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

During the unprecedented 2020 year, the Cal Poly Foundation endowment increased by 11.0%, net of fees, and ended the year with a market value of $257,622,307. While much in the year 2020 was uncertain, the Cal Poly Foundation remained 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) and fixed income (bonds) keeping to the target weight of 71% equities and 29% fixed income.

As of December 31, 2020, the portfolio allocation was as follows:

- Domestic Equity: 33%
- International Equity: 22%
- Inflation Hedges: 16%
- Domestic Fixed Income: 24%
- International Fixed Income: 5%

Gifts made to Cal Poly’s endowment in 2020 create a foundation for continuous improvement and success.

- $7.2 million in new gifts to the endowment that will support Cal Poly in perpetuity
- 955 individually named endowments
- 8.3% average annual endowment investment returns since 1993
- No.2 endowment value rank in the California State University system
The endowment has paid out more than $41.2 million over the last five academic years, directly benefiting university programs, faculty development and student scholarships.

**ENDOWMENT INVESTMENT RESULTS**

As of December 31, 2020, the fair market value of the endowment was $257,622,307.

**HISTORICAL RETURNS**

As of December 31, 2020

<table>
<thead>
<tr>
<th></th>
<th>1 YR</th>
<th>5 YRS</th>
<th>10 YRS</th>
<th>20 YRS</th>
<th>SINCE INCEPTION IN 1993</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cal Poly Endowment</td>
<td>11.00%</td>
<td>9.40%</td>
<td>7.30%</td>
<td>7.00%</td>
<td>8.30%</td>
</tr>
<tr>
<td>Benchmark (71%/29%)</td>
<td>10.40%</td>
<td>9.20%</td>
<td>8.10%</td>
<td>6.90%</td>
<td>8.00%</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>18.40%</td>
<td>15.20%</td>
<td>13.90%</td>
<td>7.50%</td>
<td>10.20%</td>
</tr>
<tr>
<td>Intermediate Bond Index</td>
<td>6.40%</td>
<td>3.60%</td>
<td>3.10%</td>
<td>4.30%</td>
<td>4.80%</td>
</tr>
</tbody>
</table>

**SPENDING POLICY**

4.0% Payout to University
2.0% Average Inflation
1.3% Average Administrative Costs
7.3% TOTAL TARGET RETURN

**ENDOWMENT IMPACT**

The endowment has paid out more than $41.2 million over the last five academic years, directly benefiting university programs, faculty development and student scholarships.