



# Introduction to the NYU Endowment

October 26, 2021



## What is the NYU Endowment?

- The Endowment is a permanent pool of funds meant to serve NYU both now and in the future
- Money comes from donor gifts; most gifts are designated by donors for specific purposes
- Gifts are invested and earnings are used to support programs like financial aid, chaired professorships, research, and academic programs
- The University can include other management-designated funds in the endowment

## What does NYU's Endowment Look Like Today?

- \$5.8 billion as of August 31, 2021
- 27<sup>th</sup> largest university endowment, but only 192<sup>nd</sup> on a per student basis (approximately \$82,000 per student)

## Who is responsible for the Endowment?

- The Investment Office is responsible for day-to-day management of the Endowment, working closely with the Investment Committee of the Board of Trustees who provides fiduciary oversight

## How is the Endowment Managed?

- Similar to most peer universities, NYU's endowment is invested with external professional investment managers who are chosen by the Investment Office and recommended to the Investment Committee for approval
- Goal is to maximize return commensurate with the risks appropriate for maintaining an endowment that will serve both the current University community and future generations

## What is the Strategy of the Endowment?

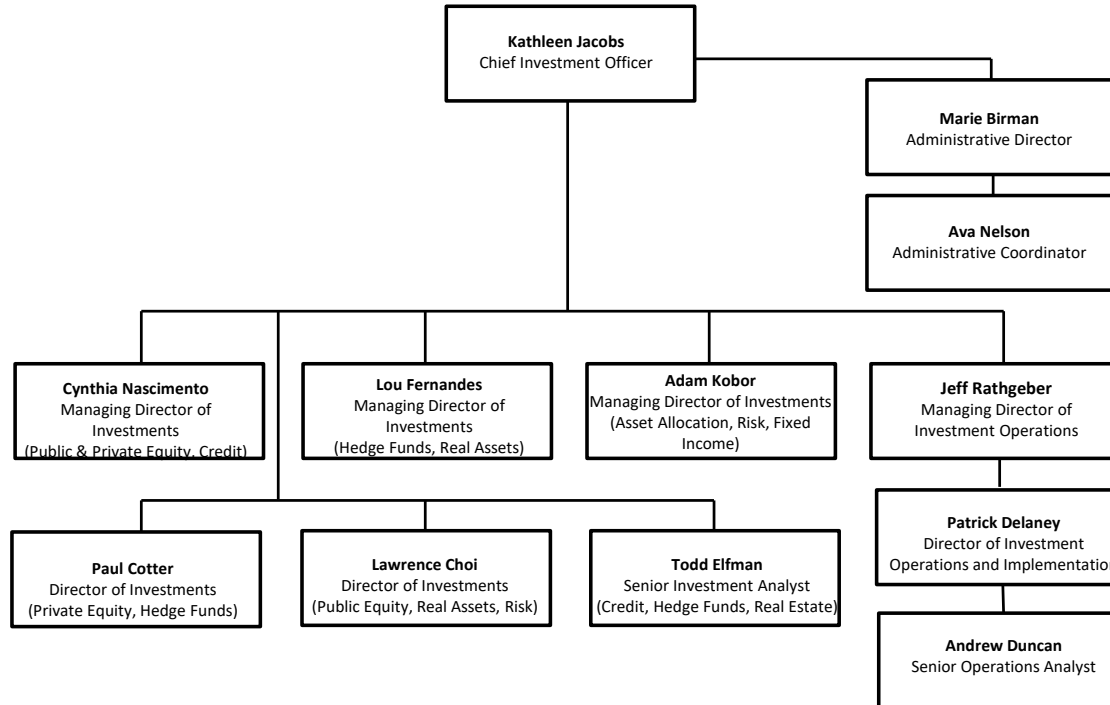
- The Endowment is globally diversified and invested across asset classes. It is equity oriented with a long-term investment horizon
- The strategic mix of asset classes (the "asset allocation") is developed based on NYU's specific circumstances including return requirements, liquidity needs, performance in different market conditions, and the risk tolerance of the Investment Committee. The asset allocation is reviewed in detail and reaffirmed with the Investment Committee annually

## How has the Endowment Performed?

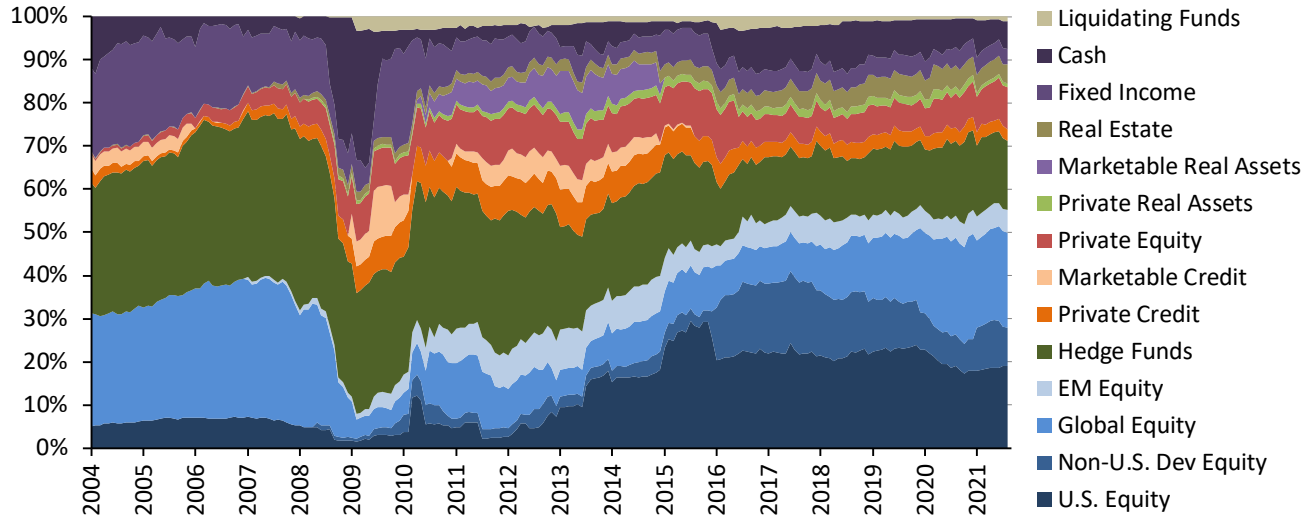
- Through August 31, over the past 5 years the Endowment returned an annualized 11.4% net of fees, compared to its benchmark return of 10.6%. The benchmark represents the strategy of the endowment but invested passively

# Who manages the Endowment?

- The Investment Office is staffed with 12 people including the Chief Investment Officer plus six investment professionals and five operations and administrative professionals



## NYU's Historical Asset Allocation



As of August 31, 2021.

**Infrastructure**

**Asset Allocation**

**Portfolio Management**

**Portfolio Analytics and Risk Management**