AGENDA

COMMITTEE ON FINANCE

Meeting: **11:20 a.m., Wednesday, March 26, 2025**
Glenn S. Dumke Conference Center

Julia I. Lopez, Chair
Jonathan Molina Mancio, Vice Chair
Larry L. Adamson
Douglas Faigin
Mark Ghilarducci
Leslie Gilbert-Lurie
Jack McGrory
Christopher Steinhauser
Darlene Yee-Melichar

Consent

1. Approval of Minutes, *Action*
2. ~~2025-2026 Lottery Budget and Report, *Action*~~
3. California State University Annual Debt Report, *Information*
4. California State University Quarterly Investment Report, *Information*

MINUTES OF THE MEETING OF THE COMMITTEE ON FINANCE

Trustees of The California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California

January 29, 2025

Members Present

Julia Lopez, Chair
Jonathan Molina Mancio, Vice Chair
Larry L. Adamson
Douglas Faigin
Mark Ghilarducci
Leslie Gilbert-Lurie
Jack McGrory
Anna Ortiz-Morfit
Christopher Steinhauser
Darlene Yee-Melichar

Mildred García, Chancellor
Jack B. Clarke, Jr., Chair of the Board

Trustee Julia Lopez called the meeting to order.

Consent Agenda

The minutes of the November 21, 2024 meeting of the Committee on Finance were approved as submitted.

Item 2, California State Polytechnic University, Humboldt – Approval of an Auxiliary Organization Financing (RFIN 01-25-01) and Item 3, Approval of Changes to, and Reauthorization of, the California State University's Commercial Paper Program (RFIN 01-25-02) were approved as submitted by roll call vote with 10 in favor (Trustees Lopez, Molina Mancio, Adamson, Ghilarducci, McGrory, Ortiz-Morfit, Steinhauser, Yee-Melichar, Clarke, and Chancellor García), zero opposed, and zero abstentions.

Discussion Agenda

Item 3 – 2025-2026 Operating Budget Update

Information on the Governor's January budget and funding proposal for the CSU were shared. The budget proposal for CSU includes a deferral of compact funding for 2025-2026, resulting in two future planned one-time payments of $252 million in 2026-2027 and 2027-2028. In total, the proposed budget cut is $375 million, nearly 8% of the CSU's state General Fund appropriation. Under this budget cut scenario, the CSU will not be able to fund essential priorities like compensation increases and new spending on compliance for Title IX and NAGPRA, mental health services, or facility improvements.

Actions taken by the CSU to address funding gaps over the last few years were provided to show that further cuts are not sustainable. Examples shared include, approval of a multi-year tuition increase plan which was adopted starting in 2024-2025, the use of reserves by campuses to help balance budgets for one-time costs, and permanent cost reductions including staff reductions and elimination of courses and degree programs.

The presidents from San Francisco, Sonoma, and Monterey Bay shared specific examples of what their campuses are doing to manage these cuts. They also spoke about the direct impact to faculty and students. President Emily Cutrer shared that in the next academic year Sonoma State will be eliminating intercollegiate athletics, some degree programs, and the tenure-track faculty and lecturer positions associated with them.

Various ways in which the CSU contributes to the state economy, workforce, and social mobility for students were highlighted. It was reported that the CSU and constituents will advocate aggressively against cuts and for the compact funding over the next few months in hope of influencing gubernatorial and legislative decisions in May and June.

Following the presentation Trustee McGrory raised concerns about the proposed $375 million budget cut to the CSU system and the detrimental impact it will have on the CSU's role as an economic and social mobility engine for the state. He urged the state to make the CSU a funding priority instead of imposing more cuts. Trustee Gilbert Lurie stated that the budget cuts will jeopardize the CSU's mission and commitment to equity, given that CSU students are already underfunded compared to UC students. Trustee Yee-Melichar added these budget cuts will hinder CSU's ability to address student success initiatives, employee compensation, infrastructure investments and compliance with mandates such as Title IX and NAGPRA. She asked what specific advocacy efforts are planned to mitigate these reductions and restore the deferred compact funding. In response, it was shared that several advocacy efforts are being aggressively pursued, including meetings with key legislators and their staff, planned CSU Advocacy Day and trustee advocacy day, several budget hearings, and additional rounds of meetings after the Governor's May Revision to ensure the CSU's voice and needs are heard. Vice Chancellor Greg Saks communicated that the CSU will employ a layered advocacy strategy that incorporates a communication plan and an engagement plan, and includes mobilizing students, faculty, staff and alumni.

Trustee Fong asked how the CSU plans to cover the $252 million in deferred compact funding. Assistant Vice Chancellor Ryan Storm acknowledged that the expectation from the administration is that the CSU will continue to move forward on the goals of the compact, but realistically the CSU cannot do more with less.

