

The background of the cover is a photograph of a large, multi-story brick building with a prominent clock tower. The building has a green roof and a green dome on top of the clock tower. The clock tower has two large clock faces. The building is surrounded by trees with green and yellowing leaves, suggesting an autumn setting. A paved path leads towards the building, and a bicycle is parked on the right side. The sky is blue with some clouds.

BUCKNELL UNIVERSITY
ENDOWMENT
REPORT | **FALL**
2024



Bucknell's endowment is a permanent, self-sustaining income source created by gifts designated for a specific purpose in accordance with the will of donors.

The University cultivates the endowment through the careful aggregation of assets, prioritizing stability, astute strategy and long-term growth. Donors who make endowment gifts contribute to both the immediate and ongoing impact in the area of their choosing.

Since its founding in 1846, Bucknell has remained committed to providing exceptional educational opportunities for determined students. The endowment plays a crucial role in supporting scholarships, professorships, academic programs, athletics, facilities and more. Donors who contribute to the endowment are ensuring a sustainable future for Bucknell, where students are prepared for a lifetime of critical thinking and strong leadership.

2024 MARKETS REVIEW

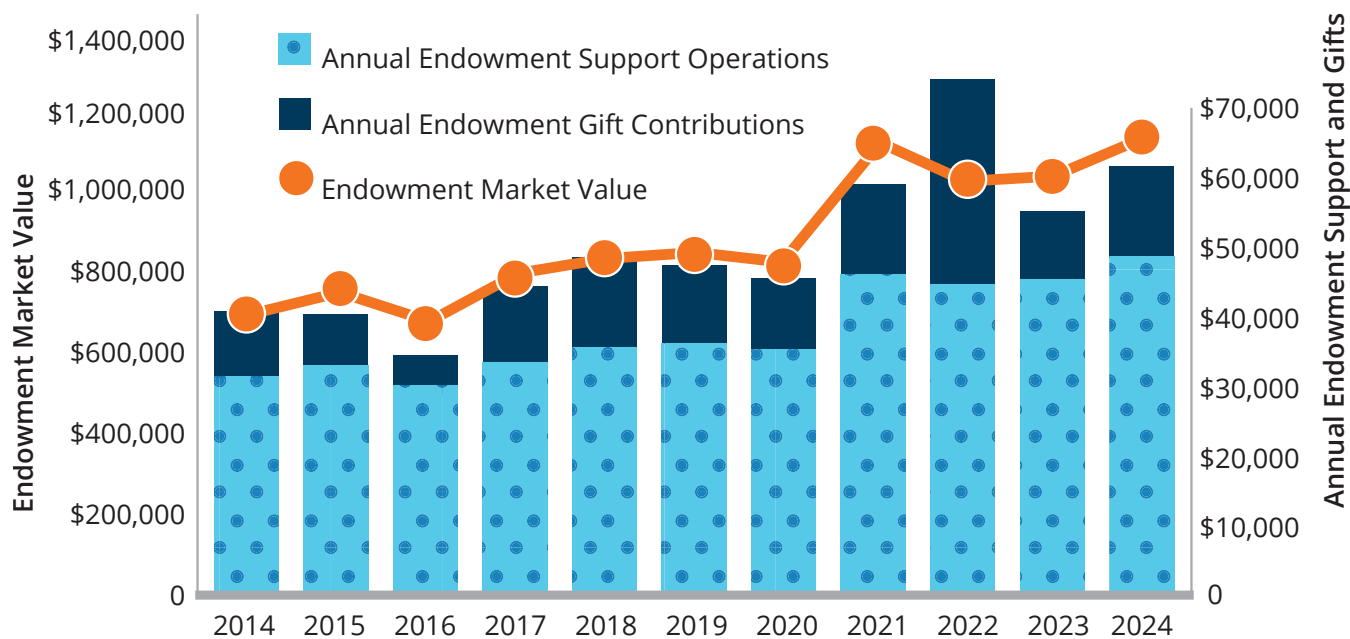
Despite ongoing geopolitical tensions, climate concerns and high sovereign debt levels, the public equity market showed surprising strength in 2024. The S&P 500 surged by 24.6%, driven largely by big tech and AI-related stocks, which accounted for approximately 40% of the returns. The MSCI All Country World Index (ACWI) returned 19.4%, while the MSCI World ex US and Emerging Markets indices returned 11.2% and 12.6%, respectively. This performance highlights the market's stability despite challenges, with advancements in AI, cybersecurity and communication services leading the way. As the fiscal year closed, investor optimism persisted, tempered by vigilance regarding inflation and global economic pressures.

