

## **Update from the Finance & Investment Committee to President Parham**

***Approved by: Maria Villa (CSUDH Philanthropic Foundation Board Chair), Michael Medalla (Finance & Investment Committee Chair), Eva Sevcikova (Executive Director, CSUDH Philanthropic Foundation)***

Date: July 9, 2024

The Finance and Investment Committee provides oversight of the financial aspects of the Philanthropic Foundation, an independent 501(c)3 organization. The Committee brings updates and recommendations to the full Philanthropic Board. The Committee met in ad-hoc meetings twice in June 2024 to review its current approach to investing and has agreed to continue its work on this topic in the upcoming academic year.

To meet the mission of the university, the Committee has a fiduciary duty to maximize total endowment investment returns for the benefit of students and faculty of CSUDH. In addition to that, the Committee has a plan that guides us in implementing ESG (environment, social, and governance) metrics into the investing strategy. These ESG metrics were introduced to the investment strategy in the fall of 2021. Currently 35% of the total endowment portfolio is invested according to the agreed-upon ESG metrics that are outlined in the Investment Policy.

While being mindful of its main goal of maximizing investment returns, the Committee also recognizes the importance of aligning values with investment choices. The Committee has decided that in the upcoming year, it will plan to explore impact investing to learn about the process of aligning investments with organizational mission and values. Conversations about any changes to transparency and investment choices will continue at that time.

Since the inception of the independent Philanthropic Foundation in 2015, the fair market value of the endowment has grown from \$9 million to \$26 million, an increase of 188%. Serving students by providing financial support is our purpose. We are very proud of the endowment growth, because this funding has allowed numerous scholarship funds and campus programs to thrive and support student success.

- The Philanthropic Foundation has total assets of \$41.7 million, including an endowment with a fair market value of approximately \$26 million. Student tuition and fees are not part of the assets.
- For the upcoming academic year 2024/2025, the campus will see an approximate \$900,000 payout from the endowment, the highest in the history of the Philanthropic Foundation. This funding will support the educational mission of the university and is earmarked for specific purposes according to the intent of donors who provided the funds.
- Over the years, nearly 130 endowed funds have been established by generous donors. Most of these funds support student scholarships. Here are a few examples of programs that are funded by endowed funds and that support the university's mission: Presidential Scholars Program, SNAP Inc. Institute for Technology and Education (SITE), Center for African Diaspora Sacred Music and Musicians, the Annenberg Foundation Endowed Professorship, and the Lyman Chaffee Endowed Chair for Global and Comparative Politics.