



SONOMA STATE UNIVERSITY
ACADEMIC FOUNDATION

SSU Academic Foundation, Inc.

SSUAF Endowment

SSU Academic Senate
3/27/14



SSUAF Purpose

- 501(c)(3) not-for-profit corporation established in 1974
- The Foundation's principal mission is to receive and administer gifts, endowments and planned giving that enhance and promote Sonoma State University's educational mission.



Governing Structure

- Board of Directors (28)
 - Community members (14)
 - Students (2)
 - Faculty (5)
 - Staff/Administrators (7)
 - Support Staff



Board of Directors

■ University representatives:

- Dr. Ruben Armiñana - President, Sonoma State University (SSUAF Chairman)
- Mr. Erik Greeny - Interim Vice President for Development, SSU (SSUAF President)
- Mr. Laurence Furukawa-Schlereth - Vice President for A&F and Chief Financial Officer, SSU (SSUAF COO)
- Dr. Jean Bee Chan - Professor, Mathematics Department
- Dr. Lynn Cominsky - Professor and Chair, Department of Physics & Astronomy
- Mr. Dan Condron - Vice President for University Affairs
- Dr. Robert Eyler - Professor, Economics / Director, Executive MBA Program
- Mr. Matthew Dougherty - Vice President for Finance, SSU Associated Students
- Mr. Wallace Lowry - Santa Rosa City School Board/ Retired Professor, Business, CPA
- Dr. H. Andréa Neves - Emerita Professor, School of Education
- Mr. Mac Hart - President, SSU Associated Students
- Dr. Andrew Rogerson - Provost and Vice President for Academic Affairs
- Dr. William Silver - Dean, School of Business and Economics

