

**WRIGHT STATE UNIVERSITY  
BOARD OF TRUSTEES**

**Wright State University Foundation Report  
February 2020**

1. President & CEO Report
2. Wright State Foundation Financial Report

## **Wright State University Foundation President & CEO Report**

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

- Foundation board Trustee recruiting
- Foundation board agreed to continue to pursue the Venture/Equity Fund purchase from the University
- Foundation building – 2<sup>nd</sup> 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

From December, 2019 through February, 2020, the Foundation engaged or will engage in the following activities:

- Winter cycle of committee and full Board meetings were held.
- President & CEO of the WSU Foundation and members of the WSU Neuroscience Institute/NCBP hosted the Chief Innovation and Collaboration Officer of the Purdue Research Foundation. He was interested in getting an overview of the types of research and capabilities we have here, particularly pertaining to the organization of the NEC initiative. Reciprocal visit to Purdue Research Foundation second week of February.
- Foundation President & CEO and Interim VP for Advancement presentation to Wright Leader Academy.
- Foundation President & CEO and Foundation CFO visit to the University of Cincinnati Foundation and University of Toledo Foundation to discuss their structure and best practices.
- Foundation President & CEO and two Foundation Board Executive Committee members attended the Association of Governing Boards Leadership Forum in San Diego.

## Wright State University Foundation Financial Report

February 2020

Strong investment performance and receipt of a \$2.6 million estate gift in the last quarter of 2019 bolstered the Foundation's financial and cash positions as of December 31<sup>st</sup>. Operating surpluses were generated in total and by the Foundation's general fund. The latter exceeded \$10 million, although much of it is illiquid.

The Foundation's endowment portfolio experienced solid growth during the first half of FY20 and ended the last quarter of 2019 with a market value of \$90.0 million. This is up nearly one million dollars for the year, net of capital withdrawals. This translates into a return rate of +4.5% (net of fees) thus far.

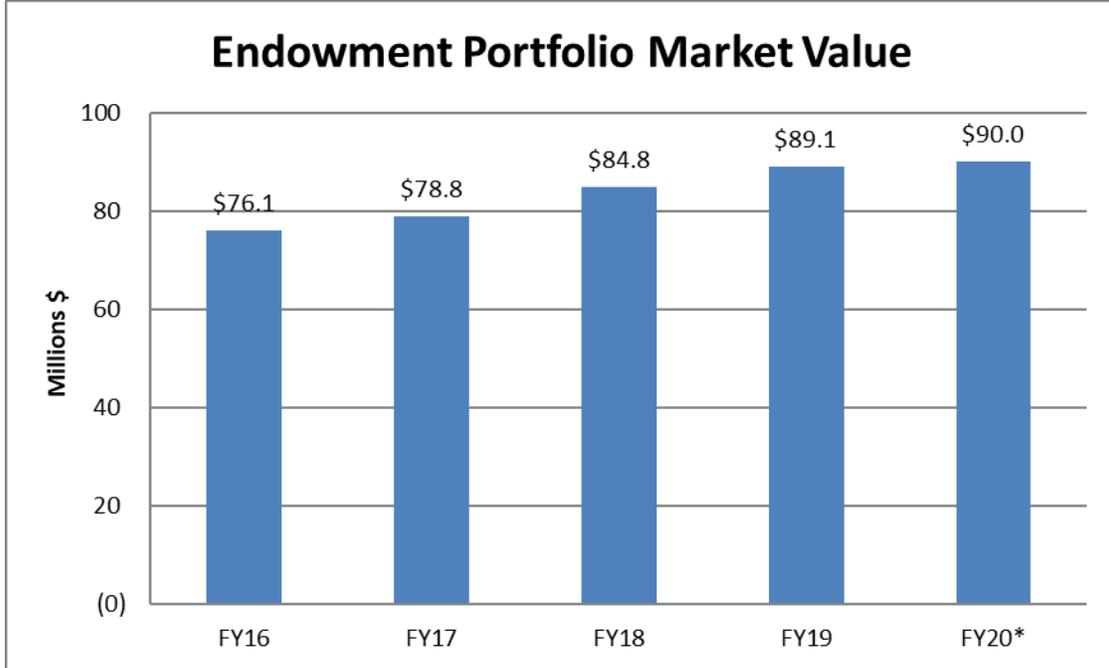
After the nearly 20% decline in prices in the last quarter of 2018, markets have experienced strong returns. The S&P 500 Index (price only) soared 28.3% in the first half of 2019 and an even more incredible 37.1% for the last half of 2019. Declining concerns about trade wars and generally positive economic news have driven these spectacular numbers. With only a couple of exceptions in the alternative space, all of our endowment assets provided positive returns for the first six months of FY20. U.S. large cap stocks had the highest returns in equity markets at +10.59%, followed closely by emerging markets and managed volatility strategies. Fixed income investments produced returns of 2.8% for the year, led by emerging markets debt and high yield bonds. Alternative investments showed mixed results, with a 2.09% loss overall. Our hedge fund investment and latest vintage private equity fund both provided positive returns of 3.66% and 5.54%, respectively. However, the earlier vintage private equity fund and our energy debt fund have experienced losses of -22.23% (this fund is currently unwinding) and -14.97%, respectively, for the year. Our December 31<sup>st</sup> one-, three-, five-, and ten-year net total returns for the endowment portfolio were 14.22%, 7.83%, 5.75%, and 7.13%, respectively.

