

**WRIGHT STATE UNIVERSITY
BOARD OF TRUSTEES**

**Wright State University Foundation Report
September 2023**

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

Wright State University Foundation President & CEO Report

From May 1 through August 31, 2023, the Foundation engaged or will engage in the following activities:

The summer “Special Topics” meeting was held on Friday, August 4 at the Country Club of the North.

- New member orientation was provided for the following:
 - Vercie Lark-Author: [Make It Rain](#); Venture Capital & Angel Investor
 - Peter Julian-President, Pathfinder Realty
 - Janet Heppard- Adjunct Professor, University of Houston Law Center; Judge-387th State District Court, Texas
 - Michael Clark-Chief Executive Officer, Electro Rent Corporation
 - David Dirksen-Partner, Flagel Huber Flagel
 - Natasha Sandella – Graduate Student Representative, Student Director, the ONEIL Center and Executive Board Member and President Emeritus of the Wright State Entrepreneurship Club

- Special Topics considered by the board were:
 - Investment/Venture Fund
 - Operational Reserves
 - Donor Advised Funds
 - Online Experience

The next WSUF Board meeting is scheduled for Friday, October 6.

Other Foundation updates include but are not limited to the following:

- The grand opening of altafiber’s 5,000sf Corporate Briefing Center and Test Lab at the Foundation building (Emergence Center 1) is tentatively scheduled for the evening of Thursday, October 5.
- Blue Sky Coffee is scheduled to open at Emergence Center 1 in November, 2023.
- The patio in the front of Emergence Center 1 was completed in August and is available for all tenants and guests.
- Impending improvements to Emergence Center 1 are complete cleaning of the exterior and windows, painting of the EIFS and the installation of new welcome display at the entrance of the building.

- In May, the Foundation hired current Wright State student Graham Arnett to help build its website and maintain its LinkedIn presence. Graham is expected to continue in this role until he graduates in December.

Emergence Center 1 Patio



Blue Sky Coffee



Wright State University Foundation Financial Report

September 2023

Activity during the final half of FY23 saw financial markets reverse course allowing our endowment portfolio to erase losses experienced in the first half of the year. In total the value of the portfolio grew by \$8.3 million (including capital activity) ending the month of June with a value of \$107.9 million. The annual portfolio return rate was a positive 8.30%, although this slightly underperformed the benchmark rate. Rates of return for the past three, five and ten years were +7.95%, +5.57% and +6.01%, respectively.

Investments in both the equity and fixed income classes produced positive results for the fiscal year. Equities returned 13.38% as an asset class and all of the subclasses performed in positive territory for the year. U.S. equities outperformed world equities (excluding the U.S.) 15.33% to 13.39%. In the domestic space, large cap investments provided the highest returns at 19.33%, while small cap returned 9.83%. In the international space, world equity (excluding U.S.) was the big winner at +14.19%, although emerging markets also performed well (+10.88%). Global equity returned slightly over 9% for the year.

Tempering the gains made by equity assets were returns in our fixed income investments, which gained 2.69% in FY23. Providing positive contributions to this rate of return were investments in emerging markets debt (+3.84%) and high yield bonds (+2.12%).

Alternative assets fared less well during the year as we rolled out of two investments (one private equity, the other distressed debt) and initiated two replacements. Both of those investments experienced losses for the year which contributed to the overall loss in the alternative class of 0.22%. Our hedge fund of funds provided the only positive return from alternative investments in FY23 at +1.74%.

