

**WRIGHT STATE UNIVERSITY
BOARD OF TRUSTEES**

**Wright State University Foundation Report
January 2023**

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

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

From November, 2022 through January 30, 2023 the Foundation engaged or will engage in the following activities:

The winter cycle of committee and full Board meetings were held around Homecoming festivities on January 27-28.

- Committee meetings were held on the afternoon of January 27, with significant issues discussed being:
 - Guidelines for building the FY24 budget were reviewed by the Finance Committee.
 - The Finance Committee approved legal counsel to file a petition with the Greene County Court of Common Pleas to redirect \$500k in funds from an endowed fund with restrictions no longer applicable for a current, related purpose.
 - To ensure alignment with the university, the Governance Committee agreed to defer the recruitment of potential board members until a new VPUA has been identified.
 - The Executive Committee approved a response to the most recent MOU provided by the university with a redlined version and email communicated by Foundation outside counsel to University/Attorney General outside counsel. The response was sent on January 30, 2023.
 - The Foundation's Students First Fund, which awards up to \$50,000 for projects to support the student experience at the University, awarded grants to 11 projects in April 2022, 10 of which are underway and positioned to impact a number of students.

- The full board meeting was held on Saturday, January 28.
 - Board Chair, Dave Deptula, provided an update on the MOU and commented that "the Foundation believes that the Foundation and University are close on this matter and hopes that the Memorandum of Understanding can be wrapped up quickly".
 - President and CEO, Scott Rash, shared that the 3-year lease with altafiber was in its final stages and should be signed by both parties within a week.
 - Susan Schaurer, new vice president for enrollment management and chief recruitment officer, presented on recruitment efforts and how

the \$750k being funded from the Foundation for scholarship support would be allocated.

- Mr. Deptula shared with the board that motions to approve the distribution of funds and final MOU would be provided for an electronic vote as soon as available.
- In partnership with the Student Government Association and Athletics, the Foundation sponsored a food drive in support of the Raider Food Pantry at the 1/28 basketball game. This effort raised over \$6,000 dollars and nearly 400 food items – both exceeding prior year results.

Foundation-University Advancement Partnership

- The Foundation provided \$22k in funding for a workshop around fundraising training for the Deans in November that continues into February. Positive results have been reported from this effort.

Wright State University Foundation Financial Report

January 2023

The Foundation's endowment portfolio rebounded in the second quarter of the fiscal year as financial markets clawed back significant losses experienced during the first quarter. The portfolio earned 6.98% (net of fees) for the quarter, pushing fiscal year-to-date earnings into the black at 0.85%. Overall, our portfolios finished December valued at \$138.9 million, up \$1.7 million or 1.2% for the first six months of FY23. Our endowment portfolio, especially, benefitted from the FY23Q2 earnings, adding \$9.5 million in value to end the month at \$101.2.

Total investment earnings thus far in FY23 have amounted to \$0.8 million. Income earnings have exceeded unrealized losses in value. Most of the earnings came from realized gains on the sale of securities within the SEI mutual funds we own, as well as dividends paid in December. Those earnings were significantly lower than the same period last year because of an historically high level of interest and dividend income earned in FY21 that forced mutual funds to liquidate capital gains in FY22.