Trustee Fong and Trustee Rodriguez asked about options being offered to current and incoming students affected by the elimination of degree programs at Sonoma State. It was shared that advisors are working closely with affected students and incoming applicants to make the change as easy as possible on the students and their families. A few options being offered include a change in major to a similar major on campus, online instruction, and transfer to a different CSU campus. Trustee Faigin shared that the CSU has made significant gains in reducing bottleneck courses over the past decade but that the issue seems to be resurfacing with these funding cuts and deferrals, which is disheartening.

Trustee Guajardo asked how campuses close budget gaps inclusively. President Mahoney shared that San Francisco State has a budget committee made up of representatives of the students, faculty, and unions where news on enrollment and budget is shared for budget literacy and collaborative planning. President Quiñones shared that Monterey Bay also has a budget committee and that administration meets regularly with the associated students' leadership. It also hosts townhalls where students are invited to attend. President Cutrer shared that Sonoma also has a budget committee that meets every semester, and that the campus has a webpage dedicated to providing information on the university budget and allows individuals to submit input and share ideas.

Several trustees stressed the importance of media coverage in communicating the board's message to legislators and the public. Trustee Molina Mancio expressed sympathy for Sonoma State's staff and athletes being affected by the program cuts. He shared that these hard decisions were not made lightly and were needed due to the budget cuts the university is experiencing. He rallied for unity among university administrators, faculty, students, and staff to advocate for better state budget allocation.

Trustee Lopez adjourned the meeting of the Committee on Finance.

COMMITTEE ON FINANCE

California State University Annual Debt Report

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Robert Eaton
Assistant Vice Chancellor
Financing, Treasury, and Risk Management

Summary

This item reports on the debt of the California State University Systemwide Revenue Bond program in accordance with the CSU Policy on Financing Activities (RFIN/CPBG 11-14-01).

Background

The Systemwide Revenue Bond (SRB) program, under provisions and authorities of the State University Revenue Bond Act of 1947 (California Education Code sections 90010-90083), was established by the CSU Board of Trustees at its March 2002 meeting. Since the inception of the SRB program, the CSU Policy on Financing Activities has set forth the principles that serve as the basis for the SRB program and has provided the chancellor with authority to establish procedures for the management of the SRB program consistent with the Board of Trustees' objectives for the use of debt, including the establishment of benchmark financial ratios to ascertain the financial viability of projects to be financed with CSU debt. The current CSU Policy on Financing Activities (RFIN/CPBG 11-14-01) was amended by the Board of Trustees in November 2014 and can be found at: https://calstate.policystat.com/policy/11691604/latest.

The SRB program provides capital financing for projects of the CSU approved by the Board of Trustees, including student housing, parking, student union, health center, continuing education facilities, certain auxiliary projects, and other academic facilities. Revenues from these programs and revenues approved by the Board of Trustees, including CSU operating funds, are used to meet operational requirements for the projects and to pay debt service on the debt issued to finance the projects. A strength of the SRB program is its consolidated pledge of gross revenues to the bondholders, which has resulted in strong credit ratings and low borrowing costs for the CSU.

Since the inception of the SRB program, the CSU has also issued commercial paper (CP) primarily to provide campuses with short term, lower cost capital financing on projects until long term bonds are sold. The CSU currently has a CP program in the amount of $300 million, although the Board of Trustees has authorized a CP program for up to $500 million. The CP program is supported by letters of credit from Barclays and Wells Fargo N.A. that expire June 30, 2028.

SRB and CP Portfolio Profile

As of June 30, 2024, and December 31, 2024, outstanding SRB debt of the CSU was approximately $9.1 billion and approximately $9.6 billion, respectively.

Key characteristics of the SRB portfolio are as follows:

Debt Ratings:	Aa2 (Moody's) AA- (Standard & Poor's)
Weighted Average Cost of Capital:	3.40%
Weighted Average Maturity:	15.1 Years
Interest Rate Mix:	97% Long Term Fixed Rate 3% Short Term Fixed Rate

As of December 31, 2024, outstanding CP was approximately $149 million at a weighted average interest rate of 3.63%.

SRB Operating Performance and Debt Service Coverage Ratios

For the fiscal years ended June 30, 2022, June 30, 2023, and June 30, 2024, operating performance and debt service coverage ratios for the SRB program were as follows (amounts in millions):

	June 30, 2022	June 30, 2023	June 30, 2024
Operating Revenues	$5,362	$5,606	$5,811
Operating Expenses	1,886	2,307	2,527
Net Revenues	3,476	3,299	3,284
Annual Debt Service	$489	$514	$563[1]
Debt Service Coverage[2]	**7.11**	**6.42**	**5.83**

As of June 30, 2024, $440 million, or 5.2%, of the CSU's $8.5 billion core operating budget was allocated for debt service and capital funding for academic projects.

