

**WRIGHT STATE UNIVERSITY
BOARD OF TRUSTEES**

**Wright State University Foundation Report
April 2022**

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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 Foundation worked closely with University Advancement in identifying potential board members for the Class of '23.
 - Five prospects were presented with the opportunity to serve with one declining outright and one deferring.
 - The slate of new members being brought to the board for consideration are:
 - Bob Reynolds, Alum, Indiana, Partner, BradyWare, formerly served on Foundation Board as representative from the Alumni Association
 - Tony Alexander, Alum, Dayton, CEO, Great Oak Funding, formerly served on Foundation Board as representative from the Alumni Association
 - Loghan Young, Alum, Dayton, Program Manager, AFIT WPAFB
 - Undetermined representative from the University Board of Trustees to replace Bill Montgomery.
- Emergence Center, 2nd Flight, Studio 5G
 - Further progress on these initiatives is being deferred until an agreement of understanding between the Foundation and University is reached.
 - The Foundation responded to the University with a redlined copy of the Operation Agreement on March 15, 2022.
 - Foundation leadership has asked for a meeting with University Trustees prior to the April 29 board meeting to discuss the agreement and these initiatives.
- Transition plan for University Advancement staff to Foundation
 - The Foundation currently employs or reimburses the University* for the following positions:
 - President and CEO
 - Chief Financial Officer
 - Executive Assistant to President and CEO, Assistant Secretary, Board of Trustees
 - Finance Manager
 - Gift Processing Specialist (2)
 - Accountant 2*
 - Accounting Associate*
 - Within the past two years, the Foundation has added or assumed the costs for five positions. The Foundation plans to add the following additional positions through its budgeting process for FY23:
 - Director, Donor Relations*

- Assistant Director, Donor Relations and Stewardship*
 - University employees performing Advancement roles for which the Foundation is reimbursing the University will remain University employees until/unless a shared services agreement is arrived at where benefits are more aligned between the University and Foundation or, until there is attrition – at which time their replacements may be hired directly into the Foundation.
- Students First Fund
 - Twenty-three (23) grant applications were received with eleven (11) being funded for a total of \$40,680.
 - Two key University employees supported the program by assessing the applications for alignment with University goals. The ratings given by the University reviewers were a consideration for project selection by the trustees.
 - Winning grants were:
 - Educating the Next Generation of Nurses to Successfully Care for Ventilated Patients
 - Green Zone Training
 - Science and Math Cohort Development Through Experiential Learning Pods
 - Dean's Leadership Academy
 - Wireless Follow Focus Systems - Motion Pictures Thesis Camera Support
 - Passing The Test: Supporting Licensure Candidates/Students With Mometrix
 - Business Buddies
 - Thinking Outside the Building: Creating an Outdoor Classroom and Recreation Space
 - Potentiostat Instrumentation Needed to Meet the 21st Century -Sensor Development
 - The 3 R's
 - Classroom Management Simulations- Mursion
- Budgeting Process
 - The Foundation is working with University Advancement on the second year of its zero-based budgeting process that directly aligns with plans set forth to achieve their goals and objectives.
 - Projected budgets are due to the Foundation on April 1.
- February cycle of committee and full Board meetings were held with the next set of meetings scheduled for April 29.

Wright State University Foundation Financial Report

April 2022

FY22 investment earnings have slipped into the red during the first two months of the new year. The enhanced threat of inflation as well as the Russian invasion of Ukraine have rattled public markets sending cumulative earning rates below zero. The value of our endowment portfolio ended the month of February at \$109.5 million, down \$446 thousand or 0.4% for the fiscal year. The portfolio's earning rate was -0.82% for the period, outperforming its composite benchmark by 94 basis points (bps).

Investment results from our equity and fixed income classes were overall negative by the end of February, losing 2.21% and 3.39% respectively. Despite these losses, some individual asset classes have performed positively for the period including: global equity (+3.67%), U.S. large cap (+0.96%) and high yield bonds (+0.39%). Our highest losses during the year have come from investments in emerging markets debt (-9.75%), emerging markets equity (-8.39%) and world equity excluding U.S equity (-6.67%).

Alternative investments, on the other hand, have all performed positively for the year providing a combined return of 6.55% for the year. Leading the way in FY22 has been our investment in energy sector debt, which has returned 12.01% thus far. Private equity investments have returned a positive 6.00% return and our hedge fund of funds has added 4.33%. Also performing well at this point in the fiscal year is our investment in SEI's Dynamic Asset Allocation Fund which has returned 4.44%.