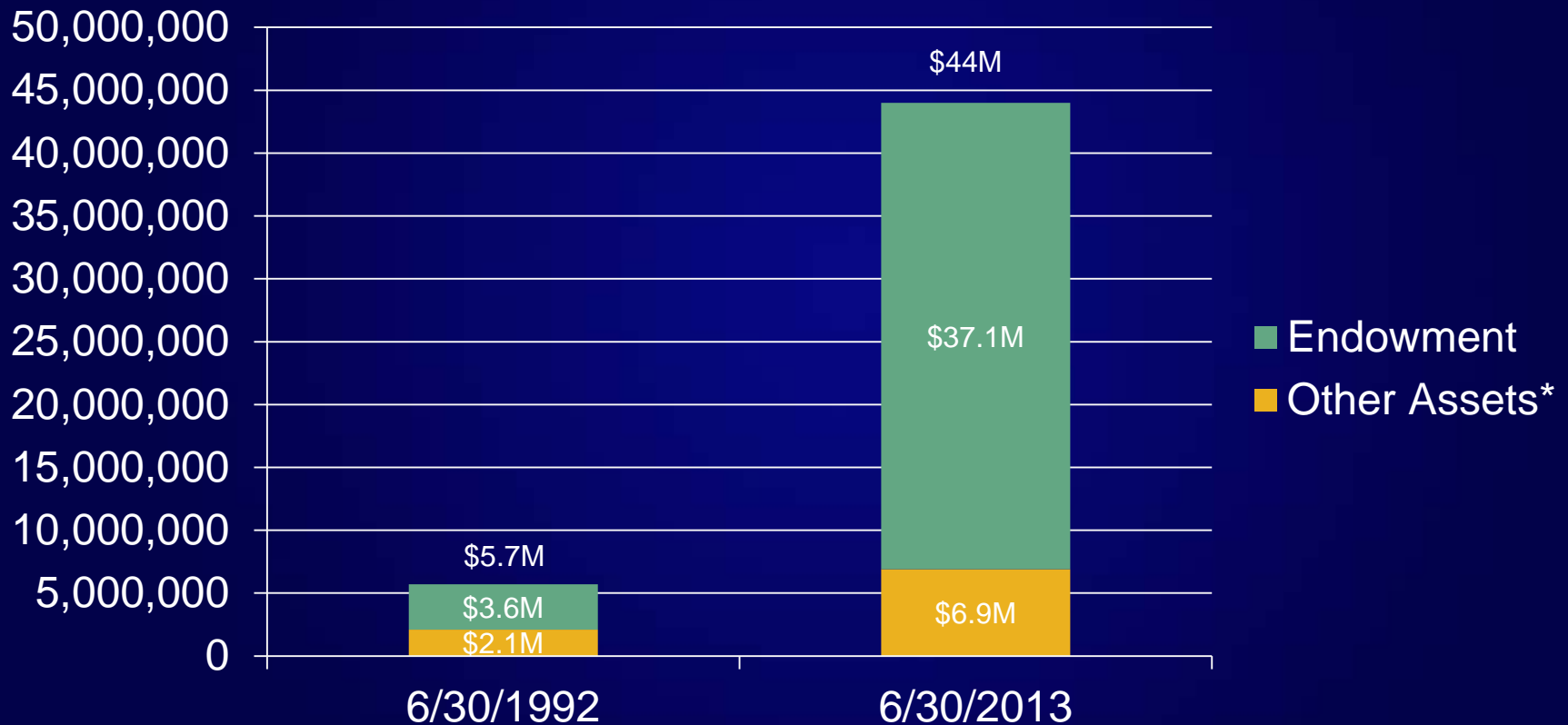


Governing Structure

- Committees:
 - Executive Committee
 - Finance Committee
 - Audit Committee
 - Compliance Review Committee



Funds Managed By the Foundation



* In 2012 Scholarship and Campus Program funds were moved to University



Endowment

- **Definition:** The permanent funds of a nonprofit institution, consisting of cash, securities or property. Income from endowment is used to help finance the ongoing operations of the institution
- **Pooled Endowment Funds**
 - Approx. 360 separate endowment accounts
 - Specific purpose base upon donor intent



Foundation's Investment Policy

- Purpose – framework for investment of SSUAF assets, particularly the endowment funds
 - Long-term investment horizon
 - Return objective = inflation + 4%
 - Intergenerational Equity
- <http://www.sonoma.edu/afd/fnd>



Primary Investment Management Consultant

- Graystone Consulting / Morgan Stanley
(since 2011)
 - Following CSU Systemwide proposal review
 - Local investment team - Santa Rosa, California
 - \$8 Billion in assets under management
 - Clients include:
 - Over 30 Higher Education and 40 Non-profit and Foundation institutions
 - Including multiple other campuses within the CSU System.



2012/13 NACUBO-Commonfund Study of Endowments (NCSE)

- 835 institutions participated in survey
 - Including all CSU campuses and CO (24)

- Fiscal year ending June 30, 2013
 - Endowment Performance
 - Market Values
 - Asset Allocation



CSU Endowment Profile

| Largest CSU Endowments | Rank | June 30, 2013 Endowment Market Value |
|------------------------|-----------|---|
| San Luis Obispo | 1 | \$ 184.0 M |
| San Diego | 2 | \$ 158.4 M |
| Fresno | 3 | \$ 142.8 M |
| San Jose | 4 | \$ 99.9 M |
| Northridge | 5 | \$ 72.5 M |
| Pomona | 6 | \$ 69.3 M |
| San Francisco | 7 | \$ 55.2 M |
| Long Beach | 8 | \$ 50.5 M |
| Chico | 9 | \$ 48.5 M |
| Fullerton | 10 | \$42.5 M |
| Sonoma | 11 | \$ 37.1 M |

