



2014-2015 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.

As we celebrate 50 years of transforming lives, we gratefully pause to thank our family of donors who have made this investment and committed so personally to the mission and vision of CSUSB.

Endowment Payout Timeline

The endowment payout timeline has been established to protect the principal of the endowment, while having significant impact in 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 in September for scholarship and program expenditures.

Glossary of Terms

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

Income from Investments: Dividends and interest generated from the investments.

Distribution to Scholarship Fund: Monies made available to support the educational endeavors of students.

Net Change in Market Value: Appreciation (gain) or depreciation (loss) in market value.

Other Income: Gifts or inter-campus transfers to augment scholarship/program awards.

Scholarship Payments: Funds disbursed to students to support their educational endeavors according to established scholarship criteria.

Other Expenditures: Expenditures related to program endowments.



CSUSB FOUNDATION

Building a Culture of Philanthropy

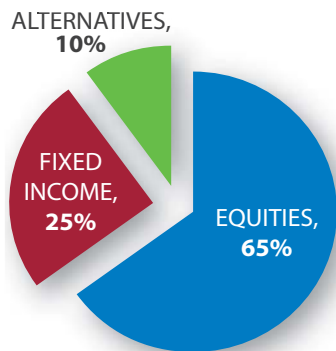
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Spending Policy

During fiscal year 2014–15, the payout rate for an endowment fund at CSUSB was 4.5% of the three-year average fair market value ending December 31 of each year. Effective fiscal year 2015-16, the payout rate will be 4% of the three-year average fair market value ending December 31 of each year.

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.



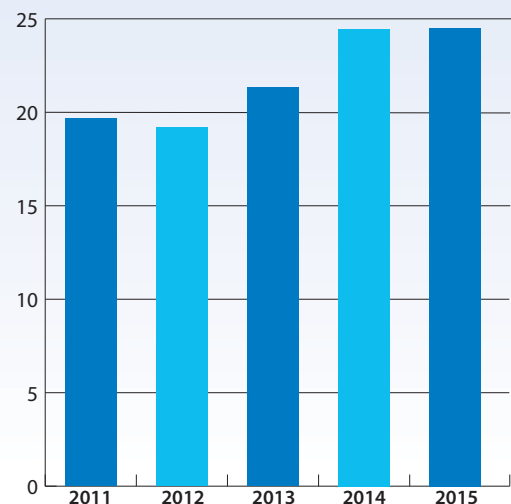
Endowment Management Fee

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

Over the past five years, the CSUSB Philanthropic Foundation's portfolio has experienced an annualized return of 8.6%, net of the annual investment management fees. The portfolio's annualized returns are slightly lower than the benchmark of 9.9% for the same period. For fiscal year July 1, 2014 – June 30, 2015, the portfolio realized a 0.6% return.

Millions of Dollars



As of June 30, 2015 the fair market value of the endowment was \$24,508,041

CSUSB Philanthropic Foundation – Historical Returns

	YTD	1 Yr	3 Yrs	5 Yrs
CSUSB Composite	1.9	0.6	9.1	8.6
Policy Benchmark (75% MSCI ACWI(Net)/25%Barclays Aggregate)	2.0	1.1	10.2	9.9

DATA AS OF JUNE 30, 2015