Reported to the Board of Trustees
September 11, 2014

University of Illinois
Second Quarter 2014 Investment Update
Board Report

August 2014

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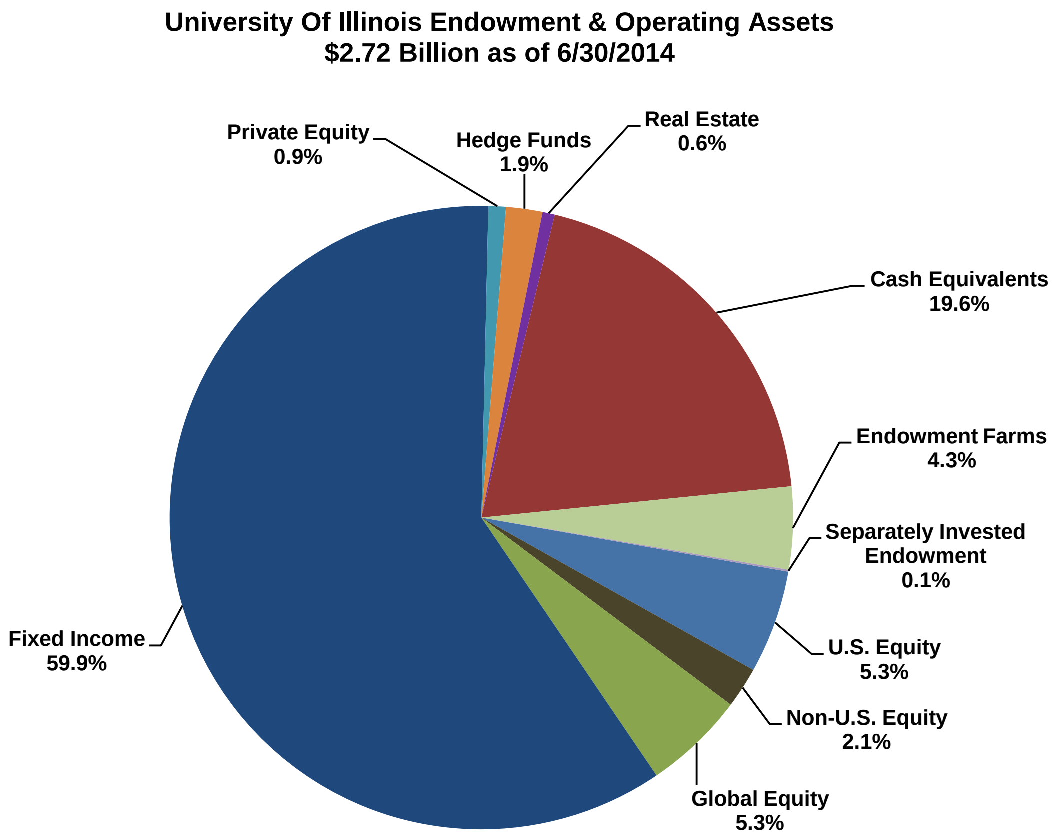
Market Overview and University Assets

Capital Markets Review
June 30, 2014

	Second Quarter	YTD	One Year	Three Years	Five Years	Ten Years
DJ U.S. Total Stock Market Index	4.8	7.0	25.0	16.4	19.4	8.4
MSCI All Country World ex-U.S. Index	5.0	5.6	21.8	5.7	11.1	7.7
MSCI All Country World Index	5.0	6.2	22.9	10.3	14.3	7.5
Barclays Aggregate Bond Index	2.0	3.9	4.4	3.7	4.9	4.9
HFR Fund of Funds Index	1.5	2.0	7.5	3.3	4.2	3.4
NCREIF ODCE Index	2.7	5.0	11.7	11.4	9.0	6.1
NCREIF Cornbelt Index	11.1	11.1	11.1	19.5	16.3	--

- The improvement of U.S. economic data, along with the easing of tensions in Ukraine and monetary easing in Europe, all helped to boost equity markets around the world. The Japanese equity market enjoyed returns of a similar magnitude while Europe's gain was a little weaker in comparison.
- U.S. Economic data was positive during the quarter with strong activity in the manufacturing sector. Equally impressive is the fall in the unemployment rate from 6.7% at the start of the quarter to 6.1%, which is the lowest figure since 2008.
- In June, the European Central Bank (ECB) finally relented and introduced a number of measures to boost the economy, including an interest rate cut and plans to buy assets and incentive structures to kick-start lending activity. Early equity market reaction was positive, but this has not been enough to prevent underperformance by European equities.
- Emerging markets overall outperformed the developed markets, but there was wide variation on a country level. While the political turmoil between Russia and Ukraine rumbles on, investor attention seemed to have moved past it, with double digit quarter returns from both markets. European peripheral economies, such as Greece and Portugal were hit especially hard by the wider region's slowdown.
- There is a continued firm commitment by the Fed to keep policy interest rates very low for an extended period that almost certainly extends beyond the end of 2015, as well as the ECB's recent monetary easing. Such commitments to keep interest rates low have helped to reduce bond market volatility to historic lows and to ease investor concerns.
- Based on the most recent Federal Open Market Committee meeting, quantitative easing will end by October and the market's focus should switch to the likelihood of interest rate increases.

University Assets: June 30, 2014



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Endowment Fund Update: June 30, 2014

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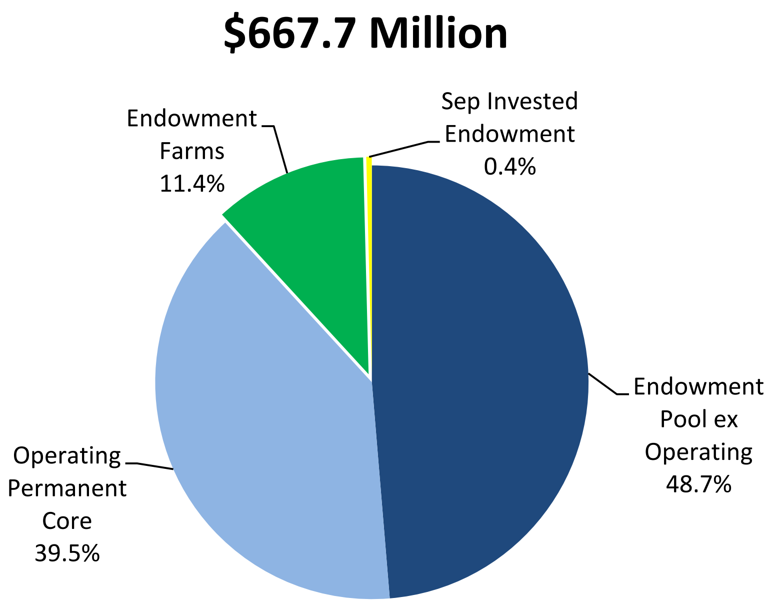
Total Endowment Assets by Type
June 30, 2014



Total Endowment Fund is valued at $667.7 million. The Operating Pool maintains a permanent core investment in the Endowment Pool (light blue slice). This is a long-term investment to enhance Operating Pool returns. The combined Endowment Pool is valued at $588.7 million (dark and light blue pie slices) and discussed further on the following pages.

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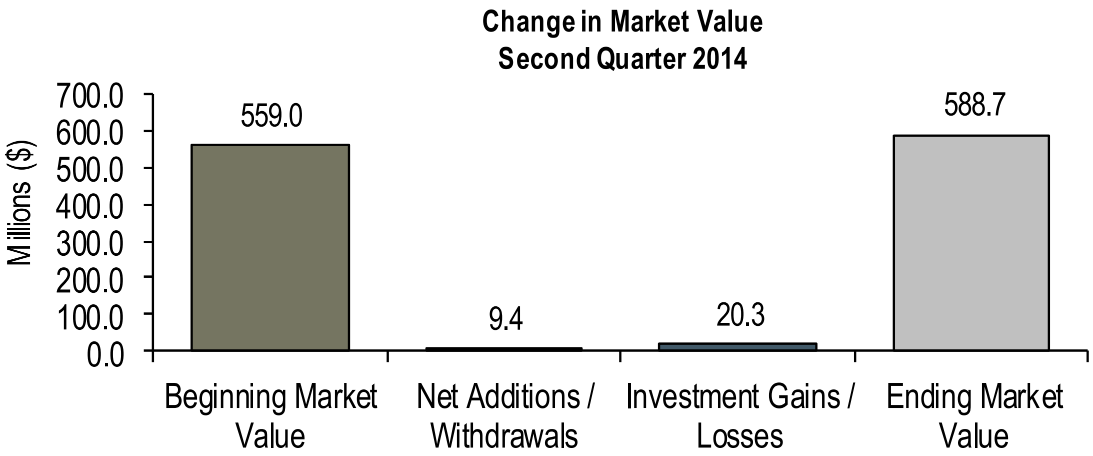
Total Fund Asset Growth: Endowment Pool

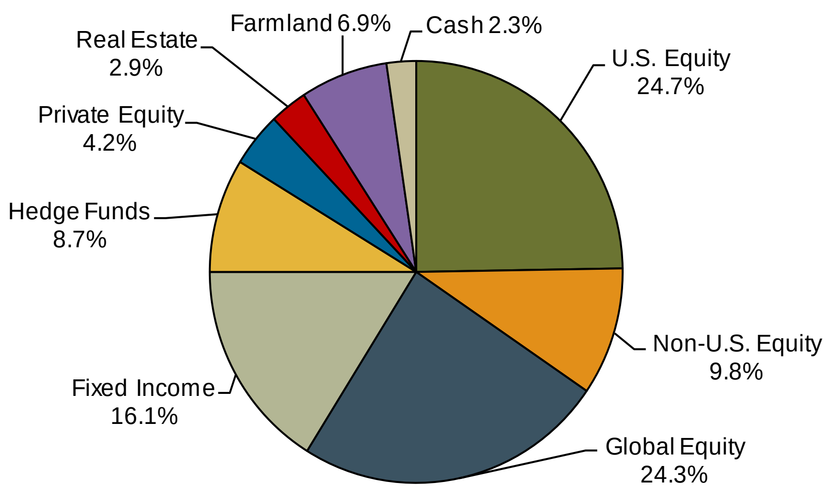


- During the first quarter, Endowment fund assets increased by approximately $29.7 million from $559.0 million to $588.7 million.
- This increase was the net result of investment gains and positive fund flows. For this period, net inflows were approximately $9.4 million and the absolute return of 3.6% in Endowment assets resulted in investment gains of $20.3 million.

