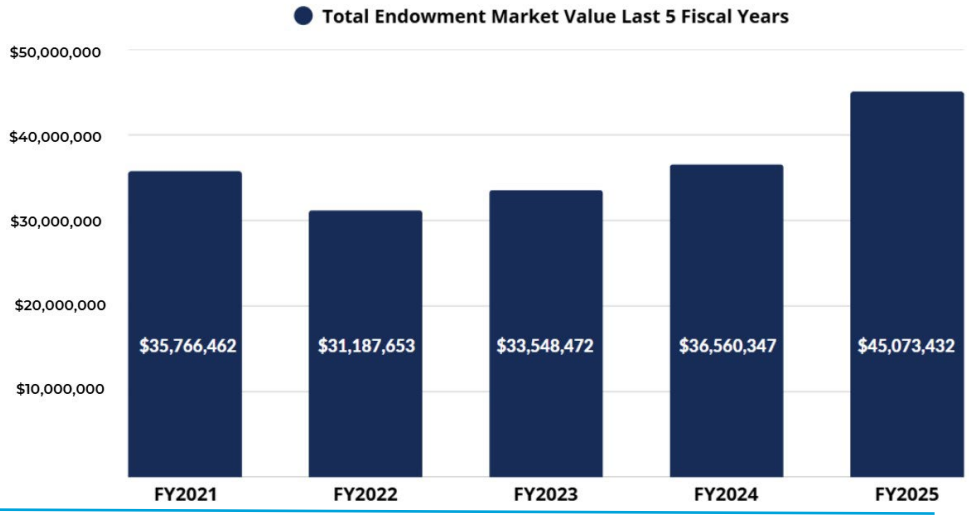
Cal State University San Marcos

ENDOWMENT REPORT

2024-2025



ANNUAL UPDATE FROM THE CSUSM FOUNDATION



Your investment in our endowment helps advance CSUSM's Blueprint for the Future, our intentional roadmap to make higher education accessible, affordable, and adaptable for all. Your generosity directly strengthens the programs, scholarships, and resources that support our students and their success.

This past fiscal year brought strong market gains, resulting in a 1-year return of 13.2%, and our long-term results remain well positioned. Since inception, our performance ranks in the top third of our national peer group of similarly sized institutions with endowments under $50M, and across the 1-, 3-, 5-, and 7-year periods, our returns rank in the top quartile. These results also compare favorably within the CSU system, where our performance continues to exceed many of our peer campuses.

As state support continues to tighten, private philanthropy plays an increasingly vital role in sustaining CSUSM's momentum. The growth of our endowment strengthens the university's long-term financial outlook and enhances our ability to plan for the future. Our partnership with Canterbury Consulting and our commitment to a thoughtfully diversified portfolio support our goal of continued strong performance.

On behalf of the CSUSM Foundation Board, thank you for your generosity and for the lasting impact you make today and for generations to come.