[1] For the fiscal year ended June 30, 2024, the amount of annual debt service allocated to tuition was $168 million and the amount allocated to other fees was $395 million.
[2] The minimum benchmark for the system, as established by executive order, is 1.45.

Activity Since March 2024 Annual Debt Report

Series 2024A and Series 2024B SRB Issuance, and Series 2016B-3 SRB Remarketing

In August 2024, the CSU issued $670,915,000 of SRBs comprised of the following series:

Series 2024A (Tax-exempt):	$659,325,000
Series 2024B (Taxable):	$11,590,000
Total par amount of the bonds:	$670,915,000

All of the proceeds from the Series 2024A and Series 2024B bonds were used for new money projects, with the Series 2024A bonds issued at an all-in true interest cost of 4.03% and the Series 2024B bonds issued at an all-in true interest cost of 5.01%.

In 2023-2024, the State clawed back approximately $1.2 billion of one-time funding for a variety of CSU capital projects and replaced it with an ongoing, annual appropriation of approximately $100 million to support the issuance of SRB debt to fund the projects. Of the $1.2 billion of projects to be funded under this plan, approximately $335 million was included in the Series 2024A and Series 2024B SRB issuance, bringing total projects funded to date under this plan to approximately $997 million.

Projects Approved for Financing Under Delegated Authority

In March 2018, the Board of Trustees amended Section II(f). of its Standing Orders to delegate authority to the chancellor to, among other things, authorize debt financing for projects valued up to $40 million and authorize debt financing for all remodels, parking structures, and utilitarian projects, regardless of cost.

Since the last report to the Board of Trustees, under this delegation of authority, the chancellor authorized debt financing for the following project:

- In May 2024, the California Polytechnic State University, San Luis Obispo Water Reclamation Facility with a not-to-exceed financing amount of $44,660,000. This project met CSU debt financing benchmarks and was included in the CSU's 2024 SRB issuance.

COMMITTEE ON FINANCE

California State University Quarterly Investment Report

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Robert Eaton
Assistant Vice Chancellor
Financing, Treasury, and Risk Management

Summary

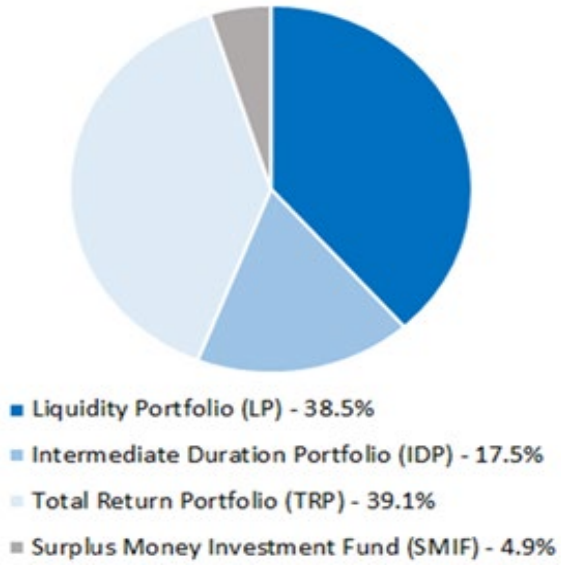
This item provides the quarterly investment report to the California State University Board of Trustees for the quarter ended September 30, 2024. The information in Attachment A provides the entire quarterly investment report regarding CSU investments as required by Education Code § 89726.

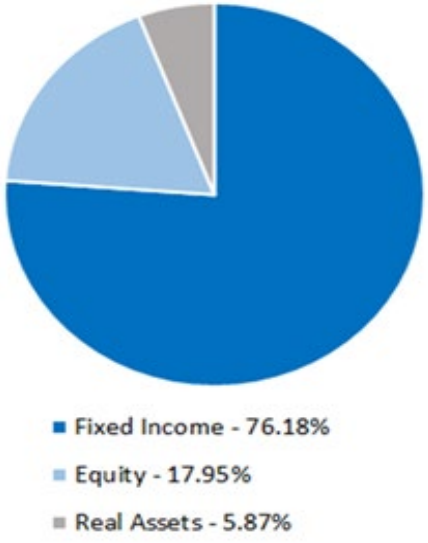
Background

Pursuant to the CSU Master Investment Policy, which can be found at https://calstate.policystat.com/policy/11691689/latest, CSU investments as of September 30, 2024, consisted of investments in the Liquidity Portfolio (LP), the Intermediate Duration Portfolio (IDP), the Total Return Portfolio (TRP), and the State of California Surplus Money Investment Fund (SMIF). Except for amounts held at the state in SMIF, all CSU investments are held by US Bank, the custodian bank for the CSU. Neither state general fund nor CSU auxiliary funds are included in the figures reported. In addition, this report does not include approximately $1.93 billion in bond proceeds, which by state law are required to be held by the state and are invested in SMIF.

