

USC Foundations

ANNUAL ENDOWMENT REPORT

FOR THE YEAR ENDING
JUNE 30, 2023



USC Foundations Annual Endowment Report

Letter from the President & CEO | R. Jason Caskey, CPA

We are pleased to share information on our consolidated investment portfolio, the returns on the portfolio, and the endowment for the University of South Carolina and the University Foundations as of and for the year ended June 30, 2023.

The consolidated investment portfolio experienced significant growth during the year and totaled \$740 million as of June 30, 2023. Although the Educational Foundation comprises approximately 78% of this total, the Business Partnership Foundation, Development Foundation and Alumni Association have funds included as well.

The markets experienced significant gains in the last quarter of our fiscal year, which resulted in a strong year of performance in the investment portfolio.

The University of South Carolina remains strong.

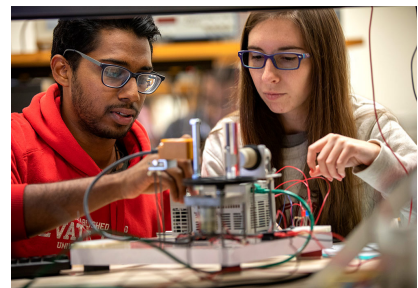
- Our one-year rate of return on investments was 12.8%.
- The five-year return was 6.4%.
- The ten-year return was 7.8%.

As a result of the strong performance of the consolidated portfolio, the overall endowment increased as well. The endowment increased from \$877 million as of June 30, 2022 to \$952 million as of June 30, 2023. The endowment is comprised of the consolidated investment portfolio, endowed funds held at the University, and certain real estate.

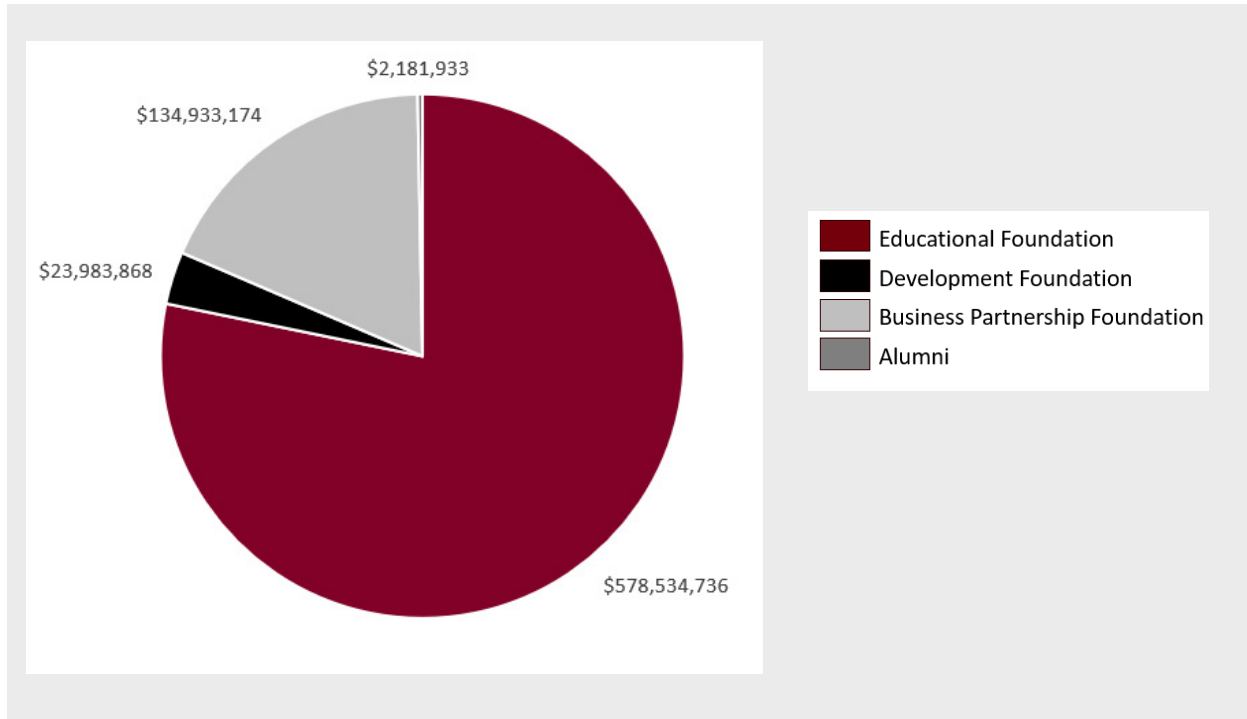
The positive returns continue to enhance the strong financial position of our Foundations. These returns strengthen our liquidity to support our students, faculty and staff with scholarships, fellowships, and other academic programs. For the year ended June 30, 2023, the Foundations provided \$22.8 million in endowed payments as compared to \$19.2 million in the previous year.

