

**WRIGHT STATE UNIVERSITY  
BOARD OF TRUSTEES**

**Wright State University Foundation Report  
April 2020**

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## Wright State University Foundation President & CEO Report

### Updates from last report:

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

- Foundation board Trustee recruiting
  - The slate of new members being brought to the board for consideration are:
    - Gary McCullough – Resides in Chicago and Los Angeles; Alum (B.S. Business '81); MBA from Northwestern; career has included roles as a Corporate Board Member, Chief Executive Officer, President, and Senior Executive in market-leading consumer and commercial companies; currently, an investor in and advisor to several private entities; on Board of Trustees of Chicago's Rush University Medical Center; in 2005 and 2009, named by *Black Enterprise* magazine as one of the "100 Most Powerful Executives in Corporate America."
    - Samia Borchers, M.D. – Resides in Dayton region; Alum (M.D. '80); private dermatology practice; serves on Wright State University Academy of Medicine Board of Trustees; speaks multiple languages, including Arabic.
    - Randy Phillips – Resides in northern Virginia; Alum (B.S. Computer Science '82); SVP for Corporate Development, Leidos, Inc.; was on *Rise.Shine* Campaign Cabinet; former 9-year Foundation Board Trustee; received Outstanding Alumni Award in 2005.
    - Sharon Rab – Resides in Dayton region; Alum (MEd in Curriculum and Supervision '75); received an Honorary Degree (Doctor of Humane Letters) 2015; retired educator (Miami University and Kettering Fairmont High School); 2018 YWCA Dayton Women of Influence Honoree; past *Dayton Daily News* Top Ten Women awardee and twice a finalist for Ohio Teacher of the Year.
    - Hernan Olivas – Resides in Dayton region; CEO/President of O'Neil & Associates; on Board of Trustees of Dayton Area Chamber of Commerce.
    - Student Representative – Lauren MacGregor, Graduate Assistant.
  - Nitin Kumbhani has agreed to serve as an ex-officio member of the investment committee
- Foundation board agreed to continue to pursue the Venture/Private Equity Fund purchase from the University
  - Foundation staff met with University administrators to iron out details of the proposed purchase.

- Those details were presented to the Foundation Investment Committee, which indicated its approval informally due to a pending change in its asset allocation formula.
- Shortly thereafter, market conditions deteriorated severely and both parties agreed to delay a final decision until such time as the market stabilizes.
- Foundation building – 2<sup>nd</sup> floor usage plan
  - This opportunity continues to evolve and, at present, looks to be focusing on using the Foundation building as a front door for corporate relationships at the University. Groups/individuals who have been involved in the ideation phase of this include, but are not limited to, the following;
    - Wright State Entrepreneurship club (current and past student presidents, professor Kendall Goodrich)
    - The Entrepreneur Center (Jordan Wall)
    - Wright State University O’Neil Center (Brandy Foster)
    - Wright State University Foundation board members (Bill Dietrich, Linda Black-Kurek, Brian Kohr)
    - Community and Corporate Relations (Mary Jean Henry, Bill Bigham)
    - Career Services
- Foundation Strategic Planning
  - An ad hoc committee of the Foundation Board has been put together to author a plan that takes the Foundation through the end of FY21. This plan primarily focuses on internal operations that will best serve the University at a time when their strategic plan is complete.
  - It is anticipated that this plan will be completed and approved by 6/30/20.
- Transition plan for University Advancement staff to Foundation
  - Conversations are ongoing about this and are related to Affiliation Agreement efforts.
- Evaluating alternative income strategies
  - The investment committee has worked closely with SEI on how the portfolio will be managed going forward.
- Foundation branding
  - The Foundation is working with the Office of Marketing to explore ways to brand the Foundation as part of an overall plan by the university to refresh the common areas of the Student Union.
- Affiliation Agreement with the University
  - Scott Rash had a second meeting with Doug Fecher on March 6 to advance this issue and has set an initial target date of April 28 with Greg Sample to have this completed.