In the U.S., economic growth dipped below expectations yet was supported by a healthy labor market and strong consumer spending. The Federal Reserve's revised rate cut projections reflected this positive outlook, while signs of inflation restraint at year-end bolstered expectations for future rate cuts.

Internationally, economic slowdowns and geopolitical issues affected European equities. Spain and Italy saw growth driven by local consumers, while Germany faced manufacturing challenges. Asian markets were mixed: China dealt with property and demographic challenges, and Japan's first interest rate hike since 2007 affected its currency. Emerging markets struggled with capital outflows and geopolitical tensions.

Though corporate earnings largely exceeded expectations, U.S. fixed-income markets exhibited volatility amid rate uncertainty. In private markets, activity slowed due to inflationary pressures and a lackluster mergers and acquisitions environment. Private equity remained active in sectors like technology and healthcare. At the same time, venture capital investors became more selective amid high valuations. Real estate performance was mixed, with residential and industrial sectors outperforming retail and office spaces. Infrastructure investments, especially in renewable energy and digital projects, continued to draw strong interest. Meanwhile, private credit expanded as investors pursued higher yields in a landscape of tightened lending conditions.

10 Years of Endowment Activity



**monetary figures are in millions*

The Bucknell endowment fund maintained a market value of \$1.17 billion for fiscal year 2024, returning a positive absolute return of 10% against its primary benchmark return (5.5% + CPI) of 8.9% and its secondary Bucknell Policy Benchmark return of 13%.

Over the past 10 years, Bucknell’s endowment has experienced net annualized returns of 6.6%, increasing its value from \$750.9 million in 2014 to \$1.17 billion today. This growth rate is net of University operating support of \$448.9 million, generous donor and other support totaling over \$276.8 million, and meaningful performance of \$588.8 million of net appreciation.

KEY TERMS TO KNOW

At the Bucknell Investment Office, we live and breathe terms like “intergenerational equity,” “risk tolerance” and “endowment spend policy.” For those who are less familiar, we put together this glossary of some important terms used in our office each day and throughout this report.

