

2018-2019



OKLAHOMA STATE UNIVERSITY FOUNDATION

ENDOWMENT REPORT



\$642.5M

FY19 TOTAL ENDOWMENT

3,512

TOTAL NUMBER OF
ENDOWMENTS

\$23M

SPENDING AVAILABLE
TO OSU IN FY19

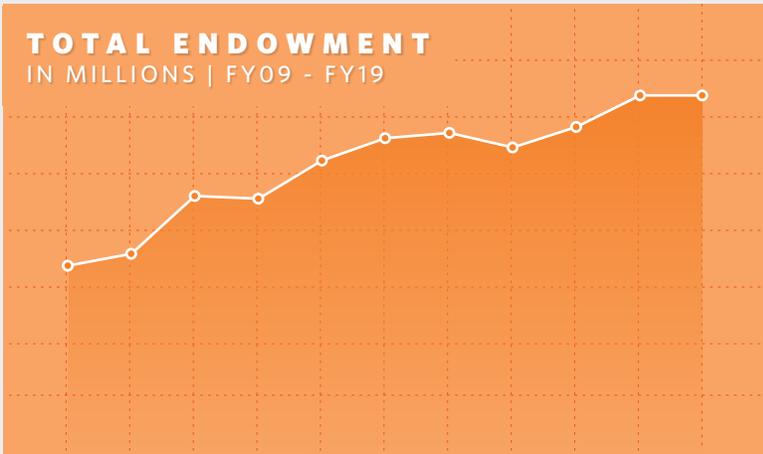
uniting donor and university passions and priorities to achieve excellence

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.

As the climate of state-supported higher education changes, private gifts have never been more critical. In 2019, 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 \$23 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.



\$642.5M

TOTAL ENDOWMENT ON JUNE 30, 2019

FY18	\$642.9M
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

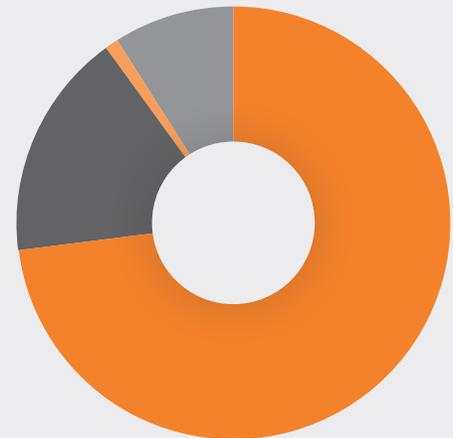
FY19 reflects pre-audited amounts

\$23M

TOTAL SPENDING AVAILABLE TO OSU IN FY19

3,512

TOTAL NUMBER OF ENDOWMENTS BY AREA:



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

{  6,602  }

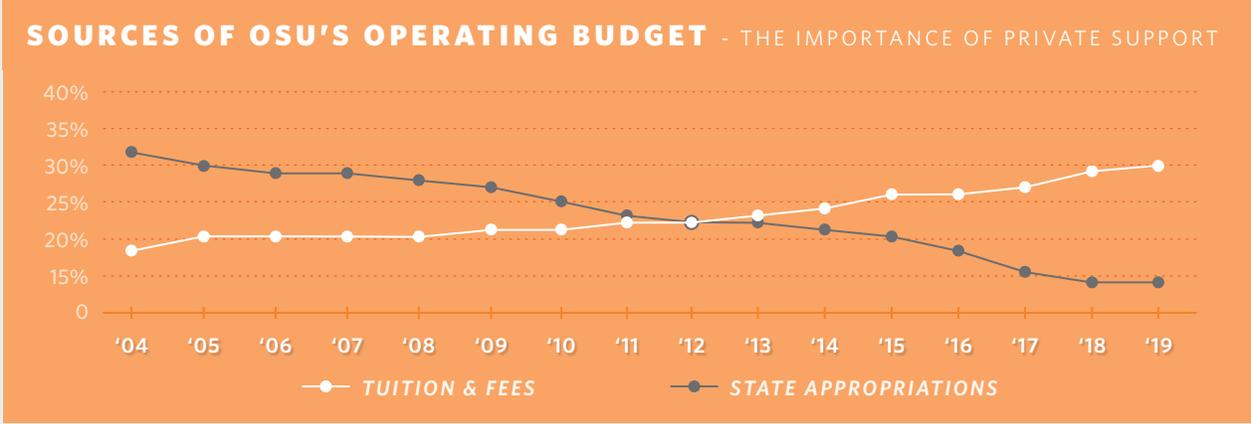
STUDENTS BENEFITED FROM PRIVATE SCHOLARSHIP SUPPORT IN FY19

ESTIMATED TOTAL COST TO ATTEND OSU
UNDERGRADUATE 2019-20 ACADEMIC YEAR

\$22,440 RESIDENT **\$37,960** NON-RESIDENT

ESTIMATED TOTAL COST TO ATTEND OSU
GRADUATE 2019-20 ACADEMIC YEAR

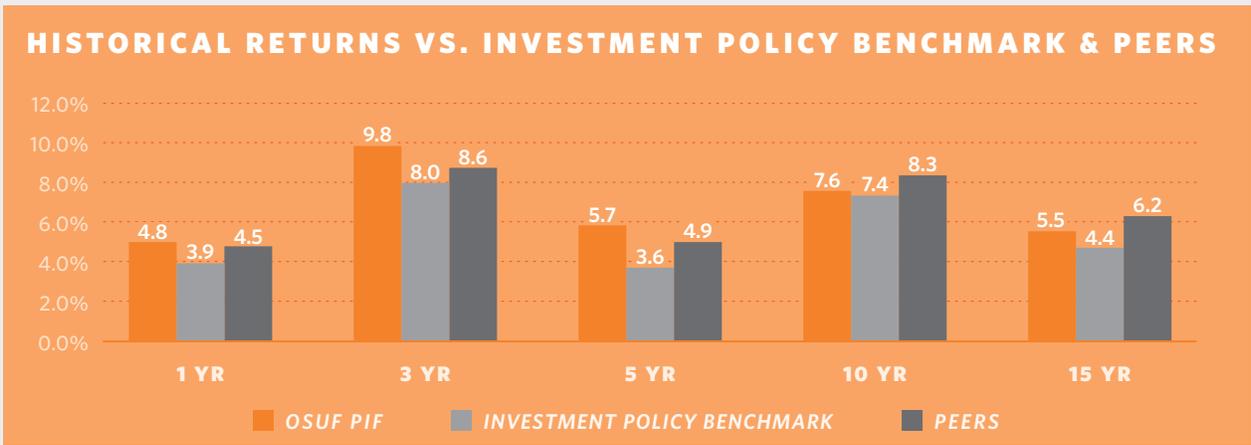
\$18,820 RESIDENT **\$29,150** NON-RESIDENT



PERFORMANCE

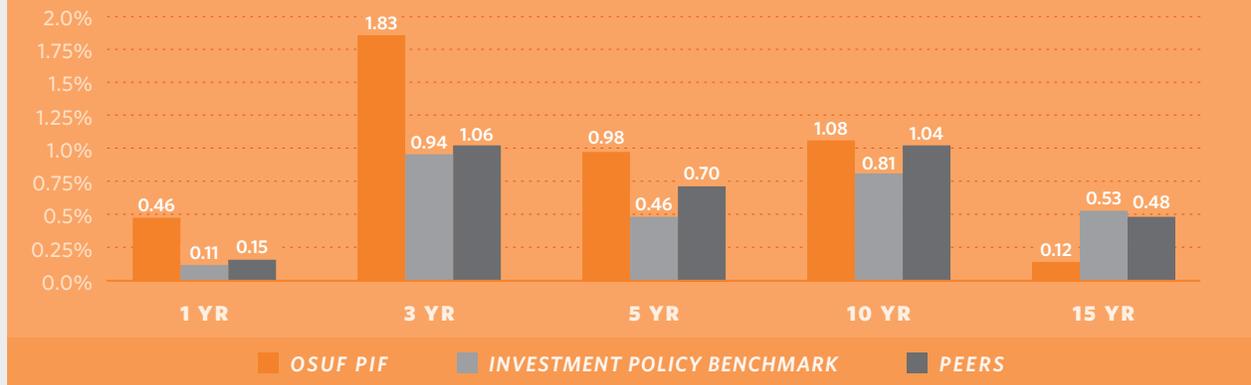
Endowment gifts for the benefit of Oklahoma State University are placed in the Pooled Investment Fund (PIF). The OSU Foundation Board of Trustees and its Investment Committee have adopted an investment strategy to preserve the long-range purchasing power of the endowments while prudently managing risk. The Investment Committee, which operates within the parameters of the Investment Policy Statement, delegated responsibility for day-to-day management of the PIF to the internal OSU Foundation Investment Office in January 2012. In June 2019, the Board of Trustees approved the establishment of Multilateral Endowment Management Company or "MEMCO" for short. MEMCO will be

structured as a non-profit supporting organization and will manage the investments of the OSU Foundation, The McKnight Center for the Performing Arts at OSU, and, in the future, other non-profits. MEMCO and the Investment Committee remain 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. **For more information about MEMCO, please visit OSUgiving.com/Stewardship.**



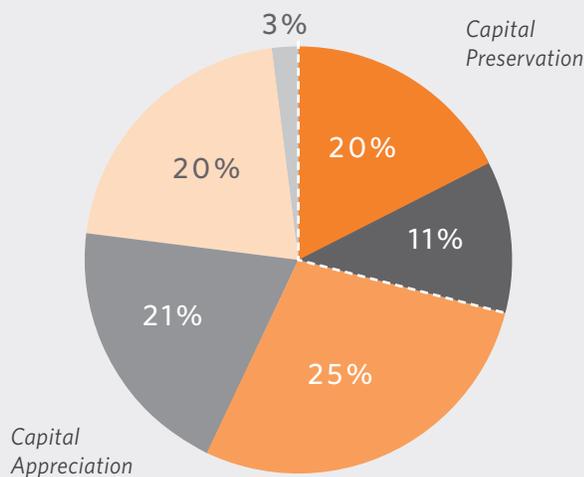
The Investment Policy Benchmark, which is approved by the Investment Committee, is a passive, non-investable portfolio representative of the exposures and risk level in the PIF, and is used to measure the value added by active management. While longer-term performance has fallen short of expectations - which was part of the impetus for building out an internal investment team - outperformance relative to the Investment Policy Benchmark and peer institutions has accelerated since inception of the Investment Office, as reflected in the five year and more recent periods. In FY 2019, the PIF returned 4.8%, outperforming the Investment Policy Benchmark by 0.9% and the median peer by 0.3%.

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 ten years, the PIF has generated superior risk-adjusted returns relative to both the Investment Policy Benchmark and peers, and risk-adjusted outperformance has markedly improved since inception of the Investment Office.

ASSET ALLOCATION BY STRATEGY JUNE 30, 2019



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



The Investment Office is committed to its vision of being a leading investment function and a benchmark for institutional investing in the central U.S. See below if you have questions or would like more detailed information.

PLEASE CONTACT THE INVESTMENT OFFICE:

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OSU Foundation Investment Office
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Please see the back of your endowment reports for a glossary of terms.

Learn more at OSUgiving.com/Stewardship

Connect with us: