

Insight into the Harvard Endowment

An interview with Harvard
Management Company's CEO

Building a Future at Harvard

Planned, outright, and estate
gifts keep father's legacy alive

The Upward Path

How charitable gift annuities
create opportunities for students
to succeed

Harvard Gift Planning

Do well by doing good: your path to enduring impact.

SPRING 2025



**"The work of Harvard's faculty and students
would not be possible without support from
alumni and donors like you."**

TARA GOODMAN, EXECUTIVE DIRECTOR,
HARVARD GIFT PLANNING

Striking the Right Balance

N.P. “Narv” Narvekar, CEO of Harvard Management Company, shares insights on the performance of Harvard’s endowment

Before taking the helm of Harvard Management Company (HMC) and the University’s endowment portfolio in December of 2016, N.P. “Narv” Narvekar led Columbia University’s investment office for 14 years and twice posted the highest 10-year return among all endowments over \$1 billion.

2017 marked the beginning of significant changes at HMC. Over the next four years, both the organization’s structure and the way in which investments were made received an overhaul. By the end of 2020, HMC reduced its staffing needs by helping internal investment teams launch independent investment firms, moved from a siloed approach to a generalist model of investing, and shifted a much



Narv Narvekar

larger share of the portfolio to external managers.

After fiscal year 2024 returns were reported this past fall, it is becoming clear that these changes are having the intended effect. The endowment’s three-year return is among the top performers of major higher education peers.

Harvard Gift Planning recently spoke with Narvekar to get his reflections on the state of the Harvard endowment and HMC. Narvekar’s responses have been edited for length and clarity.

Can you briefly share a high-level update on the health of the Harvard endowment?

In short, the endowment is in a strong position. Of course, there is always more work to do, but that’s not unique to HMC, and we maintain close communication with our colleagues at the University to ensure we always have a clear understanding of Harvard’s annual financial needs. After all, while the endowment is a perpetual source of funding, it still needs the liquidity to support what has grown to account for nearly 40 percent of the annual operating budget. Last year alone that equaled roughly \$2.4 billion.

Do you still view HMC or the portfolio as being in a stage of transition? What is HMC’s current focus?

At this point, the organizational restructuring is long behind us and, fortunately, was completed well ahead of schedule. Repositioning the portfolio is also largely behind us. It takes longer to implement, but the primary shifts involved increasing the endowment’s private equity exposure, in particular venture capital; increasing hedge fund investments with a focus on uncorrelated strategies; and dramatically reducing the allocation to real estate and natural resources.

I am privileged to work with such an accomplished and committed team. They took on the challenge of the transition and made it a success. Harvard is fortunate to have such a strong group.

HMC continues to be focused on all aspects of investment and manager selection, as well as upon engaging with the University to determine its risk tolerance.

Which areas are the biggest factors in performance?

Investment alpha [returns beyond an investment’s benchmark] and portfolio risk level are the two largest factors in

“[Harvard] seeks to find the right balance between today’s needs and planning for the generations of scholars yet to come—a balance we are constantly striving to get right.”

NARV NARVEKAR



performance. Over the last seven fiscal years, HMC’s alpha generation has been exceptionally strong. Honestly, it’s exceeded even our own expectations, and I’d caution that this level of outperformance is probably unsustainable year after year. That said, the strong alpha has allowed Harvard to keep pace with its peers even while taking less risk than most of them.

Lower portfolio risk is a restraint on performance during normal market conditions—and is particularly constraining in ebullient markets like we’ve experienced during the last seven years. We should note, however, that it can be helpful during a sustained market downturn. The University determines its risk tolerance based on its unique financial position, as well as current and future needs. Every university will have a different view on what amount of risk best suits their needs, which is one reason why comparing endowment returns as apples-to-apples is inherently misleading.

Within HMC’s portfolio risk level, reducing exposure to real estate and natural resources, while increasing private equity and uncorrelated hedge funds, has definitely contributed meaningfully to performance.

How do you view endowment investing compared to individuals managing their own long-term assets?

There aren’t too many similarities between the two, but I’d say risk is the common thread across any investing. The further you are from retirement, the more risk you can afford to take to see better long-term growth. The closer you get to retirement, that risk appetite naturally decreases as stability and reliance become more urgent.

Harvard falls somewhere in between those two. It seeks to find the right balance between today’s needs and planning for the generations of scholars yet to come—a balance we are constantly striving to get right. ■

THANK YOU

Welcome to the new Harvard Gift Planning newsletter. In each edition, we will share the thoughtful and creative ways our alumni and friends, like you, are making special things happen across the University.

