

# Bentley's Endowment

## FY2019 Report

As of June 30, 2019, the Bentley University endowment was valued at \$277M, as compared with \$259M on July 1, 2014 — an overall increase of \$18M over five years that includes \$58M in investment returns, \$9M in gifts and \$5M in other additions, while providing \$54M in spending for Bentley programs and students. The endowment contains hundreds of individual funds with various purposes and restrictions that are combined in an investment pool and tracked with unit accounting similar to a mutual fund. Approximately 40 percent of Bentley's endowment represents true endowment, which are gifts restricted by donors to provide permanent funding for specific purposes. The remaining 60 percent is board-designated and accumulated net gains, which are funds the Board of Trustees has chosen to invest and treat as endowment.



### Purpose and Philosophy of the Endowment

The primary purpose of the endowment is to provide a permanent and sustainable source of operating support to university programs and to provide financial assistance to qualified students. The endowment spending policy is designed to balance Bentley's current and future needs by maintaining the purchasing power of each gift against inflation over the long-term, and to minimize the impact of short-term changes in investment market value on annual operations.

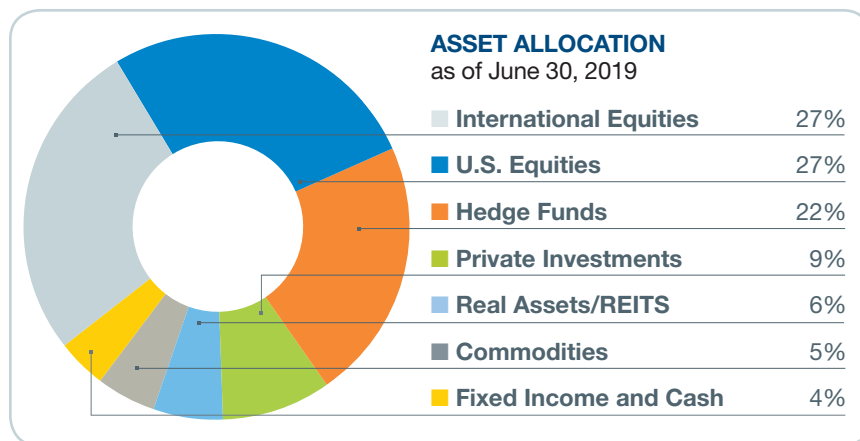
The endowment spending rate is annually approved by the trustees and seeks to achieve these long- and short-term objectives. Spending is budgeted at no more than 5 percent of a 12-quarter moving average of the fund's market value. Based on the endowment's beginning fiscal year balance, the effective spending rate was 4.2% for FY2019. The difference between total return and spending is added to or subtracted from principal to maintain purchasing power in perpetuity.

### Asset Allocation

The endowment is diversified into various investment strategies (as shown on the right) aimed to reduce risk and volatility, but also to generate the desired total return while providing adequate liquidity.

### ENDOWMENT ACTIVITIES (not including deferred gifts) (\$ in millions)

For the fiscal year ended June 30	2015	2016	2017	2018	2019	5 Year
Beginning Balance	259	257	242	263	280	259
Gifts	1	1	3	2	2	9
Other Additions	1	1	2	1	(1)	5
Total Return	6	(7)	27	25	7	58
Spending	(10)	(10)	(11)	(11)	(12)	(54)
<b>ENDING BALANCE</b>	<b>256</b>	<b>242</b>	<b>263</b>	<b>280</b>	<b>276</b>	<b>277</b>



### Management

The Bentley endowment is managed by the Investment Committee of the Board of Trustees with input from professional investment advisers, Cambridge Associates (CA). As fiduciaries, the Investment Committee meets regularly to review manager performance, asset allocations, investment transactions and balances, all of which are subject to independent overall audit by KPMG. Bentley endowed funds are managed under a total return concept within the regulations of the Massachusetts Uniform Prudent Management of Institutional Funds Act (UPMIFA).

### ENDOWED FUNDS

Over the last three fiscal years, donors have established 20 new endowed funds.

**16**

provide aid to students based on merit, financial need or both.

**1**

supports faculty and academic development.

**1**

promotes student activities.

**2**

support other endeavors (including athletics).



**BENTLEY**  
UNIVERSITY



# HISTORICAL PERFORMANCE

During the five years ended June 30, 2019,

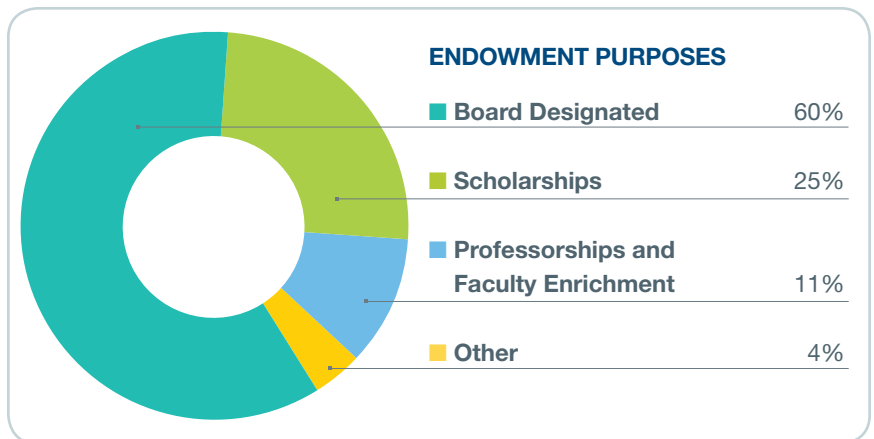
**THE BENTLEY ENDOWMENT** has grown from **\$259M to \$277M.**

**BENTLEY'S THREE-YEAR RETURN**

# 7.9%

## Endowment Impact

In fiscal year 2019, Bentley's \$11.9M spending payout was applied to important functions such as need-based grants and scholarships for students, faculty professorships, library acquisitions and student-related programs. For the five fiscal years ended June 30, 2019, the endowment has distributed more than \$53.9M for vital scholarship assistance, professorships and other academic-related purposes.



For more information about Bentley's endowment, please contact Maureen Forrester, Vice President and Chief Financial Officer/Treasurer: [mforrester@bentley.edu](mailto:mforrester@bentley.edu).

For information about supporting Bentley, please contact Maureen Flores, Vice President for University Advancement: [mflores@bentley.edu](mailto:mflores@bentley.edu).

## INVESTMENT PERFORMANCE AND RANKING

(For periods ended June 30, 2019)	One Year	Three Years	Five Years	Ten Years
Bentley University	2.2%	7.9%	4.6%	8.7%
Cambridge Associates Median <sup>1</sup>	4.5%	8.6%	4.9%	8.2%
Bentley's Percentile Ranking	95	72	59	30
Number of Institutions Reporting	392	392	387	364

### <sup>1</sup> CAMBRIDGE ASSOCIATES MEDIAN

Cambridge Associates, a leading global investment advisory firm, conducts an annual survey of colleges and universities regarding endowment performance. The data from this survey helps the Investment Committee to benchmark Bentley's results against other institutions.