

Trinity College  
ENDOWMENT REPORT  
Fiscal Year 2024



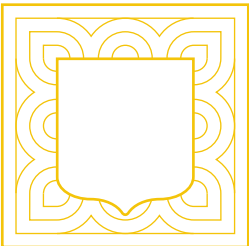




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REPORTING PERIOD OF JULY 1, 2023–JUNE 30, 2024 (FY24)

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"For more than two centuries,  
Trinity College has prepared bright  
students as bold, independent  
thinkers who lead transformative  
lives. The endowment plays a vital  
role by supporting how we sustain  
academic excellence, now and for  
generations to come."

**Joanne Berger-Sweeney**

President and Trinity College Professor of Neuroscience

# Introduction



The Trinity College endowment is an important pillar of financial sustainability that supports the College's ability to deliver a distinctive liberal arts education, now and in the future. Thanks to generous donations from our alumni and friends of the College, Trinity has more than 1,000 individual endowed funds. Since the first fund was established in 1853, these gifts and accumulated investment returns have supported students and have made the Trinity experience possible.

As of June 30, 2024, the end of FY24, the endowment reached a new high of \$834.7 million, up from the market value of \$791.3 million as of June 30, 2023. The market value is calculated starting with the previous year's ending value plus the net investment returns and new endowment gifts, less the spending draw that supports the College. The endowment's investments returned 8.8 percent net of all fees and expenses for the fiscal year against a benchmark of 12.4 percent. The endowment is intended to provide long-term support of the College, and we manage this asset focusing both on support of current students and on looking ahead to future generations of Trinity students. Our three-, five-, and 10-year returns were 6.4 percent, 9.4 percent, and 7.5 percent, respectively.

While the return objective and time horizon are long-term, Trinity's finance team is tasked with the annual management of the endowment and with developing strategies that prosper during any market cycle. As such, and per the College's investment policy, the investment strategy allocates the total portfolio across a mix of asset classes, including domestic and global equities, fixed-income securities, private equity and venture capital, real assets, and diversifying strategies such as hedge funds. Each class is measured against established industry benchmarks. In a typical year, and over the market cycles, some of these asset classes will perform better than others. This was the case in FY24 as, for example, global public equities returned 19.4 percent, while private equities returned 4.6 percent. Notably, all asset classes achieved positive gains in Trinity's portfolio for FY24.

The endowment's asset allocation determines its overall returns in many ways. The Investment Committee of the Board of Trustees determines the asset allocation, which is implemented by Commonfund, the College's outsourced investment management partner. The following sections of the report review the endowment's governance, asset allocation, and long-term performance. The report also includes information on how a donor may establish an endowment to support the College's long-term goals.

# Governance

## ROLE OF THE BOARD OF TRUSTEES

The Trinity Board of Trustees is charged with preserving the mission of the College: to prepare students to be bold, independent thinkers who lead transformative lives. A crucial component of ensuring the College can carry out its mission is fiduciary stewardship of the College's resources, including the College's endowment, to provide students with an exceptional educational experience and to preserve intergenerational equity.

## ROLE OF THE INVESTMENT COMMITTEE

The Board of Trustees charges its Investment Committee with overseeing the management of the endowment. The committee holds fiduciary responsibility for ensuring that the endowment is managed so that it continually grows to support the College in perpetuity and also sets the long-term strategic policies for the endowment. In pursuit of an "inflation plus spending" investment objective, the committee has established a well-diversified strategic policy asset allocation that seeks to maximize the structural advantages the College has, particularly its long-term time horizon.

## INVESTMENT COMMITTEE MEMBERS (2023-24)

**JAMES YU '87**, Chair, Partner, EQT Services LTD

**PETER BLUM '72, P'12**, Managing Partner, Colrain Capital

**MALCOLM MACLEAN '92**, Managing Partner, Star Asia Group

**HENRY MALLARI-D'AURIA '83**, Chief Investment Officer, Ariel Investments

**KEVIN MALONEY '79**, Chair, Department of Finance, Bryant University

**JOSHUA NEWSOME '95**, Managing Director, Goldman Sachs

**DAVID SCHNADIG '86**, Co-President, Cortec Group

**AMY STEPNOWSKI P'22**, Chief Investment Officer, The Hartford; President, Hartford Investment Management Company ("HIMCO")

