

ENDOWMENT MANAGEMENT AND PERFORMANCE | FISCAL YEAR 2022

NORTHEASTERN UNIVERSITY ENDOWMENT: YOUR INVESTMENT IN THE FUTURE

Your endowed support provides the foundation that propels Northeastern students and faculty forward each day to bring the most pioneering ideas from promise to reality. Thanks to you our endowment provides, and will provide, critical funding for scholarships, research, and transformational experiences for generations of global leaders. Your generosity continues to elevate robust academic programming, fund global experiences for students and faculty, back vital research, and sustain our groundbreaking centers and institutes. With your support we will deepen our impact and shape the future. As of June 30, 2022, Northeastern's endowment equaled approximately \$1.54 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.

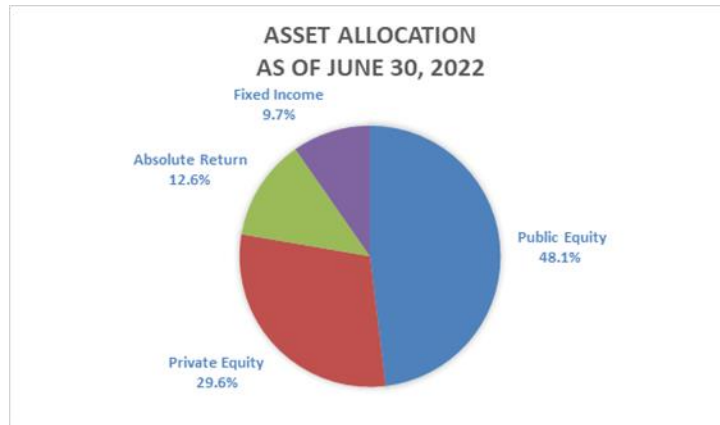
Together, this group establishes investment objectives, sets asset allocation policy, and monitors performance and risk exposures—all with three goals in mind: (1) achieving a rate of return that supports current programs, (2) keeping pace with inflation so that Northeastern can rely on the endowment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

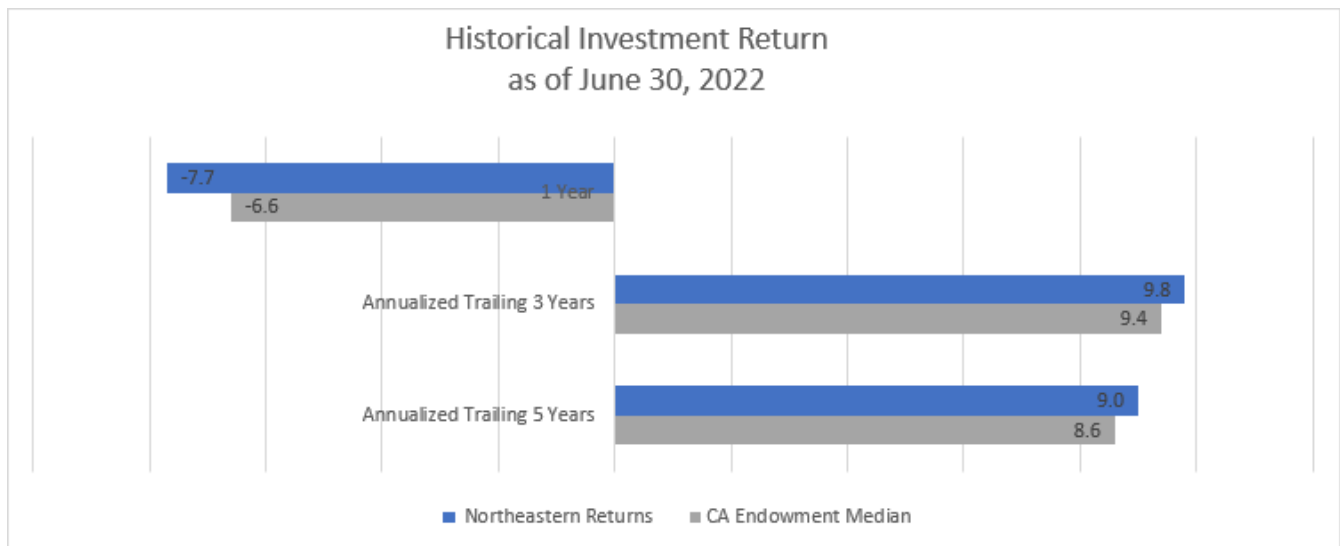
RISK MANAGEMENT

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 for your tremendous commitment to Northeastern. With your endowed support, we will continue to transform and create more diverse and inclusive pathways for our learners, innovators, and communities across our global university system.