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

### Endowment Portfolio Composition

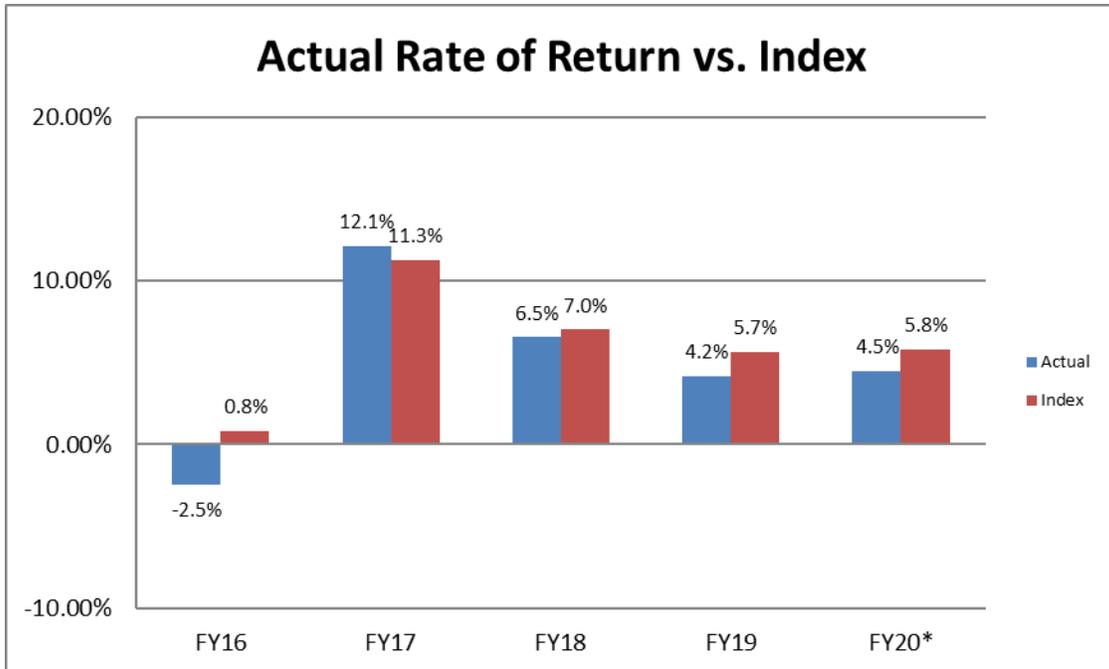
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Actual Allocation</u>	<u>Market Value December 31, 2019</u>
Equity	52%	54%	\$48,844,462
Fixed income	28%	28%	25,316,449
Hedge funds	8%	8%	7,207,364
Private equity	8%	6%	5,486,406
Energy debt	4%	4%	3,155,756
Cash & equivalents	0%	0%	-0-
Totals	100%	100%	\$90,010,437

### Endowment Value



\*As of December 31, 2019

### Endowment Historical Rates of Return



\*As of December 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).