dakota insights

Dakota's Endowment Landscape Report

Inside the Largest University Endowments

POWERED BY DAKOTA MARKETPLACE

EXECUTIVE SUMMARY

University endowments are among the most important allocators in the investment industry. There are more than 140 university endowments in the United States managing over $1 billion, collectively representing over $1 trillion in invested capital. They have spent decades building the investment teams, manager relationships, and governance structures that allow them to access the best opportunities across asset classes. They are patient, disciplined, and deeply networked. And they are changing.

This report is a comprehensive look at that universe. It covers how these endowments are organized and governed, how they construct portfolios, what the performance data shows, who the top performers are and why, how OCIO models fit into the picture, where leadership is in flux, and what forces are reshaping the model going forward. For investment firms seeking to build or deepen relationships in this market, the endowment landscape rewards those who understand it well.

KEY TAKEAWAYS

The endowment model is evolving, but alternatives remain at its core.

The leading endowments are shoring up their portfolios rather than overhauling them. They are using the secondary market to rebalance, exit underperforming relationships, and manage liquidity more actively. They are becoming more selective with GP partners, concentrating commitments with a smaller number of managers where conviction is highest. But the fundamental framework remains intact. The median endowment allocates 54% to private equity, hedge funds, and real assets combined, and the relationships that make those allocations work have been built over decades. Alternatives are not a satellite position at these institutions. They are the core of the portfolio, and that is not changing.

Manager selection is what separates the top performers from the rest.

FY2025 delivered a median return of 11.1%, but the gap between top and bottom quartile endowments exceeded 220 basis points. Over ten years, that dispersion compounds into hundreds of millions of dollars of real purchasing power difference. The top performers share one defining trait: a disciplined investment process that aligns long-term goals with portfolio construction, and then executes that conviction through manager selection.

CIO turnover is accelerating.

Dakota has tracked a notable volume of CIO-level changes from late 2025 into early 2026, spanning new hires, promotions, retirements, and departures. Each transition represents a full portfolio review window, typically 12 to 18 months, in which every manager relationship is reassessed. For investment firms, knowing about these transitions early and understanding who is coming in and what they believe is one of the most reliable edges in the market.

Most large endowments use OCIO services sparingly.

A small number of these endowments have delegated investment management to an external OCIO firm. For investment firms, that distinction matters: engaging an OCIO-managed endowment requires building the OCIO firm relationship first, since the firm, not the institution, controls manager selection.

ENDOWMENT STRUCTURE AND PURPOSE

A university endowment is a permanent, invested pool of charitable capital managed to support the institution's educational mission in perpetuity. Unlike the operating budget funded by tuition revenue, research grants, and hospital income, endowment assets are invested for long-term growth with only a portion of annual returns distributed each year. For the largest institutions, the endowment is not a reserve fund but the financial backbone of the university.

The governing principle is intergenerational equity. Every generation of students and faculty should benefit equally from the institution's accumulated charitable capital. This requires growing the fund in real terms over time, not merely preserving its nominal value. Annual distributions, typically set at 4 to 5% of the trailing three-to-five-year average net asset value, balancing current spending needs against the long-term obligation to future beneficiaries.

Endowment reliance varies significantly across the universe and shapes how each institution invests. How dependent a university is on its endowment for operating revenues is one of the more useful lenses for understanding how the investment office is structured and how much latitude the CIO has. Institutions with high reliance tend to have more formal governance frameworks, tighter spending policies, and investment committees that are closely engaged with portfolio decisions. Princeton, for example, funds more than half of its operating budget from endowment income, and has built one of the most sophisticated and aggressively alternatives-oriented investment programs in the world to support it. Universities with lower reliance, often because of large hospital systems, research grants, or tuition revenues, may have more flexible liquidity management but also face less institutional pressure to optimize long-term returns. Neither model is inherently better, but understanding it changes how you read a given CIO's risk posture and decision-making authority.

What It Funds	Financial aid, endowed professorships, research programs, capital projects, and university operations
Payout Rate	4 to 5% of the trailing 3–5 year average net asset value, annually; varies by institution
Time Horizon	Perpetual; no defined end date, investments evaluated over 10 to 20-year cycles
Governance Chain	Board of Trustees → Investment Committee → CIO → Investment Team
Return Target	~8 to 9% nominal: covers distributions, higher-education inflation of 3–4%, and a real growth buffer

GOVERNANCE AND DECISION-MAKING

Governance is the framework within which endowment investment decisions get made. It defines who has authority over what, how major decisions are approved, and how the investment office is held accountable for results. For an institution managing billions of dollars with a perpetual time horizon, governance is not a formality. It is the mechanism that ensures the portfolio stays aligned with the institution's long-term financial objectives across leadership changes, market cycles, and shifts in institutional priorities.

At most endowments of this size, governance is structured around three layers: the board of trustees (ultimate fiduciary responsibility); the investment committee (translates board policy into investment guidelines); and the CIO and investment team (execute day-to-day decisions). Significant decisions, such as changes to asset allocation targets or the IPS, typically require approval at the committee or board level before taking effect.

ORGANIZATIONAL MODELS

How a university manages its endowment depends on size, institutional resources, and the availability of investment talent. There are three primary models, and understanding which one is in place at a given institution is fundamental to understanding how investment decisions get made.

For endowments over $1 billion in assets, the internal investment office is the prevailing model. A dedicated team of investment professionals, typically led by a CIO, manages the portfolio directly. They source and evaluate managers, construct the portfolio, and maintain ongoing GP relationships. The CIO is the primary relationship for investment firms, though significant decisions such as hiring or terminating a manager typically require board or investment committee approval. Team size varies widely, from a handful of generalists at smaller institutions to 20-plus professionals organized by asset class at the largest.

The OCIO model delegates investment management to an external firm. The endowment's board retains governance authority and approves high-level policy, but day-to-day decisions on manager selection, due diligence, and portfolio construction sit with the OCIO. This model is more common below the $1B threshold, though a number of larger endowments use it as well. For investment firms, the OCIO is the entry point. The endowment itself is not making manager decisions, and building a relationship without going through the OCIO first is unlikely to lead anywhere.

