



Wright State University Investment Fund

# Investment Review

December 2019

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# Wright State University Investment Fund

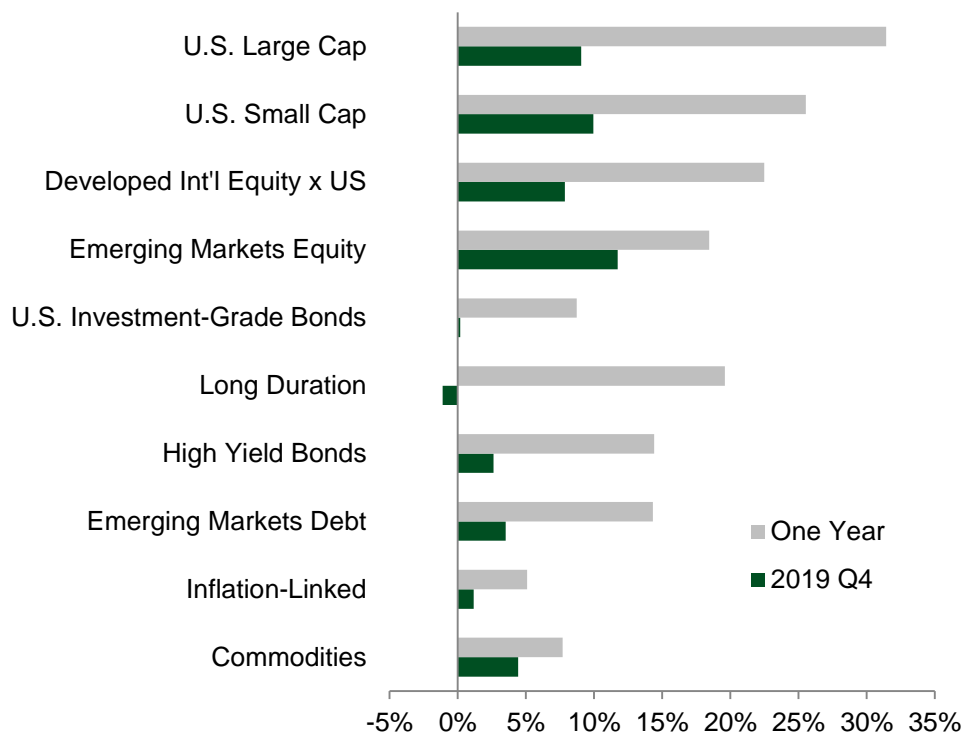
## Executive summary – December 31, 2019

### Summary:

- Fund assets totaled **\$88,257,409** at December 31, 2019
  - Combined Portfolio Returns (net) were: 2.12% for the FYTD period and 3.81% for calendar year 2019.

WSU Portfolios	Market Values (12/31/19)
WSU Cash Pool	\$ 68,005,859
WSU Liquidity Pool	\$ 9,826,874
WSU Diversified Pool (Raider)	\$ 1,548,814
WSU Private Equity	\$ 8,875,861
<b>Total</b>	<b>\$ 88,257,409</b>

### Financial Markets Review



Commodities = Bloomberg Commodity Total Return Index (USD), Inflation-Linked = Bloomberg Barclays 1-5 Year US TIPS Index (USD), Emerging Markets Debt = 50/50 JPM EMBI Global Div & JPM GBI EM Global Div, High Yield Bonds = ICE BofAML US High Yield Constrained Index (USD), Long Duration = Bloomberg Barclays Long US Government/Credit Index (USD), U.S. Investment-Grade Bonds = Bloomberg Barclays US Aggregate Bond Index (USD), Emerging Markets Equity = MSCI EFM (Emerging+Frontier Markets) Index (Net) (USD), Developed Int'l Equity x US = MSCI World ex-USA Index (Net) (USD), U.S. Small Cap = Russell 2000 Index (USD), U.S. Large Cap = Russell 1000 Index (USD). Sources: SEI, index providers. Past performance is no guarantee of future results. All returns denominated in USD. As of 12/31/2019.

