

Treasurer of the Corporation

In FY2005, the Institute had total operating revenues of \$2,029.5 million. Total operating expenses were \$2,035.1 million. The Institute's results of operations were (\$5.6) million in FY2005, in comparison to (\$7.5) million in the prior year.

Total net assets on June 30, 2005, were \$8,625.6 million, an increase of 11.4 percent, or \$884.2 million, from the \$7,741.4 million reported as of June 30, 2004. This increase resulted from an increase in endowment and other financial assets as a result of investment return and new gifts, which total exceeded funds distributed to support operations during the fiscal year.

In addition to the management of the investment program, the Office of the Treasurer provided assistance to the Institute's overall financial operations and planning in conjunction with the offices of the Provost and of the Executive Vice President.

Other activities of the Office of the Treasurer supported Institute real estate planning, community relations, and the Office of Resource Development.

Allan S. Bufferd
Treasurer

For more information, see the Report of the Treasurer at http://controllers.mit.edu/site/general_ledger_operations_reporting/reports_publications/.

Massachusetts Institute of Technology Investment Management Company

On June 3, 2004, the Institute established the Massachusetts Institute of Technology Investment Management Company (MITIMCo) to assume the duties of the Investment Committee of the Corporation. MITIMCo assumed these responsibilities on July 1, 2004.

The MITIMCo board is comprised of members of the Corporation and alumni with significant investment experience. The board is chaired by Theresa M. Stone, who previously served as chair of the Investment Committee. The primary function of the MITIMCo board is to oversee the investments of the Institute's assets, specifically the endowment, the current funds, the pension assets, and other institutional assets.

The board held three regularly scheduled meetings during FY2005. These meetings focused on a review of the policy portfolios for the assets of both the endowment and the MIT Basic Retirement Plan. Modest changes were made to the policy portfolios to reflect changed outlooks for various asset classes.

The investment portfolios are diversified across major asset groups such as marketable global fixed income securities; marketable domestic and international, developed and emerging market equities; global real estate; non-marketable global alternatives such as private equity, oil, and gas; and marketable global alternatives, which include distressed debt, event arbitrage, and other hedge fund strategies.

The investment program is implemented through more than 140 investment management organizations around the world.