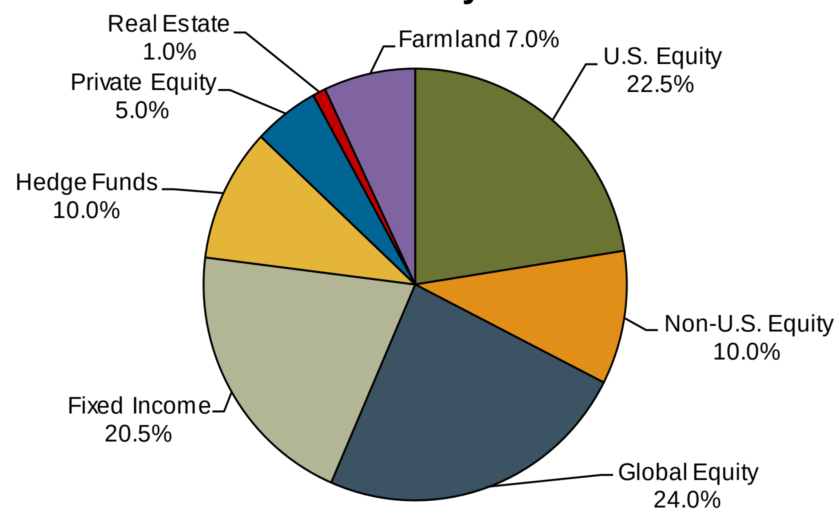
Market Value and Asset Allocation: Endowment Pool
June 30, 2014

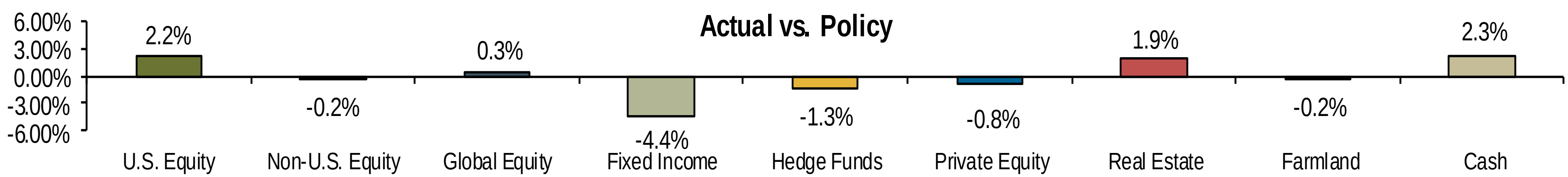
Total Fund
$588,731,185

Actual Allocation



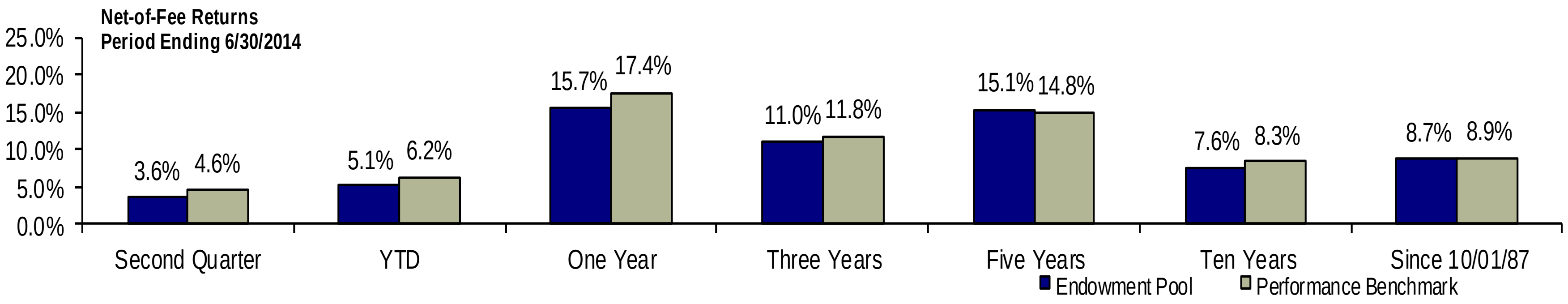
Interim Policy Allocation*





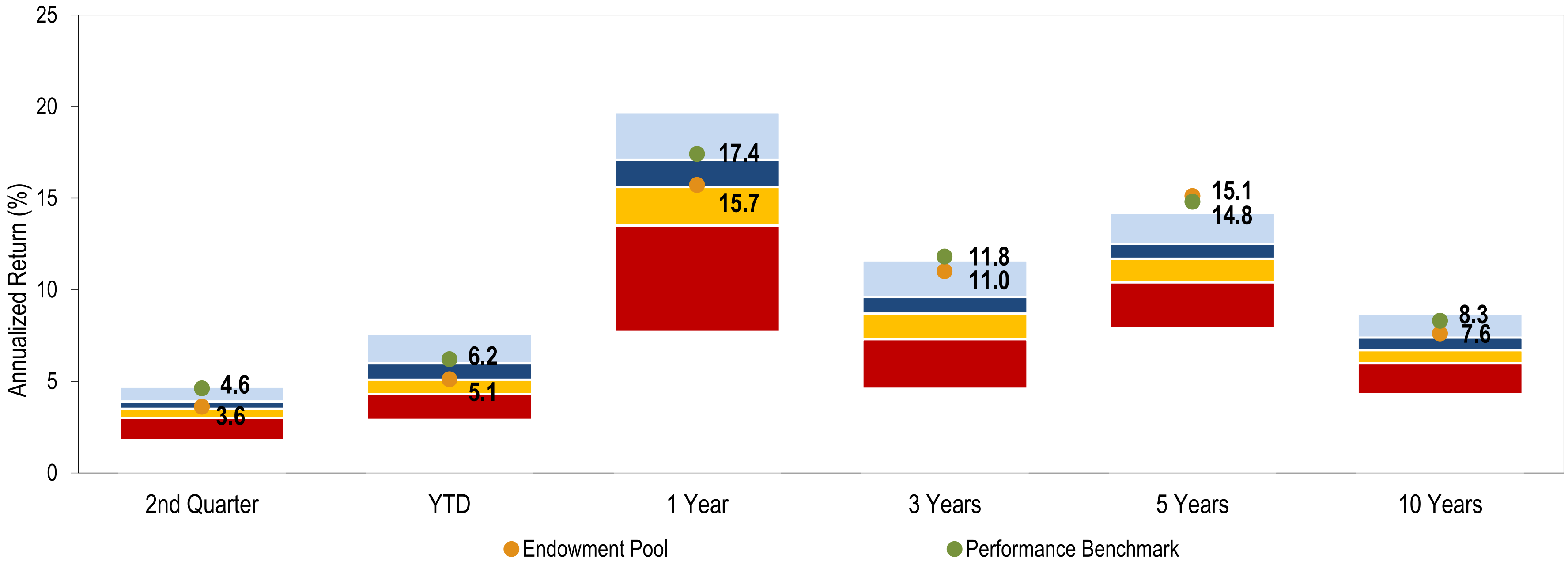
*Long Term Policy Allocations: US Equity 14%, Non-US Equity 10%, Global Equity 24%, Private Equity 8%, Hedge Funds 10%, Fixed Income 20%, Farmland 7%, and Core Real Estate 7%

Total Fund Performance: Endowment Pool
June 30, 2014



- Endowment Pool gained 3.6 percentage points, but underperformed the benchmark.
  - The U.S. Equity investments outperformed the Dow Jones U.S. Total Stock Market Index by 30 bps during the quarter, returning 5.1%.
  - During this same time period both the Non-U.S. and Global equity investments approximated their benchmarks.
  - The Fixed Income portfolio finished the quarter with a below-benchmark return, returning 1.6 percent against a 2.0 percent return for the Barclays Aggregate Index.
  - The Endowment’s Hedge Fund component lagged the benchmark by 60 basis points, returning 1.4%.
- Over the trailing one-year period, the Endowment Pool gained 15.7% and underperformed its benchmark by 170 basis points. Strong relative performance from the equity portfolios was offset primarily by poor relative performance from Private Equity, Hedge Funds, and Farmland.

Peer Rankings: Endowment Pool
June 30, 2014



Returns/Ranks	2nd Quarter		YTD		1 Year		3 Years		5 Years		10 Years	
Endowment Pool	3.6	44	5.1	52	15.7	47	11.0	7	15.1	3	7.6	18
Benchmark	4.6	7	6.2	23	17.4	20	11.8	4	14.8	3	8.3	11

- Over the trailing one-year time period, the return of the University of Illinois' Endowment Pool ranked in the top 47% of the Investment Metrics / BNY Mellon Endowment Fund and Foundation Universe returns, and the three- and five-year returns ranked in the top 7% and 3% of the universe.

