A MESSAGE FROM THE OFFICE OF INVESTMENTS:

The market value of the Purdue Endowment was $2.397 billion on June 30, 2015. The Endowment’s preliminary fiscal year return was 2.4 percent versus the Target Benchmark return of 0.6 percent. The Endowment distributed $108.9 million based on the designations of the donors.

The U.S. economy accelerated modestly in the second quarter after a slow start to 2015, but growth this year is still less than last year’s first half and is well below the overall pace of the recovery. The relative calm in global markets that persisted for much of the second quarter gave way to turmoil in late June when the Greek showdown with the rest of Europe reached a critical point. That Greek volatility caused most stock indices to fall late in the quarter. Since the end of June, the market has continued to decline and volatility has increased.

I am pleased to announce Mr. David Cooper was hired as the Purdue Research Foundation Chief Investment Officer and is responsible for overseeing endowment, retirement, and other assets. Prior to joining PRF in 2015, he was the Chief Investment Officer for the Indiana Public Retirement System, formerly Indiana Public Employees’ Retirement Fund (PERF) and Indiana State Teachers’ Retirement Fund (TRF). Mr. Cooper holds an undergraduate degree from Purdue University and a Master’s of Business Administration (MBA) degree from Butler University. He is a Chartered Financial Analyst (CFA) charterholder and a Chartered Alternative Investment Analyst (CAIA) designee.

Purdue’s investment strategy was formulated to produce returns that are able to maintain intergenerational equity, balancing between today’s spending needs and Purdue’s future spending while honoring the donors’ requests to hold the funds into perpetuity. The expectation is that over long periods of time, the assets of the endowment will generate a return to fund the current spending rate of 5 percent plus a little more for inflation.

Scott Seidle
SENIOR VICE PRESIDENT—FINANCE & INVESTMENT, ASSISTANT TREASURER

FOR MORE INFORMATION, PLEASE CONTACT:

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### Fiscal Year Endowment Pool Returns as of June 30, 2015

<table>
<thead>
<tr>
<th>Fund</th>
<th>1-Year</th>
<th>3-Year</th>
<th>5-Year</th>
<th>10-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purdue Endowment</td>
<td>2.4%</td>
<td>10.3%</td>
<td>10.1%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Target Benchmark</td>
<td>0.6%</td>
<td>9.2%</td>
<td>8.7%</td>
<td>6.1%</td>
</tr>
<tr>
<td>S&amp;P 500 Index</td>
<td>7.4%</td>
<td>17.3%</td>
<td>17.3%</td>
<td>7.6%</td>
</tr>
</tbody>
</table>

### Actual Asset Allocation

- **Emerging Markets Equity**: 6.6%
- **International Developed Market Equity**: 13.9%
- **Hedge Funds**: 24.8%
- **U.S. Equity**: 21.2%
- **Real Estate**: 5.6%
- **Cash Equivalents**: 1.2%
- **Natural Resources**: 4.6%
- **Fixed Income Fund**: 10.4%
- **Private Equity/Venture**: 11.7%

### Endowment Distributions — $841.8 Million in the Past 10 Years

Dollars in millions by fiscal year from FY06 to FY15.

### 2014-2015 Distributions — $106 Million

- **Scholarships**: 19%
- **Construction**: 7%
- **Fellowships**: 8%
- **Cash Management Investment Pool**: 10%
- **Purdue Research Foundation**: 13%
- **Instruction and Research**: 30%
- **Loans and Student Awards**: 13%