ENDOWMENT DISTRIBUTION POLICY

In the 2018-2019 academic year, 4.25% is available for spending (payout). To preserve the value of the endowment, investment returns (interest, dividends, realized and unrealized capital gains and losses) in excess of the payout and the 1.75% Foundation administrative fee are reinvested to the endowment annually.

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>INVESTED ASSETS</th>
<th>TOTAL RETURN</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-2018</td>
<td>$488,769,000</td>
<td>7.10%</td>
</tr>
<tr>
<td>2016-2017</td>
<td>$493,165,000</td>
<td>13.00%</td>
</tr>
<tr>
<td>2015-2016</td>
<td>$425,163,000</td>
<td>-2.75%</td>
</tr>
<tr>
<td>2014-2015</td>
<td>$398,727,000</td>
<td>1.80%</td>
</tr>
<tr>
<td>2013-2014</td>
<td>$375,670,000</td>
<td>13.90%</td>
</tr>
</tbody>
</table>
Colorado State University Foundation (the “Foundation”), a not-for-profit corporation, was incorporated in 1970 for the following purposes: (a) to assist in the promotion, development, and enhancement of the facilities and educational programs and opportunities of faculty, students, and alumni of Colorado State University and (b) to receive, manage, and invest contributions, gifts, and bequests, and apply the principal or income generated therefrom exclusively for charitable, scientific, literary, or educational purposes which will directly or indirectly aid and benefit Colorado State University. Colorado State University Foundation is recognized as a 501(c)(3) tax-exempt organization under the Internal Revenue Code. The Foundation is legally separate from Colorado State University.

INVESTMENT OBJECTIVES

The overall goal of the Foundation is to enhance the purchasing power of the University’s endowment while achieving the maximum total return consistent with the preservation of the principal. The Foundation’s Board of Directors has the fiduciary responsibility for the management and investment of all charitable gifts for Colorado State University. The investment objectives of the Foundation are designed to respond to changes in the economic environment, philosophy of the University and Foundation, and market conditions.

ASSET ALLOCATION TARGETS

Assets are allocated to generate the highest possible returns while preserving the principal.

- Public Equities .................................................. 50%
- Alternatives ........................................................ 33%
- Fixed Income ...................................................... 12%
- Other/Global Asset Allocation* .......................... 5%

*Other/Global Asset Allocation refers to a variety of asset types within a respective fund, not a geographical area.

The Foundation also permits selective opportunistic investing over a shorter period of time when dislocated or unusual market conditions exist. By definition, the Foundation will have no permanent target allocation to opportunistic investments.

The Foundation’s Board of Directors and Investment Committee meet regularly to review investment performance. The portfolio and associated payouts may be modified to reflect market conditions.

THE FOUNDATION’S INVESTMENT OBJECTIVES ARE:

QUALITY. Investments in a wide range of assets are encouraged. A major portion of the portfolio consists of liquid, marketable investments.

PERFORMANCE. The performance of the portfolio (and investment managers) over time is expected to compare favorably with market indices as well as rank high in comparison with similar portfolios.

LIQUIDITY. Adequate care will be taken to ensure that invested funds of the Foundation can provide for necessary withdrawals.

DIVERSIFICATION. Adequate diversification will be achieved through ongoing asset allocation review.