

2023/24 ANNUAL ENDOWMENT REPORT

**Empowering Tomorrow's
Future of Sonoma State**

Sonoma State University Foundation Endowment

Sonoma State University Foundation (SSUF) has maintained endowment funds since the 1980s. These funds are managed through an endowment pool to hold, administer, and invest into perpetuity the private endowment gifts that benefit the university. The pooled endowment combines hundreds of individual endowments contributed by many donors into a single unitized investment fund that can be efficiently and economically invested as a broadly diversified portfolio with a focus on total return and long-term growth.

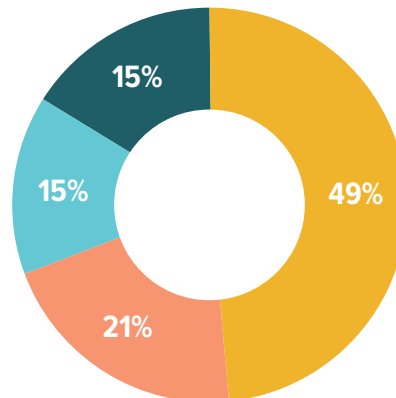
For 2023/24, the SSU endowment had a return of 11.1%, net of investment fees, and ended the fiscal year with a market value of \$70.5 million. The portfolio allocation remains well diversified and on target within the guidelines of the Investment Policy Statement. While allocations to public equities were the strongest contributor, all asset class allocations finished the time period in positive territory.

The majority of the SSUF's endowment assets are pooled and strategically managed by our Outsourced Chief Investment Office (OCIO), Graystone Consulting (of Morgan Stanley), and are thoughtfully guided by the Foundation's Investment Policy, overseen by the SSUF Investment Committee and SSUF Board of Directors.

PORTFOLIO ASSET ALLOCATION & DIVERSIFICATION

ASSET ALLOCATION

- Public Equities
- Fixed Income
- Hedge Funds
- Private Investments



GIFT FACTS



Fall 2023
total endowment
distribution



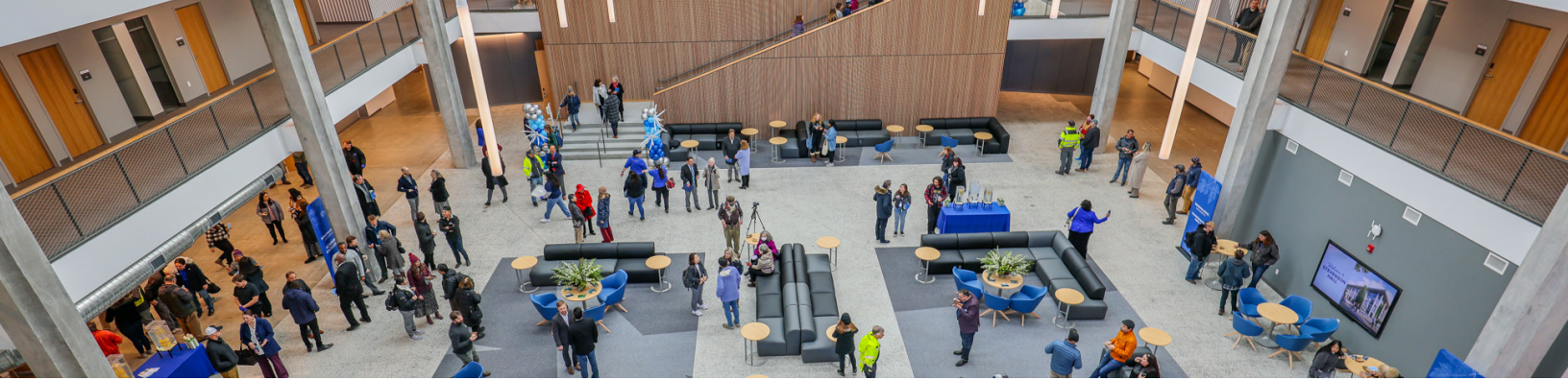
Individual
endowment
funds



Average annual endowment
investment return
over last 15 years



Total market
value of SSUF
endowment



ENDOWMENT DISTRIBUTIONS

The endowment has paid out more than \$9 million over the last five academic years, benefitting scholarships and programs, based on donor intent.

FALL	2023	\$2,003,425
	2022	\$1,966,809
	2021	\$1,753,603
	2020	\$1,685,530
	2019	\$1,594,483

INVESTMENT OBJECTIVES

LONG TERM ANNUAL RETURN OBJECTIVE: 7.0%*
 + 2.5%* (annual historical inflation)
 + 3.5%* (effective spend rate)
 + 1.0% (administrative fees)

Preservation of Purchasing Power
 Long-Term Growth of Capital
 *Approximate

INVESTMENT RETURNS

SSUF ENDOWMENT:

11.1%	1-year return (FY 23/24)
2.5%	3-year average annual return
8.3%	5-year average annual return
5.9%	10-year average annual return
7.1%	15-year average annual return

vs.

POLICY BENCHMARK*:

11.7%	1-year return (FY 23/24)
3.6%	3-year average annual return
7.7%	5-year average annual return
5.8%	10-year average annual return
N/A	15-year average annual return

*Normal Policy Benchmark: 50% MSCI ACWI, 20% Bloomberg Barclays Aggregate Bond Index, 15% HFRI FoF Composite Index, 7.5% Cambridge Associates US Private Equity Index, 5% NCREIF NFI-ODCE Index & 2.5% S&P Global Infrastructure Index

RESPONSIBLE INVESTING STRATEGY

SSUF utilizes a positive screening approach for environmental, social, and governance (ESG) factors through a board adopted Responsible Investing Position Statement.

HISTORICAL MARKET VALUE

As of June 30 each year

2024	\$70.5 M
2023	\$65.2 M
2022	\$60.8 M
2021	\$64.5 M
2020	\$52.7 M
2019	\$52.3 M
2018	\$49.1 M
2017	\$47.1 M
2016	\$44 M
2015	\$44.6 M

SPENDING POLICY

4.0% of the 5-year rolling average of the endowment market value as of December 31