**DOUGLAS TANSILL '61, P'91, '96**, Trustee Emeritus

**JEAN WALSH '83**, Managing Director, J.P. Morgan Asset Management

**LISA BISACCIA '78**, Board Chair, ex officio

**JOANNE BERGER-SWEENEY**, President, ex officio

**CRAIG VOUGHT '82 P'17**, Managing Director and Co-Founder, Broadreach Capital Partners, ex officio

## ROLE OF COMMONFUND

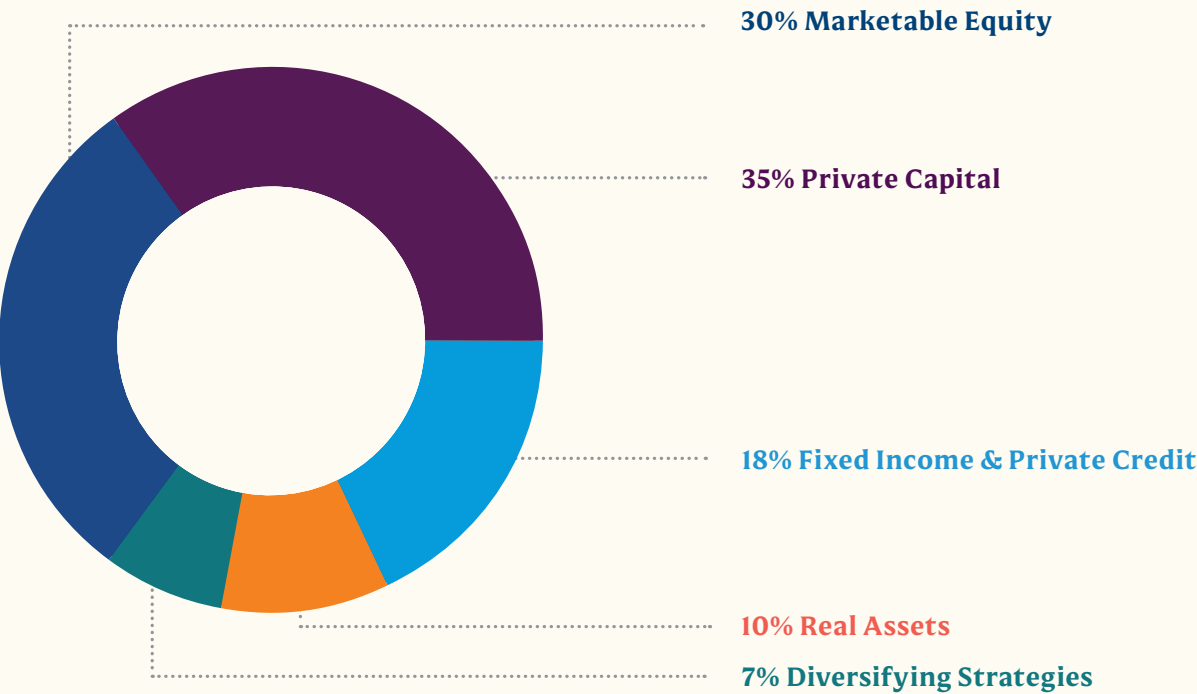
Commonfund's role is to assist in attaining the stated objectives by advising the Investment Committee on the appropriate strategic asset allocation and compliance with all investment policy guidelines and standards, including the evaluation and selection process of underlying investment managers. Commonfund regularly reports on the College's endowment investment performance and presents related analyses. Trinity alumnus Timothy T. Yates Jr. '94 is president and CEO of Commonfund OCIO, the branch within Commonfund that supports nonprofit endowments.

## ROLE OF THE TRINITY FINANCE TEAM

The Trinity finance team coordinates directly with the Investment Committee and Commonfund on the management of the endowment. The finance team also works closely with the Advancement Office when establishing new endowments and recording transaction history.

# Asset Allocation

Trinity's investment pool returned 8.8 percent in FY24. The endowment's asset allocation drives the College's endowment returns. The Investment Committee conducts an annual review and risk assessment in conjunction with Commonfund. Our asset class diversification plays a key role in safeguarding capital and maximizing returns for the College's investment pool.