In these pages, you will learn about siblings who established a financial assistance fund at the Harvard Graduate School of Design, in honor of their father, an architectural pioneer. You will also learn about a Harvard Law School alumnus—a Korean War veteran and labor attorney—who, along with his wife, established a charitable gift annuity to benefit future law students. We are also excited to share insight on the Harvard endowment from Harvard Management Company CEO N.P. “Narv” Narvekar.

Much of the work of Harvard’s faculty and students would not be possible without support from alumni and donors like you. At a time when the world needs thoughtful leaders more than ever, every member of our community benefits from your support.

With thanks for all that you do,

Tara Goodman
Executive Director, Harvard Gift Planning



Building a Future at Harvard: The Henry B. Hoover Fellowship

Planned, outright, and estate gifts keep father's legacy alive at the Harvard Graduate School of Design

Henry B. Hoover MArch 1926 is considered a pioneer of New England modernist architecture. He designed more than 50 modern houses in his hometown of Lincoln, Mass., and other suburbs west of Boston, as well as houses in New Hampshire, Georgia, and Florida.

The quality of his education from the Harvard Graduate School of Design (GSD) and the financial assistance Hoover received at Harvard inspired his three children—Henry B. “Harry” Hoover Jr., Lucretia Hoover Giese PhD '85 (1937–2018), and Elizabeth Hoover Norman AM '64 (1937–2010)—to establish the Henry B. Hoover Fellowship at the GSD in 1989. Since then, further outright, planned, and estate gifts from the siblings have ensured that their father's legacy lives on.

A portion of the sale of the family home in Lincoln, which

their father designed in 1937, was added to the Hoover Fellowship in 2020 through a bequest from Lucretia's estate. Two years later, a charitable gift annuity from Harry brought the endowed fund to full fellowship status. This long-term commitment has made it possible for the GSD to award the fellowship to a student every year.

“I've been honored to meet these awardees and even give them a tour of my father's architectural work in my town of Lincoln and other communities,” Harry says. “They come to know Hoover as a person who had aspirations and experiences just like they have now.”

“The training he received at Harvard was so important to him,” Lucretia previously shared. “That's why we decided to establish a fund to provide scholarships to students who would not otherwise be able to attend Harvard. Our father

had received a scholarship that enabled him to study at Harvard. The support of his professors, especially George H. Edgell (then dean of the School of Architecture), profoundly affected his career.”

“All three of us revered our father,” Harry says of himself and his sisters. “This fellowship was a natural outpouring of our affection and respect.”

Hoover won the Charles Eliot Prize and two traveling fellowships, the Frederick Sheldon and Nelson Robinson Jr. Fellowships. He also became the first recipient of the Eugene Dodd Medal for excellence in draftsmanship.

“He had a really direct relationship with buildings—buildings he designed, as well as those he experienced,” Harry says. “After graduation, our father produced a series of drawings of Harvard buildings. His architectural drawings were not mere elevations; he was able to relate buildings to their sites with extraordinary clarity, producing drawings of consummate draftsmanship and liveliness.”

“One legacy of our father was to create houses that would enhance quality of life. Now we've had the opportunity as a family to celebrate his life,” Harry says.

That celebration is now carrying through to the next generation and inspiring others with connections to Hoover to support the fellowship.

“My wife and I have preserved one of Henry Hoover's houses and are privileged daily to enjoy that enhanced quality of life to which Harry refers,” says Brooks Mostue AB '69, MArch '76. “The nuanced views, careful siting, and beautiful utility of the house and its setting attest to Henry's talent and vision. As a GSD fellowship recipient, I am keenly aware of the positive impact endowments have on students' careers and the built environment. I am grateful to the



Henry Hoover outside the family home in Lincoln, Massachusetts, ca. 1952



“We're fortunate that through my father's legacy, we can bring this opportunity to well-deserving and accomplished people who are the best qualified to carry our father's work, vision, and spirit onward.”

HENRY B. HOOVER MARCH 1926

The Hoover family at Christmas in the living room of the family home in Lincoln, Massachusetts, ca. 1980

MAKE A DIFFERENCE

There are many creative ways you can give back while supporting Harvard initiatives that align with your interests.

- › **Bequests:** leave a specific amount, percentage, or item via your estate
- › **Beneficiary designations:** name Harvard as a beneficiary of a retirement plan, life insurance policy, or another financial account
- › **Life income gifts:** secure income for yourself or a loved one, with the remainder benefitting Harvard
- › **Lead trusts:** provide support for a fixed number of years before transferring assets back to your family
- › **Donor advised funds:** support initiatives across the University and other charities
- › **Gifts of assets:** real estate, private company stock, business interests, or art

Visit alumni.harvard.edu/giving/gift-planning or fill out the enclosed envelope to connect with a Harvard Gift Planning professional and learn how a gift can support your goals—and Harvard's.

