



ANNUAL
ENDOWMENT REPORT

FISCAL YEAR
2023

We are pleased to present the Fiscal Year 2023 Stevens Endowment Report. Thanks to the Stevens endowment – and the generous donors who support it – the university is able to provide a financial foundation for faculty and students to pursue bold, innovative ideas.

We are pleased to provide this report illustrating the impact of your contributions to the Stevens endowment. What we would like to add, which no set of numbers can adequately express, is our deep appreciation for your generosity. Your support is making it possible for Stevens to amplify the power of an excellent educational experience for the benefit of all.

You are supporting exciting, leading edge research and excellence in teaching through faculty chairs, professorships, and faculty fellowship funds. Endowed funds enhance the university’s ability to attract and retain world-class faculty who are ready to push the boundaries of their disciplines and who are eager to share what they know, and what they are learning, with their students.

For example, one team of AI researchers at Stevens is building systems that help blind users explore images on devices; another is contributing to the evolving world of power supply. Security experts are creating new and better ways to defend drones from hackers. Stevens researchers are developing improved methods of delivering monoclonal antibody therapeutics that are portable and can be used

in the home, while ocean engineering faculty are laying the foundation for evaluating the performance of high-speed naval craft.

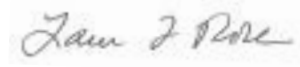
Endowed scholarships offer talented, hardworking students an extraordinary opportunity to become the next generation of innovators. A Stevens education transforms the trajectory of a student’s career and life, and prepares them to serve as members of a highly skilled workforce in a variety of professional disciplines.

Endowment gifts are by nature visionary, designed to support the achievements of future generations. We are deeply appreciative of your confidence, and of your investment, in the power of Stevens. Thanks to your commitment to endowment, Stevens will continue to be a magnet for great minds working together toward a brighter tomorrow.

Per aspera ad astra,



Louis J. Mayer, Ed.D.
Chief Financial Officer,
Vice President for Finance
and Treasurer

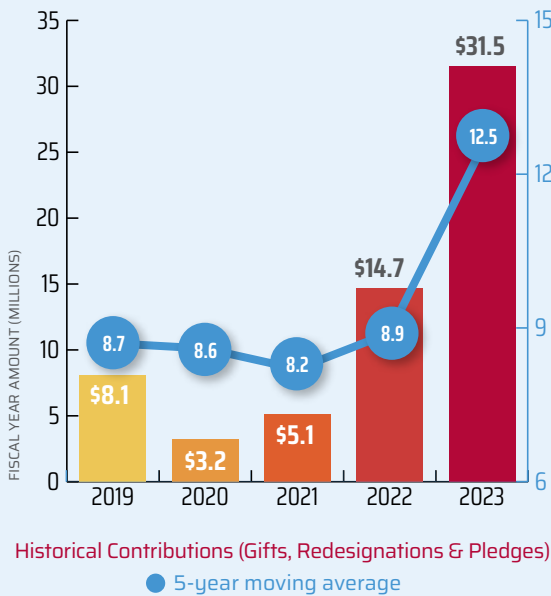
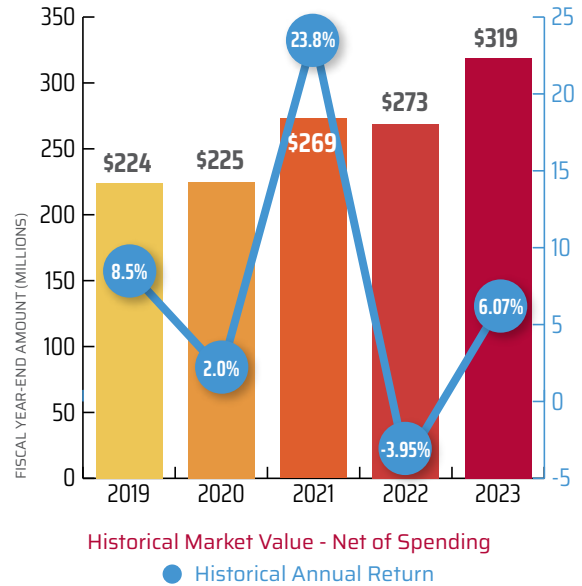


Laura Rose
Vice President for
Development and Alumni
Engagement

A gift to the Stevens endowment is an investment in the future of the university, and in the future of the students who choose a Stevens degree as their path to career success. It is a permanent legacy that provides an enduring source of future revenue to support students, faculty or programs as directed by each donor’s wishes. The endowment, a set of pooled assets, is composed of individual funds and is invested as one commingled portfolio in a purposeful and accountable manner to generate long-term capital gains and perpetual income that will honor our donors’ intended purposes.

ENDOWMENT ACTIVITY

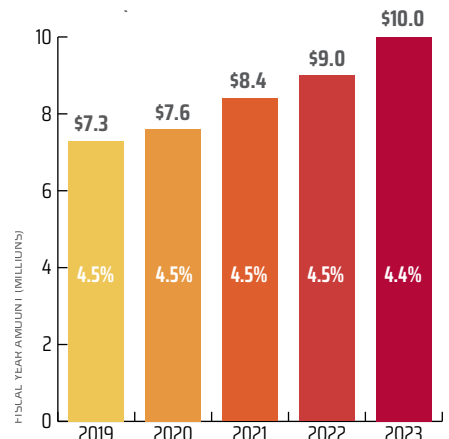
The market value of the Stevens endowment as of June 30, 2023 was \$319 million. Gifts and redesignations during Fiscal Year 2023 were \$31.5 million (see chart for details). Net spending distribution for operations to support students, faculty and academic programs was \$10 million. The investment return for the consolidated endowment portfolio for the year ending June 30, 2023, was 6.07%, which was above-average for the higher education sector. The endowment portfolio continues to be very diversified, and we have been advancing our progress toward increasing our asset allocation to private equity over time, with a target of 30%, consistent with many of our peers.



Commitments recorded in the current year may be gifts received in the current year or pledges that promise payments in future years. Contributions received during a particular fiscal year from estates, known as realized bequests, are also included in these figures. In addition, contributions include some redesignations of prior gifts. Stevens’ endowment giving overall, as the five-year moving average line indicates, has generally been positive.

SPENDING

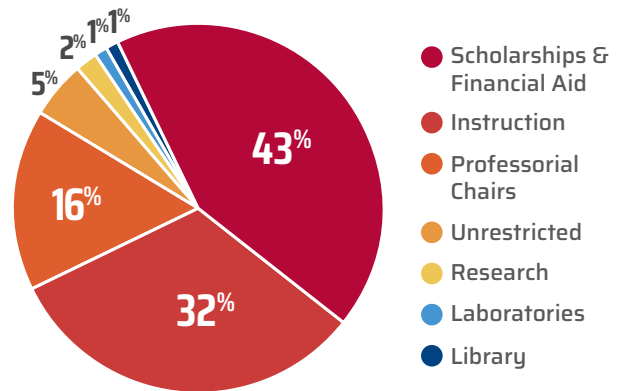
The Board of Trustees authorized the Fiscal Year 2023 spending rate of 4.4% of the average fiscal year-end fair value of the investment pool over a three-year period, on a two-year lag. Since Fiscal Year 2017, the Board of Trustees had approved a consistent annual spending rate of 4.5%. For Fiscal Year 2023, in response to scenario modeling by the university’s outsourced chief investment officer (OCIO), Goldman Sachs, and with the goal of enhancing further endowment growth, the approved annual spending rate was reduced to 4.4%. The Board of Trustees is committed to continually taking a fiscally prudent approach for the endowment to continue to grow in perpetuity while being mindful to provide steady support for university programs, and it reevaluates the spending rate each year.



Historical Authorized Spending:
Gross dollar amount and % of endowment value

STRUCTURE

The endowment comprises 419 individual funds, most of which have been established by a dedicated and generous donor or group of donors for specified purposes. The funds are pooled and invested as a single diversified portfolio but are tracked and allocated individually. At Stevens, endowed funds support scholarships and financial aid, instruction, professorial chairs, laboratories, research, the library and various educational programs. These funds have appreciated in value over time while providing annual support for the designated purposes of the funds.



