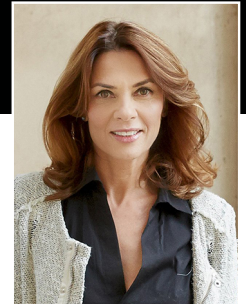
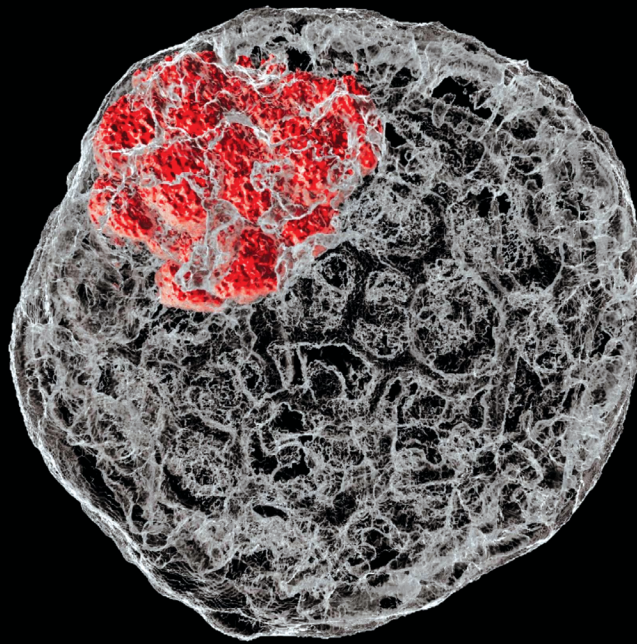




2025 Endowment Report

October 1, 2024, through September 30, 2025

Caltech



Research led by the laboratory of Magdalena Zernicka-Goetz, inset, Bren Professor of Biology and Biological Engineering, has developed a powerful new method for creating embryo-like structures from stem cells that could transform how we study fertility. The work, published in the journal *Developmental Cell*, could help us understand why some embryos thrive while others fail, and how to optimize conditions for conception, whether natural or assisted. CREDIT: M. ZERNICKA-GOETZ

IMPACT THROUGH SCIENTIFIC INVESTMENT



On behalf of the Caltech Board of Trustees, I want to express my deep appreciation for your support. Our shared commitment enables Caltech faculty and staff to advance the frontiers of science and engineering, create innovative technologies that drive industries, and educate the next generation of scientists, engineers, and leaders. The outsized impact our small campus community has on society represents an incredible return on your investment.

This report summarizes the performance of the Institute's endowment from October 1, 2024, through September 30, 2025. In the past year, endowed funds have supported advances such as:

- demonstrating the successful operation of a quantum network with two nodes, each containing multiple quantum bits, significantly boosting quantum communication rates and achieving a major leap in the field;
- gathering and processing data from the SPHEREx space telescope to provide a unique all-sky 3D map that will help us understand cosmic inflation, the history of galaxies, and the prevalence of life-sustaining molecules in planet-forming regions of space; and

- developing a new artificial intelligence framework that can accurately and efficiently create virtual models of brain neurons, accelerating discoveries in brain function research and helping pave the way for improved treatments for brain disorders.

I would also like to thank and recognize the impact of President Rosenbaum, whose leadership of Caltech over the past 12 years included the historic *Break Through* and *Initiative for Caltech Students* campaigns. The Institute's endowment more than doubled during his tenure. Tom has championed the value of fundamental science and curiosity-driven research as well as the willingness to embrace risk and trust the excellence of the people at Caltech to fulfill their potential and, in his words, "yield intellectual magic."

The Board of Trustees and I look forward to welcoming Caltech's 10th president, Ray Jayawardhana, in July of this year as we build on this success.

With thanks,

David Thompson (MS '78)

*Chair, Caltech Board of Trustees
President and Chief Executive Officer (Retired),
Orbital ATK, Inc.
March 2026*

NEW BEGINNINGS

The Caltech total endowment portfolio finished fiscal year 2025 at \$4.488 billion, representing a \$217 million increase over fiscal year 2024's balance of \$4.271 billion. Over the last 10 years, the total endowment portfolio has grown 111 percent, an annual compound rate of 7.8 percent, while paying out almost \$1.7 billion to support the Institute's research, students, and operations.

