



2023
Endowment
Investment
Report

Lighting the Way to a Better Tomorrow



STEVENS STADIUM

Sportsmanship Statement
Santa Clara University is committed to sportsmanship and fair play. We encourage all athletes and fans to follow the rules of the game and to respect the officials, opponents, and spectators. We will not tolerate any form of cheating, doping, or other unethical behavior. We will also not tolerate any form of harassment, discrimination, or violence. We will promote a spirit of sportsmanship and fair play at all times.

The University System of California State
The University System of California State is committed to providing a high-quality education for all students. We will continue to work hard to improve our programs and services and to provide a safe and supportive learning environment for all students.



**Santa Clara
University**

Lighting the Way to a Better Tomorrow



Santa Clara University has always been a beacon of hope and promise. As the Jesuit University of Silicon Valley, our community of faith is steeped in tradition and at the forefront of innovation and technology. For nearly 175 years, we have been building on this legacy of transformational change—instilling values, promoting ethical decision-making, and providing an equitable education to students from all walks of life. Today’s learners will soon become tomorrow’s global leaders, striving to make a difference in our world. These young men and women of competence, conscience, and compassion are the reason we call Santa Clara home. Their light shines brightly so they can be a source of illumination for others.

Thanks to the generosity of our benefactors and the backing of our university’s endowment, we are thriving together in our research, teaching, and service. We continue to be inspired by our amazing alumni, parents, friends, and partners who give so much in the spirit of solidarity. Throughout our history, generations of Santa Clara supporters have demonstrated their commitment to this cherished institution by investing in endowed funds. As a united Bronco family, we are witness to the cumulative impact of these contributions, which you will read about in the following pages.

These endowments not only increase access to education and expand research collaboration at Santa Clara, they strengthen our pursuit of academic excellence, social justice, diversity in community, and holistic student learning. They allow us to provide distinctive programs that balance the interests of the current generation with the great challenges facing generations to come. Endowed funds help us attract and retain exceptional faculty, staff, and international scholars by dedicating resources to revolutionary research and teaching. On the Mission campus, our educators are empowered to teach from the heart.

Your generous contributions to our endowed scholarships, programs, and professorships reinforce our institution’s foundation and promote our mission for centuries to come. I extend my profound gratitude to all our dedicated supporters who are helping raise our national profile in Jesuit education and allowing Santa Clara to rise to the highest levels of university achievement. May your light continue to shine for us all.

Sincerely,

A handwritten signature in black ink that reads "Julie Sullivan". The signature is written in a cursive, flowing style.

Julie H. Sullivan, Ph.D.
President, Santa Clara University



Small Town, Big Dreams

From Patterson to a promising future, Raechel Guevara's inspirational journey

In the heart of California's Central Valley is a quaint little town called Patterson, with a history rooted in agriculture. Known as the "apricot capital of the world," it represents a mix of ethnic backgrounds, reflecting the cultural diversity of California as a whole. However, for Raechel Guevara, Class of 2025 and the recipient of the **Jack and Carolyn Lewis Family Scholarship Endowment Fund**, it was also a place where higher educational opportunities for high school students were scarce. Guevara says, "I come from a community where few of us can attend college. My high school was severely underfunded, and I was surrounded by classmates who did not want to further their education or people who didn't even graduate high school." But Guevara refused to let her circumstances define her destiny.

Her hopes and aspirations fueled her journey to achieving her academic goals. Guevara understood what it would take to get there and stated, "Growing up, I knew I needed to work harder than most if I wanted to achieve a higher education." She spent countless nights studying, reviewing textbooks, and working on her assignments. Her grades were solid, and her determination was unwavering. She adds, "There were many obstacles I faced growing up, but I never let the nature of my situation determine my future." Moreover, her hard work paid off. Guevara was offered

Top and bottom right: Raechel Guevara '25, recipient of the Jack and Carolyn Lewis Family Scholarship Endowment Fund.

Top right: Lucas Hall, home of the Leavey School of Business.

financial assistance and the opportunity to attend our esteemed institution. She is incredibly grateful for the kindness she has received through the Jack and Carolyn Lewis Family Scholarship.

“Receiving this scholarship has immensely impacted my life; without it, I would not have been able to attend Santa Clara University,” Guevara says and continues, “I am the first in my family ever to attend college. Because of this, I am reminded how lucky I am, and I make the most of every day here. I get excited to go to class, to learn something new, to network with new people, and to develop skills for my future career.”

Established by long-time supporters **Jack and Carolyn Lewis** and their family, including daughter **Anne Lewis Naragon, '87**, a member of the Board of Regents, the fund was created to offer deserving undergraduates the possibility of having a Santa Clara Jesuit education. While Jack, a prominent trustee, passed away in 2022, his legacy lives on through the accomplishments of exceptional students, like Guevara.

