YOUR INVESTMENT IN THE FUTURE OF CAL POLY

2019 ANNUAL ENDOWMENT REPORT
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

With an extraordinary 2019, the Cal Poly Foundation endowment increased by 20.4%, net of fees, and ended the year with a market value of $237,589,485. The economic and market outlooks are dramatically different today than they were at calendar 2019 year end. While we cannot predict how the markets will move, the Cal Poly Foundation is committed to a disciplined investment approach focusing on the long-term value and impact the endowment will have on our students and programs. Our investment manager, TIAA Kaspick, is closely monitoring the markets and continues to take a long-term strategic approach to managing the portfolio.

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 endowment’s purchasing power 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 and keeping to the target weight of 71% equities and 29% fixed income.

DECEMBER 31, 2019 PORTFOLIO

**EQUITIES**
- Domestic Equity 34.2%
- International Equity 22.7%
- Inflation Hedges 14.8%
- Alternatives 0.5%

**FIXED INCOME**
- Domestic Fixed Income 22.8%
- International Fixed Income 5%
SPENDING POLICY

4.0% Payout to University
2.0% Average Inflation
1.3% Average Administrative Costs

7.3% TOTAL TARGET RETURN

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.

ENDOWMENT INVESTMENT RESULTS
As of December 31, 2019, the fair market value of the endowment was $237,589,485.

ENDOWMENT IMPACT
The endowment has paid out more than $40.1 million over the last five academic years, directly benefiting university programs, faculty development and student scholarships.

ENDOWMENT INVESTMENT RESULTS

<table>
<thead>
<tr>
<th>Period</th>
<th>Millions of Dollars</th>
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<tbody>
<tr>
<td>'11-'12</td>
<td>$11.1 M</td>
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<tr>
<td>'12-'13</td>
<td>$12.7 M</td>
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<td>$15.9 M</td>
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<tr>
<td>'15-'16</td>
<td>$18.0 M</td>
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MILLIONS OF DOLLARS
As of December 31, 2019

<table>
<thead>
<tr>
<th>Period</th>
<th>Millions of Dollars</th>
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<tbody>
<tr>
<td>'16-'17</td>
<td>$7.6 M</td>
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MILLIONS OF DOLLARS
As of December 31, 2019
“The Beavers Heavy Construction Scholarship will help me pay for my last year at Cal Poly. I come from a low-income family, and my parents cannot afford to pay for my college education. I have been working every summer, but it is not enough. This summer I interned with Level 10 Construction where I worked full time, and also took classes part time at Foothill College. Next year I plan to work hard to make sure that I am as prepared as I can be for a full-time job. This donation is very much appreciated by me and my family, and I want to thank you for this scholarship.”

— Andy Rios, recipient of the Beavers Heavy Construction Scholarship

“Cal Poly’s primary teaching methodology of “Learn by Doing” takes a considerable amount of capital investment. Laboratory space must be provided. Materials and equipment need to be procured. Class sizes must be kept small in a hands-on “Learn by Doing” environment. But the results speak for themselves. It is precisely this reason that the students, faculty and administrators of Cal Poly are ever so appreciative of the Abernethy Endowment which helps us reach such great heights.”

— Tom di Santo, AIA Professor in Architecture

“The Sadie Strain Golf Scholarship directly impacts and benefits our student-athletes with financial support throughout their student-athlete career. In recruiting, we see the pool of potential future Mustangs grow as we now have the means to offer a scholarship to earn a degree from a prestigious institution like Cal Poly, along with having an invaluable experience as a NCAA div 1 student-athlete in women’s golf.”

— Sofie Aagaard, Head Coach for Cal Poly’s Women’s Golf

GIFT FACTS

$4.4 million
in new gifts to the endowment that will support Cal Poly in perpetuity

937
individually named endowments

8.2% average
average annual endowment increase since 1993

No. 2
endowment value rank in the California State University system