We hope that you will find the information included in this report to be insightful as you evaluate the work of our Foundations.

Thank you for your
support and trust
in the University
Foundations.

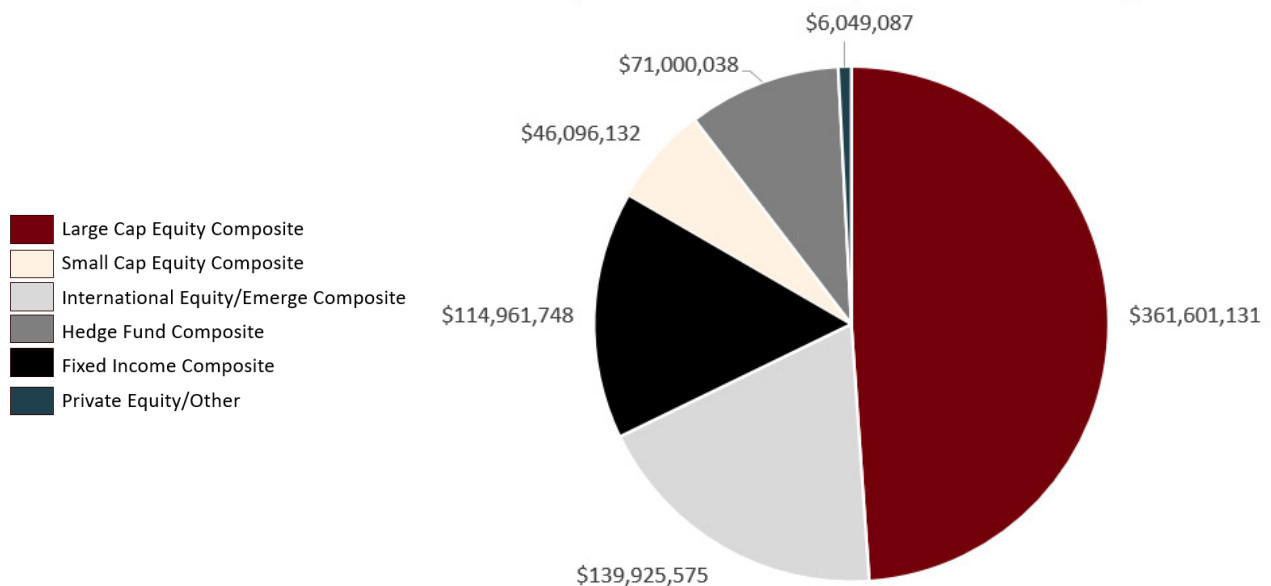


Investment Summary as of June 30, 2023 (consolidated)