The hybrid model pairs internal staff with an external consultant who provides research support, manager screening, or expertise in specific asset classes. This structure is common at institutions building toward a full internal team or supplementing a lean staff. Consultants in this model can influence which managers get a hearing and which do not, making them worth understanding even when they are not the primary decision-maker.

Model	Typical AUM	Who to Engage	Key Consideration
Internal Investment Office	$1B+ (sometimes less)	CIO and investment team directly	Long relationship cycles; team continuity matters as much as CIO continuity
OCIO	Under $500M; transition at $500M–$1B	OCIO firm first, then endowment	OCIO controls manager selection. Endowment board approves policy, not individual managers
Hybrid / Consultant	Varies	Internal CIO plus consultant	Consultants can accelerate or block manager access. Identify consultant relationships early

THE INVESTMENT TEAM

The degree of CIO discretion varies significantly across institutions. Some have broad authority to act without board or committee approval on individual decisions, while others operate within tighter governance frameworks where the committee is involved in manager-level choices. In all cases, significant portfolio changes and new strategy approvals flow through the investment committee, and the CIO's relationship with that committee is as important as their day-to-day authority.

Role	Responsibilities	Engagement Implication
CIO	Portfolio strategy, manager selection, asset allocation, team leadership	The relationship that matters most. Every investment firm should have direct CIO coverage.
Deputy CIO / MD	Leads specific asset classes; manages day-to-day manager relationships	Key relationship for asset-class specific coverage; often becomes the next CIO
Senior Investment Officer	Manages a specific asset class; runs initial due diligence and ongoing monitoring	Point of contact for new introductions in their specialty
Investment Analyst	Supports due diligence, prepares investment memos, handles operational tasks	Not a decision-maker but influences the information the CIO receives

THE INVESTMENT COMMITTEE

The Investment Committee sits between the board and the investment office, comprising 6 to 12 members. Primary responsibilities: approving the Investment Policy Statement, setting asset allocation targets and ranges, and reviewing portfolio performance. The committee does not typically make individual manager decisions, but sets the policy framework and must sign off on significant changes to strategy or structure. Where an OCIO is in place, full investment discretion is delegated to the OCIO firm. For investment firms, this means the OCIO must be the first relationship. The endowment's leadership, including the CFO and President, sets spending policy and oversees budget planning, but does not sit in the manager selection process.

HOW THE INVESTMENT OFFICE OPERATES

Endowment investment offices run on structured annual and quarterly cycles. The activities below represent the core recurring responsibilities of a professional investment team, from setting policy and reviewing managers to managing liquidity and pacing private market commitments. Understanding this calendar is useful context for how decisions get made and on what timeline.

Activity	Frequency	Description
Investment Policy Statement Review	Annual / Every 3–5 Yrs	Governs long-term objectives, allocation ranges, risk tolerance, and spending policy
Capital Markets Assumptions	Annual	Updates return, risk, and correlation assumptions for each asset class, driving strategic allocation
Asset Allocation Review	Quarterly	Monitors actual vs. policy targets. Over/underweights addressed through new commitments or rebalancing
Manager Reviews	Quarterly / Semi-Annual	Existing managers reviewed against benchmarks and portfolio fit. May result in watch list, redemption, or re-up
Private Market Pacing Plan	Annual + monitoring	Models expected capital calls and distributions to determine new commitment capacity for the current vintage year
CIO Transition	Irregular	Leadership change triggers comprehensive review of portfolio, manager relationships, and investment philosophy, typically unfolding over 12 to 18 months

OUTSOURCED CHIEF INVESTMENT OFFICERS (OCIOS)

A relatively small share of $1B+ endowments have delegated investment management authority to an external OCIO firm. While OCIO use exists within this universe, it is far more prevalent among endowments below the $1B threshold. Within this group, OCIO adoption is concentrated in the $1B to $2B range.

For investment firms, the OCIO segment requires a fundamentally different engagement strategy. The endowment's board retains governance authority and approves investment policy, but day-to-day decisions on manager selection, fund due diligence, portfolio construction, and commitment sizing are made by the OCIO firm. A manager that has not built a relationship with the relevant OCIO firm is effectively locked out of the endowment.

University of Richmond is the largest OCIO-managed endowment at $3.5 billion, advised by Spider Management, a university-owned OCIO firm that manages Richmond's endowment and offers similar services to like-minded institutions. University of Alabama, at $1.5 billion, is advised by Fund Evaluation Group. Cambridge Associates is the most active OCIO provider in the universe. For investment firms, Cambridge's concentration means that getting on their platform is an efficient path to multiple endowment relationships simultaneously, but Cambridge functions as a gatekeeper across all three, and any manager not on their approved list is effectively absent from those conversations regardless of performance or reputation.

OCIO-MANAGED ENDOWMENTS BY AUM AND FIRM

Endowment	AUM	OCIO Firm	Notable Feature
University of Richmond	$3.5B	Spider Management	University-owned OCIO; services offered to like-minded institutions
George Washington University	$2.8B	Strategic Investment Group	Universe leader in real assets allocation at 37.6%
University of Arkansas Foundation	$2.8B	Cambridge Associates	Alternatives-heavy portfolio with meaningful private equity and hedge fund exposure
University of Colorado Foundation	$2.5B	Cerity / Agility	Also advises Oregon State; dual-client regional footprint
Northeastern University	$2.1B	Cambridge Associates	Highest HF allocation among Cambridge clients at 47.9%
University of Oregon Foundation	$1.8B	Jasper Ridge	Pioneering OCIO model for public university foundations
University of Alabama	$1.5B	Fund Evaluation Group	Advised by Fund Evaluation Group; multi-asset discretionary OCIO approach
Washington and Lee University	$1.5B	Makena Capital	PE-focused approach at 35.4%
Wake Forest University	$1.3B	Verger Capital	Equity-oriented portfolio; 58% public equities with diversifying absolute return and real assets sleeves
Iowa State University	$1.1B	Cambridge Associates	Above-average fixed income allocation relative to peer endowments

Source: Estimated by Dakota based on publicly available financial statements, annual reports, and investment office disclosures.