ASSET CLASS	POLICY WEIGHT	FY24 RETURNS
Marketable Equity	30%	19.4%
Private Capital	35%	4.6%
Fixed Income & Private Credit	18%	5.3%
Real Assets	10%	3.6%
Diversifying Strategies	7%	9.5%
TOTAL	100%	8.8%

# Glossary Of Asset Classes

**Equity (Marketable Equity and Private Capital)**—The purpose of public equity investments, both domestic and international, is to provide capital appreciation, and current income, with the recognition that this asset class carries with it the assumption of greater market volatility and greater risk of loss than some other asset classes. This component includes domestic and international common stocks, American Depositary Receipts (ADRs), preferred stocks, and convertible stocks traded on the world's stock exchanges or over-the-counter markets. Public equity securities generally shall be restricted to readily marketable securities of corporations that are traded on the major stock exchanges, including NASDAQ. Equity holdings generally must represent companies meeting a minimum market capitalization requirement of \$50 million with reasonable market liquidity. Decisions as to individual security selection, number of industries and holdings, current income levels, and turnover are left to broad manager discretion, subject to the standards of fiduciary prudence. Equity investments also may include private equity and venture capital, together referred to as private capital. These investments typically are made through limited partnerships or limited liability corporations offered by professional investment managers. Private capital strategies may include private equity, venture capital, and distressed investments. These strategies typically offer no or limited ability to redeem or withdraw.

**Fixed Income and Private Credit**—The purpose of fixed-income investments, both domestic and international, is to provide diversification, a predictable and dependent source of current income, and a source of downside and/or deflation hedging. Core fixed-income instruments should reduce the overall volatility of the endowment's assets and provide a deflation hedge. Fixed-income investments within the endowment include, but are not limited to, U.S. Treasury and government agency bonds, foreign government and supranational debt, public and private corporate debt, liquid and illiquid credit, mortgages and asset-backed securities, and non-investment grade debt. Fixed-income also

includes money market instruments, including, but not limited to, commercial paper, certificates of deposit, time deposits, bankers' acceptances, repurchase agreements, and U.S. Treasury and agency obligations. Yield-oriented investments may include securities that are rated below investment grade. These securities may include high-yield bonds, business development companies, leveraged loans, and direct loans, in both public and private structures.

**Real Assets**—The purpose of investing in real assets is primarily to hedge the endowment against inflation and to provide diversification to other investment strategies in the endowment. Some real asset investments also may provide long-term opportunities for capital growth or income. Investments in real assets may include U.S. Treasury inflation-indexed securities ("TIPS") and non-U.S. dollar denominated inflation-indexed securities, commodities (e.g., agricultural goods, metals, minerals, energy products, and foreign currencies), natural resources (e.g., clean energy, services, timber, and other natural resource investments), real estate (e.g., REITs, core, value-add, and other opportunistic real estate investment strategies), and other real asset strategies (e.g., infrastructure, intellectual property, or royalty payments). Investments in real assets may include both public and private structures.

**Diversifying Strategies**—Diversifying strategies include hedge fund investments that are intended to provide diversification to the endowment through low correlations to broad equity and fixed-income markets. In addition, the strategies should collectively generate alpha (outperformance relative to its benchmark after accounting for risk) and therefore generate attractive risk-adjusted performance. These strategies may include hedged equity, credit, event-driven, relative value, global macro, trend-following, quantitative, and other hedged strategies.





