Endowment Report

July 1, 2024 - June 30, 2025

SJSU | TOWER FOUNDATION

A Message from the Tower Foundation of San José State University

First and foremost, thank you! The impact of your gift is evident across campus in the students you uplift, the faculty you support and the programs you make possible. Your endowment empowers students to learn, lead, and thrive beyond the classroom.

Through thoughtful stewardship, the Tower Foundation of San José State University supports the university's mission to drive innovation and academic excellence that nurture students and leaders who transform Silicon Valley and the world. As the nonprofit 501(c)(3) auxiliary organization, the Tower Foundation is responsible for the investment, administration and banking of all philanthropic donations. It is guided by committed volunteers and campus leaders who foster a culture of philanthropy and effectively manage the gifts entrusted to the university.

This year's financial highlights

- The Tower Foundation endowment is invested in a diversified portfolio valued at approximately $231.1 million across 706 individual endowment funds.
- The total Tower Foundation endowment grew by $27.5 million over the previous year and by approximately $105.3 million (83.7%) over the last 10 years.
- Ranked #2 in its peer group, the Tower Foundation endowment's average annual return for the past 10 years was 6.76%, exceeding that of a peer benchmark of 6.43%.[1]
- Distributions from the endowment during the fiscal year ending June 30, 2025, provided $7.37 million to support students, faculty and programs.

[1] Source: CSU Donor Support 2023-24 Report

The Tower Foundation takes a long-term approach to investing to achieve an annualized return greater than the rate of inflation, plus spending, while preserving capital through a full-market cycle. It implements a disciplined strategy that incorporates both active and passive management, depending on the target market or manager strategy. This approach enables the Tower Foundation to maintain its strategic focus and avoid the turbulence of short-term market movement. The endowment is broadly diversified across multiple asset classes. Consequently, over any given period, its return may diverge significantly from popular indices such as the S&P 500, individual mutual funds or its peers.

With gratitude, we acknowledge your ongoing support and investment in the success of San José State University and future generations of Spartans.

Sincerely,

Judy A. Nagai, Ph.D.
CEO, Tower Foundation
of San José State University
Vice President,
University Advancement

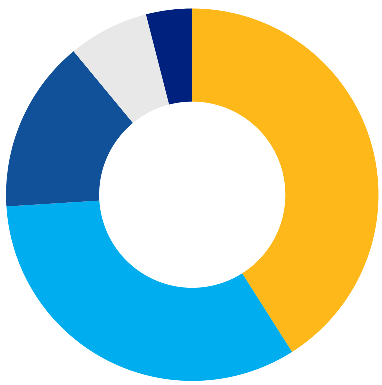
Jeff Ricci '86
Board Chair, Tower Foundation
of San José State University

2024-25 Endowment Snapshot

$12.8 Million
New Gifts to Endowed Funds

$7.37 Million
Annual Endowment Distribution for Student, Faculty and Program Support

Endowment Purpose



- Scholarships 41%
- Academic Support & Programs 33%
- Faculty Support & Research 15%
- Facilities, Labs & Equipment 7%
- Athletic Scholarships & Programs 4%

$231.1 Million
Endowment Portfolio Value as of June 30, 2025

22
New Endowment Funds

706
Total Endowment Funds

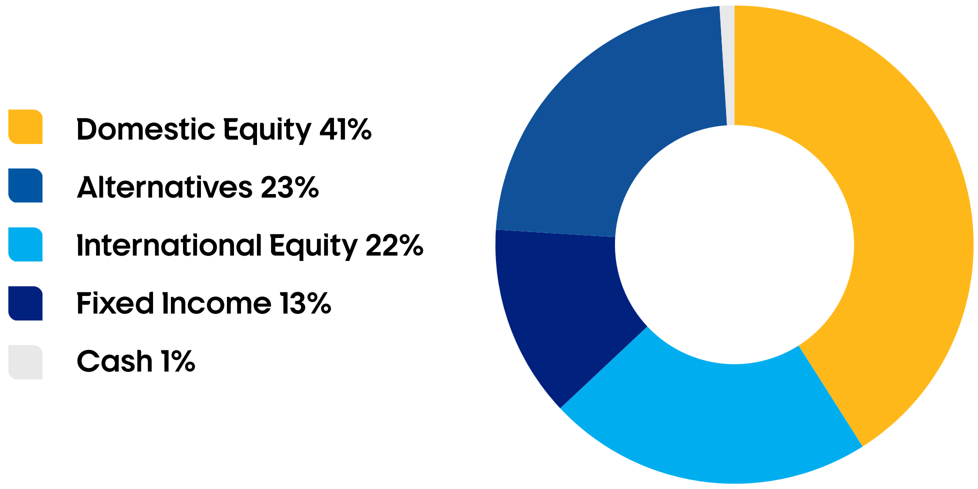
Financial Overview

Investment Details

The Tower Foundation of San José State University utilizes the services of Beacon Pointe Advisors as its investment consultant. Beacon Pointe works with the Tower Foundation Board of Directors and its Finance & Investment Committee to align the investment portfolio with the objectives, asset allocation and benchmarks defined in the Investment Policy set by the Board.