INSIDE THE UNIVERSE

The organizational models described above exist across a wide spectrum of institutions. But it is the $1B+ segment where the dynamics shift most meaningfully. Of the more than 800 colleges and universities in the United States with endowments, roughly 140 manage portfolios above $1 billion. Together they represent over $1 trillion in invested capital and account for the vast majority of endowment allocations to alternative managers.

What defines these institutions is not just their size but their operational capacity. At this level, endowments typically employ full-time investment professionals with dedicated asset class coverage and the infrastructure to evaluate, select, and monitor a broad manager universe. They have the scale to access capacity-constrained funds, the track record to sit on GP advisory boards, and the tenure to have been in the room when the best managers were raising their first or second fund. At the extreme end, institutions like Harvard, Yale, Stanford, and the University of California system each manage tens of billions and operate more like institutional investment firms than traditional university foundations. Even within this universe, meaningful differences exist. An endowment at $1.2 billion operates very differently from one at $25 billion.

LARGEST ENDOWMENTS BY AUM

The institutions at the very top of this list occupy a different competitive position entirely. Those managing $10 billion or more have the scale to run proprietary co-investment programs, make direct investments, and negotiate bespoke terms unavailable to smaller LPs. For the managers they have backed for decades, these endowments represent some of the most valued LP relationships in the world, ones that are difficult to displace and take years to replicate.

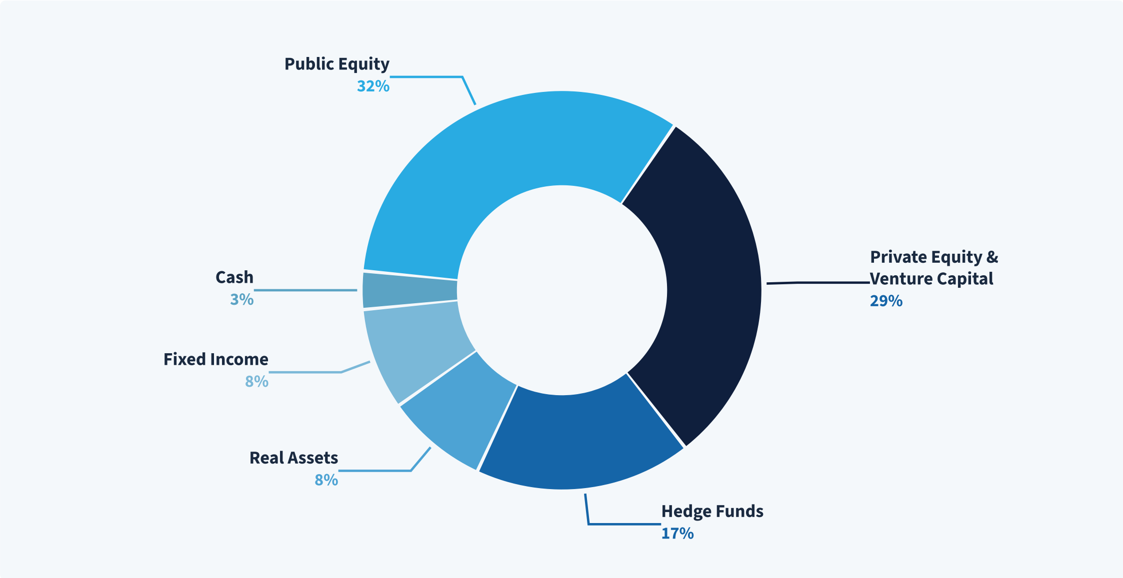
#	Institution	AUM	CIO
1	**University of California Investments**	$198.0B	Jagdeep Bachher
2	**University of Texas Investment Management Company**	$88.2B	Richard Hall
3	**Harvard Management Company**	$68.7B	Rick Slocum
4	**Yale Investments Office**	$44.1B	Matt Mendelsohn
5	**Stanford Management Company**	$40.8B	Rob Wallace
6	**Princeton University Investment Company (PRINCO)**	$36.4B	Vincent Tuohey
7	**Massachusetts Institute of Technology**	$27.4B	Seth Alexander
8	**University of Notre Dame Investment Office**	$25.4B	Tim Dolezal
9	**University of Pennsylvania**	$24.8B	Peter Ammon
10	**University of Michigan Investment Office**	$21.1B	Erik Lundberg

PORTFOLIO CONSTRUCTION

The allocation choices these institutions make reflect both philosophy and access. The heavy tilt toward alternatives is not incidental. It reflects a multi-decade conviction that illiquid, manager-driven strategies generate returns that public markets cannot replicate at the same risk-adjusted level. Fixed income allocations are deliberately lean. With return targets of 8 to 9% annually, most CIOs view large fixed income allocations as incompatible with long-term objectives. Bonds serve a liquidity function, not a return function, for most of these portfolios.

The range of allocations across the universe is wide. Private equity runs from near zero to nearly 59%. These extremes are the product of specific investment philosophies, specific levels of manager access, and specific institutional histories.

MEDIAN ASSET ALLOCATION — $1B+ ENDOWMENT UNIVERSE

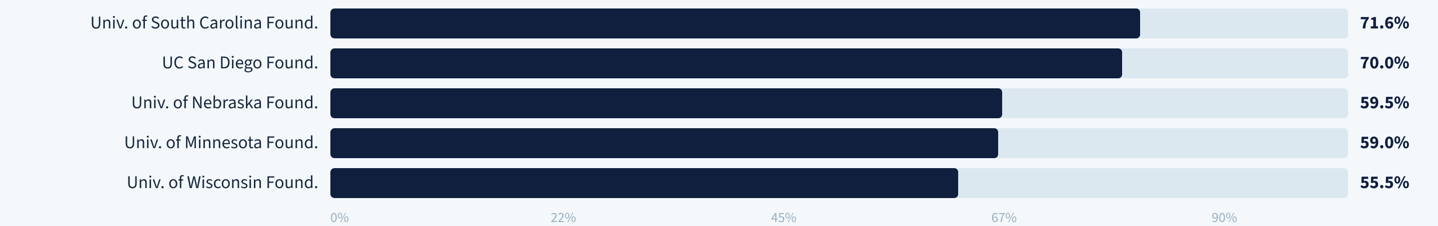


Source: Estimated by Dakota based on publicly available financial statements, annual reports, and investment office disclosures.