CSU Investments – Balances, Allocations, and Returns
September 30, 2024

	Balance	% of CSU Investments	Twelve Month Returns
Liquidity Portfolio (LP)	$3.017 billion	38.48%	6.59%
Intermediate Duration Portfolio (IDP)	$1.370 billion	17.47%	11.22%
Total Return Portfolio (TRP)	$3.067 billion	39.12%	22.76%
CSU Investment Portfolios	**$7.45 billion**		
Surplus Money Investment Fund (SMIF)	$0.386 billion	4.93%	4.11%
Total CSU Investments	**$7.84 billion**	**100%**	





CSU Investment Performance

For detailed information on the investment performance and characteristics of the CSU investment portfolios and funds invested in SMIF please see Attachment A.

CSU Liquidity Portfolio (LP)

The purpose of the LP is to provide sufficient and immediate liquidity to meet the operating needs of the CSU. The investment objectives are safety of principal and liquidity.

The LP is managed through contracts with two investment management firms, BlackRock Financial Management and Payden & Rygel, each of whom provides investment management services for the program. While the custodian, US Bank, holds the funds invested in the LP for investment management purposes, additions to the portfolio are split evenly between the investment managers and invested according to permitted investments outlined in the Government Code of the state and the LP investment policy. Consistent with state law, the LP is restricted to high quality, fixed income securities.

CSU Intermediate Duration Portfolio (IDP)

The purpose of the IDP is to provide opportunity for modest, additional risk adjusted returns on CSU funds not needed for immediate liquidity. The investment objectives are safety of principal, liquidity, and return. The IDP is managed through contracts with three investment management firms, Western Asset Management Company, PGIM Fixed Income, and Income Research & Management, each of whom provides investment management services for the program. While the custodian, US Bank, holds the funds invested in the IDP, for investment management purposes, additions to the portfolio are split evenly between the investment managers and invested according to permitted investments outlined in the Government Code of the state and the IDP investment policy. Consistent with state law, the IDP is restricted to high quality, fixed income securities.

CSU Total Return Portfolio (TRP)

The purpose of the TRP is to provide the opportunity for additional risk adjusted returns on CSU funds over a full market cycle. The investment objective is to achieve a prudent return within a moderate risk level.

Under State law, investment of funds in the TRP is subject to the CSU meeting certain conditions regarding investment oversight, reporting, and use of earnings, and may not be more than 65% of eligible CSU investments. The CSU Investment Advisory Committee (IAC), established by the Board of Trustees in September 2017, oversees the TRP and focuses on key issues such as investment policy, asset allocation, investment manager oversight, and investment performance.

The TRP investment policy provides a framework for the investment of portfolio funds in the TRP and includes the following key elements as further described in the TRP Investment Policy:

- Investment Objectives
- Spending Policy
- Time and Investment Horizon
- Risk Tolerance
- Expected Return
- Asset Allocation
- Benchmarks
- Investment Manager Selection
- Roles & Responsibilities
- Environmental, Social and Governance Framework
- Risk Management
- Monitoring and Control Procedures

With the passage of AB 2422, effective January 1, 2023, up to 65% of CSU investments may be invested in the TRP and the TRP may additionally invest in commingled funds and exchange-traded funds. Considering these legislative changes, in January of 2023 the IAC took two actions and in March of 2023 the Board of Trustees took one action. First, the IAC approved a recommendation to the Board of Trustees to revise the CSU Master Investment Policy. These recommended revisions were presented to and approved by the Board of Trustees at the March 2023 meeting. The IAC also approved a revised funding schedule for the TRP calling for an additional $1.25 billion to be invested in the TRP from January of 2023 to December of 2024. At present, $950 million of the additional $1.25 billion has been invested in the TRP. The investment schedule may also be adjusted by the IAC at any time depending on market conditions and staff will ensure the TRP does not exceed its statutory limit as a percentage of CSU investments.

Since the TRP Inception date[1] through September 30, 2024, the TRP investment earnings were approximately $750 million. During this period, the TRP total return exceeded the LP total return by 5.07% annualized (net of fees) or a cumulative $532 million, which was about 3.4 times higher than LP investment earnings.

Surplus Money Investment Fund (SMIF)

The State Treasurer also provides investment vehicles that may be used for CSU funds. The Surplus Money Investment Fund (SMIF) is used by the State Treasurer to invest state funds, or funds held by the state on behalf of state agencies, in a short-term pool. To facilitate certain expenditures, the CSU maintains modest amounts of funds with the state. Consistent with state law, the portfolio is restricted to high quality, fixed income securities.

[1] The TRP Inception Date was April 1, 2018.

Reporting Requirements

California Education Code § 89726 requires quarterly investment reports to the Board of Trustees and an annual report to the State Legislature and the Department of Finance.

