



Annual Endowment Report For Fiscal Year Ending June 30, 2024

Investment Core Beliefs

CUF invests the managed endowment so as to maximize long-term returns, while simultaneously mitigating risks. A long-term multi-generational window not only allows us the benefit of time diversification across both bull and bear markets but also allows CUF to pursue investment strategies that may not be prudent for the ordinary investor with a shorter investment horizon. We are mindful of short-term implications to the University, even while positioning the portfolio to maximize long-term returns. Risk mitigation may include a broad array of considerations, including traditional metrics such as valuation, volatility, co-movement, concentration, and liquidity, and less traditional metrics such as headline risks.

We believe that the only certain component of an investment return is the expenses or cost of holding the investment. CUF seeks out asset classes that have investable indexes to represent them, and the managed pool is largely comprised of mutual funds and exchange-traded funds representing these indexes. These funds are chosen based upon their reoccurring expenses and are among the lowest cost funds available in the industry. Investing in indexes not only helps us control costs but gives us complete transparency for much of the investment pool. In instances where there may be no suitable investable index; CUF leverages its investment consultant to gain access to active managers within the asset class. Assets are placed with managers that are selected based upon safety, reputation, service, fees, and execution.

Research in portfolio management has shown that the allocation across asset classes explains up to 90% of the volatility of portfolio returns, whereas stock selection explains less than 10%. We use well-respected quantitative investment models, to assist us in determining which asset classes we will hold and what proportion we will hold in each class. We also consider the valuation of the asset class, and how far that valuation may be from its historical mean. The signals generated by the models provide important input into the decision processes. Each signal is evaluated by the CIO relative to reasonableness and timeliness to what is going on in the worldwide economy.

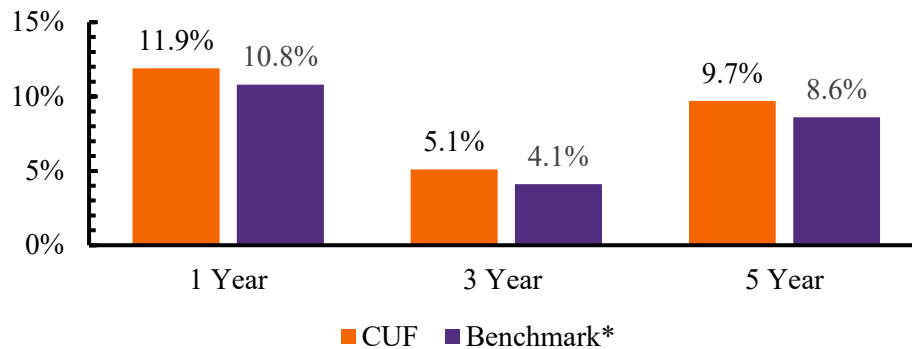
Our investment process attempts to constantly add new asset classes based upon their characteristics of return, risk, and co-movement with the existing asset classes. It is not unusual to see a significant allocation to alternative assets, such as private equity and real assets, and also hedge funds. In the case of alternatives, we will typically enlist the expertise of an investment consultant to evaluate the merits and risks of the investment.

Although we might have up to 30 different asset classes we monitor and track, we seldom will be invested in more than half of these monitored classes. To ensure that we remain within acceptable risk parameters, allocations within asset classes are limited by lower and upper ranges that are set and periodically reviewed by the Investment Committee.

Prepared by John C. Alexander, Jr., Ph.D.
Chief Investment Officer, CUF

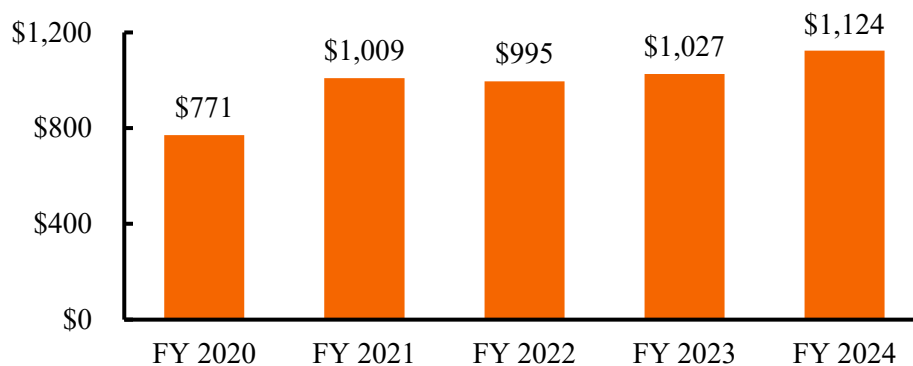
Performance

Consolidated Endowment Performance as of June 30, 2024



*Target Benchmark (42.1% 60% Russell 3000/40% MSCI ACWI ex. U.S. Index, 8.8% 33% Bloomberg Commodity TR/33% S&P GNR/33% FTSE/EPRA NAREIT Global Real Estate Index, 12.5% HFRI Fund of Funds Composite Index, 17.0% Bloomberg Aggregate Bond Index, 16.8% Actual PE/VC Performance (0% Lag), 3.4% Actual Private Real Assets Performance (0% Lag))