**THE ENDOWMENT  
REACHED A NEW  
HIGH OF \$834.7M.**

**TRINITY COLLEGE**

*200th Class*

**TRINITY COLLEGE**

*200th Class*

**TRINITY COLLEGE**

*200th Class*

**TRINITY COLLEGE**

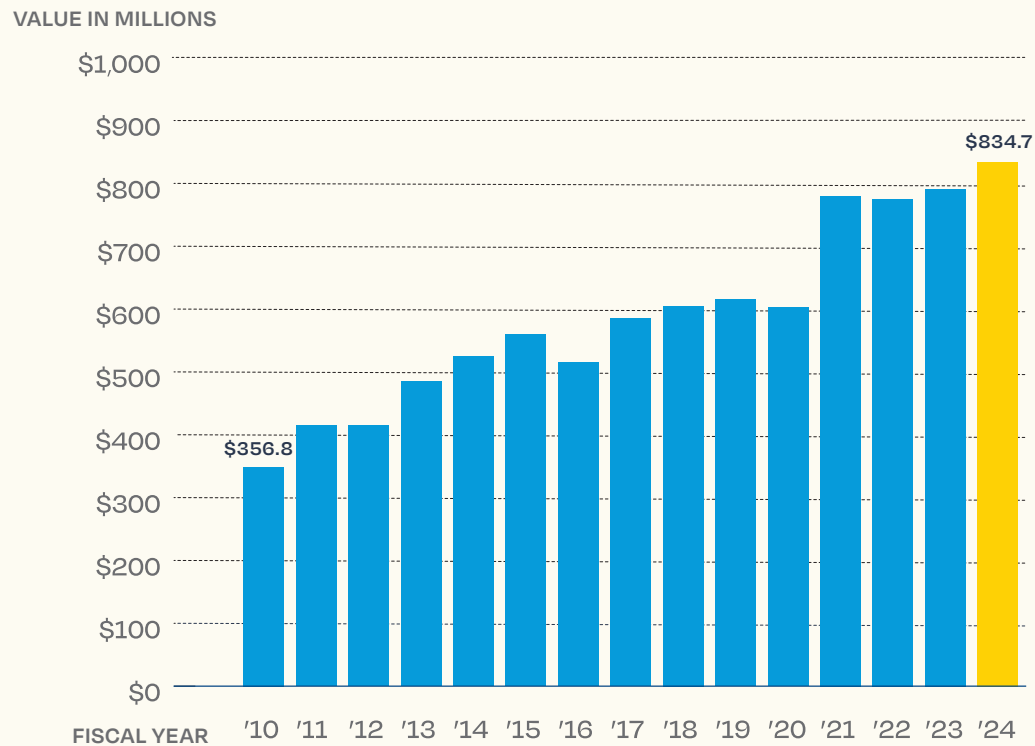
*200th Class*



# Endowment History

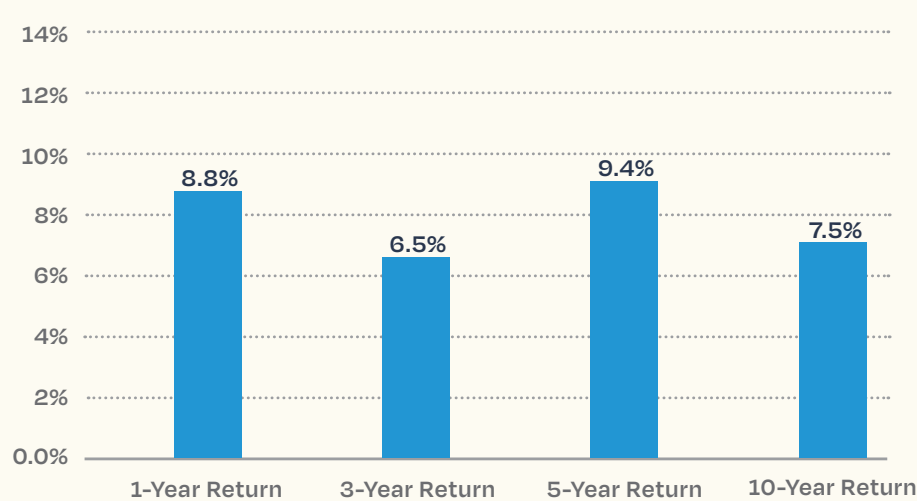
Trinity's endowment has provided an important source of support for the operating budget throughout the College's history. Trinity's endowment closed at \$834.7 million in FY24, more than doubling its 2010 market value of \$356.8 million.

## ENDOWMENT MARKET VALUE



Endowment growth is dependent on a long-range strategy and strong returns. Trinity has seen positive returns significantly contributing to endowment growth over the past decade.

