

**WRIGHT STATE UNIVERSITY
BOARD OF TRUSTEES**

**Wright State University Foundation Report
April 2024**

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

Wright State University Foundation President & CEO Report

From February 1 through April 19, 2024, the Foundation engaged or will engage in the following activities:

The spring cycle of committee and full Board meetings were held on April 19.

- Committee meetings were held that morning, with the following significant issues considered:
 - The FY24 operating budget was presented by the Finance Committee for approval. Per the interim MOU, the operating budget included:
 - Operating funds for University Advancement personnel (+7.3%)
 - \$460k in unrestricted support (to be overseen by Wright State University Board of Trustees)
 - The annual affirmation to BNY Mellon that we are setting aside \$600,000 for FY24 should the need arise under the STEM School guaranty agreement was voted on to be renewed.
 - A slate of one (1) new trustee was voted on by the Governance Committee for approval.
 - Douglas Hull '85
 - The Governance Committee considered eligible Emeritus trustees and approved the following who had earned this status:
 - Bill Diederich
 - Dr. Pam vonMatthiessen
 - The Governance Committee put forward a slate of officers and chairs for FY25. These included:
 - Chair: Linda Black-Kurek
 - Vice Chair: Rob Weisgarber
 - Secretary: Loghan Young
 - Treasurer: Kristina Kean
 - Audit & Finance Committee Chair: Kristina Kean
 - Governance Committee Chair: Loghan Young
 - Grants Committee Chair: David Donaldson
 - Investment Committee Chair: Randy Phillips
 - Engagement Committee Chair: Karla Garrett Harshaw

- Immediate Past Chair: David Deptula
- The Engagement Committee discussed a number of ways Foundation board members can assist in further engaging alumni in the life of the university as well as hearing about progress with the campaign.
- The Investment Committee reviewed RVK's assessment of SEI as the Foundation's OCIO with no findings to suggest a change in their role.
- The Audit Committee approved the engagement letter for FORVIS to perform the Foundation's FY24 audit.
- The Audit and Finance Committees approved the merger of these two committees beginning in FY25.
- The full board meeting included:
 - Board Chair, Linda Black-Kurek, reviewed the operating agreement with the university that was ultimately approved.
 - Conversations about the associated Shared Services Agreement continue.
 - President and CEO, Scott Rash, shared the following:
 - A plan for adhering to specific Wright State University requests from the operating agreement.
 - Advancements with the Emergence Center, that included:
 - Studio 5G Traffic as of 4/17/2024
 - 3/5 The Tipp Harrison Group/Parallax
 - 3/15 Solvita
 - 4/3 Dayton Development Corporation/University of Dayton Research Institute
 - 4/15 City of Dayton
 - 4/23 Joby Aviation
 - 4/24 Life Connection
 - 4/26 Henny Penny
 - 5/1 Miller Valentine
 - 5/2 R&L Carrier
 - 5/4 CECS Professors Wu & Wang

- Studio 5G Events
2/20 Soft Opening (VIP Reception)



- 4/17 City of Fairborn and Fairborn Area Chamber of Commerce Ribbon Cutting



- A business plan for the Emergence Center through FY27.

Wright State University Foundation Financial Report

April 2024

The market rally which began in October of 2023 continued throughout the first quarter of 2024 pushing fiscal-year-to-date returns close to double-digit territory by the end of March. A surprisingly resilient economy led by strong consumer spending continued to spur markets upward. The Foundation's endowment portfolio ended the quarter with a market value of \$112.4 million, up \$4.4 million since the beginning of the fiscal year, net of capital activity. The portfolio rate of return for the nine months of FY24 was 9.94%, a rate that surpassed its associated benchmark by 42 basis points. Returns for all measured timeframes (1-, 3-, 5-, 7- and 10-years) outperformed their benchmarks as of March 31st. The 1-year return was 13.76%, while the ten-year return was a more modest 6.73%.

Thus far in FY24, equity returns have soundly outpaced all other securities returning 13.91%. In the domestic space, large cap outperformed small cap, with the former adding 19.64% to our return. Small cap returned 16.25%. Overall U.S. equity investments have returned 18.75%. World equities (excluding U.S.) returned 10.69% for the first nine months of FY24, with emerging markets edging out developed markets. Global equities have also performed well (+11.53%).

In the fixed income space, overall returns amounted to 4.82% thus far. That rate has been stifled by core fixed income investments. High yield bonds and emerging markets debt saw significantly higher returns throughout the market rally and ended March returning 10.36% and 7.47%, respectively. Both of those investments surpassed their associated indices.

