

**WRIGHT STATE UNIVERSITY
BOARD OF TRUSTEES**

**Wright State University Foundation Report
November 2022**

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

Wright State University Foundation President & CEO Report November 2022

Updates from last report:

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

- The Foundation held its committee meetings and full board meeting on October 28, 2022.
 - The Board approved the nominations of two student trustees, bringing the total to three students.
- The next Foundation board meeting is scheduled for January 27-28, 2023.
 - Plans are to hold committee meetings the afternoon of January 27 with the full board meeting to take place the afternoon of January 28.
 - We hope to be able to provide a sneak peek of progress made with the altafiber Corporate Briefing Center on the 2nd floor of the WSUF Emergence Center 1 building prior to the committee meetings on January 27.
 - The Foundation is once again working with athletics and student life to sponsor a canned food drive at the basketball game the evening of January 28 that would support the Raider Food Pantry. The Foundation will be hosting a reception for all board members who volunteer to work the food drive in the President's suite at the Nutter Center throughout the basketball game.
- Emergence Center
 - The Foundation continues to work with a minority owned business to develop an app that would connect available resources on college/university campuses with potential local industry.
 - The first presentation of the UniversityConnect app took place in October where the university immediately identified the solution being provided and a proposal was requested.
 - The Foundation's agreement with its partner provides the Foundation with 10% of sales of the app.
- Studio 5G
 - Representatives from altafiber and NOKIA attended the October 28 board meeting where they committed to a 3-year lease for 4500 sf in the WSUF Emergence Center 1 building.
 - In addition to a Corporate Briefing Center for altafiber to showcase 5G technology, additional space in the building is planned to be used as a test lab for product testing and research related to 5G technology.
 - altafiber has been receptive to allow credits for students and faculty to use the facility. This has been shared with the Provost as well as with the Deans of RSCoB and Engineering, as well as the Chief Information Officer and the Vice President of Enrollment Management and Chief Recruitment Officer.
- 2nd Flight (secondhand store)

- In light of university concerns over this idea it has been put on hold indefinitely.
- President and CEO
 - Mr. Rash will be presenting with SEI at the 2023 Association of Governing Boards Foundation Leadership Forum in San Antonio, TX in January at a session entitled, “Foundation Operation and Investment Practices.”
 - Mr. Rash is also being considered as a moderator for a peer group session on *Operationally Independent Foundations with Limited or No Fundraising Responsibility*.

**Wright State University Foundation Financial Report
November 2022**

Financial market activity during the first quarter of FY23 saw continuing erosion of the Foundation’s endowment portfolio despite breakeven results in July and August. Markets continued to be roiled by inflation threats, the Fed’s reaction to those threats (raising interest rates) and the Ukraine war. All tolled for the quarter, the value of our endowment portfolio declined \$8.0 million (including capital activity), a drop of 8.0%. Naturally, the portfolio’s rate of return contributed most significantly to this decline with a loss of 5.74%. This rate underperformed the portfolio’s composite benchmark by 91 basis points. The Foundation’s other, non-endowed, investments fared slightly better, although still significantly negative for the quarter. Thus, the Foundation’s overall financial position and results of operations declined during the first quarter of FY23.

With respect to the endowment portfolio, all investment classes reported negative results for the first quarter. Equities lost 7.63%, with U.S. equities outperforming international investments. World equity, excluding the U.S., proved to be the biggest loser during the quarter, suffering a 11.09% decline. Within the domestic space, small cap (-3.23%) beat large cap (-4.58%). As has been the pattern lately, fixed income investments also declined during the quarter, contributing a negative return of 4.15% to the overall portfolio loss. High yield bonds provided the highest return within this asset class at -0.79%. Core fixed income lost 5.01%.

Once again, alternative investments proved to be the most effective hedge in the current market environment, although they, too, lost value during the first quarter. Alternative investments lost 1.60% overall. Our hedge fund of funds lost 3.65%, while our private equity and energy debt investments provided the only positive returns experienced during the quarter at 1.09% and 1.28%, respectively.