## TRINITY'S RETURNS OVER TIME





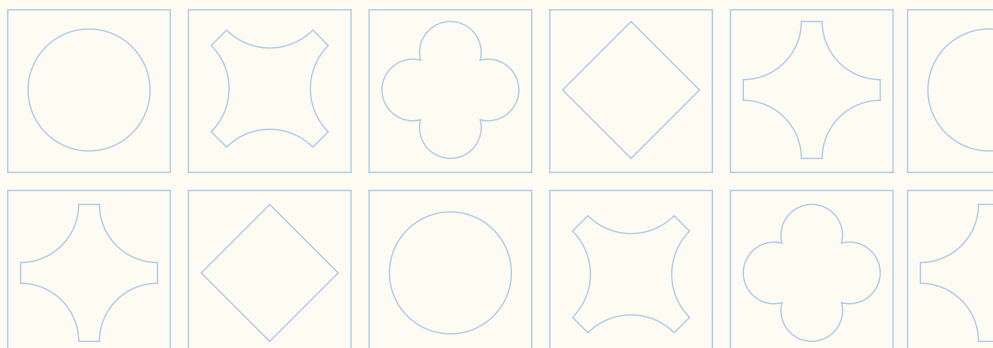
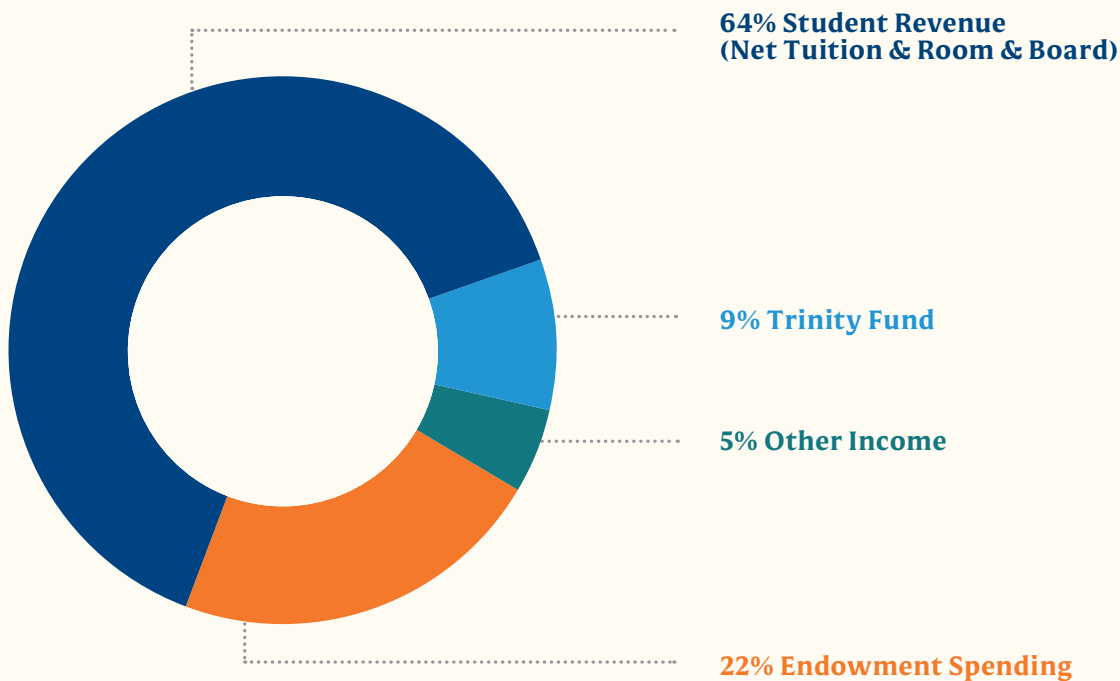
# Endowment Uses

## ENDOWMENT SPENDING FORMULA

Every dollar of income from the endowment supports Trinity's student body, faculty, staff, programs, and facilities. The spending policy is set to provide the most equitable benefit possible from the endowment for current and future generations. The spending target is calculated at 5 percent of the pooled endowment's 12-quarter moving average market value based on the December 31 market values of the prior fiscal year.