Equity markets experienced considerable volatility during fiscal year 2025. After an initial surge of optimism in the wake of the presidential election, the early days of the new administration led market participants to worry about the economic effects of tariffs and other government policy changes. The broad market tested its lows in April 2025, only to rally for the remainder of the fiscal year on the back of the ongoing boom in capital-intensive digital infrastructure. As markets rebounded, the rush to fund artificial intelligence (AI) capabilities for general use dominated public markets for a second year. Excitement about AI buoyed the shares of companies funding the infrastructure build-out (so-called "hyperscalers," such as Microsoft and Google) as well as companies supplying the inputs (i.e., the semiconductor ecosystem, including NVIDIA).

While public markets surged ahead in the US and internationally, private markets like buyouts and venture capital have seen their returns slow in recent years after powering many university endowments' returns over the past decade. Like any market, private equity and venture capital are subject to the laws of supply and demand. These areas became oversupplied with capital during the post-COVID period from 2020 to 2021. With private fundraising having slowed, we are now seeing an improved entry point and stronger prospective returns in these areas, setting up for the next cycle.

Outside of public and private equity markets, other major areas of the capital markets offer lower expected returns, heightening the need for them to deliver genuine diversification benefits. We are evaluating segments of the portfolio including alternative securities (i.e., hedge funds), private real assets, and high-quality bonds through a more demanding risk-return-diversification lens, given the market environment in these areas.

On a personal note, I was delighted to join Caltech during fiscal year 2025 as the Institute's fourth chief investment officer. My first few months certainly brought their share of surprises. Risks to federal funding and the potential for an increased endowment tax highlighted the importance of our institutional liquidity profile, both inside and outside the endowment. With the immediate flashpoints resolved by June 2025, I spent the remainder of the fiscal year on initiatives that may sound mundane but are arguably more important: setting a resilient long-term strategy for the endowment and hiring new colleagues onto the team who will help us implement those plans.

As a native Californian, I am honored to serve Caltech, which represents the best of what this state has to offer the world. I look forward to bringing the ethos of the Institute to the investment community, applying a data-driven, first-principles approach to evaluating intelligent risks that can generate superior returns.

Thank you, as always, for your generous support of Caltech and its endowment.