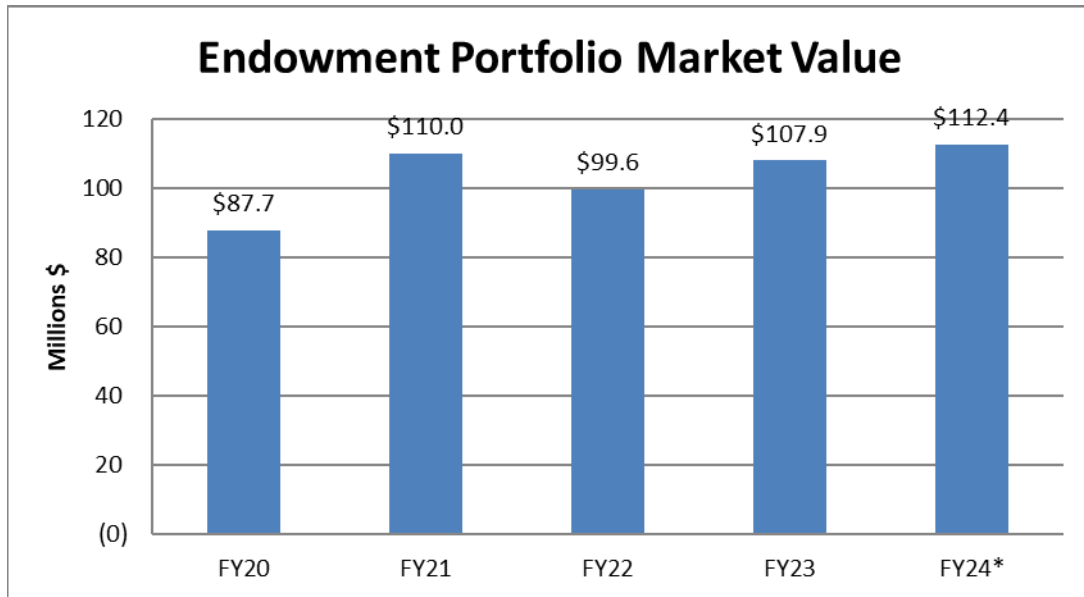
Alternative investments provided more bond-like returns through the Foundation's third quarter as private equity investments lost ground. The Foundation's oldest PE investment lost 3.35% as it unwound, while our new PE investment experienced typical J-curve losses of 7.91% for the period. The Foundation's senior hedge fund offset these losses by returning 7.67% for the period. Overall, alternative investments added 3.38% to the overall portfolio return.

The Foundation's current endowment portfolio composition, including allocation ranges, actual allocations, and market values, as of March 31, 2024, is presented below:

Endowment Portfolio Composition

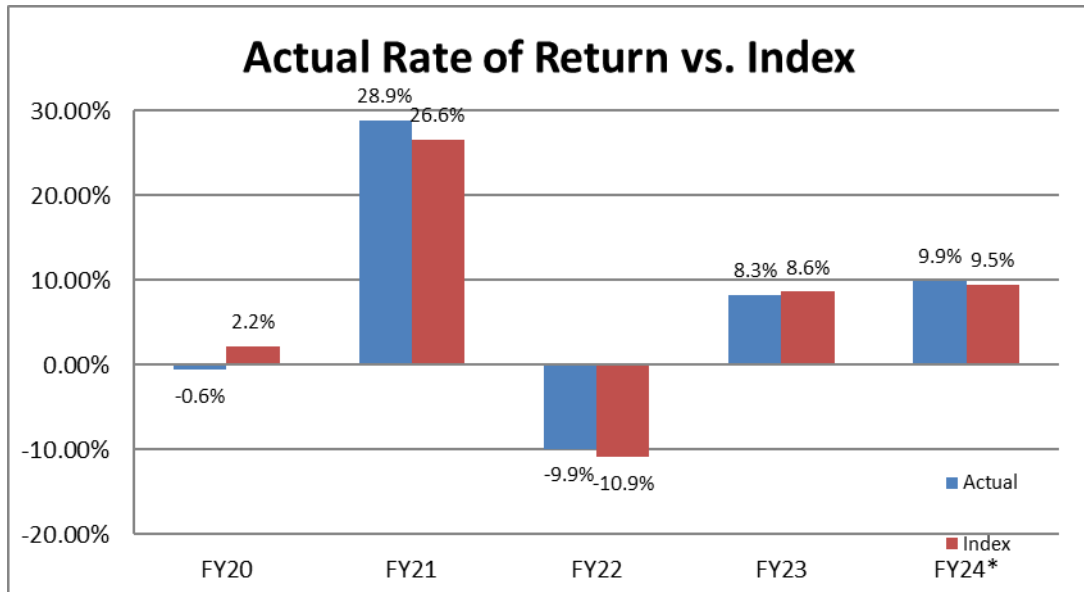
<u>Asset Class</u>	<u>Allocation Range</u>	<u>Actual Allocation</u>	<u>Market Value March 31, 2024</u>
Equity	30%-70%	61%	\$68,675,011
Fixed income	15%-50%	22%	24,987,499
Alternatives	1%-30%	17%	18,757,031
Cash & equivalents	0%-20%	0%	7
Totals	n/a	100%	\$112,419,548

Endowment Value



*As of March 31, 2024

Endowment Historical Rates of Return



*As of March 31, 2024

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).