**Endowment income of \$36.9 million supported the College, including 22 percent of the operating budget in FY24.**

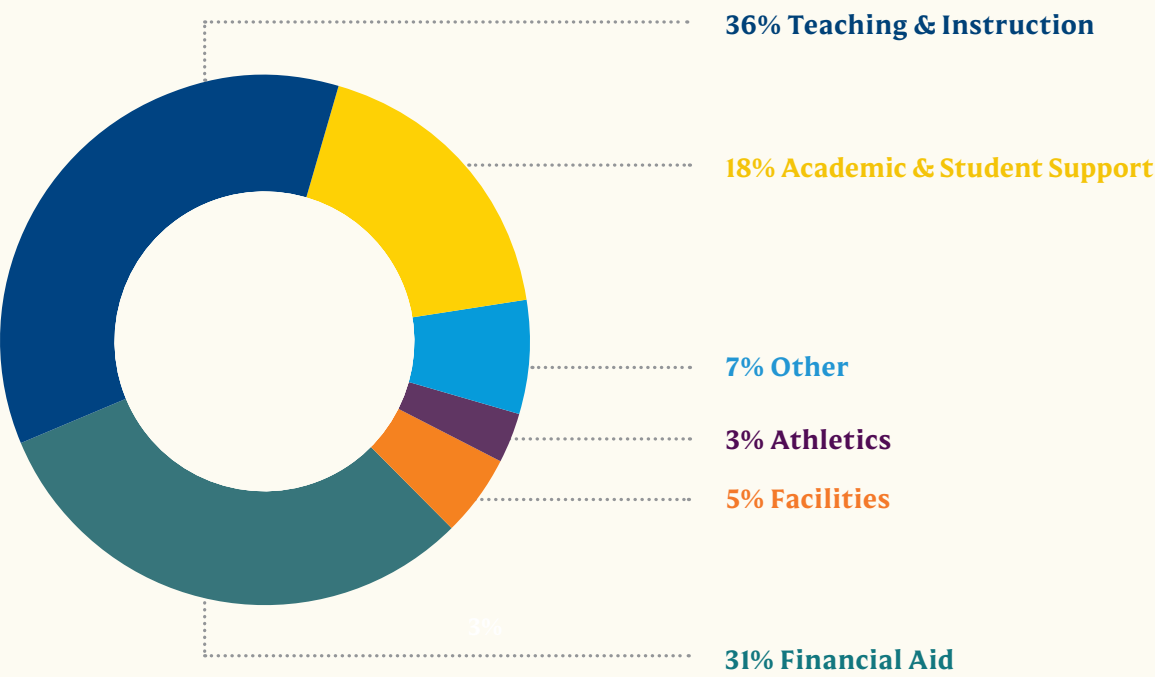
## COLLEGE REVENUE SOURCES



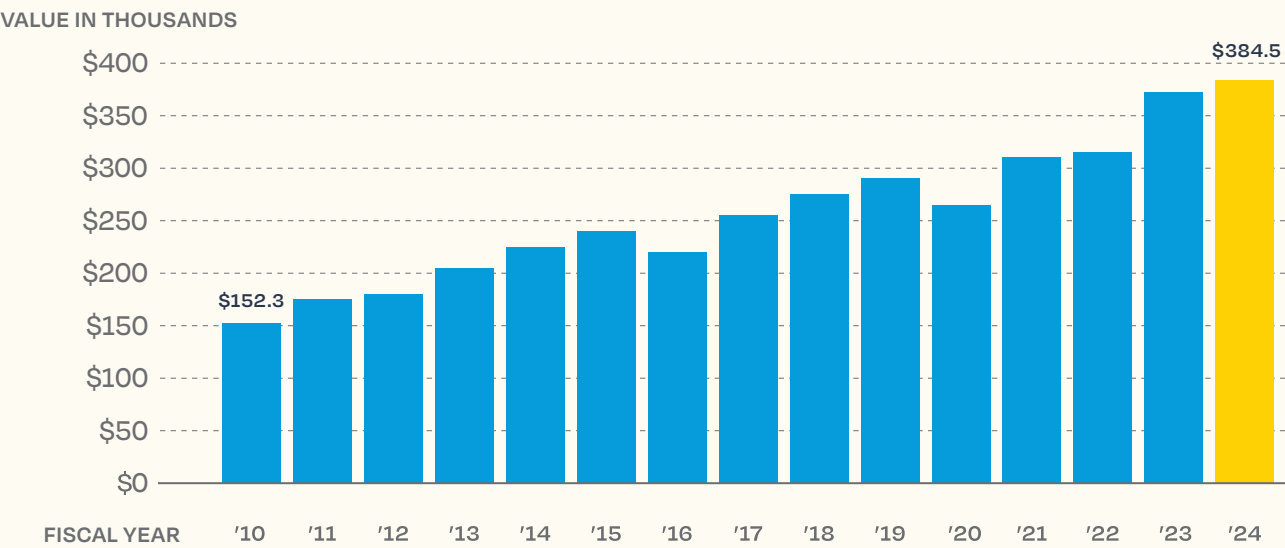
# Endowment Uses

## ENDOWMENT DRAW USES

The annual endowment draw supports a wide variety of areas of the College and the student experience.



