

The Middlebury College Endowment

Middlebury College's endowment is made up of hundreds of restricted and unrestricted individual endowments that are pooled for investment purposes. The earnings from the endowment support the College's diverse programs and initiatives including scholarships and professorships. Endowment funds are permanent by nature (one hundred year plus time frames) and are invested to balance the needs of the College today and into the future. In order to accomplish this goal, the investment return on the endowment must equal at a minimum, over long periods of time, distributions from the endowment plus inflation.

The endowment is overseen by the Investment Committee of the Board of Trustees and College administration. In 2005, the Investment Committee recommended to the Board that the College engage Investure, an outsourced investment office serving a small number of prestigious colleges and foundations. For more detailed information about Investure, LLC, please visit <http://www.investure.com>. With a combined portfolio of some \$12 billion, Investure provides a deep team of professionals and access to investment opportunities comparable to those of the larger endowments. Under this arrangement, the Middlebury Investment Committee and Board remain the fiduciary and are actively involved in making decisions regarding guidelines, asset allocation, and strategic changes in the portfolio as well as continually monitoring the balance between performance and risk. The long-term horizon of the endowment allows for a large allocation to equity-oriented strategies where the potential for long-term capital appreciation exists. In addition, the endowment is diversified across asset classes and managers. Other assets, including but not limited to hedging, derivative, or diversification strategies, will also be used to reduce risk and overall portfolio volatility.

As of March 31, 2015, the endowment market value was approximately \$1.100 billion, stated in accordance with guidelines established by the National Association of College and University Business Officers (NACUBO). The majority of the gross endowment assets, approximately \$1.071 billion, is pooled for investment purposes and is overseen by the Investment Committee of the Board of Trustees. This pool includes \$4 million of non-endowment assets which are commingled for investment purposes (funds held for others such as Porter Hospital). Middlebury also has an interest in \$29 million of funds held in trust in which the College is an income recipient, but does not actively manage the assets. Lastly, the College has \$4 million of non-pooled endowment funds. These externally managed funds are added to the net commingled pool number to arrive at the "official" endowment figure. ($\$1,071 - \$4 + \$29 + \$4 = \$1,100$; in millions)