The Upward Path

With a charitable gift annuity to Harvard Law School, Thomas M. Lamberti LLB '57 and his wife, Eileen Bockelman Lamberti, are creating opportunities for talented students to succeed

When Tom Lamberti LLB '57 thinks back on his education, he is grateful for every step on the journey that took him to Harvard Law School (HLS).

“Education was the ladder—the upward path,” says Lamberti, a retired attorney with a distinguished career in labor law.

That path began in Queens, New York, where Lamberti’s parents, both Italian immigrants, instilled in him the values of discipline, hard work, education, and helping others. His father, a barber and beautician, and his mother, a business manager at his

father’s salon, enrolled him in Xavier High School—a Jesuit school known for rigorous intellectual training.

Lamberti then enrolled at Fordham University, becoming the first in his family to realize their dream of a college education. After graduation, he enlisted in the U.S. Air Force during the Korean War, serving as a second lieutenant stationed in North Africa.

From the Air Force to Harvard

At age 23, Lamberti had completed his military service and began to weigh potential careers. He had fond

memories of working at his uncle’s law practice in downtown Brooklyn during high school and applied to HLS. “I was shocked when I got into Harvard,” he says. “Once I got into law school, that was my path forward.”

Transitioning from the Air Force to HLS was daunting. Returning to his dorm late one evening, he saw a classmate studying while shaving, his casebook propped up on the mirror—an emblem of how demanding law school was.

“It was a big adjustment,” he says. “My first year I was terrified that I



Thomas M. Lamberti LLB '57 and his wife, Eileen Bockelman Lamberti

didn’t belong, but then I bonded with other veterans in my class.”

He came to appreciate the strenuous courses and discovered a passion for negotiation. Inspired by his favorite professor, Archibald Cox AB '34, LLB '37, LLD '75 (hon.), he decided to practice labor law after graduation.

Lamberti began his practice representing management—working with unions, hospitals, law enforcement, and firefighters. “To me, labor negotiations are like the Super Bowl,” he says. “I like people, I get along with them, and I enjoy making deals.”

After building up his practice, he met his wife, Eileen, a teacher, on a blind date. Married for 43 years, they raised a son, Thomas Jr.

Building Legacies

When he began to consider charitable giving, Lamberti was reminded of the mantra that guided him throughout his life: help others. To commemorate his personal academic experience, he and Eileen set up scholarships at

Xavier, Fordham, and Harvard. “That was my ladder,” he says. “I want to help others who are following similar educational journeys.”

For their gift to the Law School, the couple decided to establish a charitable gift annuity—providing them with an income stream for life while ensuring that the remainder of their gift will ultimately establish an endowed scholarship at HLS. Support for scholarships enables HLS to enroll students regardless of financial ability and helps create future generations of leaders in public and private practice.

“It’s the perfect gift for us,” he says, “and it’s the fulfillment of my promise to give back.”

Lamberti is thrilled that future HLS students will be able to benefit from this endowed scholarship and pursue their dreams. “HLS teaches students to think, listen, and discern,” he says. “This training gives you an ability to communicate well with everyone. And if you can train people to do that, they will succeed.” ■

CHARITABLE GIFT ANNUITIES



A charitable gift annuity (CGA) is a tax-advantaged way to secure income for yourself and/or a loved one during retirement, while providing future support for a Harvard School or initiative of your choice.

Make a gift

Establish an annuity with a gift of \$25,000 or more, funded by cash, securities, or other assets. Those 70½ and older may also fund a CGA with a tax-free distribution up to \$54,000 from a traditional IRA.

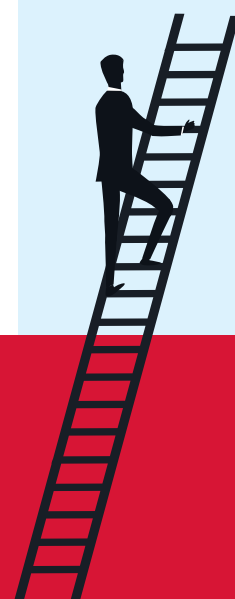
Assets grow

Your gift will be invested and managed through Harvard Management Company and TIAA Kaspick, with no separate fee. As you receive a percentage of the initial gift amount in quarterly income (depending on your age when payments begin), the balance is invested in the Harvard endowment, making your ultimate gift even more impactful.

Mutual benefits

When you establish a CGA, you receive an immediate income tax deduction, as well as possible savings on capital gains taxes, if you give appreciated assets. When the plan terminates, the remaining principal passes to Harvard to support the School or program of your choice.

Our rates recently increased! Fill out the enclosed envelope to receive a personalized annuity illustration or visit alumni.harvard.edu/income to learn more or contact our team.



“Education was the ladder—the upward path.”

TOM LAMBERTI LLB '57