UNIVERSITY of NEBRASKA FOUNDATION

FY26 FOUNDATION ENDOWMENT REPORT

AS OF JUNE 30, 2026

Brian Neale

Message From the Chief Investment Officer

The objective for our endowment is a return of 6.5% plus inflation over rolling five-year periods. Assuming long-term inflation of approximately 3%, this translates to a return objective of about 9.5%. In fiscal year 2026, we exceeded that, with a return of 19.7%. However, the annualized five-year return for the foundation endowment was 8.3%, below the objective.

Our second objective is to outperform a blended benchmark that reflects our actual asset allocation. By this measure, the portfolio underperformed across most evaluation periods. Results were primarily driven by two factors: benchmark-relative weakness among our non-U.S. public equity managers and a market environment in which public equities significantly outperformed private assets. Although our non-U.S. equity portfolio returned nearly 23%, it trailed its benchmark return of 31%. Private investments also faced a difficult comparison against a benchmark of public market equivalent plus 3%. For the year ending June 30, 2026, the S&P 500 returned 21.9%, while our private equity portfolio returned 14.7%, creating a meaningful shortfall even before applying the additional 3% premium.

While it's disappointing not to exceed the benchmarks, these results reflect an unusually strong period for public markets. Historically, private equity has outperformed public markets over longer horizons and provided compensation for illiquidity. We remain confident that returns will eventually revert toward historical norms and that private assets will regain their traditional advantage.

In addition, while returns lagged the benchmarks, our peer-relative results remain strong. According to our consultant, Marsh, our one-year return ranked in the top 10% of peers, and our five-year return ranked in the top 29%.

We will not attempt to time market shifts, and will remain disciplined and committed to our long-term strategy. Despite benchmark challenges, the foundation's endowment gained $464 million during the fiscal year and $906 million over the past five years, underscoring the significant impact our investment program is having on the foundation's mission to grow relationships and resources that enable the University of Nebraska to change lives and save lives.

Foundation Endowment Performance (Net of Investment Fees and Expenses)

	1 YEAR	5 YEAR	SINCE INCEPTION
Foundation Endowment	19.7%	8.3%	8.8%
Benchmark	23.6%	9.5%	8.7%

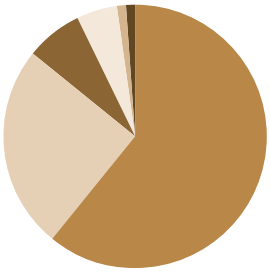
$2.8 Billion

Foundation Endowment Market Value

7,166

Total number of endowed funds, including 182 created in FY26

Foundation Endowment asset allocation



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.

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