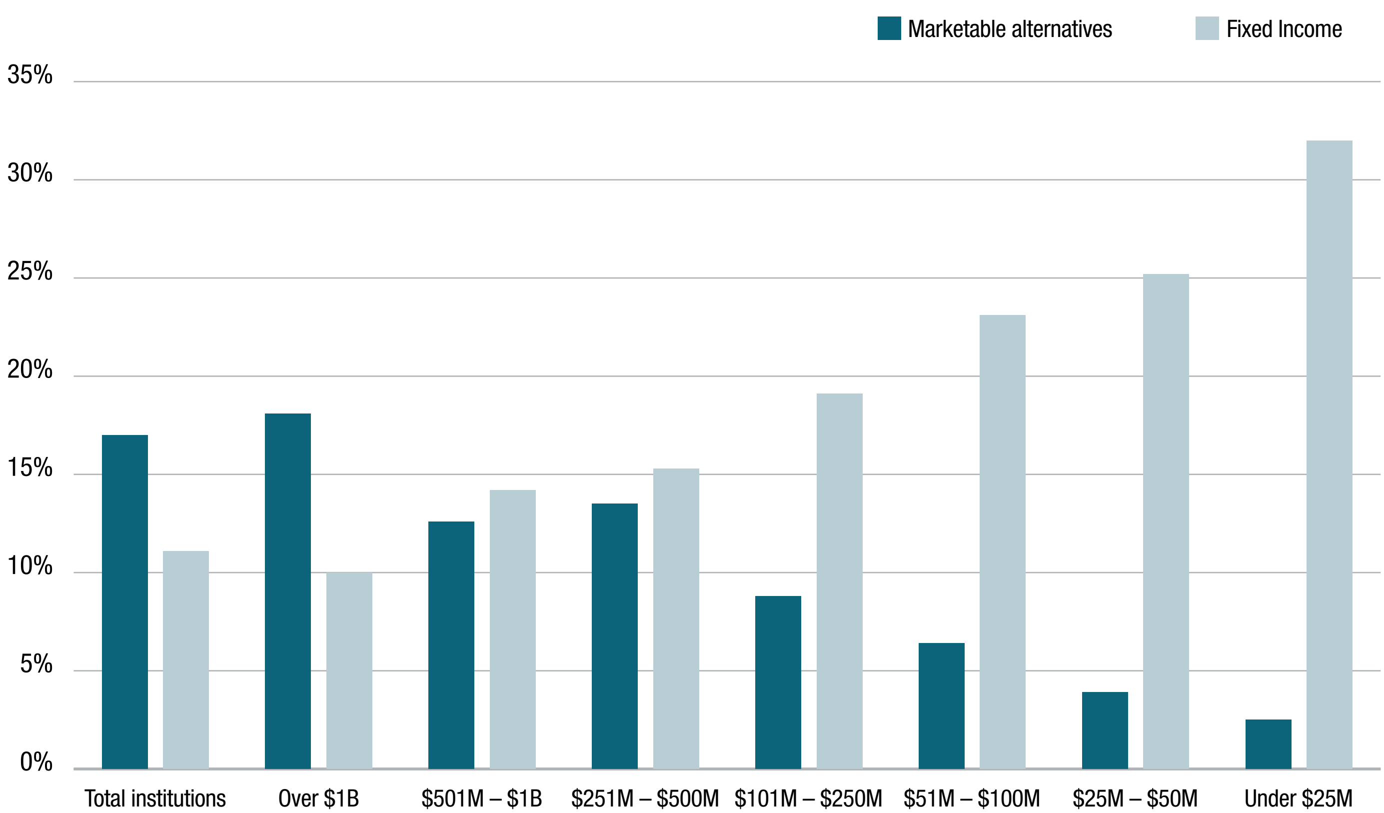
Marketable alternatives

Marketable alternatives (primarily hedge funds) made up approximately 17% 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 equities, it is likely that larger endowments are using marketable alternatives for this role. Endowments' reliance on marketable alternatives, as well as non-investment grade fixed income and private debt, is likely to increase during an extended period of low and rising interest rates when traditional fixed income assets are likely to come under pressure.

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 between 27% and 35% of endowments' portfolios, but the ratio of the two asset classes changes dramatically by size.

Allocations to marketable alternatives and fixed income, FY2021

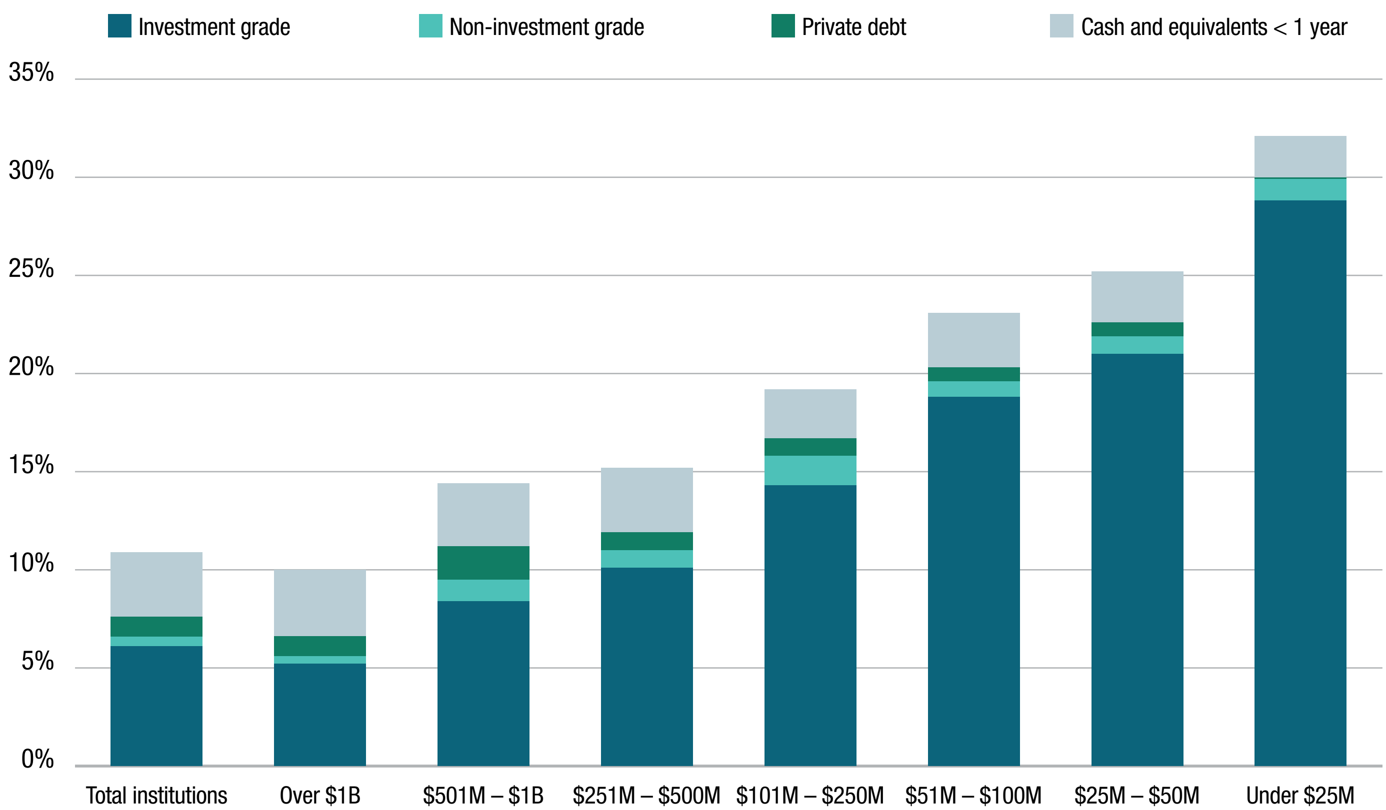


Fixed income

A closer examination of U.S. and non-U.S. 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, as well as the portfolio's primary source of income generation. 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.

Allocations to non-investment grade fixed income and private debt remained surprisingly low across all size cohorts in FY2021. This is true for even the largest endowments, which have the greatest risk capacity. Collectively, these two asset classes accounted for less than 2% of total allocations. 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.

Allocations to fixed income, FY2021



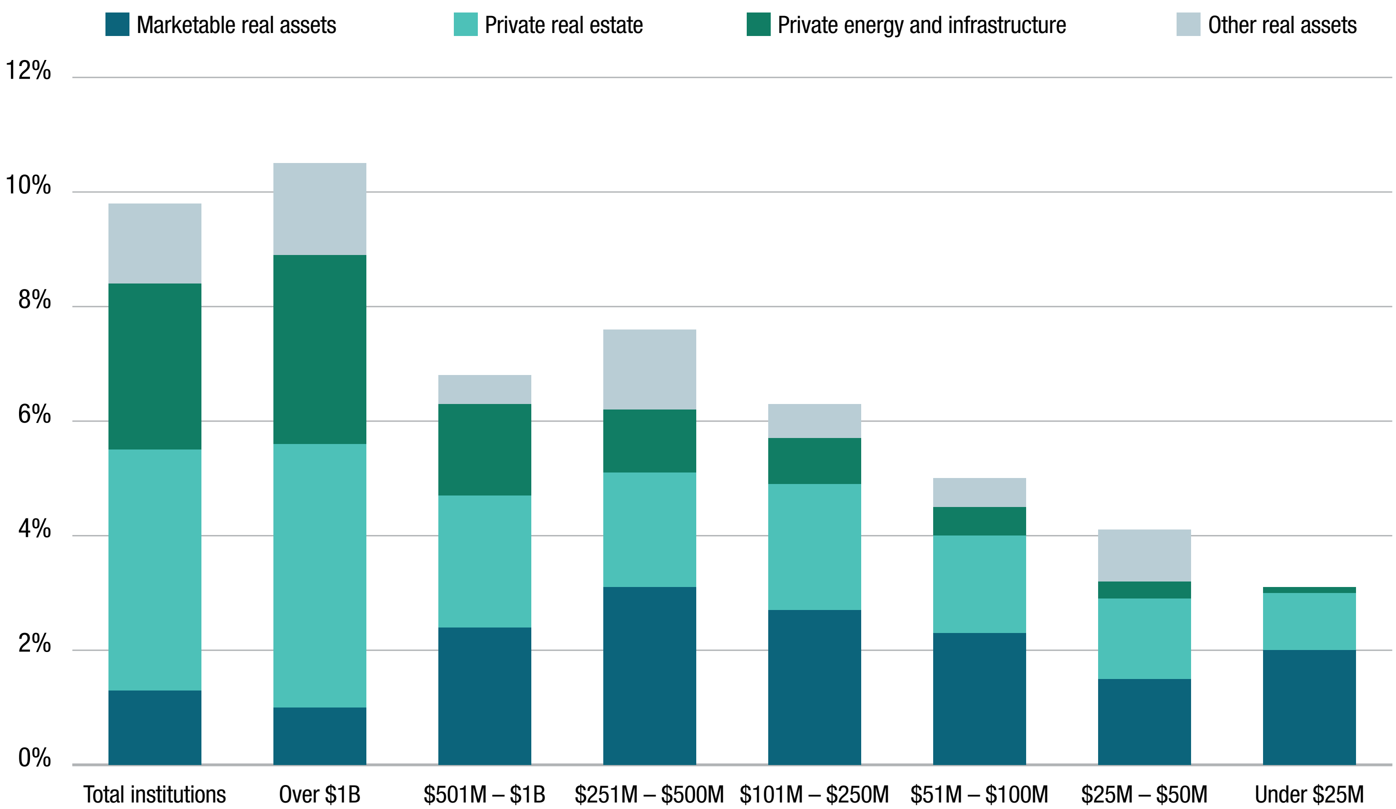
Endowments' allocation to non-investment grade fixed income, particularly floating-rate debt, will likely increase significantly in coming years. In an environment of low expected yields for traditional fixed income, institutional investors of all types are dedicating more capital to non-traditional asset classes such as direct lending, high-yield bonds, leveraged loans, and private credit. These non-traditional fixed income assets should in theory be able to navigate increasing interest rates due to generally higher yields and lower duration than investment grade credit; furthermore, many types of direct lending, leverage loans and private credit have floating interest rates, which make them more attractive than fixed-rate instruments in a rising-rate environment.

All endowment sizes maintained at least 2% of assets in cash and short-term reserves, with the larger endowments holding higher levels than their smaller counterparts. Among lessons learned from the GFC and from the March 2020 market selloff is that endowments 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 ones 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, particularly as inflation expectations have risen considerably, as discussed in Chapter 4.

Allocations to real assets, FY2021



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, may be 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 has having less staff and resources dedicated to researching active managers; this means that smaller endowments are more likely to focus on minimizing fees via passive investing.

Within equities, emerging markets—an inefficient asset class that 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 nearly 29% of their total non-U.S. equities allocation, compared to just below 13% for the smallest endowments. Conversely, the smallest endowments have close to 4% of their non-U.S. allocations in emerging markets passive, compared to less than 2% for the largest endowments.

Equity allocations: active vs. passive

	TOTAL INSTITUTIONS	OVER $1B	$501M – $1B	$251M – $500M	$101M – $250M	$51M – $100M	$25M – $50M	UNDER $25M
Total institutions	**720**	**136**	**76**	**105**	**181**	**126**	**67**	**29**
U.S. equities								
Active	**69.84%**	75.50%	63.22%	63.03%	52.20%	55.64%	53.97%	73.77%
Passive	**30.16%**	24.50%	36.78%	36.97%	47.80%	44.36%	46.03%	26.23%
Non-U.S. equities								
Global equities active	**34.94%**	36.29%	26.88%	33.83%	30.75%	25.98%	24.58%	21.26%
Global equities passive	**3.11%**	2.39%	5.34%	4.32%	8.44%	8.52%	5.80%	13.06%
Developed non-U.S. equities active	**28.72%**	27.39%	35.59%	34.81%	31.04%	31.00%	31.04%	28.66%
Developed non-U.S. equities passive	**5.03%**	3.52%	9.81%	9.36%	13.13%	15.77%	21.74%	20.60%
Emerging markets active	**26.19%**	28.80%	18.92%	14.01%	13.11%	13.94%	10.36%	12.78%
Emerging markets passive	**2.01%**	1.60%	3.45%	3.67%	3.54%	4.79%	6.47%	3.62%

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. Passive fixed income strategies, however, are becoming more efficient, which should lead to more capital being deployed in fixed income indexing over time. Despite the increasing efficiency of fixed income indexing, the challenges facing investment grade bonds in a rising-rate and higher-inflation environment should mean that active strategies are likely to remain prevalent in fixed income.

Fixed income allocations: active vs. passive, FY2021

	TOTAL INSTITUTIONS	OVER $1B	$501M – $1B	$251M – $500M	$101M – $250M	$51M – $100M	$25M – $50M	UNDER $25M
Total institutions	**720**	**136**	**76**	**105**	**181**	**126**	**67**	**29**
Investment grade active	**71.69%**	75.45%	57.40%	59.31%	69.01%	70.72%	68.61%	82.39%
Investment grade passive	**20.16%**	16.76%	31.34%	32.23%	21.53%	25.24%	27.42%	13.98%
Non investment grade	**8.15%**	7.79%	11.26%	8.46%	9.46%	4.04%	3.97%	3.63%

Explore the data further

See the full data tables with FY2021 survey results on asset allocation:

- Results by **size cohort**
- Results by **type of institution**

CHAPTER 6

Debt

IN THIS CHAPTER:

- Interest rate environment
- Debt loads
- Formal debt policies

During FY2021, the interest rate environment provided an eventful backdrop as institutions reviewed their debt levels and policies. The U.S. Federal Reserve (the Fed) continued to support the economy with asset purchases and low interest rates. Inflation, meanwhile, became a growing concern. Near-term inflation forecasts likely were not a strong influence on borrowing decisions for colleges and universities during FY2021, other than perhaps to motivate some institutions to take advantage of the low-rate environment before the Fed begins to raise interest rates in 2022. Budget needs and debt capacity remained the key forces influencing endowments' borrowing activity in FY2021.

Large institutions were more likely to increase debt than to reduce borrowings in FY2021. In addition, larger institutions were far more likely than smaller ones to have a formal debt policy in place. The percentage of institutions that had a formal debt policy increased relative to last year's survey, but there is room for continued improvement in this area.

This chapter examines debt levels among colleges and universities for FY2021.

Interest rate environment

Following a deep but brief recession in the early months of the COVID-19 pandemic, the U.S. economy roared back in FY2021. Gross domestic product (GDP) increased 39% on an annualized basis in the first quarter of FY2021 (from July 1, 2020 to September 30, 2020), then grew an average of 10.3% in each of the next three quarters.[1] Long-term interest rates rose as the economy recovered, with the yield on the bellwether 10-year U.S. Treasury Note increasing from 0.69% as of July 1, 2020 to 1.45% as of June 30, 2021. Meanwhile, the Fed held the federal funds target rate near zero to support the continuing recovery.

While the Fed's interest rate policy and long-term asset purchases kept nominal interest rates low, various fiscal stimulus programs, global supply chain issues, and a tight labor market combined to fuel inflation. The U.S. Consumer Price Index rose 5.3% during FY2021, the largest annualized inflation reading in 30 years.[2] Still, borrowing conditions remained favorable for institutions. Demand for tax-exempt municipal bonds was strong, boosted by investors' concerns about the possibility of increased personal tax rates. Finally, new issuance activity in the corporate bond market was massive during FY2021, as corporations took advantage of low rates and tightening credit spreads as economic concerns waned.

[1] U.S. Bureau of Economic Analysis, Gross Domestic Product [GDP], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/GDP, January 9, 2022.
[2] World Bank, Inflation, consumer prices for the United States [FPCPITOTLZGUSA], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/FPCPITOTLZGUSA, January 8, 2022.

Debt loads

More than 70% of the institutions that responded to this year's survey carry some level of long-term debt. Not surprisingly, larger institutions are more likely to use long-term debt than the smallest institutions. Of the private institutions that participated in the survey, 93% carry at least some level of debt compared to just 64% of public institutions. Other funding sources, including support from state taxes, typically lowers the need for borrowing among public institutions relative to private colleges and universities.

Long-term debt levels for FY2021

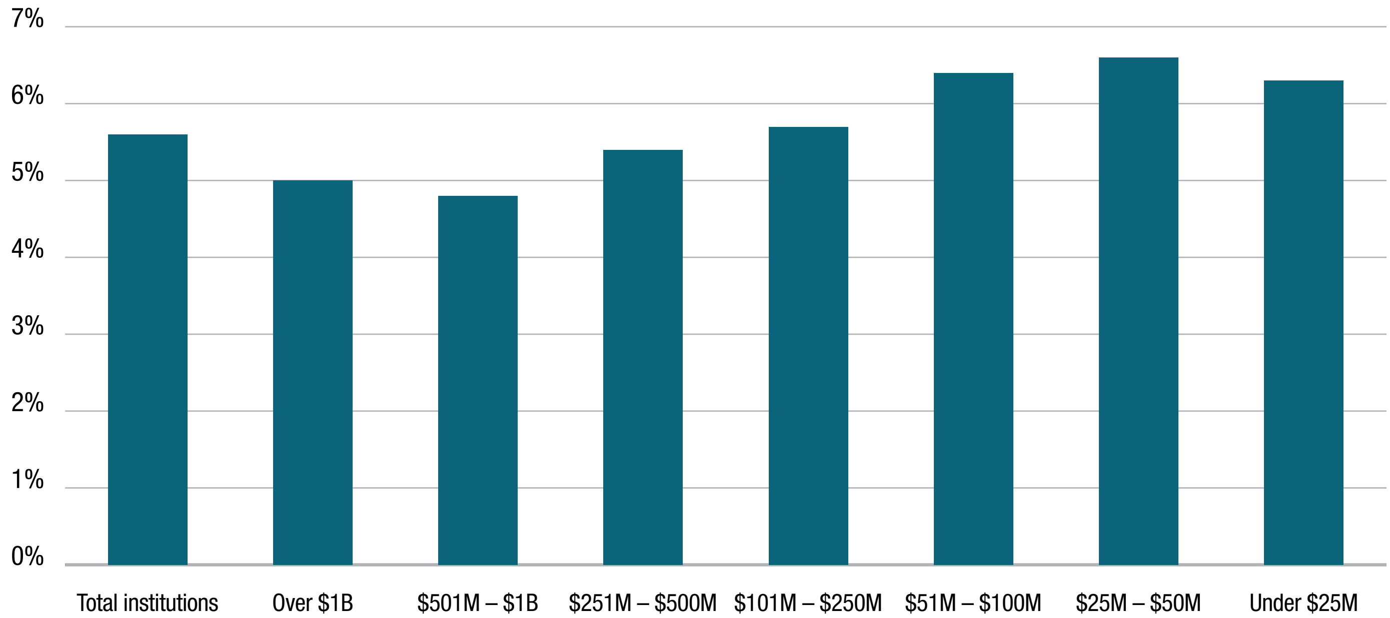
($ figures in 000s)

	TOTAL INSTITUTIONS	OVER $1B	$501M – $1B	$251M – $500M	$101M – $250M	$51M – $100M	$25M – $50M	UNDER $25M
Total institutions	**720**	**136**	**76**	**105**	**181**	**126**	**67**	**29**
Responded institutions	**515**	**99**	**62**	**79**	**135**	**85**	**42**	**13**
Average debt	**$277,331**	$994,973	$249,970	$155,192	$77,554	$41,376	$33,310	$16,211
Median debt	**$69,268**	$505,244	$159,696	$98,225	$52,473	$29,482	$24,244	$10,009
Debt service as % of operating budget	**5.6%**	5.0%	4.8%	5.4%	5.7%	6.4%	6.6%	6.3%
% of debt that is fixed rate	**88.3%**	90.4%	96.3%	89.4%	86.0%	84.8%	82.6%	93.2%

The fact that the average debt level is substantially higher than the median debt level reported by institutions of all sizes indicates that there are outliers in each cohort that have significantly higher amounts of debt than the average for their peers. For this reason, the median debt level may be more indicative of what is typical for a given size cohort.

Survey responses show that debt service consumes between 4.8% and 6.6% of institutions' operating budgets and tends to be lower for larger institutions. Locking in a low interest rate on debt for an extended period can help to control costs, which may be particularly important as inflation leads to increases in salaries and other expenses that could strain budgets in the coming months.

Debt service as a % of the institution's operating budget, FY2021



Across all size cohorts, institutions overwhelmingly favor fixed-rate debt over floating-rate debt. This is not surprising, as public bond issues typically carry a fixed interest rate. Institutions continued to shift toward fixed-rate debt in FY2021 to lock in low interest rates. The overall percentage of fixed-rate debt vs. floating-rate debt increased from 80.5% in FY2020 to 88.3% in FY2021.

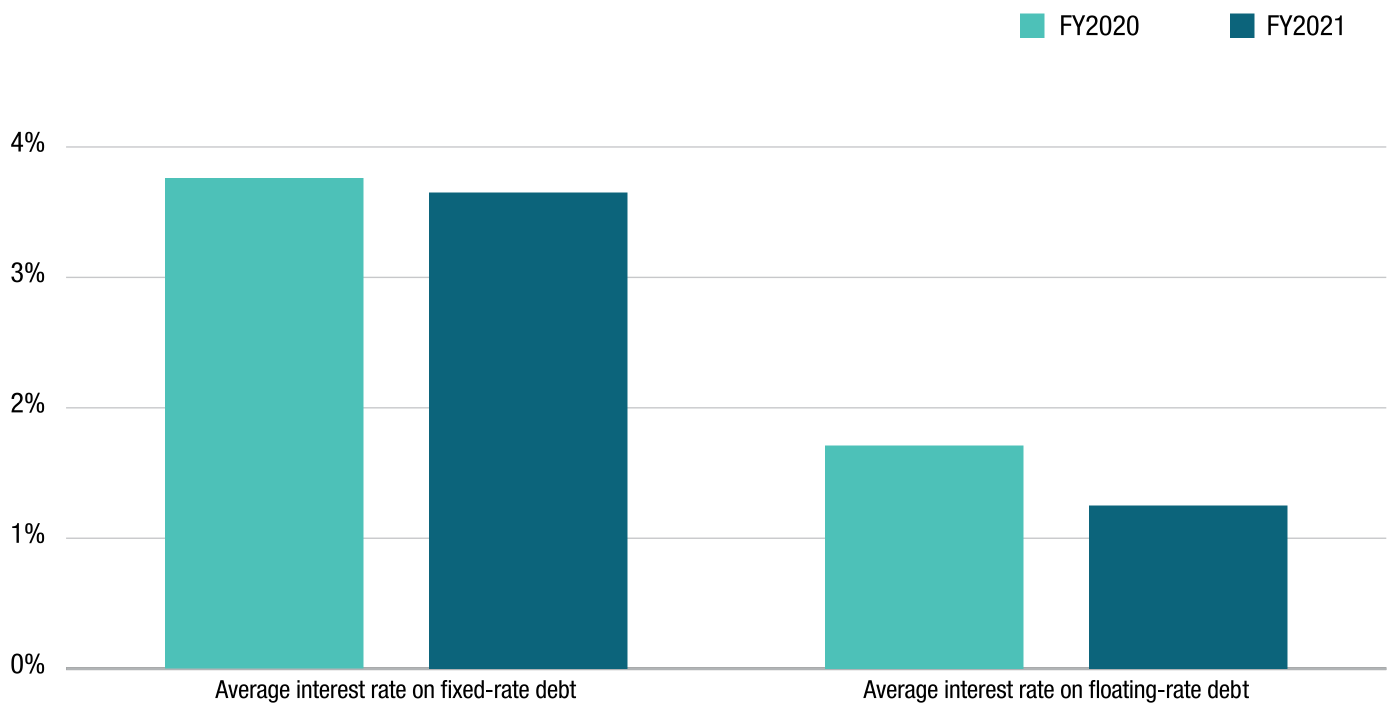
Endowments reported an average interest rate of 3.65% on fixed-rate debt and 1.25% on floating-rate debt in FY2021. The average rate paid on their fixed-rate debt does not vary much across size cohorts, except for the smallest institutions, which tend to pay the highest rates. Of course, differences in the maturities of the borrowings by institutions within each cohort would affect the average rates shown here.

Fixed-rate versus floating-rate debt, FY2021

	TOTAL INSTITUTIONS	OVER $1B	$501M – $1B	$251M – $500M	$101M – $250M	$51M – $100M	$25M – $50M	UNDER $25M
Total institutions	**720**	**136**	**76**	**105**	**181**	**126**	**67**	**29**
Responded institutions	**515**	**99**	**62**	**79**	**135**	**85**	**42**	**13**
% of debt that is fixed rate	**88.3%**	90.4%	96.3%	89.4%	86.0%	84.8%	82.6%	93.2%
Average interest rate	**3.65%**	3.66%	3.65%	3.73%	3.62%	3.46%	3.71%	4.39%
% of debt that is floating rate	**11.7%**	9.6%	3.7%	10.6%	14.0%	15.2%	17.4%	6.8%
Average interest rate	**1.25%**	0.88%	0.92%	1.23%	1.51%	1.51%	1.58%	0.87%

Institutions continued to lower their cost of debt in FY2021. The average interest rate paid on fixed-rate debt dropped from 3.76% in FY2020 to 3.65% in FY2021. The average interest rate paid on floating-rate debt dropped even more substantially, from 1.71% in FY2020 to 1.25% in FY2021.

Average interest rates paid on fixed- and floating-rate debt

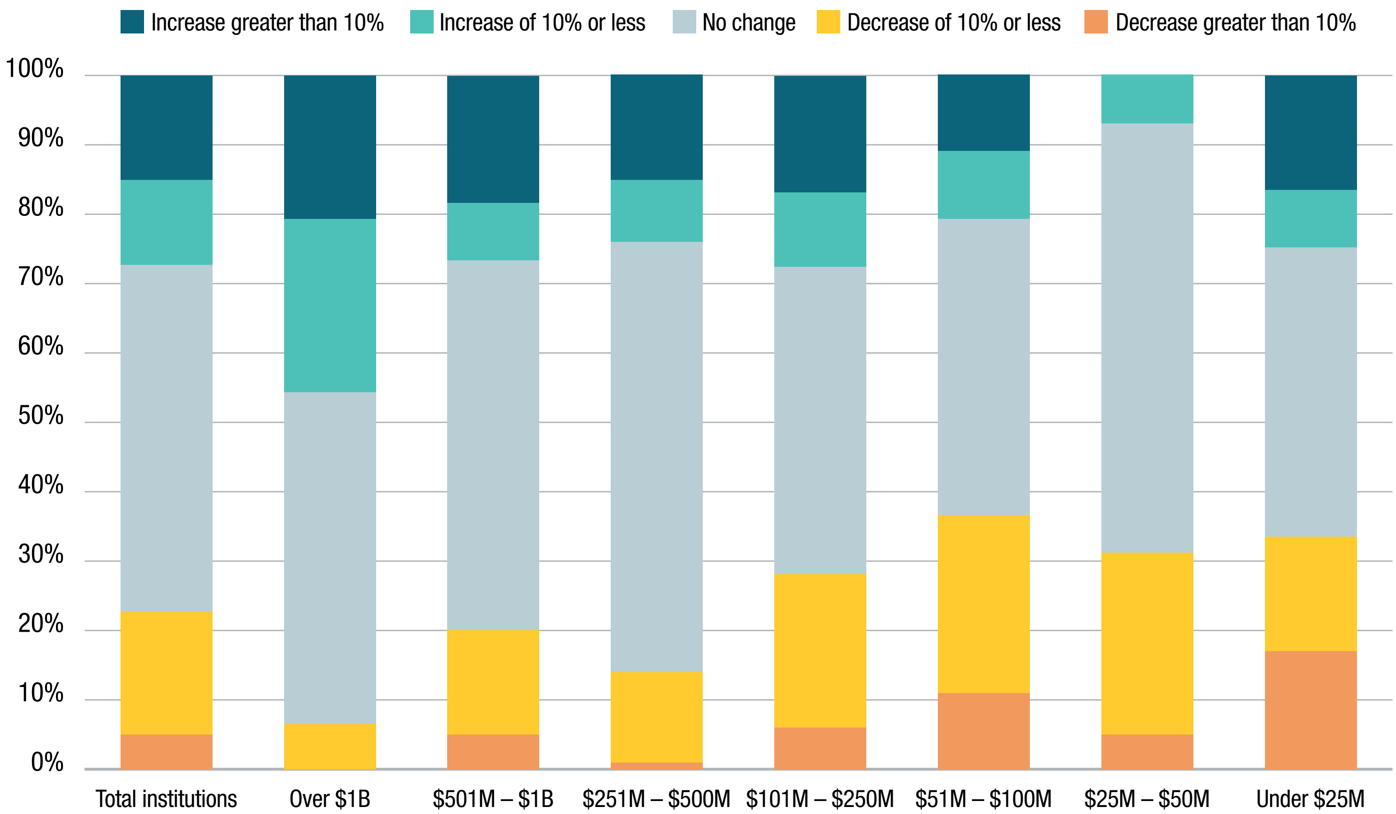


Changes in debt levels

Although the low-yield environment in FY2021 offered endowments an opportunity to borrow at attractive rates, half of responding institutions reported no change to their debt levels. Those in the largest size cohorts were more likely to increase debt than to reduce borrowings, while smaller institutions were far more likely to decrease debt loads.

Smaller institutions may be less inclined to issue long-term debt because of their borrowing costs relative to larger peers. Large institutions are typically able to tap credit markets more quickly than smaller institutions due to their size, name recognition, and relatively better creditworthiness. Large institutions tend to have more sophisticated internal finance teams and strategic planning capabilities, making them more likely to recognize and act upon favorable opportunities to raise capital.

Changes to debt in FY2021



Thirty-seven percent of public institutions increased their debt levels in FY2021, likely due to a favorable interest rate environment. Interestingly, 50% of institutionally-related foundations that responded to the survey reduced their debt in FY2021.

