



ENDOWMENT MANAGEMENT AND PERFORMANCE | FISCAL YEAR 2021

NORTHEASTERN UNIVERSITY ENDOWMENT: YOUR INVESTMENT IN THE FUTURE

With your endowed support, Northeastern is leveraging its deeply rooted connections—to communities, to our broader society, and to the world we share—to build a new vision for learning and discovery that erases traditional academic and physical boundaries. By investing in our endowment, you are providing the important resources that allow us to put this plan into action. By putting your generosity to work today, we are building a more diverse and inclusive university, providing flexible opportunities for interdisciplinary learning, expanding our capacity to use multiple contexts and perspectives to solve problems, developing our global system of partners, and targeting learning and research opportunities to new and changing contexts. Through the strength of the endowment and your commitment to Northeastern, you are ensuring that we can build this vision, and that the students of tomorrow can use their unbounded Northeastern experience to create a better future for mankind. We are grateful for your generous contributions to this endeavor. As of June 30, 2021, Northeastern’s endowment equaled approximately \$1.47 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.

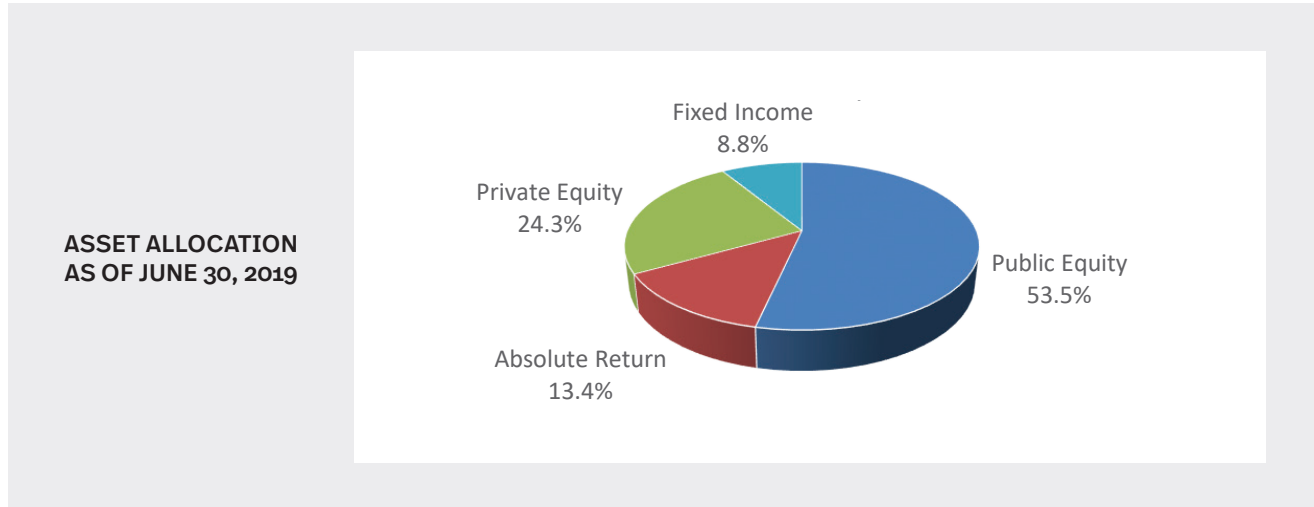
Together, this group establishes investment objectives, sets asset allocation policy, and monitors performance and risk exposures—all with three goals in mind: (1) achieving a rate of return that supports current programs, (2) keeping pace with inflation so that Northeastern can rely on the endowment 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.

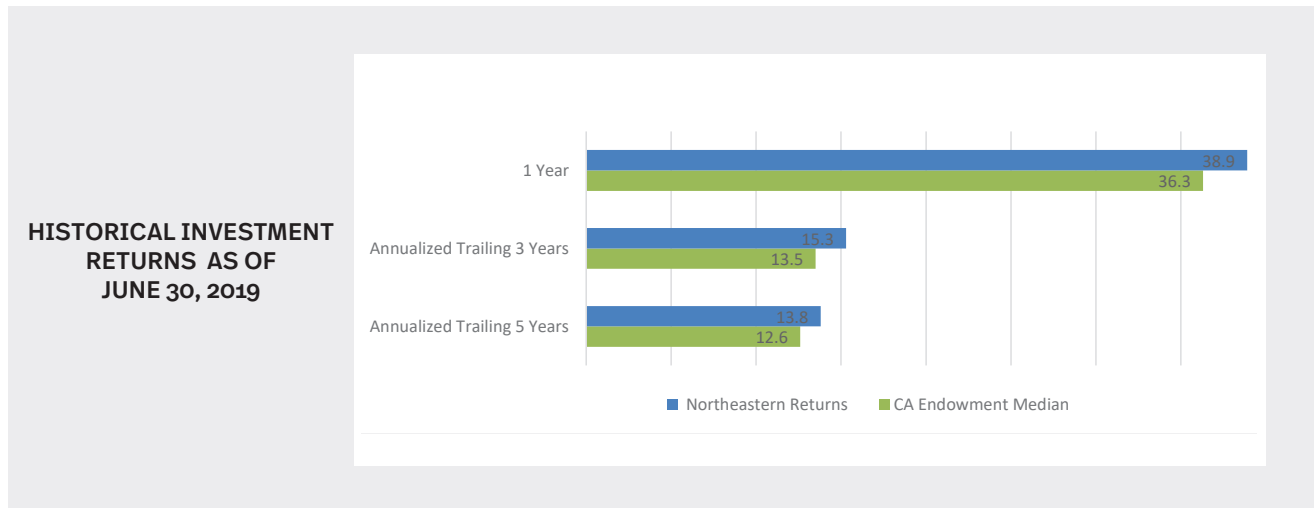
RISK MANAGEMENT

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

Thank you once again for your remarkable commitment to Northeastern. By providing important endowed support, you are ensuring that every Northeastern community member—no matter where they are-- can learn and discover at the pace of change.