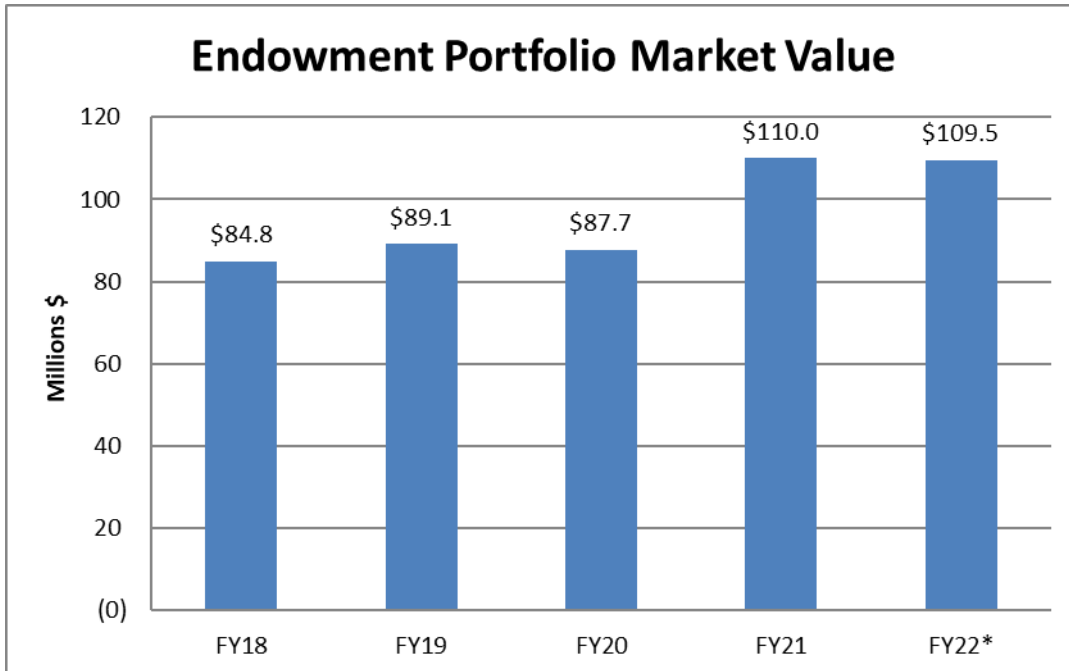
All asset allocations remained within ranges specified in the Foundation's investment policy statement in January and February.

The Foundation's current endowment portfolio composition, including allocation ranges, actual allocations, and market values, as of February 28, 2022, is presented below:

Endowment Portfolio Composition

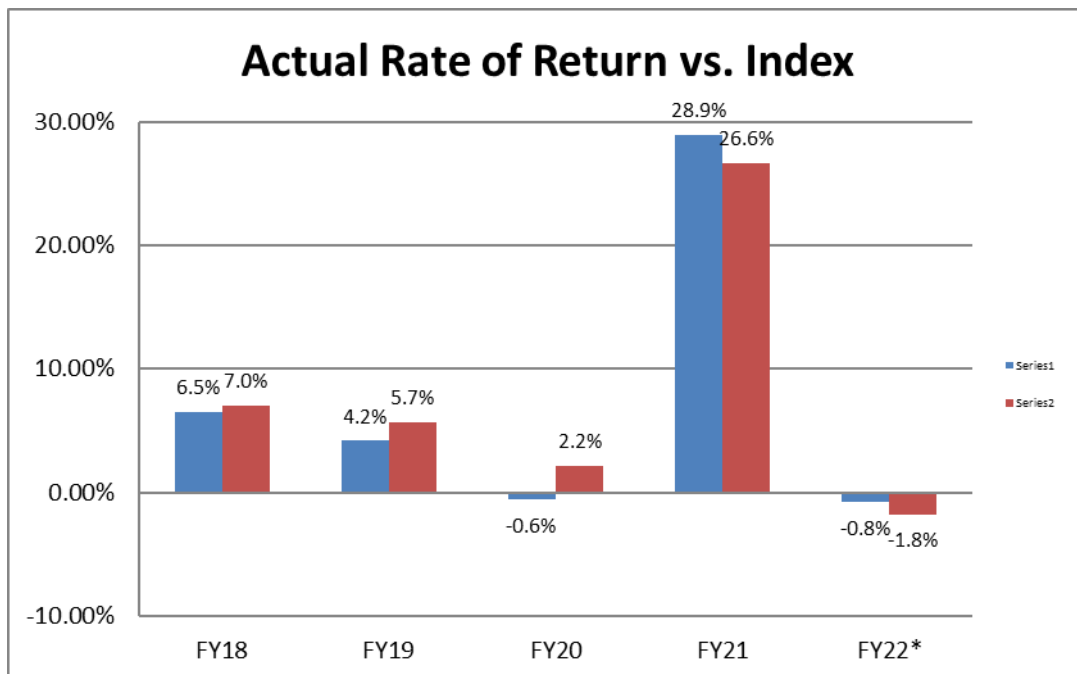
<u>Asset Class</u>	<u>Allocation Range</u>	<u>Actual Allocation</u>	<u>Market Value February 28, 2022</u>
Equity	30%-70%	61%	\$67,326,698
Fixed income	15%-50%	23%	24,825,262
Alternatives	1%-30%	16%	17,317,927
Cash & equivalents	0%-20%	0%	-0-
Totals	n/a	100%	\$109,469,887

Endowment Value



*As of February 28, 2022

Endowment Historical Rates of Return



*As of February 28, 2022

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).