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Asset Class Performance
June 30, 2014

	Second Quarter	YTD	One Year	Three Years	Five Years	Ten Years	Inception
Endowment Pool	**3.6**	**5.1**	**15.7**	**11.0**	**15.1**	**7.6**	**8.7**
Performance Benchmark	4.6	6.2	17.4	11.8	14.8	8.3	8.9
Total U.S. Equity	**5.1**	**6.4**	**26.1**	**16.8**	**20.0**	**8.3**	**9.4**
Dow Jones U.S. Total Stock Market Index	4.8	7.0	25.0	16.4	19.4	8.4	9.5
Total Non-U.S. Equity	**4.9**	**5.8**	**22.0**	**6.3**	**10.5**	**6.8**	**6.1**
MSCI All Country World ex-U.S. Index	5.0	5.6	21.8	5.7	11.1	7.7	6.2
Total Global Equity	**4.9**	**6.6**	**23.3**	**--**	**--**	**--**	**19.7**
MSCI All Country World Index	5.0	6.2	22.9	--	--	--	19.7
Total Fixed Income	**1.6**	**3.3**	**3.7**	**4.5**	**9.8**	**5.7**	**7.6**
Barclays Aggregate Bond Index	2.0	3.9	4.4	3.7	4.9	4.9	7.0
Total Hedge Funds	**1.4**	**1.3**	**3.7**	**--**	**--**	**--**	**3.3**
HFRI Fund Weighted Composite Index	2.0	3.1	9.1	--	--	--	6.9
Total Private Equity[(1)]	**2.9**	**8.8**	**13.7**	**7.4**	**9.9**	**1.0**	**0.3**
Private Equity Benchmark	5.6	8.5	28.7	19.9	22.9	11.7	11.6
Total Real Estate	**6.9**	**17.6**	**--**	**--**	**--**	**--**	**20.6**
MSCI US REIT	7.0	17.7	--	--	--	--	20.7
Total Farmland [(2)]	**0.0**	**0.0**	**0.0**	**12.3**	**17.7**	**--**	**14.1**
NCREIF Cornbelt Index	11.1	11.1	11.1	19.5	16.3	--	15.6

(1) The combined Adams Street Partners IRR at 6/30/2014 was 8.5%.
(2) Farmland is valued annually on June 30th. As such, the one year return reflected above is the one-year return for Farmland as of June 30th, 2014.

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Operating Pool Update: June 30, 2014

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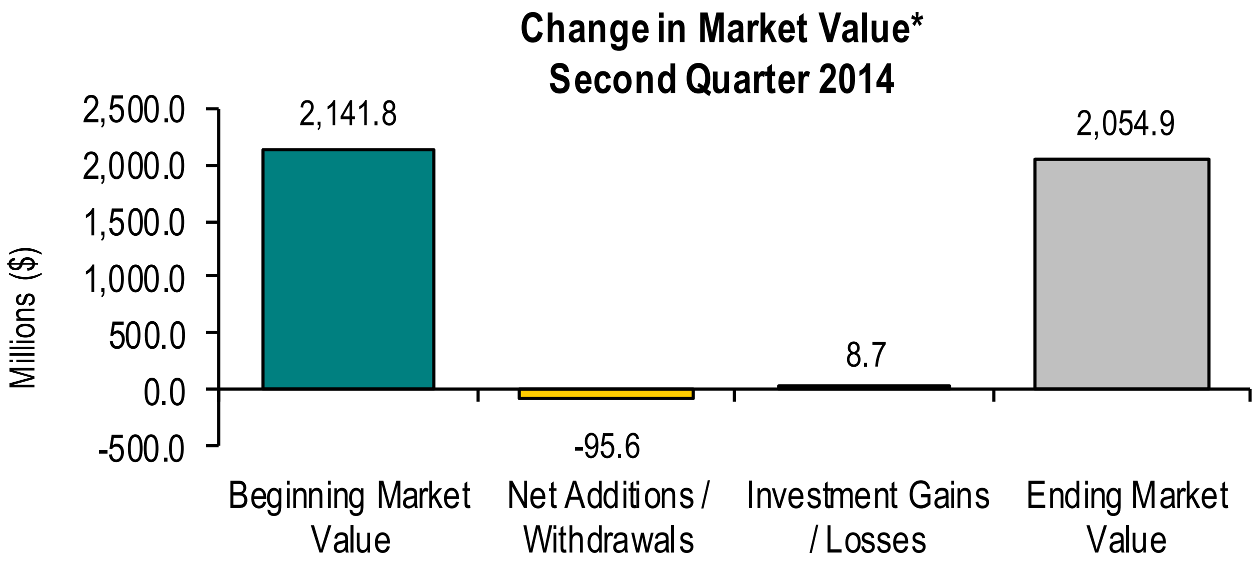
Total Fund Asset Growth: Operating Pool

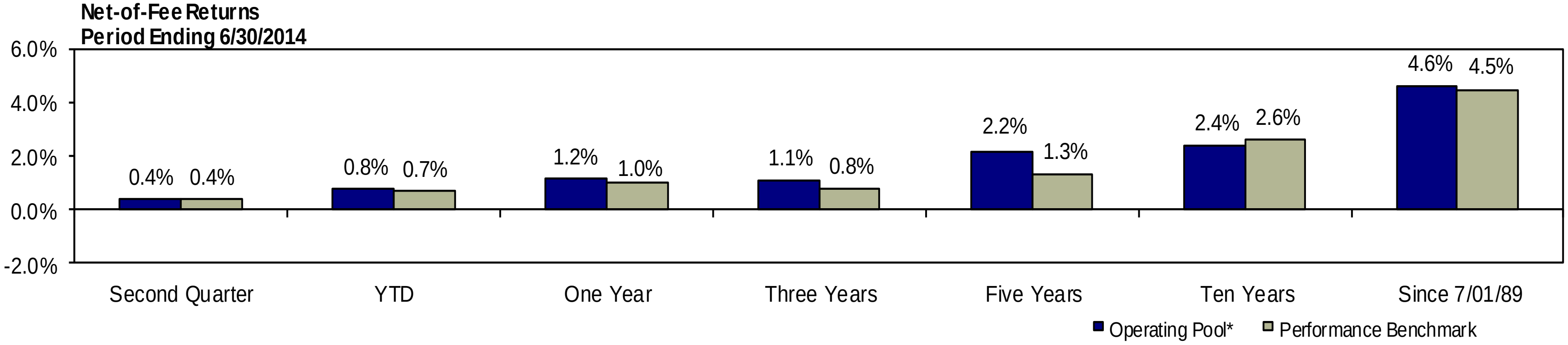


- During the second quarter, the Operating Pool assets decreased by approximately $86.9 million from $2.142 billion to $2.055 billion. This decrease was the result of $95.6 million in net outflows and transfers. The Operating Pool had investment gains of $8.7 million during the period.

* The Total Fund's beginning and ending market values include bank balances in which the University earns credit to offset bank fees.

Total Fund Performance: Operating Pool
June 30, 2014

Total Fund
$2,054,935,474



- The Operating Pool returned 0.4% during the second quarter, matching the benchmark return for this time period. The majority of the managers matched or outperformed their respective benchmarks during the quarter.

* Total Fund performance excludes the Bank of America and JP Morgan bank balances

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Appendix:

Market Environment

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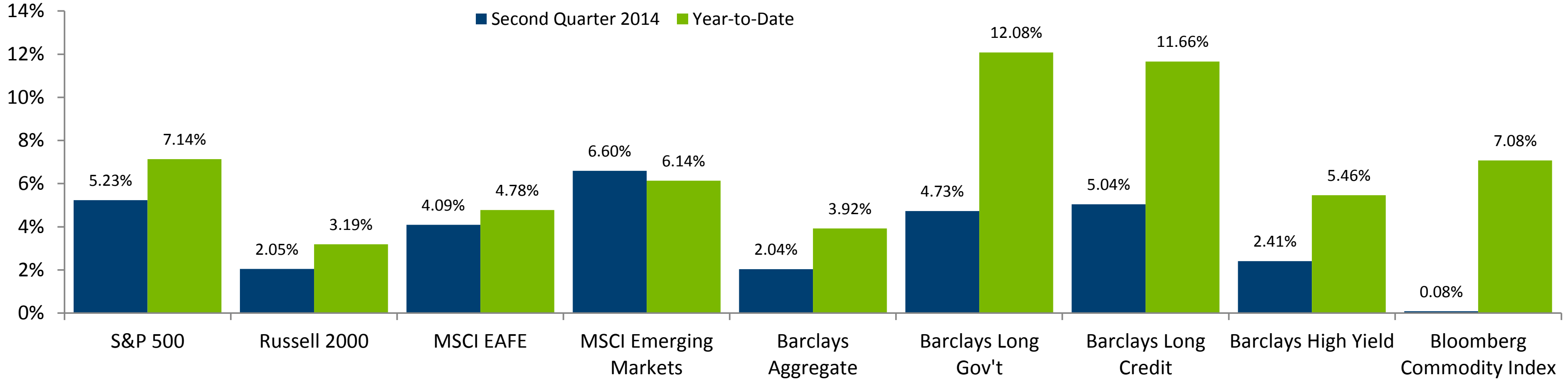
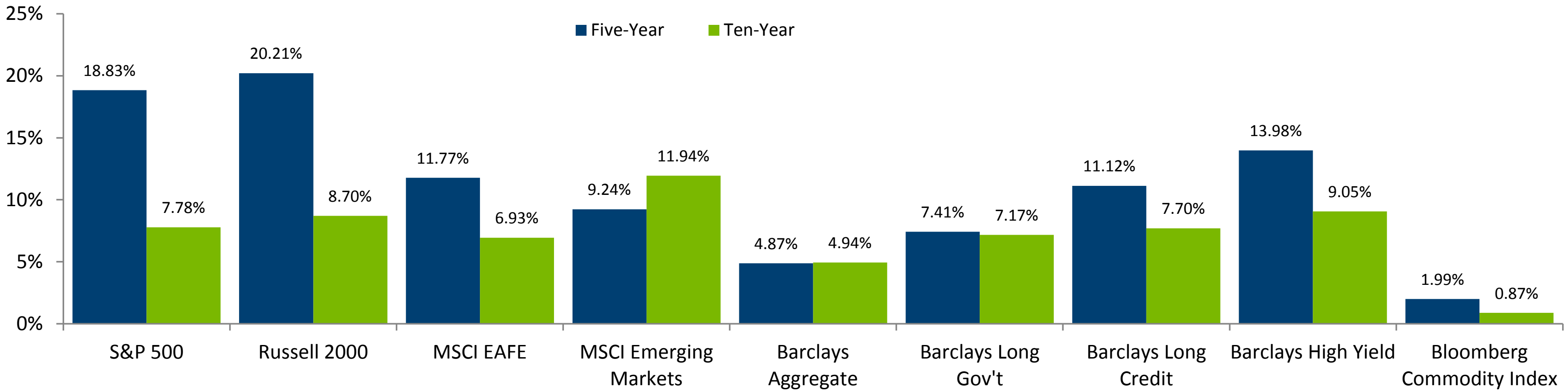
Market Highlights

