



ENDOWMENT MANAGEMENT AND PERFORMANCE | FISCAL YEAR 2019

NORTHEASTERN UNIVERSITY ENDOWMENT: YOUR INVESTMENT IN THE FUTURE

Your remarkable commitment to Northeastern's endowment empowers our students and faculty in all they do. Innovative research, interdisciplinary collaborations, and unique student experiences are built on a strong foundation of endowed resources. Taking full advantage of these resources means investing them in the programs that drive our successes today, while also ensuring that future generations of students can reach their ambitions and make our world a better place. As of June 30, 2019, Northeastern's endowment equaled approximately \$1.07 billion.

MANAGING YOUR PHILANTHROPIC INVESTMENT

Gifts to endowed funds are carefully invested by a team of investment professionals with a strong track record in institutional asset management. Cambridge Associates acts as our primary advisor of the overall management of the university's endowment. This firm works in collaboration with the university's senior finance leadership as well as the dedicated volunteers who form the Funds and Investment Subcommittee of the Board of Trustees. Members of this subcommittee have strong financial backgrounds with extensive experience working with investments and corporate finance.

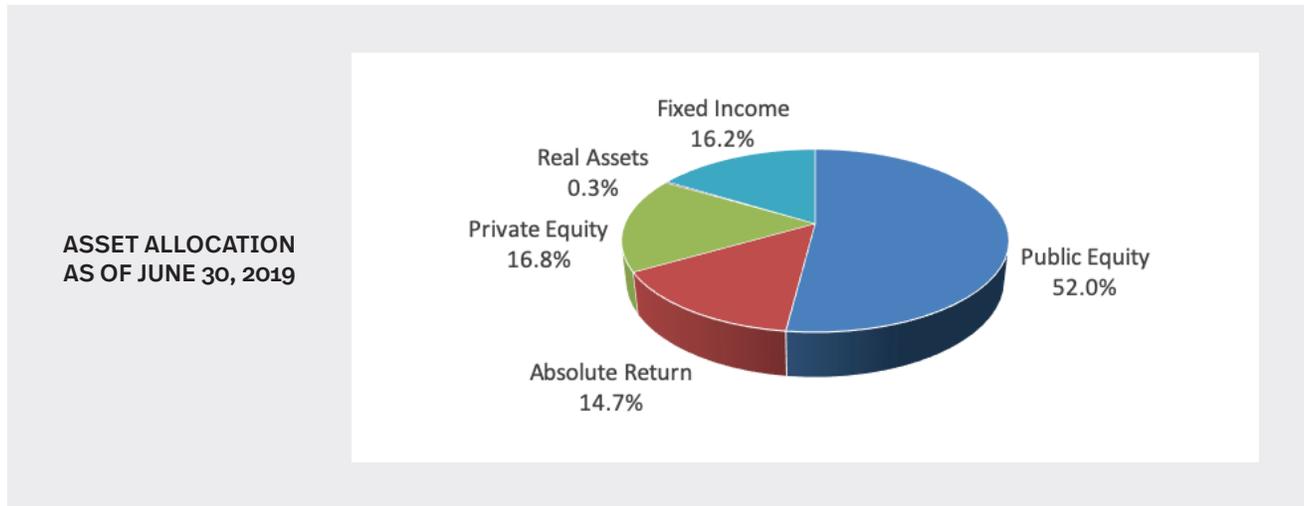
Together, this group establishes investment objectives, sets asset allocation policy, and monitors performance and risk exposures—all with three goals in mind: (1) achieving a rate of return that supports current programs, (2) keeping pace with inflation so that Northeastern can rely on the endowment to support the university in the future, and (3) insulating the endowment's income and growth from market fluctuations.

INCOME, SPENDING, AND IMPACT

Each year, the Board of Trustees reviews and approves the university's spending rate, which is the percentage of the endowment's market value that is available for use. Currently, the annual spending rate is 4% of the average market value of the previous sixty months. When the endowment's returns exceed the spending rate, the excess is returned to the endowed fund, increasing its purchasing power.

RISK MANAGEMENT

The overall guidelines for the management of the endowment are established by the Northeastern Board of Trustees. Investments are reviewed by the members of the Funds and Investment Subcommittee to ensure that endowed funds achieve long-term performance objectives to support the educational and research goals of the university.



PERFORMANCE

When assessing the success of its investment strategy, Northeastern, like many universities, uses a combination of benchmarks, including the Cambridge Associates Endowment Median of all universities and a custom portfolio benchmark.



SUSTAINABILITY FOR THE LONG-TERM

All of us at Northeastern are grateful for your generosity and commitment to a sustainable and exciting future for the university. Through your endowed support, you create vital student scholarships, pathways for life-changing research, and platforms for big ideas. Thank you for investing in Northeastern's endowment and for creating lasting opportunities for generations of students to come.