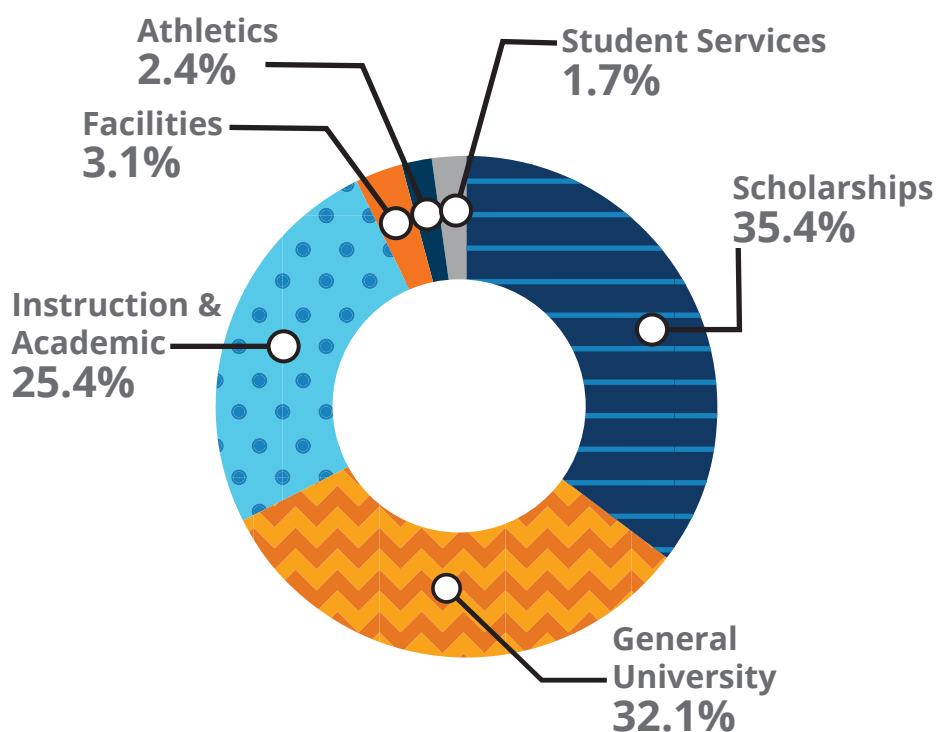
[GLOSSARY OF TERMS](#)

ENDOWMENT

The endowment fund employs a unitized structure, similar to a mutual fund, where new endowment contributions purchase units in a pool. These gifts are a critical component in providing students with the best Bucknell experience possible, and we continue to be humbled by the overwhelming generosity of the Bucknell community.