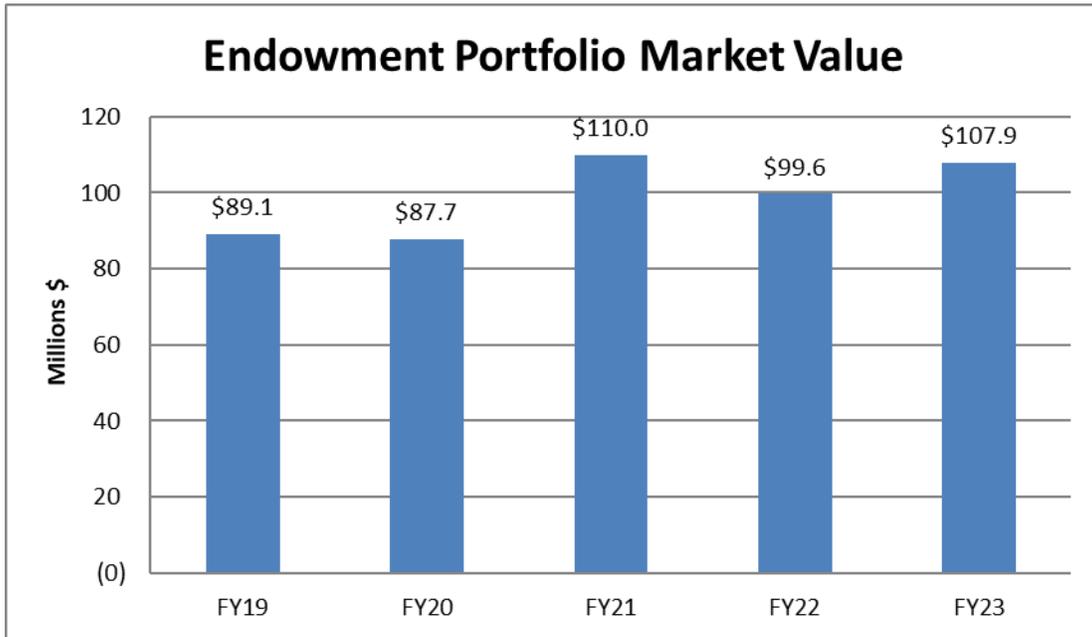
All asset allocations remained within ranges specified in the Foundation's investment policy statement throughout the year.

The Foundation's current endowment portfolio composition, including allocation ranges, actual allocations, and market values, as of June 30, 2023, is presented below:

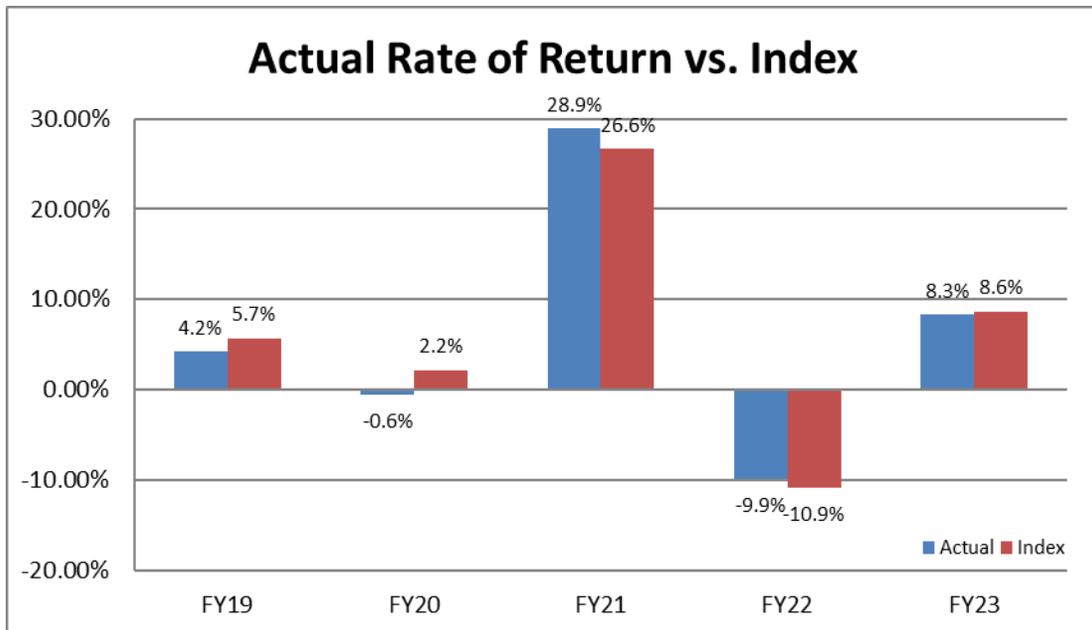
Endowment Portfolio Composition

<u>Asset Class</u>	<u>Allocation Range</u>	<u>Actual Allocation</u>	<u>Market Value June 30, 2023</u>
Equity	30%-70%	61%	\$65,498,164
Fixed income	15%-50%	22%	23,950,270
Alternatives	1%-30%	17%	18,439,567
Cash & equivalents	0%-20%	0%	-0-
Totals	n/a	100%	\$107,888,001

Endowment Value



Endowment Historical Rates of Return



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).