



SUMMARY

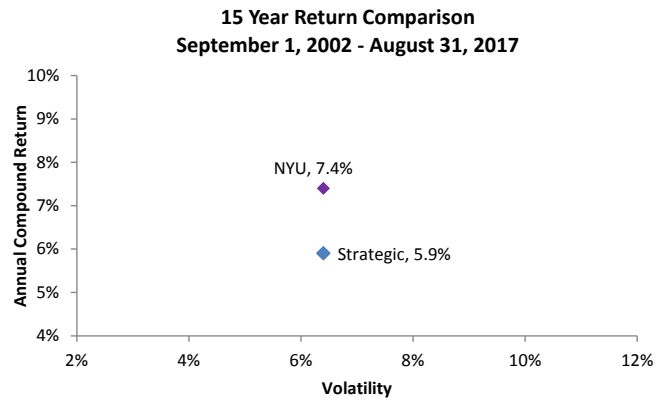
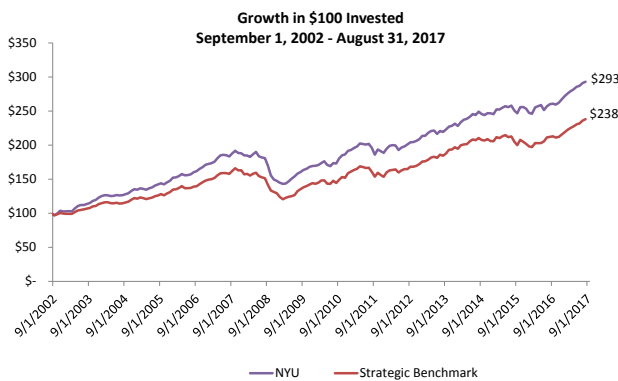
NYU's Endowment Fund provides a permanent source of capital to support the University's mission and programs. The Endowment is managed by a professional investment staff within the NYU Investment Office. It is invested globally across a diverse range of strategies using external managers. As of NYU's fiscal year end, August 31, 2017, the value of NYU's Total Combined Endowment Fund stood at \$4.1 billion.

INVESTMENT PHILOSOPHY

The Endowment's objective is to support NYU students and faculty in the present and in the future, by providing current financial support to the University operating budget while also preserving the Fund's long-term purchasing power. To achieve its goal, the Endowment is actively managed and relies on a globally diversified, equity-oriented approach. Investments are considered on a risk-adjusted basis and liquidity is carefully monitored.

PERFORMANCE

NYU's Endowment has produced strong long-term risk-adjusted returns relative to its benchmark, resulting in more stable support for NYU's programs than would have been provided by the passively-invested alternative. Over the past fifteen years (through August 31, 2017), the Main Endowment has returned 7.4% (annualized and net of fees) versus the benchmark's 5.9% return, resulting in over \$457 million of additional value today. The benchmark is constructed based on NYU's actual mix of asset classes in order to identify the performance impact of various factors including manager selection decisions. NYU employs an active, long-term investment approach meaning performance could deviate from the benchmark meaningfully in shorter-term periods. Therefore, while the Fund is continuously evaluated, multi-year periods capturing full market cycles are most appropriate for performance evaluation.



GROWTH

Due to the combined strength of capital inflows and performance, the value of NYU's Endowment has increased by approximately 9.0% per year over the past 15 years, net of spending and other distributions. Distributions to the University over that time have totaled nearly \$1.5 billion. Donor contributions are a vital component of the Endowment's long-term growth, bolstering the amount of support available to NYU's programs, as well as creating access to an NYU education through financial aid scholarships.