With appreciation,

Simon Kuo

Simon Kuo
Chair, CSUSM Foundation Board

Taylor Sutherland
Finance & Investment Committee Chair
CSUSM Foundation Board



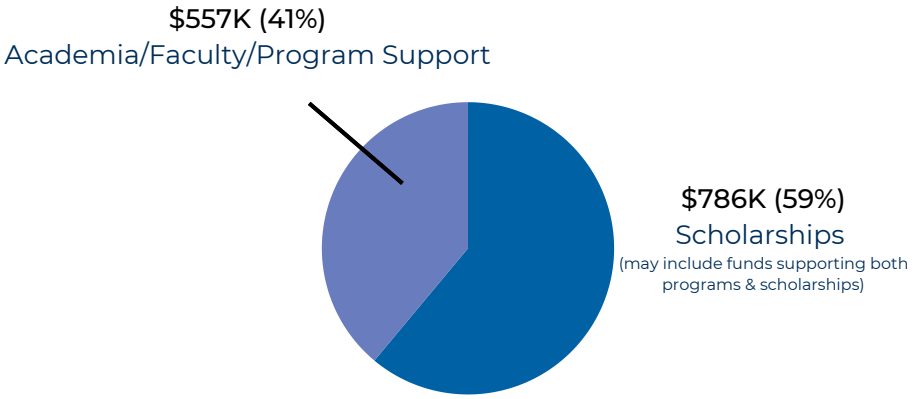
FY2025 Endowment Charts and Financials

Endowment Annual Return Rates

1-Year	3-Year	5-Year	10-Year
13.2%	11.7%	10.0%	7.3%

Where Endowments Make a Difference

Annual Distributions/Payout by Area of Support

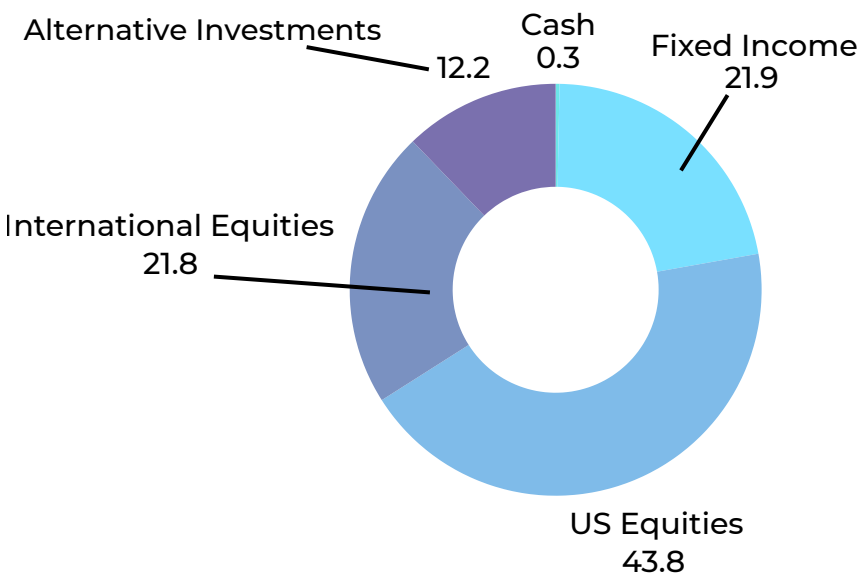


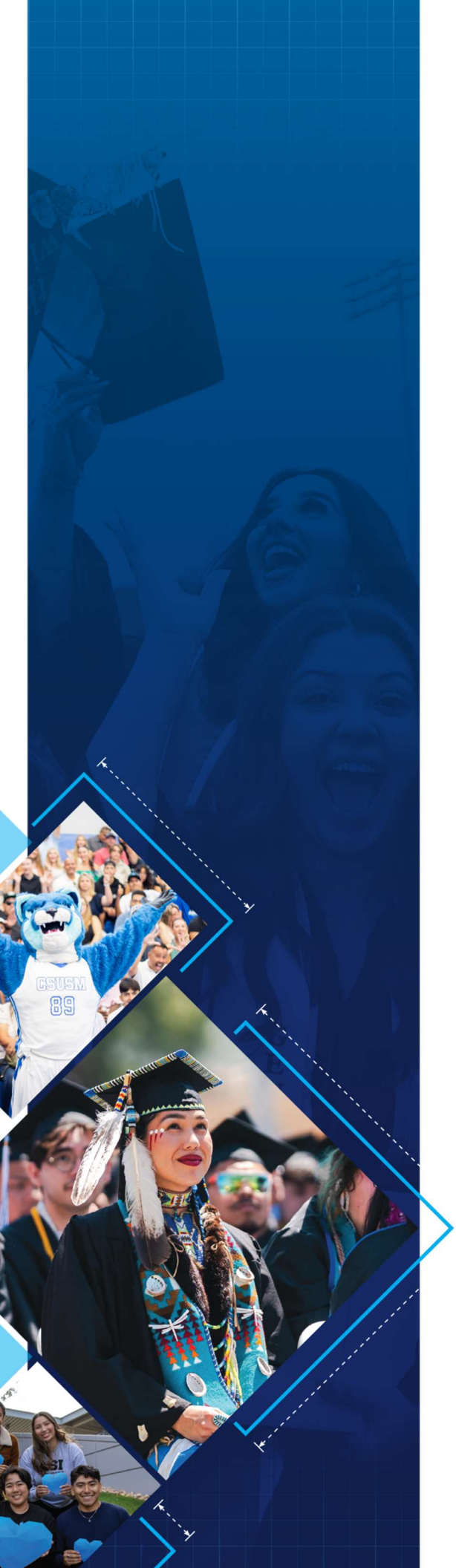
147
Total Endowed Funds

95
Endowed Funds supporting Scholarships

$1,343,730
Total Endowment Allocation for FY2025

Endowment Asset Allocation





CSUSM ENDOWMENT FAQ'S

What is an endowment?

Gifts to CSUSM are placed either in a current-use fund, intended for immediate spending, or in an endowment, which serves as a permanent source of income for the university.

Endowed gifts are held in perpetuity, providing a steady source of spendable income (annual distribution) that is spent according to donor intent, such as student scholarships, faculty professorships and programs. Endowment funds are invested in a diversified pool, with annual allocations set by the Foundation Board.

Quasi-endowments are a type of endowed fund where the principal as well as the annual allocation can be spent and is managed by the Foundation Board.

Who manages the CSUSM endowment?

The CSUSM Foundation Board is responsible for the broad fiduciary oversight of endowment investments and distributions.

The investment objectives of the assets are long term in nature with an investment horizon of at least 7-10 years.

The long-term objective is to earn a total rate of return (income plus capital gains) that will exceed the demands placed on the portfolio to support the Foundation's goals in addition to exceeding the rate of inflation. The CSUSM Foundation works closely with Canterbury Consulting.

More information about the CSUSM Foundation audited financials can be found at: *https://www.csusm.edu/giving/csusm-foundation*

What is the minimum gift required to establish a new endowment?

$25,000 is the minimum level to establish a new endowment at CSUSM. A $25,000 endowment will produce roughly $1,000 in annual support assuming the current allocation rate of 4%.

Minimum levels are established to ensure we provide adequate annual distributions for the specified fund purpose. Quasi-endowments must have a minimum contribution of $5,000 with a requirement of a signed multi-year pledge of $25,000 to be fulfilled within 5 years.

How does the annual allocation (also known as endowment distribution or payout) work?

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) allows the Foundation to appropriate an amount of the total fund that the Board determines is prudent for the purposes for which the fund was established, typically within a range of 0–5%.

For the 2024–25 fiscal year, the allocation rate was 4%, and it will remain the same for the 2025–26 fiscal year. Additional gifts increase the endowment's principal and, over time, increase future allocation.

Allocation is calculated at the beginning of the calendar year and becomes available at the beginning of each fiscal year. Endowments must reach the minimum funding level of $25,000 before the first allocation is made.