From February – July, 2020, the Foundation engaged or will engage in the following activities:

- February cycle of committee and full Board meetings were held with the next set of meetings scheduled for May 8.
- The second year of the Student First Fund was kicked off with 28 applications for funding being received. The Grants Committee will meet remotely by the end of April to select the awardees.
- In an effort to create a model that best suits the needs of the university and Foundation, visits/conversations have taken place with Foundation leaders at the University of Cincinnati, Michigan State University, West Virginia University, University of Toledo, and Purdue University.
- All of the following are contingent upon different levels of university approval:
  - Finalize of plan for usage of the Foundation building.
  - Finalize affiliation agreement with the University.
  - Finalize plan for supporting Food Pantry at Wright State.

## Wright State University Foundation Financial Report

April 2020

The Foundation's investment portfolios were rocked by market volatility during the last week of February in response to the coronavirus pandemic that began earlier in the year. The volatility of that week seems innocuous now as the month of March experienced even more extreme downturns. Investors and market analysts likened the time to the credit crisis of 2008 and 2009. Although the markets rallied at some points during the month of March, portfolio losses were much more pronounced than those experienced in February. February results are reported in the narrative, table and graphs presented below, with a brief update of portfolio performance in March (return information for March was not available at the time this report was generated).

Market losses in February were strong enough to erase the positive earnings generated by the portfolio since the beginning of the fiscal year. The portfolio's value had declined \$3.4 million for the year, including three million dollars in capital withdrawals. Unrealized losses through February were \$4.5 million and were almost totally, but not quite, offset by net income and realized gains. This resulted in a slightly negative return of -0.52 % for the fiscal year, more than 100 points below the portfolio's composite benchmark. Market losses were focused on equity issues, with fixed income security gains helping to offset those losses. Results from alternative investments were less clear due to reporting lags common to those type of assets.

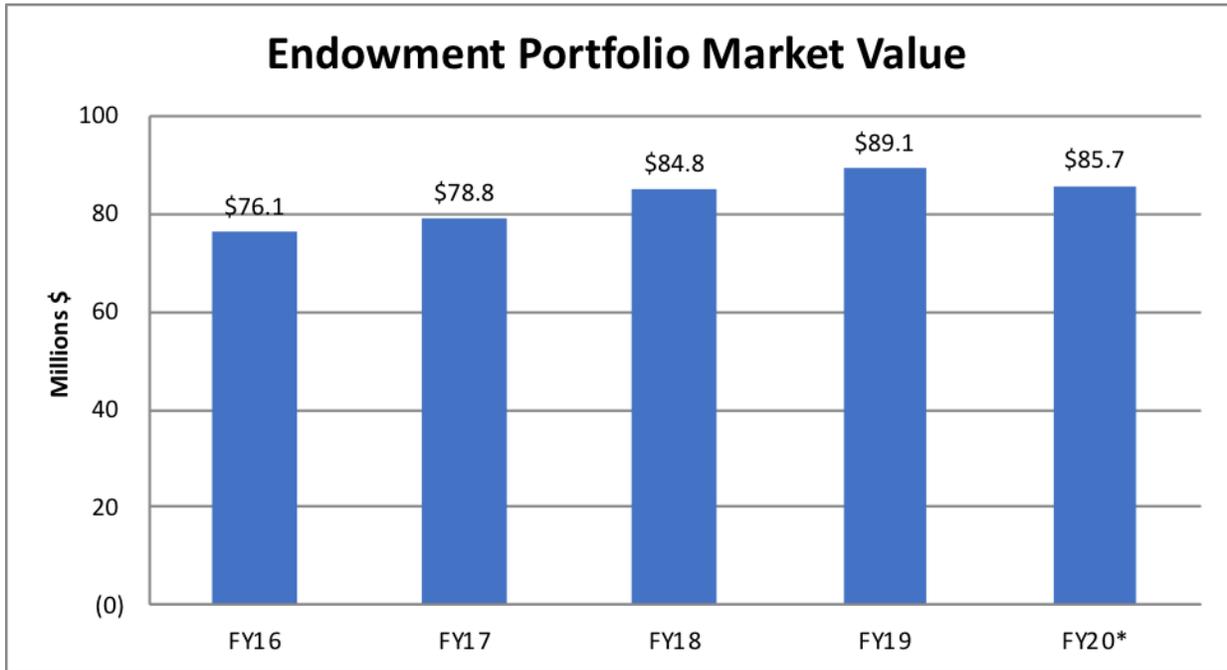
As bad as market conditions deteriorated in February, March was even more devastating. Losses for the month of March climbed to \$8.7 million, almost all unrealized. This lowered the value of the portfolio to \$77.0 million. Upticks in market performance did increase the portfolio's value from its low point during the month, but overall performance has been devastated. Market analysts continue to predict a turnaround in economic fortunes once the coronavirus tide is stemmed, but it's anyone's guess as to when that will happen. One thing is for certain, the longer the pandemic lasts, the less likely that a recovery will be quick.