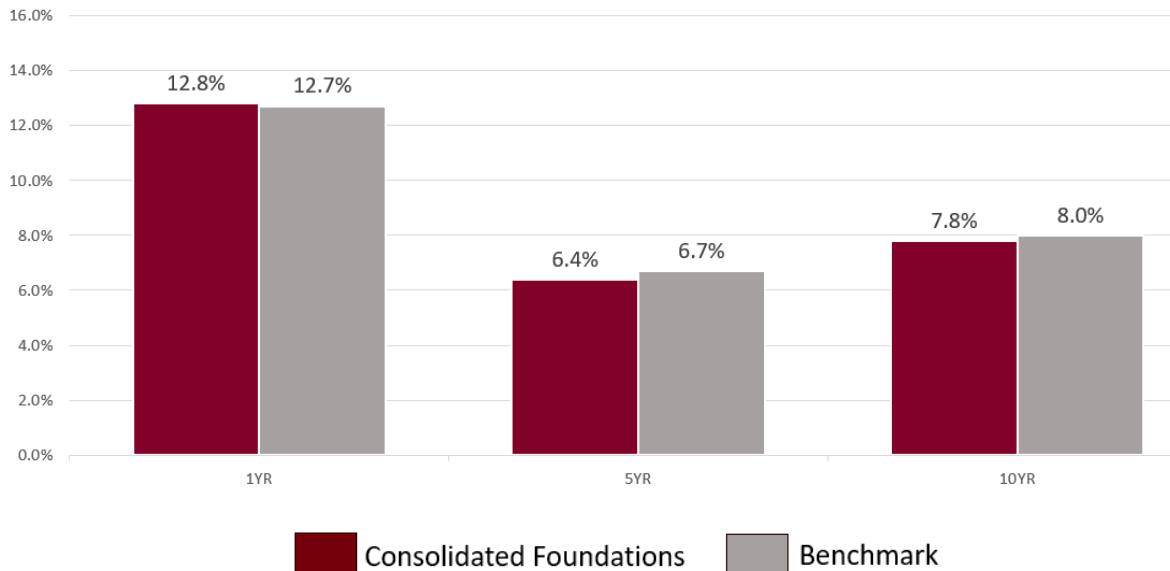


Total Investments **\$739,633,711**

Allocation Summary as of June 30, 2023 (consolidated)



Investment Returns year ending June 30, 2023 (consolidated)



Benchmark: Target Weighted Index is currently comprised of:

- 50% Russell 3000 Index
- 20% MSCI AC World Index ex-US
- 20% Bloomberg US Aggregate Index
- 10% HFRI of Funds Index

INVESTMENT STRATEGY

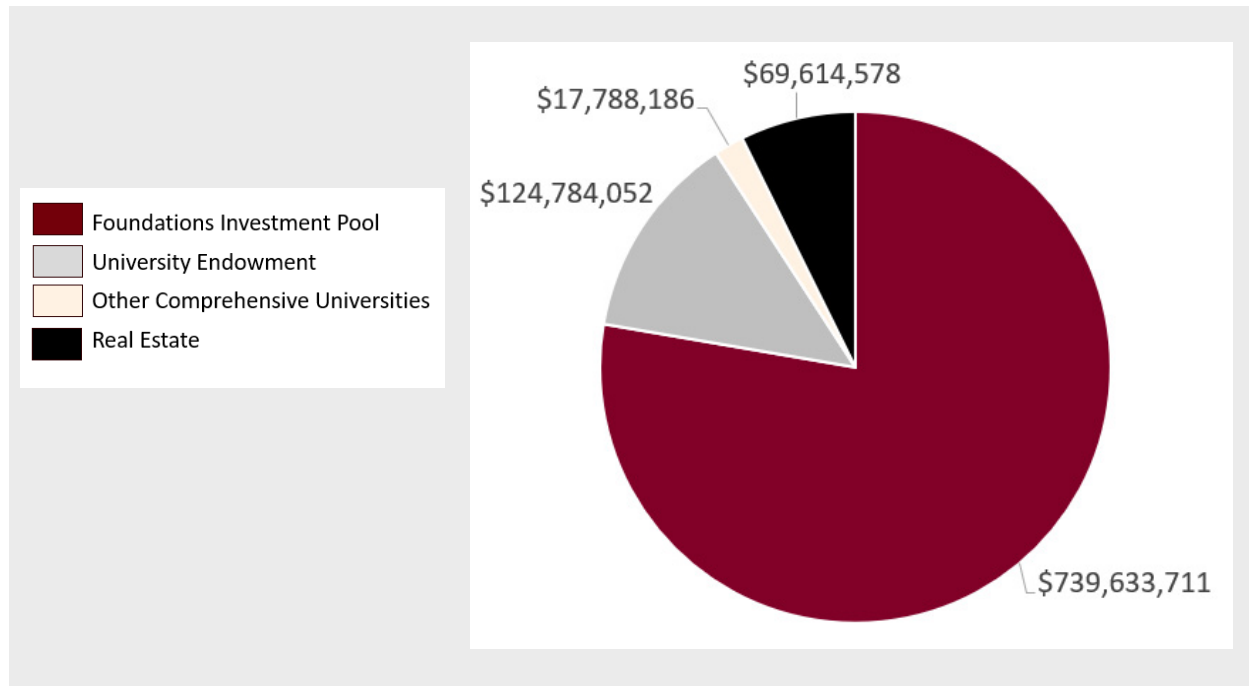
Our investment strategy understands the long-term nature of the Foundations and believes that investing in assets with higher return expectations outweighs their short-term volatility risk. As a result, the majority of assets will be invested in equity or equity-like securities with the goal of long-term growth. Shorter-term results may differ meaningfully from benchmarks and peers.