Please refer to the important disclosures accompanying your portfolio performance in this presentation for information on performance calculations. Alternative, property and private assets performance and valuations may be reported on a monthly or quarterly lag.

# Our outlook for 2020: No boom, no bust, no bear

## The good news

- U.S. and global economic growth will likely continue in 2020 at a sluggish pace, with a modest acceleration expected by mid-year.
- SEI anticipates further gains in stocks and other risk assets, with a total return for U.S. equities in the mid-to-upper single-digit range.
- International equities have the potential to outperform in 2020 owing to low valuations relative to the U.S. stock market, an improvement in global growth prospects and an expected weakening of the U.S. dollar.
- China's economy should stabilize and improve following the trade-war truce with the U.S. and as two years' worth of monetary/fiscal stimulus measures gain traction.
- Value-oriented active managers should see a better result in 2020.

## The bad news

- Valuations in the U.S. market are back to previous highs at a time when expected profits growth is no better than in Europe or Japan.
- Monetary policy remains biased toward ease in the U.S. and other countries. Although a positive for risk assets, it could lead to financial excesses.
- Trade tensions between the U.S. and China may have eased, but we believe the strategic relationship has been altered for the worse.
- As Brexit becomes a reality, investors will likely focus on the year-long transition phase and the future trading relationship between the U.K. and the EU.
- Presidential politics could roil equity markets in the U.S. and elsewhere. While there is little clarity regarding which Democratic nominee will face Donald Trump, investors may grow more skittish over the outcome as Election Day nears.

# Once more unto the breach rode the 500

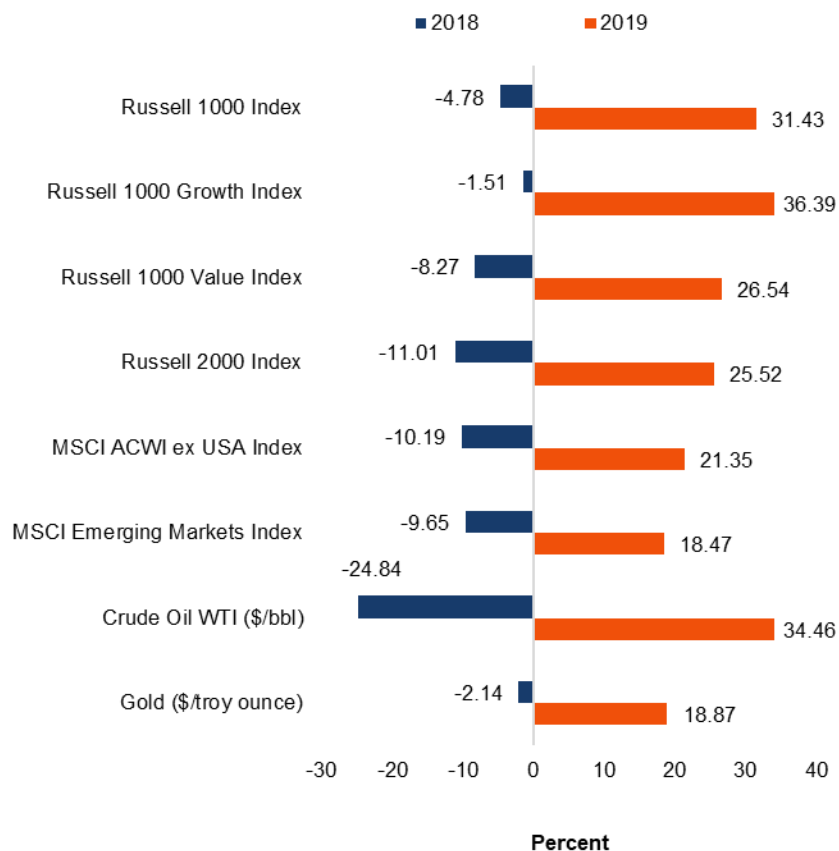
- One year ago, investors were licking their wounds following a sharp stock-market correction. The 2018 fourth-quarter decline featured a near-20% price drop in the S&P 500 Index that left most risk-oriented assets down for the year.
- The table measures the subsequent percentage change in the S&P 500 Index (price only) over periods of 6 and 12 months from the few historical times when more than 90% of the stocks in the index had fallen below their 200-day moving averages.
- Prior to December 2018, there were five such episodes since 1987. The median price-only advance from these prior episodes worked out to 14.0% over six months and 24.3% over one year.
- As for the half- and full-year periods that followed the 2018 episode, our bullish expectations were not disappointed: After the S&P 500 Index (price only) first breached that 90% threshold on Christmas Eve 2018, it soared 28.3% over the subsequent six months and 37.1% over the full year ending Christmas Eve 2019.