As a major in management information systems at the **Leavey School of Business**, Guevara is excited to be part of the prestigious school, which recently marked 100 years since opening its



head start by working as a data and analytics sustainability coordinator at the University's **Center for Sustainability**. She is excited to be part of their efforts to reduce energy emissions, decrease food waste, and promote sustainable actions on campus for faculty, staff, and students.

And if carrying a full load in school and working wasn't enough, Guevara is also a critical thinking and writing (CTW) peer educator for Professor Kai Harris's English class for LEAD Scholars—a program designed to assist

for CTW students, helping them improve their writing skills. My goal is to create a welcoming space in the classroom where no student feels ashamed to share their work.” As for the future, Guevara has career plans in database management systems.

The dreams that Guevara have nurtured as a child had indeed taken her far beyond the horizon. She is proving that it doesn't matter where you came from; what is important is the strength of your ambitions, the determination to see them through, and the kindness of others. She says, “I am forever indebted to the Lewis family for changing the trajectory of my life.” Guevara now represents her small town as a symbol of hope and possibility.

“There were many obstacles I faced growing up, but I never let the nature of my situation determine my future.”

doors in 1923. From thirty-five students then to enrolling more than 2,500 today in all of its programs, Guevara feels connected to the vibrant energy and vision to become a well-rounded business leader for Silicon Valley and beyond. She is already getting a

first-generation college students with the necessary tools and resources to be successful. Guevara states, “This is my second year being a part of LEAD staff, where I helped incoming first-year students transition into college. I lead group discussions and hold office hours





Humanitarian Impact

Engineering in Action

“The main goal is to get the students to use their engineering skills on projects that impact society, particularly low-resource communities.”

At the heart of Santa Clara University’s mission is to instill in students the 3 C’s: competence, conscience, and compassion. This longstanding, holistic vision guides our Jesuit institution in the distinct education we provide and the distinguished educators we attract—inspiring professors such as **Dr. Silvia Figueira** from the Department of Computer Science and Engineering, holder of the **Regis and Dianne McKenna Professorship**. Celebrating nearly 25 years at Santa Clara University, Figueira has a remarkable legacy at the University, receiving numerous awards, her work featured in several articles, and serving as the director of the **Frugal Innovation Hub (FIH)**.

Launched over ten years ago, the School of Engineering’s Frugal Innovation Hub has evolved into a vibrant, collaborative center for faculty and undergraduates, promoting countless projects around the world. Aimed at creating sustainable and scalable solutions, the FIH emphasizes *Engineering with a Mission* by teaching students to challenge the world around

them and seek ways to use their knowledge and talents to improve lives. The FIH provides vital resources for students designing and deploying humanitarian technology-focused initiatives. “The main goal is to get the students to use their engineering skills on projects that have an impact on society, particularly low-resource communities,” says Figueira. “It enables the students to do what Santa Clara is all about.”

As she reflects on the many initiatives accomplished by the FIH, Figueira recounts the story of a civil engineering professor and students traveling to Uganda to develop an aquaponic system, a water-saving method of farming that combines raising fish with growing plants in a symbiotic environment. “[The professor and students] went there, worked with the organization to teach female farmers in the community the process and method, which is successfully being replicated,” says Figueira. “We don’t like just to donate equipment—we like to work with the community, so they learn how to use it.”

Today, the FIH continues engaging engineering students, faculty members, and organizations to address humanitarian problems in the state-of-the-art **Sobrato Campus for Discovery and Innovation (SCDI)**, the University's interdisciplinary facility for STEM research, teaching, and learning. "Having the Frugal Innovation Hub located in SCDI allows us to collaborate a lot," says Figueira. Recent projects during her tenure with the FIH include a water filtration system in Kenya, a smart greenhouse in the Dominican Republic, and a computer game to teach children in Costa Rica about recycling. Through her dedicated service with the FIH as well as other opportunities, Figueira has been able to be involved in a myriad of special projects at Santa Clara, in the United States, and abroad that embody the purpose behind the Regis and Dianne McKenna Professorship.

Parents of Sean McKenna '02, **Regis McKenna**—a former SCU trustee and member of the Miller Center Advisory Board—and **Dianne McKenna** established this president-appointed professorship in 2001 for gifted educators specializing in science, technology, or society. Using funds from this endowment, Figueira has been able to promote her own research, and the exceptional work being accomplished at the Frugal Innovation Hub and, more

