

2017-2018



OKLAHOMA STATE UNIVERSITY FOUNDATION

ENDOWMENT REPORT



\$642.9M

FY18 TOTAL ENDOWMENT

3,345

TOTAL NUMBER OF
ENDOWMENTS

\$21M

SPENDING AVAILABLE
TO OSU IN FY18



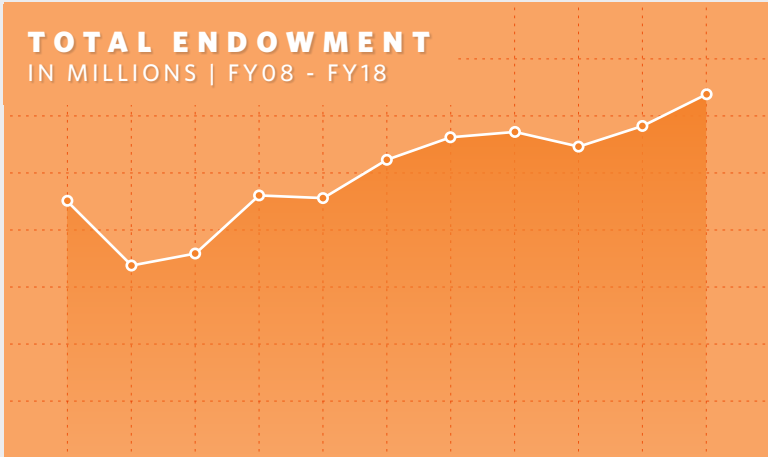
uniting donor and university passions and priorities to achieve excellence

YOUR IMPACT

Thank you for providing lasting support to Oklahoma State University. Your investment allows OSU to continue impacting the world by providing a quality education to leaders of tomorrow, while serving the state of Oklahoma and beyond. OSU's endowment is at an all-time high thanks to your generosity and the Foundation's prudent investment of endowed funds.

As the climate of state-supported higher education changes, private gifts have never been more critical. In 2018, only 14 percent

of OSU's budget was funded by the state of Oklahoma. While OSU remains one of the best college buys in the country, our students still shoulder an increasingly heavy financial burden. Endowed gifts provide consistent funding to our students, faculty and programs, making it possible for OSU Cowboys to continue achieving excellence. Last year, OSU received \$21 million in spending from endowments. Together, we are ensuring Oklahoma State's land-grant mission carries on and that OSU remains America's Brightest ORANGE for generations to come.



\$642.9M

TOTAL ENDOWMENT ON JUNE 30, 2018

FY17	\$586.7M
FY16	\$545.5M
FY15	\$581.4M
FY14	\$579.4M
FY13	\$517.2M
FY12	\$452.2M
FY11	\$456.1M
FY10	\$350.7M
FY09	\$320.6M
FY08	\$448.1M

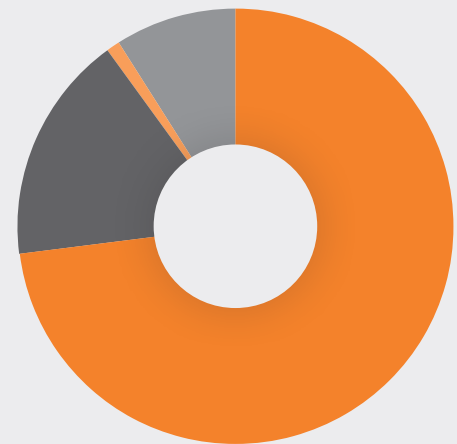
FY18 reflects pre-audited amounts

\$21M

TOTAL SPENDING AVAILABLE TO OSU IN FY18

3,345

TOTAL NUMBER OF ENDOWMENTS BY AREA:



- STUDENT SUPPORT 74%
- FACULTY & RESEARCH 16%
- FACILITIES 1%
- PROGRAM OPERATIONS 9%

{  **6,261**  }

STUDENTS BENEFITED FROM PRIVATE SCHOLARSHIP SUPPORT IN FY18

ESTIMATED TOTAL COST TO ATTEND OSU UNDERGRADUATE 2018-19 ACADEMIC YEAR

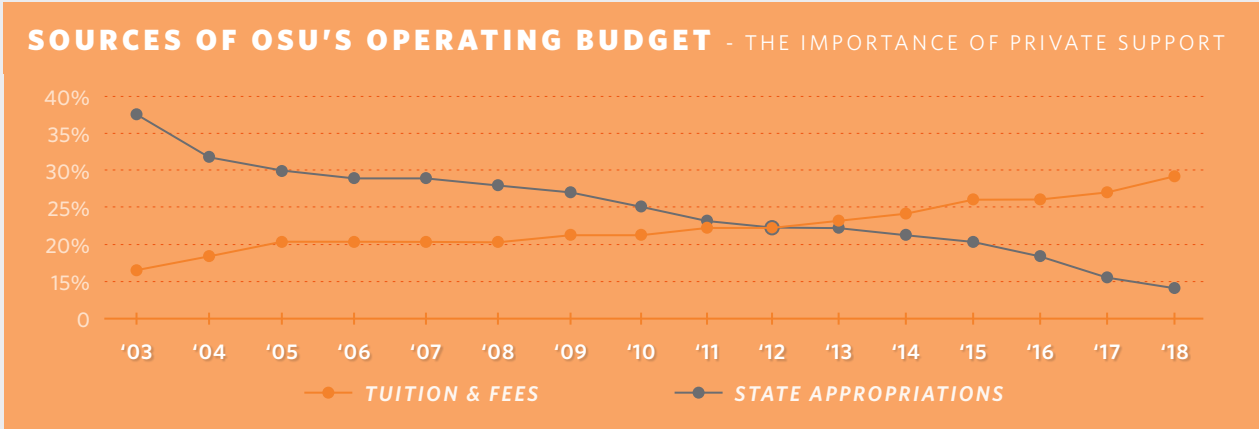
\$22,010 RESIDENT

\$37,530 NON-RESIDENT

ESTIMATED TOTAL COST TO ATTEND OSU GRADUATE 2018-19 ACADEMIC YEAR

\$17,200 RESIDENT

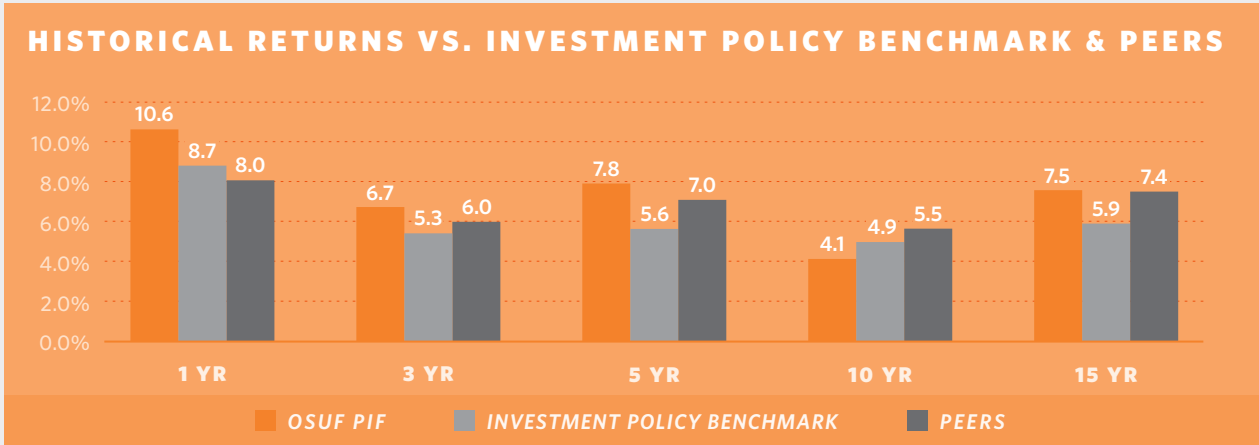
\$27,530 NON-RESIDENT



PERFORMANCE

Endowment gifts for the benefit of Oklahoma State University are placed in the Pooled Investment Fund (PIF), which is managed by the OSU Foundation. The OSU Foundation Board of Trustees has adopted an investment strategy to preserve the long-range purchasing power of the endowments while prudently managing risk. In order to execute this strategy, the Trustees have delegated the investment management of the PIF to the Investment Committee, which operates within the parameters of the Investment Policy Statement. The Investment Committee delegated responsibility for