ENDOWMENT MANAGEMENT

Stevens’ endowment investments are overseen with prudence and care by university management and the Board of Trustees, whose Investment Committee is composed of trustees and faculty who are knowledgeable about the areas of investment management and finance. The goal of the Investment Committee is to oversee the endowment to support the university’s strategic plan and ensure that the endowment benefits both current and future generations. The Investment Committee is responsible for oversight and strategic decision-making covering asset allocation, spending policy, performance analysis, fee review, and hiring of investment professionals. The Investment Committee works closely with Goldman Sachs, our OCIO, to construct a diversified investment portfolio that looks to capitalize on sources of long-term return. Goldman Sachs, which manages the majority of the university’s portfolio, advises and executes public and private market strategies that seek to generate an attractive risk/return profile in line with the goals set

forth in the endowment’s Investment Policy Statement. The remaining assets primarily consist of legacy private equity investments which Stevens oversees.

With the goal of generating excess returns while maintaining an appropriate level of risk, the Board of Trustees, the Investment Committee and our OCIO have established a multi-year investment strategy to bring the portfolio to a strategic weighting in private equity and private credit assets. An increased allocation to a diversified set of strong private asset managers is expected to improve the overall risk/return profile of the portfolio, bring our return closer to the strategic benchmark, and better position the endowment to meet its long-term objectives. The portfolio is well diversified across investment managers, asset classes, geographies and time horizons. The endowment is broadly diversified into equities, fixed income and alternative investments, including private equity, private credit and hedge funds.

FISCAL YEAR 2023 ENDOWMENT HIGHLIGHTS

\$319M

Stevens' endowment, net of spending, has grown by \$112 million during the past five years, from \$207 million on June 30, 2018, to \$319 million on June 30, 2023.

\$63M

Contributions to the endowment totaling \$63 million have been received during the past five years.

419

The endowment comprises 419 individual endowment funds to support the university as directed by our generous donors.

\$42.3M

Authorized endowment distributions totaling \$42.3 million over the past five years to support students, faculty and academic programs.

96%

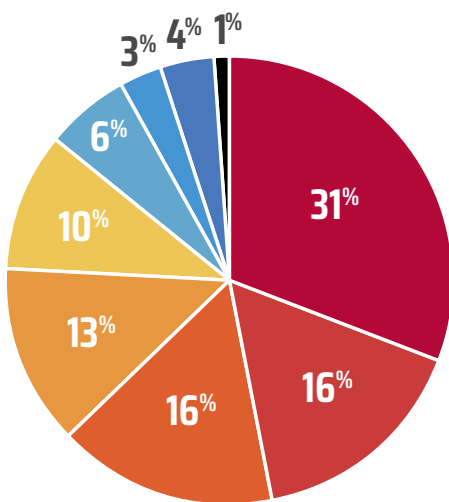
Portion of new endowment funds that supported student scholarships.



RISK MANAGEMENT

By investing in both traditional and alternative investments, the endowment seeks to achieve the benefits associated with portfolio diversification. Our strategic asset allocation, over the long term, strives to optimize return for a given level of portfolio risk. Several times throughout the year the Investment Committee reviews the asset allocation of the portfolio and the individual managers' performance. Our OCIO will continue to model the portfolio and engage management and the Investment Committee

in discussions about long-term spending needs balanced against expected portfolio returns and volatility. Maintaining and growing the value of the endowment over time is critical to ensuring that the steady source of income the endowment provides to students, faculty and academic programs will not be eroded, and that endowment funds grow in support of our strategic goals in perpetuity. This objective is best accomplished by a well-diversified portfolio and a conservative spending policy.



	\$ (MILLIONS)	% OF TOTAL
● U.S. Equity	\$98	31%
● Private Equity	\$52	16%
● Non-U.S. Equity	\$51	16%
● Investment Grade Fixed Income	\$42	13%
● Other Fixed Income	\$33	10%
● Hedge Funds	\$18	6%
● Tactical Asset Allocation	\$9	3%
● Other	\$11	4%
● Cash & Money Market	\$5	1%
	\$319	100%

Asset Allocation - 6/30/2023