SHORT TERM RETURNS
AS OF 06/30/2014



Source: Russell, MSCI, Barclays, DJ-UBS

LONG TERM ANNUALIZED RETURNS
AS OF 06/30/2014



Source: Russell, MSCI, Barclays, DJ-UBS

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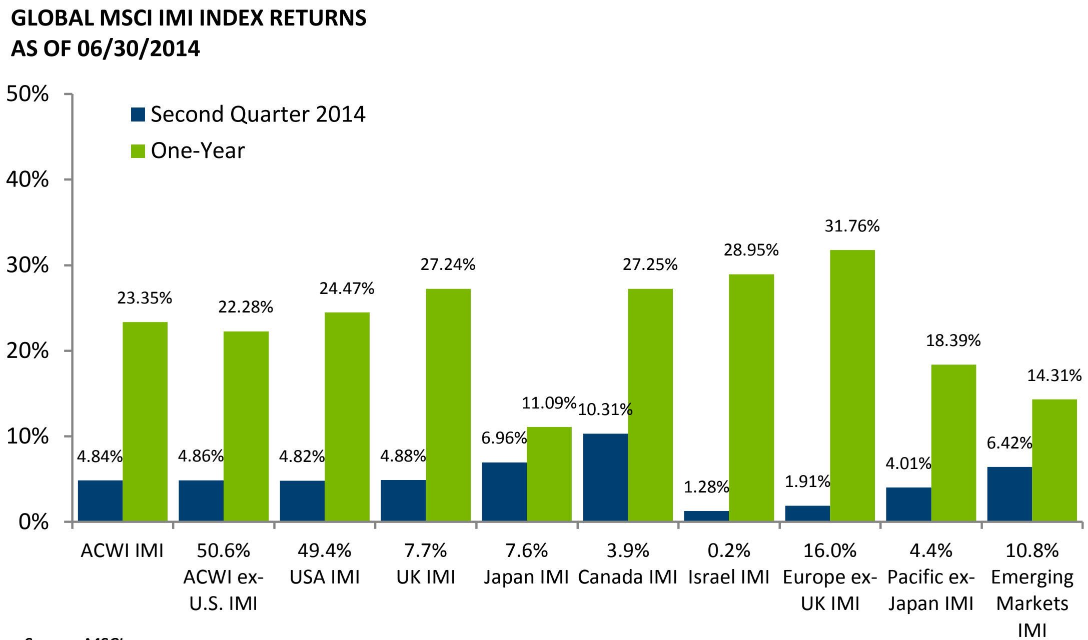
Market Highlights

Returns of the Major Capital Markets						
						Periods Ending 06/30/2014
	Second Quarter	**Year-to-Date**	**1-Year**	**3-Year[1]**	**5-Year[1]**	**10-Year[1]**
Equity						
MSCI All Country World IMI	4.8%	6.2%	23.4%	10.4%	14.8%	7.8%
MSCI All Country World	5.0%	6.2%	23.0%	10.3%	14.3%	7.5%
Dow Jones U.S. Total Stock Market	4.8%	7.0%	25.0%	16.4%	19.4%	8.4%
Russell 3000	4.9%	6.9%	25.2%	16.5%	19.3%	8.2%
S&P 500	5.2%	7.1%	24.6%	16.6%	18.8%	7.8%
Russell 2000	2.0%	3.2%	23.6%	14.6%	20.2%	8.7%
MSCI All Country World ex-U.S. IMI	4.9%	5.8%	22.3%	5.9%	11.5%	8.0%
MSCI All Country World ex-U.S.	5.0%	5.6%	21.8%	5.7%	11.1%	7.7%
MSCI EAFE	4.1%	4.8%	23.6%	8.1%	11.8%	6.9%
MSCI EAFE (Local Currency)	3.4%	3.1%	17.9%	10.4%	10.9%	5.6%
MSCI Emerging Markets	6.6%	6.1%	14.3%	-0.4%	9.2%	11.9%
Fixed Income						
Barclays Global Aggregate	2.5%	4.9%	7.4%	2.6%	4.6%	5.1%
Barclays Aggregate	2.0%	3.9%	4.4%	3.7%	4.9%	4.9%
Barclays Long Gov't	4.7%	12.1%	6.4%	8.7%	7.4%	7.2%
Barclays Long Credit	5.0%	11.7%	13.3%	9.8%	11.1%	7.7%
Barclays Long Gov't/Credit	4.9%	11.8%	10.8%	9.6%	9.6%	7.6%
Barclays US TIPS	3.8%	5.8%	4.5%	3.6%	5.6%	5.3%
Barclays High Yield	2.4%	5.5%	11.7%	9.5%	14.0%	9.1%
Citi Group Non-U.S. WGBI	2.6%	5.9%	8.9%	1.0%	3.6%	4.9%
JP Morgan EMBI Global (Emerging Markets)	5.4%	9.1%	11.0%	7.6%	10.4%	9.5%
Commodities						
Bloomberg Commodity Index	0.1%	7.1%	8.2%	-5.2%	2.0%	0.9%
Goldman Sachs Commodity Index	2.7%	5.7%	10.4%	0.2%	3.7%	0.1%
Hedge Funds						
HFRI Fund-Weighted Composite[2]	2.1%	3.2%	9.1%	4.0%	6.5%	5.8%
HFRI Fund of Funds[2]	1.4%	2.0%	7.5%	3.3%	4.2%	3.4%
Real Estate						
NAREIT U.S. Equity REITS	7.1%	16.2%	13.0%	11.9%	23.7%	9.7%
NCREIF NFI - ODCE[3]	2.9%	5.5%	12.8%	12.5%	10.0%	7.1%
Private Equity						
Thomson Reuters VentureXpert[4]	7.1%	20.6%	20.6%	14.1%	15.2%	19.7%
Infrastructure						
Macquarie Global Infrastructure - North America	9.5%	18.1%	23.1%	15.2%	17.0%	12.0%

MSCI Indices show net returns.
All other indices show total returns.
[1] Periods are annualized.
[2] Latest 5 months of HFR data are estimated by HFR and may change in the future.
[3] Second quarter results are preliminary.
[4] Benchmark is as of 12/31/2013.

Global Equity Markets

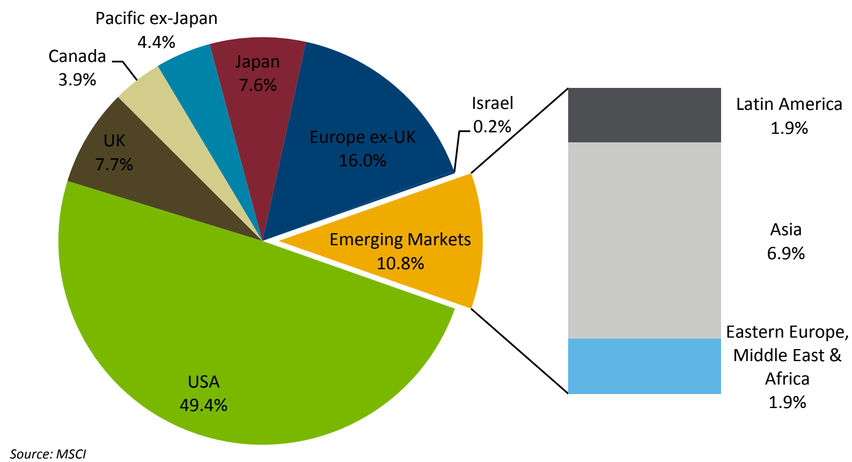


Source: MSCI

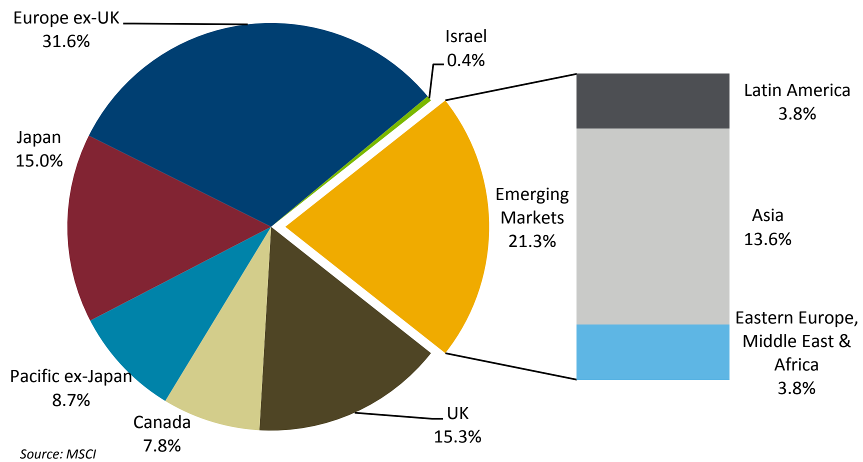
- Global equity markets increased in value during the second quarter of 2014.
- Equities enjoyed a smooth upward ride through the second quarter. Much of the move was driven by the renewal of the U.S. economic recovery, stabilization of emerging market data, and further loosening of monetary policy by the European Central Bank.
- During the quarter, Canada proved to be the best performing equity market.