WHERE CONVICTION IS HIGHEST

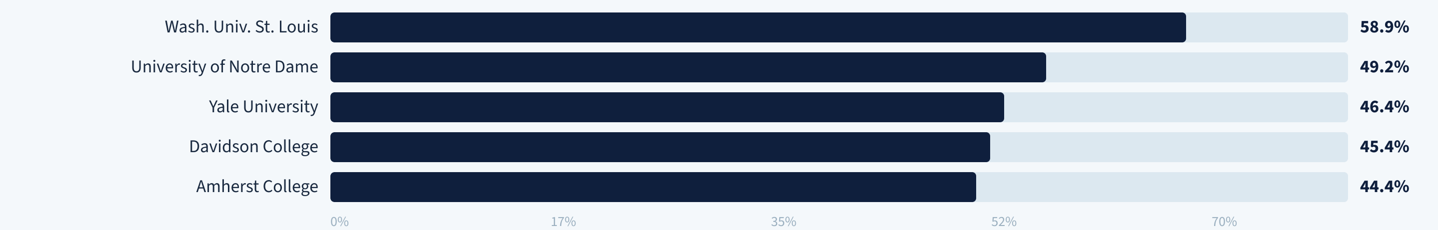
The median portfolio offers a useful baseline, but the endowments that have consistently outperformed tend to have moved well beyond it. The charts below show the five institutions with the highest percentage allocation to each major asset class. In each case, the concentration reflects a deliberate institutional choice built over years, not a short-term tactical shift.

TOP 5: GLOBAL PUBLIC EQUITY ALLOCATION



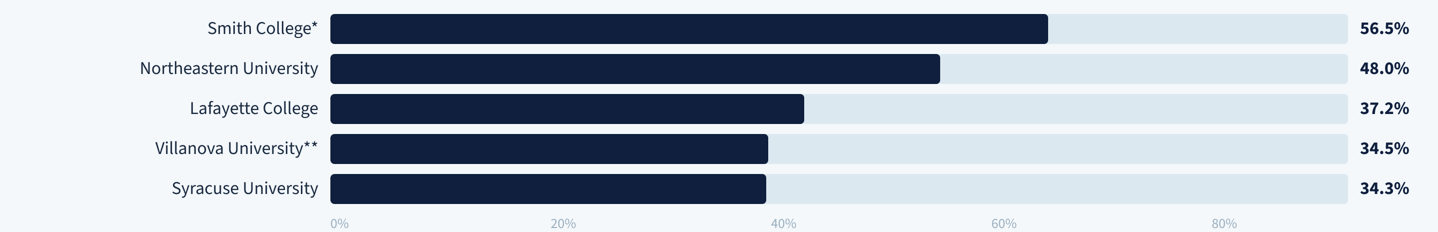
High public equity allocations are the exception at this level, not the norm. The University of South Carolina Foundation leads at 71.6%, with its equity portfolio diversified across large cap, international, and small cap strategies. Endowments in this position tend to be earlier in building out their alternatives capabilities, or operating with a smaller team that has not yet developed the manager network required to execute a high-alternatives program. This group represents a meaningful opportunity for the industry over time, as these programs mature, the trajectory typically runs toward more private equity, private credit, and real assets.

TOP 5: PRIVATE EQUITY & VENTURE CAPITAL ALLOCATION



Private equity is where the deepest conviction in this universe resides. Washington University in St. Louis leads at 58.9%, nearly double the 29% median, and every institution on this list has spent decades building the GP relationships that make those allocations possible. These are not positions that can be replicated by writing a larger check. They reflect first-call access to oversubscribed funds, LP board seats, and co-investment rights earned over long periods of consistent, patient behavior as an investor.

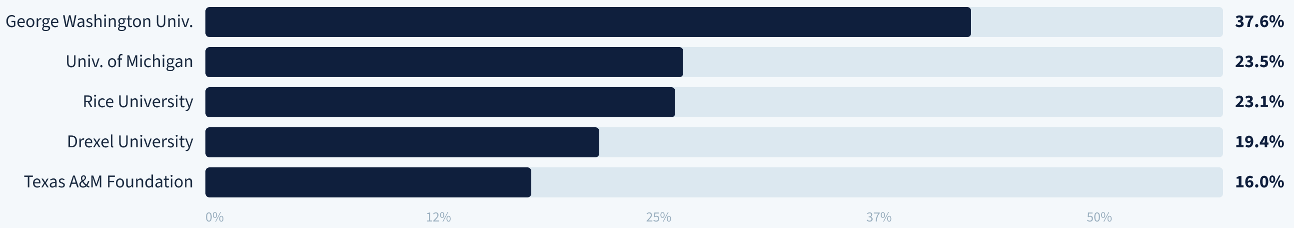
TOP 5: HEDGE FUND ALLOCATION



** Smith College allocation includes both absolute return and multi-strategy funds. ** Villanova University allocation reflects a portfolio in the process of diversifying across strategies.*

Hedge fund allocations at this level of concentration are almost always driven by specific institutional philosophies. Smith College leads at 56.5%, with an allocation that spans hedge funds and multi-strategy funds across a range of approaches. For institutions like these, the hedge fund sleeve encompasses a much broader range of strategies than the label implies, spanning long/short equity, credit, global macro, commodities, and currencies. The diversification within the allocation is substantial even if the headline number looks concentrated.

