now provides about 35 percent of operating revenues), the endowment grew at half the rate of the investment return. That is above the rate of inflation: it represents real growth. (The Commonfund Institute’s Higher Education Price Index for fiscal 2010 was a record low 0.9 percent.) But it implies a very extended period of recovery after the $11-billion decline in fiscal 2009. For context, HMC’s annualized rate of return for the past five years is now 4.7 percent, and 7.0 percent for the past 10 years. Those figures reflect not only the fiscal 2009 drop, but also the extraordinarily favorable rates of return (23.0 percent in fiscal 2007, 16.7 percent in fiscal 2006, 19.2 percent in fiscal 2005) realized in some earlier years.

HMC’s performance (after all investment-management fees and HMC operating expenses) was better than the 9.4 percent return calculated using market benchmarks for the assets in the “policy portfolio” (HMC’s model for allocating assets among categories such as equities, fixed-income instruments, real estate, and so on). In fiscal 2009, HMC’s performance trailed its market benchmarks by 2.1 percentage points.

In both years, the University’s portfolio fared less well than a popular measure of large endowment funds, the Trust Universe Comparison Service. Median performance for the TUCS in fiscal 2010 was a 13.3 percent investment return, 2.3 percentage points above the HMC results. The difference reflects dissimilar asset allocations. As HMC president and chief executive officer Jane L. Mendillo explained subsequently, TUCS funds are about half invested in public equities (versus one-third

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Yesterday’s News
From the pages of the Harvard Alumni Bulletin and Harvard Magazine

1915 The Bulletin salutes the fiftieth anniversary of the Harvard Club of New York with particular praise for its activism: more than 30 years earlier, the club “set on foot” the movement to elect non-Massachusetts residents to the University’s Board of Overseers.

1925 The Harvard Fund is officially established to provide a way for alumni to support the University through annual contributions, as distinct from special gifts to a particular campaign.

1930 Harvard proves one of the largest employers of construction labor north of New York, the “business depression” notwithstanding, with five new undergraduate Houses, new buildings for the physics department and the geography school, new freshman dorms, a biological lab, a faculty club, and a $700,000 addition to the Medical School powerhouse under way.

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An ad in the Bulletin by the Harvard Alumni Placement Service states, “Unemployment, widespread and serious, is causing many Harvard men to look for jobs for the first time in their lives.”

Fellow

1940 “A decade ago,” note the editors, “any Harvard man who rode a bicycle was thought at least eccentric.” But since the universal recognition of carbon monoxide, bicycles have made a comeback in Cambridge, with more than 250 counted in daily use around the Yard and the Houses.

1955 The Business School and Radcliffe announce that Radcliffe’s Management Training Program will become the Harvard-Radcliffe Program in Business Administration. Its directors note a “significant demand for trained women for market research and sales promotion positions.”

1960 The Center for the Study of World Religions opens. Scholars from the United States and six foreign countries, representing the Hindu, Buddhist, Jewish, and Christian faiths, are already in residence, and a Muslim scholar from Iran is expected shortly.

1990 Harvard and the City of Cambridge sign a document calling for the University to give $1 million in annual payments to Cambridge in lieu of taxes.

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The “French chef” gives 2,000 cookbooks from her collection to Radcliffe’s Schlesinger Library, with a promise of more to come. Julia Child hopes her gift will promote cooking as a respected profession and academic field of study.