The asset allocation of the Tower Foundation's portfolio is intended to facilitate the achievement of the long-term investment objectives within the established risk parameters. The asset allocation is monitored closely by Beacon Pointe and the Finance & Investment Committee. Beacon Pointe may propose adjustments to portfolio positions to maintain target ranges and recommend permanent changes to investment policy when appropriate.

Endowment Portfolio Asset Allocation as of June 30, 2025



Financial Overview

Investment Performance

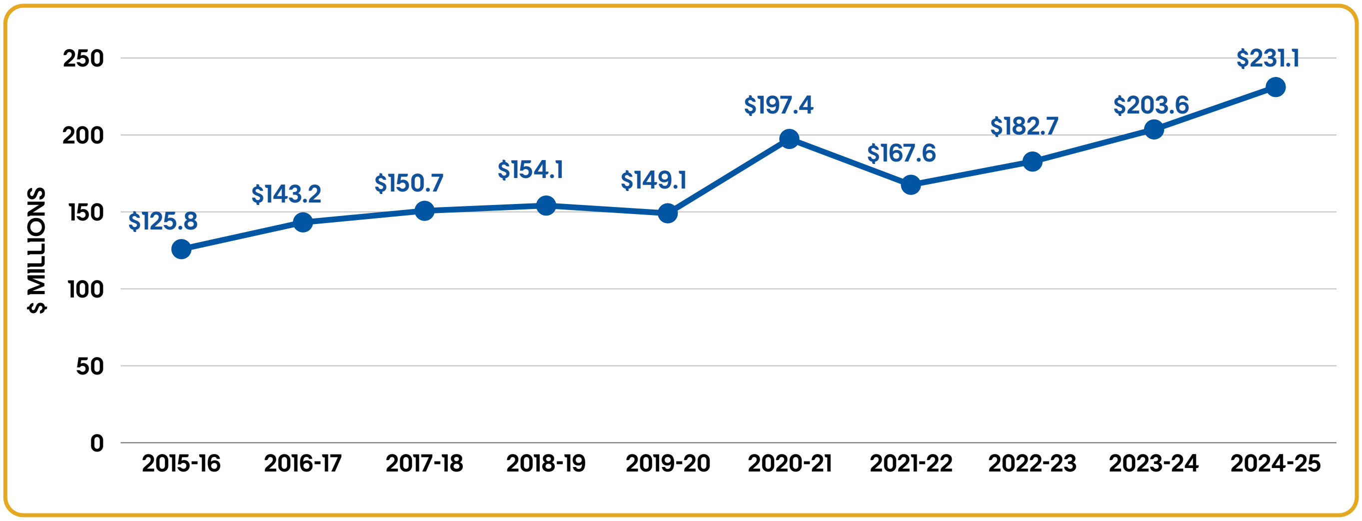
The investment portfolio is designed to produce returns that preserve and grow the endowment's capital while providing sufficient cash flows to allow the endowment to distribute up to 5% annually in support of San José State University.

The annual rate of return for the year ending June 30, 2025 was 11.6% net of investment fees. This investment return continues a positive trajectory from last year, which returned 11.4% for the year ending June 30, 2024. The returns exceeded prior year performance of endowments of similar size.[2]

Annual Rate of Return

Term	Total Investment Return
1 Year	11.6%
3 Years	11.7%
5 Years	10.3%
10 Years	7.3%

