

Yale University Investments Office February 2011



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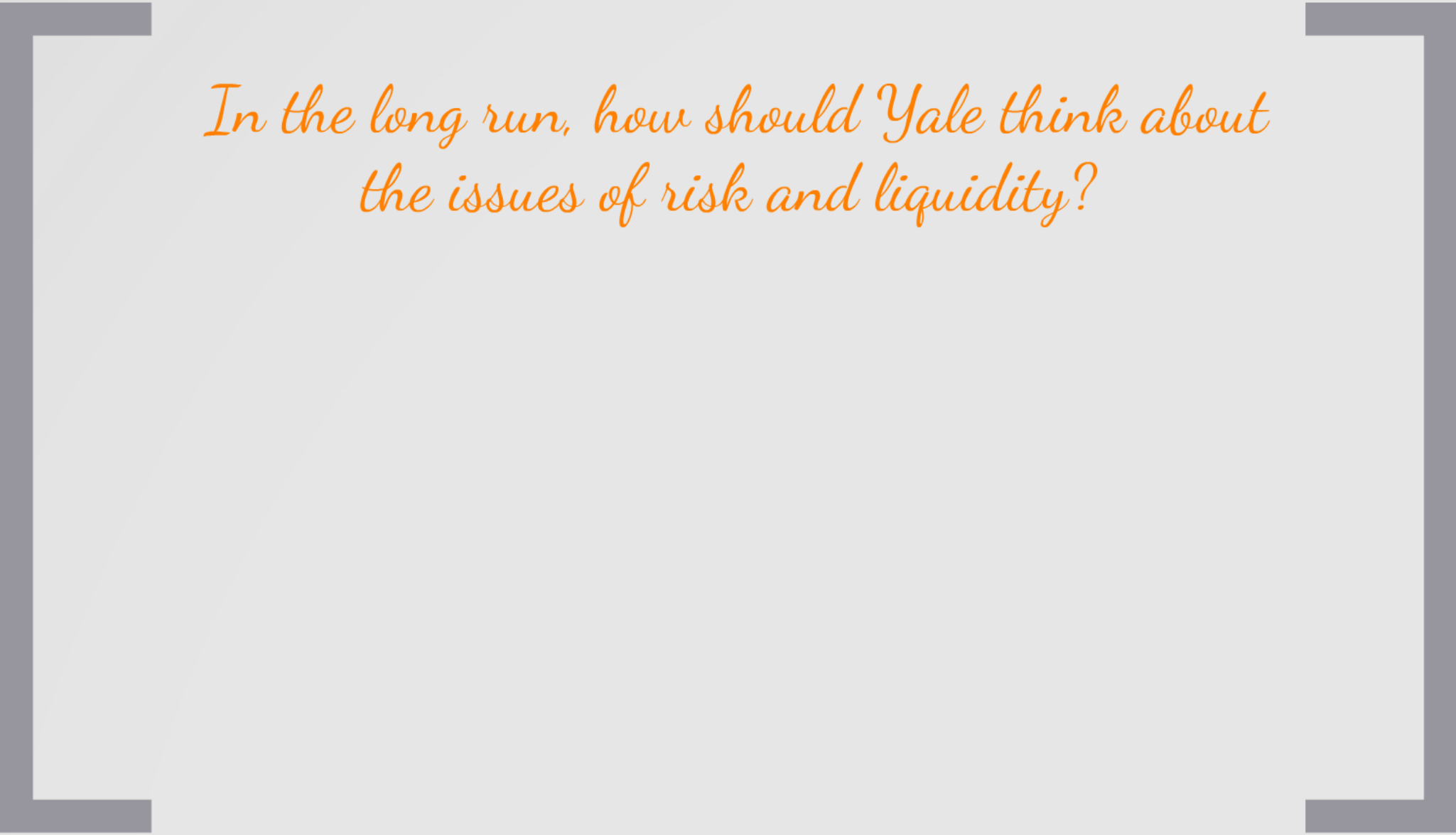


Capital de Riesgo

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*In the long run, how should Yale think about
the issues of risk and liquidity?*

Can the strategy for a billiondollar fund continue to succeed as the pool of assets grew?