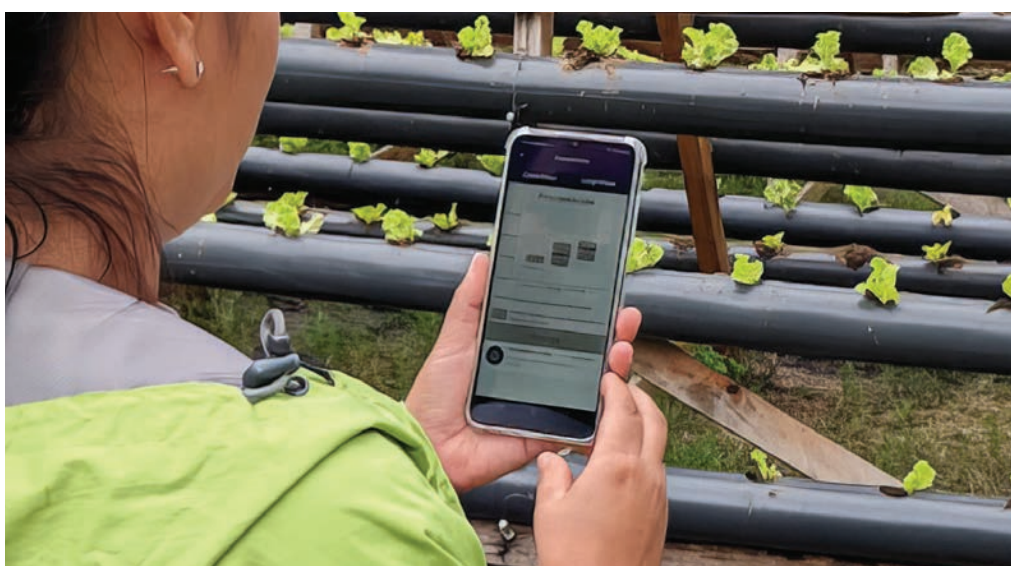


broadly, Santa Clara. "It helps with travel costs for talks, conferences, and guest panels," says Figueira. "I travel to share these stories with people, promoting Santa Clara's groundbreaking work."

Having concluded her tenure as the director of the Frugal Innovation Hub in FY23, Figueira is entrusting the FIH to the Civil, Environmental and Sustainable Engineering Department's **Dr. Laura Doyle**, a fellow advocate for humanitarian engineering with new ideas to bring to the FIH. For Figueira, the new academic year ushers in her new role as chair of the Computer Science and Engineering Department. With these new responsibilities, as well as her current teaching and research, Figueira looks forward to remaining involved with the Frugal Innovation Hub while bolstering her newest program, the Global Digital Transformation Clinic, a program that is helping social enterprises and nonprofits use technology.

In addition to fostering transformative experiential learning opportunities, Figueira would like to use the clinic to engage graduate students and further cultivate an environment where students can grow, innovate, and excel. "I'm going to be focusing on the clinic so that I can get more students involved in digital transformation projects," says Figueira. "The clinic is my way to bring graduate students into the Santa Clara spirit."

Figueira's journey at Santa Clara, enriched by the Regis and Dianne McKenna Professorship, demonstrates the importance and impact of endowments. These pivotal funding sources allow talented professors, like Figueira, to amplify the University's hallmark commitment to serve the common good while creating a path forward for the next generation of conscientious, compassionate, and competent Broncos.



Top left: Dr. Silvia Figueira, holder of the Regis and Dianne McKenna Professorship.

Top right: Students in the School of Engineering's Summer Engineering Seminar working on user testing for a computer game to teach children about recycling.

Bottom right: A farming application built by the Frugal Innovation Hub.



LEAD students celebrating the 20th anniversary of the program

Empowering Dreams

The vital role the LEAD Scholars Program plays for first-generation students

“Endowed funds are central to the work that we’re doing.”

Education has long been heralded as the gateway to opportunity, a path toward achieving one’s dreams and aspirations. A Santa Clara University Jesuit education is a transformative force that has the power to change lives and shape a brighter future for all. As the University strives to become a more inclusive and equitable institution, we also realize the unique challenges some first-generation undergraduates may face, such as financial, academic, and emotional barriers that can seem overwhelming. Given the stress of adapting to campus life, there is a clear need for support to assist these young scholars on their academic journey. Thankfully, we have the **LEAD Scholars Program** fulfilling that essential objective.

In 2023, the LEAD Scholars Program celebrated its 20th anniversary, helping over 1,600 first-generation college students by providing resources such as holistic advising, workshops, financial aid, mentoring, and career development. In addition, being a LEAD Scholar allows participants to connect with peers with similar backgrounds and challenges. Director **Erin Kimura-Walsh** has been part of the program since its

inception and is proud of how much it has grown. The impact it has made for so many talented students is profound. She states, “With the support we have received in the last ten years, we went from welcoming 60 to 130 students each year. We are now able to offer a comprehensive four-year experience that includes emergency funding, extensive programming, career exploration courses, and a fellowship program, which funds unpaid internships, study abroad, and research opportunities.” In addition, the program also provides wraparound support in other areas like



Shirley Naranjo '23, LEAD Scholar

students' mental and physical well-being. Kimura-Walsh says, "For someone who is struggling, being able to navigate through the various resources is key to their success."

