

**WRIGHT STATE UNIVERSITY
BOARD OF TRUSTEES**

**Wright State University Foundation Report
January 2021**

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Wright State University Foundation President & CEO Report

From November, 2020 through February 5, 2021 the Foundation engaged or will engage in the following activities:

Winter cycle of committee and full Board meetings were held.

Three new hires were made by the Foundation.

- Brianna Beedy joined the Foundation on December 7 as Finance Manager. Brianna comes to us from St. Raphael's Church in Springfield, where she served as their Business Manager for the past ten years and will be serving as Finance Manager for the Foundation.
- Brandy Foster officially started as the Executive Director of the Emergence Center on January 1. She will remain a university employee with her salary being split between the Foundation and ONEIL grant.
- Lori Lindsey started her position as a gift processor on January 25.

At their October meeting, the Foundation board voted to purchase two private equity funds from the university who, in turn, declined the offer. Here is a sentence from the response received from the university: "After analyzing all factors, the University Administration decided to still retain both PE investments."

Foundation branding – Conversations are ongoing with the College of Liberal Arts and Athletics to find ways to best leverage Foundation funds to intentionally enhance donor acquisition, cultivation, and solicitation strategies. A list of other local sponsorship/branding opportunities is being developed along with UA with the same intentions.

Memorandum of Understanding with the University – The Foundation Board provided the university an approved draft of MOU in April and is awaiting feedback

Emergence Center – under the leadership of Executive Director, Brandy Foster, plans for the Emergence Center continue to take focus. Immediate actions are related to bringing the latest technology to the 3070 Presidential Drive building. Spectrum and Cincinnati Bell have presented their suggestions for state-of-the-art phone and internet services in the building, with a decision to be made on which carrier will be used by the end of February. Centralized printing services for the building have already been secured through ComDoc. Considerations for a new era in how businesses/people will work into the future is at the forefront of all of these considerations.

Wright State University Foundation Financial Report

January 2021

Dominating this quarter's financial performance was the continued strong surge in public financial markets as they rebounded from losses experienced at the start of the COVID pandemic. Market returns for the first half of FY21 were double-digit positive, which buoyed the Foundation's finances both in terms of position and results of operations.

Total investment earnings for FY21 amounted to nearly \$19 million by the end of December 2020. Despite that, interest and dividend income has declined for the year due to an overall decline in fixed income yields as well as our decision to re-risk the endowment portfolio last March which shifted a portion of our fixed income allocation to equities. As a result, interest and dividend income was down 25% over the same period last year. Realized and unrealized appreciation was more than 50 times the same period in FY20, although the vast majority of these earnings were unrealized.

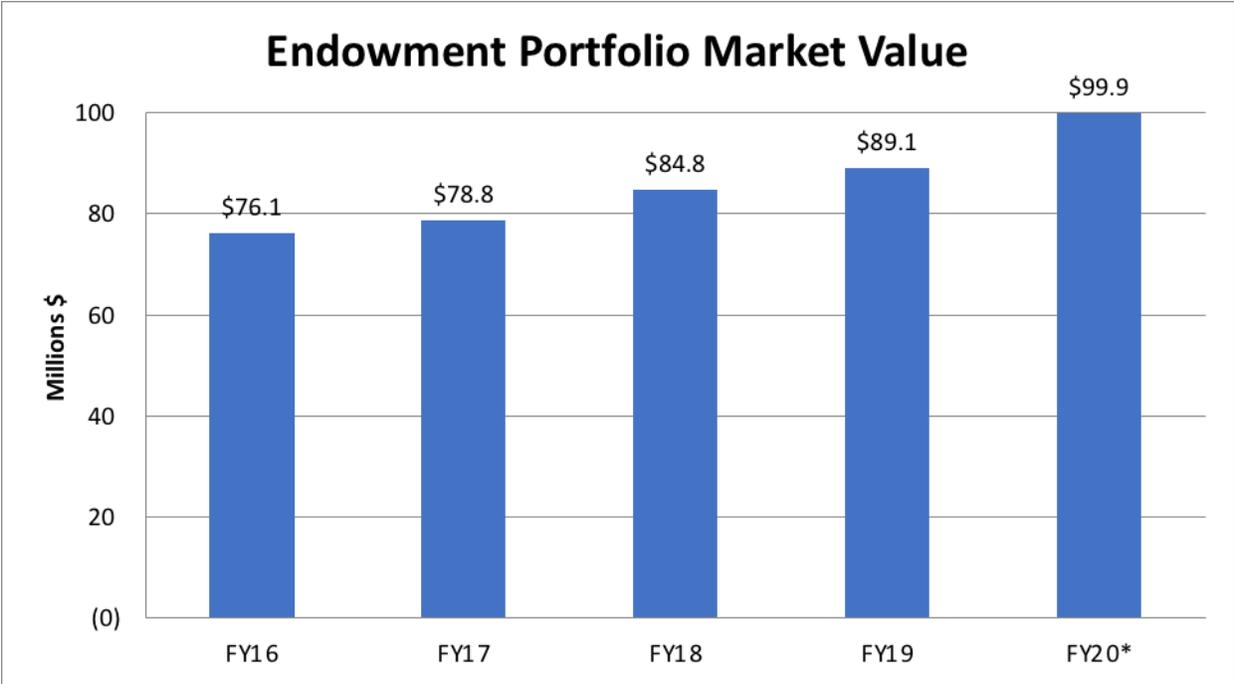
For the first two quarters of FY21, the Foundation's endowment portfolio has returned +17.54%, outpacing its composite index by 48 basis points. Leading the charge in returns was our equity investments, with domestic and international (ex-US) both delivering returns of over 23%. In the domestic space, small cap (+32.7%) bested large cap (+24.4%). International emerging market equities also added a positive 31.4% return. Investments in alternative assets also contributed significantly to the overall strong performance, returning 13.8% as a class. Our investment in energy debt finally began to provide positive returns, earnings +26.5% for the first six months of FY21. Likewise, our hedge fund (of funds) provided strong returns finishing the quarter with a +15.4% six-month return. Finally, our Dynamic Asset Allocation Fund investment has also shown impressive results earning 23.2% for the fiscal year. Fixed asset investments also contributed positively to the portfolio's overall positive gain with a solid return of 5.9%.

The Foundation’s current endowment portfolio composition, including target allocations, actual allocations, and market values, as of December 31, 2020, is presented below:

Endowment Portfolio Composition

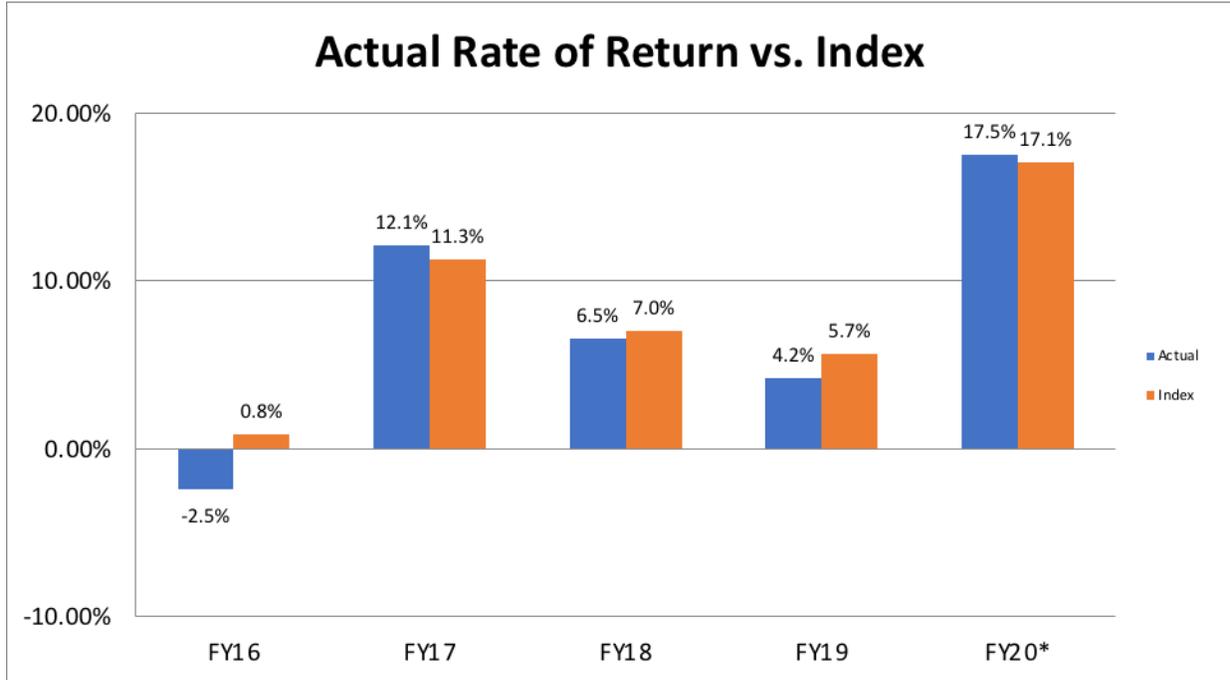
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Actual Allocation</u>	<u>Market Value December 31, 2020</u>
Equity	58%	63%	\$62,900,788
Fixed income	22%	21%	21,019,092
Hedge funds	8%	8%	7,772,798
Private equity	8%	5%	5,167,693
Energy debt	4%	3%	3,051,412
Cash & equivalents	0%	0%	-0-
Totals	100%	100%	\$99,911,783

Endowment Value



*As of December 31, 2020

Endowment Historical Rates of Return



*As of December 31, 2020

The index is composed of various market indices of like asset classes in the same proportion as the Foundation's approved asset allocation as defined in its Investment Policy Statement (IPS).