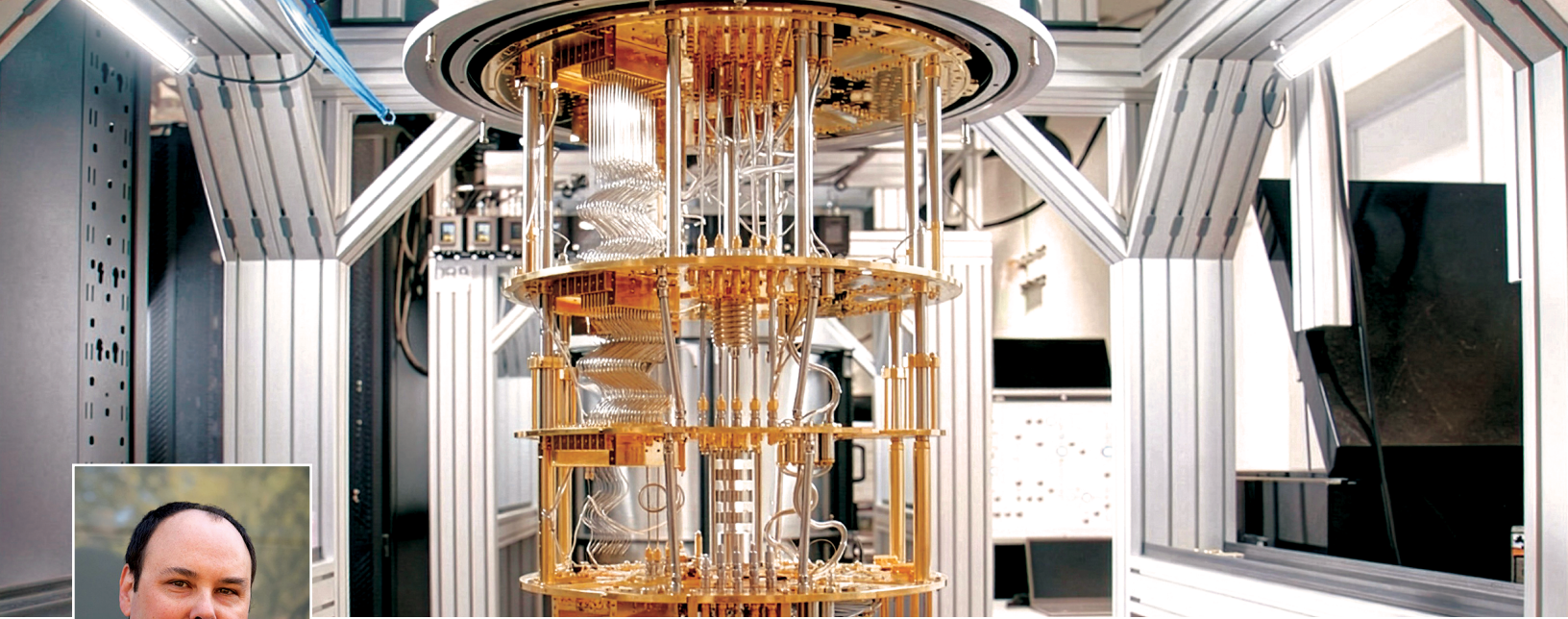


Ken Lee

Chief Investment Officer

March 2026





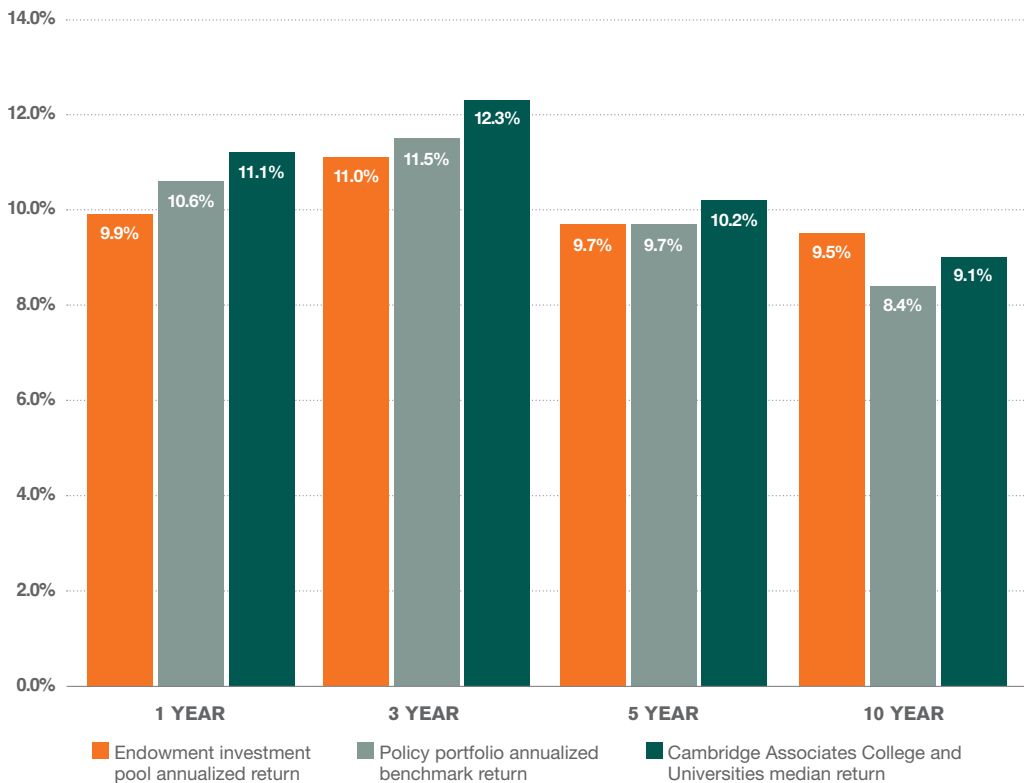
A dilution refrigerator (pictured) is required to maintain quantum chips at ultra-cold temperatures. As reported in Nature, a team of scientists from Amazon Web Services and Caltech have demonstrated a new quantum chip architecture for suppressing errors. "For quantum computers to be successful, we need error rates to be about a billion times better than they are today," says Oskar Painter (PhD '01), inset, the John G Braun Professor of Applied Physics and Physics. "At [the current] rate, it would take us 70 years to get to where we need to be. Instead, we are developing a new chip architecture that may be able to get us there faster." CREDIT: AWS

ENDOWMENT PERFORMANCE, FISCAL YEAR 2025

Endowment Investment Pool Return

As illustrated in the chart below, Caltech's endowment investment pool generated a 9.9 percent return for fiscal year 2025, lagging its benchmark policy portfolio by 0.7 percentage points. For the three-year period ending September 30, 2025,

the investment pool lagged its benchmark by 0.5 percentage points. However, the pool's five-year return was the same as the benchmark, and the 10-year return outperformed its benchmark by 1.1 percentage points.