Global Equity Markets

MSCI ALL COUNTRY WORLD IMI INDEX
GEOGRAPHIC ALLOCATION AS OF 06/30/2014

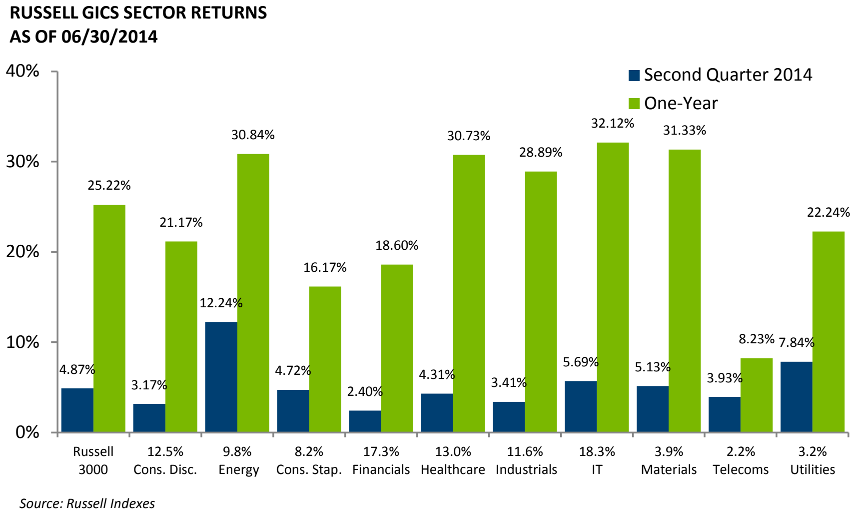


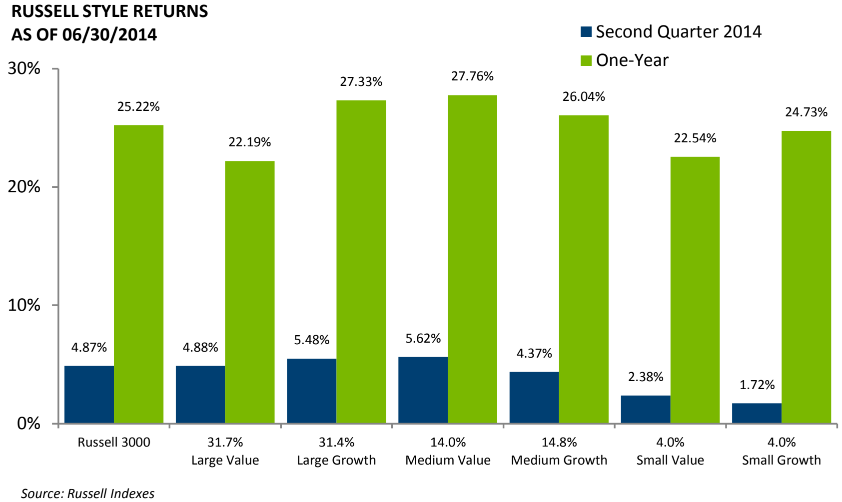
MSCI ALL COUNTRY WORLD EX-U.S. IMI INDEX
GEOGRAPHIC ALLOCATION AS OF 06/30/2014



- The two exhibits on this slide illustrate the percentage that each country/region represents of the global equity market as measured by the MSCI All Country World IMI Index and the MSCI All Country World ex-U.S. IMI Index.

U.S. Equity Markets



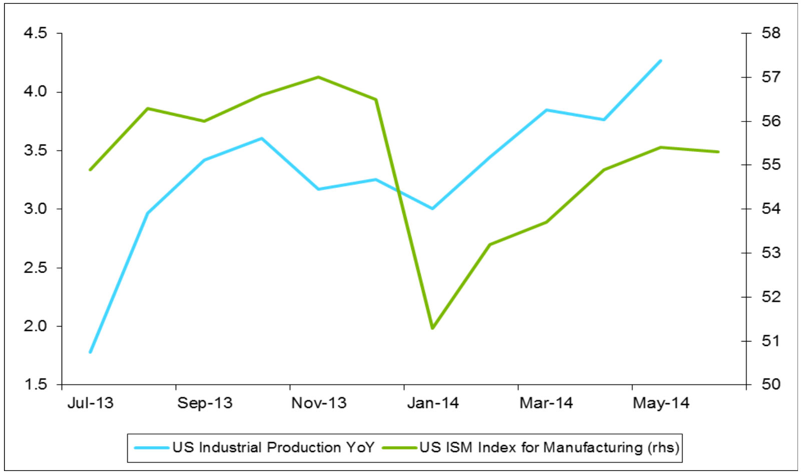


- The Russell 3000 Index returned 4.87% during the quarter and returned 25.22% over the one-year period.
- During the second quarter, the Energy and Utilities sectors were the strongest performers, posting returns of 12.24% and 7.84%, respectively. The Consumer Discretionary and Financials sectors were the weakest performers, producing returns of 3.17% and 2.40%, respectively.
- Performance across the market capitalization spectrum was positive over the quarter. Small cap stocks trailed the larger segments of the markets and performance among the style biases was mixed, with value outperforming growth in the mid and small cap segments of the market and growth outperforming in the large cap space.

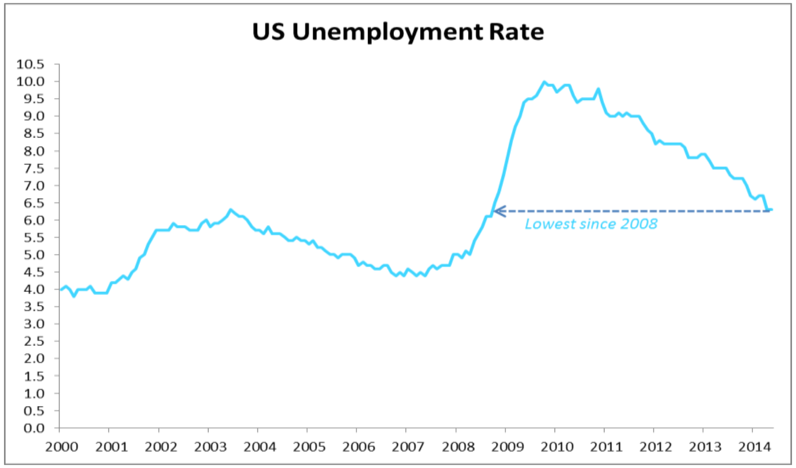
U.S. Economy: The mini-slowdown seems to have passed

- There was some concern that the severe winter weather was not the only reason that the US economy was slowing in Q1 but subsequent data has eased those concerns.
- Indeed, first quarter GDP was confirmed to have fallen by 2.9% on an annualized basis, which is the biggest setback for 5 years.
- The second quarter has been much better with strong rebounds in the industrial sector (see top chart), the retail sector and the labor market.
- The improvement in the unemployment rate has greatly exceeded the expectations of the Federal Reserve and, at 6.1%, it is the best the jobs market has been since 2008 (see bottom chart).
- However, throughout the slowdown and the following bounce back, the Fed has not altered its tapering plans at all. Quantitative easing will be finished by this October.
- After that, attention will inevitably switch to the timing of interest rate rises, which are likely to happen at some point next year.

U.S. activity is back to strength following a sharp slowdown



Despite some issues, the labor market has improved a lot



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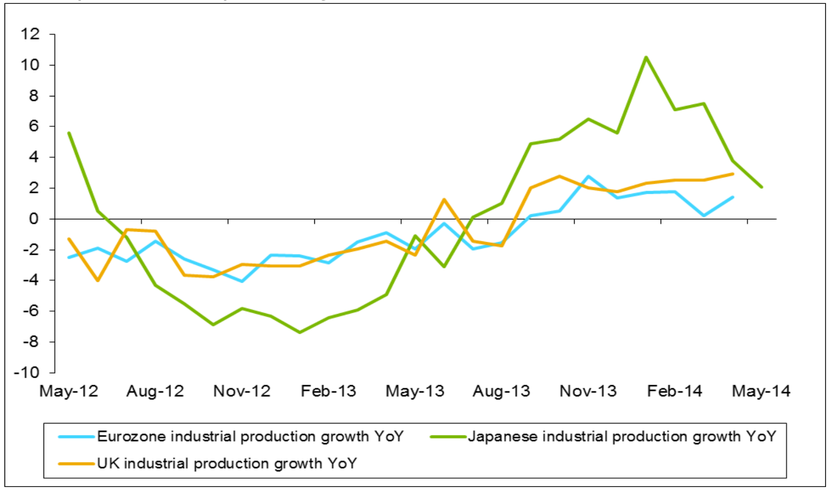
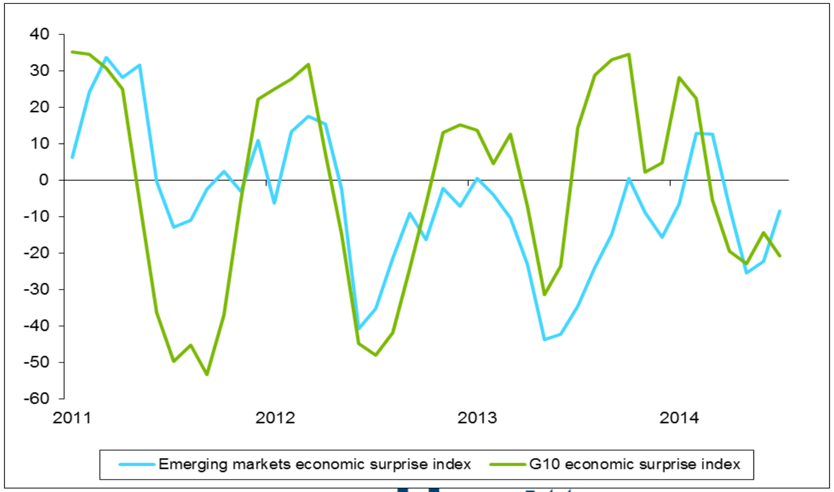
European and Japanese growth momentum has slowed

- Amongst the major developed economies outside of the U.S., the UK's performance continues to be strong. But this cannot be said about the Eurozone or Japan. In both cases, economic growth has slowed following a marked recovery (see top chart).
- In Japan, the situation is undoubtedly better than it was two years ago, with positive inflation, increased consumer spending and improved company profits. But the reform "arrow" of the government's policy package has proven much more difficult to implement and the recent increase in the consumption tax has dampened activity too.
- In Europe, the slowdown in growth coupled with very low inflation prompted the ECB to ease monetary policy and to introduce policies to stimulate credit growth. It remains to be seen whether these measures will work but the risk of another crisis remains diminished.
- As for emerging markets, the long period of slowdown seems to be ending and several economies are showing signs of at least some stabilization. This can be seen in the increasing number of economic releases that are beating consensus expectations (see bottom chart).