TOP 5: REAL ASSETS ALLOCATION



George Washington University leads in real assets at 37.6%, a figure that reflects both fund investments and direct real estate holdings. GWU manages internal direct real estate investments and holds over $1 billion in property, which contributes materially to its headline allocation. University of Michigan sits at 23.5% and has been deliberately rotating within the sleeve toward infrastructure, favoring longer-duration, inflation-linked cash flows over commercial real estate, which has disappointed broadly since 2020. Several Texas endowments also appear in this group, with above-average real assets allocations that in part reflect regional exposure to oil and gas royalties and natural resource investments.

Source: Estimated by Dakota based on publicly available financial statements, annual reports, and investment office disclosures.

RETURNS OVER TIME

The performance record of this universe reflects the cumulative effect of allocation decisions, manager selection, and institutional staying power over time. Median returns were 11.1% for FY2025, 8.9% over three years, 11.1% over five years, and 8.4% over ten years. The spread matters as much as the median. Over a 10-year horizon, the gap between top and bottom quartile endowments is 130 basis points, a difference that compounds into hundreds of millions of dollars of real purchasing power over time.

Universe Statistic	FY 2025	3-Year	5-Year	10-Year
Median Return	**11.1%**	**8.9%**	**11.1%**	**8.4%**
Top Quartile (75th pct.)	12.1%	9.8%	12.0%	9.2%
Bottom Quartile (25th pct.)	10.0%	7.6%	10.3%	7.9%
Best	**16.2%**	**15.0%**	**13.7%**	**11.4%**
Worst	**3.3%**	**0.1%**	**6.8%**	**6.5%**
Endowments Reporting	101	70	82	84

Estimated by Dakota based on publicly available financial statements and investment office disclosures. Periods ending June 30, 2025.

The table above shows median, quartile, best, and worst returns across the four time periods, along with the number of institutions reporting in each. A few things stand out. First, the best FY2025 return of 16.2% is roughly five times the worst of 3.3%, a striking range within a single year. Second, the 10-year best of 11.4% is a cumulative reflection of sustained manager quality over more than a decade, not a single strong vintage year. Third, the number of institutions reporting varies by time period, which reflects differences in disclosure practices and fiscal year conventions. Institutions with fewer years of data are typically newer to reporting or have undergone structural changes that make historical comparisons impractical.

TOP 10 LONG-TERM PERFORMERS (BY 10-YEAR ANNUALIZED RETURN)

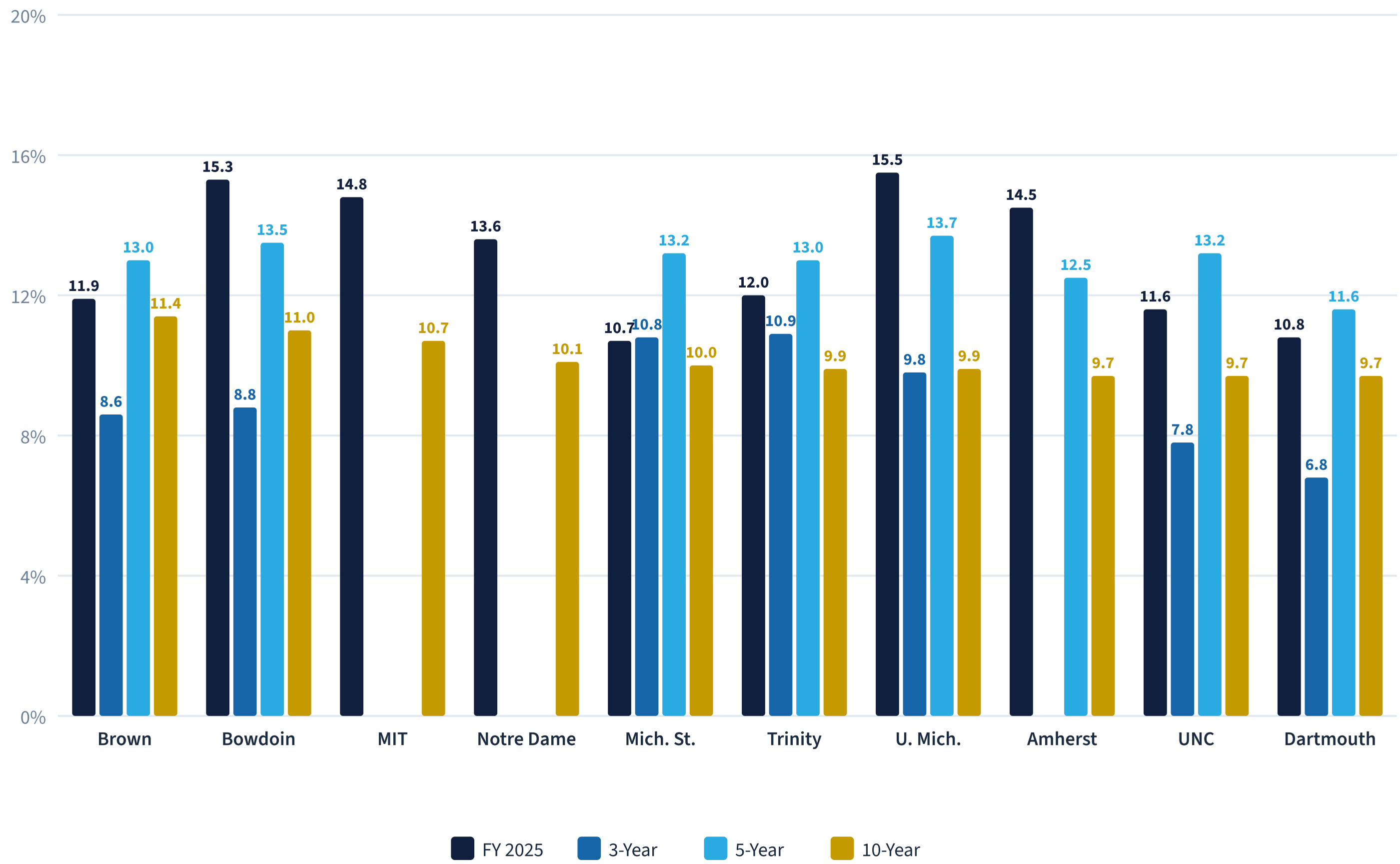
Behind the aggregate numbers is a smaller group of institutions that have consistently separated themselves from the field. The top 10 performers by 10-year return share a set of characteristics that are difficult to replicate: high alternatives allocations, long-tenured investment teams, and deep GP relationships built over decades. CIO tenure is particularly striking. Seth Alexander has been at MIT since 2006. Erik Lundberg joined Michigan in 1999. Tim Dolezal took the Notre Dame role in 2002. Phil Zecher has run Michigan State since 2015. The average time this group has spent with their institution is 14 years.

