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. Andrèa 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](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

<table>
<thead>
<tr>
<th>Largest CSU Endowments</th>
<th>Rank</th>
<th>June 30, 2013 Endowment Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Luis Obispo</td>
<td>1</td>
<td>$184.0 M</td>
</tr>
<tr>
<td>San Diego</td>
<td>2</td>
<td>$158.4 M</td>
</tr>
<tr>
<td>Fresno</td>
<td>3</td>
<td>$142.8 M</td>
</tr>
<tr>
<td>San Jose</td>
<td>4</td>
<td>$99.9 M</td>
</tr>
<tr>
<td>Northridge</td>
<td>5</td>
<td>$72.5 M</td>
</tr>
<tr>
<td>Pomona</td>
<td>6</td>
<td>$69.3 M</td>
</tr>
<tr>
<td>San Francisco</td>
<td>7</td>
<td>$55.2 M</td>
</tr>
<tr>
<td>Long Beach</td>
<td>8</td>
<td>$50.5 M</td>
</tr>
<tr>
<td>Chico</td>
<td>9</td>
<td>$48.5 M</td>
</tr>
<tr>
<td>Fullerton</td>
<td>10</td>
<td>$42.5 M</td>
</tr>
<tr>
<td><strong>Sonoma</strong></td>
<td><strong>11</strong></td>
<td><strong>$37.1 M</strong></td>
</tr>
</tbody>
</table>

- 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

<table>
<thead>
<tr>
<th>Largest CSU Endowments</th>
<th>Rank</th>
<th>Endowment $ per FTES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Per FTES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Luis Obispo</td>
<td>1</td>
<td>$10,590</td>
</tr>
<tr>
<td>Fresno</td>
<td>2</td>
<td>$7,505</td>
</tr>
<tr>
<td>San Diego</td>
<td>3</td>
<td>$5,642</td>
</tr>
<tr>
<td><strong>Sonoma</strong></td>
<td>4</td>
<td>$4,750</td>
</tr>
<tr>
<td>Cal Maritime</td>
<td>5</td>
<td>$4,474</td>
</tr>
<tr>
<td>San Jose</td>
<td>6</td>
<td>$4,265</td>
</tr>
<tr>
<td>Pomona</td>
<td>7</td>
<td>$3,818</td>
</tr>
<tr>
<td>Humboldt</td>
<td>8</td>
<td>$3,319</td>
</tr>
<tr>
<td>Chico</td>
<td>9</td>
<td>$3,266</td>
</tr>
<tr>
<td>Monterey Bay</td>
<td>10</td>
<td>$3,131</td>
</tr>
</tbody>
</table>
Average Historical Endowment Returns

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

Year:

NCSE
SSUAF

Annual Net Total Return:
-25.0%  -20.0%  -15.0%  -10.0%  -5.0%  0.0%  5.0%  10.0%  15.0%  20.0%  25.0%
## Endowment Performance
### Average Investment Return
#### Period ending 6/30/13

<table>
<thead>
<tr>
<th>Investment Pool Assets</th>
<th>1 Year</th>
<th>5 Years</th>
<th>10 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; $25 m to &lt;= $50 m (All NACUBO)</td>
<td>11.4%</td>
<td>4.3%</td>
<td>6.4%</td>
</tr>
<tr>
<td><strong>Sonoma State University</strong></td>
<td>9.0%</td>
<td>2.5%</td>
<td>6.1%</td>
</tr>
</tbody>
</table>

*Returns as reported in 2013 NACUBO Endowment Survey
Net of Management Fees and Expenses*
Average Return by Asset Class

- Domestic Equity: 20.6% (FY 2013), 2.0% (FY 2012)
- Fixed Income: 1.7% (FY 2013), 6.8% (FY 2012)
- International Equities: 14.6% (FY 2013), -11.8% (FY 2012)
- Alternative Strategies (Overall): 8.3% (FY 2013), 0.5% (FY 2012)
- Cash/Other***: 1.2% (FY 2013), 0.2% (FY 2012)

*Net of fees.
Endowment Investments Asset Allocation

NCSE > $25 m to <= $50 m

- Domestic Equities: 38%
- Fixed Income: 23%
- International Equities: 18%
- Alternative Strategies: 21%

SSUAF

- Domestic Equities: 22%
- Fixed Income: 26%
- International Equities: 21%
- Alternative Strategies: 31%
Pooled Endowment Distribution – 10 Years

Total Annual Distribution

- 2004-2005: $305,000
- 2005-2006: $884,126
- 2006-2007: $977,398
- 2007-2008: $1,028,612
- 2008-2009: $1,144,259
- 2009-10*: $0
- 2010-11*: $0
- 2011-12: $1,036,002
- 2012-13: $1,032,281
- 2013-14: $1,028,224

* Replacement funds provided by University in 09/10 & 10/11 (endowment underwater).

Current Distribution Policy: 4% of five year rolling average of endowment 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)