All of this would be impossible without the thoughtful contributions of donors who so generously fund endowed programs like the **Cabral Family LEAD Endowment**. This crucial fund provides operating support for the LEAD Scholars Program and financial assistance for our outstanding first-generation students. The endowment was established by dedicated alumnus, **Tim Cabral '89, '95 M.B.A.**, and his wife, **Julia**, to continue LEAD's incredible work.

In the last academic year, this fund supported five students who are motivated in their academic and career pursuits and grateful for the generosity of others who helped pave their path.

Two of these future trailblazers are Class of 2023 graduates, **Shirley Naranjo and Micah Doctolero**.

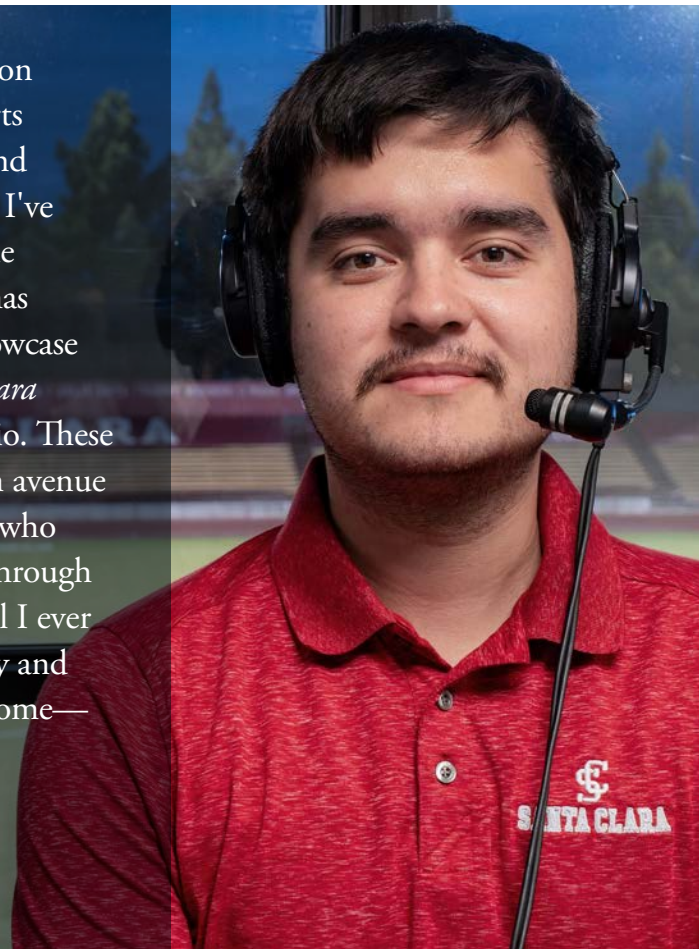
Shirley is now using her civil engineering degree to work in her dream job. "In June, I crossed the stage with pride, marking a significant landmark in my life and am now eagerly anticipating what lies ahead," Shirley says and adds, "It was a dream come true to graduate, and the Cabrals were a key factor in making it happen. I am so grateful for their support during my journey."



Micah Doctolero '23, LEAD Scholar

"After graduation, I intend on pursuing my career in sports journalism both in print and broadcast. The scholarship I've earned throughout my time at Santa Clara University has given me a platform to showcase my talents in *The Santa Clara* newspaper and KSCU radio. These mediums have provided an avenue to illustrate who I am and who SCU student athletes are through words and the airwaves. All I ever wanted was an opportunity and I've gotten that and then some—thank you!"

Thomas Dunn '24, Journalism
Bluth - Picasso Family Endowed
Scholarship Fund



After graduating in June, Micah said, "This milestone for my family and me would not have been possible without the generosity of SCU's donors, like the Cabrals. I am a first-generation college student and the oldest of my siblings, making me the first to graduate from a 4-year university. I walked Magna Cum Laude with a bachelor's degree with a double major in management information systems and French. After graduating, I'm grateful to say that I'll be starting a full-time career as a technology assurance associate with a major company. Without the support I have had throughout my education at Santa Clara, both in spirit and financially, I would not be where I am. As a person, my development has really been shaped by the values I gained from my Santa Clara University education."

Kimura-Walsh notes that aside from their growth as individuals pursuing their passions upon graduation, the relationships LEAD Scholars have formed with one another have really resonated with them. She says, "The connections

they make together are really powerful, and they take care of each other in ways that I couldn't even imagine." She continues, "We're always excited about being able to offer opportunities to our students—the need is there. And an endowed program like this one offers predictable funding that the LEAD team can rely on to support our students. Endowed funds are central to the work that we're doing."

The LEAD Scholars Program and the Cabral Family LEAD Endowment are helping make dreams come true for students like Shirley and Micah. The valuable resources they provide are powerful tools for fostering equity in education, reducing financial barriers, and empowering access to higher learning. They offer a lifeline to first-generation students with the potential and determination to succeed, regardless of their socioeconomic background. They assist in transforming the lives of deserving recipients and have a ripple effect, positively impacting communities and society as a whole.

About the University Endowment

The Role of the Endowment

As stewards of the University's endowment, the Santa Clara Investment Office manages a diversified investment portfolio that provides recurring financial support for key university operations. The goal is to generate sufficient investment returns so that the portfolio can serve both the needs of current and future generations of University stakeholders. We refer to this as "intergenerational equity."

Underlying the endowment are over 966 donor designated pools, each contributing in a unique way to help Santa Clara deliver a world-class Jesuit education. The largest designations include merit and need-based scholarships, funding for a variety of University programs, and endowed chairs to attract prominent faculty. Every year, the University liquidates approximately 4.5% of the portfolio and contributes the proceeds to fund current operations. In fiscal 2023, this has equated to \$48 million or 8% of the University's operating budget.

Use of the Endowment

The past decade has demonstrated the benefit of the endowment model. Between July 2013 and June 2023, the endowment has contributed an aggregate of \$382 million to the University's operating budget while also compounding the value of the portfolio from \$688 million to \$1.478 billion. This growth has helped accomplish the endowment's goal of ensuring adequate funding for current University programs while also strengthening the University for future generations of Santa Clara students.

Fiscal 2023 (July 2022 – June 2023) At A Glance:

The Santa Clara endowment returned +2.1% for fiscal 2023, which trailed the +10.4% return of our policy portfolio. Our policy portfolio is a diversified composite of public benchmarks, including public equity, fixed income, real estate, and natural resources. Led by a concentrated group of large cap technology stocks, strong public stock markets were the key driver behind our policy portfolio's fiscal 2023 results.

Santa Clara's endowment has historically invested in less efficient asset classes, such as private equity and venture capital. The Endowment Office believes its strategy of investing in less efficient markets will generate the best long-term returns. During fiscal 2023, our private investments did not keep pace with the performance of public markets as our managers marked their holdings to reflect the current valuation environment. While disappointing on a short-term basis, the Santa Clara Endowment continues to maintain top-quartile results on a 3, 5, and 10-year basis when compared to the Cambridge \$1bn+ Endowment Composite.*

Underpinning our long-term orientation is a keen focus on maintaining a robust risk management framework, which can withstand the path of most any economic environment. This is even more important today in a world of heightened uncertainty. As the team looks forward, the Investment Office remains focused on its core principles: maintaining a well-diversified portfolio and making sure it has the appropriate liquidity to fund future obligations.

John Kerrigan, Santa Clara's Chief Investment Officer noted, "As an investment vehicle that supports both current and future generations of students, the Santa Clara endowment is constructed to maintain or grow the real purchasing power of the portfolio over a full market cycle. We do this by investing in enduring themes like technology and life sciences innovation, while seeking to partner with best-in-class managers. Our investment philosophy often takes us to private markets, where our managers can be true thought partners with their portfolio companies."

The charts on the opposite page compare the levels of return and risk (volatility) of the University's endowment, its policy portfolio, a blended portfolio of 60% global stocks / 40% bonds and the MSCI All Country World Index (ACWI). Risk here is defined as volatility, or standard deviation. Volatility helps to measure the range of possible outcomes for a given asset or portfolio. In general, higher volatility means a greater range of potential outcomes, which means the asset, or the portfolio in this case, is riskier than one with a lower volatility.

**Cambridge Associates is a leading global investment firm working with endowments and foundations, healthcare systems pension plans, and private clients, with over 50 years of institutional investment insights and research to help shape best practices and build strong investment networks.*

Santa Clara Endowment Ranking

Rank among top Catholic U.S. and Canadian universities: 93
(in top 180 endowments by size) (As of June 30, 2022)

Catholic "National Universities" rankings

NACUBO ranking		Endowment (totals in thousands of dollars)	2024 U.S. News ranking
10	Notre Dame	\$16,729,299	20
40	Boston College	\$3,336,600	39
42	Georgetown	\$3,210,032	22 (tie)*
93	Santa Clara	\$1,471,579	60 (tie)*
102	St. Louis	\$1,343,808	105 (tie)*
126	Villanova	\$1,113,161	67 (tie)*
142	Fordham	\$972,446	89 (tie)*
148	Loyola Chicago	\$892,934	142 (tie)*
152	St. Johns	\$868,932	163 (tie)*
153	Marquette	\$865,300	86 (tie)*
178	Creighton	\$690,797	124 (tie)*