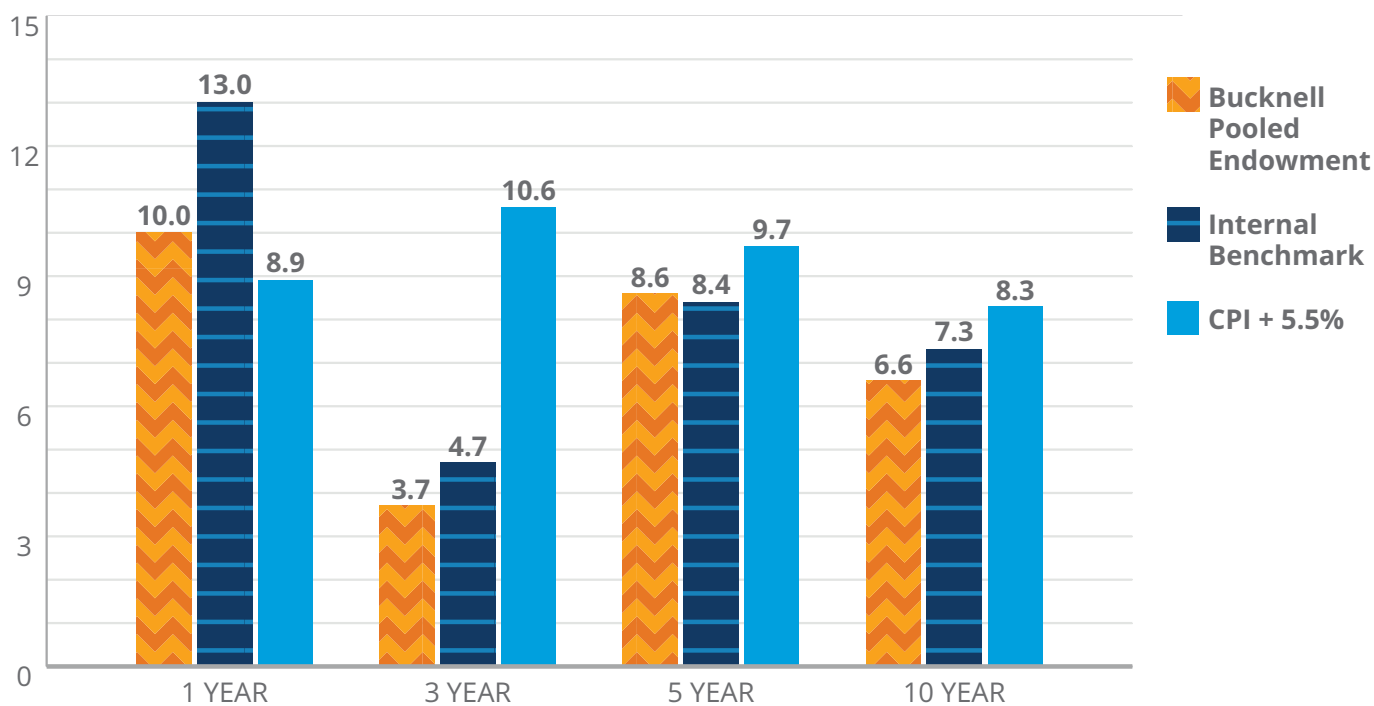
Categorization of Endowments



Because of rounding, percentages do not total 100.

STRATEGIC INVESTING

Pooled Endowment Performance



*Bucknell Primary Return Objective: 5.5% + CPI

*Internal Benchmark: 64.0% MSCI AC World Index Net; 10% HFRI FOF Conservative Index; 10.0% NCREIF Open-ended Diversified Core Index - 0.25%; 8.0% Bloomberg Barclays US Aggregate Bond Index; 6% S&P/LSTA Leveraged Loan Index + 150bps; 2.0% ICE BofA Merrill Lynch (ML) Hi-Yld Master

STRATEGY PERFORMANCE

Investment allocations to public markets, fixed income and real estate significantly contributed to positive absolute returns for the endowment portfolio in 2024. Strategic repositioning within the fixed income portfolio enabled the endowment to capitalize on evolving market trends, resulting in notable outperformance against the benchmark. The private real estate portfolio continued to excel, driven by a focused thematic investment strategy.

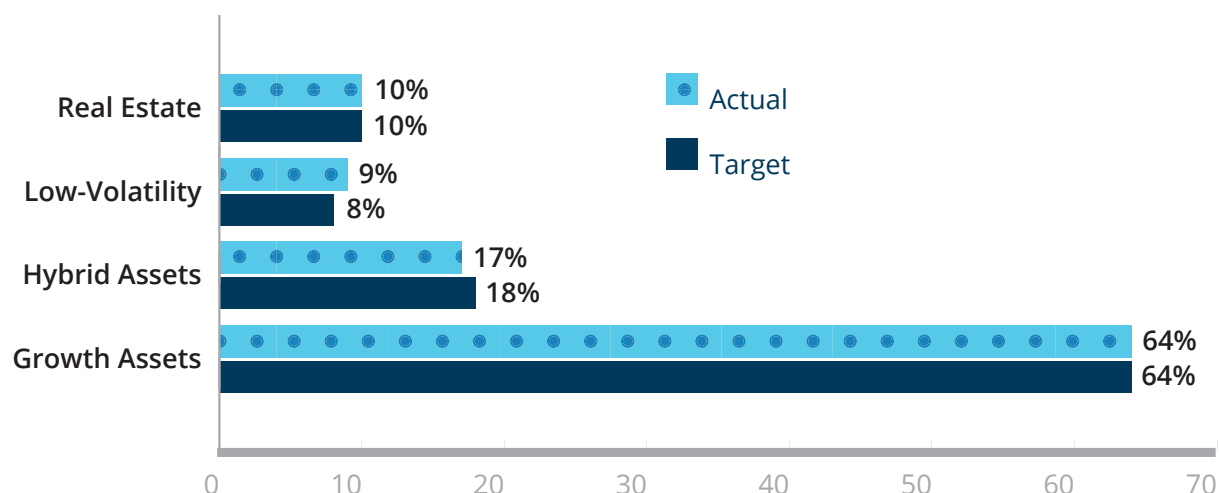
A substantial allocation to private credit generated a robust income stream, enhancing overall liquidity and providing essential support to the University. Private equity and venture capital faced challenges and underperformed compared to public markets due to economic and monetary pressures. However, these portfolios are designed for long-term growth, with a structure that supports potential gains over time.