European and Japanese growth has slowed



Emerging market data is beginning to surprise positively



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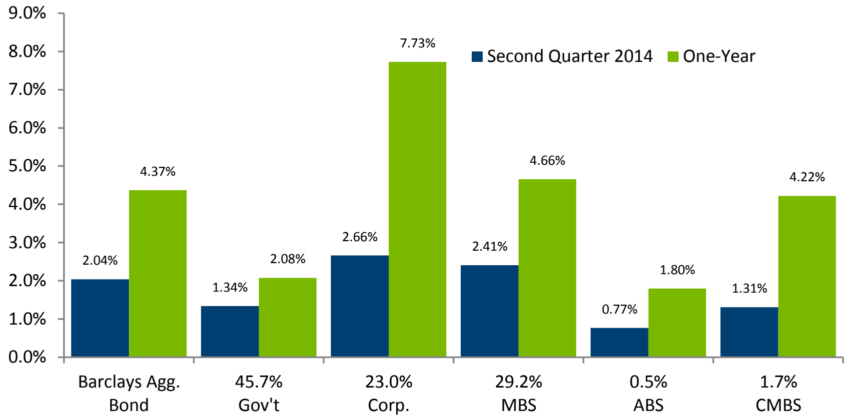
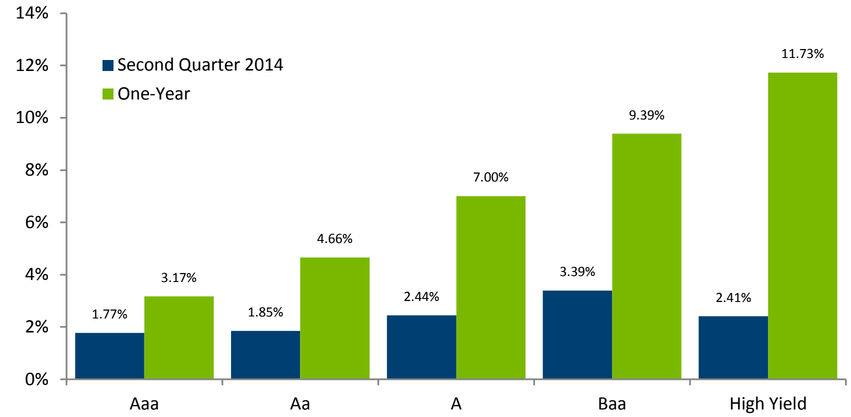
U.S. Fixed Income Markets

BARCLAYS AGGREGATE RETURNS BY SECTOR
AS OF 06/30/2014



Source: Barclays Live

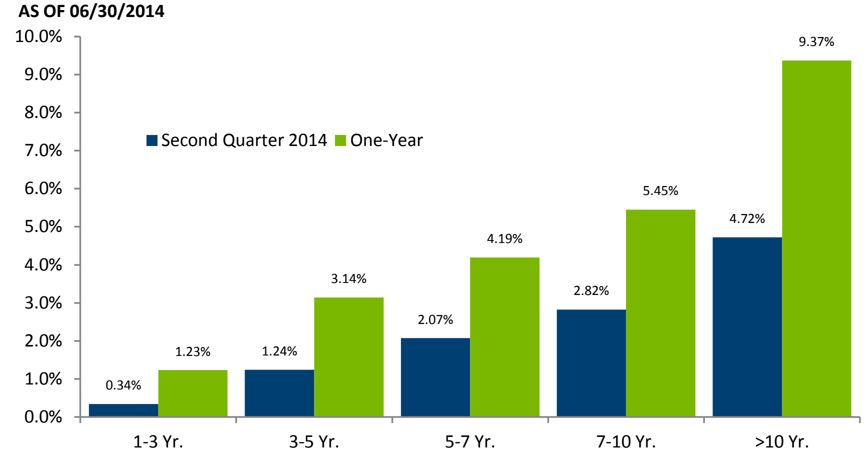
BARCLAYS AGGREGATE RETURNS BY QUALITY AND HIGH YIELD RETURNS
AS OF 06/30/2014



Source: Barclays Live

- The Barclays Aggregate Bond Index returned 2.04% in the second quarter. Corporates were the strongest performing index segment, returning 2.66%.
- In the investment grade market, lower quality bonds outperformed higher quality bonds.
- High yield bonds underperformed aggregate investment grade corporate bonds.
- Long duration bonds continued to outperform shorter duration bonds.

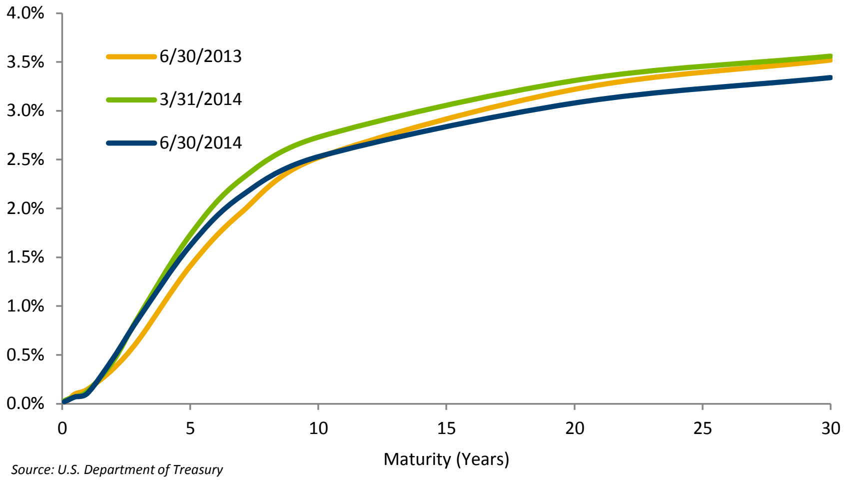
BARCLAYS AGGREGATE RETURNS BY MATURITY
AS OF 06/30/2014



Source: Barclays Live

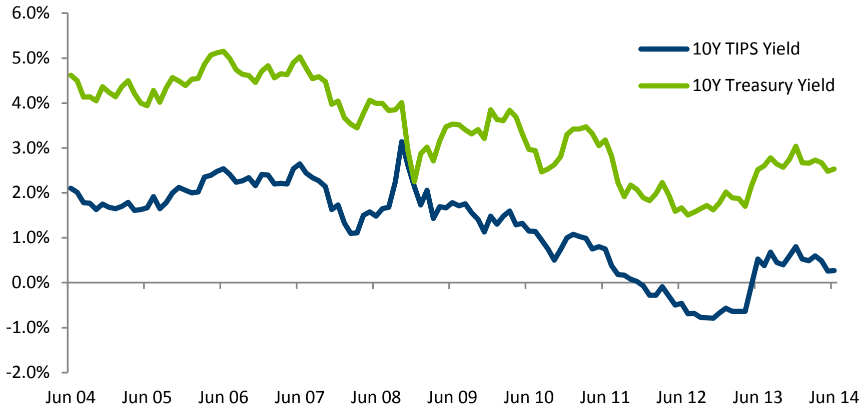
U.S. Fixed Income Markets

U.S. TREASURY YIELD CURVE



Source: U.S. Department of Treasury

U.S. 10-YEAR TREASURY AND TIPS YIELDS



Source: U.S. Department of Treasury

- The Treasury yield curve flattened during the second quarter, driven by long bond yields falling through much of the quarter and short rates moving slightly higher. Recent moves in interest rates were in significant part attributable to the U.S. Federal Reserve as it endeavors to keep the adjustment to more “normal” interest rates gradual and well flagged in advance.
- The 10-year U.S. Treasury yield ended the quarter at 2.53%, 20 basis points lower than its level at the beginning of the quarter.
- The 10-year TIPS yield fell by 33 basis points over the quarter and ended the period at 0.27%.

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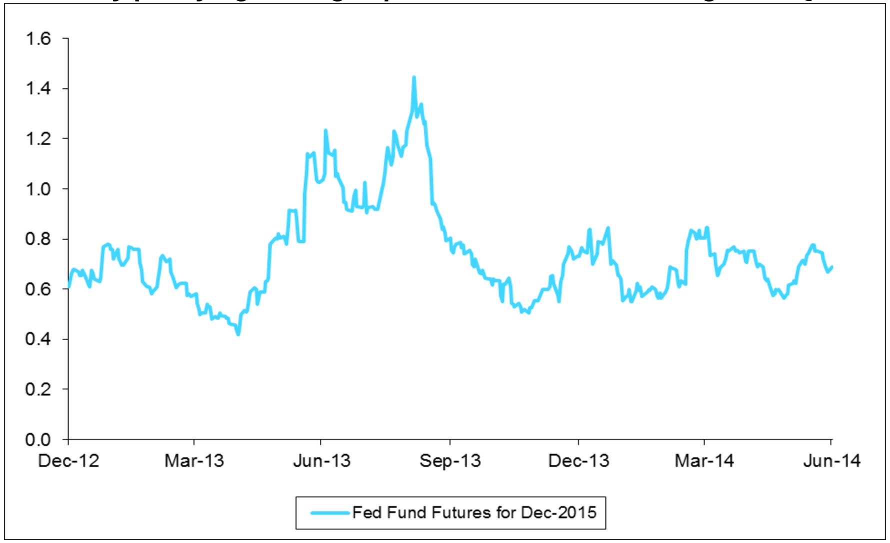
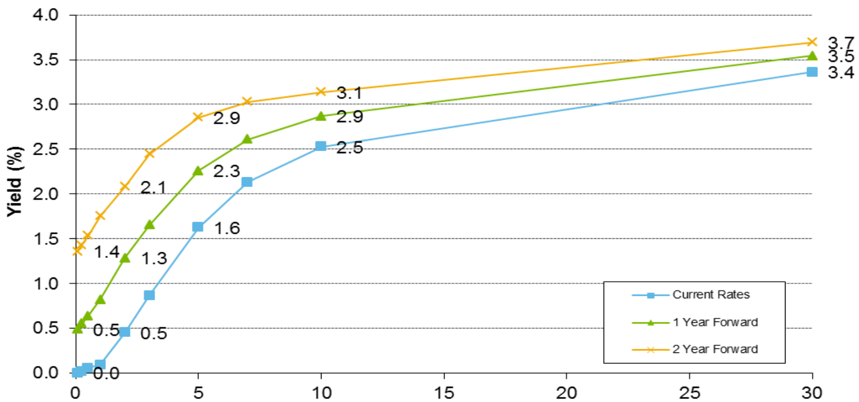
Interest Rate Environment

