TUFTS FY20 ENDOWMENT AT A GLANCE*

$1.9 Billion ENDOWMENT VALUE

$79.1 Million SPENDING DISTRIBUTION

3.7% INVESTMENT RETURN

9% PERCENTAGE OF TOTAL NET OPERATING REVENUE

6.3% 5-YEAR ANNUALIZED RETURN

1,200+ ENDOwed SCHOLARSHIPS

150+ ENDOwed PROFESSORSHIPS


TUFTS UNIVERSITY

11,100 TOTAL STUDENTS

5,900 UNDERGRADUATES

120,000+ CURRENT ALUMNI

5,200 GRADUATE AND PROFESSIONAL STUDENTS

1,900 INTERNATIONAL STUDENTS

1,550 TOTAL FACULTY

3,500 TOTAL STAFF
Tufts University was chartered by the Commonwealth of Massachusetts in 1852 on 20 acres of land in the town of Medford, Massachusetts. Today, the university spans 150 acres across four campuses and includes a community of 11,100 students; 1,550 faculty; and more than 120,000 alumni.

Over the years, Tufts has earned a distinctive reputation as being a blend of both research university and liberal arts college. It’s a dynamic combination that attracts students, faculty, and staff from around the world who thrive in our inclusive, collaborative, and student-centered community. As part of our mission, we’re committed to maintaining an environment where creative scholars are encouraged to generate bold ideas and innovate in the face of complex challenges.
Tufts’ endowment was established to ensure a perpetual source of support to serve this mission. Its funds provide access to an exceptional education for dedicated students from all social and economic backgrounds, attract world-class educators and scholars, and support the development of leading-edge educational opportunities. As a reliable pool of funds, the endowment enables the university to meet budgetary obligations when other sources of revenue fluctuate.

Gifts to the endowment are particularly vital to Tufts. When donors give to the endowment, they create an enduring legacy—because endowed gifts exist in perpetuity. When the gift is invested, the principal value is never touched, and an established percentage of the income is distributed annually for use by the university. Over time, each gift grows in value, providing increasing resources in future years. The sustained benefit to Tufts of a gift to the endowment far exceeds its original value. The long-term impact of support is immeasurable.
ADVANTAGES OF GIVING TO THE ENDOWMENT

INVESTING IN THE ENDOWMENT IS INVESTING IN THE LONG-TERM EXCELLENCE OF TUFTS UNIVERSITY.

YOUR GIFT TO THE ENDOWMENT:

• Supports the university well beyond the donor’s lifetime and in perpetuity

• Enables the university to attract and retain outstanding students and faculty

• Is invested in a diversified portfolio designed to weather market volatility and is managed by an experienced, time-tested investment team

• Tufts has access to world class investment managers with experience pursuing highly specialized investment strategies.
CREATING IMPACT

SEE HOW THREE DONORS HAVE CREATED A LASTING IMPACT ON THE TUFTS UNIVERSITY COMMUNITY.

JEANNE H. DIEFENDERFER ENDOWED SCHOLARSHIP FUND

Established in 2008 by Jeannie Diefenderfer, E84, the Jeannie H. Diefenderfer Endowed Scholarship Fund enables engineering students with limited financial resources to attend Tufts, and it has supported six students to date. Will Lenk, E15, received this scholarship in both his junior and senior years at Tufts. As a student, he helped to develop an intelligent bandage that monitors wounds for physical and chemical signs of poor healing. Today, he credits Tufts with exposing him to diverse perspectives and life-changing academic opportunities. “I have seen firsthand the difference one donation can make, and it has inspired me to pay it forward,” he said.

Diefenderfer emigrated from Seoul, South Korea, and attended Tufts with the help of financial aid. She majored in chemical engineering and went on to a 28-year career in telecommunications, eventually leading more than 10,000 employees as a senior vice president at Verizon. She retired from Verizon in 2012 and founded courageNpurpose, a firm that advises boards and CEOs on strategic initiatives. Now a Tufts trustee and member of the School of Engineering Board of Advisors, she considers philanthropy a part of who she is and hopes that her endowment gift will inspire others to donate.

RUSSO COLLABORATIVE RESEARCH GRANT

The Russo Collaborative Research Grant, founded by Devette Russo, M11P, SK11P, in 2008, supports research at the Tufts University School of Medicine. Its mission is to help researchers conduct pilot studies and produce competitive preliminary data that is essential for obtaining more significant funding. Tufts neuroscientists Rob Jackson and Yongjie Yang received this grant in 2012 and leveraged it into nearly $3 million in National Institutes of Health (NIH) funding to support their research into the development of...
astrocyte cells, which may play a role in both Alzheimer’s and Parkinson’s diseases. “The Russo funds were incredibly helpful in allowing us to start collecting data that strengthened our NIH grant application,” Jackson said.

Since its inception, this grant has supported nearly 20 collaborative research projects, paving the way for millions of dollars in additional grants from the NIH. “Supporting the scientific process at its earliest stages just makes sense, even more so when it’s in a collaborative environment,” Russo said. “It’s so gratifying to know that the Russo grants have allowed small projects to grow into major research initiatives recognized by the NIH as worthy of major funding.”

**LEE E. DIRKS PROFESSORSHIP IN DIPLOMATIC HISTORY**

The Lee E. Dirks Professorship in Diplomatic History at The Fletcher School was created through the generosity of Lee E. Dirks, a 1957 Fletcher graduate. Dirks was the chair of Dirks, Van Essen & Murray (DV&M). Founded in 1980, DV&M provides comprehensive operational and financial consulting services to newspaper companies and is the leading merger and acquisition firm in the U.S. newspaper industry.