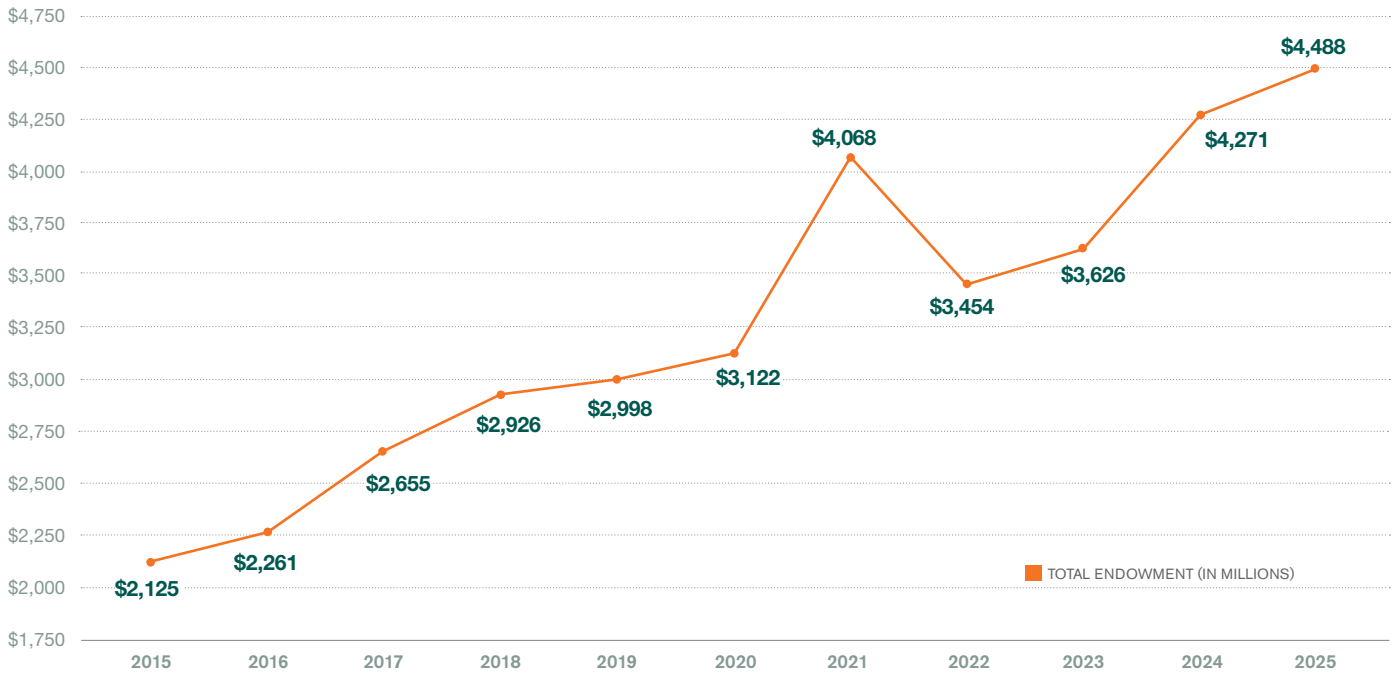


LAST FIVE YEARS:
\$219.7M
 in student financial aid from endowment

Growth of the Total Endowment Portfolio

The market value of Caltech’s total endowment portfolio, which includes the endowment investment pool and the separately invested endowments, ended the fiscal year at approximately \$4.5 billion. In the last 10 years, Caltech’s total endowment portfolio value has grown, net of portfolio cash flows, at a compound annual rate of 7.8 percent and has supported Caltech’s research programs and people with almost \$1.7 billion in payout.

