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Contact:

Emily Guadagnoli

guadagnolie@hmc.harvard.edu

617.720.6994

**HARVARD UNIVERSITY ENDOWMENT RELEASES
INVESTMENT RESULTS FOR FISCAL YEAR 2016**

Boston, MA – September 22, 2016 – Harvard Management Company (HMC), the investment management arm of Harvard University and manager of the country’s largest endowment, today announced an investment return of (2.0)% and total endowment value of \$35.7 billion for the fiscal year ended June 30, 2016.

Performance across the endowment was mixed for the fiscal year. The real estate portfolio was the highest performing asset class, delivering a nominal return of 13.8%. The natural resources and public equities portfolios each delivered nominal returns of (10.2)%, underperforming their respective benchmarks.

“We have taken clear steps to strengthen our organization and improve investment performance over the long term,” said Robert Ettl, interim president and CEO of HMC. “In our public equities portfolio, we have refined our strategy to emphasize deeper relationships with external managers. Within natural resources, we have hired a new head of the portfolio with significant agriculture and timber investment experience who will continue to evolve HMC’s strategy and suite of manager relationships.”

The endowment distributed \$1.7 billion to Harvard University in fiscal year 2016—contributing more than one-third of the University’s total operating revenue. Since inception, the endowment has distributed more than \$25 billion to Harvard University, enabling industry-leading financial aid programs, groundbreaking discoveries in scientific research, and hundreds of professorships across a wide range of academic fields.

“This has been a challenging year for endowments and clearly these are disappointing results,” said Paul Finnegan, chair of the HMC Board of Directors. “HMC has a strong and highly-experienced board and executive leadership team, and we are all focused on taking the steps necessary to ensure HMC can continue to most effectively support the mission of Harvard University over the long term.”

Providing Financial Resources to Harvard University

HMC’s mission is to help ensure that Harvard University has the financial resources to confidently maintain and expand its preeminence in teaching, learning, and research for future generations.

Endowment income supports Harvard’s academic programs, science and medical research, and student financial aid programs, which allow the University to admit qualified students regardless of their ability to pay. The endowment allows Harvard to undertake specific activities that donors have supported over the years in areas including staff and faculty salaries, facilities maintenance, and Harvard’s generous financial aid programs.



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More than half of Harvard undergraduates received need-based scholarship aid, totaling more than \$172 million for the 2015/2016 academic year. Families of undergraduate students receiving financial aid pay an average of only \$11,640 per year; in addition, one in five families of students at Harvard College pays no tuition, room, or board, based on economic need. The College's industry-leading financial aid policies are designed to make Harvard affordable for families across the economic spectrum, a commitment that has remained a high priority despite economic uncertainties. Throughout Harvard, scholarships and awards to students from University funds have almost tripled over the past decade, passing \$490 million

The endowment is not a single fund, but comprises more than 13,000 individual funds, many of them restricted to specific uses such as support of a research center or the creation of a professorship in a specific subject. The funds are invested by HMC, which oversees the University's endowment, pension, trust funds, and other investments at a significant savings relative to outside management.

The endowment's total value is affected by several factors each year, including investment returns, new contributions, and the annual payout for University programs.

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