Next Steps

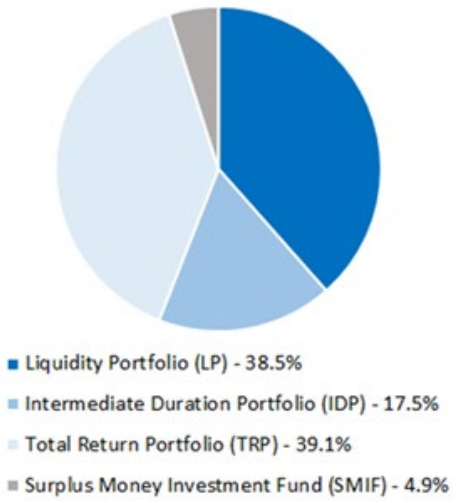
The next investment report to the Board of Trustees is scheduled for the May 2025 meeting and will provide information on the CSU Quarterly Investment Report for the fiscal quarter ending December 31, 2024.

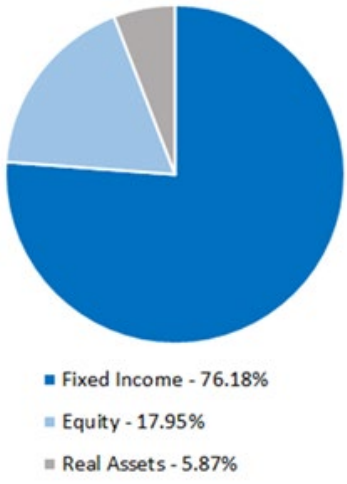
CSU Quarterly Investment Report
For the Fiscal Quarter Ended September 30, 2024

California State University investments as of September 30, 2024, consisted of investments in the CSU Liquidity Portfolio (LP), the Intermediate Duration Portfolio (IDP), the Total Return Portfolio (TRP), and the State of California Surplus Money Investment Fund (SMIF). All CSU investments (except for funds invested in SMIF) are held by US Bank, the custodian bank for the CSU. Neither state general fund nor CSU auxiliary funds are included in CSU investments. In addition, this report does not include approximately $1.93 billion in bond proceeds, which by state law are required to be held by the state and are invested in SMIF.

Balances and Allocations as of September 30, 2024

	Balance	% of CSU Investments
Liquidity Portfolio (LP)	$3.017 billion	38.48%
Intermediate Duration Portfolio (IDP)	$1.370 billion	17.47%
Total Return Portfolio (TRP)	$3.067 billion	39.12%
Surplus Money Investment Fund (SMIF)	$0.386 billion	4.93%
CSU Investments	**$7.840 billion**	**100 %**





For the three months ending September 30, 2024, direct investment management fees[1], advisory, and custodial fees totaled just over $0.9 million, or about 0.014% on CSU investments' average balance for the three months ending September 30, 2024.

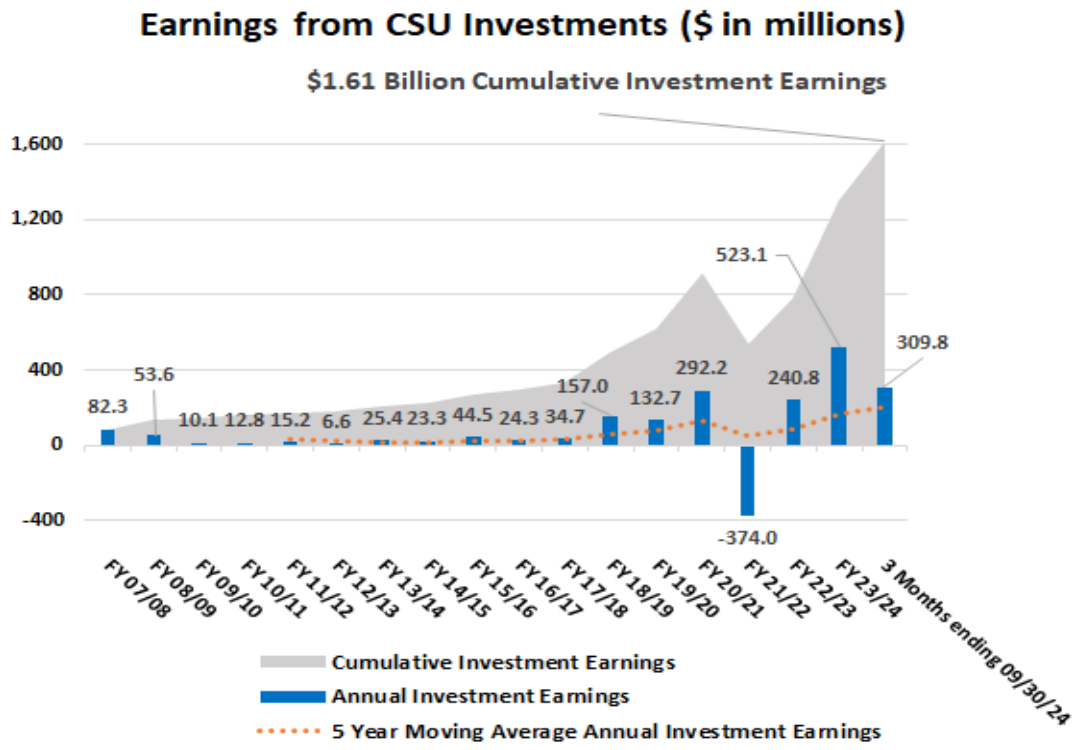
[1] Direct investment management fees exclude TRP mutual fund investment management fees. TRP mutual fund investment management fees are included as mutual fund expenses and reported as a percent of total fund assets. See TRP Fund Expense Ratio (Fee) in the table on page 6.