Sources: National Association of College and University Business Officers and TIAA U.S. News and World Report

*Denotes institution is tied with another college or university that is not listed

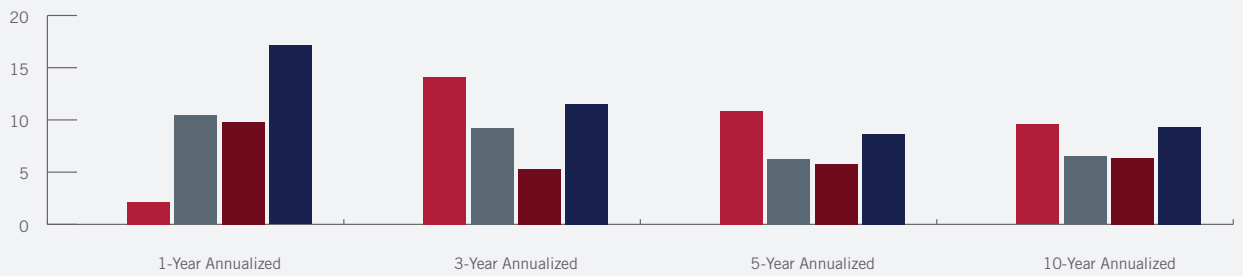
Endowment Value: **\$1,478,274,000**

(as of June 30, 2023)

Return & Risk Summary

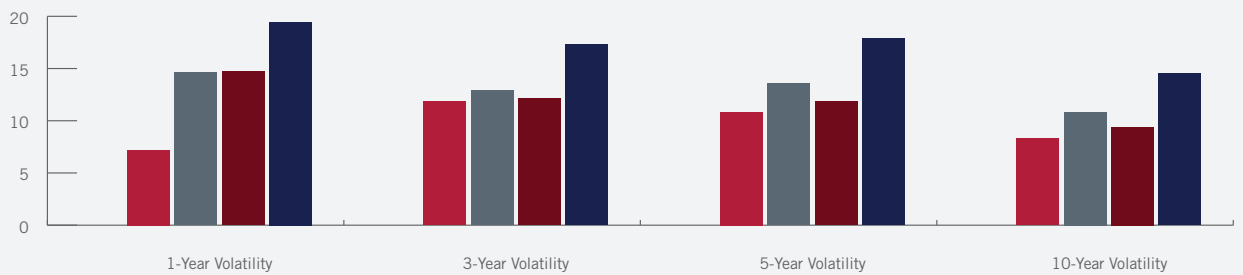
(as of June 30, 2023)

Return (Annualized)

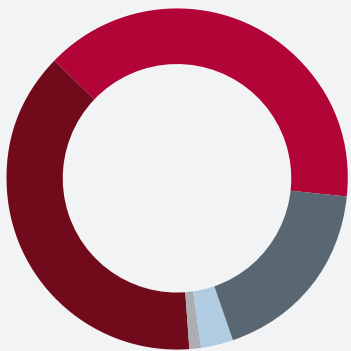


- SCU Endowment
- SCU Policy Portfolio
- Global 60/40
- ACWI

Risk (Volatility) Annualized



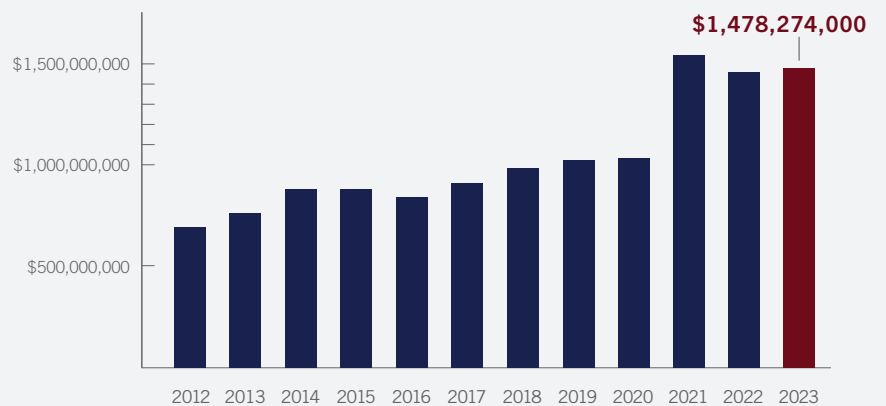
Santa Clara University Use of Endowment 2022-23 Academic Year



■ Scholarships	\$18,855,000
■ Programs & Operations	\$18,408,000
■ Faculty Chairs	\$8,843,000
■ Athletic Scholarships	\$1,593,000
■ Prizes & Awards	\$289,000

\$47,988,000

Santa Clara University Endowment Growth





“Without the kindness of donors such as you, I would not be able to attend Santa Clara University and I am so grateful for the Lorry I. Lokey Endowed Scholarship Fund. Music worked wonders for me in an otherwise black and white world and I would like to change the hearts and minds of children to grow up creatively, unbothered by judgment and other worries.”

Kyle Kinard '24 , Music
Lorry I. Lokey Endowed Scholarship

Endowment FAQ

1. What is an endowment and how does it strengthen Santa Clara University?

The endowment, the permanent capital of the University, provides funding to support the academic mission of Santa Clara University for current and future students and lends fiscal stability to the institution. The University's endowment consists of 966 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the governing board to function as endowments. Income from the endowment augments Santa Clara's operating budget and its core priorities of financial aid, faculty excellence, and research. This support is critical in today's extremely competitive academic environment.

2. What are the minimum endowment levels to establish and name an endowed fund?

The minimum gift required to establish a named endowment fund is \$100,000. Endowment gifts can be pledged and paid over a period of up to five years.

3. What percentage of Santa Clara's operating expenditures does endowment income support?

Endowment distributions supported approximately 8 percent of the University's operating expenditures during the 2022–2023 academic year.

4. Why are donor contributions to the endowment important?

Like an individual or family, every institution must save for its future. Building the endowment means strengthening Santa Clara's financial base for the long term and maintaining the purchasing power of the endowment in perpetuity. Gifts that donors direct to the endowment are pooled, then invested to achieve the best return. Part of the endowment income is distributed to support the program or area that a donor has specified. We are able to reinvest a portion of investment income and appreciation during a strong economy so that we can draw upon it in leaner years. The economic volatility of the last several years underscores the value of this long-term approach. It is only through philanthropy that Santa Clara's endowment will become competitive with the endowments of its aspirational educational institutions. Support from alumni, parents, and friends increases the resources being invested and makes larger investment returns possible.

5. Who manages Santa Clara's endowment?

The Investment Office provides full-time staff resources to manage the University's investment portfolio under the direction of the chief investment officer (CIO). Fiduciary oversight for the endowment is vested in the Investment Committee of the Board of Trustees. The CIO oversees the management of the University's investments and is accountable to this committee.



6. Are endowments subject to any fees?

Santa Clara does not charge fixed administrative fees to the endowment funds. Costs of managing and administering the endowment are netted from investment income and are minimal.

7. What is Santa Clara's approach to managing its endowment?

The University's governing board has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets to create generational equity. To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University's investments include a diversified portfolio consisting of equities, fixed income, and alternative assets. Targeted asset allocation percentages for each of these components are reviewed periodically throughout the year for potential adjustment of asset mix while evaluating the relative risk of each component.

8. How do market fluctuations affect Santa Clara's endowment and the individuals and programs it supports?

As with any long-term investment portfolio, the value of Santa Clara's endowment rises and falls with the market. In response to market fluctuations, the University assesses and rebalances the portfolio's asset allocation to ensure sufficient liquidity to meet its operating needs, including the payout of income from endowed funds. The endowment is managed carefully to ensure that payout of income remains relatively stable.

9. What is Santa Clara's policy on making payouts of income from "underwater" funds?

When a fund's current market value has declined below the amount of its principal, or the amount originally invested, the fund is referred to as "underwater." While an individual fund may be underwater, the Santa Clara endowment as a whole is not. Santa Clara, through the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted in California, has the ability to determine fund by fund whether payout on individual funds will be made.

The University's governing board has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, the University permanently restricts (a) the original value of the gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the University to retain as a fund of perpetual duration. Deficiencies of this nature may result from unfavorable market fluctuations that occur shortly after the investment of new permanently restricted contributions or from continued appropriation for certain programs deemed prudent by the governing board based on UPMIFA. In accordance with UPMIFA, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the University and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the University
- The investment policies of the University

10. What is Santa Clara's endowment spending policy and how is it determined?

Endowment spending is determined using a weighted average calculation of two components. The first component is the prior year spending allocated for each endowment increased by an inflationary factor weighted by 40 percent. The second component is a 12-quarter rolling market value average times an established spending rate of 4.5 percent weighted by 60 percent. The combination of these two calculations is the endowment spending allocation.

