



**The Stony Brook Foundation Board is staunchly committed to stewarding our endowments and maximizing long-term benefits for the students and faculty Stony Brook serves. On behalf of the Investment Committee, I am providing this update on endowment performance.**

### **Recent Market Volatility/Turmoil**

**As we are all aware, it has been a very challenging investment environment in response to the COVID-19 health crisis. In March the financial markets have displayed increasing volatility as evidenced by a sharp downturn. The S&P 500 fell -12.4% in March, its worst one month decline since 2008. The U.S. equity markets also had their worst first-quarter performance ever as the S&P 500 declined -19.6%, its biggest quarterly loss since 2008.**

### **Outlook for Fiscal Year ending June 30, 2020**

**Endowment returns for distribution are calculated on a fiscal year basis from July 1 through June 30. As of March 31, 2020, the Stony Brook Foundation Endowment posted an estimated -5.0% loss after the first nine months of the fiscal year, compared to -10.8% for the S&P 500 and -6.2% for its internal benchmark of a 60/40 portfolio of Stocks/Bonds (S&P 500/Barclays Aggregate). Although we cannot predict investment returns, the Stony Brook Foundation anticipates and is preparing for the possibility of fiscal year return considerably less than our base target of 5.5%.**

### **Prudent Budgeting**

**This current financial crisis dictates that we make spending decisions consistent with what we know today. Therefore, the Stony Brook Foundation strongly recommends that the faculty and staff who benefit from endowment payouts make budgetary decisions conservatively with the knowledge that their endowment may payout less than usual. Furthermore, in the case of newer endowments it is possible that there may not be any distribution.**

**Thank you for your patience and cooperation during this unpredictable and challenging time.**



Stony Brook **Foundation**

**Sincerely,**  
**David Marcus**  
**Chief Investment Officer**