An innovative program in the College of Engineering inspired one K-State graduate to include a gift in his estate plan to support computer science students. Mark Schonhoff '88, a retired vice president for Cerner Corporation, knew early in his high school years that he wanted to study computer science at K-State. Attending K-State basketball games with friends and family only solidified his interest in the university and his desire to learn here. Once enrolled at K-State, Schonhoff’s passion for our school grew as he met influential professors who helped him succeed.

Schonhoff chose to invest in the college's new Cornerstone Teaching Scholars program because he appreciated the strong start the K-State faculty provided him. Schonhoff was able to offer this investment as a gift in his will; an estate gift which allows him to retain control of the assets during his lifetime.

“I really valued the education I received at K-State and appreciated the professors I had,” Schonhoff said. “As I became increasingly successful in my career, I wanted to give back to K-State through a program that recognized the importance of good professors.”

Cornerstone Teaching Scholars provides faculty awards to encourage the best engineering instructors and professors who teach sophomore- and junior-level courses. By connecting with the strongest teachers early in their education, students are statistically more likely to stay in school and graduate.

The program was originally launched in honor of Ike Evans, class of '65, and his wife, Letty, who decided to include a gift to support faculty in their wills.

Cornerstone of success
Estate plan invests in engineering education innovation

Look inside and discover how to take control of your legacy!

SPRING 2017
Continued inside
The Cal Poly Foundation Endowment

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 2016 calendar year return for the Cal Poly Foundation Endowment, net of fees, was 7.6 percent exceeding its custom blended benchmark of 7.4 percent. The primary contributors to the out-performance were the domestic large cap and fixed income managers, an underweight to U.S. Treasuries, and the performance of the tactical asset allocation fund. The tactical fund was phased out in 2016. It is important to remember that market returns can be quite variable over the short run, often low return years follow periods of high returns and vice versa. Since its inception, the Cal Poly Foundation Endowment has earned an annualized return of 8.0 percent (net of fees), ahead of its benchmark of 7.8 percent, and a figure well in excess of the spending rate for the endowment plus inflation.

December 31, 2016 Portfolio

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<tr>
<th>EQUITIES</th>
<th>FIXED INCOME</th>
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<tr>
<td>Domestic Equity 34%</td>
<td>Domestic Fixed Income 24%</td>
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<tr>
<td>International Equity 23%</td>
<td>International Fixed Income 5%</td>
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<td>Inflation Hedges 13%</td>
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<td>Alternatives 1%</td>
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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. The Investment Committee approved a reduction in the endowment payout rate from 4.25 percent to 4.0 percent for payouts beginning in 2016. This reduction was approved based upon the expectation that future returns are projected to be below historical returns primarily resulting from lower bond returns. Cal Poly’s payout rate is consistent with the 4.0 percent average payout rate for public universities/colleges included in the 2016 National Association of College and University Business Officers (NACUBO) annual endowment survey.
"The Chevron Endowment is crucial to the success of the Center for Applications in Biotechnology. Thanks to this support, students have the opportunity to use cutting edge technology, and faculty can explore new avenues of research through our seed funding program. Our students, faculty and staff are extremely grateful for the Learn by Doing experiences this endowment makes possible."

— Christopher Kitts, Ph.D., Center for Applications in Biotechnology Director & Professor

"Being awarded with the Georgia M. and Claude S. Barnett Memorial Scholarship lightened my financial burden and allowed me to focus on the most important aspect of school: learning. The donors’ generosity has inspired me to help others and give back to the community. I hope that one day I, too, will be able to tremendously help students achieve their goals, just as I have been helped."

— Brooke Campbell, Experience Industry Management Department ’17

"Funds from the Bently Endowment allowed me to rapidly develop Cal Poly’s Human Motion Biomechanics Lab and provide critical Learn by Doing collaborations outside of the classroom for our talented and motivated students. We currently have 24 Cal Poly students working on several large funded projects with the potential to greatly benefit society in the general area of injury prevention biomechanics. Support from the endowment has also made a tremendous impact on the future success of these student’s careers."

— Stephen Klisch, Ph.D., Biomedical Engineering Professor