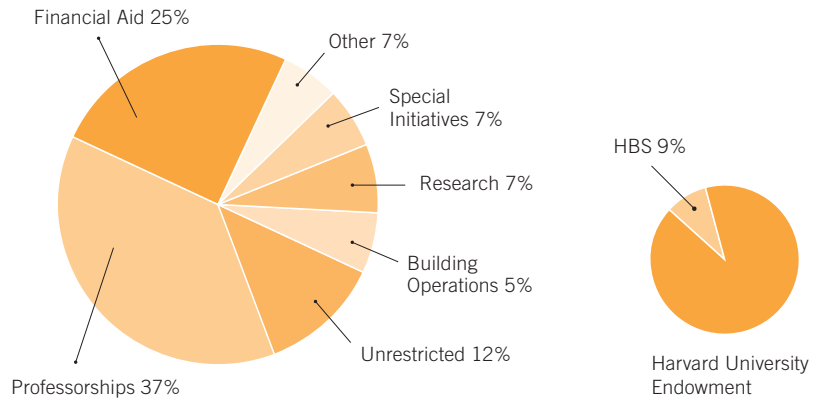


HBS ENDOWMENT OVERVIEW

HBS Endowment Components, Fiscal Year 2016

The HBS endowment is an aggregation of funds established by individual donors, corporations, foundations, and alumni groups to support specific areas of work at the School. The total of the HBS endowment and current-use funds stood at \$3.2 billion on June 30, 2016.



Multiyear Endowment Returns

The HBS endowment is managed by Harvard Management Company (HMC) as part of the Harvard University endowment. HMC is a wholly owned subsidiary of the University.

	HMC	Policy Portfolio Benchmark*	Global 60/40 Stock/Bond Portfolio
FY 2016 Performance	-2%	1%	2.3%
Five-Year Performance	5.9%	5.4%	3.9%
Ten-Year Performance	5.7%	4.8%	4.6%
Twenty-Year Performance	10.4%	7.7%	5.6%

*The Policy Portfolio benchmark established by HMC is a theoretical target portfolio comprised of a mix of asset classes that is determined to be best equipped to meet Harvard's needs over time in terms of both potential and risk.

HBS Endowment and Current-Use Funds

The HBS endowment provides a crucial source of revenue for the School. In fiscal year 2016, the annual distribution of income from the endowment, together with revenue from current-use gifts, accounted for 27 percent of the School's total revenue. Seventy new funds were established in fiscal year 2016.