Date of 90% Threshold Breach	S&P 500 Index Price Change 6 Months Later (%)	S&P 500 Index Price Change 12 Months Later (%)
10/19/1987	14.0	24.3
8/23/1990	18.2	28.4
7/19/2002	3.6	16.6
10/31/2008	-13.8	7.0
8/8/2011	20.8	25.3
Average % Change	8.6	20.3
Median % Change	14.0	24.3
12/24/2018	28.3	37.1

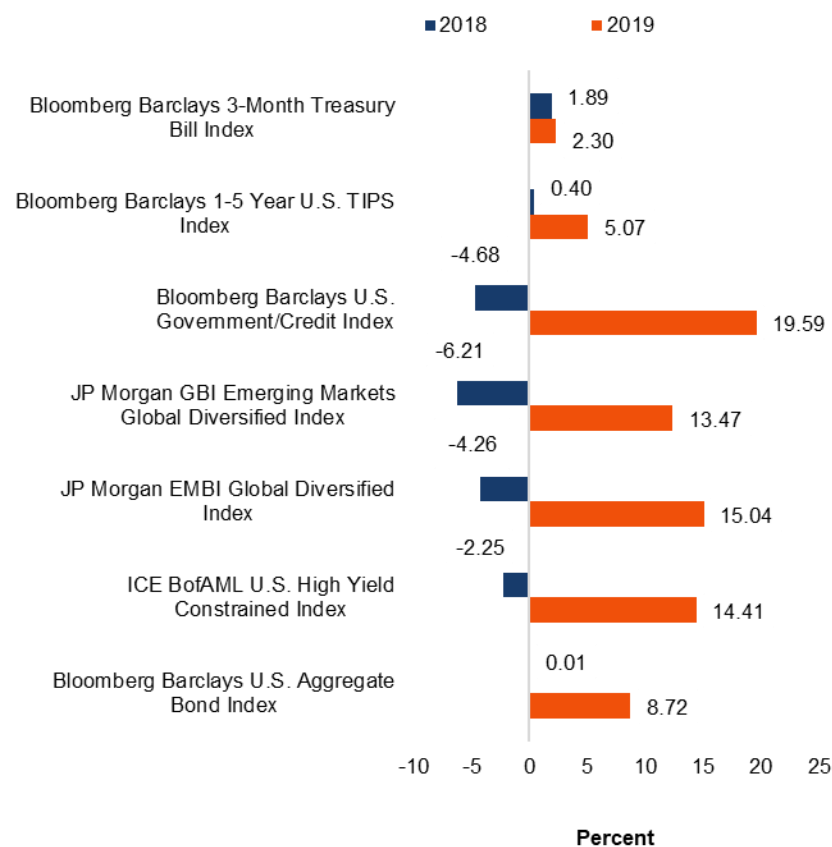
Source: Ned Davis Research, SEI  
Average and median calculated for 10/19/1987-8/8/2011 data points.

Index returns are for illustrative purposes only and do not represent actual investment performance. Index returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

# Risk assets went boom & Bonds unchanged



Source: FactSet, SEI



Source: FactSet, SEI

Russell changes are total return. MSCI changes are net and total return. Index returns are for illustrative purposes only and do not represent actual investment performance. Index returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