- While monetary policy expectations were held in check last quarter by poor winter weather, this quarter's expectations were kept moderate by the Fed's strong assurances that interest rate hikes remain a long way off.
- Fed funds futures traded in a tight range with barely one interest rate increase priced in by the end of next year (see top chart).
- Of course, as long as the economic recovery stays on track, interest rates will have to be raised at some point, but it is clear that the markets believe the central bank's promises to keep short term interest rates below average (of around 2%) for a long period of time.
- This dichotomy was evident in the Treasury curve, which flattened further as yields below the 5 year horizon rose somewhat versus the last quarter while yields beyond 10 years inched lower (see bottom chart).
- This benign environment eases the pressure on the Fed to take immediate action.

Monetary policy tightening expectations rise then fall again in Q2



CURRENT TREASURY CURVE AND FORWARD RATE EXPECTATIONS



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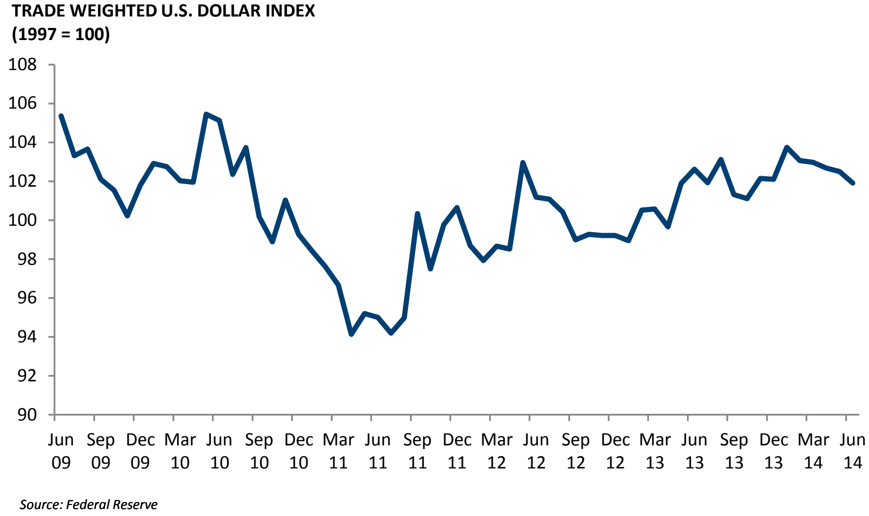
Credit Spreads

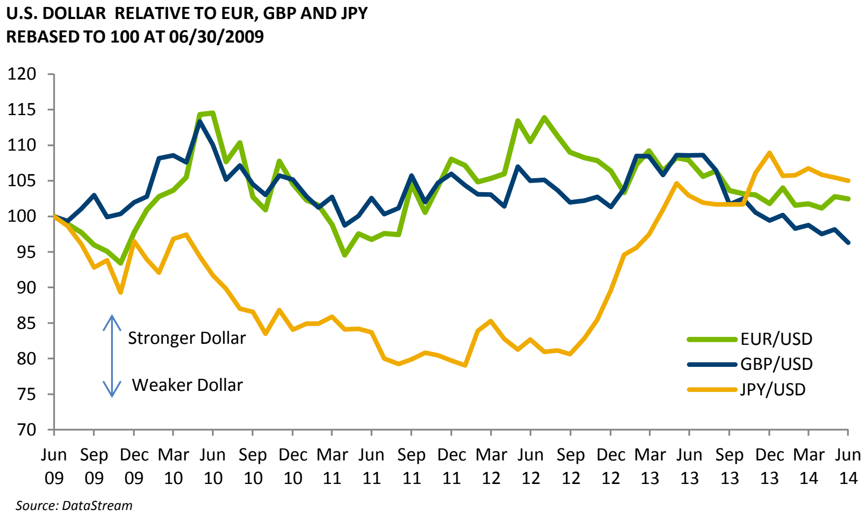
Spread (bps)	6/30/2014	3/31/2014	6/30/2013	Quarterly Change (bps)	1-Year Change (bps)
U.S. Aggregate	38	44	61	-6	-23
Long Gov't	4	5	6	-1	-2
Long Credit	148	155	198	-7	-50
Long Gov't/Credit	97	102	124	-5	-27
MBS	24	38	60	-14	-36
CMBS	86	107	150	-21	-64
ABS	48	50	58	-2	-10
Corporate	99	106	152	-7	-53
High Yield	337	358	492	-21	-155
Global Emerging Markets	260	294	345	-34	-85

Source: Barclays Live

- During the second quarter, credit spreads fell across most areas of the bond market.
- Emerging market bond spreads fell by 34 basis points, the most over the quarter. This was followed by high yield bond and CMBS spreads which fell by 21 basis points each.

Currency





- As measured through the broad trade weighted U.S. dollar index, the U.S. dollar modestly depreciated during the quarter.

- Across the major currency pairs, the U.S. dollar weakened against the Japanese Yen and British Pound and appreciated against the Euro during the quarter.

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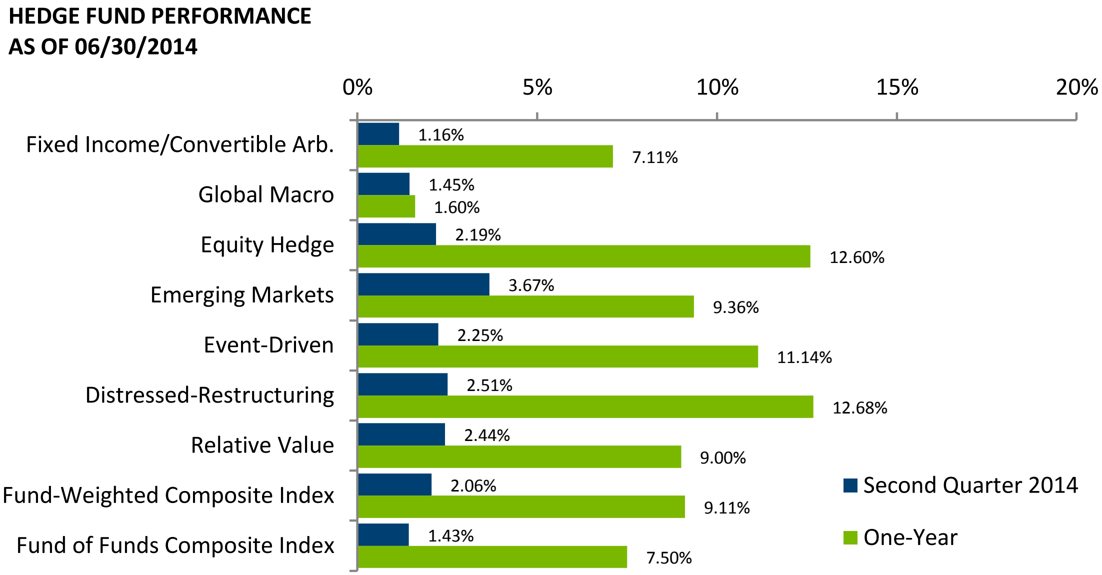
Hedge Fund Markets Overview

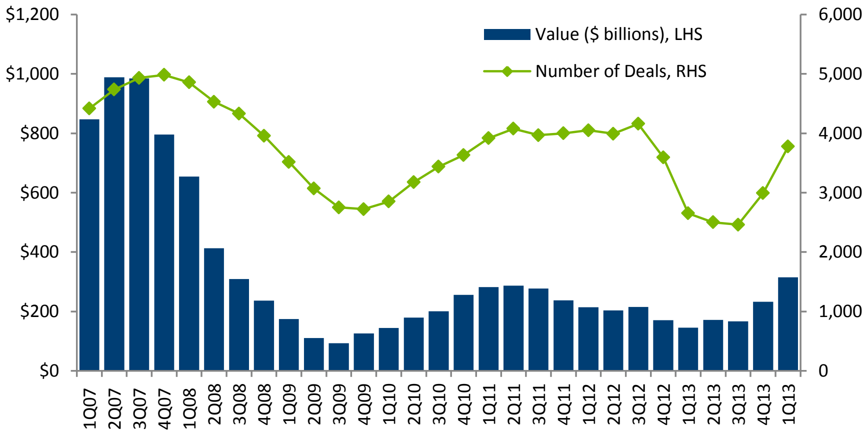


Note: Latest 5 months of HFR data are estimated by HFR and may change in the future.
Source: HFR

- Hedge fund performance was positive over the quarter.
- The HFRI Fund-Weighted Composite Index and the HFRI Fund of Funds Composite Index produced returns of 2.06% and 1.43%, respectively, during the quarter.
- Emerging Markets and Distressed-Restructuring strategies were the strongest performers during the quarter, gaining 3.67% and 2.51%, respectively.

