

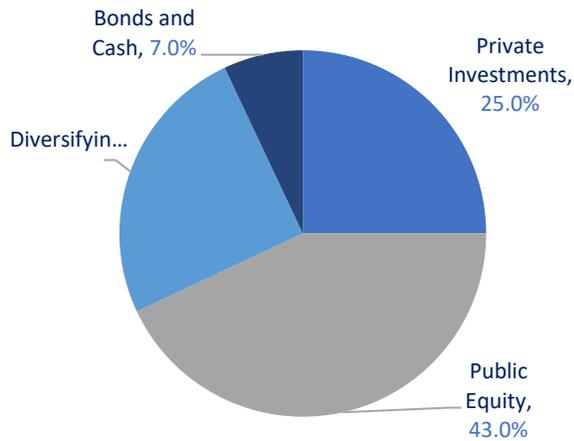
FY 2020 Performance

	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE INCEPTION
Villanova Portfolio	4.6%	6.8%	5.9%	7.8%	7.4%
Villanova Dynamic Benchmark	3.5%	5.9%	5.7%	7.5%	6.8%
Villanova Target Benchmark	3.7%	6.1%	5.7%	7.7%	6.9%

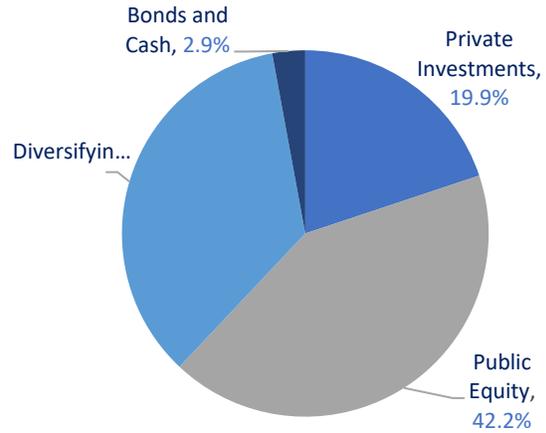


Asset Allocation

Target Allocation



Actual Allocation



FY 2020 Performance

Performance Commentary

Equities continued their rise at the start of the fiscal year before risk assets broadly experienced sharp declines in March as COVID-19 containment policies shut down much of day-to-day life across the world. The following months have seen a strong recovery in asset prices following a swift and dramatic government and central bank response to the health crisis. In this environment, Villanova's Total Endowment returned +4.6%, outpacing the total endowment benchmark by 100 basis points.

Villanova's Total Public Equity composite returned +3.6%, outperforming the *MSCI All Country World index* (+2.1%) by 150 basis points. Diversifying Assets performed well for the year, returning +6.1%. The hedge fund portfolio returned +6.8%, outperforming the *HFRI Fund of Funds Composite index*'s roughly flat return. Hedge funds were the endowment's highest performing asset class for the June fiscal-year. This was the hedge fund portfolio's first full fiscal year since it was repositioned from a highly diversified set of over 40 managers to a more concentrated group of fewer than 20 managers with a more long-term performance focus.

Bonds were additive to the portfolio through February before the endowment liquidated the Treasury portfolio, rebalancing into opportunistic equity and credit managers. Up until this liquidation, Villanova's bond portfolio returned +8% for the year, in line with the *Bloomberg Barclays Government Bond Index*.

The University's Private Investment portfolio continues through its transition away from legacy fund-of-funds investments into building direct relationships with general partners. The current private equity allocation is just under 20%, below the long-term policy target allocation of 25%. As noted previously, it will take time, measured in years, to reach this long-term target allocation. For the year ending June 30, 2020 (with most assets valued as of March 31), the Private Investment portfolio returned +4.5%. We expect to see modest returns in the early years of the primary program as a result of the "J-curve" until these investments mature.

Data from *Cambridge Associates* compares Villanova's performance and asset allocation to that of other colleges and universities using the common university fiscal year end of June 30th. The average college & university 1-year return was +0.6% compared to Villanova's +4.6% return. Villanova's performance for the 1-, 3- and 5-year periods all ranked in the top-quartile in the universe that includes all colleges & universities.

Because we expect there to be a regular disconnect between private market and public market investments over short periods of time, we also evaluate the marketable portfolio's performance (excluding private investments) as an additional point of reference to better understand shorter term results. The University's Total Assets ex Private Investments outperformed the marketable portfolio policy benchmark over the trailing 1-, 3-, 5-, and 10-year periods. The outperformance has been strong and lifted by both manager outperformance and asset allocation positioning.

*The University's fiscal year-end is May 31st. This differs from the more common fiscal year-end for most universities of June 30th.

