



UFSS Finance Committee Meeting

California State University, Sacramento

Wednesday, February 12, 2025 (2:30 – 4:00 p.m.)

<https://csus.zoom.us/j/88322999578?pwd=bLHEjFjugtrrNGbNbjtigLo6ZCDXnq.1>

Agenda

I. Call to Order

II. Public Comments

Members of the public may speak for up to one minute

III. Review and Approval of the February 12, 2025 Agenda

IV. Review and Approval of the October 9, 2024 Minutes

V. Review MOU between UFSS and Capital Public Radio

VI. Sand Hill Global Advisors Portfolio Review - Q4

VII. Financial Statements

- Financial Statements as of 12-31-24
- Budget to Actuals Comparison
as of 12-31-24

VIII. Discussion of Investment Task Force next steps

IX. Budget Presentation

X. Open Forum

XI. Adjournment



SACRAMENTO
STATE

The University Foundation
at Sacramento State

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**The University Foundation at Sacramento State
Finance Committee Meeting**

Wednesday, October 9, 2024 (2:00 – 3:30 p.m.)

Zoom

Committee Members Present:

Garry Maisel - *Committee Chair*
Michael Reza – *Executive Officer*
Margot Bach
David Bugatto
David Lopez, *Committee Vice Chair*
Alice Perez
Ajay Singh
Scott Syphax

Committee Members Absent:

Lora Anguay

Guests:

Holly Tiche, *UFSS Past Board Chair*
Tina Treis, *UFSS Past Board Chair*
Pam Stewart, *UFSS Past Board Chair*
Fred Baldini
Meghan DeGroot, *Sand Hill Global Advisors, LLC*
Brian Dombkowski, *Sand Hill Global Advisors, LLC*
Gina Curry, *Financial Services Administration*
Sonia Diaz, *Accounting Services*
Sharise Harrison, *Adv. Services & Prospect Mgmt.*
Tracy Newman, *Development*
Jennifer Barber, *Alumni Services*

Advancement Staff:

Renee Siden

MINUTES

1. Chair Garry Maisel called the meeting to order at 2:02 p.m.
2. The committee approved the agenda for the October 9, 2024, meeting. (David Bugatto/Ajay Singh)
3. The committee approved the minutes from the May 15, 2024, meeting. (Bugatto/Singh)
4. Sand Hill Global Advisors – Portfolio Review Q3
 - a. Brian Dombkowski provided a review of the current investment outlook.
 - b. As the economic cycle has progressed, GDP growth has continued at a stronger than expected pace. Even though the economy is relatively healthy, the Federal Reserve preemptively began to lower interest rates in September and will likely lower rates one or two more times this year. Despite many predictions that U.S. consumers would slow spending, ongoing strength has been driven by a relatively healthy job market and a meaningful increase in household net worth. GDP growth is projected to slow over the next year, but this may not occur if lower interest rates spur economic activity in areas of the economy that have been under pressure.

- c. During the third quarter, interest rate sensitive sectors, such as REITs and small cap stocks, generated the strongest returns. Bonds also appreciated as interest rates came down. During the final week of the quarter, China announced a significant stimulus effort which drove positive returns in emerging market stocks. The result was a period where most asset classes appreciated in value, adding to a year of impressive returns.
 - d. The UFSS Endowment Portfolio returned 6.21% during the third quarter, net of all fees, compared to 6.56% for the benchmark. The top contributor to quarterly performance was underweight to absolute return, and the top detractor from quarterly performance was an underweight to China.
 - e. Sand Hill reviewed the performance of the UFSS Non-Endowment Portfolio and the Liquidity Account.
5. Investment Task Force Update – Garry Maisel
- a. The task force was appointed by the board to make recommendations
 - b. The task force has met several times over the last two months
 - c. They have reviewed the following documents:
 - i. Policy guidance from the CSU
 - ii. Policies of all of the other CSU campuses
 - iii. Articles on SRI
 - d. Writing a progress report on our findings
 - e. Lays out our recommended actions and next steps
 - f. They will present a progress report memo at the October Board Retreat/Meeting
6. Fees on the Financial Statement Discussion – Sharise Harrison
- a. It was agreed that only philanthropic revenue may be processed through the Foundation account (There was acknowledgement of this statement from the Finance Committee.)
7. Sonia Diwa presented the Financial Statements as of 6/30/24
- a. The committee approved to move the financial statements to the full board (Bugatto/Margot Bach)
8. Review Capital Public Radio MOU with UFSS – Michael Reza
- a. The MOU outlines processing of Cap Radio’s securities through the Foundation
 - b. Fiduciary responsibility was discussed
 - c. It was suggested that we come back to the Finance Committee with a full plan
9. The meeting was adjourned at 3:10 p.m. (Bugatto/Singh)

The University Foundation at Sacramento State Mission Statement

The University Foundation promotes philanthropy to provide a level of excellence at the University beyond what is possible through state funds.

**MEMORANDUM OF UNDERSTANDING
BETWEEN
UNIVERSITY FOUNDATION AT SACRAMENTO STATE
AND
CAPITAL PUBLIC RADIO, INC.**

This Memorandum of Understanding (MOU) is entered into between The University Foundation at Sacramento State, hereinafter referred to as (the “Foundation”) and Capital Public Radio, Inc., hereinafter referred to as (“CapRadio”). Foundation and CapRadio are collectively referred to as the Parties.

WITNESSETH:

WHEREAS, Foundation is entering into this MOU with CapRadio for the purpose of clearly defining the relationship between the Parties as it pertains to solicitation for, and the financial management of, gifts from donors.

NOW, THEREFORE, it is mutually agreed between the Parties hereto as follows:

I. Purpose

The purpose of this MOU is to clearly define and establish the terms of the relationship between the Foundation and CapRadio concerning the solicitation for and the financial management of gifts from donors as defined in Section II. This document aims to outline the respective roles, responsibilities, and expectations of both Parties to ensure effective collaboration and transparency in the handling of donor contributions.

II. Term and Termination

The term of this MOU shall commence on August 26, 2024 or as of the date of final execution, whichever is later, and shall continue until June 30, 2029 or no more than five (5) years after the date of final execution. This MOU may be terminated at any time by the written agreement of both Parties or upon thirty (30) days’ advance written notice by one party to the other. Provisions within this MOU may be reviewed by Foundation and CapRadio on a semiannual basis to ensure provisions continue to meet applicable policies and procedures established by the Foundation. MOU provisions described herein shall apply to the following fund accounts:

- X1864 – CapRadio Fund
- X1865 – CapRadio Future Fund End.
- X1866 – CapRadio Future Fund Exp.
- Establishing New Endowment Account for CapRadio based on Donor Request

III. Scope of Services

1. Solicitation of Gifts:

1. CapRadio Solicitation Rights: The Operating Agreement for CapRadio permits it to solicit gifts from donors as defined in Section II.

2. Foundation Solicitation Rights: The Operating Agreement for Foundation permits it to solicit and manage gifts, endowments, and investments.

2. Restricted Funds Management:

1. Foundation Restricted Funds: Foundation shall maintain restricted funds for CapRadio as outlined in Section II.
2. Acceptance of Restricted Gifts: Foundation is hereby authorized to accept gifts that are specifically restricted for CapRadio as outlined in Section II. Such gifts shall be managed in accordance with Foundation and University Advancement policies and procedures for restricted funds.
3. New Gift Fee: The Foundation shall charge CapRadio new gift fee voted on by the Foundation Board, as described in Foundation policy. The current fee is 3% of all new gifts. This fee will be taken as a reduction of the donation amount.
4. Overhead Fee for Funds Management: The Foundation shall charge CapRadio an overhead fee voted on by the Foundation Board, as described in Foundation policy. The current fee is annually 1% of all donations managed, deducted quarterly at a rate of 0.25%
5. Endowment Fund Distribution: Fund distributions shall occur in December of each calendar year with the distribution based on the rate voted on by the Foundation Board, as described in Foundation policy. The current rate is 4%.
6. CapRadio will review, approve and cover any additional expenses incurred for any special gifts that require extra due diligence.

3. Gift Solicitation and Management:

1. CapRadio's Fundraising Activities: CapRadio is authorized to solicit gifts for its own benefit. All gifts, as outlined in this MOU, obtained through such solicitation shall be deposited into and held by the Foundation, and shall be utilized solely for the benefit of CapRadio.
2. Reporting: Foundation will provide CapRadio endowment reports aligned with the current University Advancement endowment reporting policies and procedures for endowment stewards.
3. All Gifts accepted on behalf of CapRadio at UFSS will align with UFSS and Sac State Gift Acceptance policy and documentation requirements, and are subject to review and approval before acceptance by the Foundation.

4. Stock Donations:

Foundation will accept donations of stock into a separate stock account designated for CapRadio's restricted use.

5. Donor Acknowledgements:

1. Tax Documentation: Foundation shall provide tax documentation to donors to CapRadio funds outlined in Section II in compliance with applicable legal requirements. Foundation shall not be responsible for issuing any other documentation to donors. Foundation tax documents to donors shall be on cobranded letterhead with CapRadio.
2. Stewardship of CapRadio donors: CapRadio will be solely responsible for stewarding all donors who contribute to the funds outlined in Section II. Sac State agrees not to solicit CapRadio donors that are added to the Sac State data base because of their giving to CapRadio. Sac State and CapRadio agree to work together on joint solicitation efforts as appropriate and agreed upon by both parties.

IV. General Provisions

a. Indemnification

Each party agrees to defend, indemnify, and hold harmless the other party, including its officers, employees, and agents, from and against any and all liability, loss, expense (including reasonable attorneys' fees), or claims for injury or damages arising out of the performance of this MOU, but only to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of the indemnified party, its officers, employees, or agents.

b. Insurance

Evidence of Insurance, Certificates of Insurance or other similar documentation shall not be required of either party under this MOU.

c. Applicable Law

This MOU shall be construed in accordance with and governed by the laws of the State of California.

d. Nondiscrimination

During the performance of this MOU, the Parties shall not deny the benefits of the MOU to any person or discriminate against any employee, applicant for employment, or recipient of services on the basis of the actual or perceived race, ancestry, marital status, color, religious creed, political belief, national origin, ethnic group identification, sex, gender, gender identity, gender expression, sexual orientation, age (over 40), genetic information, military and veteran status, medical condition (including HIV and AIDS), physical or mental disability, and denial of family care leave. The Parties shall ensure that the evaluation and treatment of their employees, applicants for employment, and recipients of services are free from such discrimination and harassment.

e. Amendments

This MOU may be amended at any time by mutual agreement of the Parties without additional consideration, provided that before any amendment shall take effect, it shall be in writing and signed by both Parties.

f. Assignment

Neither party shall voluntarily or by operation of law, assign or otherwise transfer this MOU without the other party's prior written consent. Any purported assignment in violation of this paragraph shall be void.

g. Captions

Captions and headings in this MOU are solely for the convenience of the Parties, are not a part of this MOU, and shall not be used to interpret or determine the validity of this MOU or any of its provisions

h. Counterparts

This MOU may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument. The exchange of copies of this MOU by electronic mail in "portable document format" (".PDF") form or by other similar electronic means shall constitute effective execution and delivery of this MOU and shall have the same effect as copies executed and delivered with original signatures. Any signatures produced electronically, by facsimile or .PDF shall be treated as an original signature.

i. Independent Status

It is understood and agreed that the Parties are independent contractors and that no relationship of employer-employee exists between the Parties hereto.

j. Force Majeure

The Parties shall not be considered in default should failure to perform be the result of any circumstances beyond their reasonable control, not occasioned by fault or negligence or due to compliance with any sovereign decrees, orders, acts, instructions or priority requests of any federal, state, or municipal governments or any department or agency thereof, civil or military, acts of God, fires, floods, strikes, lockouts, embargoes, acts or threats of terrorism, or wars. Upon the happening of any circumstances or causes aforesaid, non-performing party shall notify the other party without delay.

k. Notices

Any notices required or permitted hereunder shall be deemed given when personally delivered to the recipient thereof or when mailed by registered or certified mail, return receipt requested, or by electronic mail which may include .pdf documents, at the addresses set forth below, however acceptance of any proposed changes shall occur in accordance with Section IV. General Provisions, Paragraph e., of this Agreement.

California State University, Sacramento
Procurement and Contract Services
6000 J St. MS 6008
Sacramento, CA 95819

Capital Public Radio, Inc.
Administration
7055 Folsom Boulevard
Sacramento, CA 95826

Attn: Contract Specialist
skynet-ss-procure@csus.edu

Attn: Frank Maranzino, General Manager
frank.maranzino@capradio.org

I. Entire Agreement

This MOU sets forth the entire agreement between the Parties with respect to the subject matter herein and fully supersedes any and all prior agreements or understandings, written or oral, between the Parties pertaining to the subject matter hereof.

