

2021-2022
E N D O W M E N T
R E P O R T

FOUNDATION
est. 1961



>86%

OF STUDENTS RELY ON
FINANCIAL ASSISTANCE

\$27.1M

TOTAL SPENDING
AVAILABLE TO OSU IN FY22

-1.94%

INVESTMENT
RETURN

Our Mission: Unite donor passions with university priorities to elevate the impact of OSU

YOUR IMPACT

Thank you! Your investment allows OSU to continue impacting the world by providing a quality education to leaders of tomorrow. Endowed gifts are vital to OSU's long-term success because they provide a consistent, reliable source of support each year. Last year, OSU received \$27.1 million in spending from endowments - thanks

to our dedicated donors. As OSU's endowment grows, so does our ability to promote knowledge, enrich lives and stimulate economic development. Our students and faculty rely on your generous support to advance OSU's land-grant mission through teaching, research and outreach. Together, we are creating a brighter ORANGE future.

TOTAL ENDOWMENT IN MILLIONS | FY13 - FY22



\$822.3M

TOTAL ENDOWMENT ON JUNE 30, 2022

FY21	\$813.9M
FY20	\$648.5M
FY19	\$642.5M
FY18	\$642.9M
FY17	\$586.7M
FY16	\$545.5M
FY15	\$581.4M
FY14	\$579.4M
FY13	\$517.2M

FY22 reflects pre-audited amounts

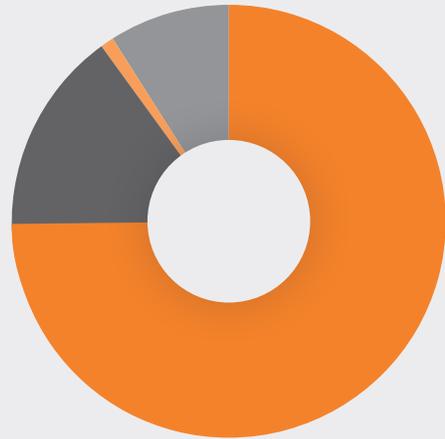
\$27.1M

TOTAL SPENDING AVAILABLE TO OSU IN FY22

3,836

TOTAL NUMBER OF ENDOWMENTS

BY AREA:

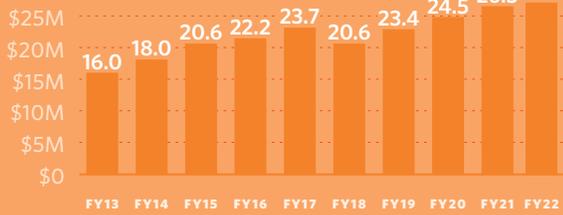


- STUDENT SUPPORT 76%
- FACULTY & RESEARCH 14%
- FACILITIES 1%
- PROGRAM OPERATIONS 9%

{    7,387    }

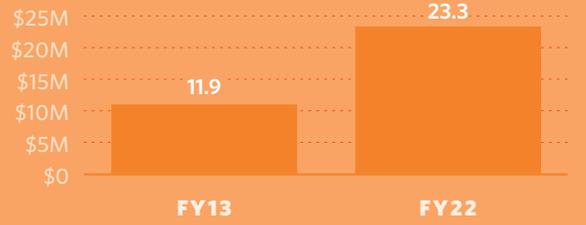
STUDENTS BENEFITED FROM PRIVATE SCHOLARSHIP SUPPORT IN FY22

ENDOWMENT SPENDING AVAILABLE



A goal of the Pooled Investment Fund is to achieve investment performance that supports stable annual spending policy distributions to OSU. The spending policy amount is reviewed regularly by the Investment Committee and approved by the Foundation Board of Trustees. The policy was revised in FY17 with changes effective in FY19. For more information visit OSUgiving.com/endowments.

TOTAL SCHOLARSHIPS AWARDED



Scholarships help offset the increasing cost of higher education and provide hope for a brighter future to students across the OSU System. This graph represents the increase in OSU scholarships awarded over the past decade. Need-based scholarships remain the university's top fundraising priority. To learn more visit OSUgiving.com.