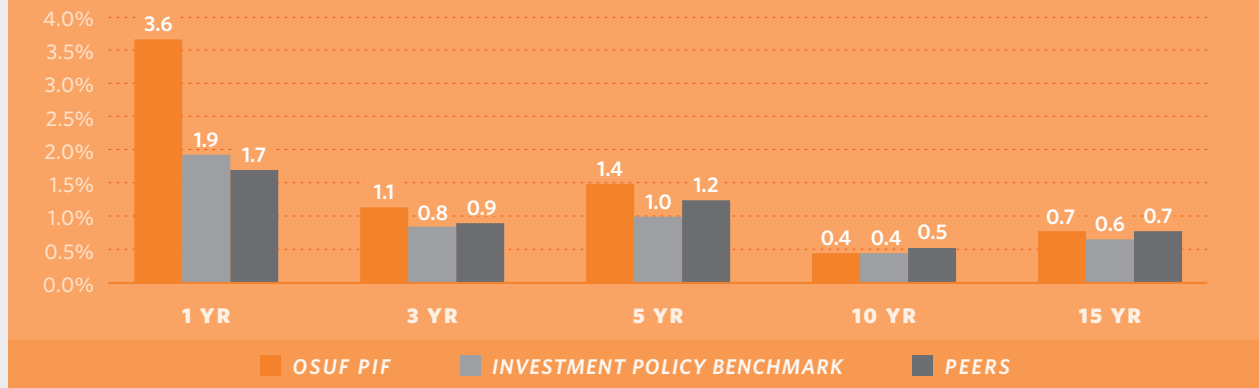
day-to-day management of the PIF to the internal OSU Foundation Investment Office in January 2012. The Investment Office and the Investment Committee are committed to maintaining a diversified portfolio that exhibits significantly less risk than the global equity markets. It is our view that a properly constructed, risk-controlled portfolio is able to achieve long-term equity-like returns with less risk of significant drawdowns, such as those experienced in the equity markets during the financial crisis of 2008.



Over the past fifteen years, the PIF has meaningfully outperformed its primary Investment Policy Benchmark. The Investment Policy Benchmark, which is approved by the Investment Committee, is a passive, non-investable portfolio representative of the exposures and risk level in the PIF. The PIF has also generally outperformed peer institutions, as measured by the Cambridge Associates Endowment Composite, over similar time periods.

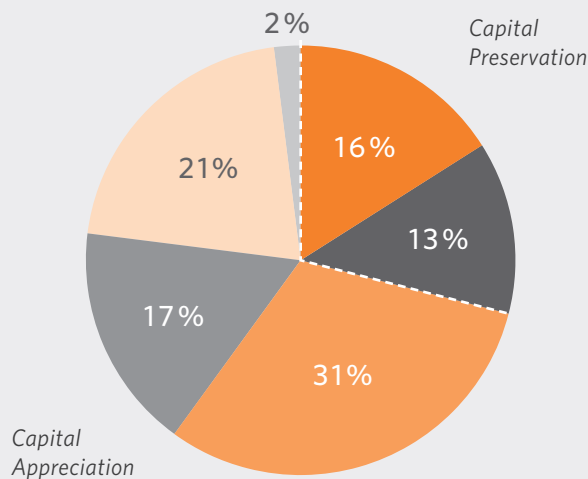
Outperformance relative to the Investment Policy Benchmark and peers has accelerated since inception of the Investment Office, as reflected in the five year and more recent periods. In FY 2018, the PIF returned 10.6%, outperforming the Investment Policy Benchmark by 1.9% and the median peer by 2.6%.

HISTORICAL SHARPE RATIOS VS. INVESTMENT POLICY BENCHMARK & PEERS



While absolute returns are important, it is also appropriate to consider the amount of risk taken to achieve those returns. Thus, the Investment Office and Investment Committee regularly measure the Sharpe ratio, which indicates the amount of return produced for each unit of risk taken. Over the past fifteen years, the PIF has generated similar risk-adjusted returns relative to both the Investment Policy Benchmark and peers, and the Sharpe ratio has markedly improved since inception of the Investment Office in January 2012.

ASSET ALLOCATION BY STRATEGY JUNE 30, 2018



- Relative Value Hedge Funds
- Fixed Income & Cash
- Long-Only Equity
- Private Equity
- Directional Hedge Funds
- Real Assets



The Investment Office is committed to becoming a best-in-class endowment. For more detailed information or any questions on the PIF:

PLEASE CONTACT THE OSU FOUNDATION INVESTMENT OFFICE

Ryan Tidwell
 Chief Investment Officer
 OSU Foundation Investment Office
 rtidwell@OSUgiving.com | 405.385.5171

Please see the back of your endowment reports for a glossary of terms.

Learn more at OSUgiving.com/Stewardship

Connect with us: