

## About Your 2020 Endowment Report...



### *A Transformational Investment*

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 for a better future. Endowments create an enduring legacy for our donors while transforming the lives and futures of many bright, promising students, and the exceptional faculty who teach and mentor them. An investment in CSUSB is an investment in the present and the future. From academics to athletics, faculty support to service learning, program enhancements to student life, endowments provide a consistent source of support that we rely on to enhance the CSUSB experience.

We are deeply grateful to our family of donors who have made this investment and committed so personally to the mission and vision of CSUSB.

### Glossary of Terms

**Endowment Market Value:** Fair market value of an endowment at the end of the calendar year.

**Net Gifts/Transfers:** Gifts or intra-campus transfers, net of fees, provided to augment scholarship/program awards.

**Endowment Distribution:** Monies made available to support the educational endeavors of students.

**Net Investment Return:** Dividends and interest generated from the investments.

### Reporting Period

Your 2020 endowment report encompasses activity from January 1 through December 31, 2020.

### Endowment Payout Timeline

The endowment payout timeline has been established to protect the principal of the endowment, while making significant impact on the lives of students who benefit from this important support.

**1st Calendar Year** – The endowment fund is created. Once established, the funds will be invested and start earning interest.

**2nd Calendar Year** – Funds continue to generate earnings. The December 31 value of the second calendar year will be used to calculate the following year's distribution.

**3rd Calendar Year** – A distribution from the endowment is made available for scholarship and program expenditures.



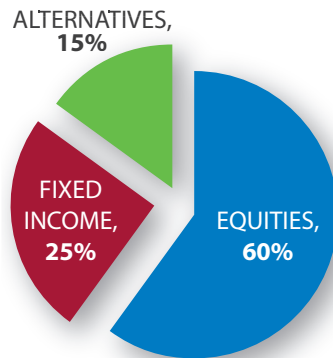


## Spending Policy

During the 2020 calendar year, the payout rate for an endowment fund at CSUSB was 4% of the 12 quarter rolling average of the market value.

## 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.

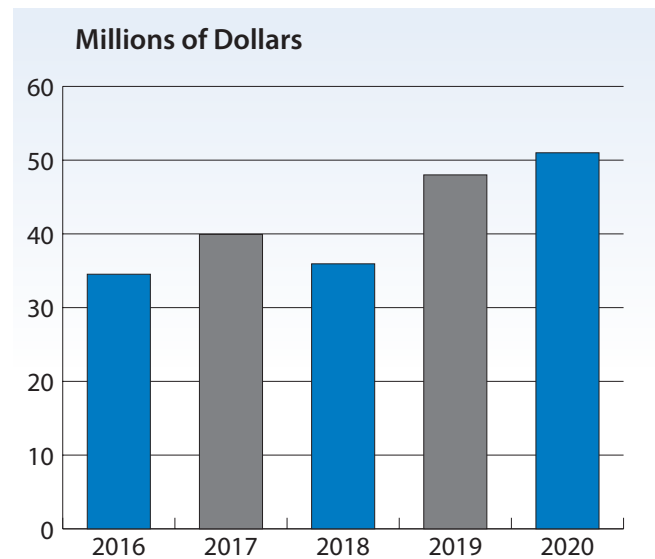


## Endowment Management Fee

A management fee of .1875% of the overall endowment's fair market value is assessed quarterly and helps defray costs associated with the administration and stewardship of funds received.

## Historical Return Chart

The CSUSB Philanthropic Foundation's portfolio experienced a 9.9% return in 2020. Over the past five years, the portfolio has experienced an annualized return of 2.7%, net of the annual investment management fees.



As of December 31, 2020, the fair market value of the endowment was \$51,098,522

### CSUSB Philanthropic Foundation — Annualized Returns

	1 Yr	3 Yrs	5 Yrs
CSUSB Composite	9.9	3.6	2.7
Policy Benchmark (65% MSCI ACWI (Net)/35%Barclays Aggregate)	3.1	2.7	1.9

DATA AS OF DECEMBER 31, 2020