ESTIMATED TOTAL COST TO ATTEND OSU UNDERGRADUATE 2022-23 ACADEMIC YEAR



ESTIMATED TOTAL COST TO ATTEND OSU GRADUATE 2022-23 ACADEMIC YEAR

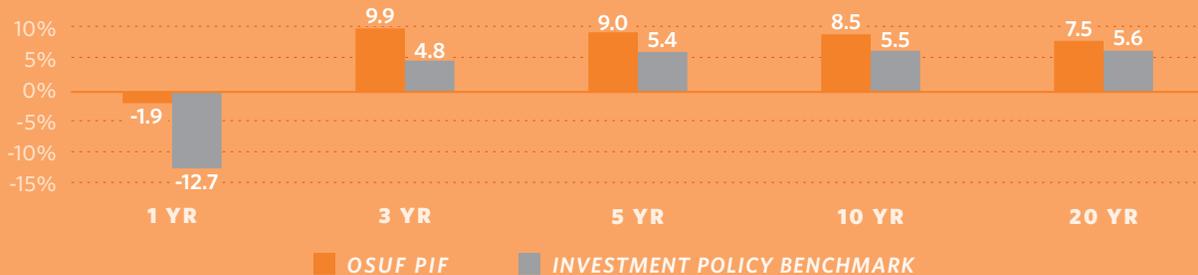


PERFORMANCE

Endowment gifts for the benefit of Oklahoma State University (OSU) 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-term purchasing power of the endowments while prudently managing risk. The portfolio is overseen and managed by Multilateral Endowment Management Company (MEMCO), which the Board of Trustees established in June 2019 to manage the OSU Foundation's investments. The PIF protected capital in FY 2022, returning -1.9% amid a challenging environment

for global equity (MSCI All Country World Index -15.4%) and fixed income (Bloomberg US Aggregate Bond Index -10.3%) markets. MEMCO and the Investment Committee remain committed to maintaining a diversified portfolio that exhibits significantly less risk than 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, ultimately providing consistent support to Oklahoma State University.

HISTORICAL RETURNS VS. INVESTMENT POLICY BENCHMARK



The Investment Policy Benchmark (IPB), which is approved by the Investment Committee, is a passive, non-investable portfolio, representative of the exposures and risk level in the PIF, that is used to measure the value added by active management. In FY 2022, the PIF returned -1.9%, delivering +10.8% of excess return – and avoiding nearly \$117 million of losses – compared to the IPB. Despite experiencing a small loss this year, as shown in the graph above, when combined with last year's record return, the PIF has continued to meet the needs of OSU over the longer-term.

HISTORICAL SHARPE RATIOS VS. INVESTMENT POLICY BENCHMARK



While absolute returns are important, it is also appropriate to consider the amount of risk taken to achieve those returns. The Investment Committee and MEMCO regularly measure the Sharpe ratio, which indicates the amount of return produced for each unit of risk taken. As shown in the graph above, the PIF continues to generate superior risk-adjusted returns relative to the IPB.

ASSET ALLOCATION BY STRATEGY JUNE 30, 2022

Allocations	6/30/22	Neutral	(Under)/Over
Capital Appreciation	78.9%	85.0%	-6.1%
Public Equity & Alternatives	21.2%	35.0%	-13.8%
Private Investments	42.7%	35.0%	7.7%
Other Directional Strategies	15.0%	15.0%	0.0%
Capital Preservation	25.4%	15.0%	10.4%
Relative Value Strategies	12.1%	10.0%	2.1%
Global Fixed Income	4.8%	3.0%	1.8%
Cash & Cash Alternatives	7.8%	1.5%	6.3%
Portfolio Hedges	0.7%	0.5%	0.2%

After a record equity rally last fiscal year, markets peaked in late 2021, as fears around a slowing economy, rising inflation, and tightening monetary policy began to be priced in. Further, Russia's invasion of Ukraine constituted one of the biggest threats to European national and energy security since the Cold War. The conflict has exacerbated prior supply chain disruptions and placed further pressure on already elevated global inflation. As a result, in the second half of FY22, global equity markets fell more than 20%, marking the first bear market since the initial COVID crisis. Higher-risk, longer-duration assets, including unprofitable technology and biotechnology companies, led the selloff, with some stock prices declining more than 75%. Fortunately, our risk-controlled approach to portfolio management has allowed the PIF to weather the storm and has put us in a position to play offense. While it is difficult to predict what markets may bring in the near-term, the PIF has been constructed to outperform in a wide variety of scenarios, and we remain confident in our ability to meet the needs of OSU over the long-term.

Balances reflect final capital statements and estimates received as of 8/15/2022. Gross exposures are >100% due to the use of equity futures, which are not fully collateralized.

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



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MEMCO
TRUE ALIGNMENT ▲ EXPECTED RETURNS