-Value of 13 other CSU campus endowments combined equals \$221 Million

-Value of all 24 CSU campuses combined equals \$1.2 Billion



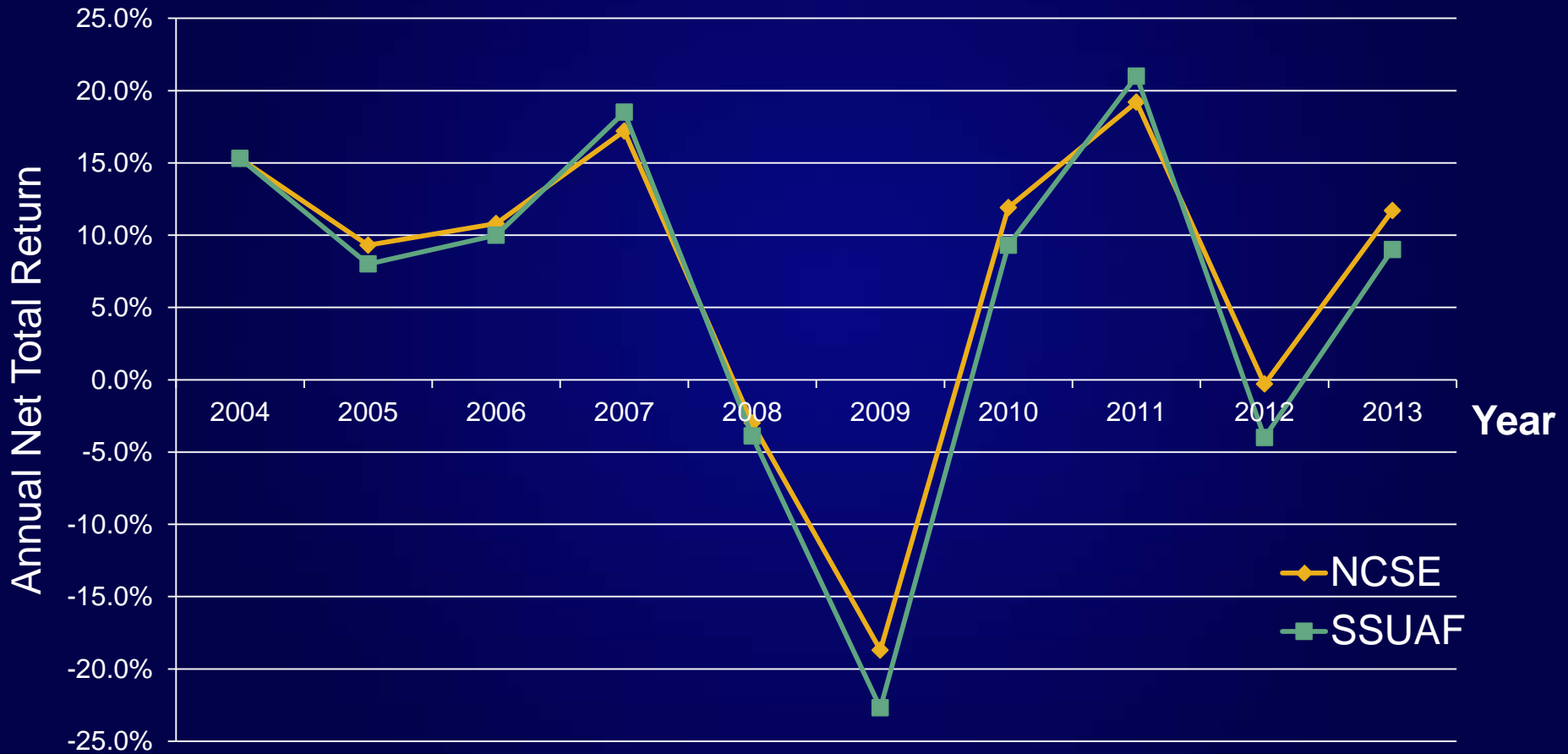
CSU Endowment Profile

| Largest CSU Endowments <u>Per FTES</u> | Rank | Endowment \$ per FTES |
|---|----------|-----------------------|
| San Luis Obispo | 1 | \$ 10,590 |
| Fresno | 2 | \$ 7,505 |
| San Diego | 3 | \$ 5,642 |
| Sonoma | 4 | \$ 4,750 |
| Cal Maritime | 5 | \$ 4,474 |
| San Jose | 6 | \$ 4,265 |
| Pomona | 7 | \$ 3,818 |
| Humboldt | 8 | \$ 3,319 |
| Chico | 9 | \$ 3,266 |
| Monterey Bay | 10 | \$ 3,131 |