V. Execution

IN WITNESS WHEREOF, by signing below, each of the following represent that they have authority to execute this MOU and to bind the party on whose behalf their signature is made.

Authorized by:

University Foundation at Sacramento State

Capital Public Radio, Inc

Signature

Signature

Name

Frank Maranzino

Title

General Manager

Date

Date



Portfolio Review

Presenting to:

University Foundation at Sacramento State

February 12, 2025

UFSS Finance Committee

Agenda

- Economic and Market Commentary
- UFSS Investment Dashboard
- Portfolio Review
- Appendix



Investment Outlook

An Overview of Our Current Forecast 1st Quarter 2025

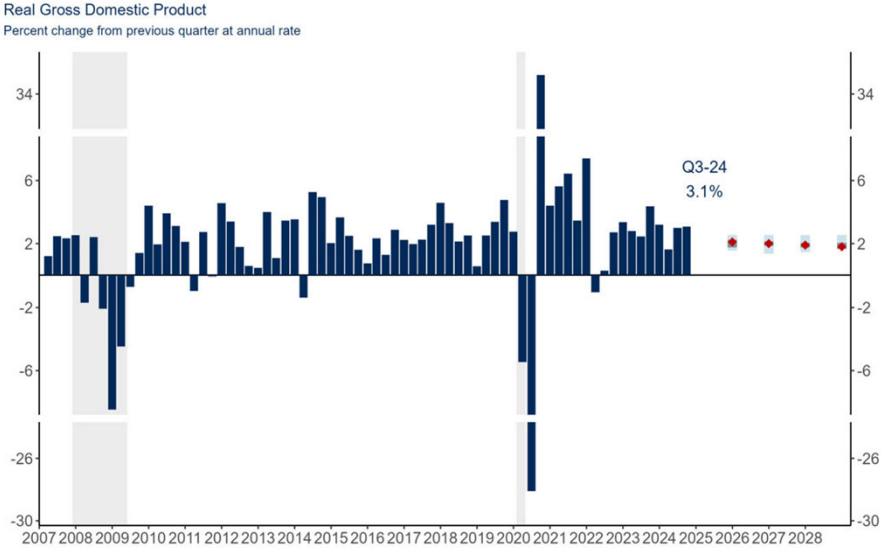
As of January 1, 2025

This information has been developed internally and/or obtained from sources which Sand Hill Global Advisors, LLC (“SHGA”), believes to be reliable; however, SHGA does not guarantee the accuracy, adequacy or completeness of such information nor do we guarantee the appropriateness of any investment approach or security referred to for any particular investor. This material is provided for informational purposes only and is not advice or a recommendation for the purchase or sale of any security. This information reflects subjective judgments and assumptions, and unexpected events may occur. Therefore, there can be no assurance that developments will transpire as forecasted. This material reflects the opinion of SHGA on the date made and is subject to change at any time without notice. SHGA has no obligation to update this material. We do not suggest that any strategy described herein is applicable to every client of or portfolio managed by SHGA. In preparing this material, SHGA has not taken into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision, you should consider, with or without the assistance of a professional advisor, whether the information provided in this material is appropriate in light of your particular investment needs, objectives and financial circumstances. Transactions in securities give rise to substantial risk and are not suitable for all investors. No part of this material may be (i) copied, photocopied, or duplicated in any form, by any means, or (ii) redistributed without the prior written consent of SHGA.

Economic Growth



- Through the end of last year, the economy showed continued strength despite elevated long-term interest rates. Consumer spending remained solid, and while the job market slowed slightly, workforce participation rose, resulting in sustained consumption trends.
- However, uncertainty surrounding Washington policies is high and could impact the economy and corporate earnings. While we see this as a potential risk, we expect the incoming administration to prioritize economic health, which will require balancing tariffs, deregulation, corporate and personal taxes, and immigration to support growth.
- We are living through a remarkable time in history, driven by several unique growth drivers. These include artificial intelligence, which is spurring spending across a wide range of industries, and GLP-1 drugs, which hold significant promise for treating a broad spectrum of inflammatory diseases. Meanwhile, the Baby Boomer generation has an estimated \$80 trillion in assets, and their retirement spending is expected to help smooth overall consumption trends over the next decade. We expect these trends to support ongoing GDP growth in the 2-3% range.

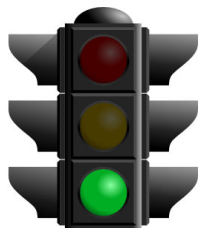


GDP has been growing at a 3% pace and is projected to slow to 2% over the next several years.

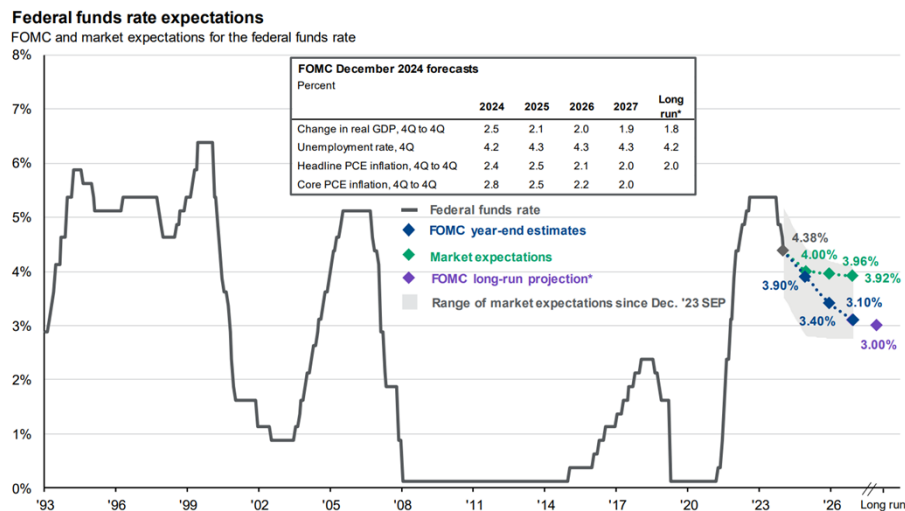
Source: Bureau of Economic Analysis, Federal Reserve Board
As of 12/30/2024



Interest Rates



- Following three years of significant interest rate hikes, the Federal Reserve has begun lowering rates, alleviating uncertainty for corporate decision-makers and investors and thereby decreasing the risk of a recession. However, with the economy remaining strong and Washington’s tariff and immigration policies potentially influencing inflation, a robust debate persists about how much further the Federal Reserve will reduce interest rates this year.
- At the December 2024 Federal Open Market Committee (FOMC) meeting, members projected two rate cuts in 2025 and two more in 2026. Over the long-term, they anticipate rates will be lowered to 3%, a level considered neutral for economic activity – neither stimulating nor restraining growth. However, by the end of last year, the market’s expectations diverged significantly, pricing in only two to three additional rate cuts overall. This disagreement contributed to long term interest rates rising even as the Federal Funds Rate has come down.
- Forward interest rate expectations have been highly volatile over the past year, and uncertainty remains about the pace at which rates will decline. Nonetheless, the current environment is much more favorable for bonds, as significant rate increases from current levels are unlikely.



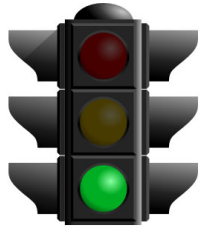
As of December, the Federal Reserve was projecting just two additional rate cuts in 2025 and two more in 2026.

Source: Bloomberg, FactSet, Federal Reserve, JPM As of 12/19/24

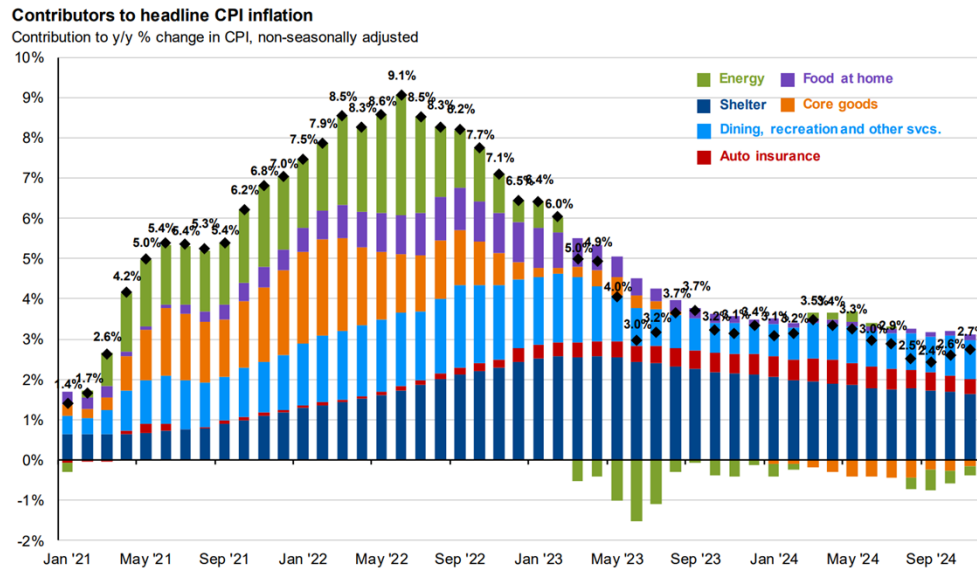


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Inflation Outlook



- Inflation has significantly declined from its peak two years ago and is now approaching the Federal Reserve's 2% target. As of November 2024, both the headline Consumer Price Index (CPI) and the Personal Consumption Expenditures Price Index (PCE) were both below 3%.
- While further improvements in inflation are possible, particularly as categories like housing begin to reflect more realistic annual increases, progress may slow, as it did during the fourth quarter of last year. Factors such as China's economic stimulus—which could drive higher global demand for goods—the resilience of the U.S. economy, and potential policy changes under the incoming administration could all influence inflation.
- In our view, if the economy remains strong, a slightly higher-than-target inflation rate may be acceptable. Nonetheless, we anticipate continued progress driven by the shelter category and, over the long term, technological advancements are likely to have a deflationary influence.



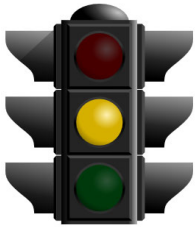
The Consumer Price Index (CPI) fell below 3% but then stalled during the final quarter of last year.

Source: BLS, FactSet, JPM. As of 12/19/24

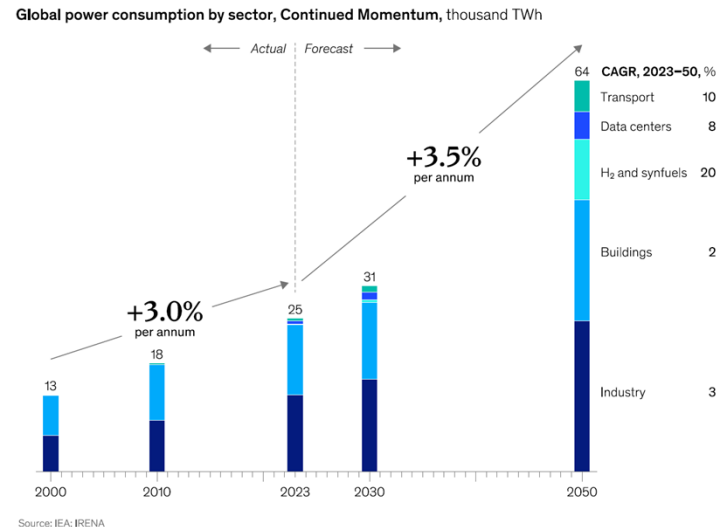


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Commodity Markets



- As inflation has eased, the case for owning commodities has shifted, driven primarily by the transition to renewable energy, increased data generation, energy consumption, the reshoring of supply chains, geopolitical tensions in the Middle East, and China's sluggish economic recovery.
- While the global transition to renewable energy is underway, rising incomes worldwide are driving increased energy demand, which could sustain fossil fuel consumption for years to come. Goldman Sachs projects that worldwide oil demand may not begin to decline until 2035.
- Even though the case for significant outperformance is difficult to make in a status quo world, we continue to see commodities as a valuable component of a diversified asset allocation strategy. The transition to renewable energy is likely to create supply-demand imbalances that may not be resolved through increased production, significant power will be needed to support the proliferation of AI driven data centers, and in an increasingly volatile world, disruptions to many key commodities remain a distinct possibility.



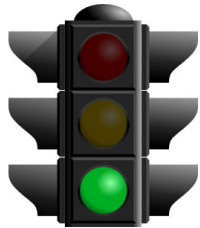
Global power consumption is projected to grow at a faster pace over the next twenty-five years and is projected to be driven by global growth, along with rising demand from data centers. This could result in demand for power and commodities outpacing supply.

Source: IEA, IRENA, McKinsey & Company. As of September 2024

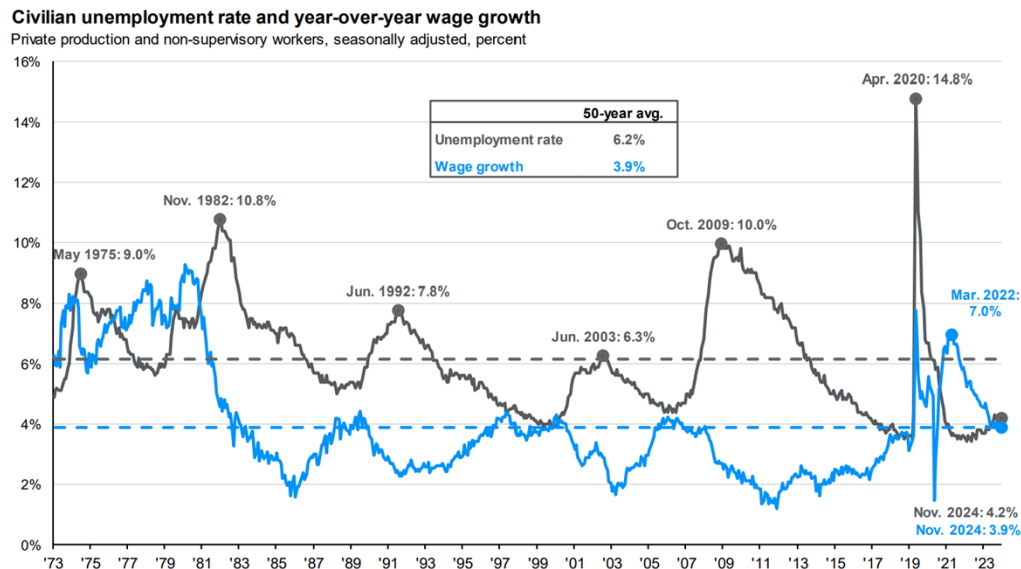


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Employment Market



- The employment market has continued to be a source of economic strength, with the unemployment rate hovering near historic lows. Although wage growth has moderated from its peaks, it continues to outpace inflation, and this is contributing to strong consumption trends.
- Following a few months of weather-related disruptions during the second half of last year, employment trends have normalized. Over time, we anticipate hiring activity to slow as the labor market normalizes and wage growth gradually aligns with inflation.
- The labor force participation rate among individuals in their prime working years (ages 25–54) has reached its highest level since the early 2000s. The rise in remote work opportunities has likely played a role in increasing workforce flexibility, further sustaining the strong consumption trends that have lasted longer than many predicted.



Wage growth has moderated but it still above the rate of inflation. Meanwhile, the unemployment rate has remained very low.

Source: BLS, FactSet, JPM as of 12/19/2024



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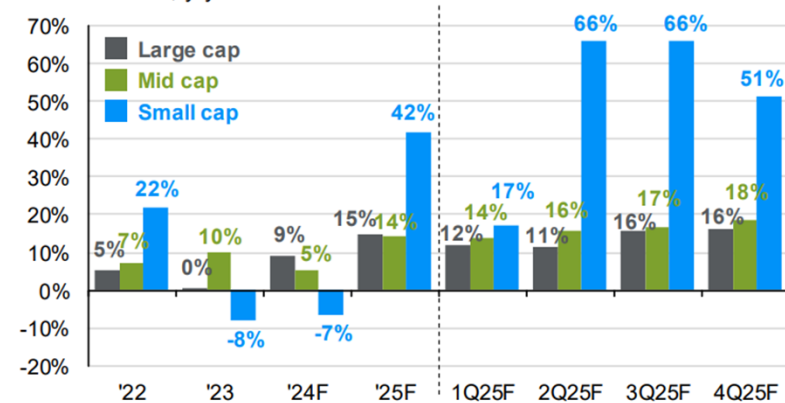
Corporate Earnings



- Corporate earnings growth is projected to be more broad-based this year with year over year growth in the mid-teens, or higher, across the market cap spectrum. Drivers of this projected growth include a lower interest rate environment, a recovery in sentiment and business spending following several years of economic uncertainty, ongoing strength in the U.S. economy, and the potential for a more business friendly environment under the incoming administration.
- Small companies are expected to see the most substantial earnings rebound after two years of declines, potentially leading to a broadening of market participation. Meanwhile, mid-cap stocks are projected to experience earnings growth in the mid-teens following a year of mid-single-digit growth. This change could attract increased investment into the asset class as well. As a result, our asset allocations are overweight small and mid-cap stocks.
- More than half of the sectors in the S&P 500 are projected to grow earnings at a double-digit pace this year and this may also contribute to broadening market participation beyond the mega-cap technology group.

Earnings growth

Pro-forma EPS, y/y

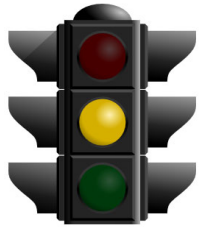


Earnings growth is projected to increase at a double-digit pace this year across the market cap spectrum.

Source: Compustat, FactSet, FTSE Russell, NBER, JPM. Large Cap is the S&P 500, Mid Cap is the Russell Mid Cap and Small Cap is the Russell 2000. As of 12/19/24



International Developed Markets



- The financial outlook for Europe has become increasingly complicated as economic trends throughout the region are mixed. Furthermore, under the Trump administration, trade policy uncertainty and tariffs may weigh heavily on the region. The ECB is likely to continue cutting interest rates to stimulate the German economy which is suffering from multiple challenges including slow exports to China along with an increasingly competitive global auto market.
- Meanwhile, Japan is grappling with a historically weak Yen which is benefitting domestic exporters but causing a destabilizing effect. With the country benefitting from inflation, the Bank of Japan may try to normalize interest rate policy, and this could lead to significant market volatility if interest rates rise to thirty-year highs.
- Relative to the S&P 500, developed international equities remain inexpensive. However, their growth prospects have lessened over the last decade relative to the U.S. Furthermore, the U.S. dollar is likely to remain strong if interest rates in the U.S. are high in absolute terms relative to those of other developed countries, and this would create a currency headwind for investors in international stocks.

International: Price-to-earnings discount vs. U.S.
MSCI All Country World ex-U.S. vs. S&P 500, next 12 months



The valuation of international stocks relative to the U.S. has continued to decline. While this group is inexpensive, the prospect of a near term catalyst is unclear.

Source: FactSet, MSCI, Standard & Poor's, JPM . As of 12/19/2024



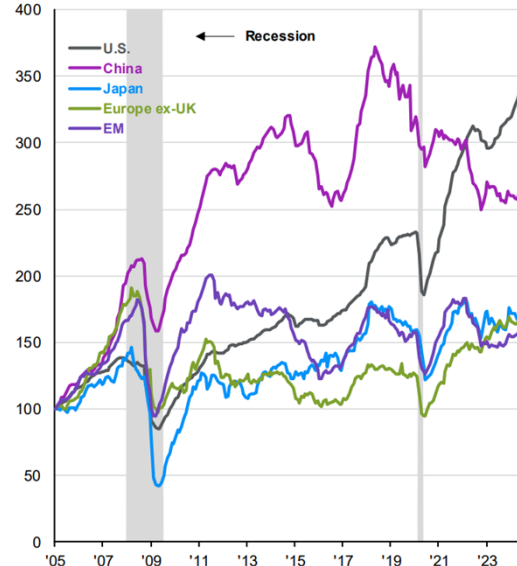
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Emerging Markets



- Over the last several years China has suffered from several self-inflicted economic wounds, including an overvaluation of the country's property market, that have weighed on economic growth. In late September of 2024, China announced a larger than expected stimulus program that amounted to about 6% of 2024 GDP, and the government has subsequently announced even more programs to support their economy. However, most of the developed world is attempting to limit China's access to important technology and this could weigh on growth and sentiment.
- Meanwhile, other emerging market countries such as India are enjoying a period of above-trend growth and aren't facing the same demographic challenges that China will be over the next decade. However, valuation in some of these areas fully reflects this more favorable growth dynamic.
- Lastly, emerging markets are driven by global demand and Europe is a large trading partner, which could limit a financial market recovery in the near term. Additionally, tariffs, onshoring trends, and geopolitical policies could be headwinds over the immediate and intermediate horizons.

Global earnings estimates
Jan. 2005 = 100, next 12 months consensus estimates, U.S. dollars



Since 2020, earning growth in the U.S. has been meaningfully better than it has been anywhere else in the world.

Source: FactSet, MSCI, Standard & Poor's, JPM As of 12/19/2024

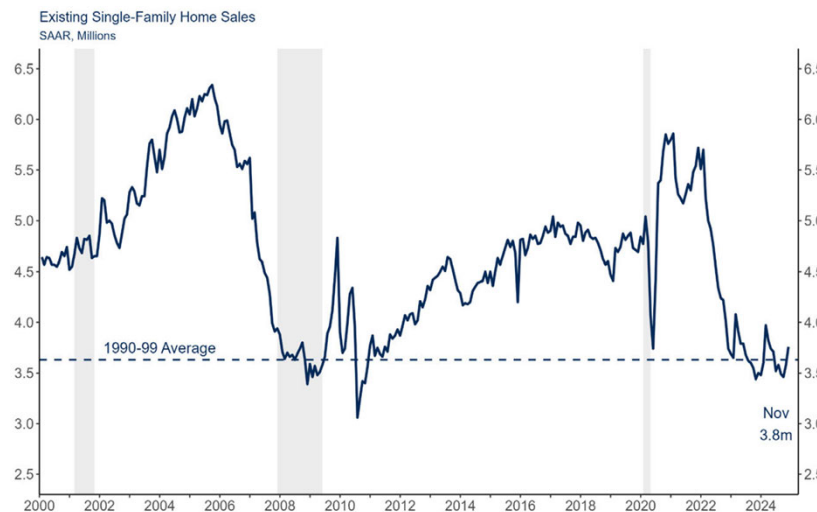


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Housing Market



- Home prices have remained very stable even though mortgage rates have risen substantially over the last two years. However, activity in the housing market has slowed substantially as homeowners with low-cost mortgages have had a big financial incentive to stay put.
- The housing market is a significant source of overall net worth for most Americans and the stable environment is likely contributing to financial comfort that is helping fuel consumption. Relative to history, borrowing against home equity lines of credit is currently very low which suggests that most homeowners are not feeling an impact from higher interest rates.
- If long-term interest rates come down, we expect that more inventory will become available for sale, and this may pressure prices in some areas of the country. However, the U.S. is still experiencing a housing shortage that Realtor.com estimates is over 7 million homes, and this should serve to support prices.



As of November, sales of existing homes were just above historical averages. If mortgage rates remain historically high, trends may continue to weaken.

Source: Census Bureau via Haver Analytics, Federal Reserve Bank of Richmond As of 12/30/24

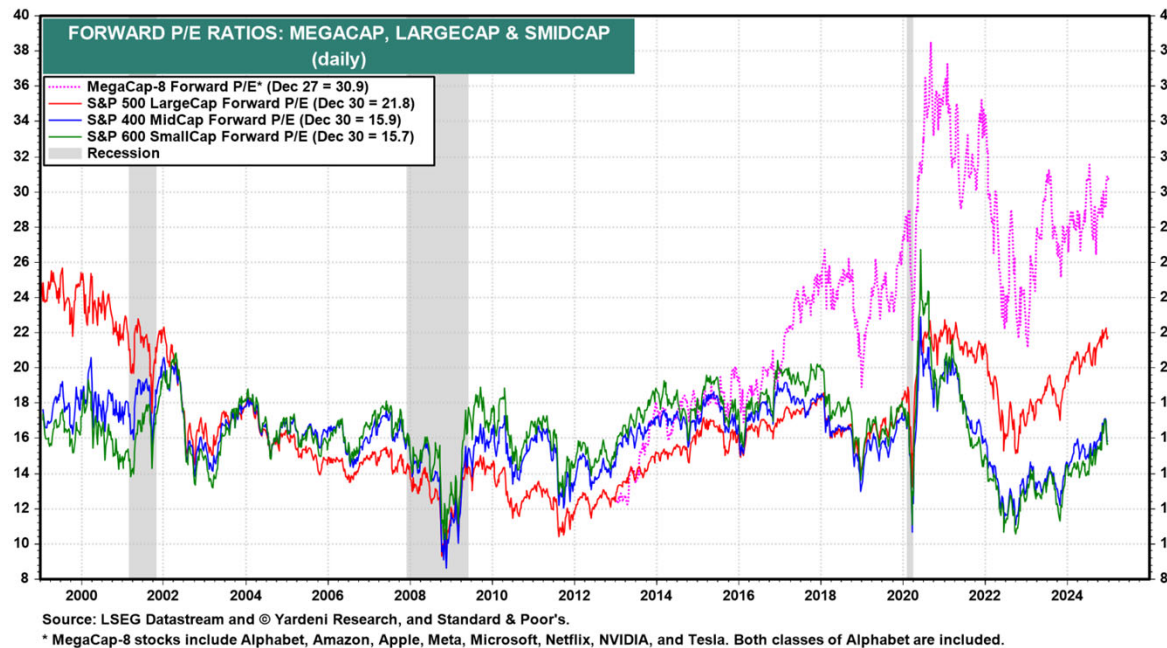


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Valuation



- The S&P 500 has appreciated significantly over the last twelve months and valuation is high relative to history. The MegaCap-8 stocks (Alphabet, Amazon, Apple, Meta, Microsoft, Netflix, NVIDIA and Tesla) are responsible for a large part of the multiple expansion the index has experienced as they now comprise about a third of the S&P 500 index.
- Arguably the MegaCap-8 stocks have driven the majority of the earnings growth over the last year, and if earnings continue to exceed expectations, high multiples may be sustained. Furthermore, there is excitement over the prospect of significant growth coming from AI, GLP-1 drugs, and spending related to supply chain onshoring.
- Valuation of small and mid-cap stocks as well as international stocks remains muted when compared to the S&P 500. In our view, this presents a long-term opportunity as we expect the market rally to broaden.



Small and mid cap stocks are attractively valued relative to history. With the ongoing strength of the U.S. economy, the prospect of a more business friendly environment, and an earnings recovery being projected for the asset class, this part of the market cap spectrum is attractive, in our view.

Source: LSEG Datastream and Yardeni Research As of 12/27/2024 & 12/30/2024



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SHGA Economic and Market Overview

References

- All GDP references are from the Bureau of Economic Analysis, U.S. Department of Commerce. Quarterly GDP estimates are revised three times before they are considered to be final.
- All references to yields, the yield curve and the size of the Federal Reserve's balance sheet are from the U.S. Federal Reserve.
- All wage growth and employment references are from the monthly nonfarm payroll figures reported by the Bureau of Labor Statistics.
- Historical corporate earnings figures and future projections are from Yardeni and FactSet.
- The Personal Consumption Expenditures Price Index (PCE) is a measure of the prices the people living in the United States pay for goods and services. The change in the PCE price index is known for capturing inflation (or deflation) across a wider range of consumer expenses and reflecting changes in consumer behavior.
- The Consumer Price Index (CPI) is a measure of the average change over time in the price paid by urban consumers for a market basket of consumer goods and services. The CPI is the most widely used measure of inflation and is sometimes viewed as an indicator of the effectiveness of government economic policy.

The information and opinions stated are as of the date shown on the front of this presentation, and, unless otherwise indicated, do not represent a complete analysis of every material fact concerning any industry, security or investment. Statements of fact have been obtained from sources deemed reliable, but no representation is made as to their completeness or accuracy. The opinions expressed are not intended as individual investment advice or as a recommendation of any particular security, strategy or investment product.





Dashboard

University Foundation at Sacramento State

Investment Dashboard

As of December 31, 2024

Current Outlook:

Economic Environment: Through the end of last year, the economy showed continued strength despite elevated long-term interest rates. Consumer spending remained solid, and while the job market slowed slightly, workforce participation rose, resulting in sustained consumption trends. However, uncertainty surrounding Washington policies is high and could impact the economy and corporate earnings. While we see this as a potential risk, we expect the incoming administration to prioritize economic health, which will require balancing tariffs, deregulation, corporate and personal taxes, and immigration to support growth. We are living through a remarkable time in history, driven by several unique growth drivers. These include artificial intelligence, which is spurring spending across a wide range of industries, and GLP-1 drugs, which hold significant promise for treating a broad spectrum of inflammatory diseases. Meanwhile, the Baby Boomer generation has an estimated \$80 trillion in assets, and their retirement spending is expected to help smooth overall consumption trends over the next decade. We expect these trends to support ongoing GDP growth in the 2-3% range.

Market Environment: The final quarter of 2024 was influenced by several factors: stronger-than-expected corporate earnings in the third quarter, the swift resolution of the Presidential election outcome, speculation surrounding potential policies of the new administration, and a rise in long-term interest rates as investors anticipated a scenario where inflation remains above the Federal Reserve's target, leading to prolonged higher interest rates. The stock market reaction was mixed with domestic equity rising and international equity declining as sentiment surrounding tariffs and continued U.S. dollar strength weighed on returns. Bonds and REITs were also weak as long-term interest rates rose. Commodities were relatively flat.

Portfolio Response: Following the significant 2024 return of the S&P 500, we trimmed overweight positions. As mega-cap technology stocks have appreciated, concentration in the S&P 500 has become more significant with the top 10 holdings representing over 37% of the index at the end of 2024. We added a new equal-weight S&P 500 ETF that gives our allocation more exposure to the 493 stocks where valuation is more attractive and where we feel there is more opportunity. We funded this position by reducing exposure to emerging market stocks.

Endowment Performance	Portfolio	Benchmark	+ / -
Q4 2024	-1.07%	-1.05%	-0.02%
Q3 2024	6.21%	6.56%	-0.35%
Q2 2024	1.61%	1.58%	0.03%
Q1 2024	6.18%	5.30%	0.88%
Calendar Year 2024	13.36%	12.82%	0.54%
Calendar Year 2023	16.57%	16.76%	-0.19%
Calendar Year 2022	-14.35%	-14.45%	0.10%
Calendar Year 2021	15.44%	14.96%	0.48%

Asset Allocation	Endowment	31-Dec-24	30-Sep-24	Strategic	+ / -
Large Cap Equity	\$40,611,397	44%	41%	40%	4%
SMID Cap Equity	\$11,636,446	13%	13%	11%	2%
International\EM Equity	\$12,358,728	13%	17%	15%	-2%
Fixed Income	\$19,662,406	21%	21%	21%	0%
Real Assets	\$2,600,691	3%	3%	4%	-1%
Absolute Return	\$3,655,568	4%	4%	7%	-3%
Cash	\$1,055,861	1%	1%	2%	-1%
Total	\$91,581,096	100%	100%	100%	

Balances	Endowment	Non-Endowment	Liquidity
Q4 2024	\$91,581,096	\$35,555,406	\$2,781,645
Q3 2024	\$92,501,047	\$35,928,497	\$2,749,749
Q2 2024	\$87,078,707	\$33,824,047	\$2,714,330
Q1 2024	\$85,789,370	\$33,308,759	\$2,679,482

Portfolio Action	Increased	Decreased	Growth/Capital Preservation
Q4 2024	Added to Domestic Equity		74/26
	Equal Weight S&P 500	S&P 500 Emerging Market Stocks	
Q3 2024	Maintained Positioning		74/26
Q2 2024	Repositioned for Lower Inflation		74/26
	Developed International Equity	Domestic Large Cap Stocks Cash	
Q1 2024	Repositioned Following Market Moves		73/27
	Intermediate Duration Bond	Long Duration Bonds Large Cap Stocks	

Governance Checklist	OK
Asset allocation within target ranges.	✓
No single direct equity holding > 5% of portfolio value	✓
No single sector will represent > 15% of portfolio value	✓
No below investment grade allocation > 10% of portfolio value	✓
No direct investments in tobacco companies.	✓
No direct investments in fossil fuel.	✓



Portfolio Review



Quarter End Report

University Foundation at Sacramento State (UFSS)
(Endowment Portfolio)

10/1/2024 to 12/31/2024

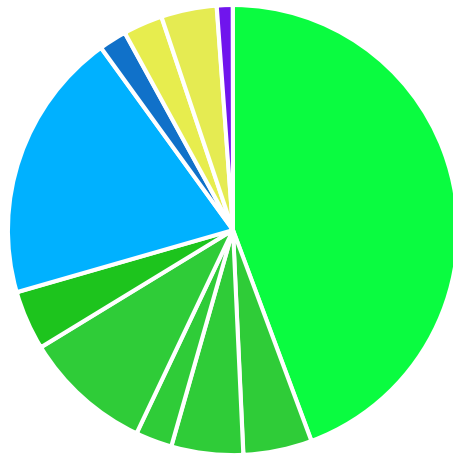
Accounts Included in SHGA 70/30 Analysis

Account Name	Account Type	Custodian	Account Number	Management Style	Account Value
The University Foundation at Sacramento State - Endowment	Non-Profit			SHGA 70/30	\$91,581,095.80
				Total:	\$91,581,095.80

Performance Net of Fees

	Q4	1 Year	3 Year	5 Year	10 Year	Inception 6/30/2013
■ Your Portfolio	-1.07 %	13.36 %	4.21 %	9.13 %	7.21 %	7.37 %
■ UFSS Endowment Benchmark (UFSS)	-1.05 %	12.82 %	4.06 %	8.21 %	7.29 %	7.62 %
■ Inst. Equity Index	-0.42 %	17.82 %	5.74 %	10.81 %	10.23 %	11.01 %
■ Inst. Fixed Income Index	-3.06 %	1.25 %	-2.41 %	-0.33 %	1.35 %	1.72 %
■ Inst. Alternative Index	-2.09 %	5.11 %	1.29 %	3.77 %	2.97 %	2.76 %

SHGA 70/30 Asset Allocation and Activity Overview



Asset Category/Class	Allocation
Equity	70.55 %
Large Cap Blend	44.34 %
Mid Cap Blend	4.93 %
Small Cap Growth	2.62 %
Small Cap Blend	5.16 %
International Equity	9.23 %
International Emerging	4.26 %
Fixed Income	21.47 %
Investment Grade	19.49 %
International Emerging Market Bonds	1.98 %
Alternatives	6.83 %
Real Estate	2.84 %
Absolute Return Funds	3.99 %
Cash	1.15 %
Money Market	1.15 %
Total:	100.00 %

	10/1/2024 - 12/31/2024	1/1/2024 - 12/31/2024
Beginning Market Value	\$92,501,046.52	\$80,799,584.29
Contributions	\$0.00	\$0.00
Distributions	\$0.00	\$0.00
Journals	\$0.00	\$0.00
Advisory Fees Paid	-\$38,962.72	-\$149,411.82
Custodian Fees	-\$50.85	-\$408.47
Div/Int/Cap Gains	\$927,154.54	\$2,257,768.92
Bond Accrual	\$0.00	\$0.00
Market Value Increase/Decrease	-\$1,808,091.69	\$8,673,562.88
Ending Market Value	\$91,581,095.80	\$91,581,095.80

SHGA 70/30 Portfolio Appraisal

<i>Equity</i>	Quantity	Price	Market Value	Percent of Assets	Cost	Unrealized Gain/Loss	Gain/Loss Percent	Estimated Annual Income	12 Month Trailing Yield	
Large Cap Blend										
12/17/2024	Invesco S&P 500 Equal Weight	12,585.00	\$175.23	\$2,205,269.55	2.41 %	\$2,268,849.65	-\$63,580.10	-2.80 %	\$33,451.43	1.52 %
7/6/2022	iShares Core S&P 500	5,362.00	\$588.68	\$3,156,502.16	3.45 %	\$2,079,248.10	\$1,077,254.06	51.81 %	\$40,993.85	1.30 %
11/21/2023	SPDR Portfolio S&P 500 ETF	262,623.00	\$68.94	\$18,105,229.62	19.77 %	\$13,997,713.31	\$4,107,516.31	29.34 %	\$230,989.27	1.28 %
11/15/2018	Vanguard S&P 500	31,819.00	\$538.81	\$17,144,395.39	18.72 %	\$9,339,917.76	\$7,804,477.63	83.56 %	\$213,298.67	1.24 %
Large Cap Blend Totals				\$40,611,396.72	44.34 %	\$27,685,728.82	\$12,925,667.90	46.69 %	\$518,733.22	1.28 %
Mid Cap Blend										
4/29/2020	iShares Core S&P Mid-Cap ETF	72,405.00	\$62.31	\$4,511,555.55	4.93 %	\$2,689,914.66	\$1,821,640.89	67.72 %	\$59,903.84	1.33 %
Mid Cap Blend Totals				\$4,511,555.55	4.93 %	\$2,689,914.66	\$1,821,640.89	67.72 %	\$59,903.84	1.33 %
Small Cap Blend										
9/22/2017	iShares Russell 2000 ETF	21,369.00	\$220.96	\$4,721,694.24	5.16 %	\$3,549,621.09	\$1,172,073.15	33.02 %	\$54,074.83	1.15 %
Small Cap Blend Totals				\$4,721,694.24	5.16 %	\$3,549,621.09	\$1,172,073.15	33.02 %	\$54,074.83	1.15 %
Small Cap Growth										
2/14/2024	Harbor Small Cap Growth Instl	172,025.49	\$13.97	\$2,403,196.14	2.62 %	\$2,355,029.00	\$48,167.14	2.05 %	\$11,021.67	0.46 %
Small Cap Growth Totals				\$2,403,196.14	2.62 %	\$2,355,029.00	\$48,167.14	2.05 %	\$11,021.67	0.46 %
International Equity										
7/1/2013	iShares MSCI EAFE ETF	85,328.00	\$75.61	\$6,451,650.08	7.04 %	\$5,427,799.24	\$1,023,850.84	18.86 %	\$209,052.92	3.24 %
6/13/2024	MFS International Equity Fund Class	59,256.93	\$33.78	\$2,001,699.10	2.19 %	\$2,069,252.00	-\$67,552.90	-3.26 %	\$28,167.19	1.41 %
International Equity Totals				\$8,453,349.18	9.23 %	\$7,497,051.24	\$956,297.94	12.76 %	\$237,220.11	2.81 %
International Emerging										
6/24/2016	Vanguard FTSE Emerging Markets	88,678.00	\$44.04	\$3,905,379.12	4.26 %	\$3,428,754.92	\$476,624.20	13.90 %	\$124,938.43	3.20 %
International Emerging Totals				\$3,905,379.12	4.26 %	\$3,428,754.92	\$476,624.20	13.90 %	\$124,938.43	3.20 %
Equity Totals				\$64,606,570.95	70.55 %	\$47,206,099.73	\$17,400,471.21	36.86 %	\$1,005,892.11	1.56 %

