

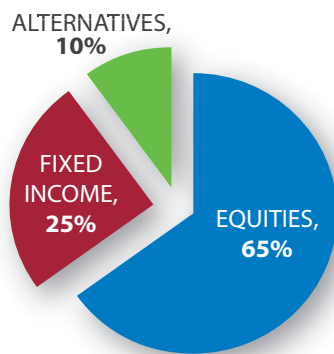
Philanthropic gifts for endowments are critical to ensure a permanent source of support for CSUSB's extraordinary students who are pursuing their educational dreams and striving to achieve their goals. Endowments create a legacy for our donors while transforming the lives and futures of many bright, promising students and the exceptional faculty who teach and mentor them.

Spending Policy

During fiscal year 2013–14, the payout rate for an endowment fund at CSUSB was 4.5%* of the three-year average market value ending December 31 of each year. Endowments invested less than three full years are calculated at the market value ending of Year One and/or at the average of Year Two. The CSUSB Philanthropic Foundation Board of Directors established this spending policy in order to protect the principal of the endowment fund, while having significant impact in the lives of students who benefit from this important support.

Current Portfolio Chart

The Endowment Pool is invested in accordance with the CSUSB Philanthropic Foundation's investment policy, which is designed with principal preservation and controlled growth as the main focus. With this long-term objective in mind, the portfolio is a diversified mix of investments across a broad range of asset classes, including equities (stocks), fixed income (bonds) and alternative investments. The assets are managed externally by professional investment managers hired by the CSUSB Philanthropic Foundation and are closely monitored by the Foundation's Investment Committee.



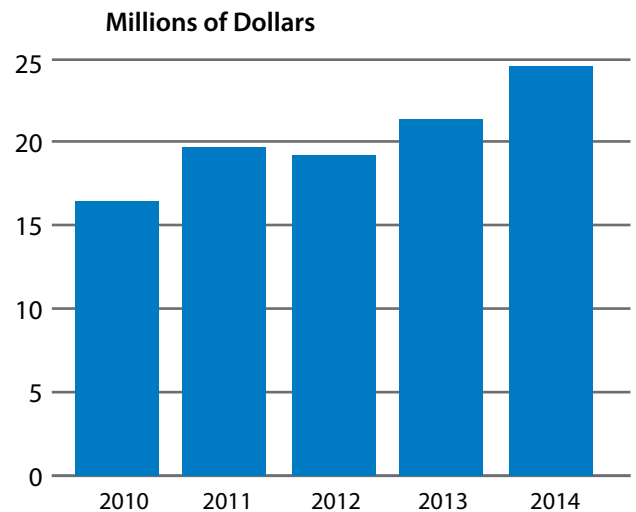
Endowment Management Fee

The endowment management fee helps to defray costs associated with the administration and stewardship of funds received. In an effort to further support endowment growth, the CSUSB Philanthropic Board

approved an increase in this quarterly fee from .125% to .1875% of the overall endowment's fair market value effective fiscal year 2013-2014.

Historical Return Chart

Over the past five years, the CSUSB Philanthropic Foundation's portfolio has experienced an annualized return of 12.1%, net of the annual investment manager fees. The portfolio's annualized returns are in line with the benchmark of 12.1% for the same period. For fiscal year July 1, 2013 – June 30, 2014, the portfolio realized an 15.8% return.



As of June 30, 2014 the fair market value of the endowment was \$24,457,752

CSUSB Philanthropic Foundation – Historical Returns

	YTD	1 Yr	3 Yrs	5 Yrs
CSUSB Composite	5.7	15.8	7.6	12.1
Policy Benchmark (75% MSCI ACWI(Net)/25%Barclays Aggregate)	5.7	18.1	8.8	12.1

DATA AS OF JUNE 30, 2014

*Effective fiscal year 2015-16, the payout rate will decrease to 4% of the three-year average market value ending December 31 of each year.