Fixed income will be used to lower short-term volatility and provide stability, especially during periods of deflation and negative equity markets.

Diversifying Strategies includes alternative assets generally outside of liquid stocks and bonds, which are additive to the portfolio by providing unique growth exposures or risk reduction. This allocation may include both strategic allocations as well as tactical positions that vary as compelling opportunities arise. Examples of strategic allocations include hedge funds and private capital. Examples of tactical positions include Real Assets (REITS, MLPs, energy, etc.) and distressed debt.

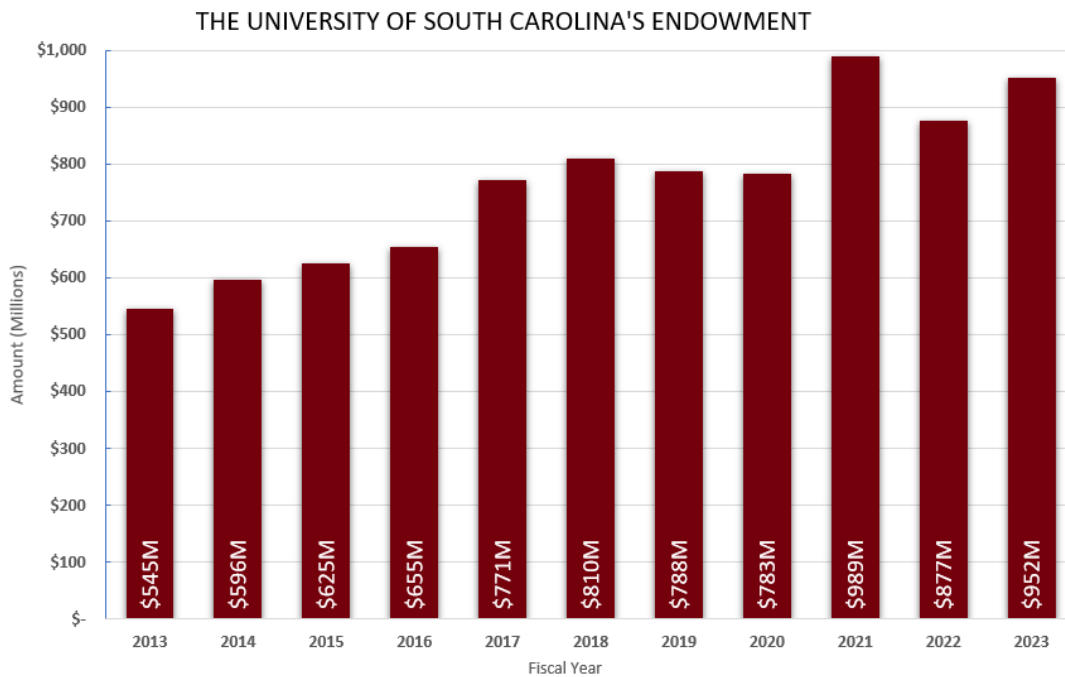
Cash is not a strategic asset of the Foundations, but is a residual to the investment process and used to meet short-term liquidity needs.