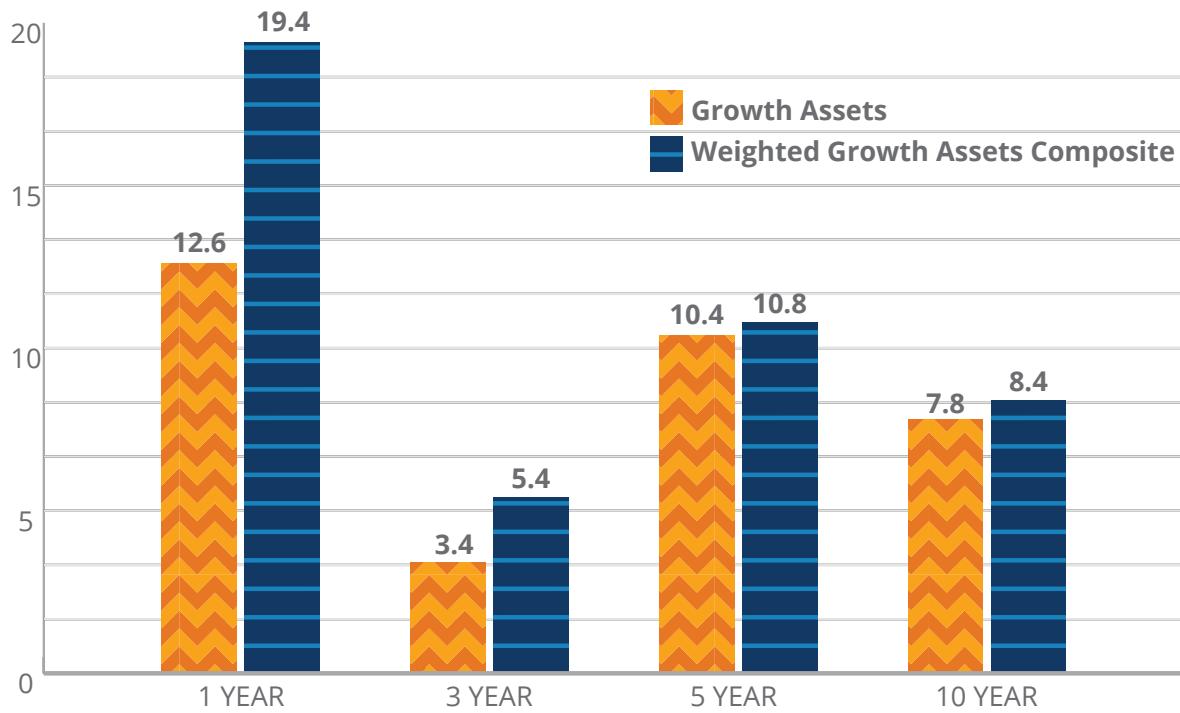
Asset Allocation

The endowment's asset allocation is structured to achieve a maximum rate of return given a level of expected investment risk deemed prudent within the context of the University's mission. Asset allocation is designed to balance three main objectives:

- To maintain sufficient near-term liquidity to provide quarterly disbursements to support the University.
- To minimize the likelihood of a potential endowment decline that may permanently impair the University's mission.
- To generate a return that allows the endowment to grow over disbursements made to support the University and the eroding impact of inflation.