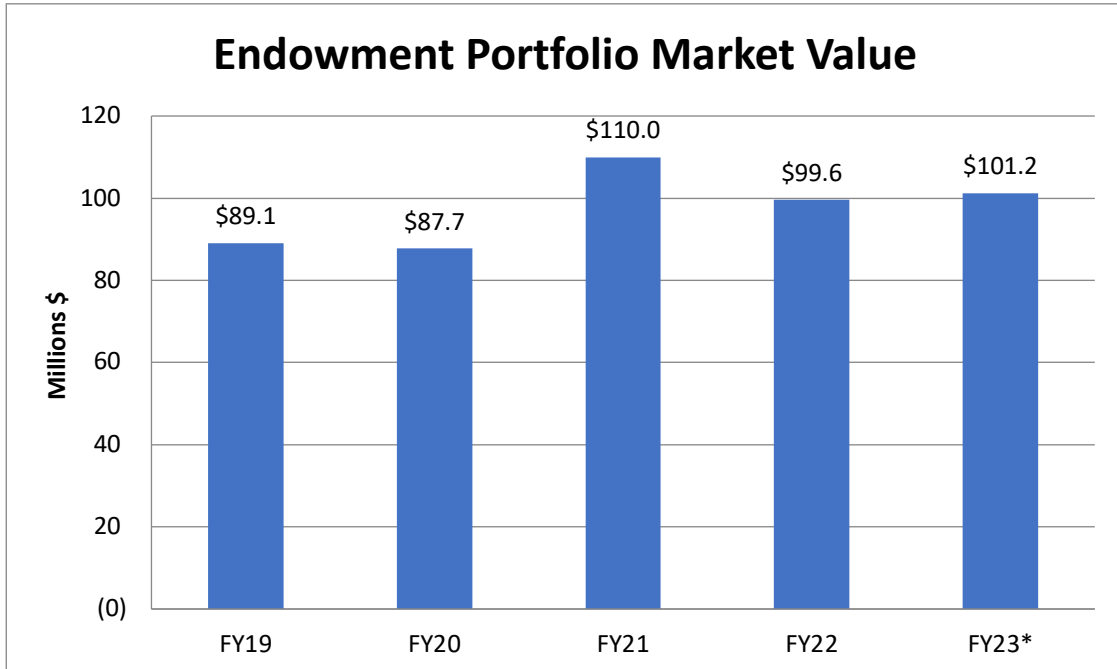
For the first two quarters of FY23, the Foundation's endowment portfolio has underperformed its benchmark by 58 basis point. Nevertheless, absolute performance saw a turnaround led by a rebound in returns on equity assets. Equity shares saw a positive return of 11.8% for the second quarter. International stocks provided double digit positive returns (14.8%) while US equities returned positive 8.3%. Global equities returned 12.0%. Fixed income investments also experienced positive performance during the quarter, returning just under three percent. Alternative assets saw an overall decline of 1.37%, mostly due to fluctuation in allocations within our portfolio.

The Foundation's current endowment portfolio composition, including allocation ranges, actual allocations, and market values, as of December 31, 2022, is presented below:

Endowment Portfolio Composition

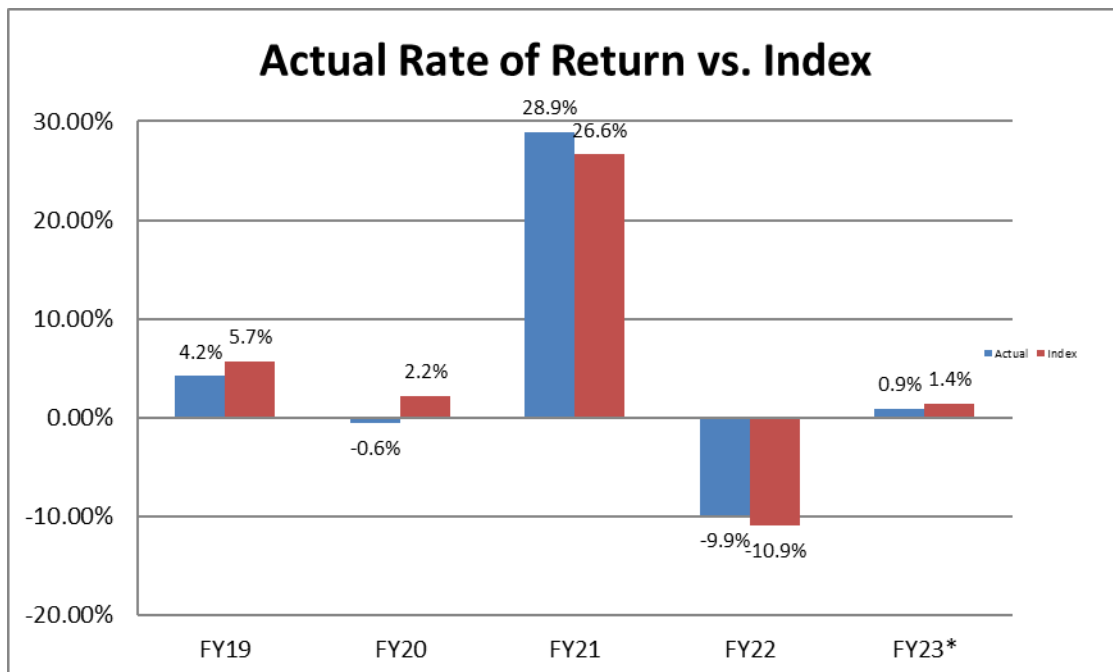
<u>Asset Class</u>	<u>Allocation Range</u>	<u>Actual Allocation</u>	<u>Market Value December 31, 2022</u>
Equity	30%-70%	63%	\$63,485,979
Fixed income	15%-50%	23%	23,773,186
Alternatives	1%-30%	14%	13,907,607
Cash & equivalents	0%-20%	0%	-0-
Totals	n/a	100%	\$101,166,772

Endowment Value



*As of December 31, 2022

Endowment Historical Rates of Return



*As of December 31, 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).