

Washington University Investment Management Company Announces 9.9% Fiscal Year Investment Return Pushing Endowment Value to Record \$8.5B

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The Washington University Investment Management Company (WUIMC) generated a 9.9% return during Fiscal Year 2020, significantly outperforming its benchmarks. At the close of the fiscal year on June 30, 2020, the endowment's value stood at \$8.5 billion, an all-time high. The total value of the managed endowment pool (managed by WUIMC; including endowment assets plus other non-endowed university financial assets) was \$9.6 billion as of June 30, 2020.

WUIMC's 9.9% return surpassed both its primary benchmark, a global 70/30 (equities/bonds) index (+2.5%) and Cambridge Associates' preliminary median (+1.1%) returns for colleges and universities.

Scott L. Wilson, the university's chief investment officer, credits the strong fiscal year performance to the team's tremendous efforts to transition the endowment into a more concentrated and long-term focused investment portfolio of strong strategic relationships with talented and aligned core external partners.

"We seek a fundamental, detailed understanding of each of the portfolio's holdings which helps our conviction during periods of excess volatility and allows us to more closely work with our external partners. We have been putting capital to work through this strategy since 2017, and this groundwork of understanding our highest conviction positions was particularly helpful during the market dislocation in the first quarter of 2020. We were able to add capital to many of our highest conviction long-term holdings at attractive valuations," said Wilson.

"The past three years have exceeded expectations and we are optimistic about the progress to date, but caution that these are early results and we expect significant periods of short-term volatility. Our performance should only be judged over a much longer time horizon," Wilson added. "Currently, we are focused on rising asset valuations, which are making it harder to find compelling opportunities. The next three years will likely be a more difficult environment for returns, but periods of market distress can provide opportunities for our long-term strategy."

"Our recent returns are quite encouraging, showing significant improvements in performance versus benchmarks and peers," noted WUIMC's board chair Eric B. Upin. "The WUIMC Board is resolutely focused on continuing to build an endowment portfolio and investment organization that serves Washington University with strong outperformance and compounding over the long term - ensuring the ability to consistently meet annual payout distributions and the capability to support the university's strategic ambitions and aspirations moving forward."

The 9.9% fiscal year return continues a track record of improvement in recent years. Annualized returns for WUIMC's managed endowment pool for three, five and 10 years are 9.4%, 7.1% and 8.8%, respectively.