Average Historical Endowment Returns

Average Annual Total Net Returns for Total Institutions for Fiscal Years 2004-2013





Endowment Performance

Average Investment Return

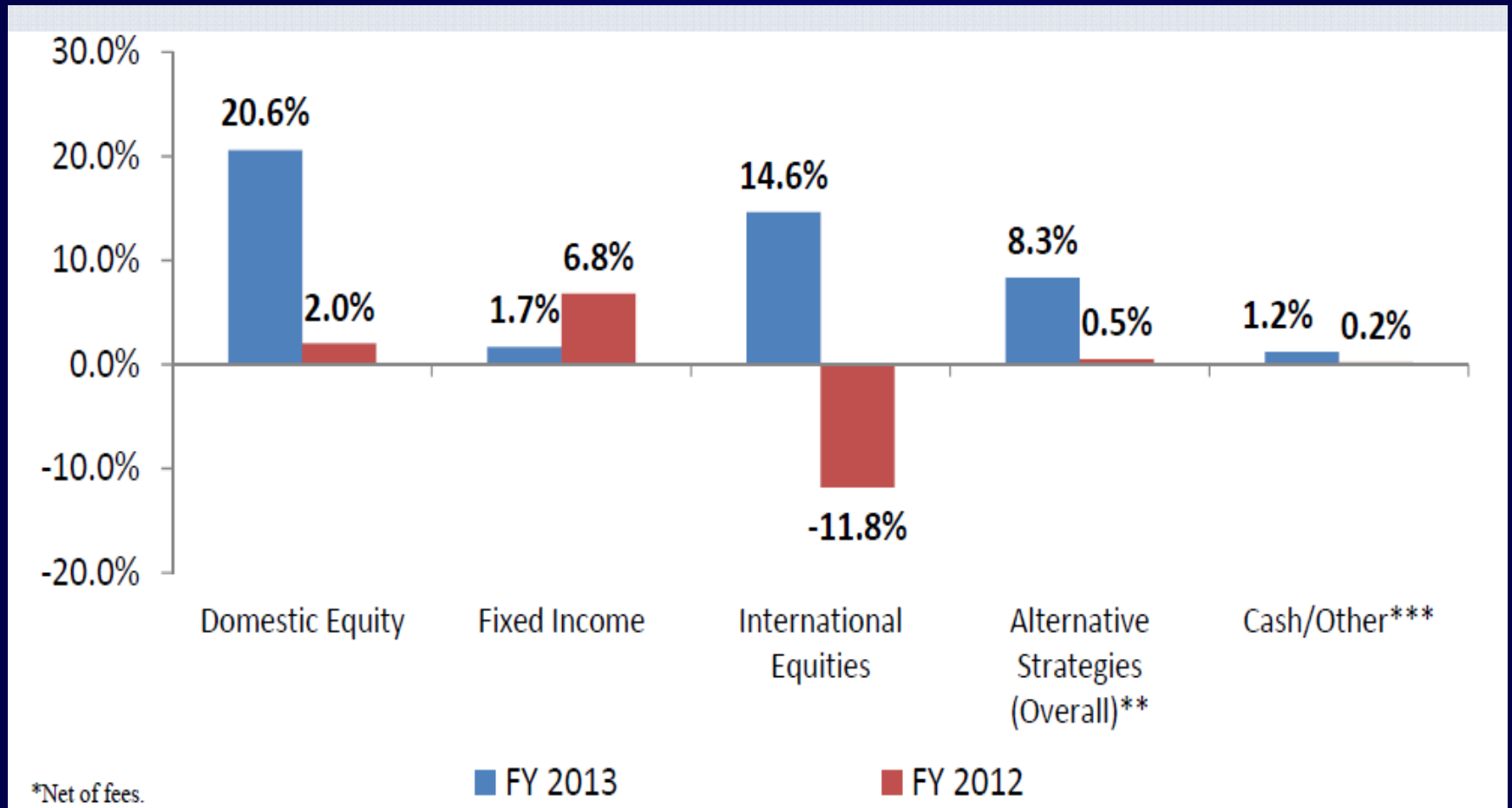
Period ending 6/30/13

| Investment Pool Assets | 1 Year | 5 Years | 10 Years |
|---------------------------------------|-------------|-------------|-------------|
| > \$25 m to <= \$50 m (All NACUBO) | 11.4% | 4.3% | 6.4% |
| Sonoma State University | 9.0% | 2.5% | 6.1% |

*Returns as reported in 2013 NACUBO Endowment Survey
Net of Management Fees and Expenses*