Endowment Composition as of June 30, 2023



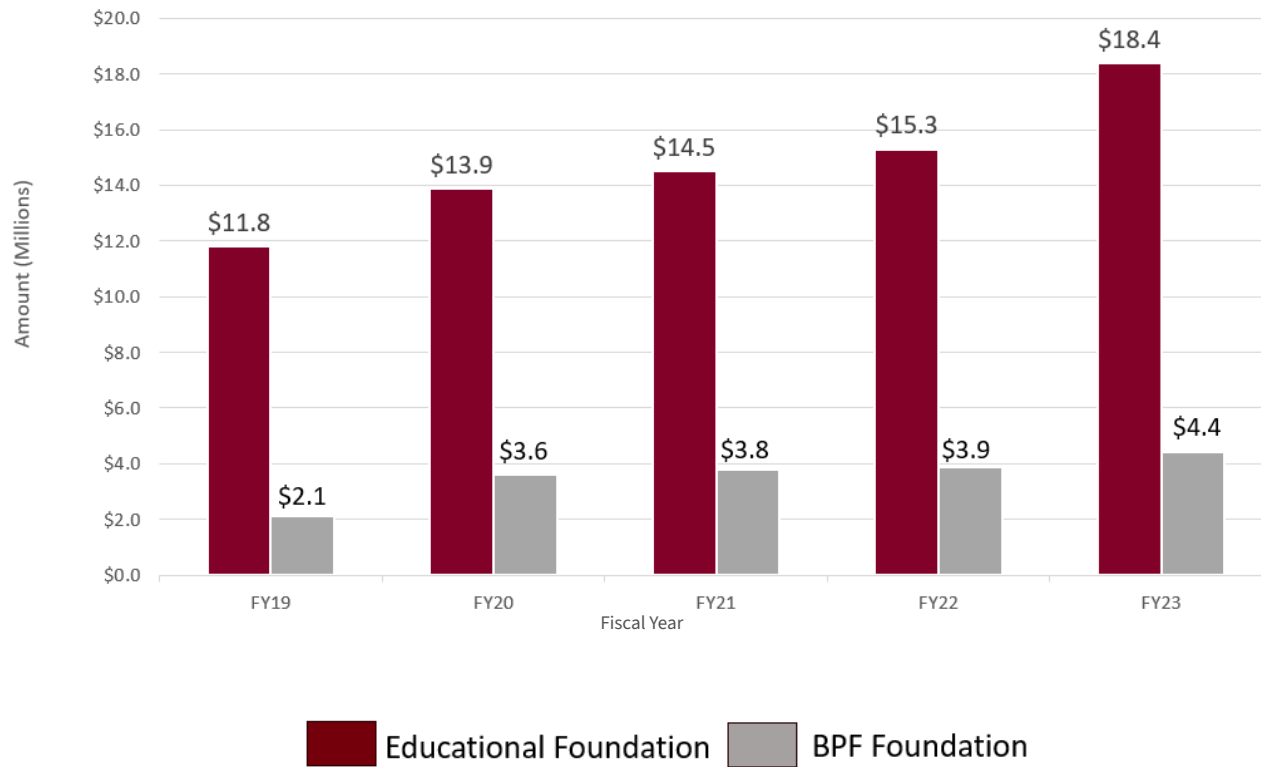
Total Endowment **\$951,820,527**

Historical Endowment Data as of June 30



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Educational & BPF Foundations Endowment Payout



Educational Foundation Unrestricted Payout

