

UNIVERSITY of NEBRASKA FOUNDATION

FY24 FOUNDATION ENDOWMENT REPORT

AS OF JUNE 30, 2024

MESSAGE FROM THE CHIEF INVESTMENT OFFICER



The University of Nebraska Foundation’s endowment must balance sustained growth to meet the needs of future generations against the needs of the university today. Established in 1936, it is a permanent endowment, with an investment horizon of “forever.” Given the long-term horizon, performance is based primarily on five-year annualized periods. Our five-year annualized return for the year ending June 30, 2024, was 8.5%. The one-year return for the fiscal year was 14.5%.

Our five-year return of 8.5% slightly trailed our benchmark of 8.6%. Our one-year return of 14.5% trailed our benchmark of 16.8%, and this was driven primarily by our private investment portfolio. The private investment portfolio returned 10.9% versus the benchmark of 20.7%. We measure our private investments against a blended benchmark of public market indices plus 3%, as our philosophy is that in exchange for the illiquidity of private investments, we should expect to earn at least a public market equivalent plus 3% annually. During FY24, the private investment portfolio did not outpace extraordinarily strong public markets fueled in large part by the “Magnificent Seven.” While it is disappointing to see short-term underperformance, on a longer-term basis, private investments have far outpaced their benchmarks and have added significant gains to the overall portfolio. During the annualized three- and five-year periods, the private investment portfolio outperformed its benchmark by 2.8% and 1.5%, respectively.

On a positive note, the U.S. public equity portfolio returned 19.9% versus the benchmark of 19.4% during FY24 while the public real assets portfolio return of 10.5% far outpaced the benchmark return of 4.4%.

We continue to maintain a disciplined and consistent approach to our investment management and emphasize asset allocation as the key driver of returns.

FOUNDATION ENDOWMENT PERFORMANCE (Net of Investment Fees and Expenses)

	1 YEAR	5 YEAR	SINCE INCEPTION
Foundation Endowment	14.5%	8.5%	8.5%
Benchmark	16.8%	8.6%	8.3%

FOOTNOTES

- The benchmark is constructed from a composite of market indices reflecting the portfolio’s asset allocation structure.
- Private Investment returns and market values are as of March 31, 2024, and adjusted for cash flows through the end of June 30, 2024. A 0% return is assumed for the quarter ending June 30, 2024, to allow for the calculation of performance composites. Performance is updated on a one-quarter lag.
- While the foundation has been receiving endowed gifts since its founding in 1936, the since-inception date is June 30, 1989, when performance tracking began.

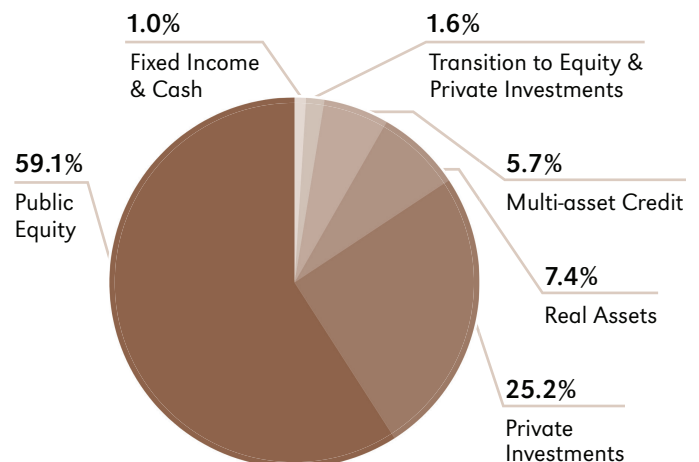
FOUNDATION ENDOWMENT MARKET VALUE

\$1,989,886,000

INVESTMENT OBJECTIVE:

The primary objective of the foundation’s endowment is to earn an annualized return of at least 6.5% plus the Consumer Price Index net of investment management fees, oversight expenses and transaction costs, when measured over five-year rolling periods.

FOUNDATION ENDOWMENT ASSET ALLOCATION



For more information, contact:

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