Value of Endowment in Millions

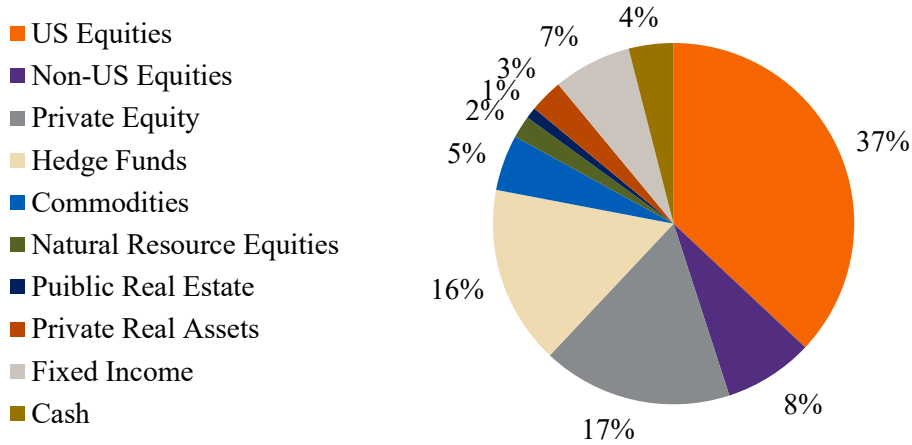


Risk Metrics

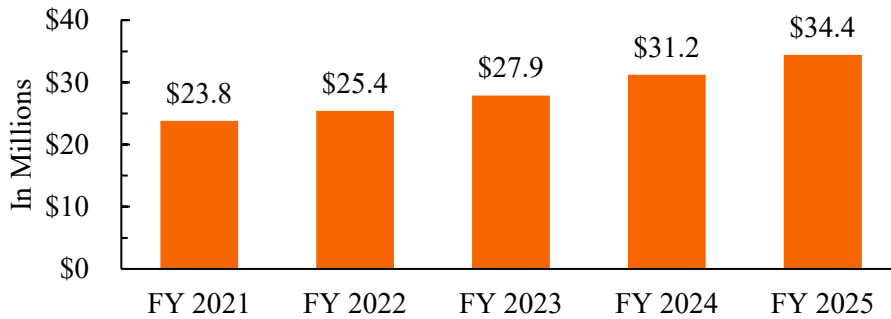
5 Year Period	Annualized Return	Annualized Volatility ¹	Sharpe Ratio ²
CUF	9.7%	11.5%	0.7
Benchmark	8.6%	11.1%	0.6

1. The higher the volatility, the riskier the portfolio
2. The greater the value of the Sharpe ratio, the more attractive the risk-adjusted return

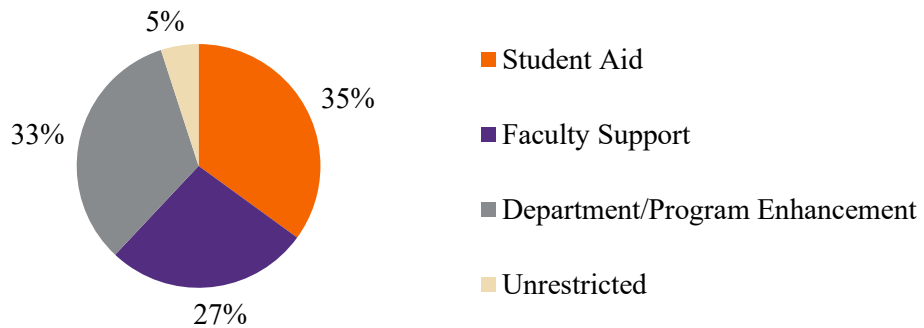
Asset Allocation



Endowment Payout



Endowment Payout by Donor Purpose





NACUBO Results

The annual NACUBO-TIAA Study of Endowments analyzes return data and a broad range of related information gathered from U.S. colleges and universities, both public and private, as well as their supporting foundations. The size and scope of the study makes it the most comprehensive annual report on the investment management and governance practices and policies of institutions of higher education institutions across the U.S.

Our FY 2024 investment return of 12.0% was 0.8% higher than the All Institutions Average of 11.2%. This year represents the 12th year in a row that our results have outperformed the All Institutions Average. CUF ranked #134 in endowment market values at \$1,124 million and 1st in the state of South Carolina.

Taking a longer sweep at the results provided, the following table provides our average annual one-, three-, five-, and ten-year returns compared to peers in this study.

Avg. Annual Returns	<u>1-year</u>	<u>3-year</u>	<u>5-year</u>	<u>10-year</u>
Clemson University Foundation	12.0%	5.2%	9.7%	8.0%
NACUBO Study (All Institutions)	11.2%	3.4%	8.3%	6.8%
NACUBO Study (\$501M - \$1B)	10.9%	4.0%	9.0%	7.0%
NACUBO Study (\$1B - \$5B)	10.0%	3.5%	9.0%	7.3%

CUF's performance ranked in the top quartile for the 3-, 5-, and 10-year time periods against All Institutions.