\$2.4 BILLION
increase in total
endowment since FY15



Asset Class Allocation and Performance

For the 12 months ended September 30, 2025, the global developed markets equities portfolio return lagged its benchmark by 0.2 percentage points and the emerging markets equities portfolio underperformed its benchmark by 4.8 percentage points. The private equity portfolio (which includes both buyout and venture capital funds)

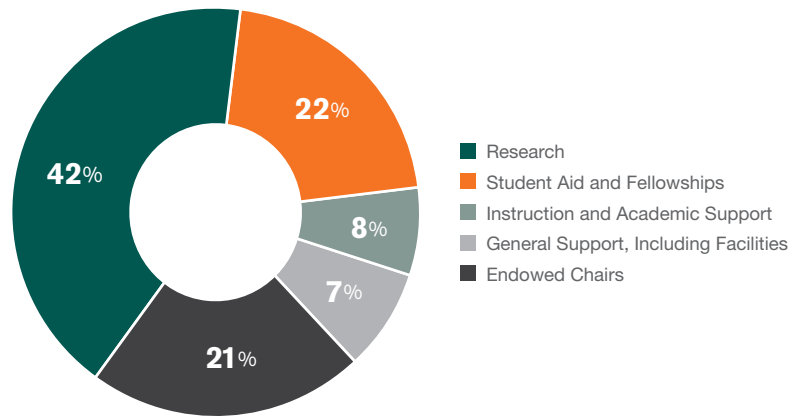
returned 9.1 percent, lagging its composite benchmark by 1.2 percentage points. The real assets portfolio (comprising real estate and energy funds) returned 1.6 percent and lagged its benchmark by 1.1 percentage points. Our alternative securities portfolio returned 9.6 percent, ahead of its benchmark by 1.4 percentage points.

	Allocation	FY 2025 Asset Class Return	FY 2025 Benchmark Returns
Global developed markets equities	27%	17.2%	17.4%
Emerging markets equities	7%	12.5%	17.3%
Alternative securities	24%	9.6%	8.2%
Private equity and venture capital	22%	9.1%	10.3%
Real assets*	11%	1.6%	2.7%
Fixed income	3%	5.0%	2.4%
Cash and other	6%		

* Real assets are primarily real estate and natural resources.

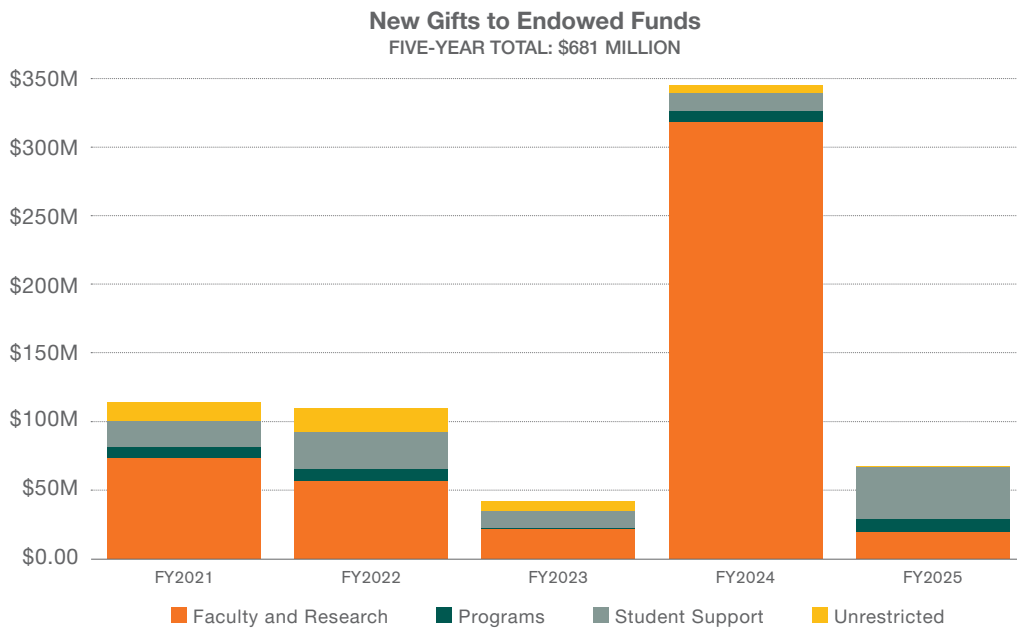
ENDOWMENT PAYOUT, FISCAL YEAR 2025

In fiscal year 2025, **\$225 million in endowment payout contributed 23 percent of Caltech's operating budget**, supporting research and education in many ways. Endowed fellowships, for example, afforded graduate students the freedom to pursue their passions, unconstrained by the limitations of traditional funding sources. And endowed scholarships enabled talented and ambitious undergraduates to devote themselves to learning without worrying about the cost of their education or graduating under a burden of debt.

