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plannedgiving@calpoly.edu
www.plannedgiving.calpoly.edu
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Your Investment in the Future of Cal Poly
Since 1985, the Cal Poly Foundation has maintained an endowment pool to hold, administer and invest in perpetuity the private endowment gifts that benefit the university. The endowment pool combines individual endowments contributed by many donors into a single investment fund that can be efficiently and economically invested as a broadly diversified portfolio.

STRATEGIC INVESTMENT POLICY

The endowment pool is invested in accordance with the Foundation’s investment policy, which is designed to achieve long-term total returns that preserve the purchasing power of the pool, while providing a predictable stream of income to the university. These goals are achieved by investing in a diversified mix of investments across a broad range of asset classes, including equities (stocks), fixed income (bonds) and alternative investments.

The 2017 calendar year return for the Cal Poly Foundation Endowment, net of fees, was 15.8 percent exceeding its custom blended benchmark of 14.7 percent. Stock markets produced outstanding gains across the board. The S&P 500 index of U.S. large company stocks rose 21.8%, while U.S. small company stocks returned a solid 14.6%. Foreign markets did even better last year, helped by a weaker U.S. dollar; international developed market stocks rose 25.0% and emerging markets jumped an impressive 37.3%. Bonds, too, posted positive returns in 2017 despite three Federal Reserve rate hikes, with intermediate-term U.S. bonds returning 2.1%. As a result of the strong equity markets, endowments invested in balanced portfolios of stocks and bonds earned double-digit investment returns, while portfolios holding mostly bonds generated more muted gains. Since its inception, the Cal Poly Foundation Endowment has earned an annualized return of 8.4 percent (net of fees), ahead of its benchmark of 8.0 percent, and a figure well in excess of the spending rate for the endowment plus inflation.

December 31, 2017 Portfolio

EQUITIES

- Domestic Equity 34%
- International Equity 24%
- Inflation Hedges 13%
- Alternatives 1%

FIXED INCOME

- Domestic Fixed Income 23%
- International Fixed Income 5%

ENDOWMENT INVESTMENT RESULTS

As of December 31, 2017, the fair market value of the Cal Poly Foundation Endowment was $220,697,958.

MILLIONS OF DOLLARS  As of December 31, 2017

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<th>Year</th>
<th>Total</th>
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ENDOWMENT IMPACT

The endowment has paid out more than $38.8 million over the last five calendar years, with an average annual payout of $7.8 million directly benefiting university programs, faculty development and student scholarships.

SPENDING POLICY

The endowment spending policy defines how much of each endowment will be distributed annually to the university for the purpose specified by the donor. The Foundation regularly reviews this policy, which balances the need to fund current university programs with the responsibility to protect endowments against inflation and preserve spending power for future generations.
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