Fixed Income		Quantity	Price	Market Value	Percent of Assets	Cost	Unrealized Gain/Loss	Gain/Loss Percent	Estimated Annual Income	12 Month Trailing Yield
Investment Grade										
5/18/2020	iShares Core US Aggregate Bond ETF	40,160.00	\$96.90	\$3,891,504.00	4.25 %	\$4,222,276.75	-\$330,772.75	-7.83 %	\$145,711.81	3.74 %
7/22/2022	iShares Ultra Short Term Bond Active ETF	19,678.00	\$50.43	\$992,361.54	1.08 %	\$988,807.73	\$3,553.81	0.36 %	\$52,011.16	5.24 %
3/26/2019	JP Morgan Core Plus Bond Select	642,071.57	\$7.11	\$4,565,128.88	4.98 %	\$5,224,700.45	-\$659,571.57	-12.62 %	\$222,856.62	4.88 %
2/2/2024	PIMCO Total Return Active ETF	26,594.00	\$90.42	\$2,404,629.48	2.63 %	\$2,440,242.81	-\$35,613.33	-1.46 %	\$120,736.76	5.02 %
6/29/2022	Vanguard Long Term Government Bond Index	27,768.00	\$55.35	\$1,536,958.80	1.68 %	\$1,862,204.16	-\$325,245.36	-17.47 %	\$66,540.46	4.33 %
12/21/2022	Vanguard Short-Term Treasury ETF	18,826.00	\$58.18	\$1,095,296.68	1.20 %	\$1,093,682.62	\$1,614.06	0.15 %	\$45,820.60	4.18 %
9/24/2014	Vanguard Total Bond Market Index Adm	354,931.57	\$9.48	\$3,364,751.29	3.67 %	\$3,740,041.50	-\$375,290.21	-10.03 %	\$123,523.07	3.67 %
Investment Grade Totals				\$17,850,630.67	19.49 %	\$19,571,956.02	-\$1,721,325.35	-8.79 %	\$777,200.48	4.35 %
International Emerging Market Bonds										
1/27/2021	Eaton Vance Emerging Markets Dbt Opps I	228,471.02	\$7.93	\$1,811,775.15	1.98 %	\$1,938,550.53	-\$126,775.38	-6.54 %	\$154,355.02	8.52 %
International Emerging Market Bonds Totals				\$1,811,775.15	1.98 %	\$1,938,550.53	-\$126,775.38	-6.54 %	\$154,355.02	8.52 %
Fixed Income Totals				\$19,662,405.82	21.47 %	\$21,510,506.55	-\$1,848,100.73	-8.59 %	\$931,555.49	4.74 %
Alternatives		Quantity	Price	Market Value	Percent of Assets	Cost	Unrealized Gain/Loss	Gain/Loss Percent	Estimated Annual Income	12 Month Trailing Yield
Real Estate										
11/14/2013	Vanguard Real Estate	29,195.00	\$89.08	\$2,600,690.60	2.84 %	\$2,261,701.63	\$338,988.97	14.99 %	\$100,241.03	3.85 %
Real Estate Totals				\$2,600,690.60	2.84 %	\$2,261,701.63	\$338,988.97	14.99 %	\$100,241.03	3.85 %
Absolute Return Funds										
4/5/2019	Absolute Convertible Arbitrage Instl Fund	181,816.90	\$11.20	\$2,036,349.32	2.22 %	\$1,976,532.47	\$59,816.85	3.03 %	\$99,162.94	4.87 %
8/30/2023	Prudential Absolute Return Bd Z	176,385.45	\$9.18	\$1,619,218.39	1.77 %	\$1,578,352.60	\$40,865.79	2.59 %	\$84,204.47	5.20 %
Absolute Return Funds Totals				\$3,655,567.71	3.99 %	\$3,554,885.07	\$100,682.65	2.83 %	\$183,367.41	5.02 %
Alternatives Totals				\$6,256,258.31	6.83 %	\$5,816,586.70	\$439,671.62	7.56 %	\$283,608.44	4.53 %

Cash		Quantity	Price	Market Value	Percent of Assets	Cost	Unrealized Gain/Loss	Gain/Loss Percent	Estimated Annual Income	12 Month Trailing Yield
Money Market										
12/31/2024	Fidelity Cash Fund**	56,301.28	\$1.00	\$56,301.28	0.06 %	\$56,301.28	\$0.00	0.00 %	\$173.59	0.31 %
12/31/2024	Fidelity Government Cash Reserves	999,559.44	\$1.00	\$999,559.44	1.09 %	\$999,559.44	\$0.00	0.00 %	\$52,639.70	5.27 %
Money Market Totals				\$1,055,860.72	1.15 %	\$1,055,860.72	\$0.00	0.00 %	\$52,813.29	5.00 %
Cash Totals				\$1,055,860.72	1.15 %	\$1,055,860.72	\$0.00	0.00 %	\$52,813.29	5.00 %
Portfolio Totals				\$91,581,096	100.00 %	\$75,589,054	\$15,992,042	21.16 %	\$2,273,869	2.48 %

Disclosures

Performance returns are calculated using time-weighted return (TWR), net of fees, and includes bond accrual. The one year returns are not annualized. Bond accrual is included in market values.

If there have been any changes to your financial situation or investment objectives, or if you wish to impose any new (or modify any existing) restrictions on the management of your account, please contact us.

We recommend that you carefully review this statement for accuracy and compare quarter-end statements to those from your custodian. To provide a holistic overview, Sand Hill Global Advisors reports a consolidated view of your household accounts. Custodial statements may be provided individually. If you need assistance in reviewing your statements, please contact Sand Hill Global Advisors.

Sand Hill Global Advisors, LLC does not assure the accuracy of capital gain and loss data on those securities purchased outside the firm's supervision. Please check these figures against your records. Other assets held outside of your primary custodial accounts will be priced as of the most recent statement available.

Performance Definitions

The Inflation Index is the Consumer Price Index.

The Institutional Equity Index as of January 1, 2013 is comprised of the S&P 500 (58%), MSCI ACWI Ex USA (25%), and Russell 2000 (17%) indices. For the period January 1, 2006 through December 31, 2012 the Institutional Equity Index was comprised of S&P 500 (58%), MSCI EAFE (25%), and Russell 2000 (17%) indices. Prior to January 1, 2006, the Equity Index was the S&P 500 index (100%).

The Institutional Fixed Income Index is the Bloomberg Barclays US Aggregate Bond index (100%). Prior to January 1, 2006, the Institutional Fixed Income Index was the Bloomberg Barclays Intermediate US Govt/Credit Bond Index (100%).

The Institutional Alternative Index is comprised of the Bloomberg Barclays US Aggregate Bond 1-3 Yrs (50%), Bloomberg Commodity (25%), and FTSE NAREIT (25%) indices.

Blended Benchmark Composition*

The UFSS Endowment Current Benchmark Indices as of July 6, 2022 are comprised of the S&P 500 (40%), MSCI ACWI Ex USA (15%), Russell 2000 (11%), Bloomberg Barclays US Aggregate Bond (21%), Bloomberg Barclays US Aggregate Bond 1-3 Yrs (7%), FTSE NAREIT (4%), FTSE 1-Month US Treasury Bill (2%). For the period April 29, 2020 through July 5, 2022, the UFSS Endowment Current Benchmark Indices was comprised of the S&P 500 (36%), MSCI ACWI Ex USA (15%), Russell 2000 (11%), Bloomberg Barclays US Aggregate Bond (21%), Bloomberg Barclays US Aggregate Bond 1-3 Yrs (7%), Bloomberg Commodity (4%), FTSE NAREIT (4%), FTSE 1-Month US Treasury Bill (2%). Prior to April 29, 2020, the UFSS Endowment Current Benchmark Indices was comprised of the S&P 500 (30%), MSCI ACWI Ex USA (13%), Russell 2000 (9%), Bloomberg Barclays US Aggregate Bond (30%), Bloomberg Commodity (4%), FTSE NAREIT (4%), ICE BofAML US 3-month Treasury Bill Index (10%).

*Blended benchmarks incorporate investment strategy changes made in your portfolio, if any.



Quarter End Report

University Foundation at Sacramento State (UFSS) (Non-Endowment Portfolio)

10/1/2024 to 12/31/2024

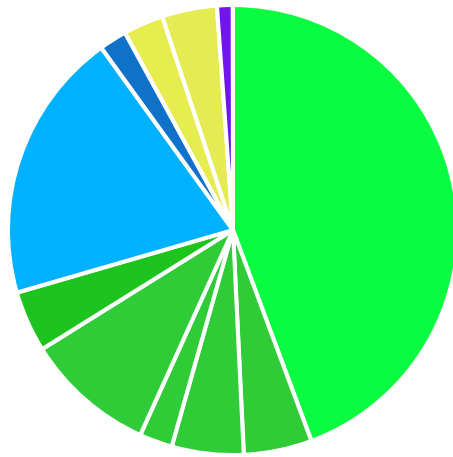
Accounts Included in SHGA 70/30 Analysis

Account Name	Account Type	Custodian	Account Number	Management Style	Account Value
The University Foundation at Sacramento State - Non-Endowment	Non-Profit			SHGA 70/30	\$35,555,406.17
				Total:	\$35,555,406.17

Performance Net of Fees

	Q4	1 Year	3 Year	Inception 4/7/2020
■ Your Portfolio	-1.10 %	13.33 %	4.26 %	12.98 %
■ UFSS Non-Endowment Benchmark	-1.05 %	12.82 %	4.06 %	12.00 %
■ Inst. Equity Index	-0.42 %	17.82 %	5.74 %	17.25 %
■ Inst. Fixed Income Index	-3.06 %	1.25 %	-2.41 %	-1.02 %
■ Inst. Alternative Index	-2.09 %	5.11 %	1.29 %	6.73 %

SHGA 70/30 Asset Allocation and Activity Overview



Asset Category/Class	Allocation
Equity	70.52 %
Large Cap Blend	44.34 %
Mid Cap Blend	4.90 %
Small Cap Growth	2.37 %
Small Cap Blend	5.15 %
International Equity	9.36 %
International Emerging	4.40 %
Fixed Income	21.51 %
Investment Grade	19.53 %
International Emerging Market Bonds	1.98 %
Alternatives	6.84 %
Real Estate	2.89 %
Absolute Return Funds	3.96 %
Cash	1.13 %
Money Market	1.13 %
Total:	100.00 %

	10/1/2024 - 12/31/2024	1/1/2024 - 12/31/2024
Beginning Market Value	\$35,928,497.20	\$27,029,049.84
Contributions	\$0.00	\$0.00
Distributions	\$0.00	\$0.00
Journals	\$0.00	\$4,533,166.65
Advisory Fees Paid	-\$15,133.56	-\$56,084.45
Custodian Fees	-\$25.00	-\$210.00
Div/Int/Cap Gains	\$354,244.46	\$871,352.55
Bond Accrual	\$0.00	\$0.00
Market Value Increase/Decrease	-\$712,176.93	\$3,178,131.58
Ending Market Value	\$35,555,406.17	\$35,555,406.17