The Foundation's current endowment portfolio composition, including target allocations, actual allocations, and market values, as of February 29, 2020, is presented below:

### Endowment Portfolio Composition

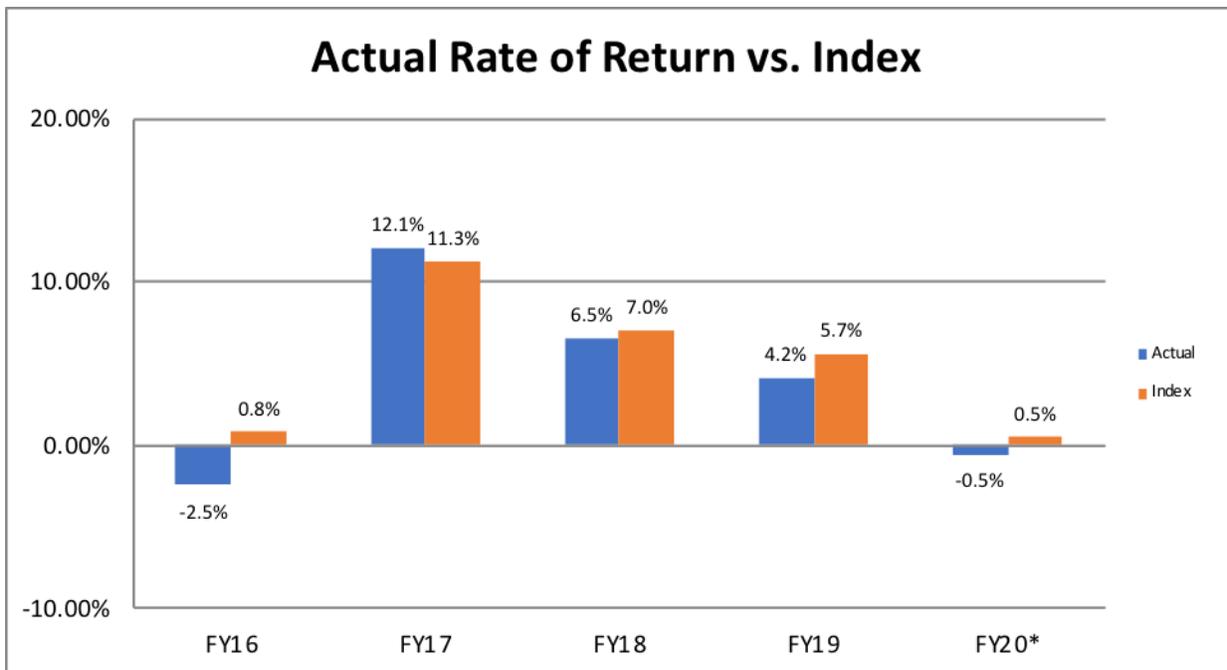
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Actual Allocation</u>	<u>Market Value February 29, 2020</u>
Equity	52%	51%	\$44,125,977
Fixed income	28%	30%	25,517,968
Hedge funds	8%	9%	7,421,827
Private equity	8%	6%	5,394,042
Energy debt	4%	4%	3,212,965
Cash & equivalents	0%	0%	-0-
Totals	100%	100%	\$85,672,779

### Endowment Value



\*As of February 29, 2020

### Endowment Historical Rates of Return



\*As of February 29, 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).