# Key expectations

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- *No boom, no bust, no bear.* The U.S. and global economies will likely continue to grow, albeit at a sluggish pace. This should keep inflation under control and encourage central banks to continue erring on the side of ease.
- *The U.S. is converging with the rest of the world.* Economic and profits growth in the U.S. are declining. Given the disparity in stock-market valuations, international markets are expected to outperform U.S. equities.
- *China's economy should stabilize and improve.* The U.S.-China trade-war truce and a steady progression of fiscal and monetary stimulus measures over the past two years should pay off in 2020.
- *The U.S. dollar should reverse convincingly to the downside.* The Fed's pivot toward an aggressive approach to supporting the overnight lending market has the potential to significantly increase the global supply of U.S. dollars.
- *The value style should prevail.* Value-oriented active managers should see a better result in 2020, driven by a modest improvement in global economic growth.
- *Less Brexit uncertainty, but a trade deal is needed.* We expect rationality to prevail, but a no-deal Brexit remains a residual risk.
- *Presidential politics could roil equity markets in the U.S. and elsewhere.* We did not say much about the coming U.S. presidential election in this report, as there is little clarity at the moment regarding the Democratic nominee.
- *The impact of Fed policy is a potential wildcard.* While we don't see it as a likely outcome, the Fed's dovish stance at a time of full employment could cause a "melt-up" in stock prices.



# Asset Allocation & Performance

As of December 31, 2019

# Important information: asset valuation and portfolio returns

Inception date 6/30/2014. Historical Total Index can be provided upon request.

The Portfolio Return and fund performance numbers are calculated using Gross Fund Performance, using a true time-weighted performance method (prior to 6/30/2012, the Modified Dietz method of calculation was used). Gross Fund Performance reflects the effective performance of the underlying mutual funds that are selected or recommended by SIMC to implement an institutional client's investment strategy. Gross Fund Performance does not reflect the impact of fund level management fees, fund administration or shareholder servicing fees, all of which, if applicable, are used to offset the account level investment management fees the client pays to SIMC. Gross Fund Performance does reflect certain operational expenses charged by the funds and the reinvestment of dividends and other earnings. The inclusion of the fund level expenses that the client incurs but that are offset against the client's account level investment management fees would reduce the Gross Fund Performance of the mutual funds. For additional information about how performance is calculated, please see your monthly performance report.

If applicable, alternative, property and private assets performance and valuations may be reported on a monthly or quarterly lag. Alternative, property and private assets performance is calculated gross of investment management fees and net of administrative expenses and underlying fund expenses. However: Structured Credit Fund performance is calculated gross of investment management fees and net of administrative expenses; SEI Offshore Opportunity Fund II Ltd. Class A performance is calculated net of investment management and administrative expenses; and Energy Debt Fund performance is calculated net of management fees, performance fees, as applicable, and operating expenses.

Net Portfolio Returns since 6/30/12 reflect the deduction of SIMC's investment management fee and the impact that fee had on the client's portfolio performance. Prior to 6/30/12, Net Portfolio Returns deduct a proxy annual fee for all periods to demonstrate the impact that SIMC's investment management fee had on the portfolio performance. However, this is a hypothetical calculation, as it does not reflect the actual fees paid by the client during the period. Please see your client invoice for actual fees paid.

## Total Index Composition

As of the close of business on 7/31/2017, the Total Index Composition is as follows:

- 90.0 % ICE BofA ML 3 Month US T-Bill Index
- 5.0 % Blmbrg Barcl 9-12 Month Short Treas Index
- 2.0 % S&P 500 Index
- 2.0 % Bloomberg Barclays GNMA Index (USD)
- 1.0 % ICE BofA ML 1-3 Year Treasury Index



# WSU Investment Fund- Total Combined Portfolio:

## Investment returns – December 31, 2019

Total including Private Equity			Returns for periods ending 12/31/2019									
			Total Assets (\$)	Actual Alloc (%)	Cumulative (%)			Annualized (%)				Inception
					1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	6/30/2014
Total Portfolio Return			88,257,409	100	0.49	0.93	2.16	3.87	4.48	4.02	-	3.72
Standard Deviation Portfolio									0.92	2.46		
Total Portfolio Return Net					0.49	0.91	2.12	3.81	4.26	3.62	-	3.33
Standard Deviation Portfolio (Net)									0.96	2.47		