SHGA 70/30 Portfolio Appraisal

<i>Equity</i>	Quantity	Price	Market Value	Percent of Assets	Cost	Unrealized Gain/Loss	Gain/Loss Percent	Estimated Annual Income	12 Month Trailing Yield	
Large Cap Blend										
12/17/2024	Invesco S&P 500 Equal Weight	4,886.00	\$175.23	\$856,173.78	2.41 %	\$880,848.08	-\$24,674.30	-2.80 %	\$12,987.18	1.52 %
7/6/2022	iShares Core S&P 500	8,193.00	\$588.68	\$4,823,055.24	13.56 %	\$3,414,862.80	\$1,408,192.44	41.24 %	\$62,637.57	1.30 %
11/21/2023	SPDR Portfolio S&P 500 ETF	74,540.00	\$68.94	\$5,138,787.60	14.45 %	\$4,014,220.58	\$1,124,567.02	28.01 %	\$65,561.43	1.28 %
4/29/2020	Vanguard S&P 500	9,180.00	\$538.81	\$4,946,275.80	13.91 %	\$3,037,784.05	\$1,908,491.75	62.83 %	\$61,538.13	1.24 %
Large Cap Blend Totals				\$15,764,292.42	44.34 %	\$11,347,715.51	\$4,416,576.91	38.92 %	\$202,724.31	1.29 %
Mid Cap Blend										
4/9/2020	iShares Core S&P Mid-Cap ETF	27,966.00	\$62.31	\$1,742,561.46	4.90 %	\$1,203,228.06	\$539,333.40	44.82 %	\$23,137.50	1.33 %
Mid Cap Blend Totals				\$1,742,561.46	4.90 %	\$1,203,228.06	\$539,333.40	44.82 %	\$23,137.50	1.33 %
Small Cap Blend										
4/29/2020	iShares Russell 2000 ETF	8,287.00	\$220.96	\$1,831,095.52	5.15 %	\$1,454,287.83	\$376,807.69	25.91 %	\$20,970.48	1.15 %
Small Cap Blend Totals				\$1,831,095.52	5.15 %	\$1,454,287.83	\$376,807.69	25.91 %	\$20,970.48	1.15 %
Small Cap Growth										
2/14/2024	Harbor Small Cap Growth Instl	60,416.21	\$13.97	\$844,014.48	2.37 %	\$831,513.00	\$12,501.48	1.50 %	\$3,870.87	0.46 %
Small Cap Growth Totals				\$844,014.48	2.37 %	\$831,513.00	\$12,501.48	1.50 %	\$3,870.87	0.46 %
International Equity										
4/29/2020	iShares MSCI EAFE ETF	33,754.00	\$75.61	\$2,552,139.94	7.18 %	\$2,356,647.50	\$195,492.44	8.30 %	\$82,697.03	3.24 %
6/13/2024	MFS International Equity Fund Class	23,014.58	\$33.78	\$777,432.38	2.19 %	\$803,669.00	-\$26,236.62	-3.26 %	\$10,939.75	1.41 %
International Equity Totals				\$3,329,572.32	9.36 %	\$3,160,316.50	\$169,255.82	5.36 %	\$93,636.78	2.81 %
International Emerging										
4/7/2020	Vanguard FTSE Emerging Markets	35,487.00	\$44.04	\$1,562,847.48	4.40 %	\$1,414,449.89	\$148,397.59	10.49 %	\$49,997.63	3.20 %
International Emerging Totals				\$1,562,847.48	4.40 %	\$1,414,449.89	\$148,397.59	10.49 %	\$49,997.63	3.20 %
Equity Totals				\$25,074,383.68	70.52 %	\$19,411,510.79	\$5,662,872.89	29.17 %	\$394,337.57	1.57 %

Fixed Income		Quantity	Price	Market Value	Percent of Assets	Cost	Unrealized Gain/Loss	Gain/Loss Percent	Estimated Annual Income	12 Month Trailing Yield
Investment Grade										
6/11/2020	iShares Core US Aggregate Bond ETF	15,486.00	\$96.90	\$1,500,593.40	4.22 %	\$1,593,366.27	-\$92,772.87	-5.82 %	\$56,187.58	3.74 %
8/30/2023	iShares Ultra Short Term Bond Active ETF	7,657.00	\$50.43	\$386,142.51	1.09 %	\$385,898.60	\$243.91	0.06 %	\$20,238.31	5.24 %
4/30/2020	JP Morgan Core Plus Bond Select	251,558.55	\$7.11	\$1,788,581.29	5.03 %	\$1,980,027.03	-\$191,445.74	-9.67 %	\$87,313.46	4.88 %
2/2/2024	PIMCO Total Return Active ETF	10,217.00	\$90.42	\$923,821.14	2.60 %	\$936,027.69	-\$12,206.55	-1.30 %	\$46,385.18	5.02 %
6/29/2022	Vanguard Long Term Government Bond Index	11,099.00	\$55.35	\$614,329.65	1.73 %	\$723,081.37	-\$108,751.72	-15.04 %	\$26,596.53	4.33 %
12/21/2022	Vanguard Short-Term Treasury ETF	7,336.00	\$58.18	\$426,808.48	1.20 %	\$426,507.05	\$301.43	0.07 %	\$17,855.09	4.18 %
4/29/2020	Vanguard Total Bond Market Index Adm	137,415.35	\$9.48	\$1,302,697.54	3.66 %	\$1,453,332.94	-\$150,635.40	-10.36 %	\$47,823.21	3.67 %
Investment Grade Totals				\$6,942,974.01	19.53 %	\$7,498,240.95	-\$555,266.94	-7.41 %	\$302,399.35	4.35 %
International Emerging Market Bonds										
1/26/2021	Eaton Vance Emerging Markets Dbt Opps I	88,755.27	\$7.93	\$703,829.31	1.98 %	\$717,567.34	-\$13,738.03	-1.91 %	\$59,963.06	8.52 %
International Emerging Market Bonds Totals				\$703,829.31	1.98 %	\$717,567.34	-\$13,738.03	-1.91 %	\$59,963.06	8.52 %
Fixed Income Totals				\$7,646,803.32	21.51 %	\$8,215,808.29	-\$569,004.97	-6.93 %	\$362,362.42	4.74 %
Alternatives		Quantity	Price	Market Value	Percent of Assets	Cost	Unrealized Gain/Loss	Gain/Loss Percent	Estimated Annual Income	12 Month Trailing Yield
Real Estate										
4/7/2020	Vanguard Real Estate	11,518.00	\$89.08	\$1,026,023.44	2.89 %	\$928,835.52	\$97,187.92	10.46 %	\$39,547.05	3.85 %
Real Estate Totals				\$1,026,023.44	2.89 %	\$928,835.52	\$97,187.92	10.46 %	\$39,547.05	3.85 %
Absolute Return Funds										
4/30/2020	Absolute Convertible Arbitrage Instl Fund	69,408.66	\$11.20	\$777,376.96	2.19 %	\$760,073.03	\$17,303.93	2.28 %	\$37,855.48	4.87 %
8/30/2023	Prudential Absolute Return Bd Z	68,533.62	\$9.18	\$629,138.59	1.77 %	\$614,893.54	\$14,245.05	2.32 %	\$32,717.19	5.20 %
Absolute Return Funds Totals				\$1,406,515.55	3.96 %	\$1,374,966.57	\$31,548.98	2.29 %	\$70,572.68	5.02 %
Alternatives Totals				\$2,432,538.99	6.84 %	\$2,303,802.09	\$128,736.90	5.59 %	\$110,119.73	4.53 %

Cash		Quantity	Price	Market Value	Percent of Assets	Cost	Unrealized Gain/Loss	Gain/Loss Percent	Estimated Annual Income	12 Month Trailing Yield
Money Market										
12/31/2024	Fidelity Cash Fund**	21,603.99	\$1.00	\$21,603.99	0.06 %	\$21,603.99	\$0.00	0.00 %	\$66.61	0.31 %
12/31/2024	Fidelity Government Cash Reserves	380,076.19	\$1.00	\$380,076.19	1.07 %	\$380,076.19	\$0.00	0.00 %	\$20,015.91	5.27 %
Money Market Totals				\$401,680.18	1.13 %	\$401,680.18	\$0.00	0.00 %	\$20,082.53	5.00 %
Cash Totals				\$401,680.18	1.13 %	\$401,680.18	\$0.00	0.00 %	\$20,082.53	5.00 %
Portfolio Totals				\$35,555,406	100.00 %	\$30,332,801	\$5,222,605	17.22 %	\$886,902	2.49 %

Disclosures

Performance returns are calculated using time-weighted return (TWR), net of fees, and includes bond accrual. The one year returns are not annualized. Bond accrual is included in market values.

If there have been any changes to your financial situation or investment objectives, or if you wish to impose any new (or modify any existing) restrictions on the management of your account, please contact us.

We recommend that you carefully review this statement for accuracy and compare quarter-end statements to those from your custodian. To provide a holistic overview, Sand Hill Global Advisors reports a consolidated view of your household accounts. Custodial statements may be provided individually. If you need assistance in reviewing your statements, please contact Sand Hill Global Advisors.

Sand Hill Global Advisors, LLC does not assure the accuracy of capital gain and loss data on those securities purchased outside the firm's supervision. Please check these figures against your records. Other assets held outside of your primary custodial accounts will be priced as of the most recent statement available.

Performance Definitions

The Inflation Index is the Consumer Price Index.

The Institutional Equity Index as of January 1, 2013 is comprised of the S&P 500 (58%), MSCI ACWI Ex USA (25%), and Russell 2000 (17%) indices. For the period January 1, 2006 through December 31, 2012 the Institutional Equity Index was comprised of S&P 500 (58%), MSCI EAFE (25%), and Russell 2000 (17%) indices. Prior to January 1, 2006, the Equity Index was the S&P 500 index (100%).

The Institutional Fixed Income Index is the Bloomberg Barclays US Aggregate Bond index (100%). Prior to January 1, 2006, the Institutional Fixed Income Index was the Bloomberg Barclays Intermediate US Govt/Credit Bond Index (100%).

The Institutional Alternative Index is comprised of the Bloomberg Barclays US Aggregate Bond 1-3 Yrs (50%), Bloomberg Commodity (25%), and FTSE NAREIT (25%) indices.

Blended Benchmark Composition*

The UFSS Non-Endowment Current Benchmark Indices as of July 6, 2022 are comprised of the S&P 500 (40%), MSCI ACWI Ex USA (15%), Russell 2000 (11%), Bloomberg Barclays US Aggregate Bond (21%), Bloomberg Barclays US Aggregate Bond 1-3 Yrs (7%), FTSE NAREIT (4%), FTSE 1-Month US Treasury Bill (2%). Prior to July 6, 2022, the UFSS Non-Endowment Current Benchmark Indices was comprised of the S&P 500 (36%), MSCI ACWI Ex USA (15%), Russell 2000 (11%), Bloomberg Barclays US Aggregate Bond (21%), Bloomberg Barclays US Aggregate Bond 1-3 Yrs (7%), Bloomberg Commodity (4%), FTSE NAREIT (4%), FTSE 1-Month US Treasury Bill (2%).

*Blended benchmarks incorporate investment strategy changes made in your portfolio, if any.

Endowment Portfolio Q4 2024 Attribution Summary

UFSS Endowment	Allocation	Selection	Attribution
Equity	-0.12	-0.18	-0.30
Domestic Large Cap	0.10	0.02	0.12
Domestic Small & Mid Cap	-0.02	-0.20	-0.22
International	-0.20	0.00	-0.20
Fixed Income	-0.02	0.16	0.14
Alternative	0.06	0.12	0.18
Real Estate	0.14	0.00	0.14
Absolute Return	-0.08	0.12	0.04
Cash	-0.02	-0.02	-0.04

Portfolio Return	Benchmark Return	Total Allocation	Total Selection	Total Attribution
-1.07	-1.05	-0.10	0.08	-0.02

- The Endowment Portfolio returned -1.07% during the quarter, net of fees, compared to the UFSS Endowment Benchmark return of -1.05%. This resulted in 0.02% of underperformance.
- Top contributors to quarterly performance:
 - Selection within fixed income
 - Fixed income fund managers outperformed the benchmark
 - Selection within alternatives
 - Absolute return fund managers outperformed the benchmark
- Top detractor to quarterly performance:
 - Selection within domestic small cap equity
 - The active small cap manager underperformed the benchmark



Non-Endowment Portfolio Q4 2024 Attribution Summary

UFSS Non-Endowment	Allocation	Selection	Attribution
Equity	-0.22	-0.17	-0.37
Domestic Large Cap	0.13	0.05	0.18
Domestic Small & Mid Cap	-0.02	-0.22	-0.25
International	-0.32	0.00	-0.30
Fixed Income	-0.02	0.20	0.18
Alternative	0.05	0.18	0.25
Real Estate	0.15	0.02	0.20
Absolute Return	-0.10	0.15	0.05
Cash	-0.05	0.00	-0.05

Portfolio Return	Benchmark Return	Total Allocation	Total Selection	Total Attribution
-1.10	-1.05	-0.25	0.20	-0.05

- The Non-Endowment Portfolio returned -1.10% during the quarter, net of fees, compared to the UFSS Non-Endowment Benchmark return of -1.05%. This resulted in -0.05% of underperformance.
- Top contributors to quarterly performance:
 - Selection within fixed income
 - Fixed income fund managers outperformed the benchmark
 - Selection within alternatives
 - Absolute return fund managers outperformed the benchmark
- Top detractor to quarterly performance:
 - Selection within domestic small cap equity
 - The active small cap manager underperformed the benchmark





