



COMMON INVESTMENT FUND: ENDOWMENT PERFORMANCE

DONOR-FUNDED ENDOWMENTS

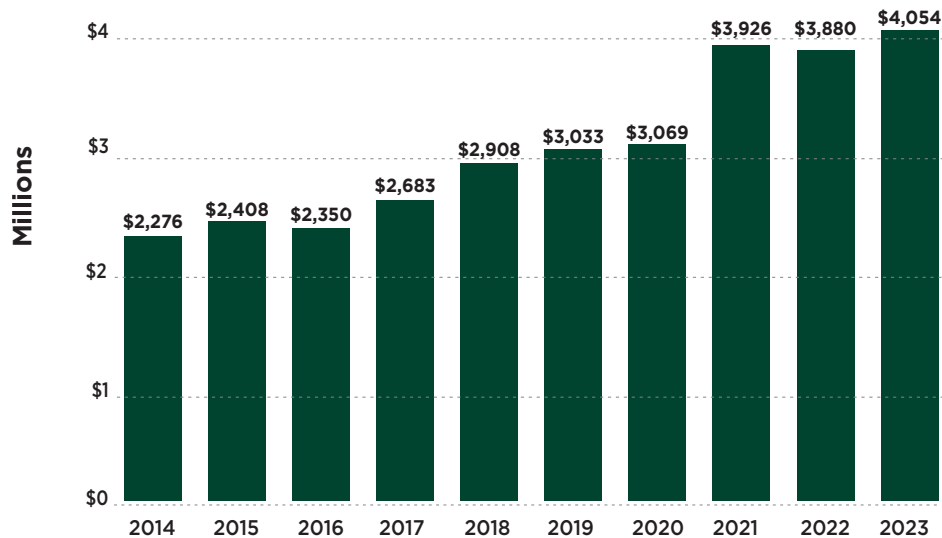
Donor-funded endowments at the university work much like a mutual fund: each new fund is assigned shares or units in the university's Common Investment Fund or CIF, at the previous quarter's market value. When a fund is established for a specific purpose (such as scholarships, program assistance, etc.), the available income, distributed according to the spending policy, is directed to that purpose. The annual income distribution is allocated to each endowment account in the overall investment pool based on the number of shares assigned to the account.

Any earnings above the spending rate are retained in the investment account to steadily grow the endowment and support earning potential.

The endowment is carefully managed to ensure funds are available in perpetuity; only a small percentage of the market value is spent each year, so that the endowment—and legacy of our donors—endures for the life of the university. The current spending policy, which is set by the Board of Trustees, is 4.4% of the average value of the endowment over the last five years.

ENDOWMENT VALUE OVER TIME

As of June 30, 2023



SOURCE: as reported in MSU's consolidated financial statements

INVESTMENT OBJECTIVES OF MSU's CIF

1. Achieve a total rate of return sufficient to generate the amount annually made available for spending by the university's programs supported by endowment funds and still provide a modest increase in the inflation-adjusted value.
2. Achieve the desired return while assuming only moderate risk.



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MSU COMMON INVESTMENT FUND

The MSU Common Investment Fund is the combined pool of the university's long-term investments. As of June 30, 2023, it was valued at more than \$4.0 billion. Over the past five years, the funds generated more than \$1 billion for student scholarships, endowed professor support, program support and other annual university expenses.

BENCHMARK RETURNS

For the fiscal year which ended June 30, 2023, MSU returned 6.9%, and the long-term performance has allowed us to continue to meet funding obligations to the university.

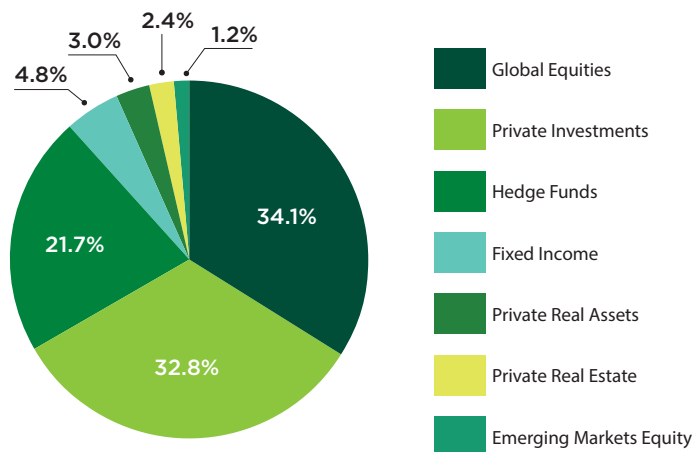
| | 1 YEAR | 3 YEARS | 5 YEARS | 10 YEARS |
|--|--------|---------|---------|----------|
| CIF Total Return | 6.9% | 13.5% | 10.6% | 9.5% |
| 70 / 30 Stock /Bond Portfolio (1) | 11.2% | 6.5% | 6.1% | 6.7% |

(1) 70% MSCI All Country World (USD) Index / 30% Bloomberg US Aggregate Bond Index.

MSU seeks to achieve its investment objectives by diversifying across major asset classes as well as within each asset class. The investment policy, approved by the MSU Board of Trustees, outlines the asset allocation.

ASSET ALLOCATION

As of June 30, 2023



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