In seeking to give back to The Fletcher School, Dirks established a new professorship in diplomatic history. He considers this field an integral part of the Fletcher curriculum and one that helps prepare anyone who wants to help make the world a better place. As he put it, “Diplomatic history is the story of the search for peace among peoples. I can’t think of anything more important than that.”
ENDOWMENT MANAGEMENT

THE ASSETS THAT MAKE UP TUFTS’ ENDOWMENT ARE ACTIVELY MANAGED BY AN EXPERIENCED INVESTMENT TEAM THAT HAS WORKED TOGETHER FOR YEARS. THE INVESTMENT OFFICE ADHERES TO PRUDENT INVESTMENT PRINCIPLES AND SOUND PRACTICES THAT PURSUE BOTH SHORT- AND LONG-TERM OBJECTIVES.

INVESTMENT STRATEGY

The overarching goal of the Investment Office’s strategy is to maximize the return on the endowment while maintaining a deep understanding of the university’s ability to manage shorter-term fluctuation. The endowment’s perpetual time horizon allows the team to capitalize on the strong growth potential of equity securities—including high-return private assets that may not be available to many investors—while controlling volatility with lower-risk bonds and real estate. Each member of the team is guided by the mission of establishing a solid financial foundation on which to build and sustain a world-class academic institution.

ASSET ALLOCATION

Tufts’ Investment Office and Investment Committee work together to establish an asset allocation policy that supports the university’s investment strategy. Additionally, they identify individual investment professionals with active-management expertise in specific asset categories to manage endowment funds. Once selected, these managers purchase securities that are aligned with their respective strategies in order to build a well-diversified portfolio. The endowment’s asset allocation policy for fiscal year 2020 is reflected in the pie chart at left.

Tufts has a long history of leadership within higher education on issues of sustainability, ranging from initiating the Talloires Declaration in 1990 to its work today to minimize its carbon footprint, foster groundbreaking research and scholarship, and prepare students to become the next generation of leaders on climate change.

This commitment continues as the university announced on February 10, 2021 the Board of Trustees’ adoption of several measures related to the investment of the university’s endowment and environmental sustainability. These measures include prohibition on direct investments in 120 coal and tar sands companies with the largest reserves, a commitment to invest in positive impact funds related to climate change, proactive communication to Tufts’ investment managers to encourage them to further integrate climate-change risk and other environmental, social, and governance (ESG) considerations into their processes, and development of a reporting dashboard to share the university’s progress toward these actions. In addition, a formal review of this effort will be conducted in a few years.

To learn more and read the full announcement from the university, please visit our website.
ENDOWMENT PERFORMANCE

As of June 30, 2020, the value of the endowment was approximately $1.9 billion.

ANNUALIZED RETURNS

(Net of Fees) period ending June 30, 2020

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<thead>
<tr>
<th>Period</th>
<th>Tufts Actual</th>
<th>Tufts Reference Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 Years</td>
<td>6.1%</td>
<td>6.0%</td>
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<tr>
<td>5 Years</td>
<td>6.3%</td>
<td>6.0%</td>
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<tr>
<td>3 Years</td>
<td>6.1%</td>
<td>6.7%</td>
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<tr>
<td>1 Year</td>
<td>3.7%</td>
<td>3.0%</td>
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</tbody>
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*Tufts Actual: Returns earned, gross of administrative fees, by the Total Return Pool (TRP) in which endowment assets are held.

**Tufts Reference Portfolio: Custom benchmark reflecting the approved asset allocation policy and respective market indices.
INVESTMENT OFFICE AND COMMITTEE

The mission of the Investment Office is to support the Board of Trustees and the administration in ensuring the long-term financial health of Tufts University. To do this, the Investment Office and committee thoughtfully steward the assets that the university has accumulated over the years from generous donors and as a result of prudent financial management.

Proper stewardship of donor assets requires a patient, focused, long-term approach. Tufts Investment Office staff possesses both a clear understanding of the university's risk tolerance and a growth mentality. They develop and implement investment strategy and run the endowment on a day-to-day basis with a keen eye toward delivering strong results for Tufts' portfolio.

It is a team effort, one that relies not solely on the team in the Investment Office. Their goal is to foster a broad network in order to accumulate as much intellectual capital as the university has to offer from alumni, parents, donors, and friends. Thus, the success of Tufts' investments depends in part on the Tufts community and the skilled support received from the university's talented Investment Committee.

Finally, success depends not only on the time and talent of the community, but also on donors’ generosity and understanding of the profound value of a gift to the endowment, a gift that ensures outstanding academic opportunities for students and faculty in perpetuity. Our generous donors ensure that the “light on the Hill” will be shining bright for generations to come.
“We are tremendously grateful to the alumni, parents, and friends who support the Tufts endowment. Their generosity safeguards and strengthens our excellence in teaching, research, and scholarship for generations of students and faculty to come.”

—Anthony P. Monaco, President, Tufts University
INVESTMENT COMMITTEE

The Investment Committee, comprised of trustees and non-trustees who have expertise in financial management, is responsible for the overall investment and management of endowment assets. This committee has oversight responsibility for the Investment Office, and it approves investment policy and asset allocation strategies and the appointment of independent investment advisors to manage investments. Members of this committee have an in-depth understanding of how to build and manage a portfolio based on investment objectives and risk tolerance.