#	Institution	CIO	Since	10-yr	FY25	5-yr	PE %	HF %	RA %
1	**Brown University**	**Jane Dietze**	**2013**	**11.4%**	**11.9%**	**13.0%**	**44.5%**	**22.2%**	**9.6%**
2	Bowdoin College	Niles Bryant†	2020	11.0%	15.3%	13.5%	36.6%	32.1%	8.6%
3	MIT	Seth Alexander	2006	10.7%	14.8%	—	35.5%	15.9%	13.1%
4	University of Notre Dame	Tim Dolezal	2002	10.1%	13.6%	—	49.2%	14.4%	—
5	Michigan State University	Phil Zecher	2015	10.0%	10.7%	13.2%	26.5%	18.1%	2.8%
6	Trinity University	Craig Crow	2017	9.9%	12.0%	13.0%	21.4%	13.3%	9.9%
7	University of Michigan	Erik Lundberg	1999	9.9%	15.5%	13.7%	43.3%	14.0%	23.5%
8	Amherst College	Letitia Johnson	2019	9.7%	14.5%	12.5%	45.0%	14.0%	2.2%
9	UNC Management Company	Jonathan King†	2005	9.7%	11.6%	13.2%	27.0%	25.0%	12.0%
10	Dartmouth College	Alice Ruth	2017	9.7%	10.8%	11.6%	39.0%	23.0%	9.0%

† Niles Bryant has since departed to Sutton Place; Jonathan King retired. Source: Estimated by Dakota.

TOP 10 LONG-TERM PERFORMERS: RETURNS ACROSS TIME PERIODS

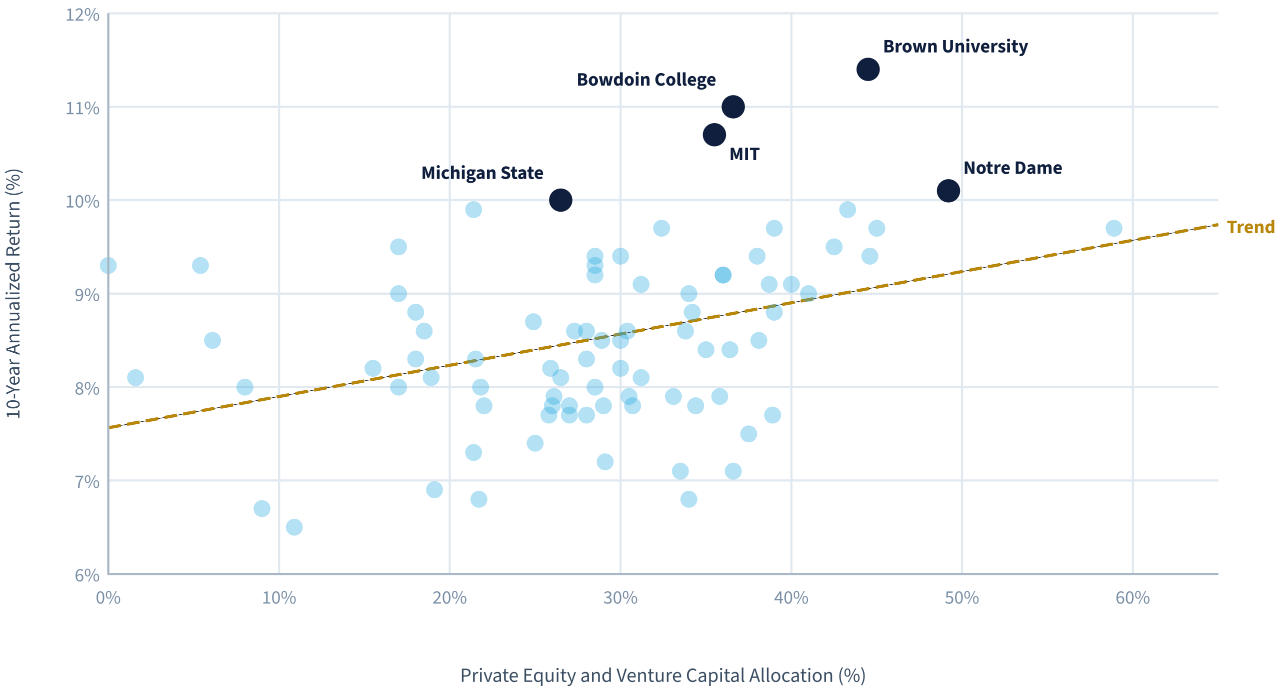
The chart below shows FY2025, 3-year, 5-year, and 10-year returns for all 10 endowments. The institutions with strong showings across all four periods, rather than just one or two, are the ones whose outperformance reflects genuine structural advantage rather than favorable timing.



Source: Estimated by Dakota. Periods ending June 30, 2025.

10-YEAR RETURNS VS. PRIVATE EQUITY AND VENTURE CAPITAL ALLOCATION

The relationship between private equity allocation and long-term performance is real but incomplete. Endowments that committed meaningfully to PE and venture capital over the past decade have generally outperformed. But there is wide dispersion at every level of allocation. An endowment with 40% in mediocre private equity funds will not outperform one with 20% in top-quartile funds. Allocation establishes exposure. Manager selection determines outcomes.



Source: Estimated by Dakota based on publicly available financial statements, annual reports, and investment office disclosures. Periods ending June 30, 2025.