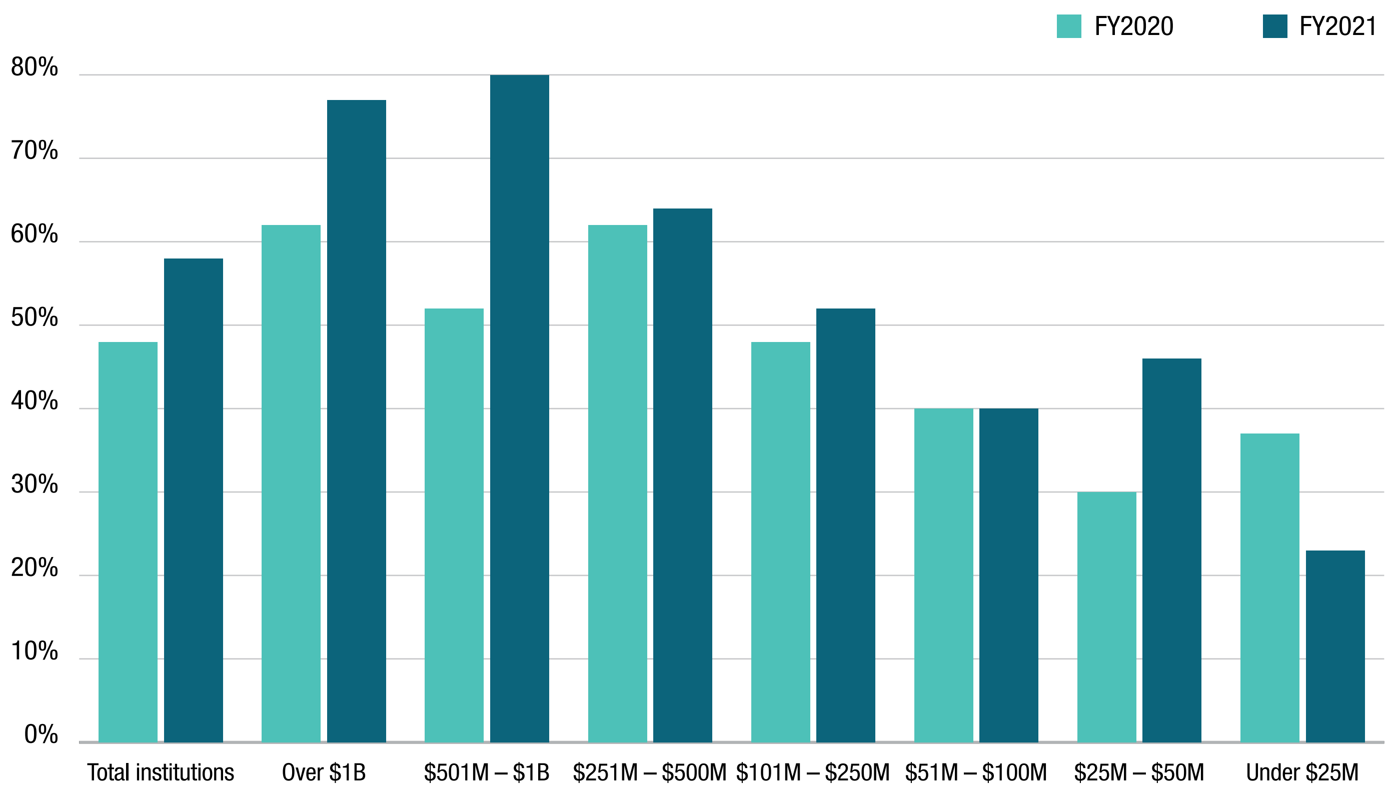
Changes in debt by type, FY2021

	TOTAL	PRIVATE COLLEGE/ UNIVERSITY ENDOWMENT	PUBLIC COLLEGE, UNIVERSITY, OR SYSTEM FUND	INSTITUTIONALLY-RELATED FOUNDATION (IRF)	COMBINED ENDOWMENT / FOUNDATION	OTHER
Total institutions	**720**	**442**	**95**	**143**	**33**	**7**
Responded institutions	**498**	**391**	**51**	**40**	**11**	**5**
Increase greater than 10%	**15.1%**	15.3%	21.6%	10.0%	0.00%	0.00%
Increase of 10% or less	**12.2%**	11.3%	15.7%	15.0%	27.3%	0.00%
No change	**50.0%**	51.9%	51.0%	25.0%	54.5%	80.0%
Decrease of 10% or less	**17.7%**	17.1%	9.8%	32.5%	18.2%	20.0%
Decrease greater than 10%	**5.0%**	4.0%	2.0%	17.5%	0.00%	0.00%

Formal debt policies

While the majority of respondents (58%) said they have a formal long-term debt policy in place, larger endowments are far 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 compared to last year's survey, showing growing acceptance of the value of having such a policy. Among institutions with endowments of less than $250 million, about 14% of respondents said they did not know whether their institution had a long-term debt policy, which suggests a potential need to share more information with finance teams in these smaller endowments.

Institutions with a long-term debt policy



A formal debt policy provides valuable discipline and a framework for colleges and universities in discussions about whether to issue debt and for what purposes. A debt policy can be especially helpful in a time of crisis, preventing rash decisions that may harm the institution in the long run.

As educational institutions sought to support students and faculty with remote learning tools during FY2021 and determine how to bring students back to campus safely, there was a tremendous need for high-level, strategic conversations about how to run these institutions under unprecedented conditions. Those actions would benefit from having a plan for capital raising that reflects a long-term debt policy. In addition, rating agencies increasingly expect colleges and universities to have formal debt policies, and lenders would rather lend to issuers with established policies and governance frameworks supporting a decision to issue debt.

Debt policies generally should include the following components:

- 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

Explore the data further

See the full data tables with FY2021 survey results on debt:

- Results by **size cohort**
- Results by **type of institution**

CHAPTER 7

Responsible investing

IN THIS CHAPTER:

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

Endowments increased their responsible investing practices in FY2021, yet they continue to take a measured approach to its implementation in their investment policies and portfolios. Many endowments—particularly the largest institutions—recognize the investment merits of responsible investing. However, the respondents to our 2021 survey expressed uncertainty about whether responsible investing can add alpha (i.e., outperformance relative to the benchmark) and concern that it may conflict with their duties as fiduciaries. The lack of standardized ESG reporting, structural limitations, and resource concerns continue to limit adoption, especially for smaller institutions. While responsible investing practices continue to tick upward, all of these factors have limited the speed of implementation among endowments.

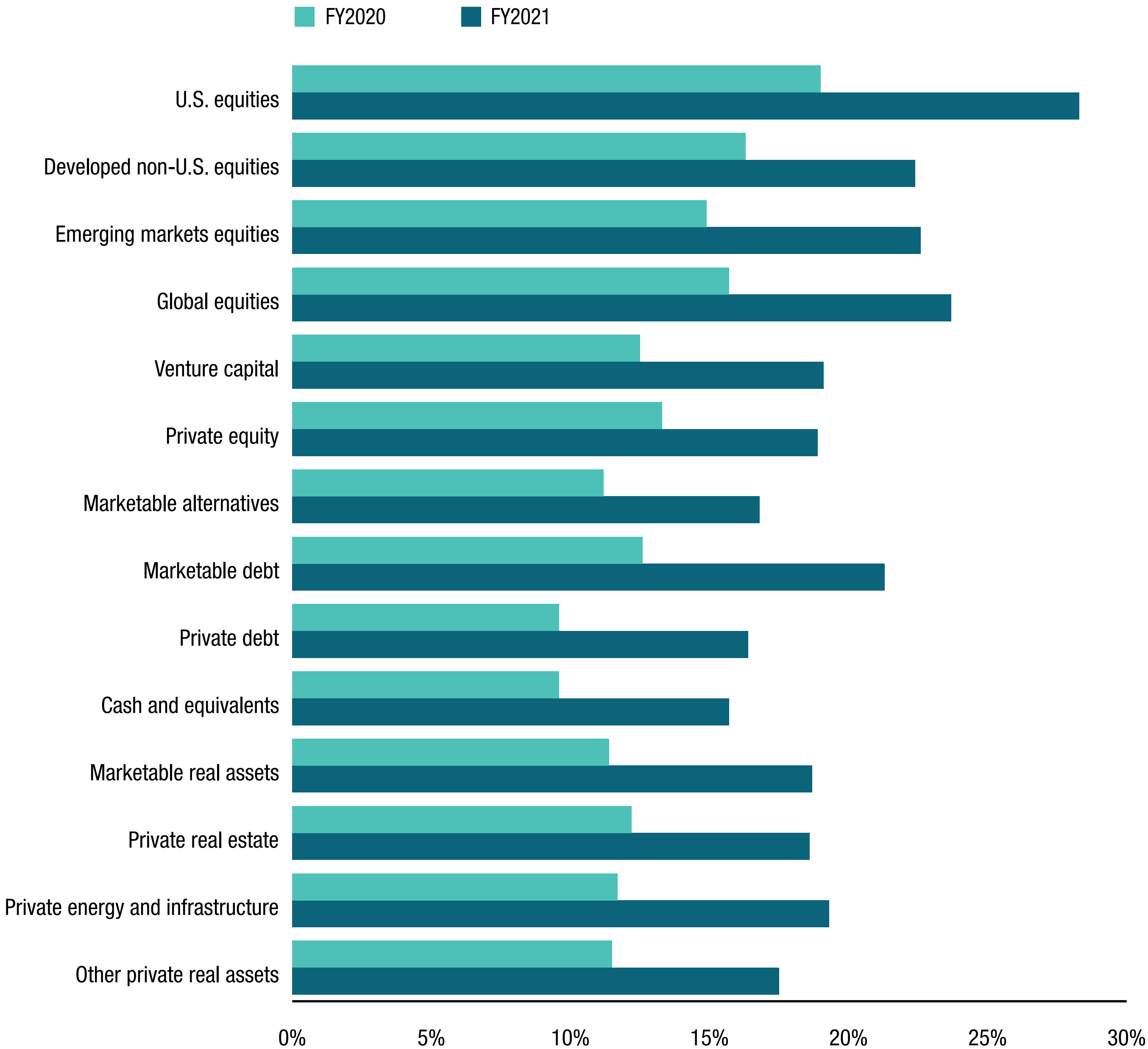
The 2021 survey results show encouraging signs of long-term progress in responsible investing practices. Stakeholder interest in ESG issues increased meaningfully in FY2021, particularly among students and donors. Many institutions reported that diversity and inclusion issues will lead to increased responsible investing considerations in the months ahead. Climate issues remain a key focus for institutional investors, as we explore further in Chapter 9 of this year's report, "Climate investment policies: How endowments can address climate risk in their portfolios."

Responsible investing adoption levels

Our 2021 survey shows that most endowments are still in the early stages of responsible investing. Endowments are most likely to integrate responsible investing criteria in public equity portfolio construction—28% of this year's respondents incorporate responsible investing in U.S. equities and 24% in global equities. However, while the figures increased materially relative to our 2020 survey, endowment managers still don't meaningfully integrate responsible investing criteria into their portfolio construction across asset classes.

Responsible investing practices in private asset classes continue to lag public asset classes. Just 19% of respondents incorporate responsible investing in their private equity portfolios, while 16% do so in private debt. Private asset classes should be a growth area for responsible investing practices in the coming years, as interest in alternative assets continues to increase and private asset managers build and refine their approaches to responsible investing.

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

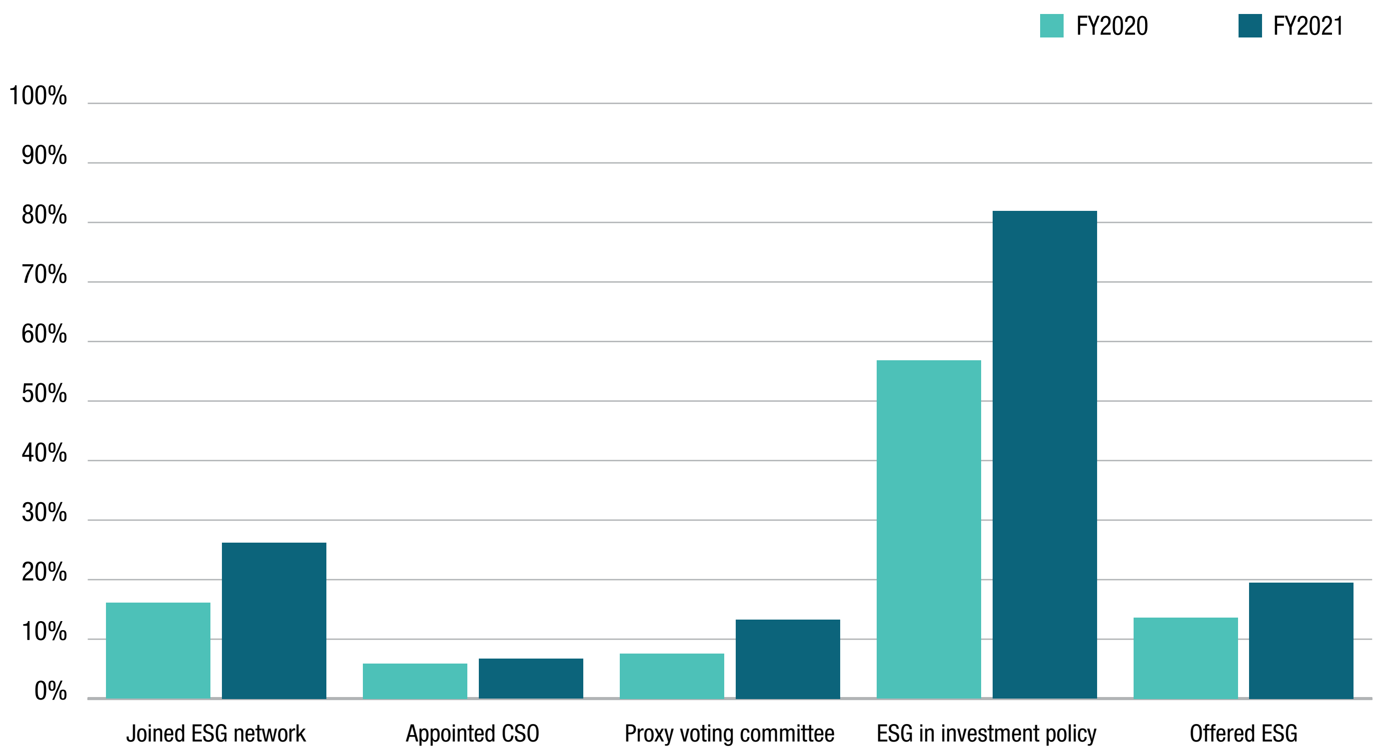


Most endowments have added environmental, social and governance (ESG) factors to their investment policies, which can be viewed as a first step toward establishing a responsible investing approach. Over 80% of respondents to this year's survey reported that they have incorporated ESG into their investment policy. However, responsible investing practices beyond this step are limited. Just 26% of respondents have joined an ESG network—a relatively strong increase vs. last year's survey—and just 7% have appointed a chief sustainability officer (CSO).

Percent of endowments that have adopted various responsible investing practices, FY2021

	TOTAL INSTITUTIONS	OVER $1B	$501M – $1B	$251M – $500M	$101M – $250M	$51M – $100M	$25M – $50M	UNDER $25M
Total institutions	**720**	**136**	**76**	**105**	**181**	**126**	**67**	**29**
Responded institutions	**210**	**56**	**35**	**39**	**43**	**25**	**9**	**3**
Joined ESG network	**26.19%**	32.14%	25.71%	25.64%	23.26%	24.00%	22.22%	0.00%
Appointed CSO	**6.67%**	3.57%	5.71%	7.69%	11.63%	8.00%	0.00%	0.00%
Proxy voting committee	**13.33%**	25.00%	5.71%	10.26%	13.95%	4.00%	11.11%	0.00%
ESG in investment policy	**81.90%**	78.57%	88.57%	79.49%	83.72%	76.00%	88.89%	100.00%
Offered ESG	**19.52%**	23.21%	14.29%	15.38%	23.26%	24.00%	11.11%	0.00%

Percent of endowments that have adopted various responsible investing practices



A 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.

Over 70% of endowments with assets of $1 billion or more reported that responsible investing plays a role in their manager due diligence. Relative to smaller institutions, larger endowments are more likely to have evaluated responsible investing options, developed a plan, and started to implement their portfolio approach. Meanwhile, just 30% of the smallest institutions reported that responsible investing considerations factor into their due diligence. Many smaller institutions are earlier in the responsible investing life cycle—which typically includes speaking with stakeholders, educating themselves on the various approaches, and determining their plan for adoption.

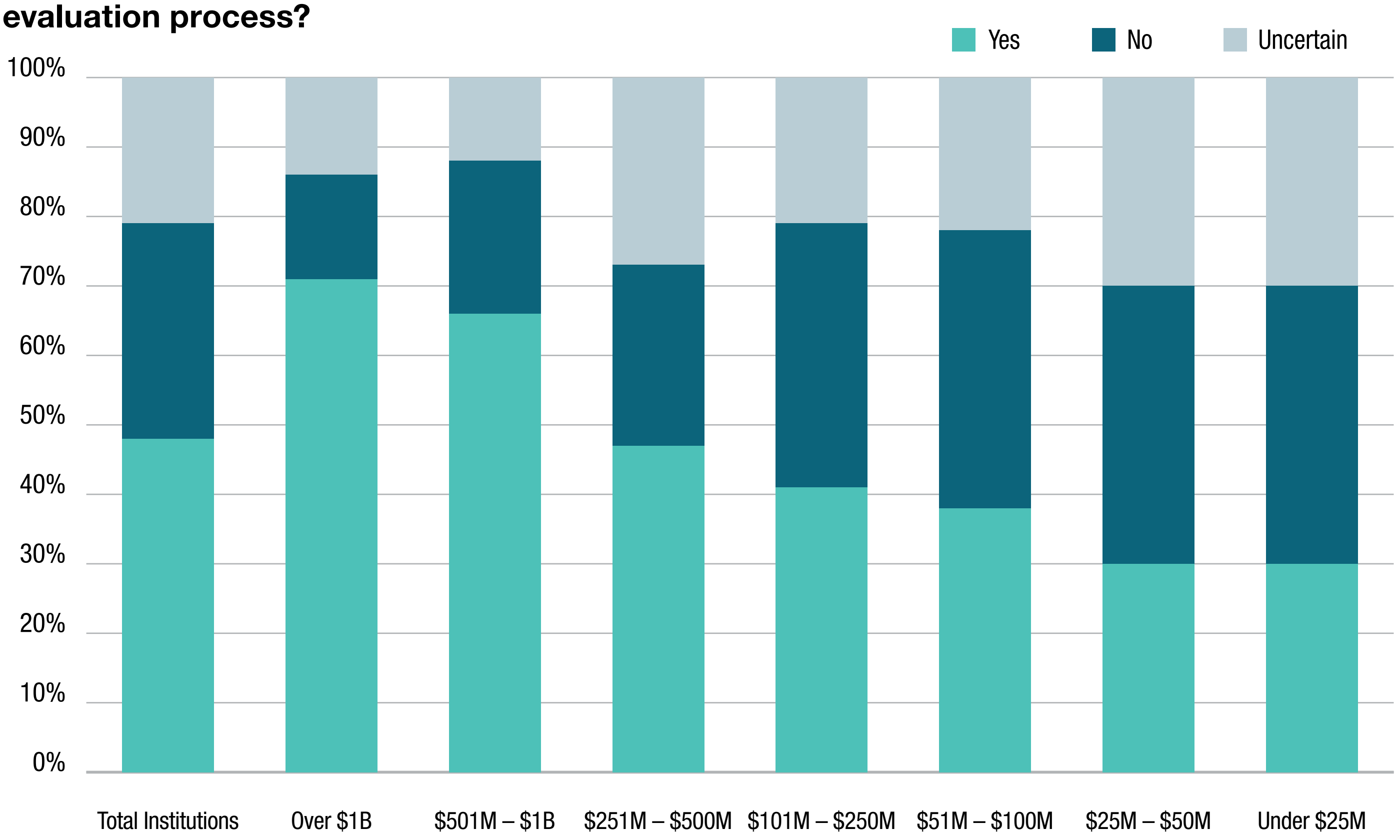
DOL provides potential boost to ESG investing with issuance of proposed new rule

On October 13, 2021, the U.S .Department of Labor (DOL), which oversees private-sector retirement plans such as corporate pensions and 401(k) plans, issued a **proposed rule** that would remove barriers to plan fiduciaries' ability to consider climate change and other environmental, social, and governance factors when they select investments and exercise shareholder rights. The proposed rule, "Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights," follows Executive Order 14030, signed by President Biden on May 20, 2021. The order directs the federal government to implement policies to help safeguard the financial security of America's families, businesses, and workers from climate-related financial risk that may threaten the life savings and pensions of U.S. workers and families.

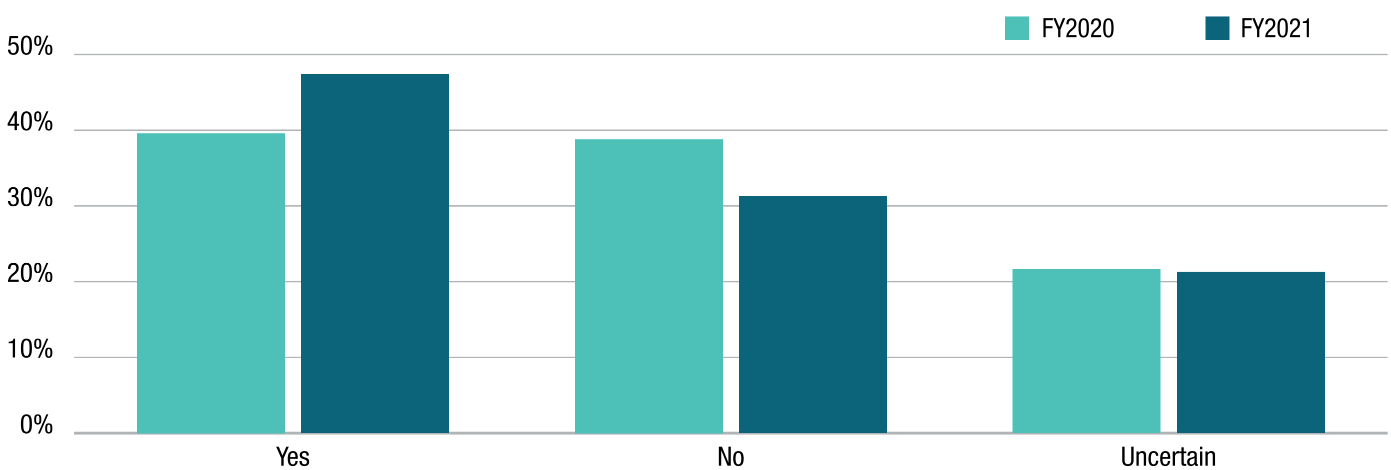
"A principal idea underlying the proposal is that climate change and other ESG factors can be financially material and when they are, considering them will inevitably lead to better long-term risk-adjusted returns, protecting the retirement savings of America's workers," said Acting Assistant Secretary for the Employee Benefits Security Administration Ali Khawar.

The Biden administration's proposal makes it clear that ESG factors are materially financial factors that fiduciary decisionmakers can and should consider in their role as investment stewards for retirement plan participants. While the DOL's proposed rule doesn't apply directly to endowment funds, it sends a positive signal to the growth of responsible investing among all institutional investors.

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



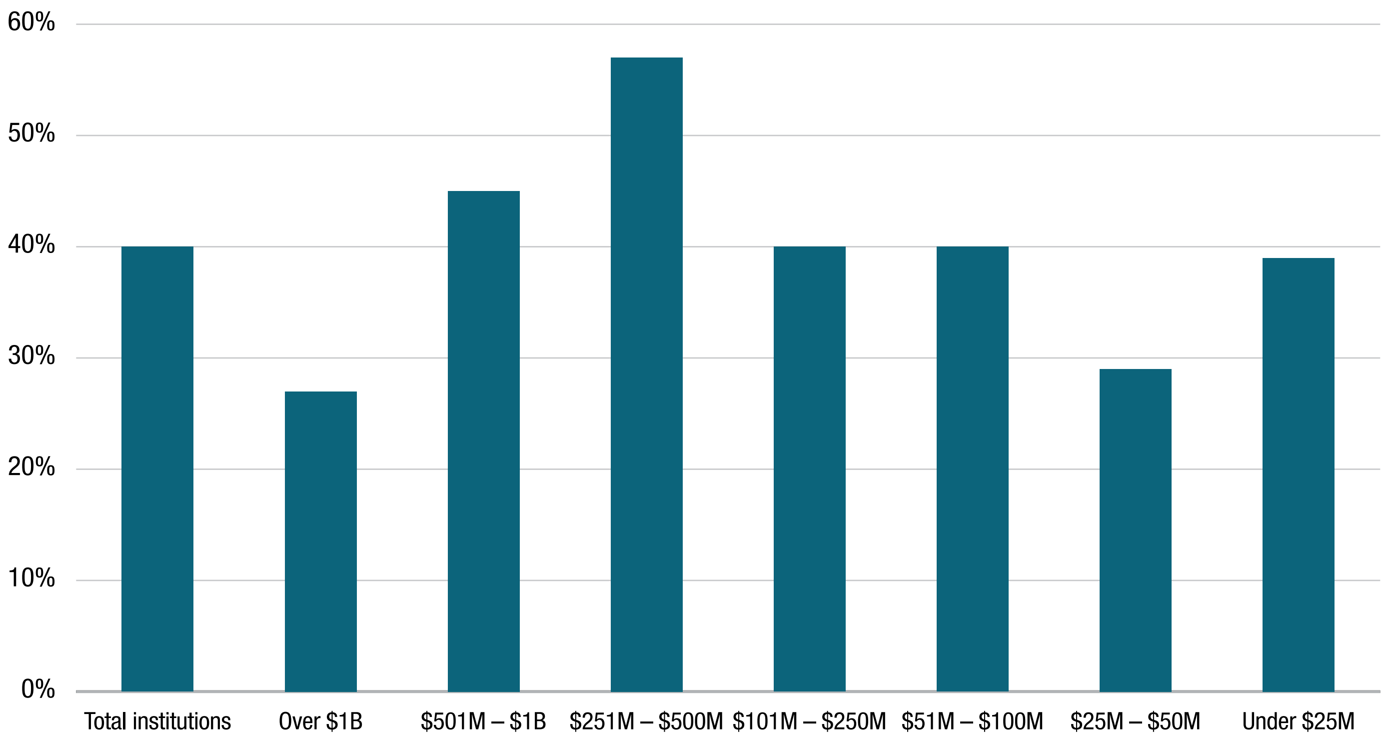
Does responsible investing factor into your investment manager due diligence and evaluation process? (Total institutions)



Endowments continue to explore responsible investing by gathering information and leveraging external resources to educate themselves about potential approaches. In FY2021, many endowments tapped their trusted partners—including asset managers, consultants, and other advisors—to help guide their approach to responsible investing and learn from the experience of other institutional investors.

In this year's survey, 40% of respondents said they worked with an investment consultant or outsourced CIO in FY2021 to evaluate how to implement responsible investing strategies, including 57% of endowments in the $251 million to $500 million size range. Meanwhile, just 27% of endowments in the largest size cohort and under 40% in the smallest cohort worked with such advisors. The largest endowments are more likely to have the internal resources and investment expertise required to evaluate responsible investing on their own, while the smallest endowments may be more limited in their ability to hire outside consultants or build the proper resources to pursue responsible investing strategies.

Percent of endowments that use an investment consultant or OCIO to help evaluate how to implement responsible investing, FY2021

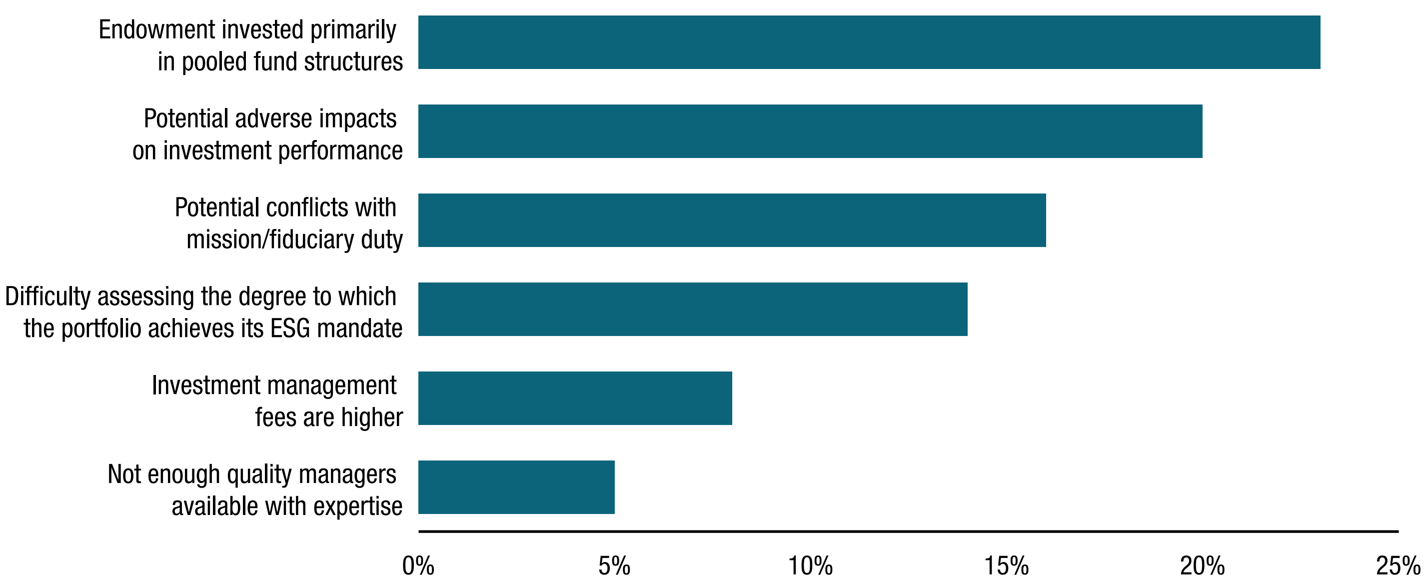


Barriers to pursuing responsible investing

The leading barriers to responsible investing reported by endowments include investment performance concerns, the fact that many endowments only invest in pooled fund structures, and challenges in assessing the degree to which portfolios achieve their responsible investing mandates.

Endowments' concerns about how to assess the effectiveness of responsible investing strategies demonstrate the need for better, standardized, transparent ESG reporting. They also highlight endowments' increased attention on greenwashing, or the concern that asset managers may seek to opportunistically benefit from asset flows into the space without truly being able to deliver an impactful and measurable responsible investing strategy. This was a topic of increased attention among institutional investors in FY2021.