Quarter End Report

University Foundation at Sacramento State (UFSS) (Short-Term Portfolio)

10/1/2024 to 12/31/2024

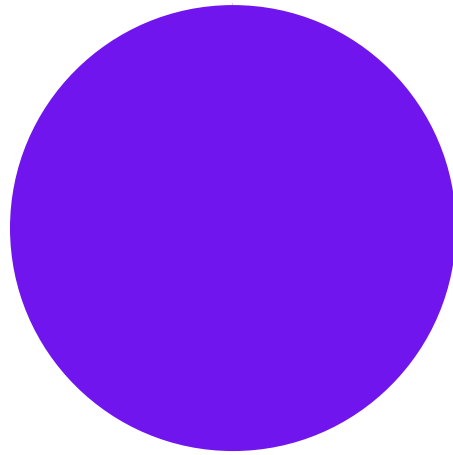
Accounts Included in Custom Analysis

Account Name	Account Type	Custodian	Account Number	Management Style	Account Value
The University Foundation at Sacramento State - Short-Term	Non-Profit			Custom	\$2,781,645.26
				Total:	\$2,781,645.26

Performance Net of Fees

	Q4	1 Year	Inception 10/1/2023
■ Your Potfolio	1.16 %	5.24 %	5.24 %
■ ICE BofAML US 3-Month Treasury Bill Index	1.17 %	5.25 %	5.30 %

Custom Asset Allocation and Activity Overview



Asset Category/Class	Allocation		10/1/2024 - 12/31/2024	1/1/2024 - 12/31/2024
Cash	100.00 %	Beginning Market Value	\$2,749,748.84	\$7,137,610.96
Money Market	100.00 %	Contributions	\$0.00	\$0.00
Total:	100.00 %	Distributions	\$0.00	\$0.00
		Journals	\$0.00	-\$4,533,166.65
		Advisory Fees Paid	\$0.00	\$0.00
		Custodian Fees	\$0.00	\$0.00
		Div/Int/Cap Gains	\$31,896.42	\$177,200.95
		Bond Accrual	\$0.00	\$0.00
		Market Value Increase/ Decrease	\$0.00	\$0.00
		Ending Market Value	\$2,781,645.26	\$2,781,645.26

Custom Portfolio Appraisal

Cash		Quantity	Price	Market Value	Percent of Assets	Cost	Unrealized Gain/Loss	Gain/Loss Percent	Estimated Annual Income	Trailing 12-Month Yield
Money Market										
12/31/2024	Fidelity Government Cash Reserves	10,893.42	\$1.00	\$10,893.42	0.39 %	\$10,893.42	\$0.00	0.00 %	\$573.68	5.27 %
12/31/2024	Fidelity Govt I	2,770,751.84	\$1.00	\$2,770,751.84	99.61 %	\$2,770,751.84	\$0.00	0.00 %	\$164,568.81	5.94 %
Money Market Totals				\$2,781,645.26	100.00 %	\$2,781,645.26	\$0.00	0.00 %	\$165,142.48	5.94 %
Cash Totals				\$2,781,645.26	100.00 %	\$2,781,645.26	\$0.00	0.00 %	\$165,142.48	5.94 %
Portfolio Totals				\$2,781,645	100.00 %	\$2,781,645	\$0	0.00 %	\$165,142	5.94 %

Disclosures

Performance returns are calculated using time-weighted return (TWR), net of fees, and includes bond accrual. The one year returns are not annualized. Bond accrual is included in market values.

If there have been any changes to your financial situation or investment objectives, or if you wish to impose any new (or modify any existing) restrictions on the management of your account, please contact us.

We recommend that you carefully review this statement for accuracy and compare quarter-end statements to those from your custodian. To provide a holistic overview, Sand Hill Global Advisors reports a consolidated view of your household accounts. Custodial statements may be provided individually. If you need assistance in reviewing your statements, please contact Sand Hill Global Advisors.

Sand Hill Global Advisors, LLC does not assure the accuracy of capital gain and loss data on those securities purchased outside the firm's supervision. Please check these figures against your records. Other assets held outside of your primary custodial accounts will be priced as of the most recent statement available.



Appendix

UFSS Endowment Portfolio | Performance Data of Underlying Funds

Date as of 12/31/2024

Allocation/Fund Name	Ticker	Market Value (\$)	Market Value (%)	Total Return (%)					
				3 Mo	1 Yr	3 Yr	5 yr	10 yr	
Domestic Large Cap Equity									
Index					2.39	25.00	8.91	14.49	13.07
Passive Managers									
SPDR Portfolio S&P 500 ETF	SPLG	\$18,105,229.62	19.77%	2.47	25.00	8.92	14.53	13.01	
Vanguard S&P 500 ETF	VOO	\$17,144,395.39	18.72%	2.44	24.98	8.90	14.48	13.06	
iShares Core S&P 500 ETF	IVV	\$3,156,502.16	3.45%	2.42	24.93	8.90	14.50	13.06	
Invesco S&P 500 Equal Weight ETF	RSP	\$2,205,269.55	2.41%	-1.85	12.78	4.25	10.56	9.99	
Domestic Small/Mid Cap Equity									
Index					0.33	11.53	1.21	7.37	7.78
Passive Managers									
iShares Russell 2000 ETF	IWM	\$4,721,694.24	5.16%	0.33	11.39	1.15	7.30	7.75	
iShares Core S&P Mid-Cap ETF	IJH	\$4,511,555.55	4.93%	0.40	13.93	4.84	10.29	9.62	
Active Managers									
Harbor Small Cap Growth Fund	HASGX	\$2,403,196.14	2.62%	-2.87	9.31	-0.17	8.60	9.62	
International Equity									
Index					-7.60	5.53	0.82	4.10	4.80
Passive Managers									
iShares MSCI EAFE ETF	EFA	\$6,451,650.08	7.04%	-8.36	3.51	1.63	4.70	5.21	
Vanguard FTSE Emerging Markets	VWO	\$3,905,379.12	4.26%	-5.75	10.58	-0.31	2.94	3.98	
Active Managers									
MFS Institutional Trust-MFS Instl	MIEKX	\$2,001,699.10	2.19%	-8.10	4.02	-	-	-	
Fixed Income									
Index					-3.06	1.25	-2.41	-0.33	1.35
Passive Managers									
iShares Core U.S. Aggregate Bond	AGG	\$3,891,504.00	4.25%	-3.10	1.31	-2.36	-0.35	1.29	
Vanguard Total Bond Market Index	VBTLX	\$3,364,751.29	3.67%	-3.04	1.24	-2.42	-0.32	1.33	
Vanguard Long-Term Treasury ETF	VGLT	\$1,536,958.80	1.68%	-8.76	-6.29	-11.89	-5.24	-0.70	
Vanguard Short-Term Treasury ETF	VGSH	\$1,095,296.68	1.20%	-0.03	4.00	1.41	1.33	1.33	
Active Managers									
JPMorgan Core Plus Bond Fund	HLIPX	\$4,565,128.88	4.98%	-2.97	2.78	-1.58	0.51	1.93	
PIMCO Active Bond ETF	BOND	\$2,404,629.48	2.63%	-2.80	2.76	-2.22	0.00	1.73	
Eaton Vance Emerging Markets Debt	EIDOX	\$1,811,775.15	1.98%	2.15	14.78	6.21	5.49	-	
iShares Ultra Short-Term Bond	ICSH	\$992,361.54	1.08%	1.08	5.52	3.99	2.74	2.22	
Alternatives									
Absolute Return									
Index					-0.02	4.39	1.69	1.53	1.61
Active Managers									
Absolute Convertible Arbitrage	ARBIX	\$2,036,349.32	2.22%	1.19	7.53	4.04	4.84	-	
PGIM Absolute Return Bond Fund	PADZX	\$1,619,218.39	1.77%	1.91	7.93	4.75	3.37	3.54	
Real Estate									
Index					-8.07	4.75	-4.32	2.89	5.64
Passive Managers									
Vanguard Real Estate ETF	VNQ	\$2,600,690.60	2.84%	-7.68	4.81	-4.75	2.96	5.04	
Cash/Money Market									
Fidelity Money Market/Cash									
	FDRXX	\$1,055,860.72	1.15%	1.11	4.95	3.67	2.24	1.53	
Total		\$91,581,095.80	100.00%						

Purchase and Sale

Household: University Foundation at Sacramento State (UFSS) (Endowment Portfolio)

Period: 10/1/2024 to 12/31/2024

Purchase and Sale

Trade Date	Units	Security	Unit Price	Amount
Buy Exchange				
12/19/2024	1,608.00	iShares Core S&P Mid-Cap ETF	\$62.11	\$99,864.84
12/19/2024	452.00	iShares Russell 2000 ETF	\$220.60	\$99,711.20
12/17/2024	1,856.00	PIMCO Total Return Active ETF	\$91.59	\$169,987.51
12/17/2024	12,585.14	Invesco S&P 500 Equal Weight	\$180.28	\$2,268,849.65
11/15/2024	1,535.00	iShares Core US Aggregate Bond ETF	\$97.73	\$150,021.54
11/15/2024	2,967.00	iShares Ultra Short Term Bond Active ETF	\$50.55	\$149,977.99
11/15/2024	7,828.26	Absolute Convertible Arbitrage Instl Fund	\$11.50	\$90,025.00
11/15/2024	548.00	PIMCO Total Return Active ETF	\$91.23	\$49,995.46
10/15/2024	21,828.10	JP Morgan Core Plus Bond Select	\$7.33	\$160,000.00
			Sub Total:	\$3,238,433.19
Sell Exchange				
12/17/2024	-1,260.00	Vanguard S&P 500	\$555.26	(\$699,610.29)
12/17/2024	-101,299.85	GQG Partners Emerging Markets Equity Inst	\$17.03	(\$1,725,136.48)
			Sub Total:	(\$2,424,746.77)
			Total:	\$813,686.42

Asset Class	Overweight/ Underweight	12 Month Return Projection			Notes
		Price Return	Yield	Total Return	
Equity	Overweight				
Domestic Large Cap Equity	Overweight	-7-8%	2%	-5-10%	Based on 2025 earnings projections.
Domestic Small & Mid Cap Equity	Overweight	-6-16%	1%	-5-17%	Based on 2025 earnings projections.
International Developed Equity	Underweight	-6-15%	3%	-3-18%	Based on 2025 earnings projections.
Emerging Market Equity	Neutral	-1-9%	3%	2-12%	Based on 2025 earnings projections.
Fixed Income	Overweight				For domestic bonds, the low-end assumes a 25bp increase, and the high-end assumes a 50bp decrease.
Investment Grade Fixed Income	Overweight	-1-3%	5%	4-8%	Represented by the Barclay's Aggregate Bond Benchmark.
Long Duration Fixed Income	Underweight	-5-7%	5%	0-12%	Represented by a Long Duration Investment Grade U.S. Bonds.
Alternative Investments	Underweight				
Absolute Return Vehicles	Underweight	1-2%	4%	5-6%	Assumption is based on yield and price return of UFSS's holdings.
Real Estate	Underweight	-15%-5%	5%	-10%-10%	
Cash	Neutral	0%	4%	4%	

Thank You

For more information visit:
sandhillglobaladvisors.com



The University Foundation at Sacramento State
Statement of Net Position
December 31, 2024 and 2023

	FY 2024-2025 as of 12/31/24	FY 2023-2024 as of 12/31/23	Change
Assets			
Current Assets			
Cash	\$ 3,009,605	\$ 1,958,202	\$ 1,051,403
Restricted Cash	448,697	383,977	64,720
Short-Term Investments	1,379,636	1,710,186	(330,550)
Restricted Short-Term Investments	2,813,453	7,167,914	(4,354,461)
Total Cash and Cash Equivalents	\$ 7,651,390	\$ 11,220,279	\$ (3,568,889) ¹
Receivables			
Unrestricted Receivables	\$ 14,234	\$ 12,579	\$ 1,655
Restricted Receivables	1,372	1,459	(87)
Restricted Pledges Receivable	-	-	-
Total Current Assets	\$ 7,666,997	\$ 11,234,317	\$ (3,567,321)
Non Current Assets:			
Cash Surrender Value of Life Insurance Policies	\$ 241,690	\$ 223,220	\$ 18,470
Restricted Long-Term Investments	126,669,191	107,039,950	19,629,241 ²
Total Non Current Assets	126,910,881	107,263,170	19,647,710
Total Assets	\$ 134,577,877	\$ 118,497,488	\$ 16,080,390
Liabilities			
Current Liabilities			
Accounts Payable and Accrued Expenses	\$ 952,514	\$ 674,075	\$ 278,439
Accounts Payable and Accrued Expenses-Restricted Accounts	-	-	-
Total Current Liabilities	952,514	674,075	278,439 ³
Non Current Liabilities:			
Funds Held in Trust for Others	-	-	-
Total Non Current Liabilities	-	-	-
Total Liabilities	952,514	674,075	278,439
Deferred Inflows of Resources			
Deferred Inflows from Remainder Interest	-	-	-
Total Deferred Inflows	-	-	-
Net Position:			
Restricted:			
Expendable	49,773,792	44,496,787	5,277,005
Non Expendable	81,254,358	71,300,613	9,953,745
Unrestricted	2,597,213	2,026,012	571,201
Total Net Position	133,625,363	117,823,412	15,801,951 ⁴
Total Liabilities and Net Position	\$ 134,577,877	\$ 118,497,488	\$ 16,080,390
Check	\$ -	\$ -	\$ -