Total ex-Private Equity		Returns for periods ending 12/31/2019									
		Total Assets (\$)	Actual Alloc (%)	Cumulative (%)			Annualized (%)				Inception 6/30/2014
				1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	
Total Portfolio Return		79,381,548	100	0.21	0.69	1.20	2.73	2.96	2.88	-	2.69
Standard Deviation Portfolio								0.71	2.53		
Total Portfolio Return Net				0.21	0.68	1.16	2.65	2.69	2.43	-	2.25
Standard Deviation Portfolio (Net)								0.73	2.52		
Total Portfolio Index				0.20	0.64	1.24	2.93	2.49	2.46	-	2.26
Standard Deviation Index								0.46	2.89		

Summary for periods ending 12/31/2019				
	One Month	Three Month	Year To Date	1 Year
Beginning Portfolio Value	\$82,166,362	\$89,410,270	\$66,573,693	\$66,573,693
Net Cash Flows	\$5,675,000	(\$1,937,251)	\$18,531,229	\$18,531,229
Gain / Loss	\$416,047	\$784,390	\$3,152,487	\$3,152,487
Ending Portfolio Value	\$88,257,409	\$88,257,409	\$88,257,409	\$88,257,409

# WSU Investment Fund- Total Combined Portfolio:

## Investment returns – December 31, 2019

Returns for periods ending 12/31/2019

	Total Assets (\$)	Actual Alloc (%)	Cumulative (%)			Annualized (%)				Inception 6/30/2014
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	
<b>Total Portfolio Return</b>	88,257,409	100	0.49	0.93	2.16	3.87	4.48	4.02	-	3.72
<i>Standard Deviation Portfolio</i>							0.92	2.46		
<b>Total Portfolio Return Net</b>			0.49	0.91	2.12	3.81	4.26	3.62	-	3.33
<i>Standard Deviation Portfolio (Net)</i>							0.96	2.47		
<b>Cash/Cash Equivalents</b>	74,818,950	84.8	-	-	-	-	-	-	-	-
Star Ohio	66,991,870	76.0	0.17	0.50	1.09	2.46	1.82	1.19		1.08
Daily Income TR Govt Portfolio A	6,813,091	7.7	-	-	-	-	-	-	-	-
<i>ICE BofA ML 3 Month US T-Bill Index</i>			-	-	-	-	-	-	-	-
JPMorgan Chase Savings	1,013,990	1.1	0.04	0.12	0.30	0.70	0.48	0.31		0.29
<b>Alternatives</b>	8,875,861	10.1	2.72	2.72	10.28	13.91	15.59	11.63	-	10.70
Venture Investment Associates VII, LP	5,412,805	6.1	3.36	3.36	13.12	18.82	15.70	17.28	-	15.58
SEI GPA III, LP	3,463,056	3.9	1.47	1.47	5.54	6.23	12.94	-	-	12.35
<b>Total Fixed Income</b>	3,013,783	3.4	0.16	0.56	1.31	3.64	2.53	2.29	-	1.99
Ultra Short Duration Fund	2,283,531	2.6	0.15	0.59	1.38	3.65	-	-	-	2.52
<i>Blmbrg Barcl 9-12 Month Short Treas Index</i>			0.18	0.59	1.17	2.88	-	-	-	1.93
Short-Duration Government Fund	730,252	0.8	0.18	0.46	1.11	3.62	2.08	-	-	2.03
<i>ICE BofA ML 1-3 Year Treasury Index</i>			0.22	0.51	1.09	3.55	1.84	-	-	1.60
<b>Total Equity</b>	1,548,814	1.8	3.01	11.49	9.19	15.80	15.55	11.73	-	10.72
<b>US Equity</b>	1,548,814	1.8	3.01	11.49	9.19	15.80	15.55	12.56	-	12.34
Raider Asset Management	1,548,814	1.8	3.01	11.49	9.19	15.80	15.55	12.11	-	12.11
<i>S&amp;P 500 Index</i>			3.02	9.07	10.92	31.49	15.27	11.70	-	11.77