CSU Consolidated Investment Portfolio

The following table displays performance returns for the CSU Consolidated Investment Portfolio which includes the LP, IDP, and TRP.[2]

	CSU Consolidated Investment Portfolio	CSU Total Return Portfolio (TRP)	CSU Intermediate Duration Portfolio (IDP)	CSU Liquidity Portfolio (LP)
1 Year Return	12.90%	22.76%	11.22%	6.59%
3 Year Annualized Return	3.19%	4.01%	-0.07%	2.46%
5 Year Annualized Return	3.67%	7.21%	N/A	2.07%
10 Year Annualized Return	2.58%	N/A	N/A	1.73%
Since Inception Return[3]	2.09%	7.27%	-0.07%	1.60%

As of September 30, 2024, the TRP since inception investment earnings were approximately $750 million. During this period, the TRP total return exceeded the LP total return by 5.07% annualized (net of fees) or a cumulative $532 million, which was about 3.4 times higher than LP investment earnings.



[2] CSU Consolidated Investment Portfolio returns exclude SMIF.
[3] Inception Dates for the CSU portfolios were: Consolidated Investment Portfolio, July 1, 2007; LP, July 1, 2007; IDP, October 1, 2021; and TRP, April 1, 2018. CSU Consolidated Investment Portfolio, LP, and IDP returns reported gross of fees and as total return, including income and gains (realized and unrealized).

CSU Liquidity Portfolio (LP)

The purpose of the LP is to provide sufficient and immediate liquidity to meet the operating needs of the CSU. The investment objectives are safety of principal and liquidity. Consistent with state law, the portfolio is restricted to high quality, fixed income securities.

	CSU Liquidity Portfolio	Benchmark[4]
1 Year Return[5]	6.59%	6.39%
3 Year Annualized Return	2.46%	1.96%
5 Year Annualized Return	2.07%	1.77%
10 Year Annualized Return	1.73%	1.51%
Annualized Since Inception Return[6]	1.60%	1.70%
Yield	4.13%	3.93%
Duration (Years)	1.08	1.40
Average Credit Rating	AA-	AA+

Holdings by Asset Type (% of CSU Liquidity Portfolio):

Treasuries	49.15%	Certificates of Deposit	4.65%
U.S. Corporate Bonds	23.76%	Agency MBS	1.81%
Commercial Paper	13.29%	Cash Equivalents	1.20%
U.S. Government Agencies	6.08%	CA Municipal Obligations	0.06%

[4] Benchmark for the LP is the Bank of America Merrill Lynch 0-3 Year Treasury Index.
[5] LP Returns reported gross of fees and as total return, including income and gains (realized and unrealized).
[6] Inception Date for the LP was July 1, 2007.

CSU Intermediate Duration Portfolio (IDP)

The purpose of the IDP is to provide opportunity for modest, additional risk adjusted returns on CSU funds not needed for immediate liquidity. The investment objectives are safety of principal, liquidity, and return. Consistent with state law, the portfolio is restricted to high quality, fixed income securities.

	CSU Intermediate Duration Portfolio	Benchmark[7]
3 Months Return[8]	4.68%	4.77%
1 Year Return	11.22%	11.06%
3 Year Return	-0.07%	-0.14%
Annualized Since Inception Return[9]	-0.07%	-0.14%
Yield	4.42%	4.23%
Duration (Years)	4.52	4.50
Average Credit Rating	A+	AA-

