

# Pensions & Investments

## Low liquidity ratios hurting endowments, report claims

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Large university endowments are relying on selling marketable securities, not cash distributions, to finance upcoming capital calls, according to a report by NYPPEX Private Markets.

Among 15 large universities studied by NYPPEX, those with the weakest ratio of liquidity to capital calls were Yale University, Massachusetts Institute of Technology, Harvard University and the University of Notre Dame. All four were below a 1-to1 ratio, according to the report.

The report said that selling marketable securities to cover capital calls “may be a high-risk investment strategy during periods of weak market conditions and/or when bank dealers have questionable capital ratios to position inventory.”

An NYPPEX spokesman could not be reached for comment by press time.

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