

**Feuchtenberger, Karen**

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**From:** Ammerman, Paula <PRA4@psu.edu>  
**Sent:** Thursday, May 17, 2012 10:44 AM  
**Subject:** 1st Qtr. Endowment Investment Summary  
**Attachments:** BOT QTR 2012 Q1.pdf

To: Members, Board of Trustees

The first quarter endowment investment summary is attached for your review and information. As you know, we send quarterly reports as well as monthly updates, or "flash" reports for your information and review.

In the event you have difficulty opening or accessing the document, please advise and a faxed copy will be provided to you.

In the event you have questions regarding the content, please direct them to David Gray at 814-865-6574 or to Dave Branigan at 814-863-9150.

Thank you.  
Paula

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# 1<sup>st</sup> Qtr Endowment Investment Summary

## March 31, 2012

*Below is the preliminary quarterly report on Penn State's Endowment investments. These reviews are prepared for the Board of Trustees approximately three weeks following the end of each quarter, and are subject to possible revision. Please direct any questions or comments to Dave Branigan or John Pomeroy at (814) 863-9150.*

### Endowment Market Value

As of March 31, 2012, the market value of Pennsylvania State University's Endowment Pool, excluding similar funds, was \$1.79 billion.

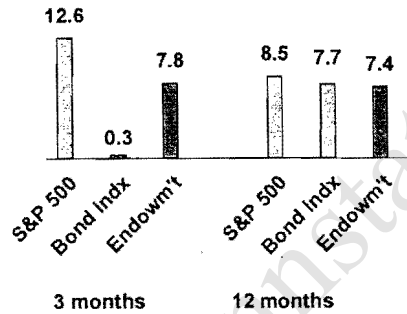
Annualized endowment pool investment returns for 1-, 3-, 5- and 10-year periods:

— *Endowment Annual Returns* —

<u>1-yr</u>	<u>3-yrs</u>	<u>5-yrs</u>	<u>10-yrs</u>
7.4%	16.2%	4.1%	7.1%

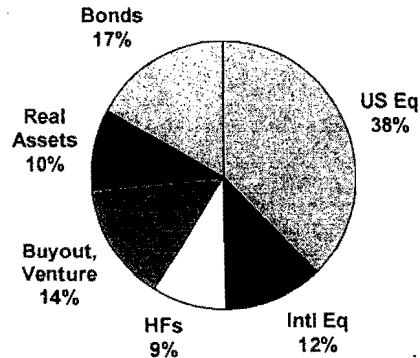
### Endowment Performance

In 2012's first quarter, Penn State's Endowment returned 7.8%, while the S&P 500 Stock Index gained 12.6% and Barclays Bond Index returned 0.3%.



### Investment Mix

At 3/31/2012, Endowment assets were invested as follows: 17% fixed income (bonds), 50% public equities (US and foreign stocks), 9% hedge funds (HFs), 14% private buyouts & venture capital, and 10% real assets (real estate, natural resources):



For the 12 months ending 3/31/2012, the Endowment netted 7.4%, while the S&P 500 and the Barclays Bond Indexes returned 8.5% and 7.7%, respectively.

The Penn State Investment Council (PSIC) approved the following at regularly scheduled meeting on March 2, 2012:

- Investing \$20 million in Saba Capital Offshore Fund
- Investing \$25 million in Och-Ziff Master Fund / OZ Overseas Fund II
- Committing \$15 million to NewSpring Growth Capital III, L.P.
- Committing \$5 million to Charles River Partnership XV, L.P.
- Committing \$10 million to OCM Opportunities Fund IX, L.P.
- Committing \$10 million to NGP Natural Resources X, L.P.

Please note that commitments made to Limited Partnerships (LP) are not immediately invested and are called (paid in) over several years until commitment is satisfied, except as noted.