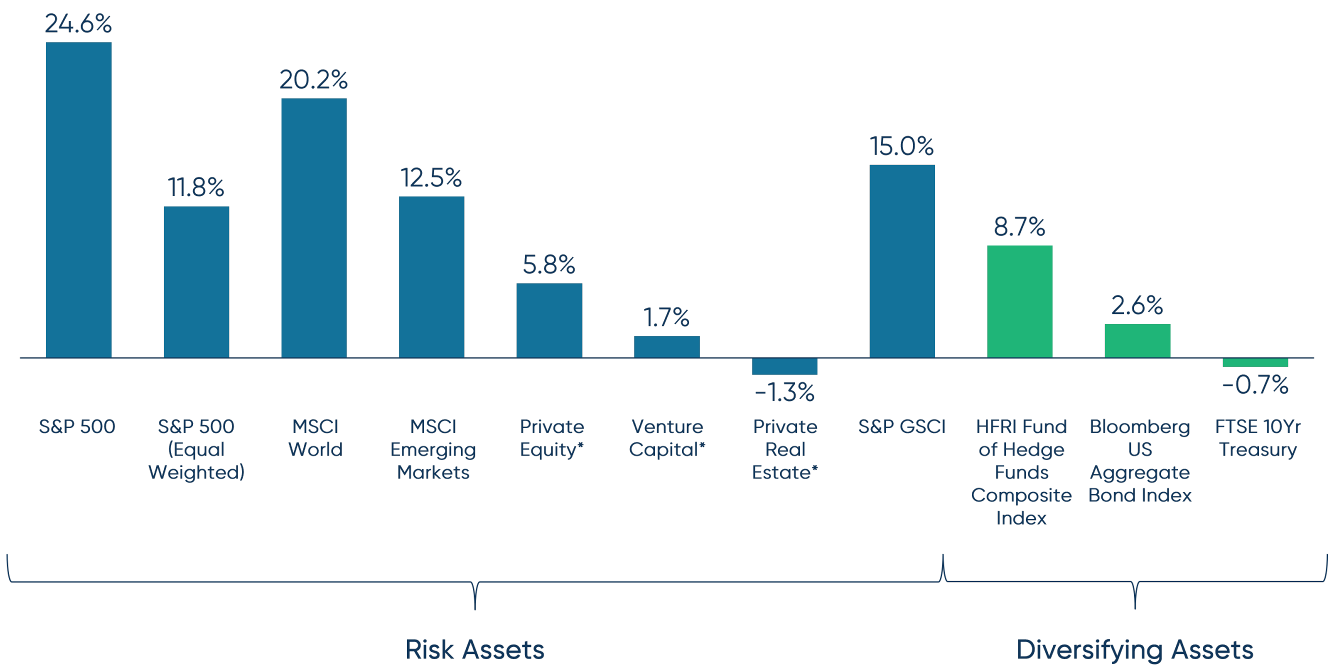
# Five FY24 Endowment Performance Trends per NACUBO-Commonfund Study of Endowments

The NACUBO-Commonfund Study of Endowments FY24 average 1-year performance for all institutions is 11.2%, bringing the 10-year average return to 6.8%.

1. For the second year in a row, **the biggest performance driver was the allocation to private equity and venture vs. public equities.** Private equity returned 5.8%, and venture returned 1.7%, while the S&P 500 returned 24.6%, a spread of 19-23%.
2. **High allocations to public equities, and in particular the “Magnificent 7” outperformed**. Portfolios with more S&P 500-like investments (passive or US Large Cap active managers with low tracking error). Many active managers underperformed as they were underweight the Mag 7.
3. **Real estate** exposure continued to hurt larger endowments, which tend to have larger allocations. Private real estate returned -1.3%, as the industry continues to reconcile with higher interest rates and the reduction in office demand post-Covid.
4. **Hedge funds continued to outperform fixed income and bonds.** Diversifying Strategies such as hedge funds (+8.7%) continued to outperform both traditional fixed income as well as the broader investment grade bonds.
5. For the second year in a row, **smaller endowments outperformed larger endowments**, on average. Because private market allocation (private equity, venture, and real estate) tends to be positively correlated with endowment size, larger endowments with larger private allocations underperformed smaller endowments with lower private allocations and higher public allocations. The largest endowments returned 9.1%, while the smallest endowments returned 13.0%.

**FY24 Asset Class Returns**




*As reported by 2024 NACUBO-Commonfund Study of Endowments for all institutions.
Source: Bloomberg.

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## TIFF Investment Management

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