The University Foundation at Sacramento State
Statement of Revenues, Expenses and Changes in Net Position
For the Months Ended December 31, 2024 and 2023

	FY 2024-2025 as of 12/31/24	FY 2023-2024 as of 12/31/23	Change	
Operating Revenues:				
Contributions and gifts, Non Capital	\$ 4,005,482	4,509,590	(504,109)	5
Fees and others	82,867	358,479	(275,612)	6
Investment Income	6,369,275	6,566,053	(196,778)	7
Total Operating Revenues	<u>10,457,623</u>	<u>11,434,122</u>	<u>(976,499)</u>	
 Operating Expenses:				
University Projects	4,270,076	3,227,621	1,042,456	8
General and Administrative	421,011	371,747	49,264	9
Charitable Remainder Unitrust Payments	-	-	-	
Total Operating Expenses	<u>4,691,087</u>	<u>3,599,368</u>	<u>1,091,719</u>	
 Net Operating Income / Loss	<u>5,766,536</u>	<u>7,834,754</u>	<u>(2,068,218)</u>	
 Non Operating Revenues (Expenses):				
Additions to Permanent Endowments	<u>1,014,493</u>	<u>1,092,277</u>	<u>(77,783)</u>	10
Total Non Operating Revenue	<u>1,014,493</u>	<u>1,092,277</u>	<u>(77,783)</u>	
 Change in Net Position	6,781,030	8,927,031	(2,146,001)	
 Total Net Position - Beginning	<u>126,844,334</u>	<u>108,896,381</u>	<u>17,947,952</u>	
Total Net Position - Ending	<u>\$ 133,625,363</u>	<u>\$ 117,823,412</u>	<u>15,801,951</u>	
 Check	\$ -	\$ -	\$ -	

The University Foundation at Sacramento State
Executive Summary of Financial Results
For the Periods Ending December 31, 2024 and 2023

Statement of Net Position

1 **Cash and cash equivalents** consist of the more liquid investments owned by the Foundation and include cash in Wells Fargo Bank and Sand Hill (Fidelity money market mutual funds). The overall decrease of \$3.6M is due to moving \$4.5M from Sand Hill money market account to investments. This decrease was partially offset by the absence of new fund transfer to Sand Hill, resulting in approximately \$1M increase in cash on hand at Wells Fargo.

2 **Restricted Long-Term investments** increased from prior year by \$19.6M due to realized gains, unrealized gains, dividend reinvestment and transfers in.

3 **Current Liabilities** increased by \$278k due to an increase in accounts payable.

4 **Net position** as a whole increased by \$15.8M from the prior year, mainly due to the increase in restricted long-term investments.

Statement of Revenues, Expenses and Changes in Net Position

5 **Contributions and gifts, non capital** decreased by \$504K due primarily to an increase of \$81K in stock gifts, a \$345k transfer from an endowment to a scholarship expenditure fund, a small increase in contributions and fewer transfers from expenditure to endowment funds this year. This increase in current year was offset by a \$1M gift received in the prior year but not in the current year.

6 **Fees and other** decreased by approximately \$276K due to halting the receipt on non philanthropic funds with plans to transfer existing non philanthropic items stateside.

7 **Investment income** overall decreased by \$197,000 from the prior year primarily due to the negative impact of \$9.4M decrease in realized gains slightly outweighed the combined positive effects of the \$9.1M increase in unrealized gains and the \$91,000 rise in interest and dividends.

8 **University Projects expense** increased by \$1M due to various factors. The largest factor was an increase of \$823K in scholarships issued and a \$409K transfer to the University for a library shelving project. This was partially offset by a \$264K reduction in travel expenses.

9 **General and administrative expense** increased by \$49K primarily due to timing of payments to CLA and new services contracted by Advancement and the Board.

Additions to permanent endowments decreased by approx. \$78k compared to prior year. While endowment gifts increased by \$301k this year, this was offset by a \$345k transfer from an endowment to an expenditure fund, along with a minor net decrease from smaller movements between endowment and expenditure funds.

The University Foundation at Sacramento State
2024/2025 Budget to Actuals Comparison as of 12/31/

	Budget 2024/25	Actuals as of 12/31/2024	Variance	% of budget remaining
Beginning Fund Balance 7/1/24	1,838,851	1,838,851	-	
Revenue				
Service Fees	1,419,480	693,470	(726,011)	51%
Investment Earnings		86,534	86,534	
Other	-	0	-	
	1,419,480	780,004	(639,476)	45%
Expenses				
Consultant Services	15,000	975	(14,025)	94%
Professional fee	1,000		(1,000)	100%
Audits/Tax Returns	40,845	28,785	(12,060)	30%
Legal services	15,000	-	(15,000)	100%
Dues and Subscriptions	3,500	300	(3,200)	91%
Insurance	11,592	9,280	(2,312)	20%
Supplies	500		(500)	100%
Postage	400		(400)	100%
Board of Directors expense	20,000	10,779	(9,221)	46%
Parking Permits	1,500	8	(1,492)	99%
Travel	5,000		(5,000)	100%
Promotions	10,000	4,533	(5,467)	55%
Accounting Services	260,000	130,000	(130,000)	50%
Software Maintenance Fee	3,960		(3,960)	100%
Credit Card Service Fee	45,500	12,170	(33,330)	73%
Bank Fee	2,000		(2,000)	100%
Membership Fee	3,800	3,680	(120)	3%
Board Professional Development	3,000		(3,000)	100%
Advancement Initiatives	1,250,690	220,501	(1,030,189)	82%
University-wide Initiatives	100,000		(100,000)	100%
Transfer to Scholarships	1,500		(1,500)	100%
	1,794,787	421,011	(1,373,776)	77%
Revenue/Expenses	(375,307)	358,994	734,300	
Ending Fund Balance	1,463,544	2,197,845	734,300	

Shifting Economic Landscape for CSU

- Decline in state funding – 7.95% reduction system wide FY25-26 and anticipate similar reduction for FY26-27. Do not anticipate recovering funds for FY27-28
- Many unknowns about federal and state support in future
- Statewide enrollment decline – 14% reduction of student population from peak
- Net decrease in total funding as a percentage of budget
- Final budget approved in May
- Federal limits on research funding indirect costs
- Increased cost for benefits and wages

Impact at CSU

- Last two years – CSUS cut 5% each year in mid-year reductions
- \$45M reductions
- Merger of academic colleges
- Hiring Freeze
- Reduction in travel and professional development
- Students, faculty, and staff will be impacted

	FY 2021-2022		FY 2022-2023		FY 2023-2024		FY 2024-2025	
Allocation - MDS01 (State Funds)	\$ 4,226,257.00		\$ 4,352,313.00		\$ 4,436,494.00		\$ 4,061,828.00	
Expenditures by Expense Category	FY 2021-2022		FY 2022-2023		FY 2023-2024		FY 2024-2025 Projected	
	State Funds	UFSS Funds	State Funds	UFSS Funds	State Funds	UFSS Funds	State Funds	UFSS Funds
Salaries and Wages	\$ 3,413,886.34		\$ 3,848,043.80		\$ 3,927,124.11		\$ 3,810,346.91	
Work Study	\$ 15,337.70		\$ 27,046.50		\$ 38,213.65		\$ 56,000.00	
Travel	\$ 11,859.38		\$ 35,056.44		\$ 35,965.29		\$ 40,000.00	
Contractual Services	\$ 139,903.72		\$ 350,491.18		\$ 79,686.32		\$ 40,000.00	
Information Technology Costs	\$ 14,238.72	\$ 314,988.58	\$ 79,133.80	\$ 320,253.62	\$ 70,870.84	\$ 397,705.37	\$ 40,000.00	\$ 364,686.00
Services from Other Departments	\$ 62,321.65		\$ 72,528.83		\$ 59,783.99		\$ 50,000.00	
Equipment	\$ 7,750.00		\$ 432.83		\$ 42,444.51		\$ 25,000.00	
Misc. Operating Expenses	\$ 114,293.69	\$ 93,366.91	\$ 197,713.82	\$ 77,127.82	\$ 197,991.83	\$ 150,248.43	\$ 190,000.00	\$ 150,000.00
Financial Services Fee		\$ 260,000.00		\$ 260,000.00		\$ 260,000.00		\$ 260,000.00
Audit Fee		\$ 51,540.00		\$ 29,139.16		\$ 46,385.84		\$ 28,784.70
Transfer Out to Other Programs		\$ 143,450.00		\$ 236,676.37		\$ 60,500.00		\$ 5,000.00
Other & UFSS Board Expenses		\$ 16,716.46		\$ 29,250.30		\$ 27,550.58		
Wire funds to support Trauma-informed Wellness Pr.		\$ 180,000.00						
Visa/MasterCard Service Fee		\$ 37,047.07		\$ 41,730.81		\$ 37,670.08		\$ 13,103.41
Service btwn AUX Org-Campus Unrealized Loss		\$ 135,974.30				\$ 25,000.00		
Total:	\$ 3,779,591.20	\$ 1,233,083.32	\$ 4,610,447.20	\$ 994,178.08	\$ 4,452,080.54	\$ 1,005,060.30	\$ 4,251,346.91	\$ 821,574.11
Grand Total:	\$ 5,012,674.52		\$ 5,604,625.28		\$ 5,457,140.84		\$ 5,072,921.02	

Impact for Advancement

- Stateside funding vs. foundation funding
- Cut to operating budget from state dollars
- Reduced staffing – not filling 6 vacant positions. % reduction in FTE
- Cuts to all aspects of advancement budget: events, sponsorships, travel, stewardship, acquisition
- More exposure to market downturn and further reductions in budget
- Minimum five-year impact: Short term (current dollars raised) and long term (new dollars raised)
- Fundraising will not solve CSUS budget challenge. Only 1% of total dollars raised within CSU go to operating budget support

How CSUS is Responding

- Creative ways to increase revenue now:
 - Enrollment
 - Athletics
 - Economic development
 - Increase in demand program offerings
 - Increase research productivity
- Finding efficiencies
- Shared services across system
- Advocacy

How Advancement is Responding

- Realign department and job descriptions
- Increase efficiency
- Invest in professional development
- Enhance partnerships across campus
- New CRM and new tactics
- Measure ROI and accountability
- Align fundraising priorities with university priorities
- Zero based budgeting
- Retention vs. Acquisition
- Balance short term vs long term

How can Foundation Respond

- Increase gift fee
- Increase endowment fee
- Review short term cash investment strategy
- Implement short term cash spending policy
- Create reserve and reserve spending policy
- Align board priorities
- Find additional support

CSU Gift/Endowment Fee Chart

Campus	Gift Fee	Endowment Fee
Bakersfield	5%	1%
Channel Islands	5%	1.75%
Chico	5%	1.75%
Dominguez Hills	5%	1%
East Bay	5%	1%
Fresno	0%	1%
Fullerton	0%	1.25%
Humboldt	5%	1.5%
Long Beach	5%	1%
Maritime	5%	1.5%
Monterey Bay	0%	0%
Northridge	5%	1.5%

Campus	Gift Fee	Endowment Fee
Pomona	5%	.75%
Sacramento	3%	1%
San Bernardino	5%	.75%
San Diego	5%	1.25%
San Francisco	5%	1.25%
San Jose	0%	2%
San Luis Obispo	5%	1.36%
San Marcos	5%	1%
Sonoma	5%	1%
Stanislaus	5%	1%
CSU Foundation	5%	.5%

CSUS Gift/Endowment Fee Revenue

Actuals					
	2019	2020	2021	2022	2023
1% Endowment Fee	\$680,139.00	\$872,813.00	\$676,371.00	\$877,228.00	\$1,042,556.00
3% Gift Fee	\$383,293.08	\$285,597.04	\$263,578.52	\$342,062.81	\$ 306,762.76

Five Year Average					
	Five Year Average	Projection: 4% gift fee	Projection: 5% gift fee	Projection: 1.25% end. fee	Projection: 1.5% end. fee
1% Endowment Fee	\$ 829,821.40			\$1,037,276.75	\$1,244,732.10
3% Gift Fee	\$ 316,258.84	\$421,678.45	\$527,098.07		