Most significant reasons for not pursuing ESG, SRI, or impact investing practices (multiple responses allowed), FY2021

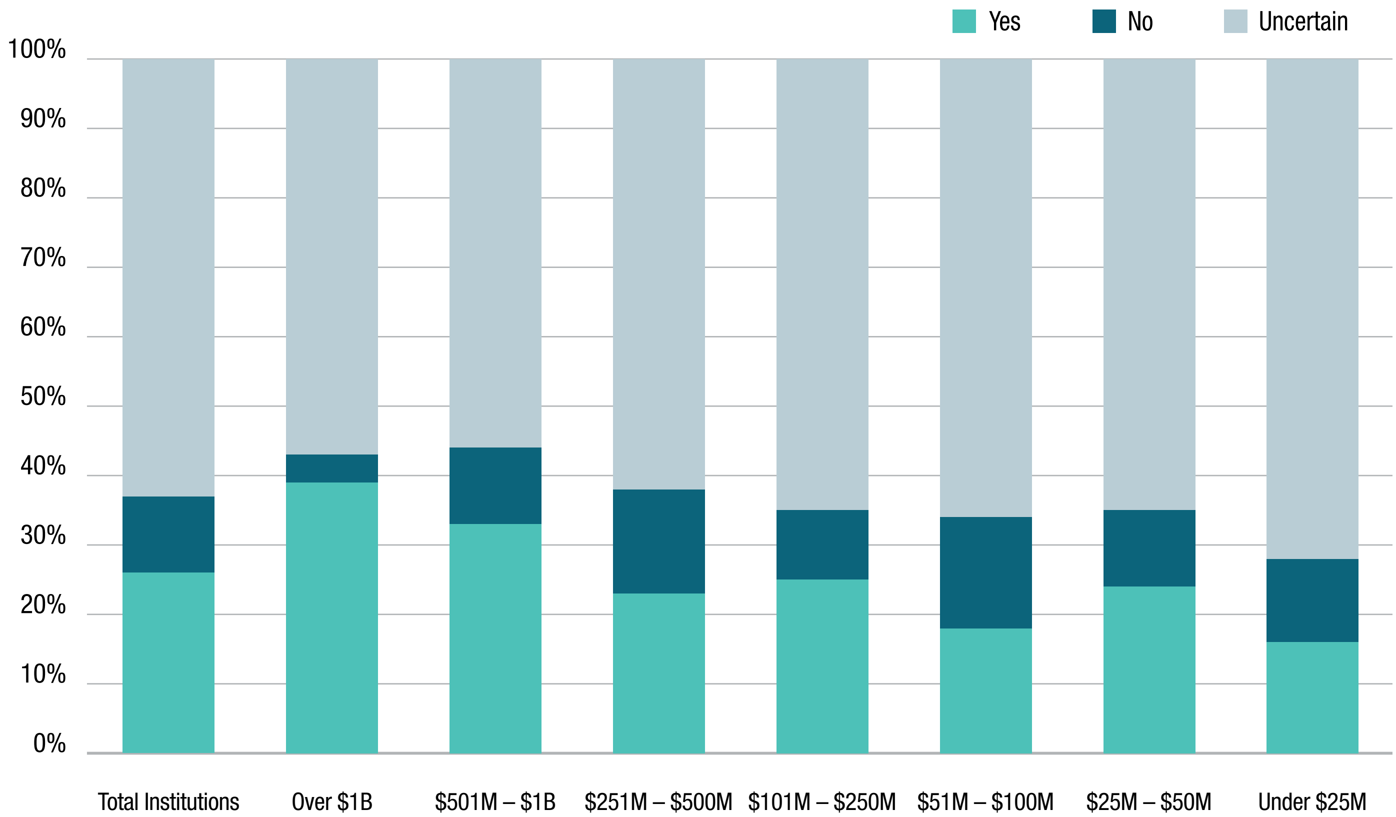


Investment performance concerns

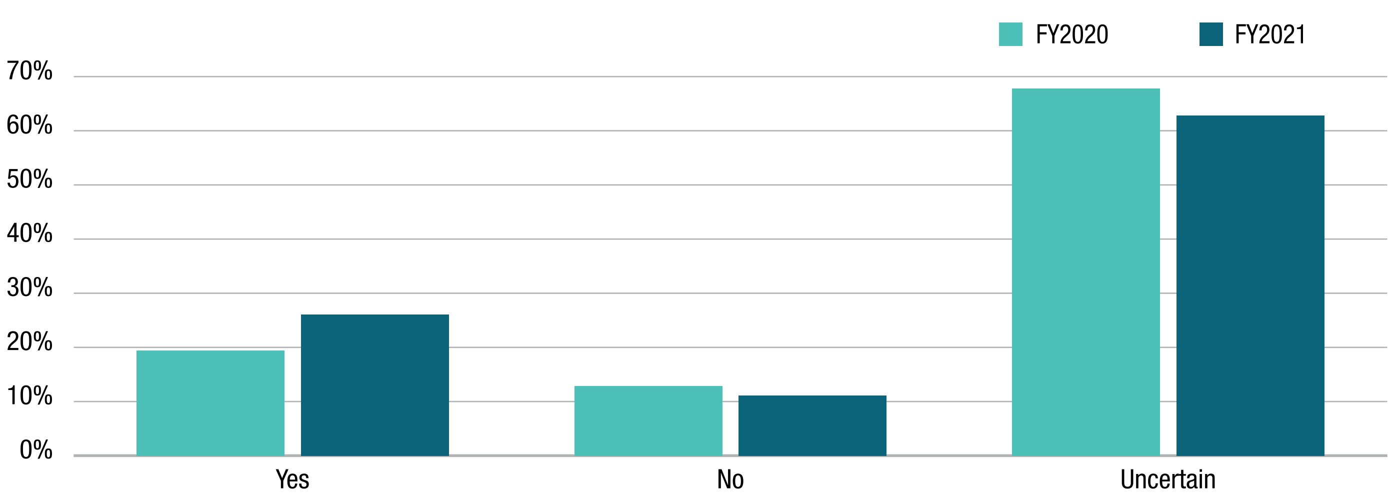
Investment performance concerns and potential conflicts with a board's fiduciary duty to sustain its long-term mission were two of the most commonly cited roadblocks to responsible investing in the 2021 survey, as 36% of respondents listed at least one of these concerns.

Meanwhile, more than 60% of 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; 39% of the largest endowment funds represented in the survey said that responsible investing can be a source of alpha in investment management versus just 16% of the smallest endowments. These numbers increased relative to last year's survey, indicating growing belief in the investment merits of responsible investing.

Responsible investing approach can be a source of alpha in investment management, FY2021



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



Tracking and assessment concerns

Another key challenge for the adoption of responsible investing practices is the lack of standardized and broadly accepted reporting frameworks across the industry, which can cause confusion. Advancements in the proliferation of data service providers and the depth and breadth of responsible investing data continues to be a strong and growing trend in the space. In particular, investors have been clamoring for better data about the impact of climate change investing and diversity and inclusion initiatives, and service providers are responding.

In this year's survey, just 3% of respondents reported that they align their portfolios to the United Nations' Sustainable Development Goals (SDGs), and just 2% reported that their institutions are signatories to the United Nations' Principles for Responsible Investment (PRI). The leading deterrent from becoming a PRI signatory may be 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.

United Nations Principles for Responsible Investment

The United Nations' Principles for Responsible Investment (PRI) is an organization dedicated to promoting environmental and social responsibility. As of 2021, the UN PRI has more than 3,800 signatories representing more than $120 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. Signatories commit to incorporating ESG into their portfolio decision-making as well as actively monitoring their investments and reporting on their responsible investing activities.

Despite the low level of participation in the UN PRI represented in this year's survey, the program's principles may provide helpful guidance for institutions looking to shape how they approach ESG and responsible investing.

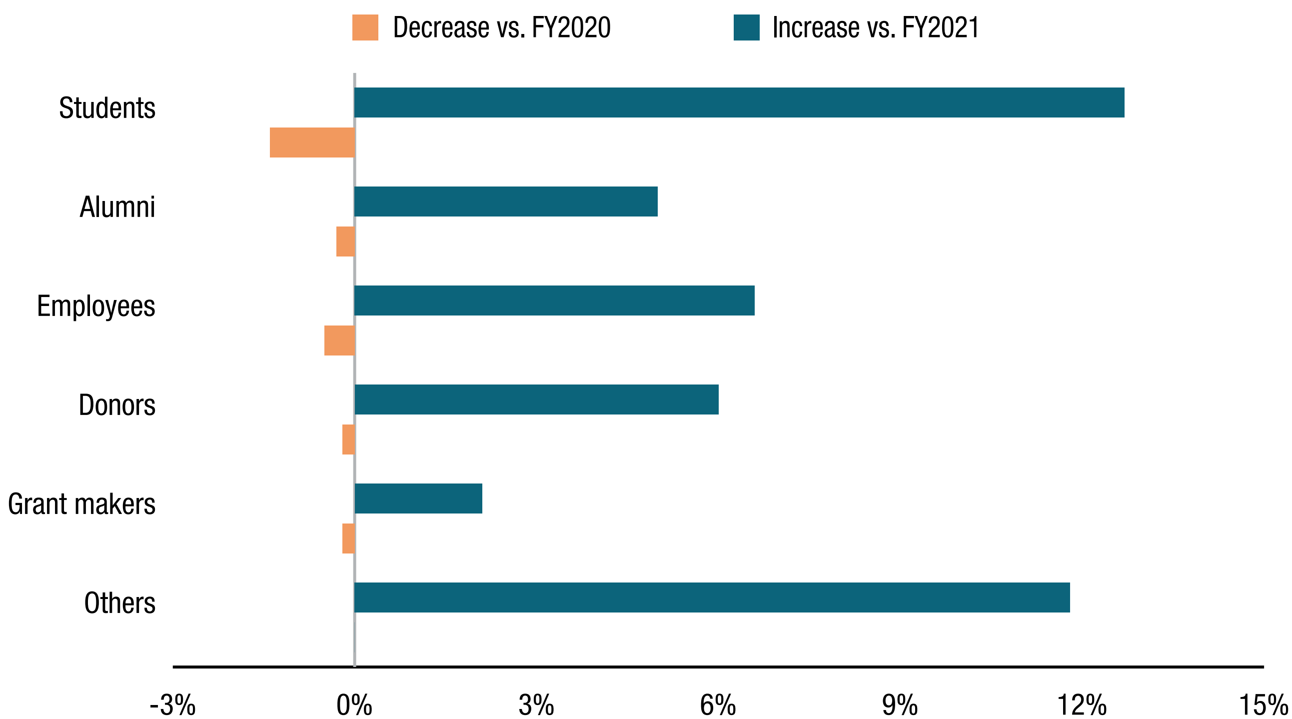
Six Principles for Responsible Investment

- **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

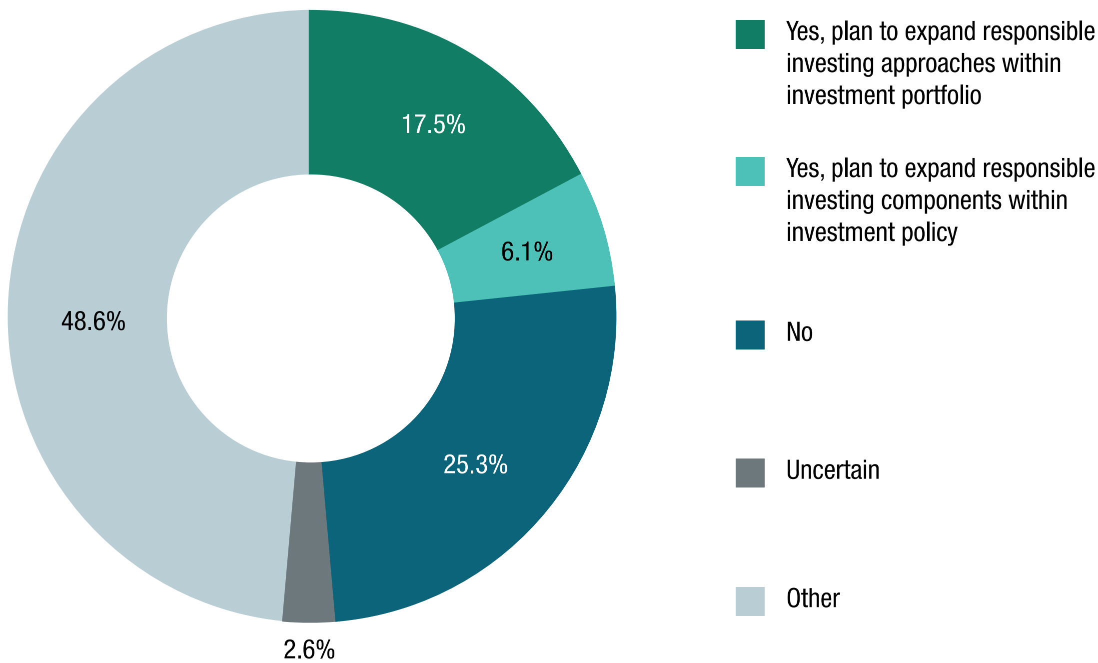
How active an institution's stakeholders are about responsible investing plays an influential role in the adoption of responsible investing practices. Endowments reported somewhat meaningful increases to stakeholder interest in responsible investing issues in FY2021, indicating growing momentum around these issues. Respondents to this year's survey reported a net 11% increase in students' interest in responsible investing issues, and a net 6% increase among donors. These are substantial increases for just one year, and they seem to indicate that responsible investing is gaining traction and may see growing adoption in the coming years.

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



Social issues, including a focus on diversity, equity, and inclusion, remained in the spotlight throughout FY2021. More than one-fifth of endowments reported that they plan to add or expand responsible investing approaches in their investment portfolio or investment policy due to an increased focus on diversity and inclusion. The largest institutions are the most likely to expand their responsible investing approaches within their investment portfolios and policies due to an increased focus on D&I issues. Over 30% of the largest institutions said they will add or expand responsible investing approaches within their portfolios and policies due to D&I versus just 10% of the smallest institutions.

Anticipate that diversity and inclusion will lead to expanding responsible investing considerations in coming 12 months



Explore the data further

See the full data tables with FY2021 survey results on responsible investing:

- Results by **size cohort**
- Results by **type of institution**

CHAPTER 8

Portfolio management and investment office

The events of FY2021 and the resulting market environment continue to highlight the need for endowments to have appropriate policies, controls, and internal and external resources in place to manage their funds effectively. While the fiscal year produced strong returns in most asset classes, volatility remained heightened, and outsized returns in some asset classes possibly caused some endowments' asset allocations to deviate significantly from their target levels.

This chapter examines endowments' decision-making and staffing related to managing their funds in FY2021 and provides context for the external forces and internal considerations that may have shaped 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 may be magnified as we transition into a market environment shaped by surging inflation and rising interest rates after an extended period of historically low inflation and interest rates.

Rebalancing approaches

Endowments, like other types of investors, generally use one of four approaches to rebalancing their portfolios toward their desired allocations:

Calendar-based: Rebalancing on a monthly, quarterly, or semi-annual basis.

Market value-based (target- and range-based): Rebalancing once an asset class increases or decreases beyond a predetermined percentage of the portfolio 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 flexibility over when rebalancing occurs.

The large dispersion of returns among asset classes in FY2021 highlights the importance of endowments' respective approaches to rebalancing. While dramatic equity market gains garnered many headlines during the fiscal year, returns in assets classes such as commodities and high-yield fixed income were equally impressive relative to their historical averages. Meanwhile, core fixed income returns were largely flat.

This pronounced variability among asset class returns can cause portfolio allocations to drift significantly from an endowment's targeted allocations. It is important to realize that such deviations can dramatically affect a portfolio's overall risk profile and that the decision to rebalance or not is itself a form of active management.

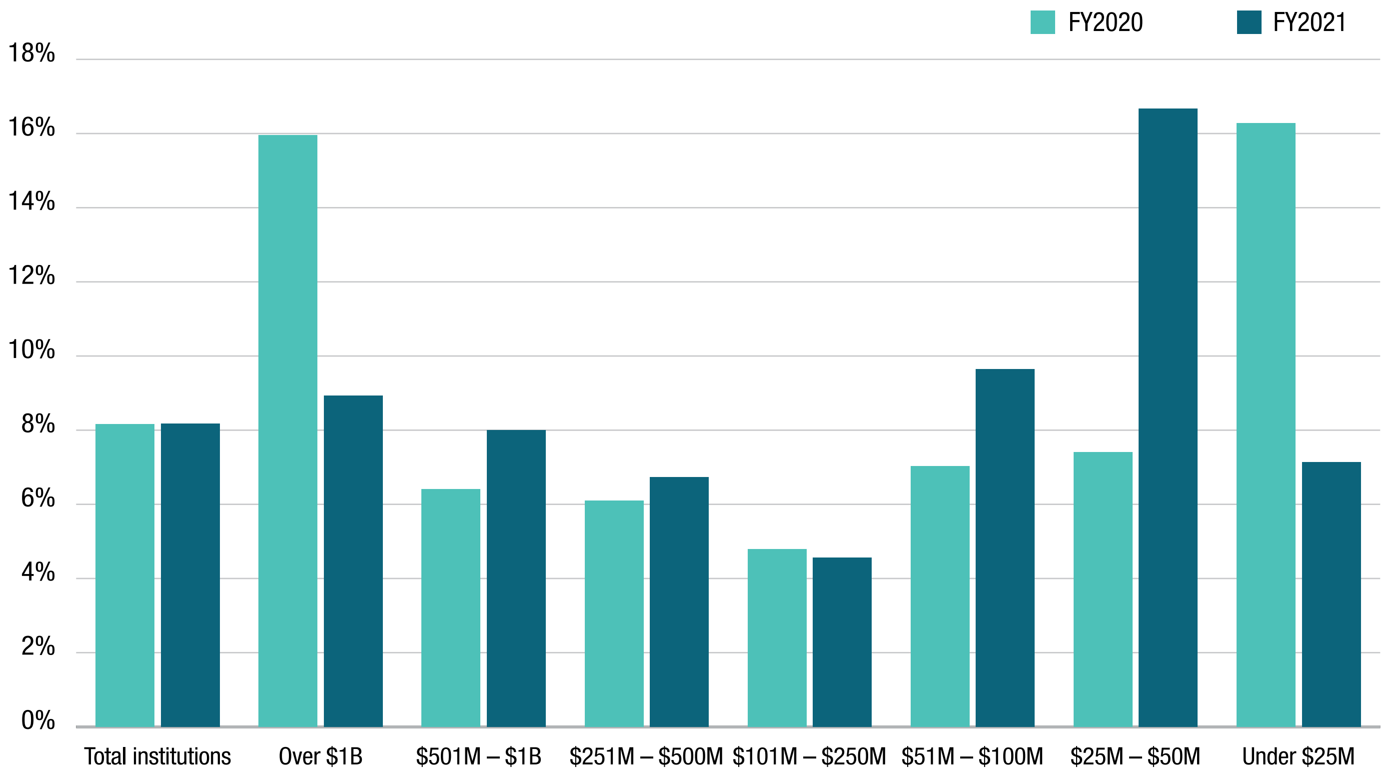
Rebalancing frequency and policy, FY2021

	TOTAL INSTITUTIONS	OVER $1B	$501M – $1B	$251M – $500M	$101M – $250M	$51M – $100M	$25M – $50M	UNDER $25M
Total institutions	**720**	**136**	**76**	**105**	**181**	**126**	**67**	**29**
Responded institutions	**685**	**123**	**75**	**104**	**175**	**114**	**66**	**28**
Calendar-based	**4.53%**	2.44%	4.00%	7.69%	5.14%	4.39%	0.00%	10.71%
Annually	**17.76%**	27.27%	26.92%	21.43%	14.93%	3.57%	0.00%	25.00%
Semi-annually	**10.28%**	0.00%	7.69%	14.29%	11.94%	10.71%	10.00%	25.00%
Quarterly	**50.00%**	42.42%	53.85%	40.48%	47.76%	75.00%	60.00%	37.50%
Monthly	**14.95%**	27.27%	11.54%	11.90%	16.42%	3.57%	20.00%	12.50%
Other	**7.01%**	3.03%	0.00%	11.90%	8.96%	7.14%	10.00%	0.00%
Market value-based (target and range based)	**60.29%**	63.41%	57.33%	52.88%	57.14%	64.91%	68.18%	64.29%
Both calendar and market value-based	**27.01%**	25.20%	30.67%	32.69%	33.14%	21.05%	15.15%	17.86%
No formal rebalancing practice	**8.18%**	8.94%	8.00%	6.73%	4.57%	9.65%	16.67%	7.14%

The survey shows that less than 5% of endowments used strictly calendar-based rebalancing, and an additional 27% used a combination of calendar- and market value-based rebalancing. A majority of plans (60%) used market value-based rebalancing.

The overall percentage of endowments with no formal rebalancing policy was virtually unchanged between FY2020 and FY2021. Still, the percentage of the largest endowments with no formal rebalancing policy dropped significantly (16% in FY2020 vs. 9% in FY2021), as did the percentage in the smallest cohort (16% in FY2020 vs. 7% in FY 2021). It is likely that the extreme volatility and market complexity of both FY2020 and FY2021 convinced some endowments that they needed to implement some type of rebalancing policy. It is worth noting, however, that other size cohorts saw a marked increase in the percentage of endowments without a formal rebalancing policy.

Percent of endowments without a formal rebalancing policy



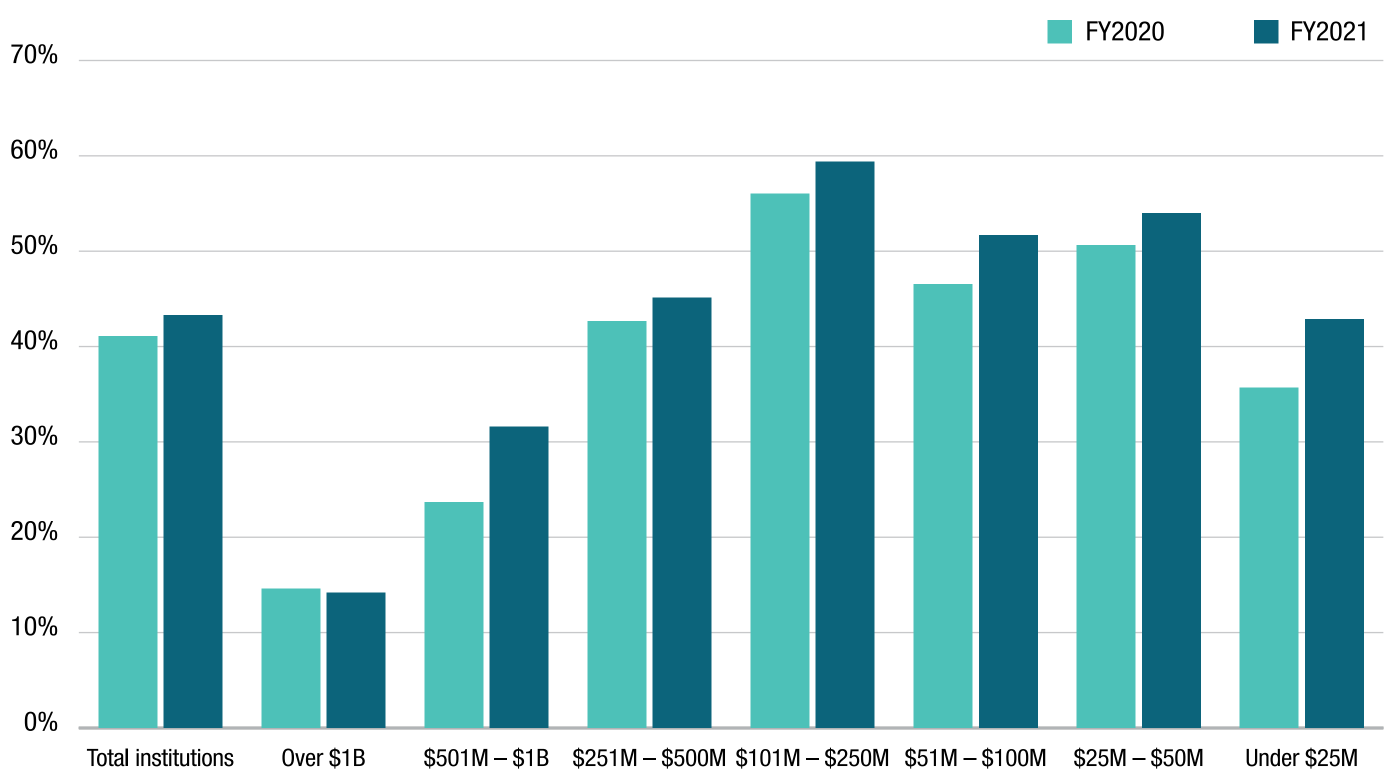
Outsourcing investment management

In FY2021, 43% of endowments reported using an outsourced chief investment officer (OCIO), up from 41% in FY2020 and up from 34% in FY2010. This trend reflects the increased adoption of the OCIO model following the Global Financial Crisis of 2007–2008 among institutional investors of all types, and particularly among smaller and mid-sized funds.

The most significant increases in OCIO usage occurred among smaller cohorts. The complex challenge of meeting endowments' respective hurdle rates amid extreme market volatility, muted expected returns, and the shift into a rising-rate, inflationary environment likely convinced more funds to seek external help with their investment management and governance. Furthermore, the ongoing COVID-19 pandemic created a great deal of uncertainty around endowments' budgeting processes and stretched their administrative resources, potentially motivating them to seek outside assistance with CIO functions.

The increased importance of private asset classes may have also contributed to the increase in OCIO usage among smaller endowments. Smaller endowments typically lack the scale to gain access to top-performing private equity and private credit managers, and smaller endowments may also lack the internal resources needed to vet and incorporate these managers. Working with an OCIO may provide smaller funds with access to private markets, either directly or through co-mingled funds.

Percent of endowments using an OCIO to run investment management



Responsibilities of an OCIO

OCIOs typically assume a broad range 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 assumes some tasks related to investment governance, implementation, and performance, whereas a consultant's scope is limited to advising in these areas. Even if an endowment uses an OCIO, the school's board of directors still has ultimate responsibility in these areas.

Use of internal CIO and external consultants among endowments not using an OCIO, FY2021

	TOTAL INSTITUTIONS	OVER $1B	$501M – $1B	$251M – $500M	$101M – $250M	$51M – $100M	$25M – $50M	UNDER $25M
Total institutions	**720**	**136**	**76**	**105**	**181**	**126**	**67**	**29**
Number of institutions not using an OCIO	**388**	**109**	**52**	**56**	**69**	**57**	**29**	**16**
Internal CIO	**36.34%**	88.99%	50.00%	12.50%	7.25%	8.77%	0.00%	6.25%
Consultant	**79.35%**	44.86%	94.00%	96.55%	90.79%	94.83%	87.50%	75.00%

The vast majority of endowments that did not use an OCIO used external investment consultants, and the likelihood of using a consultant increased considerably for endowments smaller than $1 billion. Larger endowments may have less need for consultants because these funds may already have established relationships with leading managers. Furthermore, large endowments today are receiving more assistance from their managers in terms of capital markets assumptions, insights, and implementation ideas—effectively fulfilling many of the roles traditionally performed by consultants.

It is worth noting, however, 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 and the fact that endowments face lower bureaucratic burdens than public pensions.

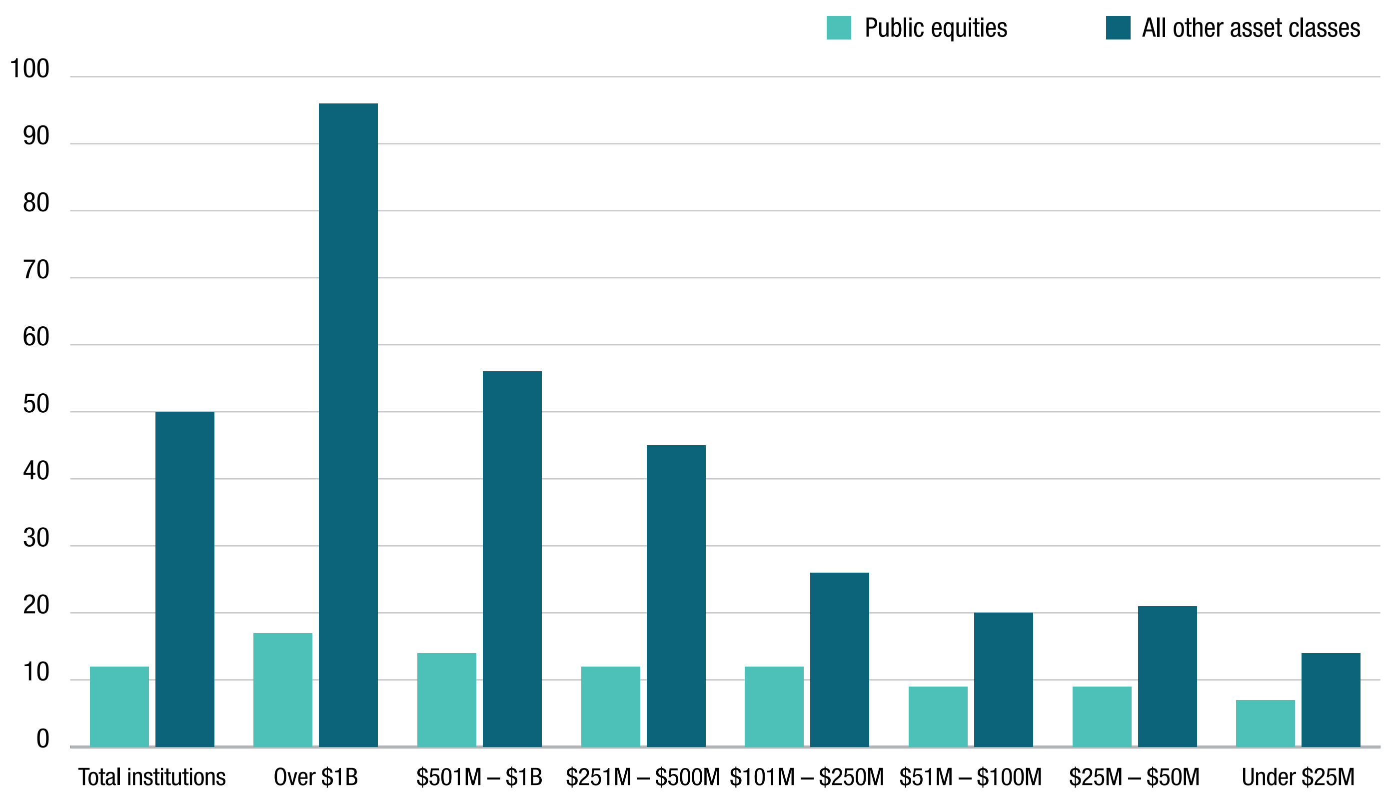
Broadly speaking, with smaller endowments, the primary responsibility for core investment functions is likely to transfer from an internal CIO to an investment committee/board of trustees or a consultant. Notably, the majority of endowments with $250 million or less give consultants primary responsibility for day-to-day investment management, which again highlights the blurring of the lines between consultants and OCIOs.

In FY2021, almost 65% of all endowments gave primary responsibility for asset allocation to an investment committee/board of trustees, while only about 19% gave 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 gave this primary responsibility to investment committees/boards of trustees still leaned heavily on their consultants to provide recommendations on asset allocations, even though the committee or board may have had ultimate responsibility for determining the funds' asset allocations.

Managers and fees

The marked increase in the number of managers used by larger endowments is mostly attributable to the fact that larger endowments tend to allocate a bigger percentage of their portfolios to more specialized assets classes, such as private venture capital, private equity, private real estate, and marketable alternatives. Given the high dispersion of returns among private asset managers and the idiosyncratic nature of these assets, endowments seek 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, FY2021



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.

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 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.

Fees paid to investment managers, FY2021

($ figures in 000s)

	TOTAL INSTITUTIONS	OVER $1B	$501M – $1B	$251M – $500M	$101M – $250M	$51M – $100M	$25M – $50M	UNDER $25M
Total institutions	**720**	**136**	**76**	**105**	**181**	**126**	**67**	**29**
Responded institutions	**162**	**35**	**26**	**26**	**43**	**20**	**10**	**2**
Investment consultants								
Avg fees	**$311**	$627	$477	$319	$207	$114	$86	$82
Median fees	**$171**	$427	$332	$229	$129	$97	$85	$78
Outsourced chief investment officer (OCIO)								
Avg fees	**$707**	$4,634	$1,351	$911	$368	$166	$119	$70
Median fees	**$296**	$2,702	$1,298	$767	$318	$149	$91	$61
Investment manager(s)								
Avg fees	**$12,044**	$72,230	$6,926	$2,329	$678	$284	$183	$48
Median fees	**$678**	$8,986	$5,517	$1,917	$477	$269	$121	$58
Custodian(s)								
Avg fees	**$140**	$244	$128	$233	$62	$35	$41	$29
Median fees	**$58**	$185	$100	$58	$30	$19	$18	$29
Internal investment team								
Avg fees	**$1,228**	$2,064	$518	$126	$207	$130	$0	$0
Median fees	**$592**	$1,153	$427	$97	$119	$130	$0	$0
Other data providers								
Avg fees	**$431**	$763	$110	$228	$185	$81	$87	$0
Median fees	**$102**	$285	$148	$0	$105	$20	$0	$0

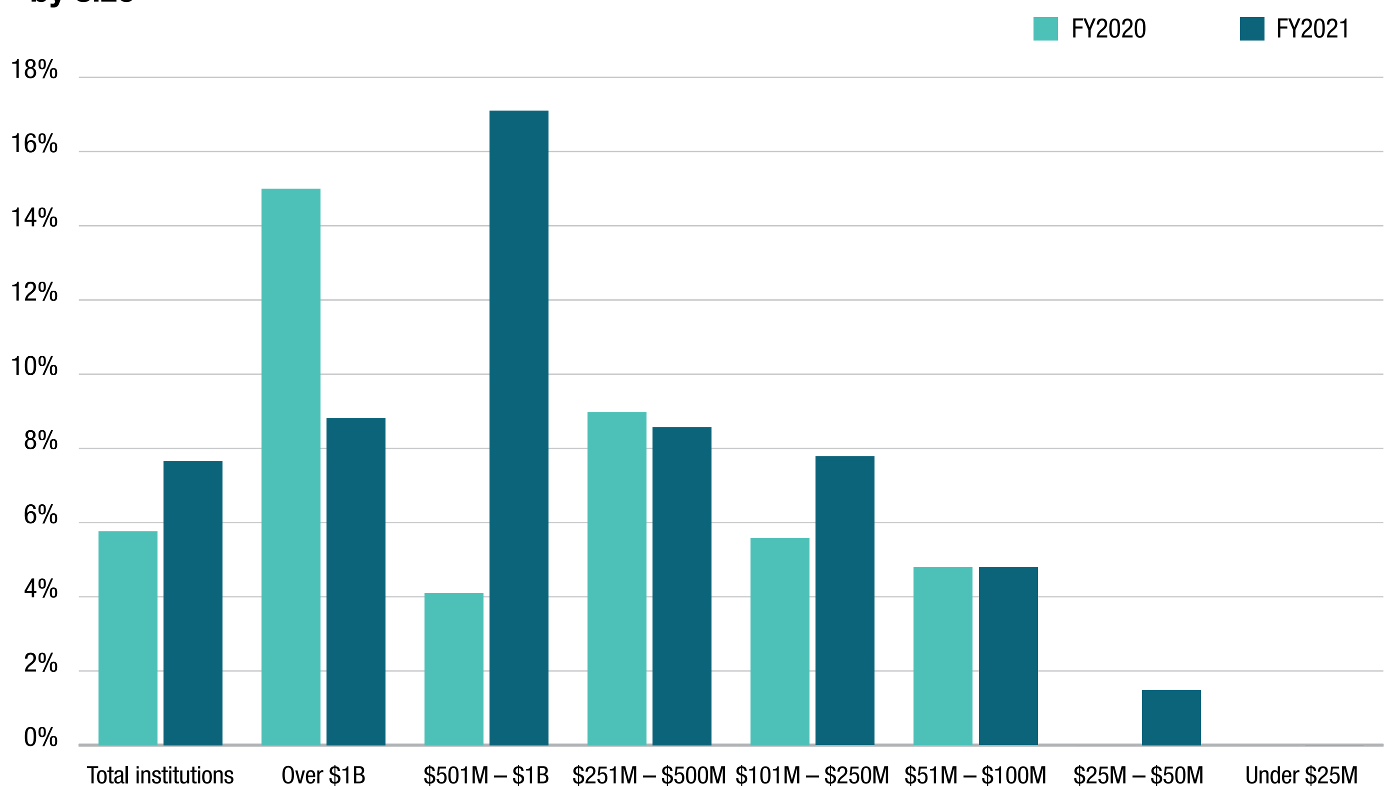
Diversity and inclusion

The percentage of endowments reporting that their institution had a formal policy addressing diversity and inclusion related to investment manager selection increased from 6% in FY2020 to 8% in FY2021. This increase may seem relatively small considering the attention that issues related to systemic racism and social inequality have received recently, but it is worth noting that endowments are often deliberative when it comes to implementing new investment policies. Creating a well-researched formal investment policy can be labor-intensive, and it is possible that the administrative stresses of operating during the pandemic made it difficult for endowments to devote the time and energy needed to develop a formal diversity and inclusion policy.

Another reason that more endowments do not have diversity and inclusion policies may be that they fear that implementing these policies may limit their flexibility in allocating among managers, and thus limit the endowment's ability to meet its hurdle rate.

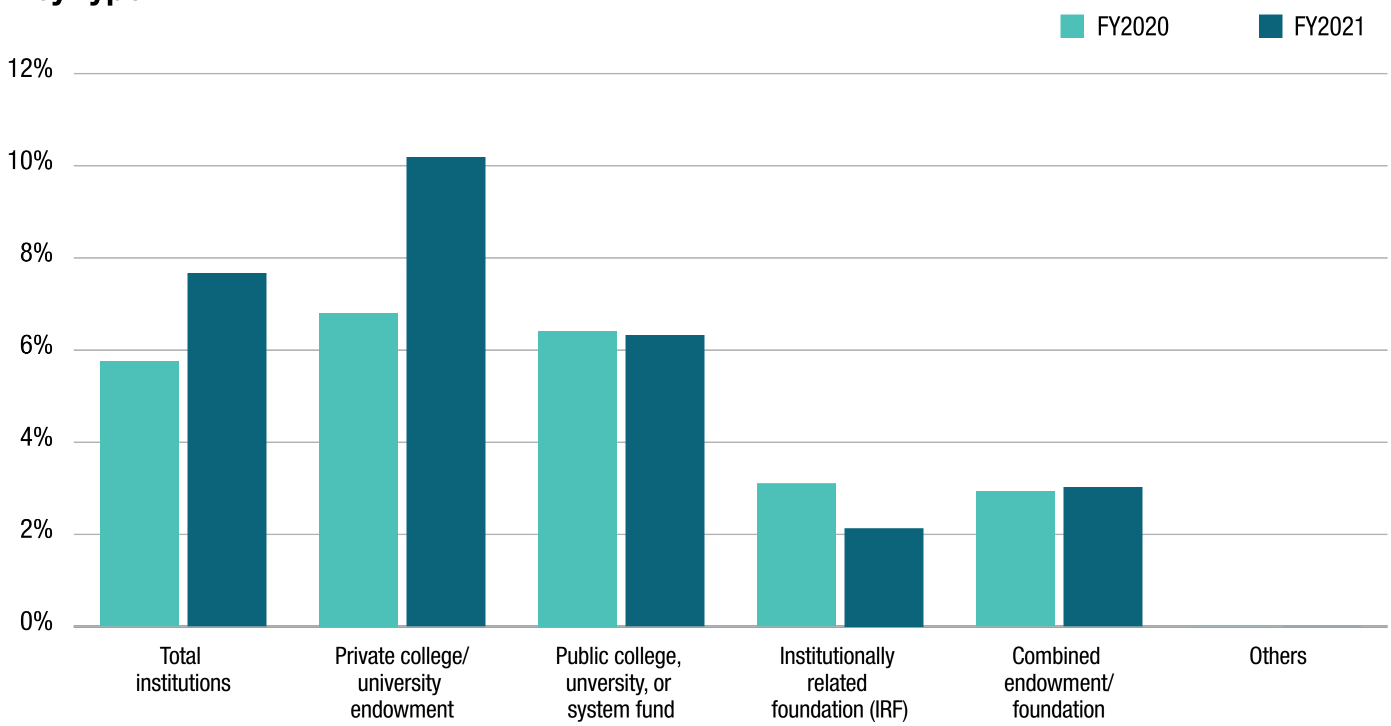
Along these lines, it is not surprising to see that larger endowments are significantly more likely than smaller endowments to have manager diversity and inclusion policies. Larger endowments have more opportunities to spread assets among numerous managers. Interestingly, the percentage of $1 billion+ endowments with formal policies decreased significantly from FY2020 to FY2021. Although it is impossible to know for sure, this decrease could be partly attributable to some endowments without formal policies that were sub-$1 billion in FY2020 "graduating" into the $1 billion+ category as market values grew in FY2021.

University has a diversity and inclusion policy for investment manager selection – by size



Nearly all the increase in the percentage of endowments with formal diversity and inclusion policies was driven by private institutions. The percentage of public institutions with these policies was basically unchanged since last year, but the percentage of private college/university endowments with these policies increased from less than 7% in FY2020 to more than 10% in FY2021.

University has a diversity and inclusion policy for investment manager selection – by type



It is worth noting that asking whether an endowment has a formal diversity and inclusion policy is different than asking whether the endowment considers these factors in manager searches. Although the vast majority of endowments say that they don't have a formal diversity and inclusion policy, it is likely that a large portion of these endowments take a manager's racial and gender diversity into consideration during their search processes. Furthermore, if an endowment believes that having a diverse staff strengthens an external manager's investment process, endowments may increasingly look to improve the diversity of their internal investment teams.

Explore the data further

See the full data tables with FY2021 survey results on portfolio management and investment offices:

- Results by **size cohort**
- Results by **type of institution**

CHAPTER 9

Climate investment policies: How endowments can address climate risk in their portfolios

Climate change presents endowments with a particularly complicated set of choices. Should an endowment adopt an investment policy to reduce carbon emissions? If so, how can endowments balance their carbon reduction targets with their investment objectives and fiduciary responsibilities? And how should endowments best engage with their various stakeholders about steps to address climate risk within their portfolios?

With many choices to make, endowments can understandably feel overwhelmed by the complexity of carbon reduction targets like “net zero” and how to best manage progress toward them. Fortunately, many institutional investors have made significant strides in developing and implementing policies related to climate change in their portfolios. We outline some of the steps that endowments should consider when deciding how to address the issue of climate change in a thoughtful, effective manner.

Clarify an endowment's beliefs and objectives related to climate risk

The first step in developing an effective investment policy on climate change is to clarify the endowment's beliefs about climate risk. Climate risk refers to the potential impacts of climate change on investment performance, and includes both the physical impacts of climate change (e.g., more frequent and severe hurricanes) and the impacts of transitioning to a low carbon economy (e.g., policy, regulatory and market disruption). The following questions will play a crucial role in determining an endowment's objectives and the appropriate measures of progress:

Will the world inevitably transition to a low carbon economy?

Many endowments believe that the transition to a low carbon economy is inevitable and that it will significantly affect companies' financial performance and their projected growth. If an endowment subscribes to these assumptions, the endowment should treat climate change as an investment risk that it must manage. This involves considering how the transition to a low carbon economy will create risks and opportunities within its portfolio. On the other hand, if an endowment believes that the global economy will not undergo a low carbon transition or that the physical effects of climate change will not directly affect its portfolio holdings, developing carbon reduction targets may not seem necessary in the near term.

Does addressing climate risk mean sacrificing returns?

Endowments must balance their potential carbon reduction targets against their overall investment objectives and fiduciary responsibilities. To do so, endowments must determine what impact they believe potential carbon reduction targets and their time horizons will have on their portfolio. Understandably, the conclusions that endowments reach will likely vary.

Some endowments may conclude that failing to decarbonize their portfolio will pose financial risks over the long term as demand for high carbon intensity assets declines. Conversely, others may believe that decarbonizing their portfolio will negatively affect its risk-return profile, particularly in the near-term. While divesting from assets with high carbon intensity may cause tracking error—or deviation from the benchmark—there are other ways to address climate change and reduce the portfolio's carbon intensity (as discussed below). In any case, it's essential for an endowment's investment committee to determine its stance on how decarbonizing a portfolio may affect returns and then set appropriate polices based on that conclusion.

What are the endowment's portfolio carbon and risk-return objectives?

Once an endowment has addressed the two previous questions, the endowment needs to establish clear objectives about what it hopes to achieve through its climate change investment policy. Some endowments may seek to achieve net zero carbon emissions across the entire portfolio by a certain point in time. In fact, net zero carbon goals have become increasingly popular among institutional investors because they set a clear, unified objective to work toward.

Other endowments may believe that less ambitious low carbon targets are more appropriate for their objectives. In this case, low carbon targets may center on reducing their portfolio's carbon intensity as much as possible within a certain amount of tracking error.

In other cases, an endowment may simply focus on completely divesting from certain types of high carbon intensity assets, such as fossil fuels. Fossil fuel divestment quickly reduces an investment portfolio's carbon footprint. While divestment can be an effective initial step, it may not influence the actions of the divested companies or assets and therefore may not ultimately reduce carbon emissions.

Assess the realities and constraints of carbon data

Making decarbonization decisions depends in part on having accurate, reliable data about an asset's carbon intensity. While data providers have made significant advancements in the quality and availability of information about companies' carbon footprints, in some cases these data are not as precise and consistent as the financial data that investors typically utilize. In addition, the constant influx of data providers focused on carbon intensity or other ESG measures can be dizzying.

Currently, the quality and availability of carbon data varies significantly by asset class. While nearly all S&P 500 companies publish data about their carbon emissions, getting equivalent data regarding private assets (such as private equity or some real assets) can be extremely challenging. In some cases, endowments may choose to focus their decarbonization targets on publicly traded asset classes until better data regarding private assets become available.

Still, endowments shouldn't let "the perfect be the enemy of the good" in terms of incorporating carbon targets into their investment policies. If endowments wait until carbon data are on par with other financial data, they may miss the opportunity to set constructive decarbonization targets within a reasonable timeframe. In the interim period, endowments should lean on their asset managers, consultants, and third-party resources to determine which carbon data sources are most accurate and reliable. Estimates and proxies may also prove useful in filling data gaps in the interim.

Determine the appropriate strategies for implementation

At the policy implementation stage, several potential strategies can help endowments work toward reducing climate risk in their portfolios. While divestment from high carbon intensity assets is one very direct and stringent approach, there are other effective ways to decarbonize an endowment's portfolio and address climate change.

Endowments can use four primary levers to drive their decarbonization efforts, each with varying levels of impact on the portfolio's composition. It is important to note that the efficacy of these levers may also vary significantly by asset class or by the endowment's size.

Reduce exposure to high carbon intensity assets:

Endowments can reduce their portfolio's carbon exposure at both the asset class and sector level, as well as through security selection. Clearly, reallocating from asset classes or sectors with higher carbon intensity, such as energy or industrials, can have a major and immediate impact on an endowment's total carbon footprint. Still, endowments don't necessarily need to divest from these assets altogether. Rather, endowments can choose to invest in specific companies that have committed to low carbon targets themselves or that have demonstrated leadership in reducing carbon emissions within their sectors. Endowments may divest from certain fixed income investments as well, or they may simply allow specific bonds to mature and roll off their portfolio.

Seek out low carbon and carbon negative assets:

Endowments may choose to invest in low carbon and carbon negative assets such as agriculture, timberland or bioenergy with carbon capture and storage technology. Such investments can help offset some of the financed carbon emissions within a portfolio, while also adding diversification, inflation hedging, and yield and liability matching. In addition to these benefits, investing in low carbon or carbon negative assets can help lower the cost of capital for and signal investor interest in the emerging practices and technologies that will be essential for a transition to a low-carbon economy.

In public equity and corporate fixed income, endowments may choose to invest in companies that have set their own low or net zero carbon targets, provided that the endowment believes that such companies will achieve their objectives. In fixed income, endowments may also invest in green bonds, which are bonds that finance environmentally friendly projects.

Reduce carbon emissions of directly owned assets:

Given endowments' long investment horizons and the nature of the gifts they receive from donors, many endowments' portfolios include directly owned assets, such as farmland, real estate properties and infrastructure. These scenarios present unique opportunities for endowments to address climate change within the operation of directly owned assets.

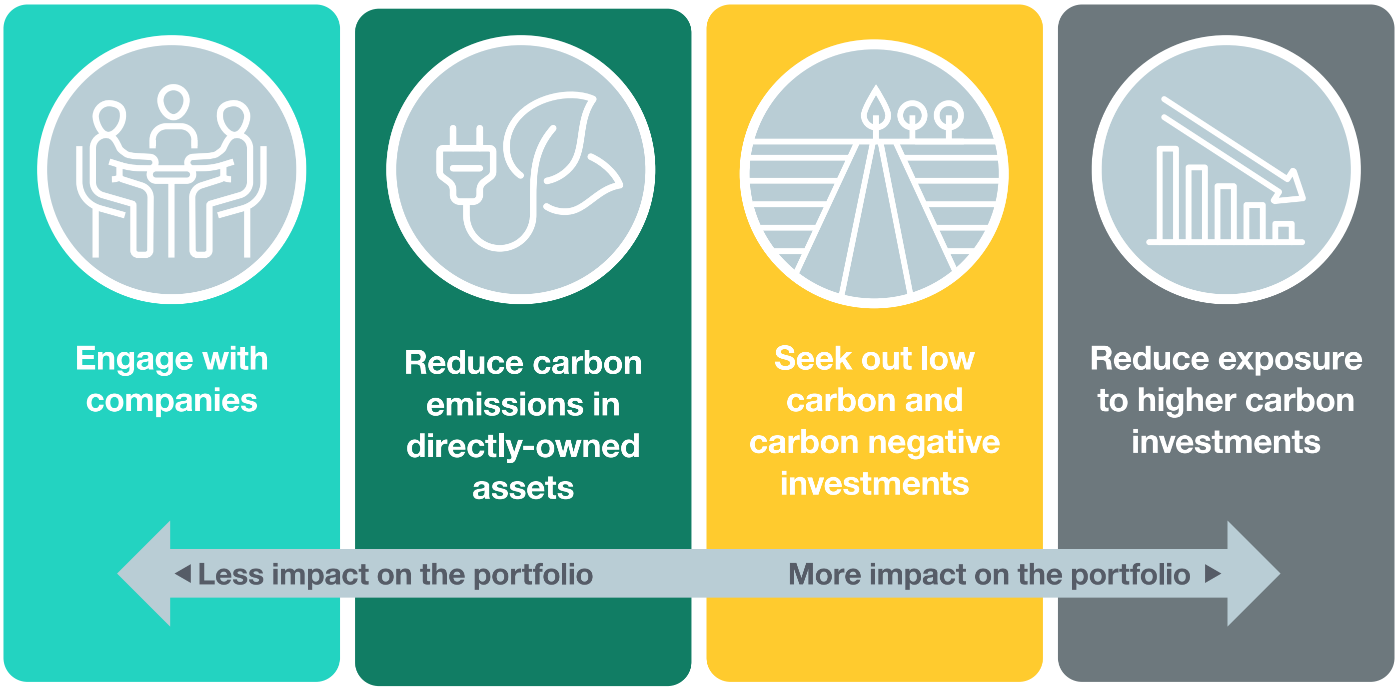
Endowments with direct equity positions in real assets can reduce these assets' carbon impact by improving their energy efficiency and by sourcing renewable energy and low carbon footprint materials. This strategy can be particularly effective in reducing carbon emissions because endowments have direct control over these assets and can potentially implement changes in their operation within a relatively short period of time. Like any other type of operational improvement, projects to reduce carbon emissions of directly owned assets should be subject to typical cost-benefit analysis.

Engage with companies directly:

In virtually any asset class, endowments can engage with companies and assets directly to influence climate risk management and decarbonization pathways. Endowments can vote their shares in support or opposition to a company's climate strategy (or lack thereof), or choose to support or oppose public company board members based on how well or poorly the board's climate expertise and oversight align with the endowment's objectives. Obviously, larger endowments may be more influential than smaller endowments, but smaller endowments can amplify their voices by forming coalitions, taking coordinated action and emphasizing the importance of engagement when selecting external asset managers.

While fixed income investments don't carry the power of proxy voting, there are still opportunities for direct engagement with debt issuers and even avenues for broader influence through market- and industry-based organizations and standard setters. Endowments can also effectively "vote" their support of an issuer's management of carbon emissions by deciding whether to purchase its next issuance or by allowing existing bonds to roll off a portfolio as they mature. These strategies are most effective when paired with direct meetings with the issuer to communicate the motivation behind these decisions.

Approaches for reducing carbon risk in portfolios



Engage with stakeholders at every step of the process:

For an endowment's climate investment policy to be effective, it must have broad support across the organization. Internally, endowments will need to engage with stakeholders such as CIOs, investment teams, risk teams, board members and, if applicable, internal ESG teams at every step of the process. Externally, endowments will also need to consider the views of constituents such as university administrators, academic faculty, donors and students.

In every case, it's essential for endowments to communicate their objectives clearly to all stakeholders and to provide transparency in the decarbonization process. Setting interim goals and showing progress toward these objectives is also critical, especially for endowments that have set net zero targets with dates far in the future.

Fortunately, endowments may have an important advantage over other institutional investors because endowments can engage members from throughout their academic and research communities in the process of setting climate targets. The input that academic researchers can offer may be an invaluable resource in helping an endowment set climate targets that will satisfy both the endowment's investment objectives and the environmental concerns of its constituents.

Navigating a complex fiduciary challenge

Implementing a thoughtful and effective climate investment policy is not an easy task. As fiduciaries, endowments must balance potential climate targets with their return objectives and be mindful of the likely investment impacts that their climate strategy will have over time. Fortunately, endowments can follow a consistent, well-structured path to setting climate targets if they choose to do so, and the lessons learned by other institutions can help guide this process. Together, endowments can protect their investments in a changing climate while making a meaningful difference in solving the climate challenges we all face.

Resources to help guide climate change investment policy decisions:

United Nations-Convened Net-Zero Asset Owner Alliance: An international group of 62 institutional investors representing $10 trillion in AUM that have committed to transitioning their investment portfolios to net-zero greenhouse gas emissions by 2050.

CDP: Runs the global environmental disclosure system for investors, companies, cities, states and regions and provides annual assessments of company transparency and management of climate risk.

Science Based Targets initiative (SBTi): Defines and promotes best practice in emissions reductions and net-zero targets and is mobilizing companies to set targets in line with a 1.5°C future.

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 nearly $1.4 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 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.

TIAA-CREF Individual & Institutional Services, LLC, and Nuveen Securities, LLC, Members FINRA, distribute securities products.

This material is for informational or educational purposes only and does not constitute fiduciary investment advice under ERISA, a securities recommendation under all securities laws, or an insurance product recommendation under state insurance laws or regulations. This material does not take into account any specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on the investor's own objectives and circumstances.

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 2021

Figure 2.1-s
Institutions by size

	TOTAL INSTITUTIONS
TOTAL INSTITUTIONS	**720**
Over $1 Billion	**136**
$501 Million – $1 Billion	**76**
$251 Million – $500 Million	**105**
$101 Million – $250 Million	**181**
$51 Million – $100 Million	**126**
$25 Million – $50 Million	**67**
Under $25 Million	**29**

Figure 2.2-s
Average market value of endowment assets
($ figures in 000s)

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Total Market Value Endowment Assets 2021	$820,995,308	$687,087,662	$54,781,625	$37,752,352	$29,074,297	$9,305,293	$2,521,154	$472,925
Total Market Value Endowment Assets 2020	$607,424,822	$503,885,480	$41,964,541	$29,071,066	$22,833,843	$7,299,592	$1,990,950	$379,351
Average Market Value Endowment Assets 2021	$1,140,271	$5,052,115	$720,811	$359,546	$160,631	$73,852	$37,629	$16,308
Average Market Value Endowment Assets 2020	$843,646	$3,705,040	$552,165	$276,867	$126,154	$57,933	$29,716	$13,081

Figure 2.3-s
Total market value of life income assets
($ figures in 000s)

	Total Institutions	OVER $1B	$251M - $500M	$501M - $1B	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	105	76	181	126	67	29
Responded Institutions	505	113	83	62	133	72	33	9
Total Market value of life income assets	$17,062,429	$10,842,778	$2,214,714	$2,176,864	$1,274,449	$444,044	$77,432	$32,148
Average Total Market value of life income assets	$33,787	$95,954	$26,683	$35,111	$9,582	$6,167	$2,346	$3,572
Median Total Market value of life income assets	$4,400	$36,890	$5,228	$11,576	$2,243	$873	$539	$953

Figure 2.4-s
Total market value of donor advised fund assets
($ figures in 000s)

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	85	28	9	7	20	15	2	4
Total Market value of donor advised fund assets	$10,573,874	$7,605,569	$864,670	$681,742	$690,449	$652,068	$45,237	$34,140
Average Total Market value of donor advised fund assets	$124,399	$271,627	$96,074	$97,392	$34,522	$43,471	$22,618	$8,535

Figure 2.5-s
New gifts to the endowment
($ figures in 000s)

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	690	123	73	101	178	120	67	28
Total 2021 gifts	$12,007,912	$8,326,965	$1,170,189	$1,093,714	$918,964	$352,829	$125,182	$20,068
Total 2020 gifts	$10,449,861	$7,651,492	$1,062,481	$729,853	$687,102	$200,622	$105,652	$12,659
Average 2021 gifts	$17,633	$68,254	$16,030	$10,937	$5,251	$2,990	$1,897	$743
Average 2020 gifts	$15,167	$62,207	$14,555	$7,226	$3,860	$1,686	$1,577	$452
Median 2021 gifts	$4,195	$42,239	$11,370	$6,899	$2,898	$1,533	$868	$359
Median 2020 gifts	$3,318	$30,030	$11,497	$6,509	$2,373	$1,240	$743	$277

Figure 2.6-s
Percentage of gifts to the endowment with a restricted purpose directed to diversity, equity and inclusion

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	470	49	47	73	131	89	58	23
Number of institutions with the restricted purpose of 0-25% of avg % of gift with restricted purpose	288	17	23	43	87	59	45	14
Number of institutions with the restricted purpose of 26-50% of avg % of gift with restricted purpose	15	2	2	4	5	2	0	0
Number of institutions with the restricted purpose of 51-75% of avg % of gift with restricted purpose	4	0	0	0	2	1	0	1
Number of institutions with the restricted purpose of 76-100% of avg % of gift with restricted purpose	163	30	22	26	37	27	13	8

Figure 2.7-s
Student-managed endowment funds

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	691	124	74	103	177	118	66	29
Yes	33.00%	49.19%	43.24%	35.92%	32.20%	22.03%	18.18%	10.34%
No	67.00%	50.81%	56.76%	64.08%	67.80%	77.97%	81.82%	89.66%
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 fund
($ figures in 000s)

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	225	59	31	37	57	26	12	3
Total Market value of student-managed fund	$521,053	$227,212	$149,925	$63,643	$54,088	$21,887	$4,058	$239
Average Total Market value of student-managed fund	$2,316	$3,851	$4,836	$1,720	$949	$842	$338	$80
Median Total Market value of student-managed fund	$800	$2,294	$1,883	$499	$562	$350	$291	$51

Figure 2.9-s
Annualized one-year net rate of return for student-managed fund
($ figures in 000s)

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	194	47	27	35	49	23	11	2
Total Market value of student-managed fund	$521,053	$227,212	$149,925	$63,643	$54,088	$21,887	$4,058	$239
Average Total Market value of student-managed fund	$2,316	$3,851	$4,836	$1,720	$949	$842	$338	$80
Median Total Market value of student-managed fund	$800	$2,294	$1,883	$499	$562	$350	$291	$51
Average annual net return for student-managed fund	34.89%	36.99%	40.01%	34.72%	32.93%	32.10%	32.28%	13.55%

Figure 3.1-s
Withdrawals from endowment
($ figures in 000s)

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	700	124	75	104	181	123	65	28
Distribution according to your spending policy	$19,919,144	$15,886,369	$1,603,903	$1,150,681	$921,052	$272,028	$74,921	$10,191
Special appropriations above your spending policy	$965,695	$697,722	$52,130	$93,898	$94,341	$19,009	$8,346	$249
Distributions for fees and administrative expenses	$1,352,430	$858,921	$191,766	$154,378	$105,365	$31,006	$8,504	$2,491
Total withdrawals for FY 2020	$21,924,342	$17,104,804	$1,850,742	$1,340,465	$1,178,983	$339,749	$93,059	$16,540

Figure 3.2-s
Special appropriations to spending

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	146	28	17	28	48	17	6	2
Made Special Appropriations	20.28%	20.59%	22.37%	26.67%	26.52%	13.49%	8.96%	6.90%
Capital campaign costs	2.08%	4.41%	3.95%	1.90%	2.21%	0.00%	0.00%	0.00%
Campus or facility improvements	3.47%	2.21%	1.32%	2.86%	6.63%	3.17%	2.99%	0.00%
Debt service	1.81%	2.94%	1.32%	2.86%	2.21%	0.79%	0.00%	0.00%
Financial aid	4.03%	1.47%	5.26%	6.67%	3.87%	3.97%	2.99%	6.90%
In support of the operating budget	8.61%	6.62%	9.21%	11.43%	9.94%	8.73%	5.97%	3.45%
New strategic initiatives	2.78%	2.21%	0.00%	1.90%	7.18%	0.79%	1.49%	0.00%
Spending to support diversity, equity and inclusion	0.69%	1.47%	0.00%	0.95%	1.10%	0.00%	0.00%	0.00%
Other	5.14%	8.82%	5.26%	5.71%	6.63%	1.59%	1.49%	0.00%

Figure 3.3-s
Spending policy distribution by functions

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	577	122	65	87	150	93	43	17
Responded Institutions	493	86	57	78	133	85	40	14
Student financial aid	46.49%	30.41%	38.14%	45.53%	48.98%	55.15%	57.32%	77.23%
Endowed faculty positions	11.14%	17.60%	14.48%	11.28%	10.19%	6.51%	7.09%	5.62%
Operation and maintenance of campus facilities	8.74%	8.83%	7.50%	7.44%	8.95%	12.75%	5.58%	3.13%
Academic programs and research	15.26%	21.25%	16.99%	16.40%	14.89%	10.14%	12.53%	7.53%
All other purposes	18.38%	21.90%	22.88%	19.36%	16.99%	15.45%	17.48%	6.49%

Figure 3.4-s
Average annual effective spending rates

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	713	133	75	105	181	123	67	29
FY2021	4.54%	4.72%	4.49%	4.59%	4.71%	4.53%	3.87%	4.12%
FY2020	4.53%	4.54%	4.24%	4.64%	4.74%	4.55%	4.26%	4.15%

Figure 3.5-s
Percentage of operating budget funded by endowment

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	577	122	65	87	150	93	43	17
Responded Institutions	540	105	64	87	144	89	40	11
Average percentage of operating budget funded by endowment	11.28%	19.58%	12.05%	12.74%	9.29%	7.53%	3.85%	0.78%
Median percentage of operating budget funded by endowment	5.12%	10.20%	6.27%	8.20%	5.40%	3.38%	1.15%	0.00%
Increased	56.63%	62.75%	68.75%	68.24%	52.90%	53.41%	32.50%	0.00%
Decreased	25.19%	28.43%	18.75%	18.82%	27.54%	27.27%	25.00%	36.36%
No change	18.18%	8.82%	12.50%	12.94%	19.57%	19.32%	42.50%	63.64%

Figure 3.6-s
Spending policy

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	695	129	74	104	176	119	66	27
Spend all current income	1.67%	1.47%	1.32%	2.86%	2.21%	0.79%	0.00%	3.45%
Spend a percentage of a moving average of the endowment's market value	74.31%	53.68%	73.68%	79.05%	80.66%	79.37%	88.06%	62.07%
Average Percentage	5.58%	7.51%	6.36%	5.73%	4.75%	4.63%	6.24%	4.41%
Spend a pre-specified percentage of the beginning year market value	3.61%	2.94%	0.00%	1.90%	4.42%	6.35%	1.49%	10.34%
Average pre-specified percentage spent	10.56%	52.00%	-	5.13%	3.30%	4.25%	-	4.67%
Use a weighted-average or hybrid method	9.44%	22.06%	19.74%	6.67%	4.97%	3.97%	2.99%	0.00%
Decide on an appropriate rate or dollar amount each year	4.72%	0.74%	1.32%	4.76%	7.18%	7.14%	4.48%	6.90%
Other	11.0%	20.6%	6.6%	8.6%	8.3%	7.1%	11.9%	17.2%

Figure 3.7-s
Spending policy percentage of moving average time period

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	533	72	56	83	145	100	59	18
12 Quarters	42.64%	33.33%	45.61%	44.58%	54.42%	38.61%	27.12%	38.89%
16 Quarters	2.42%	1.39%	3.51%	3.61%	2.04%	0.99%	3.39%	5.56%
20 Quarters	11.17%	19.44%	8.77%	14.46%	8.16%	9.90%	8.47%	11.11%
3 years	26.82%	11.11%	21.05%	26.51%	21.09%	35.64%	50.85%	27.78%
5 years	6.52%	9.72%	5.26%	4.82%	5.44%	6.93%	6.78%	11.11%
Other	10.43%	25.00%	15.79%	6.02%	8.84%	7.92%	3.39%	5.56%

Figure 3.8-s
Weighted-average or hybrid weighting of different methods

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	63	28	15	6	7	5	2	0
Spend a percentage of a moving average of the endowment's market value								
Avg percentage	31.36%	31.58%	31.68%	37.50%	31.00%	30.95%	17.00%	-
Median percentage	30.00%	30.00%	30.00%	30.00%	30.00%	11.90%	17.00%	-
Spend a pre-specified percentage of the beginning year market value								
Avg percentage	26.20%	25.00%	16.88%	30.00%	30.00%	60.00%	-	-
Median percentage	30.00%	20.00%	2.50%	30.00%	30.00%	60.00%	-	-
Grow last year's spending amount at a predetermined rate with upper and lower bands								
Avg percentage	68.77%	71.77%	64.08%	72.50%	60.50%	80.00%	70.00%	-
Median percentage	70.00%	70.00%	70.00%	70.00%	70.00%	80.00%	70.00%	-

Figure 3.9-s
Change your spending policy or rule

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	700	127	74	104	180	121	66	28
Yes	11.14%	8.66%	18.92%	9.62%	11.67%	9.92%	15.15%	0.00%
No	88.86%	91.34%	81.08%	90.38%	88.33%	90.08%	84.85%	100.00%

Figure 3.10-s
Reasons for changes to spending policy rule

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	76	11	13	10	21	11	10	0
Increased Spending	50.00%	54.55%	46.15%	60.00%	57.14%	63.64%	10.00%	-
Decreased Spending	50.00%	45.45%	53.85%	40.00%	42.86%	36.36%	90.00%	-

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

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	646	111	69	95	170	110	64	27
Increase spending rate	6.50%	2.70%	8.70%	4.21%	9.41%	3.64%	10.94%	7.41%
New spending rate increase	5.07%	3.67%	4.05%	5.31%	5.25%	5.69%	6.10%	4.25%
Decrease spending rate	10.99%	6.31%	14.49%	13.68%	12.94%	14.55%	4.69%	0.00%
New spending rate decrease	4.73%	4.45%	4.97%	4.65%	4.93%	4.53%	4.23%	-
Maintain current spending policy	82.51%	90.99%	76.81%	82.11%	77.65%	81.82%	84.38%	92.59%

Figure 3.12-s
Annual fee to the endowment to cover the administrative costs

(Applies only to institutionally related foundations)

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	143	14	11	18	31	33	24	12
Responded Institutions	141	14	11	18	31	31	24	12
Minimum Annual Fee	0.05	0.55	0.25	1.00	0.05	0.75	0.35	0.80
Median Annual Fee	1.25	1.00	1.35	1.50	1.25	1.30	1.13	1.25
Maximum Annual Fee	3.60	1.50	1.95	2.00	3.60	2.50	1.50	2.25

Figure 3.13-s
One-time fee

(Applies only to institutionally related foundations)

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	143	14	11	18	31	33	24	12
Responded Institutions	140	13	11	18	31	31	24	12
Minimum one-time fee	1.00	5.00	5.00	1.00	4.00	2.50	2.50	1.00
Median one-time fee	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Maximum one-time fee	10.00	5.00	5.00	6.00	10.00	5.00	10.00	5.00

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

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
1-year net annualized return	30.62%	37.25%	33.85%	31.45%	28.88%	26.63%	27.27%	23.90%
3-year net annualized return	12.14%	14.22%	12.57%	12.17%	11.29%	11.11%	11.71%	10.82%
5-year net annualized return	11.44%	13.03%	11.90%	11.53%	10.85%	10.46%	10.91%	10.36%
10-year net annualized return	8.50%	9.40%	8.61%	8.31%	7.99%	7.96%	8.95%	8.30%
15-year net annualized return	7.33%	8.03%	7.68%	6.99%	6.90%	6.82%	6.76%	7.45%
20-year net annualized return	6.83%	8.02%	7.43%	6.55%	6.11%	5.79%	3.61%	3.58%
25-year net annualized return	7.36%	9.08%	8.18%	7.20%	5.80%	5.78%	2.31%	4.11%

Figure 4.2-s
One-year returns by percentile

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Deciles								
90th Percentile	39.30%	47.39%	40.35%	39.34%	34.00%	33.05%	32.92%	28.91%
80th Percentile	35.40%	42.51%	37.35%	35.08%	32.66%	31.30%	30.31%	27.47%
70th Percentile	33.10%	39.35%	36.03%	32.98%	31.50%	29.62%	29.18%	26.83%
60th Percentile	31.68%	38.00%	34.80%	32.24%	30.24%	28.02%	28.51%	25.53%
50th Percentile (Median)	30.14%	36.52%	33.16%	31.10%	29.30%	26.99%	28.10%	24.71%
40th Percentile	28.80%	34.87%	32.10%	30.06%	28.20%	26.11%	27.47%	23.95%
30th Percentile	27.50%	33.20%	31.04%	29.20%	27.25%	24.96%	26.35%	22.96%
20th Percentile	26.08%	31.60%	28.80%	28.36%	26.00%	23.29%	25.20%	22.19%
10th Percentile	23.19%	29.59%	27.87%	26.19%	22.60%	20.40%	21.52%	15.02%
Quartiles								
75th Percentile	34.03%	40.78%	36.58%	33.90%	32.07%	30.73%	29.85%	26.89%
50th Percentile (Median)	30.14%	36.52%	33.16%	31.10%	29.30%	26.99%	28.10%	24.71%
25th Percentile	26.90%	32.46%	29.28%	28.80%	26.42%	24.29%	25.85%	22.31%
Percentiles								
95th Percentile	42.86%	53.38%	45.73%	41.64%	36.60%	35.31%	33.69%	30.08%
5th Percentile	19.99%	26.40%	27.08%	23.86%	20.60%	14.21%	18.50%	12.15%

Figure 4.3-s
Three-year returns by percentile

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	661	132	74	101	170	109	52	23
Deciles								
90th Percentile	15.20%	18.78%	15.26%	14.40%	13.23%	12.90%	13.57%	12.77%
80th Percentile	13.58%	16.45%	13.78%	13.50%	12.46%	11.92%	13.10%	12.43%
70th Percentile	12.70%	15.29%	13.00%	12.70%	11.90%	11.50%	12.37%	12.06%
60th Percentile	12.20%	14.59%	12.48%	12.24%	11.62%	11.20%	11.95%	11.83%
50th Percentile (Median)	11.70%	13.75%	12.28%	11.80%	11.35%	10.90%	11.65%	10.54%
40th Percentile	11.30%	13.20%	11.64%	11.50%	10.91%	10.63%	11.30%	10.39%
30th Percentile	10.86%	12.40%	11.38%	11.10%	10.61%	10.22%	10.93%	9.99%
20th Percentile	10.40%	11.41%	10.90%	10.74%	10.20%	10.00%	10.71%	9.64%
10th Percentile	9.78%	10.70%	10.70%	9.83%	9.44%	9.49%	9.83%	8.19%
Quartiles								
75th Percentile	13.10%	15.83%	13.14%	13.06%	12.18%	11.70%	12.61%	12.26%
50th Percentile (Median)	11.70%	13.75%	12.28%	11.80%	11.35%	10.90%	11.65%	10.54%
25th Percentile	10.70%	12.05%	11.07%	10.86%	10.40%	10.10%	10.82%	9.90%
Percentiles								
95th Percentile	16.93%	20.19%	17.20%	15.81%	14.13%	13.87%	14.92%	13.16%
5th Percentile	9.11%	9.77%	10.20%	9.35%	8.68%	9.20%	9.00%	7.47%

Figure 4.4-s
Five-year returns by percentile

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	651	132	74	100	167	104	52	22
Deciles								
90th Percentile	13.90%	16.18%	14.23%	13.14%	12.28%	12.17%	13.23%	12.38%
80th Percentile	12.72%	14.66%	12.87%	12.52%	11.78%	11.38%	11.88%	11.61%
70th Percentile	12.00%	13.80%	12.21%	12.10%	11.40%	10.94%	11.65%	11.28%
60th Percentile	11.54%	13.22%	11.97%	11.71%	11.09%	10.70%	11.43%	11.03%
50th Percentile (Median)	11.13%	12.80%	11.67%	11.26%	10.84%	10.39%	10.96%	10.17%
40th Percentile	10.80%	12.34%	11.21%	10.92%	10.60%	10.20%	10.65%	9.76%
30th Percentile	10.50%	11.71%	10.79%	10.69%	10.40%	9.90%	10.40%	9.54%
20th Percentile	10.10%	11.21%	10.56%	10.47%	10.00%	9.50%	9.92%	8.88%
10th Percentile	9.50%	10.27%	10.30%	9.90%	9.36%	9.10%	9.43%	8.70%
Quartiles								
75th Percentile	12.30%	14.21%	12.44%	12.27%	11.50%	11.11%	11.71%	11.46%
50th Percentile (Median)	11.13%	12.80%	11.67%	11.26%	10.84%	10.39%	10.96%	10.17%
25th Percentile	10.31%	11.42%	10.60%	10.58%	10.21%	9.69%	10.13%	9.19%
Percentiles								
95th Percentile	15.16%	17.18%	15.29%	14.42%	13.17%	13.04%	13.68%	13.67%
5th Percentile	8.95%	9.56%	10.11%	9.50%	8.65%	8.70%	8.98%	7.28%

Figure 4.5-s
10-year returns by percentile

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	575	131	72	94	145	83	37	13
Deciles								
90th Percentile	10.20%	11.70%	10.00%	9.50%	9.24%	9.60%	10.86%	10.57%
80th Percentile	9.50%	10.49%	9.48%	8.90%	8.66%	8.86%	9.66%	9.16%
70th Percentile	8.90%	10.00%	8.98%	8.70%	8.40%	8.30%	9.14%	8.89%
60th Percentile	8.50%	9.60%	8.62%	8.40%	8.10%	8.10%	8.73%	8.72%
50th Percentile (Median)	8.30%	9.20%	8.40%	8.30%	7.90%	7.80%	8.55%	8.11%
40th Percentile	8.00%	8.80%	8.20%	8.04%	7.70%	7.60%	8.20%	8.08%
30th Percentile	7.78%	8.32%	8.00%	7.70%	7.50%	7.30%	7.90%	7.82%
20th Percentile	7.50%	8.10%	7.75%	7.50%	7.29%	7.10%	7.64%	7.11%
10th Percentile	7.10%	7.64%	7.40%	7.14%	6.74%	6.70%	7.28%	6.73%
Quartiles								
75th Percentile	9.10%	10.22%	9.13%	8.81%	8.51%	8.55%	9.30%	9.00%
50th Percentile (Median)	8.30%	9.20%	8.40%	8.30%	7.90%	7.80%	8.55%	8.11%
25th Percentile	7.62%	8.20%	7.99%	7.70%	7.45%	7.20%	7.86%	7.53%
Percentiles								
95th Percentile	10.97%	12.55%	10.55%	10.00%	9.82%	9.80%	11.95%	10.98%
5th Percentile	6.70%	7.29%	7.18%	7.08%	6.31%	6.51%	7.20%	5.98%

Figure 4.6-s
15-year returns by percentile

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	270	74	39	47	65	32	11	2
Deciles								
90th Percentile	9.08%	10.01%	8.97%	8.08%	8.26%	7.88%	7.63%	8.85%
80th Percentile	8.35%	9.18%	8.71%	7.59%	7.58%	7.46%	7.55%	8.50%
70th Percentile	7.70%	8.80%	8.28%	7.32%	7.29%	7.20%	7.50%	8.15%
60th Percentile	7.40%	8.40%	7.68%	7.10%	6.96%	6.79%	7.20%	7.80%
50th Percentile (Median)	7.10%	7.87%	7.40%	7.00%	6.63%	6.68%	7.16%	7.45%
40th Percentile	6.90%	7.44%	7.14%	6.81%	6.50%	6.34%	7.10%	7.10%
30th Percentile	6.65%	7.07%	7.04%	6.63%	6.40%	6.20%	7.10%	6.75%
20th Percentile	6.30%	6.81%	6.86%	6.32%	6.19%	6.07%	6.68%	6.40%
10th Percentile	5.94%	6.43%	6.46%	5.70%	5.82%	6.00%	5.60%	6.05%
Quartiles								
75th Percentile	8.00%	9.08%	8.55%	7.51%	7.40%	7.23%	7.53%	8.33%
50th Percentile (Median)	7.10%	7.87%	7.40%	7.00%	6.63%	6.68%	7.16%	7.45%
25th Percentile	6.50%	7.00%	6.95%	6.59%	6.30%	6.20%	6.89%	6.58%
Percentiles								
95th Percentile	9.68%	10.44%	9.43%	8.17%	8.56%	8.61%	7.99%	9.03%
5th Percentile	5.70%	5.98%	6.26%	5.61%	5.54%	5.54%	4.05%	5.88%

Figure 4.7-s
20-year returns by percentile

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	201	70	29	31	41	16	10	4
Deciles								
90th Percentile	9.00%	10.08%	8.78%	7.50%	7.51%	7.04%	7.42%	7.69%
80th Percentile	8.30%	9.22%	8.40%	7.20%	7.30%	6.80%	6.74%	6.88%
70th Percentile	7.50%	8.73%	7.52%	7.09%	7.20%	6.63%	6.38%	6.07%
60th Percentile	7.20%	8.30%	7.22%	6.88%	6.72%	6.38%	5.88%	4.64%
50th Percentile (Median)	6.90%	7.76%	7.00%	6.70%	6.60%	6.34%	4.10%	2.90%
40th Percentile	6.70%	7.47%	7.00%	6.63%	6.40%	6.30%	1.56%	1.16%
30th Percentile	6.50%	7.07%	6.84%	6.53%	6.20%	6.21%	0.00%	0.00%
20th Percentile	6.29%	6.76%	6.60%	6.30%	5.70%	6.10%	0.00%	0.00%
10th Percentile	5.68%	6.40%	6.44%	5.98%	4.44%	3.05%	0.00%	0.00%
Quartiles								
75th Percentile	7.70%	9.00%	7.74%	7.10%	7.25%	6.77%	6.51%	6.48%
50th Percentile (Median)	6.90%	7.76%	7.00%	6.70%	6.60%	6.34%	4.10%	2.90%
25th Percentile	6.40%	6.82%	6.70%	6.45%	5.93%	6.18%	0.00%	0.00%
Percentiles								
95th Percentile	9.90%	10.56%	9.14%	7.60%	7.71%	7.43%	7.50%	8.10%
5th Percentile	0.00%	6.15%	6.40%	5.36%	0.00%	0.00%	0.00%	0.00%

Figure 4.8-s
25-year returns by percentile

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	133	51	23	14	20	13	8	4
Deciles								
90th Percentile	10.22%	11.85%	9.54%	8.60%	7.84%	8.08%	6.38%	8.40%
80th Percentile	9.10%	10.39%	9.02%	8.33%	7.80%	7.83%	5.24%	8.14%
70th Percentile	8.51%	9.70%	8.55%	8.11%	7.70%	7.48%	4.23%	7.89%
60th Percentile	8.09%	9.30%	8.25%	7.88%	7.31%	7.40%	0.94%	6.24%
50th Percentile (Median)	7.80%	8.70%	7.90%	7.79%	7.16%	7.18%	0.00%	3.90%
40th Percentile	7.50%	8.30%	7.68%	7.47%	6.89%	7.00%	0.00%	1.56%
30th Percentile	7.20%	8.00%	7.60%	7.37%	6.65%	6.98%	0.00%	0.00%
20th Percentile	6.89%	7.50%	7.40%	6.88%	3.92%	2.78%	0.00%	0.00%
10th Percentile	0.00%	7.14%	7.22%	6.49%	0.00%	0.00%	0.00%	0.00%
Quartiles								
75th Percentile	8.70%	10.22%	8.74%	8.25%	7.73%	7.60%	4.93%	8.01%
50th Percentile (Median)	7.80%	8.70%	7.90%	7.79%	7.16%	7.18%	0.00%	3.90%
25th Percentile	7.10%	7.85%	7.55%	7.20%	5.94%	6.95%	0.00%	0.00%
Percentiles								
95th Percentile	11.52%	12.25%	9.89%	8.77%	8.20%	8.26%	7.29%	8.52%
5th Percentile	0.00%	6.90%	6.93%	4.22%	0.00%	0.00%	0.00%	0.00%

Figure 4.9-s
Target nominal return assumptions by category

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	690	132	74	98	171	121	65	29
Responded Institutions	436	73	52	70	112	73	44	12
Required to cover spending	4.60%	4.65%	4.65%	4.64%	4.62%	4.54%	4.52%	4.33%
Long-term inflation expectation	2.30%	2.30%	2.19%	2.25%	2.28%	2.19%	2.78%	2.14%
Fees and expenses	1.04%	1.11%	1.11%	1.06%	1.03%	1.01%	0.92%	1.09%
Total	7.94%	8.07%	7.95%	7.95%	7.93%	7.74%	8.22%	7.56%

Figure 4.10-s
Percentage of your total endowment that was underwater as of fiscal year 2021 and 2020

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	612	92	68	100	159	110	61	22
Average Percentage underwater 2021	14.31%	8.64%	6.43%	20.96%	14.29%	8.03%	26.14%	34.76%
Average Percentage underwater 2020	18.40%	23.04%	17.72%	18.91%	19.53%	10.40%	26.99%	6.09%
Median Percentage underwater 2021	4.17%	4.63%	2.50%	10.00%	3.22%	1.50%	13.00%	23.52%
Median Percentage underwater 2020	7.70%	10.00%	7.94%	9.00%	8.80%	4.00%	12.56%	4.64%

Figure 5.1-s
Asset allocations (dollar-weighted)

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
U.S. Equities	12.78%	9.89%	24.27%	25.19%	30.90%	38.56%	40.87%	38.02%
Non-U.S. Equities	12.16%	11.54%	16.21%	14.47%	15.01%	13.37%	15.64%	15.26%
Global Equities	7.47%	7.28%	7.71%	8.93%	9.67%	7.04%	6.83%	7.98%
Marketable Alternatives	17.02%	18.13%	12.62%	13.53%	8.77%	6.37%	3.90%	2.49%
Private Equity	15.40%	16.56%	13.03%	8.75%	6.79%	3.44%	2.36%	0.17%
Private Venture Capital	11.77%	13.42%	4.52%	3.91%	2.01%	1.28%	0.63%	0.52%
Fixed Income	11.06%	9.99%	14.22%	15.29%	19.09%	23.14%	25.17%	32.04%
Real Assets	9.90%	10.54%	6.80%	7.50%	6.27%	5.01%	4.09%	3.11%
Other	2.45%	2.66%	0.63%	2.42%	1.48%	1.78%	0.52%	0.41%

Figure 5.2-s
Asset allocations (equal-weighted)

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
U.S. Equities	29.25%	14.99%	23.96%	25.93%	30.56%	38.71%	42.14%	42.84%
Non-U.S. Equities	14.48%	13.67%	16.21%	14.85%	14.73%	13.48%	15.05%	13.83%
Global Equities	8.25%	8.20%	7.86%	8.53%	10.10%	7.06%	6.37%	6.45%
Marketable Alternatives	10.05%	16.16%	12.67%	13.11%	8.73%	6.18%	3.98%	2.37%
Private Equity	7.62%	13.52%	12.88%	8.40%	6.73%	3.24%	2.33%	0.12%
Private Venture Capital	4.09%	11.61%	4.71%	3.76%	2.18%	1.29%	0.63%	0.36%
Fixed Income	18.22%	11.06%	14.20%	15.61%	18.98%	23.25%	24.93%	29.72%
Real Assets	6.59%	9.54%	7.00%	7.32%	6.47%	4.96%	3.85%	3.16%
Other	1.47%	1.24%	0.52%	2.49%	1.51%	1.83%	0.71%	1.15%

Figure 5.3-s
Detailed asset allocations (equal-weighted)

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Equities	73.72%	78.15%	78.28%	74.58%	73.03%	69.96%	70.51%	65.97%
U.S. equities active	17.11%	9.88%	14.88%	15.99%	16.59%	21.64%	23.86%	28.87%
U.S. equities passive/index	12.14%	5.10%	9.09%	9.94%	13.97%	17.07%	18.27%	13.97%
Developed non-U.S. equities active	7.24%	6.52%	8.38%	8.54%	7.49%	6.45%	6.82%	5.67%
Developed non-U.S. equities passive/index	2.79%	1.37%	2.36%	2.08%	3.16%	3.31%	4.57%	4.56%
Emerging markets active	3.58%	5.12%	4.69%	3.47%	3.21%	2.79%	2.26%	2.53%
Emerging markets passive/index	0.87%	0.66%	0.78%	0.76%	0.87%	0.93%	1.40%	1.06%
Global equities active	6.70%	7.07%	6.60%	7.34%	8.05%	5.43%	5.06%	3.87%
Global equities passive/index	1.55%	1.13%	1.26%	1.19%	2.05%	1.63%	1.32%	2.59%
Private venture capital	4.09%	11.61%	4.71%	3.76%	2.18%	1.29%	0.63%	0.36%
Private equity	7.62%	13.52%	12.88%	8.40%	6.73%	3.24%	2.33%	0.12%
Marketable alternatives	10.05%	16.16%	12.67%	13.11%	8.73%	6.18%	3.98%	2.37%
Fixed Income	18.22%	11.06%	14.20%	15.61%	18.98%	23.25%	24.93%	29.72%
Investment grade active	9.72%	4.03%	5.44%	6.76%	10.76%	13.91%	14.82%	21.82%
Investment grade passive/index	3.58%	1.35%	2.83%	3.70%	3.52%	4.96%	5.73%	4.96%
Non-investment grade	1.05%	0.84%	1.12%	0.99%	1.39%	0.93%	0.82%	1.04%
Private debt	1.01%	1.54%	1.64%	0.92%	0.92%	0.67%	0.67%	0.07%
Cash and equivalents <1 year	2.86%	3.30%	3.17%	3.24%	2.39%	2.77%	2.88%	1.84%
Real Assets	6.59%	9.54%	7.00%	7.32%	6.47%	4.96%	3.85%	3.16%
Marketable real assets	2.27%	1.44%	2.42%	3.06%	2.75%	2.18%	1.53%	2.18%
Private real estate	2.37%	4.14%	2.35%	2.04%	2.35%	1.71%	1.38%	0.68%
Private energy and energy infrastructure	1.20%	2.93%	1.63%	1.01%	0.79%	0.54%	0.28%	0.30%
Other Real Assets	0.74%	1.04%	0.61%	1.20%	0.58%	0.54%	0.67%	0.00%
Other	1.47%	1.24%	0.52%	2.49%	1.51%	1.83%	0.71%	1.15%

Figure 5.4-s
Detailed asset allocations (dollar-weighted)

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Equities	76.60%	76.82%	78.35%	74.79%	73.16%	70.06%	70.22%	64.44%
U.S. equities active	8.93%	7.47%	15.34%	15.88%	16.13%	21.45%	22.06%	28.05%
U.S. equities passive/index	3.86%	2.42%	8.93%	9.31%	14.77%	17.11%	18.81%	9.97%
Developed non-U.S. equities active	5.64%	5.15%	8.51%	8.15%	7.66%	6.33%	6.97%	6.66%
Developed non-U.S. equities passive/index	0.99%	0.66%	2.35%	2.19%	3.24%	3.22%	4.88%	4.79%
Emerging markets active	5.14%	5.42%	4.53%	3.28%	3.24%	2.84%	2.33%	2.97%
Emerging markets passive/index	0.40%	0.30%	0.82%	0.86%	0.87%	0.98%	1.45%	0.84%
Global equities active	6.86%	6.83%	6.43%	7.92%	7.59%	5.30%	5.52%	4.94%
Global equities passive/index	0.61%	0.45%	1.28%	1.01%	2.08%	1.74%	1.30%	3.04%
Private venture capital	11.77%	13.42%	4.52%	3.91%	2.01%	1.28%	0.63%	0.52%
Private equity	15.40%	16.56%	13.03%	8.75%	6.79%	3.44%	2.36%	0.17%
Marketable alternatives	17.02%	18.13%	12.62%	13.53%	8.77%	6.37%	3.90%	2.49%
Fixed Income	11.06%	9.99%	14.22%	15.29%	19.09%	23.14%	25.17%	32.04%
Investment grade active	4.79%	4.21%	5.41%	6.56%	10.87%	13.89%	15.03%	24.63%
Investment grade passive/index	1.35%	0.94%	2.95%	3.56%	3.39%	4.95%	6.01%	4.18%
Non-investment grade	0.54%	0.43%	1.06%	0.94%	1.49%	0.79%	0.87%	1.08%
Private debt	1.04%	1.01%	1.65%	0.91%	0.85%	0.68%	0.67%	0.10%
Cash and equivalents <1 year	3.33%	3.39%	3.15%	3.33%	2.50%	2.83%	2.59%	2.05%
Real Assets	9.90%	10.54%	6.80%	7.50%	6.27%	5.01%	4.09%	3.11%
Marketable real assets	1.31%	1.04%	2.37%	3.09%	2.72%	2.31%	1.54%	2.00%
Private real estate	4.21%	4.62%	2.32%	2.00%	2.16%	1.73%	1.38%	0.99%
Private energy and energy infrastructure	2.94%	3.30%	1.61%	1.05%	0.75%	0.49%	0.30%	0.11%
Other Real assets	1.44%	1.57%	0.50%	1.36%	0.63%	0.48%	0.86%	0.00%
Other	2.45%	2.66%	0.63%	2.42%	1.48%	1.78%	0.52%	0.41%

Figure 5.5-s
U.S. equities asset mix (dollar-weighted)

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Active	69.84%	75.50%	63.22%	63.03%	52.20%	55.64%	53.97%	73.77%
Indexed (Passive/Index)	30.16%	24.50%	36.78%	36.97%	47.80%	44.36%	46.03%	26.23%

Figure 5.6-s
Non-U.S. equities asset mix (dollar-weighted)

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Global Equities Active	34.94%	36.29%	26.88%	33.83%	30.75%	25.98%	24.58%	21.26%
Global Equities Passive	3.11%	2.39%	5.34%	4.32%	8.44%	8.52%	5.80%	13.06%
Developed Non-U.S. Equities Active	28.72%	27.39%	35.59%	34.81%	31.04%	31.00%	31.04%	28.66%
Developed Non-U.S. Equities Passive	5.03%	3.52%	9.81%	9.36%	13.13%	15.77%	21.74%	20.60%
Emerging Markets (Active)	26.19%	28.80%	18.92%	14.01%	13.11%	13.94%	10.36%	12.78%
Emerging Markets (Passive)	2.01%	1.60%	3.45%	3.67%	3.54%	4.79%	6.47%	3.62%

Figure 5.7-s
Fixed income asset mix (dollar-weighted)

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Investment grade (Active)	71.69%	75.45%	57.40%	59.31%	69.01%	70.72%	68.61%	82.39%
Investment grade (Passive)	20.16%	16.76%	31.34%	32.23%	21.53%	25.24%	27.42%	13.98%
Non-investment grade	8.15%	7.79%	11.26%	8.46%	9.46%	4.04%	3.97%	3.63%

Figure 5.8-s
Average return for asset class

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	567	99	68	92	146	97	45	20
U.S. equities	31.54%	29.10%	38.01%	36.55%	30.74%	31.84%	26.39%	23.52%
Developed non-U.S. equities	21.87%	21.67%	30.24%	26.69%	20.61%	17.78%	18.35%	17.27%
Emerging markets	21.03%	25.43%	29.62%	24.62%	18.77%	15.62%	16.45%	13.12%
Global equities	14.00%	18.04%	17.78%	17.51%	15.13%	9.19%	6.85%	2.85%
Private venture capital	22.02%	49.67%	35.98%	26.50%	14.57%	4.99%	4.53%	0.36%
Private equity	26.34%	37.25%	41.77%	43.07%	21.92%	11.83%	11.15%	0.00%
Marketable alternatives	10.60%	13.60%	14.62%	13.18%	10.32%	7.71%	5.52%	2.68%
Investment grade active	1.93%	0.98%	2.56%	1.80%	1.99%	2.76%	2.01%	1.03%
Investment grade passive	0.22%	-0.14%	0.66%	0.16%	-0.01%	0.36%	0.70%	0.61%
Non-investment grade	2.15%	2.64%	3.12%	1.69%	2.41%	1.87%	0.85%	1.64%
Private debt	3.75%	5.27%	9.40%	3.94%	2.98%	1.08%	2.65%	0.00%
Cash and equivalents <1 year	0.16%	0.01%	0.04%	0.25%	0.18%	0.20%	0.24%	0.22%
Marketable real assets	9.48%	11.45%	14.93%	9.49%	10.56%	5.95%	4.71%	5.46%
Private real estate	4.43%	8.92%	5.50%	6.19%	3.06%	2.23%	1.64%	-1.16%
Private energy and energy infrastructure	5.88%	14.33%	10.64%	7.25%	3.06%	0.72%	0.44%	1.36%
Other Private real assets	2.36%	7.44%	1.71%	1.87%	1.46%	0.62%	0.28%	0.00%
Other	2.17%	1.89%	0.27%	3.93%	2.79%	2.35%	0.89%	0.28%

Figure 5.9-s
Changes to asset allocation for public equities

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	171	38	22	29	43	25	11	3
Avg Change %	4.79%	0.37%	10.81%	5.36%	1.87%	3.13%	17.85%	8.70%
Median Change %	3.00%	1.00%	3.00%	2.92%	3.00%	5.00%	4.00%	8.70%

Figure 5.10-s
Changes to asset allocation for private equities

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	171	38	22	29	43	25	11	3
Avg Change %	4.95%	6.22%	7.42%	2.05%	4.53%	2.19%	2.94%	-
Median Change %	3.75%	5.00%	5.00%	2.00%	3.00%	2.50%	3.50%	-

Figure 5.11-s
Changes to asset allocation for marketable alternatives

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	171	38	22	29	43	25	11	3
Avg Change %	-1.34%	-3.70%	0.26%	-3.05%	0.11%	-1.27%	1.17%	0.90%
Median Change %	-2.00%	-3.00%	-1.00%	-4.00%	-2.00%	-1.20%	0.50%	0.90%

Figure 5.12-s
Changes to asset allocation for fixed income

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	171	38	22	29	43	25	11	3
Avg Change %	-0.95%	-1.12%	0.03%	1.78%	-3.98%	-2.01%	9.86%	-8.16%
Median Change %	-2.00%	-2.00%	-2.50%	0.72%	-4.55%	-2.70%	2.00%	-8.80%

Figure 5.13-s
Changes to asset allocation for real assets

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	171	38	22	29	43	25	11	3
Avg Change %	-0.17%	-3.08%	0.80%	1.56%	-1.40%	0.79%	6.46%	7.04%
Median Change %	-1.00%	-3.00%	-2.50%	-0.51%	-1.00%	0.10%	4.75%	7.04%

Figure 6.1-s
Long-term debt

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	698	122	76	105	177	123	67	28
Yes	73.78%	81.15%	81.58%	75.24%	76.27%	69.11%	62.69%	46.43%
No	23.07%	14.75%	17.11%	21.90%	19.21%	27.64%	35.82%	53.57%
Uncertain	3.15%	4.10%	1.32%	2.86%	4.52%	3.25%	1.49%	0.00%

Figure 6.2-s
Long-term debt levels
($ figures in 000s)

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	515	99	62	79	135	85	42	13
Average debt	$277,331	$994,973	$249,970	$155,192	$77,554	$41,376	$33,310	$16,211
Median debt	$69,268	$505,244	$159,696	$98,225	$52,473	$29,482	$24,244	$10,009
Debt service as % of operating budget	5.60%	4.98%	4.83%	5.37%	5.69%	6.35%	6.59%	6.25%
Percentage of debt that is fixed rate	88.32%	90.44%	96.33%	89.39%	86.00%	84.83%	82.57%	93.18%
Average interest rate	3.65	3.66	3.65	3.73	3.62	3.46	3.71	4.39
Percentage of debt that is floating rate	11.68%	9.56%	3.67%	10.61%	14.00%	15.17%	17.43%	6.82%
Average interest rate	1.25	0.88	0.92	1.23	1.51	1.51	1.58	0.87

Figure 6.3-s
Changes to debt

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	498	92	60	79	131	82	42	12
Increase greater than 10%	75	19	11	12	22	9	0	2
Increase of 10% or less	61	23	5	7	14	8	3	1
No change	249	44	32	49	58	35	26	5
Decrease of 10% or less	88	6	9	10	29	21	11	2
Decrease greater than 10%	25	0	3	1	8	9	2	2

Figure 6.4-s
Long-term debt policy

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	500	95	59	77	132	83	41	13
Yes	58.40%	76.84%	79.66%	63.64%	51.52%	39.76%	46.34%	23.08%
No	30.60%	15.79%	18.64%	25.97%	32.58%	48.19%	39.02%	61.54%
Uncertain	11.00%	7.37%	1.69%	10.39%	15.91%	12.05%	14.63%	15.38%

Figure 7.1-s
In equities, do you integrate responsible investing criteria into endowment portfolio construction?

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	628	94	71	97	166	111	62	27
U.S. equities								
Yes	28.27%	37.23%	34.29%	30.93%	24.70%	26.36%	19.35%	22.22%
No	38.18%	24.47%	34.29%	34.02%	40.96%	45.45%	48.39%	40.74%
Considering	18.05%	18.09%	21.43%	24.74%	16.27%	16.36%	12.90%	14.81%
Uncertain	15.50%	20.21%	10.00%	10.31%	18.07%	11.82%	19.35%	22.22%
Developed non-U.S. equities								
Yes	22.40%	36.17%	26.09%	22.34%	21.34%	19.44%	9.68%	12.00%
No	43.18%	26.60%	37.68%	41.49%	44.51%	51.85%	53.23%	56.00%
Considering	18.67%	17.02%	26.09%	25.53%	16.46%	14.81%	16.13%	16.00%
Uncertain	15.75%	20.21%	10.14%	10.64%	17.68%	13.89%	20.97%	16.00%
Emerging markets								
Yes	22.61%	36.17%	26.87%	23.40%	20.86%	16.19%	15.25%	12.50%
No	43.73%	24.47%	35.82%	42.55%	46.63%	54.29%	54.24%	54.17%
Considering	16.83%	18.09%	25.37%	22.34%	13.50%	14.29%	10.17%	16.67%
Uncertain	16.83%	21.28%	11.94%	11.70%	19.02%	15.24%	20.34%	16.67%
Global equities								
Yes	23.73%	40.00%	30.30%	25.00%	21.88%	14.56%	14.04%	13.64%
No	43.05%	24.44%	36.36%	39.13%	45.00%	55.34%	54.39%	54.55%
Considering	17.29%	16.67%	24.24%	23.91%	14.38%	16.50%	10.53%	13.64%
Uncertain	15.93%	18.89%	9.09%	11.96%	18.75%	13.59%	21.05%	18.18%
Private venture capital								
Yes	19.11%	40.43%	27.27%	18.68%	16.15%	10.20%	3.64%	4.76%
No	47.44%	25.53%	42.42%	40.66%	49.69%	63.27%	60.00%	66.67%
Considering	16.89%	15.96%	22.73%	29.67%	14.91%	10.20%	10.91%	9.52%
Uncertain	16.55%	18.09%	7.58%	10.99%	19.25%	16.33%	25.45%	19.05%
Private equity								
Yes	18.91%	38.30%	28.57%	16.84%	15.95%	11.65%	3.57%	9.09%
No	46.93%	25.53%	38.57%	42.11%	50.31%	59.22%	62.50%	63.64%
Considering	18.08%	15.96%	25.71%	28.42%	15.34%	15.53%	10.71%	9.09%
Uncertain	16.09%	20.21%	7.14%	12.63%	18.40%	13.59%	23.21%	18.18%

Figure 7.2-s
In marketable alternatives, do you integrate responsible investing criteria into endowment portfolio construction?

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	628	94	71	97	166	111	62	27
Marketable alternatives								
Yes	16.78%	30.43%	22.06%	17.02%	16.67%	9.90%	5.26%	4.55%
No	47.65%	28.26%	41.18%	41.49%	48.77%	64.36%	57.89%	63.64%
Considering	18.79%	19.57%	26.47%	27.66%	16.67%	11.88%	14.04%	13.64%
Uncertain	16.78%	21.74%	10.29%	13.83%	17.90%	13.86%	22.81%	18.18%

Figure 7.3-s
In fixed income, do you integrate responsible investing criteria into endowment portfolio construction?

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	628	94	71	97	166	111	62	27
Marketable debt								
Yes	21.25%	31.52%	26.87%	19.78%	19.50%	17.65%	11.86%	21.74%
No	46.37%	30.43%	37.31%	46.15%	49.06%	55.88%	57.63%	47.83%
Considering	15.68%	15.22%	25.37%	23.08%	13.21%	11.76%	10.17%	8.70%
Uncertain	16.69%	22.83%	10.45%	10.99%	18.24%	14.71%	20.34%	21.74%
Private debt								
Yes	16.43%	33.33%	19.05%	18.89%	15.38%	9.38%	3.57%	0.00%
No	50.87%	28.89%	44.44%	45.56%	53.21%	65.63%	64.29%	66.67%
Considering	14.86%	15.56%	23.81%	24.44%	12.18%	9.38%	8.93%	4.76%
Uncertain	17.83%	22.22%	12.70%	11.11%	19.23%	15.63%	23.21%	28.57%
Cash and equivalents <1 year								
Yes	15.69%	27.17%	17.91%	17.39%	14.72%	9.80%	8.47%	8.33%
No	53.76%	35.87%	50.75%	50.00%	54.60%	66.67%	61.02%	66.67%
Considering	13.02%	14.13%	16.42%	20.65%	11.66%	8.82%	8.47%	8.33%
Uncertain	17.53%	22.83%	14.93%	11.96%	19.02%	14.71%	22.03%	16.67%

Figure 7.4-s
In real assets, do you integrate responsible investing criteria into endowment portfolio construction?

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	628	94	71	97	166	111	62	27
Marketable real assets								
Yes	18.74%	34.83%	19.40%	21.74%	18.01%	12.00%	8.93%	0.00%
No	48.89%	29.21%	44.78%	43.48%	52.17%	61.00%	57.14%	63.64%
Considering	14.99%	16.85%	20.90%	23.91%	11.80%	11.00%	8.93%	9.09%
Uncertain	17.38%	19.10%	14.93%	10.87%	18.01%	16.00%	25.00%	27.27%
Private real estate								
Yes	18.64%	34.41%	23.88%	18.75%	18.35%	11.34%	6.90%	0.00%
No	48.47%	25.81%	41.79%	42.71%	50.00%	64.95%	62.07%	71.43%
Considering	14.58%	18.28%	22.39%	22.92%	12.03%	8.25%	6.90%	4.76%
Uncertain	18.31%	21.51%	11.94%	15.63%	19.62%	15.46%	24.14%	23.81%
Private energy and energy infrastructure								
Yes	19.30%	40.22%	22.73%	20.22%	17.20%	10.53%	5.45%	4.76%
No	48.17%	25.00%	40.91%	43.82%	51.59%	63.16%	61.82%	61.90%
Considering	15.83%	18.48%	27.27%	23.60%	11.46%	11.58%	7.27%	9.52%
Uncertain	16.70%	16.30%	9.09%	12.36%	19.75%	14.74%	25.45%	23.81%
Other Private real assets								
Yes	17.46%	38.71%	23.81%	18.39%	14.94%	6.38%	5.45%	0.00%
No	49.74%	25.81%	42.86%	45.98%	52.60%	65.96%	61.82%	66.67%
Considering	14.64%	16.13%	22.22%	24.14%	11.69%	10.64%	7.27%	4.76%
Uncertain	18.17%	19.35%	11.11%	11.49%	20.78%	17.02%	25.45%	28.57%

Figure 7.5-s
Most significant reasons for not pursuing ESG, SRI or impact investing practices

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	578	88	66	88	150	99	59	28
Potential adverse impacts on investment performance	20.42%	27.94%	22.37%	30.48%	14.36%	14.29%	13.43%	24.14%
Potential conflicts with mission's fiduciary duty	15.56%	22.06%	25.00%	26.67%	10.50%	7.14%	8.96%	3.45%
Investment management fees are higher	7.50%	4.41%	9.21%	11.43%	8.84%	3.97%	11.94%	0.00%
Endowment invested primarily in pooled fund structures	23.33%	27.94%	38.16%	30.48%	18.78%	16.67%	14.93%	13.79%
Difficulty assessing the degree to which the portfolio achieves its ESG mandate	14.31%	18.38%	26.32%	16.19%	12.71%	7.14%	11.94%	3.45%
Not enough quality managers available with expertise	4.72%	8.82%	6.58%	11.43%	1.66%	0.79%	0.00%	3.45%
Does not apply	33.61%	17.65%	28.95%	25.71%	42.54%	35.71%	50.75%	44.83%

Figure 7.6-s
Align your portfolio to the UN Sustainable Development Goals (SDGs)

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	635	98	69	100	164	113	63	28
Yes	3.46%	2.04%	4.35%	5.00%	3.66%	4.42%	0.00%	3.57%
No	75.75%	76.53%	73.91%	78.00%	74.39%	77.88%	74.60%	71.43%
Uncertain	20.79%	21.43%	21.74%	17.00%	21.95%	17.70%	25.40%	25.00%

Figure 7.7-s
Institution a signatory to the UN Principles for Responsible Investment (PRI)

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	639	101	69	100	166	112	63	28
Yes	2.19%	0.99%	5.80%	3.00%	0.00%	5.36%	0.00%	0.00%
No	80.59%	86.14%	81.16%	82.00%	81.33%	76.79%	77.78%	71.43%
Uncertain	17.21%	12.87%	13.04%	15.00%	18.67%	17.86%	22.22%	28.57%

Figure 7.8-s
Responsible investing approach can be the source of alpha in investment management

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	629	94	70	100	165	113	62	25
Yes	26.07%	39.36%	32.86%	23.00%	25.45%	17.70%	24.19%	16.00%
No	11.13%	3.19%	11.43%	15.00%	9.70%	15.93%	11.29%	12.00%
Uncertain	62.80%	57.45%	55.71%	62.00%	64.85%	66.37%	64.52%	72.00%

Figure 7.9-s
Responsible investing practices by overall strategy

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	210	56	35	39	43	25	9	3
Joined ESG Network	26.19%	32.14%	25.71%	25.64%	23.26%	24.00%	22.22%	0.00%
Appointed CSO	6.67%	3.57%	5.71%	7.69%	11.63%	8.00%	0.00%	0.00%
Proxy Voting Committee	13.33%	25.00%	5.71%	10.26%	13.95%	4.00%	11.11%	0.00%
ESG in Investment Policy	81.90%	78.57%	88.57%	79.49%	83.72%	76.00%	88.89%	100.00%
Offered ESG	19.52%	23.21%	14.29%	15.38%	23.26%	24.00%	11.11%	0.00%

Figure 7.10-s
Responsible investing factor into investment manager due diligence and evaluation process

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	635	100	68	100	164	113	63	27
Yes	47.40%	71.00%	66.18%	47.00%	41.46%	38.05%	30.16%	29.63%
No	31.34%	15.00%	22.06%	26.00%	37.80%	39.82%	39.68%	40.74%
Uncertain	21.26%	14.00%	11.76%	27.00%	20.73%	22.12%	30.16%	29.63%

Figure 7.11-s
Students' interest in the issue of responsible investing changed compared to last fiscal year

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	595	91	62	94	157	106	61	24
Increased interest	12.73%	17.58%	25.81%	15.05%	9.68%	10.58%	5.00%	0.00%
Interest about the same	33.45%	49.45%	50.00%	38.71%	30.97%	21.15%	21.67%	8.33%
Decreased interest	1.36%	1.10%	0.00%	4.30%	0.65%	1.92%	0.00%	0.00%
Uncertain	37.01%	30.77%	16.13%	34.41%	41.94%	42.31%	41.67%	58.33%
No interest	15.45%	1.10%	8.06%	7.53%	16.77%	24.04%	31.67%	33.33%

Figure 7.12-s
Alumni interest in the issue of responsible investing changed compared to last fiscal year

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	595	91	62	94	157	106	61	24
Increased interest	4.97%	10.11%	8.20%	2.17%	3.25%	5.77%	3.33%	0.00%
Interest about the same	34.59%	42.70%	49.18%	41.30%	33.77%	26.92%	23.33%	8.33%
Decreased interest	0.34%	1.12%	0.00%	0.00%	0.00%	0.96%	0.00%	0.00%
No interest	17.47%	4.49%	13.11%	13.04%	16.88%	24.04%	31.67%	33.33%
Uncertain	42.64%	41.57%	29.51%	43.48%	46.10%	42.31%	41.67%	58.33%

Figure 7.13-s
Employees' interest in the issue of responsible investing changed compared to last fiscal year

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	595	91	62	94	157	106	61	24
Increased interest	6.55%	12.50%	11.48%	2.22%	4.58%	6.73%	5.00%	4.17%
Interest about the same	34.66%	45.45%	47.54%	42.22%	32.68%	25.00%	23.33%	16.67%
Decreased interest	0.52%	1.14%	0.00%	1.11%	0.00%	0.96%	0.00%	0.00%
No interest	16.38%	3.41%	11.48%	10.00%	16.34%	25.00%	31.67%	25.00%
Uncertain	41.90%	37.50%	29.51%	44.44%	46.41%	42.31%	40.00%	54.17%

Figure 7.14-s
Donors' interest in the issue of responsible investing changed compared to last fiscal year

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	595	91	62	94	157	106	61	24
Increased interest	6.03%	7.78%	9.84%	6.82%	3.90%	5.83%	6.67%	0.00%
Interest about the same	34.31%	47.78%	42.62%	32.95%	33.77%	27.18%	28.33%	16.67%
Decreased interest	0.17%	0.00%	0.00%	0.00%	0.00%	0.97%	0.00%	0.00%
No interest	15.17%	3.33%	11.48%	13.64%	14.94%	22.33%	23.33%	25.00%
Uncertain	44.31%	41.11%	36.07%	46.59%	47.40%	43.69%	41.67%	58.33%

Figure 7.15-s
Grant makers' interest in the issue of responsible investing changed compared to last fiscal year

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	595	91	62	94	157	106	61	24
Increased interest	2.12%	2.38%	1.75%	1.15%	3.27%	1.96%	1.67%	0.00%
Interest about the same	28.40%	29.76%	42.11%	29.89%	26.80%	25.49%	26.67%	12.50%
Decreased interest	0.18%	0.00%	0.00%	0.00%	0.00%	0.98%	0.00%	0.00%
No interest	16.93%	4.76%	12.28%	11.49%	18.30%	22.55%	28.33%	29.17%
Uncertain	52.38%	63.10%	43.86%	57.47%	51.63%	49.02%	43.33%	58.33%

Figure 7.16-s
Others' interest in the issue of responsible investing changed compared to last fiscal year

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	595	91	62	94	157	106	61	24
Increased interest	11.81%	9.09%	14.29%	15.15%	10.53%	16.36%	5.41%	12.50%
Interest about the same	11.07%	15.15%	38.10%	12.12%	7.89%	9.09%	2.70%	6.25%
Decreased interest	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
No interest	18.82%	3.03%	14.29%	15.15%	21.05%	21.82%	29.73%	18.75%
Uncertain	58.30%	72.73%	33.33%	57.58%	60.53%	52.73%	62.16%	62.50%

Figure 7.17-s
Have made changes to your investment policy statement based on third-party stakeholder input

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	616	95	65	98	162	111	61	24
Yes	12.40%	24.21%	20.00%	10.20%	8.75%	9.09%	6.56%	8.33%
No	81.24%	69.47%	73.85%	84.69%	85.00%	86.36%	81.97%	83.33%
Uncertain	6.36%	6.32%	6.15%	5.10%	6.25%	4.55%	11.48%	8.33%

Figure 7.18-s
Have made changes to your investment portfolio statement based on third-party stakeholder input

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	616	95	65	98	162	111	61	24
Yes	10.82%	20.21%	18.46%	10.20%	7.50%	7.34%	5.00%	8.33%
No	80.49%	69.15%	75.38%	81.63%	83.75%	86.24%	81.67%	83.33%
Uncertain	8.69%	10.64%	6.15%	8.16%	8.75%	6.42%	13.33%	8.33%

Figure 7.19-s
Used OCIO/consultant to evaluate responsible investing strategy

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	639	99	69	97	168	115	63	28
Yes	39.91%	27.27%	44.93%	56.70%	39.88%	40.00%	28.57%	39.29%
No	54.30%	68.69%	50.72%	38.14%	53.57%	54.78%	60.32%	57.14%
Uncertain	5.79%	4.04%	4.35%	5.15%	6.55%	5.22%	11.11%	3.57%

Figure 7.20-s
Anticipate that diversity and inclusion will lead to expanding responsible investing consideration in coming 12 months

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	624	92	67	96	165	113	63	28
Yes, we plan to add and/or expand responsible investing approaches within our investment portfolio	17.45%	24.49%	27.78%	18.63%	15.52%	13.45%	10.77%	6.90%
Yes, we plan to add and/or expand responsible investing components within our investment policy	6.07%	6.12%	8.33%	3.92%	6.90%	7.56%	3.08%	3.45%
No	25.34%	16.33%	20.83%	24.51%	25.29%	27.73%	41.54%	24.14%
Uncertain	2.58%	3.06%	1.39%	4.90%	3.45%	0.84%	1.54%	0.00%
Other	48.56%	50.00%	41.67%	48.04%	48.85%	50.42%	43.08%	65.52%

Figure 8.1-s
Rebalancing frequency and policy

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	685	123	75	104	175	114	66	28
Calendar-based	4.53%	2.44%	4.00%	7.69%	5.14%	4.39%	0.00%	10.71%
Annually	17.76%	27.27%	26.92%	21.43%	14.93%	3.57%	0.00%	25.00%
Semi-annually	10.28%	0.00%	7.69%	14.29%	11.94%	10.71%	10.00%	25.00%
Quarterly	50.00%	42.42%	53.85%	40.48%	47.76%	75.00%	60.00%	37.50%
Monthly	14.95%	27.27%	11.54%	11.90%	16.42%	3.57%	20.00%	12.50%
Other	7.01%	3.03%	0.00%	11.90%	8.96%	7.14%	10.00%	0.00%
Market value-based (target and range based)	60.29%	63.41%	57.33%	52.88%	57.14%	64.91%	68.18%	64.29%
Both calendar and market value-based	27.01%	25.20%	30.67%	32.69%	33.14%	21.05%	15.15%	17.86%
No formal rebalancing practice	8.18%	8.94%	8.00%	6.73%	4.57%	9.65%	16.67%	7.14%

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

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	684	127	76	102	170	118	63	28
OCIO								
Number of institutions using an OCIO	296	18	24	46	101	61	34	12
Percent of institutions using an OCIO	43.27%	14.17%	31.58%	45.10%	59.41%	51.69%	53.97%	42.86%
Number of institutions not using an OCIO	388	109	52	56	69	57	29	16
Percent of institutions not using an OCIO	56.73%	85.83%	68.42%	54.90%	40.59%	48.31%	46.03%	57.14%

Figure 8.3-s
Institution with no OCIO-resources for management of endowment

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Number of institutions not using an OCIO	388	109	52	56	69	57	29	16
Internal CIO	36.34%	88.99%	50.00%	12.50%	7.25%	8.77%	0.00%	6.25%
Consultant	79.35%	44.86%	94.00%	96.55%	90.79%	94.83%	87.50%	75.00%

Total Institutions, Number of institutions not using an OCIO, Internal CIO and Consultant broken down by Marketsize. The data is filtered on Si Finished Sqn Nq, which keeps 1.

Figure 8.4-s
Primary responsibility for conducting the following activities

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	393	108	51	58	73	55	32	16
Percent of institutions using an OCIO	43.27%	14.17%	31.58%	45.10%	59.41%	51.69%	53.97%	42.86%
Percent of institutions not using an OCIO	56.73%	85.83%	68.42%	54.90%	40.59%	48.31%	46.03%	57.14%
Day-to-day investment management								
Internal CIO	49.61%	90.74%	68.75%	34.48%	21.43%	32.08%	18.75%	12.50%
Investment committee/ Board of Trustees	19.22%	4.63%	22.92%	31.03%	25.71%	9.43%	37.50%	31.25%
Consultant	31.17%	4.63%	8.33%	34.48%	52.86%	58.49%	43.75%	56.25%
Asset allocation								
Internal CIO	16.41%	51.40%	7.84%	1.72%	1.39%	5.56%	0.00%	0.00%
Investment committee/ Board of Trustees	64.87%	45.79%	82.35%	72.41%	68.06%	64.81%	78.13%	68.75%
Consultant	18.72%	2.80%	9.80%	25.86%	30.56%	29.63%	21.88%	31.25%
Portfolio rebalancing								
Internal CIO	34.37%	85.98%	49.02%	8.77%	4.23%	9.26%	9.38%	0.00%
Investment committee/ Board of Trustees	31.52%	7.48%	39.22%	49.12%	45.07%	29.63%	40.63%	33.33%
Consultant	34.11%	6.54%	11.76%	42.11%	50.70%	61.11%	50.00%	66.67%
Manager selection and ongoing due diligence								
Internal CIO	29.08%	79.44%	43.14%	5.17%	1.37%	5.45%	0.00%	0.00%
Investment committee/ Board of Trustees	35.97%	9.35%	23.53%	55.17%	49.32%	41.82%	62.50%	50.00%
Consultant	34.95%	11.21%	33.33%	39.66%	49.32%	52.73%	37.50%	50.00%
Investment policy statement development								
Internal CIO	21.03%	57.14%	25.49%	6.90%	2.74%	3.64%	3.13%	0.00%
Investment committee/ Board of Trustees	68.72%	41.90%	66.67%	82.76%	79.45%	80.00%	81.25%	87.50%
Consultant	10.26%	0.95%	7.84%	10.34%	17.81%	16.36%	15.63%	12.50%
Capital markets research/ idea generation								
Internal CIO	25.19%	69.81%	31.37%	3.45%	2.78%	7.41%	0.00%	0.00%
Investment committee/ Board of Trustees	10.54%	1.89%	5.88%	8.62%	13.89%	12.96%	28.13%	31.25%
Consultant	64.27%	28.30%	62.75%	87.93%	83.33%	79.63%	71.88%	68.75%

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

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	543	109	66	82	138	85	46	17
Average number of managers								
U.S. Equities	4	5	5	4	4	3	3	3
Developed non-U.S. Equities	3	4	3	3	3	2	2	2
Emerging Markets	2	4	3	2	2	2	2	1
Global Equities	3	4	3	3	3	2	2	1
Private venture capital	8	18	7	6	2	2	1	1
Private Equity	13	27	17	11	6	4	4	1
Marketable alternatives	8	15	9	7	4	3	3	2
Marketable Debt	3	3	3	3	3	3	4	2
Private Debt	3	6	4	3	2	1	3	1
Cash and equivalents <1 year	1	1	1	2	1	1	1	1
Marketable real assets	2	1	2	2	2	1	1	2
Private real estate	5	11	6	4	2	2	1	1
Private energy and infrastructure	4	9	5	3	2	1	1	1
Other Private real assets	1	3	1	1	1	1	1	1
Other	2	2	1	3	1	1	1	1

Figure 8.6-s
Average number of investment managers used

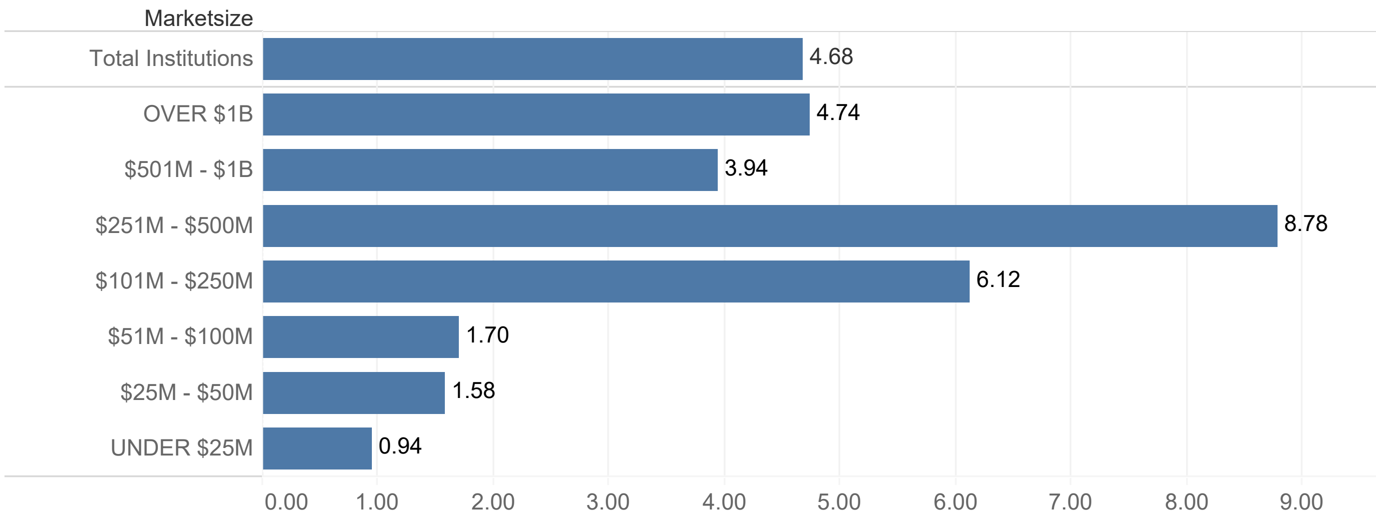


Figure 8.7-s
University has diversity and inclusion policy regarding fund manager selection

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	718	136	76	105	180	125	67	29
Yes	7.66%	8.82%	17.11%	8.57%	7.78%	4.80%	1.49%	0.00%
No	73.96%	69.12%	73.68%	74.29%	71.67%	76.80%	79.10%	86.21%
Uncertain	18.38%	22.06%	9.21%	17.14%	20.56%	18.40%	19.40%	13.79%

Figure 8.8-s
Percentage of endowment funds invested with diverse managers

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	162	35	26	26	43	20	10	2
Average Percent invested with Diverse managers	6.65%	11.85%	6.05%	6.99%	5.35%	7.67%	3.68%	3.53%
Median Percent invested with Diverse managers	0.00%	10.30%	0.99%	0.00%	0.00%	0.00%	0.00%	0.00%

Figure 8.9-s
Fee (in dollars) paid to investment managers

	Total Institutions	OVER $1B	$501M - $1B	$251M - $500M	$101M - $250M	$51M - $100M	$25M - $50M	UNDER $25M
Total Institutions	720	136	76	105	181	126	67	29
Responded Institutions	162	35	26	26	43	20	10	2
Investment Consultants								
Avg fees	$311	$627	$477	$319	$207	$114	$86	$82
Median fees	$171	$427	$332	$229	$129	$97	$85	$78
Outsourced Chief Investment Officer (OCIO)								
Avg fees	$707	$4,634	$1,351	$911	$368	$166	$119	$70
Median fees	$296	$2,702	$1,298	$767	$318	$149	$91	$61
Investment manager(s)								
Avg fees	$12,044	$72,230	$6,926	$2,329	$678	$284	$183	$48
Median fees	$678	$8,986	$5,517	$1,917	$477	$269	$121	$58
Custodian(s)								
Avg fees	$140	$244	$128	$233	$62	$35	$41	$29
Median fees	$58	$185	$100	$58	$30	$19	$18	$29
Internal investment team								
Avg fees	$1,228	$2,064	$518	$126	$207	$130	-	-
Median fees	$592	$1,153	$427	$97	$119	$130	-	-
Other data providers								
Avg fees	$431	$763	$110	$228	$185	$81	$87	-
Median fees	$102	$285	$148	$0	$105	$20	$0	-

APPENDIX III

Tables by type of institution for fiscal year 2021

Figure 2.1-t
Institutions by type

	TOTAL INSTITUTIONS
TOTAL INSTITUTIONS	**720**
Private college/university endowment	**442**
Public college, university or system fund	**95**
Institutionally-related foundation (IRF)	**143**
Combined endowment/foundation	**33**
Others*	**7**

* Includes education-related nonprofit organizations.

Figure 2.2-t
Average market value of endowment assets
($ figures in 000s)

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Total Market Value Endowment Assets 2021	$820,995,308	$562,469,435	$172,646,031	$51,243,798	$30,134,761	$4,501,283
Total Market Value Endowment Assets 2020	$607,424,822	$412,852,423	$129,718,617	$38,698,868	$22,642,757	$3,512,158
Average Market Value Endowment Assets 2021	$1,140,271	$1,272,555	$1,817,327	$358,348	$913,175	$643,040
Average Market Value Endowment Assets 2020	$843,646	$934,055	$1,365,459	$270,621	$686,144	$501,737

Figure 2.3-t
Total market value of life income assets
($ figures in 000s)

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	505	318	60	101	23	3
Total Market value of life income assets	$17,062,429	$10,003,331	$2,547,769	$2,418,880	$1,764,596	$327,854
Average Total Market value of life income assets	$33,787	$31,457	$42,463	$23,949	$76,722	$109,285
Median Total Market value of life income assets	$4,400	$4,190	$8,552	$2,602	$9,223	$227

Figure 2.4-t
Total market value of donor advised fund assets
($ figures in 000s)

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	85	59	10	12	4	0
Total Market value of donor advised fund assets	$10,573,874	$7,721,721	$361,311	$1,119,037	$1,371,805	$0
Average Total Market value of donor advised fund assets	$124,399	$130,877	$36,131	$93,253	$342,951	-

Figure 2.5-t
New gifts to the endowment
($ figures in 000s)

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	690	428	86	140	30	6
Total 2021 gifts	$12,007,912	$6,075,569	$2,840,706	$2,128,729	$924,159	$38,749
Total 2020 gifts	$10,449,861	$5,854,166	$2,102,282	$1,763,448	$698,520	$31,444
Average 2021 gifts	$17,633	$14,397	$33,420	$15,426	$30,805	$6,458
Average 2020 gifts	$15,167	$13,710	$24,445	$12,596	$23,284	$5,241
Median 2021 gifts	$4,195	$3,326	$9,197	$4,701	$17,205	$3,470
Median 2020 gifts	$3,318	$2,849	$7,365	$2,884	$11,192	$3,789

Figure 2.6-t
Percentage of gifts to the endowment with a restricted purpose directed to diversity, equity and inclusion

	Total Institutions	Private college/ university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	470	313	48	89	16	4
Number of institutions with the restricted purpose of 0-25% of avg % of gift with restricted purpose	288	185	37	50	12	4
Number of institutions with the restricted purpose of 26-50% of avg % of gift with restricted purpose	15	14	0	1	0	0
Number of institutions with the restricted purpose of 51-75% of avg % of gift with restricted purpose	4	3	0	1	0	0
Number of institutions with the restricted purpose of 76-100% of avg % of gift with restricted purpose	163	111	11	37	4	0

Figure 2.7-t
Student-managed endowment funds

	Total Institutions	Private college/ university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	691	423	89	140	32	7
Yes	33.00%	31.21%	35.96%	35.71%	43.75%	0.00%
No	67.00%	68.79%	64.04%	64.29%	56.25%	100.00%
Uncertain	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Figure 2.8-t
Market value of student-managed fund

($ figures in 000s)

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	225	130	31	50	14	0
Total Market value of student-managed fund	$521,053	$309,857	$87,277	$89,899	$34,020	-
Average Total Market value of student-managed fund	$2,316	$2,384	$2,815	$1,798	$2,430	-
Median Total Market value of student-managed fund	$800	$657	$1,334	$920	$2,447	-

Figure 2.9-t
Annualized one-year net rate of return for student-managed fund
($ figures in 000s)

	Total Institutions	Private college/ university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	194	115	26	42	11	0
Total Market value of student-managed fund	$521,053	$309,857	$87,277	$89,899	$34,020	-
Average Total Market value of student-managed fund	$2,316	$2,384	$2,815	$1,798	$2,430	-
Median Total Market value of student-managed fund	$800	$657	$1,334	$920	$2,447	-
Average annual net return for student-managed fund	34.89%	33.35%	35.28%	38.11%	37.70%	-

Figure 3.1-t
Withdrawals from endowment
($ figures in 000s)

	Total Institutions	Private college/ university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	700	432	88	142	32	6
Distribution according to your spending policy	$19,919,144	$14,449,312	$3,262,580	$1,402,812	$717,679	$86,761
Special appropriations above your spending policy	$965,695	$874,660	$24,707	$24,198	$41,239	$891
Distributions for fees and administrative expenses	$1,352,430	$527,816	$324,726	$408,703	$90,918	$268
Total withdrawals for FY 2020	$21,924,342	$15,433,414	$3,572,176	$1,886,148	$913,337	$119,267

Figure 3.2-t
Special appropriations to spending

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	146	118	6	15	6	1
Made Special Appropriations	20.28%	26.70%	6.32%	10.49%	18.18%	14.29%
Capital campaign costs	2.08%	2.94%	1.05%	0.70%	0.00%	0.00%
Campus or facility improvements	3.47%	3.62%	1.05%	4.90%	3.03%	0.00%
Debt service	1.81%	2.71%	0.00%	0.00%	0.00%	14.29%
Financial aid	4.03%	3.62%	2.11%	4.90%	12.12%	0.00%
In support of the operating budget	8.61%	12.44%	2.11%	2.80%	3.03%	0.00%
New strategic initiatives	2.78%	4.30%	0.00%	0.70%	0.00%	0.00%
Spending to support diversity, equity and inclusion	0.69%	0.90%	0.00%	0.70%	0.00%	0.00%
Other	5.14%	5.66%	1.05%	6.99%	3.03%	0.00%

Figure 3.3-t
Spending policy distribution by functions

	Total Institutions	Private college/ university endowment	Public college, university, or system fund	Combined endowment/ foundation (IRF)	Other
Total Institutions	577	442	95	33	7
Responded Institutions	493	391	72	27	3
Student financial aid	46.49%	46.50%	49.20%	44.20%	0.00%
Endowed faculty positions	11.14%	9.97%	14.53%	16.43%	34.50%
Operation and maintenance of campus facilities	8.74%	9.95%	4.34%	3.95%	0.00%
Academic programs and research	15.26%	14.19%	17.77%	25.76%	0.00%
All other purposes	18.38%	19.39%	14.16%	9.67%	65.50%

Figure 3.4-t
Average annual effective spending rates

	Total Institutions	Private college/ university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	713	441	92	141	32	7
FY2021	4.54%	4.75%	4.26%	4.16%	4.09%	4.69%
FY2020	4.53%	4.79%	4.13%	4.09%	4.09%	4.35%

Figure 3.5-t
Percentage of operating budget funded by endowment

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Combined endowment/ foundation (IRF)	Other
Total Institutions	577	442	95	33	7
Responded Institutions	540	429	77	27	7
Average percentage of operating budget funded by endowment	11.28%	11.78%	8.88%	8.56%	17.31%
Median percentage of operating budget funded by endowment	5.12%	6.50%	1.16%	1.20%	3.70%
Increased	56.63%	60.81%	41.10%	40.74%	28.57%
Decreased	25.19%	27.32%	17.81%	14.81%	14.29%
No change	18.18%	11.88%	41.10%	44.44%	57.14%

Figure 3.6-t
Spending policy

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	695	427	88	141	32	7
Spend all current income	1.67%	1.58%	3.16%	1.40%	0.00%	0.00%
Spend a percentage of a moving average of the endowment’s market value	74.31%	71.27%	74.74%	85.31%	69.70%	57.14%
Average Percentage	5.58%	5.50%	5.75%	5.80%	5.08%	4.88%
Spend a pre-specified percentage of the beginning year market value	3.61%	3.17%	5.26%	4.90%	0.00%	0.00%
Average pre-specified percentage spent	10.56%	4.92%	2.67%	23.20%	-	-
Use a weighted-average or hybrid method	9.44%	10.41%	5.26%	6.99%	12.12%	42.86%
Decide on an appropriate rate or dollar amount each year	4.72%	4.75%	2.11%	5.59%	6.06%	14.29%
Other	11.0%	13.6%	6.3%	6.3%	12.1%	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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	533	314	71	121	23	4
12 Quarters	42.64%	44.62%	40.28%	35.25%	65.22%	25.00%
16 Quarters	2.42%	2.85%	1.39%	2.46%	0.00%	0.00%
20 Quarters	11.17%	10.76%	8.33%	13.11%	17.39%	0.00%
3 years	26.82%	28.48%	20.83%	28.69%	8.70%	50.00%
5 years	6.52%	4.11%	12.50%	10.66%	0.00%	0.00%
Other	10.43%	9.18%	16.67%	9.84%	8.70%	25.00%

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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	63	42	4	10	4	3
Spend a percentage of a moving average of the endowment's market value						
Avg percentage	31.36%	32.63%	30.00%	15.46%	35.00%	43.33%
Median percentage	30.00%	30.00%	30.00%	3.80%	35.00%	30.00%
Spend a pre-specified percentage of the beginning year market value						
Avg percentage	26.20%	23.42%	-	40.00%	20.00%	30.00%
Median percentage	30.00%	20.00%	-	30.00%	20.00%	30.00%
Grow last year's spending amount at a predetermined rate with upper and lower bands						
Avg percentage	68.77%	63.78%	83.33%	81.43%	77.50%	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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	700	432	90	141	32	5
Yes	11.14%	14.12%	5.56%	5.67%	12.50%	0.00%
No	88.86%	85.88%	94.44%	94.33%	87.50%	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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	76	59	5	8	4	0
Increased Spending	50.00%	61.02%	20.00%	12.50%	0.00%	-
Decreased Spending	50.00%	38.98%	80.00%	87.50%	100.00%	-

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

	Total Institutions	Private college/ university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	646	397	78	135	30	6
Increase spending rate	6.50%	5.79%	3.85%	11.11%	3.33%	0.00%
New spending rate increase	5.07%	5.97%	4.27%	4.05%	5.00%	-
Decrease spending rate	10.99%	14.36%	6.41%	5.19%	6.67%	0.00%
New spending rate decrease	4.73%	4.83%	4.44%	3.95%	5.08%	-
Maintain current spending policy	82.51%	79.85%	89.74%	83.70%	90.00%	100.00%

Figure 3.12-t
Annual fee to the endowment to cover the administrative costs

	Total Institutions	Institutionally-related foundation (IRF)
Total Institutions	143	143
Responded Institutions	141	141
Minimum Annual Fee	0.05	0.05
Median Annual Fee	1.25	1.25
Maximum Annual Fee	3.60	3.60

Figure 3.13-t
One-time fee

	Total Institutions	Institutionally-related foundation (IRF)
Total Institutions	143	143
Responded Institutions	140	140
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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
1-year net annualized return	30.62%	30.81%	31.57%	29.10%	31.44%	32.25%
3-year net annualized return	12.14%	12.33%	12.00%	11.65%	12.31%	11.62%
5-year net annualized return	11.44%	11.59%	11.30%	11.05%	11.54%	11.69%
10-year net annualized return	8.50%	8.64%	8.24%	8.29%	8.39%	8.52%
15-year net annualized return	7.33%	7.41%	7.26%	7.15%	6.93%	7.53%
20-year net annualized return	6.83%	7.00%	7.07%	5.89%	6.98%	7.60%
25-year net annualized return	7.36%	7.75%	7.00%	5.48%	7.99%	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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Deciles						
90th Percentile	39.30%	41.02%	39.70%	35.09%	38.16%	37.80%
80th Percentile	35.40%	36.10%	36.55%	33.00%	36.54%	32.32%
70th Percentile	33.10%	33.34%	34.31%	31.47%	35.76%	31.48%
60th Percentile	31.68%	31.76%	32.36%	30.11%	32.80%	30.76%
50th Percentile (Median)	30.14%	30.20%	31.50%	28.90%	32.50%	30.10%
40th Percentile	28.80%	28.77%	29.64%	28.17%	31.73%	30.06%
30th Percentile	27.50%	27.30%	28.76%	27.20%	30.06%	29.78%
20th Percentile	26.08%	25.68%	27.18%	25.97%	28.26%	29.05%
10th Percentile	23.19%	22.37%	25.85%	23.58%	24.05%	28.24%
Quartiles						
75th Percentile	34.03%	34.63%	35.37%	32.45%	35.91%	31.90%
50th Percentile (Median)	30.14%	30.20%	31.50%	28.90%	32.50%	30.10%
25th Percentile	26.90%	26.41%	27.55%	26.50%	29.20%	29.42%
Percentiles						
95th Percentile	42.86%	46.08%	41.35%	36.68%	39.34%	41.70%
5th Percentile	19.99%	18.81%	22.80%	21.99%	19.59%	27.82%

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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	661	402	83	137	32	7
Deciles						
90th Percentile	15.20%	16.02%	15.18%	13.90%	13.77%	14.28%
80th Percentile	13.58%	14.04%	13.17%	12.96%	13.38%	12.09%
70th Percentile	12.70%	12.89%	12.66%	12.35%	13.27%	11.16%
60th Percentile	12.20%	12.20%	12.24%	11.87%	12.97%	10.83%
50th Percentile (Median)	11.70%	11.66%	11.70%	11.50%	12.45%	10.80%
40th Percentile	11.30%	11.20%	11.40%	11.30%	11.91%	10.56%
30th Percentile	10.86%	10.85%	10.89%	10.80%	11.68%	10.40%
20th Percentile	10.40%	10.40%	10.70%	10.28%	11.12%	10.40%
10th Percentile	9.78%	9.60%	10.02%	9.80%	10.70%	10.00%
Quartiles						
75th Percentile	13.10%	13.41%	12.90%	12.59%	13.30%	11.63%
50th Percentile (Median)	11.70%	11.66%	11.70%	11.50%	12.45%	10.80%
25th Percentile	10.70%	10.70%	10.80%	10.54%	11.60%	10.40%
Percentiles						
95th Percentile	16.93%	18.18%	16.07%	14.72%	14.31%	15.69%
5th Percentile	9.11%	9.00%	9.70%	9.18%	9.92%	9.70%

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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	651	398	80	134	32	7
Deciles						
90th Percentile	13.90%	14.41%	13.41%	12.72%	13.13%	13.18%
80th Percentile	12.72%	13.10%	12.53%	12.04%	12.50%	11.90%
70th Percentile	12.00%	12.20%	11.80%	11.68%	12.25%	11.90%
60th Percentile	11.54%	11.61%	11.50%	11.39%	11.95%	11.62%
50th Percentile (Median)	11.13%	11.20%	11.06%	11.09%	11.61%	11.20%
40th Percentile	10.80%	10.80%	10.80%	10.70%	11.18%	10.96%
30th Percentile	10.50%	10.50%	10.38%	10.30%	10.86%	10.74%
20th Percentile	10.10%	10.10%	10.13%	9.94%	10.62%	10.56%
10th Percentile	9.50%	9.45%	9.69%	9.48%	10.31%	10.46%
Quartiles						
75th Percentile	12.30%	12.70%	12.03%	11.80%	12.35%	11.90%
50th Percentile (Median)	11.13%	11.20%	11.06%	11.09%	11.61%	11.20%
25th Percentile	10.31%	10.40%	10.25%	10.13%	10.71%	10.65%
Percentiles						
95th Percentile	15.16%	15.93%	14.50%	13.40%	13.49%	14.14%
5th Percentile	8.95%	8.70%	9.30%	9.00%	9.83%	10.43%

Figure 4.5-t
10-year returns by percentile

	Total Institutions	Private college/university endowment	Institutionally-related foundation (IRF)	Public college, university, or system fund	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	143	95	33	7
Responded Institutions	575	352	112	75	29	7
Deciles						
90th Percentile	10.20%	10.59%	9.63%	9.97%	9.96%	9.98%
80th Percentile	9.50%	9.70%	9.00%	9.00%	8.91%	9.66%
70th Percentile	8.90%	9.10%	8.63%	8.58%	8.55%	8.94%
60th Percentile	8.50%	8.70%	8.42%	8.29%	8.42%	8.62%
50th Percentile (Median)	8.30%	8.30%	8.24%	8.03%	8.20%	8.50%
40th Percentile	8.00%	8.00%	8.10%	7.84%	8.02%	8.16%
30th Percentile	7.78%	7.80%	7.82%	7.60%	8.00%	7.83%
20th Percentile	7.50%	7.50%	7.50%	7.29%	7.76%	7.51%
10th Percentile	7.10%	7.10%	7.13%	7.01%	7.36%	7.28%
Quartiles						
75th Percentile	9.10%	9.42%	8.71%	8.90%	8.80%	9.30%
50th Percentile (Median)	8.30%	8.30%	8.24%	8.03%	8.20%	8.50%
25th Percentile	7.62%	7.69%	7.70%	7.43%	8.00%	7.67%
Percentiles						
95th Percentile	10.97%	11.52%	9.85%	10.46%	10.26%	10.04%
5th Percentile	6.70%	6.70%	6.76%	6.77%	7.14%	7.19%

Figure 4.6-t
15-year returns by percentile

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	270	171	39	43	14	3
Deciles						
90th Percentile	9.08%	9.30%	8.77%	8.27%	7.44%	8.40%
80th Percentile	8.35%	8.58%	7.92%	7.62%	7.30%	8.20%
70th Percentile	7.70%	8.08%	7.58%	7.44%	7.24%	8.00%
60th Percentile	7.40%	7.52%	7.32%	7.20%	7.05%	7.80%
50th Percentile (Median)	7.10%	7.10%	7.21%	7.10%	6.97%	7.60%
40th Percentile	6.90%	6.82%	6.92%	6.99%	6.82%	7.36%
30th Percentile	6.65%	6.60%	6.66%	6.70%	6.79%	7.12%
20th Percentile	6.30%	6.30%	6.22%	6.54%	6.66%	6.88%
10th Percentile	5.94%	5.98%	5.86%	6.00%	6.53%	6.64%
Quartiles						
75th Percentile	8.00%	8.34%	7.75%	7.53%	7.28%	8.10%
50th Percentile (Median)	7.10%	7.10%	7.21%	7.10%	6.97%	7.60%
25th Percentile	6.50%	6.41%	6.50%	6.65%	6.73%	7.00%
Percentiles						
95th Percentile	9.68%	10.03%	9.13%	8.88%	7.78%	8.50%
5th Percentile	5.70%	5.66%	5.79%	5.70%	5.96%	6.52%

Figure 4.7-t
20-year returns by percentile

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	201	121	35	33	11	1
Deciles						
90th Percentile	9.00%	9.24%	9.04%	8.42%	7.41%	7.60%
80th Percentile	8.30%	8.50%	7.78%	7.46%	7.40%	7.60%
70th Percentile	7.50%	7.71%	7.50%	7.09%	7.10%	7.60%
60th Percentile	7.20%	7.30%	7.19%	6.80%	7.10%	7.60%
50th Percentile (Median)	6.90%	7.00%	7.00%	6.70%	7.09%	7.60%
40th Percentile	6.70%	6.76%	6.60%	6.59%	7.00%	7.60%
30th Percentile	6.50%	6.50%	6.47%	6.10%	6.85%	7.60%
20th Percentile	6.29%	6.30%	6.34%	5.60%	6.60%	7.60%
10th Percentile	5.68%	5.90%	6.04%	0.00%	6.40%	7.60%
Quartiles						
75th Percentile	7.70%	8.30%	7.61%	7.36%	7.25%	7.60%
50th Percentile (Median)	6.90%	7.00%	7.00%	6.70%	7.09%	7.60%
25th Percentile	6.40%	6.40%	6.40%	5.82%	6.73%	7.60%
Percentiles						
95th Percentile	9.90%	10.30%	9.87%	8.50%	7.51%	7.60%
5th Percentile	0.00%	0.00%	5.73%	0.00%	6.30%	7.60%

Figure 4.8-t
25-year returns by percentile

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	133	84	21	17	10	1
Deciles						
90th Percentile	10.22%	10.94%	8.60%	8.72%	8.72%	7.40%
80th Percentile	9.10%	9.68%	8.30%	8.22%	8.37%	7.40%
70th Percentile	8.51%	8.90%	7.80%	7.94%	8.15%	7.40%
60th Percentile	8.09%	8.38%	7.60%	7.76%	8.04%	7.40%
50th Percentile (Median)	7.80%	7.99%	7.30%	7.40%	8.00%	7.40%
40th Percentile	7.50%	7.70%	7.20%	6.61%	7.98%	7.40%
30th Percentile	7.20%	7.34%	7.10%	4.48%	7.94%	7.40%
20th Percentile	6.89%	7.08%	6.80%	0.00%	7.70%	7.40%
10th Percentile	0.00%	4.76%	5.93%	0.00%	6.89%	7.40%
Quartiles						
75th Percentile	8.70%	9.31%	7.80%	8.20%	8.25%	7.40%
50th Percentile (Median)	7.80%	7.99%	7.30%	7.40%	8.00%	7.40%
25th Percentile	7.10%	7.20%	6.90%	0.00%	7.91%	7.40%
Percentiles						
95th Percentile	11.52%	11.81%	9.10%	9.04%	9.01%	7.40%
5th Percentile	0.00%	0.00%	0.00%	0.00%	6.85%	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 (IRF)	Other
Total Institutions	690	421	90	142	32	5
Responded Institutions	436	254	56	103	22	1
Required to cover spending	4.60%	4.81%	4.38%	4.23%	4.48%	5.00%
Long-term inflation expectation	2.30%	2.38%	2.29%	2.10%	2.36%	2.00%
Fees and expenses	1.04%	0.67%	1.21%	1.24%	1.61%	-
Total	7.94%	7.86%	7.88%	7.57%	8.45%	-

Figure 4.10-t
Percentage of your total endowment that was underwater as of fiscal year 2021 and 2020

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	612	389	69	123	27	4
Average Percentage underwater 2021	14.31%	13.22%	18.50%	17.59%	11.24%	-
Average Percentage underwater 2020	18.40%	18.98%	14.47%	18.93%	18.46%	-
Median Percentage underwater 2021	4.17%	4.17%	4.22%	4.50%	4.00%	-
Median Percentage underwater 2020	7.70%	8.00%	4.00%	7.70%	14.00%	-

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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
U.S. Equities	12.78%	10.80%	13.84%	22.41%	24.36%	23.46%
Non-U.S. Equities	12.16%	10.69%	14.48%	15.42%	18.74%	21.00%
Global Equities	7.47%	7.35%	7.55%	11.16%	3.14%	4.99%
Marketable Alternatives	17.02%	18.20%	15.86%	11.51%	12.29%	12.59%
Private Equity	15.40%	16.69%	14.00%	10.41%	8.92%	13.24%
Private Venture Capital	11.77%	13.10%	10.05%	5.24%	9.86%	4.90%
Fixed Income	11.06%	10.17%	12.37%	15.55%	11.76%	12.29%
Real Assets	9.90%	9.68%	11.39%	7.02%	10.72%	7.49%
Other	2.45%	3.32%	0.45%	1.27%	0.21%	0.03%

Figure 5.2-t
Asset allocations (equal-weighted)

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
U.S. Equities	29.25%	28.53%	25.26%	33.77%	31.55%	25.16%
Non-U.S. Equities	14.48%	14.03%	14.72%	14.75%	17.07%	21.63%
Global Equities	8.25%	8.51%	9.06%	7.96%	4.46%	4.53%
Marketable Alternatives	10.05%	10.37%	11.46%	7.97%	10.45%	10.67%
Private Equity	7.62%	7.64%	9.29%	6.13%	7.83%	13.04%
Private Venture Capital	4.09%	4.48%	4.77%	2.07%	5.66%	3.52%
Fixed Income	18.22%	17.82%	17.47%	21.08%	13.99%	15.13%
Real Assets	6.59%	6.80%	7.17%	5.07%	8.72%	6.29%
Other	1.47%	1.81%	0.80%	1.20%	0.28%	0.03%

Figure 5.3-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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Equities	73.72%	73.57%	74.56%	72.65%	77.01%	78.55%
U.S. equities active	17.11%	16.92%	16.21%	18.97%	16.26%	7.42%
U.S. equities passive/index	12.14%	11.61%	9.05%	14.79%	15.29%	17.73%
Developed non-U.S. equities active	7.24%	7.04%	7.56%	7.43%	8.10%	7.57%
Developed non-U.S. equities passive/index	2.79%	2.52%	2.50%	3.21%	4.66%	6.72%
Emerging markets active	3.58%	3.64%	3.75%	3.26%	3.14%	5.57%
Emerging markets passive/index	0.87%	0.83%	0.90%	0.85%	1.17%	1.78%
Global equities active	6.70%	6.99%	6.79%	6.83%	2.53%	4.53%
Global equities passive/index	1.55%	1.52%	2.26%	1.13%	1.93%	0.00%
Private venture capital	4.09%	4.48%	4.77%	2.07%	5.66%	3.52%
Private equity	7.62%	7.64%	9.29%	6.13%	7.83%	13.04%
Marketable alternatives	10.05%	10.37%	11.46%	7.97%	10.45%	10.67%
Fixed Income	18.22%	17.82%	17.47%	21.08%	13.99%	15.13%
Investment grade active	9.72%	9.45%	9.30%	11.90%	6.09%	4.98%
Investment grade passive/index	3.58%	3.54%	2.76%	4.21%	4.16%	1.54%
Non-investment grade	1.05%	0.97%	1.32%	1.11%	0.62%	3.70%
Private debt	1.01%	0.93%	1.27%	1.19%	0.49%	1.62%
Cash and equivalents <1 year	2.86%	2.93%	2.82%	2.68%	2.62%	3.28%
Real Assets	6.59%	6.80%	7.17%	5.07%	8.72%	6.29%
Marketable real assets	2.27%	2.27%	2.25%	2.27%	2.68%	1.12%
Private real estate	2.37%	2.58%	2.37%	1.79%	2.09%	2.86%
Private energy and energy infrastructure	1.20%	1.22%	1.62%	0.76%	1.54%	2.31%
Other Real Assets	0.74%	0.74%	0.94%	0.25%	2.41%	0.00%
Other	1.47%	1.81%	0.80%	1.20%	0.28%	0.03%

Figure 5.4-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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Equities	76.60%	76.83%	75.78%	76.16%	77.31%	80.19%
U.S. equities active	8.93%	7.98%	9.63%	13.51%	14.27%	8.73%
U.S. equities passive/index	3.86%	2.83%	4.21%	8.90%	10.09%	14.73%
Developed non-U.S. equities active	5.64%	4.64%	7.10%	8.83%	9.68%	7.26%
Developed non-U.S. equities passive/index	0.99%	0.66%	1.16%	1.53%	4.26%	6.32%
Emerging markets active	5.14%	5.15%	5.59%	4.40%	3.58%	5.52%
Emerging markets passive/index	0.40%	0.24%	0.62%	0.65%	1.22%	1.91%
Global equities active	6.86%	7.00%	6.28%	9.94%	2.55%	4.99%
Global equities passive/index	0.61%	0.35%	1.27%	1.22%	0.59%	0.00%
Private venture capital	11.77%	13.10%	10.05%	5.24%	9.86%	4.90%
Private equity	15.40%	16.69%	14.00%	10.41%	8.92%	13.24%
Marketable alternatives	17.02%	18.20%	15.86%	11.51%	12.29%	12.59%
Fixed Income	11.06%	10.17%	12.37%	15.55%	11.76%	12.29%
Investment grade active	4.79%	4.03%	6.53%	7.03%	5.11%	3.34%
Investment grade passive/index	1.35%	1.21%	1.50%	1.92%	1.81%	2.66%
Non-investment grade	0.54%	0.43%	0.66%	1.03%	1.00%	1.71%
Private debt	1.04%	0.79%	1.42%	2.58%	0.61%	1.59%
Cash and equivalents <1 year	3.33%	3.71%	2.26%	2.99%	3.24%	2.99%
Real Assets	9.90%	9.68%	11.39%	7.02%	10.72%	7.49%
Marketable real assets	1.31%	1.27%	0.96%	1.76%	3.17%	0.60%
Private real estate	4.21%	4.34%	4.43%	2.91%	2.85%	3.90%
Private energy and energy infrastructure	2.94%	2.62%	4.45%	1.93%	1.98%	2.99%
Other Real assets	1.44%	1.44%	1.55%	0.43%	2.72%	0.00%
Other	2.45%	3.32%	0.45%	1.27%	0.21%	0.03%

Figure 5.5-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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Active	69.84%	73.83%	69.60%	60.30%	58.59%	37.21%
Indexed (Passive/Index)	30.16%	26.17%	30.40%	39.70%	41.41%	62.79%

Figure 5.6-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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Global Equities Active	34.94%	38.79%	28.50%	37.42%	11.64%	19.21%
Global Equities Passive	3.11%	1.96%	5.77%	4.57%	2.71%	0.00%
Developed Non-U.S. Equities Active	28.72%	25.71%	32.25%	33.22%	44.26%	27.92%
Developed Non-U.S. Equities Passive	5.03%	3.63%	5.27%	5.76%	19.46%	24.32%
Emerging Markets (Active)	26.19%	28.56%	25.40%	16.56%	16.35%	21.22%
Emerging Markets (Passive)	2.01%	1.34%	2.82%	2.46%	5.59%	7.33%

Figure 5.7-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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Investment grade (Active)	71.69%	71.13%	75.17%	70.44%	64.54%	43.29%
Investment grade (Passive)	20.16%	21.31%	17.29%	19.24%	22.81%	34.48%
Non-investment grade	8.15%	7.56%	7.54%	10.33%	12.65%	22.23%

Figure 5.8-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 (IRF)	Other
Total Institutions	**720**	442	95	143	33	7
Responded Institutions	**567**	352	71	113	26	5
U.S. equities	**31.54%**	32.37%	27.38%	31.46%	32.78%	31.69%
Developed non-U.S. equities	**21.87%**	21.58%	20.10%	21.83%	24.23%	53.77%
Emerging markets	**21.03%**	21.04%	20.47%	20.93%	23.26%	19.57%
Global equities	**14.00%**	15.04%	13.64%	11.35%	13.23%	10.89%
Private venture capital	**22.02%**	23.88%	20.90%	14.98%	30.04%	25.67%
Private equity	**26.34%**	27.99%	28.68%	19.84%	25.35%	28.13%
Marketable alternatives	**10.60%**	10.40%	11.14%	10.63%	10.56%	15.61%
Investment grade active	**1.93%**	1.85%	2.36%	2.01%	1.78%	0.41%
Investment grade passive	**0.22%**	0.25%	-0.55%	0.46%	0.98%	-0.23%
Non-investment grade	**2.15%**	2.04%	3.25%	2.17%	0.85%	0.00%
Private debt	**3.75%**	3.69%	4.47%	3.41%	1.29%	15.66%
Cash and equivalents <1 year	**0.16%**	0.16%	0.11%	0.20%	0.01%	0.25%
Marketable real assets	**9.48%**	9.83%	8.79%	8.98%	8.70%	10.22%
Private real estate	**4.43%**	4.51%	4.60%	4.87%	4.41%	-11.81%
Private energy and energy infrastructure	**5.88%**	6.18%	6.58%	3.51%	10.04%	5.73%
Other Private real assets	**2.36%**	1.75%	7.21%	1.18%	2.22%	0.00%
Other	**2.17%**	2.41%	1.88%	1.59%	4.03%	-6.66%

Figure 5.9-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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	171	109	17	32	11	2
Avg Change %	4.79%	3.40%	0.76%	11.50%	4.63%	-
Median Change %	3.00%	3.00%	2.00%	5.00%	2.00%	-

Figure 5.10-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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	171	109	17	32	11	2
Avg Change %	4.95%	4.39%	3.44%	5.92%	5.56%	21.50%
Median Change %	3.75%	3.50%	3.00%	4.00%	4.00%	21.50%

Figure 5.11-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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	171	109	17	32	11	2
Avg Change %	-1.34%	-0.97%	-1.70%	0.18%	-8.60%	-5.00%
Median Change %	-2.00%	-2.00%	-1.00%	1.40%	-10.00%	-5.00%

Figure 5.12-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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	171	109	17	32	11	2
Avg Change %	-0.95%	-1.49%	-2.14%	1.25%	-2.88%	2.00%
Median Change %	-2.00%	-2.05%	-2.00%	-1.00%	-3.00%	2.00%

Figure 5.13-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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	171	109	17	32	11	2
Avg Change %	-0.17%	-0.46%	-0.11%	1.71%	-3.17%	-
Median Change %	-1.00%	-1.00%	1.00%	1.50%	-4.00%	-

Figure 6.1-t
Long-term debt

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	698	433	86	141	31	7
Yes	73.78%	93.07%	63.95%	28.37%	38.71%	71.43%
No	23.07%	5.54%	32.56%	64.54%	54.84%	14.29%
Uncertain	3.15%	1.39%	3.49%	7.09%	6.45%	14.29%

Figure 6.2-t
Long-term debt levels
($ figures in 000s)

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	515	403	55	40	12	5
Average debt	$277,331	$205,198	$972,498	$52,293	$426,152	$107,920
Median debt	$69,268	$67,714	$306,320	$12,809	$214,660	$106,572
Debt service as % of operating budget	5.60%	5.72%	4.24%	6.69%	4.27%	3.20%
Percentage of debt that is fixed rate	88.32%	86.99%	96.93%	86.36%	98.90%	91.60%
Average interest rate	3.65	3.66	3.64	3.54	3.60	3.93
Percentage of debt that is floating rate	11.68%	13.01%	3.07%	13.64%	1.10%	8.40%
Average interest rate	1.25	1.34	0.65	1.48	0.03	0.72

Figure 6.3-t
Changes to debt

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	498	391	51	40	11	5
Increase greater than 10%	75	60	11	4	0	0
Increase of 10% or less	61	44	8	6	3	0
No change	249	203	26	10	6	4
Decrease of 10% or less	88	67	5	13	2	1
Decrease greater than 10%	25	17	1	7	0	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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	500	392	54	40	11	3
Yes	58.40%	56.12%	70.37%	52.50%	90.91%	100.00%
No	30.60%	31.63%	22.22%	40.00%	9.09%	0.00%
Uncertain	11.00%	12.24%	7.41%	7.50%	0.00%	0.00%

Figure 7.1-t
In equities, do you integrate responsible investing criteria into endowment portfolio construction?

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	628	389	75	129	29	6
U.S. equities						
Yes	28.27%	30.75%	20.00%	24.81%	31.03%	33.33%
No	38.18%	37.21%	30.67%	44.96%	41.38%	33.33%
Considering	18.05%	17.83%	22.67%	17.83%	13.79%	0.00%
Uncertain	15.50%	14.21%	26.67%	12.40%	13.79%	33.33%
Developed non-U.S. equities						
Yes	22.40%	25.00%	16.44%	16.41%	27.59%	33.33%
No	43.18%	42.37%	32.88%	52.34%	41.38%	33.33%
Considering	18.67%	18.42%	26.03%	17.19%	13.79%	0.00%
Uncertain	15.75%	14.21%	24.66%	14.06%	17.24%	33.33%
Emerging markets						
Yes	22.61%	24.80%	15.28%	17.46%	32.14%	40.00%
No	43.73%	42.67%	34.72%	53.17%	42.86%	20.00%
Considering	16.83%	17.07%	25.00%	14.29%	7.14%	0.00%
Uncertain	16.83%	15.47%	25.00%	15.08%	17.86%	40.00%
Global equities						
Yes	23.73%	27.17%	16.42%	15.32%	33.33%	25.00%
No	43.05%	40.76%	37.31%	53.23%	44.44%	25.00%
Considering	17.29%	17.66%	20.90%	17.74%	3.70%	0.00%
Uncertain	15.93%	14.40%	25.37%	13.71%	18.52%	50.00%
Private venture capital						
Yes	19.11%	21.64%	13.24%	12.40%	22.22%	60.00%
No	47.44%	44.38%	44.12%	58.68%	51.85%	20.00%
Considering	16.89%	18.90%	17.65%	14.05%	3.70%	0.00%
Uncertain	16.55%	15.07%	25.00%	14.88%	22.22%	20.00%
Private equity						
Yes	18.91%	21.81%	14.49%	11.29%	21.43%	33.33%
No	46.93%	44.68%	42.03%	57.26%	50.00%	16.67%
Considering	18.08%	18.62%	18.84%	18.55%	7.14%	16.67%
Uncertain	16.09%	14.89%	24.64%	12.90%	21.43%	33.33%

Figure 7.2-t
In marketable alternatives, do you integrate responsible investing criteria into endowment portfolio construction?

	Total Institutions	Private college/ university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	628	389	75	129	29	6
Marketable alternatives						
Yes	16.78%	18.97%	13.24%	11.11%	21.43%	20.00%
No	47.65%	45.26%	42.65%	57.94%	46.43%	40.00%
Considering	18.79%	20.05%	20.59%	16.67%	10.71%	0.00%
Uncertain	16.78%	15.72%	23.53%	14.29%	21.43%	40.00%

Figure 7.3-t
In fixed income, do you integrate responsible investing criteria into endowment portfolio construction?

	Total Institutions	Private college/ university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	628	389	75	129	29	6
Marketable debt						
Yes	21.25%	21.80%	17.39%	20.16%	25.00%	40.00%
No	46.37%	45.23%	39.13%	54.84%	46.43%	20.00%
Considering	15.68%	17.17%	18.84%	12.10%	7.14%	0.00%
Uncertain	16.69%	15.80%	24.64%	12.90%	21.43%	40.00%
Private debt						
Yes	16.43%	18.54%	13.24%	10.92%	20.83%	20.00%
No	50.87%	48.60%	44.12%	61.34%	54.17%	40.00%
Considering	14.86%	15.73%	17.65%	13.45%	4.17%	0.00%
Uncertain	17.83%	17.13%	25.00%	14.29%	20.83%	40.00%
Cash and equivalents <1 year						
Yes	15.69%	18.43%	8.45%	11.11%	18.52%	16.67%
No	53.76%	51.22%	47.89%	62.70%	62.96%	50.00%
Considering	13.02%	13.55%	16.90%	11.90%	3.70%	0.00%
Uncertain	17.53%	16.80%	26.76%	14.29%	14.81%	33.33%

Figure 7.4-t
In real assets, do you integrate responsible investing criteria into endowment portfolio construction?

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	628	389	75	129	29	6
Marketable real assets						
Yes	18.74%	20.55%	13.43%	12.40%	31.03%	40.00%
No	48.89%	46.85%	43.28%	60.33%	44.83%	20.00%
Considering	14.99%	16.16%	17.91%	11.57%	10.34%	0.00%
Uncertain	17.38%	16.44%	25.37%	15.70%	13.79%	40.00%
Private real estate						
Yes	18.64%	19.62%	11.59%	17.74%	26.92%	25.00%
No	48.47%	47.14%	46.38%	54.84%	46.15%	25.00%
Considering	14.58%	16.08%	17.39%	10.48%	7.69%	0.00%
Uncertain	18.31%	17.17%	24.64%	16.94%	19.23%	50.00%
Private energy and energy infrastructure						
Yes	19.30%	21.51%	15.15%	13.33%	25.93%	25.00%
No	48.17%	46.65%	40.91%	58.33%	44.44%	25.00%
Considering	15.83%	16.48%	21.21%	12.50%	11.11%	0.00%
Uncertain	16.70%	15.36%	22.73%	15.83%	18.52%	50.00%
Other Private real assets						
Yes	17.46%	18.47%	16.42%	11.02%	28.00%	60.00%
No	49.74%	48.01%	43.28%	60.17%	48.00%	20.00%
Considering	14.64%	16.19%	16.42%	11.86%	4.00%	0.00%
Uncertain	18.17%	17.33%	23.88%	16.95%	20.00%	20.00%

Figure 7.5-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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	578	357	67	122	27	5
Potential adverse impacts on investment performance	20.42%	21.49%	12.63%	21.68%	24.24%	14.29%
Potential conflicts with mission's fiduciary duty	15.56%	15.38%	10.53%	17.48%	24.24%	14.29%
Investment management fees are higher	7.50%	8.60%	4.21%	6.29%	9.09%	0.00%
Endowment invested primarily in pooled fund structures	23.33%	26.02%	17.89%	18.88%	24.24%	14.29%
Difficulty assessing the degree to which the portfolio achieves its ESG mandate	14.31%	16.06%	8.42%	11.19%	21.21%	14.29%
Not enough quality managers available with expertise	4.72%	6.11%	2.11%	2.10%	6.06%	0.00%
Does not apply	33.61%	31.45%	34.74%	42.66%	21.21%	28.57%

Figure 7.6-t
Align your portfolio to the UN Sustainable Development Goals (SDGs)

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	635	393	74	133	29	6
Yes	3.46%	4.07%	4.05%	0.75%	6.90%	0.00%
No	75.75%	74.81%	70.27%	81.95%	75.86%	66.67%
Uncertain	20.79%	21.12%	25.68%	17.29%	17.24%	33.33%

Figure 7.7-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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	639	397	75	132	29	6
Yes	2.19%	2.77%	0.00%	2.27%	0.00%	0.00%
No	80.59%	79.60%	76.00%	82.58%	93.10%	100.00%
Uncertain	17.21%	17.63%	24.00%	15.15%	6.90%	0.00%

Figure 7.8-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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	629	393	72	129	29	6
Yes	26.07%	26.72%	25.00%	24.03%	24.14%	50.00%
No	11.13%	11.45%	12.50%	10.08%	10.34%	0.00%
Uncertain	62.80%	61.83%	62.50%	65.89%	65.52%	50.00%

Figure 7.9-t
Responsible investing practices by overall strategy

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	210	140	19	35	12	4
Joined ESG Network	26.19%	24.29%	26.32%	37.14%	16.67%	25.00%
Appointed CSO	6.67%	5.00%	26.32%	5.71%	0.00%	0.00%
Proxy Voting Committee	13.33%	16.43%	5.26%	11.43%	0.00%	0.00%
ESG in Investment Policy	81.90%	82.86%	68.42%	82.86%	83.33%	100.00%
Offered ESG	19.52%	17.86%	10.53%	31.43%	25.00%	0.00%

Figure 7.10-t
Responsible investing factor into 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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	635	395	75	129	30	6
Yes	47.40%	51.14%	44.00%	37.21%	46.67%	66.67%
No	31.34%	29.87%	28.00%	38.76%	30.00%	16.67%
Uncertain	21.26%	18.99%	28.00%	24.03%	23.33%	16.67%

Figure 7.11-t
Students' interest in the issue of responsible investing changed compared to last fiscal year

	Total Institutions	Private college/ university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	595	368	68	128	27	4
Increased interest	12.73%	10.68%	20.59%	12.60%	23.08%	0.00%
Interest about the same	33.45%	36.16%	25.00%	29.13%	38.46%	33.33%
Decreased interest	1.36%	1.64%	0.00%	1.57%	0.00%	0.00%
Uncertain	37.01%	36.44%	38.24%	38.58%	34.62%	33.33%
No interest	15.45%	15.07%	16.18%	18.11%	3.85%	33.33%

Figure 7.12-t
Alumni interest in the issue of responsible investing changed compared to last fiscal year

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	595	368	68	128	27	4
Increased interest	4.97%	4.95%	9.09%	3.17%	4.00%	0.00%
Interest about the same	34.59%	36.81%	27.27%	31.75%	36.00%	33.33%
Decreased interest	0.34%	0.27%	0.00%	0.79%	0.00%	0.00%
No interest	17.47%	16.21%	18.18%	21.43%	12.00%	33.33%
Uncertain	42.64%	41.76%	45.45%	42.86%	48.00%	33.33%

Figure 7.13-t
Employees' interest in the issue of responsible investing changed compared to last fiscal year

	Total Institutions	Private college/ university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	595	368	68	128	27	4
Increased interest	6.55%	5.28%	12.31%	6.35%	12.00%	0.00%
Interest about the same	34.66%	36.67%	26.15%	32.54%	32.00%	75.00%
Decreased interest	0.52%	0.56%	0.00%	0.79%	0.00%	0.00%
No interest	16.38%	15.56%	16.92%	19.84%	8.00%	25.00%
Uncertain	41.90%	41.94%	44.62%	40.48%	48.00%	0.00%

Figure 7.14-t
Donors' interest in the issue of responsible investing changed compared to last fiscal year

	Total Institutions	Private college/ university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	595	368	68	128	27	4
Increased interest	6.03%	5.83%	7.46%	5.60%	8.00%	0.00%
Interest about the same	34.31%	35.00%	29.85%	33.60%	40.00%	33.33%
Decreased interest	0.17%	0.00%	0.00%	0.80%	0.00%	0.00%
No interest	15.17%	14.72%	16.42%	16.80%	8.00%	33.33%
Uncertain	44.31%	44.44%	46.27%	43.20%	44.00%	33.33%

Figure 7.15-t
Grant makers' interest in the issue of responsible investing changed compared to last fiscal year

	Total Institutions	Private college/ university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	595	368	68	128	27	4
Increased interest	2.12%	1.98%	4.76%	1.61%	0.00%	0.00%
Interest about the same	28.40%	29.46%	23.81%	26.61%	33.33%	33.33%
Decreased interest	0.18%	0.00%	0.00%	0.81%	0.00%	0.00%
No interest	16.93%	15.58%	19.05%	20.16%	12.50%	33.33%
Uncertain	52.38%	52.97%	52.38%	50.81%	54.17%	33.33%

Figure 7.16-t
Others' interest in the issue of responsible investing changed compared to last fiscal year

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	595	368	68	128	27	4
Increased interest	11.81%	11.18%	9.09%	10.45%	44.44%	0.00%
Interest about the same	11.07%	13.04%	9.09%	8.96%	0.00%	0.00%
Decreased interest	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
No interest	18.82%	17.39%	21.21%	20.90%	11.11%	100.00%
Uncertain	58.30%	58.39%	60.61%	59.70%	44.44%	0.00%

Figure 7.17-t
Have made changes to your investment policy statement based on third-party stakeholder input

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	616	378	73	130	29	6
Yes	12.40%	12.80%	8.22%	12.31%	17.24%	16.67%
No	81.24%	81.60%	83.56%	78.46%	82.76%	83.33%
Uncertain	6.36%	5.60%	8.22%	9.23%	0.00%	0.00%

Figure 7.18-t
Have made changes to your investment portfolio statement based on third-party stakeholder input

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	616	378	73	130	29	6
Yes	10.82%	11.97%	5.56%	9.38%	17.86%	0.00%
No	80.49%	80.59%	80.56%	79.69%	78.57%	100.00%
Uncertain	8.69%	7.45%	13.89%	10.94%	3.57%	0.00%

Figure 7.19-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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	639	396	76	133	28	6
Yes	39.91%	40.40%	34.21%	40.60%	46.43%	33.33%
No	54.30%	52.53%	60.53%	56.39%	50.00%	66.67%
Uncertain	5.79%	7.07%	5.26%	3.01%	3.57%	0.00%

Figure 7.20-t
Anticipate that diversity and inclusion will lead to expanding responsible investing consideration in coming 12 months

	Total Institutions	Private college/ university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	624	388	72	131	28	5
Yes, we plan to add and/or expand responsible investing approaches within our investment portfolio	17.45%	18.09%	10.67%	18.57%	20.69%	16.67%
Yes, we plan to add and/or expand responsible investing components within our investment policy	6.07%	5.62%	1.33%	9.29%	3.45%	33.33%
No	25.34%	24.21%	28.00%	27.86%	20.69%	33.33%
Uncertain	2.58%	2.93%	4.00%	1.43%	0.00%	0.00%
Other	48.56%	49.14%	56.00%	42.86%	55.17%	16.67%

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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	685	422	86	138	32	7
Calendar-based	4.53%	5.21%	2.33%	3.62%	3.13%	14.29%
Annually	17.76%	17.02%	30.77%	6.06%	18.18%	66.67%
Semi-annually	10.28%	11.35%	7.69%	6.06%	18.18%	0.00%
Quarterly	50.00%	48.94%	46.15%	63.64%	36.36%	33.33%
Monthly	14.95%	14.89%	7.69%	21.21%	18.18%	0.00%
Other	7.01%	7.80%	7.69%	3.03%	9.09%	0.00%
Market value-based (target and range based)	60.29%	57.82%	61.63%	68.12%	56.25%	57.14%
Both calendar and market value-based	27.01%	28.44%	27.91%	20.29%	34.38%	28.57%
No formal rebalancing practice	8.18%	8.53%	8.14%	7.97%	6.25%	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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	684	421	87	137	32	7
OCIO						
Number of institutions using an OCIO	296	178	35	71	11	1
Percent of institutions using an OCIO	43.27%	42.28%	40.23%	51.82%	34.38%	14.29%
Number of institutions not using an OCIO	388	243	52	66	21	6
Percent of institutions not using an OCIO	56.73%	57.72%	59.77%	48.18%	65.63%	85.71%

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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Number of institutions not using an OCIO	388	243	52	66	21	6
Internal CIO	36.34%	36.21%	44.23%	30.30%	38.10%	33.33%
Consultant	79.35%	81.30%	74.55%	73.91%	90.48%	66.67%

Figure 8.4-t
Primary responsibility for conducting the following activities

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	393	245	54	67	21	6
Percent of institutions using an OCIO	43.27%	42.28%	40.23%	51.82%	34.38%	14.29%
Percent of institutions not using an OCIO	56.73%	57.72%	59.77%	48.18%	65.63%	85.71%
Day-to-day investment management						
Internal CIO	49.61%	50.84%	61.11%	34.33%	52.38%	60.00%
Investment committee/ Board of Trustees	19.22%	16.81%	16.67%	28.36%	19.05%	40.00%
Consultant	31.17%	32.35%	22.22%	37.31%	28.57%	0.00%
Asset allocation						
Internal CIO	16.41%	16.94%	22.22%	10.45%	14.29%	16.67%
Investment committee/ Board of Trustees	64.87%	64.46%	59.26%	71.64%	61.90%	66.67%
Consultant	18.72%	18.60%	18.52%	17.91%	23.81%	16.67%
Portfolio rebalancing						
Internal CIO	34.37%	35.15%	44.44%	25.37%	28.57%	33.33%
Investment committee/ Board of Trustees	31.52%	31.38%	25.93%	34.33%	38.10%	33.33%
Consultant	34.11%	33.47%	29.63%	40.30%	33.33%	33.33%
Manager selection and ongoing due diligence						
Internal CIO	29.08%	29.92%	38.89%	20.90%	19.05%	33.33%
Investment committee/ Board of Trustees	35.97%	37.70%	27.78%	32.84%	42.86%	50.00%
Consultant	34.95%	32.38%	33.33%	46.27%	38.10%	16.67%
Investment policy statement development						
Internal CIO	21.03%	21.40%	32.08%	10.45%	23.81%	16.67%
Investment committee/ Board of Trustees	68.72%	67.90%	62.26%	79.10%	61.90%	66.67%
Consultant	10.26%	10.70%	5.66%	10.45%	14.29%	16.67%
Capital markets research/ idea generation						
Internal CIO	25.19%	27.39%	27.78%	17.91%	14.29%	33.33%
Investment committee/ Board of Trustees	10.54%	9.13%	7.41%	17.91%	9.52%	16.67%
Consultant	64.27%	63.49%	64.81%	64.18%	76.19%	50.00%

Figure 8.5-t
Number of separate managers your 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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	543	335	69	104	28	7
Average number of managers						
U.S. Equities	4	4	5	4	6	3
Developed non-U.S. Equities	3	3	3	2	4	2
Emerging Markets	2	3	3	2	3	2
Global Equities	3	3	3	3	2	4
Private venture capital	8	9	8	5	11	7
Private Equity	13	13	17	9	22	10
Marketable alternatives	8	8	10	6	10	7
Marketable Debt	3	3	3	3	4	3
Private Debt	3	3	3	3	3	3
Cash and equivalents <1 year	1	1	1	2	2	1
Marketable real assets	2	2	2	1	2	1
Private real estate	5	5	6	4	9	7
Private energy and infrastructure	4	4	5	3	7	4
Other Private real assets	1	1	2	1	2	1
Other	2	2	3	1	1	0

Figure 8.6-t
Average number of investment managers used

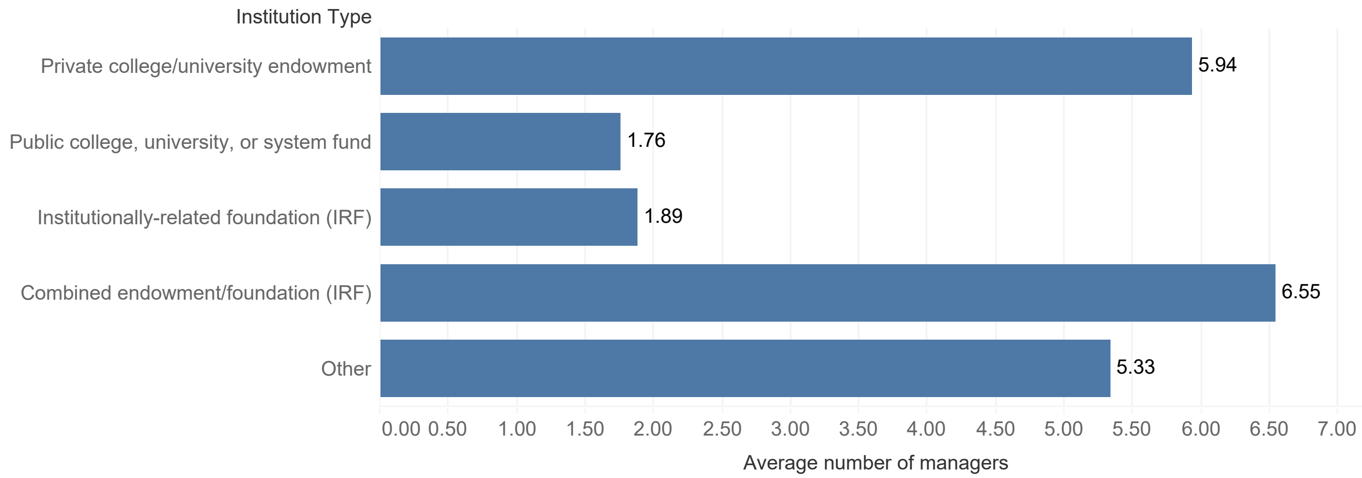


Figure 8.7-t
University has diversity and inclusion policy regarding fund manager selection

	Total Institutions	Private college/university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	718	442	95	141	33	7
Yes	7.66%	10.18%	6.32%	2.13%	3.03%	0.00%
No	73.96%	71.49%	69.47%	83.69%	81.82%	57.14%
Uncertain	18.38%	18.33%	24.21%	14.18%	15.15%	42.86%

Figure 8.8-t
Percentage of endowment funds invested with diverse manager

	Total Institutions	Private college/ university endowment	Public college, university, or system fund	Institutionally-related foundation (IRF)	Combined endowment/ foundation (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	162	111	14	26	10	1
Average Percent invested with Diverse managers	6.65%	7.35%	5.08%	5.50%	6.46%	3.10%
Median Percent invested with Diverse managers	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Figure 8.9-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 (IRF)	Other
Total Institutions	720	442	95	143	33	7
Responded Institutions	162	111	14	26	10	1
Investment Consultants						
Avg fees	$311	$315	$388	$230	$405	$219
Median fees	$171	$187	$212	$119	$368	$219
Outsourced Chief Investment Officer (OCIO)						
Avg fees	$707	$609	$568	$530	$5,897	$2,220
Median fees	$296	$290	$322	$264	$348	$2,220
Investment manager(s)						
Avg fees	$12,044	$16,703	$5,670	$3,274	$7,078	$1,716
Median fees	$678	$602	$823	$737	$3,385	$1,716
Custodian(s)						
Avg fees	$140	$111	$172	$160	$371	$48
Median fees	$58	$54	$128	$37	$200	$48
Internal investment team						
Avg fees	$1,228	$1,254	$1,685	$639	$1,114	$156
Median fees	$592	$662	$631	$384	$1,109	$156
Other data providers						
Avg fees	$431	$643	$201	$156	$255	$108
Median fees	$102	$48	$310	$35	$241	$53

APPENDIX IV

Participating institutions

A

Abilene Christian University, TX

Agnes Scott College, GA

Albion College, MI

Albright College, PA

Alfred University, NY

Allegheny College, PA

American University, DC

American University in Bulgaria, TX

American University of Beirut, NY

Amherst College, MA

Arcadia University, PA

Arizona State University & Foundation, AZ

Arkansas State University System Foundation, AR

Art Center College of Design, CA

Asbury Theological Seminary, KY

Auburn University and Foundation, AL

Augsburg University, MN

Augustana College, IL

Austin College, TX

Austin Presbyterian Theological Seminary, TX

B

Babson College, MA

Baker College, MI

Baker University, KS

Baldwin Wallace University, OH

Barnard College, NY

Barry University Inc., FL

Bates College, ME

Baylor College of Medicine, TX

Baylor Oral Health Foundation, TX

Baylor University, TX

Bellarmine University, KY

Belmont University, TN

Berea College, KY

Berklee College of Music, MA

Berry College, GA

Bethany Lutheran College, MN

Biola University, CA

Blue Ridge Community College Educational Foundation, Inc., VA

Boise State University Foundation, ID

Boston College, Trustees of, MA

Bowdoin College, ME

Bowling Green State University Foundation, OH

Bradford Educational Foundation - University of Pittsburgh at Bradford, PA

Bradley University, IL

Brandeis University, MA

Brenau University, GA

Bridgewater College, VA

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 Philanthropic 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 Long Beach 49er Foundation, CA

California State University, Bakersfield Foundation, CA

California State University, Channel Islands Foundation, CA

California State University, Dominguez Hills Philanthropic Foundation, CA

California State University, East Bay, CA

California State University, Fresno Foundation, CA

California State University, Fullerton Philanthropic Foundation, CA

California State University, Los Angeles Foundation, CA

California State University, Monterey Bay, CA

California State University, Northridge, CA

California State University, San Marcos Foundation, CA

California State University, Stanislaus Foundation, CA

California Western School of Law, CA

Canisius College, NY

Capital University, OH

Carleton College, MN

Carnegie Institution of Washington, DC

Carnegie Mellon University, PA

Carroll College, MT

Carroll University, WI

Carthage College, WI

Case Western Reserve University, OH

Cedar Crest College, PA

Cedarville University, OH

Centenary University, NJ

Central College, IA

Central Michigan University, MI

Central Oregon Community College Foundation, OR

Central Piedmont Community College Foundation, NC

Centre College of Kentucky, KY

Chaminade University of Honolulu, HI

Chapman University, CA

Chatham University, PA

Christian Theological Seminary, IN

Claremont Graduate University, CA

Claremont McKenna College, CA

Clarion University Foundation, Inc., PA

Clark Community College District No 14 Foundation, WA

Clark University, Trustees of, MA

Clarkson University, NY

Clemson University Foundation, SC

Cleveland Institute of Music, OH

Coastal Educational Foundation, SC

Colby-Sawyer College, NH

Colgate University, NY

College of Central Florida Foundation, FL

College of Charleston Foundation, SC

College of Saint Benedict, MN

College of St. Scholastica, MN

College of the Ozarks, MO

Colorado Mesa University Foundation, CO

Colorado School of Mines Foundation, CO

Colorado State University Foundation, CO

Columbia College, MO

Columbia Theological Seminary, GA

Columbia University, Trustees of, NY

Columbus State University Foundation, GA

Concordia College, MN

Concordia Seminary, MO

Concordia University - Saint Paul, MN

Concordia University of Wisconsin, WI

Connecticut College, CT

Converse College, SC

Cornell College, IA
Cornerstone University, MI
Covenant College, GA
Creighton University, NE
CSUSB Philanthropic Foundation, CA
Cuesta College Foundation, CA
Culinary Institute of America, NY
Culver-Stockton College, MO
Curry College, MA
Cuyahoga Community College Foundation, OH

D

Dakota State University Foundation, SD
Dartmouth College, NH
Davidson College, NC
Defiance College, OH
Delta College, MI
Denison University, OH
Denver Seminary, CO
DePaul University, IL
DePauw University, IN
DeSales University, PA
Dickinson College, PA
Doane University, NE
Dominican University, IL
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
Elgin Community College Foundation, IL
Elizabethtown College, PA
Elmhurst University, IL
Elon University, NC
Embry-Riddle Aeronautical University, FL
Emerson College, MA
Emmanuel College, MA
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 Agricultural and Mechanical University, FL
Florida Atlantic University Foundation, FL
Florida Institute of Technology, FL
Florida International University Foundation, Inc, FL
Florida Southern College, FL
Florida Southwestern State College Foundation, 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

Franklin and 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, Inc., VA

George Washington University, DC

Georgetown University, DC

Georgia Institute of Technology and related Foundations, GA

Georgia Southern University Foundation, GA

Georgia Southwestern Foundation, GA

Georgia State University Foundation, GA

Georgian Court University, NJ

Gettysburg College, PA

Golden Gate University, CA

Gonzaga University, WA

Goshen College, IN

Goucher College, MD

Grand Valley State University, MI

Grand View University, IA

Grinnell College, Trustees of, IA

Gustavus Adolphus College, MN

H

Hamilton College, NY

Hamline University, MN

Hampton University, VA

Hanover College, IN

Hardin-Simmons University, TX

Harding University, AR

Hartford International University for Religion and Peace, CT

Harvard University, MA

Harvey Mudd College, CA

Haverford College, PA

Heidelberg University, OH

High Point University, NC

Hobart & William Smith Colleges, NY

Hofstra University, NY

Hollins University, VA

Holy Family University, PA

Holy Names University, CA

Hood College of Frederick Maryland, MD

Hope College, MI

Houghton College, NY

Howard University, DC

Humboldt State University Foundation, CA

Husson University, ME

I

Illinois College, IL

Illinois State University Foundation, IL

Illinois Wesleyan University, IL

Indiana Institute of Technology, IN

Indiana State University Foundation, IN

Indiana University Foundation, IN

Indiana University of Pennsylvania, PA

Indiana Wesleyan University, IN

Iona College, NY

Iowa State University of Science and Technology, IA

Ithaca College, NY

J

Jacksonville University, FL

James Madison University Foundation, VA

John Brown University, AR

John Carroll University, OH

Johnson C. Smith University, NC

Juniata College, PA

K

Kalamazoo College, MI

Kalamazoo Valley Community College Foundation, MI

Kansas State University Foundation, KS

Keck Graduate Institute, CA

Kent State University Foundation, OH

Kenyon College, OH

Kutztown University Foundation, PA

L

La Salle University, PA

Lafayette College, PA

Lake Forest College, IL

Lakeland Community College, OH

Lakeland University, WI

Lamar University, TX

Lasell University, MA

Lawrence Technological University, MI

Lawrence University, WI

Le Moyne College, NY

Lebanese American University, NY

Lebanon Valley College, PA

Lehigh University, PA

Lenoir-Rhyne University, NC

LeTourneau University, TX

Lewis & Clark College, OR

Linfield University, OR

Lipscomb University, TN

Loma Linda University, CA

Long Island University, NY

Longwood University Foundation, VA

Lorain County Community College Foundation, OH

Louisiana State University System, LA

Loyola Marymount University, CA

Loyola University Maryland, MD

Loyola University of Chicago, IL

Lubbock Christian University, TX

Luther College, IA

Luther Seminary, MN

Lycoming College, PA

M

Macalester College, MN

Marietta College, OH

Marquette University, WI

Marshall B. Ketchum University, CA

Maryland Institute College of Art, MD

Marymount University, VA

Maryville University of St. Louis, MO

Marywood University, PA

Massachusetts College of Liberal Arts Foundation, Inc., MA

Massachusetts Institute of Technology, MA

McDaniel College, MD

McMurry University, TX

McPherson College, KS

Meadville Theological School of Lombard College, IL

Medical College of Georgia Foundation, GA

Medical College of Virginia Foundation, VA

Medical University of South Carolina Foundation, SC

Meharry Medical College, TN

Mennonite Education Agency Investment Fund LLC, IN

Mercy College, NY

Meredith College, NC

Merrimack College, MA

Messiah University, PA

Miami Dade College, FL

Miami University Foundation, OH

Michigan State University, MI

Michigan State University Foundation, MI

Michigan Technological University, MI

Middle Tennessee State University Foundation, TN

Middlebury College, VT

Midlands Technical College Foundation, SC

Midwestern University, IL

Millersville University Foundation, PA

Millikin University, IL

Mills College, CA

Minneapolis College of Art and Design, MN

Minnesota State University Mankato Foundation, MN

Misericordia University, PA

Mississippi State University & Foundation, MS

Molloy College, NY

Monmouth University, NJ

Monroe Community College Foundation, NY

Montana Technological University Foundation, MT

Montclair State University Foundation, NJ

Morehouse College, GA

Morgan State University Foundation, Inc., MD

Morningside University, IA

Mount Holyoke College, Trustees of, MA

Mount Saint Mary College, NY

Mount Saint Mary's University, Los Angeles, CA

Mount St. Joseph University, OH

Muhlenberg College, PA

Murray State University, KY

Muskingum University, OH

N

National Academy of Sciences, DC

National Louis University, IL

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Northeastern University, MA

Northern Illinois University Foundation, IL

Northern Kentucky University Foundation, KY

Northwest College Foundation, WY

Northwestern College, IA

Northwestern University, IL

Northwood University, MI

Notre Dame of Maryland University, MD

O

Oakland University, MI

Oakton Community College Educational Foundation, IL

Oberlin College, OH

Occidental College, CA

Ohio Dominican University, OH

Ohio University and The Ohio University Foundation, OH

Ohio Wesleyan University, OH

Oklahoma State Regents for Higher Education, OK

Oklahoma State University Foundation, OK

Old Dominion University Educational Foundation, VA

Olivet Nazarene University Foundation, IL

Oregon Health and Science University Foundation, OR

Oregon State University Foundation, OR

Oswego College Foundation, Inc., NY

P

Pace University, NY

Palm Beach Atlantic University, FL

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

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Portland State University Foundation, OR

Pratt Institute, NY

Presbyterian College, SC

Princeton Theological Seminary, NJ

Purchase College Foundation, NY

Purdue University, IN

Q

Queens University of Charlotte, NC

Quinnipiac University, CT

R

Radford University Foundation, VA

Ramapo College of New Jersey, NJ

Randolph-Macon College, VA

Reed College, OR

Reformed Theological Seminary, MS

Regis College, MA

Regis University, CO

Rensselaer Polytechnic Institute, NY

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S

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Suffolk University, MA
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SUNY Cortland - College Foundation, NY
SUNY Fredonia College Foundation, NY
SUNY Health Science Center at Syracuse, 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

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Temple University, PA

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Tennessee Technological University Foundation, TN

Texas A&M Foundation, TX

Texas Christian University, TX

Texas Lutheran University, TX

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Texas Tech University System, TX

Texas Woman's University Foundation, TX

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U

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University of North Carolina at Greensboro Investment Fund, NC

University of North Carolina at Wilmington, NC

University of North Dakota Foundation, ND

University of North Florida Foundation, FL

University of North Texas Foundation, TX

University of Northern Colorado Foundation, CO

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University of Notre Dame, IN

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University of Redlands, CA

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University of San Diego, CA

University of San Francisco, CA

University of Scranton, PA

University of South Alabama, AL

University of South Alabama Foundation, AL

University of South Carolina and Affiliated Foundations, SC

University of South Dakota Foundation, SD

University of South Florida Foundation, FL

University of Southern California, CA

University of Southern Mississippi Foundation, MS

University of St. Francis, IL

University of St. Thomas, MN

University of Texas System, TX

University of the Incarnate Word, TX

University of the Ozarks, AR

University of the Pacific, CA

University of the Sciences in Philadelphia, PA

University of Toledo Foundation, OH

University of Tulsa, OK

University of Utah, UT

University of Virginia, VA

University of Washington, WA

University of West Florida Foundation, FL

University of Wisconsin Foundation, WI

University of Wisconsin System, WI

University of Wisconsin-Eau Claire Foundation, WI

University of Wyoming Foundation, WY

University System of New Hampshire, NH

Ursinus College, PA

Utah State University, UT

Utica College, NY

V

Valencia College Foundation, FL

Valparaiso University, IN

Vanderbilt University, TN

Vassar College, NY

Vaughn College of Aeronautics and Technology, NY

Villanova University, PA

Virginia Commonwealth University and Affiliated Entities, VA

Virginia Military Institute Foundation, VA

Virginia State University, VA

Virginia Tech Foundation, VA

Virginia Wesleyan University, VA

Viterbo University, WI

W

Wabash College, IN

Wagner College, NY

Wake Forest University, NC

Warner Pacific University, OR

Warren Wilson College, NC

Washburn University Foundation, KS

Washington & Lee University, VA

Washington College, MD

Washington State University, WA

Washington University, MO

Wayne State University Foundation, MI

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Western Carolina University, NC

Western Kentucky University and Foundations, KY

Western Michigan University Foundation, MI

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Wheaton College, IL

Wheaton College, MA

Whitehead Institute for Biomedical Research, MA

Whitman College, WA

Whitworth University, WA

Wichita State University Foundation, KS

Widener University, PA

Willamette University, OR

William & Mary and Foundations, VA

William Peace University, NC

Williams College, MA

Wilson College, PA

Winston-Salem State University & Foundation, NC

Winthrop University Foundation, SC

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Wofford College, SC

Worcester Polytechnic Institute, MA

Worcester State Foundation, MA

Wright State University Foundation, OH

X

Xavier University, OH

Y

Yale University, CT

Yavapai College Foundation, AZ

Yeshiva University, NY

Youngstown State University Foundation, OH

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.

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