## ENDOWMENT PER STUDENT





# Sustainable Investing

## ESG PRINCIPLES

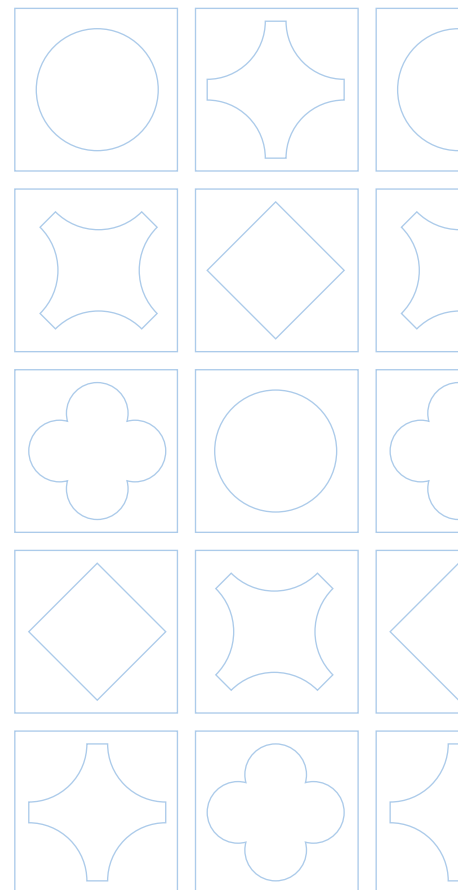
Trinity and Commonfund consider environment, social, and governance (ESG) principles when evaluating investment opportunities. As an example, when Commonfund assesses a real estate investment, it would consider possible LEED certification, access to renewable power, and other environmental factors. Commonfund incorporates ESG considerations across all asset classes as part of a three-part process:

**MONITOR:** As a part of Commonfund's due diligence, ESG considerations are reviewed alongside more traditional indicators such as team, strategy, performance, and terms of investment. Commonfund asks potential managers a series of questions about whether and how they integrate analysis of financially material ESG factors into their investment process. These questions are included in Commonfund's Due Diligence Questionnaire, which managers complete prior to initial hire and then update annually or, in private equity programs, when a re-investment decision is being made. Commonfund also asks about these issues during on-site visits to Commonfund's managers and regular calls throughout the year.

**MEASURE:** Commonfund has conducted periodic and targeted reviews of our portfolios to assess their exposure to ESG factors and is in the process of refining its approach to this aggregate portfolio analysis. Where relevant, Commonfund may use research provided by third-party specialists to analyze the risks and opportunities that ESG factors may pose for our portfolios.

**MANAGE:** Identifying and valuing the impact of ESG factors on performance and risk is challenging given the absence of broadly accepted standards; however, Commonfund, with Trinity's direction, is committed to including ESG assessments in its

analysis while also remaining focused on delivering investment returns that support the College's mission. In partnership with Commonfund's managers, Commonfund is undertaking original research to evaluate the impact of ESG factors on investment portfolios and to determine the most effective methods to address these issues. In addition to the manager due diligence process described above, once a manager has been approved for investment, Commonfund may negotiate provisions with the manager addressing whether and how ESG factors will be reflected in the construction of the portfolio, reporting on the impact of ESG factors within the portfolio, proxy voting, and any targets relating to ESG integration.









