What is the endowment?

Our endowment is an investment of capital that provides an enduring source of financial income for the School. Each year a portion of the investment returned is used to support annual operating expenses, scholarships for students and the work of our faculty. The balance of the return is then reinvested back into our endowment to grow its capital value over time.

Why is the endowment important?

The endowment is an important priority for the School as it is through the development of this fund that we are able to secure a robust financial platform for the School and build our plans and ambitions for the long-term. The endowment provides financial support in perpetuity and ensures that generations to come will benefit from our truly global business education and go on to have a profound impact on the way the world does business.

Who manages the endowment?

The investment is overseen by the Investment Committee, a sub-committee of the Finance Committee, and includes the Dean, the Treasurer and senior members of faculty. The Committee monitors the performance of the investments, reviews guidelines and policies and sets benchmarks. The School takes a cost effective approach to managing its investment and has engaged BlackRock to manage the funds on a day-to-day basis.

What are our investment objectives?

The investment objective is to safeguard the endowment assets for the future, whilst generating a level of return which meets the School’s needs within the confines of the School’s approach to risk.
What is our asset allocation strategy?

The endowment is invested in tracker funds, with 50% of the portfolio invested in equities (UK and overseas), and 50% in fixed interest (corporate bonds and UK gilts). If any of the allocations vary by more than 5% the portfolio is rebalanced.

Headlines

The endowment as at 31 July 2014 stands at £36.8m. This reflects an increase of 13% from the £32.5m held in the endowment at 31 July 2013 (£5.0m from new capital, £1.1m from overall returns less expenditure of £1.8m).

Performance of endowment vs FTSE100

Performance of a notional £100,000 donation invested in July 2005

Total endowment growth by year

Overall endowment performance since July 2005

Total endowment per student benchmark as at July 2014

Endowment balance and student numbers taken from internal information. Peer information taken from respective websites, to the extent information is available.

To find out more

For further details on the wider financial performance of the School please visit http://www.london.edu/theschool/theschoolataglance.html