ENDOWMENT FUND
The Canisius College pooled endowment fund was valued at $104 million as of May 31, 2016.

INVESTMENT COMMITTEE
The endowment is overseen by the Canisius College Investment Advisory Committee, a committee of the Board of Trustees. The committee’s responsibility is to ensure that assets available for investment are managed exclusively for the benefit of the fund and its mission. The endowment portfolio is comprised of more than 30 professionally managed funds, with performance monitored by the committee.

INVESTMENT STRATEGY
The preeminent function of the Canisius endowment is to support the educational mission of the college by providing financial resources to help underwrite the educational needs of current and future generations of students, and to enhance the financial well-being of Canisius College.

DISTRIBUTION POLICY
The committee has recommended a distribution policy that balances the long-term objective of maintaining the purchasing power of the fund with the goal of meeting current and future cash flow requirements. The committee recommends a spending rule not to exceed 5 percent of the trailing 5 year average market value of the fund on an annual basis. The main long-term investment objective is to earn a rate of return that can at least match the spending policy plus inflation (CPI+5%) with an acceptable amount of volatility. The secondary goal is to outperform the total fund benchmark by 50-100 basis points (net of all fees) over a full market cycle. Special situations may necessitate an amendment to the spending policy as deemed appropriate by the Board of Trustees.

HISTORICAL APPRECIATION
Since its inception, the endowment has appreciated in value by more than $27 million net of distributions. These earnings provide a perpetual source of support for student scholarships and key academic programs.

Just this past year, Canisius awarded more than $3,170,000 in endowed scholarships, up 3.12% from the previous year.
INVESTMENT PERFORMANCE

<table>
<thead>
<tr>
<th></th>
<th>Return*</th>
<th>3 yr</th>
<th>5 yr</th>
<th>10 yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canisius College</td>
<td>5.7%</td>
<td>9.9%</td>
<td>8.5%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Endowment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultant’s Target</td>
<td>4.6%</td>
<td>10.6%</td>
<td>8.6%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Benchmark</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NACUBO Endowments</td>
<td>2.0%</td>
<td>9.7%</td>
<td>9.5%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Valued $101-$500M</td>
<td></td>
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</tbody>
</table>

*Annual Total Net Return

ASSET ALLOCATION

The Investment Advisory Committee determines the strategy for the distribution of assets for the fund. To implement this strategy, the committee selects an asset allocation mix which diversifies investments among asset classes, and which is designed to meet the objectives of the fund. As of May 31, 2016, the illustration (below) depicts the allocation of the Canisius College endowment across various asset classes.

ASSET ALLOCATION

- 26.0% Hedge Funds
- 20.9% Intl. Equity
- 19.0% U.S. Equity
- 15.2% Fixed Income
- 11.5% Private Equity
- 5.1% Real Assets
- 2.3% Cash

INVESTMENT PERFORMANCE

The annualized investment performance of the Canisius endowment, including comparisons to benchmark indexes over the 10-year period, is illustrated above. The National Association of College and University Business Officers’ (NACUBO) annual study of endowments showed an average endowment return of 2.4 percent (net of fees) for the 2015 fiscal year (July 1, 2014 - June 30, 2015), compared with 15.5 percent for the 2014 fiscal year. The NACUBO study was comprised of 832 institutions with endowments ranging in value from under $25 million to over $1 billion.