LONG-TERM RETURNS AND PRIVATE EQUITY EXPOSURE

The data tells a consistent story. Brown's Jane Dietze and MIT's Seth Alexander both run private equity allocations well above the universe median at 44% and 35% respectively, and both have produced top-decile 10-year returns. Notre Dame's Tim Dolezal runs the highest private equity allocation in this cohort at 49.2%. Much of that track record was built by Scott Malpass, who retired in 2021 after 33 years as CIO and constructed the private equity program that underlies the performance reflected here. What these institutions share is not a replicable formula but a set of compounding advantages built over decades. Strong manager relationships produce better returns. Better returns strengthen institutional reputation. And that reputation opens access to the next generation of top managers.

HOW ENDOWMENTS BUILD DURABLE ADVANTAGE

The performance data raises an obvious question: if the formula is well understood: hire deeply, allocate to alternatives, and build GP relationships. Why do most endowments not execute it at the same level? The answer is that the formula is simple to describe and genuinely difficult to replicate. The advantage the top endowments hold is not structural in the sense that it is locked in by size or endowment status. It is structural in the sense that it has been compounding for decades and requires years of consistent behavior to build from scratch.

Research capacity is a direct function of team size and stability. A 15-person investment office can run a more rigorous due diligence process, cover more geographies and strategies, and maintain deeper relationships with a larger manager universe than a 5-person team. The largest endowments have moved well beyond allocating to external managers at the fund level. They run co-investment programs, make secondary purchases, and in some cases invest directly, each of which requires a level of internal expertise that takes years to develop.

THE VALUE OF BEING A TRUSTED LP

Among the most durable advantages the largest endowments hold is the depth of their relationships with top general partners. The best private equity and venture capital managers in the world have more demand for their funds than they have capacity to accommodate. They make deliberate choices about who sits at their table, and those choices are heavily influenced by the quality of the relationship with the investor, not just the size of the check.

The largest endowments have cultivated these relationships over decades. In many cases, they were among the first institutional investors in a manager when the fund was small and unproven. They provided patient capital when others were skeptical. They stayed committed through down cycles when other LPs reduced allocations or pressured for liquidity. And they invested in the relationship beyond the purely financial: providing introductions, participating in advisory boards, and sharing market intelligence.

When a top-tier buyout firm raises a new fund that is oversubscribed within weeks of launch, they call the LPs they want first: the LPs who have been with them longest and who have demonstrated the most consistent behavior as investors. For a new LP without that history, getting into the same fund may mean joining a waiting list or accepting a smaller allocation. For an established LP with a 15-year relationship, it means getting a preferred call and the allocation they ask for.

UNIVERSITY OF MICHIGAN: WHAT CONVICTION IN PRIVATE MARKETS LOOKS LIKE

University of Michigan is among the strongest performing large public university endowments in the country. With $19.2 billion in assets under management, it is the largest public university endowment outside of the UC System and UTIMCO. Its 9.9% annualized 10-year return and 15.5% return in FY2025 place it firmly in the top tier, not because of Ivy League structural advantages, but because of decades of disciplined investing and a clear, consistent philosophy about where returns come from.

Erik Lundberg has served as CIO since 1999, giving him one of the longest tenures of any active endowment investment leader in the country. The private equity and venture capital relationships Michigan has built over that period are not replicable on a short timeline. They were established when managers were smaller, less well-known, and not yet oversubscribed. Lundberg and his team stayed committed through slow distribution periods and down cycles, and the portfolio reflects that patience.

Over time, Michigan's allocation to venture and private equity has grown well beyond its original policy targets. Rather than viewing that as a drift to be corrected, Michigan has been explicit about why it happened. In their FY2025 Endowment Investment Report, the investment office explained that the higher allocation is the result of exceptional performance combined with relatively slow distributions. Private equity and venture capital have significantly outperformed other asset classes, and the longer holding periods characteristic of venture investments have naturally led to a growing share of the portfolio. The growth in allocation is a consequence of success, not a departure from strategy.

The asset class performance table below reflects that track record. Michigan's venture and private equity portfolio has delivered 16.0% annualized over 10 years, compared to 9.4% from public equity over the same period. The illiquid alternatives book has outperformed its benchmark in every time period shown. As of FY2025, Michigan's portfolio is allocated approximately 43.3% to private equity and venture capital, 23.5% to real assets, 14.0% to hedge funds, and 12.9% to public equity, with the remainder in fixed income and cash. It is one of the most alternatives-heavy portfolios in the universe, and the performance record suggests that concentration has been well-placed.

UNIVERSITY OF MICHIGAN — ASSET CLASS PERFORMANCE

Asset Class	1-Year	3-Year	5-Year	10-Year	20-Year
Total Marketable Securities	**9.8%**	**10.2%**	**8.8%**	**6.0%**	**6.4%**
Market Traded Equities	11.5%	13.7%	10.5%	6.5%	6.4%
Fixed Income	4.7%	1.8%	-2.0%	2.3%	4.3%
Hedge Funds	10.9%	10.5%	10.5%	6.9%	7.4%
Total Alternative Assets (Illiquid)	**18.6%**	**9.5%**	**17.2%**	**13.2%**	**12.5%**
Venture and Private Equity	**22.2%**	**9.8%**	**18.2%**	**16.0%**	**15.1%**
Real Assets	12.4%	9.1%	15.3%	8.6%	8.7%

Source: University of Michigan Endowment Investment Report, FY2025. All periods ending June 30, 2025.

INVESTMENT LEADERSHIP IN MOTION

More CIOs have changed hands in the endowment world recently than is typical. Some have retired after long tenures. Others have left for opportunities elsewhere, including at family offices, asset managers, and OCIO firms. A handful have been promoted from within. The reasons vary, but the pace is notable.

When a new CIO takes over, they almost always do a full review of the manager roster, assessing every relationship through their own lens. Some managers survive the review. Others do not. New managers come in that reflect the new CIO's network and convictions. This process typically plays out over 12 to 18 months.

Departures matter just as much as arrivals. When a CIO leaves, the relationship an investment firm had with that person does not automatically transfer to whoever comes next. If the connection was built with one individual and not with the broader team or institution, it has to be rebuilt from scratch. Firms that have invested in relationships across the investment office, not just with the CIO, tend to navigate these transitions better. In aggregate, the institutions below manage approximately $80 billion in combined assets currently navigating a leadership transition.