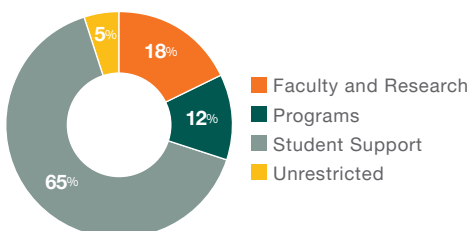


GIFTS TO THE ENDOWMENT

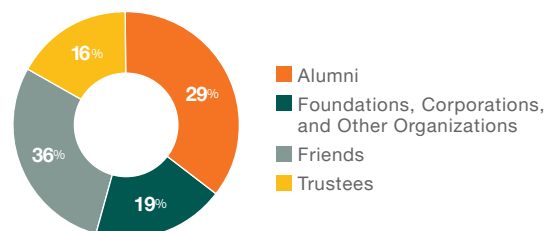
In fiscal year 2025, cash gifts to the endowment investment pool totaled **\$68.2 million**. Over the five-year period beginning with fiscal year 2021, the cumulative total of cash gifts to endowed funds was \$681 million.



FY 2025 Endowment Gifts by Purpose: 573 Gifts



FY 2025 Endowment Gifts by Donor Group: \$68.2 Million



MANAGEMENT OF THE ENDOWMENT INVESTMENT PORTFOLIO

The Caltech Investment Office reports jointly to the Institute's president and the Board of Trustees' Investment Committee, which has primary responsibility for setting investment policy, overseeing policy implementation, and approving major investments. The committee meets quarterly to discuss and review asset allocation, investment policies, new investment strategies, and portfolio performance. Members of the committee also interact with the Investment Office between regularly scheduled meetings to oversee the implementation of its approved strategies, discuss specific investments, and evaluate time-sensitive opportunities. The committee brings extraordinary expertise in both specific asset classes and the investment industry in general.

The Investment Office

The Investment Office develops recommendations on investment policies, strategies, and asset allocations for

review and approval by the Investment Committee. With those guidelines in place, the Investment Office then identifies pathways to implementation, including directly held investments and what it considers to be best-in-class investment managers who seek superior performance in their respective areas of the capital markets. The Investment Office manages the endowment with the Institute's overall liquidity in mind and focuses on long-term performance, identifying global trends and investment opportunities that may develop over many years. While quarterly and yearly performance is subject to close monitoring, and appropriate rebalancing adjustments are made from time to time, the primary goal is to earn long-term rates of return that support the annual endowment payout and maintain the endowment's inflation-adjusted purchasing power, allowing it to support Caltech's activities for generations to come.

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ABOVE: A research team from the Center for Autonomous Systems and Technologies (CAST), led by Soon-Jo Chung, the Bren Professor of Control and Dynamical Systems and JPL Senior Research Scientist, debuted the Caltech Racer in January 2025. Chung was joined by co-leads Mory Gharib, the Hans W. Liepmann Professor of Aeronautics and Medical Engineering, and Fred Hadaegh, research professor in aerospace and former JPL Chief Technologist, to participate with nine other teams in the Indy Autonomous Challenge, a multiyear effort “to challenge university students around the world to imagine, invent, and prove a new generation of automated vehicle software to run fully autonomous race cars and inspire the next generation of STEM talent.”

CREDIT: SOON-JO CHUNG

COVER: Zhongwen Zhan (PhD '13), professor of geophysics and the Clarence R. Allen Leadership Chair and director of Caltech's Seismological Laboratory, co-leads GLASS (Grounding zone Long-term Acoustic Sensing of Structure). Zhan (pictured) and the team used laser light and distributed acoustic sensing to map the shifting ice-ocean boundary, offering new insight into climate-driven sea level rise. GLASS is one of the first three projects to explore Earth and the cosmos through the Brinson Exploration Hub, established in 2024.

CREDIT: ZHONGWEN ZHAN