Endowment Actual Asset Allocation Versus Target Asset Allocation

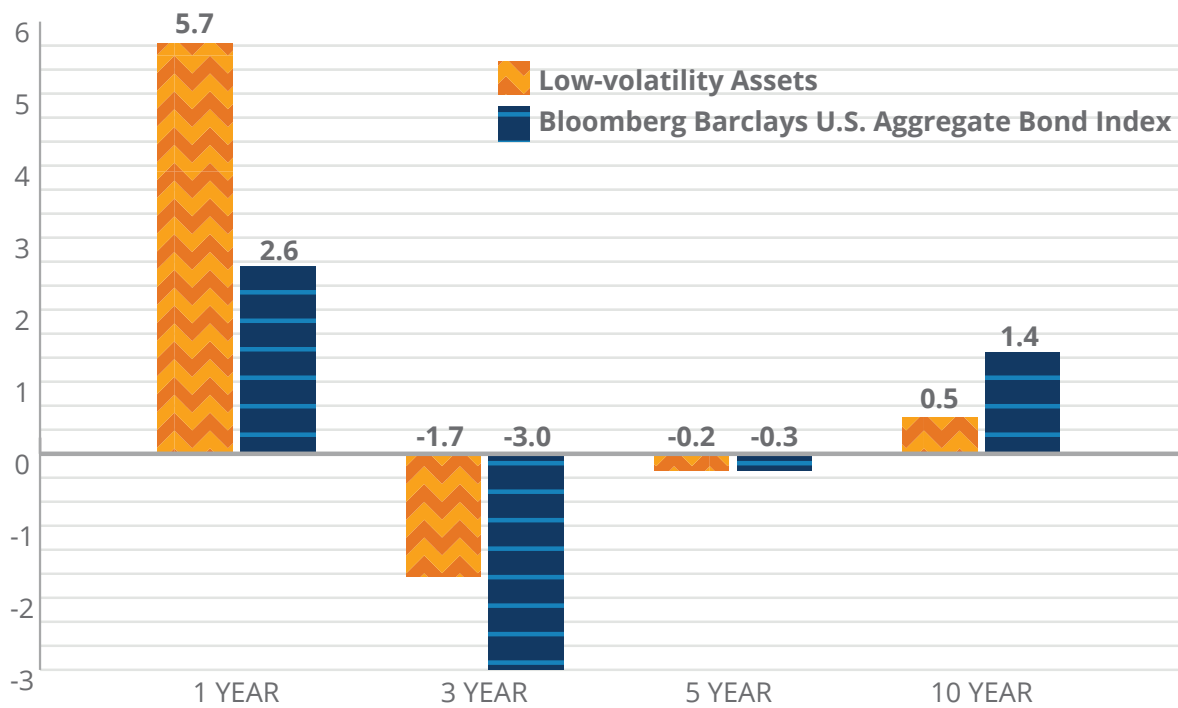




Weighted Growth Assets Composite: 100.0% MSCI AC World Index Net

GROWTH ASSETS

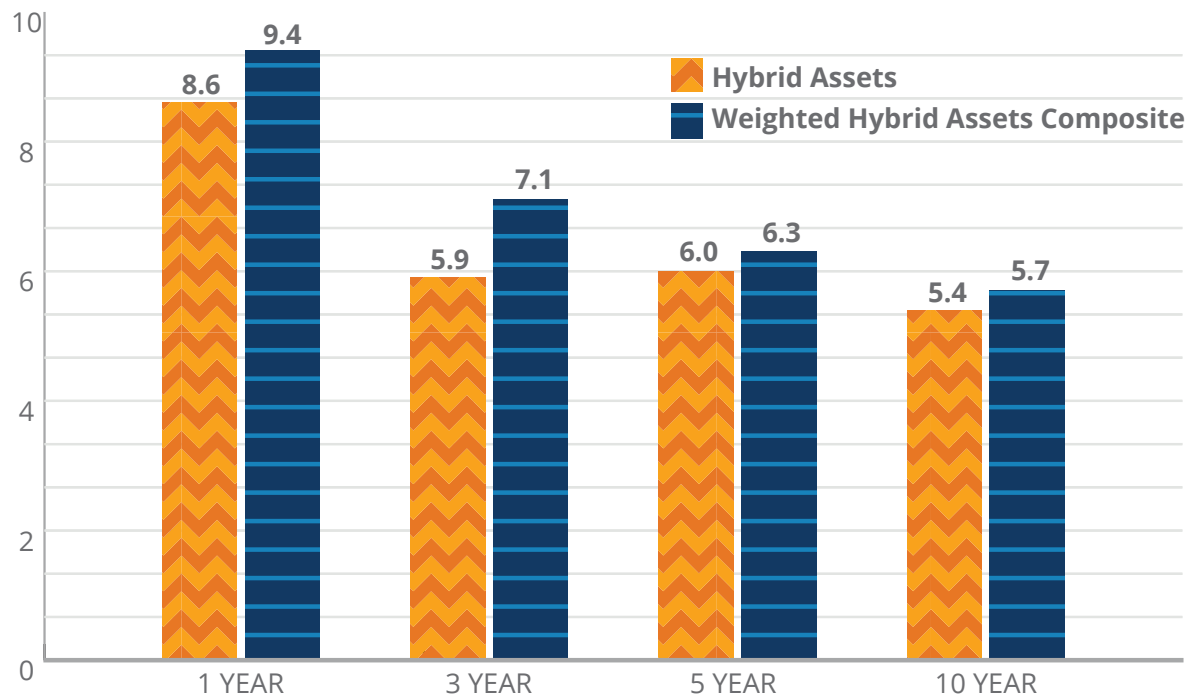
Growth Assets aim for long-term capital appreciation. These investments often have higher returns combined with higher volatility. This group consists of U.S. and non-U.S. public and private equity investments. In 2024, following a shift toward passive investments in areas of efficiency and active in riskier areas, Bucknell’s diversified public equity portfolio performed in line with the benchmark. Private equity and venture capital challenges persisted; expected slower growth, inflationary pressures and a changing private landscape are causes of lower overall fiscal year return.



Weighted Low Volatility Assets Composite: 100.0% Bloomberg Barclays U.S. Aggregate Bond Index

LOW-VOLATILITY ASSETS

Low-volatility Assets, primarily cash and high-quality fixed income, provide stable liquidity to support the University. Over the fiscal year, fixed income performed well, as investors favored high-yield, low-risk options. Bond total returns were notably strong, driven by higher yields and price gains amid uncertainty and optimism about potential Federal Reserve rate cuts. In the latter half of the year, Bucknell proactively adjusted its fixed income portfolio, enhancing its partnership with a Globally Systemically Important Bank (GSIB). This strategic repositioning allowed the University to capitalize on evolving trends in the fixed income markets, resulting in significant outperformance relative to the benchmark



Weighted Hybrid Assets Composite: 100.0% 3 Month U.S. TBill +4%

HYBRID ASSETS

Hybrid Assets offer distinct returns compared to traditional growth assets. They enhance portfolio diversification and mitigate the impact of endowment volatility, especially during periods of market or economic stress. These investments typically exhibit lower correlation with growth assets and include credit, which contributes to attractive income generation and improves overall portfolio liquidity. Hybrid Assets encompass various hedged opportunistic strategies, such as long/short equity, event-driven and macro strategies. Bucknell's hedged portfolio is strategically focused on low-beta investments, offering protection against market fluctuations. Investments in public and private credit enhance yields and capitalize on unique opportunities, bolstering the endowment's resilience and performance.



Weighted Real Estate Composite: 100.0% NCREIF Open-ended Diversified Core Index -0.25%

REAL ESTATE

Real estate produces current income and capital appreciation. The real estate portfolio is allocated to private real estate strategies diversified by geography and property type, shying away from sub-sectors most prone to interest rate fluctuations and investor sentiment. Bucknell’s thematic focus in private real estate continues to drive significant outperformance for the endowment portfolio.



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