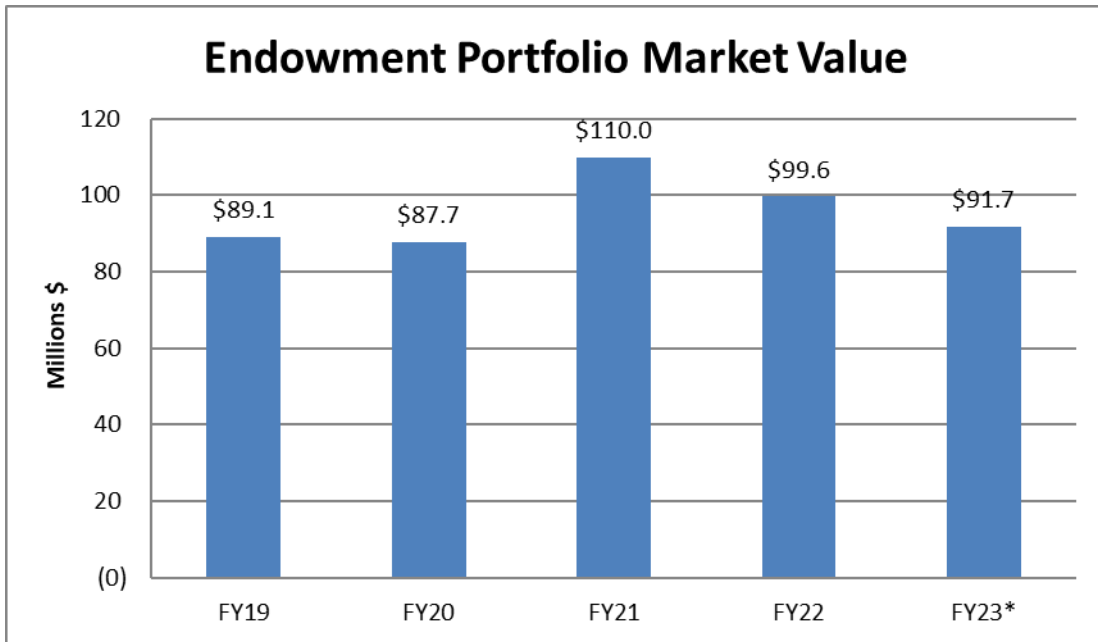
All asset allocations remained within ranges specified in the Foundation’s investment policy statement throughout the year.

The Foundation’s current endowment portfolio composition, including allocation ranges, actual allocations, and market values, as of September 30, 2022, is presented below:

Endowment Portfolio Composition

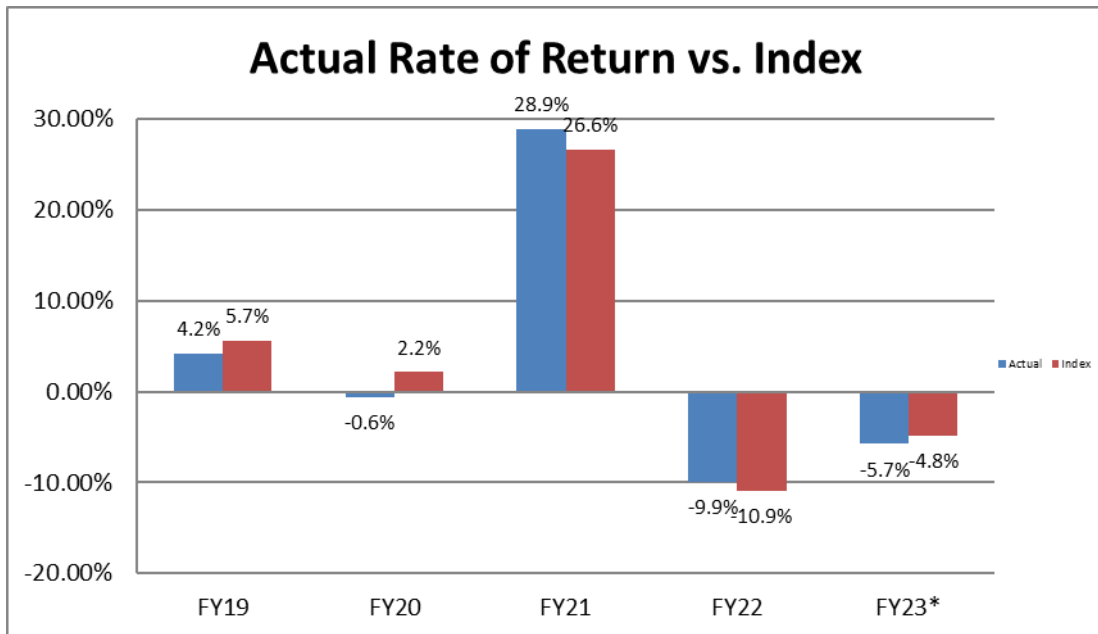
<u>Asset Class</u>	<u>Allocation Range</u>	<u>Actual Allocation</u>	<u>Market Value September 30, 2022</u>
Equity	30%-70%	60%	\$54,612,495
Fixed income	15%-50%	24%	22,156,348
Alternatives	1%-30%	16%	14,893,720
Cash & equivalents	0%-20%	0%	74
Totals	n/a	100%	\$91,662,637

Endowment Value



* As of September 30, 2022

Endowment Historical Rates of Return



* As of September 30, 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).