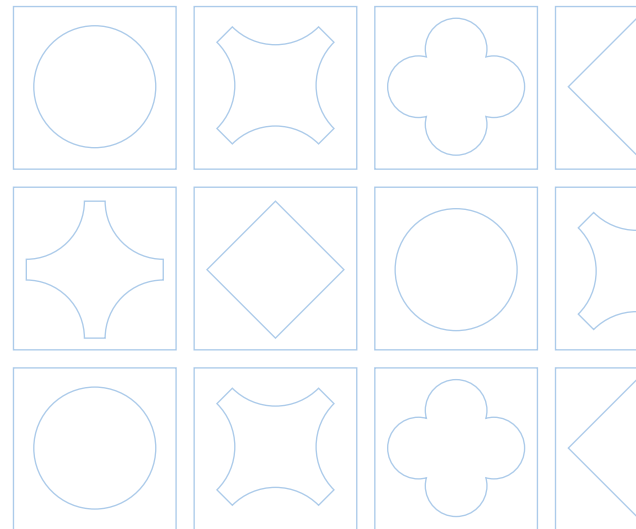
# Establishing a Family Endowment

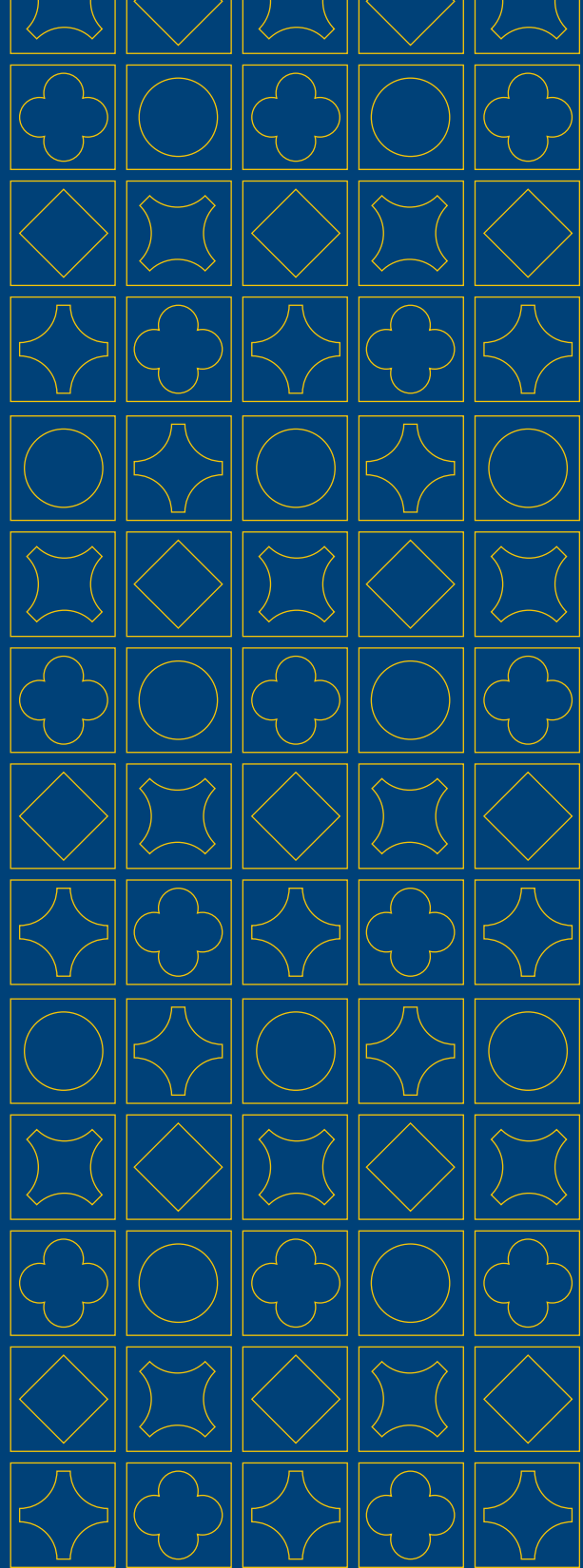
## PARAMETERS OF ENDOWMENT CREATION

Gifts are a crucial part of endowment growth. The investment pool is composed of more than 1,000 endowed funds. Generous donors have added \$165.4 million in cash gifts to the endowment since FY10.

A gift to the endowment is a gift to Trinity College and its programs and students today and into the future. While the income derived from the endowed fund supports today's students and academic programs, because the principal of the endowed fund is not spent, the fund continues to support future generations of students in perpetuity. Endowed funds may be established to support the College as a whole or a particular purpose that is important to the donor.

To establish an endowed fund, please contact Caitlin Gasiorski at [caitlin.gasiorski@trincoll.edu](mailto:caitlin.gasiorski@trincoll.edu).





# Trinity College

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300 Summit Street, Hartford, CT 06106  
[www.trincoll.edu](http://www.trincoll.edu)