# WSU Investment Fund:

## Private Asset Portfolio Metrics – December 31, 2019

Base Currency: US Dollar

Investment	Vintage Year	Commitment	Contributions			Distributions Cumulative Distributions	Valuation Date	Valuations Reported Valuation	Adjusted Valuation	Performance		
			Funding	Unfunded	Percent Funded					DPI	TVPI	IRR
Diversified												
SEI GPA III, LP	2015	\$4,900,000	\$3,491,966	\$1,408,034	71.26%	\$1,373,413	9/30/2019	\$3,641,013	\$3,463,056	0.39	1.39	13.82
Total Diversified		\$4,900,000	\$3,491,966	\$1,408,034	71.26%	\$1,373,413		\$3,641,013	\$3,463,056	0.39	1.39	13.82
Total Investment		\$4,900,000	\$3,491,966	\$1,408,034	71.26%	\$1,373,413		\$3,641,013	\$3,463,056	0.39	1.39	13.82

# Disclosures

Measure	Definition
Investment	Name of private equity fund.
Vintage Year	The year in which the fund began making investments. Typically coincides with the year of the investor's first capital call.
Commitment	The total amount the investor committed to the fund.
Funding	Capital that has been called by the fund.
Unfunded	Commitments less capital calls plus any distributions deemed "recallable" or "recycled".
Percent Funded	Funding divided by the commitment amount; This number may be greater than 100% in the event a manager implements a capital recycling process and/or deems distributions recallable.
Cumulative Distributions	Capital that has been returned to the investor, including capital that is deemed recallable.
Valuation Date	Date of the last reported net asset value.
Reported Valuation	Last reported net asset value as of Valuation Date.
Adjusted Valuation	The sum of the last reported NAV and all subsequent cash flows through the date of the report.
DPI (Distributed to Paid-In Capital aka Realization Multiple)	Since inception ratio of cumulative distributions to cumulative paid-in capital; useful for measuring cash on cash performance.
TVPI (Total Value to Paid-In Capital aka Investment Multiple)	Since inception ratio of cumulative distributions plus the valuation (sometimes referred to as residual valuation) to cumulative paid-in; useful for measuring the creation of wealth; results greater than 1 imply gains on the investment as of the stated date.
IRR (Internal Rate of Return)	Since inception discount rate where the sum of discounted cash flows and the discounted valuation is equal to zero.

# Important information: asset valuation and portfolio returns

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## Diversified Pool

### Total Index Composition

As of the close of business on 7/3/2018, the Total Index Composition is as follows:

100 % S&P 500 Index

## Liquidity Pool

### Total Index Composition

As of the close of business on 3/31/2017, the Total Index Composition is as follows:

53.0 % ICE BofA ML 3 Month US T-Bill Index  
28.0 % Blmbrg Barcl 9-12 Month Short Treas Index  
10.0 % Bloomberg Barclays GNMA Index (USD)  
9.0 % ICE BofA ML 1-3 Year Treasury Index

# WSU Investment Fund- Diversified, Cash, & Liquidity:

## Investment returns – December 31, 2019

### Diversified Pool\*

Returns for periods ending 12/31/2019

	Total Assets (\$)	Actual Alloc (%)	Cumulative (%)			Annualized (%)				Inception
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	6/30/2014
<b>Total Portfolio Return</b>	1,548,814	100	3.01	11.49	9.19	15.80	11.09	8.40	-	7.66
<i>Standard Deviation Portfolio</i>							7.63	7.02		
<b>Total Portfolio Return Net</b>			3.01	11.49	9.19	15.80	10.98	7.88	-	7.16
<i>Standard Deviation Portfolio (Net)</i>							7.63	7.03		
<b>Total Portfolio Index</b>			3.02	9.07	10.92	31.49	10.35	7.65	-	6.94
<i>Standard Deviation Index</i>							11.23	9.79		

### Cash Pool

Returns for periods ending 12/31/2019

	Total Assets (\$)	Actual Alloc (%)	Cumulative (%)			Annualized (%)				Inception
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	6/30/2014
<b>Total Portfolio Return</b>	68,005,859	100	0.16	0.50	1.05	2.50	1.75	1.21	-	1.17
<i>Standard Deviation Portfolio</i>							0.24	0.32		
<b>Total Portfolio Index</b>			0.14	0.46	1.03	2.28	1.67	1.07	-	0.98
<i>Standard Deviation Index</i>							0.20	0.26		