Tower Foundation Endowment Portfolio Market Value



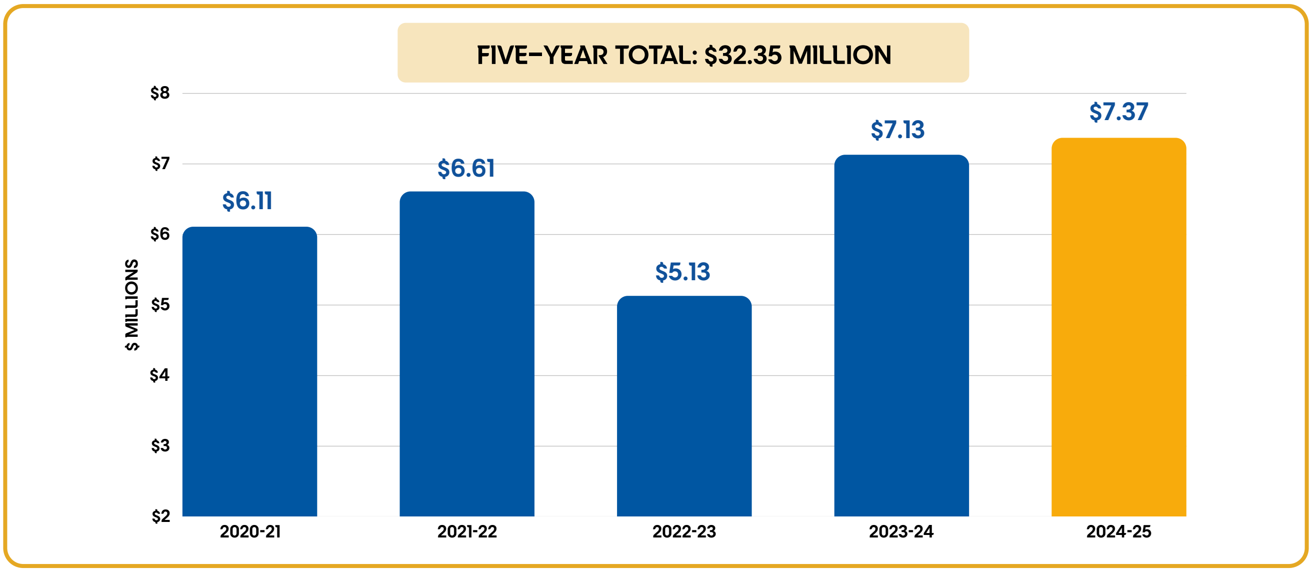
[2]Source: 2024 NACUBO-Commonfund Study of Endowments

Financial Overview

Endowment Distribution

A strategically invested endowment ensures the long-term stability and growth of San José State University. Each year, a percentage of an endowment fund's earnings are made available to San José State to spend for the purpose designated by the donor, while the principal of the gift remains untouched and continues to grow over time. The spending policy is set and reviewed by the Tower Foundation Board of Directors. The distribution is based on a trailing 36-month average market value, enabling annual distributions regardless of challenging short-term investment performance. For the 2025-26 spending period, endowments in a positive position as of December 31, 2024, distributed 4.0%, while those that were underwater distributed 2.0%.

Annual Endowment Distribution to San José State University for Student, Faculty and Program Support



Growing Your Endowment

Your endowment fund is a lasting commitment to San José State University's future. Utilize these strategies to significantly enhance your fund's impact and strengthen your legacy for generations of students, innovators and changemakers.

Matching Gifts

Many employers offer matching gift programs that can double or even triple your contribution. Some companies also match gifts made by retirees or spouses. A quick check of your company's policy can unlock this powerful source of additional funding for your endowment.

Donor Advised Fund (DAF) Gifts

You can recommend grants from your DAF to increase your endowment's principal. You receive an immediate tax deduction when you initially fund your DAF account. Grants from your DAF can support SJSU over time while providing you with control over the timing of your charitable grants.

Outright Gifts

This is the most straightforward way to add immediate funding to your endowment. Outright gifts include cash, checks, or contributions made through tax-advantaged methods like appreciated securities. These funds go directly to work supporting the purpose you designated.

Planned Gifts

Planned gifts, most commonly a designation in your will or trust, cost you nothing today. They allow you to leave a profound legacy that can be added to your endowment fund in the future. These future gifts are essential to the long-term strength of SJSU.

Life Income Gifts

These gifts allow you to support SJSU while securing guaranteed payments you can count on for the rest of your life. A Charitable Gift Annuity (CGA) allows you to arrange a generous gift to your endowment while supplementing your income with fixed payments. Residual funds can ultimately be passed to your endowment after your lifetime. A Charitable Remainder Trust (CRT) places assets like cash or property into a trust that provides you with a fixed income or one that changes with market conditions. The remainder of the trust can be transferred to San José State after your lifetime.

Tax-Smart Gifts

Gifts of appreciated securities (e.g., stocks, bonds) allow you to deduct the full fair market value while avoiding capital gains taxes on appreciation. For donors age 70 ½ and older, a Qualified Charitable Distribution (QCD) from an IRA satisfies Required Minimum Distributions (RMDs) and is excluded from taxable income. Gifts of real estate may also offer similar federal tax advantages.

Tower Foundation Board of Directors

Meet Our Board of Directors

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Judy Nagai, Ph.D.
Chief Executive Officer
Robin Reynolds
Chief Operating Officer and Board Secretary

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Vice Chair and Finance & Investment Chair
Wanda Hendrix ’77, ’94
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Peter Ueberroth ’59, ’86 Honorary Doctorate
Colleen B. Wilcox, Ph.D.

† Posthumous

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