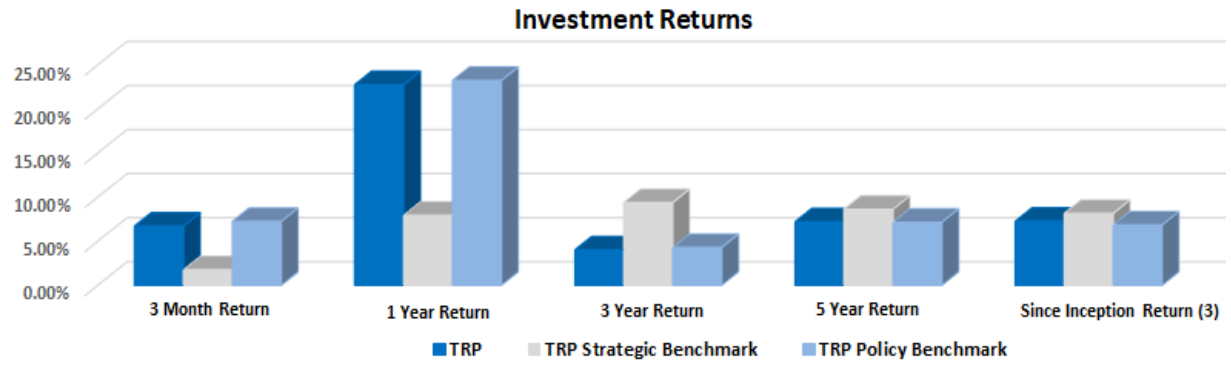
Holdings by Asset Type (% of CSU Intermediate Duration Portfolio):

U.S. Corporate Bonds	53.94%	Cash Equivalents	1.32%
Agency MBS	31.24%	CA Municipal Obligations	1.21%
Treasuries	8.83%	U.S. Government Agencies	0.66%
Agency ABS	2.72%	Supranationals	0.08%

[7] Benchmark for the IDP is 50% Bloomberg Barclays US Corporate 1-10 Year A or Better Ex-Yankee / 30% Bloomberg Barclays US MBS / 20% Bloomberg Barclays US Intermediate Treasury Index.
[8] IDP Returns reported gross of fees and as total return, including income and gains (realized and unrealized).
[9] Inception Date for the IDP was October 1, 2021.

CSU Total Return Portfolio (TRP)

The purpose of the TRP is to provide opportunity for additional risk adjusted returns on CSU funds over a full market cycle. The investment objective is to achieve a prudent return within a moderate risk level. Consistent with state law, the TRP is invested in mutual funds subject to registration by, and under the regulatory authority of, the United States Securities and Exchange Commission or in United States registered real estate investment trusts.



	CSU Total Return Portfolio	Strategic Benchmark[10]	Policy Benchmark[11]
3 Months Return	6.71%	1.77%	7.25%
1 Year Return	22.76%	7.95%	23.24%
3 Year Annualized Return	4.01%	9.38%	4.29%
5 Year Annualized Return	7.21%	8.62%	7.15%
Annualized Since Inception Return[12]	7.27%	8.15%	6.84%

In October 2024, the CSU Investment Advisory Committee approved the sixth annual TRP distribution to the system of approximately $95.5 million, bringing total TRP distributions to the system since inception to $313.4 million. TRP distributions are allocated to the campuses annually for capital outlay or maintenance. Consistent with Education Code Section § 89726, additional moneys earned through investments in the TRP shall be used only for capital outlay or maintenance and shall not be used for ongoing operations.

[10] The TRP Strategic Benchmark is inflation (Core Consumer Price Index) plus 4.5% per annum. The long-term rate of inflation is assumed at 2.8% per annum.
[11] The TRP Policy Benchmark is a blend of passive indices whose weights match the TRP target asset allocation.
[12] TRP Inception Date was April 1, 2018.

Holdings by Asset Type (% of CSU Total Return Portfolio):