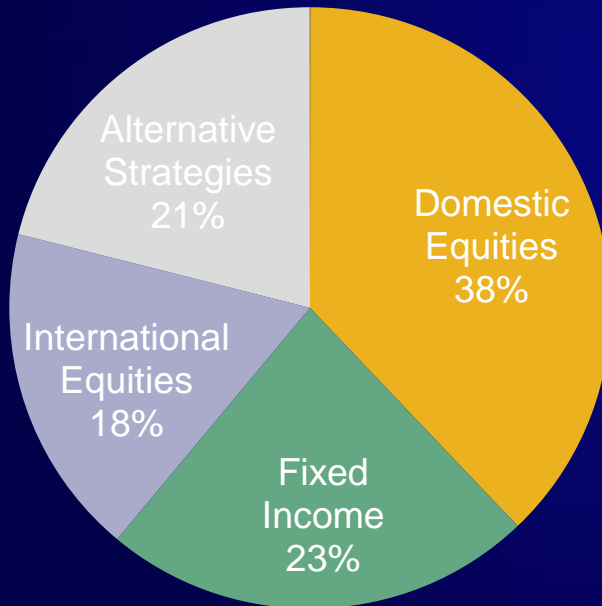
Average Return by Asset Class



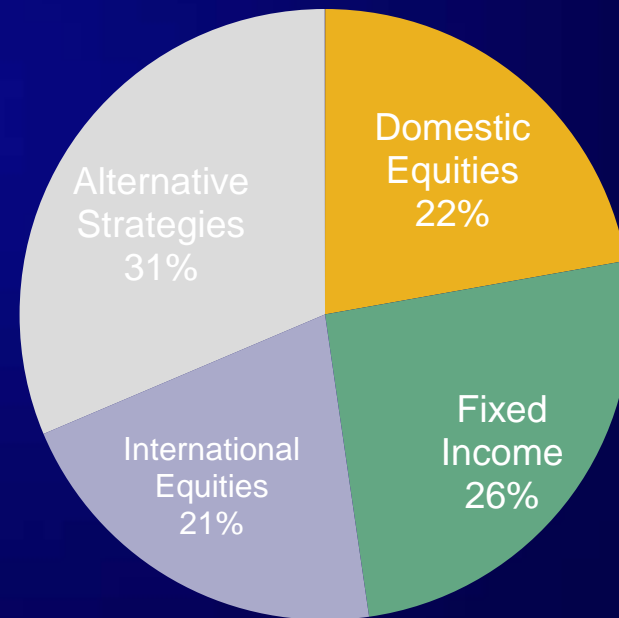


Endowment Investments Asset Allocation

NCSE > \$25 m to <= \$50 m



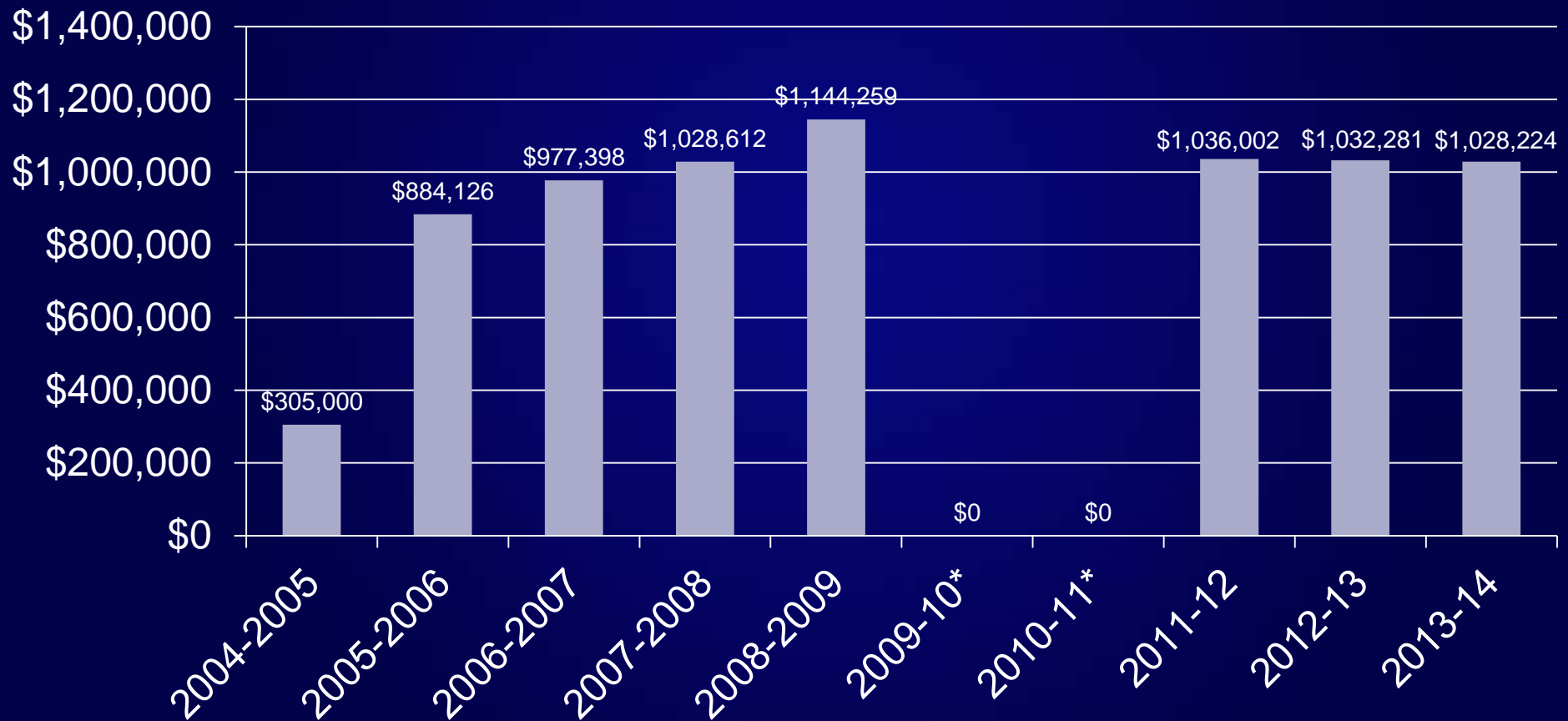
SSUAF





Pooled Endowment Distribution – 10 Years

Total Annual Distribution



* Replacement funds provided by University in 09/10 & 10/11 (endowment underwater).
Current Distribution Policy: 4% of five year rolling average of endow market value



Pooled Endowment Distribution (13/14)

- *37% (\$381K) to Scholarships*
 - *Support approx. 255 scholarship accounts*
- *63% (\$647K) to Campus Programs*
 - *Support approx. 90 academic programs*



Largest Endowment Funds

- *\$2M or greater (make up approx. 50% of total endowment):*
 - Schulz Endowment (Library and IT)
 - Master's Program in Computer and Engineering Science (MSCES)
 - Person Endow - Performing Arts Scholarships & Program Support
 - Graton Endowed Chair in Native American Studies
 - Condiotti Scholarship Endow
 - Osher Lifelong Learning Institute (OLLI)