RECENT CIO CHANGES

Name	Institution	Change	Detail
Michael Barry	Johns Hopkins University	New Hire	Joined from Georgetown University Endowment
Jim Bethea	West Virginia Univ. Foundation	New Hire	Joined from Univ. of Iowa Center for Advancement Endowment
Ken Lee	Caltech Investment Office	New Hire	Joined from Children's Health Texas
Kristin Agatone	Georgetown University Endowment	New Hire	Joined from Lehigh University Endowment; succeeded Michael Barry
Geoffrey Berg	University of Rochester	New Hire	Joined from SC Retirement System; succeeded Doug Phillips
Stefan Strein	UNC Management Company	New Hire	Joined from Cleveland Clinic; succeeded Jonathan King as CEO and CIO
Dan Gottlieb	Univ. of Iowa Ctr. for Advancement	New Hire	Joined from Northern Trust Global Family Office
John Lawrence	Rice Management Company	Promotion	Promoted from Interim CIO and Deputy CIO; succeeded Allison Thacker
Frank Tessier	Santa Clara University	Promotion	Promoted from Investment Director; succeeded John Kerrigan
Ben Wall	Texas A&M University System	Promotion	Joined Dec. 2025 as Deputy CIO from RoseRock; promoted to CIO Feb. 2026, succeeding Maria Robinson
Michael Gould	Lehigh University	Promotion	Confirmed as permanent CIO after serving in an interim capacity
Jonathan King	UNC Management Company	Retirement	Retired as CEO, CIO and President after long tenure; succeeded by Stefan Strein
Doug Phillips	University of Rochester	Retirement	Retired after long tenure; succeeded by Geoffrey Berg
Hunter McCrossin	Columbia Investment Mgmt. Co.	Departure	Departed to Willoughby Capital
Niles Bryant	Bowdoin College	Departure	Departed to Sutton Place; successor search underway
Valbona Schwab	Grinnell College Investment Office	Departure	Deputy CIO departed to Children's Health Dallas, succeeding Ken Lee
Jeff Mindlin	Arizona State Univ. Foundation	Departure	Departed to The Nature Conservancy

NOTABLE TRANSITIONS

A few transitions stand out as particularly notable. Niles Bryant's departure from Bowdoin to Sutton Place marks a significant change at one of the top 10 long-term performing endowments in the universe. Bryant had been at the institution since 2020 and his departure opens a leadership question at a program with a strong and distinctive investment track record. Jonathan King's retirement at UNC Management Company after a long tenure, and his succession by Stefan Strein from Cleveland Clinic, represents a generational handoff at a well-regarded endowment. Ben Wall's rapid elevation to CIO at Texas A&M, having joined as Deputy CIO only months earlier, signals an institution moving decisively to establish new investment leadership at scale.

In aggregate, the institutions represented in the table above manage approximately $80 billion in combined assets. That is a significant portion of the $1B+ universe currently navigating a leadership transition. For investment firms, that represents both a risk to existing relationships and one of the most significant near-term opportunities in the market.

THEMES TO WATCH

The endowment model has proven durable across multiple market cycles, but the environment these institutions are navigating today is more complex than it has been at any point in the past decade. Liquidity pressures are rising, leadership is changing, and the macroeconomic conditions that drove exceptional long-term returns are unlikely to repeat in the same form.

Liquidity Pressure Is Rising

Slow distributions from 2018 to 2022 vintage private equity and venture capital funds, combined with elevated university spending requirements and the denominator effect from public market swings, have created real liquidity pressure. For endowments in the $1B to $3B range in particular, investment committees are asking harder questions about distribution timelines, preferred return structures, and how GP-led continuation vehicles affect the economics of long-held positions.

Secondaries as a Portfolio Management Tool

Endowments are increasingly using the secondary market as a deliberate portfolio management tool, not just a last resort. They are selling positions to rebalance toward newer vintage years, exit underperforming relationships, and free up capacity for new commitments. They are also buying secondaries to access established funds at a discount or to build exposure to top-tier managers where primary access is limited.

AI Concentration Risk in Venture Portfolios

Artificial intelligence has become the dominant investment theme across the venture capital universe, and a substantial portion of unrealized value in many endowment VC portfolios now sits in a small number of large, late-stage AI companies. When several top-tier managers all carry significant exposure to the same handful of names, the effective diversification of the venture sleeve is lower than the number of fund relationships might suggest. Concentration at this level creates meaningful valuation and liquidity risk that is not always visible from the surface.

Next-Generation CIOs

The CIOs who built the modern endowment model over the past two to three decades are now retiring or moving on. Their successors are often younger, come from different institutional backgrounds, and in some cases hold different views on where returns will come from over the next decade. New investment leaders bring new networks, new convictions, and new priorities. The institutions they lead will evolve accordingly.

Forward Returns and Revised Expectations

Endowment returns have been strong over long time horizons, but the conditions that drove exceptional performance are shifting. Falling interest rates, multiple expansion in private markets, and a prolonged venture capital supercycle created a favorable backdrop that is unlikely to repeat at the same magnitude. As rolling 20-year return figures begin to reflect a less favorable environment, endowments and the universities they support may need to revisit spending assumptions, portfolio construction, and the return premium they expect from illiquid strategies.

CLOSING THOUGHTS

What the data in this report makes clear is that the endowment model is not monolithic. The institutions at the top of the performance tables share common traits, long-tenured leadership, deep alternatives exposure, and GP relationships built over decades, but the path to that position is neither quick nor transferable. The gap between the median endowment and the top decile is not explained by asset allocation alone. It is explained by decades of consistent behavior.

Leadership transitions, liquidity pressures, and shifting return expectations are reshaping how many of these institutions approach the next decade. But the core of the model remains intact: perpetual capital, patient governance, and a conviction that manager selection is the primary driver of returns. The endowments that navigate change most effectively will be those that hold to that conviction while adapting everything around it.