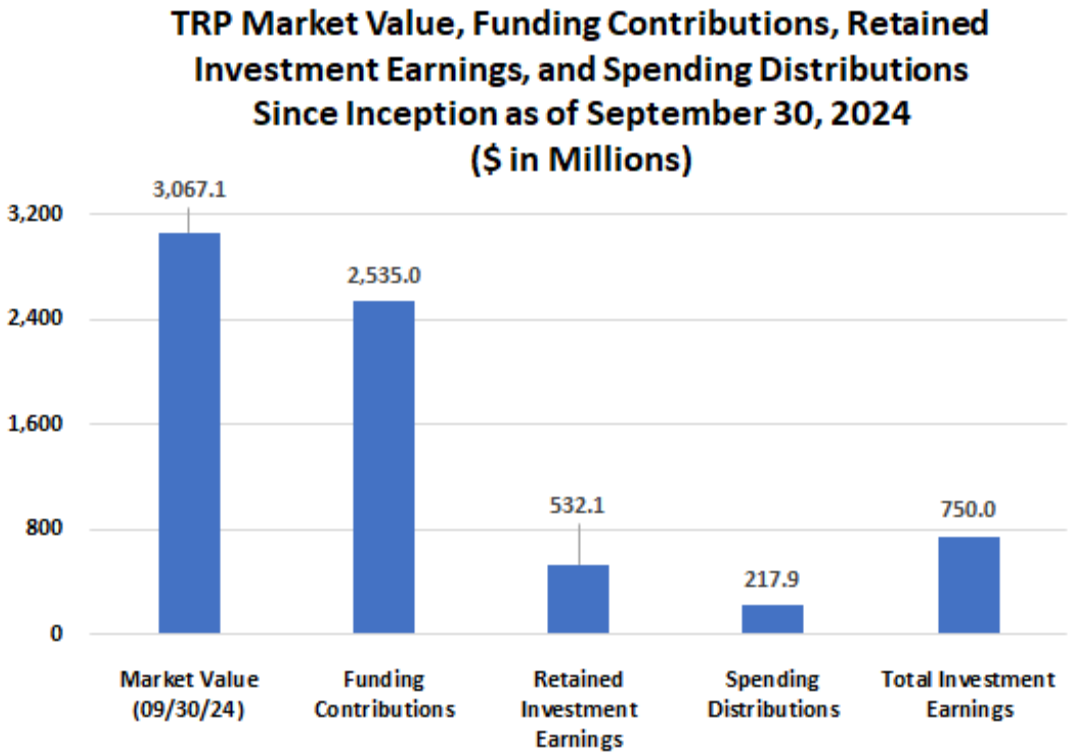
Equity Mutual Funds	45.9%	Passive Index Mutual Funds	74%
Fixed Income Mutual Funds	39.1%	Actively Managed Mutual Funds	26%[13]
Real Asset Mutual Funds	15.0%		

Values, Holdings & Fees (CSU Total Return Portfolio)

Asset Class	Strategy Name	Ticker	Value (millions)	% of Total Return Portfolio	TRP Fund Expense Ratio (Fee)	Median Fee Per Asset Class
Fixed Income						
	Vanguard Total Bond Market Index Fund	VBMPX	676.0	22.04%	0.03%	0.44%
	Vanguard Inflation-Protected Securities Fd	VIPIX	153.7	5.01%	0.07%	0.44%
	American Century High Income Fund	NPHIX	166.2	5.42%	0.58%	0.78%
	Polen Opportunistic High Yield	DDJIX	18.4	0.60%	0.79%	0.78%
	Aristotle Floating Rate Income Fund	PLFRX	92.7	3.02%	0.70%	0.76%
	Payden Emerging Markets Bond Fund	PYEIX	46.1	1.50%	0.69%	0.80%
	T. Rowe Emerging Markets Bond Fund	PRXIX	46.4	1.51%	0.70%	0.80%
Equity						
	Vanguard Total Stock Market Index Fund	VSMPX	737.3	24.04%	0.02%	0.75%
	Vanguard Developed Markets Index Fund	VDIPX	365.6	11.92%	0.04%	0.89%
	Driehaus Emerging Markets Growth Fund	DIEMX	180.9	5.90%	1.13%	1.01%
	DFA Emerging Markets Value Fund	DFEVX	92.1	3.00%	0.44%	1.01%
	Redwheel Global Emerging Equity Fund	RWCEX	31.3	1.02%	1.20%	1.01%
Real Assets						
	Vanguard Real Estate Index Fund	VGSNX	215.7	7.03%	0.10%	0.87%
	Vanguard Materials Index Fund	VMIAX	121.5	3.96%	0.10%	0.92%
	First Sentier Global Listed Infrastructure Fd	FLIIX	123.2	4.02%	0.95%	0.97%
Cash			0.0	0.00%	NA	NA
Total			**3,067.1**	**100%**	**0.24%**	**0.74%**

[13] The percent of Actively Managed Mutual Funds is likely to increase in the future while the percent of Passive Index Mutual Funds would decrease consistent with the TRP implementation plan. The total TRP Fund Expense Ratio and total Median Fee Per Asset Class are weighted averages using the percent of the TRP shown in the table for each fund and their respective asset class.

The following chart shows the TRP market value, total funded contributions, total retained investment earnings, total spending distributions, and total investment earnings since inception as of September 30, 2024. Total TRP investment earnings equal total TRP spending distributions plus total TRP retained investment earnings.



Surplus Money Investment Fund (SMIF)

The Surplus Money Investment Fund (SMIF) is managed by the State Treasurer to invest State funds, or funds held by the State on behalf of State agencies, in a short-term pool. The portfolio includes Certificates of Deposit, Treasuries, Commercial Paper, Corporate Bonds, and U.S. Government Agencies.

Apportionment Annual Yield[14]	
Trailing 12 month as of 09/30/24	4.11%
Average (FYE 06/30/07 – 09/30/24)	1.32%

[14] Annual Yield calculated by CSU Treasury Operations based on the quarterly apportionment yield rates published by the State Controller's Office.