### Liquidity Pool

Returns for periods ending 12/31/2019

	Total Assets (\$)	Actual Alloc (%)	Cumulative (%)			Annualized (%)				Inception
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	6/30/2014
<b>Total Portfolio Return</b>	9,826,874	100	0.13	0.44	1.04	2.57	1.73	1.58	-	1.61
<i>Standard Deviation Portfolio</i>							0.32	0.76		
<b>Total Portfolio Return Net</b>			0.13	0.29	0.74	1.93	0.85	0.88	-	0.97
<i>Standard Deviation Portfolio (Net)</i>							0.48	0.81		
<b>Total Portfolio Index</b>			0.16	0.51	1.14	2.92	1.89	1.41	-	1.38
<i>Standard Deviation Index</i>							0.44	0.69		

\* Does not include Private Equity assets

# WSU Investment Fund- Diversified Pool:

## Investment returns – December 31, 2019

Returns for periods ending 12/31/2019

	Total Assets (\$)	Actual Alloc (%)	Cumulative (%)			Annualized (%)				Inception
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	6/30/2014
<b>Total Equity</b>	1,548,814	100.0	3.01	11.49	9.19	15.80	15.55	11.66	-	10.66
<b>US Equity</b>	1,548,814	100.0	3.01	11.49	9.19	15.80	15.55	12.54	-	12.33
Raider Asset Management	1,548,814	100.0	3.01	11.49	9.19	15.80	15.55	-	-	16.15
S&P 500 Index			3.02	9.07	10.92	31.49	15.27	-	-	15.35

# WSU Investment Fund- Liquidity Pool:

## Investment returns – December 31, 2019

Returns for periods ending 12/31/2019

	Total Assets (\$)	Actual Alloc (%)	Cumulative (%)			Annualized (%)				Inception
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	6/30/2014
<b>Cash/Cash Equivalents</b>	6,813,091	69.3	-	-	-	-	-	-	-	-
Daily Income TR Govt Portfolio A	6,813,091	69.3	-	-	-	-	-	-	-	-
ICE BofA ML 3 Month US T-Bill Index			-	-	-	-	-	-	-	-
<b>Total Fixed Income</b>	3,013,783	30.7	0.16	0.56	1.31	3.64	2.21	1.85	-	1.85
Ultra Short Duration Fund	2,283,531	23.2	0.15	0.59	1.38	3.65	-	-	-	2.52
Blmbrg Barcl 9-12 Month Short Treas Index			0.18	0.59	1.17	2.88	-	-	-	1.93
Short-Duration Government Fund	730,252	7.4	0.18	0.46	1.11	3.62	2.08	-	-	2.00
ICE BofA ML 1-3 Year Treasury Index			0.22	0.51	1.09	3.55	1.84	-	-	1.60



# WSU Investment Fund- Cash Pool:

## Investment returns – December 31, 2019

Returns for periods ending 12/31/2019

	Total Assets (\$)	Actual Alloc (%)	Cumulative (%)			Annualized (%)				Inception
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	6/30/2014
Cash/Cash Equivalents	68,005,859	100.0	-	-	-	-	-	-	-	-
Star Ohio	66,991,870	98.5	0.17	0.50	1.09	2.46	1.81	1.19		1.09
JPMorgan Chase Savings	1,013,990	1.5	0.04	0.12	0.30	0.70	0.48	0.31		0.29

# Important Information

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New answers.®

# Important information

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Performance results do not reflect the effect of certain account level advisory fees. The inclusion of such fees would reduce account level performance, particularly when compounded over a period of years. The following hypothetical illustration shows the compound effect fees have on investment return: For an account charged 1% with a stated annual return of 10%, the net total return before taxes would be reduced from 10% to 9%. A ten year investment of \$100,000 at 10% would grow to \$259,374, and at 9%, to \$236,736 before taxes. For a complete description of all fees and expenses, please refer to SIMC's Form ADV Part 2A, the investment management agreement between SIMC and each client, and quarterly client invoices.

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