

**WRIGHT STATE UNIVERSITY
BOARD OF TRUSTEES**

**Wright State University Foundation Report
November 2019**

1. President & CEO Report
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Wright State University Foundation President & CEO Report

The Foundation successfully completed the search for a President & CEO. R. Scott Rash was hired as the first Foundation President & CEO and started his employment on 9/30/19.

Immediate objectives being pursued by the Foundation include but are not limited to:

- Foundation Board Trustee recruiting
- Venture/Equity Fund purchase from the University
- Foundation building – 2nd floor usage plan
- Foundation Strategic Planning
- Transition plan for University Advancement staff to Foundation
- Evaluating alternative income strategies
- Foundation branding
- Affiliation Agreement with the University

In October and November, 2019, the Foundation engaged in the following activities:

- Completed its fall cycle of committee and full board meetings
- Welcomed its first class of emeritus trustees
 - Ron Amos
 - Eric Bigler
 - Michael Di Flora
 - Joe Gruenberg
 - Jeff Lightner
 - Randy Phillips
 - Bill Pohlman
 - Malte vonMatthiessen
- Purchased table sponsorships for the following events:
 - National Philanthropy Day
 - WSU College of Nursing Cameos of Caring
 - *Dayton Business Journal* Business of the Year Awards
 - Dayton Literary Peace Prize
 - Clothes That Work Fashioning Futures
 - Kettering Medical Center Foundation Ribbon of Hope
 - Raider Tip-Off Premiere
 - Dayton Defense Educational Foundation Charity Gala
 - Presidents Club of Dayton Citizen Legion of Honor

**Wright State University Foundation Financial Report
November 2019**

At its October meeting, the Foundation Board received and approved the fiscal year 2019 audit report submitted by its external audit firm, BKD CPAs & Advisors. The audit of our financial statements resulted in a clean opinion with no material weaknesses or significant deficiencies in internal controls observed.

The Foundation's endowment portfolio has experienced mixed results throughout the first quarter of the fiscal year, which continued into October. Overall, the portfolio has generated net positive earnings of \$1.4 million. This translates into a return rate of +1.6% thus far. The portfolio ended October valued at \$90.5 million.

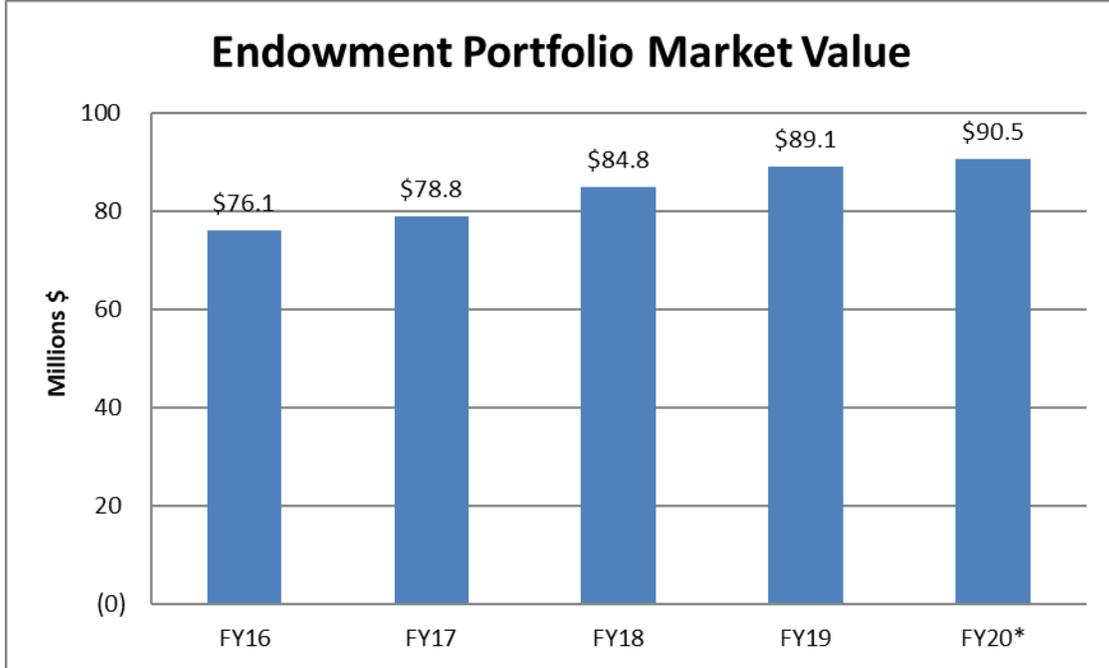
Declining concerns about trade wars and generally positive economic news have driven returns in the first four months of FY20. With only a couple of exceptions in the alternative space, all assets provided positive returns for the period. Global equity (including U.S. stocks) have provided the highest returns so far at +3.6%, followed closely by U.S. equities which returned a positive 3.2%. Within the U.S. equity space, our managed volatility fund has returned nearly 4.0% and our passive large cap investment has returned 3.6%. Fixed income investments produced returns of 1.8% for the period led by core fixed income returns of 2.8%. Alternative investments showed mixed results, with a slight loss in total. Our hedge fund investment and latest vintage private equity fund both provided positive returns of 3.7% and 4.0%, respectively. However, the earlier vintage private equity fund and our energy debt fund have experienced losses of -4.1% and -10.4%, respectively, for the year. Our October 31st one-, three-, five-, and ten-year net returns for the endowment portfolio were 7.5%, 7.6%, 5.1%, and 7.4%, respectively.