11. What is Santa Clara's policy with regard to socially responsible investing?

Guided by the values associated with its Jesuit mission, Santa Clara University invests its resources in institutions that are, at one and the same time, consistent with the "prudent person" principle, capable of generating



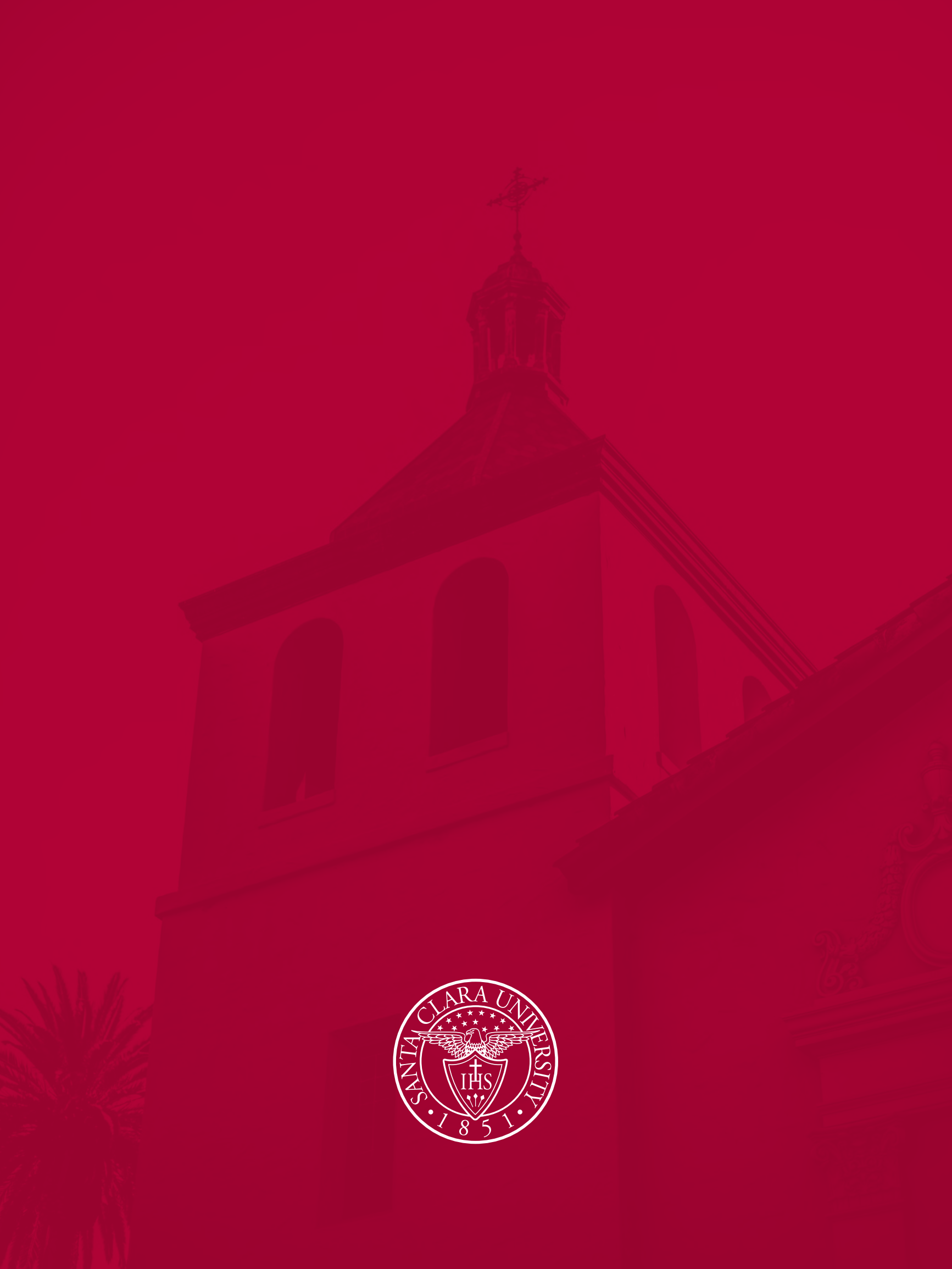
a rate of return consistent with the University's Investment Policies statement, and socially responsible in their policies and practices. Socially responsible investments should positively contribute to the common good and be guided by traditional Catholic ethical considerations. Balancing the consistent-life ethical principles and the "prudent person" principle requires judgment on the part of the Investment Office, the Investment Committee, and each money manager.

12. How long does it typically take for endowment gifts to begin to provide funding to the specified program?

Gifts to the endowment are invested by the University in the quarter in which they are received. In the case of endowment pledges, the income may be reinvested in accordance with a donor's gift agreement to increase principal until the pledge is completed. As designated in a donor's gift agreement, payout from scholarship endowments may begin as the fund reaches a minimum of \$50,000 in pledge payments.

The payout for an individual endowment fund is calculated based on the endowment spending policy formula (FAQ No. 10) and becomes eligible for a spending allocation to the specific program on July 1 of the following year.

A donor can make an immediate impact when establishing a new endowment by considering a blended gift. With a minimum of \$100,000 directed toward the endowment, along with an expendable gift equivalent to the expected endowment payout, a donor can begin to support a specified program in advance of the full endowment payout being available.





Santa Clara University

Santa Clara University
500 El Camino Real
Santa Clara, CA 95053-1400
www.scu.edu