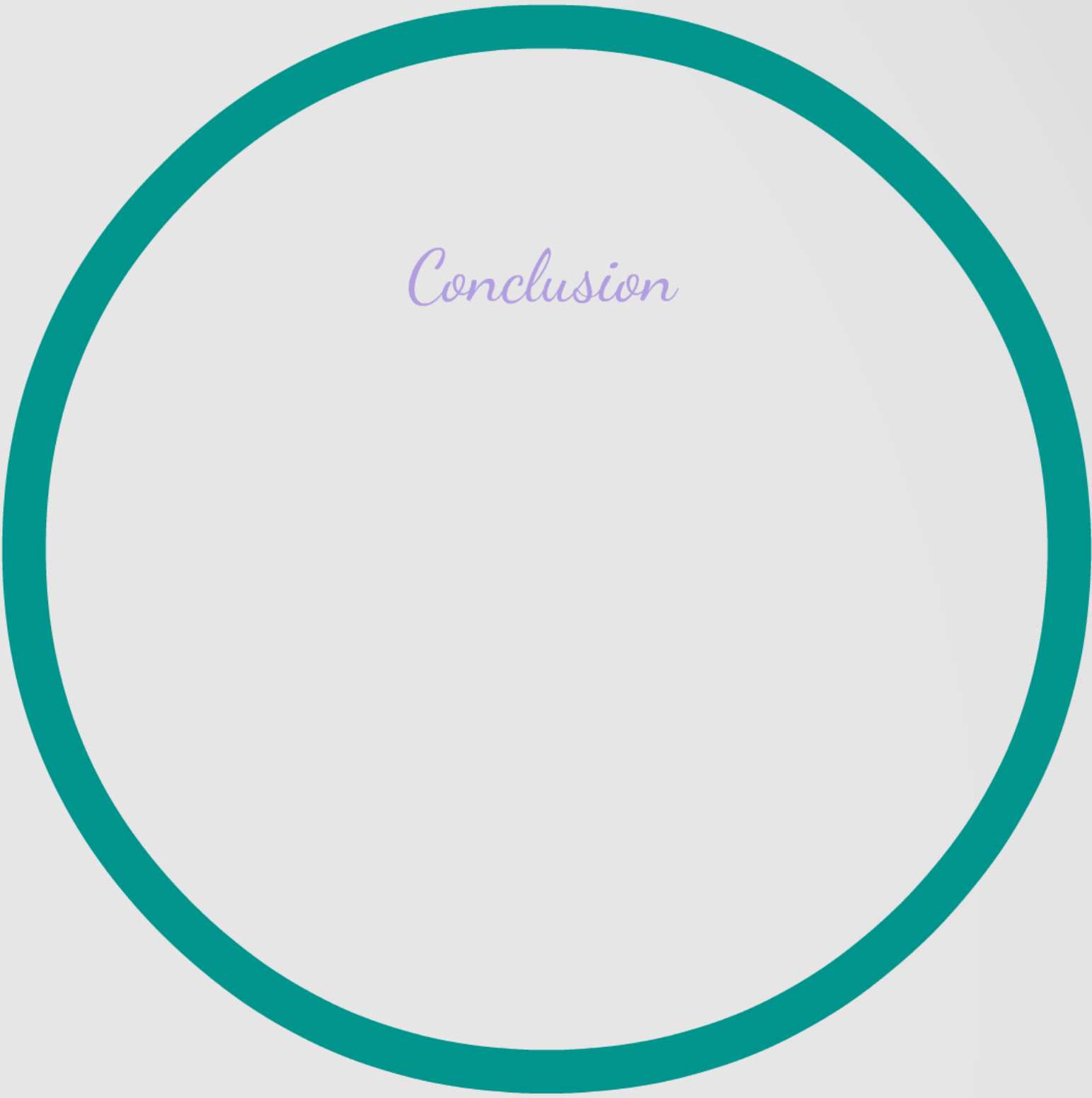
-Yes. It is possible for the billiondollar fund to grow if the strategy is flexible enough to adapt to the mixture of assets and their growth. It is not the same to be in charge of a shoe sales shop, than to be in charge of the shoe sales chain in a state.

-Yale has been careful to have a diversified portfolio, and is now investing in emerging markets (even if skeptical at first), which can help reduce significantly risk.

-The real assets market and performance is quite turbulent so the benefits on the short run may be very volatile, but on the long term, if Yale invests in the right assets might be attractive.

-A fund the size of Yale's, due to its significant weight has more capacity of bouncing back and as Swensen said "...at our size we have different options for liquidity than do smaller funds"

How should Yale think about the increasing difficulty in determining precise valuations for the endowment?



Conclusion