The Foundation's current endowment portfolio composition, including target allocations, actual allocations, and market values, as of October 31, 2019, is presented below:

Endowment Portfolio Composition

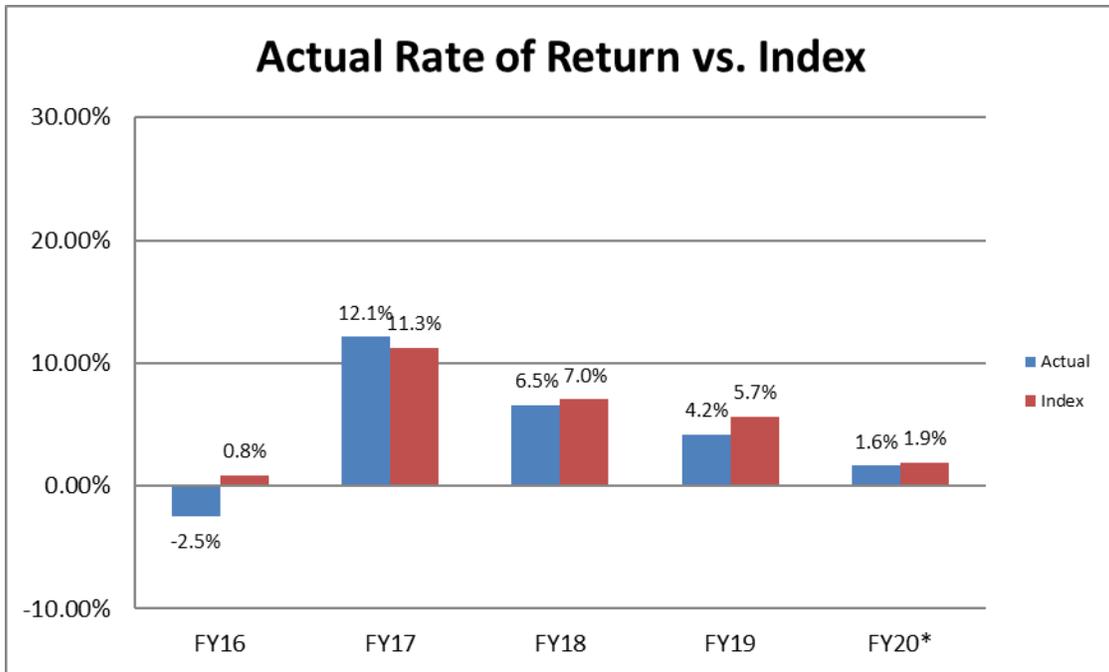
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Actual Allocation</u>	<u>Market Value October 31, 2019</u>
Equity	52%	54%	\$49,011,645
Fixed income	28%	28%	25,348,495
Hedge funds	8%	8%	7,207,364
Private equity	8%	6%	5,645,705
Energy debt	4%	4%	3,305,007
Cash & equivalents	0%	0%	-0-
Totals	100%	100%	\$90,518,216

Endowment Value



*As of October 31, 2019

Endowment Historical Rates of Return



*As of October 31, 2019

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).