Frequently Asked Questions

WHAT IS AUC’S ENDOWMENT?
The endowment is a fund comprised of philanthropic gifts and other assets set aside and invested to provide permanent support for the University’s mission. The capital of the endowment should remain intact and returns are used to support a number of activities and programs.

AUC manages more than 100 endowed funds to ensure that donor requirements are met and that the assets of these funds are invested to grow over time. The AUC endowment has historically earned comparable returns with our peers.

HOW IS THE ENDOWMENT PORTFOLIO STRUCTURED?
AUC’s endowment is constructed as a diversified portfolio and invested across different asset classes such as stocks, bonds, and alternatives. This diversified approach is designed to maximize return based on a prudent level of risk.

AUC’s Asset Allocation as of June 30, 2014

- Stocks 52%
- Alternatives 31%
- Bonds 16%
- Cash/Other 1%

Endowment Value Over Time (as of December 31 in $ millions)

HOW DOES AUC MANAGE ITS ENDOWMENT?
AUC’s investment office selects and monitors professional, third-party investors that specialize in managing institutional assets. AUC’s endowment fund is governed by an Investment Committee of the Board of Trustees that reports regularly to the Board. The trustees who serve on this committee are well qualified to act as fiduciaries of these funds.

WHAT IS AUC’S SPENDING POLICY, AND HOW WAS THE SPENDING RATE DETERMINED?
AUC’s annual spending policy allows the University to spend up to 5 percent of the rolling three-year average market value of endowment funds, calculated as of December 31 of each year. The spending policy was developed to preserve the purchasing power of the endowment on an inflation-adjusted basis.