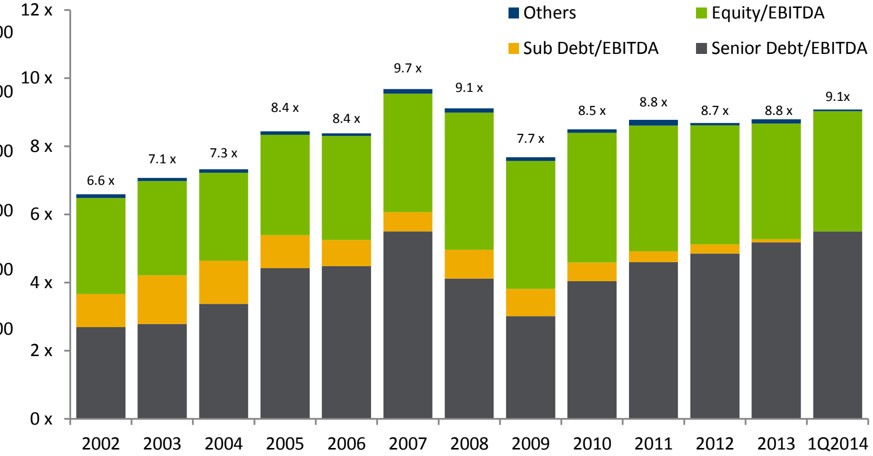
Private Equity Market Overview

LTM GLOBAL SPONSOR M&A DEAL VOLUME AND VALUE
(TRAILING 12 MONTH DATA)



Source: ThomsonOne

PURCHASE PRICE MULTIPLES

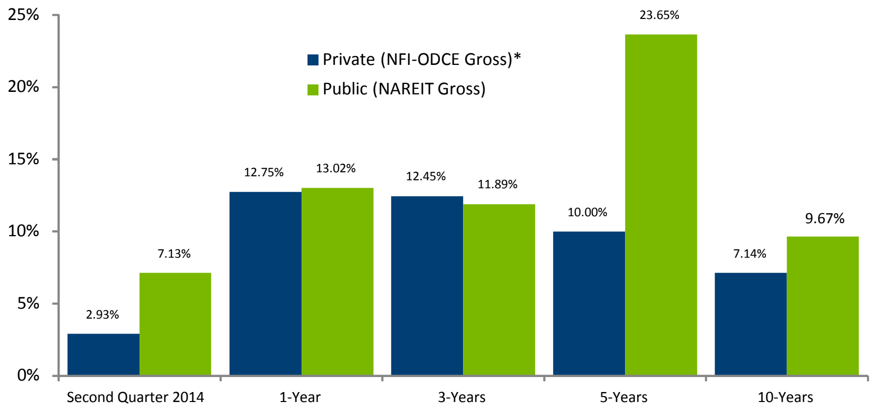


Source: S&P

- **Fundraising:** $331 billion closed on a rolling 12 month basis (“LTM”) continuing the upward trend that began in 3Q 2010. LTM fundraising now stands at 10% above the ten year average level of $300 billion. While well below the peak pre-crisis levels ($490B), LTM fundraising is approaching the higher end of reasonable levels. Dry powder has increased to an estimated $910 billion, 2% above the 2008 peak. A portion of this is due to the growth in the Infrastructure and Private Debt asset classes.
- **Buyout:** Activity increased slightly since last quarter. $94.1 billion of global sponsor-backed M&A deals closed in 1Q 2014, an 80% increase over the five year quarterly average. 1Q purchase price multiples (PPMs) were 9.2x EBITDA for large cap and 8.3x for mid cap; both are running above their ten year averages. European PPMs were just slightly below their ten year averages for all deal sizes. LTM exits reached the highest level in value since 3Q 2011 and a new high in number of deals at ~ 1,500.
- **Venture:** Healthy investment activity occurred during 1Q 2014, with $9.5 billion invested in 951 deals vs. $8.4 billion invested in 1,112 deals in 4Q 2013. This is the highest dollar amount committed since 2001, although the number of deals is relatively consistent with recent periods. Exit activity continues to be low but shows some signs of improvement, especially amongst IPOs which increased in number to 36 (50% over 4Q 2013).
- **Mezzanine:** Managers are deploying capital due to aggressive senior lending and strong high yield markets. While fundraising has begun to abate, there is excess capital in the market. Dry powder is estimated at $41.5 billion, roughly equal to the total raised over the last three years.
- **Distressed Debt:** Activity continues to be subdued and is expected to continue in this manner. Credit health is being maintained by “covenant lite” structures, plenty of available capital for refinancing, and growing GDP. Increased leverage on current deals may result in more distressed opportunities in a couple of years.
- **Secondaries:** LTM funds raised continue to increase, reaching $21.4 billion, the highest level since the 2008 peak of $26.7 billion. Dry powder stands at ~$45.8 billion, 2.2x the average annual deployment rate over the last two years. Average discounts for the quarter were 9.7%, an increase from 8.3% at year end, driven primarily by some large trades in non buyout and venture funds. High quality funds can trade at a premium.
- **Infrastructure:** Fundraising declined from 4Q 2013. On a LTM basis, the number of funds closed decreased 17% to 47 funds, but the average fund size reached a new peak in 1Q 2014 at $3.98 billion. Dry powder of $100 billion stands at an all-time high, with 49% of that targeted for North America. 1Q 2014 activity picked up over 1Q 2013 with 119 deals completed at a total value of $43 billion.

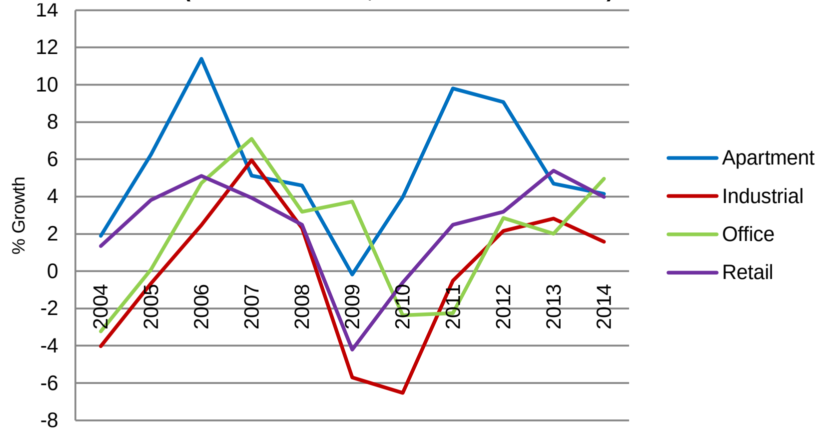
U.S. Commercial Real Estate Markets

PRIVATE VS. PUBLIC REAL ESTATE RETURNS AS OF 06/30/2014



Second quarter returns are preliminary
Sources : NCREIF, NAREIT

NOI GROWTH BY PROPERTY TYPE AS OF 3/31/2014 (SOURCE NCREIF, HEWITT ENNISKNUPP)



- Private commercial real estate total returns accelerated slightly in 2Q* relative to 1Q. Despite this, the Core recovery is mature and many coastal markets are fully valued; thus, a resumption of moderating total return trends is expected going forward. PREA's consensus forecast of the NPI for 2014 is 9.5%, which is just slightly above the sector's long run average.
- U.S. REITs continued to display strong positive momentum in 2Q, returning 7.0%. At the mid-point of 2014, the NAREIT US Equity REIT Index was up 17.7%. A continued decline in Treasury yields (down 50 bps from January 1 when the 10-year Treasury was at 3.0%) and continued strength in operating fundamentals has spurred the rally. An increase in interest rates poses the most immediate threat to a pullback in REITs; however, the strengthening economy will continue to drive fundamentals and support pricing.
- Sector fundamentals continue to rebound more widely, helping to support and expand current pricing. Non-core investments should disproportionately benefit as value enhancement strategies are executed (e.g., leasing, repositioning, select development). Metro areas significantly supported by technology, healthcare, and energy sectors are expected to continue to outperform.
- In particular, rental rate growth, which has been modest to-date in all property types except apartments, has plenty of room for improvement. Net Operating Income growth across all property sectors remains attractive as excess space continues to be absorbed and new supply remains largely below average, creating attractive on-going cash flow yields, even in the Core sector.
- New supply is expected to rise modestly across most property types, with the exception of the apartment sector. While the demand/supply gap should remain favorable for most property types on a near-term basis, market selection will become even more important as the supply cycle ramps up.
- Rising interest rates should be monitored. While gains in sector fundamentals will help offset rising rates, the offset will not be complete. Portfolio structure and other long-term risk mitigation measures are important for managing liquidity and interest rate sensitivities.

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Explanatory Notes

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Explanatory Notes

Note: Market values are used in this report to calculate performance for the Endowment and Operating pools. Market values reflect trade date accounting provided by the custodial bank Northern Trust.

Non-U.S. Equity Benchmark – The non-U.S. Equity asset class benchmark has remained the MSCI ACWI ex-U.S. Index, despite the underlying strategy moving to the MSCI ACWI ex-U.S. IMI Index, because it is the benchmark identified in the Endowment Investment Policy Statement (IPS) for this asset class. These indices are very similar. The MSCI ACWI ex-U.S. IMI Index includes a very small (13.0%) diversifying allocation to small international companies that are not included in the MSCI ACWI ex-U.S. Index.

Peer Universe Comparison Floating Bar Chart – In this chart the universe returns are shown in percentiles, with the lowest percentile/rank representing the best performance in that time period. The shaded blocks shown for each time period represent the range of returns in the peer universe from the 95th percentile to the 5th percentile. Returns below the red boxes fall in the worst 5 percent for that period, and returns above the light blue boxes fall in the top 5 percent. The Investment Metrics / BNY Mellon Universe includes reported performance from 416 Endowment and Foundations. The average market value within the Endowment and Foundations universe was $1.1 billion as of quarter-end.

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